

The Economist,

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A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

"Were all nations to follow the liberal system of free exportation and free importation, the different States into which a great continent was divided would so far resemble the different provinces of a great Empire. As among the different provinces of a great Empire the freedom of the inland trade appears, both from reason and experience, not only the best palliative of a dearth, but the most effectual preventative of a famine, so would the freedom of the exportation and importation trade be among the different States into which a great continent was divided."—ADAM SMITH.

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THE MONEY MARKET.

THE market borrowed heavily from the Bank of England in the last three days of June in connection with the usual pressure at the turn of the half-year, and short loans in the open market commanded 5½ per cent. on Monday and Tuesday and up to 6 per cent. on Wednesday. On Thursday, the first of July, there was a heavy turnover of funds, and although large amounts fell due for repayment to the Bank, short loans were in ample supply down to 3 per

cent. There has been little business in the discount market, and rates have eased, the quotation for three months bills yesterday being $5\frac{1}{8}$ – $\frac{3}{8}$ per cent., the lower figure being the more usual rate. A reduction in Bank rate next week is now being taken into account as a possibility. Yesterday's Treasury bills were allotted at an average of about $4\frac{1}{8}$ per cent.

	July 2, 1926.	June 25, 1926.	June 18, 1926.	June 11, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$ – $\frac{3}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$ – $\frac{3}{8}$	..

Thursday's Bank return showed the effects of borrowing, both by the market and by the Government, in connection with the end of the half-year. Government Securities were increased by £11,450,000, and Other Securities by £35,829,500, and as Public Deposits were reduced by £8,167,600 there was a large expansion in Other Deposits, which were £54,330,800 higher. The stock of coin and bullion increased by £264,500, but as the note circulation increased by £1,316,800 the Reserve declined by £1,052,300, and with the large increase in Liabilities the Proportion fell by 7.6 to 17.1 per cent. Currency notes were increased by £147,100 to £294,036,200, which includes £1,301,100 for notes called in but not yet cancelled. The fiduciary issue is £236,485,100, or £11,417,400 below the maximum for 1924.

NEW YORK MARKETS.

Our New York correspondent cables:—Strength in railroad and industrial shares, with some increase in activity, has characterised the week. The feature has been a rise in Steel Corporation common shares to the highest price in history and a new high level in General Motors, both on the expectation of a stock dividend and, perhaps, extra cash payments. A new plan for the so-called Nickel Plate railroad consolidation is being voted on by constituent roads. The terms of share exchange are more liberal. Business as the half-year ends is generally better than was expected a few months ago, and moderate optimism again predominates. Steel production has set a new high record in the first six months. Money is easy, and lower rates are expected during the month. The discounts of the Reserve System are higher on account of July 1st dividend and interest payments and other financial transactions. The ratio is 75.3 against 76 per cent. The financial community is watching France, and while scouting the idea of a loan here at this time, has great hope that good will come of the Expert Committee's recommendations.

THE STOCK MARKETS.

Gilt-edged stocks have moved up this week on anticipations of an early reduction in Bank rate, and the foreign market as a whole is better, with the exception of French bonds, which have fallen away on the further collapse in the franc. Home rails have fluctuated a little, but Argentine railway stocks have been a good market, and the foreign railway market generally is attracting a fair amount of business. The rubber and oil share markets are listless, but tea shares are a little better. Textiles are out of favour, apart from Courtaulds, which rose to nearly 7. Cable stocks are better, and the tobacco group continues active. Buying from the Cape keeps the Kafir market active, and De Beers have again risen sharply, while activity in the platinum group has revived, and has to some extent distracted attention from other mining markets. Of the week's industrial capital issues, those of Marks and Spencer, Andersons' Rubber Company, O-Cedar, Limited, and Duophone and Unbreakable Record Company were oversubscribed.

THE COMMODITY MARKETS.

There has been no marked development in the commodity markets this week. Business remains limited, whilst stocks of raw material and fuel are beginning to

show signs of depletion. Foreign coal cargoes continue to arrive, and an increasing quantity of outcrop coal is being used. Pig-iron prices show a further increase, but foreign iron is being imported on a cheaper scale. In the cotton trade raw material rates have declined, and buyers are cautious in placing their orders. However, a few special sales have taken place for India and the Near East. The undertone of the wool market remains confident. Wheat prices show a slight advance, though trade continues quiet. A steady tone prevails in the sugar, tea, and coffee markets, but rubber is dull. Among non-ferrous metals tin prices have been irregular, whilst copper has received fair support. The lead market has been generally firmer.

FOREIGN EXCHANGES.

On the foreign exchange market business has been more active, especially towards the end of the week. Sterling, which has been very firm, reached at one time on the 30th \$4.86 $\frac{1}{2}$, a point well over the par of exchange. Since then it has weakened again somewhat to \$4.86 17-32, but there are no signs as yet of any downward swing. Forward rates at $\frac{1}{8}$ – $\frac{3}{8}$ cent below spot for one month ahead show no change on last week's quotation. As usual lately Paris has provided the main centre of interest. From a closing rate of 168 $\frac{1}{2}$ on the 25th, quotations fell as low as 166 at one time on Monday, on optimistic views as to M. Caillaux's plans, but after that the fear of difficulties with the Chamber has again brought a rapid rise up to as high as 182 at one time yesterday morning. From this again there was a slight reaction to 181 $\frac{1}{2}$ a little later in the day. Forward rates, however, show a marked widening, one month being $3\frac{1}{8}$ f above, as compared with last week's $1\frac{1}{8}$ f, and three months $8\frac{1}{8}$ f, as compared with $4\frac{1}{8}$ f. Until the Finance Minister's statement has been announced and considered by the Chamber it is idle to attempt to foresee immediate movements. Brussels also has moved upwards again, from 169 $\frac{1}{4}$ to 179 $\frac{1}{2}$, with no immediate prospects of stability, while the lira, in spite of all attempts at economy and control, has followed the upward jump of the franc, and risen again from 133 $\frac{1}{4}$ to 137 $\frac{3}{4}$, the highest figure yet quoted. On news of political trouble the peseta has been less steady, and, after a slight improvement, has shown a tendency to rise again, being quoted yesterday morning at 30.22, as compared with last week's 30.21. Amsterdam at 12.11 $\frac{3}{4}$ shows no change, Switzerland at 25.14 $\frac{1}{2}$, as compared with 25.12 $\frac{1}{2}$ has moved slightly in our favour, while Berlin at 20.43 $\frac{1}{2}$ is almost the same. In Scandinavia, Stockholm has moved from 18.12 $\frac{1}{2}$ to 18.13 $\frac{1}{2}$, Copenhagen from 18.35 $\frac{1}{2}$ to 18.36, while Oslo has improved a little from 22.19 to 22.16. In Eastern Europe the only movement of note is the further sharp improvement in the Bucharest rate, on excellent harvest prospects, and the probabilities of reforms by the new Government, from 1.095 to 1.020. In the East the rupee is much the same at 5 59-64d, while the yen has appreciated from 18 11 $\frac{1}{2}$ d to 18 11 5-32d. In the silver market business has been dull, with very little movement pending news of the monsoon. Hongkong has fallen away slightly from 2s 3 $\frac{3}{4}$ d to 2s 3 $\frac{1}{4}$ d. Shanghai from 3s to 2s 11 $\frac{1}{2}$ d. In South America Rio is very slightly lower at 7 25-32d, as compared with 7 $\frac{1}{2}$ d. Buenos Aires, however, has moved up sharply from 45 3-32d to 45 $\frac{1}{2}$ d, and Monte Video from 49 $\frac{1}{4}$ d to 49 $\frac{1}{2}$ d. Valparaiso has depreciated from 39.70 to 39.90 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the eleven days ended June 30th:—

(000's omitted.)			
EXPENDITURE.		RECEIPTS.	
Supply Services	12,310	From Revenue ..	14,077
Interest, &c., on Debt	4,724	Increase in Debt ..	4,617
Sinking Fund	692	Decrease in Balances ..	335
Sundries	1,503		
	19,029		19,029

Total revenue from June 19th to June 30th amounted to £14,076,600. Customs produced £1,786,000 and Excise £1,077,000. Estate, &c., duties yielded £1,390,000. Property and Income-tax amounted to £2,982,000 and Super-tax £960,000. The eleven days' operations in-

creased the National Debt by £4,617,000, and caused the following changes:—

(000's omitted.)			
National Savings Certificates ..	+ £ 250	Treasury Bills	£ 1,913
Bank of England Advances	+12,500	Public Dept. Advances	—10,600
Sundries	+ 4,380		
	+17,130		—12,513

The floating debt was increased by £30,000 to £774,926,000.

FINANCIAL YEAR, 1926-1927 (April 1 to June 30, 1926.)

£		£	
Total Expenditure ..	224,860,373	Raised by Revenue ..	146,846,694
		Decrease in Balances ..	3,926,807
		Amount borrowed ..	74,086,872
Total	224,860,373	Total	224,860,373

ESTIMATES FOR FINANCIAL YEAR 1926-7.

£		£	
Expenditure	820,641,000	Revenue	824,750,000
Surplus	£4,109,000		

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Imperial Bank of Persia, Co-operative Insurance Society, United British Insurance, Hudson's Bay Company, African and European Investment, Anglo-Argentine Tramways, Calcutta Tramways, Hongkong (Selangor) Rubber, Pindenoya Rubber and Tea Estates, John Brown and Co., Edward Lloyd, Van den Berghs, Mond Nickel, Brakpan Mines, and Spring Mines. At the meeting of the Hudson's Bay Company, the Governor was optimistic as to the future of Canada and of the company.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE RESCUE OF THE FRANC.

DURING the next few days France will pass through a critical phase in her financial history. The report of the Committee of Experts is to be published in Paris to-day, and early next week the Government must declare its policy. Whether the Chamber will continue to play the political game to the bitter end and frustrate this last attempt to grasp the nettle firmly, or whether it will rise to an exceptionally favourable opportunity of dealing with the national crisis is still doubtful. Ominous voices are already heard condemning the experts' report in advance. There is, however, on the other side gratifying evidence that M. Caillaux is setting about his task with determination and vigour.

A most significant move is the change in the personnel of the Bank of France. The late governor was justified, and had the support of the Council of Regents in refusing to use the Bank's resources to support the exchange so long as the Budget was in disequilibrium, and there was no assurance that other necessary steps would be taken to put the currency on a permanently stable basis. But, unfortunately, the late management, which had held on to the idea of restoring the franc to its pre-war parity long after the possibility had vanished into thin air, was not prepared to take the lead in any alternative plan of stabilisation, and on the only policy which it firmly believed in—namely, the limitation of the note issue within the prescribed maximum—it had to give way time after time under pressure of circumstances. The appointment as governor of M. Moreau—a former *chef de Cabinet* of M. Caillaux in pre-war days, and Governor of the Bank of Algeria—and of Prof. Rist as deputy-governor presumably means a change of outlook. M. Caillaux has promptly repudiated the idea that these appointments were intended in any way to fetter the independence of the Bank. On the contrary, they point to a more vigorous banking

policy. M. Moreau's views are not well known in England, but Prof. Rist has had many opportunities of expounding his views, not only on banking, but on the economic situation generally. He is committed to the view that France must return to the gold bullion standard, as practised to-day in England; that the gold in the Bank is sufficient for the purpose, and that the Bank of France, like the Bank of England, must defend its reserve by the free use of its discount rate. It is to be presumed that he has been asked to go to the Bank to carry out this policy. It may be taken for granted also that this view has been substantially accepted by the Committee of Experts—otherwise the appointment could not have been made. The Committee, however, had not only to deal with banking policy, but had to take a general survey of the financial situation. It was not specifically instructed to deal with the Budget, but it obviously could not prescribe a remedy for the restoration of France's monetary situation unless it was satisfied that the Budget was in equilibrium. The points that arise in this connection are familiar. The Budget balanced in the spring, but it has been put out of gear by the expenses of the Morocco campaign, and by the increasing cost of administration due to the depreciating franc, with its inevitable consequences—a higher cost of living and higher prices. It is not in the least likely that a committee largely composed of bankers would recommend that these increases should be offset by proposals for reducing the interest on the debt, compulsory funding of short-term loans, or other schemes calculated to diminish rather than increase confidence. The Committee, therefore, had to look for some further sources of revenue—in which connection it was almost bound to follow the lead of recent Finance Ministers, who in the circumstances in which France finds herself have favoured indirect as against direct taxation on the grounds that they are immediately remunerative, and that the yield rises with rising prices. The Committee's report should finally set at rest all doubt on the question of Budget equilibrium.

Apart from the Budget, the Committee had two problems to face—the difficulties of the Treasury in meeting the enormous mass of maturing short-term and floating debt, and the problem of stabilising the franc. Fundamentally, they are one and the same problem, for if the French investor is satisfied that his francs will retain their value he will renew them on maturity, and create—as he has always done in the past—a firm market for French Government securities. But public opinion has been so shaken that French financial opinion considers it necessary that special steps should be taken to guard against a large-scale demand for reimbursement. It has, therefore, been proposed to create a special organisation for dealing with the short-term debt, to which will be paid a fixed sum from the Budget sufficient to cover interest and to form a small sinking fund; and that as the war and the first phase of reconstruction is past, there should be no further increase in the amount of National Defence bonds. A Government whose outgoings are continuous all the year round must have some means of dealing with an irregular income, and if the foregoing plan is put into effect provision must be made for a small floating debt. But in comparison with the huge short-term debt of France, which amounts to nearly 45 per cent. of the total internal debt, this is a minor matter which can be readily arranged. It is sound policy to distinguish the latter from what is in effect merely the Government's working capital.

There remains the question of stabilisation. The experts are in favour of a return at a very early date to the gold bullion standard—i.e., free convertibility of francs into gold bullion for international trade purposes, but not into gold coin for currency. Unfortunately, this cannot be done at once. What still remains to be done with the Budget must first be accomplished; but an even more essential preliminary is the ratification of debt agreements with America and England, while it is also considered essential that there should be a stabilisation loan. Actually it may prove, as has so often been proved elsewhere in the last few years, that this last is not really required. But if England found it prudent to open large credits in America a year ago, France, who has a much greater feeling of distrust and hesitation to overcome,

may well require strong and tangible proofs of foreign support in her supreme financial effort. The international debt problem is more difficult. There is strong opposition in France to accepting the Berenger agreement without a "safeguarding" clause, under which payments would be reconsidered or suspended in the event of conditions arising that would make it impossible, or economically harmful, for France to pay—whether arising from internal difficulties or external events, such as the default of Germany. Such a clause is essentially reasonable in view of the recognition by America that these debts must be based on "ability to pay," for no one in this world can possibly foretell what the "ability" of the European nations will be 50 or 60 years hence. The burden of the debts would, for example, become clearly intolerable if there were a substantial increase in the value of gold. This question has acquired fresh significance from the belief in France that Mr Mellon is in favour of the debts to the U.S. Government being converted into debts to private individuals in America by the sale of bonds. Such a plan would make it difficult to reconsider the debts in the future in the light of "capacity to pay," for any alteration of the terms would involve a default on the bonds of the nation concerned. In view of the elaborate provision in the Dawes plan for preventing the annuities being pushed to the point of interfering with the recovery of Germany it would seem unreasonable to close the door to similar adjustments in the case of the European debts. The European agreements, however, all contain options—providing, for example, for the postponement of payments in certain cases, and the rate of interest is so variable that the plan of selling the obligations to the public is unlikely to be realised. On the other hand, opinion in America seems adamant against the inclusion of any "contingent" clause, and France must therefore face the alternatives of ratifying or doing without American credit. Until these political issues are settled a definite announcement of the return to gold would clearly be premature, and in the meantime the only possible course would be to use the Bank's gold or foreign credit to control the exchange. But unless it is certain that the final scheme will be put through no foreign credits are likely to be forthcoming, and the transaction, like so many of those that have preceded it, would be little better than a waste of money. The conditions for stability must be created before any control of the exchange can be usefully attempted.

In the circumstances the experts cannot possibly propose a specific rate at which the franc should be tied to gold. It should probably be at a better rate than the rather panic figures of the last few weeks. On the other hand, it is hardly practicable to restore the franc to a level equivalent to its internal purchasing power which would be at about 125 to the £. Between these limits some compromise must be found. The final selection is of great importance, for on it depends the extent to which internal prices must rise, and the degree to which holders of fixed-interest securities are in fact to be deprived of purchasing power. Whatever compromise is decided upon, however, there will unquestionably be serious economic consequences involving reduced exports, and a restricted home market. Like other countries, France must expect to pass through a stabilisation crisis with a certain number of failures and unemployment. But France is not so vulnerable to these influences as more highly industrialised countries, and she may therefore hope that her difficulties will be less acute than those experienced elsewhere.

Neither the Committee of Experts nor any other body can put forward for France a solution of her problems which will hurt nobody. Many of the recommendations are bound to be unpalatable in various quarters; there is already a vigorous political campaign not only against ratification of debt agreements, but against any further foreign credits, arising in part from the very intelligible disinclination of Frenchmen to run deeper into foreign debt. Any proposal for balancing the budget will, it is to be feared, also be met with dogged opposition. Nevertheless, the position of the franc, which fell on Friday to over 182, is such as to inspire a determined effort to put an end to the present deplorable situation. There is hope, if public opinion can contrive to concentrate in support of

the experts' report and to press the Government to carry it out. We believe the report to have been inspired by disinterested regard to the necessities of the situation. Our Coal Commission is perhaps a warning not to put one's trust in commissions; but in the sphere of European finance expert committees have had a singular success, and we sincerely trust the present French Committee will maintain this excellent tradition.

THE CONSTITUTIONAL CRISIS IN CANADA.

LAST week we noted an interesting debate in the Canadian House of Commons on the constitutional aspect of Canadian participation in Imperial foreign policy. Meanwhile, an internal political crisis has arisen in Canada which has necessitated action by the Governor-General, Lord Byng of Vimy. The Governor-General, of course, represents the Crown and not the Government of the United Kingdom, and whether or not his action has been constitutionally correct in a difficult Parliamentary situation involving a nice point of constitutional procedure, the Government of the United Kingdom is not involved in the responsibility. There is no ground whatever for supposing that Lord Byng's action reflects their views or ideas, or, again, that, acting on his own initiative, he has sought to favour one Canadian party at the expense of another. Nevertheless, it is slightly unfortunate, at a time of such delicacy in the relations between Canada and the United Kingdom, that the Governor-General, who by tradition is a distinguished subject of the Crown hailing not from Canada itself, but from Great Britain, should have taken a different constitutional line from that which the King, whose representative in Canada he is, would take nowadays in a similar Parliamentary situation in Great Britain. This may arouse in Canada a resentment which may not be confined to the party which has immediately suffered. In external questions, and not least, perhaps, in those which concern inter-Imperial relations, Canadians are apt to think and feel nationally and not on party lines. Witness the unanimity of the support which Mr Mackenzie King received in the recent foreign policy debate, notwithstanding the party storm which was brewing. And it is significant that the only hint of dissent in that case on the Conservative side was a gesture from the Conservative leader, Mr Meighen, the new Prime Minister, which went even further than Mr King's motion in asserting the independence of Canada from United Kingdom control, real or imaginary.

The present internal crisis in Canada—in which Lord Byng, and through him possibly this country, has been involved—has arisen because in Canada, as in so many Parliamentary countries, the traditional clear-cut Parliamentary system has latterly broken down. A balance between the Liberal and Conservative parties is now held by the Progressives, representing the farming interests, particularly those of the Western Provinces. The two main parties are so near one another in their present Parliamentary strength, and the Progressive balance is so uncertain in its operation, that it was only with the utmost difficulty that, at the beginning of this year, Mr King was able to form a Government after the last general election. This initially weak Liberal Administration has had to stand the strain of a strenuous Conservative attack upon what appear to be serious shortcomings in the Canadian Customs administration; and under this strain the Ministry's indispensable support from the Progressive group has steadily melted away. Last week three private members' motions, of which the Government was in favour, were defeated in the House of Commons; and though this was not technically a defeat for the Government itself, Mr King foresaw that a defeat of a formal kind was imminent. As Mr MacDonald in this country asked, and obtained, a dissolution from the King in 1924 in order to forestall defeat in Parliament on the Campbell case, so, last Monday, Mr Mackenzie King went to King George's representative at Ottawa in the hope of forestalling defeat on the Canadian Customs Inquiry. In this case, however, contrary to the latest precedent in the United Kingdom, a dissolution was

refused, and Lord Byng sent for Mr Meighen, whose own following in the House was only slightly stronger numerically than Mr King's, and who would be equally dependent upon the doubtful factor of Progressive support. Mr Meighen was sworn in on Tuesday, and on the same day the new Ministry was defeated by one vote (115 to 114) on the question whether the Speaker was right in ruling that a Liberal amendment to a Conservative vote of censure on a certain Liberal ex-Minister was in order. On Wednesday, however, the Liberal amendment itself was defeated by 10 votes (119 to 109), nine Progressives supporting the new Government. But early yesterday a Liberal motion of no confidence in the new Government was carried by one vote.

Thus, Mr Meighen's position seems hardly more secure than that of his predecessor's, and a dissolution may quickly prove to be necessary, after all. Doubtless Lord Byng argues that there is no likelihood of a general election returning a House of a different complexion from the present; and that, with this prospect, it is better to spare the country the expense and turmoil of a great general election as long as possible. Nevertheless, a meticulous adherence to contemporary constitutional practice in the United Kingdom would, perhaps, have been Lord Byng's safest course.

THE MONETARY HALF-YEAR.

BUT for the general strike in May and the long-drawn-out coal dispute the monetary history of the past half-year might have been more eventful. As things are, the story of the money market in the first six months of 1926 can be briefly told. Bank rate has remained unchanged at 5 per cent., although the New York Federal Reserve Bank's rate of rediscount has been twice altered—from 3½ to 4 per cent. in the first week in January, and from 4 per cent. to 3½ per cent. in the third week in April. The latter movement might have been followed by a reduction in Bank rate here, for the gold position was good and the margin between Bank rate and market rate of discount had broadened. The crisis in the coal dispute, however, was approaching, and any change was naturally deferred until the industrial situation became clearer. The continuation of the coal stoppage since the general strike was called off has no doubt prompted the Bank Court to delay making a change which on purely financial grounds would appear to have been warranted. The Bank of England has been steadily adding to its gold stock, the net influx during the six months being well over £5 millions; the net efflux since the restoration of the gold standard has thus been reduced from £11½ millions at the beginning of January to a little over £6 millions. For some little time past the Stock Exchange has been discussing the possibility of a reduction in Bank rate, and arguing that, apart from the fact that such action might appear inappropriate with the coal mines still closed, there is no other reason for maintaining the official minimum at 5 per cent. Gilt-edged stocks, in fact, have risen during the past week or two on anticipations of an early reduction in Bank rate. But while a change in a downward direction appears to be justified by the technical position—namely, the disparity between London and New York rates, the wide margin between Bank rate and the market rate of discount, and the accretion to the Bank's gold reserves—it has to be remembered that the period during which the inward flow of gold can be expected to continue is coming to an end, and the usual demand for dollars for financing autumnal imports is likely soon to reverse the stream. Before many weeks have elapsed, therefore, it may appear inadvisable to make the change to a lower Bank rate, which, under the most favourable circumstances, could hardly be expected to hold for any length of time. Moreover, the usual argument that a reduction is desirable in the interests of trade and industry does not hold good while the coal deadlock continues. Industry, indeed, does not at the moment appear to be hampered by a scarcity of working capital, but is rather at a loss to find an outlet for idle funds, to judge by the flow of money into investment channels.

To turn to the history of the half-year, January opened under fairly stringent conditions, and the unexpected

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announcement of the increase in the New York rate to 4 per cent. produced some apprehensions of an increase in Bank rate, but these soon subsided. Heavy tax collections, however, prevented any substantial increase in the supply of funds, and from time to time the market had recourse to the Bank of England. After the turn of the March quarter conditions became a little easier, but throughout the half-year there have been few periods when funds were not distinctly usable. As may be seen from a table below, the average rate for short loans has been well over 4 per cent., as against less than 3½ per cent. in the corresponding half of 1925, and less than 2½ per cent. in the preceding year.

The discount market has been influenced throughout the period by the almost continuous Continental demand for commercial bills, and was, therefore, less sensitive to stringency in the money market, with the result that the margin between the average rate for three months' bills and Bank rate has been wider than in the corresponding period of 1925. The average rate of weekly allotment of three months' Treasury bills varied in the first quarter between £4 17s 11d per cent (January 8th) and £4 2s 3d per cent. (February 26th), and in the second quarter between £4 11s 3d per cent. (May 7th) and £4 5s 1d per cent. (June 25th). The following table shows the daily averages for discount rates and money rates during the first half of this year and of the previous four years:—

DAILY AVERAGE FOR FIRST HALF-YEAR.

	1922.	1923.	1924.	1925.	1926.
Bank rate	£ s d 4 7 1	£ s d 3 0 0	£ s d 4 0 0	£ s d 4 12 0	£ s d 5 0 0
Market rate (3 months) ..	2 19 0	2 4 0	3 7 6	4 4 0	4 9 6
Margin	1 8 1	0 16 0	0 12 6	0 8 0	0 10 6
Short loans	£ s d 2 18 0	£ s d 1 10 1	£ s d 2 9 10	£ s d 3 9 8	£ s d 4 1 2
Deposit rate (banks) ..	2 7 1	1 0 0	2 0 0	2 12 0	3 0 0
Margin	0 10 11	0 10 1	0 9 10	0 17 8	1 1 2

It will be seen that the margin between deposit rate and short loan rate has been very much wider than in the four preceding periods, and from all aspects the figures for the past half-year look satisfactory from the joint-stock bank shareholder's point of view.

The floating debt showed the usual substantial reduction at the end of the March quarter, followed by an expansion since then, of which the greater part was in Treasury bills. The payment of War Loan interest was followed by a substantial increase in advances from Public Departments at the beginning of June, but as compared with this time last year, these advances are £35 millions lower, while Treasury bills have been increased by £16 millions. A possible explanation is that the Public Departments are now holding larger amounts of Treasury bills, for the monthly banking figures indicate no increase in the holdings by the banks or the money market:—

FLOATING DEBT.

	December 31, 1925.	March 31, 1926.	June 30, 1926.
Bank of England Advances ..	£ 16,500,000	£ None	£ 12,500,000
Public Department Advances ..	164,641,000	139,441,000	149,501,000
Treasury Bills	635,500,000	564,855,000	612,925,000
	816,641,000	704,296,000	774,926,000

Apart from the two changes in New York already referred to, the most interesting movements in bank rates abroad have been the three reductions by the Reichsbank, which have lowered its rate from 9 to 6½ per cent. Since March 11th, when the Belgian Bank rate was raised to 7½ per cent., all changes have been downward, including the restoration of the 7 per cent. level by the National Bank of Belgium:—

CHANGES IN OVERSEAS BANK RATES, FIRST HALF OF 1926.

Date.		Date.	
Jan. 7	N.Y. F. Res. raised 1% to 4%	April 19	Norwegian reduced 1% to 5½%
12	Norwegian " 1% to 6%	22	N.Y. F. Res. " 1% to 3½%
12	German " reduced 1% to 8%	23	Belgian " " 1% to 7%
13	Prague " " 1% to 6%	May 11	Danzig " " 1% to 7%
19	Danzig " " 1% to 8%	20	Indian " " 1% to 5%
27	Austrian " raised 1% to 7½%	7	German " " 1% to 6½%
Mar. 11	Belgian " raised 1% to 7½%	10	Indian " " 1% to 4%
27	German " reduced 1% to 7%	24	Danish " " 1% to 5%
31	Austrian " " 1% to 7½%		

The final table shows the movements of the principal foreign exchanges:—

Centre.	Method of Quoting.	Par Level.	Rate, Jne. 30, 1925.	Rate, Dec. 31, 1925.	Rate, Jne. 30, 1926.
Paris	Francs to £1	25.22	107.60	128½-130½	173½-174½
Berlin	Marks to £1	20.43	20.43	20.37½	20.44½
Vienna	Schillings to £1	34.56	34.46	34.38	34.42
Amsterdam	Florins to £1	12.107	12.15	12.06	12.11
Copenhagen	Kroner to £1	18.159	33.46	19.62	18.56
Rome	Lire to £1	25.22	137½-138½	120-120½	134½-134½
Switzerland	Francs to £1	25.22	25.03	25.09	25.14
Madrid	Pesetas to £1	25.22	33.46	34.3½	30.08
Lisbon	Pence to escudo	534	2½-4½	2½-2½	2½-4½
New York	Dollars to £1	4.86	4.86	4.85½	4.86½
Buenos Aires	Pence to dollars	47.58	45½	46½	45½
Rio de Janeiro	Pence to dollars	18	58	58	48
Montevideo	Pence to dollars	51	48	50	48
Sao Paulo	Dollars to £1	13.33	41.0	39.80	39.90
Calcutta	Ster. to rupee	gold sov.	1/6½	1/6½-7/8	1/5½
Hong Kong	Ster. to dollar	2/4	2/4	2/4½	2/5
Shanghai	Ster. to tael	3/2	3/2	3/1½	2/11½
Yokohama	Ster. to yen	24½	1/8	1/8½	1/11½

The most satisfactory feature is the strength of sterling exchange in New York, which has been maintained in the neighbourhood of par during the past few months. Other gold exchanges have also moved slightly in our favour on balance. A substantial recovery has been scored by the Spanish peseta, but on the other side of the picture is the collapse of the French and Belgian francs, and to a lesser extent of Italian lire. In the East, the Japanese yen has made an appreciable recovery.

HALF-YEAR'S NEW CAPITAL.

IN spite of the temporary cessation of capital issues caused in May by the general strike, the total of new capital applications in the London market in the first six months of the current year exceeds that for the corresponding period of 1925 by £8½ millions. This was largely due to the big figures of the March quarter, when the total was £75 millions, against £47.6 millions in the March quarter of 1925. For the second quarter the total was £64.4 last year and only £45.7 this year. A comparison of the totals and of the activities of various classes of borrowers quarter by quarter for recent years is given in our first table:—

(In Million £'s.)

	Total.	British Government.	Foreign and Colonial Govts.	British Colonials.	Foreign Govts.	Foreign Railways.	Finance & Mining.	Exploration.	Rubber and Oil.	Balance (Mainly Home Industry).
Total whole year, 1919.	1,017.4	805.8	14.8	2.9	15.3	18.3	160.3			
Total whole year, 1920.	367.5	37.6	12.0	46.5	1.1	10.3	241.1			
Total whole year, 1921.	389.0	202.8	79.5	28.7	6.6	2.4	58.1			
Total whole year, 1922.	573.7	369.7	72.9	23.0	14.8	9.4	69.5			
1923—1st quarter	85.2	43.8	18.1	1.5	5.2	5.2	13.9			
2nd "	85.1	20.0	47.3	1.8	1.4	3.7	1.1			
3rd "	89.0	4.9	1.1	0.3	1.5	1.5	2			
4th "	64.7	9.0	29.3	1.2	7.1	1.2	16.9			
Total whole year, 1923.	271.4	77.7	95.8	4.8	5.4	15.5	64.5			
1924—1st quarter	36.0	Dr 1.3	19.1	3.5	3.4	3	11.0			
2nd "	64.4	11.8	22.1	1.6	3.4	1.4	28.7			
3rd "	29.0	Dr 9	6.1	1.6	1.0	4.1	1.4			
4th "	74.7	4.1	42.5	8.1	3.8	6	15.6			
Total whole year, 1924.	209.3	13.7	90.6	18.8	1.0	12.7	70.2			
1925—1st quarter	47.6	4.6	8	5.9	9	4.6	29.3			
2nd "	64.4	2.2	13.0	12.4	5.1	2.2	29.5			
3rd "	48.4	31.1	5.0	4	1.2	1.4	9.3			
4th "	71.8	7.7	11.9	6.6	2.9	7.1	21.6			
Total whole year, 1925.	232.2	45.6	36.7	25.3	3.8	18.0	89.7			
1926—1st quarter	75.0	5.4	16.9	16.1	1.5	3.9	29.2			
2nd "	45.7	2.1	18.7	10.6	1.7	1.6	9.7			

Our compilation only deals with new money, issues for replacement of existing securities being excluded. Nor do we include such temporary Government borrowings as Treasury Bills and Ways and Means Advances. The British Government total for the second quarter of £2.1 millions represents £2.2 millions of 4 per cent. Treasury bonds, less £100,000 excess of encashments over new sales of National Savings Certificates. The last figure in the last column shows that the depressing industrial conditions of the moment have checked issues for home industry and trade. At the same time, the embargo having been lifted, foreign and colonial borrowers figure more largely. This fact is clearly brought out by the next table, which analyses the destinations for which the new capital was required:—

DESTINATION OF NEW CAPITAL.

	1913.	1922.	1923.	1924.	1925.	1926.
United Kingdom—						
Government	£ nil	£ 304,258,900	£ 63,727,000	£ 10,542,900	£ 6,950,000	£ 7,566,800
Other	20,324,400	44,444,400	28,627,600	33,839,500	71,749,500	58,967,800
British Possessions—						
Government	14,324,300	41,582,300	39,937,900	25,231,000	14,661,500	22,969,000
Other	28,678,300	7,917,000	12,850,700	12,724,500	13,462,300	9,735,100
Foreign countries—						
Government	22,629,500	13,066,600	25,561,900	16,025,000	nil	12,700,500
Other	34,403,100	37,505,000	11,196,500	7,220,900	5,187,900	8,826,000
Grand total	120,359,600	448,774,200	181,301,600	105,584,000	112,011,200	120,765,200

The position regarding London's lendings abroad this year and in previous periods becomes clearer still if we set out the following details:—

FIRST HALF-YEAR.

	1913.	1923.	1924.	1925.	1926.
Total of new issues	Mln. £ 120.3	Mln. £ 181.3	Mln. £ 105.6	Mln. £ 112.0	Mln. £ 120.7
Destined for domestic use	20.3	92.4	44.4	78.7	66.5
Destined for British possessions	43.0	52.2	38.0	28.1	32.7
Destined for foreign countries	57.0	36.7	23.2	5.1	21.5

Reference to these two tables reveals a distinct decline in the proportion devoted to home purposes, and the rise in foreign borrowings is more pronounced than that recorded by colonial borrowings, the reason being that a year ago the former were more closely affected than the latter by the embargo. But even so, a comparison with the first half of 1913, when, as it happens, the total of new capital raised in the London market was almost identical with the figure for the first half-year, shows that recent tendencies will have to be developed very much further before we approach a geographical distribution in the proportions recorded before the war. Borrowings in the London market in the first two quarters of this year and the first half of 1925 are analysed below in 30 groups:—

Description.	Total, First Half-year, 1925.	First Quarter, 1926.	Second Quarter, 1926.	Total, First Half-year, 1926.
British Government Loans	£ 6,950,000	£ 5,455,100	£ 2,111,700	£ 7,566,800
Colonial Government Loans	13,839,500	8,134,000	14,835,000	22,969,000
Foreign Government Loans	nil	8,800,500	3,900,000	12,700,500
British municipal and county loans	16,218,500	15,707,500	10,634,300	26,341,800
Colonial corporations	685,000	388,000	nil	388,000
Foreign corporations	1,350,000	nil	nil	nil
British railways	17,214,000	nil	nil	nil
Colonial railways	1,681,200	nil	nil	nil
Foreign railways	875,000	1,500,000	1,717,200	3,217,200
Australian mines	nil	nil	nil	nil
South African mines	60,000	791,100	791,100	1,582,200
Other mines	1,781,800	489,400	846,300	2,917,500
Exploration, financial and invest. trust.	7,890,300	3,422,500	2,382,000	5,804,500
Breweries and distilleries	470,000	20,000	nil	20,000
Stores and trading	210,000	126,500	nil	126,500
Estate and land	2,675,400	2,060,600	350,000	2,410,600
Rubber	3,019,300	620,000	474,600	1,094,600
Oil	720,000	2,028,000	1,334,200	3,362,200
Iron, coal, steel, and engineering	4,094,800	4,518,100	nil	4,518,100
Electric lighting and power	3,346,000	3,920,700	641,700	4,512,400
Tramway, omnibus, &c.	33,700	nil	232,500	232,500
Motor traction and manufacturing	35,000	2,083,400	250,000	2,335,400
Gas and water	564,000	159,400	85,000	244,400
Hotels, theatres, and entertainments	210,600	nil	75,000	75,000
Patents and proprietary articles	1,149,000	5,367,000	nil	5,367,000
Docks, harbours, and shipping	1,984,500	839,600	nil	839,600
Banks and insurance	24,523,600	9,388,100	5,001,200	14,389,300
Manufacturing and Miscellaneous	112,011,200	75,028,400	45,736,800	120,765,200

Apart from the increase in Colonial and foreign Government loans, referred to above, the large total raised by home municipal and county authorities is a feature of this table. Increases under the head of electric light and power and exploration and docks, harbours, and shipping are also prominent. Rubber plantation companies took rather more, but home railway issues, which a year ago absorbed over £17 millions, have not been in the market in the past half-year. The drop in the figure for the last group in the table gives fresh evidence of the decline in the proportion of issues for general home purposes.

The half-year has been notable for the number of large issues, the chief of which are listed in the following table, together with prices of issue and present quotations in the market:—

Issued Week Ended, 1926.	Name.	Amount of Issue.	Issue Price.	Price June 23, 1926.
Jan. 16	Queensland Government 5 % Inscribed Stock (1940-60)	£ 2,500,000	98	98
Mar. 17	New South Wales 5 % Inscribed Stock (1935-45)	4,000,000	98	98
June 5	New Zealand Government 5 % Inscribed Stock (1946)	6,000,000	98½	2½-2½ pm
June 12	Govt. of Victoria 5 % Inscribed Stock (1945)	3,000,000	98½	2½-2½ pm
June 26	Govt. of Commonwealth of Australia 5 % Stock (1945-75)	6,000,000	99½	2½-2½ dis
Jan. 9	State of San Paulo Coffee Institute 7½ % Sterling Bonds (1956)	4,000,000	94	102½
Jan. 23	Chilian Government 6 % Bonds	2,809,000	94	96½
Mar. 27	State of San Paulo (Waterworks) 7 % Sterling Bonds (1936-56)	2,500,000	96	1½-2 pm
June 12	State of San Paulo Coffee Institute 7½ % Sterling Bonds (1956)	4,000,000	97½	1½-1½ pm
Feb. 27	London County 5 % Stock (1946-60)	7,000,000	96½	102½
May 1	Glasgow Corp. 5 % Red. Stock (1945-55)	3,000,000	par	par
June 19	Birmingham Corporation 5 % Stock (1946-56)	5,000,000	par	2½-2½ pm
April 24	African Railway Finance Co. 5 % Debentures (1936-51)	1,150,000	99½	par
Mar. 26	Pearson and Dorman Long 5 % Deb. Stock (1932-56)	2,000,000	par	par
Feb. 27	London Power 5 % Deb. Stock (1952-72)	3,000,000	96	97½
Mar. 20	Blue Star Line 5 % Debentures (1940-46)	2,750,000	par	par
May 29	D.R. Cotton Mills 6½ % Cum. Pref. £1 Shrs.	2,250,000	21½	21.9

* Guaranteed under Trade Facilities Act.

Comparison of the last two columns shows an almost general appreciation over issue prices, and reveals the effect of anticipations of easy money conditions on fixed interest securities of a new and attractive type.

THE COAL PROBLEM.

(BY A LABOUR CORRESPONDENT.)

THE coal problem has been discussed as though its solution were merely a matter of reducing wages and lengthening hours of labour. The proposals of the Mining Association were summarised by Sir Herbert Samuel as follows:—

So that if we were to sum up these proposals generally, they would stand thus: that the miners are to be required to work an additional hour without any extra remuneration directly for that hour; that wages would have to be reduced in the districts, varying from a small amount in South Wales of 6d a week up to 5s and 6s a week in some of the more important districts, and rising to over 15s in Lancashire and Cheshire; that the owners would have to effect a reduction of 10 per cent. in other costs; that railway rates would have to be reduced by 25 per cent.; that we should have to contemplate the immediate dismissal, even though it might be temporary, of perhaps 100,000 men; and at the end of this the industry as a whole would be earning no profit, but would be run at a loss of about 3d per ton?

Mr Evan Williams replied:—

The position that has to be faced at the end of April is probably worse than is shown here, because we shall not by that time have had the reduction in railway rates, that is quite certain, and the economies that we contemplate are possible in other costs will not have been brought about; and it seems to us that there is no getting away from the position that under a 7 hours' day it is hopeless—absolutely hopeless—to maintain the coal industry of this country in existence except on a very much reduced scale, and we regard the return to 8 hours as the one concrete certain element which can be introduced to meet that position at the end of April.*

It will be seen, therefore, that if the mineowners obtained all that they asked the industry as a whole would not be run at a profit, and it is clear that unemployment in the industry would be increased. Obviously, the industry cannot continue to be run at a loss. The argument of the owners, however, is that the measures they propose would reduce costs, and that reduced costs would lead to larger markets. But the question is by no means as simple as the owners would lead the public to believe.

If after costs are reduced there is still a gap (as would appear to be likely) between costs and profitable prices, there is no possibility of a reduction of prices. If there were no fall in prices, then, apart from other circumstances, sales would not increase. Even if there were a reduction of coal prices, it is not safe to assume that the increased output available for the home market would be sold. If the reduced price of coal made it possible to produce British goods at competitive prices, then there would be an increased demand for British goods, and, therefore, for British coal. A fall in prices might have important results for the iron and steel trades, but such a reduction as is practicable, having regard to the present economic condition of the mining industry, would not have an appreciable effect on shipbuilding, the textile trades, and other manufacturing industries, and though it might result in some increase in coal purchases, such increase would not be on a scale likely to rescue the coal industry from its plight.

The distribution of the home consumption of coal in 1913 and 1924 was as follows:—

	1913.	1924.
Domestic	18.2	18.7
Gasworks	9.1	9.2
Electricity works	2.7	4.3
Railways (for locomotive use)	7.2	7.5
Bunkers (for coastwise vessels)	1.0	0.7
Coal mines	9.8	9.2
Miners' coal	3.2	3.7
Pig-iron manufacture	11.5	7.8
General manufactures and all other purposes	37.3	38.9
	100.0	100.0

There is no reason to suppose that such a reduction of prices as is feasible would in the immediate future lead to any marked increase in consumption for domestic purposes, and in most of the other items in the foregoing tables. Its main effects would be upon the last two items, accounting for less than half the home consumption, and unless lower prices led to substantially increased production of iron and manufactured goods, there would not be a considerable increase in the demand for coal.

As regards foreign markets, the situation is even more difficult. The world's capacity for coal consumption is by no means unlimited. Indeed, the limits of expansion are definitely restricted. Consequently, with an increasing capacity for coal production, there must be an increasing severity of competition for foreign markets. It is not to be forgotten that whilst in 1870 this country accounted for a half of the world's output of coal, and in 1896 for a third, it was in 1925 only responsible for one-fifth of the total output. British coal, however, remains an important factor in the world's markets. In 1924 its exports amounted to over one-half of the total coal exports of the world. Whereas in the years 1909-13 we exported 88.37 million tons, in 1924 this volume had shrunk to 81.75 million tons, and in 1925 to 68.97 million tons. It is obvious that to recover prosperity exports must be increased, the present markets held, and other markets, representing one-half of the world's markets, successfully entered.

This is easier said than done. It is not at all certain that it can be accomplished by lower prices. By means of the subsidy, the British taxpayer has been financing cheap coal in foreign markets; Germany complains that her coal has been exported at much less than home prices, and that, therefore, her exporters are financing cheap deliveries to Germany's foreign competitors. In other Continental countries, coal prices have been artificially lowered by means of freight reductions. It is said that last year one-fifth of the American coal produced was sold at a loss.* The price of inland coal in Great Britain as compared with pre-war is much higher than is the price of export coal. The mineowners claim that this disparity will in time disappear, but the Coal Commission point out that "it is more likely to do so through an increase in export prices than through the decline of inland prices. There is ground for believing that Germany, our powerful exporting rival, cannot sell profitably at the prices now ruling, so that sooner or later the export price may be expected to rise

* See "A Brief Survey of the Coal-Crisis Literature." By Dr M. Eastman. International Labour Bureau, May, 1926.

* Evidence, January 12, 1926. Question 15,816.

still further, and combination amongst the British exporters may help it to do so.[†]

Is it possible to expand markets by means of lower prices when prices are at present uneconomically low? Further, if an attempt is made to lower prices, will it succeed in extending British exports? It would be natural for any steps taken in this country to be followed by other countries. As the Coal Commission said regarding an increase in the hours of labour, "if Britain lengthened her hours, then other countries would certainly consider whether they should not follow suit. In this way, any gain in power of competing with foreign coal might be swept away. All that would have been achieved would be a general lowering of the standard of leisure in all mining countries."[‡] If prices are cut by reducing wages, then our foreign competitors will by a similar step, or in some other way, bridge the gap.

The degradation of labour conditions offers a dubious way of escape from our difficulties. Two other ways are open. The first is that of industrial reorganisation. Whilst this country has been considering reorganisation, other countries have been carrying through great changes. In Germany, Britain's chief competitor, the developing "coal war" has led to far-reaching measures of reorganisation, and she is now proceeding to exploit to the fullest possible extent scientific discoveries. There has been a good deal of discussion on the need for improved organisation, the closing down of uneconomic mines, and the utilisation of scientific methods. The same movement has been taking place in other countries, though with less success. In America the *Journal of the United Mine Workers* has bluntly declared that "there are too many mines and too many miners."

This policy on the part of the coal industry is one from which Britain cannot stand aside. Logically, reorganisation must extend to the better utilisation of coal, and the extraction to the fullest degree of the hidden resources in coal. The result of these developments will be the more efficient production of coal and its scientific treatment. The consequence will be, however, that the output of coal and coal products will probably expand more quickly than the world's capacity to consume.

The effect of this improved output may be to reduce prices, and it will increase consumption, but it is doubtful whether the world will adapt itself to the utilisation of these resources sufficiently quickly to absorb, for a time at any rate, the larger output, though there will be this advantage over the present situation, that the coal industry will be supplying not merely coal, but a new range of products—more efficient power, oils, and chemicals—which will add to the world's resources. The nations which are first in the field will be in a strong position to obtain and maintain foreign markets. Hence the importance to both Britain and Germany of the policy of reorganisation and development.

It would appear inevitable, however, that economic pressure will result in the closing of unproductive mines, and in the disbandment of considerable numbers of mine workers. The process of closing uneconomic pits has indeed already begun on the Continent, and the number of employees has been reduced. A similar development cannot be avoided in this country.

But these changes will not solve the problem of foreign markets, for the exporters of each country will in pursuit of their own interests seek an expanding outlet in markets abroad. This situation may be met in two ways. In the first place, if the working conditions of miners are as far as practicable standardised on an international basis, markets will go to those whose methods and organisation are, broadly speaking, more efficient. This would clearly be to the good. Secondly, the markets of the world might be served on some co-operative plan. There are obvious dangers and grave difficulties in this proposal. But there is undoubtedly a movement of opinion in this direction, and one which will most probably find expression at the forthcoming International Economic Conference. The proposal that markets and prices should be determined by international arrangement has been sponsored by Sir Alfred Mond and Mr Frank Hodges, and by certain

German leaders. It may be that we are still far from a practicable scheme, and one, moreover, which would be in the public interest, though there seems to be no doubt developments on these lines will take place.

The real problem which faces this and other countries is one of utilising the great productive capacity of the coal industry for the enrichment of the world's resources, and the elevation of the standard of life of the population. The danger is that it may become more and more the cause of a degradation of labour standards, of uneconomic price-cutting, and of large scale ruin. The path of lower wages and longer hours is the path of danger. The whole question in its ramifications, and in its paradoxes, is one of the most difficult of the many problems with which this and other countries are faced.

THE NEED FOR INDUSTRIAL PUBLICITY.

CLOSE on the heels of the Report of the Board of Trade Committee on Company Law there has appeared a pamphlet,* written by a voluntary committee, which contains a plea for greater publicity in regard to the facts of industry and trade, and makes a series of specific proposals. The report acquires considerable weight from the standing of its signatories. It is signed by three representative employers, viz., Mr W. L. Hichens, of Cammell Laird and Co., Mr Kenneth Lee, of Tootal, Broadhurst, Lee and Co., and a member of the recent Royal Commission on Coal, and Mr Seeborn Rowntree, of Rowntree and Co.; and by three prominent Trade Unionists, namely, Mr Brownlie, of the Amalgamated Engineering Union, Mr Frank Hodges, of the Miners' International Federation, and Mr A. Pugh, chairman of the General Council of the Trade Union Congress. The committee also includes, among others, Sir William McLintock, representing the accountancy profession, and Mr Harold Brown, the expert on company law.

The committee restate the general arguments for publicity with which our readers are familiar. They point out that "until the maladies of British industry have been properly diagnosed and means have been found for watching the progress of the patient, it is very hard to prescribe a remedy. The present committee has not attempted in any way to consider any problems of policy, but it is unanimous in thinking that the economic information available in Great Britain is quite inadequate to enable the country to deal with the difficult economic questions with which it is faced." This is a serious criticism of our present methods, and as the considered judgment of a mixed but representative jury is worthy of careful consideration.

The brochure deals with information needed (a) in connection with industrial relations, (b) as a means of modifying the violence of trade fluctuations, and (c) from the point of view of investment. In regard to the first of these points, the committee emphasise that sporadic information suddenly produced for the purpose of making a case during an industrial dispute is often worse than useless, and that it is only by constant and fullest disclosure of the facts that suspicion can be removed. Moreover, this information is not only needed for the protagonists themselves, but it is essential if the public whose opinion must ultimately decide these issues is to form a balanced judgment. The committee surveys the information which is at present available in various trades. The result of this recapitulation is to re-enforce the case for publicity, for it leads to the conclusion "that in a number of instances the collection of complete and reliable statistical information has proved to be most useful in industrial negotiation. On the other hand, it shows that only in a few industries is there any systematic effort made to collect and to make continuous use of such information." The committee proposes as a minimum that there should be collected and published in regard to each of our main industries figures showing (a) total production in both money values and in quantities, (b) the

cost of materials, (c) the cost of labour, (d) general charges, (e) balance available for interest, dividends, and profit (f) number of wage-earners, separating sexes. This proposal does not raise any problems which are not already dealt with by the census of production, but the committee's view is that the collection of this information should be continuous. This minimum of information would, however, be useless unless it is complete for the industries concerned, and the committee is, therefore, driven to suggest that it should be made compulsory. Their proposal is that "the Board of Trade should be given statutory power to inaugurate a scheme of publicity on the lines we have suggested, and that the Board should itself collect and publish the information if it can find no other body to do the work. Where, however, in any industry there is some adequate and representative body which is able and willing to implement the scheme, the Board of Trade should permit it to do so, and should delegate to that body its own powers of compelling the disclosure of the facts required. The principle of compulsion should extend only to the information which we prescribe as a necessary minimum, and any industry undertaking to work the scheme itself should be required to compile and publish that minimum. Any industry, however, which finds it possible and useful to add other items of information to the minimum prescribed should be encouraged to do so."

In regard to industrial fluctuations, the committee gives an exhaustive survey of the great efforts that have been made in the United States to compile economic information. The survey is supplemented by comments of prominent Americans on the system that has thus been developed. The character of the questions asked shows that the committee were alive to the possibility that the development of statistics might be carried to extremes, for their first question was: "Is the enormous expenditure on statistics in America of real value, or is it a luxury which only a rich country can afford?" They went on to ask whether the use of such figures diminished trade fluctuations; whether full information as to output did in fact influence production; whether the statistics were reliable; whether they checked booms or enabled industry to run with smaller stocks. The answers given to these questions by a dozen correspondents, ranging from the President of the United States Steel Corporation and of the International Harvester Company to the President of the American Federation of Labour and several of America's leading economists, have evidently been formulated with studied moderation; but they are definitely favourable. It is recognised that there is a certain amount of overlapping, duplication, and possible waste; but it is agreed that the statistics are well worth their cost. On the vital question as to their effect upon trade fluctuations, it is interesting to find that the professors are, on the whole, more cautious than the business men, who agree that the figures have had a stabilising effect on trade, though Mr George Roberts, of the National City Bank, finds it impossible to distinguish the influences of publicity from other causes in producing the comparative stability of trade since the end of the post-war boom. The compilers of the present report, in dealing with the relation of statistics to trade stability, emphasise the importance of supplementing the production figures already discussed by information as to stocks, deliveries, and orders. They recommend that in appropriate cases the Board of Trade should have power to require information from the manufacturers under these heads, and "to issue regulations applying to each trade after consultation with its representative association."

Finally, the report deals with the position of the investor. This section presents the argument from the point of view of the public interest which lies behind many of the recommendations of the Committee on Company Law. "The problem here is a very difficult one, for it is generally assumed that it is to the interest of the individual firm to refrain from giving any information which might encourage competition. But the community cannot accept this view. The theory of private enterprise presupposes that capital and labour flow in those directions where they are needed most, and that this movement is brought about by high prices, high profits, and high wages. The concealment alike of profits or of

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losses tends to check the adjustments that should take place in the public interest. Our discussion of this subject starts from the assumption that company accounts, and particularly the accounts of concerns which control the economic destiny of large parts of the community, are not of interest merely to the shareholders or to the creditors of the company, but are a matter of general interest, and that, therefore, company law should be based on this assumption." The committee did not deal with prospectuses, but merely with company accounts, and its specific recommendations are as follows:—

It should be obligatory on all public companies to issue a balance-sheet annually.

This balance-sheet should be available not only to shareholders, but to members of the public on demand and on payment of a small fee.

These accounts should be published promptly, not more than six months after the conclusion of the accounting period to which the balance-sheet refers.

The preceding obligations shall be imposed upon private companies whose assets exceed, say, £2,000,000. In the case of a company owning property largely financed by mortgage, the value to be included for this purpose would be the net value after deduction of the mortgage.

Companies controlling subsidiary concerns shall publish annexed to their own balance-sheet either:

(a) The balance-sheet of the subsidiaries, or a summary of the assets and liabilities of the subsidiaries, or a consolidated balance-sheet.

Or (b) A statement of the net trading results of the group. Some of us would go further, and require every company's balance-sheet to be accompanied by a list of concerns in which it holds a majority of the voting shares.

In the statement of its capital, every company shall indicate the number of shares issued for consideration other than cash, except in the case of the capitalisation of reserves.

Every company shall show separately in its balance-sheet:

1. Its tangible assets, with a further subdivision into:
 - (a) Fixed assets—land, buildings, &c.
 - (b) Investments in subsidiary companies.
 - (c) Liquid assets—cash, debtors, stocks, realisable assets, &c.
2. Its intangible assets—goodwill, &c.
3. Assets such as preliminary expenses, discount on debenture issues, &c.

In the case of fixed assets and intangible assets the basis of value shall be clearly indicated.

The exact basis of valuation—cost or market price—of stock in trade should be clearly stated.

The committee adds that progress in this matter "is not solely to be achieved by means of provisions in statute law. On the one hand, it is to be anticipated that the tendency to adopt standardised forms of accounts suitable to particular kind of businesses, whether compulsorily imposed (as in the case of railways and other public utilities) or adopted because of their proved utility, will gradually cover an increasing part of the economic field. On the other, we confidently look for a development in the practice and traditions of accountancy, in the fostering of which it is clear that a great part must be played by the accountancy profession."

In several respects the report of this committee is of more significance than that of the Board of Trade Committee. On some important points it goes further; it concentrates more upon broad economic purposes and less upon technicality; and, finally, it is the agreed pronouncement of thoroughly representative employers and trade unionists. On the Board of Trade Committee Labour was inadequately represented, and that report suffers in weight from that fact, since the interests of the great mass of the workers are closely bound up in the whole question of the reform of company accounts in the direction of greater publicity.

[†] Report of the Coal Industry Commission (Cmd. 2600) Annex. Section 9, p. 291.

[‡] Report, p. 174.

* "The Facts of Industry. The Case for Publicity." Macmillan and Co. is net.

PROF. RIST ON THE ECONOMIC SITUATION OF FRANCE.

In view of the new efforts at a reform of French financial policy and the prominence in these new efforts of M. Charles Rist, the well-known French economist, who is a member of the French Currency Expert Committee, and who has just been appointed Deputy-Governor of the Bank of France, M. Rist's views on French financial and economic problems are a matter of immediate interest. We, therefore, give below a summarised translation of those views as expressed by M. Rist in a foreword to "La France Economique en 1925," an annual reference book published by Société Anonyme du Recueil Sirey, 22 Rue Soufflot, Paris, 5e.

ADVERSE exchanges and rising prices are the outstanding features of 1925. Currency depreciation has dominated French economic life, and its effects have been felt in every department. Up to April of last year prices were moderately steady; in May they moved up, as the dollar appreciated; in the last quarter the upward curve became steeper, and the year closed with an index figure of 650, against 500 at its opening, and 100 in July, 1914. This movement followed the depreciation of the franc, which was accompanied by a growing gap between the world prices and real (gold) prices at home, which widened from 3 per cent. in 1922 to 20 per cent. in 1925. This large and continuous rise of internal prices is the pivot around which all the other phenomena of our economic life revolve—rising wages and constant strikes or threats of strikes; troubles in the civil service; rises (belated and insufficient) in railway rates; rising rates of interest; falls in fixed-interest bearing securities and even in stocks with variable dividends; a growing gap between the rents of new and "Rent Restriction" houses, with depreciation in the capital values of the latter, &c. Among other results is an arbitrary redistribution of fortunes and incomes. Wealth no longer bears any relation to effort or to saving. These results have been aggravated by exceptional legislation, moratoria, export prohibitions, Customs "co-efficients" bearing unequally on different trades, &c.

True, production has not diminished, though building shows signs now of contraction; but its distribution has ceased to be normal. Our favourable trade balance is only a temporary result of the advantage given to French goods in foreign markets by our adverse exchange. For instance, gold prices of the products of the metallurgical industry, f.o.b. Antwerp, are below those of 1913, despite the rise in world prices. On the other hand, the value per unit of weight of imported raw materials has risen 37 per cent., while that of exported French manufactures has fallen 25 per cent. Increased exports of French goods are paying for equal or diminished imports of foreign goods. If the cheap purchases made in France by foreigners are taken into account, it is clear that France is actually giving more to the foreigner in return for less. The nominal rise in profits hides this fact from our export industries; the others are suffering from increasing difficulties, chief among them being the notorious dearth of new capital available on the market.

Saving is ceasing. The progress of life insurance business has been checked. In 1924-5 the total sum assured increased by only 8 per cent., against 40 per cent. in 1923-4; and if this increase is translated into gold values, it is actually a decline. Accident insurance is the only form that is developing *pro rata* with the number of accidents. But insurance is only a secondary form of saving compared with direct investment, which has seriously declined. New industrial share issues have fallen off; in 1925 they totalled only 1 milliard, against 3 milliards in 1923. Some undertakings, deceived by nominal profits, have tied up their resources in extensions which threaten to crush them later on; others, e.g., the electrical industry, either cannot get the funds they require, or only at a prohibitive 10-12 per cent. If they are driven

to seek foreign capital at a lower rate, they ought not to be prevented. New capital issues, as a whole, fell from 3,600 millions in 1924 to 2,600 millions in 1925.

Short-term money, on the other hand, is easy. Uncertainty makes everyone want to have his assets liquid. The deposits of the four big banks have gone up by 5 milliards; those of all banks by 10 to 12 milliards, and those of the savings banks by 2 milliards.

The attitude of our public authorities in this pathological situation has been arbitrary and blind. The Government has, it is true, abandoned its pernicious fiction of the identity of gold and paper, and has issued a loan at a guaranteed exchange rate; but it continues to oppose any such action by individuals, and it remains practically impossible to insert in contracts a stipulation for the employment of gold-loan coupons. Yet, while the Government still refuses to return frankly to gold—which is the only real, because it is the only international standard—the public is adapting itself to the real position. The pressure of daily needs is actually making a new stable standard. More and more, sellers are inserting in contracts a right to vary the terms in accordance with the foreign exchange, and making their prices conditional on payment in cash.

These, of course, are mere palliatives. Nothing short of stabilisation, based on foreign credits, on the use of the Bank reserve (which represents 40 per cent. of its circulation), and on a financial programme designed to cover a period of years and rigorously adhered to, can terminate a state of things which, by its uncertainty, makes any extended enterprise impossible, and thereby retards the economic progress of the country, at a time, too, when, thanks to stable currencies, our competitors are returning to long plans and large ideas.

The return to the gold standard is not the only step that needs to be taken if we are to return to normality. In every department of economic life we are floundering, and terrified of freedom. Take the case of international trade. There the absurd law of 1919 bars us from reverting to the sound commercial practice of most-favoured-nation treatment, which even the United States has resumed. True, tariff revision is talked of. It is easy to imagine what that means. Apparently it is not yet thought to be high enough, although the very meagre increase in our Customs receipts over 1913, despite increased duties and the fact that imports are below the pre-war level ought to show the blindest that the tariff is more than high enough already.

I have no intention of underestimating the efforts that have been made and the results that have been achieved so far. The restoration of a unified Budget in the teeth of a Parliamentary obstruction for which every party must share responsibility, and the more or less satisfactory settlement of the reparation and inter-Allied debt problem for the years immediately ahead, are stages on the road to financial improvement and the monetary stabilisation which are vitally urgent necessities in every department of our economic life. The next stage must be the restoration of credit. Out of a national income this year of 180 milliards, the State will handle 40 milliards. In addition its debts amount to immense sums. This shows how much its wisdom, or its imprudence, will count for in our destiny. Its first care should be to reduce rather than to increase its liabilities, and to reassure its creditors. To that end every form of financial impracticability must be renounced, the impracticability of the old regime, no less than revolutionary impracticability, and a return made to those proved methods which, originating in the 17th century in Holland, and pursued in the 18th by England, were in the 19th the foundation of the strength and independence of every State where movable property is largely developed. They impose on a debtor State the same obligations that apply to the private debtor—clarity of accounts, respect for engagements, submission to the normal conditions of the capital market, with no efforts to manipulate them. Then the State, in its turn, could in virtue of its abandonment of any abuse of privilege insist that its rentiers, like other citizens, pay their fair share of taxation—on one condition, namely, that it guarantees them a stable currency.

Notes of the Week.

The Eight Hours Bill.—The Government's Bill, making an eight hours' day permissible in the coal mines, passed its third reading in the House of Commons on Thursday, and it is to be debated in the House of Lords on Monday and Tuesday next. Unless some development takes place in the direction of fresh negotiations, which might induce the Government to postpone the debates in the Second Chamber, this measure will be placed on the Statute Book on Wednesday, and in the meanwhile it is expected that mine owners, without waiting for the Bill to pass its final stages, will post at the pits the statements of the terms on which they are prepared to reopen the mines. At the close of his speech in the House of Commons on Thursday, the Prime Minister said that if the Miners' Federation would accept the Samuel Report with all its implications a settlement even now was possible. But although Labour members suggested a week's adjournment, and asked whether, if the miners accepted the report, the Bill would be withdrawn. But no "authoritative move towards acceptance" was forthcoming, and the Bill passed its third reading by 332 votes to 147. It remains to be seen whether any such move will be made this week-end on the Labour side. The prospect of such a development seems remote. For although the Eight Hours Bill is so obnoxious in the eyes of Labour that the leaders would be greatly relieved to find some way of preventing its passage into law, the House of Commons debate revealed a stiffening rather than a relaxation of the miners' attitude. The debate began with a stormy scene, in which violent epithets were hurled at Ministers, and Mr Bridgeman, who moved the third reading, was subjected to continued interruption. Moreover, such Labour members as Mr Hartshorn and Mr Varley, who in previous discussions have made conspicuous efforts to contribute something constructive in the cause of peace, delivered speeches of the most uncompromising kind. The former ranged himself behind Mr Cook, pronounced the Prime Minister to be the greatest of all enemies of the working classes, and said that the Government's policy meant a lengthening of the duration of the stoppage; while the latter stated that the Government "have absolutely gone out of their way to throw sand into the wheels of the machinery which some of us were constructing." The temper, therefore, becomes more and more unpropitious to settlement, although just a chance remains that in the next day or two the miners' leaders may carefully consider whether it is worth while to make some move in the hope of preventing, by hook or by crook, the placing of the Eight Hours Bill on the Statute Book.

The Quarter's Revenue.—The revenue statement for the first quarter of the financial year 1926-27 shows a decline of £22,340,400 in revenue and an increase of £4,401,500 in expenditure in comparison with the corresponding period of the previous year. To some extent this unsatisfactory state of affairs is no doubt due to the general strike and the closing of the coal mines for two months, but the individual items of the return give no direct indication of this. Customs and Excise receipts, for example, are up by £1,896,000 and £975,000 respectively, death duties are £2½ millions lower, and income and super-tax have fallen by £10,856,000 and £4,810,000 respectively. The fall in income-tax is no doubt partly due to the fact that it is now being levied at a lower rate, and also that arrears were called in more strenuously in the March quarter. Special receipts show a drop of over £6½ millions. On the expenditure side, £4½ millions less has been paid to the Sinking Fund, but the fighting services have taken £3½ millions more and the Civil Service £4½ millions more. The full return is set out in a later column. This shows that the floating debt has been increased during the quarter by £70½ millions. The deficit at the end of the first quarter of the financial year is £78 millions, revenue being £146.8 millions and expenditure £224.8 millions, and has been covered by an increase of £48 millions in Treasury Bills and of £22½ millions in Ways and Means Advances, by an issue of £3½ millions of 4 per cent. Treasury Bonds, and by a reduction of £4 millions in Exchequer balances.

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Our Index Number.—Changes in commodity prices in June were comparatively unimportant, and our Index Number shows a change of only 6 points in an upward direction, the total being 4035 as compared with 4029 at the end of May. June, however, is the first month of 1926 in which a decline has not been registered, and the net decline in the six months amounts to 216 points, as may be seen from the following table:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basic (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	352	616	464	553	2565	116.6
" Nov., 1918	1289	782	1848	903	1389	6212	282.6
" Mar., 1920	1808	914	2974	1246	1709	8352	379.6
" Dec.,	1344	805	1284	1216	1275	5924	269.3
" Dec., 1921	921	636	1106	762	931	4357	199.0
" Dec., 1922	861	706	1184	705	807	4264	193.8
" Dec., 1923	853	815	1382	774	755	4580	208.2
" Dec., 1924	992	789	1452	815	806	4855	220.7
" Jan., 1925	885	704	1234	736	791	4351	197.8
" July,	908	698	1274	756	809	4446	202.1
" Aug.,	952	718	1235	748	796	4450	202.3
" Sept.,	934	702	1250	752	788	4427	201.2
" Oct.,	886	699	1203	749	788	4327	196.7
" Nov.,	918	704	1174	737	787	4322	196.4
" Dec.,	936	679	1120	735	782	4251	193.2
" Jan., 1926	892	694	1117	726	758	4189	190.4
" Feb.,	884	699	1058	736	762	4139	188.1
" Mar.,	880	688	1025	723	771	4088	185.8
" Apr.,	894	678	1000	714	766	4053	184.2
" May,	885	681	978	718	765	4029	183.1
" June,	893	682	963	735	760	4035	183.4

The most important changes last month were in the textiles and minerals groups. In the former a drop in raw cotton was partly offset by rises in hemp and jute, while in the minerals section there was a sharp advance in pig-iron, stocks having been reduced to a minimum. In the absence of quotations for coal, the figures for that commodity have not been altered in the past two months. The principal contributor to the decline of 216 points in the half-year is the textiles group, with a drop of 156½ points, in which jute, silk, and wool are prominent. Minerals are practically unchanged, and a drop of 22 points in the miscellaneous section is entirely due to the fall in rubber. Primary foodstuffs show a decrease of 43 points, more than half of which is accounted for by potatoes. The following table shows the changes in each commodity's index number as compared with the end of December last, the figure 50 representing in each case the average price during the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For.	104	— 6	Cotton, A	84	— 9	Copper	47	— 2
English	105	— 9	Cotton, B	111	— 8	Minerals	735	— 2
Flour	100	— 2	Yarn	189	— 11			
Barley	69	— 12	Cloth	100	— 3			
Oats	78	— 4	Wool, Eng.	102	— 25	Baltic timber	93	..
Potatoes	125	— 5	Do Aus.	102	— 12	Amer. timber	77	..
Rice	125	— 5	Silk	93	— 22	Leather	60	— 1
Beef	71	— 7	Flax	93	— 8	Petroleum	108	— 8
Mutton	83	— 3	Hemp	58	— 7	Oils	75	— 1
Pork	108	— 3	Jute	144	— 52	Oilseed	77	— 2
						Tallow	71	— 1
Cereals & meat	893	— 43	Textiles	963	— 156	Indigo	90	..
						Crystals	85	..
Tea	158	— 10	Pig-iron	87	— 15	Rubber	21	— 30
Coffee	145	— 7	Steel rails	69	— 2			
Sugar, cane	90	— 4	Iron bars	84	— 2			
Sugar, beet	94	— 2	Coal, steam	125	— 11	Miscellaneous	760	— 22
Butter	80	— 3	House coal	90	— 3			
Tobacco	116	— 1	Lead	125	— 21	Total	4,035	— 216
			Tin	107	— 5			
Other foods	682	— 3						

The increase shown by the latest figure over that recorded at the end of July, 1914, is 57.3 per cent. This compares with 57.1 per cent. a month ago and 65.8 per cent. at the end of 1925, as may be seen from the table below, which also shows the relative position of the five groups:—

End of,—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., 1920	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Oct., "	153	199	195	161	143	168.7
Nov., "	159	200	191	159	142	168.5
Dec., "	162	193	182	158	141	165.8
Jan., 1926	154	197	181	156	137	163.3
Feb., "	153	199	172	158	138	161.4
Mar., "	152	196	167	156	140	159.4
April, "	154	193	162	154	139	158.0
May, "	153	194	159	155	139	157.1
June, "	154	194	156	158	138	157.3

At this time last year the increase shown over the pre-war figure was 69.6 per cent.

Russian Propaganda.—The Government issued, and the House of Commons discussed, at the end of last week a Blue Book containing a large number of documents revealing the relations between Russian Communist organisations and British Communists. The document is a voluminous one, but it contains no single big revelation. It is made up of a series of letters showing a host of minor dealings and transactions between the Communists of the two countries, and makes it perfectly clear that money has been flowing here in small quantities to be used by our own agitators to promote Communist ends not only in this country, but in other parts of the British Empire. We do not propose to follow, or even to attempt to summarise, the wearisome detail of this Blue Book. But one or two general statements may be based upon it. The sum total of the dealings revealed constitute an interference in our domestic affairs, concerning which we have every right to make the strongest protests to the Soviet Government, whose degree of direct or indirect responsibility is not, however, easily determinable. One of the conditions of the Anglo-Russian Trade Agreement was that propaganda of a subversive nature should cease. It has not ceased, and we have reason for protest. But as the pages of the Blue Book are turned over it becomes clearer every moment that the whole scope of the Russian effort of interference is so petty as to be almost ludicrous. It is a molehill, and even if a molehill be rank, it is absurd to pretend it is a mountain. Indeed, the most striking point in the whole collection of documents is the piteous complaint of our home Communists that money received falls far short of promises. They cannot get enough money from Russia, so to speak, to set a square yard of the Thames on fire. Even the price of the wages of a stenographer is not forthcoming, and letters have to be copied by an office boy. That is not the way that revolutions are financed, and the degree of fury that the Chancellor of the Exchequer and Lord Birkenhead have worked up over the whole affair is so disproportionate to its importance as to make these august persons look almost as ridiculous as some of the "humble disciples" of Lenin whose activities are given so gratuitously an advertisement by this Government publication. An influential section of the Conservative Party would like the Cabinet to break off relations with Russia, because of this miserable dribble of propagandist money. Those who take this view lack a sense of proportion. The nation's greatest need is more trade. Government policy should aim at making it easier, not more difficult, to trade with all countries, including Russia. To throw over the chance of expanding trade with Russia because of these deplorable and indefensible, but wholly insignificant, proofs of Communist intrigue would be about as sensible as to cut off one's nose to spite one's face, or, shall we say, to refuse the chance of a happy marriage because one's future mother-in-law is of an incurably interfering nature. Fortunately, Sir Austen Chamberlain preserves a sense both of humour

and of proportion, and refuses to yield to clamour. In his speech in the House of Commons, while roundly condemning the Russian propaganda, he refused point blank to take it as a basis for breaking off relations. Trade between the Russian people and the British people is growing. Ministers will be wise to give it every chance of growing, and to leave Scotland Yard to watch the course of affairs, which they are perfectly capable of doing, while British manufacturers and merchants do business that will put more British workmen into employment.

The Situation in China.—The long foreshadowed meeting of Chang Tso-lin and Wu Pei-fu in Peking, which was the logical sequel to their joint operations against Feng Yu-Hsiang, has at last taken place. That Pompey and Caesar should meet in friendly counsel and not in arms is at least one point gained for the cause of peace; and for the moment their co-operation will be stimulated by the recrudescence of military activity on the Mongolian front—where Feng's forces are still in being, though Feng himself is in Moscow. It hardly seems possible, however, that Chang and Wu should maintain a condominium over Peking without quarrelling. The mere juxtaposition of their forces in the capital might at any moment lead to a *fracas* between the troops, while the leaders will have inexhaustible opportunities for difference of opinion over the making and unmaking of Shadow Cabinets—purporting to represent an All-China Government. Meanwhile, the co-operation between the two Northern leaders, precarious though it is, has apparently been sufficient to induce Sun Chuan-fang—who recently proclaimed an independent State in five East Central provinces—to enter into relations with the Southern Knuminchun Government at Canton. Thus, if and when Chang and Wu fall out, there will probably be a coalition in existence to intervene decisively on one or other side, or else to sweep both the Northerners away and then to quarrel over the spoils in its turn. In other words, the revolving wheel of Chinese politics shows no sign of approaching the term of its revolutions; and the hardest diplomatic gambler would scarcely venture now to bet which of the *petit chevaux* will be found opposite the winning post when the machine comes to rest. In one respect, the Knuminchun has an advantage over the rival powers; for whereas those other forces are all individual military dictators, who may die or grow old or take to excessive drinking or opium smoking, the Knuminchun is at least a political party with a non-military basis, which may survive the fortunes of its momentary leaders. It is a party, moreover, which has a very strong hold over the numerous and wealthy Chinese colonies abroad—e.g., in the Straits Settlements—and this is an important card in its favour in the present protracted and economically disastrous conflict between Canton and Hongkong. Hitherto, in China itself the power of the Knuminchun has never extended far beyond the limits of Kwangtung Province, but latterly it has shown a tendency to radiate northwards, and, when rival *tüchüns* eventually cancel each other out, it may eventually be left in possession of the field. The Knuminchun have been treated as outcasts—by other Chinese forces, as well as by foreign Governments—because they have thrown in their lot with the Bolsheviks; yet it would be an error to expect stability in this single point of Chinese politics when all else is in flux. A partnership dictated by convenience may be dissolved when interest points another way. Is it out of the question that a friendly understanding should be reached between the Knuminchun and the British Government? Such an understanding might not only terminate the disastrous commercial impasse at Canton, but might be the first step towards restoring political stability in China as a whole.

Economic Interests in Abyssinia.—The Government have just published as a White Paper (Cmd. 2680 of 1926) the text of an Anglo-Italian exchange of notes regarding the respective economic interests of the two parties in Abyssinia. This agreement is a corollary to a tripartite agreement of 1906 between Great Britain, Italy, and France, in which the three parties gave one another a free hand to exploit certain economic possibilities in

Abyssinian territory. The share at that time assigned to France was the completion of a railway from her port of Djibouti, at the mouth of the Red Sea, to the Abyssinian capital, Addis Abeba. Italy was to construct any railways west of Addis Abeba, between the Italian colonies of Eritrea and Somaliland. The interests of Great Britain and Egypt were recognised in that portion of the Nile basin which lay in Abyssinian territory, more especially as regarded the regulation of the waters of the Blue Nile and its tributaries. France promptly exploited the opportunities assigned to her. Great Britain and Italy have arranged for the exploiting of theirs at this twenty years' interval. The Tripartite Agreement of 1906 (like a succession of similar agreements concerning, but likewise not signed by, Morocco) started off by providing that the three signatories should co-operate in maintaining the political and territorial *status quo* in Ethiopia, and by laying down that a number of previous conventions incorporated in the agreement did not infringe the sovereignty of the Emperor of Abyssinia. Again, in answer to a question from Commander Kenworthy regarding the recent Anglo-Italian exchange of notes, Sir Austen Chamberlain stated in the House of Commons on Wednesday that this transaction "cannot by any latitude in interpretation be held to import economic partition." He added that the documents have already been communicated to the French and Abyssinian Governments, and that their assent will be sought in separate correspondence. It may further be pleaded that the British and Italian *desiderata* are legitimate and innocuous in themselves. At the same time, the practice of two or three Powers arranging for the disposal of economic assets in the territory of another Government without consulting that Government or securing its simultaneous assent is objectionable in principle, and this practice vitiates both the Tripartite Agreement of 1906 and the Bipartite Agreement of 1925. In the latter Agreement, moreover, the two signatories agree to press their respective claims by joint diplomatic action at Addis Abeba, and not to desist from their respective efforts until both sets of claims have received satisfaction. This pledge not to make a separate peace suggests something unpleasantly like a diplomatic war.

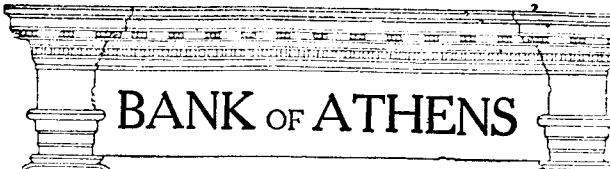
Trade Barriers.—The Council of the International Chamber of Commerce, at its twenty-first meeting in Paris on June 25th, unanimously approved a resolution from the Committee on Trade Barriers, which included the following clauses:—

"That present economic conditions, due principally to the war, are rapidly becoming unbearable in most countries, and especially in Europe; and prompt remedies are essential if the eventuality of economic disturbance which would affect all countries in succession is to be avoided."

"That stabilisation of currencies is absolutely necessary; excessive tariffs and prohibitions of importation and exportation are dangerous; transportation of persons and merchandise is obstructed; Customs tariffs and classifications lack clearness and uniformity, and changes can without notice be introduced into existing tariffs; treatment of nationals and foreigners is unequal; that the situation is extremely critical; and the committee desires to make a practical effort to suppress the most dangerous barriers and those which it is possible most quickly to remove; and believes it is necessary not to analyse facts already known, but to seek remedies."

The Council resolved to call the attention of the Governments to the gravity of the situation, and to the necessity for taking steps to remedy it without delay. Sir Alan Anderson was elected chairman of the Council and Acting President for the remainder of the term of office of Mr Walter Leaf, who, we regret to state, has been obliged to relinquish the office owing to ill-health. The next Congress of the International Chamber will meet at Stockholm on June 27, 1927. The work of the Trade Barriers Committee is providing a useful prelude to the forthcoming Economic Conference of the League of Nations.

The French Debt: Corrected Figures.—Our Paris correspondent writes:—The discovery, since the publication of the last issue of the *Economist*, that a serious error appears in the figures set forth in M. Dausset's report on the French public debt, as printed in the copies of the document officially issued to the members of the Senate, entirely vitiates certain of the conclusions drawn, in the article published last



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week, from the data furnished by the report. The document has now been reproduced in the *Journal Officiel*, in which the error in question has been repeated. The effect of the mis-statement is to represent the debt which was owed by France to Great Britain at the end of 1925 as having been exactly 1,000,000,000 gold francs (say £40,000,000) less than it really was. It is imperative, therefore, that a correction should be made at the earliest possible moment, and that the conclusions justifiably drawn last week from the erroneous figures should be modified to accord with the facts. The official report states that the total amount of French Treasury bonds in the hands of the British Government at the end of 1924 was equivalent (including capitalised interest) to 15,853,996,000 gold francs, and that on December 31, 1925, the total was 15,016,387,000 gold francs. The obvious conclusion was that during 1925 the debt owing to the British Treasury had been reduced by 837,609,000 gold francs, or rather over £33,000,000. The real total of this portion of the French debt at the end of 1925, however, was not slightly over 15 milliards, as stated officially, but 16,016,387,000 gold francs (or an increase of 162,391,000 of the year, instead of a reduction of 837,609,000). This increase of the main debt was due to the fact that, although the amount due to the Bank of England and that representing the purchase price of the British Army stocks in France are being steadily reduced every year, no attempt has yet been made to reduce the principal of, or even to pay the interest on, the main debt, which continues to increase annually owing to the addition of accrued interest charges. The debt to the Bank of England was reduced last year by 151,320,000 gold francs, and a further 75,356,000 of was paid off the balance due for war stores. The two payments, amounting together to 226,676,000, were more than counterbalanced by new additions to, and interest charges on, the main debt during 1925, equivalent in round figures to £6,500,000. On balance the total French indebtedness to Great Britain was increased last year by 85,715,000 gold francs, or about £3,500,000. After allowing for the erroneous understatement by 1,000 millions and taking into account the payments made during the year to the United States, Uruguay, and Egypt, the total of the French public debt at the end of 1925, as compared with the end of 1924, was as follows (the foreign debt in gold francs and the internal in paper):—

	1924.	1925.	Inc. or Dec.
Total foreign debt . . .	36,479,707,000	36,438,653,000	41,054,000
Total internal debt . . .	280,637,020,000	286,380,331,000	+ 5,743,311,000
Grand totals . . .	317,116,727,000	322,818,984,000	+ 5,702,257,000

Even this statement, however, must be taken as subject to further correction or confirmation, as there is, apparently, a further error of 2,000,000 in the official figures representing the total of the internal debt in 1924. This is returned as having been 280,637,020,000, whereas the detailed items cast up as totalling only 278,637,020,000. Whether the discrepancy is due to a printer's error in one of the detailed figures or merely to a mistake in the casting it is impossible to say.

Conditions in Northern Ireland.—Our Belfast correspondent writes:—On Tuesday the Belfast Corporation approved the arrangements for the creation and issue of £2,000,000 5 per cent. stock at 99. The loan is for general development purposes in connection with gas, tramways, electricity, housing, road improvements, erection of schools, and for advances under the Small Dwellings Acquisition Act. The issue is the largest which has been made by the city, but it is pointed out that Belfast's indebtedness—about £15 per head of the population—is relatively low. The coal situation is much easier, and the railway companies, which reduced their services some time ago, are now running normally again. The situation in the linen industry remains comparatively unchanged, although a somewhat better demand for finished linens is being met with in the United States and Canada. It is reported that renewed efforts are being made to obtain the application of the Safeguarding of Industries Act to the linen trade. Complaints are numerous regarding the severity of the competition experienced from Continental countries with exchange rates below their purchasing power parities, and which are at present enjoying a differential advantage against which it is considered that the North of Ireland trade may legitimately claim protection. The price of flax is also regarded as still too high. A reduced acreage is believed to have been sown in Ireland this year. The season has been very favourable for agriculture, and sowing was completed exceptionally early. The embargo upon imports of fresh pork from the Continent has stimulated interest in pig breeding which has been comparatively neglected by Ulster farmers during recent years. Last year the agricultural statistics showed that there were only 111,500 pigs in the province—or little more than half the average number during the five years 1909-1914. When it is remembered that there are over 100,000 agricultural holdings exceeding one acre in size in Northern Ireland—the vast majority of them small—the very small number of pigs is somewhat amazing in view of the reputed advantages enjoyed by small holdings for milk and bacon production. As a consequence the Northern bacon curers draw a considerable part of their supplies from the South. An increase in breeding has undoubtedly occurred in the North during the past few months, however, but dissatisfaction is expressed at the fluctuations in the price of pork which have been occurring recently.

General Electric Results.—In spite of the fact that the ordinary shareholders do not receive any immediate benefit in the shape of increased dividend, they will, none the less, be pleased to note that the profits of the General Electric Company, Limited, during the year to March 31st last, were even better than those for the preceding twelve months, in which period also a substantial increase had to be recorded. The exact measure of recent progress can be ascertained from the following comparative table:—

	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Net profit	796,149	566,582	751,486	835,561	1,029,983	1,076,809
Brought forward	175,668	348,094	217,024	217,121	212,452	214,256
Depreciation	971,817	914,676	968,510	1,009,682	1,242,435	1,291,065
Depreciation	8,000	182,431	243,775	241,241	238,528	235,623
Pension fund	157,915	161,746	182,031	184,044	191,320	195,250
Reserve	17,266	15,283	14,219	13,346	15,546	16,919
Preference div.	229,344	232,594	248,765	252,000	258,000	252,000
Ordinary dividend ..	211,198	105,599	105,599	105,598	158,398	160,648
Carried forward	348,094	217,024	217,121	212,452	214,256	310,624

The net profits rose during the year from £1,029,983 to £1,076,809, the shareholders again receiving 7½ per cent. The depreciation account receives about the same

as a year ago, although the reserve appropriation at £120,000 is roughly £50,000 lower. On the other hand, the amount carried forward has been raised from £214,256 to £310,624. It is a pity that whereas profits were formerly separated into the two items, "Profit from Trading Account" and "Income from Investments," in the latest report the two are lumped together under one heading. This in itself is not a serious matter, but it is the more unwelcome as the retrograde step is taken at a time when the call for more illuminative accounts is becoming more and more insistent. The balance-sheet shows that sundry debtors, including amounts due from subsidiary companies, have gone up from £3,183,523 to £3,377,024, and creditors from £1,723,966 to £1,824,853. A decline in the holding of British Government securities from £899,078 to £790,992 has been accompanied by an increase in other investments from £1,361,864 to £1,494,770. The balance-sheet discloses a strong financial position, goodwill and patents, loose plant, &c., and fixtures and installations each being taken at a nominal figure of £1. Total reserves are now £830,000.

African and Eastern Trade Corporation.—The directors of the African and Eastern Trade Corporation, in presenting their accounts for the year ended December 31st last, are able to record that "the gradual improvement in trade referred to last year has been fully maintained during the period under review." In support of this statement the profit and loss figures show an increase in net profits from £471,049 to £501,815. As will be seen from the table given hereunder, however, earnings are still very much lower than they were in 1922:—

	1922.	1923.	1924.	1925.
Net profit	739,774	442,353	471,049	501,815
Brought forward	41,003	242,394	271,985	319,870
Depreciat'n, reserve, &c. ..	780,777	684,747	743,034	821,685
Prof. dividend	200,000	60,000	67,500	91,000
Ord. dividend	128,322	133,799	134,921	141,283
Carried forward	210,061	218,963	220,743	254,000
	(8%)	(8%)	(8%)	(8%)
	242,394	271,985	319,870	349,360

With the addition of the sum of £319,870, representing the amount brought in from the previous year's accounts, the total available balance is brought up to £821,685. This time depreciation receives £60,000, compared with £25,000, although the income-tax reserve is only augmented by £20,000, against £30,000. The present accounts show that the issued ordinary capital has risen by £218,511, and the preference by a similar amount. This accounts for the increased disbursements to the shareholders shown in the table given above. The balance-sheet figures show no changes of major importance during the twelve months, although it is shown that cash has increased from £162,756 to £223,512, while sundry debtors account for £355,775, whereas a year ago they figured for £194,378. Stocks are nearly £400,000 higher at £2,397,798. The bank overdraft has been slightly reduced at £196,940, and the reserves (including depreciation) now figure for £684,000 more at £2,684,015.

Morris Motors.—An interesting new company registration recorded this week is that of Morris Motors (1926), Limited. This most prominent mass-production motor-car producing concern has hitherto been a private company, and now becomes a public company. The nominal capital is £5,000,000, divided into 3,000,000 preference and 2,000,000 ordinary shares of £1 each. Mr W. R. Morris himself remains as managing director. This event is of great interest to the investment world, as it is taken to foreshadow a public issue of shares at an early date.

Spiers and Pond.—The well-known London catering firm of Spiers and Pond, Limited, has this year to record a further decline in earnings. The directors, however, pass no comment upon this downward movement, leaving the shareholders either to assume that it is not worthy of special note, or that it is a more or less natural reflection of the depression in trade. It may here be of interest to note that during the period covered by Spiers and Pond's

accounts J. Lyons and Co.'s profits rose by £36,378 to £154,960, while during the year ended October last those of the A.B.C. went up from £146,970 to £147,062. The fall in profits is not, it is true, of serious extent, but it, none the less should be noted that it follows similar movements in the two preceding years. The accounts are made up to March 31st last, and the latest figures are given in comparative form below:—

	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Profit	£ 136,072	£ 145,748	£ 155,901	£ 148,614	£ 147,341	£ 130,828
Deb. int., &c.	31,209	41,590	36,126	35,022	38,391	38,604
Net profit	104,863	104,158	119,774	113,592	108,950	92,224
Br'gt forward	15,652	22,531	13,114	12,651	13,516	13,917
Reserve, &c.	120,515	126,689	132,888	126,243	122,466	106,141
Directors	22,000	22,000	22,000	17,000	17,000	7,000
Dividend	5,000	5,000	5,000	5,000	5,000	4,611
Carried forward	70,984	86,575	86,540	86,544	86,549	86,553
	(12½%)	(12½%)	(12½%)	(12½%)	(12½%)	(12½%)
	22,531	13,114	19,348	17,699	13,917	7,976

Gross profits, it will be seen, contracted from £147,341 to £130,828, while net profits work out at £92,224, compared with £108,950. Thus, with the addition of the sum of £13,917 brought in, the disposable balance is approximately £16,300 lower at £106,141. The shareholders do not have to suffer (receiving the usual 12½ per cent.), but the reserve allocation is cut down from £17,000 to £7,000, and the balance carried forward is reduced from £13,917 to £7,976. The balance-sheet does not show much alteration, the most important movement being a re-arrangement of the investments. The reason for this is not given by the directors. The accounts show, however, that while the holding of British Government securities has declined from £107,608 to £79,230, the item "loans to and shares in subsidiary companies" has gone up from £20,778 to £54,825. Presumably, therefore, a proportion of the gilt-edged investments has been sold to finance certain of the subsidiaries. Shareholders, however, will have to wait until the meeting for an explanation.

Co-operative Insurance Society.—The detailed valuation report of this society for the five years ended December 31st last has been issued. In the ordinary life department the Institute of Actuaries table was used with 3½ per cent. interest, and in the industrial department the English Life Table, No. 8, also with 3½ per cent. The valuation was on a net premium basis throughout. The assets were revalued as at December 31st. In the ordinary department, with funds of £2,700,250, the surplus was £329,341, and in the industrial section, with funds of £1,550,851, the surplus was £42,005. In the ordinary life section £221,296 was apportioned to policyholders with immediate participation and £70,000 reserved for policyholders under the deferred bonus plan, £38,045 being carried forward. The reversionary bonus declared was at the rate of £1 18s per cent. per annum on the sums assured, together with a special reversionary of 10s per cent. for every year for which a bonus was allotted at the 1920 valuation. At that valuation the bonus was at the rate of £1 per cent. for each year since 1910. In the industrial life section £32,513 was apportioned to policyholders and £9,492 carried forward. It is recommended that valuations and distributions of profits be annual in future, the next to take place as at December 31, 1926.

Mining Notes.

Shamva.—Once again the annual report of this Rhodesian company, which operates a huge deposit of low-grade ore, discloses a weakening of the position. Reduction operations were handicapped by various adverse factors—the increased hardness of the ore, shortage of labour, and excessive rains; while the revenue was affected by the disappearance of the gold premium. Thus the net profit came out £41,500 lower at £85,700, necessitating a fresh cut in the dividend, notwithstanding that the carry-for-

ward was further drawn upon. We summarise the results of the past three years:—

	1923.	1924.	1925.
Ore crushed	649,500	675,300	656,800
Gold yield	90,230	93,960	88,165
Cost per ton	108.26d	108.06d	108.18d
Net profit	£ 118,900	£ 127,200	£ 85,670
Dividends	£ 135,000	£ 120,000	£ 90,000
Rate per cent.	22½	20	15
Taxation, &c.	£ 8,360	£ 12,970	£ 11,240
Carried forward	£ 30,500	£ 24,760	£ 11,520
Ore reserves	1,852,400	1,450,100	1,234,020
Value	3.4	3.5	3.7

As foreshadowed in the 1924 report of the consulting engineer, an increased development programme was carried out, but it failed fully to replace the ore extracted, the quantity showing a fresh contraction of 216,000 tons. The grade, however, shows an improvement of 0.2 dwt. These figures reflect the irregular character of the results secured, especially in the South Parallel Section. It should be noted that the latter section above the fault, also the western end of the Cymrie above the first level, are practically worked out. During the current year work has been in an even more serious degree than before affected by floods, a loss of nearly £4,000 being recorded for March; hence the absence of any interim distribution. In May the earnings recovered to £8,000, and it is hoped that for the remainder of the year conditions will be normal. The ore reserves, however, have further declined, the tonnage at the end of March being computed at 1,139,000 tons, or not much over one and a-half years' supply for the mill. In these circumstances the firmness of the share quotation appears a little remarkable.

A Rand Fusion.—In connection with the last annual report of the East Rand Proprietary, referring to the refusal of the Union Government to guarantee an issue of second debentures in connection with the proposed amalgamation with the Cinderella Consolidated, we added that "the parties concerned will have to hammer out a scheme of finance unaided." This they have succeeded in doing in a shorter period than might have been anticipated. According to cables received during the week, a scheme has been formulated under which the East Rand Company will be reorganised with a capital of £1,500,000 in 10s shares. Of these 1,532,500 are to be allotted to the present proprietors (in the proportion of two for every three £1 shares now held); 231,900 are to be allotted to the members of the Cinderella (or in the proportion of about one in respect of four); then the members of the two companies are to be offered a total of 518,700 shares at 10s 6d under the guarantee of three finance houses—the Central Mining, the General Mining, and the Johannesburg Consolidated, who will receive as consideration a commission of 6d per share and an option for two years upon 500,000 shares at 12s 6d. Out of the funds provided £250,000 will be devoted towards the repayment of the existing debenture issue of the Cinderella (£500,000), the balance of the consideration being 100,000 new shares. One great advantage of the present scheme is that it will permit the ore from the Cinderella ground to be treated at the East Rand Proprietary's reduction plant—whose capacity is largely in excess of the capacity of the mine. It may be recalled that the East Rand's only dividend in recent years was 3½ per cent. for 1924. The Cinderella Consolidated has been shut down since the middle of 1913; the accounts to December, 1925, showed a deficit of £309,000. The last ore reserve computation gave: fully-developed payable ore, 466,500 tons, value 7.1 dwts; partly developed ditto, 558,300 tons, value 6.4 dwts; also a tonnage in suspense. At the end of 1925 the ore reserves of the East Rand comprised 1,961,500 tons, value 6.5 dwts. Unified, both properties should be able to show improved results.

Nigerian Tin Results.—The annual statements of three of the more important Nigerian tin mining enterprises have come to hand during the past few days. That of the Ropp—whose belatedness is attributed to the recent absence of the chairman in Rhodesia—shows the slightly reduced profit of £110,600. The output decreased by 200 tons to 1,350 tons, but the effect of the shrinkage was partly offset by the enhanced price received for the

metal. The final dividend of 5 per cent. makes a total of 65 per cent., as against 80 per cent. in respect of 1924. The possible effect on the share market of the lower dividend for 1925 was negated by the declaration of an interim distribution of 20 per cent on account of the current year. Rights have been secured over additional areas. At 8,650 tons the ore reserves indicate a shrinkage of 1,100 tons during the twelve months. In view of this, there would seem reason for the shareholders to keep an eye on the progress of events. As regards the Rayfield, the most agreeable feature is the further amelioration which has taken place in the financial position. The profit of £39,350 fell nearly £10,000 short of the 1924 total. Once again the fixed 10 per cent. dividend on the preference shares was paid and the sur-

plus devoted towards clearing the decks. Moreover, £12,500 was received from the sale of certain leases. Thus the company has been able to extinguish the balance of the loans and the mortgage. The shrinkage of 50 tons in the output is explained to be due to the deficient rains. The company holds nearly half the capital in the Entesee Trust, an associated undertaking which last year paid a dividend of 12½ per cent. It would seem reasonable to expect on account of the current year a dividend on Rayfield ordinary shares, which have received nothing since 1919. Like the other two companies, the Ex-Lands earned less last year than in 1924, although the difference is small. The company has, however, followed the questionable procedure of bringing into the appropriation account £10,400 premiums received on the issue of the

THE REVENUE.

I.—An ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM in the undermentioned period of the Year ending March 31, 1927, as compared with the corresponding period of the preceding Year.

	Quarter from April 1 to June 30, 1926, compared with the corresponding Quarter of the preceding Year.		Increase.	Decrease.
	Quarter ending June 30, 1926.	Quarter ending June 30, 1925.		
Customs	£ 26,077,000	£ 24,181,000	1,896,000	..
Excise	30,502,000	29,527,000	975,000	..
Motor Vehicle Duties	3,084,000	2,833,000	251,000	..
Estate, &c., Duties	13,200,000	15,450,300	..	2,250,000
Stamps	3,620,000	4,490,000	..	870,000
Land Tax, House Duty, and Mineral Rights Duty	110,000	140,000	..	30,000
Property and Income Tax	29,292,000	40,148,000	..	10,856,000
Super Tax	13,850,000	18,670,000	..	4,810,000
Excess Profits Duties, &c.	1,420,000	3,320,000	..	1,900,000
Corporation Profits Tax	6,700,000	7,350,000	..	650,000
Postal Service	1,200,000	1,300,000	..	100,000
Telegraph Service	4,100,000	3,800,000	300,000	..
Telephone Service	240,000	220,000	20,000	..
Crown Lands	4,405,287	3,791,703	613,584	..
Interest on Sundry Loans	..	..	..	..
Miscellaneous—	4,104,552	2,385,459	1,718,093	..
Ordinary Receipts	4,931,855	11,579,948	..	6,648,093
Special Receipts	..	..	..	..
	146,846,694	169,187,110	5,773,677	28,114,093
			Net Decrease, £22,340,416	

II.—An ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Quarter ending June 30, 1926, as compared with the corresponding period of the preceding Year.

RECEIPTS.	Quarter ending June 30, 1926.		ISSUES.	Quarter ending June 30, 1926.	
	£	£		£	£
Balances in Exchequer on April 1—			Expenditure—		
Bank of England	5,880,249	5,341,778	National Debt Services—		
Bank of Ireland	676,684	1,215,322	Interest, &c.	116,888,091	116,228,737
	6,556,933	6,557,100	Sinking Fund	7,849,463	12,268,591
Revenue, as shown in Account I.	146,846,694	169,187,110	Road Fund	2,383,044	2,040,044
Temporary Advances Repaid—			Payments to Local Taxation Authorities, &c.	1,197,23	870,000
Under the Unemployment Insurance Acts, 1921	300,000	250,000	Land Settlement	815,003	1,074,194
Money Raised by Creation of Debt—			Other Consolidated Fund Services	863,249	624,070
(a) For Capital Expenditure Issues—			Total Consolidated Fund Services	129,996,173	133,208,878
Under the Telegraph (Money) Acts, 1922 to 1925	2,850,000	3,050,000	Supply Services—		
Under the Housing Act, 1914	..	3,000	Army, Navy, and Air Force	28,051,000	24,550,000
Under the West Indian Islands (Telegraph) Act, 1924	3,070,000	920,000	Civil Services	55,021,200	50,650,000
(b) For other Issues—			Revenue Departments and Post Office	11,790,000	12,050,000
By Treasury Bills	612,882,000	596,472,000	Total Supply Services	94,864,200	87,250,000
By 3½% Conversion Loan	7,050,000	10,100,000	Total Expenditure chargeable against Revenue	224,860,373	220,458,878
By National Savings Certificates	3,512,150	..	Temporary Advances—		
By Treasury Bonds, 1925	..	..	Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	36,891	36,891
By 4 per Cent. Treasury Bonds, 1931-33	212,301,000	220,735,000	Under the Unemployment Insurance Acts, 1921	3,070,000	920,000
(d) Ways and Means Advances	..	..	Issues to meet Capital Expenditure—		
Repayments—			Under the Telegraph (Money) Acts, 1924-1925	2,850,000	3,050,000
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	74,613	47,652	Under the Housing Act, 1914	..	3,000
			Under the West Indian Islands (Telegraph) Act, 1924	..	11,533
			Unemployment Insurance Acts, 1921 —		
			Repayment of Amounts borrowed	300,000	250,000
			Redemption of Debt—		
			Treasury Bills	564,855,000	575,610,000
			Principal of National Savings Certificates	7,100,000	7,750,000
			Principal of Exchequer Bonds paid off	..	306,667
			Principal of National War Bonds paid off	..	36,9550
			Principal of Treasury Bonds paid off	..	23,645,860
			Ways and Means Advances Repaid	189,741,000	192,385,000
				1926 June 30.	1925 June 30.
			Balances in Exchequer—	992,813,264	1,028,067,379
			Bank of England	2,183,873	1,976,045
			Bank of Ireland	446,253	369,541
				2,630,126	2,345,586
				995,443,390	1,030,412,965

Mem.—	£ 704,296,000	
Floating Debt outstanding March 31, 1926		
	June 30, 1926.	June 30, 1925.
Ways and Means Advances outstanding—	125,000	9,750,000
Advances by Bank of England	149,501,000	185,185,000
Advances by Public Departments	*612,945,000	596,585,000
Treasury Bills outstanding	774,926,000	791,520,000
Total Floating Debt outstanding	704,296,000	..
Net Increase	70,630,000	..

* Includes £52,000 the proceeds of which were not carried to the Exchequer within the period of the account.

Treasury, June 30, 1926.

balance of the share capital. It is thus able to pay an additional 2½ per cent., besides writing off various items. The reduction in profit in the face of a slightly increased output realised at an enhanced price arises from growth in the working expenditure. Additional plant has just been installed, and the consulting engineer estimates that, taking the year as a whole, an increase of 50 per cent. in the production should result. On the basis of last year's dividend total of 27½ per cent., Ex-lands 25 shares, at 4s 6d, yield about 12 per cent.

Oversea Correspondence.

UNITED STATES.—ACTIVE MARKETS—BUSINESS OUTLOOK—MOTOR CAR COMPETITION—OIL POSITION.

(FROM OUR CORRESPONDENT.)

NEW YORK, June 22.

FURTHER strength developed during the past week in the securities market, and carried a goodly number of shares up to new high records for all time. The common stock of the United States Steel Corporation, for example, exceeded its best price of the war and post-war periods in selling at 139½. General Motors common, which has shared leadership in the rally with Steel common, came within two points of its previous high in advancing to 148½. Meanwhile oil and railroad shares have continued to show consistent strength. A broadening out of interest and an increase in activity has occurred during the past week, a greater number of shares being traded in, and the turnover on one day reaching up close to the two and a-half million share mark. Public participation has increased, although it cannot yet be called enthusiastic. The bears still say that the upswing is nothing but a rally in a bear market, and that business is declining consistently from a peak made this spring. The bulls, on the other hand, maintain that business again is improving, and that with present supplies of cheap money a greater bull market will be had this year than last. Brokers' loans, incidentally, increased during the last week for which data are available, that ended June 16th. The gain amounted to \$43,000,000, and brought the total as reported to the Federal Reserve Bank up to \$2,517,000,000. This figure still is some \$624,000,000 below the peak for the year.

Certainly there have been some signs of improvement in business. Steel buying has picked up appreciably during the last few weeks, and the prices of a few steel products have been advanced. Several of the non-ferrous metals have also moved up to slightly higher quotations. Some observers are inclined to regard these movements as significant, in view of the fact that the index of wholesale commodity prices prepared by the Bureau of Labor Statistics showed stability during May. It rose 0.3 of 1 per cent. to 152 per cent. of the 1913 average, this being the first advance in this index since last August. This statement of the case perhaps overstates it slightly. The index moved very little during the last quarter of 1925; but it did recede rather markedly during the first quarter of this year. In any event, it has been more stable during the current quarter, and now shows signs of moving upwards. The circumstances suggest the possibility that business has been undergoing a slight recession, from which it may recover during the autumn. Favourable to this view is the fact that business at no time this year has been really bad; on the contrary, it has been remarkably good. Nor has it been unhealthy in the fashion that is typical of the top of "ideal" business cycles. There has been no inflation of commodity prices, no loss of efficiency or slowing down of the business turnover, no congestion of credit and no advance in money rates. Business has remained remarkably efficient. At the same time employment has continued full, with wages at top levels. With commodities cheapening, public purchasing power obviously has remained high. Accordingly, it is quite apparent that a recovery in business after a slight breath-catching recession is entirely possible. It is too early as yet to say whether something of this kind is on the cards, particularly as no very clear line is obtainable at this juncture on the crops; but the fact remains that prices are

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showing somewhat greater steadiness and that many bankers report a slight improvement in business. The depression that was predicted on statistical grounds has failed to appear. The pessimism that was created by the March break in the share market has been dissipated. The disposition at the moment is to take a steady view of the situation, and to recognise the possibility that recovery rather than reaction may be the next development.

Competition continues to be the feature of the motor industry. That the total volume of business is good is demonstrated by the May production figures. Close on to 395,000 passenger cars and over 51,000 trucks were produced in the United States during the month, as compared with 384,000 and 45,000 respectively in May of last year. The May output was slightly below that of April, but, seasonal tendencies considered, there is nothing remarkable about that. For the first five months passenger car output of the United States and Canada amounted to 1,816,000, as compared with 1,580,000 last year, while truck output totalled 227,000, as against 201,000. For this good business, however, the manufacturers are struggling keenly. A certain amount of price-cutting has developed, Ford, for example, reducing his prices \$15 to \$45 a model. His new low prices bring the touring car with self-starter and balloon tires down to \$380. It is apparent, however, that price-cutting does not furnish the solution of the problem, and even in the case of Ford it is looked on as a temporary expedient. The public during the past year or so has insisted on improved cars, and has been willing to pay for its preferences. Consequently, many new models are impending. Willys is bringing out a new light-weight, low-priced car that will have four wheel brakes and pressure oiling, and that is expected to add to Ford's troubles. Several makers of four-cylinder cars are expected to go to sixes, and a number probably will utilise single sleeve valve motors. Hudson, which has followed the Ford lead for years in making its play on low-priced coach models, is stated to be about to bring out an all-steel coach at a higher price. Meanwhile, there are persistent rumours that Ford will take the plunge away from the four-cylinder model, to which he has clung since 1908, and go in for a six. Some believe that this "six" will be a two-cycle affair on Diesel lines. In any event, the next few months in the automobile industry promise to be exceedingly interesting ones.

Oil shares continue to be well bought on the excellent statistical position of the oil industry. Production has increased slightly since early in the year, but is still running materially behind last year. As yet there have been no gigantic new pools such as have upset the equilibrium of the industry repeatedly in the last several years. At the present moment there is a rapid development of what promises to be an excellent oil-bearing region in the Texas Panhandle, but the increased output that probably will come from this source is not expected to prove seriously disturbing to the price structure. Many rumours have been spread during the past few weeks with regard to mergers, but they have been less reliable than those of some months ago, which were followed by consolidations. The name of the Marland Oil Company, in which the Morgans have an interest, has been mentioned frequently, but this company is committed to nothing in the merger line. Atlantic Refining and Union Oil of California also have been mentioned, but the fact seems to be that the strength in the shares is due to the buying of operators who thought that mergers ultimately might develop or who saw a chance to make a turn in the market

rather than to actual merger negotiations. Mergers for some of these companies may be logical, and ultimately may develop; at the moment, however, the basis of agreements does not seem to exist.

FRANCE.—THE NEW CABINET—BANK OF FRANCE CHANGES—STABILISATION AND RATIFICATION.

(FROM OUR CORRESPONDENT.)

PARIS, June 30.

THE tenth Briand Ministry appeared before the Chambers for the first time yesterday, and its prospects of accomplishing the work of financial restoration, which it has ostensibly been brought into existence to carry out, may perhaps be gauged by the fact that the franc, which was quoted officially at 169.40 when the market closed yesterday, has dropped during to-day to 173.

The new Cabinet's greatest weakness, perhaps, is that it has been drawn entirely from the groups of the Left, and that none of the sections further towards the Right, on which M. Briand will almost certainly have to look for an appreciable amount of support, if his Ministry is to survive, are represented in it. If technical ability, however, fitted to cope with the present critical situation counts for anything, the new combination has enough and to spare. M. Caillaux has with him at the Ministry of Finances, as Under-Secretaries of Finance and of the Treasury respectively, MM. Piétri and Duboin, who rank high among the unusually strong group of financial experts belonging to the present Parliament. Both have a remarkable fund of financial ideas and of sound financial imagination, as their numerous published dissertations have shown. M. Nogaro, who was given the portfolio of Minister for Public Instruction, as much because of his ability as a financial expert as for his standing as a scholar, is another element of strength. The same may be said of M. Chapsal, the new Minister of Commerce, who has won a solid reputation, first as a high official of the Ministry over which he now presides, and latterly as a very able president of the Customs and Excise Commission of the Senate, which has played an important, although non-spectacular, rôle in connection with Budget modifications recently. MM. Chapsal, Nogaro, Piétri, and Duboin and five others of their colleagues hold Ministerial rank for the first time, so that the new Cabinet (which totals twenty-two) cannot be said to be lacking in new blood. General Guillaumat, who has replaced M. Painlevé at the War Office, has come direct from the command of the Armies of Occupation on the Rhine, and has never before figured in Parliamentary life. He is understood to be the personal nominee of M. Caillaux, and his presence at the political headship of the Army is regarded as significant, in view of the rumours that have been current for some two years past as to the possibilities of a Nationalist coup d'état.

The general criticism is that the new Ministry, instead of reflecting the universal desire for the financial situation to be taken in hand firmly, and without regard to party political interests, is far too "Gauchist" in composition to be able to deal with the problem solely from the national point of view. There is also a widely expressed fear that, although the Ministry is nominally under the command of M. Briand, the real dictator of the Cabinet may prove to be M. Caillaux, whose recent tenure of office as Finance Minister is regarded as having by no means added to his authority. This impression was deepened by the disclosure that M. Caillaux, before accepting office, insisted on being also given the vice-presidency of the Ministerial Council, which has for many years been held by the Minister of Justice, and which carries with it the duty of acting as Premier during the latter's absence.

The dramatic action of M. Caillaux in dismissing M. Robineau from the post which he has held for several years as Governor of the Bank of France, came with a distinct shock to public opinion, in view of the fact that the Cartel des Gauches have been persistently calling for the head of this old and tried officer ever since they came into power two years ago. The shock was all the greater from the fact that M. Caillaux took this step unexpectedly, three days before the first appearance of the new Ministry before Parliament. M. Robineau's dismissal was made known in the form of an official

announcement in the *Journal Officiel* to the effect that M. Robineau had been appointed Hon. Governor of the Bank, and that M. Moreau, director-general of the Banque de l'Algérie (the second of the French banks of issue), and inspector-general of finances, had been appointed to succeed him as Governor. An official *communiqué* sent to the newspapers added—in allusion to alarm that has been repeatedly expressed to the effect that the aim of M. Caillaux and his political friends is to transform the Bank into a purely State institution—that "M. Moreau will maintain firmly the independence of our great bank of issue, whose credit must remain distinct from that of the State." M. Moreau was *chef de cabinet* to M. Rouvier, who was Premier in 1905-6, and he has also filled a corresponding post under M. Caillaux himself.

It will be remembered that there have been frequent allegations for many months past of friction between the responsible directors of the Bank of France and the Government, and particularly lately, during the tenure of the Ministry of Finance by M. Caillaux, and more recently by M. Raoul Péret. The latter's resignation a few weeks ago, indeed, was alleged to have been primarily due to his inability to induce M. Robineau to consent to allow the Bank's gold reserve to be utilised by the Government as a guarantee for credits for the purpose of supporting the franc on the exchange markets. M. Robineau's dismissal is regarded by a large section of opinion as directly due to political considerations, and the view expressed by Cartellist journals—to the effect that "the first act of the new Cabinet has been to strike plutocracy at its most typical and most mischievous point," and to bring about the destruction of "a State within the State" which had become "the citadel of reactionism"—is generally considered as revealing the motives of M. Caillaux's first important official act in his new post. The alarm caused by M. Robineau's dismissal was somewhat allayed yesterday by the publication of an official statement by M. Caillaux asserting that "there has not been and cannot be" any question of utilising the Bank's gold reserve as a guarantee in connection with any foreign loan, and there the matter remains for the moment.

The dismissal of M. Robineau synchronised with the nomination of M. Briand, Senior Deputy-Governor of the Bank of France (and one of the members of the Committee of Experts which is now drawing up recommendations for the restoration of the financial situation) to replace M. Moreau at the Banque de l'Algérie. M. Leclerc was promoted to the post of Senior Deputy-Governor, and Professor Charles Rist, of the Paris Faculty of Law (another member of the Committee of Experts) was appointed Deputy-Governor of the Bank of France.

The formal declaration made to the Chambers by the new Ministry yesterday was received in a distinctly lukewarm manner in the Lower House, and almost chillily in the Senate. As the text confirms, the statement lacked greatly in precision and proved disappointingly foggy. The Government intimated that it proposes to devote itself solely to financial restoration. The Budget having been balanced, no further "notable effort" will be required from the taxpayer, and the Government realises the necessity "to modify a fiscal system which experience has shown to embody certain abuses." It proposes therefore, to reduce substantially the general income-tax rates and the scale of taxation on securities. According to reports in political circles, M. Caillaux has the intention of compensating for these reductions by appreciable increases in the succession duties. The declaration confined itself, however, to forecasting the modification of the existing categories of taxation and the imposition of stricter methods of collection. The real task of the Government, it is recognised, will lie in removing the danger to the Treasury arising from the floating debt, and in this connection it will base its policy on the report of the Committee of Experts. This done, it will be able to approach "the essential portion of its programme: the stabilisation of the franc," by erecting "the barrier of a reasonable convertibility and to re-establish, on the basis of new but fixed parities, the security of transactions and of contracts, the normal play of business affairs and the legitimate remuneration of labour and capital." The Government relies on the co-operation of the Bank of

France, the independence of which, the declaration significantly repeats, will be scrupulously respected. The Government recognises that Allied Debt settlement will be necessary before stabilisation can be brought about, and insists on the question of the ratification of the Washington agreement being speedily accomplished. No mention is made in the declaration of the limitations and restrictions of consumption, of which so much has been heard, and the declaration concludes with an urgent appeal for a speedy return to the old Parliamentary electoral system, in replacement of the present form of proportional representation. The Government, after the reading of the declaration, asked that the discussion of its financial policy be postponed until Tuesday next, by which time M. Caillaux hopes to be able to present definite proposals. One reason for this adjournment was that the report of the Committee of Experts is expected to be completed by the end of the week, and on this M. Caillaux proposes to base his plans.

The ratification question has now assumed first importance, and there is every indication that, in view of the increasing opposition to the terms of the agreement, the Government will be obliged to make a further attempt to secure easier conditions. This question may be found to override all others during next week's debate.

GERMANY.—THE SIX MONTHS' BOURSE BOOM—BURGSTRASSE METHODS.

(FROM OUR CORRESPONDENT.)

BERLIN, June 30.

THE Bourse quotations upward movement, which began on the first Bourse day of the year, has taken an extraordinary character. Foreigners are directly and indirectly interested in it. All along, but in particular during the past month, there has been heavy foreign buying, not only by sound-money countries, but also, and at times predominantly, by French and Belgian speculators, whose paper francs, indeed, have small purchasing power for mark securities, but who buy German stocks in the hope of preventing further loss, and of recouping themselves for past losses. This is one form of the "Flight from the Franc"; and, so far, these speculators have not only prevented further loss, but have made money through the rise in mark stock quotations. Calculation shows that a French stock buyer who put his already depreciated francs into certain German stocks when they stood lowest last year, could to-day sell them for a sum in marks equal to the same sum in gold francs. American buying has also been heavy. The usual phenomenon of Bourse booms is witnessed, that the outside public buys either near the top or, at least, after a great rise; and as a result of this, trading is so active that Bourse hours are sometimes found insufficient for coping with business.

Compared even with Wall Street booms (the present has lasted five years), the German six months boom has been extremely rapid, so that solid, not naturally speculative stocks, such as those of the great coal and steel concerns, stand at fourfold prices above the lowest level of 1925, which was in most cases reached late in the year. Further, there have been only two reactions of dimensions worth mentioning, one in February, following the initial January rise, and the other in April. The former embraced almost all stocks, but from the latter were excepted the dyes and electrotechnical stocks, which continued to soar. Shipping stocks, on the basis of the American Restitution Bill, began to rise weeks before the end of 1925, and reacted at the beginning of April, on receipt of unfavourable news about this Bill; and the leading papers in this class, though sharing in the latest boom, have not yet reached their level of April 1st.

The boom has proceeded group by group, according to old observation. While all stocks rose more or less, the movement began with the shipping, next the dyes and electro-technical, and next the oils, chemicals, and steel-coals. The latter are really the great Bourse papers, and they would normally lead the market, but their movement was retarded by delay in the formation of the Western Steel Trust, and later by doubt as to its foreign financing. It was only after the conclusion of the Trust's American loan that the movement upward became very rapid. Thus

in January-May Gelsenkirchen rose only from around 60 to around 100, but it has since risen to 160. Dyes rose almost without a break, I. G. Farbenindustrie (Dyes-Nitre Trust) from about 102 at the beginning of the year to around 248. A good example of electro-technical is Siemens and Halske, which rose during the six months from around 63 to 175. Deutsche Erdoel (Oil) rose in the six months from around 60 to around 148. Hamburg-American rose from around 105 at the beginning of the year (about 44 low point of 1925) to over 160 on April 1, and is now around 155. Another group which gained is potash. These stocks, however, being dividend-payers, stand permanently high, and they are relatively steady. Aschersleben Potash rose from about 95 at the beginning of the year to around 150.

How long this boom is going to last cannot be foreseen. It is impossible to say whether the major bull movement has nearly reached its top, or whether, if not, a temporary minor reaction will come. That the upward pace has been so very rapid is no surprise to students of Continental Bourses, who know that bull movements of given dimensions (absolute differences in quotations) are usually more rapid than bear movements of the same dimensions. Experienced speculators know that the further a particular rise has gone the more probably it will end in a drop, owing to the overbought condition of the market, and to the fact that most buying is on margin or credit. But the Berlin movement has been so much helped by cheap home money, foreign money, and growing business confidence, that its chronic overbought condition has so far had no effect; and on the day of writing the BURGSTRASSE (which is the name of Berlin's Capel Court) is engaged in another upward leap. Some time, not far off, however, either the major boom will reach its end, and be followed by a long decline, or if that does not happen there will be a severe reaction before the upward movement is resumed. In either case those Germans or foreigners who persist in buying after a rise may easily suffer loss, especially if they are buying on margins or credit insufficient to withstand a considerable drop in quotations.

Apart from the group character of the boom, there have been disparities in the rise due to another cause. While the Bourse reports, indexes of quotation averages, and diagrams all indicate enormous rises, the majority of stocks have risen very moderately, though of late their pace has grown. This majority consists of stocks quoted only in the "Unity Market." To understand this the organisation of BURGSTRASSE trading must first be understood. There are three forms of trading and three different markets. First comes the "Futures Market" (*Terminmarkt*). In this there are fortnightly settlements and no cash settlements. To the Futures Market belong only stocks of big companies, which are also active stocks. The present list contains 64 stocks. Dealings for future settlement in these 64 stocks must be in considerable units, usually 6,000 or 7,000 nominal. The number of stocks is steadily being increased. Persons who want less must buy in the Unity Market (*Einheitsmarkt*). Futures dealings may be prolonged beyond a fortnight by a system differing from that of London, and necessarily from that of New York, where all dealings are theoretically for cash, and where there are no settlement days. In the Futures Market there are continuous quotations, as in London and New York. All prices actually traded at are recorded and quoted, though there is no ticker, and the ordinary newspapers usually print only high and low or opening and closing quotations. Next comes the Variable Market. It embraces about 100 stocks and some bonds. Here the stocks are mostly important and active, though in general less so than those in the Futures Market. The Variable Market takes its name from the fact that, as in the Futures Market, stocks are quoted for every deal; but it differs from the Futures Market in that stocks are bought and sold for cash. In practice payment is within three days of the deal. If the Futures list is to be increased, this would in most cases be done by transfer to it of stocks already on the Variable List. Stocks may be bought "variably" only in certain minimum units, but the units are smaller than those of the Futures List, and the usual minima are 2,000 and 3,000 marks nominal.

Finally, comes the Unity Market (*Einheitsmarkt*), which is currently called the "Cash Market," but this is an error, because also "variable" stocks are sold for cash. In the Unity Market are bought all stocks not quoted in either of the two first-mentioned markets, and all stocks in the two first-mentioned markets which are dealt in in nominal values below those given. As some 1,000 securities are quoted on the Bourse, the Unity Market is much the biggest. But most of the stocks quoted exclusively in it are either inactive or are the issues of smallish companies. For the Unity Market there is only one quotation a day, and all deals on this market must be made at that quotation. Stocks quoted continuously or "variably" on the Futures Market and Variable Market have also their Unity Market quotations. All Unity Market quotations are fixed by an official broker (not a jobber), who does not himself deal, and who is paid by both buyer and seller a percentage on the value of each deal. His quotations are the price which will fit the greatest number of orders, whether with limits or at best (*bestens*). With an active stock this is a complicated process. Where the supply of a stock is inadequate to meet all buying orders at the limits given, the supply is partitioned *pro rata*. If a stock is inactive, and if an order to buy or sell at best can be executed only by paying or accepting an unreasonable price (as compared with the last preceding quotation), the Bourse Committee "strikes" the stock, and the would-be buyer or seller is spared an unprofitable deal. The Bourse quotation lists show by means of abbreviations not only the prices at which business has been done, but also other features of the trading. Thus where all buyers and sellers have been satisfied appears opposite the quotation "bz" (*bezahlt*, or "paid"), the addition of a G (*Geld*) means that the demand, though in part satisfied, exceeded the supply, and G. *etwas bz.* (something paid) means that the supply has far from satisfied the demand. There are corresponding abbreviations for use where offers have exceeded the demand. No native or foreigner who does not understand these technicalities is competent to buy or sell German stocks. Often foreigners, who have paid as much as 5 per cent. more than the quotations in the brief cabled reports to abroad, believe that they have been overreached; but even bigger differences often appear between a quotation on the Unity list on one side and on the Futures or Variable list on the other; and the cabled reports do not indicate which market is meant.

Trading in futures was suspended during the war, and restored only last year. Before the war the settlements were at the month's end. To-day, in order to reduce the risk, they are fortnightly; but there is an agitation in favour of a return to monthly settlements. In order to ensure that all obligations shall be fulfilled at each fortnightly settlement, the Berlin Bourse has a guarantee fund, to which bankers and other institutions which act as intermediaries in trading subscribe in rough proportion to their importance. The banker in turn, of course, requires his private buyers and sellers to give him sufficient security. This system has worked well, and no difficulties have yet been experienced on any settlement day.

AUSTRALIA.—COMMONWEALTH AND STATE FINANCE—QUARTER'S BANK FIGURES.

(FROM OUR CORRESPONDENT.)

MELBOURNE, May 27.

THE conference between Commonwealth and State Ministers to consider the proposal of the Commonwealth Government to discontinue *per capita* payments by it to the States, now made mainly on the basis of 25s per head of population, and, at the same time, to discontinue the Federal income-tax (except as regards companies, and as regards Government securities already subject to that tax) has been without result, as the State Ministers have not seen their way to agree to any arrangement on the subject. The Commonwealth Government and Parliament, however, have full powers to decide the question for themselves, and it is, therefore, open to them to discontinue the *per capita* payments without consulting the States. If this were done, whether by arrangement or otherwise, the States would have to raise additional direct

taxation by reorganising their individual systems, while the taxpayers as a body would not gain, as reduction in the expenditure of the Commonwealth and States is not proposed. A further point is that even if the Commonwealth withdrew from the field of income-tax, it would be at liberty to re-impose it at some future time if a Government with a lavish spending policy came into office, a matter depending upon the electors, and that the Commonwealth is in a position to contemplate relinquishing the Federal income-tax in return for the discontinuance of the *per capita* payments to the States is due to the exceptional buoyancy of the Customs revenue, which, in case of any reduction in imports, would not necessarily be permanent.

The quarterly average returns to March 31st of the fifteen ordinary banks (exclusive of the Commonwealth Bank of Australia) relating to liabilities and assets within Australia and New Zealand (but not including London figures) show deposits, advances, and cash items comparing with the previous quarter and twelve months previously as follows:—

	March 31, 1925.	Dec. 31, 1925.	March 31, 1926.
Deposits—			
Australia	£ 251,483,695	£ 247,155,107	£ 261,216,723
New Zealand	53,090,842	49,726,896	51,314,674
Total deposits	304,574,537	296,882,003	312,531,397
Advances, &c.—			
Australia	208,373,310	222,416,610	222,547,743
New Zealand	49,898,909	54,748,666	54,438,610
Total advances, &c.	258,272,219	277,165,276	276,986,353
Cash items—			
Coin and bullion (Australia and New Zealand)	29,466,807	34,042,581	34,063,544
Australian notes and cash with Commonwealth Bank	28,684,773	23,855,912	26,372,111
Legal tender notes of other banks (New Zealand only)	269,806	216,748	269,773
Total cash	58,421,386	58,115,241	60,705,428

The increase in deposits for the quarter is the normal result of realisation of wool, wheat, and other articles of the season's production. As, however, the total value of production for 1925-26 is appreciably smaller than for 1924-25, the supply of fresh money derived therefrom is so much less, and this is likely to affect the monetary position as the present year advances, especially as the banks continue to experience an active demand for accommodation from their customers. Comparing the figures for Australia and New Zealand together with a year ago, the increase in deposits is £7,956,860, while advances, &c., have increased by £18,714,134. Taking Australia by itself, deposits show an increase of £9,733,028, and advances, &c., an increase of £14,174,433. The latter movement includes an increase of about 4½ millions in Government and municipal securities, after allowing for which the increase in ordinary advances has been fully equal to the increase in deposits in Australia for the twelve months.

The principal figures (within Australia) of the Commonwealth Bank of Australia, not included above, compare as follows:—

	March 31, 1925.	Dec. 31, 1925.	March 31, 1926.
Deposits	£ 26,051,895	£ 33,487,620	£ 24,253,615
Savings bank deposits	39,750,611	42,015,315	42,740,488
Balances due to other banks	3,309,563	4,261,505	5,241,729
Discounts, loans, &c.	12,489,389	11,353,877	12,735,245
Government & municipal securities	38,758,386	39,263,843	39,564,551
Coin and bullion	2,559,566	7,380,449	8,225,582
Australian notes	9,252,489	8,847,851	7,527,681
Balances due to other banks	4,669,798	2,594,931	2,547,152

The fluctuations in the deposits of the Commonwealth Bank are largely the effect of movements in the Government account.

Coin and bullion held by the ordinary banks in Australia and New Zealand and by the Commonwealth Bank in its banking department, as above, together with the gold reserve against the Australian note issue, amount to £68,289,126, against £57,326,373 a year ago, the increase being due to last year's imports into Australia.

INDIA.—CURRENCY AND EXCHANGE—AGRICULTURAL IMPROVEMENT—COTTON INQUIRY—GOVERNMENT LOAN—REPAYMENT OF STERLING SECURITIES.

(FROM OUR CORRESPONDENT.)

CALCUTTA, June 3.

BANK rate, after remaining at 6 per cent. from early December, fell to 5 per cent. on May 20th, and, it is forecast, may drop to 3 per cent., certainly to 4 per cent., during the period of the official loan operations. Exchange keeps steady, the offer of Reverse Councils, though unutilised, sufficing to avert the decline at one time threatened as the result of speculative operations which ceased immediately Government disclosed its hand. Official intervention on these lines has been criticised as involving an attempt to prejudge the recommendations on this point of the Currency Commission; nevertheless the action taken involves no real departure from the policy previously pursued. A permanent fixation of the rate at 1s 6d is now anticipated, also adoption of the gold bullion standard instead of the gold exchange standard hitherto operative, the process of reform also probably including the transfer of the paper currency either to the Imperial Bank of India or to a new central bank super-imposed on all the other institutions now existing. A Banking Development Committee is expected to carry the campaign against the "hoarding habit" a stage further.

Preliminary inquiries intended to prepare the ground for the Agricultural Commission are in full swing, and a considerable expansion in the scope and operations of the central and provincial agricultural departments is foreshadowed, the present yearly outlay in this direction falling short of the financial assistance extended to a single industry, viz., steel manufacture, whose development affects only a relatively insignificant fraction of the total population, compared with agriculture. In Bengal, to take one province only, the investigations into jute alone are officially calculated to be yielding 1,000 per cent. per annum on the expenditure incurred. Taking all the Bengal crops together, the Director of Agriculture estimates an "immediate possibility" of adding Rs. 10 crores per annum to the net income of the province, merely by a wider distribution of the improved official types of seed, the realisation of this increase requiring no outlay of capital in the shape of manures, irrigation works, or other expenditure of any kind. Nevertheless the use of improved types of seed is, of course, only the first stage, for by economic manuring and a suitable rotation of crops a further increment of profit is always realisable. Furthermore, there is no doubt that the introduction of irrigation on a wide scale would not only insure existing crops, but enable cultivation of other profitable crops to be undertaken. Unfortunately, in Bengal irrigation has been sadly neglected.

Figures of cotton mill production in the Bombay Presidency for the year ending March 31st last indicate a smaller curtailment of output in consequence of the strike-cum-lockout than was expected. In thousands of lbs yarn production totalled 423,451, against 474,292 in 1924-25, and 398,552 in 1923-24; the corresponding figures for piecegoods being 342,030, against 347,672 in the preceding year, and 307,915 in 1923-24, whereof grey and bleached piecegoods totalled 242,468 last year, 241,208 in 1924-25, and 217,077 in 1923-24. Outputs of mills situated outside the Bombay Presidency are not yet available. After prolonged negotiations a fiscal inquiry has now been sanctioned, and will provide the opportunity for a thorough probing of the conditions governing the production and distribution of cotton manufactures in this country. Penalisation of "sweated" imports from Japan is the Indian millowners' objective, and no suggestion will arise of imposing higher duties on goods of Lancashire origin. A preferential duty, securing taxation of all non-British imports, is possible, but perhaps hardly probable, unless, indeed, the impending elections effect important changes in the composition of the Legislative Assembly, in which event, as a political "gesture," a preferential duty might perhaps be reckoned among the possibilities. Viewed as a solvent of the difficulties of the Bombay mills, the elimination or curtailment of Japanese competition can be regarded only as a mirage, destined, like

the abolition of the excise duty, to leave the existing position practically unchanged. A Bombay-Manchester monopoly of the Indian market will not increase its consumption of piecegoods, on the contrary, any stiffening of prices so contrived would merely accentuate the general tendency among consumers, faced with high prices, to "do without," or resort to inferior products. In the ultimate analysis, the real source of anxiety should be not that Japanese goods have passed into consumption so freely, but that, despite their low price-level, the demand for them has been on so limited a scale. The lesson is that before the pre-war standard of imports can be restored, piecegoods prices must fall even below the Japanese conception. That view may shock Lancashire's complacency, but its corroboration may be found in the heavy decline in imported piecegoods in 1925-26.

Joint-stock registrations, which reached their peak in 1919-20 with 948 companies, commanding an authorised capital aggregating 282 crores, reinforced in the succeeding year by 1,039 companies authorised to raise 148 crores, have, since that hectic period, experienced a steep decline, the end of the boom flotations coming in 1921-22 when registrations were limited to 717 companies making a relatively modest demand for 81 crores. Thereafter enthusiasm waned, and contact with industrial realities was restored. As a consequence, in 1922-23 registrations did not exceed 496 companies (34 crores); in 1923-24, 432 (27 crores); the bottom of the incline being reached with 411 companies registered in 1924-25, with an aggregate authorised capital of approximately 21 crores. A slight recovery is now recorded, the figures for 1925-26 showing 473 ventures, asking 30 crores, little of which has probably been paid up. Even so, liquidations still exceed registrations, the former in 1925-26 totalling 473 companies, with an authorised capital of nearly 36 crores, compared with 502 declared defunct in 1924-25, claiming an authorised capital of almost 59 crores. The process of deflation has extended, with a few exceptions, to Stock Exchange valuations of the shares of joint-stock concerns still in operation.

Concurrently, and to some extent consequentially, there has been a rapid appreciation in Government securities, equivalent to approximately 10 per cent. in the past twelve months; the average yield at present quotations falling somewhat below 4½ per cent., with every indication of falling still further in the next few months. In effect, Government now monopolise the loan market, and could raise this year 20 to 30 crores without difficulty, whereas, apart from conversion operations, they are asking less than 5 crores, and only require this to pay off various sterling securities, including, apart from the balance (£900,000) of the 7 per cent. loan, a selection from the following railway debentures: Assam-Bengal, £300,000; Bengal-Nagpur, £1,900,000; Madras and Southern Mahratta, £500,000; total, including the 7 per cent. loan, about £3,600,000. Unless there is a radical and unforeseeable change in the Indian financial outlook, this gradual liquidation of sterling securities will probably remain a permanent feature of Indian budgeting, abnormal years naturally excepted. Combined with the continued private purchase from this side of the same class of securities, the result will be to release British capital now invested in India for utilisation in other countries less competent to meet their own capital requirements.

ARGENTINA.—CEREAL SHIPMENTS—A BANK IN TROUBLE—A DOLLAR LOAN.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, May 25.

THERE is not much change to report in the general situation as compared with a month ago. Cereal shipments are being well maintained, though a "ca'canny" campaign on the railways during a busy export period, happily now subsiding, has been exercising a detrimental effect on the movement. Moreover, while it would be going too far to assert that the great British strike had any very serious repercussions in this country, it undoubtedly led to a good many nervous speculations, while it lasted, as to its possible outcome and the ultimate influence on Anglo-Argentine trade, so that the news of the triumph of common sense was hailed with manifest relief.

The leading organs of Argentine opinion were particularly impressed with the orderly conduct which was observed throughout the whole of those trying days. The grain shipments in April comprised 370,910 tons of wheat, 199,233 of maize, 157,185 of linseed, and 58,537 of oats, bringing the totals for the four months of the year up to 1,223,987, 803,820, 709,215, and 262,509 tons respectively. This means that while the wheat output is more than 600,000 tons below that for the corresponding period of 1925, maize, linseed and oats are all on the up-grade, resulting in quite a healthy increase in the total. With regard to maize, the Ministry of Agriculture has now issued its first estimate for the season, which forecasts a yield of 7,087,000 tons. This falls short of the bumper crop on which many had been building their hopes, and in some quarters the opinion is freely expressed that the Ministry has erred on the side of caution. Nevertheless, even if an approximation to this figure is obtained, there will be little cause for complaint, seeing that it represents an increase of well over 2 million tons in comparison with last year, and also makes a good showing against the average yield of the preceding five years, which was 5,312,700 tons. The improvement is officially ascribed to an additional area of 589,300 hectares having been brought under cultivation, together with satisfactory yields reported up to the date of the forecast, and the quality of the grain is generally considered as good. On the whole, the grain position is by no means unsatisfactory, allowing for the wide difference between this year's prices and the more favourable ones which ruled last year. Rates are holding without much variation as compared with last month, a drop in wheat being offset by a harder tendency in maize. Wool shipments from October 1st to May 20th were 257,924 bales, comparing with 171,514 in the same period last year, but the market is passing through a quiet time at the moment. In meat exports during January-April there is a rise in chilled beef, but all frozen meats show a falling off as a reflection of the slump in the Continental demand.

The exchange position, after an unsettled tendency during the general strike, is again fairly steady, the present sight quotations being about 45½d on London and \$109.40 on New York. Rates for advances and discounts are inclined to be easier with the decreasing demand. The bank statements for April show the following totals, the corresponding figures for March being given in brackets:—Deposits, \$3,474,487 gold and \$3,439,580,242 paper (\$3,423,426 and \$3,406,618,050); discounts and advances, \$4,208,278 and \$2,980,964,469 (\$4,265,330 and \$2,977,463,817); cash reserves, \$24,530,401 and \$752,990,038 (\$23,735,482 and \$762,542,777); subscribed capital, \$44,704,190 (same) and \$352,453,515 (\$360,687,884).

The retail trade is still slack, but the bankruptcy returns for April were not quite as gloomy as those for March, the liabilities figuring at \$12,288,924 (paper), as against \$15,640,643, and being little different from the figure for April, 1925, which was nearly \$12 millions. One bank has closed its doors and applied for a meeting of creditors, but affairs are not quite so serious as that statement would appear to convey. This is the Banco Comercial del Azul, which was founded 37 years ago in the town of that name, situated in the southern part of the Buenos Aires province. Down to recent times it carried on a sound and satisfactory business in developing the local industries, with particular reference to livestock, and possessed four branches, one of which is located in the capital. Trouble has been developing for some time owing to friction on the board, and it is alleged that a vigorous campaign has been waged by persons interested in discrediting the bank. Furthermore, the Buenos Aires office is understood to have lost heavily by endeavouring to compete in exchange and other banking business with the immeasurably stronger establishments already in the field, a policy doomed to failure from the beginning. The inevitable result was that the depositors took alarm, a run set in, and the last straw was the rejection of one of the bank's cheques, for \$100,000, by the Clearing House. According to a statement presented with the petition, all obligations can be met, but even in that event it will be a genuine pity if, after having done such useful work in the past, the bank should now disappear.

The latest financing arrangement by the Government consisted of a long-term loan of 20 million American dollars to provide for the impending expiry of credits, against which \$10 millions had been drawn by the Ministry of Marine and \$5 millions by the War Ministry. The deal was made with Messrs J. P. Morgan and Co. and the National City Bank of New York, to whom the bonds were issued at 94½ per cent. These expire in 1960, and bear 6 per cent. interest and 1 per cent. cumulative amortisation. Upon being placed on the New York market they were subscribed several times over within a few minutes. This transaction compares with a loan of \$45 millions last June at 92 per cent., and another of \$29 millions four months later at 93½, the improved terms on this occasion calling for no comment.

It is understood that the Government will ask Congress to authorise an expenditure of \$32 millions paper on two cruisers, two destroyers, two gunboats, and three submarines, with a combined displacement of 15,000 tons, independently of the naval programme which is still awaiting approval. This represents the cost of eight first-class destroyers ordered under the Naval Budget of 1909, but which, as a consequence of the war, were never delivered. It was at first announced that the money was available for this purpose, and that the President's decree to the Ministry of Marine would be sufficient, but it now transpires that during the régime of Dr. Irigoyen it was dissipated among other Government departments in the light-hearted manner which characterised that administration.

ROUMANIA.—THE PARLIAMENTARY ELECTIONS—FOREIGN LOANS—CROP CONDITIONS—IMPORT TARIFF—EXCHANGE—OIL PRODUCTION.

(FROM OUR CORRESPONDENT.)

BUCHAREST, June 15.
The elections for the Chamber of Deputies, which took place on May 25th, and for the Senate three days later, worked out in accordance with expectations by giving General Averescu's so-called People's Party a substantial majority in both Houses. The membership figures are not vitally important, since they afford neither a true indication of the political sentiments of the country nor of the party which a year or two hence—if not sooner—will be called upon to form the next Government. As elections are handled in Roumania it is always a "walk over" for the Government in power; and, while it can at least be argued that the political backwardness of the Roumanian peasant class makes it necessary that some measure of "control" be exercised over the electoral contests, some of the methods employed by the Government's agents in the recent elections were crude in the extreme. They were vigorously condemned even by the newspapers which support the late Bratianu regime.

What is important, however, is what use General Averescu intends to make of his Parliamentary majority. So far he has made no clean-cut statement regarding the Government's legislative programme. There has been a great deal of talk about securing foreign loans, "collaborating with foreign capital," stimulating exports, reorganising the country's transport services, &c., but nothing whatever to indicate that the members of the new Government are agreed upon a definite financial and economic policy, or, in fact, that they have a definite policy in any direction. Whenever suggestions are made that seem like a deviation from the policies of the former administration, the Bratianu newspapers are quick to point out that the Constitution prohibits this, or the State and the National Bank regulates financial policy, &c. In brief, General Averescu is expected merely to follow in the footsteps of the Messrs Bratianu.

Parliament will assemble before the end of this month, and presumably we will then learn whether the new Government really intends to "cut loose" from the former regime or whether the appointment of General Averescu as Premier was merely in the hope that the securing of foreign loans would thereby be made less onerous. It is significant in this connection that representatives of the Treasury are already in Rome empowered to close a loan for 200,000,000 lire, which the

Italian Government has promised to help Roumania to secure. The belief at first was that Italy spontaneously offered this loan as an act of friendship to her Latin sister in a moment of acute financial need. Mr Vintila Bratianu, the late Minister of Finance, was prompt to condemn the acceptance of the Italian offer, and subsequent developments seem to indicate that he was right, since the Italians are now stated to have introduced various conditions (namely, purchase of submarines, settlement of war debts, &c.) of which no mention was made when the loan offer was first announced by General Averescu. The main points made by Mr Bratianu, however, were that an amount of 200,000,000 lire is insignificant for Roumania's needs, and that long-term loans ought not to be contracted in unstable currencies.

Heavy rains and floods throughout the kingdom during the past fortnight have raised serious doubts as to the condition of the crops. Earlier expectations were that Roumania this year would have the best wheat harvest of any post-war year, but recent storms have now caused a modification of these expectations. Good harvests this year are vitally necessary, but what is of even greater necessity is the perfecting of the machinery for transforming the exportable surplus therefrom into gold currencies. Roumania raised in 1925 some 2,000,000 tons of maize more than she needed for her home consumption. The greater part of this surplus, however, still remains unexported, and with little prospect now of moving it out before the new crop comes in. A strong agitation is now taking place for currency inflation to finance the movement of the new crop; otherwise, it is pointed out, there is neither the credit nor the circulating medium available for financing a crop movement. Mobilisation of railway rolling stock is also in contemplation, so that grain can be moved from the interior to the ports during the autumn months. Transport facilities are now woefully inadequate, and, even if climatic or financial conditions do not prevent the marketing abroad this year of considerable quantities of grain, transport conditions probably will.

Effective as from June 5th, the new Government promulgated a revision of the import tariff rates on all commodities classified as metallurgical products and textiles. The rates on these commodities were revised upward in a drastic—and nonsensical—manner by the Bratianu administration on April 1st last, the increases in many cases reaching as high as 1,000 per cent. The new rates effective on June 5th, it is stated, in no case raise the rates prescribed in the General Tariff Act of August, 1924, by more than 300 per cent.

After the collapse early in May to a record low point of 1,500 lei to the pound, exchange has improved steadily to a present quotation of 1,150. There is, however, no longer a free market in lei exchange. Since the sharp decline last month the National Bank has begun to exercise control over all purchases of foreign exchange in this country. Such purchases can be made only through the banks that have specific authorisation to sell, and no sales are allowed to be made until the buyer first produces a permit from the Exchange Control Office. These permits are issued only for bona-fide commercial transactions, and not before the actual due date of a bill. A foreign company having lei balances on deposit with local banks can only convert such balances into foreign currencies as and when authority from the Control Office is secured. As lei deposits outside of Roumania are probably insignificant, and as a free market no longer exists in this country, the present rate of 1,150 to the pound is therefore more or less artificial. The ability of the National Bank to maintain this rate—or to improve it still further—depends entirely upon the early securing of foreign loans and the sale abroad of the present season's harvest surplus.

With an estimated crude oil production of 240,000 metric tons for the present month, the total output for the first half of 1926 will reach 1,400,000 tons, against 857,325 and 1,062,000 tons respectively for the corresponding periods of 1924 and 1925. Exports of refined products for the first three months of 1926 reached a total of 224,656 tons, the comparative figures for 1924 and 1925 being 62,072 and 130,762 tons respectively. In spite of growing transport difficulties and the burdensome restrictions imposed by the Government, the oil companies are

showing a high degree of activity, and—unless a breakdown in the transport services brings about an early curtailment of field work—crude output in the autumn will come very close to a figure of 300,000 metric tons per month.

Letters to the Editor.

THE GOVERNMENT'S COAL POLICY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I have read your leading article on the above subject in your last week's issue, and will you permit me to give what I consider substantial reasons why the Government's coal policy is perhaps much nearer right than you suggest? The eight-hours' day, I take it, was not absolutely rejected by the Samuel Report, and the new Bill only makes it permissive. The Minister of Labour stated in the House of Commons on 28th inst. that with a lengthening of hours economies would amount to something like 2s per ton. A letter appeared in *The Times* on the same day from Mr Ben Greene, showing that there was at present 3 per cent. more world production of coal than could be used, and it was that small percentage of surplus that kept the price low. If this gentleman is correct, but a small improvement in world's trade would wipe out this surplus. But I believe that with the exception of Russia all the exchanges that are now not stabilised are about to be, and that we are about to witness a great revival in world's trade. Without an increase of coal output, industry would not have sufficient, without a great increase of price, which would hinder improving trade enormously. Opinions have been expressed from weighty quarters that a great revival of trade is about to take place. Indeed, you yourself state in your leading article, "The only crumbs of comfort are that the effects upon the whole volume of the country's economic activity are not nearly so great as might have been expected, and there is in industrial circles a considerable degree of confidence that if coal peace is achieved soon, trade may be quickly recovered." This is most illuminating. For if this is the position of affairs, despite these disastrous strikes, what will be the state of world's trade when they are settled and the exchanges are stabilised?—Yours obediently,

PERCY H. JOSEPH.

West Bay Bungalow, Westgate-on-Sea, June 29th, 1926.
[We hope that our correspondent's optimism with regard to an expansion of the demand for coal will be justified by events. But it is surely the height of rashness to base calculations, as the mine owners appear to do, on the assumption that this expansion in demand will be sufficient to prevent the longer working day from leading to a fall in coal prices. We would also refer our correspondent to an article on a previous page of this issue.—Ed., ECONOMIST.]

Books and Publications.

BOOKS RECEIVED.

Coal: Ways of Reconstruction. By Members of Leplay House. (London) Leplay House Press, 65 Belgrave road.

A symposium, the contributors to which include Professor Geddes, Mr George Sandeman, Professor Cecil Desch, and Professor Douglas Hay.

Ferguson's Ceylon Directory for 1926. (London) Ceylon Observer, 180 Fleet street. 25s.

OWING to the general strike the issues of the "Economist" for May 8th and 15th were considerably delayed. Copies of these numbers may be obtained from the usual agents or direct from the office of the "Economist," 3, Arundel street, Strand, W.C.

Covering over 2,000 pages, this is a year-book, as well as a directory, for Ceylon, of all whose activities and happenings full information is given.

Atkins Manual, 1926. (London) Geo. D. Atkins and Co., 1 Drapers' gardens.

Gives detailed information regarding a number of important companies whose shares are quoted in London, amongst which lighting and power companies predominate.

International Crop Report and Agricultural Statistics.

June, 1926. (Rome) International Institute of Agriculture.

West Ham, An Impartial Study of the Facts. By the Editors of the "Poor-Law Officers' Journal." (London) 27 to 29 Furnival street.

Foreign Affairs, July, 1926. (New York) Council on Foreign Relations, 25 West 43rd street. \$1.25.

The July number includes articles on "The Coal-mining Deadlock in Great Britain," by Sir Josiah Stamp, the "Foreign Policy of Soviet Russia," by M. Rakovsky, "National Monopolies of Raw Materials," by Jacob Viner, &c., &c.

The Banker. July, 1926. (London) Eyre and Spottiswoode, Limited, 1 and 2 Goldsmith street, Fleet street. 1s.

Mr William Graham, M.P., in an article entitled "Curbing the Godfatherly State," discusses the Trade Facilities Act. Mr F. A. Szarvasy writes on "Issuing Houses and Their Functions," and the Earl of Selborne on "Banking in British West Africa."

Economica. June, 1926. (London) London School of Economics, Houghton street, Aldwych. 2s 6d.

Contains memoirs of Professor Lilian Knowles, by Sir William Beveridge and Professor Graham Wallas, and an article by Professor Edwin Carman on "Adam Smith as an Economist."

Report of Proceedings of the Second Conference of the Association of Special Libraries and Information Bureaux. (London) Association of Special Libraries, &c., 38 Bloomsbury square. 5s.

Earl Haig's British Legion Appeal Fund. Poppy Day Report, 1925. (London) 26 Eccleston square.

Davide Ricardo. By A. Loria. (Rome) A. F. Formigini.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2 :—
Department of Overseas Trade: Report on Commercial, Economic and Financial Conditions in Bulgaria. March, 1926. 1s net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
July 6.	July 8.

The Stock Exchange is looking for an early reduction in the Bank Rate. Talk of the Rate being lowered to 4 per cent. on Thursday in this week received no particular following, having regard to the incidence of the end-of-June monetary requirements. But next week it is hoped that the Bank Court will see the way clear to bring down the Rate, and, in anticipation, gilt-edged stocks are stronger in their various sections. Conversion 3½ per cent. is the principal feature. The newly-issued Commonwealth Fives, with which underwriters were left to the extent of 61 per cent., strengthened to ½ discount after being ½ discount. Belfast has been in the market with a two million pounds 5 per cent. loan at 99, and several other similar issues are expected in the near future.

French bonds have fallen away, but the tone of the foreign market, apart from these, is better, with improvements in Chinese, Mexican, Brazilian, Argentine, mid-European, and other bonds, money coming plentifully into the market on behalf of the speculative investor. The announcement that Mexico is about to meet some of her coupons, resulted in a fairly widespread improvement in Mexican issues, and the recent nervousness which brought about a slump in Chinese bonds has been replaced by a restoration of confidence.

Home railway stocks have fluctuated according to the anticipations, differing daily, in regard to the length of the coal stoppage. Argentine railway stocks are a good market, further improving under the influence of purchases by the speculative investor, whose activities in this department we have mentioned on several previous occasions. Brazilian railway stocks are also firm. The foreign railway group attracts a good deal of business.

Rubber shares are inclined to be better, notwithstanding the dulness of the raw material and the piling-up of stocks week by week. The tea market is somewhat irregular, though prices are good on balance. Public interest appears to have ebbed out of oil shares; at any rate, for the time being. Cour-

taulds have been up to nearly 7, on completion of a big American order, and Snias strengthened again after a reaction. Textiles, generally speaking, are out of favour. The iron and steel movements are negligible. Spiers and Ponds went back a little upon the report, notwithstanding the maintenance of the 12½ per cent. dividend, and General Electric recovered, the figures showing up well. Cable stocks and shares are better, stock being very scarce. The wireless group is inanimate; Burndeps keep flat.

Shipping shares are colourless. The insurance market is still a little uncertain of itself, and jobbers admit that business is very difficult. In the banking group, foreign and colonial shares are principally in demand. Tobacco shares continue prominently active, with Godfrey Phillips a strong spot. Underwriters of the Telephone Manufacturing issue received 94 per cent. of their subscriptions, and the price opened at 1s discount. The strength of gas stocks is tolerably well held. Inquiries arise as to when the next developments in connection with the London electricity supply shares are likely to take place, but nobody knows for certain.

The Cape is keeping the Kafir Circus alive with liberal orders in Sub Nigels, East Rands, West Rand Consols, General Mining, and a few other speciality shares, apart from which there is not much going on in the gold list. De Beers have further spurred, optimism now being engaged upon estimates of what the next dividend, six months ahead, is likely to be. Other diamonds strengthened in sympathy with De Beers. The Rhodesian market is better, Chartered standing out with peculiar firmness. The platinum group has revived, and a more lively atmosphere characterises South Africans than has been apparent for a long time past. This activity is distracting attention from other mining markets, prices in which are suffering from the competition. Eastern tin shares are easier; in West Africans there is nothing doing, and, apart from a little animation in Lena Goldfields, the Russian list shows no features. Burma Corporation and other base metal shares are disposed to droop in price. The British public's part in the present South African excitement is not an active one so far.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows :—

	Nominal Capital, £	Cash Subscription, £	First Payment, £	Further Liability, £
ISSUES OF THE WEEK—				
Amount previously recorded		119,464,024*		
* Corrected figures.				

NATIONAL SAVINGS CERTIFICATES.

NET RECEIPTS INTO THE EXCHEQUER, 11 DAYS ENDED JUNE 30, 1926.

April 1, 1926, to June 30, 1926 .. Dr	£ 50,000 ..	£ 250,000 ..	£ ..
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To the Public—				
Belfast Corporation, £2,000,000 5% Stk. (red. at par July 1, 1926-28), iss. at 99% (July 1, 1926-28) ..	2,000,000 ..	1,980,000 ..	100,000 ..	1,880,000
Marks and Spencer, Ltd., 350,000 7% Cum. Ptg. Pref. Shares of £1 each, at par (June 28), (June 28) ..	350,000 ..	350,000 ..	43,750 ..	306,250
Anderson's Rubber Co., Limited, 100,000 "A" 7% Cum. Pref. Shares of £1 each, at par (June 28) ..	100,000 ..	100,000 ..	12,500 ..	87,500
Glasgow General Omnibus and Motor Services, Limited, 250,000 Ord. Shares of £1, at par (June 28) ..	250,000 ..	250,000 ..	31,250 ..	218,750
Monolithic Building Co., 100,000 8% Cum. Ptg. Pref. Shares of £1 each, at par ..	100,000 ..	100,000 ..	5,000 ..	95,000
Do 100,000 Ord. Shares of 1s each, at par (June 28) ..	5,000 ..	5,000 ..	5,000 ..	..
O-Cedar, Ltd., 100,000 8% Guar. Cum. Ptg. Pref. Shares of £1 each, at par (June 28) ..	100,000 ..	100,000 ..	25,000 ..	75,000
Duophone and Unbreakable Record Co., 150,000 8% Cum. Pref., 10s, at par (June 30) ..	75,000 ..	75,000 ..	15,000 ..	60,000
Total offered to Public	..	2,960,000 ..	237,500 ..	2,722,500
To Shareholders—				
Culloden Consolidated, 20,000 Shares, £1, at 25s ..	20,000 ..	25,000 ..	10,000 ..	15,000
Kerr Consolidated Tin, 185,337 Shares, 5s, at par ..	46,339 ..	46,339 ..	18,534 ..	27,805
Total offered to shareholders ..	..	71,339 ..	28,534 ..	42,805

Total offered for subscription to date in—	Total offered for subscription for whole year—
1926	1925
1925	1924
1924	1923
1923	1922
1922	1921
1921	1920

Belfast Corporation.—This is an issue of £2,000,000 5 per cent. stock at 99 per cent., redeemable 1946-56. Principal and interest will be charged on the consolidated rate, which covers all the expenses of the corporation chargeable to rates and upon all the revenues of the corporation. Provision has to be made for the redemption of the issue by sinking fund. The proceeds of the present issue are required for gas, tramway, and electricity undertakings, housing, road improvements, &c. The rateable value of the city is £1,800,132, a penny rate

producing over £7,500; the population is 414,844. In the current financial year the gross revenues of the corporation, including local rates and receipts from its undertakings, are expected to exceed £3,000,000. This is a trustee investment.

Gas Light and Coke Company.—Authorised share capital £25,545,980, all of which has been issued. Of the authorised loan capital of £8,542,776, £7,881,505 has been raised. In an advertisement containing these and a few other particulars of capitalisation, it is stated that the company has sold £1,642,770 of fully-paid 5 per cent. debenture stock at 97½ per cent. net. This stock is redeemable at par on January 1, 1957, or at any intermediate January 1st after 1952, on six months' notice. It ranks *pari passu* with the existing £5,602,620 3 per cent. perpetual debenture stock. The advertisement is described as being "for general information only," and it is not made clear whether it is the intention of the directors to apply for a Stock Exchange quotation.

Glasgow General Omnibus and Motor Services, Limited.—Capital, £300,000, divided into £300,000 ordinary shares of £1 each. This is an offer for sale of 250,000 ordinary shares of £1 each at par. The company has been formed particularly to carry on the business of a motor services company in all its branches and to purchase a fleet of 70 motor omnibuses. A site in the centre of Glasgow, at which the buses will rendezvous, is being acquired. The purchase price of this site will absorb £60,000, and the estimated cost of erecting and equipping the building is also £60,000, leaving the sum of £130,000 available for the purchase of motor vehicles, working capital, expenses of this issue, &c. The support which the company will apparently obtain from the London General Omnibus Company gives it some advantage. The issue was over-subscribed.

Anglo-Canadian Pulp and Paper Mills, Limited.—Capital \$8,000,000, in 80,000 7 per cent. cumulative (as from October 1, 1929) preference shares of \$100 each, of which 70,000 are issued, with \$10 paid up; 135,000 ordinary shares of no par value, all of which are issued; and £3,000,000 6½ per cent. guaranteed mortgage debentures. This is an offer for sale of £1,800,000 6½ per cent. 30-year guaranteed mortgage debentures at £99 per cent. The debentures are jointly and severally guaranteed as to principal, premium, and interest by the Daily Mirror Newspapers, Limited, and the Sunday Pictorial Newspapers (1920), Limited, whose combined excess assets over liabilities, according to the last audited balance-sheet, are given as £2,665,712. The guaranteeing companies have one other guarantee outstanding—namely, in respect of principal, premium, and interest of £1,600,000 6½ per cent. debenture stock issued by the Daily Sketch and Sunday Herald, Limited. The company was incorporated in 1924 under the laws of the Province of Quebec, and has acquired timber limits, situated on the Manicouagan River, which cover an area of 2,237 square miles. It is estimated that these contain 8,000,000 cords of wood, sufficient to manufacture more than 5,000,000 tons of paper. The total estimated cost of construction of the paper mills proposed to be erected is approximately \$11,500,000. It is expected that two paper machines will be producing paper by the end of 1927, and the remaining two a year later, together having an annual output capacity of over 130,000 tons. A well-secured issue of its class.

Plummer, Roddis, Limited.—Issued capital £275,000 divided into 100,000 5 per cent. cumulative preference shares of £1 each and 175,000 ordinary shares of £1 each. This is an issue of 300,000 7 per cent. second cumulative preference shares of £1 each at par. The company was incorporated in 1896, and owns drapery stores situated on the South Coast. It has also subscribed and paid in full at par for the whole of the issued ordinary share capital of Kennards (1926), Limited, of Croydon (namely, 125,000 shares of £1 each), and this company has agreed to purchase the whole of the undertaking of Kennards, Limited. The present issue is made for the purpose of providing for the acquisition of these ordinary shares, rebuilding the premises at Hastings, and repaying bank loans. It is stated that the profits of the two businesses during the past four years, after making adjustments for non-recurring expenditure, and after providing for bad and doubtful debts, all trading expenses, interest on loans and mortgages (other than those now to be repaid), but before providing for taxation, are as follows :—1923, £67,632; 1924, £72,250; 1925, £73,352; 1926, £80,716. The assets of the two businesses, at the date of their last balance-sheets, are given as £559,953. A fairly good issue.

Marks and Spencer, Limited.—Issued share capital £680,000, divided into 350,000 7 per cent. cumulative participating preference shares of £1 each and 330,000 ordinary shares of 10s each. This is an offer for sale of 350,000 7 per cent. cumulative participating preference shares of £1 each. It is provided that in each year after payment of the preference dividend of 7 per cent., and before paying any dividend on any other shares, not less than £7,500 shall be set aside as a preference share reserve fund until it totals £73,500. After payment of 7 per cent. on the preference and ordinary shares,

the preference are entitled to a further dividend up to 3 per cent. out of their proportion of the surplus profits remaining. The company was recently incorporated, but the business was founded 38 years ago, and now owns 140 stores in London and its suburbs and most of the principal provincial towns in Great Britain. The object of the present issue is to provide for the construction and equipment of further stores. Profits, before charging interest on bank loans, depreciation, income-tax, and corporation profits tax, are stated as follows :—1922, £64,576; 1923, £62,481; 1924, £78,789; 1925, £73,832; and 1926 (being four days less than the year), £100,089. Total net assets, including the gross proceeds of the present issue, are given as £763,899. A fairly good offer, but regard should be paid to competition from certain quarters. Over-applied for.

South American Gold and Platinum Company.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. The share capital is \$10,000,000 in \$5 shares, of which 1,760,000 have been issued. In addition, there is outstanding \$500,000 of 7 per cent. income notes. The company was incorporated on October 11, 1916, and, as originally constituted, had a capitalisation of 2,000,000 shares, par value \$5 each, of common stock, and 30,000 shares, par value \$50 each, of 7 per cent. cumulative convertible preferred stock. In addition, there was authorised \$1,500,000 face value, 10-year 7 per cent. convertible income notes. Of this capitalisation 200 shares of common stock were subscribed for and issued to the incorporators of the company for cash at par; 1,699,800 shares of common stock (of which 250,000 shares have been donated back to the company for treasury purposes) and 30,000 shares of preferred stock were issued at the formation of the company in payment for all the shares of Anglo-Colombian Development Company, Limited, all of which were acquired from the Consolidated Gold Fields of South Africa, Limited, in which some of the present directors of this company have a beneficial interest, and 60 per cent. of the shares of the Pacific Metals Corporation. Substantially all of this 60 per cent. was owned beneficially by General Development Company (a corporation) and Lewisohn Brothers. Some of the present directors of the company are shareholders in the General Development Company, and one of the present directors was a partner in the firm of Lewisohn Brothers. \$500,000 of the convertible income notes were sold at par to provide the company with working funds. In July, 1919, there were sold by the company, for cash, at \$7.50 per share, 300,000 shares of common stock, the proceeds of the sale being used to retire the preferred stock and to place the company in possession of additional working capital. On October 5, 1922, 10,000 shares of common stock were issued in part payment of the entire capitalisation of the Quito River Mining and Dredging Company. Prospectusless.

Monolithic Building Company, Limited.—Share capital £150,000, divided into 137,500 8 per cent. cumulative participating preference shares of £1 each and 250,000 ordinary shares of 1s each. The preference shares are entitled to one-half of the divisible profits after receiving the fixed 8 per cent. dividend. This is an issue of 100,000 of the former and of the latter. The company has been formed to acquire and develop the sole British rights in the system of "poured-in-situ concrete construction," and to work this process in the erection of houses on a mass production scale. The total value of contracts entered into to date, it is stated, exceeds £600,000. Purchase price payable to the vendor company is £23,250, £10,750 being in cash and the balance by allotment of 5,000 preference shares and 150,000 ordinary shares. Certain royalties will be payable by the company, and all machinery, tools, &c., will be taken over at a valuation. Of the purchase price, £3,000 may be attributed to goodwill. The company is also acquiring the total share capital of the Conducal Construction Company (4,650 ordinary and 45 founders' shares) for £3,000 in cash and 10,000 fully-paid preference shares. Applicants for preference shares will be allotted one ordinary share in respect of each preference share allotted. The board is a responsible one, but the venture is of a type from which considerable risk cannot be eliminated.

O-Cedar, Limited.—Capital £200,000, divided into 100,000 8 per cent. guaranteed cumulative participating preference shares of £1 each and 100,000 ordinary shares of £1 each. This is an issue of 100,000 of the former, the whole of the ordinary shares being held or controlled by the parent company. The preference shares are unconditionally guaranteed as to both capital and 8 per cent. interest by the O-Cedar Corporation, of the United States, and are entitled to a further participation up to 4 per cent. out of the surplus profits divisible after payment of 8 per cent. on the ordinary share capital in any one year. The company was registered as a private company in 1914, and was converted into a public company in January, 1925, its business being the supplying of mops and other goods to European and other countries. The proceeds of the present issue are required for extending plant, agencies and foreign depots, &c. Net earnings of the guaranteeing company, it is stated, averaged over the past five years

our policyholders. In the C.I.S. the policyholders get the full benefit of the profits earned on their contracts.

The surplus shown in this section as a result of the valuation is £42,004. Of this sum £32,513 is being distributed amongst the policyholders, and £9,492 has been carried forward unappropriated.

The society proposes to increase the benefits of all policies issued up to December 31, 1919, where the sums assured are less than those granted under the present prospectus. These additional benefits are being granted as a reversionary bonus. Any policies issued after that date which assure a sum less than that given under our present prospectus will receive in the event of the policy maturing during 1926, either through death or survival, the benefits granted under the present prospectus.

In addition, as Table 25 has been from its inception a "with profit" table, it has been decided to allot a reversionary bonus at the rate of £1 per cent. for each year's premium paid during the quinquennium, the sum assured for this purpose being the sum assured on maturity at the longest term.

THE FUNDS OF THE LIFE DEPARTMENT.

The ordinary life funds at the end of 1925 were £2,700,250, an increase of £491,558 during the year.

In the industrial section the funds at the end of 1925 were £1,550,851, being an increase of £474,718 during the year.

In the ordinary section the interest, rents, and dividends amounted to £116,803, and in the industrial section £62,609.

As is inevitable in an expanding business, each year brings an additional income from interest on invested funds, and in consequence it is to be expected that the growth of funds will proceed at an ever-increasing rate.

ANNUAL VALUATION.

Before leaving the life department I would mention that the committee has decided to adopt an annual valuation for the distribution of profits, the first such valuation taking place on December 31, 1926. It is anticipated that further satisfactory results, both in the ordinary and industrial sections, will be shown. Altogether, it can be stated that the prospects of the life department are of an extremely favourable character.

FIRE DEPARTMENT.

The premium income for the year was £173,737, being an increase of £11,697 over 1924. The claim rate for the year was extremely favourable, being 30.3 per cent. of the premium income; the fire fund of the society now standing at 63.9 per cent. of the premium income. The expenses in this department were 40 per cent.

These results show that the business is very well selected. The premium rates are very favourable. I would suggest that those responsible for the placing of business, such as brokers, and desire to be in touch with a first-class insurance office working on non-tariff lines, might very well examine the rates and accounts of the C.I.S. with a view to placing business.

The usual bonuses to co-operative societies are being paid in connection with the insurance of their own risks.

£40,000 was transferred to the profit and loss account.

ACCIDENT AND GENERAL DEPARTMENTS.

The combined premium income was £544,793, as against £400,373 during 1924, an increase of £144,420. The expenses of the department were 35 per cent., as compared with 39 per cent. during 1924.

A reserve of 40 per cent. of the premium income for unexpired risks has been made, and the amount of additional reserve has been increased from £21,010 to £26,469.

The funds in the employers' liability section at the end of the year were £113,483, representing 125.17 per cent. of the premium income; the funds in the personal accident section were £17,935, being 141.28 per cent. of the premium income, and in the general insurance section the funds were £249,683.

The large increase in business is primarily due to the increased volume of business in connection with the insurance of motor and motor-cycle risks. It has been found necessary to revise the rates for motor insurance as from May 1, 1926, in view of the claims experience of the society. It will readily be understood that, with a risk of this character where road accidents are increasing and the Courts taking a very serious view of the damages to be paid in connection with third-party risks, the rates must be revised in accordance with the experience of the society from time to time.

ASSETS.

The total assets standing at the end of the year were £4,929,057, as compared with £3,859,022 at the end of 1924. For the first time in the history of the society the increase in the value of the assets during the year was more than £1,000,000.

The mortgages on property within the United Kingdom showed a further large increase, being £1,444,777, an increase of £734,565 over 1924. It is a considered policy of the society to issue these mortgages, with a view to helping co-operators to overcome the difficulties which they experience owing to the lack of housing

facilities. The character of each application for a mortgage is very carefully examined by the committee, and our experience up to date shows that the interest is being promptly paid, and that no case has arisen where the society has been involved in any loss as a result of granting such mortgages.

Arrangements have been made whereby our parent institutions will advance the money in future in connection with our house purchase scheme up to a certain amount, it being the desire of the committee that the funds of the C.I.S. should be widely distributed amongst the various classes of securities.

British Government securities at the end of the year were £1,255,357, being an increase of £219,613 on the year. It will be observed that industrial and provident societies' securities, which at the end of 1924 stood at £377,155, have now been reduced to £61,101.

The securities representing the funds are of a very satisfactory character. Irredeemable securities have been valued at the mean market prices on December 31, 1925. The redeemable securities have been taken at their ledger values, which are either at or below original cost. In any case, where the original cost is above the redemption price the ledger values are reduced by means of a sinking fund to a redemption price as at the earliest date of possible redemption. The value of Stock Exchange securities so computed, less the investment reserve fund, is greater than the value shown in the balance-sheet. The society's mortgage securities have been re-examined; the security for every loan is satisfactory.

Freehold and leasehold properties of the society have been re-valued by the society's surveyors. As a result of same a sum of £2,322 has been written off.

The general reserve fund now stands at £70,945. The net income from the ordinary section yielded the high rate of £4 17s 6d per cent., and in the industrial section £4 17s 3d per cent.

You have sufficient information in front of you, both from my remarks and from the information contained in the balance-sheet, the accounts, and the report of the actuaries, to satisfy yourselves that as a result of the year's work the society has considerably increased the security to its policyholders.

Personally, I think it is essential that in an institution like the C.I.S., the security of the society must be the first care of the committee. When that has been established, then progress within the limits of sound finance must be maintained vigorously.

STAFF.

The C.I.S. has further increased its staff during the year. The outdoor staff now numbers 2,615, the total number of full-time employees being 3,295, an increase of 356 during the year.

We still feel that the C.I.S. has not yet fully covered the activities of the co-operative movement as a whole, and the committee will not be satisfied until the C.I.S. has reached that position until it is able to protect against loss by means of assurances every co-operator and his dependents in the country. I think it is essential that an agent of the C.I.S. should be in a position to call at a member's home week by week or month by month, as the case may be, and our organisation must be directed to that end.

We are, as a committee, extremely well satisfied with the manner in which the work of the society is being done. It is very difficult sometimes to realise the character of the problems which arise. In my position I perhaps come more closely in contact with such problems than in the case of our shareholding members. All our difficulties are in process of being overcome, and the character of the organisation is such that, with an enthusiastic staff, the magnitude of the C.I.S. as an insurance office is bound to become greater as the years go by.

I shall be failing in my duty if I fail to state that the committee fully appreciate the loyal and helpful service which has been rendered by the staff during the year, and I feel sure that in asking the staff to continue its efforts we shall not have to ask in vain.

ZADRUŽNA GOSPODARSKA BANKA D.D.

(The Co-operative Economic Bank & Savings Co., Ltd.),

at LJUBLJANA, JUGOSLAVIA.

BRANCHES: Bled, Celje, Djakovo, Maribor, Novisad, Sarajevo, Sombor, Split, Šibenik. Foreign Correspondents for Yugoslavia of The American Express Company, New York, and agencies: National Bank of South Africa, Pretoria; Commercial Bank of Australia, Melbourne, and branches.

Remittances to and from Yugoslavia. Bills collected. Banking and Exchange Business of every description transacted.

IMPERIAL BANK OF PERSIA.

IMPROVED CONDITIONS IN PERSIA.

The thirty-seventh ordinary general meeting of the Imperial Bank of Persia was held, on the 30th ultimo, at the Cannon street Hotel, London, Sir Hugh S. Barnes, K.C.S.I., K.C.V.O. (chairman of the company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: In February, 1921, Reza Khan Pehlevi, the commander of the Persian Cossacks, recognising the emergency and the need for immediate action, marched his men from Kazvin to Teheran and induced the Shah to appoint him Minister of War. He at once proceeded to reorganise and improve the army, to put down with a strong hand the trouble in Mazanderan and several other local disturbances, and gradually, with much wisdom and moderation, to make his influence felt in every branch of the administration. In short, first as Minister of War and later as Prime Minister after the Shah's departure for Europe, he ruled the country with much success, and his personality appealed so strongly to the imagination of the people, that at last, a few months ago, after the Mejliss, or National Assembly, had formally recorded a vote deposing the absent Ahmed Shah, a Constituent Assembly, called together to consider the position, decided by a practically unanimous vote to invite Reza Khan to assume the crown in his place.

What has occurred, you will perceive, is not merely the deposition of the ruling sovereign, but the overthrow of a dynasty. To anyone acquainted with the history of Persia, I think, the astonishing thing is the orderliness and quietude with which this momentous change has been accomplished.

TRIBUTE TO SHAH.

More than one factor has, I think, contributed to this result. The Shah, of course, had the support of the army, but some credit must be given to the reforms of 1906, and to the creation of the National Council, or Mejliss, which has enabled the people to express their wishes by votes instead of by recourse to arms. Also in Persia, as in other countries nearer home, the stirring events of the Great War seem to have exercised a tonic effect on the population, and to have made them impatient of slack and inefficient government, intolerant of subversive tendencies, and ready to welcome the guidance of a strong and able leader who has shown that he has the true interests of the country at heart. Such a leader Reza Shah has proved himself to be during the past five years. He has given the country internal peace and just government. With the aid of the American advisers he has greatly improved its financial position. He has displayed great energy and enterprise in developing its resources, and, as I told you last year, he is now giving his serious attention to the improvement of the means of communication by railways and roads, which is one of the crying needs of Persia.

The up-to-date methods now in force in the Teheran Treasury are due to the initiative of the financial adviser, and the quarterly return of revenue and expenditure now regularly issued by his department gives a useful summary of the reforms instituted. As you will realise, the value of a banker is shown in an emergency. Emergencies and reforms call for expenditure very often in advance of incoming revenues, and I am glad to say that we have always been able to afford the Persian Government Treasury officials the financial accommodation they have needed from time to time.

The Shah's coronation, as no doubt you have heard, took place with great éclat on April 25, and I am sure you will wish on this occasion to join the board in expressing very respectfully our earnest hope that His Imperial Majesty may have a long and prosperous reign.

BANK'S POSITION.

At one time during the year, owing to the failure of the crops, severe scarcity—in some places approaching famine—prevailed in the northern provinces of Persia. In spite of the famine and notwithstanding the fact that some disorganisation of business and loss to traders resulted from the embargo imposed by the Soviet Government on all exports of produce from Persia to Russia except cotton, owing to a diplomatic dispute concerning the Caspian Sea fisheries, trade on the whole has been well maintained, and the business of the bank has expanded in a very satisfactory manner. As a consequence we have found it desirable to open new branches at Birjand, Burujird, and these will, we hope, add to the volume of our business. The increasing prosperity of the country is clearly reflected in the bank's position, and I think we may claim that the statement of accounts is very satisfactory. The profit and loss account is, I think, equally satisfactory. The net profit at £129,401 is a record in the history of the bank, and it enables us to increase our annual transfer to the reserve fund from £30,000 to £50,000, to write £30,000 off the bank premises account, to raise the final dividend to 6s a share, making a total of 10s per share for the year, and to carry forward a sum of £33,967 14s 1d.

The report and accounts were unanimously adopted.

UNITED BRITISH INSURANCE COMPANY, LIMITED.

RESULTS OF A DIFFICULT YEAR.

The annual general meeting of the United British Insurance Co., Limited, was held, on the 29th ult., at Caxton Hall, London, Mr C. H. Dodd (the chairman of the company) presiding.

The general manager and secretary (Mr H. F. Baker) having read the auditors' report and the notice convening the meeting having been accepted as read,

The Chairman, in moving the adoption of the report and accounts, said that he regretted to say that this year the figures of the departmental accounts were of a disappointing nature, but he hoped to be able to show that there was nothing in them to cause concern when they considered the facts connected with each of the accounts. In the fire insurance account they would note that a loss had been made of something like £25,000. That was due to one special loss, which, considering the size of their account, might be described as a catastrophe. The greater portion of a town in South America was burnt out, and the company was saddled with a considerable sum in respect of it, but the risk was an absolutely proper risk for the company to take; it was one of those incidents which might happen to any company at any time in its career. Had their fire account been larger the amount of the loss would not have been very serious, and but for that particular loss the fire account would have showed a profit. From both the accident and the employers' liability insurance accounts there were transfers to profit and loss. In those branches of insurance their company was as yet young, but they were building up by degrees a good and profitable account in each. In the motor and general insurance account there was a loss of some £10,000, a fact which when he first saw the figures had caused him some uneasiness. An analysis of the figures, however, had disclosed the fact that the loss had been due to causes entirely inseparable from motor insurance generally; there had been no large single loss, and no risk had been accepted that would not have been taken by any other company. They were gradually building up year by year a very substantial business in their motor account, and what had happened was again one of those unforeseen occurrences that any company might have to face.

MARINE INSURANCE ACCOUNT.

As to their marine insurance account, it had been necessary to fortify that by transferring £50,000 from profit and loss and £60,000 from general reserve. That step would have been taken a year ago, but the board had been awaiting the adjustment of certain matters in respect of income-tax and excess profits duty, on account of which they had now received a repayment of about £25,000. It was unnecessary for him to labour the question of the condition of the marine insurance market. At the moment there was practically no profit in the business at all, and for the time being they were underwriting only such business as would help them to conserve their really excellent connection. Until things generally became better in the shipping world and in the trade of the country generally, it was impossible to look for anything satisfactory in the way of profits from marine insurance. They had to face that fact, and it was a serious matter for a company like theirs, which was formed originally to do marine insurance, and had worked up a very large business; but the directors were meeting the situation by building up business in other directions until such time as the marine market should come into its own again.

Their life account showed an improvement of some £9,000 on the year. Life business was of very slow growth, but it was very sure, and it was quite a good branch for the company; it was one of those classes of insurance out of which they would have to look for profits in the future.

UNITED STATES BRANCH.

He was glad to say that they had managed practically to wind up the United States branch. A year ago the United States branch stood in the balance-sheet at £102,000. The realisation had yielded more than they, perhaps, had really hoped to receive, and they had been able to place £50,000 to reserve out of the amount received back from that branch, while they now had over in this country £100,000 which last year was in America, and which had been invested and increased the dividend-paying capacity of the company. All that they wanted in the United British was a revival of business generally, and a certain amount of time to bring it in to a prosperous condition.

The report and accounts were adopted, and after some discussion it was resolved: "That the scheme in reference to the capital of the company set out in the directors' circular of June 15, 1926, be and is hereby approved, and that the directors be and they are hereby authorised to carry the same into effect," and the articles of association were amended to permit the scheme being carried into effect.

HUDSON'S BAY COMPANY. IMPROVED RESULTS OF THE YEAR.

A general court of the Governor and Company of Adventurers of England trading into Hudson's Bay was held, on the 29th ultimo, at the Cannon street Hotel, London, Mr Charles V. Sale (the governor) presiding.

The Governor, in moving the adoption of the report and accounts, said the profits for the past year amounted to £394,000, against £339,000 a year ago, and, after making the usual deductions and writing off the expenses of the new issue, £350,654 was carried to the balance-sheet, against £333,730. From the land account it would be seen that, while a deficit of £33,246 was brought forward from previous years, the improved demand for lands and a decrease in taxation made it possible to carry a surplus of £35,541 to the balance-sheet. The net result of the many-sided activities of the company had enabled the governor and committee to pay an interim dividend of 10 per cent., and to recommend a final payment of 10 per cent., making a total dividend for the year of 20 per cent. from the profits of trade on the original £1,000,000 of ordinary shares, together with 3½ per cent.—which was not liable to income-tax—from the realisation of lands. The proposed distributions would leave £102,235 to be carried forward to the next account, against £101,455 brought in from the previous year in respect of trade, and a surplus of £541 to be carried forward in respect of land, against a deficit of £33,246 a year ago. Taking into consideration the difficulties which had been experienced, and the fall in prices, not only in furs but of general merchandise, they felt that these results might be regarded as satisfactory.

FUR TRADE.

With regard to the fur trade, the total collection was about 10 per cent. greater than in previous years. The realised prices were, however, lower than at any time during the last six years and averaged about 60 per cent. less than those obtained in 1920. They had hoped for better figures, but they had the consolation of feeling that the trade in general was now on a sounder basis than it was when prices were inflated.

The three outstanding features in the land department which deserved attention were a decrease in receipts from the sale of town sites from £23,000 to £13,000, an increase in receipts from the sale of farm lands from £215,000 to £282,000, and a decrease in taxation from £193,000 to £163,000.

While their disbursements for taxation amounted to over £3,000,000 in the last 15 years, they should not regard this sum as altogether a loss, but must set against it the development which brought their land within reasonable reach of road, rail, and steamer, which founded villages and cities and established schools and public services. These should eventually reflect themselves in the value of the company's property.

CANADIAN LAND VALUES.

When they came to the question of what their lands were really worth, he might point to the fact that at the present time the price of land in the prairie provinces of Canada was lower than similar land anywhere else in North America, despite the fact that the average tax on farm lands was lower in Canada than in the United States, and that the average yield of spring wheat was high. The available figures suggested that the prices of farm lands in Canada were as low as they ever would be. Here, then, was the great inducement which Canada held out to the immigrant farmer—the cheapest land with the highest yield in the North American Continent. In these circumstances there should be no need to emphasise the great benefit of migration to Canada.

Their latest ventures they grouped together under the heading of development, and the results secured from their development department more than compensated for the failure of the project for introducing reindeer to Baffin Land. They had undertaken a diversified programme of preliminary work, and were commencing with their problems at the foundation—namely, the health and welfare of the people upon whom their trade must depend for production—and they now had all the organisation for a very highly qualified and efficient research department.

Giving the latest information regarding the company's general prospects in Canada, he said that the Fur Trade Commissioner expected that the company's total fur collection for the new outfit would be equal to the previous one. The Land Commissioner stated that sales for the five months since February 1st were 120,000 acres, against 54,000 acres in the corresponding period a year ago, the total gross receipts being \$1,100,000, against \$710,000 a year ago.

The manager of their British Columbia and Southern Alberta stores said that there was every reason to believe that a decided improvement would be shown at the three large stores in this zone during the year ending January 31st next; while the manager of their Manitoba, Saskatchewan, and Northern Alberta stores reported that conditions were better than they had been for several years.

The report and accounts were unanimously adopted.

AFRICAN AND EUROPEAN INVESTMENT COMPANY, LIMITED. YEAR OF PROGRESS—GOOD PROSPECTS.

The twenty-first ordinary general meeting of the African and European Investment Company, Limited, was held, on the 29th ultimo, at the Cannon street Hotel, London, Mr. C. F. Rowsell presiding.

The Chairman, in moving the adoption of the report and accounts, said that the accounts submitted at the last meeting were for 18 months to December 31, 1924, and for the purpose of comparison he had reduced the figures in the profit and loss account for that period by one-third, as otherwise the comparison would be misleading. The dividends received for the year amounted to £49,718, as against approximately £42,000 for the year 1924; the profit on sales amounted to £68,080, as against approximately £52,000 the previous year; and rentals and farm revenue amounted to £38,260, being approximately the same as the previous year. The income for the year, therefore, amounted to £156,058, as against approximately £133,633 for the previous year. That showed a very satisfactory increase in receipts, and he thought they might look forward to a still further improvement in the current year.

The profit which remained to be carried from the appropriation account to the balance-sheet was £45,380, as against about £4,658. In view of this substantial profit the directors had given very careful consideration to the question of the payment of a dividend, but they considered it would be in the best interests of shareholders to carry this amount forward, and not declare a dividend for 1925. If, however, conditions continued as favourable as they were to the company's interests at the present time, the board would consider the question of declaring an interim dividend for the current year. Coming to shares and debentures in other companies, these stood at £1,479,259. The quoted shares stood at £749,708, and their market valuation on December 31st was £1,072,224, showing an appreciation of market value over cost of £322,000.

LAND INTERESTS.

With regard to their landed interests, during the year they had sold certain portions of farms as the result of the policy of dividing their large farms into smaller areas, and he was glad to say that in every case the prices secured had considerably exceeded their book cost, and the valuation was secured; in each case they had retained all the mineral rights. The 10,000 morgen of freehold land acquired from the East Rand Mining Estates, Limited, was situated on the Far East Rand, and was an exceedingly valuable area from an agricultural point of view, as well as from its mineral possibilities. Upon the farm Grootvlei (one of the farms acquired) was situated the mining property of the Grootvlei Proprietary Mines, Limited, the bulk of whose capital they held. The extension of the main reef on this property had been proved by a complete series of boreholes. The development and equipment of the deep level properties in this portion of the Rand, however, required very large working capital; it was also desirable that a greater area should be secured by the addition of ground controlled by the Government. There was a considerable amount of ground belonging to the company which would also eventually be worked profitably for coal. The company now held some 571,334 morgen, which, with the 171,225 morgen belonging to the Bechuanaland Farms, Limited (in which they were the sole shareholders), made a total area of 742,559 morgen, equal to 1,571,628 English acres.

INDUSTRIAL INTERESTS.

Turning to their industrial interests, the Vereeniging Estates, Limited, had more than fulfilled the expectations held in respect of it. The chairman of the company recently stated that, after providing for depreciation, the net profit for the year 1925 was £135,542, as compared with £95,654 for the year 1924, £76,252 for the year 1923, and £17,451 for the year 1922—an increased net profit of £118,090 for the year 1925 over that of 1922. The Vereeniging Estates, Limited, had just declared a dividend at the rate of 10 per cent. per annum.

The company held also a large interest in the Union Steel Corporation (of South Africa), Limited, which had been for some time now a dividend payer. As the result of an issue made some time ago of £300,000 debenture stock they had been able to complete the blast furnace at Newcastle which they had acquired. This was, of course, an exceedingly important development for South Africa, as hitherto the Union Steel Corporation had had to rely upon scrap for its output. It would be a very short time now before they were producing from locally manufactured pig-iron.

The chairman then dealt with their mining share interests, which had shown during the year a very great improvement owing to important discoveries. In conclusion, he said he had mitting next year would again be one showing substantial improvement in all directions.

The report and accounts were unanimously adopted.

ANGLO-ARGENTINE TRAMWAYS COMPANY, LIMITED.

TARIFF QUESTION STILL UNSETTLED.

NEGOTIATIONS WITH THE MUNICIPALITY.

The forty-second ordinary general meeting of the Anglo-Argentine Tramways Co., Limited, was held, on the 1st inst., at Winchester House, Old Broad street, London, Mr William Morris presiding.

The secretary (Mr J. S. Anderson) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, after expressing regret at the absence of Sir George Touche, said:

I will now ask you to consider a brief summary of the figures relating to last year's working. I do not think I need go into them in detail, as the usual information is already before you.

The passenger traffic was maintained at much the same level as in the previous year. The population of the City of Buenos Aires at the end of the year was estimated at 1,926,689, an increase of 2.4 per cent. on 1924. We carried 559,537,275 passengers, which gives the equivalent of 290 rides per head of the population for the year. The total receipts from passenger traffic amounted to £4,562,804.

Adding to this the returns from advertisements, tolls, rents, cargo haulage, &c., the aggregate gross receipts in Buenos Aires amounted to £4,657,078, against £4,640,363, an excess over the previous year of £16,715.

In normal circumstances we should have anticipated an increase of about 4 per cent. in passenger traffic, but there were several adverse factors.

Omnibus competition became more acute during the latter months of the year. The weather was unfavourable, and there was also a slackening of business activities.

The total expenditure amounted to £3,588,402, against £3,580,563. The cost of renewals was notably in excess of the sum transferred to renewals reserve a year ago. A larger allocation was, therefore, made in the year under review. Heavy expenditure will be necessary for some years, in order to maintain the installations in perfect working condition.

The taxes paid to the Municipality were £482,976, against £486,043 in the previous year, or over 10 per cent. of the gross receipts. The slight reduction is due mainly to an extension of our tracks. Under its concession the company has to pay 6 per cent. of its gross receipts, and an additional 12 per cent. when these receipts exceed \$50,000 per kilometre of track.

Our track mileage now amounts to over 600 kilometres (373 miles), and in addition we have some 50 kilometres (31 miles) of track in our stations.

PROFITS AND ALLOCATIONS.

You will observe, from the figures which I have quoted, that the gross receipts exceeded the expenditure by £1,068,676. This is the sum which is carried to the net revenue account. To it must be added interest on investments £33,906, and transfer fees £378, making a total of £1,102,960.

The net profit thus remains at less than 5 per cent. on our invested capital. It must be admitted that this is a poor return on debenture and share capital of over £20,000,000 invested in a public utility company. The prospect of something better than that is required to encourage the provision of large additional capital sums. The balance brought from last year was £24,046, giving a total of £1,127,006 to be dealt with.

The standing charges for interest and sinking funds and the annuity payable to the City of Buenos Aires Tramways Co. absorb £667,356.

The balance has been apportioned as follows:—In payment of the dividends on the 5½ per cent. cumulative first preference shares, for the year 1925, £176,000. The like dividend on the 6 per cent. cumulative second preference shares, £183,000. In augmentation of the contingencies fund, £50,000. In writing down the book value of investments, to correspond with their market values, £10,000. £40,650 is then carried forward. This is a modest £16,604 more than last year. These various apportionments account for the total of £1,127,006.

Again, for the 12th consecutive year, we regret to report that the position does not justify the declaration of a dividend on the ordinary shares. The holders of these shares have been extraordinarily patient.

They recognise that the hardship of their lot is due to circumstances beyond the company's control. The position is none the less a very unsatisfactory one from every point of view, but we still hope for better things.

PENSIONS—THE LEGAL POSITION.

You will remember that, under the National Pension Law, the company has to contribute 8 per cent. on the salaries and wages of its employees.

As stated at our last annual general meeting, one of the provisions of this law was that the charge involved should be borne

by the consumer, and, in the case of electricity and gas companies, this practice has been established.

When the law was promulgated our tariff was 12 cents; and it was provided that should the tariff be reduced to 10 cents the municipality would come to an understanding with the company concerning the manner in which its contribution of 8 per cent. to the National Pension Fund would be met.

As the Council has not authorised an increase of fares to meet the extra charge, the company was constrained to withhold its contributions until its position had been established in the Courts.

We reported last year that the Court of First Instance gave a decision in our favour. The case was subsequently taken by the Pension Fund Board to the Court of Appeal, when the decision of the Court of First Instance was confirmed as stated in our report.

I mention this matter to-day in no contentious spirit, but as a matter of record.

The legal position appears to be that, as the law was based on a contract between the public authorities (in this case the Municipality) and our company, its terms were binding on the Municipality.

In the interests of all concerned it was desirable to get the legal position placed beyond doubt.

Now that this is no longer in question, it is hoped that the way has been cleared for an amicable and comprehensive arrangement whereby the dispute can be settled in an equitable manner acceptable to all parties.

TARIFF QUESTION.

This brings one back to the whole question of the negotiations with the Municipality. In order that the position might be thoroughly understood, we gave you, a year ago, a plain narrative of events, which, up to that time, had taken a disappointing course.

These events chiefly concerned the ad-referendum agreement with the Municipality of Buenos Aires. That agreement had for its main objects:—First, the solution of the traffic problem, which is urgent, with an urgency that increases month by month; and, secondly, such reasonable tariff revision as would enable the company to raise the wages of its employees, while, at the same time, improving its services to the community. There is no need either to repeat or to continue that narrative to-day.

THE NEW AGREEMENT.

After the experiences reported a year ago, we at once set to work on fresh plans, with the result that a new ad-referendum agreement was concluded in August last, and submitted to the Council. This new agreement is comprehensive in its scope, and is intended to effect great and radical improvements in the traffic conditions of the city.

It provides for very important works, involving large capital expenditure, so it is hardly necessary to add that the basis of fares must be such as to justify the expenditure.

The new ad-referendum agreement has been supported by the Financial and Technical Commissions, who have been appointed to examine it in detail, but it still awaits the decision of the Municipal Council.

As this meeting is held rather later in the year than usual, we had hoped the delay, for which the general strike is partly responsible, might have enabled us to report something more definite. Unfortunately, we are not yet in a position to do so.

In the circumstances, I do not think anything would be gained by discussing the terms of the proposed agreement to-day. To deal with them superficially would not be satisfactory; and you would not desire me to review them in detail at the present stage.

It would be a vain employment, for it would not be possible for a general meeting to go usefully into questions which require long and close study.

NEW GENERAL MANAGER.

They have received that study from the board, the company's engineers and traffic experts, and, above all, from our new general manager, Mr. Marcel Rongé.

Mr. Rongé entered upon his duties in March, 1925, a little over a year ago. We have all been impressed by the untiring energy and ability with which he has faced the complex problems which confronted him in Buenos Aires.

Although occupied with the larger questions to which I have referred, he has also succeeded in giving close attention to the work of administration, and has carried out certain measures of reorganisation which are bringing about economies in working.

Naturally, such changes are slow in action, and it is not until they have been in force for some time that the full savings can be shown.

WELFARE WORK.

If up to the moment my remarks have not been too encouraging there is one feature of the company's interests to which I can refer

with pleasure. In spite of the restricted receipts, we have kept the welfare of our staff always in mind.

Let me mention examples of this. The Mutual Aid Society, which started from very small beginnings some years ago, is now installed in its own handsome building in the centre of the city. It is equipped with up-to-date surgical appliances and pharmacy, and equals the most modern establishments of this nature.

The extract from the general manager's report which has been published contains some striking figures, indicating the nature and importance of this side of the company's activities.

The Sanford Home is a home of rest for the children of our employees, erected on high ground near the river's edge, about eight miles from Buenos Aires. The cost was borne by our large-hearted colleague, Mr Sanford, who, unburdened by his 86 years, paid a visit to the home in February of the present year. On the occasion of his visit 83 children were there. The number of children who enjoyed a holiday in the happy and healthy surroundings of the home last year was 571.

A sanatorium has been added, where sickly children receive medical attention. I need not tell you with what enthusiasm Mr Sanford was welcomed by the committee of workers, who act as an advisory body, and by the children.

THE FUTURE.

When we turn from a review of last year's happenings and look to the future, we see a realm of speculation in which forecasts are useless.

Undoubtedly there must be great changes in traffic conditions in Buenos Aires before very long. At the moment everything is in suspense. We must await the decision of the Municipal Council, but we are not awaiting it idly. It is unfortunate that, for the first six months of the present year, our receipts have declined. This is due to an aggravation of causes which were in operation last year.

Omnibus competition, trade depression, and an exceptionally heavy rainy season all helped to diminish takings.

With commendable energy, the manufacturers of motor buses have entered Buenos Aires, in the hope of inducing the authorities to adopt the newer form of transport.

Our manager, living in Buenos Aires and possessing a wide experience of traffic conditions in Europe, does not, however, view the new development with alarm, but it would be a great mistake to think we are indifferent to it.

Our technical advisers have studied the conditions of almost every capital of the world.

We have the good fortune to number, as one of our colleagues, Sir Frederick Sykes, a director of the London General Omnibus Co., and an expert in this form of transport.

We are thoroughly alive to all the aspects of the situation, but until our tariff question is settled you will not expect us to make—nor would it be to your interest that we should make—any announcement of policy.

Fifty years will have expired this year since the Anglo-Argentine Tramways Co. was registered under its present title. The company was one of the pioneers of tramway traction in the Argentine. It has participated in the progress of the city of Buenos Aires, which now holds the proud position of being the sixth largest city of the world.

In fact, our system forms an integral part of the municipal life of the city, and furnishes a considerable part of the Municipality's income.

BOARD'S POLICY.

We have at all times adopted a policy of progress and expansion. We have made the first underground railway in South America, and it is the aspiration and policy of the directors to continue the company's enterprise, of which our services to-day are a standing example. We are prepared to further its progress by constructing other subways. We are anxious to show our good feeling towards those whom we employ by granting them increased wages. We have in mind a scheme for workmen's dwellings, and we look forward with confidence, with the continued growth of the city, to the help of the Municipality in making the realisation of our programme of advancement possible.

We feel that if the spirit embodied in our ad-referendum agreement, to which reference has been made, is reciprocated by the authorities, the way will have been opened to a speedy attainment of those ends.

Major-General Sir Frederick Sykes, G.B.E., K.C.B., C.M.G., M.P., seconded the motion, which was carried unanimously.

The Chairman having referred to the resignation of Mr H. F. Gunning, moved that the appointment of Mr William Davy Dawes as a director be confirmed.

Mr Charles H. Sanford seconded the resolution, which was carried unanimously.

The retiring directors and auditors having been re-elected, votes of thanks to the chairman, directors and staff terminated the proceedings.

JOHN BROWN AND COMPANY, LIMITED.

COAL STRIKE—PLEA FOR CO-OPERATION.

The annual general meeting of the shareholders of John Brown and Co. was held, on the 29th ultimo, at the Royal Victoria Hotel, Sheffield, Lord Aberconway (the chairman) presiding.

In moving the adoption of the directors' report and balance-sheet, the Chairman said: The coalowners were compelled to give notice that the pits would have to close unless some concessions were given by the men, but the miners' leaders refused to discuss either wage reductions or longer hours, or, in fact, anything that would lower colliery costs. The owners are straining every nerve to balance costs and selling prices, said Lord Aberconway. We are willing to adopt any course which is economically possible. We might have had a friendly discussion with some of the miners' leaders, and we could have done that, but, unfortunately, the occasion was seized upon by politicians, and, to make matters worse, the Communist influence seemed to be dominating the executive of the Miners' Federation.

Some of their leaders have openly avowed the wish to continue and intensify the strife, and have begun to preach revolution as their ultimate object. I am perfectly certain these men do not represent the sentiment of the miners in this country. I am only sorry that they cannot come and have a sensible conference with us without the interference of these political and Communist leaders. We owners want to pay the highest wages the trade will allow, but in this case I do not see how we can get along without some concession from the men. We are not fighting the miners; they are not fighting us. We are both up against a stone wall, and it is our duty to give each other a helping hand to get over that wall, and we can only do it by friendly co-operation. If the home market alone were considered, we could raise the price of coal, which would mean a tax upon the whole population; but we can only make the mines pay by a full output. The home market does not absorb the full output, and we must have our foreign markets, and if possible increase our export.

PLEA FOR CO-OPERATION.

During the last 12 months, so far from increasing they have been decreasing, and we are faced to-day with German, Polish, and American competition. What was to be done? The miner is a partner in the trade, and he always gets the highest share of the results. Was it too much to ask him to confer with us and enable us by his co-operation to maintain our industrial position? I hope some of the miners' leaders will really realise that the function of a trade union is to protect the men's interests and not to injure trade.

Touching on the recommendations of the Coal Commission, Lord Aberconway said that some of the recommendations were obviously difficult, if not impossible, to carry out. A great many were worth more than sympathetic consideration and ought to be put into practical effect, such as combines of colliery concerns in various districts, union of interests in relation to sales or in relation to output, and union of interest, possibly, in respect of capitalisation, because there could be no doubt that to combine a number of firms gave them a much stronger financial position, and enabled them to work to greater advantage than when running by themselves.

IRON AND STEEL PRICES.

At the Atlas works they had employed the same number of men during the year and had done a little more work for the Government and about the same in general trade. Prices had been declining. Iron and steel goods were selling to-day within 20 per cent. of pre-war prices, while fuel was 40 per cent. higher and wages 60 per cent. higher. Not only did the Indian and South African railways buy from the Continent, but we were importing a good deal into this country.

Many people who had watched the course of trade were expecting a very considerable increase in trade during the autumn after the strike was over. He only hoped they would be justified. There would undoubtedly be a big rush, and he hoped John Brown's would benefit.

At Clydebank a fair amount of work had been found for the yard. Several large vessels had been delivered, and other orders had been taken. In addition to the two Australian cruisers, they had a steamer for the Canadian Pacific and two large steamers for the South American trade, and other vessels.

With regard to the balance-sheet, there was an increase of £250,000 in debentures and a similar increase in sundry creditors. This was explained by the increase in stocks, and work in progress amounted to £735,000, or more than double the £344,000 at which it stood last year. On the other hand, the mortgage debenture loans stood at £1,305,000, as compared with £1,055,000 last year. One almost balanced the other. Owing to the large amount of shipbuilding work, they had issued further debentures. There was no dividend on the ordinary for the first time for 50 years. The money was still in the firm, but they felt that having regard to the industrial conditions, and especially the charges incidental possible.

Sir Charles Ellis seconded the resolution, which was carried unanimously.

EDWARD LLOYD, LIMITED.

SUBSTANTIAL PROGRESS.

EFFICIENCY AT THE MILLS.

The 36th ordinary general meeting of Edward Lloyd, Limited, was held, on Wednesday, June 30th, at the head office of the company, 4-7 Salisbury Court, Fleet Street, London, E.C. 4, Mr Frank Lloyd, the chairman and governing director, presiding.

The secretary (Mr T. Gerald Denson) having read the notice convening the meeting and the report of the auditors, the Chairman, in moving the adoption of the report and accounts, said:—

"This meeting was originally summoned for Tuesday, May 11th, but after the notices had been sent out the General Strike was declared, and was still in progress on that date. It was, consequently, found necessary to postpone the meeting until the future course of events could be more accurately foreseen. When the General Strike was declared our men were instructed by their unions to withdraw their labour, in common with all other paper workers, and the mills were shut down until the strike was called off, resulting in a heavy loss to the firm and very serious disturbance to the operations of the company. Owing to the prolonged coal stoppage we still have grave difficulties to contend with, and we cannot tell what further losses we may sustain, though we have every reason to hope that the mills may be kept in full operation, however long a settlement of the coal dispute may be delayed.

PROFITS AND DIVIDEND.

"As you will have seen in the report, the profits for the year show an increase of £27,405 3s 1d as compared with 1924. After bringing in the amount brought forward from last year the sum at our disposal, after paying the interest on the preference shares and the interim dividend on the ordinary shares paid in October last, amounts to £205,589 2s 2d. Your directors recommend the declaration of a final dividend of 1s 3d per share, free of income-tax, making 10 per cent. for the year, the placing of £10,000 to the pension fund, and the carrying forward of £120,589 2s 2d to the next account.

CONSERVATIVE POLICY.

"In view of the present high cost of building and machinery and the large expenditure we are making on extensions and improvements, together with the balance of outlay still to be made in respect of the garden village, now rapidly nearing completion, your directors are of opinion that it is wiser and more prudent to conserve our resources and to carry forward a substantial sum to meet these commitments and to make some provision for the losses resulting from the present industrial disturbances. It is only by the pursuit of this conservative policy over a number of years that we have been able to bring the mills up to their present high state of efficiency, and thus put the business on a permanent and enduring basis, a policy which I am sure you will agree is in the best interest of all concerned.

PAPER MAKING AND PULP MAKING.

"Both Sittingbourne and Kemsley Mills are running very satisfactorily, and have attained an efficiency fully up to our highest expectations, the output of the combined mills showing an increased production of 32,788 tons for the year. The grinding of our own pulp has turned out very well, as it has improved the running of our machines, and is yielding a fair return on the capital invested in this branch of our manufacture. The cost of steam power for grinding pulp is very high as compared with water power in other countries. Nevertheless, we feel that the experiment has been quite justified.

THE ACCOUNTS.

"An examination of the balance-sheet reveals an increase of £9,320 13s 7d in stocks and book debts, a decrease of £4,754 4s 6d in cash, and an increase of £245,358 6s 1d in credit balances and bills payable. Investments are reduced by £4,861 2s 8d and the bank overdraft by £66,805 19s 6d. The capital expenditure during the year on freehold land, buildings, and machinery amounted to £334,075 1s 7d, the bulk of this being on account of the garden village, whilst the balance was divided about equally on improvements to Sittingbourne and Kemsley Mills respectively.

THANKS TO THE STAFF AND EMPLOYEES.

"I am happy to have this opportunity of expressing our gratitude to the staff and employees at Sittingbourne, Kemsley, and Ritham Dock, and in London for the admirable work accomplished by them during the year. The heads of departments have frequently testified to the enthusiastic support they have experienced from every grade, and to the wonderful *esprit de corps* which animates the workers in every department.

"I desire also to acknowledge with thanks the good work of the staff and employees of the mills in Norway, and to assure them of our appreciation of their success in keeping up the high standard of quality for which they are so famous."

Lieut.-Colonel J. R. Garwood, D.S.O., seconded the motion, which was unanimously adopted, and a final dividend of 1s 3d per share (free of income-tax) was declared, on the ordinary shares, making with the interim dividend already paid 10 per cent. for the year 1925. The sum of £10,000 was also placed to pension account.

The retiring directors, Mr R. B. Miller and Mr H. W. Clarke, were re-elected, and Messrs Turquand, Youngs, and Co. were reappointed auditors.

The meeting concluded with a vote of thanks to the chairman, directors, and staff.

VAN DEN BERGHS, LIMITED.

SUCCESSFUL YEAR—INCREASED PROFIT.

The twenty-sixth ordinary general meeting of Van den Berghs, Limited, was held, on the 2nd instant, at Winchester House, London.

Mr Henry Van den Bergh, who presided, said that for the half-century they had been engaged in the margarine trade they had endeavoured to establish the article on a sound basis as a staple article of food in this country. During that time a most remarkable change had taken place in the discrimination of the British public as far as foodstuffs were concerned. They realised that enormous strides had been made in that direction, and were proud that they had been able to keep pace with those improvements, and been able so to perfect their commodity that it stood relatively higher as a suitable article of food than ever it had done before. The extensive improvements in the methods of manufacture were gradually eliminating the cheaper and undesirable grades in which in the past had tended to bring the trade into disrepute. The latter were being replaced by better qualities, and as a consequence the margarine trade now stood on a higher level, and was in a more satisfactory state than it had ever been before.

INCREASED SALES.

The sales of margarine had increased generally during the year, but more particularly so in their own proprietary brands. Their



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C. 2

Authorised Capital	: : : : £10,000,000
Reserve Fund	: : : : £4,000,000
Issued Capital	: : : : £8,734,660
Paid-up Capital	: : : : £4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of

LATIN AMERICA

as well as 7 Branches in

SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York),
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.,
PARIS.
Northern District Office: 65, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

well-known "Blue Band" continued to lead the way, not only in this country, but also in the other countries of Europe where their associated companies were operating. In the export trade there were signs of a large and permanent trade developing. The company's profits had been considerably increased, and they were able to resume dividends on their ordinary shares. With regard to the great industrial upheaval which had taken place during the current year, any interference with transport seriously affected those who were engaged in the provision trade. However, thanks to their very efficient organisation, they had been in a position to fill all orders, and every one of the company's customers had been supplied in due course with his requirements. For those satisfactory results they were indebted to the loyalty of their staff, who had worked with untiring energy in order that there should not be any interruption of the supplies to their customers, and he desired to express his thanks and his great appreciation of the manner in which they had performed their tasks, often under great difficulty and personal inconvenience. He was sure that those remarks would be warmly endorsed by all those who were familiar with the details of the working of their business. The outbreak of the strike had also been remarkable for the very gratifying offers of assistance which had been made voluntarily by many of their wholesale and retail customers in the country, who had immediately placed their warehouses and transport at the company's disposal. He thought shareholders would agree that that was strong evidence of the very cordial relations which existed between the company and its thousands of customers all over the country. They considered it a splendid testimonial to the value of their trade connections.

RAW MATERIALS AND THE STRIKE.

Another point he would like to emphasise was that since the strike a great rise had taken place in the prices of the raw materials which were used by them in their manufacture. Fortunately, however, they were well bought, and were consequently not obliged to pay the increased prices. They studied the course of the markets very closely at all times, and it was a matter for congratulation that they had been able to provide themselves at reasonable prices with sufficient quantities of the oils, seeds, and fats which they required to cover themselves for some time to come. In former reports they had stated that the matter of enemy debts had not yet been settled. They had now got a little further, and the first case to come before the Arbitral Tribunal had been decided in the company's favour. That gave them great hope that the other cases still subjudice would also be decided in a manner favourable to the company.

With regard to the accounts, the totals of both the assets and liabilities appearing in the balance-sheet showed a substantial increase on the figures placed before the shareholders a year ago. Capital expenditure had been decreased by about £21,000, and from that shareholders would see that to a certain extent depreciations had been written off in excess of the sums expended on the maintenance and improvement of their factories, which were in a high state of efficiency. The net trading profit amounted to £425,708, which was an increase of £130,000 over the profits realised for the year 1924. That increase, which was a substantial one, had enabled the directors to recommend the payment of a dividend on the ordinary share capital of 2s 6d per share, and he was highly gratified at being able to submit that result to the shareholders.

The report and accounts were adopted.

CALCUTTA TRAMWAYS COMPANY, LIMITED. RESULTS OF A DIFFICULT YEAR.

The ordinary general meeting of the Calcutta Tramways Co., Limited, was held, on the 29th ult., at 1 Queen Victoria street, London.

Mr John G. B. Stone, who presided, said that the result of the year's working, after providing for debenture interest, preference dividend, and the interim dividend on the ordinary shares, was an available balance of £159,560. It was proposed to allocate £88,000 to depreciation and general reserves, to write off suspense account £7,289, to contribute £2,068 to the staff provident fund, to pay a final dividend on the ordinary shares of 3½ per cent., making 7½ per cent. for the year, free of income-tax, and to carry forward £37,703. The decrease in their receipts was attributable to two things. One was the loss occasioned by the severe communal riots which were so serious and prolonged as to lead to the exodus from Calcutta of great numbers of the class of public who travelled by tram, and it might be some time before confidence was sufficiently restored for those people to return to their normal occupations.

The second was the competition by independent 'buses. As long ago as August, 1921, the company had put a few 'buses on to test if they could be made a paying proposition at the low fares which were essential in Calcutta. Early last year other 'buses had begun to appear, and their popularity had led to so rapid an increase that

the number of vehicles had now reached some 400. While those vehicles had no doubt deprived the tramway company of a large number of passengers, they believed their competition had reached its zenith and was beginning to weaken. The point had also been reached at which the licensing authorities were refusing on certain routes to issue any further permits.

They had inaugurated a system of transfer tickets between their 'buses and trams, and had also arranged with the railways for a combined railway and tram season ticket. The returns already showed that those facilities were appreciated and taken advantage of by the public. They were extending the tramway, the particular extension being made at the request of, and in agreement with, the Improvement Trust to open out an adjoining area for development, and the company were to receive a guarantee of interest for ten years, by which time the line should pay for itself. They particularly welcomed that requisition from the Trust as evidence that they looked on the tramway as the form of service needed for Calcutta.

The report and accounts were unanimously adopted.

MOND NICKEL COMPANY, LIMITED.

SUBSTANTIAL INCREASE IN PROFITS.

The twelfth annual general meeting of the Mond Nickel Co., Limited, was held, on the 2nd inst., at the Grosvenor Hotel, London.

The Right Hon. Sir Alfred Mond, Bart., M.P. (the chairman), said that the profit and loss account showed an increase in net profits of £112,000. He thought that, in view of the conditions of trade generally, they could congratulate themselves on that very substantial increase in their profits. It was accounted for by an increase in the gross profits of £85,100, a decrease in the debenture interest of £26,400 and a net decrease in general charges and corporation profits tax of £1,500. The reduction in debenture interest was due to the reorganisation of capital effected during the year, whereby they had redeemed the 8 per cent. stock and created a 5½ per cent. stock.

It would be noted with satisfaction that their quick assets in the shape of stock, debtors, and cash exceeded their current liabilities by no less an amount than £1,500,000—a most satisfactory position for a company like ours, which had to carry large stocks of raw materials and finished goods.

The additions amounting to £81,800 to properties in the United Kingdom were chiefly due to expenditure at the Clydach Works and on the new precious metals refinery in London, which was operating very satisfactorily with good results as regarded both economy in costs, and efficiency in that important branch of their operations, the recovery of the platinum group from their residues. They had succeeded during the year in obtaining a contract for refining Onverwacht platinum, which was also turning out quite satisfactorily, and they were open to undertake similar work for others.

Their employees' participation scheme, which had been working for just over a year, was, as far as he was aware, unique in character. It was not a profit-sharing scheme in the ordinary sense, although it had the effect of increasing the profits of the company and of sharing any increased profits between the employees and the company. The object of the scheme was to promote the personal interest of all employees in effecting savings in production costs. It would be realised how substantial the contribution of employees might be in that direction by giving closer and more careful attention to their work, avoiding waste of time and material, and suggesting improvements in the process or in the plant. The scheme provided that savings in costs were divided between the company and the employees according to a scale by which the whole of the savings up to a certain amount was given to the men, and over and above that figure it was divided between the company and the employees.

The report and accounts were unanimously adopted.

SPRINGS MINES, LIMITED.

(INCORPORATED IN THE TRANSVAAL.)

"A MOST SUCCESSFUL YEAR."

The seventeenth ordinary general meeting of shareholders, held in Johannesburg on May 21, 1926, Mr F. R. Lynch presiding.

The Chairman, in moving the adoption of the report and accounts, said: We have again had a most successful year, and if for comparative purposes we ignore the gold premium received during 1924—seeing that the amount received during 1925 was negligible—and deal only with standard values, the results are the highest achieved in the history of the mine.

The tonnage milled totalled 791,300 tons—an increase of 21,300 tons for the year. Working profit (standard value) was £706,952—an increase of £45,226. Revenue per ton milled at 38s 0.63d is

6.43d per ton lower than the previous year's figure; but, on the other hand, working costs were reduced from 21s 4.8d to 20s 2.2d, an improvement of 1s 2.6d, and the resulting working profit was 17s 10.42d per ton milled, as compared with 17s 2.25d per ton for 1924, or an increase of 8.17d per ton.

The development footage for the year totalled 23,211 feet, a slight increase over the previous year, namely, 265 feet. Two very important facts are brought to light by this comparison. In the first place, the amount expended on practically the same amount of development footage was £90,025 in 1924, against £84,544 in 1925. Further, in 1925 the tonnage developed was 1,053,282 mine tons, the cost per ton being 1s 7.3d, whilst in 1924 694,368 tons were developed at a cost of 2s 7.2d per ton, so that not only was the cost per foot considerably reduced, but, in addition, the tonnage developed for practically the same footage was increased by no less than 358,914 tons, and the cost per ton on the total tonnage developed shows a decrease of 1s per ton.

The ore reserve was increased on balance by 40,000 tons to 3,312,819, the value being 8.41 dwts over 58.99 inches. The stope width is slightly greater than at the end of 1924, and the stope value slightly lower, but, when calculated out to inch-dwts, there is a reduction of 9 inch-dwts, the total being 496 inch-dwts.

Our revenue from gold and osmiridium totalled £1,505,557, whilst our working expenditure amounted to £798,605, leaving £706,952 to be carried down to general revenue and expenditure account.

Interest received, &c., less debenture interest and donations, increased this figure to £712,069, so that the credit to appropriation account, after adding the amount of £51,502 brought forward from last year, was £763,571. Appropriations therefrom were as follows: Government and provincial taxes, £70,467; Government participation in profits (equal to 24.170 per cent. of the profits of the company), £172,107; renewals to plant, £6,422; dividends Nos. 15 and 16 (equal to 3¼ per cent.), £465,986. The resulting balance of £48,589 was carried forward to this year's accounts.

During the first quarter of this year 201,400 tons were crushed, yielding a working profit of £179,565. The yield per ton milled was 37s 7d, working costs 19s 9d, and profit per ton 17s 10d. Both grade and costs are below the results for 1925, but, as the one balances the other, the profit per ton is practically the same.

Mr W. J. O'Brien, O.B.E., M.L.A., seconded the motion, which was carried unanimously.

BRAXPAN MINES, LIMITED.

(INCORPORATED IN THE TRANSVAAL.)

GOOD RESULTS DESPITE NATIVE LABOUR SHORTAGE.

The twenty-third ordinary general meeting was held in Johannesburg, on May 21, 1926, Mr F. R. Lynch presiding.

The Chairman, in moving the adoption of the report and accounts, said: The tonnage crushed, 977,700 tons, is again a record, and exceeds the previous year's figure by 79,450 tons. The working profit at £659,680 is £4,465 below that for 1924; but it must be remembered that in 1924 we received £102,601 net gold premium, whilst last year the gold premium was nil, so that, taking gold at the standard value and excluding the gold premium, the 1925 results are better than those for 1924 by £98,136. The yield at 32s 6.9d is lower by 5.2d, but, on the other hand, working costs at 19s 1d per ton show a reduction of 1s 5d, the resulting profit per ton milled at 13s 5.9d being practically 1s per ton better than in 1924.

These results, I think you will agree, are very good, but we should have done even better if we had not suffered from a serious shortage of native labour during the last quarter of the year.

The development footage for the year totalled 24,875 feet, of which 16,935 were sampled; of the latter 7,945 feet, equal to 46.9 per cent., were payable, the average width being 49.48 inches, the value 11.47 dwts, and the inch-dwts figure 568. The percentage payable as well as the average width are slightly below the 1924 results, but the average value is rather higher, and the inch-dwts figure shows an improvement of 29.

The ore reserve was estimated at 2,816,720 tons, the stope width being 71.23 inches, stope value 7.62 dwts, and the inch-dwts 543. The tonnage is lower by 31,820 tons, but the width and value are both slightly higher, so that the resulting inch-dwt figure is higher by 18.

The total amount to the credit of appropriation account was £728,935, made up as follows:—Unappropriated profit as at December 31, 1924, £57,984; balance of development suspense account taken to credit, £3,303; balance of general revenue and expenditure account, £667,648. This has been dealt with as follows:—Government taxes, less adjustments, £78,813; Government participation in profits (equal to 14.260 per cent. of the

profits for the year), less £16,793 adjustments from the previous year, £95,208; appropriations against capital expenditure, £25,000; for reconditioning plant, £3,223; dividends Nos. 26 and 27 of 4½ per cent., £484,500. The balance of £58,985 is carried to this year's accounts.

The quarterly report for the first three months of this year states:—The tonnage crushed totalled 246,400 tons, the working profit being £168,170. The yield per ton milled was 32s 2d, working costs 18s 6d, and the working profit 13s 8d; whilst the yield is 5d per ton milled lower than the average for 1925, the working costs are 7d lower, and the profit is 2d per ton higher.

Mr J. L. Jourdan seconded the motion, which was carried unanimously.

HONGKONG (SELANGOR) RUBBER, LIMITED.

DIVIDEND OF 30 PER CENT.

The fourteenth annual general meeting of Hongkong (Selangor) Rubber, Limited, was held, on June 29th, at 7 Martin's lane, London, Mr W. Arthur Addinsell, chairman of the company, presiding.

Mr J. Lewis, on behalf of the secretaries (Messrs Bright and Galbraith, Limited) read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen,—Owing to the period of prosperity through which the rubber-producing industry passed during the last financial year—resulting in our securing an average net price of over 2s 7d per lb for the crop harvested—your directors present a profit and loss account showing a net profit of £18,017. This compares with £2,413 earned to December 31, 1924. We are thus able to recommend a final dividend making a total of 30 per cent. for the year, as against 3 per cent. for the preceding year; to commence a reserve account by allocating £2,000; and, after the usual reservations, to carry forward £2,260.

This excellent result has been secured on a restricted crop, which amounted to 202,149 lbs only, against the company's present standard production figure of 344,514 lbs. Although we may not secure the same average net price for this year's crop, we can confidently anticipate an increase in the output. For the first five months 119,000 lbs was harvested, and, in normal circumstances, the total for the year should approximate 320,000 lbs. It is proposed to increase the planted area by 50 acres, which will slightly reduce our capitalisation per acre.

We are advised that the major portion of the jungle reserve is swampy, owing to its close proximity to the Klang River, which at certain periods of the year overflows its banks, and it is doubtful whether there is any appreciable area which can be economically cultivated.

During last year we were approached by an eminent firm of mining engineers, who were scout boring on various properties adjoining and in the neighbourhood of our estate, to allow our jungle area also to be bored for tin. An arrangement was made by which this company should ultimately benefit if the operations prove successful, and scout boring has been in operation for some time.

With the fickleness of mining propositions, a considerable area has proved barren. It is possible, however, that a comparatively small area of about 100 acres will on closer investigation reveal a lead of tin which could be successfully worked. Obviously, this would be too small a proposition to be economically operated as a separate unit, and it may be to the best advantage of this company for the land to be disposed of to other interests, who, we understand, are testing areas outside our boundary, and which probably forms a continuation of the same tin lead to which I have referred. I hope that shareholders will not become unduly elated at these remarks, because, as I see it, nothing in the nature of an Eldorado can be visualised. Shareholders may rest assured that the moment anything tangible is evolved they will be notified.

Reverting to rubber, the whole area has been maintained throughout the year in first-class condition.

The report and accounts were unanimously adopted, and the proposed dividend was approved.

PINDENIOYA RUBBER AND TEA ESTATES, LIMITED.

INCREASED PROFIT—BRIGHT PROSPECTS.

The sixteenth ordinary general meeting of the members of Pindenioya Rubber and Tea Estates, Limited, was held, on the 28th ultimo, at the offices of the Rubber Growers' Association, 2 Idol lane, London, Mr H. B. Vuille (the chairman) presiding.

The Chairman said that the net profit, after deducting all annual expenditure, was £13,296, being the equivalent of 20½ per cent. on the capital. In the general profit and loss account £2,995 had been written off, being the cost for erection of new coolie

lines, in the purchase of machinery and 37 acres of forest, opening up of 20 acres of tea, and the upkeep of immature rubber. The expenses incurred in the conversion of share capital, amounting to £223, were also debited, the net result was £12,456 available for distribution, which compared with £4,197 7s 2d last year. The board recommend the payment of a dividend of 12½ per cent., less tax, to place to general reserve £3,000, and to carry forward £1,381.

A small area of 37 acres of good land adjacent to Pindeniya was in the market last year, which the directors decided to buy. The cost was £316, and the area was planted up with tea early this year. The total planted area showed an increase on the figures of last year. There were 944 acres in rubber in bearing and 72 acres to be tapped this year, 275 acres under tea in plucking and 64 acres of young tea planted in 1925-26. Both estates were now fully planted, and were valued in the balance-sheet at £48 per acre. An extended programme of cultivation was put in force, the benefits of which were shown in the increased crops harvested, and as greater tea and rubber outputs would be obtained during the current year, it was expected that the cost of production would be reduced. The tea manufactured was 135,370 lbs, compared with 108,493 lbs previously, while the net profit earned was 4.07d per pound, as compared with 2.76d. They secured 219,044 lbs of rubber, as compared with 177,020 lbs in 1924, and sold this at a net profit of just over 1s per pound, as against 2.03d per pound for the previous year.

The visiting agent sent them good reports of the two estates. Weeding was well in hand, and the drainage programme instituted last year continued. Although rubber had fallen to the neighbourhood of 1s 9d per pound, this price represented a satisfactory profit to producers when associated with full production. The directors looked forward with confidence to a good year in tea, and considerably enhanced profits on both their products at the end of the current season.

The report was adopted.

GOVERNMENT RETURNS, &c.

TREASURY BILLS AND BONDS BY PUBLIC TENDER

Tenders for £40,000,000 in Treasury Bills were opened on July 2, 1926, and the total amount applied for was £63,990,000. For bills at 3 months, dated Monday to Friday, £98 18s 11d, about 50% and above in full, Saturday at £98 19s 2d, and above in full. The amounts allotted were—In bills at 3 months, £40,000,000; in bonds, nil.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.				
April 30.....	35,000,000	43,325,000	4 5 7 1/2	nil
May 7.....	35,000,000	33,045,000	4 5 7 1/2	nil
May 14.....	35,000,000	47,975,000	4 9 11 1/2	nil
May 21.....	35,000,000	50,890,000	4 6 2 1/2	nil
May 28.....	40,000,000	48,680,000	4 6 10 1/2	nil
June 4.....	40,000,000	56,750,000	4 5 10 1/2	nil
June 11.....	35,000,000	46,905,000	4 6 8 3/4	nil
June 18.....	35,000,000	48,655,000	4 5 5 1/2	nil
June 25.....	45,000,000	64,685,000	4 5 9 3/4	nil
July 2.....	40,000,000	63,990,000	4 3 3 1/2	nil

Tenders will be received on July 9, 1926, for Treasury Bills to be issued to the maximum amount of £35,000,000.

NATIONAL DEBT.—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	June 30, 1926.
Funded Debt.....	588	315	315	318	314	314	314	314	314	314
Term Annuities.....	30	20	16	14	13	13	13	13	13	13
34% Conversion Loan.....	..	..	266	684	666	709	764	760	760	760
44% Conversion Loan.....	..	..	..	63	63	63	63	63	63	63
34% War Stock.....	..	..	63	13	13	13	13	13	13	13
44% War Stock.....	..	..	..	13	13	13	13	13	13	13
4% and 5% War Stock.....	..	..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109
4% and 5% War Stock.....	..	..	1,509	1,201	953	820	778	771	706	706
National War Bonds.....	..	..	409	401	399	396	395	392	392	392
4% Funding Loan.....	..	..	360	335	325	314	350	350	348	348
4% Victory Bonds.....	..	..	..	453	411	457	499	479	482	486
Treasury Bonds.....	..	..	..	185	150	150	15	15	15	15
Exchequer Bonds.....	..	..	..	342	354	366	369	372	375	375
National Savings Certs.....	..	..	..	1,306	1,087	1,157	1,124	1,124	1,111	1,111
Other Debt*.....	..	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French).....	..	..	..	..	..	..	..	..	..	..
Treasury Bills.....	..	1,107	878	616	588	576	635	565	613	613
Temporary Advances ..	..	1	243	147	194	186	167	181	139	162
Other Capital Liabilities.....	..	654	8,033	7,655	7,742	7,641	7,646	7,751	7,616	7,691
Total Liabilities.....	..	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,776

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	June 30, '25.	Mar. 31, '26.	June 30, '26.	June 30, '26.
Outstanding.....	£ 9,750,000	£ 12,500,000	£ 12,500,000	£ 12,500,000
Advances by Bank of England.....	185,185,000	139,441,000	149,501,000	10,600,000
Advances by Public Deposits.....	596,585,000	564,855,000	612,925,000	1,870,000
Treasury Bills Outstanding.....	..	..	..	..
Total Floating Debt.....	791,520,000	704,296,000	774,926,000	30,000

* Includes £52,000, the proceeds of which were not carried to the Exchequer within the period of the account.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Accounts.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Accounts.
1923.						
Mar. 28.....	285,616	12,318	7,000	27,000	22,450	241,294
June 27.....	286,503	12,516	7,000	27,000	22,460	242,446
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	238,595
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	255,032
1924.						
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	236,867
June 25.....	290,316	12,472	7,000	27,000	22,450	246,198
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	241,185
Dec. 31.....	296,261	12,812	7,000	27,000	26,950	246,111
1925.						
Mar. 25.....	284,256	11,882	7,000	27,000	26,950	235,076
June 24.....	292,278	12,265	7,000	..	53,950	245,474
Sept. 24.....	293,004	12,555	7,000	..	56,250	242,188
Dec. 30.....	296,777	12,561	7,000	..	56,250	245,896
1926.						
Mar. 31.....	295,337	12,226	6,550	..	56,250	244,585
June 16.....	295,862	12,443	6,550	..	56,250	245,317
23.....	293,889	12,317	6,550	..	56,250	243,258
30.....	294,036	12,567	6,550	..	56,250	243,667

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,549.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS
CLAIMS PAID .. £28,501,591
.. £37,361,771

Accidents and illness.
Employers' Liability, Fidelity Guarantees,
Burglary, Fire, Motor Cars, Public Liability,
Insurance of Boilers, Engines,
Electrical Plant and Lifts,
Executors and Trusteeships.

Head Office: 36-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, June 30, 1926.

ISSUE DEPARTMENT.

Notes issued	£ 168,746,390	Government debt	£ 11,015,100
		Other securities	£ 8,734,900
		Gold coin & bullion ..	£ 148,996,390
	168,746,390		168,746,390

BANKING DEPARTMENT.

£	£
Proprietors' capital .. 14,553,000	Government securities 51,610,328
Rest 3,411,539	Other securities 103,090,861
Public deposits* 10,457,868	Notes 27,041,200
Other deposits 154,669,258	Gold and silver coin .. 1,353,150
Seven-day & other bills .. 3,874	

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, June 30, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,411,539	+	£ 63,081
Public deposits	10,457,868	+	8,167,591
Other deposits	154,669,258	+	54,330,831
Government securities ..	51,610,328	+	11,450,000
Other securities	103,090,861	+	35,829,511
Reserve	28,394,350	+	1,052,281
Note circulation	141,705,190	+	1,316,820
Coin and bullion	150,349,540	+	264,539
of reserve to liabilities ..	174%	—	78%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.						
May 12.....	£ 148,262,303	£ 141,651,590	£ 123,415,235	£ 114,802,078	818,000 in	26,360,713 21 1/2
19.....	148,905,187	140,985,585	123,188,298	113,274,838	784,000 in	27,669,602 22 1/2
26.....	149,007,351	140,581,830	123,262,127	112,851,976	103,000 in	28,175,461 23 1/2
June 2.....	148,771,191	140,982,000	130,221,951	112,851,976	221,000 out	28,353,257 24 1/2
9.....	148,983,167	140,379,910	117,988,679	107,457,449	243,000 in	29,535,573 24 1/2
16.....	147,320,507	140,007,760	119,540,689	107,822,888	229,000 in	29,446,631 24 1/2
23.....	150,085,001	140,388,370	118,963,886	107,421,678	98,000 in	28,354,350 17 1/2
30.....	150,349,540	141,705,190	165,127,126	154,701,189		

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to June 16	£ 16,325,023	£ 768,322	£ 1,324,057	£ 18,419,402
June 25.....	575,398	29,993	46,632	654,023
30.....	739,488	31,659	47,617	818,764
Total to date 1926.....	17,637,909	829,974	1,424,306	19,892,189
Do 1925.....	18,347,418	1,496,078	1,496,589	20,681,085
Increase or decrease in 1926 ..	= 3 1/2 %	= 1 1/2 %	= 4 1/2 %	= 3 1/2 %
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 ..	= 2 1 %	= 5 2 %	= 1 9 %	= 2 2 %

PROVINCIAL CLEARING RETURNS.

	Month of June.	Aggregate Weekly Totals to June 26.
	1925.	1926.
Number of Working Days	25	26
BIRMINGHAM.....	10,243,000	10,446,000
BRISTOL.....	4,504,000	5,337,000
DUBLIN.....	4,049,000	3,557,000
HULL.....	1,744,000	3,764,000
LEEDS.....	3,270,000	3,152,000
LIVERPOOL.....	35,926,000	31,406,000
MANCHESTER.....	63,167,000	56,070,000
NEWCASTLE-ON-TYNE.....	5,986,000	4,421,000
NOTTINGHAM.....	2,668,000	2,395,000
SHEFFIELD.....	3,962,000	4,601,000
Total.....	137,519,000	124,949,000

† Areas extended during the strike.

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Estonia appeared in the Economist of May 23; Denmark, in June 12; Latvia, in June 19; Canada, Finland, Lithuania, Danzig and Greece in June 26.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	June 24, 1926.	June 18, 1926.	June 11, 1926.	June 26, 1925.
RESOURCES.				
Total gold reserves.....	2,846,690	2,836,630	2,833,190	2,810,760
Total bills discounted.....	479,160	393,330	448,160	455,450
Bills bought in open market ..	247,240	233,160	249,820	241,670
Total deposits.....	383,100	482,240	418,310	339,610
Total U.S. Government securities.....	1,119,330	1,119,430	1,128,580	1,034,470
Total earning assets.....	4,902,860	5,119,350	4,901,780	4,749,470
LIABILITIES.				
Federal Reserve notes in actual circulation.....	1,682,770	1,688,150	1,692,940	1,634,240
Deposits—Member bank—reserv.	2,225,310	2,260,830	2,224,490	2,139,780
account.....	2,258,220	2,290,890	2,251,280	2,104,410
Capital paid in and surplus.....	343,100	343,110	343,020	333,400
Total liabilities.....	4,902,860	5,119,350	4,901,780	4,749,460
Ratio of total reserves to deposit and Federal Reserve note liabilities combined ..	76.0%	75.0%	75.6%	77.0%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	June 24, 1926.	June 18, 1926.	June 11, 1926.	June 26, 1925.
RESOURCES.				
Total bills discounted.....	1926.	67,070	114,010	120,890
Bills bought in open market ..	61,390	44,070	65,900	35,590
Total U.S. Government securities.....	79,110	160,290	83,860	57,790
Total earning assets.....	234,600	273,430	266,070	214,270
Deposits—Member bank—res. acc't ..	861,550	897,560	836,600	808,190
Ratio of total res. to dep. and Federal Res. note liabilities combined ..	84.4%	79.6%	82.0%	83.8%

BANK OF POLAND.—In zloty (000's omitted).						
Assets.	June 20, 1926.	June 10, 1926.	May 31, 1926.	May 10, 1926.	May 1, 1926.	Position May 31, 1926.
Gold	134,603	134,527	134,369	134,369	134,312	
Foreign currencies	72,280	70,999	53,407	54,765	54,765	
Silver and bullion	1,546	986	728	1,260	1,260	
Bills discounted	305,389	302,832	302,901	300,414	300,414	
Loans against securities	49,328	49,564	50,874	49,932	49,932	
Short-term discounts	23,765	23,765	23,608	23,431	23,431	
Liability of the Treasury	50,000	50,000	50,000	50,000	50,000	
Liabilities.	June 20, 1926.	June 10, 1926.	May 31, 1926.	May 10, 1926.	May 1, 1926.	Position May 31, 1926.
Share capital	100,000	100,000	100,000	100,000	100,000	
Reserve funds	2,908	2,908	2,908	2,908	2,908	
Notes in circulation	415,535	423,626	412,963	379,541	379,541	
Current accounts	104,675	92,374	73,190	104,037	104,037	
Liability in foreign exchange	66,612	66,217	61,196	62,694	62,694	

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).						
Assets.	June 23, 1926.	June 15, 1926.	June 7, 1926.	June 25, 1926.	June 17, 1926.	June 9, 1926.
Metal reserve	18,402	18,313	18,313	11,336	11,336	
Gold in coin & bullion	480,760	479,857	484,869	381,249	381,249	
Foreign bills	83,062	77,310	75,618	125,567	125,567	
Other foreign bills	67,340	71,148	78,814	84,940	84,940	
Advances to the Treasury	182,800	182,835	183,053	208,154	208,154	
Liabilities.	June 23, 1926.	June 15, 1926.	June 7, 1926.	June 25, 1926.	June 17, 1926.	June 9, 1926.
Reserve fund	4,552	4,552	4,552	2,679	2,679	
Notes in circulation	735,068	752,120	787,766	737,111	737,111	
Deposits	99,143	79,320	54,456	67,893	67,893	

† Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).						
Assets.	June 23, 1926.	June 15, 1926.	June 7, 1926.	May 31, 1926.	May 23, 1926.	May 15, 1926.
Metal reserve	119,039	115,513	110,606	108,402	108,402	
Gold coin and bullion	111,701	121,821	128,308	128,547	121,165	
Drafts and notes	908	910	908	904	904	
Silver coin and bullion	147,197	150,955	160,798	174,947	147,889	
Inland bills, warrants, and securities	151,726	151,726	151,726	151,789	151,789	
Advances to the Treasury	34,756	34,756	34,756	34,756	34,756	
Liabilities.	June 23, 1926.	June 15, 1926.	June 7, 1926.	May 31, 1926.	May 23, 1926.	May 15, 1926.
Share capital (gold crowns 30,000,000)	354,359	361,668	373,889	387,504	347,519	
Notes in circulation	204,294	207,329	206,899	204,335	214,689	
Current accounts, deposits, &c.						

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).						
Assets.	June 22, 1926.	June 15, 1926.	June 8, 1926.	May 31, 1926.	June 22, 1926.	June 15, 1926.
Gold	79,938	79,824	79,711	79,529	72,392	
Other coin and notes	18,196	17,983	18,065	17,834	21,631	
Foreign credits	329,275	326,145	327,153	326,195	363,068	
Bills	1,051,407	1,057,171	1,067,713	1,094,351	943,638	
Govt. advances	4,467,504	4,467,398	4,467,277	4,467,120	4,518,742	
Liabilities.	June 22, 1926.	June 15, 1926.	June 8, 1926.	May 31, 1926.	June 22, 1926.	June 15, 1926.
Notes in circulation	5,494,639	5,549,023	5,667,620	5,627,222	5,648,901	
State credits	349,176	349,120	348,999	348,842	366,019	
Deposits	724,270	647,937	541,788	602,878	713,289	

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted).						
Assets.	June 12, 1926.	June 12, 1926.	May 29, 1926.	May 22, 1926.	May 12, 1926.	May 12, 1926.
Gold	568,958	568,839	568,839	568,839	545,275	
Silver, &c.	15,580	10,724	10,866	10,938	775	
Other assets	11,253,262	11,250,714	10,647,449	11,244,167	12,585,130	
Govt. advances	9,683,483	9,677,360	9,627,655	9,608,207	5,037,432	
Liabilities.	June 12, 1926.	June 12, 1926.	May 29, 1926.	May 22, 1926.	May 12, 1926.	May 12, 1926.
Notes in circulation	20,991,057	20,985,600	20,988,147	20,964,678	15,445,426	
Deposits	7,884,768	7,878,215	7,858,237	7,874,319	7,877,053	

NATIONAL BANK OF BULGARIA.—In leva (000's omitted).						
Assets.	May 14, 1926.	April 14, 1926.	Mar. 22, 1926.	Feb. 7, 1926.	Dec. 30, 1925.	Dec. 30, 1925.
Monetary reserves	59,537	59,363	59,158	58,884	58,718	
Gold	107,357	98,611	89,747	71,720	72,845	
Notes of foreign banks	696	962	825	1,665	1,135	
Foreign bills	48,241	27,875	21,859	35,272	35,198	
Credits with foreign correspondents	376,787	409,701	418,230	358,400	478,333	
Note circulation	3,584,786	3,579,820	3,486,562	3,464,508	3,656,302	
Loans to the State	4,636,179	4,642,009	4,615,696	4,634,818	4,530,500	

RUSSIAN STATE BANK.—Note-Issuing Department. (In Tchernovets—000's omitted.) (Norm: 1 Tchernovets = 10 gold rubles.)						
Assets.	July 1, 1926.	June 15, 1926.	June 1, 1926.	May 15, 1926.	July 1, 1926.	July 1, 1926.
Gold in coin and bullion	14,683	14,660	14,653	14,657	16,909	
Platinum	3,040	3,040	3,040	3,040	3,040	
Foreign bank notes	5,025	5,011	5,007	5,138	4,894	
Drafts in sterling (less 10%)	193	193	193	193	172	
Bills (less 10% discount)	52,973	51,010	51,021	50,886	42,406	
Securities covering advances on goods (less 10%)	86	86	86	86	500	
Liabilities.	July 1, 1926.	June 15, 1926.	June 1, 1926.	May 15, 1926.	July 1, 1926.	July 1, 1926.
Bank notes	72,663	72,781	70,126	70,832	66,466	
Balance to which notes may still be issued	3,337	1,219	3,874	3,168	784	

BANK OF SPAIN.—In pesetas (000's omitted).						
Assets.	June 26, 1926.	June 19, 1926.	June 12, 1926.	June 5, 1926.	June 27, 1926.	Position June 27, 1926.
Gold	2,540,878	2,538,842	2,537,499	2,537,166	2,536,609	521,775
Silver	674,199	671,255	669,446	668,100	666,400	728,600
Loans & discounts	2,517,236	2,560,904	2,552,299	2,604,696	2,505,577	800,725
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills	150,000	150,000	150,000	150,000	150,000	150,000
Liabilities.	June 26, 1926.	June 19, 1926.	June 12, 1926.	June 5, 1926.	June 27, 1926.	Position June 27, 1926.
Circulation	4,432,507	4,328,918	4,342,097	4,362,760	4,274,143	901,550
Deposits	1,068,223	1,071,531	1,066,448	1,075,122	1,101,563	477,500

BANK OF ITALY.—In lire (000's omitted).						
Assets.	June 10, 1926.	May 31, 1926.	May 20, 1926.	May 10, 1926.	June 10, 1926.	Position May 31, 1926.
Total cash	1,555,752	1,528,199	1,548,157	1,502,909	1,589,494	1,221,876
Inland bills	5,236,090	5,461,485	5,153,688	5,105,790	5,816,270	481,400
Advances to the Treasury	5,242,354	5,242,354	5,242,354	5,242,354	5,242,354	nil
Other advances	2,701,933	3,023,101	3,265,717	2,883,868	2,341,261	79,176
Securities	365,647	366,843	364,289	362,871	368,883	806,700
Liabilities.	June 10, 1926.	May 31, 1926.	May 20, 1926.	May 10, 1926.	June 10, 1926.	Position May 31, 1926.
Note circulation	13,893,155	13,842,545	13,582,619	13,994,600	13,780,774	1,556,929
Deposits & drafts	1,434,781	1,568,554	1,604,548	1,483,209	1,438,920	193,975

BANK OF PORTUGAL.—In escudos (000's omitted).						
Assets.	June 9, 1926.	June 2, 1926.	May 26, 1926.	May 19, 1926.	June 9, 1926.	June 2, 1926.
Coin and bullion	3,837	3,855	9,910	9,978	9,692	
Of which gold	8,577	8,577	8,577	8,577	8,577	
Balances abroad	344,922	340,904	321,611	351,141	184,672	
Discounts	152,113	152,289	154,995	151,740	182,380	
Government loans	1,658,311	1,653,467	1,634,591	1,663,998	1,503,303	
Liabilities.	June 9, 1926.	June 2, 1926.	May 26, 1926.	May 19, 1926.	June 9, 1926.	June 2, 1926.
Notes in circulation	1,834,625	1,823,964	1,786,137	1,809,534	1,639,584	
Deposits	52,002	50,353	53,906	67,544	48,212	

NATIONAL BANK OF EGYPT.—In £ (000's omitted).						
Assets.	April 30, 1926.	Mar. 31, 1926.	Feb. 28, 1926.	Jan. 31, 1926.	April 30, 1926.	Position May 31, 1926.
Gold	5,435	5,419	3,406	3,396	3,376	1,571
Govt. securities	55,384	58,157	58,243	58,056	63,747	2,084
Liabilities.	April 30, 1926.	Mar. 31, 1926.	Feb. 28, 1926.	Jan. 31, 1926.	April 30, 1926.	Position May 31, 1926.
Notes in circulation	32,172	33,656	35,280	35,682	38,181	2,400
Govt. deposits	23,192	25,038	25,200	25,662	21,338	2,315
Other deposits	13,199	14,541	14,842	13,245	15,373	2,600

By authority of the Egyptian Government British Treasury Bills were deposited in lieu of gold.

LONDON RATES.						
	June 25, 1926.	June 26, 1926.	June 28, 1926.	June 29, 1926.	June 30, 1926.	July 1, 1926.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5
Market rates of discount—						
60 days' bankers' drafts	4½	4½	4½	4½	4½	4½
3 months' do	4½	4½	4½	4½	4½	4½
4 months' do	4½	4½	4½	4½	4½	4½
6 months' do	4½	4½	4½	4½	4½	4½
Discount (Treasury Bills)—						
2 months	4½	4½	4½	4½	4½	4½
3 months	4½	4½	4½	4½	4½	4½
Loans—Day to day	4	4	4	4	4	4
Short	4	4	4	4	4	4
Deposits allowances: Banks	3	3	3	3	3	3
Discount houses at call	3	3	3	3	3	3
At notice	3½	3½	3½	3½	3½	3½

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—						
	Short	Bank Bills.	Trade Bills.	Short	Bank Bills.	Trade Bills.
	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1926.						
June	4½	4½	4½	4½	4½	4½
July	4½	4½	4½	4½	4½	4½

RATES OF EXCHANGE.						
London on	Usance	Par.	July 3, 1926.	June 25, 1926.	July 2, 1926.	July 1, 1926.
Paris	francs to £1	T.T.	22-25	103-20-30	167 ¹ / ₂ -167 ¹ / ₂	181- ¹ / ₂
Berlin	marks to £1	T.T.	20-43	20-43-40	20-44-45	20-43-44
Vienna	schilling to £1	T.T.	35-58	34-52-60	34-38-43	34-40-5
Prague	krone to £1	T.T.	24-2	164-164 ¹ / ₂	164 ¹ / ₂ -164 ¹ / ₂	164- ¹ / ₂
Warsaw	zloty to £1	T.T.	25-22 ¹ / ₂	50-52	50-52	50 buyers
Reval	Eestmaks. to £1	T.T.	1810	1810-350	1800-40	1800-40
Riga	lats to £1	T.T.	25-22 ¹ / ₂	25-10-35	25-10-35	25-20-40
Kovno	lits to £1	T.T.	48-66	47-19-37	46-25-40	46-25-40
Bukarest	lei to £1	T.T.	25-22 ¹ / ₂	1062-1065	1085-1095	1085-1095
Budapest	pengo to £1	T.T.	27-82	345/47-4000	27-75-95	27-75-95
Constantinople	piastres to £1	T.T.	110	895-905	913-920	895-905
Sofia	levas to £1	T.T.	25-22 ¹ / ₂	675-680	670-680	665-675
Belgrade	dinars to £1	T.T.	25-22 ¹ / ₂	275-280	274-276	273-6
Amsterdam	florin to £1	T.T.	12-107	104-40-50	112-118-111	112-11-11
Brussels	francs to £1	T.T.	25-22 ¹ / ₂	104-40-50	168 ¹ / ₂ -169	182- ¹ / ₂
Oslo	kroner to £1	T.T.	18-159	26-75-80	22-15-18	22-14-17
Stockholm	kronor to £1	T.T.	18-159	18-13-13 ¹ / ₂	18-12-13	18-13-14
Copenhagen	kroner to £1	T.T.	18-159	23-80-85	18-34-37	18-33-16
Helsingfors	F. marks to £1	T.T.	193-23	192 ¹ / ₂ -193	193 ¹ / ₂ -193 ¹ / ₂	193 ¹ / ₂ -4
Greece	drachmas to £1	T.T.	25-22 ¹ / ₂	293-295	392-396	393-400
Italy	lire to £1	T.T.	25-22 ¹ / ₂	135 ¹ / ₂ -133 ¹ / ₂	133 ¹ / ₂ -133 ¹ / ₂	137 ¹ / ₂
Switzerland	francs to £1	T.T.	25-22 ¹ / ₂	25-05-06	25-13-14	25-13-14
Austria	schillings to £1	T.T.	25-22 ¹ / ₂	33-40-42	30-13-15	30-14-7
Lisbon	escudos to £1	T.T.	53-24	24 ¹ / ₂ -24 ¹ / ₂	24 ¹ / ₂ -24 ¹ / ₂	24-4 ¹ / ₂
Alexandria	piastres to £1	Sight	9-7 ¹ / ₂	97 ¹ / ₂ -97 ¹ / ₂	97 ¹ / ₂ -97 ¹ / ₂	97 ¹ / ₂ -97 ¹ / ₂
New York	dollars to £1	Cable	4-86 ¹ / ₂	4-86 ¹ / ₂ -4 ¹ / ₂	4-86 ¹ / ₂ -4 ¹ / ₂	4-86 ¹ / ₂ -4 ¹ / ₂
Montreal	dollars to £1	Cable	4-86 ¹ / ₂	4-85 ¹ / ₂ -86 ¹ / ₂	4-85 ¹ / ₂ -86 ¹ / ₂	4-85 ¹ / ₂ -86 ¹ / ₂
Buenos Aires	pence to peso	T.T.	47-62	45 ¹ / ₂ -45 ¹ / ₂	45 ¹ / ₂ -45 ¹ / ₂	45 ¹ / ₂ -45 ¹ / ₂
Rio de Janeiro	pence to mils.	90 days	16	5 ¹ / ₂ -5 ¹ / ₂	7 ¹ / ₂ -7 ¹ / ₂	7 ¹ / ₂ -7 ¹ / ₂
Montevideo	pence to peso	T.T.	51	48-48 ¹ / ₂	48-48 ¹ / ₂	48-48 ¹ / ₂
Valparaiso	dollars to £1	90 days	40	41-50	49-49 ¹ / ₂	49-4 ¹ / ₂
Lima	Eng. to Per. £1	90 days	par	174 ¹ / ₂ prem.	32 ¹ / ₂ prem.	33 ¹ / ₂ prem.
Calcutta	ster. to rupee	T.T.	10 to	1s 6 ¹ / ₂ -6 ¹ / ₂ -6 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂
Bombay	ster. to rupee	T.T.	Gold to	1s 6 ¹ / ₂ -6 ¹ / ₂ -6 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂
Madras	ster. to rupee	T.T.	Sovn.	1s 6 ¹ / ₂ -6 ¹ / ₂ -6 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂	1s 5 ¹ / ₂ -5 ¹ / ₂ -5 ¹ / ₂
Hong Kong	ster. to dollar	T.T.		2s 38 ¹ / ₂ -2s 44 ¹ / ₂	2/5s 14 ¹ / ₂	2s 24 ¹ / ₂ -3s
Shanghai	ster. to taels	T.T.		3s 2d-3s 5d	2/11s 3/0	2s 11d-3s
Singapore	ster. to dollar	T.T.		2s 38 ¹ / ₂ -2s 44 ¹ / ₂	2s 34 ¹ / ₂ -2s 40 ¹ / ₂	2s 34 ¹ / ₂ -2s 40 ¹ / ₂
Yokohama	ster. to yen	T.T.	24-58d	1s 2d-1s 4d	1s 11d-1s 11d	1s 11d-1s 11d
Manila	ster. to peso	T.T.	24-65d	12s 0d	12s 0d	12s 0d
Mexico	pence to dols.	T.T.		24 ¹ / ₂ d-24 ¹ / ₂ d		24s 0d

branch at High street, Shanklin, Isle of Wight, under the management of Edward Spuring Knight, D.S.O.

To fill the vacancy caused by the death of his Grace the Duke of Montrose, K.T., the late governor of the National Bank of Scotland, Limited, the directors have appointed the Right Honourable the Earl of Ronaldshay, P.C., G.C.S.I., G.C.I.E., at present deputy governor, to be his successor as governor, and Sir Hector Munro of Foulis, Bart., one of the extraordinary directors, to be deputy governor.

Lloyds Bank, Limited, announce that Mr E. D. Vaisey has resigned his seat on the board, but will continue to serve as a member of the committee of the Capital and Counties Bank section.

The Midland Bank announces the opening of a new branch in Outram street, Sutton-in-Ashfield, Nottingham, under the supervision of Mr E. M. Ellis, manager of the Leeming street, Mansfield branch.

The Equitable Trust Company of New York announces the retirement, as of June 30, 1926, of Mr Edward J. Chappell, London manager, after 40 years' service with the company and its predecessors.

A branch of the Commercial Bank of Australia, Limited, has been opened at Toowoomba (Queensland).

We are informed that Sir Edward James Reid, Bart., nephew of Lord Revelstoke and the Hon. Cecil Baring, has been appointed a managing director and an assistant secretary of Baring Brothers and Co., Limited.

ANALYSIS OF BALANCE-SHEETS.

AFRICAN AND EASTERN TRADE CORPORATION.

December 31, 1925.

LIABILITIES.		ASSETS.	
Amount.	Compared with Dec. 31, 1924.	Amount.	Compared with Dec. 31, 1924.
6% cum. pref. £ 300,000 ..	..	Factory buildings, &c. 1,148,960 ..	2,257
6% "A" £ 1,533 ..	+ 10,000	Property in London & Liverpool 521,764 ..	..
Do 10s paid 218,511 ..	+ 218,511	Office furniture 13,734 ..	1,004
Ord. shares, £1, 3,562,368 ..	..	Stocks 2,397,738 ..	+ 389,470
Do 10s paid 218,511 ..	+ 218,511	Shipments outward 212,351 ..	+ 46,919
Calls paid in advance 180,083 ..	+ 180,083	Produce homew'd and in store 213,207 ..	20,715
Acceptances 1,285,881 ..	..	Debtors 358,775 ..	+ 161,397
Creditors 1,861,340 ..	+ 2,080	Cash 223,512 ..	+ 60,756
Bank overdraft 196,940 ..	..	Bills receivable 24,048 ..	821
Depreciation fund 378,597 ..	+ 34,927	Investments in allied and subsidiary cos. 8,475,701 ..	116,058
Insurance fund 305,373 ..	+ 30,928	Miscellaneous investments 119,736 ..	+ 8,880
General reserve, including premiums on shrs. 2,000,045 ..	..		
Profit and loss 589,402 ..	+ 48,789		
Total 13,706,586 ..	+ 528,208	Total 13,706,586 ..	+ 528,208

GENERAL ELECTRIC COMPANY, LIMITED.

March 31, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1925.	Amount.	Compared with Mar. 31, 1925.
Ord. shares 2,141,975 ..	+ 30,000	Freehold land and buildings 3,159,206 ..	+ 14,678
Prof. shares 3,600,000 ..	..	Plant, &c. 910,674 ..	+ 20,396
7% deb. stock 3,744,600 ..	+ 42,900	Loose plant, good-will, &c. 3 ..	..
Sundry creditors 1,824,853 ..	+ 100,887	Sundry debtors 3,377,024 ..	+ 191,501
Reser. e. 830,000 ..	+ 120,000	Stock-in-trade 2,135,554 ..	+ 33,694
Profit and loss 471,272 ..	+ 98,618	Trade inv'tm'ts 1,494,770 ..	+ 132,906
		Govt. securities 770,992 ..	+ 128,086
		Cash 366,477 ..	+ 60,308
Total 12,121,700 ..	+ 306,605	Total 12,121,700 ..	+ 306,605

THE MOND NICKEL COMPANY, LIMITED.

April 30, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with April 30, 1925.	Amount.	Compared with April 30, 1925.
7% cum. pref. 500,000 ..	..	Properties in Canada 1,850,666 ..	+ 188,717
7% cum. "A" pref. 1,250,000 ..	+ 1,250,000	Properties in U.K. 1,446,924 ..	+ 81,774
7% non-cum. pref. 2,000,000 ..	..	Shares in associated cos. 1,626,685 ..	+ 520,103
Ordinary shares 900,000 ..	..	Stocks 2,002,408 ..	+ 95,454
5% deb. stock 375,000 ..	..	Sundry debtors 481,077 ..	+ 76,951
Interest accrued 9,375 ..	..	Cash 69,321 ..	+ 47,603
8% deb. stock 52,000 ..	..	Expenses of capital issue 56,992 ..	+ 56,992
Interest accrued 1,000,000 ..	+ 1,000,000		
Loans from banks 27,500 ..	+ 27,500		
Bills payable 505,000 ..	+ 123,212		
Sundry creditors 502,773 ..	+ 47,690		
Unclaimed divs. & deb. interest 471 ..	..		
Reserve 160,000 ..	..		
Profit and loss 303,954 ..	+ 98,664		
Total 7,534,073 ..	+ 1,067,594	Total 7,534,073 ..	+ 1,067,594

SPICERS AND FOND.

March 31, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1925.	Amount.	Compared with Mar. 31, 1925.
Ord. shares 628,829 ..	..	Properties 1,022,191 ..	+ 4,535
Deb. stock 453,319 ..	..	Wines, &c. 269,157 ..	+ 6,684
Deb. redemption account 55,346 ..	+ 8,403	Sundry debtors 50,310 ..	+ 680
Sundry creditors 146,642 ..	+ 8,230	Investments 144,490 ..	+ 1,740
Suspense account 86,842 ..	..	Cash 67,746 ..	+ 1,414
General reserve 150,000 ..	+ 15,000		
Unol. interest, &c. 954 ..	+ 15		
Profit and loss 71,520 ..	+ 16,327		
Total 1,657,462 ..	+ 6,170	Total 1,657,462 ..	+ 6,170

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked * or stated in Cash. Interim div. + Final div.			Dividend for Whole Years.	Pre- vious.
	Interim or Final.	Date of Pay- ment	Method of Pay- ment.		
Railways.					
Central London	2%*	..	Less tax	..	..
City and South London	1%*	..	Less tax	..	..
Great Southern of Spain Railway	..	..	..	..	..
Income Deb.	..	..	Less tax 4 1/4 in £	4	4
London Electric	1%*	..	Less tax	..	..
Metropolitan District	1%*	..	Less tax	..	..
Underground Electric Income	..	..	Less tax	..	..
Bonds	3%	..	Tax free	..	..
Banks.					
Alexander's Discount	15*	..	..	..	..
Barclays Bank, "A"	10*	Aug. 3	Less tax	..	..
Do "B" and "C"	14*	Aug. 3	Less tax	..	..
National Discount Co., "A" shrs.	2 1/2 p.s.*	July 17	..	..	..
Do "B" shares	4 1/2 p.s.*	July 17	Less tax at 4/	..	..
P. and O. Banking Corporation.	..	..	..	5	5
Union Discount Co. of London.	15*	July 17	Less tax	..	..
Insurance.					
Federated Employers	7 1/2 p.s.*	..	Tax free	..	..
Union of Canton	16 p.s.*	..	+ bonus of 5 p.s. of 20%	..	..
Do	24 p.s.*	..	+ bonus	..	..
Mining.					
Dundee Coal	2 1/2%*	..	..	..	..
Johannesburg Estate	2 1/2%*	Aug. 31	..	..	..
South Kalguri Consolidated	1 1/6 p.s.*	July 28	Less tax	..	..
Wankie Colliery	5%*	July 17	Less tax	..	..
Tea and Rubber.					
Allura Rubber	..	..	..	15	nil
Attaree Khat Tea	..	..	..	10	10
Bahru Selangor Rubber	12 1/2%*	July 31	Less tax	..	..
Balmoral (Ceylon) Estates	6%*	..	..	..	..
Bargang Tea	12 1/2%*	..	..	20	25
Besleri-Chardwar Tea	..	..	..	15	12 1/2
Bidor Rubber	30%*	..	..	15	..
Braunton (Malay) Rubber	15%*	..	..	60	12 1/2
Bukit Cioh Rubber	12 1/2%*	July 31	Less tax	12 1/2	..
Bukit Selangor Rubber	7 1/2%*	..	Tax free	15	5
Ceylon Upcountry Tea	10%*	..	..	20	15
Chemong Malay Rubber	10%*	..	..	16	4
Escot Rubber	5%*	July 30	Less tax	..	..
Kali Gagah (Java) Rubber	20%*	..	..	40	15
Layang Rubber	5%*	July 26	Less tax	..	..
Port Dickson-Lukut (F.M.S.) Rubber	12 1/2%*	..	..	27 1/2	7 1/2
Rim (Malacca) Rubber	22 1/2%*	..	..	30	10
Selangor United Rubber	25%*	..	..	40	10
Sendayan (F.M.S.) Rubber	10%*	..	..	..	..
Ranajau Tea	..	..	..	40	..
Tai Tak Plantations	..	..	..	35	..
Tanah Datar Rubber	20%*	..	..	20	30
Tingri Tea	12 1/2%*	..	..	..	..
Other Companies.					
A.B.C. Coupler and Engineering	6%*	July 1	Less tax	5	5
Anandale and Son, Limited	7 1/2 p.s.*	..	..	..	..
Asia (Oldham) Mills	10*	..	..	7 1/2	8
Australian Agricultural	4 1/2 p.s.*	July 23	Tax free	5	5
Barrechea Nitrate	10*	..	..	..	..
Belliss and Morecom	4 1/2%*	Aug. 16	Less tax	10	10
Bournemouth & Poole Electricity	4 1/2%*	..	..	..	..
Burns, Philp	5%*	July 15	..	7 1/2	6 1/2
Canadian Northern Prairie Lands	8 1/2%*	..	..	7 1/2	6 1/2
Charles Heeley	3%*	..	..	..	..
Charles Kinloch	3%*	..	..	..	..
Chilli Telephone	3%*	..	Tax free	6	4 1/2
Consolidated African Selection	1 1/6 p.s.*	Aug. 4	Less tax	50	50
Trust	5%*	Aug. 2	..	..	..
Estates Control	5%*	..	..	..	..
George Outram	3 1/2%*	..	..	..	..
General Electric	3 1/2%*	..	..	..	..
Gibbons (Dudley)	3 1/2%*	..	Tax free	..	..
Govt. Stock and Other Securities	4%*	July 15	..	..	..
Invest. Def.	2 1/2%*	..	..	..	..
Greenwood and Batley	5%*	..	..	..	..
Guildhall Trust	1/6 p.s.*	July 1	..	..	..
Harris and Sheldon	5%*	July 2	..	..	..
Harrison, Barber	2 1/2%*	..	..	..	..
Hollins Mill	7 1/2%*	..	..	..	..
Home and Colonial Stores	5%*	..	..	..	..
Hutchinson and Co. (Publishers)	5%*	..	..	..	..
Indestructible Paint	3 1/2%*	..	..	..	..
J. F. and H. Roberts	3 1/2%*	..	..	..	..
John Swan and Sons, Ord. & Def.	6 1/2%*	..	..	..	..
J. W. Cameron and Co.	6 1/2%*	..	..	..	..
Lagunas Nitrate	..	..	..	..	..
Do	..	..	..	..	..
London General Omnibus	3%*	..	(Special)	13	2
London Shoe	..	..	Tax free	..	..
Mellin's Food	..	..	Tax free	2 1/2 p.s.*	1 p.s.*
Mint, Birmingham	..	..	..	4 1/2	4
New Coss Kinema	10%*	July 1	..	8	22
North-Eastern B. eweries	5%*	..	..	..	..
Ohlsson's Cape Breweries	1 p.s.*	..	..	7 1/2	7
Openshaw Brewery	5%*	..	..	..	..
Prince of Wales Dock	..	..	..	..	..
Redeemable Securities Invest.	..	..	..	..	..
Richmond (Surrey) Electric	4%*	July 15	Less tax	..	..
Rickett Cockerell	..	Aug. 16	Less tax	..	..
Rose (Holnwood) Mills, "A," "B," and "C" Shares	20 %	..	..	7 1/2	..
Scottish-American Investment	2 p.s.*	..	..	..	..
Do "A" shares	1 p.s.*	..	..	..	..
Do "B" shares	1 p.s.*	..	..	..	..
Second Scottish Western Investment	5	..	..	..	..
Spicers and Pond	..	..	..	..	..
Sterling Trust	3%*	..	..	12 1/2	12 1/2
St James and Pall Mall Electric	..	..	..	..	..
Light	5 1/2 p.s.*	July 31	..	..	..
Stuttford and Co.	4 1/2%*	July 16	..	..	..
Tamplin and Son's Brewery	2 1/2%*	(& bonus of 5%)	Less tax	15	15
Triumph Cycle	6%*	..	..	..	..
Trustees Corporation	1 p.s.*	..	..	..	..
Walker and Homfrays	..	..	..	9	..
Waverley Picture House	..	..	..	..	..
Wells and Winch	..	..	..	..	..
Williamsons	7 1/2%*	July 16	Less tax	5	12 1/2
Wm. Mowat and Sons	7 1/2%*	(& bonus of 5%)	..	17 1/2	17 1/2

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended June 25, 1926.	Miles Open.	Week ended June 27, 1926.			Aggregate 25 Weeks, 1926.		
		Passen- gers,&c.	Goods, &c.	Total for Week.	Passen- gers,&c.	Goods, &c.	Total Re- ceipts.
Great Western.....	3,778	225,000	213,300	438,000	5,290,000	7,228,000	12,518,000
Do for 1925	3,765	272,000	324,000	596,000	5,865,000	8,213,000	14,078,000
Lon. & N.-Eastern (c) ..	6,715	375,000	369,000	744,000	8,626,000	14,446,000	23,072,000
Do same period 1925 ..	6,714	479,000	644,000	1,123,000	9,759,000	16,702,000	26,461,000
Lon., Mid., & Scottish ..	6,950	540,000	539,000	1,079,000	12,246,000	18,369,000	30,555,000
Do for 1925	6,950	715,000	835,000	1,550,000	14,045,000	21,300,000	35,345,000
Southern	2,183	337,000	97,000	434,000	7,067,000	2,586,000	9,653,000
Do 1925	2,153	386,000	122,000	508,000	7,644,000	2,894,000	10,538,000
Metropolitan (c)	59	29,600	2,100	31,700	724,800	77,700	802,500
Do for 1925	58	35,800	3,300	39,100	613,800	92,500	706,300
Underground E.R. (c) ..	..	..	..	261,300	..	..	6,040,000
Do for 1925	..	..	..	42,100	..	..	6,243,600
Lon. & Sub. Group (c) ..	..	..	..	38,900	..	..	900,700
Do for 1925	..	..	..	4,138	67,373	22,775	943,200
Belfast & Co. Down (b) ..	80	3,251	887	4,138	..	..	90,148
Great Northern	562	17,000	14,350	31,350	344,950	400,750	745,700
Great Southern	2,181	42,564	38,658	81,222	830,231	1,060,557	1,890,788

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefce.	Ordinary.				
					Amount.	Amount.	Rate.		£	%
Breweries.										
Charles Kinloch and Co.	Mar. 31	£ 6,481	£ 5,011	£ 11,492	..	6,000	7½	5,492	6,779	7
Hoare and Co.	April 18	4,859	372,643	377,502	..	166,906	10	7,010	279,932	10
Ohlsson's Cape Breweries	Mar. 31	17,292	66,654	83,946	11,500	39,375	7½	33,071	54,965	7½
Tamplin & Son's Brewery, Brighton	April 30	28,357	51,148	79,505	24,694	18,600	15	5,000	49,344	15
Hotels, Restaurants, &c.										
Spiers and Pond	Mar. 31	13,917	87,612	101,529	..	86,553	12½	7,976	103,950	12½
Iron, Coal, and Steel.										
Davy Brothers	Mar. 31	4,605	Dr 12,416	Dr 7,811	..	..	..	Dr 7,811	Dr 12,997	..
Horseley Bridge and Engineering	Mar. 31	25	6,017	6,042	..	..	..	6,042	Dr 4,258	..
William Cooke and Co.	Mar. 31	14,933	Dr 2,005	12,928	3,250	..	..	9,678	13,077	5½
Nitrate.										
Barrenechea	Dec. 31	1,332	3,618	4,950	..	2,250	5	2,700	Dr 1,588	5
Lagunas Nitrate	Dec. 31	13,525	18,465	31,990	..	9,000	1½	22,990	16,398	2½
Rubber, &c.										
Bidor	Mar. 31	3,838	38,432	42,270	..	30,000	60	10,000	5,819	12½
Bukit Rajah	Mar. 31	4,528	125,875	130,403	..	108,387	32½	13,500	8,516	6
Bukit Selangor	Mar. 31	2,749	36,318	39,067	..	29,136	12½	6,500	3,431	5½
Cocoon Plantations of Perak	Mar. 31	17,610	49,464	67,074	..	37,120	8	10,000	19,954	7
Dahan Estates	Dec. 31	..	16,758	16,758	..	8,731	20	6,600	1,427	..
Rim (Malacca)	Mar. 31	2,888	28,954	31,842	..	20,250	30	3,034	8,558	10
Tai Tak Plantations	Mar. 31	1,168	7,515	8,683	..	4,669	7½	1,500	2,514	11½
Tanah Datar	Dec. 31	2,759	36,727	39,486	..	23,932	35	8,000	7,554	8
Shipping.										
Argentine Navigation	Dec. 31	Dr 535,771	213,690	Dr 322,081	..	..	..	Dr 322,081	Dr 54,305	..
Burns, Philp, and Co.	Mar. 31	18,771	187,615	206,386	..	125,000	10	50,000	31,386	..
Indo-China Steam	Dec. 31	945	Dr 335,276	Dr 334,331	..	..	..	Dr 335,000	669	..
Shops and Stores.										
London Shoe Co.	Mar. 31	3,953	9,321	13,274	3,900	6,250	250½	..	3,124	10,400
Tea.										
Altaree Khat	Dec. 31	7,674	11,278	18,952	..	12,650	10	300	6,002	16,792
Bargang	Dec. 31	788	13,152	13,940	600	8,800	20	3,300	1,240	16,190
Jorehaut	Dec. 31	8,978	159,616	168,414	..	136,600	40	12,385	19,429	192,810
Rungajau	Dec. 31	13,743	14,446	28,189	887	11,820	40	..	15,482	18,700
Singlo	Dec. 31	12,538	96,799	109,337	6,825	65,520	32½	21,000	15,992	103,219
Tingri	Dec. 31	5,021	23,850	28,871	..	20,156	20	3,750	4,965	43,391
Textiles.										
Illingworth, Morris, and Co.	May 31	Dr 129,427	Dr 82,565	Dr 211,992	..	..	..	Dr 211,992	Dr 150,661	..
Patons and Baldwins	April 30	46,519	33,409	79,928	70,844	79,965	5½	Dr 100,000	29,119	151,755
Other Companies.										
African and Eastern Trade Corp.	Dec. 31	319,870	501,815	821,685	141,284	240,041	8	91,000	349,360	471,048
Allen-Liversidge	April 30	5,174	52,324	57,498	9,750	30,000	10	10,885	6,863	46,816
Bradford Coal Merchants	Mar. 31	4,602	33,557	38,359	5,720	10,486	7	10,000	12,153	..
Burgis and Colbourne	May 5	5,007	11,942	16,949	3,300	6,000	20	2,000	5,649	11,032
General Electric Co.	Mar. 31	214,256	841,185	1,055,441	252,000	160,648	7½	332,169	310,624	791,455
John Swan and Sons	April 30	9,870	12,179	22,049	..	5,500	10½	6,529	10,020	18,150
Mint, Birmingham	Mar. 31	7,529	12,239	19,768	3,840	8,000	10½	..	7,928	19,889
Mond Nickel	April 30	50,290	403,784	454,074	236,370	112,500	12½	56,992	48,212	297,387
New Darvel Bay (Borneo) Tobacco	Dec. 31	Dr 10,574	661	Dr 9,913	..	..	..	..	Dr 9,913	18,536
Philip Harris and Co.	Mar. 31	17,300	11,809	29,109	2,172	1,200	7½	..	25,737	9,262
Wm. Mowat and Sons	May 31	2,471	3,512	5,983	1,200	2,400	15	..	2,383	3,208

† Tax free.

to 13s 10d per 112 lbs free on rail. Flour steady quiet. London standard grade quoted 51s, town whites 52s, patents 53s to 54s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported Manitoba patents range from 45s 6d to 48s 6d, Minneapolis 46s 6d to 47s 6d, Australian 44s 6d to 45s per 280 lbs ex-store. Maize firmer. Plate old 31s 6d, new 32s 6d landed, ditto new ex-ship to arrive 31s, No. 2 white flat African landed 34s 6d per 480 lbs. Barley neglected. Californian Chevalier 41s to 48s, Chilian Chevalier 41s to 57s, ditto brewing 34s 6d to 46s, Australian Chevalier 41s to 45s ex-store per 448 lbs. No. 3 Canadian Western ex-ship 29s, 30s, No. 4 ditto 29s 3d, American malting 48 lbs ex-ship 29s, landed 30s, Plate ex-ship quoted 28s 6d, Russian landed 29s 3d, ditto ex-ship 28s 6d per 400 lbs. English 9s to 12s per 112 lbs. Oats dull. La Plata ex ship 22s, landed old 23s, No. 2 Canadian Western ex-ship 27s, landed 28s, No. 2 Canadian feed ex-ship 23s 3d, landed 24s 3d, Chilian ex-ship 22s 6d, American 38 lbs ex-ship 23s 6d, landed 24s 9d, mixed feed ex-ship 19s 6d, landed 21s per 320 lbs. English 10s to 10s 8d per 112 lbs free on rail. Millers' offers quiet. Broad bran quoted 5s 6d to 6s, middlings 6s to 6s 6d, fine ditto 8s bags included ex-mill, feed oatmeal 7s 3d, light oats 6s 9d, ground oats 11s 6d per cwt free on rail. Oatmeal slow. London made flaked quoted 18s 6d, rolled oats 17s 6d, medium also fine cut 17s 6d, coarse also medium pinhead 17s 6d ex-mill, per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23.

	1925-1926.	1924-1925	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to June 26	Cwts. 52,595	Cwts. 109,052	Cwts. 44,675	Cwts. 68,871
45 weeks to June 26	12,756,091	10,603,782	12,570,640	15,563,204
Average price of English wheat per cwt.....	s d 13 8	s d 12 7	s d 11 5	s d 12 4½

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1920.	Cwts. 88,474	Cwts. 13,208	Cwts. 16,125	s d 13 6	s d 8 11	s d 9 11
June 19	52,595	12,995	17,563	13 8	8 11	9 11
June 26	..	..	..	..	..	..
1922	63,669	6,614	6,727	12 3	11 8	11 9
1923	117,946	16,662	10,486	10 11	8 7	10 9
1924	44,675	1,252	7,587	11 5	10 8	10 0
1925	109,052	12,450	20,782	12 7	10 0	10 5

AMERICAN WHEAT MARKETS.

The downward movement in prices has continued this week, though in a less marked degree. The market has tended to fluctuate owing to conflicting crop estimates and changeable weather reports. Export demand, too, has been somewhat disappointing. Quotations:—

	Jan. 2, 1925.	July 2, 1925.	Jan. 7, 1926.	June 24, 1926.	July 1, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	156½	160	149½	148½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	143½	176½	137½	134½

† Previous day's quotation.

COAL.

Our Cardiff correspondent writes:—Coal supplies in South Wales this week have been supplemented by the release of detained cargoes and by the arrival of cargoes from foreign ports. There is not, however, sufficient coal available to meet the requirements, and it is estimated that this week only between 10 per cent. and 15 per cent. of the finishing departments of the tin-plate works were able to continue operations. Advices from the Baltic Exchange report abnormal activity in the fixing of tonnage for the transport of American coal to the United Kingdom and to foreign markets normally dependent on the United Kingdom. It is anticipated that the South Wales coalowners will post their new wage offer early next week, and there is reason to believe that the terms will include the payment of the pre-stoppage wages for three months under an eight-hour day, and that after three months the minimum will be 28 per cent. on the 1915 standard rates, as compared with 42.22 per cent. under the 1924 agreement. The iron and steel industry is suffering severely from lack of fuel and shipments from the scarcity of bunker coals. Last week the receipts from the tin-plate works totalled 80,382 boxes, and as there was a lull last week in the export trade the stocks have increased from 47,083 boxes to 72,644 boxes. Prices have further advanced, and as high as 24s 6d to 25s per basis box has been paid for prompt delivery.

OTHER METALS.

TIN.—The market for tin displayed quiet features during the week, prices being irregular but firmer on balance, with buyers somewhat indifferent. Standard cash sold at £273 5s-£271 15s and £273 10s, three months £272 10s-£271 and £273 10s. Sales in the East were reported at £280 15s-£278 10s and £279 15s. COPPER continued in fair support, but prices fluctuated slightly closing easier. Dealings were recorded in standard cash at £56 12s 6d-£57 2s 6d and £56 15s, three months £57 10s to £57 17s 6d and £57 11s 3d. LEAD generally firmer, with sellers reserved in face of a good demand. Good soft foreign pig, July, sold £29 17s 6d to £30 7s 6d and £30 2s 6d, September £29 15s-£30 10s and £30 1s 3d, October £29 18s 9d to £30 10s and £30 2s 6d per ton. SELLER opened easier, but steadier, since on buyers' showing more disposition to operate. July sold £33 5s to £33 15s-£33 11s 3d, August £33 13s 9d, September £33 10s-£33 13s 9d, October £33 8s 9d-£33 13s 9d-£33 11s 3d per ton. ANTIMONY dull and easier. English special brands £79 10s to £80. Foreign refined £60 per ton ex warehouse. ALUMINIUM.—Home trade £120, export £125 per ton. QUICKSILVER firm. Spot quoted £15 10s per bottle. TIN PLATES firm. I.C. coke prompt 25s to 26s per box f.o.b. Swansea. WOLFRAM quiet. Forward 13s to 13s 6d per unit c.i.f.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The situation in the British steel works becomes worse as the coal strike continues, and only a few of the lighter branches of the industry are still working. As a consequence of the closing down of the British works there has been a considerable demand for Continental steel which foreign manufacturers have scarcely been in a position to take full advantage of owing to the disorganisation arising from the fluctuations of the franc exchange. The foundries engaged in producing the lighter articles have been able to continue working in a number of districts, particularly in Scotland, and the demand for foundry iron has been considerable. The demand for semi-finished material has slackened somewhat; for finished material it is fair, and is, of course, being met almost entirely from foreign sources. In the tin-plate trade merchants are complaining that attractive orders are being placed with American and German works.

Our Middlesbrough correspondent's report, dated July 1st, is as follows:—Pig-iron: Although the price of No. 3 Cleveland pig-iron has been advanced as high as 84s, business has been done to-day at something less than this figure. With the exception of one works the stocks have been practically cleared up, but the output of the two furnaces remaining in blast seems to be sufficient for requirements at the moment. No. 1 foundry is quoted at 86s 6d per ton; No. 4 foundry is quoted at 83s per ton; No. 4 forge is quoted at 82s 6d per ton. Foreign iron is being imported at lower prices than quoted above for Cleveland pig-iron. There are still fair stocks of hematite in this district, but these are being depleted. The price, however, is not more than 79s for East Coast mixed numbers, and No. 1 is offered at 79s 6d. Manufactured iron and steel: Foreign ship plates are coming into the Tees at £6 10s per ton, delivered, against the home price of £7 17s 6d. Other quotations are as follows:—Steel ship angles, £7 10s; iron bars, £11; steel rails, £8 5s. Iron ore: There is no business whatever, but best Rubio ore is still nominal at 21s 6d per ton, c.i.f.

Our Sheffield correspondent writes:—The week has developed no marked change in local industrial conditions, except to absorb most of the limited stocks of raw material and fuel. No steel is being melted, but there is considerable production of finished steel goods in the lighter branches consuming only a little coal, and also where electrical and gas power are used. An increasing quantity of outcrop coal, salvaged in various parts of the West Riding coalfield, is going to the steel and tool works, and has become a recognised marketable product. As much as 40s per ton is being paid for it. A little foreign coal has also been bought locally. The heavy trades cannot solve the fuel problem, and must remain idle until the collieries are working again. Sheffield does not appear to have lost any important contracts owing to the dispute, but many orders are being held up. File makers are moderately well employed, but tool makers are less active. The plate and cutlery branches are depressed.

Our Glasgow correspondent writes as follows:—Available supplies of pig-iron are now commanding premiums, and standard G.M.B. No. 1 is quoted at over 81s per ton. Two furnaces are still in blast, but the scarcity of fuel in other industries is reacting on the demand for pig-iron, with the result that prices mentioned can generally be shaded. Shipments are steady, the tonnage last week being 426 tons, of which 291 tons were on foreign account. For the corresponding week of last year, the figures were 470 tons and 355 tons respectively. Nothing fresh can be reported in the position with regard to heavy steel works, which, with one exception, are closed. Inquiries for heavy and light steel plate and frame steel for Spanish and Chilian Navies have been received, and works have now a fairly satisfactory amount of orders booked and awaiting execution. Steel re-rollers, iron works, and sheetmakers are for the most part producing on a reduced scale, and are kept busy on urgent demands. Exceptionally heavy shipments of galvanised sheets have been made during June from Glasgow, and some makers are unable to promise delivery before October or November. Demand is still very heavy and prices advancing, the lowest figure quoted for No. 24 gauge being £16 10s per ton, f.o.b.

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Conditions in this market are better than might be expected. The mills, of course, are beginning to feel the pinch of the coal shortage, and production in all departments is being curtailed, but there is a strong belief in the ability of the trade as a whole to make a good recovery when fuel restrictions are abolished, and this quiet confidence in the future is largely responsible for the steadiness of values. Actual business is mainly confined to comparatively small weights for immediate requirements, but this week spinners appear to be more interested in quotations for tops, particularly merino and fine crossbreds. The outlet for crossbred medium and low quality yarns is much too restricted to permit of any freedom of buying, especially as stocks of crossbred wool and tops and yarns are large, but in the finer descriptions, both tops and yarns, there is a very firm tone. In the piece-goods trade there has also been more inquiry, and little difficulty is experienced in selling the finer cloths if delivery can be arranged. For this reason there is a fairly good movement in stock lots, in certain descriptions of which concessions can be obtained from holders who are anxious to reduce their stocks. New business, however, is difficult to arrange in many cases on account of the uncertainty regarding delivery. A feature of the trade is the brisk demand for home-grown fleece wool at the country sales, prices in many descriptions being well above those obtainable in Bradford.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The date of the opening of the forthcoming season in Australia has been settled. The opening sitting will take place at Sydney on August 30th, followed by Adelaide on September 10th, Brisbane September 14th, Perth September 21st, and Melbourne September 27th. No doubt plenty of buying limits will be called to make every sale successful. As far as can be seen, Australia is enjoying a fairly good winter season, and July will see sheep shearing begin in good earnest in New South Wales. It can be taken for granted that by August shearing will be general throughout the whole of Australia. Early sheds will commence in West Australia in the first week in July. A three-days' sale began last Tuesday at Brisbane, 37,000 bales being available. This is largely new clip from stations which begin to shear in autumn, and cable information indicates a firm market, values being maintained on the Sydney level. We are not surprised at this, for notwithstanding the very unsatisfactory conditions obtaining among manufac-

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AGENTS AND CORRESPONDENTS THROUGHOUT THE WORLD.

turers in the West Riding, the Continental section remains fairly good, with both France and Germany ready buyers. The result is that all good combing wools are selling freely. The trade is awaiting with interest the announcement of the quantity of wool available for the London auctions which will commence on July 13. If, as is expected, the quantity is about 150,000 bales, the sales will last three weeks. This should see the finish of the marketing of the last Colonial clip, although we fully expect a fair weight of New Zealand crossbreds to be available for the September series. We do not expect any big quantity of second-hand parcels of merino quality to be offered during July or September, but there are still large weights of New Zealand crossbreds which owners are patiently waiting to sell. Unfortunately, there is not yet any indication that owners will be able to realise the cost price, and in view of this it is remarkable that Bradford has again been by far the biggest buyer of New Zealand wools. It would be some encouragement to owners if trade showed any signs of improvement, and so enable buyers to get out on the right side with their Colonial purchases. The Eastern half of Europe is the proper outlet for the big weight of crossbreds now held in this country, and a good harvest throughout Germany, Russia, and the Balkan States will provide the best incentive for development in the clearance of the large stocks of crossbreds now held here.

THE COTTON TRADE.

LIVERPOOL, July 1, 1926.

Business during the week has again been very slow, and prices are reduced about 20 points. Crop reports generally are favourable, and the sentiment is bearish. Spot sales for the week June 25th to July 1st (inclusive) are 25,000 bales. Of these 13,380 are American, 490 Brazilian, 2,950 Peruvian, 4,850 Egyptian, 2,800 African, 420 East Indian, and 110 sundries. Imports for the same period are 37,605 bales; these include 11,561 American, 1,406 Brazilian, 10,191 Peruvian, 6,502 Egyptian, 4,036 African, 604 East Indian, and 3,305 sundries. Quotations to-day are:— Middling American, 9.24; F.G.F. Sakel Egyptian, 16.05; uppers, 11.80; fair Brazilian, 9.34; G.F. mod-rough Peru, 12.00; smooth, 11.09; F.G.F. Tinnivelly, 8.20; middling West African, 8.99; and G.F. East African, 11.20.

MANCHESTER, July 1, 1926.

Business in the market throughout the week has been of very limited dimensions. The feature of interest has been the further downward movement in raw material rates, and buyers have exercised extreme caution in placing orders. In cloth for India, operations have been confined to small lots, chiefly in light fabrics and fancies. There has been very little activity for China. Tentative bids have been about in bleached shirtings for Egypt, but not much has been done. Printing and finishing styles have attracted some attention for West Africa, but the turnover for South America remains very disappointing. Production is being affected to a larger extent than ever by the coal shortage. American yarns for home use have dragged in demand, and prices have favoured buyers. Apart from a few special sales for India and the Near East export numbers have been slow. A restricted turnover has taken place in Egyptian spinnings.

(I.) Comparative Statement of the Cotton Trade.

	Price, July 1, 1926.	Previous weeks in 1926.				
		Price, June 24.	Price, June 17.	Price, June 10.	Price, June 3.	Price, May 27.
Raw Cotton—Mid. American	9.24	9.47	9.54	10.14	10.30	10.27
— Sakellaridis Fully Good Fair Egyptian	16.05	16.25	16.50	17.35	17.10	17.35
Yarns—32's twist	15	15	15	15	16	16
— 40's twist	15	15	15	16	16	16
— 60's twist (Egyptian)	27	27	27	28	28	28
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	25	3	25	9	26	3
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	29	3	29	9	30	3
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14	3	14	4	14	7
39-in. ditto, 37 yds, 16 by 15, 8 1/2 lbs	13	6	13	10	14	14

(II.) Compared with Previous Years.

	Price, July 1, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	9.24	13.78	16.57	15.75	13.77	8.12
— Sakellaridis Fully Good Fair Egyptian	16.05	32.60	22.85	15.90	20.25	16.00
Yarns—32's twist	15	15	20	25	20	17
— 40's twist	15	15	25	23	20	16
— 60's twist (Egyptian)	27	39	34	28	30	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	25	3	32	3	33	6
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	29	3	36	4	36	9
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14	3	14	4	14	7
39-in. ditto, 37 yds, 16 by 15, 8 1/2 lbs	13	6	13	18	17	3

THE JUTE TRADE.

DUNDEE, July 1.
Speculative operations are meantime controlling the price of raw jute. In new crop fibre there is little actual consuming interest, the dull state of trade in the producing sections lending no incentive

to spinners to secure a portion of their supplies for next season. The prospects for the new crop are so very favourable that there is every expectation that a good crop will result from an increased area under cultivation compared with last year. The figures for last year have been revised, and increased by 200,000 acres. Fears of a scarcity of steeping water, reports of which sent prices higher, have been dispelled by a plentiful fall of rain in all districts, with exception of Daisee, where more rain is required. Spinners here are under the impression that prices of jute will be reduced, and are holding off. There are no sales being reported to test the nominal rates ruling. Speculative sellers would be prepared to accept £38 for first marks actuals for August shipment and £37 for September, but the equivalent rates which spinners are obtaining for their yarns are pounds per ton under these limits. Old crop fibre is neglected, first marks ruling at £45 on spot or for shipment. The lower prices which have prevailed for yarns have brought out more interest on the part of buyers, and a fair business has been done in hessian qualities at 3s 5d for common 8 lb cops and 3s 6d for medium spools. At these rates buyers are not inclined to go far forward for delivery. Sacking 8 lb chains have been done at 5 1/2d, and 24 lb web at 4 1/2d lowest. Rove has been sold at from £37 10s for 48 lb and £28 for 200 lb. Twist is lowest at 5 1/2d, and business done up to 6d, according to quality, for three-ply 8 lb. Cloth buyers are still only operating from hand to mouth, though a slight improvement is noticeable in some quarters in regard to the size of the orders placed. For 10 1/2 ounces 40 inches 4 1/2d is being accepted and 3 7/8d for 8 ounces. Calcutta goods are ruling very steady, but there is still a lack of confidence in this branch.

HIDE, LEATHER, AND ALLIED TRADES.

The tone of the hide market remains firm, in spite of the reduced input by tanners. At the auctions held in Bermondsey on Thursday last best ox again made from 5 1/2d to 7 1/2d per lb, seconds from 5 1/4d to 7 1/4d, the latter advancing 1/4d in several classes. Heavy best cows were unsold, but lights made 5d. Calfskins sold in the best selections from 6d for heavy to 11 1/2d for light. Wools realised 5s to 9s 3d, hogs 4s 6d to 11s, and lambs from 2s to 5s 6d each. The demand for imported hides is inactive. S.A. fregoric hides are barely steady, and 7 1/4d has been accepted for best Argentine ox, Montevideos making 7 1/2d. Dry hides remain firm at recent quotations, dry Americans selling at 10 1/4d to 10 1/2d. The Chicago position is cabled as firmer, with best heavy packers selling at 13 cents. The turnover in sole leather has been much better this week than was anticipated. Manufacturers are in the market for light bends in small quantities, although there has been a better

ONTARIO

CANADA'S LEADING MINERAL PROVINCE.

The Province of Ontario is the richest mineral province in the Dominion of Canada. The value of the annual output has increased from \$39,313,895 in 1910 to \$85,792,636 in 1925. From the Porcupine, Kirkland Lake, Cobalt, Gowganda, South Lorrain and Sudbury camps, metals of a total value of over seven hundred millions of dollars have been produced.

GOLD MINING.

Ontario's annual gold output now equals three-fifths that of the whole of United States, and this Province occupies third place among the gold-producing countries of the world. In addition to the established mines of Porcupine and Kirkland Lake, other potential producers are being developed at Larder Lake, Goudreau, Lightning River, Boston Creek, Red Lake and other points. The production in 1925 was 1,461,058 fine ounces, and dividends paid amounted to \$8,233,468.

SILVER MINING.

More than one ton of pure silver is added to the world's stock every day by Ontario's mines. The Cobalt, Gowganda and South Lorrain camps produced 10,217,315 ounces, worth \$7,084,864, in 1925. Dividends to the end of last year aggregated \$91,951,725.

NICKEL-COPPER.

The Sudbury mines produce 90 per cent. of the world's requirements of nickel. In 1925 the nickel output had a value of \$15,946,673, copper \$4,764,682, and platinum metals \$1,675,706.

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demand for 10/12 lbs. Repairers are also taking a good deal of sole leather, paying from 24d to 28d for suitable selections. Upper leathers are rather dull, but there is an inquiry for light willow calf, and coloured and black glacé for the Russian boot. Prices of leather remain firm all round, with sole leather rather scarce. In the boot centres business is thinning down owing to the coal strike, but makers of women's and children's shoes are still fairly well off for orders.

CHEMICALS AND FERTILISERS.

Business in the chemical market has been rather more difficult during the past month, with prices generally unaltered in the absence of large-scale demand. A fair routine activity is in evidence, but is confined to small lots for near requirements. Export inquiries are a little more numerous. Coal tar products are in short supply, and prices are firm. Lead products are rather dearer. Seasonal chemicals, including citric and tartaric acids, sodium hyposulphite and anhydrous ammonia, are in good request at improved rates. The fertiliser market is neglected, spot demand being limited and quotations nominal. Basic slag and ground rock phosphate, however, are in good request for autumn delivery. The new season quotation for ammonium sulphate is not yet announced, but cheaper rates are foreshadowed.

Comparative representative quotations are as follows:—

	1925.							
	July 1.	June 1.	May 1.	Apr. 1.	July 1.	June 1.	May 1.	Apr. 1.
Ammonium sulphate	£ 8 d	£ 8 d	£ 8 d	£ 8 d	£ 8 d	£ 8 d	£ 8 d	£ 8 d
Arsenic, white powdered	13 1 0	13 1 0	13 1 0	13 1 0	13 1 0	13 1 0	13 1 0	13 1 0
Barium chloride	10 10 0	10 10 0	10 10 0	10 10 0	10 10 0	10 10 0	10 10 0	10 10 0
Bleaching powder	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0
Carbolic acid	0 0 4 3	0 0 4 3	0 0 4 3	0 0 4 3	0 0 4 3	0 0 4 3	0 0 4 3	0 0 4 3
Caustic potash	27 10 0	27 10 0	27 10 0	27 10 0	27 10 0	27 10 0	27 10 0	27 10 0
Citric acid	0 1 3 3	0 1 3 3	0 1 3 3	0 1 3 3	0 1 3 3	0 1 3 3	0 1 3 3	0 1 3 3
Cream of tartar	3 16 6	3 16 6	3 16 6	3 16 6	3 16 6	3 16 6	3 16 6	3 16 6
Formaldehyde	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts	3 13 9	3 13 9	3 13 9	3 13 9	3 13 9	3 13 9	3 13 9	3 13 9
Lead acetate, white	45 10 0	45 10 0	45 10 0	45 10 0	45 10 0	45 10 0	45 10 0	45 10 0
Oxalic acid	0 0 3 4	0 0 3 4	0 0 3 4	0 0 3 4	0 0 3 4	0 0 3 4	0 0 3 4	0 0 3 4
Potassium permanganate	0 0 5 1	0 0 5 1	0 0 5 1	0 0 5 1	0 0 5 1	0 0 5 1	0 0 5 1	0 0 5 1
Potassium prussiate	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7	0 0 7
Sodium nitrate	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0
Sodium hyposulphite	9 2 6	9 2 6	9 2 6	9 2 6	9 2 6	9 2 6	9 2 6	9 2 6

VEGETABLE OILS AND OILSEEDS.

Markets all round have had a quieter, and in some respects easier, feeling in the past few days. Linseed oil on lower seed values and poor demand from consumers, declined about 20s per ton, but is rather steadier now at £33 15s per ton, naked, ex Hull mill prompt, and delivery to December, with the January-April position at a small premium. The decline in cotton oil seems to have stimulated demand to some extent, but prices are about unchanged at £39 10s for crude Egyptian and £41 for ordinary refined. Very little is passing in other vegetable oils, prices of which are only barely maintained. In the oilseed section only a small business is reported in linseed. Plate to Hull have been done at £16 2s 6d to £16 6s 3d for shipment to September. Trade in the new Indian crop is negligible. In the absence of support from crushers, Egyptian cotton seed has further declined, and is now available at £9 17s 6d on spot and £10 on passage, and July shipment. Crushing mills are running below normal capacity.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—General steadiness governed the market, and moderate clearances resulted in spot parcels. Of British refined Messrs Tate and Lyle's cubes, 33s to 33s 6d; crushed, 30s 9d to 31s; granulated, fine, coarse, 29s 7 1/2d; No. 1, 29s 4 1/2d; No. 2, also London and T.L.S., 29s 1 1/2d; ditto July, 29s. Crystallised West India, 24s 9d to 26s, as to sample. White Mauritius, spot, 26s to 26s 6d. Czecho granulated, spot, 27s 6d; ready for shipment, sold, 14s 9d to 14s 9 1/2d; August, quoted 14s 10 1/2d; November-December, 15s 3d, f.o.b., Hamburg. Dutch "J," granulated, spot, 27s 6d; ready, 14s 9 1/2d; November-December, 15s 5 1/2d, f.o.b., Rotterdam. American granulated, July-August, 15s 6d to London, and 15s 9d outports, c.f. and i. terms. Belgian crystals, prompt, 14s 9d, f.o.b., Antwerp. Polish crystals, prompt, 14s 1 1/2d, f.o.b., Danzig. Cuban basis, 96 per cent., July-August, 11s 10 1/2d, c.f. and i., U.K. White terminal market steady, and transactions were of fair dimensions. July delivery, sold, 14s 1 1/2d; August, 14s 4 1/2d, 14s 3d; October, 14s 7 1/2d; December, 15s, 14s 11 1/2d; March, 15s 6d; May, 15s 8 1/2d to 15s 9d and 15s 7 1/2d per cwt.

COFFEE.—A steady tone prevailed on the spot, and business proceeded with fair freedom. Kenya, bold, sold, 122s 6d to 140s; Costa Rica, ditto, 146s to 179s; Matagalpa, bold, 156s 6d to 163s; Mexican Maragogipe, 187s to 192s. Futures quiet, but steady.

COCOA.—Spot market quite steady, and a fair demand predominated. Trinidad, sold, 73s to 74s; Grenada, 68s; Accra, 58s. Accra F/F, July-August, quoted, 52s 6d; intermediate, 49s 6d, f.o.b.

TEA.—Indian auctions during the week totalled 42,000 packages. With buyers showing more confidence, good progress was made, and prices in most cases were fully steady. Pekoe, sold, 1s 4 1/2d to 2s 3d; broken orange, 1s 5 1/2d to 2s 2 1/2d; very fine orange pekoe up to 3s 4d. Ceylon sales of 31,600 packages evidenced good competition for all the finer liquoring parcels at firm to slightly dearer rates, but commonest went in buyer's favour. Pekoe, sold, 1s 4 1/2d to 1s 8 1/2d; broken orange, 1s 6 1/2d to 1s 11d. Java and Sumatra auctions totalled 9,780

packager. There was a good demand, and general tone of market ruled firm, especially for best sorts, which tended dearer. A few very common parcels sold at low prices. Pekoe, sold, 1s 4 1/2d to 1s 4d; broken ditto, 1 1/2d to 1s 4 1/2d; pekoe souhong, 1s to 1s 3d; orange pekoe, 1s 3 1/2d to 1s 5d; broken orange, 1s 2d to 1s 7 1/2d per lb in bond.

RICE quiet, but held for full rates. Rangoon, Two Stars, spot, London, sellers, 16s 10 1/2d; June-July shipment, 16s 4 1/2d, c.i.f., London. Broken quiet. Italian, also Spanish, unaltered. Japanese peas, spot, 35s; September-October, 27s 9d. Madagascar butter beans, spot, 26s 6d to 28s 6d, as to quality; afloat, 25s. Rangoon hand picked, May-June, 12s 4 1/2d per cwt, c.i.f.

SPICE.—Pepper steady, with a moderate demand in forward positions. Black Singapore, f.a.q., May-July, quoted, 9 1/2d; August-October, 8 1/2d; Lampung, May-July, 9 1/2d; August-October, sold, 8 1/2d; Muntok, L.S., May-July, 1s 4d; August-October, 1s 2 1/2d; Zanzibar cloves, spot, 10d to 10 1/2d. Pimento, spot, 6 per lb. Tapioca firm forward, and sales in Singapore, July-August, to Havre at 16s 6d; Sago flour dull. July-August, quoted 15s 1 1/2d per cwt, c.f. and i., U.K.

FRUIT (Dried).—Currants market firm, but quiet. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s; Vostizza, 40s to 50s; Patras, 31s to 33s; Australian, new, 46s to 53s. Sultanias quiet. Australian, new crop, 70s to 90s; South African, bleached, 72s to 75s; Californian, 42s to 62s. Dates quietly steady. Siam, quoted 10s 6d to 11s; Khadrawie, 15s to 16s, as to quality. Raisins, Valencia, in short supply, and quarter boxes quoted at 30s to 35s; but South African sell readily at 37s to 41s. Evaporated fruits in moderate request. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 106s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 64s; 35/45, 55s. Pears, Californian, extra choice, 80s; fancy, 95s; Lake Country, fancy, 105s. Apple rings, Californian, extra choice, 55s to 60s; Canadian, 54s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines steady, with buyers showing rather more interest. Portuguese, 1/2s quoted 4s 3d to 6s per dozen tins. Salmon firm, with moderate transactions. Red, tall, 1 lb, 60s to 65s; tall pink, 28s to 29s; 1/2 lb, pink, 41s. Lobsters realised full rates on scarcity. Best 1/2s, quoted 16s to 170s, and 1/2s, 95s to 97s 6d.

CANNED FRUIT.—Californian fruits move off steadily at about late rates, but pears tend easier. Higher quotations are indicated for apricots and peaches of 1926 pack. Californian Bartlett pears, choice, 24-2 1/2s, 13s 6d to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s; standard, 10s to 11s; seconds, 9s to 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s per dozen tins. Singapore pines in moderate request, on spot, with fair supplies on offer. South African and Hawaiian sell steadily at late rates. Italian tomatoes in better demand forward, while spot stocks are decreasing.

CANNED MEAT firm but quiet. Danish lunch tongues, however, sell readily. Corned beef 6s quoted 38s to 46s, as to quality. Danish lunch tongues range from 120s to 130s; American quoted 135s, with best at 140s. Ox tongues firm, though some parcels of New Zealand are offering cheaply. Cooked boneless hams are moving off freely, and finest Danish quoted 1s 8 1/2d per lb for cases of six tins.

CONDENSED MILK.—Market without material change, with a generally quiet demand. Some Belgian brands on the market met with good attention, especially for evaporated, quality being excellent and prices attractive.

HONEY quiet, apart from New Zealand, which moved off steadily. New Zealand quoted 50s to 55s; Australian, 40s to 45s; Jamaica ranges from 40s to 55s; Haiti, 37s 6d to 50s; Cuban, 37s 6d to 50s; Californian, 45s to 60s per cwt.

RUBBER.

Market remained generally dull and featureless. Plantation standard, spot, and July, sold, 1s 8 1/2d; August, 1s 8 1/2d; September, 1s 8 1/2d; October-December, 1s 9d to 1s 9 1/2d; January-March, quoted 1s 9 1/2d per lb.

GENERAL.

HEMP.—Only limited dealings in Manila parcels at easier rates. J. August-October, quoted £39 10s; K, ditto, sold, £30 5s to £29 10s; L, quoted £30 15s; and M, £27. New Zealand nominally unaltered. African Sisal steady. No. 1 Tanganyika, July-September, quoted £43 10s; Kenya, £43 per ton.

SHELLAC.—Steady, quiet. Fair T.N., standard, on spot, 125s to 130s; August, 123s 6d; October, 122s 6d; December, 119s cwt.

COPRA.—Steady, though business proceeds slowly. F.M.S. Straits,

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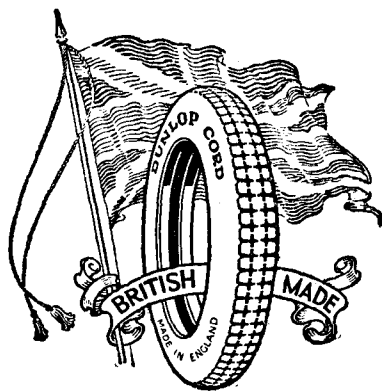
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C.F.H. 133



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No. 4,324.

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THE MONEY MARKET.

HEAVY repayments to the Bank of England, and some calling in of money by the joint-stock banks for balance-sheet purposes, produced considerable stringency in the short-loan market during the past week, and as much as 5 per cent. had sometimes to be paid for money for liquidating indebtedness to the Bank. Applications for the large number of new issues which have been offered

during the week have involved a considerable turnover of funds; towards the end of the week, however, the tightness was slightly relaxed, and short loans eased to 4 per cent. With less disposition to look for an early reduction in Bank rate, discount rates have hardened to $4\frac{1}{2}$ per cent. Yesterday's Treasury bills went at a higher rate than last week—namely, $4\frac{1}{8}$ per cent.

	July 9, 1926.	July 2, 1926.	June 25, 1926.	June 18, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3%	3%	3%	3%	2 (Dec. 3, '25)
Discount, Call	3%	3%	3%	3%	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

The Bank return showed an increase of £171,400 in the stock of coin and bullion, but the note circulation expanded by £512,400, so that the Reserve was £341,000 lower. Government securities were reduced by £14 millions, and Other Securities by £28½ millions, and as Public deposits increased by £6 millions Other deposits were £49 millions lower. With this decline in liabilities the Proportion rose to 22.9 per cent. Currency notes outstanding were increased this week from £294,036,200 to £296,018,600, which includes £1,300,600 for notes called in but not yet cancelled. The fiduciary issue is £238,468,000, or £9,434,500 below the maximum.

The Reichsbank reduced its rate of discount from 6½ to 6 per cent. on July 6th. This is the fourth reduction since the year opened with the rate at 9 per cent. The Bank of Poland reduced its rate from 12 to 10 per cent. on the 7th inst.

NEW YORK MARKETS.

Our New York correspondent cables:—Moderate activity continues in the share markets, with strength in industrial favourites, such as U.S. Steel and General Motors and better-class rails. The Stock Exchange report shows an increase of \$159 millions in brokers' loans in June. This rise, however, is less in proportion to the gain in share prices. Building contracts let in June in the North-Eastern States are only 2 per cent. less than a year ago. Railroad freight traffic continues at record high levels. Steel operations are maintained at close upon the previous month's figures and well above those of a year ago. Commodity prices were slightly lower in June, Bradstreet's index number showing a decline of 0.1 per cent. as compared with May and of 8.1 per cent. on the 12 months. It now stands at 138.2. The decreases are principally in foodstuffs, and due to the drop in wheat as the harvest proceeds. Dun's index number is 1.1 per cent. below May and 8.1 per cent. below a year ago. The Reserve system shows a large increase in discounting, owing to the cashing of dividend and interest cheques and holiday cash demands. The reserve ratio for the system is 73.2 per cent., against 75.3 per cent. a week ago and 76.1 per cent. a year ago.

THE STOCK MARKETS.

Business in the stock markets has been fairly active in certain sections, but the gilt-edged market has been a little heavy, partly owing to the tightening in money rates, which has dissipated anticipations of an early Bank rate reduction, and to the competition of new issues. The foreign market remains good, but French bonds are flat on the relapse of the franc. Home rails keep fairly steady, and Argentine and Brazilian rails have been strong. Rubber and oil shares are quiet. In the industrial market the tobacco group is still the centre of attraction. A feature yesterday was the sharp drop in Courtaulds on the reduced interim dividend. The Bank dividends had little effect on prices, and insurance shares continue to droop. In the mining section South African shares have been active, the Cape being a consistent buyer. Some of the Mexican favourites have strengthened.

The majority of the week's new issues were rapidly oversubscribed, but the Belfast Corporation issue of £2 millions in 5 per cent. stock at 99 was an exception, underwriters being left with 75 per cent.

THE COMMODITY MARKETS.

Trade in most markets is dull, a settlement of the miners' dispute being eagerly awaited. In the coal market interest lies chiefly in the importation of foreign coals, larger quantities of which are arriving. Conditions in the pig-iron market remain unchanged, and very little home-manufactured iron and steel is available. Cotton, however, shows a little more activity, and cloth inquiry for India has broadened. The Colonial wool sales re-open in London next week; in the meantime, wool values are being well maintained. Wheat remains firm, though buying orders are not heavy. Coffee continues steady, but tea and sugar are rather less active. In the rubber market trade is restricted. Among non-ferrous metals, copper is steady and a firm tone prevails in tin and lead.

FOREIGN EXCHANGES.

It has been rather a lively week in the foreign exchange market, with a considerable turnover in both the franc exchanges and in dollars. Paris from 182½ on the 2nd fell to 180½ on Saturday, in anticipation of the expert's report. The political difficulties of the Government, however, neutralised its effect, and there was little movement on Monday. On Tuesday there were some fluctuations, but the closing rate of 180½ showed little change. It rose, however, to 183 on Wednesday, and on the following day there was a rush up to 190 at one time, with a final quotation of 189½. Yesterday morning it opened easier at 187. The situation has been radically altered by the unexpected outspokenness of the Report, which provides in the main a sound scheme of stabilisation, if it can be enforced. M. Caillaux has made great efforts to carry it through the Chamber, and success, which at one time was extremely doubtful, seems now more likely. It would be unwise, however, in the present state of French politics to indulge in over-confidence, although it is being realised that the rejection of the Report would deal a heavy blow at French credit. Meanwhile, the urgency of the situation is shown by the latest Bank of France statement, which records an increase of nearly 950 million francs in the Note issue, and of 350 millions in advances to the State, which brings the latter item perilously near the legal limit. Forward rates narrowed from 3½f to 2½f per month above spot. Heavy offerings of Belgian francs, in particular from Amsterdam, had a disastrous effect on the rate. From 184½ on 2nd it rose to 189 by Monday, and after a slight recovery to 187½ on Tuesday, to 192½ on Wednesday. On Thursday it closed at 202, after touching 209, and opened yesterday at 203. Forward rates are unchanged at 1½f per month above spot. Italy suffered in a similar manner, rising from 139½ on the 2nd to 146½ on Thursday, but recovered, with assistance, to 142½ yesterday morning. Madrid has moved somewhat erratically between 30.36 and 30.85, yesterday's opening quotation being 30.65. New York has shown a weaker tendency during the week, falling from 4.86 15-32 on July 2nd to 4.86 11-32 on Monday. Tuesday saw a recovery to 4.86 7-16, but it depreciated to 4.86 11-32 again on Wednesday, and to 4.86 9-32 on Thursday, opening at the same figure yesterday. It is too early yet to say whether the adverse seasonal movement has actually set in, but in any case it cannot be much longer delayed. The industrial situation in this country and the general European situation are scarcely favourable factors at the moment. Forward rates have narrowed slightly from 13-32 to 10-16 cent below spot for one month. Switzerland has moved against us from 25.13½ to 25.11½, and Berlin from 20.43½ to 20.42½, while Stockholm, after moving from 18.13½ to 18.14½, reacted yesterday to 18.13½d. Copenhagen has been fairly steady around 18.35, but Oslo has risen from 22.16 to 22.25. Vienna, Prague, and Budapest are unchanged, but Warsaw has improved from 50 to 45. In Eastern Europe Bucharest has weakened from 1,025 to 1,070. In the East the rupee is a shade weaker at 15 5¼d, and the yen at 15 11¼d. The silver market has been slack, with a slight demand from India, but little movement in prices. Hong-kong is unchanged at 25 3¼d, and Shanghai at 25 11¼d. In South America Rio has fallen slightly from 7¼d to 7¼d. Buenos Aires is steady around 45¼d, but Monte Video has

risen from 49½d to 49½d. Valparaiso has improved from 39.90 to 39.80 pesos.

NATIONAL ACCOUNTS.

FINANCIAL YEAR, 1926-1927 (April 1 to June 30, 1926.)

	£		£
Total Expenditure ..	224,860,373	Raised by Revenue ..	146,846,694
		Decrease in Balances	3,926,807
		Amount borrowed ..	74,086,872
Total	224,860,373	Total	224,860,373

ESTIMATES for FINANCIAL YEAR 1926-7.

	£		£
Expenditure	820,641,000	Revenue	824,750,000
Surplus			£4,109,000

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—National Bank of New Zealand, Argentine Navigation (Nicholas Mihanovich), Aramayo Mines in Bolivia, Howard and Bullough, Bidor Rubber Estate, Charterland and General Exploration and Finance, Union Corporation, Ohlsson's Cape Breweries, Tamplin and Sons Brewery, Brighton, Lobitos Oilfields, and Ex-Lands Nigeria.

INSURANCE SUPPLEMENT.

With this number our readers will find a Supplement reviewing the progress and prospects of insurance. The topics dealt with include the recent experience of life offices, the increase of business, mortality, an analysis of their funds, valuation results and bonuses; the results of fire insurance in the past year; and the results recorded in the last reports from the marine insurance world. The Supplement is not a mere record of company results, but a general survey of the insurance problems of the day.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE COAL DISPUTE AND THE HOURS ACT.

WITH the passing of the Eight Hours Act this week the coal dispute enters upon a new, and, it is sincerely to be hoped, a final phase. But what turn the dispute will take it is as yet impossible to foresee. Whatever merits the Act might have had if passed as an agreed measure, when passed in the face of the opposition, not only of the miners, but of the Labour Party, it is bound to be regarded merely as offering the owners the opportunity to impose their own solution. During the debates, both in the Commons and in the Lords, where an unusual "scene" marked its final stages, it has been constantly reiterated from the Government side that the Bill is merely permissive. All that this phrase means is that within the limit of eight hours the question of actual hours to be worked is a matter for collective bargaining, and the result will depend upon which side is the stronger. Lord Robert Cecil defended the Act in the Lords on the ground that it opened an alternative option to the industry as compared with lower wages, and it has been constantly suggested that this additional option is in keeping with the spirit of the Commission's Report, which, though condemning an increase of hours, suggested that if the two sides of the industry asked Parliament to remove the seven hours' limitation Parliament should legislate to that effect. But the present Act is obviously not the result of a joint suggestion, and in any case the Commission never contemplated a wholesale return to eight hours working, which it rightly considered would cause a much greater increase of unemployment than any alternative solution. It clearly had in mind an extension in particular

districts, or, alternatively, a general increase of perhaps a quarter of an hour a day in order to approach the working day on the Continent. The present Bill permits the working of longer hours than in any coalfield on the Continent except Upper Silesia, and it is evident that the owners intend to make it universal. It seems fairly clear that they will only succeed if in the process they are able to reduce the organisation of the workers to impotence. The reason for the workers' resistance is intelligible enough. An increase of hours in times of bad trade is a most unsatisfactory proceeding. Reduction in the hours of labour is one of the most definite of the signs of industrial progress. As between good and bad times, wages or profits must inevitably vary, but a reversion to longer hours of work gives the appearance of a set-back to economic progress, and every worker feels that it will be extraordinarily difficult to regain the ground lost, whereas a temporary reduction of wages would, in the case of the coalminers, automatically recover as soon as times improve. Moreover, this change in the working day is certain to be imitated on the Continent. Indeed, a move of this kind, which the Commission feared, is already threatened in Germany. The net result which the worker fears is lower wages for more work.

The future will be clearer in the course of the next few days, for it will then be seen whether the men drift back to work on the terms which have been posted in the last few days. If they do, it is likely that conditions will be settled by district negotiations under which there may be comparative and temporary peace, though the Government must be well aware of the sinister possibility that for the next five years the coalfields will be in a state of constant unrest and agitation for a restoration of the seven-hour day. We can conceive the possibility that on a complete and frank carrying out of the Commission's proposals for the coal industry as a whole the men might agree to greater elasticity in regard to hours, but it is difficult to believe that they will settle down under a general eight-hour day. The alternative possibility is that the men may stand together, and, apart from a few abnormal cases, remain out. In this case we shall have to wait for the renewal of negotiations, as though the Act did not exist. In this latter event the Act will merely have had the effect of stiffening the attitude of the miners and making negotiations more difficult.

In almost every district the owners have offered the same wages during the ensuing three months as were paid in April, but thereafter the minimum will be reduced to that under the 1921 agreement. The following figures, taken from a table given in the *Times*, show at a glance what the offers of the owners for the next three months are:—

	Underground.			Surface. Pithead and Screen- men.
	Hewers.	Timber- men.	La- bourers.	
	s d	s d	s d	s d
South Wales, no reduction	90 6	67 11	52 9	54 6
Yorkshire, no reduction	83 2	77 9	55 3	55 10
Durham, 10% reduction	64 6	58 3	42 5	51 9
Scotland, no reduction	71 0	73 0	54 1	41 1½
Notts and Derby, no reduction ..	85 5	76 4	56 2	52 4
Northumberland, 10% reduction ..	59 5	56 6	41 4	57 6
Warwick, slight increase	86 0	68 10	50 6	48 0
S. Staffs and Salop, no reduction ..	82 9	53 1	45 7	40 1
Forest of Dean, no reduction	63 2	46 8	43 4	37 3
Bristol, no reduction	69 4	53 8	47 1	54 8

Most of the offers tacitly imply that the ratio for the division of the proceeds of the industry remains 87 per cent. for wages and 13 per cent. for owners, as in the 1921 agreement. In their original notice, however, the Yorkshire owners explicitly reverted to the ratio of 85 and 15 per cent. But the Government took strong exception to this, and the Yorkshire owners came into line with their colleagues, while the passage of the Hours Bill through the House of Lords was delayed.

The fact that the mines have been idle for two and a-half months means, of course, that it will be more practicable

to pay good wages in the immediate future, but if the 1921 minimum is enforced thereafter, the miners will, in fact, be asked to accept after September the terms put forward by the owners on the Friday before the general strike—viz., the 1921 minimum with an eight-hour day. If the dispute ends on these terms the miners have only themselves to blame, for they are much worse terms than could have been secured at almost any time since the Report of the Royal Commission was published. They will also have lost the opportunity of insisting upon the complete carrying out of the Royal Commission's Report. In a dispute of this kind it requires great political wisdom to know when to bargain and when to stand fast; but even more it requires courage to lead a retreat from an indefensible position. If the owners' move fails to break the Miners' Federation, the latter will shortly have one more opportunity, not to dictate terms, but to make a peace which will permit the restoration of the industry, and not destroy, as the present policy is destroying, the prospects of a livelihood for hundreds of thousands of its members.

Meanwhile, the prestige of the Miners' Federation and its leaders has not been enhanced by the publication of the report which the T.U.C. prepared for submission to the conference of executives which was to have been held on June 25th, but was postponed. The report strongly criticises the policy of the miners' leaders. Referring to their adherence to the position of "not a penny off wages, not a minute on to the working day," the Council "say without hesitation that it is not leadership merely to stand by whilst hundreds of thousands of men and their families starve on a slogan." "Puerile" is the epithet applied by the Council to the policy of the miners' leaders. Nevertheless, we have to recognise that these leaders are the men deliberately elected by the miners to conduct their affairs, and until the miners themselves elect others to take their places it is with these leaders that the Government, the owners, and the public have to deal. A change of attitude and outlook among the leaders can only filter through from the rank and file, and the process must come about by slow degrees and hand in hand with a growth of confidence. The essential thing about any settlement that may be reached is that it should be such as will permit the development of this confidence and change of attitude. We hope that while the miners' leaders are digesting the strictures passed upon them by the T.U.C., the owners and the Government will allow this fact to sink into their minds.

DOMINIONS, STATES, AND GOVERNORS.

RECENT events in Canada and Australia have brought to the forefront a constitutional question of great interest and importance, both for the relations between the different self-governing communities in the British Commonwealth, and for the British system of responsible Government in general. At the beginning of last week the Governor-General of Canada exercised his powers by refusing a dissolution to the then Prime Minister of the Dominion—an action which in some quarters has exposed him to scarcely merited criticism, but which has also called attention more widely to the fact that, by tradition, the Governor-General of Canada is a British subject chosen from among the distinguished men of another of His Majesty's dominions. At the end of the week a correspondence was published which arose out of a request from five of the six premiers of Australian States to the Secretary of State for Dominion Affairs at Westminster, that in future the Governors of States should be chosen not, as they also are now chosen by tradition, from among British subjects in the British Isles, but from among the people of the several States themselves. In a memorandum by the Attorney-General of the dissenting State of Victoria, in which this request is combatted, it is mentioned incidentally that "in Australia it is well settled that a Governor has the right, if he thinks fit, to refuse a dissolution when asked."

Juridically, perhaps, the two cases are not on all fours.

The States of Australia do not, like the Commonwealth or like Canada, possess Dominion status—a status which now appears to imply that the prerogative of the representative of the Crown in this or that Dominion shall be identical with, or, at any rate, not more extensive than, the contemporary prerogative of the Crown itself in the United Kingdom. The State Governments of Australia have descended from the former Colonial Governments without a break of continuity, and in the Colonial Governments of Canada before the grant of full responsible Government, as well as in those of Australia, the Governor's prerogative included the right, among others, of refusing a dissolution. Technically, therefore, it may be inadmissible to argue from the constitutional practice in the States of Australia to the constitutional theory in the Dominion of Canada. Yet the two cases do throw light on one another, and the coincidence that they should have come to a head simultaneously points to the existence of a general question which goes rather deeper than outward constitutional forms.

It may be noted at the start that the five Australian State Premiers, in making their request, were careful to make it clear that they were thoroughly loyal to the Crown, thoroughly satisfied from the personal point of view with the succession of Governors that had been sent to them from Great Britain, and thoroughly desirous of maintaining the bonds of Empire unity. Their request, however, was opposed by a number of representative bodies of people in the five States themselves, as well as by the State of Victoria officially, and Mr Amery, while re-asserting, on the British Government's behalf, the recognition that the ultimate decision in this matter rests with the people of Australia, has refused the present request on the ground that Australian opinion generally is not indubitably in favour of the change, and certainly not so strongly in favour of it that a subsequent demand for its reversal is not likely to arise.

The cogent reasons for the opposition to the request, which is evidently considerable throughout Australia, are set forth in the above-mentioned memorandum by the Attorney-General of Victoria, which is the outstanding document in the correspondence. He gives first, as a secondary consideration on which he does not insist, the non-political reason that the appointment of British subjects from the United Kingdom to Australian State governorships fastens the personal links between the different parts of the British Commonwealth of Nations. His main reason, however, which he develops with great ability, is that the present arrangement "enables responsible government as developed in the British Parliamentary system to be operated with the same ease and efficiency as in Great Britain." He picks out the position of the Sovereign in our system as "possibly the most successful phase" in it, and, indeed, the pivotal factor. The elasticity and changeability of the Executive and Legislature which, *ex hypothesi*, have to be highly developed in a Government which is to represent the changing will of the people, necessitate the presence of some non-changing factor in the constitution. "This permanent element in Great Britain is the King, and in an Australian State the Governor"; and the person who performs this function must be not merely permanent, but detached, impartial, and above suspicion of partiality. These two qualities of permanence and of recognised neutrality are secured in the case of the King by the hereditary principle and by the prestige which surrounds a hereditary monarchy. But the King's representatives overseas do not possess these qualities as their birth-right. If they are to stand outside the party politics of those communities, governed on the British Parliamentary system, in which they have to perform the King's function, this must be secured in some other way; and under the present system it is secured, most happily, by bringing them from another community which lives under the same form of government, but which is divided from the country in which they have to act by so great a distance that the two communities lead separate lives, so that a member of the one has no personal stake or pre-judice in the affairs of the other.

There are historical precedents for this in the constitutional practice of the ancient City States of Greece and the mediæval City States of Italy, which secured the

necessary element of permanence and impartiality in their political life. There is also a precedent for the double function of the Crown, as at once the permanent factor in the British constitution and the constitutional link between the fully self-governing members of the British Commonwealth of Nations, in the position of the Princeps in the early Roman Empire, who was at once the supreme magistrate of Rome and the link binding together the congeries of self-governing City States of which that Empire consisted. It is remarkable that, in the British Commonwealth, as the self-government of the Dominions develops, the function of the Crown as a symbol of union increases in importance. This is pointed out in the Victorian Attorney-General's memorandum, and it was emphasised not long ago—somewhat unexpectedly—by General Hertzog in South Africa. So far, we may congratulate ourselves that our constitution shows a power of growth and adaptation that is not unequal to the extraordinary demands which are being made upon it. But we must always keep our eyes upon the possible danger of lagging behind in the matter of adaptation to the changing demands of successive developments.

FRENCH CURRENCY REFORM: THE EXPERTS' REPORT.

(BY OUR PARIS CORRESPONDENT.)

THE text of the report of the Committee of Experts which has prepared a plan for the restoration of the French national finances, which was made public on Sunday, is a document of over 20,000 words, to which are attached a series of elaborate statistical appendices. It deals fairly and frankly, and without political bias—as might be expected from the distinguished bankers and economists who form the committee—and places the cold realities of the situation plainly before the nation.

The report, as the committee points out, "forms a complete whole," the object of which is to bring about a stable currency. This the experts believe will be attained by the application of a long series of measures, which may be divided into four categories: (1) Budget reform, (2) fiscal reform, (3) Treasury reform, and (4) currency reform. The essential characteristic of the present situation being currency instability, due to (1) budgetary deficits, (2) the abuse of short-term loans, and (3) inflation, the Committee recommend that measures shall be taken to assure an absolute balancing of the Budget, to place the Treasury in a position of ease, and to stabilise the franc. A rough outline of these measures may be set out as follows:—

An energetic cutting down of public expenditure;

To be followed by the establishment of elastic resources of revenue, giving an immediate yield;

The Bank of France to be rendered independent by taking away the facility of direct or indirect recourse to borrowing from the bank to meet new public expenditure;

The gradual reduction of the debt owing by the State to the bank;

The proper functioning of the Treasury to be ensured, and an important part of the floating debt to be taken out of its hands, thereby bringing it back to its normal rôle;

National Defence Bonds and short-term bonds to be transformed into redeemable stock by means of voluntary consolidation;

Stabilisation of the currency (with the least possible delay and with the aid of the Bank of France), which alone can render possible the efficacy of the preceding measures, retain, attract, and repatriate capital and prepare the return to free circulation of capital in the near future;

The securing, in order to aid stabilisation, of loans in foreign currencies for as long a term as possible, and to arrange for credits abroad;

To adopt an economic policy that will tend to attenuate the crisis that will inevitably follow a return to sound money, and to re-establish national prosperity.

The experts insist that the carrying out of this programme must be based on "the exact observance of its engagements by the State, and on the settlement of the inter-allied debts."

"The members of the Committee are unanimous in believing that the measures set forth, if applied progressively and logically, are of a nature to ensure the restoration of the situation; that continuity of views and of efforts is necessary, and that fragmentary programmes and partial solutions will be fragile and inefficacious; that it must not be concealed that financial restoration will be accompanied by difficulties and sufferings, and that all postponement will only aggravate these. If France will only impose discipline upon itself, work with union, ardour, and perseverance at the task of re-establishing itself, and produce and economise more, order and economic prosperity will not be long in returning."

The experts insist that Budgetary methods must be profoundly reformed forthwith, and recommend that—

(a) The Minister of Finance should be preponderant in all financial questions. "His rôle should no longer be confined to finding revenue to meet expenditure proposed by his colleagues."

(b) The Budget should in future be definitely voted in its entirety before the beginning of the financial year, which should begin henceforward on April 1st (the system of *douzièmes provisoires* or monthly votes on account to be suppressed).

(c) The Budget should include all revenue and all expenditure, all revenue now diverted from the Treasury to be restored to it, and all autonomous Budgets, such as that of the Postal Department, be suppressed; the present régime of "common funds," under which an important part of the revenue from excise duties, the tax on turnover, &c., is diverted to special purposes ("often to the encouragement of local administrative expenditure") should also be abolished.

(d) Parliament to abandon, at least temporarily, its right of initiative in regard to expenditure, which should be left to the Government. "In the present situation the extension of industrial exploitation by the State should be avoided."

(e) Greater publicity as to the results of Budget operations, and in regard to revenue and expenditure in France in connection with the working of the Dawes Plan for Reparation payments. The Committee pronounces firmly against any reduction of expenditure of a contractual character (such as that connected with the public debt), but urges sweeping reductions in departmental expenditure, and in connection with grants made by the State for local purposes, in which latter case the local authorities should bear a greater share than at present. It forecasts increased taxation during the present year, to meet debt consolidation and redemption charges, of at least 2,500 millions, and of nearly 5,000 millions in regard to the Budget for 1927.

The experts pronounce vigorously against the present Socialistic demand for direct as against indirect taxation, and take the view that direct taxation on production and labour do not spare the consumer. They urge that the only taxes capable of ensuring a balanced Budget, in present circumstances, are imposts on commodities of large consumption, which furnish an immediate and regular yield which will increase with the rise in prices.

The Committee insists that the *bordereau* or *carnet de coupons*, and the affidavit system, are incapable of procuring any appreciable increase of revenue, and can only provoke exportation of securities and capital, and should therefore be revoked. It advocates modifications of direct taxation and succession duties that would have the effect of increasing the yield while reducing "the excessive rates." It describes the present imposts on dividends from French stocks and shares as "exorbitant in a great number of cases," and recommends "a notable reduction of transfer duties" as a means of "attenuating the most crying abuses." The recent increase to 60 per cent. of the nominal rate of the general tax on incomes (plus an

additional 25 per cent. in the case of bachelors), the experts declare "unjustified by results, discouraging to saving, and to the spirit of initiative, hampering in regard to accumulation of capital, and provocative of fraud and evasion. A reduction of this tax is desirable." On the other hand, it is suggested that, in view of the rise in commodity prices, the rate of exemption from income-tax should be raised from 7,000f to 10,000f. Revision upwards of customs duties, the tax on turnover (to a uniform rate of 2 per cent. on all transactions), the duties on railway and other forms of transport (by an additional 15 per cent. on passenger tickets and freight rates), and on sugar, wines, beers, and ciders, is also recommended.

Exceptionally, in view of its peculiar circumstances, the experts recommend that the tobacco monopoly, in order to ensure proper industrial management, should be rendered autonomous and placed in charge of an Office National des Tabacs, and that the sale price of tobacco should be raised to accord with the fall in the franc.

"Profoundly convinced that inflation must be brought to an end," the experts "have sought means to fix definitely the limits of the State's borrowings from the Bank of France and the total of the floating debt, to provide every possible guarantee for redemption, and to bring about consolidation as soon as possible."

In regard to National Defence Bonds, which have in the past been a source of trouble to the Treasury when demands for repayment have exceeded subscriptions, they dismissed in turn the methods of forced consolidation, a tax on capital, forced loans, and a cutting down of the rate of interest payable. "Confidence in the execution of its promises by the State is indivisible. The Committee consider that it is absolutely indispensable to pursue a policy of voluntary and progressive consolidation of National Defence Bonds as soon as it shall become possible."

"It appears to be of prime importance henceforth to remove National Defence Bonds entirely from the Treasury and to place the duty of ensuring their service in the hands of a 'Caisse de Gestion des Bons de la Défense Nationale,' to be administered by the Caisse des Dépôts et Consignations."

Representatives of the Ministry of Finance and of the Bank of France would have seats on the board of this fund. The experts propose to fix the maximum figure of the bonds in question at 49,000 million francs, and that "a first consolidation loan" shall be issued as soon as possible. Holders (together with holders of three-ten-year short-term bonds) might also, the committee suggests, be given facilities to exchange their bonds against existing issues or others of a new type. The committee proposes that the suggested new caisse shall be provided with:—

(1) A budgetary annuity equal to the total of the interest due to the bonds in existence, which annuity would be paid over to it at the beginning of the financial year.

(2) A redemption annuity of at least 500 million francs, also from the Budget, which would be used to extinguish National Defence bonds.

(3) An initial endowment to a substantial amount, which might be increased in the future, and be used for redeeming bonds. (This initial annuity, the experts suggest, should be furnished by one of the foreign loans to be obtained by the State. The latter would hand over to the Bank of France the foreign currency resulting from the loan, and its value in francs (up to a total of 4,000 millions) would be placed in a special account opened by the bank at the proposed new caisse. The experts suggest that this special account, by its mere existence, would tend to increase the confidence of holders. Later on, when other financial operations of a similar nature (notably, the mobilisation of the Obligations provided under the Dawes Plan) have been carried out by the State, 50 per cent. of the resultant value in francs might be utilised in a similar manner, until the credit balance of the account was equivalent to 20 per cent. of the nominal value of the National Defence Bonds still in circulation.

(4) Independent of these resources, the caisse would also receive the net yield from the tobacco monopoly, as a special guarantee, which the caisse would be able to

utilise at will for the purpose of securing temporary advances, &c.

The Bank of France, the report points out, would continue to discount National Defence bonds, as at present, which would enable them to remain in public favour. It is proposed that a statement should be published every fortnight showing the exact situation of the caisse.

The renewal of short-term ordinary Treasury bonds, up to a maximum of one year (which now total 2,600 million francs), should cease, the bonds being paid off as they mature by the new caisse.

Short-term Treasury bonds (three to ten years) and short-term Credit National bonds the Committee propose should continue to be left for the Treasury to deal with, and should be progressively reduced either by consolidation loans or by redemption, the first consolidation loan to be issued to cover the maturities of the 7,000 millions of 1922 Treasury bonds which mature next year.

The debt owing to the Bank of France the Committee recommends should be reduced at the rate of 1,000 millions per annum, drawn from the Budget.

To meet immediate end-of-the-month and pressing emergencies, the experts recommend that the Treasury be authorised to furnish itself with ready money by the issue of 5,000 millions of ordinary Treasury bonds, but independent of the present issue, which would pass to the proposed new caisse, and would disappear in the near future. Other free money would be drawn from the first foreign credits, which would give the Treasury sufficient elasticity in future.

Stabilisation of the franc, the Committee points out, is inseparable from its other recommendations. "The foregoing recommendations presuppose currency stabilisation; on the other hand, their object is to render this possible." Stabilisation presupposes the existence of a large stock (1) of foreign currency to prevent the fall of the franc, and (2) of francs able to absorb the surplus foreign currency on the market. The State not being in a position to undertake this operation, it must be carried out by a bank of issue (as in Austria, Hungary, Finland, Great Britain, and Czechoslovakia), and in this case by the Bank of France. The means to carry out the operation would be based on the existence of the bank's gold reserve and stock of foreign currency, supplemented by such short or long-term credits as the institution can obtain either directly or through the medium of the Government.

The utilisation in the first line of the bank's gold reserve being objectionable, the indispensable means must be furnished by outside help in the form of the long-term loans already made to or to be made to the Government, of credits to be secured by the Bank of France, and of private and commercial credits. The Committee suggests that the credits to be secured by the State and the Bank for the first operations may be placed at \$200,000,000, or its equivalent. The experts insist that such help can only be obtained if the Washington Agreement for the settlement of the Franco-American debt is speedily ratified, and a definite settlement also come to with Great Britain. If this is done the credits may be secured, and the law against exportation of capital may soon be abrogated.

The moment when stabilisation will be brought about will depend, the report states, on when the other measures proposed are put into effect. The level at which the franc will be stabilised cannot yet be fixed, and a choice will have to be made between two extremes, namely, the rate of the franc as shown by the index figure of the cost of living at the moment of the stabilising operation, and the rate effectively reached by the franc at the same moment on the exchange market.

The report foresees that the stabilisation operations will be divided into three periods:—

(a) A period of prestabilisation, with oscillations of the exchange round a figure more or less fixed upon in advance (the maximum authorised advances to the State by the Bank having been finally fixed—without rendering obligatory the fixing of a similar maximum for the note circulation—while the gold reserve would be reinforced by the acquisition of domestic gold currency at a price bordering the rate of exchange).

(b) A period of stabilisation in fact (during which the

Bank will buy and sell gold and foreign currency at fixed prices).

(c) A period of legal stabilisation, which will date from the moment when the preceding situation, in fact, will be confirmed and legalised.

The last portion of the report deals with the economic consequences of stabilisation, and the steps to be taken to overcome the industrial and other difficulties that will be inevitable.

A PROSPEROUS BRITISH INDUSTRY.

At a time when there is so much real industrial depression, which in itself tends to call forth dismal jeremiads and sweeping statements as to the inefficiency and out-of-date methods of British industry, it is pleasant to be able to produce several illustrations to the contrary, one of which is furnished by the engineering trade, and more particularly that part connected with the manufacture of motor cars. In recent issues of the *Economist** we have surveyed briefly the economic and financial progress of the British motor trade, which, though it does not occupy so predominant a position as is the case in America, has become one of the greater British industries. We showed that the success achieved in the production of vehicles of a high level of mechanical efficiency has not been accompanied with so great a degree of financial success, so far as figures were available. Profits have been recovering during the past two years from the slump of 1921 and 1922, when the profit and loss accounts of most of the motor manufacturing companies recorded debit balances, and a list of 27 joint stock concerns showed that profits in 1925 were about 10 per cent. of the total capital invested. But this list did not include the figures of several large engineering concerns, the most profitable side of whose business has admittedly been that connected with motor car production, nor those of Morris Motors, Limited, the largest firm of light-car producers, which hitherto has been a private company, and has not published any accounts. This concern, which manufactures the well-known Morris-Oxford and Morris-Cowley cars, is now being floated as a public company, with a capital of £5 millions, divided into £3 millions of 7½ per cent. cumulative preference shares, and £2 millions of ordinary shares. The whole of the ordinary share capital is being issued as part of the purchase consideration for the business, while the preference shares are being offered to the public at par. The issue is not being underwritten, Mr W. R. Morris, the Governing director of the company, having undertaken to take at par, without commission, any part of the issue not subscribed by the public. A full three months' dividend on the preference shares is to be paid on October 30th, although the final instalment of 5s per share is not due until September 16th.

The large capital with which the company is now being floated represents the building up of the business out of accumulated profits, the actual amount of capital supplied in the form of cash having been only £45,400. The amount payable in respect of goodwill and pending contracts is £1,641,000, the tangible assets on December 21st last amounting to over £3½ millions, of which more than three-quarters of a million were in National War bonds. Moreover, the expansion has occurred since the war, for although Mr Morris started making motor cars in 1913, the total output for the year 1919 was only 337 cars. Since then the annual production has been as follows:—

1921	2,927	1924	27,551
1922	5,166	1925	48,712
1923	17,286		

The first Morris cars were produced at Oxford in 1913, but before the war a works had been opened at Cowley, and, with the demand exceeding capacity, a contract for the supply of engines from America was arranged. The outbreak of war, however, nipped the programme of expansion in the bud, and the factory was engaged for four years on the production of munitions and mine sinkers

* April 10th (page 722), and June 19th (page 1186).

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for the Admiralty. In the two years immediately following the war, when there was an extraordinary boom in the motor-car trade, during which prices soared to almost fantastic heights, Mr Morris appears to have displayed considerable perspicacity. Having realised that the market was in a very unstable condition, he held his hand, and was therefore not caught in the ensuing slump which temporarily overwhelmed the motor-car industry of this country. In fact, it was during this period that Mr Morris seized his opportunity, and by drastic reductions in prices, made possible by the adoption of mass production or "flow" production methods, obtained a substantial proportion of the home market for light cars, and laid the foundations of a world-wide reputation for an efficient product. Moreover, the rapidity of expansion appears to have been in no way hindered by the temporary removal of the McKenna duties. It is a matter of interest that the original design of 1912 has not been fundamentally altered, and the standardisation of design has made production on a large scale possible and economical. The company now owns or controls factories at Coventry and Birmingham for the manufacture of engines and certain parts, and over 9,000 hands are directly employed, but the policy of purchasing certain parts from specialists is still pursued. The new company is taking over four businesses—namely, Morris Motors, Limited, Morris Engines (Coventry), Limited, Osberton Radiators, Limited, and Hollick and Pratt, Limited. Profits before deducting tax, but excluding interest on investments, amounted to £951,300 for 1923, £916,000 for 1924, and £1,235,500 for 1925, so that the dividend on the preference shares appears to be amply covered. Moreover, it is provided that 25 per cent. of the profits, after payment of preference dividend, is to be placed each year to reserve until a sum of not less than £1,000,000 is accumulated. In view of the rapidity with which the majority of recent new issues have been oversubscribed, there seems little reason to anticipate anything but success for the offer by Morris Motors.

In conclusion it may be mentioned that the relations between Mr Morris and his employees have throughout been happy, and this fact must account in no small measure for the success achieved by the undertaking. While not wishing to deprive Mr Morris and his directors of any of the credit due for this satisfactory state of affairs, we may suggest that a similar story can be told of the relations between capital and labour in the motor industry in other countries, notably in the United States and France. The explanation probably lies in the fact that motor-car production is a young industry, able to start with a clean sheet, free from the innate prejudices of a chequered past.

THE HALF-YEAR ON THE STOCK EXCHANGE.

THE Stock Exchange entered on 1926 with some considerable hopes of active times ahead. Expectations were, perhaps, principally centred upon an early revival of the boom in rubber shares, which had been the feature of the autumn, and among the disappointments of the half-year that has just closed prominent place must be given to the slump in the price of raw rubber, which, in spite of the publication of series of excellent dividends and reports of plantation companies, effectively prevented any revival of the share boom. Indeed, over the first three months general business in the House shrank to proportions which compared very unfavourably with the autumn, and then the shadow of the approaching Budget and the Labour crisis crept over the markets. Thus the half-year, generally speaking, has seen quiet times.

Naturally, in the investment world, as well as in every other branch of the country's economic life, the half-year will be mainly remembered for the ordeal of the great general strike and the coal stoppage. A feature of the critical days of early May was the firm front shown by the markets. On the first day of the general strike quotations were, as a precautionary measure, marked down a few points all round. But the precaution proved to have been almost unnecessary. No panic, and, indeed, no big selling movement, showed any signs of developing. After a day or two selling orders predominated, and though the volume of business was necessarily restricted, prices, generally, at the close of the general strike were well up to the levels that had been recorded before it was declared. The firmness of markets in the face of a threat of unknown proportions, and the calmness of investors, mainly deprived of news and information, was not the least remarkable feature of that notable period. This stout resistance was undoubtedly assisted by the fact that the crisis, when it arrived, found the markets in a very healthy condition, the quietude of the early months having sufficed to straighten out the speculative positions built up in the early winter.

A brief epitome of the half-year is given in the following table compiled from the *Bankers' Magazine* index number of the market value of 365 representative securities:—

(December, 1921 = 100.)				
	Fixed Interest Stocks.	Variable Dividend Securities.	Total.	
December, 1925.....	108.8	132.5	116.5	
January, 1926.....	110.2	132.6	117.5	
February, ".....	110.8	131.6	117.6	
March, ".....	109.6	129.2	116.0	
April, ".....	110.1	128.7	116.2	
May, ".....	110.2	131.1	117.0	
June, ".....	110.2	133.6	117.9	

It will be seen that the index number for variable-dividend securities closed the half-year higher than it began, while on balance fixed-interest stocks have exactly maintained their level.

Although the story of the money market in the half-year was featureless in so far that no change in Bank rate was made during the period, monetary considerations, nevertheless, exerted important influences upon the course of the markets. Early in the year the New York Federal Reserve Bank's rediscount rate was raised from $3\frac{1}{2}$ to 4 per cent., and this event caused temporary fears of dearer money here. By the time these fears had subsided the shadow of the Budget and the coal crisis was beginning to creep over markets. Then came the general strike and the long coal stoppage, which, by slowing down production and industry, has diverted funds normally employed in financing manufacture and trade into high-class investment channels. At the same time, hopes of a reduced Bank rate, fully justified by the Bank's position, and in all probability only postponed because of the coal crisis, operated in support of gilt-edged stocks in the last month or so of the half-year. These influences sufficed to counteract other factors, such as the general pessimism engen-

dered by industrial troubles, and towards the end of the period the strong competition of new capital issues, and were largely responsible for the maintenance of gilt-edged values.

Although it is perfectly logical that serious trade troubles mean a strong gilt-edged market, it is not so easy at first sight to explain why the index number for variable-dividend securities should have risen in the last two months, which must have gravely affected the year's profits of hosts of companies in a wide variety of spheres. Actually in the month following resumption of work after the general strike—that is, from May 19th to June 18th—the market value of 38 representative commercial and industrial shares is shown by the *Bankers' Magazine* to have advanced from £461.2 millions to £483.6 millions, or by 4.8 per cent. This may be taken as indicating a belief that the coal stoppage is not so ruinous in its effects as some are inclined to suppose, and that, when it is over, recovery may be rapid.

The half-year's price movements are illustrated in the following brief table, where for a number of prominent securities prices are shown for the beginning of the year, for the eve of the general strike, and for the end of the half-year:—

	Price Jan. 1, 1926.	Price End of April, 1926.	Price End of June, 1926.
5% War Loan	100 $\frac{1}{2}$	99 $\frac{1}{2}$	100 $\frac{1}{2}$
3 $\frac{1}{2}$ % Conversion Loan	75 $\frac{1}{2}$	75 $\frac{1}{2}$	76
Great Western ordinary stock	88	87	86
L.M.S. ordinary stock	76	73 $\frac{1}{2}$	72
French 5%	13 $\frac{1}{2}$	11 $\frac{1}{2}$	10
German 7%	102 $\frac{1}{2}$	102 $\frac{1}{2}$	104
Courtaulds (£1)	7 $\frac{1}{16}$	6 $\frac{1}{16}$	6 $\frac{1}{16}$
British American Tobacco (£1)	5 $\frac{1}{16}$	6 $\frac{1}{16}$	6 $\frac{1}{16}$
Bradford Dyers (£1)	3	2 $\frac{1}{8}$	2 $\frac{1}{8}$
Vickers (6s 8d)	8/9	7/6	7/6
Dunlops (6s 8d)	1 $\frac{1}{16}$	1 $\frac{1}{16}$	1 $\frac{1}{16}$
Westminster Bank (£20, with £5 paid) ..	18 $\frac{1}{2}$	18 $\frac{1}{2}$	18 $\frac{1}{2}$
Anglo-Dutch Plantations of Java (£1) ..	3 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$
Shells (£1)	5 $\frac{1}{16}$	4 $\frac{1}{16}$	4 $\frac{1}{16}$
Brazil Traction (\$100)	85	91 $\frac{1}{2}$	99
Chartered (15s)	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$

The traffic losses of British railways, compensated by substantial but by no means balancing savings in expenditure, make the maintenance of dividends dependent upon directors' willingness to draw upon reserves, and the comparatively small drop in the quotations reflects belief in that willingness, and also in the ultimate safeguard for shareholders afforded by the standard revenue clauses of the Railways Act of 1921. On the whole, the foreign market has been firm, with a rising tendency at the close of the period, but the slump in the franc has had its effect on French bonds. The rubber share market, the scene of feverish excitement last autumn, has reflected the fall of 60 per cent. in the half-year in the price of the raw commodity, but the continuation of the restriction scheme has revived confidence that the price will not drop further, and steadiness has marked this section recently. The oil share market has had its occasional periods of activity; tea shares have been dull, and nitrates have had a rather severe setback, because of growing fears of synthetic competition. In the mining sections, Rhodesians, towards the end of the year, received marked attention. Rand gold shares have been fairly good, but the midsummer dividends were somewhat disappointing. Among home industrials, iron and steel shares have, naturally, been under the heavy cloud of industrial troubles, but some of the leading favourites have been the centre of vigorous dealing. This is particularly the case with the tobacco group, and such prominent issues as Dunlop and Courtaulds. The most conspicuous rise shown in the table above is recorded by Brazil Traction, which has benefited from Continental buying.

Altogether, although the half-year has brought disappointments, and stock market business has been at times more restricted in volume, yet there is much reason for satisfaction and relief in the investment world. The investor whose holdings are spread among fixed-interest stocks has suffered no depreciation of capital, while the discriminating investor in industrials can find little to complain of in the experience which has befallen him in one of the most difficult periods in post-war history.

AN INDEX OF ELECTRICAL PRODUCTION.

DURING the last few years economic research has tended more and more towards examination of the basic factors which govern trade activity, but, hitherto, it has produced disappointingly few results. The trade cycle is almost as great a mystery as ever, and although we can follow, through a complexity of indicators, its main tendencies with some degree of accuracy, we have not yet got down to fundamentals. Whether it will ever become simplified to such a degree that the industrialist and the business man can accept it without question, and plan developments accordingly in his own trade, is, at the very least, doubtful. Even in the United States, the industrial executive of importance places beside its general trade index a particular index bearing on production in its own works, with subsidiary charts dealing with sales, employment, wages, labour, turnover, manufacturing costs, and freights. Those indices merely assist the American business man in gauging the response of his own organisation to general trade conditions; his own experience and his own judgment must function as before on the evidence of data which cannot be charted.

In this country the position is even worse: beyond certain financial returns, such as bank advances and clearings, certain statistics dealing with production in the coal-mining, iron and steel, shipbuilding, and certain sections of the textile industry, with foreign trade, employment, tonnages entered and cleared at the ports, and transport on the railways, nothing of direct value for estimating the trend of economic and business activity exists. The basic industries, such as engineering, textiles generally, chemical manufacture, metal-working, automobile construction, waggon and carriage building, paper manufacture, and printing remain still outside the range of investigation, and, even in the United States, little has been done to clear up the mystery.

It is obvious, therefore, that an index of industrial production is necessary before any real effort to meet and control the vagaries in the trade cycle, to elaborate a national economic policy, which would serve our interests most effectively as an industrial country, and smooth away the causes of trade disputes, can ever be attempted. The index of production, to be reliable, would require to be based on data which could not be influenced by factors foreign to it—such as price fluctuations due to variation in gold values, or weight changes due to scientific and technical progress (in an industry like engineering, for example). It should, above all, be simple, since mere complexity resultant from the immense accumulation of detail, or from the efforts of statisticians to remove the last traces of seasonal or long-period fluctuations, may destroy the value of the index to the industrialist or business executive. The test of such an index would lie exactly in the recognition by the latter that it had a direct value for him without dubiety regarding statistical method. It is doubtful whether such an index can ever be created, since it must, in its very nature, depend on data of only relative and not absolute value, and the work of co-ordination and elimination might be sufficient to destroy those subtle differences which, in the aggregate, may determine whether progress or depression is to result.

The only index of manufacturing activity which would be fairly representative and accurate enough to justify its adoption would be that of power consumption by industry—provided that one form of power alone was used, or that one form of power was responsible for a high percentage of the industrial output. At one time steam consumption, or, alternatively, coal consumption, would have sufficed for this purpose, but the advent of electricity has complicated matters. Industrial electrification has proceeded so rapidly since 1913, largely owing to war exigencies and the trade boom of 1920, that electricity may now be regarded as the main motive force in many important industries, above all in iron and steel, engineering, coal-mining, chemical manufacture, and shipbuilding. In iron and steel, engineering, and chemical manufacture an index based on the consumption of electricity would be

directly representative of activity in production, since those industries are over 60 per cent. electrified; coal-mining is less satisfactory, since electrification has only taken place to the extent of 45 per cent. to 50 per cent. in this country, while textile electrification is less, at about 35 per cent. A combination of returns of the consumption of coal and electrical power by industry would come closest to the ideal, if allowance were made in the coal returns for consumption for electrical power generation.

The importance of electricity as a factor in industrial activity has been recognised in the United States and Germany; in both countries a monthly index of electrical power production is now issued and grouped with other indices of trade activity. It was believed that a similar index would have considerable value in Britain, even allowing for the fact that the electricity supply industry is still a growing industry, and that electrification of industry is not yet by any means complete. The index would show the fluctuations in activity in those firms that had adopted electricity as a motive force—i.e., in the most progressive firms, and for that reason alone would tend to be optimistic. On the other hand, it is still fairly true to state that a severe trade depression or a marked revival would affect all the productive units in an industry, whether electrified or not, and that the curve of electrical power consumption would be genuinely representative of an entire industry during important movements.

The index, now published, was calculated from the returns of units generated by power stations belonging to supply undertakings in industrial areas outside of London. It was impossible to obtain returns from private industrial power stations, but the choice of districts, as noted below, was made with a view to omitting those areas where a large number of industrial firms generate electricity for their own purposes—namely, South Wales, the Central Midlands, and Central Scotland. London was omitted from consideration, owing to the predominance of the lighting, commercial, and traction demand, and the small part played by industry in the total consumption of power in the area. It is only in East London, West Ham, Stepney, and Poplar that industry accounts for the greater part of the output of electricity, and those three undertakings will be covered, probably, in an index referring to them alone. The selection of the undertakings was influenced by four considerations:—

1. That they should be efficient and important enough to be affected only in a small degree by any reorganisation carried out under the new legislation;
2. That over 70 per cent. of their total output of electricity should be devoted to industrial power consumption.
3. That they should operate in well-defined industrial areas where one industry or group of industries predominates;
4. That they should, in combination, represent over 70 per cent. of the total output by public supply undertakings in their areas.

All four considerations were met in framing the index. The undertakings submitting returns showed, in some cases, an industrial power demand of over 95 per cent. of their entire sales; in other cases, 60 per cent., but the general average stood above 70 per cent. The importance of such a factor is obvious; lighting, domestic and commercial supplies could not, even at their most violent periods of fluctuation, throw the index out of balance, and rob it of its value as a guide to industrial activity, while, in large industrial areas, the rapid progress achieved in the lighting and domestic demand for electricity might exaggerate the upward trend of the index, but would not suffice to veil entirely severe depression, or betray too soon an improvement consequent on better trade conditions.

The areas chosen were the North-East Coast, Sheffield, Rotherham, and the West of Scotland as representative of the coal-mining, iron and steel, shipbuilding and heavy engineering industries; the South-West Midlands, of the general engineering and automobile industries; South-East Lancashire with Blackburn and the West Riding of Yorkshire, of the cotton and woollen textile industries; the Mersey, Severn, and Humber, of marine transport, docks, and general trading. The total of all the undertakings covering those areas and included in the index was sufficient, with certain chemical and jute areas of

supply, to give account for 79 per cent. of the total energy generated by all undertakings. In the coal-mining, iron and steel and shipbuilding districts the percentage was higher still at 83 per cent., and in general engineering districts at 90 per cent., but in the textile districts the work of discriminating between supply to coal mines and other industries precluded certain undertakings with a small textile load, and reduced the degree of representation to 70 per cent.

In any case, the index in its present form is based on sufficient data to be of value in indicating the trend of electrical power production in the principal industrial centres of Britain. It should be remembered that power supply in the areas included under certain industries may extend to other industries as well; Manchester is an important engineering as well as textile centre, and the Lancashire Power Company supplies millions of units to collieries, but the industry predominant in Lancashire is the textile industry, and the area has been classified accordingly. The most complete and most directly representative index is undoubtedly that of coal-mining, iron and steel, shipbuilding and engineering, for those four industries account for over 90 per cent. of the industrial output of their areas, but that of the textile, chemical and general engineering indices comes close to it.

If we deal now with the actual construction of the index, the main points to be noted are:—

1. The output of electricity affords as satisfactory an index as consumption since the ratio between output and consumption remains constant, consumption being about 83 per cent. of production.

2. Week-end operation means a reduction by one and one-third days in the length of the working week, as far as comparison of load curves for many undertakings proved.

3. The lack of a series of normal years since 1914 has made correction for seasonal fluctuation impossible. The first normal trade year since the conclusion of the war was the year ending March 31, 1924, and the monthly average output, corrected for week-end operation, during that year has been taken as a base. It may be possible after a number of years to discover a moderately accurate formula for damping down seasonal fluctuations, but the index must remain, at present at least, untouched.

4. The average daily output during each month, with a correction made for week-end operation, was taken as the material for the index. In this way artificial fluctuations caused by differences in the length of the months were avoided. The general index for the whole country was based on the aggregate of all the undertakings included under the different industries, with an additional return from a Scottish undertaking which could not be classified, and, as such, constituted an average with which the other indices might be compared.

INDEX OF PRODUCTION OF ELECTRICITY.*
(Monthly Average 1923-24 = 100.)

Date.	Britain, Excluding London and Wales.	Coal- mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
1924.						
January	121	139	123	111	119	104
February	123	134	122	123	116	110
March	121	134	122	122	117	106
April	107	120	104	112	95	103
May	107	118	105	134	96	95
June	104	113	98	136	100	91
July	99	103	97	128	97	89
August	93	110	88	118	95	87
September	108	114	107	123	114	95
October	117	116	119	146	119	108
November	131	135	137	183	135	122
December	127	128	122	153	134	117
1925.						
January	129	130	139	151	128	119
February	135	140	139	145	132	122
March	131	135	137	160	134	122
April	113	118	117	135	107	105
May	113	121	124	146	110	106
June	102	105	110	136	108	91
July	102	105	118	136	108	92
August	103	109	104	146	129	106
September	116	117	129	157	135	110
October	126	125	139	180	151	138
November	145	143	159	178	156	134
December	142	140	151	178	156	134
1926.						
January	139	138	162	184	155	135
February	141	153	161	192	150	134
March	135	136	155	161	139	131
April	119	121	128	153	127	114

* Prepared by the economic and statistical department, the British Electrical and Allied Manufacturers' Association.

Examination of the figures shows certain disadvantages which are inseparable from a growing industry—the tendency towards exaggeration of upward and downward movements, the steady upward trend through fluctuation which may or may not correspond to greater industrial activity. On the other hand, the relation of one group of industries to another in the progress of industrial manufacture emerges clearly, while any well-pronounced change in industrial conditions—such as the recovery in trade during the latter half of 1924, the depressing influence exerted by the introduction of the gold standard in 1925, the marked recovery towards the end of 1925 and in the first two months of 1926, the collapse in April due to the impending strike in the coal industry—is translated at once into the index. A trade boom would be betrayed by the index as soon as it had begun, while a depression would affect the figures with equal rapidity. The value of the separate indices lies, above all, in the indications they afford of prosperity in particular industries or groups of industries compared with other industries.

In the first half of 1924 the coal-mining, iron and steel industries were most active, followed by chemicals and marine transport; engineering and textiles were seriously depressed. In the first half of 1925 chemicals were still active, but engineering had risen definitely above the other industries, and remained there until April, 1926. We can date the first signs of recovery in engineering from December, 1924. Textiles have been consistently most depressed of all, particularly so in the first eight months of 1925, but they improved towards the end of the year. Coal-mining, iron and steel and shipbuilding lost ground in April, 1925, and became more and more depressed as the year went on. The influence of production for stock in February, 1926, brought the curve temporarily above the general average.

As far as it is possible to judge from the general index, 1925 represented a period of great potential activity, which was translated into reality in the first three months and the last three months of the year. The period between, even allowing for seasonal fluctuations, was disappointing, the only industry not affected being chemicals. The first two months of this year promised greater activity, but the heavy decline of April has served to neutralise it to some extent. It is clear, however, that, granted stable conditions, the year 1926 would have represented an improvement on 1925, but the incidence of the coal lock-out and the general strike has made this now impossible. In the returns for May, which will be published in the next Monthly Supplement, the effect of those disturbances will be illustrated.

LIPTONS' POOR YEAR.

The decline in the net profits of Liptons during the year ended March 31st last was so severe that the directors are unable to pay a dividend on the 9 per cent. preference share capital. This is the more disappointing as, although the previous accounts showed a substantial shrinkage in earnings, the company's previous record had been a prosperous one, and it was hoped that the 1925 setback was merely temporary. The summarised figures since 1902 are given below:—

Year Ended March.	Gross Profits.	Expenses, &c.	Net Profits.	Deprecia- tion.	Div.
£					
1902.....	228,202	39,441	188,761	19,063	% 8
1908.....	274,335	83,935	190,400	27,624	8
1912.....	307,207	103,922	203,285	51,341	6
1913.....	315,606	111,967	203,639	41,095	6
1914.....	314,949	131,461	183,488	23,202	6
1915.....	272,182	149,509	122,673	*262,274	nil
1916.....	295,089	125,645	169,444	45,104	nil
1917.....	442,776	140,189	302,587	44,057	7½
1918.....	544,322	126,222	418,100	44,055	12½
1919.....	579,678	130,902	448,776	47,411	12½
1920.....	644,564	177,005	467,559	51,866	12½
1921.....	433,230	158,061	275,169	57,103	12½
1922.....	561,833	167,521	394,312	82,601	12½
1923.....	547,342	140,374	406,968	69,912	12½
1924.....	502,758	129,809	372,949	80,704	10
1925.....	349,674	126,006	223,668	80,955	nil
1926.....	295,551	124,827	170,724	83,880	nil

* Including £220,889 drawn from "premium on shares account."

Notes of the Week.

There was, it will be seen, a small saving in expenses, but it was not nearly sufficient to offset the contraction in profits. The latest report states that a subsidiary company, called Lipton Properties, Limited, was formed on October 3, 1924, the main object being to acquire certain properties "representing some of the company's valuable trading positions, which the directors have found it necessary and advisable to purchase outright." Since this formation a number of properties recently purchased by Liptons has been acquired by the new company, whose shares are held by Liptons. This operation is reflected in the balance-sheet, for, while the item of goodwill and properties has declined from £2,314,865 to £2,219,850, investments have gone up from £180,586 to £305,895. At the same time, investments have been divided up, and are now shown under the two headings, "British and Colonial Government securities" and "trading investments and loans to and investments in subsidiary companies." The former of these two items stands at £134,951, and presumably represents securities held against the savings bank deposits of £133,160, although no substantiation of this assumption is available in the accounts. The balance of profit and loss carried forward a year ago was stated to be subject to corporation profits tax. The directors now report that the taxation liability can now be fairly accurately estimated at £23,500, and they have, therefore, transferred £25,000 from the reserve, thereby reducing that fund to £300,000. A small overdraft of £9,917 is shown in the present accounts.

During the year Sir John Ferguson has been appointed deputy-chairman, and his wide knowledge and experience of financial matters should be valuable. The directors record that an exhaustive inquiry is being energetically instituted into the organisation and management of the whole of the company's business, "from which a great improvement in results is to be expected, and shareholders may rely on every possible means being taken to bring the business back to a state of high efficiency." Shareholders, however, will not be greatly consoled by this promised investigation. They were told last year that in view of the disappointing results for the previous 12 months steps had been taken to remedy the defects in the management, which it was expected would prove effective. On the contrary, things have gone from bad to worse. Sir John Ferguson only occupied the position of deputy-chairman for one month during the last financial year, and, therefore, could not be expected to make any impression on the results. The state of things, the causes of the decline, are not disclosed in the report. When we compare the highly profitable results enjoyed by companies in a similar line of business—which are progressing every year—the case of Messrs Lipton becomes all the more unexplainable. When a great business of its kind shows a continuous drop year by year it means that there is something radically wrong with the management and organisation. An inquiry instituted by the directors is not likely to be effective. They have had opportunities and failed. Sir John Ferguson cannot, by himself, revolutionise the management. Besides financial control, what is wanted is expert management. Sir Thomas Lipton, while he built up his great business, was a host of experts in himself, but the decline of the company in the past two years suggests the need for reorganisation. The fact alone that Sir Thomas is the largest shareholder, and therefore the heaviest loser, does not help other shareholders who invested on the strength of his reputation and his firm's record. It is not too late to retrieve the position in the fortunes of the company, but it will be necessary for the shareholders to take the matter in hand and see that the promised investigation is carried out by independent men and is of a thorough, searching character.

Mr Thomas and the N.U.R.—The annual general meeting of the National Union of Railwaymen, which opened at Weymouth on Monday, fulfilled the forecast that storms were inevitable. Proceedings were opened by a presidential address from Mr Dobbie, the feature of which was a violent personal attack upon the Prime Minister. This was followed by an amazing incident. A member moved a resolution to exclude from the meeting any Press reporters who were not representatives of trade-union papers. Mr J. H. Thomas told the Conference that the motion would make them ridiculous, and that it was unworthy of a representative Conference. It was, nevertheless, carried, and, as a protest, the whole of the pressmen present, including the representative of the *Daily Herald*, left the meeting in a body. This was a bad start, which went far to stultify the Conference in the eyes of the public; and it was thought to indicate an extreme temper that was likely to show itself in support of the motions brought forward by various branches for the dismissal of Mr Thomas from his office of secretary. At Tuesday's proceedings Press reporters were absent, and only an epitomised account of them is available. It is clear, however, that Mr Thomas completely confounded his enemies, showed that their attack was instigated by Communists, and vindicated to the satisfaction of the meeting his action during and after the general strike. So once again, as often before, Mr Thomas has triumphed over the efforts of sections of the railwaymen to obtain his head on a charger. His victory is the greater this time because the attacks upon him had behind them all the force of the discontent over the terms of the recent settlement and the friction that has arisen over the question of reinstatement. On Wednesday the chief business was the passage of a resolution:—"That this Congress emphatically protests against the action of the railway companies in violating the recent strike settlement by victimising a large number of members of this union." Strong words were spoken about the way in which the companies had carried out their agreements. Mr Thomas frankly acknowledged that the unions had acted wrongly towards the companies by coming out on strike without due notice, but urged that the leaders had "done the big thing" by calling off the general strike, and that it was the more obligatory, therefore, on the companies compulsorily to carry out the subsequent agreements. "When we meet the companies for further interpretations," said Mr Thomas, "I hope the spirit of tolerance and justice will prevail." The protest motion he called "a gesture and a warning" to the companies. With the coal stoppage continuing and restricting the volume of railway traffic, difficult problems must arise over reinstatement, and, even with the best will in the world, the companies could hardly avoid friction. We hope, however, that they will meet Mr Thomas's appeal with a determination to remove difficulties. If they do this, Mr Thomas's wish to "avoid industrial warfare," coupled with the renewed prestige in the N.U.R. which this week's proceedings have given him, should greatly improve the railway labour outlook. Yesterday the Conference refused the miners' request that the railways should boycott imported coal.

The Franc Crisis.—The continued fall in the franc reflects the uneasiness which is felt both in France and abroad as to the fate of the latest and most thorough-going attempt to stop the rot in French finances. The report of the Committee of experts, summarised in another column, which has been well received in financial circles has inevitably run up against all kinds of political predilections. It is, however, not so much the financial proposals of the experts, or of M. Caillaux, that have raised opposition as the declaration in the report, which is supported by the Minister, that the debt settlements with England and America must be settled before stabilisation is possible. The opinion of the Chamber is strongly against either ratifying the Berenger Agreement without a "safeguarding" clause, or incurring further foreign debt even for the sake of the blessed word "stabilisation," and it

will take the most astute Parliamentary management if the Ministry is to secure its vote of confidence. The fall of the franc to the neighbourhood of 200 is, however, a portent the significance of which cannot be denied or obscured. As to the report itself, there is room for plenty of discussion and criticism of particular points as, for example, its proposals in regard to increased customs duties, and a certain lack of courage in handling the return to the gold standard. Clearly this is a matter which involves certain risks, but if one waits until all conditions are propitious, the result may be to put off taking the plunge indefinitely. It would go a long way towards restoring confidence if M. Caillaux would take the risk of laying down in advance a definite time-table of measures culminating in a return to gold at a specific date. Parliament would take a great responsibility if it ventured to delay such a programme at any point, for it would advertise to the world that there would be new delays in putting an end to the present disorganisation.

The Constitutional Question in Canada.—Since we wrote last week the political situation in Canada has unfortunately become more complicated and more embittered. The Liberals refused to accept the constitutionality of the position created by the Governor-General's action. They moved that the new Conservative Ministers, even though they were not receiving emoluments, ought to have resigned their seats in Parliament upon taking office, and that they could not legally administer the Departments assigned to them by Order in Council. In the small hours of the morning, on the Friday of last week, this motion was carried by one vote (96 to 95)—the Progressive, Miss MacPhail, again returning to Ottawa to vote, and again deciding the issue. Thereupon the Governor-General was asked—for the second time within a week—for a dissolution, and this time, of necessity, he granted to Mr Meighen what he had refused to Mr King. The general election is being fought on the constitutional issue, and on this the Progressives seem to be lining up on the side of the Liberals. A prominent Progressive, Mr Garland, has suggested that Mr King had no moral right to ask for a dissolution in order to escape defeat; but that, the request having been made, the Governor-General had no right to refuse it. Mr King and his followers are making the chief plank of their election platform a direct attack on the Governor-General for having acted unconstitutionally and in a manner calculated to undermine self-government in Canada and to depress the country towards its former status of a Crown Colony. In the Liberal Press, if not among responsible political leaders, this attack is being pressed in rather violent language. This is much to be deprecated—partly because it is personally unfair to Lord Byng, who was placed, by the evolution of Canadian politics, for which he had no responsibility, in an exceedingly difficult position, in which he could hardly fail to give offence to one or other party. It is also unfair, besides being impolitic, to suggest that the question of the relation between the Dominion of Canada and the United Kingdom is involved in the issue. It seems to be perfectly well ascertained—as, indeed, was only to be expected—that Lord Byng acted entirely on his own responsibility, without consulting the Government at Westminster (a course which would have been improper, and which probably never occurred to him). Meanwhile, the constitutional question of the precedents on which a Governor-General of a Dominion ought to act is being keenly discussed—not only in Canada, but in other Dominions: for example, South Africa. The general view in South Africa seems to be that Crown Colony or State or Provincial precedents are irrelevant, and that the real question at issue is the nature of the Crown's Prerogative in the United Kingdom at the present day.

Guardians and Necessitous Areas.—The complete tangle into which the guardians of the West Ham Union have involved themselves over their distribution of poor law relief has led the Government to introduce a measure entitled the Boards of Guardians (Default) Bill, which, in face of strenuous opposition from the Labour Party, passed its second reading in the House of Commons on Monday. It is avowedly an *ad hoc* measure, designed

to deal with the peculiar case of West Ham, but it places in the hands of the Minister of Health a weapon which may be used, should similar circumstances arise elsewhere. No one can dispute that the Government had to take some strong step over West Ham. The guardians had completely "outrun the constable"; they had spent £500,000 more than they received from the rates; they paid a high scale of relief, which they refused to modify; they allowed, as Mr Neville Chamberlain proved to the House of Commons in opening Monday's debate, a grave degree of corruption and waste to grow up in the administration of relief. Under such circumstances the Government were obliged to take action. The form which their action takes in this Bill is briefly this. The Bill confers on the Minister of Health the power to remove guardians who are not performing their functions properly, and himself to appoint such persons as he may think fit to take their places. This proposal produced from the Labour Party an amendment refusing to proceed with the second reading on the ground that the Bill "destroys a fundamental principle of the constitution that local government shall be vested in the elected representatives of the people," and that it "enables nominees of the Minister to disburse public moneys without any control by ratepayers who provide such moneys." Mr Chamberlain defended his policy on the ground that a new election of guardians in the West Ham Union would be useless. Once more we should merely have recipients of relief voting into office those candidates who promised the highest scales. That is probably true; but there are grave objections to the course taken by the Bill. It is wrong in principle that nominees of a Minister should distribute public funds without any responsibility either to those who provide the funds or to Parliament. There is one practical alternative course open to the Government, and that is in the relief of the burden on necessitous areas by spreading the cost of distress relief over large areas, which include prosperous districts. Whether or not this course should be developed to the point of making relief of distress entirely a national burden, it is a line of action which is far preferable on every ground to that followed by the Bill introduced this week.

Cost of the General Strike—A Supplementary Estimate* has been presented to the House of Commons this week to cover the expenditure incurred in connection with the general strike and for the purchase and import of coal rendered necessary by the coal stoppage. The charges in connection with the general strike total £433,000, and are made up as follows:—

	£
Civil Commissioner, Organisation, & Miscellaneous Services	78,000
Food Organisations (England and Wales) (net)	119,000
Transport Organisations (England and Wales)	20,000
Coal Organisations	35,000
"British Gazette" (net)	16,000
Civil Constabulary Reserve	65,000
Grants in respect of Police Expenditure	100,000
	433,000

When one recalls the rash surmises current at the time of the general strike, these figures seem remarkably small, and the public will be pleasantly surprised to find that the enormous output of official activity was so cheap. The net expenditure on the *British Gazette*, at £16,000, is far less than was commonly expected at the time. This item provided an interesting debate in the House of Commons on Wednesday, when Mr Churchill, in answer to attacks on his not impartial conduct of the *Gazette*, impenitently disavowed the intention of aiming at strict impartiality. "I decline utterly," he said, "to be impartial as between the fire brigade and the fire," and concluded by saying that if a similar emergency arose again he would pursue the same course. The White Paper also includes a vote of £3,000,000 for the purchase and importation of coal. Coal imported by the Government, it is explained, will be sold at a price estimated to cover the total cost, and receipts will be used to make further purchases. The £3,000,000 is to be used to finance original purchases until receipts begin to come in, and to cover any loss which may be incurred

* White Paper 99. Price 2d.

on the liquidation of stocks not resold when the stoppage comes to an end. This vote produced the inevitable opposition of Labour, who accused the Government of buying German coal in order to starve British miners into submission. But, obviously, any Government of any party colour would be bound to take what steps it could to avert a coal famine.

Parliamentary Review of Expenditure.—A correspondent writes:—Last year, for the first time since the end of the war, British expenditure increased. This year there is further increase, and it is plain that the broad effects of the coal stoppage must be seriously to aggravate the financial problem. These facts have revived the criticism of the effectiveness of the Parliamentary review of expenditure. In theory Parliament discusses the general issue on the Budget statement, and on the second and third reading of the Finance Bill; the Committee stages are devoted to specific amendment and new clauses. Of late the general discussions have not been productive in concrete suggestion for economy, and it is now recognised that the floor of the House is not the place for the precise and fearless analysis which the situation demands. In theory, also, the 20 days in Supply should be devoted to such a review. But of late each Supply day has been chosen mainly because of some Departmental controversy or grievance; very little, if any, reference has been made to the actual expenditure involved. This experience has revived the proposal that the Estimates Committee should be made much more powerful than it now is. It is clear, however, that Parliament will not agree to the appointment of an officer for the Estimates Committee similar to the relationship of the Comptroller and Auditor-General to the Public Accounts Committee; and until such an appointment is made, and the Estimates Committee obtains the power in its sphere which the Public Accounts Committee now possesses in *post-mortem* review of the accounts, effective effort will not be found in that quarter. Parliament is apparently not prepared to contemplate an Estimates Committee running alongside the Minister, the Department affected, and the House of Commons—at all events, as an effective reality. Hope lies, therefore, with the Public Accounts Committee. This year, in its review of more than £800 millions of expenditure, its hands have been greatly strengthened by last session's decision to look to large policy as well as to the actual accounts. That decision has made it possible for the Committee, in dealing with the Appropriation Accounts, 1924-25, to discuss what is being done now—a step of importance which is plainly in the public interest. But however hard the Public Accounts Committee may work, the fact remains that the review is *post mortem*; and the taxpayers deserve something better than that. Hence the suggestion that a permanent Commission within Parliament should be appointed, carefully chosen from the House, the Public Accounts Committee, and the Estimates Committee, of limited numbers, pledged to make this the first charge on their Parliamentary effort, provided with such Departmental assistance as is required, with access to the Chancellor of the Exchequer and other Ministers with concrete proposals as they emerge, and with power to try to relate financial steps to the needs of revival in industry and commerce. Nothing on the strict French model is suggested, and it is not proposed to delegate duties which belong to Parliament as a whole. The aim is, rather, to obtain within Parliament the services of a group of men to do what is not being done now—get down to the systematic analysis of the detail for the purpose of eliminating blocks of expenditure for which the present surface analysis and criticism indicate that there is no real justification.

Crop Prospects.—The monthly report of the Ministry of Agriculture and Fisheries states that all corn crops improved during June, but more sun is needed to strengthen the straw, which is generally of a good length. Wheat is generally strong and healthy, but there are some thin crops of a poor colour on wet low-lying land. Over the whole of the country there is promise of a full average yield. Barley is generally satisfactory and on present appearances the yield per acre is expected to be up to

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average. In nearly all districts winter oats are usually more promising than spring sown, the latter being often backward, although usually healthy. Present anticipations are that yields will be over average in most divisions, the northern and north-eastern divisions and North Wales being the most promising. Except in the northern and north-western counties and Wales, where early varieties were damaged by frosts during May, the yields of new potatoes are generally about average. Main crops, although not so forward as usual, are generally strong plants. On present appearances fully average crops may be expected. Mangolds improved during the month, but require more sun. Turnips and swedes are generally satisfactory, but in some districts the young plants were damaged by fly, and re-sowing was necessary. Where weather conditions have made it possible to keep the land clean and to single the plants early, sugar beet is a promising crop. In the south-eastern district hops made good growth after the warm weather arrived, but are still somewhat backward. The crop is generally healthy, but in some cases the bine is rather slack. Haymaking started somewhat later than usual this year, and only became general about the last week of the month. A good proportion of the seeds hay had been carted by the end of June, and had been secured in good condition. The average yield per acre of seeds hay over the whole country is forecast at 29 cwt, or nearly $\frac{1}{2}$ cwt above average. Meadow hay is estimated to be rather under the average of the last ten years, with a prospective yield of 20 $\frac{3}{4}$ cwt per acre. The best hay prospects are in the eastern half of the country. The supply of labour has been sufficient for requirements in most parts of the country, and in some districts, owing to the industrial conditions, more men have been offering themselves for casual work than farmers have required.

New Capital in America.—Through the courtesy of of Messrs Dillon, Read, and Co., Chicago, who have cabled preliminary figures for the past half-year, we are able to give the following comparative table of new capital raised in the United States in the first six months of each of the past three years:—

	(000's omitted.)		
	1924.	1925.	1926.
Companies	1,709,801	2,129,827	2,226,131
Foreign Government..	190,940	184,631	191,099
Farm loan	125,500	102,597	99,500
Municipal	800,435	727,924	523,262
Canadian	22,318	38,658	68,615
U.S. Possessions.....	5,835	4,050	3,540
	<u>2,858,829</u>	<u>3,187,687</u>	<u>3,112,147</u>

The maintenance of huge figures for new financing by companies reflects the continued economic activity in the United States.

American Cotton Crop.—Our Manchester correspondent writes:—The Crop Reporting Board of the United States Department of Agriculture has published its first statistics on the cotton crop for 1926-27. The condition of the growth on June 25th has been given as 75.4 per cent., as compared with 75.9 per cent. a year ago. This report was rather below expectations. On the other hand, the big estimate of the area under cultivation has been a surprise, the total being given as 48,898,000 acres, against

46,348,000 acres same time last year. It should be mentioned that the acreage for the current season was revised a little time ago to 48,090,000 acres, the amount picked being given as 46,053,000 acres. The yield per acre is estimated at 158.5 lbs, as compared with 147.7 lbs last year. The final out-turn of the growth will depend upon whether the various influences affecting the crop during the remainder of the season are more or less favourable than usual. If developments are as unfavourable to the crop as during 1921, 1922, and 1923, a total production of about 13,726,000 bales might be expected. On the other hand, if later developments are as favourable to the crop as during 1924 and 1925, a total production of about 16,294,000 bales might be expected. If an average of the figures announced is taken, a crop of 15,635,000 bales is indicated. It may be mentioned that the output for the current season of 1925-26 has been estimated at rather more than 16,000,000 bales. The figures published at the end of last week did not have any vital effect upon prices, as the official reports were very largely in line with private advices. Whatever may be the future price level for cotton, there seems to be every probability of extensive supplies of American descriptions during the next twelve months. The carry-over at the end of next July will probably be more than 6,000,000 bales, and with a yield for next season of, say, 15,000,000 bales, the total supplies will be about 21,000,000 bales. It is rather difficult to anticipate in any way what the consumption is likely to be, but it is probable that the requirements of users will not be more than 14,000,000 bales. Prices for American cotton are now lower than for about five years back, but owing to the prospective big supplies many people in trade circles hold bearish views as to future values. It should be pointed out, however, that futures in the New York market for next crop months are being sold at round 16 cents, and such a price level is not above the cost of production in many parts of the American belt.

Bank Dividends.—The interim dividends announced by the joint-stock banks and the discount companies for the past half-year do not show any important changes, as may be seen from the table below:—

	Per Cent. per Annum.						
	1919	1920	1921	1922	1923	1924	1925
Bank of Liverpool and Martin's	16	16	16	16	16	16	16
Barclays Bank "B" shares	12	14	14	14	14	14	14
Lancashire and Yorkshire	16	16	19	19(t)	20	20	24
Lloyds	18½	16½	16½	16½	16½	16½	16½
Midland Bank	18	18	18	18	18	18	18
Westminster Bank	20	20	20	20	20	20	20
Manchester and County	15	15	15	15	16½	16½	16½
District Bank	17½	18½	18½	18½	18½	18½	18
National Provincial Bank	16	16	16	16	16	16	18
Williams, Deacon's "A"	12½	12½	12½	12½	13½	13½	13½
Alexanders Discount	13	14	15	15	15	15	15
National Discount "A"	12½	12½	12½	12½	10	10	10
Do "B"	14	14	14	15	15	15	15
Union Discount	14	14	14	15	15	15	15

† On old capital.

(t) Also a special cash bonus of 10s per share, free of tax.

The National Provincial pays at the rate of 18 per cent. per annum, as against 16 per cent. at this time last year. This, however, merely brings the distribution into line with that paid for the year 1925, which was raised to 18 per cent. Conditions during the past half-year have, on the whole, been favourable for the bankers. With Bank rate unchanged at 5 per cent., and a margin of over 1 per cent. between the average short loan rate and deposit rate, profits should have been well maintained. The volume of advances, according to the monthly figures, remains high, but whether the industrial depression will tend to a reduction in this direction remains to be seen.

Shipping Freight Index Number.—During the month of June there were, once more, no quotations available for outward shipments of coal from the United Kingdom. Accordingly, in the following table, which summarises the movement of the various groups in our Index Number of "Tramp" Shipping Freights, the June figures are again

duplicated. The figures given first in black type show the results obtained by interpolating the April figures for each of the coal routes included in the Index; the figures in italics record the results on the basis of the available freight quotations—i.e., without coal. In both cases a rise in the total Index figure is indicated. Taking the homeward routes alone (the italic figures), the percentage increase over the corresponding figure for last month amounts to 8.56 per cent. When the April coal figures are incorporated, the Index Number, 108.04, represents a rise of 5.32 per cent. over the similarly calculated Index for May:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	156.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
January, 1926.....	115.92	114.12	116.10	119.58	102.78	135.53	117.00
February, ".....	116.52	97.85	114.86	118.52	95.05	119.29	110.35
March, ".....	115.88	93.37	116.94	114.57	87.92	96.14	104.14
April, ".....	112.40	95.00	116.57	109.16	83.90	97.03	102.34
May, ".....	111.41	102.60	115.76	107.90	78.12	99.70	102.58
June, ".....	114.12	102.60	110.04	72.65	78.12	99.70	96.29
June, ".....	110.81	105.04	121.06	120.43	98.33	92.58	108.04
June, ".....	112.32	105.04	120.62	97.70	98.33	92.58	104.43

The month's changes in the Index of each group and sub-group (coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	100	0	S. America—outwards	120.62	+10.58
Bay—outwards.....	124.19	+1.62	India—outwards	97.70	+25.05
Mediterranean—outwards	100.45	+1.97	Far East, &c.	98.33	+20.21
North America.....	105.04	+2.44	Australia.....	92.58	+7.12

Conditions in the open chartering market during the past month were dominated by the unprecedented volume of tonnage taken up for the carriage of coal from the United States to the United Kingdom. For this business, which is, of course, not included in our Index Number, rates of freight rose steadily throughout the month, and ultimately reached the high figure of 18s to 19s a ton. This development had the effect of attracting considerable quantities of tonnage from other quarters, and though homeward business from other overseas markets could not be described as better than quietly steady, quotations rose sharply, as will be seen from the foregoing table, in several directions. Trade in European waters was very slack, but there was evidence of a slight revival of inquiry for tonnage from India and the East. Grain from North and South America moved in moderate volume, but Australia called for little tonnage.

The relation of the Index to the average for 1913 may be seen from the following table, the italic figures for May and June being those obtained without coal freights:—

Month.	(1913 = 100.)	1923.	1924.	1925.	1926.
January.....	114.05	117.11	114.49	100.57	100.57
February.....	112.73	123.78	115.96	94.85	94.85
March.....	115.23	122.09	106.63	89.51	89.51
April.....	115.45	117.22	104.24	87.97	87.97
May.....	114.55	114.27	98.23	88.17	88.17
June.....	106.82	108.62	91.74	82.69	82.69
July.....	103.39	103.75	94.90	89.76	89.76
August.....	100.16	104.43	95.87	95.87	95.87
September.....	103.04	110.50	98.19	98.19	98.19
October.....	107.86	115.55	99.49	99.49	99.49
November.....	111.21	112.76	102.23	102.23	102.23
December.....	111.81	111.21	104.67	104.67	104.67
Mean for year.....	106.69	113.44	102.22	102.22	102.22

The figure for last month, excluding coal freights, is not very much below that of June a year ago, which dipped to 91.74.

Stock Brokers' Commission.—The Stock Exchange Committee have had in front of them during the past few weeks certain matters that relate to Stock Exchange brokerage, and more particularly to agents who claim that they are entitled to a return of commission on business which they, the agents, introduce to brokers. The Stock Exchange rules surrounding this matter of commission, writes a Stock Exchange correspondent, are still insufficiently well known for the public to understand the position as it prevails to-day. Clients are aware that when they deal, either as buyer or seller, through a bank the bank receives half the gross commission which the broker charges. The broker gets 50 per cent., pays all the expenses in connection with the carrying-out of the business and the bank receives the other half of the gross amount. Some solicitors take similar terms, but others refuse to do so on the ground that acceptance of commission is too risky a proceeding to make it worth their while to accept it from Stock Exchange brokers. The client may expect, and generally does, that his broker will return him half commission upon any order that is executed and which involves more than £2,500 in cash. Up to £2,500 the proper commission is to be charged. Beyond that the broker is permitted, at his own discretion, to charge a less commission than that laid down in the scale. In addition to banks, solicitors, the Public Trustee, and other such agents, there is a considerable body of men who claim to do an agency business on behalf of clients and with members of the Stock Exchange, claiming from the latter half-commission on all the orders that go through their hands. It is with this latter class that trouble is continually arising. The definition of agent is a little difficult to make. In some cases where a good deal of Stock Exchange business is transacted on behalf of a company, its directors, and others closely connected with it, a small syndicate may be formed for the express purpose of receiving half the broker's commission on all the business that is done for this particular group. The Stock Exchange rules make a feeble effort to preserve the broker's rights, and, as in the cases where more than £2,500 is involved and the commission concession is allowed, the broker is forbidden to return commission to anybody in connection with such orders, nor is he allowed to make any concession on the agent's personal business. In theory, the broker must retain, as a minimum, 50 per cent. of the scale laid down in the rules. The agent knows the latter as well as, if not better than, the broker. He also knows the keen competition which exists for Stock Exchange business, and he takes full advantage of this knowledge. Should one broker refuse to break the rules in the way which the agent suggests, he will be told that plenty of other brokers will do the business; and instances are quoted every day in the House of the way in which rules are broken under the stress of this competition. The remedy lies to some extent in the hands of the Committee, who could tighten up, if they desired, the outlets through which brokerage is permitted to filter into the hands of outsiders. A still more effective remedy lies, however, in the hands of Stock Exchange members themselves. If every broker in the House would abide loyally by the rules that are laid down for the benefit of all the brokers in the House, a great step would be gained in the direction of restoring to the brokers those rights which at present are at the mercy of anyone who likes to evade them.

The Position in Hongkong.—Within a week, writes our Hongkong correspondent, under date June 5th, the Colony has lost two of its foremost citizens by the deaths of Mr P. H. Holyoak and Sir Paul Chater. Both had served with distinction on the Executive and Legislative Councils for long periods, and both were men who had devoted much time and great ability to the furtherance of the commercial interests of Hongkong. The confusion of Chinese politics becomes more profound as month succeeds month. In Peking there is a Cabinet on paper, but only one Minister is functioning, and the Central Government has lost what little substance it ever had. The provinces in the neighbourhood of Shanghai are certainly under the control of an enlightened militarist, but already there are signs that Marshal Sun Chuan Fang cannot resist the temptation, which besets every Chinese leader, of enlarging his sphere of influence. As for the South,

there is nothing but chaos. General Chan Kai Shek's coup, by which Russian influence was extirpated, figured well, but, unfortunately, the effect was short-lived. Chinese politicians of Bolshevik sympathies returned to renew their activities, and although at the recent annual Conference of the Kuomintang Communism was officially banned, further developments in the situation have nullified the resolution passed by the Moderate majority. Last week General Chang arrested his Chief of Police, and this action was followed by the hasty departure of several prominent members of the Canton Executive who were regarded as Moderates. Among the number was Dr C. C. Wu, who announced that he was leaving Canton in order to open up negotiations with the Hongkong Government. It turns out that his departure was in the nature of a sudden flight for safety, and he has sought an asylum in the foreign settlement of Shanghai. He and his colleagues left so hurriedly that the Canton Executive was unable to secure a quorum, and General Chang has had to promote to high office subordinates who, like himself, are not Cantonese. The Soviet agent, Mr Borodin, remains in Canton, and has recently been joined by a Russian General, who was Dr Sun Yat Sen's principal military adviser. It would seem, therefore, that whatever moderating influences were at work in Canton have been frustrated, and the ground cleared for a further effort to establish a Soviet. Against this, however, must be set the evidence of a bankrupt Treasury and the cessation of the flow of money and stores from Russia. Moreover, the people of Canton are beginning to show signs of restiveness, and the demand for the abolition of the boycott is becoming more insistent. Uneconomic trading is telling its tale, and it is beginning to dawn on the consumers that they, and not the foreigner, are contributing to the funds of the Strike Committee. Despite the sudden change in the outlook, the Chinese here are still of opinion that the boycott will come to an end in the near future. While many markets remain stagnant piece goods dealers have been extremely active, and, thanks to the lower level of Manchester prices, a fair quantity of business has been brought to book during the past few weeks. There has been no buying on a normal scale for fully two years, and with stocks both here and in the interior at a low ebb it is felt that when trade is re-established there will be a brisk demand. Orders being placed now are for shipment towards the end of the year, and there is every hope that by that time the usual trade channels will have been reopened. Nevertheless, buying is on a cautious basis, and dealers are not confident enough to cancel their recent instructions for the elimination of chop-tickets. Manchester goods are wanted, but they must hide their identity, as any trace of their British origin may render them useless for shipment to the interior.

Home Railway Prior Charge Stocks.—It is not to be supposed that absence of fluctuation in the prices of Home Railway stocks implies indifference on the part of the public at a time when labour troubles are so very present in the branch of trade that particularly affects the Home Railway companies. Proprietors of Home Railway stocks are watching, with an interest that tends to deepen into anxiety, the developments which take place day by day in connection with the coal stoppage, for Stock Exchange brokers are informing their clients that upon the outcome of the present situation is likely to depend to no small extent the decision of the directors with regard to the interim dividend payments that should be made next month. Announcements will come within the course of the next two or three weeks, and, if the coal stoppage has not been cleared up by the time that the boards meet to discuss interim dividends, the impression is strong that the dividend policy of all the railway companies will lie in a conservative direction. On the other hand, if the coal position is clearer, and the possibilities point to an early resumption of work, anticipation in the Stock Exchange looks for the directors to treat the dividend matter with as wide a liberality as they deem discreet, paying due regard to the fact that Home Railway stocks are held by so wide a circle of investors who are dependent, either completely or in part, for their income upon the dividends which they draw from Home Railway stocks. It is not

only in regard to the ordinary stocks that anxiety is raising its head. The London and North-Eastern Railway may find it difficult to meet out of revenue the dividend on its 4 per cent. second preference stock, the price of which, about 57, is sufficient indication of the uncertainty felt as to the outlook for this security. The company's 4 per cent. first preference has come down quite lately from 70 to the present price of 67½, at which the yield is 6 per cent. on the money, a return which looks high from a trustee security in one of the big Home Railway companies. The second preference is also a Trust stock, and the yield at the present level is 7 per cent. on the money. Home Railway prior-charge stocks are sustained in price by the steadiness of gilt-edged securities as a whole, and by the willingness of investors to absorb sound securities which are available. It may be of use to set out a choice of the stocks on offer in this section, for not in every case is supply to be obtained:—

	Int.	Price.	Yield.	Int. Paid.
Debenture—			£ s d	
Great Western	4½	87½	4 19 3	15 Jan.-July
Do.	5	103	4 19 6	Do
London and North-Eastern	3	59xd	5 1 9	1 Jan.-July
Do.	4	78½xd	5 1 6	Do
London Midland & Scottish..	4	80½xd	4 19 3	Do
Southern	4	81½xd	4 18 3	30 June-Dec.
Central London	4	81	5 0 6	15 Jan.-July
Metropolitan	3½	71½	5 0 0	Do
Guaranteed—				
Great Western Con.	5	100½	5 1 3	Feb.-Aug.
London Midland & Scottish..	4	80	5 1 6	Do
L. and N.-Eastern II.	4	74	5 9 6	Feb.-Aug.
Preference—				
Great Western	5	97	5 5 6	Feb.-Aug.
London Midland & Scottish..	4	75½	5 8 6	Do
Do 1923	4	73½	5 11 0	Do
Southern	5	97½	5 4 6	Do
Metropolitan	5	93	5 9 6	Do

Of the Tube Railway stocks which are guaranteed by H.M. Government, about £5,000 City and South London 4½ per cent. second debenture is on offer, at the time of writing at 93 ex dividend, the yield being £4 17s per cent. on the money. With the exception of London and North-Eastern second guaranteed, the prices of debenture and guaranteed stocks in this list are affected but little by labour or coal considerations. The securities fall into the lists of money stocks, and are therefore influenced mainly by the factors that control movements in gilt-edged issues. The preference stocks, third in the sections above, pay a certain respect to the prospects which surround the dividends on the companies' ordinary capital.

Distillers Prosperity.—The policy of extension and development which is being pursued by the Distillers' Company, Limited, has so far proved decidedly beneficial to the undertaking. The present accounts cover the 12 months to May 15th last, so that it is now possible to see exactly what effect the acquisition of the Buchanan-Dewar-Walker interests has had upon operations for a full year. From the table below it will be seen that gross profits have risen by nearly a million to £2,367,337, which compares with £906,700 two years ago:—

YEAR ENDED MAY 15th.

	1914.	1921.	1922.	1923.	1924.	1925.	1926.
Gross profits	£ 310,993	£ 597,582	£ 642,337	£ 815,100	£ 906,744	£ 1,403,783	£ 2,367,337
Brought forward	19,223	100,526	108,994	98,770	107,546	119,529	116,552
Income-tax, &c.	330,216	698,108	751,331	913,870	1,014,290	1,523,312	2,483,889
Debt interest	28,733	155,099	157,071	165,331	198,839	198,577	237,935
Reserve and dep.	36,409	27,090	27,302	29,132	29,991	30,098	30,960
Balance	164,524	410,919	401,958	484,407	544,040	1,014,617	1,984,993
Preference div.	13,499	11,432	11,521	12,293	57,582	102,663	105,600
Ordinary div.	130,000	290,493	291,667	364,568	366,927	1,288,978	1,657,840
Carried forward	21,025	108,994	98,770	107,546	119,531	116,585	121,554

The total number of shares issued in respect of the amalgamation referred to above was 6,497,732 ordinary shares, in addition to which further acquisitions have necessitated the issue of 63,794 ordinary shares. The total issued capital is thus raised from £6,000,000 to £12,561,526, and now consists of £10,361,526 in ordinary and £2,200,000 in 6 per cent. preference shares. During the period under review the company secured interests in the

Scottish Malt Distillers, Limited, Herbert Green and Co., of Hull, and Macdonald, Greenlees, and Williams (Distillers), Limited, but with the exception of the first named, whose ordinary shares were exchanged for an equal number of new D.C.L. ordinary, all the transactions were settled for cash. The result is shown in the increase in the balance-sheet item of "investments at or under cost" from £4,127,634 to £11,168,387, while loans to subsidiary companies have advanced from £3,257,437 to £4,048,242. The balance of expenses in connection with the increase of capital and acquisition of Buchanan, Dewar, and Walker shares has been reduced by £100,000, and now figures in the balance-sheet at £200,000. The allocation of £200,000 to the reserve brings the total of the fund up to £650,000, while with appropriations of £5,000 and £25,000 the fire insurance fund and superannuation funds are brought up to the respective totals of £165,000 and £266,443. The only other change in the balance-sheet which is worthy of note is a jump of approximately £600,000 in loans from subsidiary companies, which now aggregate £1,676,098.

William Cory.—Bearing in mind the depressed conditions prevailing during the past year the figures disclosed in the annual report of Wm. Cory and Son, Limited, coal contractors and exporters, are eminently satisfactory. It is true that a small decline occurred in net profits, but this was of almost negligible extent, being a mere £7,000 in a total of £533,932. It will be seen from the table given below that the ordinary proprietors have received 15 per cent. for the past five years. The employees' capital again receives a similar return. A summary of results in recent years is given below:—

	1914-15.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Profit	£ 215,328	£ 601,405	£ 588,194	£ 577,986	£ 540,994	£ 533,932
Brought forward	44,511	391,812	478,839	451,826	464,053	488,808
Deb. interest	259,839	993,217	1,067,033	1,029,812	1,005,047	1,022,740
Written off	37,000	37,000	37,000	37,000	37,000	37,000
Reserve, &c.	6,000	..	..	..	..	..
Prof. dividend	42,500	42,500	42,500	42,500	42,000	42,500
Ord. dividend	115,000	427,514	427,514	427,514	427,514	427,514
(10%)	(15%)	(15%)	(15%)	(15%)	(15%)	(15%)
Employees' shs	1,108	7,364	8,194	9,325	9,725	9,491
Carried forward	58,231	478,839	451,825	464,053	488,808	506,235

These figures seem to show that in times of trade depression well-conducted and efficiently organised companies are able to do well, for in the past six years—particularly trying ones for the coal trade—Cory's ordinary shareholders have received dividends totalling 95 per cent. But, of course, it should be appreciated that Wm. Cory and Son are engaged in distributing coal throughout the world. Turning to the balance-sheet, the reserve fund, which has received no allocation since 1923-24, stands at £800,000. The accounts show a strong position, and assets include £2,148,034 of gilt-edged securities. It is a pity the directors make no comment on the results of operations, especially since they could have taken for themselves some measure of credit at having looked after the affairs of their undertaking so well.

A Wireless Tragedy.—In April, 1925, there appeared a prospectus of Burndept Wireless, Limited, formed "to acquire the undertaking and assets of Burndept, Limited, the well-known and successful manufacturers." Ten days or so ago there appeared the first report of this "well-known and successful" manufacturing company, and a most remarkable contrast it provides between the expectations of Mr Burnham as vendor to the public and the achievement of Mr Burnham as managing director of the company. In a letter published in the prospectus Mr Burnham wrote:—

I am of opinion that the company can reasonably expect to earn a profit for the ensuing year of at least £100,000. I am also of opinion that a further profit of £30,000 in the first year will be derived from the company's holding in Radio Accessories, Limited, making a total profit of £130,000 for the year.

In the report (which covers a period of 10 months of the "ensuing year") Mr Burnham says:—

Your board regret that, in spite of vigorous efforts, it has not been possible to earn profits in the manner contemplated when the company was incorporated. The economies were of necessity too late to avoid the small loss shown in the accounts submitted.

The "small loss" is £3,562 over a period of 10 months—say, £4,200 over a period of a year—so that the rosy glow of the prospectus (1925) and the dreary daylight of the report (1926) compare as follows:—

Prospectus.	Report.
£ 130,000 profit	£ 4,200 loss

The business reflects no credit on anybody concerned with the promotion, and at the forthcoming meeting shareholders would do well to press for information about (1) the resignation of the chairman; (2) Mr Burnham's gross miscalculation of future profits; (3) the enormously heavy working expenses; (4) the disposal and the present ownership of the vendors' shares. The balance-sheet is as sorry a document as we remember seeing. Investments in Radio Accessories stand at cost, £45,000, whereas their true value must be much less, and there is a heavy uncalled liability on the shares. Preliminary expenses stand at £25,883, goodwill and patents at £16,822, stock and work in progress at £129,592, cash at £2,540. Altogether, this seems to be a case for searching inquiry. As things stand the report and prospectus provide Socialists with just the kind of mud they want to throw at the capitalistic system.

Consolidated Assurance Company.—In the absence through illness of the chairman, Mr E. Colquhoun, the melancholy duty of reading his statement to the shareholders was undertaken by Lord Amptill. The financial situation as set forth, with commendable candour, could scarcely be worse. The ascertained losses under the marine reinsurance contracts have already reached £500,000, and are expected to amount to £750,000 before current risks have been run off or reinsured. In the meantime the deposits of funds held by the ceding companies are the principal assets. It appears that the greater number of these companies are prepared to use these deposits to pay liabilities to themselves as they accrue—instead of holding the deposits up until the contracts have run off—and it is hoped that this release of otherwise locked up assets will obviate the necessity of applying for a formal winding-up order. But no hope is held out of saving anything from the capital. A call in four instalments of the unpaid 18s a share on 470,740 shares was made in May, with results which have yielded far less than might have been anticipated. Many of the shares are held by companies and firms already in liquidation, and the total proceeds of the call are estimated at no more than £88,216. The directors claim that the company is solvent, and that all liabilities can be met if the assets be realised, including the deposited funds, but that the chance of any of the company's capital being saved is "very remote, almost impossible." Though the question of cutting the knot by going into liquidation was not explicitly before the annual meeting this week, it was in the minds and on the lips of all speakers. The marine department, the source of loss, is recognised as hopeless, but there were signs that the board and the committee of shareholders appointed in May were disposed to favour the provision of new capital to carry on the fire and general reinsurance departments. The difficulties and the rather forlorn outlook were recognised. The net underwriting surplus of these departments during the past 20 years was given as 3 per cent. of the premiums, and it was rather vaguely hoped that future economies and good fortune might raise the net surplus to 5 per cent. of the premiums. The shareholders will be faced before long with the issue, and have to decide whether they are willing to provide more money to restore, if they can, the earning power of the company, or to let it disappear. One may doubt, after studying the frank statement of the chairman and the views of the shareholders' committee, whether the company's fire and general reinsurance business is worth the effort to continue it under the shadow of past losses and with the possibilities of ultimate failure. The prestige of the company has gone, and will not readily be restored.

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Formerly
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Liverpool, Manchester, Hamburg, New York (Agency),
British West Indies, British Guiana, Egypt and the Sudan,
Transvaal, Rhodesia, Cape Province, Natal, Orange Free State,
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South-West Africa, Tanganyika, Nyasaland, Kenya Colony,
Malta, Gibraltar, Palestine, and the Mauritius.
The Bank acts as Correspondent for Home, Colonial and Foreign Banks.

Bisichi Tin.—With this Nigerian enterprise, 1925 proved a disappointing period. The directors had made a departure in the installation of a dredge, which was expected to contribute to the output of the year. Delays occurred in the erection of the machine—indeed, it has not yet come into effective operation—and, owing to shortage of labour and water, the production from the previously existing sources of supply fell off, the yield being no more than 447 tons of concentrates, as against 630 tons in 1924, albeit the average price realised of £188 17s 6d showed a moderate expansion. Thus the gross profit came out at £27,850, in place of £49,700. After providing for depreciation and taxes and writing off the balance of the amalgamation expenses, £29,200 remains. This sum, which is represented as to £22,000 by surplus cash assets, irrespective of shares in an associated company, is to be carried forward in view of the extra expenditure which will be incurred in bringing the dredge to the producing stage. Comment has been made upon the action of the board in selecting a type of dredge which has proved a failure in the Malay States, even though the conditions in Northern Nigeria are not quite the same as in the other locality. The manager explains that for convenience of flotation the machine was built about 850 feet away from the tin-bearing ground. At first it appeared to be working satisfactorily, but a belt of clay was encountered, which strained the gear and blunted the blades. The necessary adjustments are now being made, and the directors suggest that judgment should be suspended until a fresh trial has been carried out. The Bisichi is one of the Nigerian concerns which sets out its reserves. While these were last year drawn upon to some extent, they still figure at 8,670 tons. This quantity represents something like 10 years' work, even on a materially expanded scale. Some useful rearrangements have been effected in the company's titles, and additional ground has been acquired. It would seem good policy for those interested to await the outcome of events.

Charterland and General.—A fresh expansion is shown in the earnings of this prosperous finance investment enterprise. For the year ended May 31st the income totalled practically £200,000, whereof £156,200 represented difference on realisations. In the nine months to the corresponding date of 1925 the figures were £132,400 and £90,000 respectively. Receipts from interest, &c., last year proved much the same as before. Of the balance of £172,400 available after payment of an interim dividend of 10 per cent., £100,000 is transferred to general reserve, following £92,150 previously; £3,000 to excess profits duty reserve, following £68,000; and a final dividend is declared of 20 per cent., leaving a somewhat enhanced balance to go forward. Moreover, the increased dividend, which compares with 20 per cent. for the preceding nine months, is paid upon a capital swollen by the allotment of bonus shares in the proportion of one for every two. On last year's dividend the shares yield over 12

per cent. As regards the portfolio, the company has disposed of the interest formerly held in Josiah Smale and Son, and has secured participations in the Northern Platinum, Otavi Mines, Singapore Traction, Tanganyika Diamonds, United Exploration, and Willoughby's Consolidated. The holdings now figure at £492,400, as against £301,500 at the end of May, 1925.

LORD STANLEY OF ALDERLEY will preside at the meeting of the Royal Colonial Institute, on Tuesday, July 13th, at 8.30 p.m., at the Edward VII. Rooms, Hotel Victoria, when Commissioner D. C. Lamb will give an address on "Our Heritage—The Empire," in which he will give some impressions of his recent tour.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET RECOVERY—STEEL COMMON—MONETARY OUTLOOK—BUSINESS POSITION—THE PROBLEM OF THE FRANC.

(FROM OUR CORRESPONDENT.)

NEW YORK, June 30.

RESUMPTION of the forward movement in the share market has been the feature of the past week. The rally that started during the latter half of May, and which carried the market out of the trading range that had held it since the end of the March liquidation, paused about a week ago. By that time industrial shares had, on the average, recovered about two-thirds of what was lost in the March break; the railroad shares had made good nearly all their loss. As the rally paused, it became apparent that the technical position of the market needed strengthening; a reaction seemed due. During the past week this reaction took place; a goodly volume of profit-taking and a fair amount of short selling developed. The selling was well taken, however, and it was noticeable that the market tended to grow quiet on recessions. By the start of this week the shorts began to feel uncomfortable. They found difficulty in covering. Whereupon bull operations were resumed, with the result that last week's losses have been regained, while a number of the "good" shares already are in new high ground for the year, and some of them in new high ground for all time. Rails have remained conspicuously firm throughout, and oils also have held their favour. Market leadership has continued to rest, however, with the common shares of the United States Steel Corporation and the General Motors Corporation. Steel common has reached the highest price for all time at 142, which is approximately 25 points above the year's low; General Motors common has touched a new high record at 148½, and this price is only ¼ of one point below the high for all time made in the big bull market of last year.

To explain the strength in Steel common there is no "inside" information whatever. It is common knowledge, of course, that the corporation is in an extremely strong position; that it has enormous reserves, a remarkably strong cash position and adequate earnings, and that it easily could present the stockholders with a generous stock dividend. But there are no discoverable indications that a stock dividend is coming just at this time. Decision in the matter lies with Judge Gary, chairman of the corporation, and the Judge, while willing enough to discuss general business conditions and a wide range of political and social subjects, keeps his counsel perfectly with regard to his plans for the corporation's financial future. Accordingly, it must be assumed that the steady and heavy buying of Steel common is based on a belief that the stock is cheap, and that with the kind of money and capital markets that we have, and seem likely to have, the shares represent an attractive investment. Incidentally, it may be noted that the last sale of stock to the employees was made at 136, which suggests what the management thinks the shares are worth.

In the case of General Motors common there is more definite information to go on. The corporation earned \$7.50 a share in the first quarter of the year, and reliable

estimates now place the net for the second quarter in the neighbourhood of \$9.50 a share. Accordingly, it is apparent that the earnings for the first six months will amount to about \$17 a share. These earnings are unprecedented for the corporation, and have come at a time when the corporation has no funded debt and an unnecessarily strong cash position. They make it readily apparent why the directors are considering a substantial stock dividend—one of perhaps 33 per cent. The strength in General Motors is the more noticeable because it comes at a time when everyone admits that the automobile business has become extremely competitive. However, it is amply apparent that the manufacturers who have caught public favour are unusually prosperous. The keenness of the competition springs from largeness of productive capacity rather than from any lack of public demand. That competition will grow even keener may be judged from the fact that several of the makers are enlarging their plants or adding new models to their lines.

Meanwhile brokers' loans, as reported to the Federal Reserve Bank, show a moderate increase over the low point touched in May. In the week ended June 23rd, the last for which data are available, they rose some \$15,000,000, and the total of \$2,533,000,000 is \$124,000,000 above that for May 19. It is still, however, \$608,000,000 below the high touched early in the year, when the level of security prices was little higher than at present. It may be inferred that the situation is considerably healthier than at the earlier date. At the moment the tone of the money market is slightly firmer, call money on the Stock Exchange having touched 5½ per cent. this week. This firmness is believed likely to prove transitory. Very large settlements have to be made on July 1st, and these naturally have some effect on the money market, even though the Federal Reserve system reduces the disturbance to a minimum. The outflow of money for dividends and interest to-morrow, July 1st, is expected to be the largest in history, statisticians placing the minimum at \$550,000,000, and feeling that the total may run as high as \$650,000,000. A year ago the figure was about \$450,000,000. These figures, perhaps, help to explain current strength in the securities markets. Our investment fund is constantly replenishing itself, while the supply of domestic mortgage bonds is not increasing as fast as formerly.

The better feeling with regard to business prospects continues. The fact that business has held up much better than the statisticians prophesied has made a considerable impression. The steel industry is, perhaps, typical in this respect. Operations during June held up close to 80 per cent. of capacity, and the summer bids fair to witness a degree of activity well above those experienced during the past three summers. Better buying came into the steel market during the last six weeks, and prices took on a firmer tone, although it is difficult to determine whether prices hardened on account of better buying or whether buying was better because prices were about to be marked up. In any event, advancing prices do not seem to be consistent with a declining steel market. Estimates made during the past few days indicate that steel production for the first six months will set a new high record for all time. The trade now feels that the year's production may exceed that in 1925, which was wholly remarkable.

Our bankers naturally are quite interested in the current dispatches from Paris, which report Caillaux as linking debt ratification with fresh credits, and which mention the names of Governor Norman and Governor Strong in connection with the credit talk. Their greatest hope seems to lie in the report of the Committee of Experts, which apparently will recommend the revaluation of the franc and the restoration of the gold standard. Our bankers are not inclined to believe that the granting of fresh credits is conditioned merely on debt ratification. Their view-point is that there is little value in arranging credits unless the credits would be used for a certainly successful purpose. Pegging a paper currency does not appeal to them as an operation likely to ensure the safety of a credit. In short, they believe that the restoration of the gold standard is the real cure for the French difficulties. It seems likely that under these circumstances the resumption of specie payments will be as essential for

credits as debt settlements. As for Governor Strong, it is assumed that he is as much impressed with the value of the gold standard as Governor Norman is supposed to be.

FRANCE.—THE EXPERTS' REPORT—M. CAILLAUX'S STATEMENT—BRITISH AND AMERICAN DEBTS.

(FROM OUR CORRESPONDENT.)

PARIS, July 7.

THE report of the Commission of Experts, appointed at the demand of M. Raoul Péret during his term of office as Finance Minister, was transmitted to the Government on Saturday evening, and very wisely made public 24 hours later. The document can only be described as the most important of its kind that has been issued since the publication of the Dawes Plan for Reparation payments. For the first time the French people have been placed in possession of the plain facts of the country's financial situation, as seen by accepted authorities who are free from suspicion of political bias. The effect on the general public has been to create a feeling of satisfaction that the worst is now known, and to inspire a strong desire that the politicians should now manifest sufficient patriotism to consent to efface themselves, as the experts suggest, and leave the recommendations to be translated into action, through non-party channels, as quickly as possible. When the Chamber met again yesterday, however, and listened to the grim statement made by M. Caillaux, as a prelude to the financial discussion on which the acceptance or rejection of the experts' plan depends, even the party politicians were nearly cowed into silence by the facts the Finance Minister for the first time revealed.

The State, he announced, has borrowed a further 17,500,000,000 from the Bank of France within little over a year past, and at this moment the Treasury has only 500,000,000 of this total left, the whole of the rest having been absorbed. Why? Because, owing to having been continually forced to borrow, the State has tired out the lenders. In 1925 reimbursements of National Defence, Treasury, and other floating debt bonds exceeded new issues by 10,500,000,000, so that the 10,000 millions of additional money borrowed from the Bank was more than absorbed in advance. Had a portion of the Morgan loan of \$100,000,000 not recently been appropriated for current expenditure, the legal limit of borrowings from the Bank would have been exceeded to-day by nearly 1,000,000,000, which would suggest, although the Finance Minister did not say so in exact terms, that something like one-half of the effective original amount of the loan still remains available.

M. Caillaux might have added—and that he did not do so was probably due to the fact that the situation is notorious—that this exhaustion of normal resources is particularly serious at the present moment, owing to the circumstances that, in consequence of the speeding-up methods recently applied, the amount of arrears of direct taxation in respect of the past financial year is practically nil, while not a single demand note has yet been issued for direct taxation imposed by the 1926 Budget (owing to the complexity of and delay in voting the Finance Bill for the current year).

Turning to the situation of the Treasury in regard to foreign engagements, the Finance Minister reminded the Chamber that this country is at present paying on an average, for interest and redemption charges on its foreign debt, "about £25,000,000 a year, equivalent to 4,500,000,000f." He added the following categorical statement:—

"I assert very plainly that it will be impossible to continue to pay this if sterling rises any higher, because we shall be compelled to overwhelm the taxpayer. I will go so far as to declare that it will be impossible for us to pay this amount unless we are able, as we have hitherto been able to do—for the purpose of postponing maturities, and for arranging facilities of payment—to secure credits from what I recently described as happier countries from the financial point of view. And we shall be able to obtain such credits only if we settle our debts. . . . We shall have to pay £8,000,000 in the month of August, which is

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equivalent, if I know how to calculate, to between 1,200,000,000 and 1,300,000,000f."

M. Caillaux insisted that the possibility of France finding a way out of her present immediate difficulty "depends largely, if not entirely, on the settlement of her political debts." As to the British debt, he hinted at a probable modification in favour of this country of the provisional agreement arrived at last year. The negotiations with London, he explained, have been resumed, and it would be unfair not to state that approval of the agreements already arrived at, "with the ameliorations that we are seeking in them, or with certain assurances, of which some have already been secured by us," would appear to be indispensable. (M. Caillaux, during his 3½ hours' speech, made no reference to the Franco-American agreements now awaiting ratification, no doubt in view of the pending interpellation of the Government on this subject by M. Franklin-Bouillon.)

The Finance Minister made it clear that, "although the Government does not intend to follow servilely the plan presented," particularly in regard to the mass of the taxation which the experts' commission recommends shall be immediately applied, he has adopted practically the whole of their plan as his own. A stern intervention by M. Briand, provoked by an interruption from one of the Socialist leaders, convinced the House that the Ministry as a whole is solidly behind the Finance Minister on the whole programme to be submitted. This solidarity, it is to be presumed, will obtain not only in respect of the detailed fiscal and other more or less normal measures to be laid before the House, but also as concerns the demand that "full powers" shall be conferred on M. Caillaux to enable him to carry his and the experts' plans into operation by Ministerial decrees, independent of Parliamentary discussion and approval. The challenge which the Government threw down at the outset of the debate initiated last night is probably the boldest and most courageous put forward by any French Government during the past half-century. The outcome of the next three

or four sittings—for the debates are not expected to finish before Saturday morning, in view of the 20 or more interpellations notified—will constitute either the beginning of the first real effort to place the national finance on a sound footing, or perhaps the prelude to speedy national bankruptcy.

The Government's real difficulty will lie in reconciling the moderate majority in the Chamber, in whose hands the fate of the whole plan now lies, to what a large section of the House regards as the two fatal blemishes on the scheme as a whole; but which the Government insist are vital to its success. The first of these is the Government demand that the Franco-American agreement shall be ratified, although not necessarily immediately, and that an immediate settlement shall be arrived at with Great Britain on the lines laid down in the conferences with Mr Churchill last year. The second rock on which the whole plan may be wrecked is the demand that "full powers" shall be conferred on M. Caillaux to carry out the details of the plan independent of Parliamentary control. Opposition to the latter project is obviously based almost entirely on personal antagonism to the present Finance Minister, which is perhaps not surprising in view of his varied past career and the distrust, amounting almost to anxious fear, with which many of his political opponents regard him owing to his alleged arrogance and ambition for power.

The opposition which is being manifested to any kind of settlement of the British and American debts on anything like the lines of the existing proposals is by far the most serious obstacle in sight. This was clearly shown this evening, when the attack on this part of the Government's programme was vigorously opened by no less a person than M. Franklin-Bouillon, the President of the Foreign Affairs Commission. His argument in regard to the Washington Agreement was that not only must the American "bill" be very seriously revised as to details of account before there can be any question of any agreement being concluded, but that in any case (1) the much-discussed "safeguard" clause must be added to the agreement (for the protection of this country in case Germany fails to continue payment under the Dawes plan), and that (2) a transfer clause similar to that accorded to Germany for her reparation payments is indispensable, in view of possible continued currency trouble. M. Franklin-Bouillon had practically the unanimous support of the House when he insisted that means must also be taken to prevent eventual commercialisation of the French debt by the American Government.

A substantial section of opinion throughout the country is showing growing alarm at the possibility that any loans that may be obtained from America or Great Britain, under present circumstances, may result (although productive of immediate benefit) in Anglo-Saxon domination that would place this country in a situation similar to that at present filled by Germany under the Dawes Plan. Finally, there is a growing fear that the industrial and economic crisis that, as pointed out by the experts themselves, will inevitably follow the application of their proposed remedies, may prove worse than the existing disease. Technical critics of the experts' plans insist that, as applied by M. Caillaux, they will prove to be merely a further experiment in inflation, although skilfully disguised, and that instead of sound financial reforms, the Government is merely proposing new expedients that will place the national sovereignty in peril. Incidentally, it is reported that the three successive levels at which M. Caillaux hopes to stabilise the franc would range from 180 to 140.

GERMANY.—REICHSBANK AND CREDIT—INDUSTRY—NEW FOOD DUTIES—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 7.

YESTERDAY, for the third time this year, the Reichsbank reduced its discount and advances rates, without getting any certainty that it will thereby regain control of the credit market. The abundance of money is too great, despite a rise in interest rates sharper than usual during

the June month-end settlements. The new Reichsbank discount rate is 6 per cent., the new advances rate 7 per cent. The last preceding reduction was on June 7th, the earlier reduction was on March 27th. During all this time, and even since yesterday, the price of money in the open market was much lower than the Reichsbank's rate, the exception being, of course, the interest charged by banks for overdraft credits, but for years past this interest has not pretended to reflect the cost of money, being professedly a means for compensating the banks for the fall off in their Bourse and capital emission business. Although Bourse and capital emission business have revived, the banks continue to charge high interest.

Movements of the chief Reichsbank items in the first half of 1926 sufficiently indicate the decline in the credit pressure, despite the official cheapening of credit:—

(In Millions of Marks.)

Date.	Exchange Cover.	Discounts.	Circulation.	Rediscounts.
December 31, 1925	402	1,914	2,960	473
March 31, 1926	481	1,215	3,159	413
June 30, 1926	324	1,288	2,971	..

The decline in the exchange cover is new, and is apparently due to repayment of foreign loans and credits, to the smaller recent export surpluses, and probably in some measure to new undertakings outside Germany. Discounts have fallen by about one-third. Circulation has been practically unchanged; indeed, the total circulation of all currencies has been stationary (5,181 to 5,180 million marks). The complete disappearance of the rediscount liabilities is the most significant of the changes. Six months ago the Reichsbank, though even then the credit pressure upon it was not very severe, was glad to hand on about a sixth of its discounts to public bodies (Treasury, railways corporation, posts, &c.), which had superfluous cash temporarily idle. To-day the bank has to fight for discounts. Apart from that, the public bodies (owing to tax reductions and other causes) have less need for short-term investments. The brief-lived rediscount system served an admirable purpose in regard to Federal finances. Instead of being a permanent debtor, with continual bank debts varying in amount, by which means it was never without money and yet never had money lying idle, the Republic, with its undisbursed cash, was a permanent creditor which could always get just what money it wanted, which, again, owing to the possibility of rediscounting, never had any money lying idle.

The revolution in the capital market is even more remarkable than that in the money market. It is due to some extent to the same cause. Whereas short-term money is plentiful owing to industrial depression, so is capital plentiful because many business men, foreseeing no speedy industrial revival, are locking up liquid resources in long-term investments. This tendency was already so marked a couple of months back that the Reichsbank president, Dr Schacht, saw danger in it. Remembering how the industrial working-capital famine of 1924-25 was largely caused by the locking-up of cash in expansions and modernisations during the mark-depreciation years, he feared that when industry next time revives, money necessary for working-capital will be once more found tightly locked up. At present the locking-up process is proceeding headlong. Just as four years ago it was a common dogma that Germany would never again have sufficient fuel, so a year ago it was universally proclaimed that decades, if not generations, would pass before she could put up capital for public loans, or for industrial enterprises. All the industrial debentures for steel, electrical, and other enterprises were issued abroad—in America, Holland and Switzerland, and later in Great Britain. Yet last week

witnessed the spectacle of German capital competing against American to acquire a big enough share in the new Steel Trust loans, and German reproaches were addressed to the greedy Americans for taking too much. This was at a time when the six-months' Bourse boom, which was then at its highest, was being financed, and when three-quarters of a million unemployed were being supported. In fact, the reaccumulation of capital in Germany represents a natural process of recuperation just as the superabundance of fuel represents a natural process of adaptation. Thrift, industry, and ingenuity accounted for the recoveries. Although during the inflation years Germany's position was never as bad as was believed by foreigners who measured the devastation by the dollar's exchange in Berlin, the recent recovery is still very great; indeed, the past eight years provide a good illustration of the doctrine of many economists that the effects of war and civic disturbances upon a healthy country are usually overcome with great speed. A great deal has yet to be done. The half-yearly report of the official Reichs-Kredit Gesellschaft, which is always an informative publication, implies that the present industrial stagnation, unlike the brief periods of stagnation in the inflation years, will be prolonged; put otherwise, that Germany has now reached the condition of Great Britain as a country in which serious unemployment is more or less chronic. If that is so, the abnormally small number of German unemployed in the past—less than 20,000 four years ago—was merely an indication of economical instability, and the present stagnation indicates a recovery to conditions which are normal (in the post-war sense) and stable.

Bankruptcies are still declining; in the first week of July they fell to 74, against nearly 500 a week in the first two months of the year. They are now much below the pre-war average, which was 700 or 800 a month. This, however, is largely due to the decline of the deflation crisis, by which the weaker companies and firms were eliminated. The number of unemployed in the first half of June shows practically no change. The Prussian Trade Ministry's monthly report for June admits a general improvement, which was considerable only in the coal branch, and embraced not only coal (as a result of the British strike), but also lignite. The iron and steel industry has improved, though this is not stated in the report. The Ingot Steel Syndicate, which rationed production to 65 per cent. of the normal during all the past year, has rationed it for July to 67½ per cent. In textiles the report mentions a slight improvement. Chemicals were satisfactory. To-day's report from the Ruhr coal district is optimistic. Sales in the "competitive districts," that is, mainly sales abroad, reached in June 3½ metric tons, or 25 per cent. more than in May, which was also a strike month, and daily consignments to the competitive districts were 141,000 tons, against 107,000 tons. The pits' mouth stocks of coal, however, declined in June by only 1,000,000 tons, and remained at 8,000,000 tons, most of which is not exportable coal. The lowest weekly output of Ruhr coal this year, 1,514,000 tons, was in March; since the beginning of June the weekly output has always exceeded 2,000,000 tons, and in the fourth week was 2,207,000 tons. Although this has pleased the coal masters and helped to drive up Gelsenkirch, Harpener, and other leading coal stocks to great heights, the view held by competent persons is that Germany in the end will lose more than she gains from the British strike.

Skilled wages in May (in 11 industries and on the railways) were exactly the same as in June, averaging 46.02 marks per week, and unskilled wages were unchanged at 35.95 marks. The Government has put through a temporary compromise over the food duties, which were stored by the Minor Tariff Law of August 18, 1925. The law enacted that until August 1, 1926, reduced duties should be imposed, after which the autonomous duties would be applied, in so far as they were not earlier reduced by commercial treaties. Certain products, such as malt, beans, flour, and other milling products, are not affected by the compromise; but they are, or will be, the subject of treaty negotiations, so that the autonomous rates upon them will probably be reduced. From August 1st the duties, as compared with the pre-war treaty duties and pre-war autonomous duties, will be:—

	Marks per 200 Metric Lb.	August 1, 1926.	Treaty.	Pre-War.	Autonomous.
Rye	5	5	5	7	7
Wheat and Spelt	5	5	5.50	7	7.50
Fodder Barley	2	2	1.30	7	7
Oats	5	5	5	7	7
Buckwheat	5	5	5	5	5
Maize	3.20	3	3	5	5
Cattle*	16	8	8	18	18
Sheep*	16	8	8	18	18
Pigs*	16	9	9	18	18
Meat	37.50	27	27	45	45
Pork	21	21	21	45	45
Bacon	14	14	14	36	36
Lard	6	10	10	12½	12½
Butter	27.50	20	20	30	30
Flour	18.75	10.20	10.20	18.75	18.75
Margarine	20	20	20	30	30
Canned Meat	40	60	60	75	75
Conserved Milk	40	20	20	75	75

* Live weight.

The Bourse last week had another rise, which was, in the main, confined to the leading stocks, but to some extent secondary stocks followed the leaders. The conclusion of the Steel Trust loan led to some of its companies' stocks rising to fourfold their lowest level of 1925. This week there has been a sharp reaction, and to-day the market was undecided. Yesterday, owing to the over-bought condition of the market, the Reichsbank rate reduction had no effect in stopping the decline. The *Frankfurter Zeitung's* index for July 3 (based on 100 on January 2, 1925) shows 103.62; but an index which included the mass of inactive and secondary stocks would show a much lower figure. It is stated that some foreigners who unwisely began buying at the top of last week's boom have suffered considerable losses.

ITALY.—THE REAL MONETARY PROBLEM—BALANCE OF PAYMENTS—BUDGET SURPLUSES—CIRCULATION AND PUBLIC DEPOSITS.

(FROM OUR CORRESPONDENT.)

TURIN, July 6.

THE vagaries of the rate of exchange, which has gradually increased from the level of 125 lire to the pound sterling at the end of April to about 140 lire at the present time, continue to be the most important problem in the economic life of Italy. I will try to indicate what is, in my judgment, the exact economic point on which the solution of the problem depends. It is not the so-called balance of trade. True, we have had, in the first four months of the year, an excess of imports over exports of 3,761.1 million lire; but we had an almost exactly equal excess in the past year of 3,746.1 million lire; and even if we suppose that the total excess for the whole year will be the same as in 1925—viz., 7,896.8 million lire—we do not get at a figure appreciably higher than the pre-war figures, which oscillated around 1,200 million gold lire from 1860 onwards—i.e., from the birth of the united Italy we always had an excess of imports over exports, and rates of exchange were frequently at par. In 1923 and 1924, notwithstanding the excess of imports over exports, the international balance of payments was evenly balanced, remittances of emigrants, expenditure by foreigners travelling in Italy, national merchant marine income, &c., making up for the commercial gap. We have not, for 1925 and 1926, figures for the invisible items of the balance of payments, but there is no probability that they will differ very much from past experience.

The Budget balance is no longer a factor in the falling value of the lira. Whatever opinions may be held about present Italian politics, one fact is certain—that figures published in the official documents over the signatures of the Director-General of the Treasury and of the Accountant-General of the State are undoubtedly true. Charges of forged figures, which I sometimes see in foreign newspapers, are absolutely untenable. The published figures show the real situation of the Italian Budget. I am almost tempted to say that the situation is too strong. In the first 11 months of the past financial year the surplus of revenue over expenditure was 811.8 million lire. And this is not the end of surpluses. In our system of accounting, in the revenue figure we include the taxes

to be recovered, and on the expenditure side the disbursement to be made on account of the appropriations of the year. At the end of the year the Treasury retains more or less big sums of money, which are not technically surpluses, because at some future date, possibly a very distant date—let us say 1930—a call can be made on them for meeting belated expenditures appropriated in 1925-26. Cash surpluses are, therefore, much larger than Budget surpluses.

How much larger cash surpluses are than Budget surpluses can be judged from July 1, 1925, to May 31, 1926, figures; the surplus of actual revenue over actual expenditure was 3,049.6 million lire, as against 811.8 million lire Budget surplus. True, the difference is not technically a surplus; it may, in fact, be expended one or two, or perhaps 10, years hence. But, as a matter of fact, it is not being expended at present, and it is highly probable that, in the course of time, many appropriations will become obsolete, and the corresponding expenditure never will be made, so that what is at present only a cash surplus will become a true Budget surplus.

Our Treasury is, therefore, in a very strong position. The Finance Minister can boast of a Budget surplus of about 800 million lire, and of an additional unexpended surplus of 2,200 million lire. These surpluses are, for the time being, so big that the Finance Minister can view with equanimity the increase in prospective public works expenditure, which is the consequence of the Government's grandiose programme of reconstruction of Southern Italy.

The only feature which calls for explanation, and for a very prudent policy, is a different one, on which financial critics usually do not lay any stress. In spite of the big Budget and cash surpluses, the Treasury found it necessary to increase the total of public internal debt from 90,847 million lire at June 30, 1925, to 92,033 million lire at May 31, 1926. Why? The reasons are many, and it would take too much space to enumerate them. Among them is one which bears directly on the paper money problem, and which can be explained only by a reference to paper issue figures:—

(In Millions of Lire.)

	Bank of Issue and State Notes Issued.		Com- mercial Discounts.	Sums Held by the State Treasury in Current Account at the Bank of Italy.
	For Trade Account.	Total.		
	1	2	3	4
December 31, 1923 ..	6,185.8	19,674.3	4,690.2	2,011.2
June 30, 1924	6,054.6	19,952.8	4,638.3	756.5
December 31, 1924	6,788.6	20,541.9	4,483.6	807.7
June 30, 1925	8,268.8	21,117.0	5,225.6	236.2
December 31, 1925 ..	8,766.0	21,449.6	5,929.0	1,550.2
May 31, 1926	7,416.3	19,816.5	6,168.3	2,471.0

The figures in columns 1 and 2 are good; the total of paper issue, after reaching top figures at the end of 1925, is diminishing, and is being kept under the 20 billions level, which is the safety line of our foreign exchange. Also figures of issues of notes for trade account are at present decreasing. But column 3 shows that commercial discounts—that is, the mass of bills and acceptances discounted by the banks of issue—are continually increasing. Our banks of issue, notwithstanding the limitation of note issue, support an expanding structure of commercial and industrial activity. They do not support the expansion by the increase of their private deposits, for these deposits are practically stationary. The means of support come out of public deposits. After decreasing to a minimum of 236.2 million lire at June 30, 1925, public deposits rose to the big figure of 2,471 million lire at May 31, 1926. This figure of public deposits at the banks of issue is, perhaps, the most significant one in the interesting and well-compiled monthly bulletin of our Treasury. It means, in short, that the Treasury utilises the best portion of its Budget and cash surpluses in keeping a big deposit at the Bank of Italy; and this public deposit is the source from which the Bank of Italy draws the means to make larger advances to commerce and industry, notwithstanding the decrease in note issue. As it is, public deposits are note issues in being. For, if the Treasury were to diminish its deposits to 236.2 mil-

lion lire as at June 30, 1925, then the total note issue would be forced to jump up by about 2 billion lire. This is the crux of the present situation, which lies not in the balance of payments, not in the Budget situation, but in the risk of an increase in note issue consequent upon an unforeseen obligation causing the Treasury to withdraw deposits from the Bank of Italy. The monetary problem, from a strictly monetary point of view, can be put thus: how to keep the total note issue under the 20 billions level, even when the public deposits are reduced to their normal level of, let us say, 500 million lire.

Italy has solved other bigger financial problems, and she will solve this lesser monetary problem. Gradual restriction of discounts by banks of issue to the $4\frac{1}{2}$ billion lire level, gradual corresponding increase of discounts by other ordinary banks and savings banks through an increase of private saving—these are the only visible methods by which it will be possible to put an end to the risky business of financing industry through public deposits. Signor De Stefani decreased public deposits from 2,011.2 to 236.2 million lire; the present Minister will, no doubt, attentively watch this last door remaining open to a possible increase of circulation, and close it in the course of time against all future threats against the stability of the lira.

CZECHOSLOVAKIA.—POLITICS—STABILISATION OF BALANCE-SHEETS—COAL—SUGAR.

(FROM OUR CORRESPONDENT.)

PRAGUE, June 26.

THE Ministry of Officials has found its task of functioning as a Cabinet by no means easy. Actually created to pilot through Parliament measures which were essential, but which no ordinary party majority, or combination of parties, had the least chance of passing, it has just succeeded in passing the new Corn Laws and the Clergy Emoluments Act, after the most heated struggle that this new Republic has yet known. The twenty-nine parties which have hitherto fought on racial as well as social grounds have now ranged themselves into Socialists and non-Socialists, and with the German and Magyar minorities taking an active interest in current affairs, the way seems open for a new Ministry based upon real community of interests. To what extent the future success of Czechoslovakia depends upon this policy, only those well acquainted with the actual situation here can fully understand. The Socialists have carried their opposition to these measures so far as to demand the resignation of the Foreign Minister. Dr Benes holds the Socialist mandate, but he is by no means a strong party man, in the narrow sense of the term, and he is not likely to agree with this. An examination of the text of the new Corn Laws shows quite clearly that they are framed with an eye to the continuance of the policy of commercial treaties as much as to the interests of the agrarians. Thus Article 2 empowers the Government to apply lower duties in the case of imports from States which have (or will have) commercial treaties with this Republic.

In order to meet the increases in the salaries of the Government officials, recently sanctioned, Dr Englis, the Finance Minister, proposes to obtain the necessary 1,000 million Kc. to a very large extent out of the duties on sugar, alcohol, and cereals.

The new Bill for the Stabilisation of Balance-sheets is one which will meet with approval from all those desirous of obtaining reliable information as to the true state of business in this country. Hitherto, owing to the fluctuations in the value of money, a "balance-sheet" has been a very unsafe guide as to the true state of an enterprise. All the items, though nominally in the same monetary unit (Kc.), are actually in crowns (Kc.) from various periods of inflation, and, therefore, of varying value. Thus, for example, further knowledge than the mere statement in a "balance-sheet" is generally necessary in order that the present-day value of the capital written off or the profits made can be obtained. The stabilisation of balance-sheets is intended to enable undertakings to convert all their accounts into present-day purchasing power, and is necessary, not only from the point of view of credits, exchange quotations, &c., but

also in order that the new "Tax on Earnings," which is to be a form of direct progressive taxation, may be properly carried out.

While there are many obvious reasons for so doing, it is yet to be deplored that the new Bill makes stabilisation optional rather than obligatory, as was the case with the "gold" balance-sheets under the system adopted in Germany and Austria. Also, on the assumption that items of current capital have already accommodated themselves to the new conditions, only in the case of permanent capital items is stabilisation considered necessary.

The Czechoslovak coal industry, which has been badly hit during the last few years, has benefited of late from the coal strike in England. Exports, especially from the Morava Ostrava district, show a large increase during the last few weeks. The amendment to the Coal Tax Act of 1923, which seeks to free from export tax all coal or coke dispatched abroad, will remove a long-standing complaint of the coalowners, and render considerable help to the industry.

The sugar industry has felt rather keenly the effects of over-production during the past season, and there are still large stocks on hand. The total production for the eight months ending May 31st was greater than for the whole season 1924-25:—

	(In Tons of Raw Sugar.)	
	1924-5.	1925-6.
Production	1,406,376	1,502,509
Home consumption	256,595	258,703
Export	841,401	812,023
Stocks in hand	315,196	447,057

(May 31st.)

England is still the chief country to which Czechoslovakia exports her sugar, with Switzerland and Austria far behind:—

	(In Tons of Raw Sugar.)	
	1924-5.	1925-6.
England	140,300	153,700
Switzerland	72,400	88,700
Austria	73,100	71,800

Exports have fallen from 1,350 million Kc. in April to 1,219 million Kc. in May, owing especially to a decline in exports in cotton (— 60 million Kc.) and coal and timber (— 59 million Kc.).

The index of wholesale prices, which on May 1st stood at 928, had fallen by June 1st to 926 (135 gold parity); butchers' meat and cereals have risen, but there has been a distinct drop in hops, jute, hides, and butter. Stagnation still continues on the Prague Bourse, both home bank shares and industrials showing a downward tendency.

CANADA.—AGRICULTURAL CONDITIONS—BUDGET CHANGES—THE CUSTOMS SCANDALS—BRITISH EMPIRE STEEL CORPORATION—GENERAL BUSI- NESS CONDITIONS.

(FROM OUR CORRESPONDENT.)

OTTAWA, June 13.

AGRICULTURAL conditions are still very variable in Canada. Continuous warm weather fails to come to the Eastern provinces, and although oats, barley, and hay are doing reasonably well in Ontario and pastures are abundant, the season is two or three weeks later than usual. Things are even less propitious in the Maritime provinces and Quebec, where it is abnormal for seeding not to be completed at this date, and there are apprehensions that the crops in these regions will be disappointing. In the West the seeding of all grain has been virtually completed, and the young wheat crop is well rooted, and has been coming along in satisfactory fashion. But now complaints are coming from numerous areas of a lack of moisture, and, as a consequence, there has been some damage from high winds and soil drifting. There are also ominous reports that the cutworm plague has appeared with great virulence in a number of districts, and unless heavy rains come soon will spread rapidly and work great damage. However, the Government index figure for crop conditions in the West still places them

well above the average level for the past decade. In British Columbia and Ontario there is promise of a good fruit crop, except in the case of peaches, which will be light.

The Parliamentary session is now in its penultimate stages, and prorogation is expected before the end of June. Before the committee stage of the Budget ended the Government made further concessions of a substantial character to the motor manufacturers, and the general impression is that they are now in possession of just as much protection as before the introduction of the Budget. The latest sop consisted of the abolition of the 5 per cent. luxury tax on cars under \$1,200, provided at least 40 per cent. up to the end of this fiscal year and thereafter at least 50 per cent. of the finished car is of Canadian origin, and since this tax is retained on American cars the concession is equivalent to 5 per cent. more tariff protection. The Conservatives were quite ready to acquiesce in a change which tended to help a protected industry to survive, and also amounted to a self-confession of error on the part of the Ministry; but less intelligible is the failure of the Progressive Party to protest at the whittling away of the only tariff reduction which they were able to wring from the Government. Before the session ends the Ministry has one difficult hurdle to face in the shape of the report of the Customs, which has just concluded its hearings after four months' steady work, and is now engaged in drafting its report. It is expected to make unanimous recommendations on a number of points, such as the need for a thorough reorganisation of the Customs Service and the prosecution of offenders to secure restitution of revenues lost by fraud; but on the political aspects of the disclosures a sharp cleavage of opinion will develop, and majority and minority reports will be forthcoming. The Conservatives will endeavour to arraign the Government, and particularly the present Minister of Customs, for complicity in the scandals, and the Liberals will bend their energies to applying the necessary whitewash. The Opposition are certain to make their indictment the basis for a want of confidence motion, and, if they can build up a strong enough case, they may get the support of enough Progressive and Independent votes to defeat the Government.

A crisis long expected has now developed in the fortunes of the British Empire Steel Corporation. Its application for increased protection which the Tariff Board is now hearing had been accompanied by a good deal of propaganda to the effect that it could not avoid bankruptcy unless higher duties on steel and coal were established. Now it is practically certain that on July 1st default will take place on the bonds of the Dominion Iron and Steel Company, one of its constituent units, and obviously if it cannot earn enough to pay its bond interest, the position is serious. If it came to bankruptcy, that, which would entail the closing of the great steel plant at Sydney, as well as numerous mines and other subordinate industries, would spell disaster for the northern areas of Nova Scotia, and accordingly, on July 13th, the representatives of that province combined to force a special adjournment of the House of Commons to discuss the situation. They painted the consequences of the collapse of "Besco" in the darkest colours, and entreated the Government to come to its rescue before it was too late. The suppliants on behalf of "Besco" declined to suggest any specific remedies, but, as they harped steadily upon the calamitous effects of foreign competition, the inference was obvious. Replying for the Government, the Minister of Finance explained that it could do nothing until the company made a frank statement of its actual position; there was in existence a comprehensive report upon its affairs, and an offer had been made to submit it to the Premier and the Finance Minister, but not to the other members of the Cabinet. Until, therefore, said Mr Robb, the company was ready to take the whole Cabinet into its confidence, it could expect no consideration. The truth is that this corporation commands little public sympathy; the circumstances attending the merger to which it owes its existence were disliked; an enormous quantity of water was injected into the stock, and the management has been unhappy in its relations with labour. But things have now come to a pass when only a drastic reorganisation of the corporation's financial structure involving heavy sacri-

fices by different classes of stockholders, seems necessary.

Owing to the cold weather the anticipated improvement in business has not materialised, and merchants report that the sales of summer clothing and other seasonable commodities have so far been disappointing. However, most manufacturers are reasonably busy, and the car-loading figures indicate that the movement of merchandise is on a substantially larger scale than at the corresponding date last year. One favourable factor is the large increase in the programme of new building construction; the 57 million dollars of new contracts placed in May form a record for this month in Canadian history, and a great number of industries, which furnish building supplies, are profiting by this activity. The building boom is also helped by a fall in cement prices, due to a price-cutting war now in progress between the Canada Cement Company and the National Cement Company; the latter has the backing of a group of rich French-Canadian capitalists, and finds itself able for the first time to challenge the supremacy of its older rival. The foreign demand for butter and cheese has been disappointing, but export trade in cattle is brisk. Great activity is still visible in the northern mining camps, and the range of the country's metalliferous area is constantly being extended by fresh discoveries. Optimistic reports are forthcoming at intervals from the new goldfield at Red Lake, and it is now claimed that even richer finds have been made in the adjacent regions known as the Woman River and Birch River districts; at least prospectors are flocking to the latter places and staking many claims.

Books and Publications.

BRITISH WAR FINANCE.*

THIS is one of the publications of the Carnegie Endowment for International Peace, and is presumably designed chiefly for the information of the future historian. To him it will be a godsend, for it will save him from the task of wading through innumerable pages of Hansard, over which the eloquence has been spread of the House of Commons in Committee of Ways and Means. Messrs Hirst and Allen have done their work with most exemplary industry, patience, and thoroughness, but they have also exercised a self-restraint which is as disappointing to their readers as it must have been irritating to themselves. When one opens a book on the subject of expenditure with Mr Hirst's name on the title-page, one does so with the pleasure with which one used, in the days when cricket was cricket, to watch W. G. Grace go to the wicket; one expects hard-hitting and the brilliant display of a great talent. Instead of which Messrs Hirst and Allen have given us what consists almost entirely of a summary of the Parliamentary debates on the war and after-war Budgets, with a certain amount of Press criticism. Their own expressions, which might have been so incisive and stimulating, as to the methods of our rulers in financing the war are hardly ever allowed to appear. They adopt the Thucydidean method, with this grave disadvantage, that instead of comparing the speeches of the leaders themselves, they take patient extracts and summaries from the real article. In the next edition they must really put this right, and provide a chapter in which they will tell the reader what they themselves think about the mass of fact and detail with which they have presented him. And a few tables showing the chief features of each Budget, and of the war-time Budgets as a whole, would be a useful addition. As it is, the reader who turns over these pages is struck chiefly by the enormous amount of work put into the book by the writers, and by the really high standard of most of the debates which it summarises.

* "British War Budgets." By F. W. Hirst and J. E. Allen. Oxford Press. 15s net.

BOOKS RECEIVED.

The End of Laissez-Faire. By John Maynard Keynes. (London) Hogarth Press, 52 Tavistock Square. 2s net.

An essay based on two lectures delivered by Mr Keynes, namely, the Sidney Ball Lecture at Oxford University in 1924, and a lecture delivered before the University of Berlin in 1926.

Modern Finance and Industry. By A. S. Wade. (London) Sir Isaac Pitman and Sons, Limited, Parker Street, Kingsway. 5s net.

The aim of the author, who is City Editor of the *Daily News* and the *Star*, is to give a clear sketch of the important elements in the British financial organisation, and some of the ways in which it reacts and is reacted upon by industrial and trade movements. A very readable sketch of the mechanism of our financial system.

Britain's Economic Plight. By Frank Plachy, jun. (London) Ernest Benn, Limited, Bouverie House, Fleet Street. 7s 6d net.

A critical but appreciative review of Britain's industrial position by an American journalist. Worth reading.

German Colonisation Past and Future. By Dr Heinrich Schnee. With introduction by William Harbutt Dawson. (London) George Allen and Unwin, Limited, 48 Museum Street. 5s net.

A defence of Germany's pre-war colonial administration. Dr. Schnee, who was formerly Governor of German East Africa, also develops the thesis that the return to Germany of her colonies is "an act both of duty and of necessity."

The American Task in Persia. By Arthur C. Millspaugh. (London) T. Werner Laurie, Limited, 30 New Bridge Street, Blackfriars. 15s net.

The author, who is Administrator-General of the Finances of Persia, tells the story of the American Financial Mission in Persia since 1922, and explains and interprets Persian characteristics and Persian problems. He is imbued with a belief in the genuineness of the Persian people's desire and capacity for progress. It is the work of an able and practical enthusiast, whose experiences are as interesting to the reader as his work should be valuable to Persia.

La Dépréciation et la Révalorisation du Mark Allemand et les enseignements de l'expérience monétaire allemande. Par André Fourgeaud. (Paris) Payot, 106 Boulevard Saint-Germain.

A French study of the great depreciation of the mark, its causes and its effects, and also of the results of the subsequent mark stabilisation. The author suggests certain lessons for France from this study.

Die Deutsche Rentenbank-Kreditanstalt (landwirtschaftliche Zentralbank). Von Dr. jur. Hans Pröhl. (Berlin) R. Gürgens, Unterwasserstrasse, 8. 5 rm.

The author gives us a clear insight into the methods by which agricultural credit can be obtained in Germany. A full explanation is given of the law governing the formation of the Rentenbank-Kreditanstalt (landwirtschaftliche Zentralbank), and the scope of the bank's activities is described in detail.

Kartelle und Kartellepolitik. Von Dr. Max Metzner. (Berlin) Carl Heymanns Verlag, Mauerstrasse 44. 5 rm.

A short, historical account of the development of the cartel system in Germany. Special attention is also given to present-day problems.

Währung und Kredit. Von R. G. Hawtrey. (Jena) Gustav Fischer. 15 rm.

A German translation of R. G. Hawtrey's well-known book, "Currency and Credit."

OWING to the general strike the issues of the "Economist" for May 8th and 15th were considerably delayed. Copies of these numbers may be obtained from the usual agents or direct from the office of the "Economist," 3, Arundel street, Strand, W.C.

Wirtschaftsstatistisches Jahrbuch, 1925. (Wien) Kammer für Arbeiter und Angestellte, 1 Ebendorferstrasse, 7. A comprehensive survey of economic conditions in Austria in the year 1925. Many useful statistics are given relating to each separate industry, foreign trade, the cost of living, the money market, population, &c.

Can We Compete Abroad? By C. C. Martin. (New York) National Foreign Trade Council, India House.

A practical examination of the position of American industry in regard to competition in foreign markets. The author gives a confidently favourable answer to the question which forms the title of his book. A book which should be read by British exporters who compete with American goods in world markets.

Is Credit Necessary in Export Trade? Addresses by E. B. Filsinger and D. W. Fernhout. (New York.) National Foreign Trade Council, India House.

In a foreword Mr A. S. Hillyer, Chief of the Commercial Intelligence Division, Bureau of Foreign and Domestic Commerce, at Washington, says: "This pamphlet should be on the desk of every American export executive as a handy reference."

Les Finances du Mexique, 1892-1911. Par C. Diaz Dufo. (Paris) Librairie Félix Alcan, 108 Boulevard Saint-Germain.

This is a French translation by M. Albert Dupont of the second edition of a work published in Spanish.

International Labour Review. June, 1926. (London) George Allen and Unwin, Limited, 40 Museum Street. 2s 6d net.

Contains an article by Professor Irving Fisher on "A Statistical Relation between Unemployment and Price Changes."

The Slavonic Review. June, 1926. (London) Eyre and Spottiswoode, Limited, 9 East Harding Street. 5s net.

The Empire Cotton Growing Review. July, 1926. (London) A. and C. Black, Limited, 4 Soho Square. 1s.

Produktivität. Von Frieda Wunderlich. (Jena) Verlag von Gustav Fischer. 14 rm.

This book deals with the theory of production in economics. Part I. gives a critical review of the theories current from the Middle Ages up to the time of Karl Marx. In Part II. economic aims and desires are dealt with from the philosophical point of view. In Part III. the modern theory of production is expounded.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Correspondence Relating to the Appointment of Governors of the Australian States. Cmd. 2683. 1s net.

Civil Services Supplementary Estimate for year ending March 31, 1927. No. 99. 2d net.

Seventh Annual Report of the Scottish Board of Health, 1925. Cmd. 2674. 5s 6d net.

Report of the Commissioner of Police of the Metropolis for the year 1925. Cmd. 2660. 1s net.

Report by His Britannic Majesty's Government to the Council of the League of Nations on the Administration of:—Tanganyika Territory, 1925. Colonial No. 18. 3s 3d net. *Palestine and Transjordan, 1925.* Colonial No. 20. 5s 6d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
July 20.	July 22.

BUSINESS in the Stock Exchange has been tolerably active in various part of the House. Anticipations of a possible fall in the Bank rate were general in the early part of the week, but quickly evaporated, and there is no great expectation now of the rate coming down next Thursday. The gilt-edged markets are slightly dull in consequence of the tightening of money rates, which, following upon the stream of new issues, has brought about a little selling and given the market a heavy aspect, for which some of the dealers declare there is no other reason than lack of business. The Union of South Africa loan of four million pounds of 5 per cent. stock, offered at 100, did not arouse enthusiasm.

The foreign market remains good, and there is a constant demand for the mid-European, Brazilian, and other semi-speculative investments which yield high rates on the money, and, therefore, attract capital from the speculative investor. Mexicans are firmer, and South American bonds as a whole remain in request. Paris has been rather a seller on balance, but not sufficiently to counteract the effect of the purchases made on British account. French bonds are flat on the dive in the value of the franc.

BARCLAYS BANK

LIMITED.

Head Office: 54 Lombard Street, London

AUTHORISED CAPITAL . . . £20,000,000
ISSUED CAPITAL . . . £15,592,372
RESERVE FUND . . . £9,250,000
DEPOSITS, etc. (31st Dec., 1925) . . . £306,259,816

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C. 3.

The Home Railway market is somewhat concerned about the dividend outlook. Present-day holders of Home Railway stocks appear to be of the die-hard class, which intends to keep its stocks and to see the thing through, as colloquialism has it, rather than to take fright at this late stage and to sell stocks at to-day's figures. There is an impression that if the coal stoppage were to be settled a sharp reaction in prices would take place, a consideration which deters bear selling. Prices, therefore, are little changed on the week. Argentine and Brazilian Rails have been strong, a good deal of money going into this market, while other foreign rails, apart from Nitrates, present a steady front and attract favourable notice. Nitrate producing shares are still under the influence of the nervousness felt in regard to the outlook of the fertiliser in view of synthetic competition.

The rubber market keeps hard, although the price of the commodity lends little support to the share market. Tea shares are better on the week; in the oil group public attention is lacking. Tobacco shares hold the field as the chief centres of interest, speculative and investment alike. Violent rises in Godfrey Phillips and R. and J. Hill shares stand out as the principal feature. Other tobacco shares have been good on the whole. Disappointment was caused by the tardiness of announcement as to an Imperial Tobacco expected bonus. Courtaulds fell sharply to just over 6 on the reduction in the interim dividend, and textiles, generally speaking, lean to the dull side. The bank dividends have had little effect on prices. The shipping market is entirely placid. Insurance shares continue to fall, upon sales by people who want to get better yields for their money than are offered in the insurance group. Brewery stocks and hotel shares are steady. City of London Brewery and Hoare ordinary are buoyant. Cable issues are better, the Eastern group in particular showing improvements, while in wireless there is nothing fresh going on. The iron and steel market moves erratically. People are afraid to sell lest there should be a sharp rise upon resumption of work in the coal trade, and are equally afraid to buy in view of the losses that many of the companies must have sustained during the past three months. Various new issues have been fairly well supported, though the stag is by no means as avid as he was last month.

South African shares in the gold-producing companies, diamond, land, and finance groups have spent a week which has been almost exciting. The Cape has been a consistent buyer of a few specialised favourites. On the other hand, Paris proved a fairly persistent seller of shares to which the Cape has been taking a fancy. The circle of interest has widened amongst British speculators; on balance a number of rises are shown on the week. The animation has been continued until 5 o'clock and later in the street markets night by night, and more animation has been seen amongst South African mining shares this month than has been the case for a long time past. This has had the effect of detracting from the temptations of other mining ventures. Tin shares remain good, so far as the Malaysians are concerned. Several of the Mexican favourites have strengthened. Burma Corporations are a firmer market than of late. Gold Coast Amalgamated were a good feature amongst West Africans.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
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ISSUES OF THE WEEK—
Amount previously recorded 122,745,363

NATIONAL SAVINGS CERTIFICATES.

April 1, 1926, to June 30, 1926 . . Dr 50,000

To the Public—
Union of South Africa, issue of £4,000,000 5% Inscribed 8s. at par, red. at par July 1, 1945-1975 (July 9) 4,000,000 .. 4,000,000 .. 200,000 .. 3,800,000

Anglo-Canadian Pulp and Paper Mills, £1,900,000 5% 30-year Guar. Mort. Deb. Stock, issued at 99% (July 5) ..	1,800,000	1,782,000	180,000	1,602,000
Coventry Corporation, £1,000,000 5% Inscribed Stock, red. at par Sept. 15, 1924-1927, issued at par (July 5) ..	1,000,000	1,000,000	50,000	950,000
Stockton-on-Tees Corporation, £735,000 5% Stock, red. at par, July 31, 1946-66, issued at par (July 5) ..	735,000	735,000	36,750	698,250
Reading Corporation, £520,000, 5% Stock, red. at par, July 1, 1946-56, issued at par (July 5) ..	520,000	520,000	26,000	494,000
Province of Westphalia, £835,000 7% 25-yr. Ster. Bonds to Bearer (finally red. at par, July 15, 1951), issued at 98% (July 7) ..	835,000	822,475	41,750	787,725
Auckland Electric Power Board, £250,000 Debts to Bearer (rep. at par on Dec. 1, 1949), issued at 97% (July 7) ..	250,000	242,500	12,500	230,000
Plummer, Roddis, Limited, 300,000 7% Sec. Cum. Pref. Shares of £1, at par (July 5) ..	300,000	300,000	37,500	262,500
Bintan Rubber Estate, Limited, £110,000 7% First Mort. Deb. Stock, at par ..	110,000	110,000	5,500	104,500
Ditto 110,000 Shares of £1 each, at par (July 5) ..	110,000	110,000	13,750	96,250
Total offered to Public	9,621,975	603,750	9,018,225	
To Shareholders—				
Tin Selection Trust, 180,000 £1 Shares at 2s per share ..	180,000	207,000	207,000	
Railway Share Trust & Agency, 100,000 Ord. Shares of £1, at 2s per share ..	100,000	115,000	115,000	
General Investors and Trustees, 60,000 Ord. Shares of £1, at par ..	60,000	60,000	15,000	45,000
Ditto 60,000 4% Cum. Pref. Shares of £1, at par ..	60,000	60,000	15,000	45,000
Ditto £60,000 4% Deb. Stock, at par ..	60,000	60,000	15,000	45,000
Gilco Petroleum, 75,000 Ord. Shares of £1, at 2s per share ..	75,000	93,750	18,750	75,000
Amblamans Tea Estates, 100,000 2s Shares, at par ..	10,000	10,000	2,500	7,500
Total offered to shareholders ..	605,750	388,250	217,500	

Total offered for subscription to date in—	Total offered for subscription for whole year—
1925.....132,973,088	1925.....231,914,268
1926.....116,274,740	1926.....209,326,100
1927.....117,097,640	1927.....211,393,173
1928.....186,880,610	1928.....573,675,650
1929.....468,983,120	1929.....388,978,203
1930.....128,977,409	1930.....367,549,656

Union of South Africa.—This is an issue of £4,000,000 5 per cent. inscribed stock, at par, redeemable 1945-75. The revenues of the Government of South Africa alone are liable in respect of principal and interest. A cumulative sinking fund has been established for the redemption of South African debt. The loan is raised for railways, harbours, irrigation works, land settlement, and other public works. This is a sound gilt-edged stock. We should like to see Empire Governments setting a valuable example in publicity by giving detailed information and figures of debt or financial position.

Coventry Corporation.—This is an issue of £1,000,000 5 per cent. inscribed stock, at par, redeemable 1954-74. Principal and interest will be chargeable on the whole of the rates and revenues of the Corporation. Provision has to be made for the redemption of the issue by means of sinking fund. The proceeds of the loan will be applied to the extension of the electricity and gas undertakings, to works of street improvement in the city, to the repayment of existing debt. The total outstanding debt is £3,767,794, of which £2,740,837 is in respect of reproductive undertakings; the estimated population is 135,000. The rateable value is £606,831, a penny rate producing £2,170. This is a sound trustee investment.

Stockton-on-Tees Corporation.—This is an issue of £735,000 5 per cent. stock, at par, redeemable 1946-66. Principal and interest are secured upon the Corporation funds and revenues. Provision has to be made for the redemption of the issue by means of sinking funds. The proceeds will be applied for the purposes of water works, gas works, electricity works, housing, &c., and for paying off a number of existing loans. The rateable value of the Corporation for all purposes is £290,193, and the total outstanding debt is £2,246,164, of which £1,696,840 is in respect of reproductive undertakings. This is a good trustee investment.

Reading Corporation.—This is an issue of £520,000 5 per cent. stock, at par, redeemable 1946-56. Principal and interest are secured on the estates, property, rates and revenues of the Corporation. Provision has to be made for the redemption of the issue by means of sinking funds. The proceeds will be applied for housing, education, tramways, street improvement, and other purposes. The rateable value of the borough is £560,463, a rate of one penny in the pound producing about £2,200; the estimated population is 94,624. The total outstanding debt is £1,693,368, of which £642,170 is in respect of housing and reproductive undertakings. This is a sound trustee investment.

Auckland Electric Power Board.—This is an issue of £250,000 5 per cent. £100 debentures to bearer, at £97

per cent., redeemable 1946. The issue is secured by a special rate of two-sevenths of a penny in the £ on the rateable value of all rateable property in the Auckland Electric Power District, this being on March 31, 1924, £50,491,865. A sinking fund of 2½ per cent. per annum will be provided. The loan, which is the second instalment of an authorised loan of £650,000 (of which £250,000 has already been issued) is to provide funds for water power conversion and general extension purposes in connection with the board's electricity undertaking in and around the City of Auckland. The licensed area of supply is approximately 3,000 square miles, containing a population of about 150,000. It is stated that about £175,000 of this issue will be expended in Great Britain. An excellent investment.

Province of Westphalia.—This is an issue of £835,000 7 per cent. 25-year sterling bonds, at £98½ per cent., to bearer. Payment of principal and interest will be secured by a trust deed to be executed by the Westphalian Government in favour of the Deutsche Waren-Treuhand A.G., who will act as trustees of the loan, and also by the deposit with the trustees of certificates of indebtedness in respect of the advances made by the Government out of the proceeds of the loan to communes, waterworks, and other public utility undertakings. The bonds will be redeemed by means of an accumulative sinking fund commencing in 1927. The Province of Westphalia has an area of about 7,800 square miles and a population of 5,000,000, while public and private properties are valued at approximately £650,000,000, and its revenue in 1925 was about £1,500,000. The proceeds of the present issue will be utilised almost exclusively, it is stated, in making advances to communes, waterworks, and other public utility undertakings. The Province, it is stated, has no bonded debts other than those which were contracted to be paid in the old German currency, "and are practically negligible." In these circumstances the present issue is very well covered both as to principal and interest, and the yield offered is commensurate with the risk involved. Application for permission to deal in the bonds on the London Stock Exchange will be made in due course.

Morris Motors (1926), Limited.—Authorised capital £5,000,000, divided into 3,000,000 7½ per cent. cumulative preference shares of £1 each and 2,000,000 ordinary shares of £1 each. This is an issue of 3,000,000 7½ per cent. cumulative preference shares of £1 each. The company has been formed to acquire, as a going concern from January 1, 1926, the business of motor-car manufacturers carried on by Morris Motors, Limited, and associated companies, which was begun in 1912. The properties to be acquired comprise an area of about 118 acres, the whole of which, with the exception of about 16 acres, is freehold, an area of about 1,405,000 square feet being covered with modern brick and steel buildings. These have been valued at £1,647,200. The combined profits, before deducting income-tax and corporation profits tax, are stated to be, for the last three years, as follows:—1923, £951,332; 1924, £916,038; and 1925, £1,235,545. The total net assets (exclusive of goodwill) are given as £3,358,956. The total purchase price payable for the businesses and assets (including payments in advance apportioned to January 1, 1926) to be acquired by the company other than the interests of the Pressed Steel Company of Great Britain, Limited, amounts to £5,000,000, to be satisfied as to £3,000,000 in cash and as to £2,000,000 by the allotment to the vendor companies of 2,000,000 fully-paid ordinary shares of £1 each. Interest is also payable at the rate of 7 per cent. per annum on the total purchase consideration as from January 1, 1926, to the date of completion, but the company will have the benefits of the profits of the businesses purchased as from January 1, 1926. The amount payable in respect of goodwill, patents, and pending contracts is £1,641,044. Since January 1, 1926, the company has arranged with Morris Motors, Limited, to acquire from the latter the right to allotment of debentures and shares in the Pressed Steel Company of Great Britain, Limited, the total amount of cash payable not exceeding £500,000. The company will also acquire the whole of the fully-paid share capital of £10,000 of the Morris Oxford Press, Limited. We make further reference to this flotation in a leading article. The preference dividend appears to be substantially covered, and the widespread popularity of the company's products will doubtless contribute to the issue's success.

Bintan Rubber Estate, Limited.—Capital £250,000, divided into 250,000 shares of £1 each. In addition there is an issue of 7 per cent. first mortgage debenture stock. This is an issue of all the debenture stock at par, and stock, when fully paid, will be convertible at the option of the holder into shares at par up to and including January 1, 1930, such option to be exercisable on January 1, 1927, or thereafter on January 1st in each year. The stock will be secured by a trust deed in favour of Royal Exchange Assurance providing for a deposit with the trustee of the whole of the issued shares of the Dutch com-

pany (the Exploitation Maatschappij Bintan Plantations), and a floating charge on the remainder of the assets and undertaking of the company. Any outstanding stock will be redeemed at 105 on January 1, 1946. The company shall, after January 1, 1930, have the right to redeem the stock at 105 on giving six months' previous notice. The company also reserves the right to purchase the stock in the market or by tender at or under 105. It is stated that the earnings of the estate of the Dutch company from January 1, 1926, after providing for the interest upon the purchase price from that date in accordance with the contract to purchase and the debenture stock interest and working expenses, will be available for dividend at the close of the company's financial year on December 31, 1926, upon the 110,000 shares now issued. The company has been formed in particular to acquire as a going concern and further develop the property known as the Bintan Estate, situated on Pulau Bintan, an island in the Riuw Archipelago between Singapore and Sumatra. The estate consists of about 12,000 acres, of which 3,107 acres are planted, mature rubber of various ages covering 1,975 acres; the balance consists of immature rubber planted between 1919 and 1925. The purchase consideration is £178,000, payable in cash, plus interest at 8 per cent. per annum from January 1, 1926, from which date the company has the benefit of the earnings of the estate. The proceeds of the present issue, after providing for the purchase price, preliminary and other expenses, will leave about £20,000 for working capital, further development, and the general purposes of the company. The capital cost per planted acre, excluding 365 acres reported to be poor and 88 acres to be replanted, based upon the amount of debenture stock issued, is £41 9s 1d; and based upon the amount of debenture stock and issued share capital, subject only to the deduction of the cash working capital, is £75 7s 2d. The capitalisation is reasonably low, and the directorate an experienced one.

Clayton-Murdoch, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. The issued capital is £52,000, divided into 40,000 7½ per cent. cumulative participating preference shares of £1 each and 120,000 ordinary shares of 2s each. The preference shares, after receiving the 7½ per cent. cumulative dividend, are entitled to one-third of surplus profits available for dividend, after a 7½ per cent. non-cumulative has been paid on the ordinary shares. The company was incorporated in 1923, and was formerly Clayton-Murdoch Gas Appliances, Limited. Its objects are, among other things, to carry on and execute all kinds of manufacturing, trading, commercial, financial, and other operations. The company owns:—(a) 4,710 (out of 10,000) preference shares of £1 each and all the ordinary shares in F. Slyth and Co., Limited. (b) All the ordinary shares and half of the management shares in J. Matthew and Son, Limited. (c) 70 mortgage debentures of £100 each in Todman, Ryall, and Co., Limited. The company has also contracted to purchase all the issued capital of Badams and Co., Limited. The businesses of Badams, Matthews, and Slyth are described as textile undertakings. The total purchase price works out at £36,981, exclusive of Badams, Limited, the price of which has not yet been fixed. Preliminary expenses amount to £2,649. The advertisement is one of the poorest of its type we have ever seen, much essential information being omitted from it. Details of the assets acquired are not given, and there are no particulars of past profits either of the purchasing company or of the newly-acquired interests.

Kennards (1926), Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. The issued share capital is £240,000, divided into 110,000 7½ per cent. cumulative preference shares, 5,000 employees shares, and 125,000 ordinary shares, all of £1 each. The company was incorporated on June 28, 1926, in particular to acquire the drapery store of Kennards, Limited, of Croydon, which was established in 1853. Net profits, it is stated, during the past four years were as follows:—1922-23, £23,256; 1923-24, £23,417; 1924-25, £21,605; and 1925-26, £23,800. The net assets on February 10, 1926, excluding goodwill, are given as £170,340. The vendors receive £220,000, payable as to £215,000 in cash and £5,000 by the allotment of 5,000 employees' shares of £1 each. The purchase price appears on the high side; and the margin behind the preference shares is none too considerable.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British Railways.					
	Price Last Week.	Latest Price.	Rise or Fall.		
Great Western, Ord.	86½	85½	— 1	Southern, Ord. "A" ..	41 40½ — ½
London & North-Eastern 5% Pref. Ord.	53	52½	— ½	Do Ord. "B"	108 108 —
Do Def. Ord.	173	172	— 1	Do Pref. Ord.	78 77½ — ½
London, Mid., and ..	173	172	— 1	Do Def. Ord.	44½ 43½ — 1
Scottish, Ord.	73	71½	— 1½	Underground Electric (£100) ..	3½ 3½ —
Metropolitan ..	65	64½	— ½	Do "A" (100) ..	102 101½ — ½
Metropolitan District, 54 ..	53½	—	—	Do Inc. Bds. (£100) ..	102 101½ — ½

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
War 4½%, 1925-28 ..	98½	98½	—	India 3½% Stock ..	104	104	—
Loans 4½%, 1925-45 ..	96	95½	— ½	Do 7½% 1926-31 ..	104	104	—
5%, 1929-47 ..	100½	100½	—	Do 5½% 1932 ..	102	102	—
4%, 1929-42 ..	100½	100½	—	Do 4½% ..	90½	90½	—
Funding Loan 4% ..	86½	86½	—	N.S.W. 5½% 1922-32 ..	100	100	—
Victory Bonds 4% ..	93½	93½	—	N. Zealand 3½% 1940 ..	84	85	+1
Conversion Loan 3½% ..	76½	76	— ½	Nigeria 6% 1949-79 ..	112	112	—
Consols 2½% ..	55½	55½	—	Queensland 5% 40-60 ..	98	98	—
Irish Land Stock 2½% ..	84	83½	— ½	U. of S.A. 6% 1930-40 ..	103	103	—
Local Loans 3% ..	63½	63½	—	S. Aust. 6½% 1930-40 ..	105	105	—
Aust. 6% 1931-41 ..	103	103	—	Victoria 5½% 1924-34 ..	100	101	+1
				W. Aust. 6% 1930-40 ..	102	102	—

Colonial and Foreign Railways.

Antofagasta Cons.	81½	83½	+ 2	Grand Trunk Pacific, 4% Debts.	39½	37	— 2½
B.A. and Pacific ..	87	87½	+ ½	Leopoldina ..	41	42	+ 1
B.A. & Southern ..	97½	96½	— 1	Mexican Railway ..	83	84	+ 1
Buenos Ayres West. ..	87½	87½	—	Do 1st Pref.	24	23	— 1
Canadian Pacific ..	169	170	+ 1	San Paulo ..	185	185	—
Central Argentine ..	75½	75½	—	United Havana ..	78	77	— 1
Cordoba Central New 5½ ..	34½	34½	—				

American Railroads

Chesapeake & Ohio ..	143	147	+ 4	Do Non-cum Pref.	95	96	+ 1
Do 1st Pref.	46½	49	+ 2½				

Foreign Government Securities.

Argentina 5%, 1886-7-100 ..	99	99	—	Greek 7%, 1924 ..	93½	93½	—
Austrian 6% Guar. 98½ ..	99	99	—	Hungarian 7½%, 1924-102 ..	102½	102½	—
Belgian 3% ..	71	71	—	Japanese 6% 1924 ..	93½	95½	+ 2
Brazil 5% Fund. 1914 ..	82	83	+ 1	Mexican Cons. 1899 ..	54	50½	— 3½
Chilian 4½%, 1895 ..	86	86	—	Peruvian Corp. Pref. 4½ ..	43½	44½	+ 1
Do 7½% ..	106	104	— 2	P.L.M. 6% ..	84	81	— 3
Chinese 5%, 1912 ..	57½	56	— 1½	Portuguese (New) ..	33½	33	— ½
Indian 4% ..	82	82½	+ ½	Russian 5%, 1906 ..	54	54	—
French 4% ..	10	9½	— ½	Spanish 4% ..	67	67	—
Do 5% ..	83	83	—	Seine (Dept.) 7% ..	93½	92½	— 1
German 7%, 1924 ..	104½	104½	—	Siamese 7% ..	103	107	+ 4

Telegraphs.

Anglo-American "A" ..	24½	24	— ½	Marconi Canada ..	1½	1½	—
Marconi Wireless ..	1½	1½	—	Marconi Marine ..	1½	1½	—

Banks.

Barclays Bk. (£1, f.p.d.) ..	2½	2½	—	National Provincial, (£20, with £4 paid) ..	13½	12½	— 1
Chartered Bk. of India ..	2½	2½	—	Standard of S. Africa, (£20, with £5 paid) ..	13½	13½	—
Glyds (£5 with £1 paid) ..	3½	3½	—	Westminster Bank, (£20, with £5 paid) ..	18½	18½	—
Midland (£12, with £4 paid) ..	8½	8½	—				
Nat. Bank of Egypt (£10) ..	38½	38½	—				

Miscellaneous.

Allied Newspapers (£1) ..	1½	2½	+ 1	Hudson's Bay (£1) ..	4½	4½	—
Amal. Cottons (£1) ..	4½	4½	—	Imperial Tobacco (£1) ..	5½	5½	—
Anglo Persian Oil (£1) ..	4½	4½	—	Linggi Planina (£1) ..	2½	2½	—
Armstrong (Sir W.G.) and Co. (£1) ..	3½	3½	—	Lever Bros. 7% Cum. Pref. (£1) ..	1	1	—
Ass. Flind. Cement (£1) ..	3½	3½	—	Do 8% Cum. Pref. (£1) ..	1	1	—
Baker, John (£1) ..	3½	3½	—	Do 10% Cum. Pref. (£1) ..	1	1	—
Burmah Small Arms (£1) ..	2½	2½	—	Lister (£1) ..	1½	1½	—
Blochers (£1) ..	2½	2½	—	Lobnitz Oilfield (£1) ..	6½	6½	—
Bradford Dymers (£1) ..	2½	2½	—	Lyons (J. & Co.) (£1) ..	3½	3½	—
Brazil Traction (£100) ..	100	105	+ 5	Mexican Eagle (£10) ..	1½	1½	—
British-American Tobacco (£1) ..	6½	6½	—	Nobel Industries (£1) ..	18	18	—
British Controlled Oil (£5) ..	3½	3½	—	Royal Dutch Petro. (100 fl.) ..	33½	32½	— 1
Bryant and May (£1) ..	2½	2½	—	Rubber Plantations Investment (£1) ..	2½	2½	—
Sham Small Arms (£1) ..	2½	2½	—	Shell Transport (£1) ..	4½	4½	—
Coal (J. & P.) (£1) ..	6½	6½	—	Siemens (£1) ..	18	18	—
Cornwallis (£1) ..	6½	6½	—	Swedish Match "B" (Kr100) ..	14½	15	+ ½
Cornwall (£1) ..	6½	6½	—	Union Cold Storage 6% Cum. Pref. (£1) ..	1½	1½	—
Dorman, Long (£1) ..	1½	1½	—	Do 7% Cum. Pref. (£1) ..	1½	1½	—
Dunlop Rubber (6/8) ..	1½	1½	—	United Dairies (£1) ..	1½	1½	—
Fine Cotton Spinners (£1) ..	2½	2½	—	United Serdang (4/1) ..	4½	4½	—
Forestal Land (£1) ..	1½	1½	—	United Tobacco (£1) ..	4½	4½	—
Furness Withy (£1) ..	1½	1½	—	V.O.C. Holding (£1) ..	3½	3½	—
Highland and Lowland Rubber (£1) ..	3½	3½	—	Vickers (6/8) ..	291	285	— 6
				Watney Def. Sdk.	291	285	— 6

Mines.

Ashanti Gold (4/)	1½	1½	—	Modderfont. "B" (5/)	1½	1½	—
Brakpan (£1) ..	4½	4½	—	Modderfont. Deep (6/)	1½	1½	—
Broken Hill Prop. (£1)	4½	4½	—	Mount Lyell (£1) ..	1½	1½	—
Burma Corp. (Rs.10)	1½	1½	—	New State Areas (£1)	2½	2½	—
Cam & Motor (£1) ..	2½	2½	—	Randfontein Est. (£1)	1½	1½	—
Central Mining (£8/)	17½	16½	—	Rand Mines (5/)	2½	3	—
Chartered (5/)	1½	1½	—	Selukwe (2/6) ..	1½	1½	—
City Deep (£1) ..	1½	1½	—	Shamva (£1) ..	1½	1½	—
Cons. Gold Fields (£1)	1½	1½	—	Rio Tinto (£5) ..	37½	36½	—
Crown Mines (10/)	3½	3½	—	San Francisco of	8	8	—
De Beers Del. (£24)	19½	19½	—	Mexico (10/)	1½	1½	—
De Beers Prop. (£1)	3½	3½	—	Siamese Tin (5/)	1½	1½	—
Eduld (£1) ..	4½	4½	—	Spring Mines (£1)	3½	3½	—
Gov. Gold Areas (£1)	8½	8½	—	Tanganyika Cons. (£1)	2½	1½	—
Johannesburg Cons.	2½	2½	—	Trans. Cons. Lind(10)	2½	2½	—
Malayan Tin (5/)	1½	1½	—	Zambesia Expl. (£1)	2½	2½	—
Modderfontein (10/)	5	5	—				

COMPANY MEETINGS, &c.

ARAMAYO MINES IN BOLIVIA COMPANY.

SUCCESSFUL RESULTS OF THE YEAR.
CHAIRMAN'S REVIEW OF POSITION.

The sixth ordinary general meeting of Campañie Aramayo de Minas en Bolivia was held on Wednesday, June 30th, at the company's offices, 16 Quai de la Poste, Geneva, the Chairman, Mr Carlos V. Aramayo, presiding.

The Chairman said: Ladies and gentlemen,—As you will have seen from the directors' report and balance-sheet, which has been circulated among the shareholders and which is now before you, the balance of profit and loss at December 31, 1925, as remitted by the local administration in Bolivia, shows a profit of Fr.7,387,070.38 as the result of the year's working.

Owing to the continued improvement in the rate of exchange of the Bolivian dollar, the rate having risen from Fr.1.75 in 1924 to Fr.1.83 in 1925, there is a profit in exchange. To this has been added a small profit arising from "Investment" account, and the total of these two items, amounting to Fr.486,077.11, has been carried forward in reserve to next year.

The profit for the year is increased by the addition of interest on deposits and investments, amounting to Fr.221,323.39, making the total profit for the year Fr.7,608,393.68, against Fr.5,794,153.03 for the previous year, being an increase of Fr.1,814,240.65 for the year 1925.

SALES OF VARIOUS PRODUCTS.

The sale of tin barrilla during the period under review was 2,895 tons, at an average price of £134 9s 6d, against 2,202.35 tons sold in 1924 at an average price of £125 8s 10d. The sale of silver sulphides was 1,316,251.864 troy ounces at a price of 33.9d, against 939,895.756 troy ounces at a price of 35.5d, and that of rich silver ore was 207,622.195 ounces at 28.7d, as against 418,898.83 ounces at 32.7d in 1924. The sale of copper cement was 249.20 tons at an average price of £33 2s 7d, against 115.64 tons at £33 11s 6d in the preceding year. The sales of bismuth have been extraordinarily high, but the price during the first three months of the year was very low.

The total production of tin barrilla (60 per cent. concentrates) in the various mining sections of the company was 3,194.05 tons, as against 2,572.50 tons the year before. The production of metallic bismuth in bars, residues and export ores was 182,361 kilos, as against 210,731 kilos, and that of silver in sulphides, rich export ore and copper cement amounted to 1,683,949.16 troy ounces, against 1,521,315.24 troy ounces in 1924.

The cost of production of tin barrilla was reduced from £74 6s 8d in 1924 to £72 7s 10½d in 1925, notwithstanding the exceptional expenses incurred due to the exploration work carried out in the mine of San Bartolomé at Chorolque and the constantly increasing taxation. This decrease in the cost of production is due entirely to the greater output of Chocaya.

WORK ON THE MINES.

The total metres run during the year was 1,302.40, as against 1,531.20 in 1924. For the same reasons as expressed in last year's report, the development work has been of a limited character in the three sections of the mines.

The new shaft of San Bartolomé has reached a depth of 105 metres. At the present moment the crosscut to the lode at the 100 level has been driven more than 50 metres. This research work, which is of great importance, has encountered geological conditions of an unexpected character, and it is not possible to foresee what the results will be.

The development of the Chocaya mine continues satisfactorily, and it is noteworthy that the width of the vein in the lower levels has increased considerably, having attained an average of 1.82 in the level 264. It is true that the proportion of "gangue" is higher and reduces to some extent the tin contents. Owing to this fact, a more careful separation on the picking belt is called for, so as to maintain a sufficiently high grade of ore for treatment.

RESERVES.

In spite of the increase in the ore extraction, which was 26,758 tons in 1925, against 16,406 tons in 1924, the new reserves prepared amount to 18,947 tons, of a grade of 114.59 ounces of silver per ton and 3.11 per cent. of tin over an average width of 1.506 metres. This brings the total reserves of this mine to 262,617 tons, of a grade of 73.25 ounces of silver per ton, and 5.19

per cent. tin over a width of 1.225 metres. In this calculation the veins of "Llampera" and "Judios," rich only in silver, are included, which decreases the average tin contents. Without taking these into account the average of the rest of the mine would be 5.60 per cent.

The running of and the recovery from the Telamayu mill is favourable, but we have not yet been able to treat the quantity of ore we had expected owing to the fracture of the iron spokes of the rotors of three new electric alternators, which occurred a few hours after being put into service. These alternators were to serve the purpose of centralising and increasing the electric power of the mines and mills. This unforeseen occurrence can only be explained by the bad quality of the material employed in the construction of the rotors. The manufacturers have replaced them, and they have been already forwarded to Bolivia. They will be installed as soon as they arrive, and there is reason to believe that in the latter half of this year we shall be able to feed the mill to its full capacity.

CURRENT YEAR'S WORKING.

I have recently received the results of the first five months' working for 1926, which show that, as compared with 1925, the production of tin has increased by 147 tons, silver by 82,000 troy ounces, bismuth by 2 tons and copper by 20 tons.

The export of rich silver ore has been stopped; the production of silver, however, has increased, as is seen by the before-mentioned figures, the whole of the present output being provided by the treatment of ore at Asllani and Telamayu.

The technical staff in Bolivia deserves our best thanks for the loyal and effective manner in which they have fulfilled their duties. Our general manager, Mr Malcolm Roberts, has returned to Europe after a prolonged stay on the mines. He will continue to give his valuable assistance in the capacity of consulting engineer in conjunction with the managing director. Mr Carlos Navarro, who has been in the company's service a great many years and whose loyalty and ability deserves the greatest recognition, has been appointed sub-manager, and during Mr Roberts' absence will be in charge of the general direction of the company's affairs in Bolivia with full powers. He will be assisted by Messrs Fairfull Smith, Davis and Jeffrey, managers of the various sections and by other able engineers.

DISTRIBUTION OF THE PROFIT.

In view of the result of the profit and loss account and balance-sheet presented to you, the board propose that you should approve the interim dividends paid during the year 1925, amounting to 20 per cent., to transfer to statutory reserve the sum of Fr.300,000, and to carry forward the balance of Fr.6,532,414.30.

After the reading of the auditors' report the following resolutions, proposed by the board, were carried unanimously, namely:—

The meeting approves the statement of accounts presented for the year 1925 and gives entire discharge to the directors, especially to Mr Carlos V. Aramayo, as regards the management of the company's affairs in his capacity as managing director.

The four interim dividends, totalling 20 per cent., paid during 1925 are confirmed.

The declaration of a bonus of 10 per cent., also for 1925, is approved, as well as the transfer to statutory reserve of Fr.300,000, and the balance of Fr.6,532,414.30 is carried forward.

TRIBUTE TO DIRECTORS AND STAFF.

A motion heartily congratulating the board, and especially the chairman, upon the excellent results achieved, and warmly thanking Mr Malcolm Roberts and the staff in Bolivia for the able services rendered by them during the past year, was carried with acclamation, the meeting expressing, at the same time, its best wishes for the health of the former chairman and managing director, Mr F. A. Aramayo.

The Chairman informed the meeting that the board had decided to pay a third interim dividend on account of the current year, payable on August 2nd next, together with the bonus of 10 per cent. to all shareholders. That is to say, as far as the registered holders are concerned, to all those registered on the books of the company on July 21st.

The proceedings then terminated.

NATIONAL BANK OF NEW ZEALAND, LIMITED.

GOOD RESULTS—INCREASED PROFIT.

The fifty-fourth ordinary general meeting of the National Bank of New Zealand, Limited, was held, on the 7th instant, at 17 Moorgate, London, the Hon. William Pember Reeves (the chairman) presiding.

Mr Arthur Willis (secretary and London manager) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that the issue of shares which was completed in September last increased the paid-up capital of the bank to £2,000,000, and the reserve fund, with the £20,000 now being allocated, would stand at the same figure. Note circulation showed a slight increase of £11,782, while their liability on account of deposit and current accounts was £10,438,468, which was £384,443 less than last year. Bills payable and other liabilities, on the other hand, showed an increase of £406,163 and stood at £2,734,579.

On the assets side coin and bullion and cash at bankers, at £1,393,351, showed a small decrease of £11,366. Investments were £1,010,486, as compared with £2,000,236 last year; bills receivable and bills discounted had decreased £120,070, from £2,248,827 to £4,128,757; while advances were £10,023,506, as against £8,905,738 in 1925, an increase of £1,117,768. Remittances in transit between branches were £563,516, as against £409,517 at March 31, 1925. The total of overdrafts, discounts and British bills was £14,152,264; last year this total was £13,154,564.

DIVIDEND AND BONUS MAINTAINED.

The net profit was £333,087, as against £279,826 last year, an increase of £53,261, or, including the carry-forward, a total increase of £65,400, which reflected the increase of £1,000,000 to their capital resources. This balance they showed after paying a bonus to the staff of £14,000. The dividend and bonus which the directors proposed to pay to the shareholders were the same as last year—namely, a 12 per cent. dividend and a bonus of 2 per cent. They had allocated £10,000 to the pension and gratuity funds, and had again increased the carry-forward, which, at £173,044, was approaching two-thirds of the present dividend and bonus.

It had not been an easy matter to expand their gross profits, which, after allowing for the use of the fresh capital, showed an increase of £55,762. The fall in prices of New Zealand exports had affected their bill business, as had also the lateness of the season and the British seamen's strike. The greatest adverse influence, however, was the, perhaps, too drastic reduction in exchange rates agreed to by the Australian and New Zealand banks after the restoration of the gold standard.

OVERSEAS TRADE.

In the financial year to March 31, 1926, the overseas trade of the Dominion was:—Exports, £48,697,000; imports, £53,025,000; surplus of imports, £4,328,000. The total exports were £6,080,000 less than last year, and the imports £3,200,000 higher, an adverse movement of £9,280,000.

With regard to wool, in the year ended March, 1925, 553,828 bales were exported, valued at £17,379,000. In the year ended March, 1926, 605,946 bales were exported, valued at £13,284,000 only. The production of dairy produce fell during the year under notice by 16,000 tons. The average price realised for butter was about 1½d less than in 1925, although cheese averaged about the same price. Nevertheless, dairy produce again led in value of exports, the amount being £15,575,000, or 32 per cent. of the total exports. Fortunately, the year was a satisfactory one for meat producers. The export of frozen meat was valued at £9,831,000, and showed an increase of 160,000 cwt in quantity and £531,000 in value as compared with 1925.

The Chairman described at some length his recent visit to the Dominion; and said that since his previous visit, 30 years ago, the progress had been great and the change remarkable—fortunately, almost always a change for the better. The chief problems of the Government were financial. Faced with the probability of a shrinking revenue, it was looking around for ways of effecting economies, but its real difficulty was the necessity of limiting borrowing. At the end of March, 1925, the net public debt was over £214,000,000; since then the Government had borrowed £11,000,000 over here, and £5,000,000 locally, the latter sum at 5½ per cent. This pace was too hot to last, and it was to be hoped that the new Minister of Finance would face the disagreeable task of slackening. In March of last year, moreover, the indebtedness of local bodies was over £47,000,000, and must now be larger.

Evidence of the high standing of New Zealand's credit in London had been given by the reception of the recent loan of £6,000,000. The High Commissioner brought it out at a very favourable moment, and it was, as a flotation, a remarkable success.

The report and accounts were unanimously adopted.

SECURITY FIRST

ROYAL
INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

LOBITOS OILFIELDS, LIMITED.

SUCCESSFUL YEAR'S RESULTS.

The eighteenth annual ordinary general meeting of this company was held, on the 6th inst., at Winchester House, London, E.C.

The Right Hon. Lord Forres, P.C. (the chairman), who presided, said that the directors were again able to submit a satisfactory report. Out of the profit balance of £266,410 the directors recommended a final dividend of 25 per cent. and a bonus of 15 per cent., less tax. As the dividend was at the same rate as that for 1924, but was payable on a larger capital, there was every reason to be satisfied with the result. It was contributed to in substantial part by remunerative voyages of their steamers chartered to others, and in part by the larger production of oil in 1925, as compared with 1924. Production increased from 175,766 tons in 1924 to 223,740 tons in 1925. It was the policy of the board to continue opening up the field, and to increase the production. They had a very large new territory, the development of which would involve them in further outlays. Additional capital would ultimately be required, and then shareholders would have the opportunity of subscribing for new shares on advantageous terms.

A railway about 25 miles long had been constructed from Lobitos to a camp named El Alto, which formed a new centre of work, and was being equipped with the necessary workshops, stores, and other requirements. Some of the wells in this new territory were proving excellent producers.

During 1925 112,394 feet were drilled, as compared with 94,018 feet in 1924. With growing production they had been obliged to add to their storage capacity. Including new tanks at present under construction, the tankage amounted to 60,000 tons. Owing to increase in shipping they had in hand the extension of port facilities at Lobitos and Cabo Blanco.

Referring to the visit he paid to Lobitos in January last, the chairman said that he found the enterprise in a satisfactory condition.

Turning to the company's interests outside Peru, he said that their shareholding in Anglo-Ecuadorian Oilfields, Limited, had not yet reached a dividend-earning stage, but that company was making progress of a solid kind, although not so rapid as they could wish.

Production this year continued to increase, and amounted to 122,845 tons for the first six months, as compared with 104,974 for the corresponding six months last year.

The report was unanimously adopted, and a resolution was passed approving the policy of forming subsidiary companies in England or elsewhere to acquire and manage certain of the company's local interests and properties.

UNION CORPORATION, LIMITED.

ANOTHER SUCCESSFUL YEAR.

THOROUGHLY SOUND POSITION.

The annual meeting of shareholders of the Union Corporation, Limited, was held, on June 11th, at Johannesburg, Mr P. M. Anderson presiding.

The Chairman, in the course of his remarks, said:—

We have again to report that our profit shows an advance, though the difference on this occasion is more moderate than has been usual with us. The realised profit, less writings off, has risen £18,170 to £424,055, and the net profit £3,664 to £352,766.

Our dividend at 4s 6d per share is the same as last year, and we have improved the reserve account by £84,972 and the carry forward by £7,765, or a total of £92,737, as compared with an increase of £33,802 in the previous year. Our reserve account and carry forward together amount to £449,210, or just over 50 per cent. of our issued capital. Our position generally can be regarded as thoroughly sound.

SOUTH AFRICAN INTERESTS.

The operations of the gold mining companies in South Africa in which we are principally interested—namely, the Modderfontein Deep Levels, Limited, and Geduld Proprietary Mines, Limited—were normal during the year, and their outlook is entirely satisfactory. The main feature of their results during the past

year was the loss of the important revenue derived in recent years from the so-called gold premium, but this loss was in a large measure offset by further reductions in working expenditure.

MEXICAN INTERESTS.

In regard to the Mexican interests of the corporation, as stated in the report, our plans in connection with turning the properties of the Compania Internacional Minera to account, have been extended and enlarged, with the result that the time of reaching the production stage has been postponed, and the capital expenditure has been increased. We hope that milling will commence in August next or thereabouts. The proposition is a low-grade one and with a limited life, subject to any additional ore which may be opened up as a result of development work, and the enterprise is largely dependent, so far as the value of the present ore reserves is concerned, upon the price of lead.

SAN FRANCISCO MINES OF MEXICO.

The San Francisco Mines of Mexico, Limited, paid dividends amounting to 3s 9d per share for the twelve months to September 30th last, an increase of 6d over the preceding year.

The more recent results have been effected by lower metal prices and a combination of unfavourable circumstances which particularly affected the period from December. On April 8th the new addition to the reduction plant was started up, and as this augments the milling capacity by nearly 50 per cent., it should result in materially raising the rate of profit. The company has secured an option over the Clarines-Reforma group of mines, and if the development of this property comes up to expectations, it may lead to a considerable expansion of the company's operations.

MAEKUBEE AND BRITISH ENKA ARTIFICIAL SILK COMPANIES.

Our investments in the Maekubee Company and in its offspring, the British Enka Artificial Silk Company, to which reference is made in the directors' report, call for a word of comment. We have deemed it advisable to take an interest in these enterprises, not only because, in our opinion, there is good reason to anticipate that the use of artificial silk will continue to expand and to be a growing factor in the textile industry in all its branches, but mainly because of the experience and high technical skill in the manufacture of the highest grade material of those with whom we are associated in these enterprises. It is the assurance of their co-operation which has led us to launch out into this new, and, as we believe, very promising sphere of industry. The report and accounts were adopted.

HOWARD AND BULLOUGH, LIMITED.

SATISFACTORY RESULTS OF A DIFFICULT YEAR.

The thirty-second annual ordinary general meeting of the shareholders of Howard and Bullough, Limited, was held at Globe Works, Accrington, on the 7th instant. The Chairman of the company, Sir George Bullough, Bart., presided.

The report of the directors and auditors and balance-sheet were taken as read.

In moving the adoption of the reports and accounts the Chairman said: You will all have had an opportunity of perusing the reports and accounts for the past financial year, and with your permission we will take them as read.

In the remarks I had the pleasure of submitting to you on the last occasion, I referred to the increased demand for machinery then prevailing, and this kept our works fully going for a considerable period. Later there was a falling-off, the expected continued improvement in the cotton trade not having materialised. A very steady demand from Germany had been operating for some time, when rather suddenly a great stringency set in and the German cotton trade underwent a declining change from which it has not yet recovered. The higher customs tariffs put in force some months ago will not render competition for that market any easier.

Our trade with France is at present very restricted through the fallen exchange value of the franc, which for the time being places us almost out of competition, and enables French machine makers to supply in their own country under high protective tariffs at prices altogether beyond the English makers' reach. In Japan the customs tariffs against us have recently also been increased, and this is likely to react on our trade with that country. The long-forecast abolition of nightwork in Japanese cotton mills has not yet matured, and it is now stated that it is expected to come into force in 1928. When this comes into force much new machinery will be required to compensate for the compulsory curtailment of working hours.

Having regard to the trade conditions generally, which I hope may soon assume a brighter phase, it is satisfactory to be able to report a trading profit of £154,817.

It will be observed that the "sundry debtors" item in the balance-sheet stands at £426,817, largely accounted for by the

more extended facilities for payment which nowadays have to be conceded. This has its direct bearing also on the bank overdraft shown. Considerable capital is nowadays required to finance the large business we are engaged in, and you will, I think, agree with the policy of carrying forward the balance of £159,946 to next account. I beg to move that the report of the directors and auditors as presented in the balance-sheet be allowed and passed.

The resolution was duly carried, after being seconded by Mr R. Loynd, of Clayton-le-Moors.

Mr R. S. Crossley, J.P., of Accrington, congratulated the directors on the very satisfactory state of the balance-sheet, and moved that a dividend be paid for the half-year ending May 31, 1926, at the rate of 6 per cent. per annum, less income-tax, on the preference shares; and a fourth quarterly dividend of 2½ per cent., making with the dividends already paid 10 per cent. for the year, less income-tax, on the ordinary shares.

Mr H. Hay, of Manchester, seconded, and the resolution was agreed to.

Colonel H. Wilson, of Mirfield, expressed his pleasure in moving the re-election of Mr James Bancroft, M.B.E., and Mr George Boothway as directors of the company. This was seconded by Mr J. A. Hall, of Fairhaven, and afterwards unanimously approved.

Mr Boothway, on behalf of Mr Bancroft and himself, expressed thanks for their re-election.

The auditors having been re-elected, a vote of thanks to the chairman terminated the proceedings.

EX-LANDS NIGERIA, LIMITED.

GOOD RESULTS AND PROSPECTS.

The fourteenth ordinary general meeting of Ex-Lands Nigeria, Limited, was held, on the 6th instant, at River Plate House, London.

Mr H. G. Latilla (chairman and managing director), who presided, said that the year's profit was £35,267, the balance from appropriation account being £36,118, after allowing for the interim dividend of 5 per cent. paid last July. A further interim of 17½ per cent. was paid in February, and they now proposed to pay 5 per cent., making 27½ per cent. for 1925. They proposed, also, to pay an interim of 5 per cent. for the current year.

During the year 405 tons of tin concentrates were produced,

realising £65,293 net, against 400 tons and £59,732 net in 1924. The average content of the concentrate was 72.275 per cent., and the price of metallic tin varied during the year from £265 to £285. The sales of concentrates averaged £165 6s 5d per ton, against £152 19s 7d in 1924. The fact that the profit, £35,267, was less than that of the previous year (£36,746) was due to higher rates of wages owing to keen competition for labour in the tin fields.

With regard to the item of £48,438, representing shares in another company, they had realised about one-third at a satisfactory profit since the date of the accounts, and the balance also could be disposed of at a profit. This purchase marked no change in policy. They were faced with the position that the working of a considerable area of their proved payable ground was likely to be affected by the claim of a neighbour for the use of water which was imperative to this company. Discussions took place along the lines of a purchase by the company of additional ground, but the directors of the neighbouring company, Anglo-Nigerian, could not see their way to deal with this one block. Under advice, the shares were purchased. There was no reason why an arrangement satisfactory and profitable to both companies should not be made, and experts on both sides would agree the terms. Anglo-Nigerian, which had excellent chances of emulating the success of Ex-Lands, was earning profits, and should pay a dividend this year.

The consulting engineer estimated the ore reserves of Ex-Lands at 3,700 tons of 70 per cent. concentrates, but this had no relation to the probable tonnage. For some years past, notwithstanding what had been taken out, the reserves had not been depleted. They might accept his statement that the company had a long life before it, and that if the price of tin remained at about the present level they would receive dividends of 40 per cent. for the current year.

The report and accounts were unanimously adopted.

BIDOR RUBBER ESTATE, LIMITED.

RECORD PROFIT AND DIVIDEND.

The ordinary general meeting of the Bidor Rubber Estate, Limited, was held, on the 7th inst., at the Rubber Growers' Association, 2-4 Idol Lane, London, Mr Edward G. Dane (the chairman) presiding.

Mr E. A. Bull, representing the secretaries (Messrs Bosanquet, Traill and Co.), having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, and the payment of a final dividend of 30 per cent., less tax (making 60 per cent., less tax, for the year), said: The profit constituted a record in the history of the company, and the year's dividend would exceed by a margin of 10 per cent. the highest which had yet been paid. The net profit amounted to £39,682 5s 2d, to which had to be added £3,837 16s 11d brought in from 1924-25, making a disposable balance of £43,520 2s 1d. An interim dividend of 15 per cent. in December and again in April absorbed £15,000, and after paying the directors' special remuneration of £1,250, they recommended a final dividend of 30 per cent., making a distribution of 60 per cent. for the year, the transfer of £10,000 to reserve, and carrying forward a balance of £2,270 2s 1d. The directors had decided to strengthen their financial position by transferring £10,000 to reserve, bringing the total of that account up to £15,000, thereby enhancing the stability of the company and safeguarding it in the event of emergency. They had gathered a crop of 407,000 lbs, which, including sundry receipts, realised the high average price of 2s 9½d per lb. This was practically double the 1s 5d obtained for the previous year's harvest of 266,800 lbs. Included in the 407,000 lbs was an amount of 47,165 lbs, being rubber produced in excess of the exportable allowances, and this had been valued in the accounts at cost.

With regard to the current year, they had budgeted for a crop of 522,000 lbs, which, unless unforeseen setbacks in labour occurred, he anticipated there would be no difficulty in harvesting. Their policy for forward contracts had been a very simple one, viz., to sell forward sufficient to cover expenses of the season's production. Actually, for the calendar year 1926 they had sold 72 tons at about 1s 11½d per lb.

The report and accounts were adopted.

ARGENTINE NAVIGATION COMPANY (NICOLAS MIHANOVICH) LIMITED.

GREAT IMPROVEMENT IN RESULTS.

The seventeenth ordinary general meeting of the Argentine Navigation Company (Nicolas Mihanovich), Limited, was held, on the 6th instant, at Winchester House, London, Lord Kysant, G.C.M.G. (the chairman), presiding.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED OVER ONE HUNDRED YEARS.
ASSETS £13,500,000.
FIRE. LIFE. ACCIDENT. MARINE.
Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

The Chairman said: From small beginnings, more than half a century ago, with a few lighters plying in the River Plate between the ocean vessels and the shore, the business had developed into the present big coastal and river transport organisation, having a fleet of 253 vessels of 80,529 tons gross register, and carrying on passenger and cargo services in the River Plate and its affluents and to and from the adjacent republics, together with towage and lighterage services, salvage operations, shipbuilding and ship-repairing work. The results for 1925 show a marked improvement over those for 1924, when there was an actual loss on the year's working. After making provision for depreciation there was a credit balance on the year's trading of £213,690, and the debit balance of profit and loss account had been reduced from £535,771 to £322,081. During the year under review there was a satisfactory increase in gross revenue, due mainly to additional mileage covered and increased volume of general cargo carried.

He referred last year to the question of a possible rearrangement of the capital of the company, and stated that the matter was receiving the serious consideration of the directors in order to deal in the best possible way with the position arising out of the large debit balance consequential upon the prolonged labour troubles they had experienced in carrying on the company's regular services in the River Plate. While the board were considering the problem, the general position in Argentine showed material improvement, with the result that for the year 1925 the company, after making provision for depreciation, had been able to very considerably reduce the debit balance. As for the first half of 1926, this improvement had continued, and in these circumstances, the board had not considered it necessary to give further consideration to any scheme of rearrangement of capital. During 1925 there was a satisfactory increase in the number of passengers who travelled by their vessels, and the quantity of cargo carried was considerably greater. Their towage services showed a falling off in revenue, and earnings from salvage services were less.

The report and accounts were unanimously agreed to.

CHARTERLAND AND GENERAL EXPLORATION AND FINANCE COMPANY, LIMITED.

SUCCESSFUL YEAR—GOOD PROSPECTS.

The ordinary general meeting of the Charterland and General Exploration and Finance Company, Limited, was held, on the 9th instant, at the Cannon Street Hotel, London.

Mr Edmund Davis, the chairman, in moving the adoption of the report and accounts, said that the capital had been increased from £163,815 to £255,061 by the issue of the bonus shares, and the board of directors had resolved to issue the balance of the capital to him at the then market price, namely, a premium of 7s per share. In the previous accounts the general reserve was £92,146, which was capitalised, and in the present accounts a new general reserve had been created slightly in excess of the previous one, which now stood at £100,000. An interim dividend had already been paid, and directors' percentage of profits, which absorbed £26,236 out of the profit and loss account figures, leaving £172,422, and the transfer to general reserve and excess profits duty reserve, £103,000, left a balance of £69,422, out of which was recommended a payment of a final dividend of 20 per cent., less income-tax, making a total dividend for the year of 30 per cent. This would absorb £52,000, and leave £17,422 to be carried forward, subject to directors' percentage of profit. The distribution of 30 per cent. this year was equivalent to over 47 per cent., including the bonus shares.

The investments at June 30th, at market prices or at their own valuation where there was no quotation, came to £768,200, showing an appreciation of £275,780 over the amounts standing in the accounts, and taking the cash and debtors, less creditors, at May 31, 1925, figures, the total came to £772,170, or 14s 10d per 5s share. The result of the operations showed a balance of £186,179, an increase of £58,361 when compared with the result of the period covered by their previous accounts, which were for nine months.

The company was largely interested in the Rhodesian and General Asbestos Corporation, which continued to show remarkable progress. For the financial year ended March 31st, 1924, the sales amounted to £338,585, for 1925 £529,307, for 1926 £633,818. For its quarter ended June 30, 1924, the sales amounted to £94,840,



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C.4

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£8,734,660
Paid-up Capital	£4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH AMERICA, Ltd., and
THE COMMERCIAL BANK OF SPANISH AMERICA, Ltd.

53 offices in the principal countries of
LATIN AMERICA
as well as 7 Branches in
SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York).
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.,
PARIS.
Northern District Office: 69, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

for 1925 £121,899, for 1926 £165,575. Out of the profits since the date of its registration on July 12, 1917, 13½ per cent. had been paid in dividends, and 245,000 fully-paid shares had been distributed as a bonus, which on June 30, 1926, had a market value of £704,375. In addition, 105,000 shares had been offered to shareholders for subscription at par when the price was £3 7s 6d per share.

The resolution was carried unanimously.

OHLSSON'S CAPE BREWERIES, LIMITED. IMPROVED RESULTS—INCREASED PROFITS.

The thirty-seventh annual general meeting of Ohlsson's Cape Breweries, Limited, was held, on the 8th inst., at the Great Eastern Hotel, London, Mr Gerald Buxton (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: We are pleased to be able to present accounts which show a considerable improvement upon those of recent years. The high quality of the company's products has been maintained and the sales substantially increased, with the result that the year's profit, after making all necessary provisions, amounts to £122,498, as against £100,208 a year ago.

Having referred to various items in the balance-sheet, the Chairman said: With regard to the profit and loss account, after adding to the year's profit the transfer fees and the amount brought forward, we have a total of £139,850. After meeting the usual charges, dividends upon both issues of preference shares and the interim dividend of 2½ per cent. on the ordinary shares, and transferring £10,000 against depreciation of plant and machinery, we propose to pay a final dividend on the ordinary shares of 5 per cent., less tax (at the rate of 2s in the £), leaving £33,070 to be carried forward.

From the reports we receive, I think I may say that the trade of the Dominion generally, on which a business like ours must, of course, depend, is making steady progress.

The brewing trade in South Africa, as elsewhere, is not overlooked by the Legislature when searching for something to tax. The Excise duty, which was doubled as a war measure, remains at the scale then fixed, and even in the last Budget a further 33½ per cent. was added to the duty on malt, the object of which was obscure to us, as the brewers already buy such of the barley as is suitable for malting that the country produces, and would willingly buy more if it were available. This was duly represented to the authorities concerned, but without result.

The crying need of that enormous area is population, though in a census recently taken it appears that in certain districts at least there is some increase in the white population.

A measure for the ostensible purpose of consolidating the liquor laws of the various States of the Union, but which went considerably beyond that, was introduced by the Government this year. It was, however, referred to a Select Committee, to whom evidence was offered by representatives of all branches of the liquor trade and others. Until the Committee has presented its report—which will not be until Parliament meets again next year—we shall not know what shape the Bill will ultimately take.

The report and accounts were unanimously adopted.

TAMPLIN AND SONS BREWERY, BRIGHTON, LIMITED. ACQUISITION OF KIDD AND HOTBLACK.

The 37th annual general meeting of Tamplin and Son's Brewery, Brighton, Limited, was held, on the 8th inst., at the offices of the company, Richmond terrace, Brighton, Mr Alexander Miller-Hallett, the chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that he was once more glad to be able to report steady progress and consequent success. While not wanting to go too largely into self-congratulation, he thought they would agree with him that the company had more than held its own during the past year, both as regarded trade and quality. They would notice from the accounts a large reduction in the expenditure for alterations, but he warned shareholders that there probably would be some increase in that direction during the current year.

The Stock Exchange quotation of their shares showed the opinion that was held of their company in the commercial world, which he felt sure shareholders would consider very satisfactory. Turning to the accounts, the gross profit was £174,567. The board suggested the payment of a final dividend on the ordinary shares of 1s per share, making 2s per share, less tax, for the year, and a bonus of 1s per share, less tax, which would absorb £12,400, leaving £36,211. Of this amount they were placing £5,000 to reserve, thus bringing it up to £106,000, and carrying forward £31,211, as against £28,357 brought forward.

He then came to what he felt sure the shareholders would consider a most interesting announcement, and which would probably be a surprise to most of them, namely, the acquirement of the old

and prosperous business of Kidd and Hotblack by their company. The negotiations had taken a very long time, and it was necessary to postpone the general meeting in order that he should be able to make the announcement from the chair that day. The board had not the slightest doubt that the acquisition of this business would lead to the strengthening of the parent company. It was proposed to form a subsidiary company to take over the properties belonging to that business. The subsidiary company would be making an issue of £200,000 in 6 per cent. debenture stock to provide part of the purchase money. The prospectus of the new issue would be sent to all their stock and shareholders, and as far as possible they would receive preferential allotment.

The resolution was carried unanimously.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 31, 1914	Dec. 31, 1919	Mar. 31, 1920	Mar. 31, 1921	Mar. 31, 1922	Mar. 31, 1923	Mar. 31, 1924	Mar. 31, 1925	Mar. 31, 1926	June 30, 1926
Funded Debt	588	315	315	318	314	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13	13
3½% Conversion Loan ..	..	..	266	684	666	709	764	760	760	760
4½% Conversion Loan ..	..	..	..	..	..	210	210	211	211	211
4½% War Stock	..	63	63	63	63	63	63	63	63	63
4½% War Stock	..	13	13	13	13	13	13	13	13	13
4½ and 5½% War Stock ..	..	2,047	1,953	2,038	2,156	2,052	2,109	2,109	2,109	2,109
National War Bonds	..	1,509	1,201	953	820	778	771	706	706	706
4½% Funding Loan	..	409	401	399	398	395	392	392	392	392
4½% Victory Bonds	..	360	335	325	314	350	350	348	348	348
Treasury Bonds	..	..	453	411	457	499	479	482	486	486
Exchequer Bonds	20	323	185	150	150	15	15	15	15	15
National Savings Certs. ..	..	267	342	354	366	369	372	375	375	375
Other Debt*	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French)	..	..	51	..	..	..	..	..	..	..
Treasury Bills	15	1,107	878	616	588	576	635	565	613	613
Temporary Advances ..	1	243	147	194	186	167	181	139	162	162
Other Capital Liabilities ..	654	8,033	7,655	7,742	7,641	7,646	7,616	7,616	7,691	7,691
Total Liabilities	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,776	7,776

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	June 30, '25	Mar. 31, '26	June 30, '26	11 days ended June 30, '26
Outstanding—				
Advances by Bank of England	9,750,000	..	12,500,000	..
Advances by Public Deptts.	185,185,000	139,441,000	149,501,000	..
Treasury Bills Outstanding	596,585,000	564,855,000	612,925,000	..
Total Floating Debt	791,520,000	704,296,000	774,926,000	..
Includes £52,000, the proceeds of which were not carried to the Exchequer within the period of the account.				

TREASURY BILLS AND BONDS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury Bills were opened on July 9, 1926. For bills at 3 months, dated Monday to Friday, £98 18s 1d, about 44% and above in full, Saturday at £98 18s 4d, and above in full.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4½% Treasury Bonds. Average Price.
1926.				
May 7	35,000,000	39,045,000	4 11 2-8	nil
May 14	35,000,000	47,975,000	4 9 11-21	nil
May 21	35,000,000	50,890,000	4 6 2-41	nil
May 28	40,000,000	48,680,000	4 6 10-28	nil
June 4	40,000,000	56,750,000	4 5 10-05	nil
June 11	35,000,000	46,905,000	4 6 8-33	nil
June 18	35,000,000	48,655,000	4 5 5-54	nil
June 25	45,000,000	64,685,000	4 5 0-93	nil
July 2	40,000,000	63,990,000	4 3 3-19	nil
July 9	35,000,000	..	4 6 3	nil

KANSALLIS-OSAKE-PANKKI (National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.
138 BRANCHES at all important business centres in Finland.

Capital ...	Fmk. 150,000,000
Reserve Fund and Profits ...	123,000,000
Total Assets (31/12/25) ...	2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Gold Coin.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.	
1923.								
Mar. 28	285,616	12,318	7,000	27,000	17-3	241,294	190	
June 27	286,503	12,516	7,000	27,000	17-3	242,446	123	
Sept. 27	282,784	12,401	7,000	27,000	17-5	238,595	150	
Dec. 26	299,070	12,571	7,000	27,000	16-5	255,032	149	
1924.								
Mar. 26	281,538	11,908	7,000	27,000	17-6	236,867	130	
June 25	290,316	12,472	7,000	27,000	17-0	246,198	140	
Sept. 24	285,592	12,227	7,000	27,000	17-3	241,185	184	
Dec. 31	296,261	12,812	7,000	27,000	18-2	248,111	132	
1925.								
Mar. 25	284,256	11,882	7,000	27,000	18-9	235,076	112	
June 24	292,278	12,265	7,000	..	53,950	243,474	119	
Sept. 30	293,004	12,555	7,000	..	56,250	241,188	121	
Dec. 30	296,777	12,561	7,000	..	56,250	245,896	192	
1926.								
Mar. 31	295,337	12,226	6,550	..	56,250	243,258	149	
June 23	293,889	12,317	6,550	..	56,250	243,667	136	
July 7	296,019	12,607	6,550	..	56,250	245,626	200	

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,150,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, July 7, 1926.

ISSUE DEPARTMENT.

£	£
Notes issued	168,939,950
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	149,189,950
168,939,950	168,939,950

BANKING DEPARTMENT.

£	£
Proprietors' capital ..	14,553,000
Rest	3,481,252
Public deposits*	16,498,495
Other deposits	105,595,110
Seven-day & other bills ..	5,577
140,133,434	140,133,434

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, July 7, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	3,481,252	+ 69,713	+ 25,101
Public deposits	16,498,495	+ 6,040,627	+ 5,248,294
Other deposits	105,595,110	+ 49,074,148	+ 13,057,388
Government securities ..	8,734,900	+ 14,090,000	+ 4,986,405
Other securities	37,203,328	+ 28,531,105	+ 2,567,454
Reserve	28,053,756	+ 341,000	+ 5,352,636
Note circulation	142,217,610	+ 512,420	+ 2,988,140
Coin and bullion	150,520,960	+ 171,420	+ 8,340,776
of reserve to liabilities ..	23%	+ 5%	+ 2%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
May 19	£ 98,905,187	£ 140,985,585	£ 123,188,298	£ 113,274,838	£ 782,000 in	27,669,602	22½%
June 26	149,007,551	140,581,930	123,262,127	112,851,976	103,000 in	28,175,461	22½%
June 2	148,771,191	140,982,000	130,221,951	120,466,107	221,000 out	27,539,191	21½%
June 9	148,983,167	140,379,910	117,988,679	107,457,449	233,000 in	28,353,257	21½%
June 16	147,320,507	140,007,760	119,540,689	107,852,888	693,000 in	29,535,573	24½%
June 23	150,085,001	140,388,370	118,963,886	107,421,678	229,000 in	29,446,631	24½%
June 30	150,349,540	141,705,190	165,127,126	154,701,189	98,000 in	28,354,350	17½%
July 7	150,520,960	142,217,610	122,093,635	112,080,084	195,000 in	28,053,350	25½%

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to June 23	£ 16,898,421	£ 758,315	£ 1,376,689	£ 19,073,425
June 30	739,488	31,659	47,617	818,764
July 7	748,301	39,587	62,096	849,984
Total to date 1926	18,386,210	869,561	1,486,402	20,742,173
Do 1925	19,044,974	881,897	1,568,690	21,495,561
Increase or decrease in 1926 ..	= 658,764	= -12,336	= -82,288	= -753,388
= 3 4 %	= 1 3 %	= 5 2 %	= 3 4 %	
Total for year 1925	35,801,764	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 ..	+ 763,159	+ 84,233	+ 57,363	+ 904,255
= 2 1 %	= 5 2 %	= 1 9 %	= 2 2 %	

PROVINCIAL CLEARING RETURNS.

	Month of June.		Aggregate Weekly Totals to July 3.	
	1925.	1926.	1925.	1926.
Number of Working Days	25	26		
	£	£	£	£
BIRMINGHAM	10,243,000	10,446,000	69,146,100	65,184,700
BRISTOL	4,504,000	5,337,000	31,010,000	31,399,000
DUBLIN			141,716,500	129,672,700
HULL	4,049,000	3,357,000	28,485,700	24,138,400
LEEDS	3,744,000	3,764,000	27,688,800	25,379,700
LEICESTER	3,270,000	3,152,000	21,302,400	20,997,600
LIVERPOOL	35,926,000	31,406,000	247,356,200	209,298,000
MANCHESTER	63,167,000	56,070,000	436,587,700	364,322,500
NEWCASTLE-ON-TYNE	5,986,000	4,421,000	44,101,900	37,200,000
NOTTINGHAM	2,668,000	2,336,000	18,289,500	16,916,700
SHEFFIELD	3,962,000	4,601,000	28,411,200	27,038,300
Total	137,519,000	124,949,000	..	..

NETHERLANDS BANK.—In florins (000's omitted).

Assets.	July 5, 1926.	June 28, 1926.	June 21, 1926.	June 14, 1926.	July 4, 1926.	Position May 30, 1926.
Gold	426,314	426,509	426,704	431,874	443,644	163,094
Silver	27,348	27,841	27,551	27,065	22,238	8,436
Notes and advances	398,178	394,844	393,788	400,010	426,314	153,504
LIABILITIES.						
Notes in circulation	842,359	809,755	799,189	816,193	903,374	316,632
Deposits	34,419	63,890	70,365	61,761	5,153	5,016

BANK OF JAYA.—In florins (000's omitted).

Assets.	July 3, 1926.	June 26, 1926.	June 19, 1926.	June 12, 1926.	July 4, 1926.	Position May 30, 1926.
Gold	235,500	237,000	237,500	233,500	48,341	29,785
Silver	108,760	105,690	104,700	106,270	133,665	77,567
Discounts, advances, and other investments	331,500	326,000	328,000	330,000	299,433	109,499
LIABILITIES.						
Notes in circulation	43,000	45,000	44,000	43,500	50,527	11,250
Deposits and bills payable						

SWISS NATIONAL BANK.—In francs (000's omitted).

Assets.	June 30, 1926.	June 23, 1926.	June 15, 1926.	June 7, 1926.	June 30, 1925.	Position May 31, 1924.
Gold	419,381	419,365	419,247	419,023	498,311	171,175
Silver	88,556	89,169	88,811	88,436	88,312	18,350
Assets & advance	316,633	303,116	302,124	303,663	263,306	103,000
LIABILITIES.						
Notes in circulation	800,382	728,123	731,401	755,947	834,049	275,925
Deposits	83,337	129,218	134,122	103,998	111,390	33,750

THE REICHSBANK.—In Reichsmarks* (000's omitted).

Assets.	June 30, 1926.	June 23, 1926.	June 15, 1926.	June 7, 1926.	June 30, 1925.	Position May 31, 1924.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212	177,212	177,212
Gold and bullion	1,492,234	1,492,234	1,492,234	1,492,234	1,061,717	1,061,717
Of which deposited abroad	260,435	260,435	260,435	260,435	91,908	91,908
Reserve in foreign currencies	324,827	324,827	324,827	324,827	353,905	353,905
Bills of exchange and cheques	1,288,208	1,288,208	1,288,208	1,288,208	1,691,467	1,691,467
Silver and other coin	107,546	107,546	107,546	107,546	67,347	67,347
Notes of other German banks	10,613	10,613	10,613	10,613	46,453	46,453
Advances	143,277	143,277	143,277	143,277	5,300	5,300
Investments	89,498	89,498	89,498	89,498	201,315	201,315
Other assets	521,625	521,625	521,625	521,625	680,891	680,891
LIABILITIES.						
Reduced capital	122,788	122,788	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212	177,212	177,212
Reserve	237,085	237,085	237,085	237,085	185,807	185,807
Notes in circulation	2,971,153	2,971,153	2,971,153	2,971,153	2,474,416	2,474,416
Other daily maturing obligations	526,926	526,926	526,926	526,926	764,046	764,046
Other liabilities	119,577	119,577	119,577	119,577	157,427	157,427

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription "of one pound of fine gold equals 1,392 Reichsmarks."

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

Assets.	June 30, 1925.	May 31, 1925.	Apr. 29, 1925.	Mar. 31, 1925.	June 30, 1925.	Position May 30, 1924.
Coin and bullion	209,147	209,159	209,179	209,205	209,445	76,644
Loans & discounts	252,496	281,345	304,946	271,461	348,136	88,470
Debtors abroad	50,516	51,834	42,438	55,769	64,943	24,102
Securities	6,933	6,970	7,016	7,033	7,910	11,988
LIABILITIES.						
Circulation	400,989	400,109	411,030	411,295	468,279	157,266
Deposits	22,308	28,770	26,603	36,549	28,377	6,636

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	June 30, 1926.	June 23, 1926.	June 15, 1926.	June 7, 1926.	June 30, 1925.	Position May 31, 1924.
Coin and bullion—Gold	147,226	147,226	147,226	147,227	147,227	44,224
Balance abroad and foreign bills	81,225	81,732	87,346	60,093	28,533	
Norwegian and Foreign Government securities	21,571	21,199	15,697	9,249	8,818	
Discounts and loans	338,974	328,631	296,376	377,851	76,911	
LIABILITIES.						
Notes in circulation	342,983	335,137	333,220	387,204	113,484	
Deposits at notice	184,104	182,527	152,576	135,219	7,188	

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	July 4, 1926.	June 26, 1926.	June 19, 1926.	June 12, 1926.	July 4, 1925.	May 31, 1924.
Gold	228,426	228,444	228,485	228,853	234,413	104,918
Balance abroad and foreign bills	126,445	125,651	124,567	126,273	100,156	112,172
Swedish and for Gov. securities	47,251	47,251	47,251	47,251	60,820	32,465
Discounts & loans	326,997	283,781	293,041	288,323	414,829	112,668
LIABILITIES.						
Notes in circulation	509,633	468,627	476,542	466,920	499,049	226,555
Deposits at notice	143,186	135,095	141,631	143,981	222,423	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	June 23, 1926.	June 15, 1926.	June 8, 1926.	June 23, 1925.	Position May 30, 1924.
Gold	330,632	330,987	331,027	43,286	35,091
Balance abroad and foreign bills	915,704	954,678	972,906	1,046,915	90,379
Finnish and Foreign Government securities	366,417	366,417	366,417	401,019	21,826
Discounts and loans	735,648	701,078	698,826	405,174	105,151
LIABILITIES.					
Notes in circulation	1,278,100	1,289,550	1,308,165	1,258,061	123,941
Deposits at notice	393,097	405,509	406,227	443,997	21,225

BANK OF ESTHONIA.—In Est. marks (000's omitted).

Assets.	May 31, 1926.	May 20, 1926.	May 10, 1926.	Mar. 31, 1926.	Mar. 31, 1925.
Gold	496,911	495,996	495,426	496,251	539,930
Balance abroad and foreign currency	254,115	345,709	234,012	263,076	229,231
Bills in foreign currency	218,574	346,773	361,644	282,359	282,161
Discounts	1,755,402	1,666,548	1,685,366	1,745,788	1,529,170
Advances and sundry outstandings	4,730,671	4,689,471	4,686,497	4,728,046	4,088,090
LIABILITIES.					
Capital paid up	250,000	250,000	250,000	250,000	250,000
Reserve funds	207,946	207,946	207,946	207,946	148,042
Notes in circulation	1,835,575	1,931,967	1,899,263	1,940,572	1,807,876
Deposits	4,794,427	4,650,663	4,740,186	4,671,419	4,088,090
Commercial credits	608,481	617,631	594,667	591,037	536,328

BANK OF LITHUANIA.—In Lt. (000's omitted).

Assets.	June 30, 1926.	June 15, 1926.	May 31, 1926.	May 15, 1926.	Apr. 30, 1926.	June 30, 1925.
Gold	30,500	30,439	30,407	30,324	30,362	33,351
Silver	6,803	7,055	7,376	7,515	7,918	46
State Treasury coins	1,905	1,891	1,892	1,887	1,892	2,677
Foreign currency	26,998	30,011	32,445	33,779	34,314	34,572
Discount and credit	44,412	44,075	44,470	45,951	46,619	38,211
LIABILITIES.						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	860	860	860	860	860	625
Banknotes in circulation	79,471	81,556	83,094	84,807	87,143	79,277
Deposits	19,188	20,114	21,575	22,009	20,794	24,592

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	June 30, 1926.	June 15, 1926.	May 15, 1926.	Apr. 30, 1926.	June 30, 1925.
Coin and bullion	12,000	12,000	12,000	12,000	12,000
Of which gold coin	2,000	3,325	3,059	2,871	3,062
Danzig subsidiary coin	2,000	3,320	3,054	2,866	3,057
Balances, Bk. of Eng., inc. notes	24,223	17,499	15,770	17,474	14,977
Bills of exchange	11,864	12,197	12,756	13,402	14,977
Loans	1,529	496	540	591	633
Foreign exchange	15,073	18,056	18,923	19,299	20,308
Other balances on demand	857	582	143	135	90
LIABILITIES.					
Capital paid up	7,500	7,500	7,500	7,500	7,500
Notes in circulation	35,183	30,612	30,197	33,333	30,166
Deposits on demand	2,379	3,514	3,073	2,557	3,731
Deposits at notice	nil	nil	nil	nil	nil

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	June 30, 1926.	June 23, 1926.	June 15, 1926.	June 7, 1926.	May 31, 1926.
Metal reserve—					
Gold in coin & bullion	18,637	18,402	18,313	18,313	18,313
Foreign bills	511,301	480,760	479,857	479,857	479,857
Other foreign bills	100,249	83,062	77,310	123,825	123,825
Bills discounted	80,660	67,340	71,148	95,099	95,099
Advances to the Treasury	182,682	182,800	182,835	203,665	203,665
LIABILITIES.					
Reserve fund	4,552	4,552	4,552	4,552	4,552
Notes in circulation	836,368	735,068	752,120	828,017	828,017
Deposits	61,893	99,143	79,320	33,251	33,251

† Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengö (000's omitted).

Assets.	June 30, 1926.	June 23, 1926.	June 15, 1926.	June 7, 1926.	May 31, 1926.
Metal reserve—					
Gold coin and bullion	121,143	119,033	119,033	119,033	119,033
Drafts and notes	107,126	111,701	121,821	128,308	128,347
Silver coin and bullion	908	908	910	908	908
Inland bills, warrants, and securities	165,098	147,197	150,955	160,798	174,947
Advances to the Treasury	151,726	151,726	151,726	151,726	151,789
LIABILITIES.					
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	395,419	354,359	361,668	373,889	387,504
Current accounts, deposits, &c.	175,538	204,294	207,349	206,899	204,335

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	June 30, 1926.	June 22, 1926.	June 15, 1926.	June 8, 1926.	June 30, 1925.
Gold	80,146	79,938	79,824	79,711	72,600
Other coin and notes	17,998	18,196	17,983	18,065	22,425
Foreign credits	322,748	329,275	326,145	327,153	366,692
Bills	1,033,601	1,051,407	1,057,171	1,067,713	933,693
Govt. advances	4,467,500	4,467,500	4,467,398	4,467,277	4,518,962
LIABILITIES.					
Notes in circulation	5,493,870	5,494,639	5,494,023	5,667,680	5,644,080
State credits	349,222	349,176	349,120	348,999	366,329
Deposits	697,547	724,270	647,937	541,788	688,553

BANK OF SPAIN.—In pesetas (000's omitted).

Assets and Liabilities in Pesetas (000's omitted).						
Assets.	July 3, 1926.	June 26, 1926.	June 19, 1926.	June 12, 1926.	July 4, 1926.	Position May 30, 1914
Gold.....	2,645,274	2,540,878	2,538,842	2,537,499	2,536,611	521,775
Silver.....	670,897	674,199	671,255	670,446	663,553	728,600
Loans & discounts.....	2,597,425	2,517,236	2,580,390	2,552,249	2,518,081	800,725
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,403,039	4,332,507	4,328,918	4,342,097	4,333,875	901,556
Deposits.....	1,092,281	1,068,223	1,071,531	1,066,448	1,158,276	497,000

BULLION.

The following statistics of imports and exports of gold for week ended July 7, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported in Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
British West Africa	17,091	Netherlands	27,300
British South Africa	786,688	Germany	15,291
Other countries	755	France	27,300
		Egypt	9,000
		Java	4,100
		Kenya	1,069
		Straits Settlements	54,600
		British India	100,115
		Ceylon	22,500
		Other countries	405
Total declared value of imports	804,534	Total declared value of exports	261,011

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
July	£	July	£
3—S. Africa	250,000	3—Spain	78,000
5—S. Africa	112,000	5—Holland	5,000
6—Bars bought	nil	6—Spain	12,000
7—Spain	nil	7—Holland	5,000
8—Spain	nil	8—Spain	7,000
9—Spain	nil	9—Spain	10,000
		9—Spain	13,000
Total	367,000	Total	150,000
		Net arrivals, £217,000.	

Messrs Samuel Montagu and Co. write on July 7th as follows:—

GOLD.

During the week under review the Bank received on balance £195,000, increasing the net influx since January 1, 1926, to £5,927,000, and decreasing the net efflux since the resumption of an effective gold standard to £5,668,000. The Bureau of the United States Mint, in co-operation with the United States Bureau of Mines, finally estimates the refinery production of gold in the United States during the calendar year 1925 as 2,411,987 ounces, valued at \$49,860,200.

SILVER.

Fluctuations of the price have again kept within very narrow limits. Speculative interest connected with the yen or otherwise has been almost absent, and business has consisted mostly of closing contracts and reopening them simultaneously for a new period of two months. Some inquiry, following the improvement in monsoon conditions, has set in from the Indian bazaars, but there is little disposition to raise prices, for supplies are readily available at advancing rates. America has kept more or less in touch with this market. Without taking any pronounced view, the undertone may be described as slightly improved. United Kingdom imports and exports of silver during the week ending the 30th ult. were:—

Imports.		Exports.	
	£		£
Netherlands	12,650	France	17,450
U.S.A.	44,809	Hungary	32,920
Mexico	240,930	British India	6,000
Other countries	6,780	Other countries	1,548
	305,169		57,918

The refinery production of silver during the calendar year 1925 in the United States has been finally estimated by the Bureau of the United States Mint as 66,155,424 ounces.

INDIAN CURRENCY RETURNS.

Notes in circulation		June 15.	June 22.	June 30.
Silver coin and bullion in India		18,867	18,996	19,144
Silver coin and bullion out of India		8,815	8,944	9,092
Gold coin and bullion in India		2,232	2,232	2,232
Gold coin and bullion out of India		..	..	..
Securities (Indian Government) ..		5,721	5,721	5,720
Securities (British Government) ..		2,099	2,099	2,100

No silver coinage was reported during the week ending the 30th ultimo. The stock in Shanghai on the 3rd inst. consisted of about 68,600,000 ounces in sycee, 62,500,000 dollars, and 8,120 silver bars, as compared with about 67,000,000 ounces in sycee, 61,700,000 dollars, and 5,900 silver bars on the 26th ultimo.

GOLD AND SILVER PRICES.

Gold Per Ounce.		Silver—Per Ounce.		Date.		Silver.	
		Cash.	Forward.			Cash.	
1926.	s d	d	d	July 16, 1920	d	52½	
July 3....	84 11½	30 ½	30 ½	15, 1921..	37½		
5....	84 11½	30 ½	30 ½	14, 1922..	35½		
6....	84 10½	30 ½	30 ½	13, 1923..	30 ½		
7....	84 11½	30 ½	30 ½	11, 1924..	34 ½		
8....	84 11½	30 ½	30 ½	18, 1925..	32		
9....	84 0½	30 ½	30 ½				

NOTICES.

The Banque Française et Italienne Pour L'Amérique Du Sud, of Paris, announces the opening on July 3rd of a branch at Bahia (Brazil).

Mr Kenneth Methven Carlisle, a director of Liebig's Extract of Meat Company, Limited, Oxo, Limited, and South American Cattle Farms, Limited, has been elected to a seat on the board of the Bank of London and South American, Limited.

The National Provincial Bank, Limited, announce that a branch of the bank is now open at 64 High street, Slough, under the management of Mr R. G. Adamson. A branch is also now open at 158 Victoria road Wharf, Fratton Bridge, under the management of Mr W. T. Reed, of the Portsmouth branch.

The directors of Lloyds Bank, Limited, announce that Mr G. F. Abell, formerly manager of the City office, has been appointed a joint general manager of the bank, and that Mr S. P. Cherrington and Mr S. Parkes have been appointed joint managers of the City office. Also that a branch of the bank is now open at 68 Uxbridge road, Shepherd's Bush, W.12, under the management of Mr C. M. Jeram; and a sub-branch at Jesmond (Cradlewell), under the management of Mr Henry Smith, of the Osborne road branch.

Barclays Bank, Limited, announce the opening of a new branch at Northfields, 140 Northfield avenue, West Ealing, W.13, under the management of Mr A. Coucher, who is also manager of 41 Broadway, West Ealing, branch; also a new sub-branch at Harrow road, Sudbury, Middlesex, under the management of Mr W. A. J. Sullivan, also manager of 104 High road, Wembley, branch.

The Midland Bank announces the opening of a new branch in Parade Buildings, Shirley, near Southampton, under the management of Mr F. J. Robbins. An office has also been opened at 1 High street, Overton, Hants. Arrangements have been made for the opening of a branch of the Midland Bank in the grounds of the Royal Agricultural Show to be held at Reading from July 6th to July 10th. This branch office will be in Stand No. 87, and will be open for business each show day from 11 a.m. to 3 p.m.

Bradbury, Greatorex and Co., Limited, announce interim dividends as under:—Ordinary shares at the rate of 6 per cent. per annum; second preference at the rate of 6½ per cent. per annum. Warrants will be posted on July 31st.

ONTARIO'S MINERALS

The Province of Ontario contains 407,262 square miles—over three times the area of the British Isles. Seventy per cent. of this vast area is underlain by pre-Cambrian rocks, pre-eminently the metal-bearing formations of this part of America. The gold fields of Porcupine and Kirkland Lake, the silver mines of Cobalt, South Lorrain and Gowganda, the nickel-copper of Sudbury, and the iron ores of Michipicoten, abundantly testify to the mineral riches of this vast region.

GOLD.

Ontario is now one of the leading sources of gold. In fifteen years the annual production has increased from \$42,637 to \$30,207,545. The Kirkland Lake and Porcupine mines paid \$8,233,468 in dividends in 1925. New camps are being developed at Larder Lake, Boston Creek, Lightning River, Goudreau, Red Lake and other points.

SILVER.

In silver, the production from Cobalt, South Lorrain and Gowganda amounted in value to \$243,440,641. The mines of South Lorrain and Gowganda are turning out quantities of ore as rich as any ever mined in the early days of Cobalt. The output in 1925 was 10,217,315 fine ounces valued at \$7,084,864, and dividends aggregated \$1,868,506.

NICKEL-COPPER.

The product of the Sudbury mines last year was worth in nickel \$15,946,673, and in copper \$4,764,682. Important quantities of metals of the platinum group are also recovered from the Sudbury ores, the output in 1925 being valued at \$1,675,706.

There are yet many thousands of square miles practically unprospected, where the pre-Cambrian formations in all probability contain deposits of gold, silver and other metals as rich as any yet discovered. Copies of the Mining Laws, geological maps and reports may be obtained on application to W. C. NOXON, Agent-General for Ontario, 163, Strand, London, W.C.2. HON. CHARLES MCCREA, Minister of Mines, THOS. W. GIBSON, Deputy Minister of Mines, Toronto, Canada.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 2, 1926.	(c) Week ended July 3, 1926.	Miles Open.	Week ended July 4, 1926.			Aggregate 26 Weeks, 1926.		
			Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Receipts.
Great Western	3,778	253,000	205,500	458,000	5,543,000	7,433,000	12,976,000	
Do for 1925	3,765	322,000	335,000	655,000	6,187,000	8,546,000	14,733,000	
London & N. Eastern (c)	6,715	436,000	393,000	829,000	9,062,000	14,899,000	23,901,000	
Do same period 1925	6,714	550,000	653,000	1,203,000	10,509,000	17,355,000	27,864,000	
London, Mid. & Scottish	6,950	617,000	516,000	1,133,000	12,833,000	18,825,000	31,658,000	
Do for 1925	6,950	790,000	867,000	1,657,000	14,835,000	22,170,000	37,002,000	
Southern	2,183	363,000	98,000	461,000	7,430,000	2,584,000	10,014,000	
Do for 1925	2,183	405,000	122,000	527,000	8,049,000	3,016,000	11,065,000	
Metropolitan (c)	59	30,000	2,400	32,400	754,800	80,100	834,900	
Do for 1925	58	35,000	4,100	39,600	849,300	96,600	945,900	
Underground E.R. (c)	..	..	..	..	..	..	6,318,000	
Do for 1925	..	..	..	..	..	..	6,516,400	
London & Sub. Group (c)	..	..	..	..	..	..	943,800	
Do for 1925	..	..	..	..	..	..	984,600	
Great Northern (b)	50	4,086	905	4,992	71,459	23,681	95,140	
Great Southern (b)	80	15,850	15,400	35,250	364,800	416,150	780,950	
Do "B" Shares	2,181	47,210	40,519	87,729	877,441	1,101,076	1,978,517	

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	9 weeks	June 5	1,072	Rs. 2,93,000	- 9,212	Rs. 28,84,000	+ 73,823
Baru Ld. Ry.	10 weeks	12	118	28,000	+ 2,800	4,40,500	+ 81,500
Bengal & N. Western	10 weeks	12	4,076	7,67,590	+ 49,130	78,10,580	+ 4,69,245
Bengal-Nagpur	7 weeks	May 29	2,835	16,31,000	+ 3,000	1,36,27,000	+ 7,57,122
Bombay, Bar., & C.I.	13 weeks	June 23	3,033	22,50,000	+ 70,000	2,98,29,000	+ 5,44,000
Burma.	9 weeks	5	1,342	7,35,641	- 52,202	79,61,235	- 3,65,811
Delhi, Umballa & Kalka	26 weeks	Mar. 31	239	2,22,500	+ 28,015	29,08,142	+ 89,432
Madras & S. Mahr	10 weeks	June 12	3,048	16,95,000	- 1,00,083	1,83,63,000	+ 5,31,020
Nizam's Guaranteed (a)	12 weeks	12	993	4,07,116	+ 45,790	48,70,747	+ 37,308
Rohilk'd & Kumaon	9 weeks	5	259	55,683	+ 6,794	5,61,991	+ 37,308
Do Lucknow-Breilly	9 weeks	5	313	69,915	+ 8,344	6,99,957	+ 26,502
South Indian	9 weeks	5	1,876	10,31,558	+ 57,060	97,49,575	+ 3,26,478

(a) Total receipts of all lines.

ARGENTINE (a).							
Argentine N.E.	1 week	July 3	754	£ 14,100	-	£ 1,700	..
B.A. and Pacific	1 week	3	2,652	140,000	+ 14,000	..	..
B.A. Central	1 week	3	4,718	193,000	+ 5,000	..	..
B.A. Southern	1 week	3	1,882	90,000	+ 10,000	..	..
B.A. Western	1 week	3	3,305	222,000	+ 21,000	..	..
Central Argentine	1 week	3	1,202	75,000	- 5,000	..	..
Cordoba Central	1 week	3	729	25,000	+ 1,100	..	..
Entre Rios	1 week	3	729	25,000	+ 1,100	..	..

CUBAN.							
Havana Central	52 weeks	June 26	..	£ 12,221	-	£ 562	686,961
United of Havana	1 week	July 3	1,250	50,592	- 10,608	..	41,807

URUGUAYAN.							
Central Uruguay	1 week	July 3	273	£ 24,998	+ 701	..	..
C. Urug. (East. Ext.)	1 week	3	311	5,261	- 521	..	..
C. Urug. (North. Ext.)	1 week	3	185	2,549	- 337	..	..
C. Urug. (West. Ext.)	1 week	3	211	2,237	+ 14	..	..

CANADIAN.							
Canadian National	26 weeks	June 30	22,106	\$ 6,961,138	+ 102,557	\$ 120,989,008	+ 154,452,665
Canadian Pacific	26 weeks	30	14,229	\$ 4,754,000	+ 556,000	\$ 84,544,000	+ 9,388,000
+ 9 days.							

BRAZILIAN (b).							
St. West. of Brazil	27 weeks	July 3	1,018	£ 12,200	+ 3,000	£ 470,100	+ 87,000
Leopoldina	27 weeks	3	1,056	54,830	+ 22,602	1,023,380	+ 303,550
Leopoldina Termal	27 weeks	3	..	7,794	+ 3,822	200,150	+ 70,005
San Paulo	27 weeks	4	153	46,600	+ 5,819	1,247,503	+ 242,045

CHILEAN.							
Antofagasta	26 weeks	July 4	838	£ 25,245	- 12,705	£ 1,048,650	- 25,930
Nitrato (4-monthly)	26 weeks	June 30	366	26,150	- 16,790	413,787	- 37,037

OTHER OVERSEAS.							
Alloy and Gandia	27 weeks	July 3	33	Pa. 18,000	- 3,000	770,700	+ 33,900
Egyptian Delta	12 weeks	June 20	600	£ 8,287	+ 460	66,414	+ 6,721
Gt. Southern of Spain	26 weeks	26	104	Pa. 48,750	- 68,010	2,491,617	- 487,075
Mexican Railway	26 weeks	30	432	\$ 30,580	- 52,700	7,107,500	- 172,500
Paraguay Centre	1 week	July 3	274	£ 1,910	- 2,530	..	..
Salvador	1 week	3	100	£ 5,205	+ 3,809	..	..

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.
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MINING OUTPUT STATISTICS FOR JUNE, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Oz.	Mill.	Oz.		
Gold.	Tons.	Oz.	Tons.	Oz.	£	£
Ashanti.....	8,518	..	..	..	7,600	32,287
Associated Gold.....	5,028	..	..	..	8,101	..
Blackwater.....	3,200	6,300	2,268	294	2,562	..
Boulder Perseverance.....	3,495	..	..	..	5,483	762
British Platinum.....	5,867	251 ozs	platinum	& 86 ozs gold	20,559	3,289
Cam and Motor.....	20,600	..	..	..	41,403	22,272
Champion Reef.....	8,515	26,225	4,507	870	5,377	..
Colombian Proprietary.....	..	..	..	..	28	..
Exploring Land (May).....	3,616	..	..	..	4,355	..
Frontino and Bolivia.....	2,220	..	..	..	8,525	..
Gabait Tributing.....	692	180	593	53	2,383	..
Golden Horse-Shoe.....	3,803	..	..	..	8,809	253
Hohonu.....	..	..	..	..	57	..
Lena.....	..	(June 23-30)	..	..	9,774	..
London & Rhodesian (May).....	1,610	..	..	..	41,051	..
Luipaard's Vlei.....	20,835	..	..	..	1,158	..
Marmajito.....	550	..	..	..	2,975	2,345
Mexico of El Oro.....	15,448	..	..	..	\$130,690	\$19,940
Mysore.....	18,718	32,753	8,979	1,363	10,342	..
Nandya.....	10,281	20,723	4,683	936	5,619	..
Overwatch Platinum.....	1,329	..	..	..	735 (platinum)	..
Ooregum.....	12,000	7,500	7,410	486	7,896	..
Oriental Consolidated.....	..	(Clean up)	..	..	\$80,000	..
Rezene.....	6,300	1,166	..	..	13,229	6,144
Shamva.....	55,100	..	..	..	32,391	7,279
Sherwood Star.....	2,600	..	..	..	5,346	2,147
Sons of Gwalia.....	15,907	..	..	..	12,724	..
South Kalguli.....	8,200	..	..	..	15,749	2,678
St John del Key.....	..	..	..	..	29,000	..
Tomboy.....	18,000	..	..	..	\$59,000	..

	Output.	Other Notes in Return.
Tin.	Tons.	
Anglo-Nigerian.....	18	Concentrates.
Aramayo.....	259	Silver 146,000 ozs.
Bangrin.....	364	..
Bisichi.....	13	Est. value, £3,733.
Chenderiang.....	94	..
Deebok.....	45	Concentrates.
En-Lands (Nigeria).....	58	Est. value, £9,160; est. cost, £2,545.
Gopeng.....	263	Est. value, £3,908; est. cost, £2,079.
Idris Hydraulic.....	184	..
Iphoh.....	38	..
Jantar.....	104	..
Jos.....	28	..
Junction.....	113	Shipped 7 tons.
Kalari.....	5	Est. value, £17,605.
Kamunting.....	80	Shipped 80 tons.
Kare Tin.....	26	Est. value, £4,118; est. cost, £1,400.
Kati Consolidated.....	354	Est. value, £5,331; est. cost, £1,353.
Kinta.....	214	Est. value, £5,619; est. cost, £2,836.
Kramat Pulai.....	4	..
Lahat.....	984	Value, £16,274; cost, £8,663.
Lower Bisichi.....	10	..
Malayan.....	10	..
Naraguta Extended.....	120	32½ tons concentrates sold.
Nigerian Consolidated.....	15	..
Northern Nigeria.....	211	Black tin; alluvial, 9 tons.
North Ropp.....	28	Est. value, £403; est. cost, £226.
Pahang Consolidated.....	26	Est. value, £4,156; est. cost, £1,540.
Pari.....	354	Est. value, £1,215; est. cost, £1,125.
Pengkalan.....	40	Shipped 35 tons.
Rahman Hydraulic.....	90	..
Rambutan.....	954	..
Rayfield (Nigeria).....	7	..
Renong.....	562	Tin and wolfram, value £9,771; arsenic and sundries, £689.
Ropp.....	42	Est. value, £6,761; est. cost, £4,233.
Siamese.....	30	Est. value, £4,175; est. cost, £1,950.
South Bukem.....	51	Est. value, £7,830; est. cost, £2,855.
South Crofty.....	36	..
Sungei Besi.....	32	Est. value, £5,186; est. cost, £3,882.
Tekka.....	126	Concentrates containing 436 tons of copper.
Tekka-Taiping.....	700	Metric tons assaying 23 per cent.
Tin Fields of North Nigeria.....	..	Sold during week ended June 19th.
Tongkah Harbour.....	..	..
Tronoh.....	..	..
Copper.	..	..
Messina.....	..	..
Poderosa.....	..	..
Coal.	..	..
Chinese Engineering.....	37,000	..
Dundee.....	45,280	..
Durban Navigation.....	58,639	..
Natal Navigation.....	120,414	..
South African Estates.....	67,013	..
Vereniging Estates.....	184,935	..
Lead.	..	..
Broken Hill South.....	4,173	Lead concentrates, assaying 68 per cent. lead and 21 ozs silver.
Rhodesian Broken Hill.....	276	..
Miscellaneous.	..	..
Mouns Lyell (four weeks ended June 23rd).....	..	9,343 tons of ore, producing 2,868 tons of concentrates.
New Vaal River Diamond.....	..	572 carats, realising £5,089.

BROKEN HILL SOUTH, LIMITED.—For the four weeks ended June 26, 1926, 25,260 tons of crude ore and 13,100 tons of de-leaded slime residues were treated, and produced 4,173 tons of lead concentrates, assaying 68 per cent. lead and 21 ozs silver per ton; also 7,103 tons of zinc concentrates, assaying 46 per cent. zinc.

SAN FRANCISCO MINES OF MEXICO, LIMITED.—Operations for June:—Ore treated, 13,200 tons; zinc residues treated, 9,620 tons; lead concentrates produced 3,905 tons; zinc concentrates produced 4,005 tons. Estimated net smelter return on lead concentrates, \$13,865 (U.S. currency), and on zinc concentrates, \$140,835; total, \$279,500. Operating expenses, \$82,862. Estimated operating profit, \$196,638. Capital expenditure, \$60,390. This return includes \$2,323, being excess of realisations of products over valuations in respect of previous months.

THE RHODESIAN AND GENERAL ASBESTOS CORPORATION, LIMITED, advise that, for the month of June, the output from their various mines amounted to 2,370 tons, and their sales to the gross value of £27,737.

OIL OUTPUTS.

ANGLO-EQUADORIAN OILFIELDS, LIMITED.—The production for June is cabled as 2,518 tons.

APEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of June are as follows:—Production of oil, 17,700 tons; deliveries, 16,550 tons.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED.—The production of crude oil by this company and the Rangoon Oil Company, Limited, for the month of June, amounted to 59,375 barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For week ending June 30, 1926: Production, 41,563 barrels; shipments, 50,400 barrels. Total shipments for the calendar month of June, 35,068 tons. Two new wells, No. 114 on the southern line and No. 115 at the eastern end of the El Mene field, have been completed, making 30 barrels and 300 barrels respectively per day. Total production for June, 193,469 barrels.

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—The total production during June amounted to 148,271 barrels, or approximately 21,181 tons.

LOBITOS OILFIELDS, LIMITED.—The production for June is cabled as 21,448 tons.

MEXICAN EAGLE OIL COMPANY.—The production for the week ended June 26, 1926, was 148,000 barrels.

STEAUA ROMANA (BRITISH) LIMITED.—The production of the Steaua Romana Company, Bucharest, for the month of June was 28,450 tons.

THE VENEZUELAN OIL CONCESSIONS, LIMITED, announces that its production for the week ended June 26, 1926, were as follows:—La Rosa, 22,264 m. tons (previous week ended June 19th, 22,491 m. tons). Maracaibo District, 3,899 m. tons (previous week ended June 19th, 4,186 m. tons).

TRINIDAD LEASEHOLDS, LIMITED.—Oil produced during June, 20,000 tons. Oil purchased during June from other companies, 18,200 tons.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, June 30th, amounted to 1,090 tons.

ANALYSIS OF BALANCE-SHEETS.

BANK OF LIVERPOOL AND MARTINS, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1925.	Amount.	Compared with June 30, 1925.
£	£	£	£
£20 shares, £24 paid.....	2,348,890 ..	Cash in hand and with Bank of England.....	6,950,858 .. + 609,692
Reserve fund.....	1,850,000 .. + 150,000	Balances, &c., with other British banks.....	1,990,835 .. — 93,693
Current deposit, and other accounts.....	59,328,980 .. + 1,278,119	Money at call or notice.....	7,300,778 .. + 3,013,845
Bank's acceptances.....	1,367,919 .. + 196,895	Investments.....	8,475,821 .. + 475,085
Endorsements, &c.....	2,273,352 .. — 1,025,869	Bills of exchange.....	2,666,019 .. + 464,498
Total.....	67,169,141 .. + 599,145	Loans and advances to customers &c.....	34,601,139 .. — 3,050,035
		Customers' liability for bank acceptances.....	1,542,420 .. + 371,396
		Bank premises.....	1,367,919 .. — 165,774
		Endorsements, &c.....	2,273,352 .. — 1,025,869
		Total.....	67,169,141 .. + 599,145

WESTMINSTER BANK, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1925.	Amount.	Compared with June 30, 1925.
£	£	£	£
Paid-up capital.....	9,320,157 .. + 268,439	Cash.....	37,104,867 .. — 5,520,737
Reserve.....	9,320,157 .. + 268,439	Money at call & notice.....	23,135,007 .. — 1,163,577
Current deposit, &c.....	1,250,000 ..	Bills discounted.....	43,518,474 .. + 9,175,751
Other accounts, including balance profit and loss.....	270,286,855 .. + 1,271,515	Advances.....	132,168,073 .. + 3,489,412
Acceptances & endorsements.....	9,642,039 .. — 1,533,634	Investments.....	45,828,992 .. — 4,205,449
Note issue in Isle of Man.....	12,669 .. — 554	Shares in allied banks.....	2,991,706 ..
Total.....	298,581,877 .. + 274,205	Acceptances.....	9,642,039 .. — 1,533,634
		Bank premises.....	4,192,719 .. + 32,439
		Total.....	298,581,877 .. + 274,205

LIPTON, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1925.	Amount.	Compared with Mar. 31, 1925.
£	£	£	£
5% cum. pref.	1,000,000 ..	Goodwill, property, &c.....	2,219,850 .. — 95,015
9% cum. pref.	600,000 ..	Plant, &c.....	795,157 .. — 27,997
Ord. shares.....	1,250,000 ..	Stocks.....	1,094,154 .. — 212,309
Debentures.....	1,100,000 ..	Sundry debtors.....	471,863 .. + 43,023
Bank overdraft.....	9,917 .. + 9,917	Insurance, &c.....	19,548 .. — 306
Bills payable.....	18,142 .. — 8,096	Investments and int. accrued.....	134,591 ..
Sun. creditors, &c.....	473,233 .. — 81,671	British & Colonial Government securities.....	134,591 ..
Savings bank deposits.....	133,160 .. — 15,117	Trading investments, including loans to and investments in subsidiary cos.....	170,944 ..
Unclaimed divs.....	5,074 .. — 219	Cash at bank and on hand.....	66,472 ..
Debt interest accrued.....	9,000 ..	Total.....	4,908,467 .. — 233,767
Div. on 9% pref. shs.....	 — 20,925		
Income-tax res.....	 — 75,000		
Reserve.....	300,000 .. — 25,000		
Profit and loss.....	7,941 .. — 17,656		
Total.....	4,908,467 .. — 233,767		

NATIONAL PROVINCIAL BANK, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1925.	Amount.	Compared with June 30, 1925.
£	£	£	£
Capital paid up.....	9,479,416 ..	Cash.....	37,338,484 .. — 1,173,991
Reserve.....	9,479,416 ..	Money at call & notice.....	17,702,425 .. — 448,205
Acceptances, &c.....	3,382,979 .. — 902,499	Investments.....	41,059,138 .. — 1,797,141
Deposits, &c.....	255,260,105 .. + 969,534	Discounts, &c.....	173,316,484 .. + 3,979,383
		Bank premises.....	4,802,406 .. + 409,488
		Acceptances.....	8,382,979 .. — 902,499
Total.....	282,601,916 .. + 67,035	Total.....	282,601,916 .. + 67,035

WM. CORY AND SON.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1925.	Amount.	Compared with Mar. 31, 1925.
£	£	£	£
5% cum. pref. shrs.....	850,000 ..	Land, buildings, &c.....	4,421,876 .. — 65,122
Ord. shares.....	2,850,094 ..	Stock, &c.....	113,581 .. + 1,971
Employees' shrs.....	64,850 .. + 2,103	Debit balances.....	2,573,591 .. — 214,474
4% deb. stock.....	700,000 ..	Invsts. on behalf of staff funds.....	105,662 ..
44% debts.....	200,000 ..	Investments at market value.....	100,042 .. — 18,285
Unpaid dividends.....	16,237 .. + 160	Brit. Govt. stocks, at or under cost.....	2,148,034 .. — 17,874
Premium on new ord. shares.....	440,000 ..	Cash.....	39,197 .. — 1,874
Reserve.....	800,000 ..		
Insurance fund.....	100,000 ..		
Staff pensions.....	118,604 ..		
Credit balances.....	2,543,350 .. + 95,291		
Profit and loss.....	818,848 .. + 17,610		
Total.....	9,501,983 .. — 115,164	Total.....	9,501,983 .. + 115,164

DISTILLERS' COMPANY, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with May 15, 1925.	Amount.	Compared with May 15, 1925.
£	£	£	£
Ord. shares.....	10,361,526 .. + 6,561,526	Land & buildings.....	1,070,000 .. + 21,000
6% pref. shares.....	2,200,000 ..	Plant.....	405,000 .. — 11,500
Reserve fund.....	650,000 .. + 200,000	Investments.....	11,168,387 .. + 7,040,752
Fire insce. fund.....	165,000 .. + 5,000	Sundry debtors.....	242,800 .. — 80,057
Superannuation.....	265,423 .. + 24,876	Stocks.....	300,503 .. + 6,760
Deb. stocks.....	820,000 ..	Cash.....	467,432 .. + 94,221
Loans from subsidiary cos.....	1,676,098 .. + 595,814	Bills receivable.....	147,625 .. — 66,717
Sundry creditors.....	468,354 .. — 220,825	Loans to subsidiary cos.....	4,048,243 .. + 790,806
C/r'ge on spirits.....	131,483 .. — 2,225	Payments and provision in connection with increase of capital, &c.....	200,000 .. — 100,000
Profit and loss.....	1,310,506 .. + 531,099		
Total.....	18,049,990 .. + 7,695,265	Total.....	18,049,990 .. + 7,695,265

Reports and Notices.

Owing to the death of their late chairman, Mr F. D. Bowles, J.P., the Pearl Assurance Co., Limited, inform us that at a board meeting held on the 2nd inst. the following appointments were made:—Mr George Tilley, chairman of the board; Mr Frederick James Roll, director; and Mr William Norman Proddow, F.C.I.S., secretary.

We are informed that at a general meeting of the members of the British Insurance Association, held on July 8th, Mr Geoffrey Marks, C.B.E., F.I.A., of the National Mutual Life Assurance Society, was elected chairman, and Mr J. J. Atkinson, of the Royal Insurance Company, Limited, was elected deputy chairman of the association.

BANKS.

LONDON AND EASTERN TRADE BANK.—The first report and accounts to be issued by the London and Eastern Trade Bank, which was established in 1920, cover a period of 17 months to May 31st last, and show a paid-up capital of £600,000, deposits of £753,400, and acceptances of £608,700. Loans and overdrafts stand at £804,300, investments at £773,300, money at call at £270,000, and cash at £150,100. In future the accounts are to be made up to June 30th.

NATIONAL BANK OF AUSTRALASIA, LIMITED.—For the year ended March 31, 1926, a net profit of £568,254 is disclosed. This compares with a net profit of £538,832 for year ended March 31, 1925, and £498,168 for year ended March 31, 1924. Adding £114,704 brought in, there is an available balance of £682,958. The ordinary dividend remains unchanged at 10 per cent., absorbing £400,000. The sum of £110,000 goes to reserve fund, bringing it up to £241,000, while £50,000 goes to reduction of bank premises, and £122,958 is carried forward.

RUBBER, &c.

BERTAM CONSOLIDATED RUBBER.—The crop of rubber for year ended March 31, 1926, was 2,053,556 lbs, against 1,314,941 lbs in preceding year. The average price realised was 2s 5.65d per lb, against 1s 5.49d per lb, in preceding year. The profit for the year was £181,284, against £54,846. The ordinary dividend is increased from 20 per cent.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.	
					Prefce.	Ordinary.	Rate.					
												Amount.	Amount.	Rate.
Banks.												
National Bank of Australasia	Mar. 31	£ 114,704	£ 568,254	£ 682,958	£ ..	£ 400,000	% 10	£ 160,000	£ 122,958	£ 538,832	% 10	
P. and O. Banking.....	Mar. 31	17,584	135,780	153,364	..	109,322	5	25,000	19,042	136,215	5	
Breweries.												
Distillers' Co.	May 15	116,552	2,098,441	2,214,993	105,600	1,657,839	20	330,000	121,554	1,769,067	20	
South African Breweries	Mar. 31	88,038	303,701	391,739	50,000	235,287	16½	20,000	86,452	286,459	15	
Financial, Land, &c.												
Australian Agricultural	Dec. 31	5,960	64,522	70,482	..	60,000	7½	..	10,482	69,380	8½	
Australian Estates and Mortgage	Dec. 31	8,778	104,648	113,426	..	57,713	6	30,000	25,713	211,902	10	
Murrayfield Real Estate	May 31	4,177	1,299	5,476	..	1,200	5	..	4,276	1,537	5	
New South Wales Land, &c.	Jan. 31	3,602	26,101	29,703	..	20,916	8	..	8,787	43,686	16	
North of Scotland Canadian Mort.	May 15*	36,215	18,728	54,943	..	18,398	7½	..	36,545	..	..	
Trustees Corporation	May 31	54,480	109,570	164,050	22,500	45,000	9	40,124	56,426	92,286	8	
Hotels, Restaurants, &c.												
Hotel Belgravia	May 31	..	21,799	21,799	6,800	11,900	17½	2,000	1,099	..	..	
Iron, Coal, and Steel.												
Greenwood and Batley	Mar. 31	15,502	28,613	44,115	7,028	17,420	5	6,000	13,667	30,679	5	
Head, Wrightson, and Co.	April 30	1,461	9,921	11,382	10,148	..	..	..	1,234	Dr 8,099	..	
Mitres, Bickerton, and Day	Mar. 31	7,033	17,733	24,766	397	..	..	..	21,245	17,811	7½	
Petters	Mar. 31	24,909	26,742	51,651	12,377	4,500	5	10,726	24,048	25,087	nil	
Wm. Cory and Son	Mar. 31	488,808	496,932	985,740	42,500	437,005	15	..	506,235	503,995	15	
Rubber, &c.												
Anglo-Ceylon and General Estates	Mar. 31	43,727	110,107	153,834	..	100,000	20	10,000	43,834	81,469	15	
Baru (Java) Estates	Dec. 31	4,095	56,063	60,158	..	42,500	22½	11,000	6,658	17,688	15	
Bertam Consolidated	Mar. 31	10,866	181,285	192,151	..	165,000	55	4,067	23,084	..	..	
Bertam Extended	Mar. 31	770	10,664	11,434	..	7,800	15	2,620	1,014	..	..	
British Rubber Estates of Java ..	Dec. 31	1,683	41,701	43,384	..	37,500	25	..	5,884	18,940	15	
Java Para	Dec. 31	23,136	86,422	109,558	..	56,000	35	25,000	28,558	..	..	
Juru Estates	Mar. 31	4,461	28,639	33,100	..	26,000	32½	2,000	5,100	10,052	15	
Kali Glagah (Java)	Mar. 31	3,260	49,421	52,681	..	38,755	40	5,074	8,852	20,905	15	
Kepitigalla	Mar. 31	983	21,596	22,579	..	20,342	15	..	2,237	5,930	nil	
Martapoera Estates	Mar. 31	1,452	25,552	27,004	..	18,280	25	4,000	4,724	7,277	7½	
Pita Fibre and Rubber	Mar. 31	..	5,140	5,140	..	..	..	2,932	2,208	..	..	
Port Dickson-Lukut	Mar. 31	6,142	85,996	92,138	..	67,777	27½	10,000	14,361	19,095	7½	
Sedgeley (F.M.S.)	Mar. 31	Dr 2,245	33,942	31,697	..	20,000	50	10,000	1,697	..	..	
Selama (Malaya).....	Mar. 31	3,903	13,081	16,984	..	12,768	32½	2,000	2,116	2,733	nil	
Tremelbye (Selangor)	Mar. 31	4,395	65,624	70,019	..	55,200	20	10,000	4,819	18,013	5	
Way-Halim (Sumatra)	Mar. 31	775	20,070	20,845	..	12,940	25	5,000	2,905	3,847	10	
Shipping.												
Claymore	Mar. 31	855	451	1,306	..	..	..	..	1,306	267	..	
Sutherland Steamship	June 30	6,650	6,624	13,274	..	4,391	2½	4,000	4,883	11,483	3½	
Shops and Stores.												
International Tea Co.'s Stores ..	April 24	124,614	357,483	482,097	59,373	170,000	20	125,000	127,724	351,721	20	
J. W. Benson	Mar. 31	103,926	48,088	152,014	16,666	20,835	12½	..	114,513	42,798	12½	
Lipton, Limited	Mar. 31	2,097	30,844	32,941	50,000	..	..	Dr 25,000	7,941	87,713	..	
Tea.												
Southern India Estates	Feb. 28	1,354	18,345	19,699	438	13,175	25	5,000	1,086	..	..	
Telegraphs, &c.												
Chill Telephone	Mar. 31	3,095	70,844	73,939	..	45,000	6½	25,000	3,939	42,599	5½	
Textiles.												
British Dyestuffs Corporation....	Mar. 31	..	253,517	253,517	..	95,512	2½	80,000	78,005	..	..	
English Sewing Cotton.....	Mar. 31	153,797	269,002	422,799	50,000	400,000	20	Dr 150,000	122,799	450,129	..	
Trusts.												
Rock Investment Co.	June 30	12,529	29,267	41,796	5,000	1,003	1	..	35,793	20,700	1	
Other Companies.												
Apollinaris and Johannis	Mar. 31	..	22,379	22,379	..	..	..	..	22,379	14,450	..	
Handford Greatrex	Mar. 31	366	2,929	3,295	2,400	..	..	..	895	2,641	..	
Lovell and Christmas	June 19	103,057	104,028	207,085	34,816	70,500	10 s	7,000	94,769	107,480	14	
National Smelting	Dec. 31	23,388	99,262	122,650	52,000	..	..	..	70,650	65,986	..	
Salts (Saltaire)	Mar. 31	7,268	Dr 139,186	Dr 131,918	..	..	..	..	Dr 131,318	80,637	..	

* Half-yearly. † Tax free. s Paid on a larger capital.

J. W. BENSON, LIMITED.—The net profit for year ended March 31, 1926, amounted to £51,391, against £46,274 for the preceding year. It is pointed out that the net profit includes dividend on the shares held by the company in Hunt and Roskell, Limited, to December 31, 1925, and interest on other investments received to March 31, 1926. The ordinary dividend is again 12½ per cent. The carry forward is increased from £103,926 to £114,513. Total assets amount to £904,600, against £889,619 in preceding report. Properties, plant and goodwill stand at £457,774, against £457,701. Stock-in-trade and book debts stand at £210,392, as compared with £181,220. Investments at cost stand at £210,343, against £220,310. Cash is a £26,091, against £30,387. With regard to liabilities, creditors stand at £23,018, against £16,349. Reserve is at £163,477, against £161,848.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Growing cereals are making good progress under favourable climatic conditions, and there is every prospect of average yields, particularly with regard to wheat and barley. Stocks of old native wheat are practically exhausted, only small quantities being avail-

HARRISONS & CROSFIELD, LTD.
1-4, GREAT TOWER STREET, LONDON, E.C.3.
EASTERN MERCHANTS,
WITH BRANCHES IN CANADA, CEYLON, INDIA, DUTCH EAST INDIES,
JAPAN AND ELSEWHERE.
THE COMPANY OFFERS FACILITIES TO PLANTATION COMPANIES IN
THE DEVELOPMENT OF ESTATES AND SALE OF PRODUCE.

able and prices largely nominal. Imported descriptions were fully maintained in sympathy with forward firmness, especially for North American descriptions, near at hand parcels being reservedly offered and a moderate business transpired. In the floating and American hard winter descriptions, despite heavy yields of advices were the principal factors. The closing tone, however, was quiet. Steamers of No. 2 hard winter July loading sold at 51s 3d and a small vessel 52s 9d, with part cargoes at 53s. No. 1 and Pacific August 20th loading 52s 9d, ditto early August 53s 3d. Feeders firmer and La Plata maize in better demand at higher rates, due in a measure to the freight position, though closing below 480 lbs. c.i.f. terms. Wheat maintained. No. 1 Northern Manitoba Barusso 61 lbs 57s 3d, Australian 61s, choice white Karachi 60s 3d,

all ex-ship per 406 lbs. English nominally 14s-14s 4d per 112 lbs free on rail. Flour steady. London standard grade quoted 51s, town whites 52s, patents 53s-54s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s 6d-48s 6d, Minneapolis 46s 6d-48s, Australian 43s 6d-44s per 280 lbs ex-store. Maize firmly held. Plate new 33s landed, ditto ex-ship to arrive 32s, No. 2 white flat African landed 35s per 480 lbs. Barley firmer. Californian quoted 36s-47s, ditto Chevalier 50s-55s, Chilian Chevalier 41s-57s, ditto brewing 34s-46s, Australian Chevalier 44s-46s ex-store, Smyrna 32s-40s ex-ship per 448 lbs, No. 3 Canadian Western ex-ship 30s, No. 4 ditto 29s 6d, American malting 48 lbs landed 30s, Plate ex-ship 28s 6d, Russian landed 29s 3d per 400 lbs. English nominal. Oats fully steady. La Plata ex-ship 22s, landed old 24s, new 23s 3d, No. 2 Canadian Western ex-ship 20s 6d, landed 28s, No. 2 Canadian feed ex-ship 23s 6d, landed 24s 6d, Chilian tawny ex-ship 22s 6d-22s 9d, landed 24s, American 38 lbs ex-ship 23s 6d, landed 24s 6d, mixed feed ex-ship 19s 6d, landed 21s per 320 lbs. English 10s-10s 6d per 112 lbs free on rail. Millers' offals quiet. Broad bran quoted 5s 6d-5s 9d, middlings 6s-6s 6d, fine ditto 8s, bags included, ex-mill, feed oatmeal 7s 3d, light oats 6s 9d, ground oats 11s 9d per cwt free on rail. Oatmeal unaltered. London made flaked quoted 18s 6d, rolled oats 17s 6d, medium also fine cut 17s 6d, coarse also medium pinhead 17s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23.

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to July 3	Cwts. 31,558	Cwts. 85,060	Cwts. 36,254	Cwts. 117,946
44 weeks, to July 3	12,787,649	10,688,842	12,606,894	16,642,389
Average price of English wheat per cwt.	s d 13 9	s d 12 3	s d 11 9	s d 10 11

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
June 26	Cwts. 52,595	Cwts. 12,995	Cwts. 17,563	s d 15 8	s d 8 11	s d 9 11
July 3	31,558	5,996	13,546	15 9	8 8	9 10
1925.						
June 26	77,631	5,468	6,070	12 3	11 3	11 9
July 3	78,489	11,732	7,905	11 0	8 7	10 10
1924.						
June 26	36,254	8,012	5,308	11 9	10 11	10 3
July 3	85,060	10,437	17,191	12 3	9 10	10 5

AMERICAN WHEAT MARKETS.

Prices show a fairly steady improvement this week, buying on export account having been well maintained. A spell of hot, dry weather, with heat damage to crops, has been reported from several districts, but beneficial rains have since fallen. These, together with foreign reselling, caused a slight fall in prices at the end of the week. Quotations:—

	Jan. 2, 1925.	July 9, 1925.	Jan. 7, 1926.	July 1, 1926.	July 8, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	159½	160	148½	152½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	148½	176½	134½	137

† Previous day's quotation.

IRON AND STEEL.

Our Middlesbro correspondent's report, dated July 8, is as follows:—Pig-iron: Until the coal strike is settled, and the works can resume operations, there is not likely to be any change in the market conditions. No. 3 Cleveland is still quoted at 84s per ton, and mixed numbers hematite at 79s, with No. 1 at 79s 6d. Manufactured Iron and Steel: There is very little home manufactured material obtainable, and prices remain as follows:—Steel ship plates £7 17s 6d, steel ship angles £7 10s, iron bars £11, steel rails £8 5s. There are still some quantities of both pig-iron and steel coming in from the Continent at prices below the home market. Iron Ore: A little business is being done for delivery commencing after the coal strike, but the nominal quotation for best rubio still remains at 21s 6d per ton, c.i.f. Tees.

Our Sheffield correspondent writes:—Confidence in an early settlement of the dispute seems to be fairly general in this district. No section of the community has suffered more from the trouble than the heavy steel department of Sheffield, where unemployment is increasing. Buying of Sheffield steel goods from various parts of the country, too, is becoming more and more restricted, and output is in excess of requirements. The milling of fine steels has ceased, because no more coke suitable for the process is available. There is no demand for ferro-alloys used in steel making. Prices have sagged in consequence, and tungsten could now be bought several pence per pound below the pre-strike quotations. A moderate amount of work continues at the foundries, and there has been very little interruption to the output of ironwork for the building trade, which is still brisk. A regular business is now being done in "outcrop" coal. Mixed with the better qualities it can be used with advantages for certain processes in the iron trades. Small but increasing quantities are coming in from pits

which have re-started, but the old pithead stocks are exhausted. Foundry coke is still available.

Our Glasgow correspondent writes as follows:—Iron and steel production is fast approaching complete stagnation. Sheet mills which have been able to carry on during the last two months are now closing down, and only one large works and one or two smaller concerns are now in operation. Pig-iron production has now entirely ceased, so that, with the exceptions above referred to, the Scottish iron and steel trade is now at a standstill. Stocks of pig-iron are getting scarcer, shipments from the Clyde being well up to the average. For last week the shipments totalled 566 tons, of which 449 tons were on overseas account. For the corresponding week of last year the figures were 444 and 390 tons respectively. Quotations are higher for all classes of material for delivery after the strike, the feeling being that, whatever the outcome of the miners' dispute, costs are certain to advance. Steel plates are £7 15s per ton, black sheets £11 10s per ton, and nothing under £16 10s per ton is quoted for 24 gauge galvanised corrugated sheets for shipment, f.o.b. Glasgow. The only contract of importance noted this week is a special type of cargo steamer for Australian owners secured by the Burntisland Shipbuilding Company, Limited. The propelling machinery will be supplied by Messrs David Rowan and Co., Limited, Glasgow.

Our Cardiff correspondent writes:—The South Wales coalowners have this week submitted to the miners the terms under which they are prepared to reopen the collieries under an eight-hour day. They provide for the continuance of the pre-stoppage wages for the three months ending September, after which wages are to be regulated by the proceeds of the industry, subject to a minimum wage rate of 28 per cent. upon the 1915 standard rates compared with the 42.22 per cent. paid up to the end of April. The subsistence wage allowances payable after September are to be varied either by mutual agreement or by the independent chairman of the Conciliation Board. The miners' representatives were invited to meet the owners to consider these terms, but the invitation has been refused. On the coal market interest has been centred in the importation of foreign coals. Regular services have now been established for the supply of German coals, but the bulk of the orders recently placed abroad have been for American coal. The coals discharged during the week have assisted some of the local manufacturing industries. No difficulties are being experienced in the discharge of foreign coal cargoes. Owing to the increasing scarcity of small coals some of the patent fuel factories have been compelled to close down.

In the tin-plate industry a few more mills have been operating this week, but for stock tin-plates prices have advanced to 25s 6d per basis box. The quotations for plates in course of manufacture are about 23s 6d, while for August supplies they are between 20s 6d and 20s 9d. Last week receipts from works totalled 70,690 boxes and the shipments 83,218 boxes, stocks thus being reduced to 60,116 boxes. Prices of steel bars are unchanged at £6 5s and of galvanised sheets at between £16 5s and £16 10s.

OTHER METALS.

TIN.—Tin market ruled firmer in sympathy with stimulating advices from the East and reserved sellers, though later dealings were attended by some irregularity. Standard cash sold at £274 10s-£277 10s, with three months at £274-£277 10s, £277 5s. Sales in the East were reported at £281 5s to £284, c.i.f.

COPPER.—Liberal offerings during the week were readily absorbed, and a steady tone governed proceedings, though slight irregularity was noticeable at times. Standard cash was dealt in at £56 18s 9d to £57 10s, three months £57 15s-£58 5s

foreign pig. July sold £30 1s 3d to £30 17s 6d, August £30 5s to £30 3s 9d and £30 17s 6d, September £30 5s to £30 17s 6d, October £30 2s 6d to £30 17s 6d.

SPELTER proved a firm market, with liberal dealings. July sold £33 15s to £34 1s 3d, August £33 16s 3d, £34 2s 6d, September £33 16s 3d, £34 2s 6d, October £33 15s to £33 17s 6d to £34 2s 6d per ton.

ANTIMONY lower. English special brands quoted £74 10s to £75. China crude spot £45, regulus £60.

ALUMINIUM.—Home trade nominally £120, export £125.

QUICKSILVER firm. Spot £15 10s per bottle.

WOLFRAM firmer. Prompt shipment quoted 14s, forward 14s 3d per unit, c.i.f. terms.

THE COTTON TRADE.

LIVERPOOL, July 8, 1926.

The market has shown more activity during the week. Crop accounts have not been quite so favourable, and with rains being reported in various districts and the appearance of the weevil and other insects prices have hardened. Short covering has been noticeable. Spot sales for the week July 2nd to July 8th (inclusive) are 24,000 bales. Of these, 15,870 bales are American, 610 bales Brazilian, 1,650 bales Peruvian, 1,550 bales Egyptian, 3,430 bales African, 820 bales East Indian, and 70 bales sundries. Imports for the same period are 54,395 bales, these include 31,938 bales American, 2,573 bales Brazilian, 1,583 bales Peruvian, 11,057 bales Egyptian, 2,057 bales African, 4,038 bales East Indian, and 1,149 bales sundries. Quotations to-day are: Middling American, 9.37; F.G.F. Sakel, 15.85; uppers, 11.65; fair Brazilian, 9.47; G.F. mod. rough Peru, 12.00; smooth, 11.22; F.G.F. Tinnivelly, 8.30; middling West African, 9.12; and G.F. East African, 11.30.

MANCHESTER, July 8, 1926.

Although the tone of the market has continued quiet, some spinners and manufacturers have reported rather more inquiry. Considerable interest is being taken at the moment in raw cotton news, and the firmer prices have caused some surprise in view of the healthy outlook for supplies. Cloth inquiry for India has broadened, but sales of importance have been quite isolated. Better cables have come to hand with regard to the monsoon rains. Only small transactions have been put through for China, chiefly in fancies. Slightly more inquiry has been met with for Egypt and the Near East. It has been difficult to sell printing and finishing styles in lots of any weight. Fair advices are coming through from the home trade. Quotations in American and Egyptian yarns have been rather steady, and some spinners have met with a slightly improved demand, but conditions generally remain very unsatisfactory. Calico printers, bleachers, and dyers are now feeling to a greater extent the coal shortage.

(I.) Comparative Statement of the Cotton Trade.

	Price, July 8, 1926.	Previous weeks in 1926.				
		Price, July 1, 1926.	Price, June 24, 1926.	Price, June 17, 1926.	Price, June 10, 1926.	Price, June 3, 1926.
Raw Cotton—Mid. American per lb	9.37	9.24	9.47	9.54	10.14	10.30
— Sakellaridis Fully Good Fair	15.85	16.05	16.25	16.50	17.35	17.10
— Egyptian per lb	15	15	15	15	15	15
Yarns—32's twist per lb	15	15	15	15	16	16
— 40's twist per lb	15	15	15	15	16	16
— 60's twist (Egyptian) per lb	27	27	27	27	28	28
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	25	25	25	26	26
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	29	29	29	30	30
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	14	14	14	14	14	14
39-in. ditto, 37 yds, 16 by 15, 8½ lbs	13	13	13	13	14	14

(II.) Compared with Previous Years.

	Price, July 8, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	9.37	13.65	17.26	15.92	13.85	8.74
— Sakellaridis Fully Good Fair	15.85	31.35	23.45	15.75	19.75	16.50
— Egyptian per lb	15	20	25	23	20	17
Yarns—32's twist per lb	15	20	25	23	19	16
— 40's twist per lb	15	21	26	23	19	16
— 60's twist (Egyptian) per lb	27	38	35	28	30	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	32	36	32	33	32
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	36	40	35	31	31
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	14	17	20	18	16	18
39-in. ditto, 37 yds, 16 by 15, 8½ lbs	13	16	18	17	17	16

THE WOOL TRADE.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The fourth series of London sales will commence next Tuesday. The quantity announced as being available is 147,000 bales, which is adequate to meet all current needs. New Zealand is very adequately represented by 49,000 bales—more than the combined arrivals from New South Wales, Queensland, and Victoria. In addition to the New Zealand offerings, there were 17,200 bales of South American crossbreds. We therefore feel that the quantity of this

description is fully equal to all requirements. It is regrettable that the home trade is in such a poor form for a series of sales, the interval being dominated by the coal strike. This has resulted in a curtailment of consumption, seriously affecting the position of crossbreds in particular. Looking at the probable course of values, we think merinos will not show a great deal of change, but under present conditions anything can happen to crossbreds. The bulk of the buying will have to be done by the Continent, both in merinos and crossbreds, if last sales' rates are to be maintained. The financial conditions in France during the interval cannot have made for a prosperous industry. However, the French textile industry continues to enjoy considerable prosperity, and judging by recent events in Bradford it would seem as if both Germany and Russia are able to buy considerable weights of wool. Everybody will be glad if last sales' closing rates are maintained, higher values not being anticipated. In July shearing begins in good earnest in the Commonwealth. Fair rainfalls have been reported over large areas during the past two weeks, and on the whole Australia is enjoying a fairly good winter. Central Queensland seems to be the exception, a cable last week reporting very dry conditions on important pastoral properties. What surprises us most is an estimate of an increase in the next clip of 100,000 bales. Apparently the increased sheep stocks are going to produce this extra weight of wool, but experience proves that when sheep have been on dry pastures for nine months of the year it always means less wool per head. Judging by the state of trade in England and America, the same quantity as was produced last year will be adequate to meet all requirements. The British textile industry is seriously affected by the coal strike, and the general trade of the country is suffering severely.

Our Bradford correspondent, writing on Thursday, says:—The market is awaiting a settlement of the coal dispute. Available supplies of fuel are sufficient for the short time running in the mills, but much of the coal is of inferior quality, and the price is excessively high compared with the normal value of English supplies. Business is mainly confined to sales of small weights of tops and yarns for immediate requirements, and there is a complete absence of speculative buying in all sections of the industry. Merino tops are well held at late rates, and the indications point to values being maintained. The raw material position will be tested in London next week when the Colonial wool sales reopen, and topmakers are largely depending on the strength of the raw material position. Crossbred tops, with the exception of the finest qualities—which are firm in sympathy with merinos—are dull and prices show much irregularity, especially in the lower descriptions. Stocks of crossbred wool are heavy, and consumption has been unsatisfactory for several months past, largely on account of the lack of demand from Germany for both tops and yarns. At present most spinners are working three days a week, and even this curtailed production is in excess of users' requirements so far as crossbred yarns are concerned. Some improvement is noticeable in the demand for piece goods, both home and export markets showing more interest. But for the fact that manufacturers are unable to guarantee delivery far ahead, a good business could be done in both men's and women's wear.

THE JUTE TRADE.

DUNDEE, July 8.

On Tuesday last the district returns of the acreage under cultivation for the new jute crop were issued in Calcutta, giving the figures as 3,605,000 acres, excluding Nepal, which is generally estimated to be about 50,000 acres. These figures forecast a record crop of jute for next season. The average yield per acre is 3 bales, which would show a total outturn in the vicinity of 11 million bales. The world's normal consumption is estimated at 10 million bales, so that with a supply in excess of requirements there is every reason to anticipate a decline in prices of raw jute. The abnormal figures have had the effect of bringing business in all sections to practically a standstill. For some time past buyers have been waiting for lower prices of all commodities, and so far as yarns are concerned the market has already been discounted. With common 8 lb cops selling at 3s 5d and 8 lb spools at 3s 6d, spinners would require to purchase their raw material at round about £30 per ton. The rates now named by speculative sellers

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are £37 for August shipment of a short group of first marks, and £35 for August-September, with lightnings at £2 under these limits. Extremely few offers are coming through from Calcutta for the new crop fibre, and there is no understanding of the reserved attitude adopted by shippers. Old crop material is now more or less neglected, only a few small lots being disposed of on spot at £45 for good first marks, and £42 for lightnings. Stocks of jute on the Continent are not large, and Continental spinners will require to make further purchases of old crop before the new fibre becomes available. Business in yarns has ruled extremely slow. Spinners, however, are not inclined to make further reductions, and adhere to 3s 5d for cops and 3s 6d for spools. Other yarns are about unchanged in value.

Cloth buyers are all holding off in anticipation of lower prices. The rates accepted by manufacturers depend upon the size and suitability of the order, and seldom can they obtain the quoted prices of 4½d for 10½ oz 40 in hessians and 3½d for 8 oz. Only very small quantities are being purchased to satisfy immediate needs.

HIDE, LEATHER, AND ALLIED TRADES.

The domestic hide market remains steady, with slight advances on certain classes required by tanners. At the Bermondsey auctions on Thursday best ox made from 5½d to 8½d, and seconds from 5½d to 7½d—a few fractional advances being noted. Best cows remained unsold in firsts, heavy lights making 5½d. Calfskins were steady at last prices, best selection making from 6d to 11½d. Wools sold from 5s to 9s 3d, hogs 4s 6d to 11s, and lambs from 2s to 5s 8d. each. Tanners seem rather more anxious to buy imported hides, although the coal strike is retarding business. Argentine ox are now selling on a basis of 7d to 7½d, with Montevideos offering at 7½d. Dry hides are quiet, and little business is passing at slightly lower figures. Cables from Chicago report the packer market as sold up, with quotations for best heavy hides at 13 cents.

Although owing to industrial conditions business in sole leather is below normal, a fair turnover in bends is reported. Light bends of 6-8 lbs are wanted badly at about 16d per lb, and supplies are short. Ten to 12 lbs and 12-14 lbs are also taken regularly by repairers. Prices all round are firm. Offal is as firm as ever, and there is a brisk demand for shoulders from 12d to 13d.

In upper leathers trade is quiet; sampling for the Russian boot is, however, frequent, and sellers of light willow calf and glacé are hopeful of big business later. Carriers are very slow, as there are very few orders for artisan boots from the industrial centres.

The coal deadlock is steadily affecting the boot and shoe trade, and most centres report a falling off in orders. Makers of women's shoes are still the best off for orders, whilst a fair trade is being done on export account.

VEGETABLE OILS AND OILSEEDS.

Markets continue dull, and only a modest amount of business appears to be passing. Linseed oil, except for a small demand from needy consumers, is quiet, and the value about unchanged on the week at £33 15s per ton naked ex Hull mill spot and delivery to December. A small premium is required for January-April. Cotton oils are also more or less inactive, and prices are not so firmly held despite scarcity in near positions. Current values are for crude Egyptian £39 10s and ordinary refined £40 10s per ton ex Hull mill. Soya oil is scarce and a shade dearer, but all other kinds are without quotable change. In the oilseed section linseed has been dull, with crushers for the most part holding aloof. A small trade was done in Plate around £16 2s 6d for seed afloat or early shipment, since when the market has become firmer and prices advanced 5s per ton. Indian linseed is more pressing offered, but demand is poor, current business in Calcutta seed to London having been done at £18 2s 6d July-August and £18 1s 3d June. Egyptian cottonseed has been neglected, and now offers at £9 12s 6d afloat and July loading to Hull.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market without new feature. A moderate business was effected in spot parcels, chiefly British refined, at previous quotations. Forward positions steadily held, but buyers remain reticent. Czecho granulated, ready for shipment, quoted 14s 9d; August, 14s 10½d; November-December, 14s 1½d, f.o.b. Hamburg. Dutch J, ready, 14s 9½d; November-December, 14s 4½d, f.o.b. Canadian granulated, July-August, to London, 15s 9d; outports, 15s 10½d, c.f. and i. terms. Belgian crystals, prompt, 14s 7½d, f.o.b. Antwerp. Polish ditto, 14s 3d, f.o.b. Danzig. Raw refining kinds quiet, though steady. Cuban, 96 per cent., July-August, 11s 10½d, and West India preferential, 15s 3d, c.f. and i., U.K. There was a fair business in the white terminal section at generally steady rates. August, sold, 14s 0½d; October, 14s 5½d; December, 15s 0½d to 14s 9½d; March, 15s 2½d; May, 15s 7½d to 15s 6d cwt.

COFFEE.—Spot market continues very steady, and in the case of Costa Rican descriptions slightly dearer rates were secured. Only a few bags East India were offered, mostly unattractive qualities. Kenya, bold sizes, sold, 11s to 14s 6d; Costa Rica, ditto, 14s 6d to 18s; Matagalpa, very fine bold colory, 16s 6d to 16½s. Futures steady, quiet, and December sold, 8s 3d.

COCOA.—A moderate demand for spot lots, and market steady. Summer Ariba sold, 95s, Accra F/F, grade July-August, quoted 53s, f.o.b.

TEA.—Indian auctions embraced some 31,000 packages. All desir-

able liquoring parcels met a good demand at fully steady rates, but common disclosed occasional weakness. Pekoe, sold, 1s 4d to 2s 4½d; broken orange, 1s 4½d to 2s 3d. Ceylon sales of 28,000 packages moved with fair freedom at about late rates. Pekoe, sold, 1s 3½d to 1s 9d; broken orange, 1s 5½d to 1s 11½d. In auction, 10,600 packages Java and Sumatra were offered, and though demand was rather less active than of late, no material change occurred in prices for medium and good liquoring teas. Commonest kinds, however, moved in favour of the buyer. Pekoe, sold, 1s 2½d to 1s 3½d; broken ditto, 9½d to 1s 6½d; pekoe souchong, 1s 1½d to 1s 3d; orange pekoe, 1s 3½d to 1s 5d; broken orange pekoe, 1s 2½d to 1s 7½d; and flowery ditto, 2s per lb in bond.

RICE firmly held, but no improvement in demand. Rangoon, two stars, spot, London, 17s; June-July, 16s 3d, c.i.f., U.K. Spanish, spot, 22s to 22s 3d; oil-dressed, 22s 4½d to 22s 7½d. Italian, June shipment, 21s 6d per cwt. Beans quiet. Rangoon H.P., June-July, 12s 4½d; Madagascar butter beans, spot, 26s to 28s, as to quality. Japanese peas, spot, 35s 3d; September-October, 27s 6d cwt.

SPICE.—Pepper quietly steady. Singapore black, f.a.q., May-July, quoted, 9½d; August-October, 8½d; Lampung, May-July, 9½d; August-October, 8½d; Muntok, L.S., May-July, 1s 4d; August-October, 1s 2½d. Pimento, spot, buyers, 6d. Zanzibar cloves, spot, 10d to 10½d per lb. Tapioca steady, quiet. Singapore flake, to Havre, July-August, sellers, 16s 6d. Sago flour, July-August, 15s. Desiccated coconut, spot, halves, 44s 6d; afloat, 40s 6d cwt.

FRUIT (Dried).—Currants quiet but prices firm, on scanty offerings. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s; Vostizza, 40s to 52s; Patras, 31s to 33s; Australian, 46s to 53s. Sultanias quiet. Australian, new crop, 68s to 88s; South African, bleached, 70s to 75s; Californian, 55s to 60s. Dates firmer, on improved inquiries. Siar, quoted 11s 3d to 11s 9d; Khadowie, 17s 6d. Raisins, Valencia, in short supply, and quarter boxes quoted at 30s to 35s; but South African in demand at 38s to 42s. Evaporated fruits quiet, apart from apricots, which move off freely. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 106s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 64s; 35/45, 55s. Pears, Californian, extra choice, 80s; fancy, 95s; Lake County, fancy, 100s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian spot, 54s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines: Best qualities in small supply, but with the new Portuguese pack now coming forward, the shortage will be relieved. Portuguese, ½'s quoted 4s 3d to 6s per dozen tins. Salmon firm, with a moderate trade passing. Red, tall, 1 lb, 60s to 65s; tall pink, 28s to 29s; ½ lb, pink, 41s. Lobsters firm while in light supply. Best ½'s, quoted 16s to 170s, and ¼'s, 95s to 97s 6d. Japanese crab scarce, but larger quantities are coming forward. Crayfish unaltered.

CANNED FRUIT.—Market without material alteration, trade being adversely affected by the industrial situation, though prices remained steady. Californian Bartlett pears, choice, 24-2½'s, 13s 6d to 14s; standard, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s; standard, 10s to 11s; seconds, 9s to 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s per dozen tins. Singapore pines in moderate request, on spot, with larger supplies on offer, but forward position remains strong. South African and Hawaiian move off steadily at late rates. Italian tomatoes in better demand forward, while steady on spot.

CANNED MEAT firm, but business restricted. Danish lunch tongues sell steadily. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 120s to 130s; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams continue in request, and finest Danish quoted 1s 8½d per lb for cases of six tins.

CONDENSED MILK.—Market generally unchanged and trade quiet, both for machine-skimmed and full cream.

HONEY quiet, though New Zealand sells steadily. New Zealand quoted 50s to 85s; Australian, 40s to 47s 6d; Jamaica ranges from 40s to 55s; Haiti, 37s 6d to 50s; Cuban, 37s 6d to 50s; Californian, 45s to 60s per cwt.

RUBBER.

Only restricted trading again ensued, and the market seems to have developed something like a fixed tendency. Plantation standard developed 8½d; spot and July, sold, 1s 8½d; August, 1s 8½d; September, 1s 8½d; October-December, 1s 9d; January-March, 1s 9½d. To New York, standard European estate sheet, July, buyers, 1s 8½d per lb.

GENERAL.

JUTE.—The market took a sharp downward turn on the publication of the preliminary forecast by the Indian Government of 3,605,000 acres, against the final of 3,100,000 last season. With excellent prospects for a large crop, selling pressure naturally ensued, especially for new crop positions. Firsts, May-June, Continent, sold, £40 to £39 10s; August, new crop, from £35 10s to £32 15s; September, £33 10s to £31; October, £32 to £30. Lightnings, August, £33 10s to £31 5s. Hessians and twills fairly steady in near positions, but lower with regard to distant.

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The Rate of Interest realised on Investments,
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HEMP.—Manila steady, quiet. J. August-October, quoted £39 10s; K. £30; L. £31 10s; and M. £27 5s. New Zealand idle. African Sisal, No. 1, £43 per ton.

SHELLAC.—Market steady, quiet. Fair T.N., spot, 127s 6d to 132s 6d; August, 121s; October, 121s; December, 118s per cwt.

COPRA.—Business was again kept down. F.M.S. Straits, June-July, to Rotterdam, quoted £29 7s 6d; Dutch East Indies, £29 2s 6d; Ceylon, £30 15s. South Sea F.M.S., £28 5s; and ditto smoked, to Marseilles, £27 15s. Palm kernels quiet. May-June, to Liverpool, quoted £21; July-August, £20 15s per ton.

TALLOW.—Messrs Colchesters and Woolner write on July 7th as follows:—The tallow market was perhaps steadier during the week, and prices were maintained to-day. A fair amount of business transpired in South American for shipment, but Australian is still unworkable. The stock in London on June 30th, as returned by the wharves, amounted to 15,714 packages, showing an increase during the month of 448 packages. At auction to-day 415 casks tallow were offered, and 234 were sold. Quotations are:—Australian mutton: Fine, 45s 6d; good to fair, 44s 6d to 43s 6d; dull to dark, 42s 6d to 40s 6d; hard, 45s. Australian beef: Fine, 45s 6d; good to fair, 44s 6d to 42s 6d; dull to dark, 41s 6d to 40s; sweet, 45s 6d. Present shipment from Australasia: Good mixed, 44s 6d, nominally. Present shipment from South America, 44s 3d. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough fat, per 8 lbs,

24d; melted stuff, 29s 6d per cwt. Quotations are:—Town, 40s, net cash, naked, ex works. Country: Frail casks, 40s; home melted, shipping casks, net, f.o.b., good coloured, 43s 6d; fair to dull, 42s to 39s 6d. Bone fat: white none; pale, none; benzine, 36s; melted stuff, 36s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £38; Cochinchina, £25 10s to £50; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 44d; citronella, Ceylon, 1s 7d; Java, 2s 4d.

METROPOLITAN CATTLE.—July 8.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.			
	s	d	s
Beasts—Norfolk	6	4	7
Irish	6	4	7
Cambridge	6	4	7
Hereford Short Horns	6	4	7

LONDON POTATO MARKETS.—July 8.

Per Cwt.			
	s	d	s
English Sharp's Express	9	0	10
Ediphe	8	0	9
Midlothian	8	0	9
Episcures	7	0	0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.			
COCOA —Duty, British grown, 9s 4d, foreign, 14s cwt	58	0	0
Trinidad	58	0	0
Grenada	58	0	0
Ceylon, plantation	70	0	0
Guayaquil	54	0	0
Bahia, finest	54	0	0
COFFEE —British grown, 9s 4d, foreign, 14s cwt	105	0	0
E. India, fine ord. gd. mid. 120	105	0	0
Do good to fine	105	0	0
Costa Rica, ord. to mid. 120	105	0	0
Good to fine	105	0	0
Central American, gd. ord.	105	0	0
Do mid. to fine	105	0	0
Colombian, foxy	105	0	0
Do gd. ord. to low mid. 118	105	0	0
Do mid. to fine	105	0	0
CHEMICALS —			
Acid, citric	1	3	1
Nitric	1	3	1
Oxalic, net	1	3	1
Tartaric, English	1	3	1
Foreign	1	3	1
Cream of Tartar	1	3	1
99% 100%	1	3	1
Alum lump	1	3	1
Do ground	1	3	1
Ammonia, carb.	1	3	1
Muriate, White	1	3	1
Sulphate	1	3	1
Argemine, lump	1	3	1
Powder	1	3	1
Ashes, pot	1	3	1
Pearl do	1	3	1
Bleaching powder, per ton	1	3	1
Borax, gran.	1	3	1
Do crystals	1	3	1
Do powder	1	3	1
Calomel	1	3	1
Iodine, dry	1	3	1
Nitrate of Soda	1	3	1
Potash—Chloride, net	1	3	1
Prussiate	1	3	1
Do Foreign	1	3	1
Sulphate	1	3	1
Sal-Ammoniac	1	3	1
Soda Bicarb.	1	3	1
Crystals	1	3	1
Alkali	1	3	1
Caustic	1	3	1
Sugar of lead, white	1	3	1
Foreign white	1	3	1
Sulphate Quinine	1	3	1
English Brands	1	3	1
Foreign do	1	3	1
Sulphate Copper	1	3	1
Zinc, cut	1	3	1
Sulphur Flour	1	3	1
Do Roll	1	3	1
Vermilion, Chinese, per lb	1	3	1
English	1	3	1
Oil Pepper, H.G.H.	1	3	1
COPRA —per ton, c.i.f.	1	3	1
Malabar, June-July	1	3	1
Ceylon	1	3	1
F.M.S. Singapore	1	3	1
F.M. Straits	1	3	1
COCHINEAL —per lb	1	3	1
DRUGS —			
Aloes, fine E.I.	1	3	1
Cape, good to fine	1	3	1
Balsam Peru	1	3	1
Capivi	1	3	1
Camphor	1	3	1
Japan, refined	1	3	1
Cardamoms, Ceylon	1	3	1
Cantharides, China, per lb	1	3	1
Castor-oil	1	3	1
Gum Benjamin Sum	1	3	1
Olibanum, drops, fair to good	1	3	1
Ipecacuanha	1	3	1
Jalap	1	3	1
Musk pod, China	1	3	1
Oil, Cassia	1	3	1
Aniseed	1	3	1
Peppermint, Wayne	1	3	1
County	1	3	1
Rhubarb, China, fr to in	1	3	1

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SATURDAY, JULY 17, 1926.

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THE MONEY MARKET.

MONEY was in short supply in the early part of the week, owing to the calling in of loans by the joint-stock banks in connection with their monthly balance-sheets, and on Tuesday the market had to borrow at the Bank at 5½ per cent. Later on supplies became distinctly more plentiful, and short loans were obtainable down to 3½ per cent. Business in the discount market has remained quiet, but

rates hardened with the earlier stringency in money to 4½-5 per cent. This level was maintained in spite of the easier tendency of money, owing, it is to be presumed, to the fact that possibilities of a lower Bank rate are rapidly receding. The Bank's acquisition of gold this week has reduced the net efflux since the resumption of the gold standard to less than £5 millions.

	July 16, 1926.	July 9, 1926.	July 2, 1926.	June 25, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount (Call)	3	3	3	3	2 (Dec. 3, '25)
Houses (Notice)	3½	3½	3½	3½	2½ (Dec. 3, '25)
Market rate (3 months' bills) ..	4 ¼	4 ¼	4 ¼	4 ¼	..

Thursday's Bank return showed an increase of £814,100 in the stock of coin and bullion, and a reduction of £748,600 in the circulation, so that the Reserve was £1,562,700 higher, the Proportion rising to 24 per cent. Government securities rose by £1,405,000, and Other securities were reduced by £1,683,600, and as Public deposits declined by £7,146,100, Other were £8,416,800 higher. Currency notes outstanding were reduced this week by £3,058,800 to £292,959,900, which includes £1,300,000 for notes called in but not yet cancelled. The fiduciary issue is £235,409,800, or £12,492,700 below the maximum.

The monthly statement of average weekly balances of the London clearing banks for June, printed in full on a later page, shows the normal increase in deposits at this period of the year. As will be seen from the aggregate figures of the nine English banks below, this movement has been accompanied by a sharp increase in bills discounted:—

	Dec., 1925.	Feb., 1926.	Mar., 1926.	April, 1926.	May, 1926.	June, 1926.
Capital and reserves	121.0	122.2	123.6	124.2	124.2	124.2
Acceptances	108.2	105.6	100.6	95.7	92.4	87.8
Deposits (incl. undiv. profits, &c.) ..	1,646.8	1,606.5	1,587.8	1,590.4	1,589.8	1,630.1
Total liabilities	1,876.0	1,834.3	1,812.0	1,810.3	1,806.4	1,842.1
Coin, notes, balance at bank, and cheques in course of collection ..	255.2	235.2	236.2	236.4	239.3	250.9
Money at call	178.6	110.5	109.7	116.3	112.7	121.4
Investments	286.1	278.9	272.2	269.9	268.7	267.9
Discounts	231.0	209.8	187.2	187.6	185.7	210.4
Loans and advances	846.8	863.7	876.3	874.3	877.4	873.2
Cover for accept., premises, &c.	138.1	135.2	130.4	125.8	122.6	118.3
Total assets	1,876.0	1,834.3	1,812.0	1,810.3	1,806.4	1,842.1

The increase of £40 millions in deposits has been balanced by increases of £25 millions in discounts, of £11½ millions in the cash item, and of £9 millions in money at call. Investments were slightly lower, and there was a drop of over £4 millions in loans and advances.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market retains a strong tone, and sentiment is now optimistic as to autumn business. The steel industry is still operating at 80 per cent., and buying is better. Business prophets now see a possibility that the recession of the second quarter is over. Share prices are on the average close to the previous peak, but brokers' loans, which are about 200 millions above the lowest of May, are still 500 millions below the spring peak. There is considerable interest here in Caillaux's next move, as the Churchill agreement has at the present time no significance from the point of view of securing modifications of the Berenger agreement. The absence of prompt ratification of the latter has changed the situation in regard to the possibility of American credits. It appears that Caillaux must choose between pressing ratification of the Berenger agreement or face many months of delay before securing help for the stabilisation of the franc. The Reserve statement reflects the passing of the mid-year dividend and interest payments with a drop of \$100 millions in discounts and also a decrease in the circulation. The ratio for the system is 74.9 and for New York 79.4 per cent.

THE STOCK MARKETS.

The Stock Exchange has had a fairly busy week for the time of year, though public interest appears to have been checked. With the likelihood of an early reduction in Bank rate now more remote, the gilt-edged market has been inclined to sag, but declines have been unimportant. The debt settlement with France produced a recovery in French railway issues, but the most active stock in the foreign market has been the new Westphalia 7 per cent. scrip, which went to 1½ premium. Home rails are flat on the dividend outlook, but foreign rails are mostly steady. The rubber market keeps quiet, and there has not been much doing in the oil market. Speculative interest in industrials centres round Courtaulds, a small improvement having occurred after the sharp slump. Hudson's Bays advanced on the announcement of oil prospecting on the company's lands. Those sections of the mining market which were recently active have suffered a little from profit-taking. Underwriters of the Coventry, Australian, and South African loans were left with 78, 61 and 74 per cent. respectively, but the Westphalia 7 per cent. loan was oversubscribed, as were also the issues by Morris Motors, United Dairies, and Ampang Tin Dredging, Limited.

THE COMMODITY MARKETS.

The volume of business recorded shows little change on the week. The importation of foreign coals continues, but complaints as regards its quality are numerous. The price of pig-iron has been further advanced, and buyers are few. Very little business is being done in manufactured iron and steel. Conditions in the cotton market remain dull, though inquiry has broadened, and a fair business in piece goods for India has been transacted. The London wool auctions this week have proved satisfactory, values being well maintained. In the wheat market prices show little variation, a steady tone prevailing, though demand is quiet. Sugar quotations remain unaltered, and coffee is in fair demand. An irregular tone prevailed in the tea market, where inquiry was of limited dimensions. The rubber market is quiet, with prices fairly steady. Among non-ferrous metals tin commands higher prices, lead is firm, whilst the market for copper is active.

FOREIGN EXCHANGES.

Conditions in the foreign exchange market have been rather feverish, with interest almost entirely centred on the rapid depreciation in the franc exchanges. Paris, from a closing rate of 185 on July 9th rose to 187½ on Saturday and to 196½ on Monday. On Tuesday the signing of the debt agreement between Great Britain and France brought about a recovery to 189½, and on Wednesday, which was a holiday in Paris, the rate was steady around that figure till the afternoon, when New York entered the market as a seller of francs and raised the rate to 191½. On Thursday, however, there was a further break to 198, and yesterday morning the rate opened at 202½, a fresh record. Forward rates have widened from 2½f per month to 6f for one month and 14½f for three months above spot. It is impossible to forecast the result of the debate now beginning on the Government's proposals for special financial powers, but it is significant that the concessions made by the British Government in the Debt Agreement have not produced a more lasting result on the exchange. Apart from the Treasury situation and the impossibility of keeping the Bank of France advances and note circulation within the legal limit much longer, the most unsatisfactory feature is the lack of confidence in France itself, which is chiefly responsible for the present movement. In Belgium the rate rose from 203 on the 9th inst. to 207½ on Saturday. On Monday it broke away to 234 on the publication of the National Bank statement, which showed an increase of 117,000,000 in the note circulation. It was brought down, however, to 215½ on Tuesday, and to 200 at one time on Wednesday, though it subsequently reacted to 206½. On Thursday it rose to 209, and opened yesterday morning at 211½. The Belgian Government has also asked for, and has obtained, special financial powers, and is taking energetic measures to deal with the situation, which is

complicated by the determined efforts of speculators. So far, however, little result has been achieved by the authorities. Forward rates have widened sharply from 1½f per month to 7f for one month and 14f for three months above spot. Italy rose from 137½ on the 9th to 144½ by Monday, and, after recovering to 140½ on the following day, slowly depreciated, till 144 was again quoted early yesterday morning. Madrid, after depreciating from 30.65 to 30.75 over the week-end, recovered to 30.61, but subsequently rose again to 30.76½. New York is slightly firmer on a quiet market. From 8.86 9-32 on 9th inst. it fell to 4.86½ on Monday, but rose again to 4.86½ on Wednesday. On Thursday it closed at 4.86½, and opened at the same figure yesterday morning. Forward rates are steady around 7½ cent. per month below spot. Amsterdam has moved against us from 12.11½ to 12.10½, and Switzerland from 25.11½ to 25.10½. Stockholm, on the other hand, has depreciated from 18.14 to 18.15½, after touching 18.16½ on Thursday, while Berlin is steady around 20.43. In North-Eastern Europe Oslo has moved from 22.16 to 22.19½, and Copenhagen from 18.36 to 18.35½. Helsingfors is unchanged at 193½. Vienna, after falling from 34.42½ to 34.39½, rose again to 34.42, but Prague, Warsaw, and Budapest are unchanged. In South-Eastern Europe, Athens has weakened from 395 to 405 owing to the difficulties of Cabinet making, but Bucarest has improved from 1070 to 1052, after touching 1095. In the East the rupee is steady at 15 5 29-32d, but the yen rose from 15 11½d to 15 11 15-64d, though it subsequently fell to 15 11 3-8d. In the silver market Chinese sales had a depressing effect until the end of the week, when there were signs of a reaction. Hongkong fell from 2s 3½d to 2s 3½d, and Shanghai from 2s 11½d to 2s 11½d. In South America, Rio is steady around 7½d, but Buenos Aires has risen from 45½d to 45½d, and Monte Video from 49½d to 50d. Valparaiso is unchanged at 39-70 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the ten days ended July 10th:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	16,011	From Revenue	21,087
Interest, &c., on Debt	9,063	Increase in Debt	4,670
Sinking Fund	574		
Sundries	23		
Increase in Balances	25,757		25,757

The Revenue for the ten days ended July 10, 1926, amounted to £21,086,600, as compared with £24,079,600 in the corresponding eleven days last year. Customs and Excise were lower at £2,978,000 and £1,339,000, against £3,548,000 and £1,558,000 respectively. Property and Income-tax brought in £7,630,000, against £9,019,000, and Super-tax amounted to £1,360,000, against £1,730,000. Ordinary receipts were lower at £820,300, as compared with £940,100, but Special receipts amounted to £599,100, against £15.

The week's operations increased the National Debt by £4,670,900, and caused the following changes:—

(000's omitted.)			
	£		£
Treasury Bills	+10,287	National Savings Certificates ..	450
Public Dept. Advances	+ 8,750	Bank of England Advances	-12,500
		Sundries	-1,416
	+19,037		-14,366

The floating debt was increased by £6,505,000 to £781,431,000.

FINANCIAL YEAR, 1926-1927 (April 1 to July 10, 1926.)

£		£	
Total Expenditure ..	250,594,392	Raised by Revenue ..	167,933,279
		Decrease in Balances ..	3,903,358
		Amount borrowed ..	78,757,755
Total	250,594,392	Total	250,594,392

ESTIMATES for FINANCIAL YEAR 1926-7.

£		£	
Expenditure	820,641,000	Revenue	824,750,000
Surplus	£4,109,000		

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Ottoman Bank, P. and O. Banking Corporation, Wiener Bank-Verein, Vienna, Australian Estates and Mortgage, African and Eastern Trade Corporation, General Electric Company, Distillers, Phoenix Oil and Transport, Anglo-Ceylon and General Estates, Bertam Consolidated Rubber, Dalkeith (Ceylon) Rubber Estates, Java Para Rubber Estates, Wm. Cory and Sons, Liptons, Bisichi Tin (Nigeria), Apollinaris and Johannis, Spiers and Pond, and International Tea Company's Stores.

FACTS PLEASANT AND UNPLEASANT.

In his annual summer discourse at the Mansion House last Wednesday to the merchants and bankers of the City of London, the Chancellor of the Exchequer drew a fair picture of the condition of England in the throes of a great industrial upheaval, preceded by a little homily on "sound finance." After pointing out the difficulty of unravelling the mysteries of finance and of drawing sound deductions from phenomena—such as cheap money, increasing imports or exports, or falling exchanges—which might at different times be due to diametrically opposite influences, he comforted his audience with "some very broad, simple truths, which gave a sort of rough-and-ready rule-of-thumb guide through all these mysteries and tangles." These rules applied equally to public and to private finance. Everyone knew what they were: "Cultivate peace and goodwill. Work hard. Avoid profusion. Save. Balance your budget and pay your way. Pay your debts. Pay them quickly. Let your word be your bond. Do a fair day's work for the money you earn, and make sure you are paid in an honest and stable currency." Mr Churchill added that to adhere to these paths was not always pleasant, and that the Chancellor might expect to be scolded for following them. We should have had the more confidence in Mr Churchill if he had added to his catalogue a few of the first principles of international trade—as, for example, that in the long run you cannot sell unless you also buy, and that you do not increase employment by stopping imports. But perhaps to Mr Churchill truth is relative, and that what he hailed as truth at the age of forty is an outworn shibboleth at fifty-four.

But Mr Churchill did well to remind the country of the importance of a stable standard, not merely to merchants and bankers, but to the mass of the people.

A people had the right to ask its Government for sound finance and stable currency. They were inter-dependent. Sound finance was essential to a stable currency, and could not itself exist apart from a stable currency. If the measure of value fluctuated widely, no computation of values could remain in equilibrium. Sound finance and stable currency did not benefit the rich alone. On the contrary, it was the poor man who suffered most when lavish expenditure led to Budget deficits and Budget deficits to borrowing and borrowing to what is called "the creation of money," without any corresponding increase in the creation of real goods. It was the rich man who could transfer his wealth most readily into other currencies. It was the poor man whose narrow margins were soonest pinched by an increased cost of living. Sound finance and stable currency had been the financial policy of Great Britain, whatever party had been in power, ever since we emerged from the tumult of war.

The Chancellor might have drawn an object-lesson of the dangers of the opposite policy from the present position of our Western European neighbours. A few months ago we had come to regard the exchange difficulties of Europe as practically settled. Yet the foreign exchange tables which appear in our weekly statistics show that the French franc, which a year ago stood at 104, has touched 200 this week; the Belgian franc, which was 105 last July, has touched in the last few days 235, and the lira, which has for a long time past been between 120 and 130, touched 144. We might add that the Polish zloty, which a year ago was at 25.40, is now in the neighbourhood of 50; while the drachma, which was below 300, is now in the neighbourhood of 400 to the £. In the case of Belgium the currency has lost half its value in less than four months, and the movements of recent weeks can only be compared to those of the mark in 1921 and 1922. The outlook, both domestic and international,

would indeed be disquieting if the pound sterling were—like these currencies—still drifting about on a sea of uncertainty.

The Chancellor proceeded to discuss the effects and cost of the coal dispute. He showed that its effects were particularly heavy on the heavy industries, whereas large groups of progressive and expanding industries had stood, and were still standing, the strain remarkably well. He pointed to the figures of unemployment, with which our readers are familiar, as showing that since the general strike the position has not sensibly deteriorated. The same conclusion is borne out by the railway traffic returns, which have shown a substantial recovery since the third week of May. The following table shows in comparison with last year the receipts before the strike, those for the three weeks covering the general strike, and those for the subsequent weeks of the coal stoppage:—

TRAFFIC RECEIPTS OF FOUR CHIEF RAILWAYS.						
	17 Weeks to May 1st.	Three Weeks covering General Strike.		Seven subsequent Weeks of Coal Stoppage.	Total to Date.	
Passenger....	23.9	2.3	10.4	36.6		
Goods	35.0	1.6	8.3	44.9		
Total	58.9	3.9	18.7	81.5		
INCREASE OR DECREASE COMPARED WITH CORRESPONDING PERIOD OF 1925.						
Passenger ..	+ 0.3	— 2.0	— 3.1	— 4.8		
Goods	+ 0.7	— 4.4	— 4.6	— 8.3		
Total ..	+ 1.0	— 6.4	— 7.7	— 13.1		
PERCENTAGE INCREASE OR DECREASE COMPARED WITH 1925.						
Passenger ..	+ 1.3	— 46.5	— 23.0	— 11.6		
Goods	+ 2.0	— 73.3	— 35.7	— 15.7		
Total ..	+ 1.7	— 62.2	— 29.2	— 13.9		

Thus the reduction in recent weeks is less than 30 per cent. If we take account of the fact that road transport has been fully maintained throughout, this means that the total transportation of goods and persons has been reduced by a very much smaller percentage, nearly all of which—in the case of goods—will doubtless be shown to have occurred in the heavy trades. This concentration of the effect of the dispute on certain trades is further borne out by the foreign trade figures for June, which are fully analysed in another column. The figures, naturally, show reduced exports; but again this decrease is concentrated in one or two directions, for Mr Churchill was able to say that, "Making allowance for the fall in prices, and for the loss of all coal exports, the export trade of June this year had been practically the same in the midst of these grave troubles as in the corresponding month last year."

But at best these are only mitigations of a deplorable situation. It is exceedingly hard to say what the loss to the nation from reduced economic activity amounts to. The total national income is in the neighbourhood of £4,000 millions, or, say, £77 millions a week. The loss of production may be guessed at between £12 and £15 millions, rising later, perhaps, towards £20 millions, as conditions deteriorate during the summer months. It is not to be expected that general considerations will weigh very heavily in the minds of the miners, who have been persuaded that by solidarity they can protect themselves against inroads being made on their standard of living. But it is a serious consideration that the Chancellor puts before them when he asserts that the industries which have prospered and offered increasing employment are those which are free from the great organised labour unions. We must be very careful in this connection to avoid fallacious conclusions. On balance, the collective bargaining by trade unions has made for industrial peace, and in many of the highly organised trades trade union policy has been directed towards fostering, or, at all events, not hindering, efficiency. There is a regrettable tendency in the public mind to assume that trade unionism and *ca' canny* are identical; but when this idea is analysed the examples given are almost invariably quoted from the older branches of engineering, or from the building or printing trades. In some of the greatest of our industries payment by results and wage methods designed to stimulate output are the settled policy of the unions concerned,

and in one of the trades Mr Churchill had in mind—viz., iron and steel—the employers would be the first to repudiate any suggestion that its troubles are due to its trade unions. At the same time, it is a fact that our most troubled industries are those in which unionism is highly developed. It cannot be assumed that the depression is the consequence of labour organisation, but both conditions result from the fact that these are our old-established industries. For reasons beyond our control our monopoly has gone, and in competing with newcomers they suffer from old plant, old traditions, old methods of organisation, and conservatism generally on the part of both employers and workpeople. Against these disadvantages there are only the very perishable assets of old trade connections, reputation for quality, &c. In the regeneration of these industries, in which the initiative must come from the employers, the trade unions must play a great part. Any industry in which the labour organisations are dominated by ideas of class warfare or the desire to destroy, employment and wages must inevitably droop. Even goodwill alone is not enough; but it must be accompanied by determined efforts to secure economical production, whether on the railways, in the mines, or in the factories. There is no escape from this necessity even in home markets. Railways must prove more economical than transport by road or air; coal undersell oil and other means of power; cotton repel the attacks of other and new textile fabrics. If trade unionism is to justify its existence it must pursue the interests of its members during the next few years to an extent it has never done before along the line of co-operation with employers in striving after increasing efficiency.

These are the ideas inspiring the Coal Report. Only by accepting the Report in the letter and the spirit can the coal industry look forward to a reasonably prosperous future. There have been signs this week of willingness on the part of the miners to accept the Report, with all its implications, as a basis for peace; but the intervention of the Churches and of the T.U.C. have not yet produced any tangible results. Mr Herbert Smith's 13 weeks are, however, nearly up, and if the hope that the miners would drift back to work on the eight hours' basis proves false, the time will soon be ripe for a settlement on the basis of the Report.

THE PROBLEM OF CHINA.

DURING the last few days the situation in China has shown signs of improvement in certain respects. The Tariff Conference at Peking appears definitely to have survived the capture of the Central Government by Chang and Wu from Feng (though its survival is no guarantee that it will achieve anything positive). Wu has ordered his subordinates to release the revenues of the salt gabelle, which they had seized, and has asked Chang and Sun (who controls the hinterland of Shanghai) to take identical action. And, most important of all, a delegation has gone from Hongkong to Canton to negotiate for a termination of the boycott. Thus two fresh conflicts which threatened to arise between the Chinese and the foreigners have been averted, while the most serious of the existing conflicts—the boycott of British trade by Canton—may be at last on the way to a settlement. Yet, important as these events are, they are all of them simply vicissitudes in the day-to-day relations between China and her neighbours. The fundamental problems of that relationship remain what they were.

With regard to the civil war in China, there has been little to report during the past fortnight. The duumvirate of Chang and Wu has not broken down, and Sun is in neighbourly relations, if not in partnership, with the two momentary masters of Peking. Yet the two radical Governments in Inner Mongolia and Canton remain in being, and there is no reason to expect that the duumvirs will be able to overthrow them or that, in the unlikely event of their doing so, their partnership would survive the elimination of their common enemies. All the precedents of Chinese history—in which centralism and *Klein-staaterei* have alternated in what, by our standards, is an almost inconceivably slow rhythm—point to the gradual consolidation of half-a-dozen local units out of

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the fragments of the centralised Manchu Empire. On the analogy of the past, these units would continue completely independent of one another and chronically at war, until, after a few centuries, the centralisation phase came round again in its cycle. Hitherto, however, China has been a world in herself, and the barbarians on her borders have been mere gnats and mosquitoes, who have disturbed her comfort without threatening her life and health. The present pressure of the foreign problem is unprecedented. China has now been incorporated economically—and perhaps intellectually as well—in a world-wide society which has been brought into being by the wholly alien civilisation of Western Europe. In these new circumstances, the deep Chinese instinct for self-preservation may prevent particularism from going to its traditional lengths. The phase of anarchy and disunion in the Chinese cycle may therefore this time be less acute and less prolonged, and the new local units may agree to confront the Western world as a federal State, with a constitution modelled on those of the great overseas English-speaking countries or of the future decentralised India.

Meanwhile, pending the formation of an effective Federal Government in China, there is the present duality of a shadow Central Government at Peking and effective Local Governments at half-a-dozen provincial centres; and among foreigners, driven desperate by the almost hopeless task of dealing with the Central Government over local problems, the question is being asked insistently: Would it not be better to recognise the realities and deal with the Local Governments direct over the pressing problems of the moment, which, after all, are usually for the most part of local concern? The difficulty here is that, by the Nine-Power Treaty, signed in Washington on February 6, 1922, we have bound ourselves to respect not only the sovereignty and independence, but the territorial and administrative integrity of China, and have agreed that there shall be full and frank communication between the contracting Powers concerned whenever a situation arises which involves the application of the treaty in the opinion of any one of them. This would seem to preclude either Great Britain or any other single Power from taking separate action, particularly in the direction of entering into separate relations with local Chinese authorities. If so, the treaty obligation bears hardly upon us, considering the preponderance of British material interests in China over those of other foreigners, and the troubles into which our own interests have fallen latterly—troubles which demand rapid and vigorous remedies.

Yet behind this problem of entering into friendly and practical relations with the real holders of power in China as she is to-day there lies the even wider and more fundamental problem of establishing satisfactory social and personal relations between foreign residents in China and the Chinese as individuals. For centuries the Chinese looked down pharisaically upon other men as barbarians. Rather less than a century ago we English—followed by the other Western peoples—compelled the Chinese to enter into a relationship with us in which their status was that of "natives." To-day the Chinese, having dealt

with foreigners successively as superiors and inferiors, are insistently demanding to live and work with us as equals. The relation of equality is no doubt the most difficult of the three, but the Chinese are in deadly earnest in demanding it, and it is remarkable how the Westerners are coming round to the view that this equality will have to be conceded. No doubt, over concrete questions—such as the rendition to the Chinese of the Shanghai Mixed Court—the two parties are very far apart. The Chinese are unwilling to accept less than the immediate fulfilment of their *desiderata* integrally, while the Westerners are unwilling to make thorough-going concessions, even in instalments (though they might surely have learnt from the case of Turkey that in this matter it is better to concede generously than to wait for the change to be extorted by force). In principle, however, there seems to be a general recognition among the foreigners—or at least among the British—in China that if we want to keep our trade in China we must live on good terms with the Chinese, and that we can only get back on to good terms with them by reconciling ourselves to the establishment of equality of status. The question is: Can this intellectual conviction be translated into action? When a situation changes very suddenly—as has happened now in China—it is not so difficult to recognise the fact and to discern what changes should be made in order to meet it. It is much harder to put those changes into practice; for practice—especially the practice of daily relations with our fellow-men—is based on habit, and habit cannot be modified in a day. The present habit of foreign residents in China is the outcome of nearly a century of privileged status. Can the foreigners unlearn the habit of treating the Chinese as "natives" with sufficient speed? And can the Chinese restrain their growing impatience of a humiliating status sufficiently long to allow the Westerners the necessary time for re-orientation? It is in the interest of both parties that their relationship should be adjusted satisfactorily, and that no irreparable breach should occur during the transition period.

THE DEBT SETTLEMENT WITH FRANCE.

ON Monday Mr Churchill and M. Caillaux put their signatures to an agreement for settling the Franco-British debt, and thus regularised one of the major outstanding financial problems of the war. The annuities now laid down are based upon the provisional agreement made between the same negotiators last September, the only important new point in this connection being that the rates at which the annuities shall rise during the first five years to the normal figure are now definitely fixed. The payments are to be as follows:—

	Miln. £.
During the financial year 1926-27	4
During the financial year 1927-28	6
During the financial year 1928-29	8
During the financial year 1929-30	10
During the financial years 1930-31 to 1956-57 inclusive..	12½
During the financial years 1957-58 to 1987-88 inclusive..	14

The agreement further provides that all outstanding accounts in connection with war claims shall be considered closed, and the British Treasury shall be entitled to retain any sums due to France in respect of these claims. As this amounts to about £2 millions, the Treasury will in effect benefit in the first annuity year to the extent of £6 millions instead of £4 millions.

These annuities amount to £799½ millions, but their present value, reckoned at 4½ per cent. discount, amounts to about £264 millions, which compares with a nominal debt of £653,127,900. This latter figure, however, includes the counterpart of £53½ millions worth of gold remitted to London by the French Government during the war under the Calais Agreement; this debt is not to be regarded as being repaid by the above annuities, but will remain as a non-interest bearing debt, which will need to be repaid if and when France has this sum at her disposal and desires to procure that amount of gold for France. Any plan for doing this must be the subject of a further agreement. The principal of the debt now amortised should therefore be regarded as approximately £600 millions. The present agreement (on a 4½ per cent. basis) in effect writes it down to 44 per cent. of its nominal value, a figure which compares with a writing down of the Italian debt to about 17 per cent. of its nominal amount. On a rough calculation the American debt settlements, calculated on the same basis, represent the following percentages of their nominal value:—

	Nominal Debt. Million \$.	Present Value of Annuities at 4½ %. Million \$.	Percentage of Fulfilment.
Great Britain	4,600	3,800	82½
* France	4,221	2,008	47
Italy	2,042	535	26

* The annuities are calculated on 4,025 millions, the difference being due to an abatement of accrued interest.

A comparison of these figures with those agreed upon between Great Britain and her Continental debtors shows that the strict principle of *pari passu* has not been adhered to. On the other hand, Great Britain stands to gain in the case of both Italy and France in the annuities to be received in the first ten or twenty years. Thus the first ten annuities from France to Great Britain amount to £103 million; the first ten annuities to be paid by France to America under the Berenger settlement (the details of which were given in full in the Budget Supplement of the *Economist* of April 17th) amount to 93 millions, although the debt to America is one-third greater than France's debt to Great Britain. If in the next ten or twenty years there is a general revision of these war debts, Great Britain will have had somewhat the best of the bargain. From the point of view, however, of the immediate European situation, all such figures are of less importance than the conditions attaching to the agreement or embodied in the annexed correspondence, which are in substance as follows:—

France is to be entitled to postpone payment of up to one-half of the annuities for three-years, such postponed payments bearing 5 per cent. interest. This clause in a sense meets the problem that would be raised if the French exchange situation made payment difficult. It follows similar clauses in other settlements.

Great Britain repeats that she does not want to take more from her Allies than she pays to America, and provision is made for crediting her Allies if any year her receipts from Germany and the Allies together exceed her American annuities.

The debt is not to be commercialised, which means that throughout its currency of 62 years it will always be possible for it to be amended by negotiation between the Governments.

Finally, M. Caillaux lays down that France's ability to pay depends upon her receipts from Germany, and that if, "for reasons outside the control of France, such receipts should cease completely or to extent greater than one-half, a new situation would be created, and the French Government reserves the right in such an event of asking the British Govern-

ment to reconsider the question in the light of all the circumstances then prevailing." In his reply Mr Churchill reaffirms that the debt is based upon the sole credit of France; that in the event of a German default Great Britain as well as France would lose, and that any reconsideration of debts must take this into account. But, subject to this consideration, Mr Churchill does not object to M. Caillaux's reservation. He adds that if any modification is to be made he would expect other creditors of France to make similar modifications in order to secure equal treatment among the creditors.

It is, of course, true that if France were unable to pay her debts no paper undertaking would be of much value. But an understanding of this kind, while not making France's payments dependent upon the working of the Dawes Plan, does, in fact, enable France to reopen the question without incurring the odium of being a defaulter. As a business proposition this proviso, as well as the others included in the agreement, is a very reasonable one. Both settlements take account of France's presumed capacity to pay; but there is little to be said for making elaborate provisions for tempering Germany's payment to her economic condition, while insisting that France should pay a certain sum regardless of changing circumstances. Taken together, these conditions make it probable that the French Chamber will accept the agreement. If America could be persuaded that it was to her interest to attach similar conditions, and by so doing make certain of the ratification by the French Chamber of the Berenger settlement, the prospects of saving the franc would be immensely improved. Unfortunately, it is not now possible for any arrangement to be made with America that can be ratified by the Washington Senate until the end of the year, and in any case there is no sign as yet that the administration would accept a "safeguard clause" even in the compromise form agreed upon last Monday. Nevertheless, it is urgent that both debt agreements should be settled. We feel certain that if the American Government could see its way to an agreement of this kind, which would almost certainly be then ratified in France, and if upon it there were built a sound plan for stabilising the franc, the American Senate would not in December take the responsibility of throwing the whole situation back into the melting-pot. Our New York correspondent, however, does not hold out much hope in this direction.

But in this connection it is important to remember that a settlement of the debt problem, though it has been an essential preliminary to financial stabilisation in Europe in every case from Great Britain to Hungary, is not in itself a cure. Moreover, the prestige which a debt settlement gives to a country, and the tonic effect which it has upon its exchange, may be very speedily lost if the occasion is not seized for taking other essential measures. Italy provides a warning on this point. In the spring of this year her credit was greatly enhanced by the settlement of both her major war debts; but in the last month her exchange has twice seriously weakened, and the stabilisation loan which she holds in America is in danger of being frittered away. The lira is still one of the unstable currencies, and if after balancing her Budget and settling her debt Italy is not yet ready to link it to gold, it is natural that foreigners should begin to lose confidence in it. The example is an important one for France, whose exchange has fallen this week to 183 to the £. The situation can only be saved by vigorous measures, and, as we pointed out last week, by a time-table laid down in advance. In this connection the Experts' Record is disappointing. It declares in favour of stabilisation as soon as possible, but it makes elaborate provision for various stages in this process. These stages may, in fact, be required; but to set them out formally gives the impression of a long-drawn-out procedure. Moreover, the report makes vague allusions to the disadvantages of using the Bank of France's gold. It is just this kind of timidity that undermines confidence. What the world wants to be assured of is that at the critical moment the whole gold reserves of France will be thrown into the scale. A gold reserve is an expensive and useless luxury unless it is used to effect. It is a comfort to an army to know that it has ammunition in reserve, but it does not stir its enthusiasm if it is told that there are strong reasons against sending these munitions to the front.

INDUSTRIAL PROFITS.

OUR analysis for the past three months of the profits of industrial companies does not, of course, show any of the effects of the general strike or of the coal stoppage, since the accounts reviewed cover for the most part the financial year ended March 31st, or an earlier date. In fact, the increase in net profits is the largest quarterly increase recorded since the corresponding period of 1925. During the past three months the profit and loss accounts of 442 companies were analysed in the weekly table of profit and loss accounts, and these show aggregate net profits, after payment of debenture interest, &c., of £60,489,400, an increase of £4,654,800, or 8.3 per cent., in comparison with the profits of the same companies in their preceding financial year. During the past 12 months the accounts of 1,475 companies have been analysed, and these show an increase of 7.3 per cent. in aggregate net profits, as may be seen from the following table:—

NET PROFITS (after PAYMENT OF DEBENTURE INTEREST, &c.).

	Number of Companies.	Reports Published in		Increase.	
		1924.	1925.	£	%
Third quarter	233	17,772,534	18,626,799	854,265	4.8
Fourth quarter	340	32,012,191	34,074,192	2,062,001	6.4
		1925.	1926.		
First quarter	460	48,026,891	51,691,026	3,664,135	7.6
Second quarter	442	55,834,678	60,489,439	4,654,761	8.3
	1,475	153,646,294	164,881,456	11,235,162	7.3

Since the last quarter of 1922 there has been an unbroken series of increases, but even so the declines recorded in the slump of 1920-21 have barely been made good, as may be seen from the appended list of quarterly percentage changes in net profits:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
First quarter	+26.9	+3.5	-43.4	+41.4	+8.7	+9.1	+7.6
Second quarter	+37.8	-8.4	-33.7	+22.1	+3.0	+11.1	+8.3
Third quarter	+41.9	-42.4	-23.5	+65.2	+2.3	+4.8	..
Fourth quarter	+27.1	-52.9	+3.9	+11.4	+13.3	+6.4	..
	+32.6	-20.1	-29.0	+30.6	+6.6	+8.7	..

An examination of these figures shows that the profits recorded during the past quarter are approximately on a level with those of 1921, which were 8.4 per cent. below those of the boom year, 1920. But this is only a rough approximation, and cannot be used as an argument that British industry is now making profits nearly as large as those of the post-war boom, for our list of companies includes many concerns whose profits are earned overseas, including rubber and oil companies. Moreover, our next table shows that the profits of some of the major British industries, such as iron and steel, shipping and textiles, are still on the downward grade. This classifies the profits disclosed during the past 12 months into 20 groups of companies, giving a comparison with those of the preceding financial year:—

NET PROFITS (after PAYMENT OF DEBENTURE INTEREST, &c.).

	Number of Companies.	Reports Published in Year Ended June 30.		Increase.		Decrease.	
		1925.	1926.	£	%	£	%
Breweries	81	8,812,653	11,696,282	2,883,629	32.7	..	..
Canals	6	537,886	568,976	31,090	5.8	..	..
Elec. lighting & power	46	4,783,753	5,487,733	703,980	14.7	..	..
Gas	26	2,481,765	2,489,229	7,464	0.3	..	..
Hotels, restaurants, &c.	105	2,020,689	2,013,866	..	..	6,823	0.3
Iron, coal, and steel	23	10,242,160	4,110,146	..	..	6,132,014	59.9
Land, mortgage, &c.	76	5,487,786	6,473,546	985,760	18.0	..	..
Motor and cycle	29	1,533,847	1,409,185	..	..	124,662	8.1
Nitrate	17	1,345,458	1,696,690	351,232	26.1	..	..
Oil	16	12,018,953	13,714,461	1,695,508	14.1	..	..
Rubber	280	4,144,094	11,870,207	7,726,113	186.4	..	..
Shipping	29	4,845,854	4,315,830	..	..	530,024	10.9
Shops and stores	54	6,620,714	7,141,301	520,587	7.9	..	..
Tes.	21	5,245,326	4,984,029	..	..	261,297	5.0
Telegraphs, &c.	56	3,244,778	4,284,097	339,319	8.6	..	..
Textiles	24	15,531,194	14,625,361	..	..	1,031,843	6.6
Tramways	26	1,532,194	1,700,746	168,552	11.0	..	..
Trust	76	5,412,749	6,161,114	748,365	13.8	..	..
Waterworks	27	767,891	813,111	45,220	5.9	..	..
Miscellaneous	383	56,210,540	59,325,546	4,115,006	7.4	..	..
	1,475	153,646,294	164,881,456	11,235,162	7.3	..	..

The showing made by the iron, coal, and steel group of 103 companies appears all the more dismal when it is pointed out that this decline of 60 per cent. follows a fall

of 28 per cent. in the corresponding table published a year ago. The motor and cycle, shipping and textile groups, on the other hand, recorded increases a year ago of 99, 15, and 6 per cent. respectively. The decline in the motor group, in fact, is due entirely to the figures of one firm, Crossley Motors, whose latest profit and loss account showed a net loss of £285,900, against a profit of £15,800 in the preceding year. It will be seen that a very large proportion of the total increase in net profits is accounted for by the nitrate, oil, and rubber sections—87 per cent., to be exact—while the brewery group more than accounts for the balance of the increase. The land group has done very well, and a good showing is made by the public utility companies, especially the electricity group.

The next table shows the distribution of profits in each of the past four quarters:—

DISTRIBUTION OF PROFITS.

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
1925.				
Third quarter	18,626,799	11,930,751	3,435,529	3,260,519
Fourth quarter	34,074,192	20,292,366	5,122,119	8,659,707
1926.				
First quarter	51,691,026	30,496,402	9,288,401	11,896,223
Second quarter	60,489,439	37,052,402	12,509,670	10,926,867
	164,881,456	99,772,421	30,365,719	34,743,316

The principal feature of this table is the lower proportion reserved in the past quarter. The last column, it should be mentioned, includes the differences in sums carried forward, as well as specific allocations to reserve. The figure of 21.1 per cent. for the 12 months compares with 22.3 per cent. for the preceding 12 months, when 58.2 per cent. of profits went to ordinary shareholders and 19.5 per cent. to preference shareholders.

The following table shows the method of distribution adopted by each of the groups:—

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
Breweries	11,696,282	6,694,695	1,530,965	3,470,622
Canals	568,976	264,833	46.5	61,384
Elec. Light. & Power	5,487,733	1,667,002	30.4	2,700,935
Gas	2,489,229	2,108,640	84.7	2,700,935
Hotels, restaurants, &c.	2,013,866	1,179,043	58.5	286,618
Iron, coal, and steel	4,110,146	4,191,831	102.0	2,116,866
Land, mortgage, &c.	6,473,546	3,685,095	57.0	1,869,204
Motor and cycle	1,409,185	776,850	55.1	454,738
Nitrate	1,696,690	1,117,325	65.8	579,365
Oil	13,714,461	8,919,391	65.0	3,046,375
Rubber	11,870,207	9,582,883	80.8	2,046,890
Shipping	4,315,830	2,153,020	49.9	909,503
Shops and stores	7,141,301	3,853,075	54.0	1,458,432
Tes.	4,984,029	3,642,600	73.1	1,046,785
Telegraphs, &c.	4,284,097	2,647,756	61.8	1,333,408
Textiles	14,625,361	9,307,084	63.5	3,015,109
Tramways	1,700,746	621,958	36.6	390,501
Trusts	6,161,114	3,355,023	54.5	1,328,563
Waterworks	813,111	481,415	59.2	101,961
Miscellaneous	59,325,546	33,522,902	56.5	12,871,732
	164,881,456	99,772,421	60.5	34,743,316

The figures for the iron and steel group disclose an unsatisfactory state of affairs. They include those of Bolckow, Vaughan, Ebbw Vale Steel, Iron and Coal, and Armstrong, Whitworth, whose withdrawals from reserve funds were respectively £249,300, £300,000, and £900,000. Many other companies in this group made smaller withdrawals or substantially reduced their balances in hand. Several groups, on the other hand, show a conservative distribution policy, notably the electricity, telegraph, and nitrate companies. The rubber section, in which there is very little preference capital, distributed nearly 81 per cent. of profits to ordinary shareholders and reserved 17.2 per cent.

In the next table we give the ratio to total ordinary and preference capital of net profits and of amounts reserved in each of the past four quarters:—

	Total Ord. and Pref. Capital.	Net Profits.	Carried to Reserve, &c.
1925.			
Third quarter	189,651,020	18,626,799	3,260,519
Fourth quarter	276,290,069	34,074,192	8,659,707
1926.			
First quarter	453,009,241	51,691,026	11,896,223
Second quarter	532,173,126	60,489,439	10,926,867
	1,451,123,456	164,881,456	34,743,316

The ratio of profits to total capital at 11.4 per cent. compares with 10.7 per cent. a year ago and 9.9 per cent. two years ago. In July, 1921, however, a ratio of 13.2 per cent. was recorded. The ratio of the amount reserved is the same as at this time last year.

The average rates paid on the three classes of capital quarter by quarter since the beginning of 1923 are set out below:—

AVERAGE RATES PAID.

	On Debenture Capital.				On Preference Capital.				On Ordinary Capital.			
	1923	1924	1925	1926	1923	1924	1925	1926	1923	1924	1925	1926
1st quarter	4.61	4.62	4.63	4.64	5.7	5.3	5.3	5.4	9.2	9.6	10.5	10.9
2nd "	5.08	5.17	5.40	5.14	5.4	5.5	5.8	5.8	9.9	10.1	9.9	11.7
3rd "	4.90	4.77	4.96	4.96	4.3	4.9	5.0	5.0	7.8	9.0	9.9	9.9
4th "	5.03	4.94	5.30	5.30	5.4	5.8	5.6	5.6	9.6	10.0	11.0	11.0
Year.....	4.90	4.92	5.11	5.11	5.3	5.4	5.5	5.5	9.3	9.8	10.3	10.3

The average rate paid on ordinary capital in the past quarter is the highest for many years, the nearest approach being 11 per cent. recorded in the last quarter of 1925. The average rate of debenture interest in the last quarter is slightly lower than at this time last year, the decline being partly due to redemption of short-term borrowings at high rates of interest.

The final table shows the average rates paid on the three classes of capital by the various groups, together with the ordinary rate shown in our article a year ago:—

	Debenture Capital.	Rate of Interest.	Preference Capital.	Rate of Interest.	Ordinary Capital.	Rate of Dividend.	Rate of Div. a Year Ago.
Breweries	£ 36,180,634	4.8	£ 27,442,190	5.6	£ 41,335,312	16.2	14.5
Canals	2,091,000	3.7	5,484,310	4.3	6,693,103	4.0	3.9
Electric lighting and power.....	22,084,612	5.2	20,667,859	5.4	24,530,384	6.8	6.8
Gas	10,793,638	3.9	9,124,668	4.2	38,267,160	5.5	5.5
Hotels, restaurants, &c.....	6,757,262	4.5	9,713,519	5.6	9,618,993	12.3	9.9
Iron, coal, and steel	54,816,360	5.9	56,767,434	5.6	56,731,799	3.3	4.1
Land, mortgage, &c.....	25,007,596	4.4	19,844,742	4.6	42,399,761	8.7	8.2
Motor and cycle	6,478,604	6.6	8,277,700	2.1	16,726,450	4.6	4.1
Nitrate	3,231,100	5.0	nil	..	10,606,430	10.5	12.0
Oil	8,635,620	5.5	26,147,647	6.7	47,608,252	18.7	18.3
Rubber	2,175,841	6.6	1,793,184	13.4	48,103,073	19.9	6.9
Shipping	22,853,302	5.2	24,058,075	5.2	38,111,732	5.7	6.1
Shops and stores	8,881,478	5.1	25,755,976	7.1	28,332,365	13.6	11.7
Tea	941,172	5.2	5,066,962	5.8	11,023,346	33.1	35.1
Telegraphs, &c.....	5,806,835	4.8	6,483,694	4.7	30,436,723	8.7	8.6
Textiles	17,413,130	4.6	4,225,291	5.0	64,560,559	14.4	14.1
Tramways	24,011,109	4.8	12,287,412	5.6	14,700,460	4.2	4.0
Trusts	41,112,430	4.2	34,583,515	4.3	36,837,632	9.1	8.1
Water	3,342,323	4.3	4,423,951	5.2	7,346,833	6.6	7.2
Miscellaneous	75,699,576	5.1	204,922,161	6.3	259,332,799	12.9	12.8
	£ 378,313,232	5.0	£ 548,820,290	5.5	£ 902,303,166	11.1	9.9

The high rate of preference dividend shown under rubber is due to the inclusion of participating preference shares under this heading. It will be seen that in only five groups has the average rate of ordinary dividend been reduced in comparison with the preceding year. These five groups are iron, coal and steel, nitrate, shipping, tea, and water-works. The most prominent increase is that recorded by the rubber group.

THE COTTON TRADE.

(BY OUR MANCHESTER CORRESPONDENT.)

DURING the past quarter the conditions prevailing in the Lancashire cotton industry have not improved. Demand in yarn and cloth has been of limited dimensions, and producers have been adversely affected by the general strike, and to a larger extent by the coal dispute. In the circumstances complaints have increased in volume, and stock-taking results for the past half-year have been very disappointing. Values in the raw material have not changed very much. On the other hand quotations for manufactured goods have favoured buyers owing to the inadequate demand and more pressure for orders from producers. An unfavourable factor in the situation has been the money stringency, and failures have been of frequent occurrence, although it is perhaps surprising that more cases of financial difficulties have not been mentioned.

On March 31, 1926, the quotation for middling American cotton on the spot in Liverpool was 10.23d. Prices tended to favour buyers, and 9.90d was posted on April 21st. After a slight reaction there was another downward

movement to 9.81d on May 3rd. A stronger feeling then prevailed, and the quotation on May 26th was 10.37d. June brought lower values, the figure on the 30th being 9.30d. Since then there has been a reaction, the quotation on Wednesday last (July 14th) being 9.8d. Owing to the depression in Lancashire, and less satisfactory industrial conditions in the United States, the consumption of American cotton has fallen off. It is estimated that the carry-over at the end of this season will be over 6,000,000 bales. The outlook for the new growth is generally healthy. The estimated acreage is of record dimensions, and according to the latest statistics of the Government there is a probability of a yield of over 15,500,000 bales. World consumption at the present time is on a basis of rather less than 14,000,000 bales per annum. During the last fortnight there have been persistent reports of unfavourable weather in the cotton belt, and increased damage to the plants from insect pests, especially the hopper flea. Although some of these advices are discredited by people in England, the fact remains that the crop is in need of hot, dry weather, whereas rain is being experienced in many parts. On March 31st the quotation for fully good fair Sakellaridis Egyptian cotton on the spot in Liverpool was 15.85d. There was an upward movement in values in April, the figure on the 22nd being 16.65d. After a slight decline there was a further rise by May 25th to 17.35d, whilst the quotation on June 8th was 17.45d. There followed an easier tendency to 16.05d on June 30th, whilst on Wednesday last (July 14th) the figure was 16.25d. It is believed that the Egyptian crop for this season will be about 8,500,000 cantars, and the prospects for the coming twelve months are encouraging, there being every likelihood of another big output. Prices for the article are somewhat complicated by the action of the Government in purchasing from time to time. The stock in Alexandria is much larger than a year ago at 1,570,000 cantars, against 370,000 cantars.

It has been a very trying three months for manufacturers of cloth. The demand has not been anything like sufficient to meet the requirements of makers, and a feature of importance has been the relative smallness of individual orders. Large and important merchant houses that usually purchase goods in thousands of pieces have been content to buy hundreds of pieces. The fact is that our customers have had no confidence in prices, and there has been a disposition in all quarters to restrict commitments as much as possible. For India inquiry has been fairly extensive, and in one way and another a moderate turnover has taken place. Owing to the coal strike and uncertainty as to future production, difficulties have arisen in arranging delivery terms, and very few dealers on the other side have been prepared to grant a strike clause in contracts. This hindrance to trade has been particularly noticeable with regard to Calcutta. On the whole, trade for Bombay, Madras, and Karachi has broadened somewhat. The bulk of the business has been in light bleaching descriptions, and only occasional sales have been put through in grey staples. The monsoon season at the beginning was rather unsatisfactory, and there was some anxiety, but during the past fortnight the rains have developed, and the outlook for a successful season is distinctly better. It has been very difficult to arrange contracts of any moment for China, and the political situation in the Far East is really no better. Recently clearances at the auctions in Shanghai have not been good, and the prices secured have not been equal to replacement costs. In Egypt and the Near East generally stocks are fairly heavy, and fresh business lags behind. Rather more activity has shown itself for the outlets of West Africa and Morocco. Only restricted operations have occurred for South America. Business for the Continent has been rendered difficult by the abnormal exchange rates. Very fair reports have come through from the home trade, although the industrial situation throughout the country has been against activity. Useful clearances, however, have recently occurred in the retail and wholesale establishments, and stocks are comparatively low. With regard to production, many firms are now being compelled to close down as a result of the scarcity of coal, but, considering the length of the strike, more weaving machi-

nery is running at the moment than might have been expected.

The following is a comparative table of cloth shipments from the United Kingdom, the figures being given for the six months ended June in each year:—

		£
1913	yards 3,582,788,800	48,756,738
1924	sq. yds. 2,224,012,700	75,635,829
1925	sq. yds. 2,284,112,500	79,290,645
1926	sq. yds. 2,040,057,600	62,411,835

Spinners of yarn have not been able to improve their position in any way whatever, and most companies have lost ground. In the American section it was necessary early in June for the Masters' Federation to recommend curtailment of production by 50 per cent., this being done to meet the coal situation. It was suggested that owners should run their mills alternate weeks, thus making the output equal to 24 hours per week, as compared with 35 hours per week formerly. The majority of firms appear to be making their own arrangements as to restricting the production, but the average output is not more than 50 per cent. of the full capacity of the machinery. The offtake in twist and weft has continued very poor. In order to cope with the situation, the Masters' Federation has revived the idea of basic prices. A scheme has been put forward, and approved by a big majority of the members. It has been decided, however, not to put the proposals into operation until industrial conditions are more settled. The general demand in Egyptian yarns has not been at all healthy, and some spinners have lost ground. In this section producers are being compelled to curtail their coal consumption to 75 per cent. of the normal, and the output of yarn is thus restricted. There has not been much activity in yarns suitable for shipment abroad, business being irregular and not of any weight.

The following is a comparative table of yarn shipments from the United Kingdom, the figures being given for the six months ended June in each year:—

	Lbs.	£
1913	106,409,000	7,512,062
1924	87,486,600	14,682,791
1925	96,815,500	16,462,934
1926	87,905,600	11,487,626

The future of the industry depends to a considerable extent upon the length of the coal strike. Until there has been a definite settlement of this trouble and the men have returned to the pits, there is little or no hope of a trade revival. It is getting almost impossible for manufacturers to guarantee deliveries at a specified time, and, owing to the uncertainty, buyers are refusing to place orders. The attitude of customers is also affected by the possibility of lower values, although there is rather less anticipation of a development of this kind. It is held that all the good news is now available with regard to raw material supplies, and that any change in the outlook is bound to be adverse. In the meantime the policy of dealers and merchants in manufactured goods operating from hand to mouth for many months is bound to result in a shortage of supplies sooner or later. Now and again there are distinct signs of some of our outlets abroad being in greater need of larger shipments. It is reported that manufacturers of cloth have smaller supplies of yarn by them at the weaving sheds than for a long time back. Although the immediate prospects are not bright, there is a confident feeling in trade circles that business will improve in the autumn. It is taken for granted that the coal trouble will be out of the way and the conditions for business be healthier by that time.

THE HALF-YEAR'S OVERSEAS TRADE.

THE figures of our overseas trade for June show a substantial recovery in comparison with those for May, which covered the period of the general strike, imports being over £16 millions higher, British exports nearly £5 millions higher, and re-exports over £3 millions higher. The June totals, however, are slightly below those of April, and as compared with June, 1925, there is a substantial decline in both imports and British exports, though re-exports are a little better. The value figures

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for June as compared with the same month of last year are as follows:—

MONTH OF JUNE.

	1925.	1926.	Increase (+) or Decrease (—) in June, 1926.
	£	£	£
Imports	110,984,860	97,504,361	— 13,480,499
British exports	58,893,190	50,107,041	— 8,786,149
Re-exports	10,600,201	10,753,335	+ 153,134
Total exports	69,493,391	60,860,376	— 8,633,015
Excess of imports over total exports	41,491,469	36,643,985	— 4,847,484

Coal—of which only 34,500 tons were exported—iron, and steel, and manufactures thereof, and cotton yarns and manufactures account for nearly the whole of the decline in British exports, which is to a considerable extent a matter of lower prices, while on the import side, apart from wood and timber, the decline is mostly accounted for by the fact that in June of last year there was a rush of imports of manufactures which would be subject to the new duties on July 1st, including silk and silk manufactures and motor-cars. The import figures for June of last year, in fact, were abnormal. As compared with June, 1924, imports are £9 millions higher, while British exports are £12 millions lower, and that the import excess is, therefore, £20 millions greater than it was two years ago.

Turning to the figures for the half-year, we find that there has been a reduction of 5 per cent. in the import of manufactures here again the abnormal imports of the first half of last year, a mainly responsible:—

SIX MONTHS JANUARY TO JUNE.

	1925.	1926.	Increase (+) or Decrease (—) in 1926.
	£	£	£
Imports	575,512,233	602,556,031	— 74,972,202
British exports	392,617,170	338,214,247	— 54,444,923
Re-exports	77,908,087	66,598,983	— 10,850,104
Total exports	470,525,257	404,813,230	— 65,295,027
Excess of imports over total exports	207,419,976	197,742,801	— 9,677,175

In the first half of 1924 the surplus of imports was less than £136 millions, British exports in that period being £388 millions. Of the decline of £54½ millions in British exports coal accounts for over £9½ millions, but the bulk of the remainder is under the heading of articles wholly or mainly manufactured. Cotton manufactures are down by £22½ millions, and woollen and worsted manufactures by £6 millions. Iron and steel and manufactures thereof show a decline of £1¼ millions, but non-ferrous metals and manufactures are £1½ millions up. In the case of iron and steel the decline is a matter of price, but the following table, which gives the quantity figures of some of our principal exports for the first half of each of the past four years, tells a gloomy story:—

	1923.	1924.	1925.	1926.
Iron and steel and manufactures thereof	2,215,643	2,024,417	1,831,416	1,900,814
Cotton yarns	70,225,700	87,486,600	96,815,500	87,905,600
Cotton piece goods	2,106,868,600	2,224,012,700	2,284,112,500	2,040,057,600
Woollen tissues	69,365,500	75,503,000	66,517,900	56,926,700
Machinery	222,755	219,509	253,721	240,087
Motor cars	2,252	6,124	12,778	14,946

It will be seen that the volume of exports of iron and steel and manufactures thereof was larger than in the first

half of 1925, but the value figures declined from £34 millions to £32.3 millions. The quantity of plates and sheets and railway material exported increased, but in other directions the volume was lower. The reduction in the volume of cotton exports was also accompanied by lower prices, and the same is true of woollen and worsted manufactures. The increase in motor exports occurs mainly under the head of light chassis, Australia alone accounting for an increase of 3,325.

From the next table it will be seen that price changes are to a substantial extent responsible for the movements in the value figures of imports:—

	First Half of 1925.		First Half of 1926.	
	Quantity.	Value.	Quantity.	Value.
Wheat	46,796,021	£35,371,871	46,645,388	£30,830,081
Barley	4,603,338	2,962,862	4,143,588	1,935,089
Raw cotton	9,761,245	66,934,523	8,188,482	43,645,825
Sheep and lambs' wool ..	4,647,540	49,810,158	5,474,683	42,597,296
Raw rubber	760,214	6,113,706	1,534,720	18,620,109

In the first four items prices were substantially lower, but while the quantity of rubber imports was approximately doubled, the value thereof increased more than three times. Imports of coal in the six months were 606,718 tons, valued at £976,896, of which 600,634 tons, valued at £966,290, were in June. Imports of food, drink, and tobacco in the six months fell by £19 millions, prices again being responsible for a substantial proportion of this decline. Imports of manufactures declined by £25 millions, of which £2½ millions occurs under the heading of cutlery, &c., £8 millions under silk and silk manufactures, £3½ millions under other textiles, and £4 millions under vehicles.

The bullion and specie figures for the first half of each of the past three years have been as follows:—

	Imports.	Exports.
January-June.	£	£
1924.....	25,488,405	38,692,492
1925.....	23,401,980	24,595,860
1926.....	23,025,363	15,161,853

Exports of gold in the past half-year amounted to only £9½ millions, as compared with £18 millions in the first half of last year, while imports were unchanged at just under £18 millions.

The figures of shipping engaged in the overseas trade show that in the past half-year the tonnage cleared with cargoes was 26,119,117, against 30,698,151 and 31,561,345 respectively in the first half of the two preceding years. An analysis of the chief value figures for June and the six months of this year and last will be found in the statistical section of this issue.

NEWSPRINT AND TIMBER SUPPLIES.

LORD ROTHERMERE, in introducing the Anglo-Canadian Pulp and Paper Mills, Limited, which has been incorporated in Canada, to the investing public, gave some striking facts regarding the terrible drain on the timber resources of the world occasioned by the manufacture of paper. He said that "not one in a thousand of its consumers" (the public) "ever gives a thought as to the sources of supply or as to the quantities in which the raw material (for paper) exists." His lordship, in the course of his very interesting article, referred to the fact that newspapers are multiplying fast in every country, the circulation of some of them reaching figures that were beyond the wildest conjecture a few years ago. He alluded also to the enormous sizes of Sunday editions of some of the papers in the U.S.A. (200 pages being quite a usual size, with daily editions containing from 36 to 60 pages), and he estimates the world's annual manufacture of newsprint at 5,400,000 tons, "each ton requiring about one and a half cords of wood." One cord of wood equals 128 cubic feet, and one Petrograd standard equals 165 cubic feet. Multiply the annual tonnage by 192 (1½ cords), and divide by 165, and we obtain the total quantity in Petrograd standards, the standard basis of measurement on this side of the world for house building and general construction woods.

$$\frac{5,400,000}{1} \times \frac{192}{165} = 6,283,000 \text{ Petrograd standards.}$$

This is equal to six times Finland's annual exports of house building and general construction woods, and represents in quantity half as much again as the annual total sawn wood exports of the leading timber shipping countries of Europe—i.e., Finland, Sweden, Russia, Norway, Estonia, Latvia, Lithuania, Poland, Germany, and Czecho-Slovakia.

Pine and spruce (the popular red and white woods respectively of the timber and building trades of the United Kingdom) for wood pulp purposes are usually young growth trees, and it is a fact that whilst these are sacrificed in such enormous quantities for the making of newspapers (and for fire-lighting purposes the morning after publication), the demands of the newspaper proprietors in the American and European Continents (the natural homes of conifers) are in keen competition with colliery owners for young timber for the pits. Whenever the price of pitprops is proportionately higher than for pulpwood, some whitewood (i.e., spruce) is exported in the form of props. In brief, when pulpwood is in good demand for paper the young trees are used for paper, and vice versa.

This is illustrated by the export statistics of pitprops and pulpwood from Finland in 1925 and 1913, quantities of which have been converted into Petrograd standards to keep our statistics uniform:—

	Pitprops.	Pulpwood.
1913	404,000	113,111
1925	276,888	311,332

From this it is easy to see that the colliery proprietor and the newspaper proprietor are at issue, and that higher prices given for wood for newspaper production mean, in the end, higher prices for coal. We get very little pitwood from Canada. Of the four and a half million pounds sterling spent on imported pitwood during 1926 the British Empire is not included specifically in the Government returns, the only British imports of these descriptions that we can trace in this respect being 378,000 loads from Newfoundland, at an estimated cost of £107,000. This situation as regards our supplies of young trees, either for paper or for pitprops, from our Empire overseas is explained by the fact that the American newspaper proprietors are keen buyers, and on a large scale, of such, as they are also of European wood-pulp; and they are also coming—slowly, it is true, into the buying market for the mature growth trees converted into the form of sawn deals, battens, boards, and planed boards for house-building and general construction work.

It was stated in a report issued a few years ago by the United States Forest Service that three-fifths of the original timber of the United States has gone, and timber there is being consumed four times as fast as it is being grown, whilst the remaining quantities are becoming more and more difficult of access. At the time inquiries were being made prices of pitwood had risen in 20 years in various mining districts by 100 to 400 per cent.

It cannot be over-stressed that the great and ever-increasing inroads into the world's forests for material for the making of paper must, in due time, have a very great and prejudicial effect on the prices of pitwood, as well as on prices of mature timber for houses, by this ruthless slaughter of young trees. The present reckless squandering of young forests far outdoes the good accomplished in the intensive plantings by progressive Governments, by "Arbor Days," "Save the Forest (from Fire) Weeks," and the fighting of fungus and insect pests that do such material damage to young and old trees, all of which reforms are being carried on with such enthusiasm in all parts of the world. Even before the war, costs of timber for house-building work, although fluctuating a little according to supply and demand, showed a marked upward movement, and this is likely to continue faster in the future, especially if the producing countries do not over-supply the European timber-consuming markets as they have done during the past few years.

Lord Rothermere's new and great acquisition will produce about 45 years' supply of timber for the projected mill. It is to be hoped, however, that before the expiration of that period inventive genius will have discovered something less valuable than trees for newsprint, and that the then remaining resources of timber owned by the new company will be used principally in the providing of material for the making of the home and for the general comfort of man, for which trees were first intended.

THE POLITICAL CRISIS IN CANADA.—I.—THE CUSTOMS SCANDALS.

(BY OUR CANADIAN CORRESPONDENT.)

SMUGGLING is a very ancient industry common to all lands and climes. There was once a minor rebellion in the United States known as "The Smugglers' War," and anyone who has read two books called "The Smugglers" and "Smuggling Ways and Smuggling Days," by the late Lord Teignmouth, will realise how extensively the art was practised in Britain down to the middle of the nineteenth century, when the protectionist system was broken down. But during the last 75 years smuggling as a regular industry on a commercial scale had virtually disappeared—the profits simply did not compensate for the risks which had to be run. However, on the North American continent the situation changed when there came into force in the United States and large areas of Canada sumptuary laws which prohibited the sale of alcoholic liquors in any shape or form. But these laws were passed in face of the strong disapproval of large minorities, who declined to regard them as possessed of any moral sanction, and persistently set themselves to flout them. In every "dry" area on that continent there are thousands of "wets," many of them people of ample purses, who were determined not to be bereft of their usual supplies of liquor, and are willing to pay higher prices than before for it. Here was demand, and there were not lacking enterprising spirits who were ready to provide the supply. Now smugglers must have some base of operations, and the sea, while freely utilised, had many disadvantages, especially in winter. Obviously the land frontier offered easier facilities, and when Quebec, the province of Canada lying nearest to the richest and most populous section of the United States, declined to countenance prohibition, it made available a magnificent base of operations for the smugglers. It cannot be alleged that smuggling and bootlegging were not rife in other provinces, but Quebec, which also contains the great ocean gateway of Canada, offered the best facilities for its development, and it was soon flourishing there on a voluminous scale.

Just at the time when the smuggling industry was beginning to attain great dimensions, there was appointed as Minister in charge of the Customs Department a veteran French Canadian politician, now known as Senator Bureau. During his long career in the Commons Mr Bureau was one of its most popular figures; he was a very skilful politician, but his easy-going disposition, his cynical habit of mind, and his perennial willingness to oblige friends, made him the worst of administrators. It was impossible for him to be a ruthless disciplinarian with his subordinates, and as on the liquor question he was frankly and pronouncedly "wet," it was quite beyond his power to take stern measures to cope with an industry which was only violating laws, despised by himself as absurd and obnoxious, and which was bringing handsome profits to numbers of his compatriots. The result was that at a time when the administration of the Customs Department should have been vigorously tightened up, it was actually relaxed, and subordinate officials were allowed the widest latitude. So smuggling grew by leaps and bounds. Liquor moved in all sorts of guises, from "wet" to "dry" areas, without serious let or hindrance, and from its marketing to thirsty Americans millions of dollars flowed into Canadian pockets. Day and night high-powered cars moved across the international frontier carrying supplies of liquor which had been brought in from Europe via Montreal to American consignees, and dozens of motor boats plied on the inland waterways on similar errands. There were seizures and confiscations, but the risks were not great, for a high official was hand in glove with various gangs of smugglers. Not only did he connive at their operations, but he generously allowed them to use as a rendezvous a farm owned by himself near the international boundary. He was, moreover, a trusted officer of Senator Bureau, and if any trouble arose he was always ready with explanations, which his chief cheerfully accepted at their face value.

Naturally, the smuggling of liquor from Canada soon aroused the attention of the authorities charged with prohibition enforcement in the United States, and they made representations to Ottawa which were backed up by powerful Canadian papers like the *Toronto Globe*. The King Government was forced to take action, and an arrangement was entered into for close co-operation between the American and Canadian Customs authorities to check smuggling across the international boundary. But the regulations devised were more honoured in the breach than in the observance; Canadian Customs officials were instructed not to sign clearance papers for liquor cargoes consigned to points in the United States, but they signed them by the dozen for shipments billed to Yokohama, Mexico City, and St Pierre Miquelon, and when the consignments thus visé were subsequently encountered at the boundary heading straight for some thirsty American city like Detroit, obstacles to their further progress were rarely raised. The inland waterways of North America apparently abound in craft of supernatural speed, which are capable of leaving a Canadian port at sundown with a cargo of liquor consigned to the Bahamas or Vera Cruz, and being back at their berths next morning with their cargo safely delivered.

Seafaring folk came to regard Montreal as the port offering the best facilities for smuggling in the universe, and the tribe of smugglers which deals in narcotic drugs—an even more profitable line than liquor—were soon making free use of its possibilities. An international gang of drug smugglers, whose European headquarters are at Basle and Antwerp, found almost unhindered entry for the supplies destined for their North American trade, whose annual value ran into millions of dollars. Almost perfect arrangements existed at Montreal for their unobstructed passage; each consignment of drugs invariably arrived in six containers labelled cocoa or mustard, and three of them, which were marked with an almost indiscernible blue cross, were invariably opened by the vigilant Customs officials, and by the genuineness of their contents procured unchallenged entry for the other three, which contained the precious drugs.

The motor-car thieves of the United States, whose operations were on a gigantic scale, were able to use the Montreal Customs House as a regular clearing depot for their booty. They drove the stolen cars across the boundary, and deliberately courted capture and confiscation for non-payment of duties, serenely confident that their confederates in the Customs Service would in due course restore the cars to their possession by the device of a faked public sale, which created a new Canadian title for the cars and facilitated their disposal.

As long as the smugglers confined their energies to alcoholic liquor, motor-cars, and narcotic drugs, the public as well as the Customs officials acquiesced in the situation, and isolated protests from religious and other reforming bodies fell upon deaf ears. But the smugglers soon found out that return cargoes of highly dutiable goods, like silks, laces, cigarettes, rubber articles, &c., offered attractive opportunities for augmenting their profits, and they promptly turned their experience in evading Customs barriers to a wider field.

Soon merchants and manufacturers were confronted with very serious competition from goods which had never paid duty, and there was scarcely a city or town where intelligent "flappers" did not know of certain stores selling silk stockings and blouses at prices substantially lower than what reputable shops demanded. Then the merchants and manufacturers bestirred themselves, and formed an organisation known as the Commercial Protective Association to cope with the smuggling evil. It employed trained investigators to collect evidence, and speedily found the chief offenders. But when it submitted convincing evidence of the misdeeds of one of his subordinates Senator Bureau declined to entertain any doubts of his honesty and competence, and actually gave him promotion. So appeal was made to Premier King himself, and a long array of facts about smuggling was placed before him. Mr Mackenzie King professed deep concern, and promised resolute action by the Government. A measure increasing the penalties for smuggling was passed last session, and the help of some additional investigators was lent to the Commercial Protective Association; but the resolute action which was required was not taken,

and smuggling, so far from being checked, grew in volume.

So the Commercial Protective Association, disgusted at the indifference of the King Government, approached the Conservative Opposition, and put them in possession of the evidence collected. When the Federal Parliament met in January and the struggle for party supremacy was raging, the Opposition were only too glad to avail themselves of the formidable weapon which had been placed in their hands. They waited their opportunity, and Mr H. H. Stevens, the ex-Minister of Trade and Commerce, launched very sweeping and categorical charges against the administration of the Customs Department. Faced with these, the Government had no alternative but to appoint a Special Committee of Parliament to investigate them. It consisted of four Liberals, four Conservatives, and one Progressive.

The general tenor of the evidence offered to the Committee clearly demonstrated that the smuggling industry had grown to gigantic dimensions, that it was no longer confined to alcoholic liquors and narcotic drugs, and that it owed its prosperity not merely to the passive connivance, but to the active co-operation of many Civil Servants, whose recreancy to duty increased their incomes. Many of the cases dealt with by the Committee partake of high comedy, and it would require the pen of a Captain Marryat to deal adequately with such episodes as the strange career of the famous craft known to fame as the barge "Tremblay." This vessel, which had been hired by august potentates in the bootlegging industry of the United States to convey from Gaspé to Montreal a cargo of alcohol valued at \$250,000, brought from a Belgian port, was caught by officers of the Quebec Liquor Commission at a small port on the St Lawrence, while she was discharging her precious freight in the dead of night into a fleet of waiting motors. Everyone on board was placed under arrest, the liquor was seized, and the vessel was taken to Montreal. When it arrived there the resourceful Mr Bisaillon claimed it as treasure treve for the Federal Customs Department, and assumed charge of it. However, two of the American owners of the cargo, one of whom bore the engaging name of "The Gorilla," were allowed to escape and vanish into the blue. Mr Bisaillon was arrested, but was acquitted, and the captain and crew of the barge secured a most generous settlement from Ottawa, for, on payment of the modest sum of \$1,700, their boat, which had been caught in a smuggling fraud involving \$250,000, was released to resume its lucrative activities.

Equally interesting is the subsequent history of the liquor seized on the "Tremblay." Its transportation from the dock to the Customs warehouse provided a chance for a Bacchanalian orgy to numerous stevedores and truck-drivers, and while it lay in storage a substantial quantity was pilfered. The balance remained in storage until the eve of the general election of 1925, when the Hon. G. H. Boivin, who had succeeded Senator Bureau, sold it at a bargain-counter price to a firm of distillers, which has now been proven guilty of persistent smuggling and grave revenue frauds.

But perhaps the most disturbing feature of the revelations was the abundant proof that time and again the course of justice had been deliberately perverted through political influence for the benefit of smugglers who were apprehended. There were honest officials in the Customs Service who did their duty and made arrests and seizures, but usually thereafter the wires to Ottawa would begin to burn with pathetic messages from the political friends of the culprit to the effect that a deserving citizen must not be persecuted for a trivial offence. It was one such case which was the real cause of the downfall of the King Government.

Moses Aziz is an Assyrian immigrant who has risen to distinction in the bootlegging profession in New Brunswick, and last summer, when he was caught red-handed—not for the first time—with a supply of illicit liquor, he was sentenced to a heavy fine and three months' imprisonment. But he was a zealous worker in the cause of Liberalism, and when Mr Robichaud, the local Liberal M.P., sent an urgent message insisting that the prison gates must not close upon one who would be a "precious help" in the general election, then approaching, the tender-hearted Minister of Customs promptly stayed the

gaol sentence, and Mr Aziz remained at liberty until the facts were revealed by the Committee. It was a gross case of political interference with the course of justice, and the Conservatives, who were able to point to the serious view taken by the British House of Commons of the similar, but infinitely less serious, allegation brought against Sir Patrick Hastings in 1924, made the most of it.

But such interference was not confined to politicians on the Liberal side, for the Chief Whip of the Conservative party was shown to have laboured assiduously for the mitigation of the penalties imposed upon an offender who had tried to bribe a Customs officer. Altogether far too many Members of Parliament displayed a hopelessly inadequate sense of their public responsibilities, and were ready to exert their influence for the benefit of political friends, regardless of the fact that they were thereby aggravating the demoralisation of the Customs Service.

The Committee was able to arrive at a unanimous report by agreeing to leave the political aspects of the case to the verdict of the House of Commons, and the document which it submitted to Parliament contained a very comprehensive review of the condition of affairs in the Customs Department. It found that for a number of years it had been undergoing steady demoralisation, and that the process had been accelerated under the régime of Senator Bureau, who had shown a very inadequate appreciation of his duties. It recommended a wholesale reorganisation of the Department, to be assisted by the dismissal or retirement of a number of important officials. It also submitted a long list of other recommendations, for changes in administrative methods, for a reduction in the number of ports of entry, for the prosecution of numerous offenders who are now charged with revenue frauds, for the establishment of a special secret service to cope with the smuggling evil, and other reforms. It admitted that its investigation had been incomplete and covered only a limited area, and suggested its continuance by some tribunal. It was when this report came up for discussion in the House of Commons on June 22nd that the political crisis began.

Notes of the Week.

Housing Progress.—In the course of the speech with which he introduced the estimates for the Ministry of Health in the House of Commons on Tuesday, Mr Neville Chamberlain gave some important figures concerning the pace at which the shortage of houses is being reduced. In the five years before the war, he told the House, the average number of houses of all classes completed was 61,000 per annum. For the 12 months ended March 31st last the figure was 173,000, of which about 153,700 are classed as working-class houses. The rate of progress, said Mr Chamberlain, is still increasing. The Ministry of Health estimates a sum of £8½ millions comes under the heading of housing grants. Of this £370,000 is for grants under the 1924 Act, £750,000 is in connection with houses built under the Act of 1923, while no less than £7,320,000 is incurred under the provisions of the Act of 1919. The Exchequer liability in regard to houses under the 1923 Act is £6 per house per annum for 20 years, and under the 1924 Act £9 for 40 years. Under the Addison scheme, Mr Chamberlain said, the annual cost to the Exchequer is at present £41 per house, and the liability lasts for 60 years, subject to certain reductions as loans, roads, &c., are paid off. In addition to this, charges in respect of houses now being erected are growing. It is, therefore, as Mr Chamberlain admitted, very necessary to keep a careful eye on the position. Opportunity for revision in regard to part of the expenditure will shortly arise, for under the Act of 1924 the position regarding the present housing subsidy has to come up for review next October. Meanwhile, it is satisfactory to hear that "we are well on the way to a solution of the housing problem."

Our Berlin Ambassadors.—The retirement of Lord d'Abernon was foreshadowed as long ago as last autumn (when we gave an appreciation of his career as the first British ambassador in Germany after the war). It is now announced that his retirement—which was postponed pending the implementing of the Locarno Agreements—will probably take place in the autumn of this year, when the admission of Germany to membership in the League of Nations is expected to be consummated. Lord d'Abernon has held one of the most important diplomatic posts under the most difficult conditions, and what he has achieved will no doubt be appreciated, particularly by his successor; but even the entry of Germany into the League will only remove some difficulties at the cost of creating others, and during the next phase it will still be a vital interest of both countries that the British representative in Berlin should enjoy the confidence of the German Government and should be in a position to give them frank, though friendly, counsel if occasion arises. It is already announced that Lord d'Abernon's successor is to be Sir Ronald Lindsay. It is a big step from Angora to Berlin; yet a diplomatic post in Turkey is at least a test of its holder's judgment and character, and Sir Ronald Lindsay, in carrying the Mosul negotiations through to a successful conclusion, has deserved well, not only of his own country, but of the country to which he is at present accredited. It is interesting to recall that in the pre-war period a German diplomatist of outstanding ability, Baron von Bieberstein, was similarly promoted from Constantinople to London. That appointment was intended to improve the relations between Germany and Great Britain. The hope was prostrated by Baron von Bieberstein's premature death. On the present occasion, we may hope that Sir Ronald Lindsay may long hold his new position, and may carry on the good work which Lord d'Abernon has been doing at Berlin as successfully as he has conducted his equally difficult, though perhaps not equally important, task at Angora.

The Belgian Monetary Crisis.—The serious slump in the Belgian franc has stimulated the Government to vigorous measures. Last week a plan was announced for the industrialisation of the railways, which, with the help of additional import duties recently voted, will create funds for the amortisation of the floating debt. The railway Bill sets up an autonomous organisation, to which will be leased the right of exploiting the railways for 75 years. The new company will issue marketable shares to the Government, and thus enable the latter to convert its property into cash. This week this measure has been followed by a law conferring on the executive for six months wide powers relating to the note circulation, the position of the Bank, loan supplies, &c. The Government will restrict the use of white flour, and has apparently decided to deal with the telegraphs and telephones in the same way as it is dealing with the railways. The measures reflect the alarm which is felt in Belgium, and are a determined effort to avert the consequences of the disastrous failure of the scheme of stabilisation that fell through last March.

Ministers and Directorships.—Your politician is never less impressive than when he is in a mood of self-conscious virtue, and he is never more virtuous or more self-conscious than when he is (a) smelling out a financial scandal in an opponent, or (b) rallying round the honour of one of his own leaders. If he is in opposition, you may rely on it that he will be a high-grade political purist, eager to protect our sacred public life from the taint of private interest and gain. If he is on the Speaker's right hand he will be full of points of honour anxious to protect our sacred public life from a campaign of mud-slinging which must make it impossible for "any decent man to enter the House of Commons." It follows that debates such as that on Mr Neville Chamberlain's position as a director of companies taking public contracts do not raise the dignity of the House of Commons, and the cynic with a memory of reasonable length must find a certain grave amusement in watching the Labour Party trying to be nasty without being libellous, and the Unionist Party red-hot with anger at charges, to him, unreasonable and a thousand times less scurrilous than the famous Marconi campaign of pre-war days. Nor were the argu-

ments employed to justify a Minister holding directorships of this kind as convincing as they were meant to be. The Prime Minister in a *reductio ad absurdum* proved that if this kind of objection holds good, no one but penniless foundlings ought ever to sit in the House, a line of argument that would justify any Minister of the Crown in holding any kind of position in any public company or private firm. On the other hand, it seems strange to argue that an ordinary directorship is wrong, but a directorship held by a trustee is right, for the basis of this argument is that a man is less concerned for the welfare of a business when he is managing it for beneficiaries than when a share of the profits flows into his own banking account. That may be true, but it is a very poor compliment to the trustee-Minister. The distinction between private and public companies, too, is difficult to follow. Why is it better for a Minister to be a director of a public company that has no Government contracts than of a private company that has a dozen or so? On the whole, the sound rule is that no Minister of the Crown should be a director of any company, public or private. His work as Minister ought to occupy his whole business time, and if he is doing his job as Minister properly, the company should have nothing to gain by keeping him on the board, and ought to be glad to release him for his country's good.

The Revised System of Export Credits.—The announcement this week that the Government has brought into force the revised system for export credits recommended in March by the special Committee of Inquiry has been promptly followed by the issue of detailed regulations and instructions by the Department of Overseas Trade. The Committee examined closely the then existing practice of operating guarantees under the Export Credits Act, and had before it proposals for giving official support to the method of credit insurance operated by the Trade Indemnity Company. The conclusion reached was that the most hopeful means of assisting exporters of British goods would be to permit the guarantee or insurance of longer and fuller credits for an experimental period, now fixed at three years. It is hoped that the experience gained during that time will encourage insurance companies and banks to undertake a class of business which at present fails generally to attract them. It is an essential part of the system that the goods in respect of which guarantees are issued must be wholly or partly produced or manufactured in the United Kingdom. Normally, applications would not be considered in respect of goods shipped on consignment, but applications in respect of definite sales from stocks which have been shipped on consignment with the Department's approval may be considered. All applications for guarantees must be submitted through a bank so as to indicate that the proposed insurance or guarantee is one which cannot be effected through ordinary channels. The regulations respecting guarantees fall into three classes. In the first the guarantee is given without recourse to the exporter of the goods, and in such cases the amount of guarantee must not exceed 75 per cent. of the amount of credit granted to the importer. In the second class a guarantee for the full amount of the credit may be obtained, with the provision of full recourse to the exporter subsequently in case of default. The third class, described as intermediate, provides facilities under which guarantees can be given for the whole or part of the credit, either without recourse to the exporter or with such recourse as may be agreed. In these cases the guarantee may not exceed 75 per cent. of the credit unless approved security be provided. The guarantees granted will either be endorsed on the trade bill or given in the form of a letter of guarantee, and the Export Credit Department will make good its guarantee immediately its liability accrues, provided the protected bill be held at its disposal. The new system is limited to three years, and no fresh applications for guarantees can be considered after September 8, 1929. Though every application will be examined by an advisory committee (of which Colonel Sidney Peel is chairman), traders are assured that absolute secrecy will be observed, and that they need have no fear lest their affairs be disclosed to competitors. The Export Credits Department, which is administered by the Department of Overseas Trade, has its offices at 31 King Street, London, E.C. 2.

Iron and Steel Production.—As was inevitable, the coal stoppage has brought the heavy iron and steel industry practically to a standstill. Of the 147 furnaces which were blowing at the end of April, only 23 were still in operation at the end of May and 11 at the end of June. The production of pig-iron in June amounted to 41,800 tons, compared with 510,300 tons in June of last year, while the production of steel ingots and castings was only 32,800 tons, compared with 585,400 tons a year ago. The following table shows the number of furnaces in operation and the production of pig-iron and steel in each of the first six months of this year and last:—

(In Thousands of Tons.)

	Furnaces in Blast.		Production.			
	1925.	1926.	Pig-iron.		Steel Ingots and Castings.	
			1925.	1926.	1925.	1926.
January	172	144	574.5	533.5	605.1	640.4
February	165	146	541.9	502.0	652.3	703.8
March	169	151	607.9	568.5	684.7	784.1
April	158	147	569.8	535.1	597.6	661.0
May	157	23	574.7	88.8	651.6	45.7
June	148	11	510.3	41.8	585.4	32.8
Total	..	..	3,379.1	2,273.7	3,776.7	2,867.8
Monthly average ..	..	..	563.2	378.9	629.4	477.9

Before the coal stoppage there was a distinctly upward tendency, which is shown also in the foreign trade figures which we give below:—

IMPORTS AND EXPORTS OF IRON AND STEEL.
(In Thousands of Tons.)

	Imports.		Exports.	
	1925.	1926.	1925.	1926.
January	234.8	221.7	325.4	336.7
February	234.9	228.5	298.8	339.5
March	244.9	258.5	312.2	406.5
April	274.4	261.8	297.5	313.0
May	205.4	166.6	322.1	273.8
June	201.7	233.4	275.7	321.3
Total	1,396.1	1,370.5	1,831.7	1,900.8
Monthly average ..	232.7	228.4	305.3	315.1

Exports, which attained a figure of over 400,000 tons in March, fell to 313,000 tons in April on account of the Easter holidays, and in the following two months to 273,800 tons and 231,300 tons respectively as the result of the coal stoppage. In spite of the stoppage, however, exports in the first half of 1926 were slightly higher than in 1925. Since steel furnaces are to such a large extent idle, exports in May and June must be largely the result of re-rolling imported semi-finished material; imports, which amounted in June to 233,400 tons, included 65,900 tons of billets, blooms and slabs, and 34,000 tons of sheet and tinplate bars. Of the 231,300 tons of iron and steel exported in June, 39,800 tons were galvanised sheets (compared with 60,800 tons in the previous month), 35,700 tons tinplates and sheets (33,800 tons in May), 22,200 tons pig-iron, and 18,800 tons rails. Coal exports in June were, of course, negligible, and amounted only to 34,485 tons. Imports of coal, on the other hand, amounted to 600,634 tons, but the Board of Trade returns do not analyse the source of the imports.

The Half-year's Shipbuilding.—The shipbuilding returns, issued by Lloyd's Register for the quarter ended June 30th, indicate that, while the activity of this industry continues to decline, the disturbing effects of the general strike and the protracted coal stoppage have been less marked than might have been expected. Whereas the coal strike of 1921 caused a contraction in the volume of tonnage commenced in this country from 393,000 tons in the first quarter to 69,000 tons in the second quarter of the year, the tonnage commenced during the quarter now ended totalled 168,000 tons, or only 25,000 tons less than in January-March, 1926, and actually 7,000 tons more than in the last quarter of 1925. Moreover, a parallel movement occurred abroad, the tonnage commenced in foreign countries having fallen from 194,000 tons in the first quarter to 163,000 tons in the second quarter of this year. Launchings during the quarter totalled 172,000 tons in Great Britain and 204,000 tons abroad, as compared with 191,000 tons and 270,000 tons respectively

in January-March—the foreign figures recording a relatively greater decline than the British. Satisfaction, however, that our shipbuilders are succeeding in overcoming to some extent the difficulties of the present situation is necessarily chastened by the following comparison of output in the first six months of this year and of 1925:—

TONS LAUNCHED, JANUARY-JUNE.

	1925.	1926.
U.K.	637,000	362,000
World	1,199,000	836,000

The tonnage under construction in Great Britain on June 30th was 841,000 tons—only 1,700 tons less than at the end of March, but 252,00 tons less than a year ago, and representing little more than 40 per cent. of the activity of 1913. It is, however, satisfactory to note that the present quarter has witnessed no increase in the quantity of "suspended" work. The tonnage building abroad totalled 1,129,000 tons, a fall of 38,000 tons as compared with three months ago. Of the total world tonnage under construction—1,971,000 tons, or about 57 per cent. of the June, 1913, level—no less than 885,000 tons (i.e., 45 per cent. of the total) were motor ships. The corresponding percentage of motor to total tonnage building in this country was roughly 35 per cent., but reference to the returns of work commenced shows that, relatively, we are gaining ground as motor shipbuilders, 76,000 tons of motor shipping, or 46 per cent. of the world total, having been laid down in British yards during the past quarter, against 75,000 tons, representing only 35 per cent. of the aggregate for all countries, in the corresponding period last year. The recent spurt in Italian motor-ship construction appears, temporarily at least, to be declining, but the past quarter saw a marked expansion in the motor tonnage laid down in German yards—viz., 37,000 tons, against 6,000 tons in the previous quarter. Of the 41 motor vessels of over 2,000 tons burden building in this country, it is noticeable that 34 are over 5,000 tons in size, while the world figure of 170 motor vessels of all sizes over 100 tons now under construction includes 56 motor ships each between 6,000 and 10,000 tons, and 12 exceeding 10,000 tons gross burden. Equally significant of the development of internal combustion for ship-propelling is the table issued by Lloyd's Register, showing that whereas the total indicated h.p. of marine engines now under construction or in process of installation amounts to 636,000 in Great Britain and 1,553,000 in the world, 278,000 i.h.p. in this country and 782,000 i.h.p. in the world are oil engines. The world total of steam engines is about equally divided between turbines and reciprocating types.

The World's Water Power.—One of the most remarkable developments in the history of civilisation is the enormous growth throughout the world during the past 10 or 15 years in the generation of electricity by means of water power. To-day hydro-electric plant of over 35,000,000 h.p., writes a correspondent, has been installed, calculated on the conservative basis of 70 per cent. of the normal water supply for 70 per cent. of 24 hours, and the rapidity of the growth in almost every industrial and semi-industrial country is shown by the fact that the figure in 1921 was only 23,000,000 h.p. In other words an increase of about 50 per cent. has taken place in the last five years, and the rate of advance will probably be even greater in the immediate future. Hundreds of millions of pounds of capital have already been invested in hydro-electric schemes with very satisfactory results to all concerned, and the driving of turbines, coupled to electrical generators by means of water, is a very natural step. It possesses many advantages, being efficient, scientific, continuous in operation, and devoid of troubles with smoke, dust and dirt, ash and clinker, and conveyance of coal, while it requires little labour and attendance. On the Continent, for example, almost every country is rapidly engaged in developing water power to the utmost, especially France, Switzerland, Germany, Italy, Spain, Norway, and Sweden. Thus in 1921 all Europe was developing 8,877,000 h.p. from water power, but in 1923 the figure was 12,300,000 h.p., an increase of nearly 40 per cent. in two years, while in the United States over 15,000,000 h.p., and in Canada over 4,000,000 h.p. is now being generated on the same lines. One of the most interesting examples of this modern de-

velopment, both technically and commercially, is New Zealand. At present extensive hydro-electric equipment is in course of erection, and when this is completed at the end of 1930 New Zealand will require 1,000,000 tons of coal less per annum, the present consumption of 2,500,000 tons being reduced to 1,500,000 tons. In the North Island there are 3 main hydro-electric stations, Mangahao, Arapuni, and Waikaremoana, as well as a number of smaller ones. Mangahao was completed last year, and is now rapidly being worked up to the full output of 24,000 h.p., while the first section of Arapuni, 65,000 h.p., is under construction, and this will eventually be doubled. The whole country, both the North and South Islands, is being covered with a network of power wires. From the investment point of view there is no difficulty in raising the capital, and the Manawatu-Oronua Power Board District, covering 1,300 square miles, with a population of 40,000, is a case in point. No work was undertaken until 12½ per cent. interest on the capital became assured, as a result of most detailed study of the conditions. The total inland water power of the world is estimated at 425,000,000 h.p. How large is this figure may be realised from the fact that Great Britain has at present a total installed plant of about 10,000,000 h.p., mostly operated by coal.

The Artificial Silk Industry.—The event of outstanding importance in the artificial silk industry during the last month, writes a correspondent, has been the reduction in price to the consumer. Investors in Messrs Courtaulds, Limited, have rather naturally concentrated their attention upon the effect of the price reduction on that firm, and the announcement that the firm had decided to revert to their usual rate of interim dividend was the signal for a considerable fall in the price of the shares. The connection between the price reduction and the interim announcement by Courtaulds cannot be ignored, but there are other factors, such as the coal strike and the large expenditure made out of profits on extensions, which might well account for this slight drop. Whilst in this country interest is centred upon the downward trend of prices charged by Courtaulds, it must be borne in mind that this is a world-wide movement, foreseen by none so well as by Courtaulds themselves. During the first half of 1926 imports of artificial silk yarn into this country have increased from £26,493 in January to £38,250 in June. This figure, is, however, somewhat misleading, as the actual weight of imported yarn has increased from 110,116 lbs in January to 197,171 lbs in June, which proves that very considerable price reductions have been made in Continental yarns. Further, the United States producers, led by the Viscose Company, made a very substantial "cut" as from July 1st this year. In view of these facts, it is necessary for the industry to readjust itself on a lower price basis, and the day when each consuming country caters to a very large extent for its own consumption is drawing a step nearer. It is a peculiar fact that despite the Customs tariffs in both this country and in the U.S.A., the weight of imports has steadily increased in recent months. Whether the latest price reductions made will be sufficient practically to eliminate the imports from Italy, Germany, and other European countries into England and U.S.A. remains to be seen, but one result obviously will be a greatly increased interest in the chemistry of artificial silk with a view to cost reduction. On the export side of the account, the industry has much to be congratulated upon. Despite the coal and general strikes, the totals for April, May, and June, 1926, are respectively £338,031, £395,297, and £455,966. These figures refer to manufactured artificial silk goods. In yarn exports the figures for April, May, and June are 470,540 lbs, 420,309 lbs, and 514,045 lbs respectively. In other countries there has been little material change during the last month, with the exception of Italy, where the industry is faced with a serious position as a result of the large proportion of production which has of necessity to be exported, the changes in the market requirements, and the price reductions in all countries. For some time Italy has been using every endeavour to extend her trade outside of Europe and North America. The fact, however, that in a general sense artificial silk may be produced in any country will, as in the case of Japan,

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prove another difficulty in the way of countries dependent upon exports. This will be a more important factor in the case of Italy than in that of Great Britain, for the reason that Lancashire and Yorkshire manufacturers have always held the leading position in the fancy and high-grade lines which will possibly in a few years' time be the only imports required by many countries who have not now established an artificial silk industry, but who are seeking every opportunity to commence.

Land Settlement.—Recent Parliamentary and other reviews of the schemes of British land settlement, particularly for ex-Service men, following the war have confirmed the impression that much of the effort must be regarded as definitely uneconomic in character. The leading Acts were passed in 1919. Very soon afterwards considerable land in England and Wales and in Scotland was acquired. The acquisition of the land, together with the erection of many of the buildings on the holdings, proceeded at a time when post-war prices were at their peak. When the slump in agricultural prices came it was clear that the holdings could carry nothing like the capital expenditure which had been incurred. It was therefore decided to have a revaluation of the holdings. This is now almost completed. Everywhere it has involved substantial reduction, which, properly expressed, means that the State has shouldered further loss; but, unless there is a further break in agricultural prices, it is believed that the valuation is now such as to bring the holders as near to the payment of an economic rent as can be achieved in existing conditions. Generally speaking, in spite of the adverse conditions they have had to encounter, the holders have done remarkably well. The percentage of failures has been small. For the future, however, it will probably be the policy of the Government not to confine settlement so largely to ex-Service men; the desire is rather to accept as many as possible of the applications of men who are familiar with agricultural work and conditions. In this way Parliament will tend more and more to put the general scheme on an economic basis. But further steps are necessary, since it is generally agreed that the holders have had a very hard battle to fight. The progress of co-operation among all classes of British agriculturists is notoriously slow, but critics of the finance of the scheme are urging that a special effort should be made to recommend its benefits to the smaller men, particularly in the co-operative purchase of ingredients for the soil and co-operative use of the latest and most efficient agricultural machinery. This is an effort to secure for small men some of the advantages and the economies of large-scale farming. Co-operation and the earlier application of the results of research are believed to be urgently necessary if the men, on the revaluation which has taken place, are to maintain economic status. Some of the Parliamentary critics fear that a further revaluation may be necessary. If conducted on similar lines to the last, it can only involve additional burdens for the taxpayer; if an attempt were made to express it in terms of higher rent the holders would probably be defeated in the initial stages of their difficult task. From both points of view, therefore, it is believed there is at once safety and economy in the combination of co-operative method with the adoption of the fruits of research on land almost exactly similar to that of the holdings of the ex-Service men and others who have participated in the benefits of these Acts.

Reparation Payments.—The statement of the Agent-General for Reparation Payments of receipts and payments under the Dawes Scheme for June shows receipts of 93.8 million gold marks and payments of 89.9 millions. Total receipts for the first ten months of the second annuity year amount to 917 million gold marks, and payments 930.3 millions. In the second year Germany has to find 1,220 million gold marks, as against 1,000 millions in the first annuity year. In the table below we compare the figures for the first ten months of each annuity year:—

RECEIPTS and PAYMENTS (on Cash Basis, Reduced to Gold Marks Equivalents).
(Million Gold Marks.)

Receipts.	First Annuity Year, Sept. to June (incl.).	Second Annuity Year, Sept. to June (incl.).	Payments.	First Annuity Year, Sept. to June (incl.).	Second Annuity Year, Sept. to June (incl.).
Cash withdrawn from proceeds of German External Loan, 1924.	669.9	210.0	Payment to various Allied countries.	661.7	826.9
Budgetary contribution.	..	192.4	Expenses of Commissions.	20.5	16.6
Transport Tax.	..	..	Service of German Ex-ternal Loan.	58.8	80.0
Interest on Railway Bonds.	100.0	450.0	Discount on payments in advance, &c.	2.9	6.8
Interest on Industrial Debentures.	..	62.5	Cash in hand.	25.9	93.7
Exchange Differences & Interest Received.	0.2	2.1			
	770.1	917.0		769.8	1,024.0

In the first year the full 1,000 millions was received—800 millions from the external loan, and 200 millions from interest on railway bonds. Payments to allied countries totalled 789 millions, of which 740 millions went to Great Britain, France, Italy, and Belgium. In the current annuity year these four countries have received 780.2 millions, as compared with 621.4 millions in the first ten months of the first year. The following table shows the division of these payments:—

(Million Gold Marks.)

First Ten Months.	To Great Britain.	To France.	To Belgium.	To Italy.	Total Four Countries.
Arising on Account of Reparation Recovery Act—First year.	134.5	17.5	..	..	152.0
Second year.	166.1	33.5	..	..	199.6
Occupation costs—First year.	26.9	118.7	18.6	..	164.2
Second year.	17.2	50.0	7.8	..	75.0
Deliveries in kind—First year.	4.5	189.3	59.7	51.7	305.2
Second year.	0.3	360.3	86.0	59.0	505.6
Total—First year.	165.9	325.5	78.4	51.7	621.4
Second year.	185.6	443.8	93.8	59.0	780.2

Other payments in the current year to date include deliveries in kind of 31.4 millions to Jugo-Slavia, 7 millions to Roumania, 5.1 millions to Portugal, and 2.6 millions to Greece.

Empire Fruit Supplies.—The third report of the Imperial Economic Committee deals with fruit. It includes a general report on the imported fruit trade, followed by detailed reports on apples, citrus fruit, soft fruit, dried fruit, bottled and canned fruit, fruit pulp, jam and crystallised fruit, nuts and bananas. The Committee have collected and summarised the facts, and have presented them clearly and systematically. It cannot fairly be said that they have thrown much new light on the subjects of their investigations. There was, indeed, little left for them to discover which could not already be found in previous reports. But it is, no doubt, an advantage to have the case stated in a convenient and compendious form. The report emphasises at the outset the increasing importance of fruit in the national dietary, as well as in the accounts of overseas trade. They estimate the consumption per head in the United Kingdom in 1924 at 100 apples, 70 oranges, and 30 bananas, all of which except 38 per cent. of the apples are imported. The net increase of imports of fruit in the last 20 years has been 248 per cent., as compared with 95 per cent. for wheat and 149 per cent. for meat. These percentages represent values and not quantities, but they nevertheless indicate a growing demand for fruit in comparison with the primary necessities of subsistence—a fact which is significant not only of a wider diffusion of dietetic knowledge, but also of a rising standard of living among the people generally. The Committee have struggled to restrain themselves within the limits of their reference and of the restrictions imposed

on the scope of their recommendations. The spirit of Protection and Imperial Preference permeates the report, but they have to recognise that schemes of embargo and licence, which were strongly pressed upon them, are barred by the most-favoured-nation clauses in various treaties when read in relation to the Anglo-German Commercial Treaty, and, further, that the policy of Customs preferences was, by the decision of the Imperial Conference of 1923, ruled out of their purview. In these circumstances they state "the only policy which seems to us to be immediately available is that which we have described in our First Report as a policy of developing voluntary preference on the part of the consumer." This policy must be based on (1) the organisation of the producer within the Empire and (2) the mobilisation of the consumer within the United Kingdom. The "mobilisation of the consumer," they add, depends on providing such indications of origin that the consumer may be enabled to exercise a "voluntary preference," and also on such "educative publicity" as will induce him to see that "it is in his own business interest, apart from all sentiment, to buy from his own best customers." In another part of the Report the Committee give the reasons on which they found the assumption that the "best customers" of the British consumer are within the Empire. The appointment of an executive Commission charged, *inter alia*, with the organisation of a campaign of educative publicity is advocated, and it is suggested that it should be entrusted with certain powers of financial assistance from the Exchequer. Perhaps the most arresting statement in the Report is that the Committee, after careful investigation, came to the conclusion that "under the present system, or lack of system," the cost of distribution of fruit in the United Kingdom is, on an average, "about equal to the whole cost of growing, carrying, and handling up to, and inclusive of, the primary sale in the United Kingdom." If this is approximately true, it would seem that in this direction lies the best chance of effective action in the interests both of producers and consumers.

New Zealand Trade and Production.—Our Christchurch correspondent writes:—The trade returns for the March quarter of 1926 give clear evidence of the developments predicted in earlier communications to *The Economist*. The heavy fall in export prices has caused a serious adverse balance of trade. The following summary table, giving exports for the 12 months ending March 31, 1926, as compared with the corresponding period of 1924-5, shows the position clearly:—

Export.	Quantity.		Value.	
	Unit.	1924-5.	1925-6.	1924-5.
Wool	000's.	554	606	£000.
Butter	Bales.	1,370	1,156	17,379
Cheese	Cwt.	1,455	1,348	12,063
Meat (Frozen)	Cwt.	2,983	3,143	6,162
				9,300
Total exports		..	..	54,771
				48,698

While the value of exports has dropped by slightly more than £6,000,000, the value of imports has advanced by £3,200,000. The result is an excess of imports amounting to £4,300,000. To this visible excess of imports must be added interest and similar payments which must be made abroad, officially estimated at over £5,000,000 annually. The Government Statistician now publishes each year an estimate of the "true" volume of exports per head of population. This is arrived at by estimating the quantities per head exported at the values of 1900. Over 99 per cent. of the exports can be treated in this way, and the result is a fairly accurate indication of the actual volume of exports. The quantities exported show a moderate increase in recent years, but an estimate made by the Department of Economics of Canterbury College, and published by the Canterbury Chamber of Commerce, shows that, if local as well as export production is considered, there has been an actual decline of productivity per head in recent years. The figures arrived at are

summarised in the table below and compared with the official index of export productivity:—

(1910 = 100.)					
Official Index "True" Volume of Exports.	Canterbury Index Productivity.	Official Index "True" Volume of Exports.	Canterbury Index Productivity.		
Per Head.	Per Head.	Per Head.	Per Head.		
1900	85	91	1920	77	91
1905	85	84	1921	76	93
1910	100	100	1922	84	116
1915	94	98	1923	86	101
1918	82	60	1924	..	100
1919	75	117	1925	..	97

The wider fluctuations of the export table are to be expected, but it is interesting to find the greater falling-off of productivity in the total production. This bears out the argument of the Canterbury College investigation, that much of the stagnation is due to the "sheltered" domestic industries and to the extension of Government interference in industry. The census returns of occupations bear out this conclusion, since they disclose a definite drift from the directly productive occupations to such activities as Governmental administration, commerce, and transport. The percentages of the population engaged in these industries may be summarised as follows:—

	Directly Productive.	Not Directly Productive.
1891	63.7	23.4
1901	62.6	25.0
1911	57.1	29.7
1921	54.2	34.0

The greatest decrease in the productive classes is in the primary farming industries, which in the last 30 years has fallen 23 per cent. This is not inconsistent with the relatively greater productivity of the export industries which has been due to the greater importance of dairying in this period. In dairying there is greater productivity than in other types of farming, but the actual productivity within each type would seem, if anything, to be falling.

American Fruit and British Labour.—The issue of the third Report of the Imperial Economic Committee on Food Stuffs produced in the Overseas Parts of the Empire (Cmd. 2658), which deals with fruit supplies, has produced a chorus of headlines in the Press emphasising the monopoly which American interests have secured in the supplies of fruit, principally apples and bananas, to the United Kingdom. Whilst the general truth of this assertion is incontestable, writes a correspondent, there are certain points about the working of the United Fruit Company, the principal offender as regards bananas, which mitigate the disadvantages of the monopoly to this country. It is not generally realised that in Guatemala and Honduras, to mention two important areas worked by the United Fruit Company, something over 50 per cent of the salaried estate superintendents are British, many of them ex-officers, and that the proportion of English personnel tends to increase at the expense of all other nationalities. The United Fruit Company appears to be pretty well convinced that the English colonist is more suitable for their purpose than the average American young man, just because he is a colonist and comes to them with the full intention of staying out his contract and making his home for some years in the areas to which he has been appointed. The proximity of the United States and the temperament of the average American prevent this sense of permanence. The United States presents so many opportunities for work at home that it is a bad breeding ground for colonists. This tendency for Englishmen to work under American capital in Central America, especially in the cases of agriculture and railways, is likely to extend with the ever-increasing grip of the United States on that part of the world. A second point is that a very large proportion of the manual labour in the banana industry in those countries is performed by British negro subjects from British Honduras and the West Indies, as the average indigenous native has not the necessary physique. Each centre of the United Fruit Company has its own commissariat for its employees, and the more Britishers there are the more will their taste

have to be catered for with United Kingdom goods. Whilst Elders and Fyffes give employment for a large British personnel, theirs are not the only ships built for the company in English yards, as the United Fruit Company's own vessels are in some instances built in this country, three having been recently ordered in Belfast. These considerations, coupled with the fact that the United Fruit Company's shares can be bought freely by anybody, show that though that organisation may have a stranglehold on the English consumer of bananas, certain benefits do nevertheless result to British subjects and British trade.

Swiss Trade Difficulties.—Our Geneva correspondent writes:—The situation of Swiss foreign trade is still very unsteady. The slight improvement recorded during the first quarter of the year did not persist in April and May, when imports as well as exports showed a decrease on the preceding months' figures. In April the value of imports was 182,141,184f (£7,285,647), as against 208,796,790f (£8,347,871) in March, and 200,303,825f (£8,012,153) in April, 1925; on the other hand, exports totalled 144,970,730f (£5,798,830), compared with 160,313,782f (£6,412,671) in March, and 164,718,189f (£6,588,727) in April, 1925. A slight improvement was registered in May, when imports totalled 191,427,337f (£7,657,993), as against 186,031,562f (£7,441,265) in May, 1925, while exports rose to 147,299,795f (£5,891,991), compared with 191,049,383f (£7,641,975) in May, 1925. A close examination of figures shows that the total exports of the four chief industries (watches, silk, cotton, and machines) for April and May taken together are far inferior to the corresponding period of 1925; watches show a decline of 17 million francs (£680,000), silk goods of 21 millions (£840,000), cotton goods of 13 millions (£520,000), and machines of 6 millions (£240,000), together a drop of 57 millions (£2,280,000). But, on the other hand, the position of these industries, though unsatisfactory, has improved since the beginning of the year. The British strike did not affect Swiss foreign trade as much as was anticipated. In April imports from Great Britain totalled 11,179,362f (£447,174), compared with 14,593,699f (£583,748) in March, and exports to her 29,406,724f (£1,176,269), as against 30,072,878f (£1,202,915) in March. In May, owing to the strike, these figures fell respectively to 9,167,000f (£366,640), and 20,480,000f (£819,200). The precarious situation of the Swiss export trade is more clearly shown when the 1926 returns are compared with those of the preceding years. In 1913—the last normal year—the monthly average of Swiss exports was roughly 114 million francs (£4.56 millions); in 1920 it was 273 millions (£10.92 millions), that is slightly above the 1913 average, when it is assumed that, in the meantime, prices had gone up by nearly 100 per cent.; in 1921 it was 178 millions (£7.12 millions). That average dropped during the two subsequent years, when the after-war economic crisis was at its height, and it only reached 146 millions (£5.84 millions) in 1922 and 1923; it rose to 172 millions (£6.88 millions) in 1924, when conditions began to improve, but it decreased to 169 millions (£6.76 millions) in 1925; for the first five months of 1926 the average is 144 millions (£5.76 millions), or below the 1922-23 figures, a very disquieting result indeed, though it should be borne in mind that, owing to the drop in prices, the 1926 average represents a greater quantity of goods than did the 1922-23 average. The general economic outlook does not seem very promising at the present moment. Apart from trade and industry, which are decidedly slack, agriculture is now passing through very hard times in consequence of the continued bad weather. Late frost damaged the fruit trees, which have been subsequently harmed by rain and vermin, so that the fruit crop will be reduced to small dimensions; vineyards also suffered from the cold and damp weather, but their condition is more hopeful, though far from good; other crops—wheat, potatoes and the production of vegetables—will be very poor. On the whole, the agricultural production is expected to be far worse than that of the preceding years, which was already under the average. Prospects are therefore rather gloomy, and in some quarters it is feared that the present economic

difficulties may be the forerunners of an economic crisis which will be nearly as bad as the one that prevailed during 1922 and 1923.

Japanese Competition in Textiles.—Japan is slowly but steadily stabilising its position as a textile manufacturing country. The Japanese market for textile machinery has improved recently, writes a correspondent, and it is quite certain that in the comparatively near future there will be many new mills erected and also extensions to existing mills. A Parsee millowner, on a recent business visit to this country, suggested that there might be some joint action or co-operation between Lancashire and Indian manufacturers to defeat Japanese competition, but this seems unlikely, for it is recognised here that even if Japanese competition were effectively disposed of the Indian mills would probably still be able to undersell us. It is undeniable that as far as India is concerned Japanese competition has had a marked effect on the yarn trade. As an Indian journal pointed out recently, taking the last three quinquennial averages, exports in this trade have dropped since 1914 from 174 million pounds to 133 millions, and lastly to 37 million pounds, this latter figure being a little more than one-fifth of the average of the pre-war quinquennium. India's very large and lucrative yarn trade with China has been practically destroyed, owing partly to the erection of cotton spinning and weaving mills in that country, but principally owing to the competition from Japan. Artificial silk manufacturers are now obtaining a very satisfactory demand from India, but the growing demand for artificial silk in Japan is tempting Japanese speculators to turn their attention to increasing materially the output in that country, and it will be interesting to see if they attempt to capture the Indian market. It is possible that home consumption may be as great as production for a considerable time, and thus prevent exporting; during three years—1922-3-4—the consumption rose from 250,000 lbs to 2,000,000 lbs, and the ratio of increase is still maintained.

English Sewing Cotton.—As will be seen from the following summary of recent results, the English Sewing Cotton Company has, since 1922, fallen upon lean times. The decline in profits shown in the latest accounts—to March 31st last—is even more severe than that recorded 12 months ago:—

	1913-14.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Trading profits	376,365	254,242	414,915	725,328	712,352	521,975	340,189
Dep. and deb. int.	65,843	64,497	66,754	72,530	72,647	71,846	71,187
Net profit	310,522	189,745	348,161	652,798	639,705	450,129	269,002
Brought forward	100,079	358,608	198,353	196,514	187,405	165,359	153,795
Amount available	410,601	548,353	546,514	849,312	827,110	615,488	572,799
Preference dividend	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Ordinary dividend	130,000	300,000	300,000	400,000	400,000	400,000	400,000
(15%)	(15%)	(15%)	(20%)	(20%)	(20%)	(20%)	(20%)
Reserves, &c.	125,000	105,501	198,353	196,514	187,405	165,359	153,795
Carried forward	105,501	198,353	196,514	187,405	165,359	153,795	122,799

* Includes £150,000 transferred from reserve for equalisation of dividends.

Although £150,000 was withdrawn from the dividend equalisation reserve—reducing that account to £250,000—the disposable balance, after meeting depreciation and debenture interest, is about £10,000 lower than in 1925. In spite of this falling away in earnings, however, the ordinary shareholders, in addition to the generous dividend of 15 per cent., still receive a 5 per cent. cash bonus, making a total return of 20 per cent. once more. The balance-sheet shows a fairly strong financial position, reserves totalling £900,000, against an issued share and loan capital of a little under £4 millions, and assets totalling £5½ millions. At the same time, the steady decline in profits during the past few years points to the necessity for the adoption of a cautious policy by the board. With little sign of any material improvement in the cotton textile industry, we hardly think the ordinary shareholders could reasonably have cavilled at the retention in the company's coffers of the £100,000 required to pay the 5 per cent. bonus. Stock-in-trade has declined from £732,967 to £597,087, and a small decrease in investments has been accompanied by a reduction in the cash item from £72,164 to £46,430. The amount due to subsidiary companies has gone up from £139,091 to

£191,752. Nothing is this year placed to the credit of the employees' pension fund, which figures in the balance-sheet at £97,690. The allocation last year was £11,692. The directors express regret at the non-payment of a common stock dividend by the American Thread Company.

British Dyestuffs Position.—The reconstitution of the British Dyestuffs Corporation has already wrought beneficial changes in the financial position of the undertaking. For the 17 months to March 31, 1925, a net profit of £526,000 was earned, but £437,800 of this was required for depreciation, so that a debit balance of £360,600 still remained to be wiped off. The directors, therefore, decided to effect a reorganisation of the capital and to remove the Government's financial interest in the corporation. The latest balance-sheet, covering the year to March 31st last, shows these changes in detail. The issued capital is now £4,775,580, all in ordinary shares of £1 each; it formerly totalled £9,197,112, consisting of £4,117,121 of preference, £4,085,797 of preferred ordinary, and £994,194 of deferred ordinary shares. The value of land, buildings, plant, and machinery has been reduced from £2,958,498 to £1,699,233, and now that this item approximates more closely to its true value than was formerly the case, the depreciation allowance has been cut down from £437,832 to the reasonable sum of £80,000. Thus, although net profits in the current report are reduced to £253,517, after deducting the year's depreciation allowance, the balance remaining is £173,517, or nearly £85,000 higher than when profits totalled £526,500. Stocks are down from £1,320,324 to £1,023,503, and sundry debtors from £646,886 to £468,120, although cash and investments (shown together) account for £2,078,053, in contrast with £3,247,321, the reduction being due to the payment of £980,136 to the preference shareholders under the reconstruction scheme. The item of £251,552, representing preliminary expenses, has disappeared from the accounts, while goodwill, patents, and trade-marks, which formerly were put at £750,000, have also been eliminated. Sundry creditors have declined from £338,070 to £319,812. The directors report that following the Government's surrender of its shareholding in the company Sir Henry Birchenough has retired as a Government director. Sir Alfred Mond has also left the board, owing, it is stated, to pressure of other business. Lord Ashfield, the chairman of the company, in drawing attention at this week's meeting of shareholders to the result of operations for the past year, stated that the profit of £253,517 "is not as satisfactory a result as we should have liked to place before you, and, when we seek for an explanation, we find that it is entirely due to the reductions in prices obtained for our products, which have been continuous throughout the year, and which represent a fall of not less than an average of 5.6d per lb as compared with the preceding period. This severe fall in prices can only be met by a lower cost of manufacture arising from reduced prices of raw materials, labour, and other direct charges of production, by an increased volume of trade, or by a reduction in the cost of operative and standing charges arising from increased technical efficiency and economy in works and administrative methods. Until such increased trade does arise no great improvement in our turnover can be expected, although it is some satisfaction to be able to say that, in spite of these adverse circumstances, the corporation's volume of trade has been more than maintained during the past year; but even should these factors be favourable, it is, nevertheless, upon technical and administrative efficiency that we must chiefly rely to improve our position, and again I find myself in the position of being able to report to you that considerable progress in these directions has been made, and that much has been accomplished towards meeting the decline in selling prices." During the year the company acquired control of Scottish Dyes, Limited, "for the purpose of consolidating, extending, and improving the manufacture of vat dyestuffs."

Glasgow Corporation Tramways.—We have for several years past given the accounts as they appeared of the Glasgow Corporation Tramways, one of the most successful municipal enterprises in the country. For many years,

after making provision for depreciation and renewals, the tramways undertaking showed a profit and contributed to Common Good Fund of the City of Glasgow. Of recent years, however, there has not been a surplus after making the provision for depreciation and renewals on the scale, which the City has set up as appropriate. For the year ended May 31st last the deficit, as it is properly called, amounted to as much as £137,851, as compared with £80,276 in 1924-25. The details are of interest. The income from traffic was £2,263,107, as compared with £2,352,470, and the working expenses £1,653,526, as against £1,746,000, the net surplus on working being £609,581 in 1925-26, as compared with £606,469 in 1924-25. The addition of interest made the available revenue £659,915, against £634,407. The principal items to be deducted were interest payable, sinking fund, and depreciation and renewals. Their total for last year came to £797,766, as against £714,683, resulting in the deficits as shown above. Depreciation and renewals were put at £526,752, as against £490,073. The depreciation and renewals fund at the end of the year in May last stood at £1,839,789, as against £1,398,198 a year before. The provision made by the Glasgow Corporation for the depreciation and renewal of its system may seem excessive, and the deficits of recent years a matter of precautionary bookkeeping rather than business losses. Yet it is far better to be too lavish in provision for depreciation and renewals than not to set aside enough. Details are given of the percentages written off year by year, and they are adhered to whatever may be the result reached in apparent deficits. The Corporation writes off every year £1,000 a mile of single track, 15 per cent. off the electrical equipment of cars, 20 per cent. off other rolling stock, 10 per cent. off the power station plant, and so on. In addition, all current repairs, other than renewals, to track, plant, and rolling stock are paid for out of current revenue. In so far as one may judge from the rather complicated accounts, and in the absence of an official summary and explanation, the whole tramways system of Glasgow could be scrapped without involving a capital loss to the Corporation.

Eagle Oil Transport.—The Eagle Oil Transport Company, Limited, has to report another slight decline in gross profits in its accounts for 1925 just published. Owing, however, to the cancellation of £142,000 of the seven-year notes and to the fact that no allocation was necessary for the corporation profits tax reserve, which last time received £7,000, the net profits work out approximately £4,000 higher than in 1924:—

	1921.	1922.	1923.	1924.	1925.
Issued share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
7½ per cent. notes ..	3,000,000	3,000,000	2,458,300	2,321,650	2,179,350
Gross profits	1,066,440	1,502,363	1,183,473	1,131,238	1,128,553
Net profits	944,316	1,237,277	936,240	915,308	919,297
Reserve and deprec.	536,042	692,838	750,000	750,000	750,000
Preference dividend	160,000	160,000	160,000	160,000	160,000
Ordinary dividend	172,756	300,000	nil	nil	nil
Rate	(8%)	(10%)			
Carried forward ..	+ 75,517	+ 84,440	+ 26,240	+ 1,692	+ 9,297

The directors again report that the vessels have run satisfactorily, and, the ordinary shareholders having waived their right to any dividend for the year, there has been transferred to depreciation reserve the sum of £750,000. This fund has now reached the substantial total of £4,144,934, and as the amount previously set aside for repairs has exceeded actual expenditure by £73,097, this sum goes to the repair reserve, bringing it up to £631,083. The total amount of notes outstanding is now £2,179,350, having been reduced from the original issue of £3,000,000. Cash has advanced from £1,918,179 to £2,431,062.

Victoria Falls and Transvaal Power Company.—This important enterprise—whose title is rather a misnomer—continues to exhibit steady expansion. Last year's net profit of £363,900 compares with £349,850 in 1924 and £294,200 in 1923. The dividend on the ordinary shares is raised by 1½ per cent. to 14 per cent., a rate comparing

with 10 per cent. for 1923, 8 per cent. for 1922, and 5 per cent. per annum previously. The usual addition of £50,000 to reserve raises that fund to £400,000, and leaves the increased balance of £126,700 to go forward. Comparison of the balance-sheet items indicates further capital expenditure upon a considerable scale. After allowing for depreciation, there is a net addition of £243,900 to the power stations, &c. For the first time the outlay and liabilities in connection with the Witbank station appear as a separate item—at £782,700. Of the three 20,000 kilowatt installations projected, the first was started up at the end of April. It is expected to exercise a beneficial effect upon the working costs of the Transvaal mines. Naturally, the disbursements above referred to, in conjunction with debenture redemption upon an increased scale, have trench upon the company's resources; but, even so, on December 31st the free cash amounted to nearly £400,000, plus £1,334,300 of gilt-edged investments. The capital of the company is £1,000,000 in ordinary shares and £2,000,000 in preference shares. The latter carry 6 per cent. cumulative in priority to the ordinary, and participate in surplus profits *pro rata* until they have received a total of 10 per cent. for any year. Current quotations are: preference, 34s; ordinary, 2½. The price of the former includes a final dividend of 1 per cent., that of the latter 11 per cent. On the basis of last year's dividends, the yields shown are respectively 6 per cent. and 5½ per cent.

Parent Trust.—Once again it is not possible to obtain any exact comparison of the results of the Parent Trust and Finance Company for the years 1924-25 and 1925-26. This is because of the fact that in the accounts issued 12 months ago only half of the net profit of £523,797 then shown was applicable to the year covered by the accounts, the balance being dividend and profit accrued prior to that date. But by halving the 1925 figure and comparing it with that given in the accounts for the year to April 30th last, a more or less accurate guide is obtained. As the net profits shown in the present accounts are £252,755, and as the half of the previous net figure is £261,898, it can safely be assumed that the company has been able to maintain its position during its financial period ended in April. The balance-sheet shows that general investments and holdings in allied companies are practically the same as a year ago; loans by the company have gone up from £149,161 to £413,901. The directors again report that in their opinion "the above investments are fully worth this sum." The auditors bear out this statement, for they remark in their certificate, "the majority of the company's general investments have market quotations which show a greater value than the figure at which they were brought in. We have had placed before us," they continue, "a schedule of the remainder of the investments, together with the directors' valuation of same, which shows that in the aggregate they are fully worth the sum at which they are brought into the balance-sheet. Sundry debtors have been reduced from £88,717 to £27,494, while sundry creditors have also declined from £110,557 to £69,192. On the other hand, the item "loans to the company against security" has been increased from £380,117 to £901,636, although forward commitments in respect of new business are approximately £70,000 lower at £292,960. The ordinary shareholders are not this time given the 4s bonus declared in respect of 1924-25, but their dividend rate is kept at 8 per cent., while the deferred share capital also receives a repetition of the 20 per cent. dividend. Nothing is transferred to the reserve fund, which figures for £720,655, the balance carried forward being £69,482, against £63,374 brought in.

Sun Life Assurance Company of Canada.—This Canadian office, which has been operating in this country for many years, publishes remarkable figures for last year. The new policies issued numbered 57,944, assuring £39,755,559 net, an increase of £11,509,042. This business for one year was larger than the total assurances the company had in force 13 years ago. The re-assurance of life contracts from the First Reassurance Company of

Hartford, U.S.A., amounted to £6,271,387 net. The life funds increased from £54,203,056 to £59,918,226, and earned 6.41 per cent. interest. The profits of the year, based on the increase in the valuation of securities made by the Government authorities, are stated to have been £4,451,976, but in taking credit in the books the company has deducted £616,438 from the official valuation placed in the assets. The contingency accounts have been increased by £513,699 to £2,054,795. The sum of £1,574,545 was paid or allotted as profits to policyholders during last year, and £1,342,324 added to the undivided profits.

Transvaal Gold Output.—The output of gold of the mines of the Transvaal during the month of June, 1926, amounted to 852,145 ounces of fine gold, as against 849,214 ounces in May, 1926. The output for the month of June, 1925, amounted to 780,251 ounces of fine gold. The following table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January..	670,503	651,593	639,728	764,469	796,768	823,692	796,370
February..	625,330	558,137		704,370	760,617	753,925	753,924
March....	707,036	671,123		761,536	795,671	825,479	834,340
April.....	686,979	681,382	511,338	745,551	768,923	787,519	803,303
May.....	699,041	687,776	629,786	786,564	809,003	813,249	849,214
June.....	715,957	678,490	675,697	755,309	773,053	780,251	852,145
6 months..	4,104,846	4,928,501	4,456,549	4,516,549	4,714,035	4,784,115	4,889,196
July.....	736,099	689,555	730,635	754,306	829,437	818,202	..
August....	702,083	711,526	752,490	769,371	809,571	808,218	..
September..	682,173	691,026	747,089	739,504	799,422	797,247	..
October....	662,472	707,825	778,159	793,842	827,583	812,832	..
November..	633,737	704,236	764,476	780,639	802,313	787,633	..
December..	632,215	661,847	790,712	778,849	825,273	791,455	..
Total....	8,153,625	8,114,516	7,020,110	9,133,060	9,597,634	9,599,702	4,889,196

The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Nov., 1925.	Dec., 1925.	Jan., 1926.	Feb., 1926.	Mar., 1926.	Apr., 1926.	May, 1926.	June, 1926.
Gold mines....	167,565	166,385	171,985	178,311	181,204	183,828	183,905	183,092
Coal mines....	16,719	16,606	16,433	16,337	16,193	16,212	16,246	16,448
Diamond mines	3,164	3,705	4,652	5,631	5,937	5,834	5,766	6,054
	187,448	186,696	193,070	200,279	203,331	205,874	205,917	205,594

The number of natives employed at the gold mines shows a slight decline on the month.

Mining Notes.

Tronoh Mines, Limited.—This week there have been issued the annual statements of three of the Malayan tin-dredging enterprises in which British capital is interested. On the whole, the results shown must be described as a little disappointing, operations having been adversely affected by shortage of labour or other drawbacks. Nevertheless, surprisingly little effort has been exerted upon the market quotations for the shares, which are partly based upon expectations for the future. The sales of tin ore last year of Tronoh Mines amounted to no more than 979 tons, as against 1,290 tons in 1924, the output from the dredges being 483 tons in place of 637 tons. An increase of some £13 in the average price realised partly offset the decline in quantity; nevertheless, the profit came out distinctly lower than before. The Tronoh, of course, is a finance as well as a mining undertaking, hence its revenue account shows receipts from various sources. Last year's income from the sale of tin ore was supplemented to the extent of £21,700 by interest and dividends, and nearly £15,000 profit on the sale of investments, both of these items showing a small increase. Despite the reduction in output, mining expenses increased, the net profit figuring at £66,700, in place of £82,500. The dividends totalled 4s 6d per share, in place of 5s previously; but from the balance of £63,500 brought forward from 1924 £25,000 has been deducted in respect of the issue of bonus shares. Once again £10,000 odd is written off property account, leaving £45,600 to be carried forward. Investments now figure in the balance-sheet at £180,700, an increase of £19,700, notwithstanding the realisations already referred to. They

comprise principally Trustee securities and shares in the Sungei Besi and Sungei Way undertakings. By the share bonus above named and an issue of a like number of shares (on bonus terms), the capital has been increased to practically £250,000. The cash position is strong, the funds in hand at the end of last year amounting to £112,000. Additional resources were provided for the purpose of installing two dredges on the new area acquired about a year ago. It is intimated that at the forthcoming meeting particulars may be given of still a further new area. On the basis of last year's actual dividends the shares yield less than 8 per cent., but, as indicated, there are the prospects of a considerable expansion within the next 12 to 18 months, the company having at present only three dredges at work.

Sungei Besi.—Like the associated undertaking above referred to, the Sungei Besi turned out less ore in 1925 than in 1924, the totals having been 550 and 592 tons respectively. The 1925 metal fetched £8 4s per ton in excess of the 1924 average; the disparity between the prices realised by the two companies is a little curious. The net profit, after providing for ordinary depreciation, figures at £39,300, in place of £46,200. No change is made in the dividend total, 4s per share again being paid. On the present occasion nearly £19,000 is written off property, plant, and machinery account, in place of only £3,350 previously, leaving a balance of £26,100 to be carried forward, as against £29,940 net brought in. An important factor in the position of this company is the installation of a hydro-electric scheme which will permit a substantially increased output at a reduced average cost. The directors announce that full particulars of the position as regards this scheme, and also the large additional areas acquired by the company, will be given at the meeting, which is to be held next Tuesday. On the basis of last year's dividends the shares yield less than 5 per cent., the market quotation making allowance for the enhanced profits to be derived from the expansion in operations. In Stock Exchange circles a still higher price for the shares is expected.

Lahat.—In the first half of 1924 the operations of this company were adversely affected by an accident in the northern section of the mine. The profit amounted to £12,250, as against £20,200. However, two dividends of 1s per share each were again paid. So far from the results of the past year showing the expected recovery, there is an actual shrinkage in the returns, the profit figuring at no more than £10,800. One dividend of 1s per share was paid, the bulk of the remaining profit being utilised in writing off plant, development, &c. An inspection of the details given regarding the operation of the various workings does not suggest that the outlook for the current year is particularly bright. Of last year's mine profit of £72,900, no less than \$34,750 was provided by tribute. Two new workings contributed \$37,700; but, even so, the working profit amounted to only \$72,900, as against \$102,000 in 1924. So far as can be estimated at the moment, the shares appear to be fully valued at the current price of about 22s 6d.

South Kalgurli.—Whereas the great bulk of the formerly well-known West Australian undertakings have either shut down altogether or are dragging out a difficult existence, this company continues to earn substantial profits, and to pay satisfactory dividends. In the year ended March 31st last the increased tonnage of 95,400 was treated for a gross yield of £193,000, to which was added £6,000 from the bullion reserves; the latter partly counterbalanced the great reduction in the premium on the gold sales. After providing for taxation, and also £5,000 for depreciation—the latter did not appear previously—the net profit for the past year stands at £31,500. Once again the directors announce a final dividend of 1s 6d per share, making a total of 2s 6d for the year on the 10s shares, which are quoted in the market at about 13s 6d. The ore reserves show expansion, both in quantity and value. The blocked-out tonnage is now reported at 215,000 tons, value 9.17 dwts, as against 195,000 tons, value 9.07 dwts, twelve months ago; and the probable

ore at 99,000 tons, worth 6.63 dwts., in place of 67,000, value 6.42 dwts. The expansion in output is an outcome of additions to the treatment plant, and it would appear that a further slight increase in the monthly average has been made since the date of the balance-sheet. Altogether the outlook appears hopeful.

Oversea Correspondence.

UNITED STATES.—STOCK MARKETS—NICKEL PLATE MERGER—COTTON CROP FORECAST—FRENCH DEBT.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 6.

A TRIPLE holiday having passed since the last writing, the supply of market news to be reported, naturally, is somewhat restricted. It may be stated, however, that the upward movement in the share market has been continued and with the same leadership. The common shares of the United States Steel Corporation reached a new high for all time at 144½, while those of the General Motors Corporation achieved similar distinction at 151½. There has been no fresh news to support the rise in Steel common other than the fact that the steel industry continues to do better than had been expected, and "inside" information on the corporation's financial plans still is notable for its complete absence. In the case of General Motors, the management has announced plans to spend \$40,000,000 out of earnings for additional developments, this sum including \$18,000,000 to enlarge existing automobile plants, \$12,000,000 to double the capacity of its Fridgidaire electric refrigeration machine plant, and \$10,000,000 to finance the development of the "Driveurself" system of renting motor-cars. The chief force behind the buying movement in the corporation's shares remains, however, the big earnings and the expectation of a liberal stock dividend. Incidentally, it is understood that since the absorption of the Fisher Body subsidiary the General Motors' cash position, including in this holding of Government securities and acceptances, amounts to over \$190,000,000.

Railroad shares have continued to show strength, buying in them being stimulated by excellent reports of earnings loadings. In the week ended June 19th the Class I. roads loaded 1,043,000 cars with revenue freight, this making the fifth consecutive week in which these loadings ran past the million mark. The volume of freight which the roads are moving is substantially exceeding the volumes transported at this season of the past six years. For the year to date 23,974,000 cars have been loaded, as compared with 23,335,000 in the comparable period of last year. Meanwhile, it has become apparent that the Van Sweringen Brothers, of Cleveland, have prepared a new plan for the consideration of the Inter-State Commerce Commission in order to achieve their greater Nickel Plate system. It will be recalled that after the Commission passed unfavourably on their first plan, the Cleveland Brothers released the stock deposited thereunder, gave the objecting minority representation on the Chesapeake and Ohio board, eliminated interlocking directorates, and removed the provisions with respect to non-voting stock to which the Commission objected. It is understood that under the new plan the Chesapeake and Ohio common stockholders will be guaranteed 5 per cent., and will receive, in addition, a half-share of new Nickel Plate common, which sold at 108 when trading in it was suspended last February. Under the old plan, the Chesapeake and Ohio stockholders received for 100 shares of their stock 55 shares of new Nickel Plate preferred and 55 shares of new Nickel Plate common. It is expected that Hocking Valley common stockholders will be treated in the same way. Pere Marquette common is expected to receive share for share of new Nickel Plate common, as against 85 shares of Nickel Plate for 100 of Pere Marquette under the old plan. The terms for Erie, it is understood, are unchanged. If the Commission passes favourably on the new plan, which seems to have taken cognisance of the objections that the Commission raised to the first plan, the movement toward consolidation of the

railroads will have received a considerable encouragement.

The better tone in business persists. The advent of warm weather has furnished a stimulus to seasonal trades which was missing during the greater part of the spring. In addition, the steadier tone in commodity prices, the strong rally in the share market, and the many evidences of active trade have made a considerable impression upon the imaginations of business men. Business failures in June, as reported by R. Dun and Co., are the smallest in number since last November, and are the smallest in aggregate liabilities since September, 1923. Instead of speaking of impending depression, as many of the prophets did at the end of the first quarter, a cheerful view now is being taken of the prospects for the second six months of the year.

The Department of Agriculture's first forecast of the growing cotton crop—that of June 25th—points to another big outturn. The condition is placed at 75.4 per cent. of normal, which is slightly below that of a year ago, and a little less than the trade had expected. The acreage—48,898,000—on the other hand, is somewhat larger than had been expected, and indicates, using the method of former years, a crop of 15,635,000 bales of 500 lbs gross weight. In order to satisfy the clamourings of certain Southern Congressmen, the Department has prepared an estimate on the assumption that the rest of the season is as unfavourable as during 1921, 1922, and 1923; the indicated crop on this basis is 13,726,000. On the other hand, the Department states that if the rest of the season is as favourable as 1924 and 1925, the yield will be 16,294,000 bales. Last year's big crop, it will be remembered, amounted to 16,086,000 bales. Meanwhile, the commodity has been fairly steady and distinctly quiet at around 16 to 17 cents a pound for the new crop.

Wall Street has been favourably impressed with the report of the Committee of Experts on the French financial situation. It has also been pleased with the new personnel at the Bank of France, although it must be understood that the Street regards the independence of the bank as a matter of fundamental importance. Our bankers are little disposed to believe, however, that French ratification of the debt funding agreement can be traded for assurances of new French credits in this market. Debt ratification and the decision to return to the gold standard are, in their opinion, the necessary preliminaries to the granting of credits. Without these two steps the obtaining of fresh credits would be futile; with them, the credits would flow naturally and would not be in danger.

FRANCE.—THE VOTE OF CONFIDENCE—DEBT AGREEMENTS—TOBACCO MONOPOLY—PRICES—COAL.

(FROM OUR CORRESPONDENT.)

PARIS, July 14.

THANKS to no fewer than three very plain-spoken and courageous speeches by M. Caillaux, and to M. Briand's repeated assurances that the Ministry as a whole stood solidly behind the Finance Minister, the Government last Friday secured the vote of confidence it asked for, and the first—and perhaps the worst—of the series of dangerous pitfalls in the way of the Caillaux financial reform scheme was safely passed. The vote was secured by a majority of only 22, it is true, and the Government was saved only by the fact that 32 of the members of M. Louis Marin's powerful group, the Union Républicaine Démocratique, voted for it (in spite of their leader and some 60 of their comrades voting against, while seven other members of the group abstained). Now that the Socialists have declared open warfare against the Briand-Caillaux combination, and the support of the Radicals and Radical Socialists seems acquired by the Ministry, the Marin group of 102 deputies appear to hold the Ministry's fate largely in their hands. Last Friday the whole of the 96 Socialists present voted against the Government, while 99 Radicals and Radical Socialists (including M. Franklin-Bouillon) voted "for," 22 "against," and 10 abstained (many of the latter being disappointed ex-Ministers). These facts are significant in view of the further circumstance that M. Tardieu, who seems to be making a very serious bid for office once more, on a frankly independent basis, voted against the Ministry, after scoring heavily

with his criticisms of the financial proposals. Before the week-end, such was the pessimistic effect of the Government's dangerously small majority, there was a good deal of open speculation in the newspapers as to whether the new Ministry could last until the adjournment for the Fourteenth of July national holiday. Reflection, however, and an analysis of the division lists, led to less gloomy conclusions, and M. Caillaux's success in London has still further justified the slowly growing optimism which is now entertained as to the Ministry's prospects of forcing its plan into operation.

It still remains an open question, however, as to whether the Chamber will consent to give M. Caillaux the practically dictatorial power (on strictly limited lines) which the Government is to ask for on his behalf, for the purpose of enabling the modified financial proposals to be forced through without having to undergo the fatal process of detailed Parliamentary discussion. Newspapers of all shades of opinion are urging deputies to drop sterile party warfare and allow the Government to devote itself wholeheartedly to the realisation of the financial proposals as set forth in the experts' report. M. Caillaux revealed during Friday's debate that not less than 10,000,000,000 of French capital has been transferred beyond the frontiers to escape the excessive taxation recently imposed, and to be safe from the persistent Socialist threats of a confiscatory capital tax. Public opinion agrees that unless confidence is restored, and this flight of capital is stopped, national disaster is to be feared.

The last week's debate showed that, apart from the question of granting M. Caillaux the "full powers" asked for, the Washington and London debt payment agreements are proving the most serious obstacle to the acceptance of the Government's plans. Opposition on this point came from three quite different quarters. M. Franklin-Bouillon (President of the Foreign Affairs Commission) insisted that it will be useless for the Chamber to ratify the Washington agreement unless there is a certainty that it can be carried out, and unless Parliament knows beforehand that it will really receive advantages (in the form of a definite promise of credits). M. Louis Marin also made the ratification question the touchstone of the whole situation. The Socialist leader, M. Léon Blum insisted that the Washington agreement, if ratified, would render stabilisation impossible, unless it is accompanied by a transfer clause, which the American Government has hitherto declined to accord. M. Blum's argument, further, is that financial restoration can only be accomplished by means of a capital tax, and that the Government will inevitably find itself faced with the choice between forced consolidation (which M. Caillaux has categorically repudiated) and further inflation.

A substantial section of Nationalist opinion insists that the simplest way out of immediate difficulties would be for the tobacco and other monopolies to be commercialised, and there certainly seems to be a good deal in favour of such an argument. M. Caillaux reminded the Chamber last week that when a business firm is in difficulties it makes an effort to secure credit, even from its rivals. The Minister might with equal truth have pointed out that firms in such a situation also usually make efforts to realise their assets to the best advantage. It is notorious that several tentative offers have been made by British and American capitalists to take over the tobacco monopoly for a term of years on terms that would not only furnish the Government with a substantial sum of badly needed ready cash, but also guarantee an annual revenue at least equal to that yielded by the monopoly at present. The only obstacle to such a reform—for reform it would undoubtedly be, both in the interests of the State and of the consumer—lies in Socialist hatred of every form of private industry, no matter how much the State and the consumer might profit therefrom.

The conclusion of the Franco-British agreement has been received with somewhat mixed feelings. On balance, the indications are that it will be accepted, although grudgingly, by the Chamber. Fortunately, the House is on holiday, and Deputies will have time before M. Caillaux appears before it on Saturday to gauge the opinions of their constituents. The hope is entertained that the London agreement (thanks to the concessions contained in the "annexed letters" in the form of promises that safeguard and transfer clauses shall operate) will induce

the Washington Government to prove less unyielding. The thinly veiled protest made by Monday's demonstration of 50,000 ex-soldiers against the terms of the Washington agreement is also expected to have a similar effect on the American Government. The absence of all possibility of the commercialisation of the French debt bonds that are in the hands of Great Britain is a subject of deep satisfaction, and a similar guarantee is regarded as almost certain to be secured from Washington. The funding of the debt to Great Britain is estimated as equivalent to a saving of between £300,000 and £400,000 a year, which has hitherto been expended by this country in respect of the renewal of the existing bonds. There is less satisfaction in regard to the arrangement that has been come to concerning the £53,500,000 of French gold that was pledged with the British Government during the war. The situation of this gold has long been a subject of irritation to French opinion, and this irritation will not be lessened by the realisation that, under the agreement, the gold, although it will remain technically the property of the French Government, will have to be rebought against regular payment, as though it were the absolute property of the British holders. The question arises whether its value should not disappear from the assets side of the Bank statement and reappear in the form of further advances to the State.

The index figure representing wholesale prices at the end of June, which has just been issued by the Statistique Générale, shows a rise of 52 points on the month, of 90 points as compared with the end of April, and of 109 points since March; in other words, it indicates a rise of 7½ per cent. since the end of May and of 16½ per cent. during the past three months. The detailed figures are as follows (based on 100 as representing wholesale prices in 1914):—

Nature of Articles.	Number of Categories.	Index Figures at End of		
		April.	May.	June.
General index figure.....	45	664	702	754
Foodstuffs—				
General figure.....	20	561	597	646
Vegetable foods.....	8	583	637	731
Meat foods.....	8	514	525	533
Sugar, coffee, cocoa.....	4	624	673	717
Raw materials—				
General figure.....	25	753	794	848
Minerals and metals.....	7	726	757	837
Textiles.....	6	876	933	971
Various commodities.....	12	696	734	781

The general figure indicates a rise of slightly over 75 per cent. during the past 12 months, the figure for the end of June, 1925, having been returned as 422, while that for January, 1925, was given as 408. The detailed figures, showing the rise by categories, offer one or two curious apparent discrepancies. The general figures for foodstuffs and raw materials, respectively, indicate almost a uniform rise, the former having risen by 49 points on the month, and the latter by 54. While the figure for meat has gone up only eight points, that for vegetable foodstuffs has risen 94 points, which seems unthinkable at this time of the year unless it has been seriously affected—which has almost certainly been the case—by recent speculative dealings in foreign wheat. In raw materials, again, the figure for minerals and metals has risen 80 points on the month, while that for textiles, which would seem to be equally affected by the recent heavy fall in the exchange value of the franc, has gone up only 38 points. The figure for retail prices in Paris (which is based on the prices of 13 articles of common necessity, of which only petroleum is of foreign origin) shows a rise of 22 points on the month, and is returned as 544, against 522 for May, 503 for April, 497 for March, and 422 for June last year. The corresponding figure for the whole of the French towns of over 10,000 inhabitants is returned for the end of May at 523, against 435 for May, 1925. The index figure representing the cost of living for a Paris workman's family of four persons is returned at 507 for the end of the June quarter, as compared with 473 at the end of the March quarter, 412 at the end of June, 1925, and 377 on the corresponding date in 1924.

Coal production figures for May indicate a total output of 3,942,128 tons for 23 working days, as compared with 4,200,222 tons for 25 working days during May, 1925.

Daily production figures show that the total number of workers employed during May was 171,396 (as against 170,048 in January last; 160,445 in January, 1925; 144,680 in January, 1924; and 136,147 in 1913), while the comparative daily output was 310,568 tons in May (as against 315,204 tons in January last, 311,991 tons in January, 1925, and 203,208 tons in January, 1913). The total output for the first five months of the year has been 21,047,758 tons, as compared with 19,871,998 tons during the corresponding period of 1925. Practically the whole of the increased output was recorded during the first four months of the year, the figures for May showing an increased output of only 13,404 tons. It is evident, therefore, that the large quantities of French coal exported to Great Britain during the past few weeks, owing to the miners' strike there, have been taken from accumulated stocks, which are necessarily limited. The returns show that daily production in the Pas de Calais and Nord coalfields during May totalled 105,638 tons, or 14,341 tons per day more than the average of 1913.

CANADA.—POLITICAL CRISIS—CROP SITUATION—RAILWAY EARNINGS—U.S. CATTLE DUTIES—MINERAL PRODUCTION—IRON AND STEEL PRICES.

(FROM OUR CORRESPONDENT.)

OTTAWA, June 29.

THE strange parliamentary crisis which suddenly developed over the Customs scandals and caused the downfall of the King Government, has dwarfed all other events in Canada and left a situation even more complicated and uncertain than that before its advent. Mr Meighen has accepted an invitation to form a Ministry, and has named a "shadow" Cabinet; its members will only be acting Ministers, as their acceptance of salaries would automatically entail their retirement from Parliament and obliterate the majority which destroyed Mr King. The Conservatives have announced that they propose to complete the unfinished sessional business, including the adoption of the report of the Customs Committee and the amendment of the Customs Act, and the Liberals have set themselves to thwart this plan, as the passage of the censuring amendment would be a millstone round their necks at a general election. Accordingly, when the debate on the Customs report was resumed to-day, they moved a fresh sub-amendment, which eliminated the censure clauses and suggested that the investigation be continued by a Commission of three judges, one to be nominated by each party. The Conservatives challenged their right to move it, but the Speaker ruled it in order, and when the new Government appealed to the House against his ruling they suffered defeat by a majority of one. The debate is now proceeding on this sub-amendment, and the Liberals obviously intend to pursue obstructive tactics until they compel the Government to resort to closure. They are not disposed to show the slightest accommodation to the Meighen Ministry, and their ultimate object is to force an immediate dissolution, which Mr Meighen now wants to avoid. Since the King Government's Budget had elements of popularity, and Quebec is convinced that it has once more been singled out for persecution in connection with the Customs scandals, the time is not exactly propitious for the success of a Conservative appeal, and Mr Meighen, according to the *Ottawa Journal*, which is usually cognisant of his plans, would prefer to secure time for the formation of an attractive Cabinet, and to meet Parliament next January with a legislative and fiscal programme which would form the basis for an appeal to the electorate in the spring or summer of 1927.

The crop situation is regarded as quite satisfactory. An absence of moisture had been causing considerable anxiety in the prairie provinces, but last week the drought was broken in most districts by heavy rainfalls and the ground thoroughly soaked. There will be some loss of crops in districts where the drought and high winds did damage, but even in these areas a substantial recovery can be hoped for. Warm weather has followed the rains, and growth ought now to be very rapid. Hay crops and pastures are doing very well, and livestock is in excellent condition. In the Eastern provinces, owing to the absence of warmth, the crops are still backward, but

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the plentiful moisture has rooted them well, and they are in a healthy condition, ready to take advantage of warm weather if it comes. The Ontario yield of apples will not be heavy, but there are prospects of a very good crop in Nova Scotia, Quebec, and British Columbia; other fruits also promise well. Following the lead of the prairie provinces, the United Farmers of Ontario have decided to organise a wheat pool for their province, and the preliminary steps have been taken.

The latest car-loading figures for the week ending June 19th indicate that the movement of merchandise continues at a volume well above the figure for the corresponding period of last year; the total of 63,956 cars is a gain of 1,652 cars over the previous week, and of 12,669 cars over the parallel week of 1925, and the aggregate for the year to date shows a total gain of 140,358 cars, or more than 11 per cent. During May the net earnings of the Canadian National system showed an increase of \$2,826,425 as compared with May, 1925, and the net earnings for the first five months of the year are placed at \$12,915,582, as compared with \$4,174,721 for the parallel period of 1925, a gain of 209 per cent. The net profits of the C.P.R. for May, \$2,448,876, are equally satisfactory, and are 1½ million dollars above the figure for May, 1925. For the first five months of the year the aggregate net profits of the C.P.R. have been \$11,129,583, which is an increase of nearly five million dollars over the \$6,213,195 earned in the parallel period of 1925. The Railway Commission is still busy with its general investigation of the rate structure of the Dominion, and the improvement in earnings will strengthen the case of the Western and Maritime provinces for lower rates.

The cattle industry in the West has been suffering severely for some years from exclusion from the American market, and the King Government, fortified by the knowledge that the farmers of the maize-growing States are anxious to have access to their old supply of Canadian store cattle, have made repeated approaches to Washington with a view to securing some alleviation of the existing duties on cattle. Accordingly, just before he left office, Mr Motherwell, the late Minister of Agriculture, publicly announced that every advance made by the American Government in the way of reducing the duty on Canadian cattle would be met by a corresponding reduction in the duty on American cattle, and there were hopes, in view of the disturbing evidence of political revolt in Iowa and other Middle Western States, that some response would be forthcoming. But the advent of a Conservative Ministry which is committed to policies of tariff retaliation will terminate any such prospect.

The Bureau of Statistics has issued a report on non-metallic mineral production in 1925, which shows that its total value amounted to \$115,587,316, an increase of nearly 4½ million dollars over the figure for 1924, and the highest total in this group of industries since 1920, when prices were much higher than to-day; increased production being visible in practically every single industry. There is still great activity in drilling for oil in the Turner Valley area near Calgary, but while a large number of wells have produced abundant quantities of wet gas, the amount of commercial oil secured so far has not been large. The geological difficulties encountered by the drillers are great, but the people of Calgary persist in the hope that a great oilfield lies at their gates, and speculation continues in the shares of the scores of oil companies which have been floated.

The Tariff Board is still hearing the application of the steel companies for increased protection, and continuous propaganda is being disseminated to the effect that unless it is granted the Cape Breton district of Nova Scotia will be brought to the verge of economic ruin. But official figures show that there has recently been some improvement in the iron and steel trade. Overseas iron from Europe, which has been entering American ports at low prices, has not secured any serious hold upon the Canadian market, and the increased volume of new building construction has brought the local plants a great many valuable orders for structural steel. The motor manufacturers no longer talk about shutting down their factories, and General Motors has actually commenced the construction of an addition to its Oshawa plant costing \$500,000.

Commodity prices showed a downward tendency in May, the wholesale price index number of the Dominion Bureau of Statistics being 157, as compared with 160.6 in April. Seven of the eight main groups moved downward, and one remained stationary; for the greater part of the decline lower seasonal prices for milk, butter, and cheese were responsible. The Bureau's index for 31 industrial common stocks (weighted according to the quantity of stock outstanding) was 182.8 in May, against 186.7 in April, and the index number for 23 preferred industrial stocks fell from 98.2 to 95.5; the figure for ten public utility stocks, on the other hand, rose from 85.4 to 86.1, and the bond index figure was virtually stationary.

JAPAN.—POLITICS—NEW LEGISLATION—FOREIGN TRADE—SILK PRICES.

(FROM OUR CORRESPONDENT.)

TOKIO, June 11.

DURING the latter part of May Mr Wakasuki, the Premier, tried to make a Coalition Cabinet with the third party and thereby strengthen the position of his Minority Government. But his attempt failed owing to the refusal of the third party to throw in its lot with the present Government. The Premier eventually "reconstructed" his Cabinet by merely reshuffling portfolios. Mr Hamaguchi was transferred from the Treasury to the Home Office, and Mr Hayami, the Minister of Agriculture and Forestry, succeeded Mr Hamaguchi. The official investiture formally took place on June 3rd. It is believed that the general policy of the reconstructed Ministry, and, in particular, the avowed policy of financial retrenchment and rigid economy, will remain unaffected by the change of Ministers. But the Government's position has by no means been strengthened.

The regulations as to the operation of the revised Factory Act (which is rather overdue) were published on June 7th, and the Act will come into force on July 1st. On the same day there will also come into operation the industrial laws regarding Employment of Young Persons and Children, Miners' Compensation, repeal of the Peace Law which makes even "peaceful picketing and persuasion" criminal, and the new Trade Disputes Act. Under the new Factory Law night employment of women is forbidden after August 31, 1929. The cotton industry, being the large employer of women, will be the first to be affected adversely by the prohibition of night work. Only 17 working hours a day being available under the new regulations, the present ten-hour shift system will have to be re-arranged on an 8½-hour-day basis, and to maintain the existing capacity of the mills, additional spindles and looms must be installed in each establishment. This will inevitably lead to reduced earning capacity of the cotton mills and higher cost of production.

The trade returns for May are rather discouraging, the previous improvement having been arrested. The returns show that imports at 221,319,000 yen were 16,517,000 yen higher than in the corresponding month of last year, while exports at 161,523,000 yen were 9,164,000 yen lower, the excess of imports over exports at 59,796,000 yen being 25,681,000 yen higher. The increase in imports is accounted for by iron and steel (+ 5.7 millions), wheat (+ 5.7 millions), and sulphate of ammonia (+ 5.9 millions). The drop in exports is almost solely accounted for by cotton manufactures, which are 9.4

million yen lower; the raw silk figures reveal a slight increase, despite the heavy fall in prices.

The reversal in the course of trade shown in the May figures is obviously due to the improvement in the yen exchange. It may be too hasty to forecast the possible depression in the export trade on the basis of one month's record, but it can safely be predicted that, with the appreciating exchange, the merchandise export excess in the second half of the year will be much less than in the corresponding half-year of last year. Though the total import excess during the past five months at 364 million yen is 132 millions less than in the corresponding period of 1925, the gain will then be largely offset by the prospective decline in exports.

The spring cocoon crops are arriving at the markets. They are quoted at 8.40 yen per kamme on an average, being nearly 2 yen lower than last year. Bankers, profiting by last year's experience, are said to be now rather cautious in extending credit to reellers.

Despite silk-reellers' demands for funds for the purchase of cocoons, the money market has been generally quiet. The yen-dollar exchange is steady around \$47. Availing themselves of the improvement in the value of the yen, certain industrial companies are making arrangements for repaying part of their loans raised in the foreign markets. The Bank of Japan's wholesale index number for May recorded a further drop of 4.32 points, reducing the total to 234.57, which is 86.5 per cent. above the level of July, 1914.

NORWAY.—WAGE SETTLEMENTS—MORE STABLE EXCHANGE—TRADE BALANCE—BUSINESS OUTLOOK.

(FROM OUR CORRESPONDENT.)

OSLO, July 3.

IN the course of the past month a number of wage-rate questions have been settled, and apart from the municipal workers' strike in Oslo, and a few other conflicts of minor importance, settled conditions now seem to have been established as far as wages are concerned. The reduction in wages varies from 13 to 17 per cent. It is much to be regretted that the workers did not at once realise the necessity for accepting the consequences of the higher krone value, as the employers have had to do long ago. If they had only accepted at once what they had to accept in the end, they would have saved about 20-25 million kroner in wages, and the serious set-back which our industry has suffered would have been avoided.

However, the resumption of work in the various industries, together with the more stable exchange conditions brought about through the Exchange Regulation Scheme, which was sanctioned by the Storting on June 15th, has given cause to a certain optimism as to the immediate future. The general summer slackness in business, which is now beginning to operate, makes it perhaps difficult to tell whether this optimism is justified, but there have lately been promising instances of increased activity in some of our industries.

Although the trade balance improved by 22 million kroner, for the first five months of the year, as compared with the same period of 1925, the estimates for May this year show that the decrease in the total volume of foreign trade has been considerable. Imports during May, 1925, amounted to 114 million kroner, while the figure for the same month this year is 89.4 million kroner. Exports have dwindled from 80.5 to 56.4 millions, which is the lowest figure on record for a long period.

The wood, pulp, and paper markets are at present rather featureless, the summer quietness and the unsettled conditions in Britain, our chief market, being responsible for this. The cod fisheries in the Finmarken landed record quantities, but the total value of the fish will be considerably below last year's figure, on account of the rise in the krone. This is also the case with the catch of whale oil in the South Seas, which has now been estimated at approximately 480,000 barrels, against 410,000 barrels in 1925.

Statistics on the position of the private banks (joint stock banks), as at the end of May, reveal the fact that for the first time this year there is a slight increase in deposits (e.g., from inland depositors), while loans are

reduced by 23.8 million kroner. The item "due to foreign banks" has been reduced by 14.1 million kroner. There has been a marked interest in Norwegian krone bonds from foreign quarters, and this has given the bond market a tone of greater activity than usual at this time of the year. According to *Ökonomisk Revue*, the downward movement in prices is continuing, although rather slowly, the index number for June being 195.3, as against 196.4 for May.

Books and Publications.

THE MACHINE AGE.*

It becomes constantly more difficult to envisage the complex modern industrial world as a homogeneous whole or complete entity concerning which it is possible to predict its probable course, its real objectives, or its essential nature and rational basis. Is it drifting, whither we know not, impelled by mighty forces we see not nor comprehend; or are its leaders, assuming there are such, consciously directing it towards some preconceived, carefully-thought-out, and worth-while objective? And what are its real objectives? There seems an urgent need to-day for the broad philosophical grasp and outlook, but the nearest approach to this appears to be a quasi-philosophical attitude, which often takes the form either of fierce declamation against the machine or a calm, despairing acceptance thereof.

It is perhaps hardly fair to say that Mr Gareth Garrett, in his new book, is afraid of the machine, but he would apparently have us believe that our modern civilisation is being dragged along in the trail of the machine. At one time mind was master and created the machine. Has it now come to pass that the machine seeks revenge and would enchain mind and so reverse the rightful order of things? One line of approach to this interesting field of speculation is to say that the materialism of the eighteenth and nineteenth century was largely responsible for the glorification of the machine, and it should be the part of a true philosophy of the present to put the machine in its right place. Something of the kind must surely be attempted, according to our author, for modern industry and the machine age are rapidly getting beyond control, and may carry mankind to ultimate destruction! The machine is said to obey laws of its own, including a law of growth, which causes it to spread over the whole world with ever-increasing momentum. This may sound fantastic to the hard, practical business mind, but let us for a moment consider the example of watchmaking. A watch was at one time a highly expensive hand-made article, which might take a skilled craftsman many years to achieve. The machine enters, how or where we do not exactly know, either as an insignificant serpent into an idyllic Eden, or as a benefactor bringing cheap watches to the million, and the skilled craftsman disappears. First there is the ten-dollar watch for the million, then the two-dollar watch for the ten million, and there is no apparent limit to this process. The craftsman is replaced by thousands of machine minders. Is Mr Garrett going to contribute anything of real value to the discussion of a problem which has become nauseating, or merely push it to its logical absurdity and leave it? Apparently the latter, accompanied by dark prospects in other directions. Despite the most amazing mechanical efficiency, mass production, superhuman salesmanship, instalment and credit systems, the point of market saturation is ultimately reached, and the problem of surplus arrives. Export is no real solution: world markets, too, become satiated, and there begins the painful process of regulated production, fixed prices, and closed down or part-time factories. Mr Garrett, indeed, expresses the view that the industrial equipment already existing in the world is so great that if, for one year, "it were worked at ideal capacity, the product could not be sold for enough to pay the wages of labour," to say nothing of other costs.

But instead of reducing or limiting industrialism, there is a feverish impulse to carry it still farther in countries

* "Ouroboros: or the Mechanical Extension of Mankind." By Gareth Garrett. Kegan Paul. 2s 6d net.

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already highly industrialised; and agricultural and semi-agricultural countries are smitten with the same impulse. With these latter in the arena there comes an increasing tendency towards a lower standard of living—e.g., Italy or Japan have much lower labour costs, and Western Europe must also accept a lower standard in order to compete. But is this necessarily so, with the example of America before us? And the case of America also seems antagonistic to Mr Garrett's hypothesis that prices of agricultural produce must rise with increasing and more intensive industrialism. This is very far from being the case in the U.S.A., and does not take account of vastly improved methods of farming, use of new and better fertilisers, and so forth.

The general conclusion is that the principle of gain—"a survival of piracy"—must be replaced by the principle of mutualism: a help-one-another spirit among the nations.

THE CHAMBER OF SHIPPING.

DELAYED by the general strike, the annual report of the Chamber of Shipping of the United Kingdom* has now been issued in the form of a volume containing also a report of the annual meeting and statistical tables and diagrams. To the report itself reference was made in the *Economist* of February 20th (page 344). The bound volume preserves the record in a form convenient for reference, and adds the useful statistical information. Its pages serve also as a reminder of how great nowadays is the number of the international problems in which shipping is a factor. Because of this, shipowners are obliged to take note of and keep in touch with various international movements. Indeed, their Chamber—a resolution at the annual meeting declared—is "concerned" at the growth and multiplication of international organisations, and the resolution emphasised the point that these other bodies should not take up questions unless there is good reason to know that action will be generally acceptable. Nevertheless it appears, from a reference to proposals for compulsory passenger insurance, that this question is being examined by shipowners with a view to the promotion of an international convention and legal changes which may be by no means generally acceptable. Some further steps in connection with this project were reported quite recently. In an analysis of the scheme in

* "Chamber of Shipping of the United Kingdom, 1925-26." Annual Report. (London) Witherby and Co.

OWING to the general strike the issues of the "Economist" for May 8th and 15th were considerably delayed. Copies of these numbers may be obtained from the usual agents or direct from the office of the "Economist," 3, Arundel street, Strand, W.C.

the *Economist* of April 10th the circumstances that no one had taken up the passenger's side of the matter was mentioned, and it was queried whether there is good ground for sweeping away the legal rights of ordinary passengers and imposing on them a new financial burden in exchange for very limited insurance benefits. Naturally, however, the Chamber of Shipping looks at the shipowners' side of this and other questions. Its business is to press shipowners' views, and the annual volume provides a convenient summary of their attitude on current questions.

BOOKS RECEIVED.

The Christian Ethic as an Economic Factor. By Sir Josiah Stamp. (London) Epworth Press, 25-35, City road. 1s net.

This is an expansion into a short book of the "Beckley" lecture, delivered this week at the Wesleyan Conference by Sir Josiah. A brilliant treatise on the application of Christian principles to modern social and economic problems.

In the course of his treatise, Sir Josiah says: "If I had my way, before anyone is allowed to go on a platform and win applause by expounding our present discontents, attacking our system because by not following the Christian ethic we have no proper standard of life, due to maldistribution of wealth, I would compel him not only to spend three minutes with the super-tax statistics, but also a week with a cold towel and the Census of Production reports."

Elementary Economics. By F. R. Fairchild, E. S. Furniss, and N. S. Buck. Vols. I. and II. (London) Macmillan and Co., St. Martin's street. 12s 6d per vol.

These volumes are the result of the practical experience gained by three professors of Yale University in teaching economics to beginners. The authors' purpose is to produce a text-book which, while eliminating certain defects which they have found in other text-books, will give to the student who pursues his economic studies no further a broad knowledge and understanding of the economic world to-day.

The Theory of Gratuitous Credit. By J. C. Finlay. (Guildford and Esher) Billing and Sons, Limited. 7s 6d net.

The author examines the laws governing the future of civilisation, shows how civilisations develop to a certain point, and then decay, and puts forward his theory as to how that decay may be prevented. He aims at repudiating "the ghastly idea that the biological and psychological foundations underlying society, insist upon the doctrine of 'the inevitability of gradualness' as applied to the economic reorganisation of civilisation."

England's Gain by Free Imports. By Harold Cox. (London) National Association of Merchants and Manufacturers, 14 Mincing lane.

A pamphlet giving an able summary of the leading points in the Free Trade case.

Industrial Securities, 1926. (New York and London) Moody's Investors' Service. \$25.

The 1926 edition has been largely extended. It now runs to well over 2,500 pages, and the new additions make it more than ever indispensable to students of American industries, with whose finances it deals exhaustively.

Stock Exchange's Ten-Year Record of Prices and Dividends, 1916-25. (London) Fredc. C. Mathieson and Sons, 16, Copthall avenue.

A very valuable reference book for all who wish to follow long-range movements of security prices, compiled with great care and accuracy.

The Nineteenth Century and After. July, 1926. (London) Constable and Co., Limited, Orange street. 3s net.

Palestine and Near East Economic Magazine. No. 1. July, 1926. (Palestine) Mischar W'Taasia Company, Limited, P.O.B. 21, Tel-Aviv.

The British Trade Review. July, 1926. (London) 86 Cannon street. 6d.

Contains two articles on the openings for British goods in Australia.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2 :—

Agricultural Statistics, 1925. Vol. LX. Part III. Report on the Prices and Supplies of Agricultural Produce and Requirements in England and Wales, 1925-26. 1s 6d net.

Department of Overseas Trade:

Report on the Commercial, Industrial, and Economic Situation in Italy. December, 1925. 3s 6d net.

Report on the Economic, Financial, and Industrial Conditions of the Netherlands. February, 1926. 3s.
Report on the Commercial, Financial, and Economic Conditions in Portugal. March, 1926. 1s 6d net.
Report on the Commercial and Industrial Situation in Hungary. April, 1926. 1s 6d net.

The London Advisory Council for Juvenile Employment. Second Annual Report. 1925-26. 6d net.

Colonial Reports: No. 1292. Northern Rhodesia. 1924-25. 1s net.

Memorandum on the Board of Education Estimates, 1926. Cmd. 2688. 9d net.

Civil Services Supplementary Estimate for Year ending March 31, 1927. No. 104. 3d net.

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STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
July 20.	July 22.

PUBLIC interest in Stock Exchange markets underwent something of a check by reason of the hot weather, coupled with the feeling of disappointment felt at the unlikelihood of an early reduction in the Bank rate. The latter served to exercise a slightly depressing effect upon gilt-edged securities, though the declines are of no particular consequence; less, in fact, than could have been expected, having regard to the recent flood of new issues. The Union of South Africa 5 per cent. loan, offered at 100, was left with underwriters to the extent of 74 per cent. Coventry underwriters received 78 per cent.; Commonwealth Fives were taken by the public up to 39 per cent. of the total offered.

The settlement arrived at during the past few days in regard to the repayment of French war debts to this country helped to bring about a trifling recovery in French National bonds, and a more marked improvement in French railway issues. The most active stock in the foreign market this week has been the new Westphalia 7 per cent. scrip, allotments of which were on a modest scale. The price rose to 1½ premium. Brazilian bonds are better. There is still a noticeable absorption of speculative foreign bonds, and this tends to keep up the prices.

Home railway stocks are flat on sales by holders rendered nervous of the dividend outlook. The first announcements will be made next week, and there is a general fear that, in view of the continuance of the coal stoppage, railway boards will cut the interim dividends. Hopes of rapprochement brought about better prices on Thursday. Argentine rails advanced strongly, fell back again, and then recovered. Brazilian and other foreign rails are steady. There is nothing doing in nitrates, although a less gloomy view is taken of the outlook.

Business in rubber shares is very quiet, and in the absence of support the disposition has been for prices to sag. Tea shares have followed along the same line. In the oil market a recovery of British Controlled shares followed publication of favourable news from the company. Burmah Oils are quoted ex rights, and this has attracted a little buying from the Middle East, without, however, affecting the price to any noticeable extent. Courtaulds remain the feature around which speculative interest in industrials revolves. After the fall from 6½ to 5½ a modest improvement occurred, but evidently confidence has been shaken by the reduction in the interim dividend, and the market is in a very sensitive condition. Textiles as a whole are dull. The feeling prevails that industrial companies must be suffering from the slackness of trade induced by the coal crisis, and the public, therefore, are disposed to go quietly in their share purchases. Tobacco shares were sold pretty freely at the beginning of the week, but recovered, however, when rumours revived of the expected bonus on Imperial Tobacco shares being declared somewhere about the end of this month. This rumour became discredited, and the price fell back. Trust companies' stocks are harder. Banking, insurance, and shipping issues show few changes. The cable group is good, thanks to the Eastern Telegraph Company having secured a concession for cable and wireless work from the Greek Government for the next half-century. On the other

hand, cable construction shares came on offer with noticeable freedom, and this section, which has been advancing so rapidly of late, suffered a check. Marconis and other wireless shares are easier. The brewery market attracts languid attention, but prices keep very firm. Iron, coal, and steel shares, which show no movements of consequence, are mostly a trifle easier on balance. Brazilian Tractions, after their brisk rise on the recent report, fell back a little on profit-taking. In electricity supply and gas company stocks, the usual seasonal stagnation prevails. Public appetite for all good-class preference shares is unabated.

The Cape manages to maintain noticeable interest in a comparatively small number of companies. Amongst these, Sub-Nigels and Springs provide the outstanding features of strength. The gold producers are less in the limelight than they were earlier this month. Anglo-American Corporations, with some of the other finance company shares, gained ground. The sparkle in diamonds was subdued to some extent by the willingness of speculators to take the substantial profits that have accrued to many of the recent buyers. Chartered improved upon the announcement made by the company that a further sale of land had been made. In other Rhodesians the changes have been uninteresting. Tin shares went back on a decline in the price of the metal, but the decline was easily recovered. Some of the Mexican mines are a little better. West Africans and the miscellaneous mining shares aroused mild attention without this causing any special change in values. The Stock Exchange is fairly busy, considering the time of year, and next week's settlement is likely to be a tolerably heavy one for July.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows :—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		132,973,088		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to July 10, 1926 Dr 500,000				
Net sales July 1 to July 10, 1926, Dr 450,000				

To the Public—				
Morris Motors, Limited, 3,000,000				
74 Cum. Pref. Shares of £1 each, at par (July 12)	3,000,000	3,000,000	375,000	2,625,000
United Dairies, Limited, 496,000				
6% Non-Cum. Pref. Shares of £1 each, at par (July 13) ..	496,000	496,000	62,000	434,000
Ampang (Perak) Tin Dredging, 130,000 Shares of £1 each, at par (July 13) ..	130,000	130,000	16,250	113,750
Dredging Development Co., 60,000 Shares of £1 each, at par (July 13) ..	60,000	60,000	7,500	52,500
Total offered to Public		3,686,000	460,750	3,225,250
To Shareholders—				
British Investment Trust, 25,000 Shares of £10 each, at £14 per Share	250,000	350,000	100,000	250,000
Trustees Corporation, 125,000 Shares of £2 each, at £2 3s per share ..	250,000	268,750	125,000	142,750
Selection Trust, 50,000 Shares of £1 each, at 2½s per Share ..	50,000	57,500	57,500	—
Sevenoaks & District Electricity, 40,000 Shares of £1 each, at 20s 4d per Share ..	40,000	40,750	5,750	35,000
Franco-British Oil Trust, 27,908 10% Pref. Shares of £1 each, at par ..	27,908	27,908	3,488	24,420
Redeemable Securities Investment Trust, 19,565 Shares of £1 each, at par ..	19,565	19,565	19,565	—
Total offered to shareholders ..		764,473	311,303	453,170
Total offered for subscription to date in—				
1926	136,913,561	1925	231,914,268	
1925	119,729,428	1924	209,326,180	
1924	120,568,680	1923	271,393,173	
1923	196,384,645	1922	573,675,650	
1922	475,046,167	1921	388,978,203	
1921	130,307,801	1920	367,549,656	

United Dairies, Limited.—Issued capital, £4,977,844 divided into 2,753,918 6 per cent. non-cumulative preference shares of £1 each and 2,223,926 ordinary shares of £1 each. This is an issue of 496,000 6 per cent. non-cumulative preference shares of £1 each at par. The company was registered in 1915, its business comprising wholesale and retail milk businesses in London and suburbs, condensed milk factories, creameries, butter factories, &c. The freehold property of the company and subsidiaries, it is stated, in the London area alone now exceeds £1,000,000 taken at cost, less annual depreciation. The proceeds of the present issue will be applied to the development of the company's business and general purposes. Net profits during recent years are given as follows :—1921, £356,185; 1922, £452,691; 1923, £468,623; 1924, £506,541; and 1925, £509,145. The reserve fund, it is added, now amounts to £500,000. On the basis of last year's profits, the preference dividend is covered more than twice over, but since the prospectus gives no statement of total assets, the investor is unable to see precisely the margin of security behind the preference capital.

Welwyn Garden City Limited.—Issued share capital, £205,691, divided into 205,691 7 per cent. cumulative ordinary shares of £1 each. In addition, there is an issued loan capital of £285,670, of which £150,000 consists of 6 per cent. debentures of £50 each and £135,670 of 6 per cent. development bonds. This is an issue of £100,000 6½ per cent. debenture stock at par. The stock will be secured by a floating charge on the undertaking of the company, excluding its un-called capital, and subject to specific mortgages which may from time to time be created, and ranking after the debentures and development bonds already issued. Beginning in 1934, provision is to be made for the redemption of the stock by annual drawings. The company was formed in 1920 to establish near London an entirely new industrial, and residential town of 40,000 to 50,000 inhabitants. It is stated that over 1,400 houses have been built and occupied or are approaching completion. The population is nearly 4,000. The proceeds of the present issue will provide for further expenditure upon roads, sewers, water mains and other services. Sir H. Trustram Eve, it is stated, valued the company's freehold estate (but excluding the waterworks and other important undertakings) in 1921 at £198,000, in 1923 at £249,500, in 1924 at £289,725, and in 1926 at £402,000. Surplus value of assets for the security of this issue is given as £237,205. The revenue accounts of the company, before charging the proportion of interest chargeable to revenue, but after meeting all other charges, including depreciation, &c., show the following balances of profit :—1922, £5,815; 1923, £9,144; 1924, £10,888; 1925, £17,372; and 1926 (subject to audit), £23,189. This is an issue which deserves the support of opulent investors who have a considerable proportion of their funds in Government securities.

Sudan Building and Agricultural Company, Limited.

—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. The issued capital is £400,000, divided into 200,000 7 per cent. preference participating shares of £1 each and 200,000 ordinary shares of £1 each. The company was incorporated under the provisions of the Sudan Companies Ordinance, 1925, on April 6, 1925, to acquire the business of the merchandising and contracting firm of Stamatopeou Brothers, which carries on operations in the Sudan, Abyssinia and elsewhere, and with it various interests, including certain plots of building land in Khartoum and other towns, an option on 15,000 acres of agricultural land in Gezira, and the benefit of negotiations with the Government for erecting a warehouse at Port Sudan. The purchase consideration was £280,000, to be satisfied as to £200,000 in ordinary shares and as to £80,000 in cash, and an option to subscribe for a further 100,000 ordinary shares at par up to April 21, 1930. Stocks, plant, &c., were to be taken over at a valuation for cash. The various interests and properties have been or are being reported on by a committee of experts. The Khartoum building sites are described as being "in the most favoured and important positions," and the agricultural land as having been "carefully chosen during many years" and being "strategically valuable, commanding as it does large areas of hinterland belonging to the Government." Although "prospectless" this is a proposition with fair speculative possibilities.

Ampang (Perak) Tin Dredging, Limited.—Share capital £170,000, divided into 170,000 shares of £1 each, of which 40,000 will be issued as fully-paid in part payment of purchase consideration, the present issue being the offer of the balance at par. The company has been formed particularly to acquire lands situated in the State of Perak, Federated Malay States, and to work and exploit them for tin. The properties comprise an area of about 811 acres. The consideration payable to the vendor is £75,000, payable as to £35,000 in cash and £40,000 in fully-paid shares of the company. After payment of the cash purchase price, underwriting commission, and preliminary expenses, the present issue, it is stated, should provide approximately £80,000 for working capital and general purposes of the company. The directorate is a strong and practical one.

John Delaney (Horton Limeworks), Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued share capital of £130,000, divided into 129,950 ordinary shares of £1 each and 1,000 deferred shares of 1s each. In addition, there is a loan capital of £125,000 in the form of 7 per cent. first mortgage debenture stock, 1926-44. The company was incorporated on July 27, 1925, in particular to acquire the business of lime burners, quarry owners, and coal merchants carried on by John Delaney, Limited, and Miss Carrie Delaney in Yorkshire. The total purchase price was £256,000 in cash, with interest from March 31, 1925, until payment at the rate of 5 per cent. per annum. The company also took over from John Delaney, Limited, a contract for the purchase of freehold land for the sum of £10,525. The preliminary expenses (exclusive of commission on the debenture stock) are estimated at £7,000. Presumably it is assumed that outside investors will not be interested, for the information given is of little value to them.

Malayan and General Tin Trust, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. Share capital £50,000, divided into 200,000 shares of 5s each, of which 100,000 have been issued for cash and 1s 3d per share has been called and paid up. The company was incorporated on April 8, 1926, to carry on business as a financial and investment trust, more particularly in connection with tin mining and dredging. Subject to the actual preliminary expenses, which are estimated at £1,000, and are payable by the company, the whole of the proceeds of the issue of the 100,000 shares above-mentioned will be available as working capital and for the general purposes of the company. The details given in the advertisement are not, in our opinion, sufficient in themselves to warrant outside investors risking their capital in such an enterprise.

Dredging Development Company, Limited.—Capital £75,000, divided into 75,000 shares of £1 each, of which this is an issue of 60,000 shares at par. The company has been formed in particular to assist in the financing and development of gold and tin dredging properties in any part of the world. It has acquired from the Dome Mining Corporation, Limited, a licence to work a portion of the corporation's alluvial gold mining concessions in Spain, and also an option to use the dredge already erected. The proceeds of the present issue will be applied to the purchase of a new dredge. The company will pay the corporation 50 per cent. of the net profits earned by the present and the new dredge, and in addition a rent of £1,000 per annum will be paid if the present dredge is used. The company will purchase from the corporation, at a valuation, the manager's house, workshop and store already erected on the site. The terms of the licence seem onerous, and the issue can only be described as highly speculative.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War 5½% 1925-28 .. 98½	98½	98½	—
War 4½% 1925-45 .. 95½	95½	95½	—
Loans 5% 1929-47 .. 100½	100½	100½	—
Loans 4% 1929-42 .. 100½	100½	100½	—
Funding Loan 4% .. 86½	86½	86½	—
Victory Bonds 4% .. 76	76	76	—
Conversion Loan 3½% .. 55½	55½	55½	—
Consols 2½% .. 58	58	58	—
Irish Land Stock 2½% .. 58	58	58	—
Local Loans 3% .. 63½	63½	63½	—
Aust. 5% 1931-41 .. 103	103	103	—

British Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord. ... 85½	84½	84½	—
London & North-Eastern 5% Pref. Ord. ... 52½	51½	51½	—
Do Def. Ord. ... 17½	16½	16½	—
London, Mid., and Scottish, Ord. ... 71½	70½	70½	—
Metropolitan ... 53½	53	53	—
Metropolitan District ... 53½	53	53	—

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Ansofagasta Cons. ... 83½	82½	82½	—
B. A. and Pacific ... 87½	86½	86½	—
B. A. Gt. Southern ... 96½	95½	95½	—
Buenos Ayres West. ... 87½	86½	86½	—
Canadian Pacific ... 170	169	169	—
Central Argentine ... 75½	74½	74½	—
Cordoba Central New ... 34½	33	33	—

American Railroads.

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio ... 147	146	146	—
Erie ... 37	37	37	—
Do 4% 1st Pref. ... 49	46	46	—

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays B. (A.L.P.D.) ... 21½	21½	21½	—
Chartered Bk. of India ... 21½	21½	21½	—
Lloyds (£5 with £1 paid) ... 3½	3½	3½	—
Midland (£12, with £4 paid) ... 8½	8½	8½	—
Nat. Bank of Egypt (£10) ... 38½	40	40	—

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (£1) ... 2½	2	2	—
Amal. Cottons (£1) ... 4½	4½	4½	—
Anglo Persian Oil (£1) ... 4½	4½	4½	—
Armstrong (Sir W.G.) and Co. (£1) ... 1½	1½	1½	—
Ass. Fint. Com. (£1) ... 3½	3½	3½	—
Barker, John (£1) ... 3½	3½	3½	—
B'ham Small Arms (£1) ... 3½	3½	3½	—
Bleachers (£1) ... 2½	2½	2½	—
Bradford Dyes (£1) ... 2	2	2	—
British Traction (£100) ... 105	104	104	—
British-American Tobacco (£1) ... 6½	4½	4½	—
British Controlled Oil (£5) ... 2½	2½	2½	—
Bryant and May (£1) ... 2½	2½	2½	—
Burmah Oil (£1) ... 5½	5½	5½	—
Castle (J. and P.) (£1) ... 3½	3½	3½	—
Courtenay (£1) ... 6½	5½	5½	—
Cornwall (£1) ... 4½	4½	4½	—
Dorman, Long (£1) ... 1½	1½	1½	—
Dunlop Rubber (£5) ... 1½	1½	1½	—
Fine Cotton Spinners (£1) ... 2½	2½	2½	—
Forestal Ltd (£1) ... 1½	1½	1½	—
Furness, Withy (£1) ... 1½	1½	1½	—
Highlands and Lowlands Rubber (£1) ... 3½	3½	3½	—

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Argentine 5%, 1886-7 .. 99	99	99	—
Austrian 5% Guar. ... 99	99	99	—
Belgian 3% ... 71	71	71	—
Brazil 5% Fund., 1914 ... 83	83	83	—
Chilian 4½%, 1895 ... 86	86	86	—
Do 7½% ... 104	104	104	—
Chinese 5%, 1912 ... 56	60	60	—
Egyptian 5% ... 82½	83½	83½	—
French 4% ... 93	84	84	—
Do 4% ... 88	74½	74½	—
German 7%, 1924 ... 104½	104½	104½	—
Greek 7%, 1924 ... 93½	101½	101½	—
Hungarian 7½%, 1924 ... 102½	103	103	—
Japanese 5% 1924 ... 96½	94½	94½	—
Mexican Cons. 1899 ... 50½	46½	46½	—
Peruvian Corp. Pref. ... 41½	47	47	—
P.L.M. 6% ... 81	81	81	—
Portuguese (New) ... 33	33	33	—
Russian 5%, 1906 ... 54	54	54	—
Spanish 4% ... 67	68	68	—
Seine (Dept.) 7% ... 92½	91½	91½	—
Siam 7% ... 107	107	107	—

Telegraphs.

	Price Last Week.	Latest Price.	Rise or Fall.
Anglo-American "A" ... 24½	24½	24½	—
Marconi Wireless ... 1½	1½	1½	—
Marconi Canada ... 1½	1½	1½	—
Marconi Marine ... 1½	1½	1½	—

Mines.

	Price Last Week.	Latest Price.	Rise or Fall.
Ashanti Gold (4) ... 14½	14½	14½	—
Brakpan (£1) ... 4½	4½	4½	—
Broken Hill Prop. (£1) ... 1½	1½	1½	—
Burma Corp. (Rs.10) ... 3½	3½	3½	—
Cam & Motor (£1) ... 2½	2½	2½	—
Central Mining (£8) ... 16½	16½	16½	—
Chartered (15) ... 1½	1½	1½	—
Cyprus (1) ... 1½	1½	1½	—
Cons. Gold Fields (£1) ... 1½	1½	1½	—
Crown Mines (10) ... 3½	3½	3½	—
De Beers Def. (£2½) ... 19½	18½	18½	—
East Rand Prop. (£1) ... 4½	4½	4½	—
Geduld (£1) ... 4	4	4	—
Gov. Gold Areas (£1) ... 8½	8½	8½	—
Johannesburg Cons. ... 2½	2½	2½	—
Malayan Tin (5) ... 1½	1½	1½	—
Modderfontein (10) ... 5	5	5	—
Modderfont. "B" (5) ... 1½	1½	1½	—
Modderfont. Deep (5) ... 1½	1½	1½	—
Mount Lyell (£1) ... 1½	1½	1½	—
New State Areas (£1) ... 2½	2½	2½	—
Randfontein Est. (£1) ... 3½	3½	3½	—
Rand Mines (5) ... 3	3	3	—
Selukwe (2/5) ... 3	3	3	—
Shamva (£1) ... 1½	1½	1½	—
Rio Tinto (£5) ... 36½	37½	37½	—
Ropp Tin (4) ... 3½	3½	3½	—
San Francisco of Mexico (10) ... 1½	1½	1½	—
Siamese Tin (5) ... 1½	1½	1½	—
Spring Mines (£1) ... 3½	3½	3½	—
Tanganyika Cons. (£1) ... 1½	1½	1½	—
Trans. Cons. Ltd (10) ... 2½	2½	2½	—
Zambesia Expl. (£1) ... 2½	2½	2½	—

MINING OUTPUT STATISTICS FOR JUNE, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
Gold.	Tons.	Tons.	Ozs.	Ozs.	£	£
Abbotiakoona	7,653	..	..	..	13,632	152
Akoko	..	..	..	..	932	..
Ki Oro	36,530	..	..	..	\$130,738	\$356
Gem	1,800	..	..	1,242	..	..
Globe and Phoenix	6,044	..	..	4,821	6,647	..
Gold Coast Explorers	..	..	..	..	7,641	..
Gt. Boulder Proprietary	9,135	..	..	..	19,599	..
Lake View and Star	14,464	..	..	..	26,527	2,202
La Noria	5,208	..	..	..	\$51,121	\$14,773
Lena (July 1st-7th)	5,000	..	..	6,494	27,275	4,142
Lonely Reef	21,610	..	..	..	\$97,536	..
Oriental Consolidated	3,666	..	..	..	14,809	..
Oroya Links	2,320	..	..	..	\$150,086	180
Sabie	66,469	..	..	..	..	..
Santa Gertrudis	..	..	..	..	..	..
South American Gold and Platinum	1,992 ozs platinum	..	..	545 ozs gold	(April)	..
South Kaliguri Cons.	8,260	..	..	..	15,749	2,678
Taquah and Abosso	8,257	..	..	..	13,527	..
Vipond	5,649	..	..	..	\$52,400	..

	Output.	Other Notes in Return.
Tin.	Tons.	
Berenguela	30	Black tin concentrates.
Brussels	10	..
Genov	26	Black tin; amount realised, £3,900.
Kaduna Prospectors	15½	..
Kaduna Syndicate	15½	..
Mongu	35	..
Yarde Kerri	10	..
Copper.	Tons.	
Namaqua	260	..
South American	314	..
Coal.	Tons.	
Chinese Engineering	46,000	Sold during week ended July 3rd.
Broken Hill Proprietary	377	Lead concentrates; 256 tons zinc concentrates (fortnight ended May 22nd).
Zinc Corporation	4,484	Lead concentrates and 4,394 tons zinc concentrates.

BURMA CORPORATION.—During June 27,175 tons of ore were mined; 25,000 tons of ore were milled in the treatment plant, producing 9,050 tons of lead concentrates; 9,090 tons of lead-bearing material, including 40 tons of high grade ore, were smelted in the blast furnaces, producing 4,114 tons of high grade lead for treatment in the refinery. Refinery products were 4,206 tons lead and 386,954 for silver. Of silver production, 52,110 ozs were recovered from the treatment of copper matte. For silver, 65 per cent. lead and 47.8 per cent. zinc. In addition to the above, 980 tons of copper matte were produced from the treatment of accumulated smelter by-products and 4,256 tons copper ore; 124 tons of antimonial lead were also produced. Included in the tonnage of refined lead is 392 tons recovered from the smelting of copper ore.

ELECTROLYTIC ZINC.—Production during four-weekly period ended June 30th, 3,647 tons zinc; silver-lead product for shipment to Port Pirie for realisation, containing 750 tons lead, 78,000 ozs silver. The above production included 125 tons zinc used at company's works at Riden.

NORTH BROKEN HILLS.—For June 36,970 tons of crude ore were treated, producing 6,480 tons lead concentrates, averaging 64.7 per cent. lead, 28.8 ozs silver per ton and 7.4 per cent. zinc; also 5,960 tons zinc concentrates, averaging 47.8 zinc, 6.5 per cent. lead and 7.4 ozs silver per ton.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

WIENER BANK-VEREIN, VIENNA.

RESULTS OF THE GOLD BALANCE-SHEET.

The fifty-sixth ordinary general meeting of the Wiener Bank-Verein was held in Vienna on the 21st ult., M. Karl Stoegermayer (the chairman of the company) presiding.

After recalling the splendid record of 51 years of untiring work wholly devoted to the bank's prosperity by the retiring chairman of the committee of the managing directors, M. Bernhard Popper-Artberg, the abridged report runs as follows:—

In compliance with the law, we have drawn up "the opening gold balance-sheet" as per January 1, 1925, in accordance not only with the provisions of said law, but also with the precepts of commercial caution, and with due regard to the institution's future probable earnings; in most instances the reassessment remains below the limits allowed by the law.

When comparing the accounts as per January 1, 1925, with those as per December 31, 1924, one notices an increase of cash, bills, and debtors that is due to the fact that the balance-sheets of such branches abroad as are kept in foreign currencies do no longer stand in the ratio 1:1, but have been converted into schillings at the exchange rate of the day, an important reserve having thus been released.

Securities were entered at the day's quotations; syndicated shares were increased by 5.7 million schillings by means of a reassessment of a few items only, while most items were maintained at the previous low assessment figures. Real estate, including, besides three bank buildings, several apartment houses, and building plots, also in the Succession States, are reassessed at 10 million schillings, a figure far below the actual valuation of experts.

The liabilities contain substantial reserves for definite purposes, such as extraordinary requirements for the years 1925 and 1926. The reassessment shows own means amounting to 60 million schillings, of which we propose to apply 20 millions to (12 millions ordinary and eight millions extraordinary) reserves; the share capital would thus amount to 40 million schillings to be divided into two million shares of 20 schillings each, so that one new share would be allotted to three old shares of 3,000 krone each. The separate gold balance-sheet of the Hungarian branch in Budapest shows a working capital of one million pengő.

THE PAST YEAR.

The year 1925 shows the striking difference of developments during that period. Public finances have continued to improve, so that the League of Nations was able to decide that the financial control should cease. The Austrian currency is permanently stabilised, and, notwithstanding the successive reductions of the bank rate from 13 per cent. to 9 per cent., the cover of the notes issued by the National Bank has substantially increased. The balance of trade shows encouraging signs of improvement as against 1924, and no symptoms of crises, such as were experienced in 1924, were registered; trade and commerce had nevertheless to labour under almost insurmountable difficulties. An adaptation to the situation created by the disruption of the Dual Monarchy can only be achieved very gradually.

Among the measures of prime importance the promotion of home agriculture has made satisfactory progress. The marketing of Austrian industrial articles abroad and the emigration of the excess native labour are, on the other hand, meeting with almost insuperable obstacles arising from the attitude of most European countries, and chiefly of the Succession States.

The Austrian commercial policy is consequently being forced to move in the direction of increased protective tariffs. These unfavourable circumstances of the private economy reacted of necessity on the banking business; while the banks have successively reduced their fees in the interest of commerce, they found no compensation in an adequate increase of the volume of business, or in profitable financial transactions, save a few public loans.

If we were, nevertheless, able to obtain results that do not remain substantially behind those of the preceding year, that is due to the extension of our current business, concurrently with an unwavering saving policy that led chiefly to a reduction of our staff and to the closing down of such branches as did no longer pay. The number of our branches is at present 55, of which nine are in foreign countries. Our affiliated banks—the General Banking Corporation of Bohemia, Prague; the General Banking Corporation of Poland; the Landesbank für Bosnien und Hercegovina, Sarajevo; and the Banque Balkanique, Sofia—have all developed favourably, and distributed the same dividends as last year. Among the industrial concerns in which we are interested

in Austria, Hungary, Czechoslovakia, Yugoslavia, and Germany, the electricity, rubber, and paper companies and also the Hungarian mining and steel companies, to some extent also the breweries and weaving mills and the transportation companies, show favourable returns, while other companies have, owing to the economic depression, either curtailed or ceased paying dividends.

The results of the year are as follows:—

ASSETS.	
	S
Cash	11,069,022.69
Bills	47,184,875.22
Debtors:	
Balances with banks	\$55,013,069.28
Other debtors	183,656,360.29
Securities	238,669,429.57
Payments on syndicated shares	3,387,933.12
Real estate	26,116,670.85
	9,821,578.75
Total	336,249,510.20

LIABILITIES.	
	S
Share capital	40,000,000.00
Reserve funds	20,000,000.00
Provident fund	500,000.00
Dividend account	308,539.00
Surtees on bills	5,973.44
Deposits and current accounts	270,946,427.18
Profit and loss account	4,488,570.58
Total	336,249,510.20

PROFITS.	
	S
Interest account	12,131,589.87
Profit on securities	986,682.19
Profit on exchange	2,592,308.17
Commissions	12,895,525.31
Profit on syndicated shares	2,501,987.50
Total	31,108,093.04

LOSSES.	
	S
Salaries	17,165,233.46
Gratuities to staff dismissed	507,742.47
Expenditure account	3,572,148.94
Provident fund	1,219,940.35
Taxes and fees	4,933,457.24
Depreciation on real estate	121,000.00
Net profit	4,488,570.58
Total	31,108,093.04

DISTRIBUTION OF PROFITS.

The Chairman proposed, on behalf of the board of directors, to apply 3.6 millions of the net profits to the payment of a dividend (i.e., schillings 0.60 for one old share), schillings 0.5 millions to the provident fund of the staff, and, after paying the bonus to the directors and staff, to carry over

THE OTTOMAN BANK.

ECONOMIC RESTORATION OF TURKEY.

PROLONGATION OF BANK'S CONCESSION—DIVIDEND PROSPECTS.

The annual general meeting of shareholders in the Ottoman Bank was held, on the 12th inst., at Winchester House, Old Broad street, London.

General the Hon. Sir Herbert A. Lawrence, G.C.G., presided. The secretary (Mr Charles E. L. Corthorn) having read the notice convening the meeting,

The Chairman said: Ladies and gentlemen,—I have been informed that this meeting is properly constituted, and I presume that it is your pleasure that the report and balance-sheet circulated among you should be taken as read.

Before entering into details of our work during the past year, I propose, as usual, to recall briefly to you the general economic conditions of the countries in which we operate.

The work of economic restoration in which Turkey has been engaged since the war has been pursued by the Government during the year 1925 with an energy and perseverance which deserve the fullest recognition.

Official encouragement has been given to agriculture, which is the basis of the economic system of Turkey. The abolition of the tithe, the distribution of seed to farmers, the provision of motor-tractors—all these are measures which have contributed to the improvement in recent harvests.

Our bank has been pleased in this sphere to afford to the Banque Agricole that assistance which it is its natural function to supply.

AGRICULTURAL CONDITIONS.

Weather conditions have been generally favourable to the varied crops which are produced by the fertile plains of Anatolia with their diversity of climate, and, although all hopes have not been realised, it can be said that marked progress has been made by agriculture in comparison with preceding years. Thanks to the increase in the area sown, cereals showed an increase during 1925 of 40 per cent.

Transport conditions, unfortunately, were not equal to the distribution of the harvest, and thus, notwithstanding the increased production, it became necessary to import a certain quantity of foreign wheat in order to supply the needs of the population.

Tobacco tends more and more to take the first place among national products. Its cultivation extends throughout the territory of the Republic. Last year the yield was slightly less as compared with that in 1924, but the loss in quantity appears to have been fully compensated by an improvement in the quality obtained.

The cultivation of cotton in Cilicia shows steady progress. The crop for 1925 is estimated at 100,000 bales, as against 70,000 bales for the preceding year. This result still falls short of the capacity of this rich alluvial region.

The Smyrna Hinterland suffered severely from drought, and the quantity of figs and raisins produced was below the average. As to the other products of the country, opium, silk-cocoons, and nuts, the results have been unequal. Livestock has only been reconstituted slowly since the war, and the production of wool and mohair still remains far below pre-war levels.

EXPORTS AND IMPORTS.

I have spoken thus about agriculture because it supplies the great bulk of the country's exports, and on the welfare of agriculture depends the commercial balance of the country. This again entails other consequences, for in a country whose invisible exports are negligible the movement of the exchange follows the ebb and flow of exports in a seasonal rhythm. The commercial movement in itself shows a steady increase. The value of exports rose in 1924, while imports increased in a lesser proportion.

In 1925 figures are only available for the first ten months. They show that the same tendency persists for the growth of exports to exceed that of imports. It will be seen not only that the commercial movement is increasing steadily, but that the adverse trade balance is falling. The increased value is not solely due to a rise in prices or to fluctuation in the exchange. If we examine the tonnage statistics we realise that a real progress has been registered.

The sterling exchange, which, at the end of 1924, was quoted at 875 Turkish piastres, continued to rise during the first months of 1925 until it reached 975 piastres towards the end of February. The period of exports, when it arrived, caused the Turkish pound to appreciate again, and, at the beginning of August, the pound sterling stood at 800 piastres.

Harvest estimates, however, proved in some cases to have been too optimistic, and at the same time a fall in prices on foreign markets encouraged exporters to hold their stocks. The improvement in the Turkish pound, therefore, could not be maintained, and, on December 31, 1925, the pound sterling stood at 910 piastres.

GOVERNMENT'S MONETARY POLICY.

Credit is due to the Government of the Turkish Republic for its monetary policy. This is above criticism. The present régime had no sooner taken in hand the affairs of a country just emerging from ten years of war than it found itself face to face with difficulties of an economic nature. Notwithstanding this, it has not increased the amount of notes issued. Its only action in regard to currency has been with the object of replacing notes issued during the war by new notes.

As local capital is scarce and is fully employed, assistance is indispensable to the development of the country. It becomes natural, therefore, to look abroad, and it is to be hoped that, so soon as the question of the foreign debt of Turkey is settled, assistance will be furnished on a scale sufficient for the country's needs.

OTTOMAN PUBLIC DEBT.

The distribution of the Ottoman Public Debt between Turkey and the other successor States was continued in 1925 in accordance with the provisions of the Lausanne Treaty. This formality was completed and the Turkish share definitely fixed as to both capital and annuities. Negotiations then took place between delegates of the Turkish Government and representatives of the bondholders with the object of establishing a basis for the service of the loan. Unfortunately, these have not, up to the present, led to any agreement.

The Grand National Assembly has set itself to achieve the balancing of the budget. Revenue and expenditure in the budget for 1926-27 are estimated at about 190,000,000 Turkish pounds. It is hoped that further reductions in expenditure will be effected, and that the year will end with a surplus. In this connection it must be borne in mind that the Turkish Government, in carrying out a legitimate railway policy, has burdened its regular budget with considerable capital expenditure, which is met usually by means of extraordinary resources.

Agreements with neighbouring Powers have been concluded lately by the Government of the Turkish Republic. The most recent of these is the Mosul Agreement. Such diplomatic questions as had been left in suspense by the Treaty of Lausanne have now been settled.

Our Constantinople offices and our branches in Anatolia, Roumelia, and Cilicia have all profited by the recovery which we have indicated above, and show improved results this year as compared with recent years.

EGYPT, GREECE, AND CYPRUS.

Conditions in Egypt during the past year have been less favourable than of late. The country is largely dependent upon its cotton crop, and the fall in price from 2s 6d per lb in August last to the present price of 1s 4d per lb has had its effect on the trade of the country in general.

The outlook, however, is promising, and the Egyptian branches of our bank continue to expand and to take their share in the commercial activities of the country with more favourable results.

In Greece, where at present we have branches only in Salonica and Cavalla, our current business continues to afford every satisfaction. We should mention, however, that, in spite of our efforts, we have not yet succeeded in obtaining from the authorities an interpretation, which we can regard as equitable, of the laws which rule certain of our pre-war engagements.

In Cyprus the last six months of 1925 showed an improvement on the first half-year, and improved prices counterbalanced a diminution in crops. The Agricultural Bank, established by ourselves in 1925, has already shown that it fills a place in the economic life of the island.

MESOPOTAMIA, PERSIA AND SYRIA.

In Mesopotamia the balance of trade is still adverse, and conditions during the past year have not been favourable, but recent events permit an encouraging view of the future. By the Mosul Treaty of June 5th a long-standing dispute has been amicably settled, and the development of the country can now proceed confidently.

In Persia our branches have been compelled to work on conservative lines during 1925. Losses were incurred by importers through the fall in prices and the rise in the exchange rate. The political situation, however, is now more settled, and the latest reports tend to show that during 1926 an improvement in results may be expected.

In Palestine and in Trans-Jordan, where we have established

a branch at Amman, the outlook remains favourable, and results continue to be satisfactory.

In Syria our filiale, the Banque de Syrie et du Grand Liban, has been very little affected by the disturbances of the past year, and the profits earned have easily permitted the maintenance of a dividend of 6 per cent.

EUROPEAN INTERESTS.

In Yugoslavia the Banque Franco-Serbe, in which, as you know, we have important interests, has proceeded further with the consolidation of its position.

The Bank of Roumania continues to work in a satisfactory manner, having distributed an interim dividend for the six months to June 30, 1925, at the rate of 5 per cent. per annum.

Finally, our London and Paris agencies, with their sub-offices in Manchester, Marseilles, and Tunis, have continued to develop their business on active lines.

AGREEMENT WITH THE GOVERNMENT.

In the course of the past year we had the satisfaction of reaching a definite agreement with the Turkish Government as to the conditions of the prolongation of our concession. This, as you know, was due to expire on August 4, 1925. On March 10, 1924, our representatives signed in Angora an agreement which embodied the prolongation of the concession until March 1, 1935. The law, dated April 22, 1925, by which the Grand National Assembly ratified the above agreement, came into force on July 29, 1925, by decree of the Government. By the terms of the new agreement the fundamental status of the bank and its essential privileges are confirmed for a period of 10 years.

BALANCE-SHEET ITEMS.

I now pass to the balance-sheet, which is in your hands. The assets and liabilities in foreign currencies have been converted into sterling at the rates in force at December 31, 1925; that is to say, Turkish pounds have been converted at the rate of 910 piastres to the £1, as against 875 piastres in 1924, while francs have been converted at 130, as against 87.50. This latter difference is the most considerable which has taken place in the course of any one year since the war. It has absorbed an important part of the profits of the year 1925. Provision for doubtful debts has been constituted from the profits of the year as well as from reserves previously made.

The accounts thus made up show an available balance of £410,040 0s 4d, taking into account the amount of £326,951 10s 7d brought forward from the preceding year. When we recommended to you last year that this amount of £326,951 10s 7d should be carried forward, we informed you that it was our aim, by the provision of suitable reserves, to guard the assets of the bank against risk of depreciation in the foreign currencies which figure among them. We added our hope that this result would shortly be attained.

PROVISION FOR DEPRECIATION OF CURRENCIES.

The committee now recommend that out of the available balance of £410,040 0s 4d a sum of £400,000 should be devoted to the constitution of a provision for depreciation of currencies, &c. We have reason to hope that this provision will henceforth be sufficient to meet any likely eventualities.

In establishing the balance-sheet on a sterling basis, the necessity of providing each year an ascertained depreciation in the assets in foreign currencies has been inevitable. With the establishment of this provision we hope that we have attained the end which we have constantly had in mind.

Any future depreciation which may occur will be chargeable to this account, and from January 1, 1926, if nothing abnormal occurs, profits should be available for the distribution of dividends to our shareholders. Should you endorse our recommendation, the balance to be carried forward will be £10,040 0s 4d.

Our staff in all grades, both in the East and in the West, has continued to give us proof of devotion and loyalty to our institution.

I would ask you to join with us in expressing your appreciation of their services.

I move: "That the report and accounts now read be received and adopted."

M. Félix Vernes seconded the resolution, and it was carried unanimously.

The Chairman: I now have pleasure in moving: "That Monsieur le Baron Hottinguer, Monsieur le Comte Frédéric Pillet-Will, and General the Hon. Sir H. A. Lawrence be and they are hereby re-elected members of the general committee."

The Lord Oranmore and Browne, K.P., P.C., seconded the resolution, and it was unanimously approved.

VOTE OF THANKS TO COMMITTEE AND STAFF.

Mr Arthur Hood: Mr Chairman and gentlemen,—I wish to

propose a vote of thanks to the general committee and to the staff both here and abroad. After listening to the chairman's most interesting speech, one of the best which we have heard from the chairman of this bank, I hope on behalf of the shareholders that the difficulties which he will have to face in the future will be very much less formidable than they have been in the past.

Mr Arthur Bradbury seconded the vote, and it was unanimously accorded.

A brief acknowledgment by the Chairman concluded the proceedings.

ANGLO-CEYLON AND GENERAL ESTATES COMPANY, LIMITED.

SATISFACTORY RESULTS FROM TEA AND RUBBER.

The fortieth annual ordinary general meeting of the Anglo-Ceylon and General Estates Company, Limited, was held, on the 15th instant, at 6 Laurence Pountney hill, Cannon street, London.

Sir Edward Rosling, who presided, said that, to commence with their Ceylon interests, the tea crop again showed a satisfactory increase of 217,305 lb, the crop secured being 3,798,539 lb, as compared with 3,581,234 lb in the previous season. Weather conditions had been on the whole favourable. The whole of last season's crop had not yet been sold, the delay being largely due to the general strike. The quality of their tea had been well maintained, and the average price realised had been slightly under 1s 7d per lb net, as compared with just under 1s 6d in the previous year and 1s 4½d in 1923-24. The cost showed a reduction of approximately ½d per lb. Up to March 31st last they had spent in the last three years some £27,000 on coolie lines, water supply, and improved sanitation, and they expected to spend at least as much in the next three years, after which they hoped the expenditure necessary would not be more than was required for general maintenance.

Their cacao crop had been disappointing, amounting to 4,864 cwt, netting 56s 4d, as compared with 6,284 cwt, netting 65s 5d, in the previous season. The shortage was due to the dry weather in August and September, causing the early settings to dry off. Prices showed a drop of 9s 1d per cwt, partly owing to a rather large percentage of lower grades due to the adverse season. The new clearings on Gala Ella, a division of Mahaberiattenne, were reported as satisfactory. There were now 127 acres of young cacao on that division which should eventually prove a valuable addition to the estate.

GOOD RETURNS FROM RUBBER INTERESTS.

Rubber showed a considerable improvement, their exportable allowance amounting to 229,403 lbs, as compared with 178,207 lb in the previous season. The price realised was 2s 6d net, an increase of 1s 2½d over last year. Their Ceylon interests as a whole showed a working profit on the year of £116,783.

Mauritius had again proved a disappointment, and, although very considerable economies had been effected, the low price of sugar had prevented any profit from being earned. The expenditure in Mauritius was £162,295, as compared with £193,320 in the previous year, and the amount of sugar produced was 14,777 tons, against 13,537 tons in 1924-25. During the year under review they had entered into an agreement with the shareholders of the Kandahena Company (a Ceylon property) to purchase all the shares of that undertaking. They were well acquainted with its working and its prospects. In Mauritius they had purchased part of the Richie Bois estate, the other portion having been bought by a local company. The property was situated on their Britannia boundary, and by that purchase they expected to secure 20,000 tons of cane for the Britannia factory, which should be of assistance in further reducing costs.

CURRENT YEAR'S PROSPECTS.

In regard to the prospects for the current year, with the addition of the tea from Kandahena they expected a crop of 4,000,000 lb. The market for Ceylon tea was to-day lower than a year ago, which he thought was entirely the result of the coal strike, and with a return to normal times one would expect to see an improvement in prices, as the statistical position was quite sound. The estimated rubber crop was 330,000 lb, as compared with 224,421 lb last season. They had sold 120,960 lb for the nine months ending December 31st at an average price of 2s per lb. Their standard production was 411,330 lb, and at present they were on 100 per cent. basis, but, of course, they could not say if that would be continued throughout the year. In regard to sugar, the prospects showed a slight improvement, in that prices were fractionally better than the average obtained for the last season's crop, and costs showed a further reduction. Crop would commence next month, and the indications pointed to a total of rather over 16,000 tons sugar.

The report and accounts were adopted.

THE P. AND O. BANKING CORPORATION, LIMITED.

CHANGED INDIAN MONETARY CONDITIONS.

VISCOUNT INCHCAPE ON ECONOMIC AND FINANCIAL CONDITIONS.

The sixth ordinary general meeting of shareholders of the P. and O. Banking Corporation, Limited, was held, on the 9th instant, at 122 Leadenhall street, London, the Right Hon. the Viscount Inchcape, G.C.S.I., G.C.M.G., K.C.I.E. (the chairman), presiding.

The Secretary (Mr Charles Selbie) having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen, with your permission we will take the report and accounts as read, as usual.

I think you will agree with me that the results for the year, considering the difficult times we have gone through, are not unsatisfactory. There have been some changes in our figures since last year, which I will explain.

The decline of over a million in our current deposit and other accounts largely arises from a change in monetary conditions in India, and is accounted for almost wholly by the contraction in the fixed time deposits which we have been in the habit of taking at our Indian branches.

We have been expecting a fall in rates which banks and others would be willing to allow for six and twelve months' deposits—for these rates are to some extent determined by the rates at which the Government of India can borrow, and the greatly improved financial position of India has enabled them to consolidate and convert a large portion of their short-term debt contracted during and after the war at 5 per cent. and 6 per cent., free of tax, into the long-term issues on the basis of between 4½ per cent. and 4¾ per cent., less tax.

INDIAN IMPORTS AND EXPORTS.

The reduction in our holding of bills arises from a diminution in the export trade of India during the year under review. In spite of a good monsoon last season, and, although the balance of trade is still very largely in favour of India, there has been a considerable contraction, both in the imports and exports of that country. Shipments of grain, tea, wool and oil-seeds materially declined, and the increase in the value of the exports of jute and jute manufactures has not been sufficient to offset the decrease in other directions. The import trade shows an even greater contraction, and a very large proportion of the decrease, I am sorry to say, occurs in the exports from this country to India. On the other hand, we have seen a welcome increase in the trade with the Straits Settlements, where the active demand for rubber and tin has spelt a period of prosperity, and I am glad to say that we have had our share of the increased trade of Singapore.

HONGKONG AND CHINA.

In Hongkong and China the position continues to be very obscure, but, despite the political and other influences impeding the restoration of normal conditions in that part of the world, there are signs that traders are endeavouring—and with success—to adjust themselves to the new conditions of both distribution and marketing which are being imposed upon the unfortunate traders of China by the unsettled state of affairs.

In our cash and money at call and short notice we have a satisfactory reserve of over 24 per cent. against our liabilities on current and deposit accounts; our investments show an increase, due in some part to a larger holding of Indian Government securities, which have greatly advanced in value by reason of the improvement in the Government's financial position.

This, indeed, has been one of the most satisfactory features of the year's history, so far as Indian conditions are concerned, and that Government is now in a position to enter upon the task of once more placing the rupee on a firm and stable basis. This question has been under investigation by a Royal Commission, who have, I understand, submitted their report within the last few hours, and though unable to speak with certainty, I confidently anticipate that the result of their deliberations will be to stabilise the rupee at rs 6d, which was the rate recommended by that extremely able Finance Minister of the Government of India, Sir David Barbour, as far back as 1892, when the closing of the mints to the free coinage of silver was under consideration.

BANK'S PROSPECTS.

As to the prospects of the bank, I am glad to be able to say that the work which has been done during the last five years has resulted in our having established good and valuable connections, not only in London but all over the East. When trade recovers—as it will undoubtedly do—we shall find ourselves equipped to take a share in the activity which will ensue.

We owe a great deal to the loyal and energetic devotion of our

staff at home and in the East, who have spared no pains to set up a sound basis for the future expansion of our business, and in our colleague and general manager, Mr Gubbay, who goes off tomorrow on a well-deserved holiday, we have a tower of strength.

The first five years of our existence coincided with a time of world-wide fluctuations in prices and in exchanges, but gradually, one after another, the elements of instability are beginning to pass away, and I look forward to the time when the fruits of prudence and careful husbanding of our resources will yield us the advantage which we have a right to expect from the policy we are adopting. I feel sure the board will have your support in their determination to build up our reserves year by year.

As I came into the room one of the shareholders—a very influential and very large shareholder—told me he had come to propose a counter resolution. He said he wanted a larger dividend; but, after talking to him for a little time, I found he was only joking, and that he quite realised that we were proceeding on the right course.

Of our affiliated bank, the Allahabad Bank, I am glad to say that it continues to make quiet and steady progress.

Since its affiliation to us it has increased its reserves from 4½ lakhs to 44½ lakhs, against a paid-up capital of 35½ lakhs.

The management and staff of that bank deserve our approbation for the care and prudence they have exercised in the conduct of its business.

The working of the Allahabad Bank during the year which has just ended has enabled it to pay its usual dividend of 12 per cent., with a bonus of 6 per cent., less tax, and to increase its carried forward from Rs.2,75,000 to Rs.3,47,000. So far, during the current year it has done well—better than last year.

Three months of the current year have gone by with satisfactory results, and, if we can only get settled conditions of labour, without being too optimistic, we may look forward with confidence to the future.

EFFECT OF COAL STRIKE.

The unfortunate coal strike has cost the country many millions. All classes, including the miners, are suffering from it, and the revenue will have to be made good by one means or another—very probably by increased taxation. The Government, with admirable patience, has exhausted every means to secure a fair settlement for both sides, but the obstinacy of the miners' leaders has barred the way. They don't seem to realise that they can't get out of a pint pot more than a pint, and they have shown an absolute disregard of economics. I am hopeful that the alteration in the law—which was made last night—which will permit a miner, if he so desires, to work eight hours a day instead of seven, may bring about a resumption of coal-raising in this country. No man could have striven harder than the Prime Minister has done to bring about peace in the coal industry.

CONDITIONS IN FRANCE.

In April last I sent a letter to the *Times* from Paris, which they were good enough to print, on the financial situation in France. I had the audacity to suggest that unless our friends took the bull by the horns and taxed themselves sufficiently to balance their budgets, which they have not done for many years, and made arrangements to discharge their debts to America and Great Britain, financial chaos would overtake them, and that this was the last thing we wanted to see happen to our great and friendly neighbour. Unfortunately, things in France since then have gone from bad to worse. When I wrote in April last the pound sterling could only buy 140f. To-day it can buy no less than 186f or 187f. From a purely selfish point of view we don't want to see the value of the franc slipping further away relatively to the pound or the dollar, and I hope our friends across the Channel may be able to stabilise their currency before it is too late. It would be a lamentable disaster if what occurred in Germany were to occur in France. So far as this country is concerned, although it has cost us dear, we must congratulate ourselves on having balanced our budgets, avoided inflation, got back to the gold standard, and stood up to the debt we incurred in America.

I now beg to move: "That the directors' report and statement of accounts for the twelve months ending March 31, 1926, be and the same are hereby adopted."

Before asking one of my colleagues to second that resolution, if there are any questions which members of the corporation wish

to put to me, I shall be glad to answer them to the best of my ability.

Mr Alastair Cameron (deputy-chairman) seconded the motion.

SHAREHOLDER'S CONGRATULATIONS.

Sir Alfred Lewis said he had no questions to ask, but he would like to congratulate the chairman and his colleagues, as well as the management, on the excellent statement which had been submitted to the meeting. It was a very remarkable thing that, during such trying and adverse times as they had been passing through, the directors had been able to present a statement showing, practically, that the profits had been maintained, notwithstanding that during the last three years the bank's resources had contracted. He had no hesitation in saying that those results reflected the magnificent management which the bank enjoyed, and he was confident that it must have a fine career in front of it directly the trade of the East and the conditions of world economics had improved. In offering his congratulations on the excellent report he wished the bank every prosperity in the years to come.

The motion was carried unanimously, and a dividend of 5 per cent., less income-tax at 3s 1.72d, was declared.

The retiring directors (the Right Hon. the Earl of Selborne, K.G., G.C.M.G., Mr F. A. Johnston, and Mr. W. M. S. Gubbay, C.S.I., C.I.E.) were re-elected, and Messrs Peat, Marwick, Mitchell, and Co. were reappointed auditors.

On the motion of Mr Langham Reed, seconded by Mr Pitt, a cordial vote of thanks was passed to the chairman and directors, as well as to the staff in London and in the East.

The proceedings then terminated.

AUSTRALIAN ESTATES AND MORTGAGE COMPANY, LIMITED.

EFFECTS OF THE DROUGHT—THE WOOL POSITION.

The annual ordinary general meeting of the Australian Estates and Mortgage Co., Limited, was held, on the 14th instant, at the Cannon street Hotel, London, Mr Andrew Williamson (the chairman) presiding.

The Chairman, in the course of his speech, said:—In view of the distribution last year of a dividend of 6 per cent. and a bonus of 4 per cent., or a total of 10 per cent., it must have been a disappointment to our shareholders that for the present year we only recommend the usual dividend of 6 per cent., without any bonus. I must, however, remind you that the previous year was one of exceptional—indeed, quite abnormal—prosperity for the whole pastoral industry owing to the high prices then ruling for wool, which reached the maximum towards the close of that year (1924), when we were fortunate in participating to a large extent in the benefit of these highest rates. The general position of the pastoral industry has been very different in 1925, and the year embraced in the present accounts has suffered from a severe fall in prices, which over our whole clip was equivalent to a reduction of over 8½ per lb. The adverse effects of the slump in values were to some extent modified by the substantial increase in our wool clip. This fall in values not only greatly reduced the revenue from our wool, but also resulted in lower prices per head from the live stock sold, and, of course, affected the profits of the agency business at all our branches. The profits from our sugar interests were also less. Moreover, we received no distribution from Bawra, whereas we got over £40,000 in 1924. Our expenditure on improvements has also this year been exceptionally heavy. This year's earnings, however, were sufficient (after transferring £25,000 to general reserve and £5,000 to pension fund reserve) to provide a bonus of 2 per cent. in addition to the 6 per cent. dividend, and this distribution of 8 per cent. in all your directors would have recommended but for the drought which has prevailed for many months on most of our properties in Queensland.

The season in that State in 1925 was such as to leave our properties in a very dry condition at the end of the year, although had the usual summer rains fallen this would have been remedied almost immediately. Unfortunately, instead, since the end of the year, there has been a serious drought of gradually increasing intensity. On the stations affected the lambing is practically a failure, and mortality in aged sheep, weaners, and lambs has been heavy.

The gross profit for the year, including revenue from properties, interest on mortgages, and investments, commission, and other profits was £356,085, or a decrease from the high figure of the previous year of £104,071.

REVIEW OF 1925.

I will now endeavour to present a brief review of the operations of the company during the year embraced in the accounts. The main factors affecting our annual earnings are, of course, seasons and prices. While during the year the seasons were far from ideal, they were yet upon the whole such as to admit of

good returns from our pastoral estates. The seasons were most satisfactory in Central, Southern, and Western New South Wales, and our properties in those areas did remarkably well. In the north of New South Wales and over the border into Southern Queensland dry conditions prevailing early in the year developed into drought, and the position there was not relieved until just on the close of the year, when good rains fell. Further north alterations of extreme heat and heavy rains succeeded each other, the former having to a great extent a neutralising influence on the latter, and the pasture although plentiful was dry. With, however, only two or three exceptions conditions on our various properties during 1925 were not such as to cause anxiety, and we were able to mark a very fair percentage of lambs and to conclude the year without any undue mortality in our stock as a whole. Our wool clip was again satisfactory in quantity, but it was not quite equal to that of the previous year in quality. Our clip amounted in the grease to 21,764 bales, against 15,866 in the previous year arising from our getting the full benefit of our recently acquired additional properties. The gross proceeds, however, amounted to over £44,000 less, and our station expenditure was heavier owing to the working of our new stations, the greater number of sheep shorn, and a large clip.

To sum up what I have said regarding the outlook for the current year, our stations in New South Wales are enjoying a better season than they have done for years and the prospects are excellent. Our Queensland properties, on the other hand, are in the grip of a bad drought (one of the most severe since 1902), which in any case must seriously affect this year's profits, and the measure of the damage will be the duration of the drought. Notwithstanding the contraction of the spending power of the country here caused by the disastrous suspension of the coal industry, with its paralysing effect on other industries, including wool textiles, and the unsettled state of Continental exchanges, the price of wool, especially of merino, keeps remarkable firm, with if anything an upward tendency, which augurs well for the course of the market when the industrial horizon clears.

The report and accounts were unanimously adopted.

GENERAL ELECTRIC COMPANY, LIMITED.

FURTHER PROGRESS—LARGE INCREASE IN PROFITS.

The annual general meeting of the General Electric Co., Limited, was held, on the 12th inst., at Magnet House, Kingsway, London, Mr E. G. Byng (vice-chairman) presiding in the absence, through indisposition, of the chairman, Sir Hugo Hirst, Bart.

The Chairman read the speech dictated by Sir Hugo Hirst, in the course of which he stated that the profit from trading account and income from investments was £47,000 more than in the previous year, which was satisfactory in itself, but short of what at one period during the year they were led to expect. The steady upward movement referred to at the two previous meetings as regarded the demands for the company's products continued noticeably during the first six months of the last financial year. The moment the coal cloud appeared on the horizon and other labour questions became the topics of the day progress suddenly stopped, and some of the seeds which they had sown, and from which they hoped to reap, did not mature. There had been a marked improvement in the income from investments, which item, on the advice of the auditors, had this year been included in the trading profit. The transfer to reserve of £120,000 compared with £172,000 in the previous year, but they were carrying forward £310,000 as against £214,000. As to the balance-sheet, in spite of heavy expenditure on "loose plant, tools, patterns, fixtures, installations, and patents," they had been able to keep these items down to the nominal sum of £1. Also, they had been able to do an increased business, and incur capital expenditure on buildings and machinery of over £100,000, and a similar amount on trade investments without materially affecting their liquid finances, which were close on £1,150,000. All this showed how steady, careful work had made the company one of the healthy and strong engineering concerns of the country. When the year ended there was no reason why an increased dividend should not have been declared, but, as they were watching the effect of the present industrial situation, the board considered they were not justified in adopting a higher standard.

EFFECT OF COAL STRIKE.

It was a pity that the country did not seem to get a real fighting chance. Things had been settling down, unemployment dropping from week to week, and, in the same ratio in which it dropped, the company's sales seemed to expand. With the exception of a few industries, everybody was beginning to do better, and then came this upheaval which must impoverish the country and enrich our competitors, and which, if things were not settled quickly, must throw us back again for years. Coal mines were not working, many steel works, pottery, and other industries had shut down; other works (including some of their own) had to work reduced

hours on account of the reduced power supply; raw materials for many industries were getting scarce.

In his opinion, nothing but a well-thought-out scheme which enabled the fullest application of electrical and chemical science in the furthering and treatment of coal would give a real and lasting cheapness of production, would bring peace in the industry, and enable us again successfully to compete in the export markets. When the value of a product was admittedly mainly represented by wages, it was a crime and a heresy to stick to the slogan, "Not a minute on and not a penny off." The Government in the past had done much good to trade and industry by the Trade Facilities Act, but nothing they had done in that direction could equal the benefits to the country at large when the time came that this Act might extend its benefits to the reconstruction of the coal industry. Better selling arrangements and a better spirit in the industry were wanted, but he was sure they would come automatically when the opportunity of sharing success showed itself.

ELECTRICITY BILL.

With regard to the Electricity Bill, Sir Hugo said he was a strong protagonist of it, and saw great and lasting good to the industries of this country if the Bill passed into law. He hoped nothing untoward would happen to prevent the Bill going through soon. Every day's delay did untold harm. For manufacturers it would prove of particular assistance in their struggle with countries who had a lower standard of living. If, as the Bill provided, after, say, five years the electric current was ubiquitous throughout the country, the opportunity of its use would be greatly enhanced, and if, as the Bill provided, voltages and periodicities were gradually becoming standardised, the British manufacturer would have at last a chance of proper mass production. He would not only be able then to supply apparatus wanted in the house, factory, and the farm cheaper, and thus popularise the demand, but he would also be able to produce at such prices that he could enter again more freely the markets of the world.

With regard to the company's different departments and their activities in different territories, they were very satisfactory and healthy on March 31st, the end of the financial year. Their future depended not so much on what they could do electrically as on the general welfare of the country. If the latter was assured he had no fear for the future of the company.

The report and accounts were unanimously adopted.



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C.2

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£8,734,660
Paid-up Capital	£4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of

LATIN AMERICA

as well as 7 Branches in

SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York),
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.,
PARIS.
Northern District Office: 89, Market Street, BRADFORD.
Lancashire Branch: 18, Spring Gardens, MANCHESTER.

AFRICAN AND EASTERN TRADE CORPORATION, LIMITED.

SUCCESSFUL RESULTS OF THE YEAR.

WEST AFRICAN EXPORTS.

Mr J. H. Batty, chairman of directors, presiding over the annual ordinary general meeting of the African and Eastern Trade Corporation, Limited, held in Liverpool on the 9th instant, said the whole of the ordinary shares, amounting to 4,000,000, had now been issued, and there were only 648,835 six per cent. cumulative B preference shares remaining unissued. Liabilities showed a decrease of £213,540. Reserves showed an increase of £34,927, and this year £60,000 was set aside out of profits for depreciating factories and buildings in West Africa, and also for writing down the value of various river steamers. The underwriting business had proved satisfactory during the past year.

YEAR'S PROFITS.

The profits for the year, after providing for all losses in subsidiary companies, and including dividends on investments, were £501,815 19s 11d, being an increase of £30,767 on 1924. After making provision for £60,000 to depreciation fund, £20,000 to income-tax reserve, £10,000 to superannuation fund, and writing £1,000 off office furniture, there remained to the credit of profit and loss account £589,401 7s 2d, as against £540,612 11s 5d. On the whole they had reason to congratulate themselves on the results of the past year. So far the ensuing year indicated that in spite of the grave upheaval caused by the General Strike and the prolonged coal dispute, the results for the current period should show somewhere about the same returns. Nevertheless, the directors did not feel justified, at the present juncture, in distributing a larger final dividend than 4 per cent., making 8 per cent. for the year. The dividend would be raised directly they could safely do so, and provided profits were maintained. Hitherto it had been the course for the official year to close at December 31st. Recently it had become increasingly obvious that this was a most inconvenient time, and their directors had come to the conclusion that taking stock and balancing at that period dislocated the business at a time of its highest pressure, and they had decided to adopt September 30th as the end of the official year.

WEST AFRICAN EXPORTS.

Every effort should be made in the West African colonies to produce the raw materials required by the Mother Country, and money spent in that direction should prove of much benefit to the native population. The accumulation of wealth by the natives could only come by encouraging them to grow the produce badly needed in European and American markets. Palm-oil imports into the United Kingdom for 1925 had been 83,019 tons, as against 85,017 tons in 1924, and the United States imported 61,700 tons in 1925, as against 45,450 tons in 1924, and 10,350 tons in 1921. If the demand continued it would not be long before the imports into the United States would exceed those of the U.K. The importations of palm kernels into the U.K. had dropped during 1925, while the imports into Germany were steadily increasing. The Gold Coast Colony exports continued to expand, and the quantity of cocoa exported was 213,238 tons, and he was satisfied that consumption was keeping apace with production, and the market price of Accra cocoa should remain somewhere about the present level. The Gold Coast Colony had now become the second most important exporter of manganese ore, and they might expect to see this tonnage still further increased when Takoradi harbour was available, and steamers could be discharged and loaded alongside wharves. Nigeria may be looked upon as one of the most valuable possessions of the Crown, and was certainly Britain's largest colony in West Africa, and was only at the beginning of its development. The exports had increased from £8,250,000 in 1921 to £17,000,000 in 1925. Nigeria had great potentialities.

PALM-OIL INDUSTRY IN THE EAST.

One of the directors, Mr A. A. Cowan, had returned from a visit to Sumatra and the East firmly convinced that the palm-oil industry was well established there, and they in West Africa had seriously to reckon with this new competitor, and devise some means whereby the situation could be successfully met and the interests of the natives reasonably safeguarded. The company possesses in the British Cameroons a freehold estate consisting of 6,000 acres, and the directors had under consideration developing this land for palm-tree cultivation. The company own two rubber plantations comprising about 2,700 acres, of which 2,200 acres were now producing, and they compare with the best estates in Malaya and Sumatra.

In conclusion Mr Batty moved the adoption of the reports and accounts, which was seconded by Mr Robert B. Miller, and carried unanimously.

A final dividend on the ordinary shares of 4 per cent., less tax, was declared, making, with the 4 per cent. interim already paid, a total dividend for the year of 8 per cent.

The retiring directors, Mr R. B. Miller, Lieut.-Colonel Wm. Nicholl, and Messrs Mazzini Stuart and J. Tunnicliffe, were unanimously re-elected, and the auditors (Messrs Harwood Banner and Son) were reappointed.

DISTILLERS COMPANY, LIMITED.

DESTRUCTIVE EFFECT OF THE HIGH SPIRIT DUTY.

DECREASE IN CONSUMPTION OF HOME-MADE SPIRIT.

The forty-ninth annual general meeting of the Distillers Co., Limited, was held at Edinburgh, on the 15th inst., when Mr William H. Ross (chairman of the company) presided.

The Chairman, in moving the adoption of the report and accounts, after paying a tribute to the late Lord Stevenson, said: I shall now deal with the figures in the balance-sheet before entering upon matters of more general interest. Turning first to the assets, you will have observed that land and buildings appear at £21,000 over last year, while plant and utensils show a decrease of £11,500, or a net increase on these two items of £9,500. This addition was caused through the necessity for building two large new bonded stores and other necessary extensions in the course of the past 12 months, at an approximate cost of £70,000. The difference between that sum and the increase appearing in the balance-sheet represents the depreciation which your directors have thought it advisable to provide in the case of those properties which are no longer required as working units.

Investments now appear at the rather formidable figure of over 11 million pounds, or £7,040,753 over the figure at which they stood last year. Needless to say, this increase is due to the acquisition of the Buchanan-Dewar and Walker ordinary shares, amounting to nearly 6½ million pounds, and to the other acquisitions mentioned in the report, all of which appear in our balance-sheet for the first time. I shall have something to say about this item later on. Sundry debtors and bills receivable show a reduction on last year's figures of £80,000 and £66,700 respectively, while stocks and cash are increased by £6,700 and £94,200. Loans to subsidiary companies are increased by £790,000, due to heavier stocks held by these concerns; but, on the other hand, the loans from subsidiary companies have also increased by £595,000, so that, with the exception of about £200,000 furnished by the parent company, these subsidiary companies have provided the additional working capital themselves.

THE INCREASE IN CAPITAL.

The expenses in connection with the increase of capital and acquisition of shares was reduced by £100,000 in terms of last year's report, and a further £100,000 is recommended to be written off this year, which will then leave only £100,000 to be provided in future years. Looking now for a minute at the liabilities side of the balance-sheet, the increase in the ordinary share capital has already been explained in the report. The preference share capital as well as the various debenture debts remain as before. The reserve, fire insurance, and superannuation funds have each been increased by the sums mentioned in the report. I might here mention in regard to the superannuation fund that, seeing this fund is wholly employed in the company's business, our practice is to add to the fund 5 per cent. interest on the annual balance and to debit the fund with the total pensions paid out each year. The effect of this in the past year was that the outgoings exceeded the revenue by about £124, and in view of other beneficiaries coming on to the scheme in the course of the year your directors thought it prudent to add a further £25,000 to the amount of the fund, so that it may be placed in the position of being self-supporting. The liability for carriage on spirits in bond is down by £2,225, while sundry creditors are also reduced in amount by £220,000.

It is somewhat difficult to compare the balance at profit and loss account this year with last, owing to the fact that only the final dividends from the Buchanan-Dewar-Walker Companies came to this company last year, while the present year's figures do not embrace the total revenue earned by the other businesses acquired during the year. Taking the figures as they stand, however, it would appear that, with exception of the reduction of £50,000 in the sum added to the superannuation fund, all the other appropriations, including the dividends recommended, remain the same as before, while we carry forward £5,000 more than the previous year. Of this apparent reduction in the profits of £45,000, the higher debit for income-tax is accountable for £29,000.

VALUE OF THE INVESTMENTS.

I wish now to revert to the figure in the balance-sheet classed under the term "investments," which forms such an important item in our general assets. A year ago I indicated that we were considering the possibility of presenting the accounts in the form of a consolidated balance-sheet: in other words, to split up the amount described as "investments" into its component parts. For trade reasons we have come to the conclusion that this is for the moment undesirable, but I wish to take our shareholders so far into our confidence by giving you such information as should satisfy you as to the soundness of our position. In the first place, these investments for the most part comprise shares in other distilling or cognate companies having objects similar to the parent

company. In the second place, while many of these shares have been acquired at a premium over par in companies where goodwill forms an integral part of their assets, a consolidated balance-sheet, if produced, would show that the whole of these goodwills and premiums on shares are more than set off by reserves provided on the other side, mostly by the companies themselves, but partly from investment reserves provided by the parent company, and that such a result is arrived at without encroaching on the general reserve and other funds which figure in our own balance-sheet. This means that, after writing down the properties embraced under "investments" to very safe values and keeping the stocks at their original low valuations, we have solid assets for every penny of the £11,168,000 without taking any credit for the value of the goodwills.

I think this information ought to be satisfactory to the shareholders, and make up to a large extent for the absence of a consolidated balance-sheet.

THE DESTRUCTIVE SPIRIT DUTY.

Ladies and Gentlemen, I have finished my review of the accounts and now propose to touch upon the principal topics concerning our business. I have referred to whisky as being still our main product. How long it will remain so depends largely upon how long the Chancellor of the Exchequer means to exact the present exorbitant rate of duty, which is gradually but surely bleeding the whisky trade to death. Year by year the consumption of home-made spirits in this country is decreasing, and for the year ending March 31, 1926, we have reached a fresh low record—if we exclude the two years 1918 and 1919, when control was in operation—of 12,074,000 gallons. This compares with a relative figure of about 28,000,000 gallons in 1916. However gratifying the total party may regard these figures, they can give little satisfaction to the Chancellor of the Exchequer, to the distilling and its allied trades, or to the large mass of the public who desire to indulge in the moderate use of whisky either as a medicine or as a beverage. We have every sympathy with the Chancellor in his anxiety to hang on to an easy method of raising revenue, but he must be fair and see that each section of the population is bearing its reasonable share of the burden. Hitherto our request for a reduction in the duty has been met by refusal unless we could guarantee that there would be no loss of revenue occasioned thereby. Why should whisky be the only commodity which is required to stand this test? When a reduction in the duties on tea, sugar, or any other commodity has taken place, has the same condition ever been made? Is the position not simply this, that during and immediately after the war all taxation, both direct and indirect, had to be increased without mature consideration and by the easiest methods possible, but on the understanding that those sections of the public upon whom these special burdens fell would receive relief as and when the finances of the country would permit or so soon as the burden could be distributed more evenly over the whole population? Surely the time for a more equal distribution has now arrived by broadening the basis upon which the country's revenue is collected.

CURTAILING THE PRODUCTION.

Meantime it is necessary for the trade to adjust itself to the existing circumstances. A year ago I uttered a word of warning that to meet the diminished consumption too much whisky was being produced. Fortunately the distillery generally appreciated the position, so that the malt distillers from the beginning of last distilling season, and the grain distillers from January 1st of this year have made substantial reductions in the total production. This will not be fully reflected in the figures until we get the official return for the year to March 31, 1927. In the opinion of those most competent to judge, however, this reduction has not gone far enough, and a further cut will be necessary during the coming season. This necessity might, of course, not arise if a reduction in duty could be brought about, thus allowing of a moderate increase in the consumption.

Apart from the distilling end of the business your directors are well pleased with the share of the whisky trade which is coming their way through their various distributing companies, and it confirms them in the wisdom of having brought these two branches of the business into association with each other.

The prospects for the trade in industrial spirits are also distinctly brighter since the acquisition of a substantial interest in the business of Herbert Green and Co., Limited, of Hull, as although that business in itself could not permanently have competed successfully with this company, it had elements for working mischief both to itself and to others which have now been removed. In other directions we are exploring new fields for the development of trade in industrial alcohol, and derivatives thereof, both at home and in the Colonies, so that our interests may be even more widely spread than they are at present.

THE FUTURE OUTLOOK.

Apart from those circumstances to which I have already alluded.

the only dark spot in the industrial horizon is the unfortunate deadlock in the coal industry. If this dispute could be satisfactorily settled, which it can only be by a reasonable compromise, then I predict a quick recovery in British trade generally, in which our company must participate. Meanwhile we have the consolation that we are in a very strong position to withstand the strain which we, in common with all industrial companies, are called upon to bear while this internecine struggle continues, and while I have endeavoured to put before you the unfavourable as well as the favourable features of our business, I believe if this cloud were definitely removed and we were given fair and reasonable treatment at the hands of the Government, there is nothing to prevent a continuance of that success which has consistently followed our efforts for close upon half a century.

I have now pleasure in moving the adoption of the report.

Mr George Readman seconded, and the report and accounts were unanimously adopted.

APOLLINARIS AND JOHANNIS, LIMITED.

FURTHER PROGRESS—PROGRESS OF "PRESTA" ENTERPRISE.

The twenty-ninth ordinary general meeting was held, on the 13th inst., at the Holborn Restaurant, London, Mr Alfred R. Holland (chairman of the company) presiding.

In moving the adoption of the report and accounts, the Chairman said that the past year had been marked by further progress, the profits having risen from £60,350 to £68,280. A sum totalling £26,095 had also been set aside since the reconstruction of 1923 for redemption of debentures and debenture interest certificates. The company's position since it resumed operations after the war had continuously improved, and there were many favourable factors to record. Liquid reserves at the bank had increased by £11,000 and stood at over £36,000, and the carry forward amounted to some £60,000.

As the reserve fund of £210,000, employed in the business, had not been interfered with during the reconstruction, it would probably not be necessary to make further allocation to it for some time to come, consequently if later profits showed further expansion there was no reason why then there should not be a small dividend, as the carry forward was already sufficient for the prior charges of one complete year.

The cool weather, however, of this present spring and summer, as well as the circumstances of the General and Coal Strikes, were, unfortunately, deterrent factors, as much entertaining had been cancelled, with consequent loss of trade to the company. Had it not been for these adverse circumstances which had occurred during the first quarter of this current year, he would have felt even more optimistic in forecasting the payment of a small dividend for the year to come.

The Managing Director (Mr Francis J. Schilling), in seconding the adoption of the report and accounts, specially referred to the new enterprise which the company had undertaken in connection with the manufacture and sale of sweetened beverages which were being placed on the market under the trade name of "Presta." A small freehold factory had been erected and fitted at Colindale, near Hendon. An artesian well had been sunk some 300 feet deep, and "Presta" Aerated Waters had already been introduced and placed on the market. The sale was only commenced some three months ago, but already about 1,000 new accounts had been opened. Though too much should not be expected in the way of profits in the initial stage of any new business, yet it was felt and believed that this new "Presta" enterprise would in time materially improve the position of the company.

The report and accounts were unanimously adopted.

BERTAM CONSOLIDATED RUBBER COMPANY, LIMITED.

GOOD RESULTS AND PROSPECT.

The ordinary general meeting of the Bertam Consolidated Rubber Co., Limited, was held, on the 13th instant, at River Plate House, Finsbury circus, London, Sir West Ridgeway (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The outstanding feature in our report and accounts is the profit for the year of over £181,000, compared with about £55,000 for the previous year.

The result has been brought about by a substantially larger crop and an improvement of rather over 1s per lb in the price realised for our rubber. Against this there is an increase of about 1d in the f.o.b. cost. The actual estate cost was practically the same, but the additional items are rather larger, due firstly to the increase in the export duty, but more particularly to the amount we have set aside for estate staff bonuses in respect of the year. These bonuses are based, as before, upon the dividends paid, and I believe it is the wish of you all that our estate staff should share in the prosperity of the company.

About 42 per cent. of our production was sold under contracts for delivery in the East and in America, and the balance was shipped to London and realised there. Our experience, on the whole, has been that sales of a moderate proportion of the crop under contracts for future deliveries have been advantageous. The average price realised for our crop was rather over 2s 5½d per lb.

The main expenditure on capital account was our purchase of the Taisho estates in July last. The Balamah estate, which has been purchased, is a property almost adjoining one of the divisions of Taisho. The purchase of the Taisho estates having been effected by the issue of our unissued shares, it was decided to replace the unissued shares and to increase the authorised capital to £400,000 by the creation of a further million shares of 2s each, and this was done in January last. There is no proposal to issue the additional shares at present, but we felt that a reserve of unissued shares should be available in the event of its being found possible to acquire additional approved properties. We have no intention of purchasing additional properties simply for the purpose of adding to our acreage, and if we do decide to take over any other plantations it will only be after we have satisfied ourselves that the earning power of any such property would be more than sufficient to justify a further increase in our issued capital.

Our present area of rubber plantations, including the new estates, is 8,475 acres, practically all mature, and our issued capital is £300,000. The capitalisation per acre is therefore about £35 per acre without allowing for our reserve land or our interest of more than one-seventh of the Bertam Extended Estate.

We hold 100,000 shares in Bertam Extended Company, representing the interest in that company's estate to which I have just alluded. That company has now arrived at the stage of paying a dividend, and the market value of the shares is about 3s 9d, although they are retained at the value of 2s. in our balance-sheet.

You will see we have written off the expenses of the new issue of shares and the stamp duty on increase of capital against the premium on the issue of new shares, and we propose to add the balance of share premium account to the general reserve, bringing the amount on that account up to approximately £165,000, the larger part of which is, as you will understand, included in the cost of our estates.

The only other item on the balance-sheet to which I will allude is the liquid assets. These at the date of the accounts amount to close on £200,000, inclusive of the rubber in transit and Bertam Extended shares at present market value.

As to the prospects for the current year, we estimate a production of about 2,500,000 lb. This estimate is on the basis of our being permitted to export rubber at the full rate of the standard allowance, and if it is necessary to reduce the amount allowed to be exported it may be necessary to modify this estimate.

I venture to think you will consider the company's record for the past year as eminently satisfactory, and, so far as I am able to judge, there is every reason to hope for at least as satisfactory results for the current financial year.

Mr A. P. Hadow seconded the resolution, which was carried unanimously.

PHENIX OIL AND TRANSPORT COMPANY, LIMITED.

SATISFACTORY AND PROFITABLE EXPANSION.

The sixth annual ordinary general meeting of the Phoenix Oil and Transport Company, Limited, was held, on the 15th instant, at River Plate House, London, Sir Edward Manville (the chairman) presiding.

The secretary (Mr Arthur J. Pegg) having read the notice convening the meeting and the auditors' report,

In moving the adoption of the report and accounts, the Chairman stated that the past year had been marked by steady and consistent progress in all the affairs of the company, and that progress was to some extent indicated in the balance-sheet. The net profit in 1925 was £284,230 after making due allowance for depreciation, or a sum of £58,620 more than for the immediately preceding twelve months. That the directors considered to be satisfactory progress.

CRUDE OIL PRODUCTION.

The basis of the prosperity of the company had necessarily to depend primarily upon the production of crude oil, and that had shown steady expansion year by year, having increased from 42,000 tons in 1922 to 267,000 tons in 1925, while the output for the first six months of the present year was at the rate of over 320,000 tons per annum. Last year saw a very appreciable extension of the company's area of proven oil lands, and in that connection he was pleased to record the fact that the departments of the Rumanian Government concerned had redeemed their promises in the fullest possible measure.

The extent to which the general drilling programme had been carried on was an indication of the efforts which they were making with a view to increasing production, and while 62,900 feet were

drilled in 1924 78,700 feet were drilled in 1925, which was a very satisfactory increase. The enlarged programme which it was the policy of the board to adopt meant an increase of 50 per cent. in drilling activity, and drilling on that increased scale was actually in hand, the results of which should begin to become apparent in the near future.

Last year he told the shareholders that a very interesting and important discovery had been made of a third oil horizon on their Moreni properties; since that time they had drilled a considerable number of wells into that sand with uniformly satisfactory results. Tests were now being made to ascertain whether that new horizon extended to their neighbouring fields of Bana and Gura Ocniței. The favourable opinions they had previously formed of the Government lease and the new perimeter at Gura Ocniței had been justified, and they were looking forward to a large increase in the already satisfactory yield of oil, where, owing to the area in their occupation being in one large block, they were able to carry on systematic and economical development under ideal conditions.

REFINING AND MARKETING.

As to the company's refining activities last year, he was able to state that at their three refineries they were dealing with sufficient oil to enable them to be efficiently worked, and then he expressed the hope that complete capacity would soon be reached. Now not only was that the case, but they had almost completed the enlargement of the capacity of the refineries in order to cope with the increasing production. Arrangements for the distribution of their products in Central Europe have progressed during the year, and they had now retail distribution establishments in Austria, Southern Germany, and Jugoslavia, while they had also a business established in Hungary. Bulk shipments of products were being made to England and other countries in Europe, and there had been no difficulty in disposing of all the oil they produced. The material increase in the drilling programme and improvements at the refineries, &c., had called for large expenditure, but it was satisfactory to learn that the funds absorbed had been largely met out of revenue.

The Chairman concluded by referring to the dividend for the year (7½ per cent.), and said there was every reason to believe this year's distribution would be on a larger scale.

MANAGING DIRECTOR'S REMARKS.

Capt. T. S. Masterson, D.S.O., M.Inst. P.T., responding to a request that he should address the meeting, said they had not been very fast in getting to the position at which they had arrived, but he and those associated with him believed that steady progress was better than a flash in the pan. It was with a programme which envisaged steady progress that they had rested content, and he was glad to say that that programme had given results better than he and his colleagues out there had expected. The equipment of the property had been maintained; the fields of the various companies amalgamated had been consolidated, so that they had become one entity for the purposes of working; the refineries were also being perfected by the installation of modern plant, and the funds for the purpose had been largely supplied out of revenue.

The resolution was carried unanimously.

WM. CORY AND SON, LIMITED.

SATISFACTORY RESULTS OF A DIFFICULT YEAR.

The thirtieth annual ordinary general meeting of Wm. Cory and Son, Limited, was held, on the 13th inst., at the Cannon street Hotel, London.

Sir A. C. Cory-Wright, Bart. (the chairman), in moving the adoption of the report and accounts, said that the directors were again in the fortunate position of being able to place before the shareholders results which, in view of the fact that trading conditions during the 12 months under review had been seriously hampered by the acute depression of the coal industry and the overhanging cloud of a disastrous labour upheaval at the collieries, they would, he thought, meet with the approval of the shareholders.

The profit for the year, after charging all expenses, &c., amounted to £533,931, and the directors recommended a final dividend of 10 per cent. on the ordinary and employees' shares, making 15 per cent. for the year, and that £506,234 be carried forward.

Their home trade had fully maintained the previous year's tonnage, and, notwithstanding extremely keen competition, that branch of their business showed an increase in volume, although the margin of profit was less. Owing to the increasing use of oil fuel for bunkers, their coal supplies for that purpose showed a falling off; it was, however, in the circumstances, not a very serious reduction, and was more than compensated for by the increase in oil fuel which they had supplied both in the United Kingdom and abroad. Their export trade had to some extent suffered for reasons that had been prominently brought before the public, and which were fully set forth in the report of the Coal Commission.

It was satisfactory to record a large increase in the supplies of oil fuel which the company had made during the past 12 months. Undoubtedly both fuel and Diesel oil for ships, especially passenger liners, was displacing coal at an increasing rate. Since the close of the financial year the fear that the removal of the Government subsidy might result in a complete cessation of work at the collieries had unfortunately proved only too well-founded. Coming at a time when the industry of the country was beginning to show evidence of revival after a long period of depression, a stoppage of one of the most important industries of the country was nothing short of a calamity. This company had endeavoured to meet the requirements of customers by the importation of foreign coal, and its ships and plant were fully employed.

The report and accounts were unanimously adopted.

LIPTON, LIMITED.

CHAIRMAN OPTIMISTIC OF THE FUTURE.

The annual general meeting of Lipton, Limited, was held, on the 12th instant, at Winchester House, Old Broad street, London, Sir Thomas J. Lipton, Bt., K.C.V.O. (the chairman), presiding.

The Chairman first referred with regret to the resignation of Mr J. F. Gregory, and, proceeding, said that the directors were pleased to have Sir John Ferguson as a colleague in the capacity of deputy-chairman and finance director. He was sure that Sir John, with his all-round experience, especially in the region of finance, would prove a most valuable addition to the board.

Sir John Ferguson, K.B.E., said it was a matter of the greatest regret to the board to have to report a decrease in net profit. The ramifications of the company were so widely spread and of such a huge and inter-dependent character that it would take much longer time than he had yet had at his disposal to submit well-considered proposals to his colleagues. He then analysed the salient items in the accounts.

ADVERSE FACTORS.

The Chairman said that nobody could feel more keenly than he himself that the results had fallen so much below the board's expectations. The reasons for the unfortunate state of matters were various, and he would mention one or two. The prolonged depression of trade and the consequent unemployment had contributed mainly to the decrease in profits, much of their business being carried on in districts which had suffered most from the adverse conditions which had existed for so long. Also, the reduction in the prices of several of the commodities in which the company dealt largely had had a very serious effect on profits. Competition was never so keen in the commodities which the company manufactured, or in which they dealt, as it was to-day. Every possible care and attention was being given to the question of economies, and no effort had been spared in any direction with the object of reducing expenditure and increasing profits—of course, keeping in mind the proper and efficient working of the business. He frankly admitted that the results for the past year or two had been most disappointing, but he would ask shareholders to bear in mind that in many important directions the company's operations had been satisfactory. He knew that the business was sound at the core, and that efficient, energetic, and capable handling would bring it back to its former state of prosperity. He had founded the business, starting in a single shop in his native city of Glasgow, and he understood the business as well as any man could. It represented his life's work, and it was his intention to see it restored to its former position before long. He was prepared to sacrifice all ideas of rest and recreation in order that the business should regain its wonted position. The board knew the possibilities of the business. They knew their public, and they were satisfied that, given a more normal condition of affairs in the country at large, they could once again show the shareholders substantial and satisfactory results. The chairman concluded by moving the adoption of the report and accounts.

Sir John Ferguson seconded the resolution.

SHAREHOLDERS' REMARKS.

A shareholder said he feared Sir John Ferguson would not be able to accomplish much unless he had a perfectly free hand.

Mr Howard said the report was the worst in the 28 years of the company's existence.

Mr Johnstone said Sir Thomas had done his best, but it seemed that he had absolutely failed. They should call upon him to resign his control of the company and let Sir John Ferguson have an absolutely free hand.

A lady said that as a practical woman she could not see how a banker could manage a grocery business alone. Sir Thomas Lipton was perfectly capable, and with the co-operation of the new financial director he would pull the business together.

Sir Charles Russell gave a legal ruling at this stage that the amendment proposing the resignation of the chairman was out of order, explaining that notice was required of a special meeting for such a purpose.

Replying to the discussion, Sir John Ferguson said the over-draft of a company was no indication of its financial position. Their indebtedness to their banks in London, he emphasised, was now less than it was three months ago. The board would make a strong point of ensuring that the management of the branches should be second to none in the future. Much work would have to be done and great reorganisation undertaken before prosperity could be regained, but that would be done if at all possible. If he found that he could not succeed he would tell them immediately. A great deal of work would require to be done, and many changes made in the organisation before the company was able to regain its former level of prosperity. That result could, he firmly believed, be attained by giving excellent value and the very best quality at the right price, with the most efficient and courteous service possible to the public, together with a close and sympathetic contact between headquarters and the branches. That was what he would consistently advise and continually strive for.

The resolution was carried.

SPIERS AND POND, LIMITED. ACQUISITION OF NEW BUSINESS.

The forty-second annual general meeting of the shareholders of Spiers and Pond, Limited, was held, on the 9th inst., at the Hotel Cecil, London, Mr J. Douglas Broad presiding.

The Chairman, in moving the adoption of the report and accounts, said: The trading profit shows a decrease of £16,858, and there is a small increase on interest and transfer fees of £346, leaving a net profit of £92,224, which, with the balance brought in, gives £106,140 to be dealt with. We recommend a final dividend of 7½ per cent. on the ordinary shares, making 12½ per cent. for the year; a transfer of £5,000 to reserve, bringing that up to £155,000, and a further grant of £2,000 to the sickness and benevolent fund, leaving to be carried forward £7,976.

The reserves available for any further depreciation of assets taken over and general purposes now stand at £297,187, of which £210,346 has been provided since the reorganisation of the company eight years ago. This is a pretty good record, seeing that with the present year's dividend of 12½ per cent. we have returned during the period 97½ per cent. of the company's capital in dividends, exclusive of the share bonus distribution of 20 per cent.

During the year opportunity has offered to acquire a business on favourable terms, which promises more profitable employment of our money, and whilst we have not yet had a full year's trading, results to date are quite satisfactory.

Our turnover has been fully maintained, and the decreased trading profit is entirely due to increased cost. We have been faced with very considerable increases in certain departments of our business in wages, without being in any way able to recoup ourselves. I referred, when dealing with the accounts, to the acquisition of another business. During the year we have examined many proposals, and the concern we decided to purchase was that of the old-established multiple-shop tobacco business of A. H. Cornish and Company, and we anticipated this will turn out to be a profitable investment.

All your properties have been fully maintained out of revenue. Improvements have been carried out at Blackpool, where the lounge has been modernised. We have also recently completed an extensive alteration at your Bushey Hotel, which has now an imposing lounge and first-class garage accommodation. During the current year we contemplate considerable improvements to our Empire Hotel at Bath, our Valley of Rocks Hotel, Lynton, and at Bailey's Hotel, South Kensington.

The report and accounts were unanimously adopted.

BISICHI TIN COMPANY (NIGERIA), LIMITED. RESULTS OF A DIFFICULT YEAR.

The annual meeting of this company was held, on the 13th instant, at the Cannon street Hotel, London, Mr James Gardiner presiding.

The Chairman, in moving the adoption of the report and accounts, said that the working profit was £31,359 and the net profit £18,805, the latter after providing for depreciation (£4,912) and taxes (£4,136). The final £3,424 of amalgamation expenses was being written off. They had again had a season adversely affected by the climate. The dry season work, through rain, ended much sooner than usual, but without benefit to the wet season operations. Not only was the rainfall 30 per cent. less than the average, but a large proportion came in heavy storms, causing loss of time through flooding the workings. Through the seasonal conditions the yardage treated decreased by 146,030 cubic yards, being 472,478 cubic yards, and the falling off in output of 183 tons was thus largely due to a factor beyond human control. Working costs suffered correspondingly, amounting to £77 3s 9d against £58 13s. With ground of a value of only 1.37 lbs per cubic yard the figure, however, was not unduly high. The output realised a

gross price of £188 17s 6d, compared with £180 5s 1d—a very satisfactory figure. The price of the metal continued good, being now £277 per ton.

As to the future he was still an optimist, the statistical situation indicating a high price for some time to come.

At the last meeting he dealt with the early completion of the dredge. More difficulties and delays had been experienced than were anticipated, however. Adjustments of greater or less importance were usual in a new plant, but they had proved to be more extensive than was expected, involving obtaining new parts from England. The strike here had delayed shipment, and they were expected to leave by the next boat sailing from Liverpool. He was content to await the results of running the machine when the new parts were in place, and, while holding an open mind, he believed the engineers' advice to adopt this plant would ultimately be justified. The company had proved reserves of 8,665 tons, apart from large sections of unproved ground.

The report and accounts were unanimously adopted.

DALKEITH (CEYLON) RUBBER ESTATES, LIMITED. GOOD YEAR—STRONG FINANCIAL POSITION.

The sixteenth ordinary general meeting of the shareholders of the Dalkeith (Ceylon) Rubber Estates, Limited, was held, on the 12th instant, Mr C. M. Buckworth (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: We are fortunate in having at this meeting both the visiting agent and the estate manager, who will, I know, be pleased to answer any questions concerning the working of the estate.

The Chairman having expressed regret at the deaths of Mr A. J. Gordon Field and Commander A. J. Farquharson, R.N., continued:—The 1925 accounts are so fully detailed in the prints circulated to you that there is little left for me to say in regard to them. A net profit of £47,190 was earned, as compared with £8,130 in the year 1924, and we propose a final dividend of 12½ per cent., less tax, making 25 per cent. for the year, as against 10 per cent. last year. The book value of the estates has been written down to £55 per acre, and as the whole of the acreage is planted and in bearing, the real value of the property is considerably in excess of the figure shown in the balance-sheet. The financial position is exceptionally strong, as, after paying all our expenses for seven months of the current year and also the payment of the final dividend, we shall have £30,000 cash at bank, plus the proceeds of one month's rubber still to come in.

Now, as regards the future, our standard production is 814,400 lbs, and the estate expects to harvest that weight at the same f.o.b. cost as last year—7½d per pound. This figure could have been reduced but the board has sanctioned additional expenditure on artificial manure, new machinery, more coolie lines and general cultivation so as to bring up the estate to a high standard of efficiency.

I may state that no manure had been put out for the last seven years, but a quarter of our acreage has had a full application this year. During the last twelve months 300 additional coolies have been recruited, and the labour force is reported as contented. The various new Government regulations we are continually faced with are difficult to keep up to, but everything is being done to make the Tamil coolie contented and comfortable, for without labour a full crop cannot be secured.

About 57 per cent. of the 1926 crop has been sold forward at 2s per pound, which assures a good profit. For the balance we hope to secure a price of 1s 9d per pound, as we will get a good premium on our crepe soling.

Mr Ronald J. Farquharson seconded the resolution, and it was carried unanimously.

JAVA PARA RUBBER ESTATES, LIMITED. RECORD RESULTS FOR THE YEAR.

The fifteenth annual general meeting of Java Para Rubber Estates, Limited, was held, on the 12th instant, at 2-4 Idol lane, London.

Mr Noël Bingley presided, in the absence of Mr R. J. Arnold (chairman of the company) through illness.

The Chairman, in moving the adoption of the report and accounts, said that the results shown were the best in the company's history. The sales of produce, including the value of stock on hand and in transit, amounted to £153,186, being £58,000 more than in the previous accounts. The coffee crop, which was slightly less than the previous year, realised roughly 15s per picul less, but the reduced profits from coffee were more than offset by the higher prices obtained for the rubber. In spite of having a forward contract for five tons per month during 1925 at 1s 5½d per lb, which was made as long ago as November, 1924, and also of the fact that there was a considerable quantity of rubber unsold at the end of the year, which had been taken into the accounts at

1s 8d per lb, the average selling price for the whole year was 2s 10½d per lb, London equivalent, as compared with 1s 6½d for 1924.

The final result of the year's working was a profit of £86,421, as compared with £37,340 in the previous year. An interim dividend of 15 per cent. was paid on October 30th last, and the directors now recommend a final dividend of 20 per cent., making a total dividend of 35 per cent., or double that of last year. A sum of £25,000 had been placed to reserve, leaving £28,557 to be carried forward.

In the current year they estimated to have a rubber crop of 950,000 lbs, and, as 605,119 lbs had been collected to the end of June, the estimate might be considered perfectly safe, although the dry season was now commencing, when crops would fall considerably. They had sold forward 90 tons of this year's crop at prices varying from 1s 9½d to 3s 11½d, London equivalent, and averaging 2s 5d per lb. The coffee crop was estimated at 10,000 piculs, and it was believed that the estimate would be reached, although the crop was considerably later this year than last. Only 1,100 piculs had been harvested to the end of June. They had sold forward 3,500 piculs at an average of 54 6-7 guilders per picul, equal to £4 11s 6d per picul, or £3 15s 4d per cwt.

Colonel the Hon. E. Coke seconded the resolution, which was carried unanimously.

INTERNATIONAL TEA STORES, LIMITED. CONTINUED PROGRESS OF THE BUSINESS.

The thirty-first annual general meeting of the shareholders of the International Tea Company's Stores, Limited, was held, on the 13th instant, at Winchester House, Old Broad street, London, Mr G. Collier (vice-chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Although making no claim to prophetic vision, I did venture to suggest to you at our annual meeting last year that, with sane and progressive management in conjunction with much hard work, we had every reason to expect a continuance of the steady increase of profits that we have been able to show over a period of more than 20 years. I am glad to be able to tell you to-day that my forecast has been realised, and that the trading profit is £445,304 13s 7d, or over £6,000 more than in the previous year—not a great increase, you may say, but in 1925 we presented an exceedingly good balance-sheet, showing an increased profit over the previous year.

You will note that we have increased our freehold properties to £907,899, following a definite policy of this company to buy the freehold of our branches whenever possible—a policy which, I may tell you, has stood us in very good stead.

You will also see that we have issued a further £250,000 7 per cent. preference capital. This became necessary if we were to continue to develop our business with the push and go of previous years.

There is another matter of fundamental importance to us, as distributors of food, upon which I feel I must touch. I refer to the general strike of May last.

When certain sections of a community decide to withhold their labour, the natural sequence usually is that other sections must work double and even treble time. I am glad to say that the response to that challenge by every section of the workers of this company was magnificent. Our chairman has already expressed his personal gratification, by letter, to every individual member of the staff, and I desire, on behalf of the board, to take this opportunity of recording their appreciation of the services rendered.

Now, with regard to the future, I am confident that we shall soon return to the normal conditions usual to the industry of this country.

Mr F. Drowley seconded the resolution, which was carried unanimously.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—By cable for the week ending July 7, 1926. Production, 44,932 barrels; shipments, 44,171 barrels. A new well, No. 116, in the western extension of the El Mene field was completed on July 9th, making 2,000 barrels per day.

HAMILTON'S OIL CONCESSIONS (ROMANIA), LIMITED.—Production for June, 100 tons (May, 130 tons).

LAGO OIL AND TRANSPORT CORPORATION.—Shipments for week ending June 18th, 109,431 barrels.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended July 3, 1926, was 132,000 barrels.

TAMPICO OIL, LIMITED.—The total production on the company's properties in Mexico during June was 43,644 barrels, in respect of which the royalty due to Tampico Oil, Limited, amounted to 3,273 barrels.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—The production for the week ending Wednesday, July 7, 1926, amounted to 1,014 tons.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	£	Total Receipts into the Exchequer from		RECEIPTS.	
		Apl. 1, 1926, to July 10, 1926.	Apl. 1, 1925, to July 11, 1925.	10 Days Ended July 10, 1926.	11 Days Ended July 11, 1925.
Balances in Exchequer on 1st April:	£	£	£	£	£
Bank of England...	5,880,249	5,341,778	..	..	..
Bank of Ireland...	676,684	1,215,322	..	..	..
REVENUE.	6,556,933	6,557,100	..	..	..
Customs.....	29,055,000	27,729,000	2,978,000	3,548,000	..
Excise.....	31,841,000	31,085,000	1,339,000	1,558,000	..
Motor Vehicle Duties ..	3,365,000	3,628,000	281,000	795,000	..
Estate, &c., Duties.....	15,130,000	17,330,000	1,930,000	1,880,000	..
Stamps.....	4,310,000	5,230,000	690,000	740,000	..
Land Tax, House Duty & Mineral Rights Duty ..	110,000	140,000	..	..	..
Property & Income Tax ..	36,922,000	49,167,000	7,630,000	9,019,000	..
Super-Tax.....	15,220,000	20,400,000	1,360,000	1,730,000	..
Excess Profits Duties, &c.	1,500,000	3,730,000	80,000	410,000	..
Corporation Profits Tax ..	13,650,000	14,000,000	1,650,000	1,550,000	..
Post Office.....	240,000	220,000	..	..	..
Crown Lands.....	..	..	..	..	..
Receipts from Sundry Loans.....	6,134,398	5,701,227	1,729,111	1,909,524	..
Miscellaneous.....	..	..	..	..	..
Ordinary Receipts...	4,924,885	3,326,534	820,333	940,075	..
Special Receipts....	5,530,996	11,579,963	599,141	15	..
Revenue.....	167,933,279	193,266,724	21,085,585	24,079,614	..
Total, inc. Balance.....	174,490,212	199,823,824	..	..	..

OTHER RECEIPTS.				
Temporary Advances Repaid—				
Under the Unemployment Insurance Act, 1921.....	300,000	380,000	..	130,000
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues Under the Telegraph (Money) Act, 1924 and 1925.....	2,830,000	3,050,000	..	..
Under the Housing Act, 1914 ..	..	3,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	11,533	..	..
(b) Under the Unemployment Insurance Act, 1921.....	3,070,000	920,000	..	..
(c) For other Issues:				
By Treasury Bills.....	694,374,000	687,646,000	81,492,000	91,174,000
By 3½% Conversion Loan.....	23,079,560	..	..	..
By National Savings Certificates ..	7,850,000	10,850,000	800,000	750,000
By Treasury Bonds, 1925 ..	..	10	..	..
By 4% Treasury Bonds, 1931-33 ..	3,512,150	..	..	..
(d) Ways and Means Advances ..	224,951,000	240,185,000	12,650,000	19,450,000
Repayments—				
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921.....	80,927	66,308	6,314	18,656
Total.....	1,111,478,289	1,166,015,235	116,034,899	135,602,270

EXPENDITURE AND OTHER ISSUES.

	£	Total Issues out of the Exchequer to meet Payments from		ISSUES.	
		Apl. 1, 1926, to July 10, 1926.	Apl. 1, 1925, to July 11, 1925.	10 Days Ended July 10, 1926.	11 Days Ended July 11, 1925.
EXPENDITURE.	£	£	£	£	£
National Debt Services—					
Interest, &c.....	125,957,115	125,776,718	9,069,024	9,547,981	..
Sinking Fund.....	8,423,458	12,920,484	573,956	651,893	..
Road Fund.....	2,383,044	2,040,044	..	..	..
Payments to Local Taxation Accounts, &c. ..	1,197,323	989,615	..	119,615	..
Payments to Northern Ireland Exchequer ..	895,005	1,163,194	80,000	89,000	..
Land Settlement ..	..	103,525	..	283	..
Other Consolidated Fund Services.....	863,249	846,751	..	222,881	..
Supply Services.....	110,875,200	100,655,164	16,011,000	13,405,164	..
Expenditure.....	250,594,392	244,435,495	25,734,019	24,036,617	..

OTHER ISSUES.				
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904.....	36,891	36,891	..	..
Under the Unemployment Insurance Act, 1921.....	4,092,431	1,250,000	1,022,431	330,000
Issues to Meet Capital Expenditure—				
Under the Telegraph (Money) Act, 1924 and 1925.....	3,250,000	3,450,000	400,000	400,000
Under the Housing Act, 1914 ..	..	3,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	11,533	..	..
Unemployment Insurance Act, 1921—				
Repayment of amounts borrowed ..	300,000	250,000	..	..
Redemption of Debt—				
Treasury Bills.....	635,060,000	663,265,000	71,205,000	87,655,000
Principal of National Savings Certificates.....	8,350,000	8,900,000	1,250,000	1,150,000
Principal of Exchequer Bonds paid off ..	..	306,667	..	..
Principal of National War Bonds paid off.....	..	3,639,550	..	..
Principal of Treasury Bonds paid off ..	..	23,645,860	..	..
Ways and Means Advances Repaid ..	206,141,000	214,235,000	16,400,000	21,850,000

Balances in Exchequer—				
July 10, 1926, to July 11, 1925, in or Dec. for Week.				
Bank of England.....	1,108,824,714	1,163,488,996	116,011,450	135,421,617
Bank of Ireland.....	2,028,820	2,067,778	155,053	50,733
Total.....	624,755	499,461	178,502	139,920
	2,653,575	2,526,239	23,499	180,657

Treasury, July 12, 1926.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914	Dec. 31, 1919	Mar. 31, 1922	Mar. 31, 1923	Mar. 31, 1924	Mar. 31, 1925	Dec. 31, 1925	Mar. 31, 1926	July 10, 1926
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13
3% Conversion Loan	..	..	266	684	666	709	764	760	760
4% Conversion Loan	..	..	..	..	..	210	210	211	211
3% War Stock	..	63	63	63	63	63	63	63	63
4% War Stock	..	13	13	13	13	13	13	13	13
4% and 5% War Stock	..	2,047	1,955	2,095	2,166	2,052	2,109	2,109	2,109
National War Bonds	..	1,509	1,201	953	820	778	706	706	706
4% Funding Loan	..	409	401	399	396	395	392	392	392
4% Victory Bonds	..	360	335	325	314	350	348	348	348
Treasury Bonds	..	..	453	411	457	499	479	482	486
Exchequer Bonds	20	323	185	150	150	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	372	375	375
Other Debt*	..	1,306	1,087	1,157	1,128	1,124	1,111	1,111	1,111
American Loan (Anglo-French)	..	51	..	..	588	576	635	565	623
Treasury Bills	15	1,107	878	616	588	576	635	565	623
Temporary Advances	1	243	147	194	186	167	181	139	158
Other Capital Liabilities	654	8,033	7,655	7,742	7,641	7,646	7,751	7,616	7,697
Total Liabilities	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,781

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	July 11, '25	Mar. 31, '26	July 10, '26	Movement 10 days ended July 10, '26
Outstanding—	£	£	£	£
Advances by Bank of England	129,000,000	129,000,000	129,000,000	—
Advances by Public Deptm'ts	192,555,000	139,441,000	158,551,000	+ 8,750,000
Treasury Bills Outstanding	599,955,000	564,855,000	623,180,000	+ 10,255,000
Total Floating Debt	792,490,000	704,296,000	781,431,000	+ 6,505,000

* Includes £20,000, the proceeds of which were not carried to the Exchequer within the period of the account.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments in Bank of England Account.	Redemption Account.						Balance at Bank of England.
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ities.		
1923.	£	£	£,000	£,000	£	%	£	£	
Mar. 28.....	285,616	12,318	7,000	27,000	22,450	17.3	241,294	190	
June 27.....	285,603	12,516	7,000	27,000	22,460	17.3	242,446	143	
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17.5	238,595	120	
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	16.5	255,032	159	
1924.									
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17.6	236,867	130	
June 26.....	290,316	12,472	7,000	27,000	22,450	17.0	246,198	140	
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17.3	241,185	184	
Dec. 31.....	296,261	12,812	7,000	27,000	22,450	18.2	248,111	132	
1925.									
Mar. 25.....	284,256	11,882	7,000	27,000	22,450	18.9	235,076	112	
June 24.....	292,278	12,265	7,000	..	53,950	18.5	243,474	119	
Sept. 30.....	293,004	12,555	7,000	..	56,250	19.1	242,188	121	
Dec. 30.....	296,777	12,561	7,000	..	56,250	18.9	245,896	192	
1926.									
Mar. 31.....	295,337	12,226	6,550	..	56,250	19.0	244,585	178	
June 30.....	294,036	12,567	6,550	..	56,250	19.1	243,667	136	
July 7.....	296,019	12,607	6,550	..	56,250	19.0	245,626	200	
July 14.....	292,960	12,350	6,550	..	56,250	19.2	242,403	112	

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £35,000,000 in Treasury Bills were opened on July 16, 1926, and the total amount applied for was £47,025,000. For bills at 3 months, dated Monday to Friday, £98 17s 11d, about 73%, and above in full, Saturday at £98 18s 2d, and above in full. The amounts allotted were in bills at 3 months, £35,000,000; in bonds, nil.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.	£	£	£ s d	£ s d
May 14,	35,000,000	47,975,000	4 9 11.21	nil
May 21,	35,000,000	50,890,000	4 6 2.41	nil
May 28,	40,000,000	48,680,000	4 6 10.28	nil
June 4,	40,000,000	56,750,000	4 5 10.05	nil
June 11,	35,000,000	46,905,000	4 6 8.33	nil
June 18,	35,000,000	48,655,000	4 5 5.54	nil
June 25,	45,000,000	64,685,000	4 5 0.93	nil
July 2,	40,000,000	63,990,000	4 3 3.19	nil
July 9,	35,000,000	50,604,000	4 6 7.5	nil
July 16,	35,000,000	47,025,000	4 7 0.18	nil

Tenders will be received on July 23, 1926, for Treasury Bills to be issued to the maximum amount of £35,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, July 14, 1926.

ISSUE DEPARTMENT.

£	£
Notes issued	169,768,160
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	150,018,160
169,768,160	169,768,160

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	38,925,328
Rest	3,495,522	Other securities	72,876,165
Public deposits	9,352,400	Notes	28,299,190
Other deposits	114,011,892	Gold and silver coin ..	1,316,924
Seven-day & other bills ..	4,793		
	141,417,607		141,417,607

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, July 14, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,495,522	+ 14,270	+ 17,803
Public deposits	9,352,400	+ 7,146,095	+ 3,242,580
Other deposits	114,011,892	+ 8,416,782	+ 1,217,141
Government securities	38,925,328	+ 1,405,000	+ 2,918,595
Other securities	72,876,165	+ 1,683,591	+ 1,191,710
Notes	28,299,190	+ 1,562,764	+ 8,552,308
Gold and silver coin	1,316,924	+ 748,640	+ 1,679,610
% of reserve to liabilities	24%	+ 814,124	+ 10,231,918

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
May 26	149,007,351	140,581,930	123,262,127	112,851,976	103,000 in	28,175,461	22 1/2 %
June 2	148,771,191	140,982,000	130,221,951	120,466,107	221,000 in	27,539,191	21 1/2 %
June 9	148,983,167	140,379,910	117,988,679	107,457,449	233,000 in	28,353,257	21 1/2 %
June 16	147,520,507	140,007,760	119,540,889	107,852,888	693,000 in	29,535,733	24 1/2 %
June 23	150,085,001	140,388,370	118,953,886	107,421,678	229,000 in	29,446,631	24 1/2 %
July 30	150,319,510	141,705,190	118,127,126	104,701,159	38,000 in	28,343,350	24 1/2 %
July 7	150,520,960	142,217,610	122,093,645	112,080,094	195,000 in	28,053,350	23 1/2 %
July 14	151,335,084	141,468,970	123,364,292	111,801,493	829,000 in	29,616,114	24 1/2 %

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to June 20	£ 17,637,909	£ 829,974	£ 1,424,306	£ 19,892,189
July 7	748,301	39,587	62,096	849,984
July 14	676,006	33,714	53,132	762,852
Total to date 1926	19,062,216	903,275	1,539,534	21,505,025
Do 1925	19,708,801	916,278	1,627,554	22,252,633
Increase or decrease in 1926 ..	- 646,585	- 13,003	- 88,020	- 747,608
	- 3.3 %	- 1.4 %	- 5.4 %	- 3.4 %
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 ..	+ 762,659	+ 84,233	+ 57,363	+ 904,255
	+ 2.1 %	+ 5.2 %	+ 1.9 %	+ 2.2 %

PROVINCIAL CLEARING RETURNS.

Number of Working Days	Month of June.		Aggregate Weekly Totals to July 10.	
	1925.	1926.	1925.	1926.
BIRMINGHAM	10,243,000	10,446,000	71,566,700	67,395,900
BRISTOL	4,504,000	5,337,000	32,164,000	32,365,000
DUBLIN	4,049,000	3,357,000	146,446,500	134,849,300
LIVERPOOL	3,270,000	3,764,000	29,514,400	25,041,200
LEICESTER	3,926,000	3,152,000	28,556,900	26,161,700
LONDON	31,406,000	31,406,000	22,121,191	21,688,292
MANCHESTER	63,167,000	56,070,000	255,958,500	217,233,800
NEWCASTLE-ON-TYNE	5,986,000	4,421,000	45,136,900	37,611,900
NOTTINGHAM	2,668,000	2,395,000	19,010,100	18,137,400
SHEFFIELD	3,962,000	4,601,000	29,307,800	27,772,700
Total	137,519,000	124,949,000		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Canadian Banks appeared in the Economist of June 26; Roumania, Bulgaria and Russia in July 3; Denmark, Lithuania, Danzig, Serbs, etc., in July 10.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	July 9, 1926.	July 2, 1926.	June 24, 1926.	July 10, 1926.
Total gold reserves	2,806,820	2,834,930	2,846,640	2,784,260
Total bills discounted	612,570	510,300	479,160	450,330
Bills bought in open market	237,570	219,390	247,240	240,710
Total U.S. Government securities	375,320	385,280	383,100	338,960
Total earning assets	1,233,550	1,584,120	1,119,390	1,042,750
Total resources	4,998,510	4,904,360	4,902,860	4,781,490
Federal Reserve notes in actual circulation	1,737,500	1,697,280	1,682,770	1,652,290
Deposits—Member bank—reserve account	2,239,890	2,228,840	2,225,310	2,147,100
Total deposits	2,279,150	2,259,840	2,258,220	2,187,750
Capital paid in and surplus	343,060	343,060	343,100	333,450
Total liabilities	4,998,510	4,904,360	4,902,860	4,781,490
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	75.2%	75.3%	76.0%	76.1%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	July 9, 1926.	July 2, 1926.	June 24, 1926.	July 10, 1926.
Total bills discounted	238,000	102,490	92,270	123,780
Bills bought in open market	52,420	55,500	61,390	38,450
Total U.S. Government securities	75,880	82,570	79,110	71,220
Total earning assets	367,650	240,560	234,600	235,290
Deposits—Member bank—res. acc't ..	889,980	867,420	864,550	826,460
Ratio of total res. to dep. and Fed. Res. note liabilities combined ..	74.6%	84.6%	84.4%	81.4%

MONTHLY STATEMENT OF LONDON CLEARING BANKS. (000's omitted.)

Average Weekly Balances. JUNE, 1926.	Bank of Liv'rp'o'l and Martins, Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provin- cial Bank, Limited.	West- minster Bank, Limited.	Willi'ms Deacon's Bank, Limited.	Total.
ASSETS.	£	£	£	£	£	£	£	£	£	£	£
Coin, bank and currency notes, and balances with the Bank of England ..	6,294	37,508	1,531	2,891	38,561	51,692	3,823	27,765	28,012	3,793	201,870
Balances with and cheques in course of collection on other banks in the United Kingdom	1,923	7,951	580	1,033	8,964	14,985	149	7,612	8,885	964	53,046
Items in transit	6,206	23,470	2,399	4,983	20,205	19,115	4,263	18,310	24,012	2,718	125,681
Money at call and short notice.....	3,241	38,296	1,151	977	42,992	39,363	2,601	37,042	45,552	1,765	212,980
Bills discounted	8,950	54,711	4,254	6,930	46,718	32,643	15,683	38,335	45,864	4,733	258,821
Investments	35,473	152,737	8,217	9,623	187,971	200,374	16,092	132,936	126,418	19,453	889,294
Advances to customers and other accounts											
Liabilities of customers for acceptances, endorsements, &c.	3,829	11,179	2	1,671	16,250	34,303	100	9,294	9,752	1,557	87,937
Bank premises account	1,534	5,098	346	695	6,191	6,676	783	4,795	4,210	889	31,217
Investments in affiliated banks	..	6,063	..	..	6,581	6,377	..	2,754	2,991	..	24,766
	67,450	337,013	18,480	28,803	374,433	405,528	43,494	278,843	295,696	35,872	1,885,612
Ratio of cash to current, deposit, and other accounts	10.59	12.46	9.07	11.39	11.6	14.94	10.18	11.07	10.47	12.18	12.11
LIABILITIES.											
Capital paid up	2,349	15,592	800	1,060	15,810	12,666	1,500	9,479	9,320	1,875	70,451
Reserve fund.....	1,850	9,250	800	530	10,000	12,666	1,285	9,479	9,320	1,300	56,480
Current, deposit, and other accounts ...	59,422	300,992	16,878	25,365	332,373	345,894	37,520	250,591	267,291	31,140	1,667,466
Acceptances, endorsements, &c.	3,829	11,179	2	1,671	16,250	34,302	100	9,294	9,752	1,557	87,936
Notes in circulation	..	..	..	177	..	..	3,089	..	13	..	3,102
Reduction of bank premises account	..	..	..	..	..	..	..	..	..	..	177
	67,450	337,013	18,480	28,803	374,433	405,528	43,494	278,843	295,696	35,872	1,885,612

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus.	New Zealand.	Aus.	New Zealand.	Aus.	New Zealand.	Aus.	New Zealand.
T.T.	99½	100½	100½	100½	99½	100½	100½	100½
Demand	98½	99	99	100	98½	99	99½	99½
30 days	98½	98½	98½	98½	98½	98½	98½	98½
60 days	97½	97½	97½	97½	97½	97½	97½	97½
90 days	97½	97½	97½	97½	97½	97½	97½	97½

BULLION.

The following statistics of imports and exports of gold for week ended July 14, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Germany	86	Belgium	415
Transvaal	1,610,376	Netherlands	20,000
		Germany	9,400
		France	69,155
		Switzerland	22,000
		Spain	18,000
		Austria	4,650
		Kenya	2,775
		Straits Settlements	22,200
		British India	24,000
		Other countries	617
Total declared value of imports	1,610,462	Total declared value of exports	191,812

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
July	£	July	£
10	nil	10—Holland	10,000
12	nil	12—Spain	49,000
13—Bars bought	194,000	12—Spain	6,000
13—S. Africa	750,000	13	nil
14—Bars bought	35,000	14—India	25,000
15	nil	14—Straits Settlements	5,000
16	nil	15—Spain	12,000
Total	979,000	Total	119,000
Net arrivals, £860,000.			

GOLD STANDARD RESERVE.

Statement showing the form in which the balance of the reserve was held on June 30, 1926:—

	£	Nil
In India		Nil
In England—		
Cash at the Bank of England	3,706	
British Treasury bills—		
Value as on June 30, 1926	4,986,761	
Other British and Dominion Government securities—		
Value as on June 30, 1926	35,009,533	
	40,000,000	
	40,000,000	

SIDNEY TURNER, Accountant-General.

India Office, July 12, 1926.

Messrs Samuel Montagu and Co., write as follows on July 14th:—

GOLD.

During the week under review the Bank received on balance £829,000, increasing the net influx since January 1, 1926, to £6,756,000, and decreasing the net efflux since the resumption of an effective gold standard to £4,839,000.

SILVER.

The tendency of the market under review has been downward until to-day. Sales on China account have been more or less continuous, and it was necessary to reduce prices somewhat before bears—Indian and others—could be tempted to cover. The monsoon news continues to be favourable, and were it not for the market lacking vitality, orders for shipment to India would probably be more in evidence. America gave some support last evening, and to-day bear covering and other inquiry caused a sharp recovery. United Kingdom imports and exports of silver during the week ending the 7th inst. were:—

Imports.		Exports.	
Denmark	£	Germany	£
U.S.A.	16,850	British India	13,600
Canada	42,654	Other countries	15,407
Other countries	7,407		7,700
	532		
	67,443		36,707

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	June 22.	June 30.	July 7.
Notes in circulation	18,996	19,144	19,265
Silver coin and bullion in India ..	8,944	9,092	9,210
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion in India ..	5,721	5,720	5,723
Gold coin and bullion out of India ..	2,099	2,100	2,100
Securities (Indian Government) ..			
Securities (British Government) ..			

No silver coinage was reported during the week ending the 7th inst. The stock in Shanghai on the 10th inst. consisted of about 69,200,000 ounces in sycee, 61,500,000 dollars, and 8,510 silver bars, as compared with about 68,600,000 ounces in sycee, 62,500,000 dollars, and 8,120 silver bars on the 3rd inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.		Silver—Per Ounce.		Date.	Silver.
	s	d	Cash.	Forward.		
July 10....	84	11½	30½	30½	July 23, 1920..	54½
12....	84	11½	30	30½	22, 1921..	38
13....	84	10½	30	30	21, 1922..	35½
14....	84	10½	30½	30½	20, 1923..	30½
15....	84	9½	30	30½	18, 1924..	34½
16....	84	10½	29½	29½	25, 1925..	32

NOTICES.

A new branch of the Union Bank of Australia, Limited, has been opened at Cummoek, New South Wales.

Lloyds Bank, Limited, announce that a branch of the bank is now open at 270 Lodge causeway, Fishponds, Bristol, under the management of Mr G. L. B. Sharp, of the Fishponds branch.

The National Provincial Bank, Limited, announce that a branch of the bank is now open at 75 Whitehorse road, Croydon, under the management of Mr G. W. B. Eyre, of the Croydon branch.

The Midland Bank announces the opening of new offices at 65 Bingley road, Saltaire, near Shipley, and King's Gate, Michaelson road, Barrow-in-Furness.

Barclays Bank, Limited, announce the opening of a new branch at 32 Rolle street, Exmouth, under the management of Mr P. H. Wills; also a new sub-branch at High street, South Normanton, near Sutton-in-Ashfield, under the management of Mr R. V. Lees, who is also manager of Sutton-in-Ashfield branch; and a branch office on the ground of the Sussex County Agricultural Show, Eastbourne, under the management of Mr A. C. Rust, also manager of 115 Terminus road, Eastbourne, branch. The hours of business will be to a.m. to 2.30 p.m.

ANALYSIS OF BALANCE-SHEETS.

MIDLAND BANK, LIMITED.

The statement of accounts of the Midland Bank, Limited, made up on June 30, 1926, compares as follows with the position shown by the bank on June 30, 1925:—

	June 30, 1925.	June 30, 1926.
LIABILITIES.		
Capital paid up	11,976,890	12,665,798
Reserve fund	11,976,890	12,665,798
Current, deposit, and other accounts (including profit and loss account)	348,359,435	349,460,874
Acceptances and engagements on account of customers	29,482,109	33,346,379
	401,795,324	408,138,849
ASSETS.		
Coin, gold bullion, bank and currency notes and balances with the Bank of England	51,563,186	52,509,545
Balances with, and cheques in course of collection on other banks in Great Britain and Ireland	17,760,013	16,177,435
Money at call and short notice	16,101,353	20,460,117
Investments	35,647,576	33,469,941
Bills discounted	41,044,679	40,274,005
Advances to customers and other accounts	198,027,999	198,717,020
Liabilities of customers for acceptances and engagements	29,482,109	33,346,379
Bank premises	5,930,632	6,806,055
Shares of the Belfast Banking Company, Limited, the Clydesdale Bank, Limited, and the North of Scotland Bank, Limited	5,893,788	6,028,353
Shares of the Midland Bank Executor and Trustee Company, Limited	344,989	349,599
	401,795,324	408,138,849

The following statement, supplementing the above figures, shows the proportion of the assets to current, deposit, and other accounts (including balance of profit and loss account):—

	June 30, 1925.	June 30, 1926.
Coin, gold bullion, bank and currency notes, and balances with Bank of England	14½	15½
Balances with, and cheques in course of collection on other banks in Great Britain and Ireland	4	4½
Money at call and short notice	4½	5
Investments	10½	9½
Bills discounted	11½	11½
Advances to customers and other accounts	56½	56½

PARENT TRUST AND FINANCE COMPANY, LIMITED.

(FORMERLY PARENT TYRE COMPANY, LIMITED.)

	April 30, 1926.	April 30, 1925.
LIABILITIES.		
5% pref. shares	994,990	994,990
8% ord. shares	624,996	624,996
Deferred shares	720,655	720,655
Loans	901,636	+521,519
Forward commit-ments	292,960	— 71,145
Creditors	69,192	— 41,365
Reserve	720,656	+ 22,648
Profit and loss	181,447	— 55,437
Total	4,506,532	+ 376,220
ASSETS.		
Investments—		
(a) General	2,852,408	+ 27,161
(b) Allied cos.	891,017	+ 80,196
(c) Loans by co.	413,901	+ 264,740
Accrued interest	12,424	+ 2,219
Debtors	27,494	— 61,223
Furniture, &c.	7,903	+ 835
Cash	301,385	+ 62,292
Total	4,506,532	+ 376,220

LLOYDS BANK, LIMITED.

	June 30, 1926.	June 30, 1925.
LIABILITIES.		
Current, deposit, and other accounts	336,631,359	— 1,739,936
Acceptances, &c.	15,240,167	— 3,690,352
Capital paid up	15,810,252	+ 1,437,296
Reserve fund	10,000,000	—
Total	377,681,778	— 3,993,052
ASSETS.		
Cash	51,477,135	+ 3,262,956
Cash at call and notice	18,221,257	— 4,327,195
Bills of exchange	43,568,976	— 5,115,439
Investments	46,610,410	— 7,728,546
Shares in allied banks	6,581,437	+ 299
Advances	189,735,988	+ 15,047,291
Acceptances, &c.	15,240,167	— 3,690,352
Bank premises	6,246,408	+ 557,931
Total	377,681,778	— 3,993,052

BARCLAYS BANK, LIMITED.

	June 30, 1926.	June 30, 1925.
LIABILITIES.		
Current, de-posit, & other accounts	304,247,461	+ 5,300,191
Acceptances	10,665,848	— 314,482
Capital paid up	15,592,372	—
Reserve	9,250,000	+ 1,000,000
Total	339,755,681	+ 5,985,709
ASSETS.		
Cash	44,847,815	+ 801,737
Money at call & notice	21,471,025	+ 921,410
Balances with British banks, &c.	8,699,403	— 1,041,529
Bills discounted	33,218,234	+ 5,550,704
Investments	53,955,495	— 4,596,761
Shares in allied banks	6,059,972	— 1,396,223
Advances	155,566,604	+ 5,963,571
Acceptances	10,665,848	— 314,482
Bank pre-mises	5,271,285	+ 95,282
Total	339,755,681	+ 5,985,709

ENGLISH SEWING COTTON.

	March 31, 1926.	March 31, 1925.
LIABILITIES.		
Prof. shares	1,000,000	—
Ord. shares	2,000,000	—
4% 1st mort. deb.	96,271	—
Creditors	201,087	— 20,570
Subsidiary cos.	191,752	+ 52,661
Pension fund	97,690	+ 9,382
Reserve	400,000	— 150,000
Div. reserve	250,000	—
Stock reserve	200,000	—
Insurance reserve	50,000	—
Profit and loss	422,799	— 42,690
Total	5,780,599	— 151,217
ASSETS.		
Properties, &c.	3,387,098	+ 26,023
Stocks	597,087	— 135,880
Debtors	268,465	+ 25,122
Cash, &c.	46,430	— 25,734
Investments	1,460,375	— 34,652
American Thread account	21,144	— 6,096
Total	5,780,599	— 151,217

EAGLE OIL TRANSPORT COMPANY, LIMITED.

	December 31, 1925.	December 31, 1924.
LIABILITIES.		
7% cum. pref. £5. 2,000,000 ..	2,000,000	—
Ord. shares, £5	3,000,000	—
7% 12-year notes, 1921	219,350	— 142,300
Depreciation res. 4,144,934 ..	4,144,934	+ 750,000
Repair and other reserve	648,849	+ 75,920
Prof. sharehold'rs for dividend ..	48,582	+ 1,384
Noteholders for interest	29,569	— 3,693
Sundry creditors	633,281	— 167,005
Profit and loss	136,015	+ 9,297
Total	12,820,580	+ 523,673
ASSETS.		
Cost of steamers, &c.	10,050,370	—
Stock of repair stores	6,493	— 2,214
Debtors	332,655	+ 13,004
Cash and loan	2,431,062	+ 512,883
Total	12,820,580	+ 523,673

Reports and Notices.

Mr J. Wilson Theobald has retired from the board of the Central Argentine Railway, Limited, and Mr Walter Kennedy Whigham, of Messrs Robert Fleming and Co., has been elected a director to fill the vacancy.

Messrs Vickers, Limited, announce that they have appointed Messrs Glyn, Mills and Co., 67 Lombard street, London, E.C. 3, registrars to the company as from July 19, 1926. All transfers of stocks and shares and correspondence relating thereto should as from that date be addressed to Messrs Glyn, Mills and Co. at the above address.

BANKS.

EQUITABLE TRUST COMPANY OF NEW YORK.—The consolidated financial statement of condition of the Equitable Trust Company of New York, as of June 30, 1926, which includes foreign offices, shows deposits \$408,479,024, increase of \$52,185,919 over March 25, 1926. Total resources, \$518,705,332; increase, \$88,432,508; surplus and undivided profits, \$21,468,392; increase, \$7,029,321.

OTTOMAN BANK.—The report for 1925 states that in the preparation of the balance-sheet assets and liabilities in foreign currency have been converted into sterling at the rates ruling at December 31, 1925. After making the provision necessary both for this conversion and for bad and doubtful debts out of revenue and pro-

visions previously made show an amount available of £410,040, including £326,951 brought forward from previous year. The committee recommend that £400,000 be placed to provision for future depreciation of foreign currencies and other contingencies, and that £10,040 be carried forward.

STANDARD BANK OF SOUTH AFRICA, LIMITED.—The net profit for year ended March 31, 1926, amounted to £570,989, as compared with £508,952 for preceding year. The sum of £109,150 was brought in, making £680,139 available. The ordinary dividend is 14 per cent. for the year, and a bonus of 2½ per cent. is paid, making a distribution of 16½ per cent. for the year, against 14 per cent. for the preceding year. The sum of £75,000 is put to bank premises account, while £125,000 is put to officers' pension fund. The carry forward is £112,326. Total assets amount to £65,080,463. Cash stands at £9,348,977, against £9,871,099. Native gold in hand and in transit is at £142,776, against £314,166. Investments stand at £5,102,395, against £5,085,268. Bills of exchange are at £7,281,311, against £6,705,152. Bills discounted stand at £29,835,012, against £32,315,196. Deposits amount to £47,031,133, against £49,416,227.

UNION BANK OF AUSTRALIA.—The net profits for the year ended February 27th last amounted to £627,612. The profits for the previous year were £590,399. It is proposed to place £50,000 as provision for new buildings and £50,000 as an addition to the bank's reserve fund, which is thereby increased to £4,200,000. The ordinary dividend is 15 per cent. for the year, as before, free of United Kingdom income-tax. The balance carried forward is £95,513, against £92,902 brought in.

MISCELLANEOUS.

AUSTRALIAN ESTATES AND MORTGAGE COMPANY, LIMITED.—The gross profit for 1925 amounted to £356,086, against £460,156 for 1924. The sum of £25,000 is added to reserve, making reserve account £300,000. The sum of £5,000 is put to superannuation fund reserve. The dividend on the ordinary stock is 6 per cent., against 10 per cent. for preceding year. The carry forward is increased from £8,778 to £25,713.

ceived 10 per cent., but nothing has been paid since April, 1925. The report states that the company's trade is now being carried on with more satisfactory results. At March 31, 1925, creditors, loans and bank overdrafts stood at £882,445, and on March 31, 1926, they had been reduced to £474,390.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim Div.	Date of Payment.	Method of Payment.	Dividend for Whole Year.	Let'st Pre-vious.
Banks.						
Bank of Roumania.....	3/ p.s.	Aug. 4	Less tax	6/ p.s.	%	
Bank of Victoria.....	10	Aug. 3	..	..	..	..
Distric.....	5/6 p.s.	Aug. 3	..	..	..	..
Hibernian.....	10%	..	Tax free	..	..	..
Hong Kong and Shanghai Bank- ing Corp.....	£3 p.s.	Aug. 9	..	..	..	..
Imperial Bank of India.....	16	..	Tax free	..	..	..
Lloyds Bank, "A" shares.....	16½	..	Less tax	..	..	..
Do "B" shares.....	16½	..	Less tax	..	..	..
Munster and Leinster.....	18	..	Tax free	..	..	..
National.....	14	..	..	..	..	..
National of Belgium.....	192.30fr	Sept. 1	Less tax	..	..	..
Royal of Canada.....	3%t	..	..	..	..	..
Standard of South Africa.....	15t	..	Less tax	16½	14	15
Union of Australia.....	15t	..	..	15	15	14
Union of Manchester.....	5/ p.s.	..	Less tax	..	..	..
Railways.						
Bombay, Baroda.....	14½t	..	Less tax	6	6	..
Central of Chubut.....	..	..	Less tax	2	..	..
Costa Rica.....	..	..	Less tax	..	..	..
Insurance.						
Indemnity Mutual Marine.....	17/ p.s.	..	Less tax	..	..	..
Mining.						
Broken Hill Proprietary Block 14	6 p.s.	Aug. 11	..	..	..	..
Electrolytic Zinc of Australasia	6%	July 30	..	..	..	..
H.E. Proprietary (New)	7½t	..	Less tax	12½	12½	..
Do.....	5%	..	Less tax	..	..	..
Ipswich Dredging.....	3/ p.s.	July 28	..	5/3p.s.	3/6p.s.	..
Otavi Mines and Railways.....	..	..	Less tax	10	10	..
Rhodesia Copper.....	..	..	Less tax	25	10	..
Tea and Rubber.						
Ampat (Sumatra) Rubber.....	15%	..	..	..	..	..
Bits (Sumatra) Rubber.....	7½%	..	..	..	..	..
British North Borneo Rubber.....	..	..	..	9	5	..
Bruseh Rubber.....	..	..	Less tax	20	..	..
Manchester North Borneo Rubber	21½t	..	..	30	12½	..
Do.....	7½%	..	..	..	..	..
Pilmoor Rubber.....	5%	July 30	Less tax	..	..	..
Rembau Jelli Rubber.....	10%	July 31	Less tax	..	..	..
Semenyih Rubber.....	20½t	..	Less tax at 4/	..	..	..
Soember Ajoie Rubber.....	10%	..	Less tax	..	..	..
Stoughton (Perak) Rubber.....	5%	..	Less tax	..	..	..
Takau (F.M.S.) Rubber.....	10%	July 30	Less tax	..	..	..
Upper Assam Tea.....	20½t	..	..	25	30	..
Val d'Or Rubber.....	10%	..	Less tax	..	..	..
Vallambrosa Rubber.....	2/ p.s.	..	Less tax at 4/	3/6p.s.	..	..
Other Companies.						
A. F. Stoddard.....	6/ p.s.	..	Less tax	5	..	..
Aqua Santa Coffee.....	3½%	..	Less tax	..	..	..
Assate Company.....	10%	..	Less tax	..	..	..
Associated Belting.....	..	..	..	6	5	..
Bechuanaland Exploration.....	..	..	Less tax	6	5	..
Bell and Nicolson.....	6/ p.s.	July 31	Tax free	..	..	..
British Investment Trust, Def.....	8%	Aug. 2	..	8	10	..
British Oxygen.....	5½%	..	Less tax	..	..	..
City of London Brewery.....	5½%	..	Less tax	..	..	..
City Property Invest. Trust, Def.....	5½%	..	..	..	..	..
Cork Electric Tramways.....	3½%	..	Less tax at 4/	..	..	..
Dublin United Tramways.....	4%	Aug. 13	Less tax	10	10	..
Dundee Shipping.....	6½t	..	Less tax	10	10	..
English Sewing Cotton.....	5½%	..	..	20	20	..
Foreign and Colonial Investment Trust, Pref. and Def.....	5%	July 31	..	..	..	..
Fore Street Warehouse.....	2½%	July 31	Less tax	..	..	..
Foster, Porter, and Co.....	..	..	Less tax at 4/	..	..	..
Gillette Safety Razor.....	£1 p.s.	Sept. 1	Quarterly	10	..	..
Gloucester Wagon.....	7½t	..	Less tax	..	..	..
Holloways' Properties.....	..	..	..	7½	7½	..
Hunter, Barr, and Co.....	3½%	..	..	10	10	..
Hyde Park Hotel.....	10½t	..	Less tax	17½	17½	..
Jackson's Stores.....	10½t	..	..	10	12½	..
Josiah Smale and Son.....	5½t	..	Less tax	..	..	..
Lister and Co.....	2½%	July 20	Less tax	..	..	..
London County Freehold.....	3½%	..	..	10	nil	..
Malayan Rubber Loan & Agency	2½%	..	Less tax	..	..	..
McIntyre, Hogg, Marsh.....	7½%	July 31	Less tax	..	..	..
Metropolitan Trust Company.....	5½%	July 19	Less tax	..	..	..
Michael Nairn and Greenwob.....	5½%	..	..	7½	nil	..
Millars' Timber and Trading.....	6½%	Aug. 3	Less tax	..	..	..
Mortgage Co. of the River Plate	6½%	..	..	..	..	..
Municipal House Property.....	..	..	Tax free	10	10	..
National Smelting.....	..	..	Tax free	5	..	..
Northern Corporation.....	4½%	Aug. 1	Less tax at 4/	12	12	..
Oregon Mortgage.....	6½t	..	(bonus of 2%) Less tax	20	20	..
Parent Trust and Finance, Def.....	12½t	..	..	15	15	..
Parke's Brewery.....	..	..	..	5	5	..
Port Madryn.....	..	..	Less tax	..	..	..
Premier Investment.....	4½%	Aug. 3	..	..	..	..
River Plate Gen. Inv. Trust, Def.....	12½%	..	Less tax	..	..	..
Royal Brewery, Brentford.....	2½%	July 31	..	..	..	..
Rubber Securities, Limited.....	5½%	July 23	Less tax	..	..	..
Scottish-American Mortgage.....	8½t	..	Less tax	13	13	..
Scottish Bankers' Association.....	5%	Aug. 16	Less tax	..	..	..
Scottish Wagon.....	..	..	..	..	..	..
Do partly paid.....	8/ p.s.	..	Less tax	..	..	..
Second British Assets Trust.....	5½%	..	Less tax	..	..	..
Second Scottish Western Invest.	..	..	Less tax	7	6	..
Shanghai Waterworks.....	10/ p.s.	July 28	Less tax	..	..	..
S. Hoffnung.....	..	..	..	20	20	..
Thomas Tilling.....	1/6 p.s.	July 31	Less tax at 4/	..	..	..
Threlfall's Brewery.....	10½t	..	Less tax	20	20	..
Tilbury Contracting & Dredging	..	..	..	12½	12½	..
Tredgar Iron and Coal.....	..	..	Tax free	7½	10	..
United States and General Trust, Def.....	5½%	July 16	Less tax	..	..	..
United States Mortgage of Scot- land, Def.....	12½t	..	..	20	15	..
Victoria Falls & Transvaal Power	..	..	Less tax	14	12	..
W. and H. M. Goulding.....	..	..	..	5	5	..

WEEKLY TRAFFIC RETURNS.
RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 9, 1926.	(c) Week ended July 10, 1926.	Miles Open.	Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total for Week.	Aggregate 27 Weeks, 1926.
Great Western.....	3,778	268,000	198,000	466,000	5,811,000	7,631,000	13,442,000	13,442,000	13,442,000
Do for 1925.....	3,765	330,000	339,000	669,000	6,517,000	8,885,000	15,402,000	15,402,000	15,402,000
Do for 1924.....	3,715	429,000	353,000	782,000	9,491,000	15,194,000	24,685,000	24,685,000	24,685,000
Do same period 1925.....	3,714	538,000	682,000	1,220,000	13,950,000	19,514,000	33,464,000	33,464,000	33,464,000
Lon., Mid., & Scottish.....	6,950	587,000	489,000	1,076,000	10,847,000	18,017,000	28,864,000	28,864,000	28,864,000
Do for 1925.....	6,950	767,000	884,000	1,651,000	15,602,000	22,951,000	38,553,000	38,553,000	38,553,000
Southern.....	2,183	373,000	86,000	459,000	7,803,000	2,770,000	10,573,000	10,573,000	10,573,000
Do for 1925.....	2,153	408,000	118,000	526,000	8,457,000	3,134,000	11,591,000	11,591,000	11,591,000
Metropolitan (c).....	59	29,800	2,300	32,100	784,600	82,400	867,000	867,000	867,000
Do for 1925.....	58	35,700	4,100	39,800	885,000	100,700	985,700	985,700	985,700
Underground E.R. (c).....	..	..	..	260,800	..	..	6,578,800	6,578,800	6,578,800
Do for 1925.....	..	..	..	269,700	..	..	6,786,100	6,786,100	6,786,100
Lon. & Sub. Group (c).....	..	..	..	40,000	..	..	983,800	983,800	983,800
Do for 1925.....	..	..	..	41,300	..	..	1,025,900	1,025,900	1,025,900
Belfast & Co. Down (b).....	80	4,417	878	5,295	75,876	24,559	100,435	100,435	100,435
Great Northern.....	562	19,450	15,150	34,600	384,250	431,300	815,550	815,550	815,550
Great Southern.....	2,181	45,590	41,521	87,111	923,031	1,142,597	2,065,628	2,065,628	2,065,628

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	10 weeks	June 12	1,072	Rs. 3,299,000	+ 14,431	Rs. 32,13,000	+ 88,304
Barri Lt. Ry.	11 weeks	June 12	118	28,300	+ 1,500	4,68,800	+ 81,000
Bengal & N. Western	11 weeks	May 29	2,076	7,29,090	+ 30,224	88,02,656	+ 7,62,455
Bengal-Nagpur	7 weeks	May 29	2,835	16,31,000	+ 3,000	3,36,27,000	+ 7,57,122
Bombay, Bar., & C.I.	14 weeks	July 3	3,033	22,12,000	+ 1,76,000	3,20,41,000	+ 5,68,000
Burma	10 weeks	June 12	1,342	7,21,817	+ 51,781	86,85,053	+ 4,15,592
Delhi, Umballa & Kalika	26 weeks	Mar. 31	239	2,22,500	+ 28,015	29,08,142	+ 89,432
Madras & S. Mahr	11 weeks	June 12	933	3,93,252	+ 10,124	2,01,69,366	+ 5,64,262
Nizam's Guaranteed (s)	11 weeks	June 12	259	59,050	+ 31,876	49,86,891	+ 4,93,820
Rohilkh'd & Kumaon	10 weeks	June 12	313	66,193	+ 1,384	7,79,126	+ 14,910
Do Lucknow-Brailey	10 weeks	June 12	1,876	10,61,982	+ 29,674	1,18,58,553	+ 3,86,723
South Indian	11 weeks	June 12	1,876	10,61,982	+ 29,674	1,18,58,553	+ 3,86,723

(a) Total receipts of all lines.

ARGENTINE (a).								
					£		£	
Argentine N.E.	2 weeks	July 10	754	10,900	—	3,700	15,100	3,800
B.A. and Pacific	2 weeks	July 10	2,652	127,000	+	10,000	187,000	2,000
B.A. Central	2 weeks	July 10	11	10,913	—	158	24,095	559
B. A. Gt. Southern	2 weeks	July 10	4,718	176,000	+	13,000	261,000	2,000
B. A. Western	2 weeks	July 10	1,882	85,000	+	5,000	125,000	
Central Argentine	2 weeks	July 10	3,305	211,000	+	11,000	298,000	3,000
Cordoba Central	2 weeks	July 10	1,202	71,000	—	7,500	106,000	17,500
Entre Rios	2 weeks	July 10	729	16,500	—	3,000	22,900	7,800

CUBAN.							
				£	£	£	£
Havana Central	1 week	July 3	..	11,699	1,573		
United of Havana ..	2 weeks	10	1,250	49,900	11,266	71,482	23,437

URUGUAYAN.							
				£		£	£
Central Uruguay ..	2 weeks	July 10	273	23,183	+	2,335	790
C. Urug. (East. Ext.)	2 weeks	10	311	4,743	..	6,471	1,680
C. Urug. (North. Ext.)	2 weeks	10	185	2,452	..	3,038	858
C. Urug. (West. Ext.)	2 weeks	10	211	2,661	+	772	455

CANADIAN.							
Canadian National	27 weeks	July 7	22,106	5,032,982	+ 745,108	126,021,990	+ 161,883,373
Canadian Pacific..	27 weeks	7	14,229	3,642,000	+ 375,000	88,186,000	+ 9,763,000

BRAZILIAN (b).							
34. West. of Brasil..	28 weeks	July 10	1,018	12,800	+ 2,900	482,900	+ 89,900
Leopoldina	28 weeks	10	1,856	53,011	+ 18,880	1,076,391	+ 328,530
Leopoldina Termi...	28 weeks	10	..	8,465	+ 4,019	208,615	+ 74,025
San Paulo	28 weeks	11	1534	51,605	+ 7,015	1,299,108	+ 249,060

CHILEAN.							
Antofagasta	27 weeks	July 11	838	£ 30,480	+ 19,915	£ 1,075,150	— 45,875
Nitrate (4-monthly).....	26 weeks	June 30	366	26,150	+ 16,790	413,787	+ 37,037

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended June 30.		Six Months Ended June 30.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	8,287,655	8,522,879	54,067,142	48,237,277
B. Feeding stuffs for animals	530,069	558,808	4,557,791	3,444,465
C. Meat	10,484,190	9,129,274	62,339,655	58,281,748
D. Animals, living, for food	1,107,630	1,110,292	6,939,306	6,835,830
E. Other food and drink, non-dutiable	15,870,578	15,951,042	88,109,050	83,570,030
F. " " dutiable	8,281,298	7,775,038	56,861,942	51,856,076
G. Tobacco	842,105	896,702	6,819,308	8,615,267
Total, Class I.	45,403,525	43,944,035	279,754,194	260,840,693
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	1,361	966,290	10,453	976,896
B. Other non-metallic mining and quarry products and the like	478,969	552,130	2,876,846	2,834,887
C. Iron ore and scrap	352,119	105,238	2,815,558	2,456,665
D. Non-ferrous metalliferous ores and scrap	1,326,505	1,083,380	8,080,299	8,002,707
E. Wood and timber	4,584,809	3,355,067	17,696,832	14,013,428
F. Raw cotton and cotton waste	4,857,925	5,525,704	68,036,721	44,617,167
G. Wool, raw and waste, and woollen waste	6,276,598	5,762,162	51,898,030	43,876,513
H. Silk, raw, knubs and noils	442,945	218,369	1,188,267	1,077,479
I. Other textile materials	734,440	529,430	9,845,524	9,117,823
J. Oil seeds, nuts, oils, fats, resins, gums	4,576,790	3,968,614	28,374,915	23,179,034
K. Hides and skins, undressed	1,617,469	1,293,255	11,495,569	10,053,711
L. Paper-making materials	987,413	1,313,040	4,897,192	5,766,662
M. Rubber	1,702,456	2,313,134	6,954,241	19,264,285
N. Miscellaneous raw materials and articles mainly unmanufactured	905,362	586,849	5,535,328	4,928,217
Total, Class II.	28,845,161	27,612,662	219,771,775	190,165,474
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	796,353	1,042,820	4,631,960	5,216,866
B. Earthenware, glass, abrasives, &c.	1,859,880	1,938,951	12,371,514	11,339,307
C. Iron and steel and manufactures thereof	4,013,285	2,648,730	19,371,298	19,075,247
D. Non-ferrous metals and manufactures thereof	1,620,797	549,558	5,797,215	3,221,450
E. Cutlery, hardware, implements, and instruments	290,734	282,063	2,032,105	1,653,320
F. Electrical goods and apparatus	933,135	1,096,131	5,975,791	6,601,947
G. Machinery	476,937	572,232	3,038,530	3,303,626
H. Manufactures of wood and timber	945,464	711,353	5,440,941	4,243,586
I. Cotton yarns and manufactures	989,370	1,078,285	7,367,426	7,570,645
J. Woollen and worsted yarns and manufactures	5,831,904	1,554,930	17,034,586	8,865,729
K. Silk and silk manufactures	2,774,124	1,212,848	11,317,112	7,891,705
L. Manufactures of other textile materials	2,857,366	1,531,726	12,711,470	8,324,034
M. Apparel	1,262,862	1,372,064	7,583,703	7,526,452
N. Chemicals, drugs, dyes, & colours	3,133,527	2,438,618	19,116,940	18,339,018
O. Oils, fats, and resins, manufactured	1,234,934	1,090,162	7,621,216	7,032,532
P. Leather and manufactures thereof	1,156,784	1,349,560	7,052,231	7,559,700
Q. Paper and cardboard	2,731,823	584,306	8,136,811	4,181,439
R. Vehicles (including locomotives, ships, and aircraft)	634,218	508,651	3,203,082	3,883,930
S. Rubber manufactures	2,670,819	2,186,045	14,702,074	12,847,736
T. Miscellaneous articles, mainly or wholly manufactured	36,214,325	25,584,970	174,508,535	149,377,177
Total, Class III.	245,132	199,177	1,018,861	796,226
IV.—Animals, not for food	276,717	163,517	2,474,868	1,376,461
V.—Parcel post, non-dutiable articles				
Total	110,984,860	97,504,361	677,528,233	602,556,031

23s 6d, landed 24s 6d, Chilean tawny ex-ship 22s 6d-22s 9d, landed 24s, American 38 lbs ex-ship 23s 6d, landed 24s 6d, mixed feed ex-ship 19s 6d, landed 21s per 320 lbs. English 10s-10s 6d per 112 lbs free on rail. Millers' offals firm. Broad bran quoted 6s-6s 6d, middlings 6s 3d-6s 9d, fine ditto 8s 3d bags included ex-mill, feed oatmeal 7s 3d, light oats 6s 9d, ground oats 11s 9d per cwt free on rail. Oatmeal easier. London made flaked quoted 17s 6d, rolled oats 18s 6d, medium also fine cut 16s 6d, coarse also medium pinhead 16s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23.

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to July 10	12,809,063	10,763,536	12,632,545	16,759,686
45 weeks, to July 10				
Average price of English wheat per cwt.	13 11	11 11	11 10	11 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
July 3.....	31,558	5,996	13,646	13 9	8 8	9 10
" 10.....	21,414	4,892	6,105	13 11	8 9	10 1
1925.						
July 3.....	65,409	3,239	8,964	12 5	11 0	11 10
" 10.....	38,808	10,450	6,694	11 2	8 5	10 11
1924.						
July 3.....	25,651	664	3,876	11 10	10 9	9 10
" 10.....	74,694	12,321	11,431	11 11	10 2	10 2

AMERICAN WHEAT MARKETS.

A further increase of prices has been recorded in the American wheat markets this week. Unfavourable crop advices, together

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.)

	Month Ended June 30.		Six Months Ended June 30.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	761,227	458,436	5,151,646	2,908,176
B. Feeding stuffs for animals	272,975	161,020	1,820,857	1,237,611
C. Meat	115,550	121,939	807,656	795,789
D. Animals living, for food	19,549	11,006	85,091	74,467
E. Other food and drink	2,385,329	2,517,167	15,291,844	14,506,344
F. " " dutiable	503,656	741,956	3,256,585	4,052,419
G. Tobacco				
Total, Class I.	4,058,286	4,011,524	26,413,619	23,573,806
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	3,768,521	37,818	26,912,136	17,223,206
B. Other non-metallic mining and quarry products and the like	175,311	187,863	972,475	942,531
C. Iron ore and scrap	40,618	17,182	252,433	155,165
D. Non-ferrous metalliferous ores and scrap	115,140	108,251	781,569	494,043
E. Wood and timber	57,970	53,765	388,355	362,590
F. Raw cotton and cotton waste	88,722	89,137	1,021,705	495,946
G. Wool, raw and waste, and woollen waste	603,127	604,617	6,112,229	3,713,742
H. Silk, raw, knubs and noils	2,560		44,864	8,073
I. Other textile materials	29,850	44,833	296,684	166,194
J. Oil seeds, nuts, oils, fats, resins, and gums	550,722	477,473	3,303,167	3,472,886
K. Hides and skins, undressed	159,544	170,094	1,752,765	1,416,656
L. Paper-making materials	150,846	116,928	1,008,820	784,649
M. Rubber	20,612	20,480	98,579	182,050
N. Miscellaneous raw materials and articles mainly unmanufactured	184,883	180,353	2,073,813	2,025,687
Total, Class II.	5,918,426	2,103,752	45,019,794	31,449,458
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	247,196	12,183	1,831,937	1,316,599
B. Earthenware, glass, abrasives, &c.	1,113,172	982,743	6,444,521	6,203,932
C. Iron and steel and manufactures thereof	5,199,311	4,050,213	34,086,610	32,301,158
D. Non-ferrous metals and manufactures thereof	1,464,164	1,592,986	7,899,726	9,379,087
E. Cutlery, hardware, implements, and instruments	795,043	672,410	4,678,659	4,228,607
F. Electrical goods and apparatus	845,222	820,608	6,142,309	5,212,017
G. Machinery	3,879,708	5,415,119	25,376,975	22,378,889
H. Manufactures of wood and timber	171,428	140,652	1,182,974	967,173
I. Cotton yarns and manufactures	15,463,728	12,767,935	104,987,619	82,395,230
J. Woollen and worsted yarns and manufactures	4,694,343	4,034,036	30,785,886	24,732,875
K. Silk and silk manufactures	163,368	160,527	916,314	800,018
L. Manufactures of other textile materials	2,209,721	2,234,001	14,645,842	13,471,643
M. Apparel	1,916,752	1,888,944	14,228,179	12,721,408
N. Chemicals, drugs, dyes, & colours	1,951,466	1,895,047	12,358,100	11,504,023
O. Oils, fats, and resins, manufactured	654,926	774,071	4,934,689	4,525,772
P. Leather and manufactures thereof	514,254	552,990	3,560,189	3,146,891
Q. Paper and cardboard	705,740	618,906	4,765,768	4,640,487
R. Vehicles (including locomotives, ships, and aircraft)	2,414,330	2,365,560	15,073,264	16,132,687
S. Rubber manufactures	680,069	654,470	3,758,706	3,915,958
T. Miscellaneous articles, mainly or wholly manufactured	2,615,075	2,577,702	16,081,263	15,473,337
Total, Class III.	47,718,996	42,212,094	312,719,530	275,452,391
IV.—Animals, not for food	132,958	91,653	919,003	732,170
V.—Parcel Post	1,034,524	1,683,008	7,587,224	7,006,422
Total	58,893,190	50,107,041	392,659,170	338,214,247

with reports of black rust in the North-West district, resulted in active speculative buying throughout the week. Quotations:—

	Jan. 2, 1925.	July 15, 1925.	Jan. 7, 1926.	July 8, 1926.	July 15, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	165	160	152	159
Chicago (No. 2 Winter)—Cents per 60 lbs	177	158	176	137	143

Visible supplies of wheat in Canada, at 24,368,000 bushels, show a decrease of 1,535,000 bushels, as compared with the previous figures. Supplies last year stood at 21,549,000 bushels.

COAL.

Our Cardiff correspondent writes:—The imports of foreign coals into South Wales ports are increasing. Several cargoes have arrived this week, and a larger number are expected during the coming week. There are serious complaints against the quality of the coals that have been supplied from Continental ports. The depletion of local stocks has now reached a point where the supplies under the control of the distributing authorities is only about one-ninth of what it was at the commencement of the strike. There is a fairly large quantity of coal banked at the colliery sidings, but miners have threatened to withdraw safety men if these coals are loaded for purposes of distribution. The owners' terms for the working of eight hours have been rejected except in a very few isolated and unimportant cases, but it is significant of an altered attitude on the part of the workmen that at a mass meeting held this week in one district a resolution was adopted, with the support of one of the members of the executive committee of the South Wales Miners' Federation, recommending negotiations on the basis of a wage reduction for a seven-hour day. With the assistance of imported coal a few of the bar mills in the tinplate industry have this week resumed work, but approximately about 80 per cent. of the plant is still idle. Tinplates from stock have reached 26s 6d per

box, but for forward delivery the current price has been about 20s 3d per box. Shipments continue, and stocks have been reduced to 44,911 boxes. Tinplate bar prices are unchanged at £6 5s per ton, and galvanized sheets are steady at between £16 10s and £17 per ton.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Little hope is expressed of the iron and steel trades being restored to anything approaching normal conditions before September. There has been a large volume of inquiry of late for Continental iron and semi-finished material. Deliveries have been hampered by the strike of the dockers at Antwerp, and this has added to the difficulties of English steel manufacturers, as the finishing departments of their steel works are depending solely upon the Continent for supplies. The inquiry indicates that the British works which have been able to keep going by using Continental semi-products have been able to do a good business. The English home demand for finished steel material has been active throughout the strike period, and this no doubt accounts for the anxiety of the rolling mills to obtain supplies. On the other hand, the export markets remain apathetic, and business is principally confined to small orders.

Our Middlesbrough correspondent's report, dated July 15th, is as follows:—Pig-iron: The price of No. 3 Cleveland pig-iron has been further advanced, and is now quoted 87s 6d per ton, but it is difficult to buy as stocks are practically all sold. Hematite: There is more hematite iron available than Cleveland, but this condition will not last very long, as stocks are being rapidly depleted. Makers, however, still maintain the price of mixed numbers at 80s. per ton. Manufactured iron and steel: There is very little doing in finished iron and steel, as most of the mills are idle. Quotations are nominally as follows:—Steel ship plates, £7 17 6d; steel ship angles, £7 10s; iron bars, £11; steel rails, £8. Iron Ore: Best rubio ore is nominally 21s 6d per ton, but no business is doing.

Our Glasgow correspondent writes:—There is now no production of pig-iron or steel in Scotland, and, even if the coal dispute is settled at an early date (which does not appear likely) none of the steel works or heavy rolling mills will start this month as holidays commence this week. Shipyards and engineering shops are closing for at least ten days, and in some instances the holidays are being extended to three weeks owing to the dull state of trade, in addition to the fuel scarcity. Consumers of pig-iron are not exhibiting any keenness to buy at the advanced rates, and stocks are fairly plentiful. No business for forward delivery is being done at present. In the steel trade, for delivery after resumption of work, advanced prices are quoted, and several works have quite a good tonnage booked. Only one or two of the sheet works and the smaller re-rollers using imported semi-raw material are likely to make a start after the holidays. The exports of pig-iron from Glasgow Harbour last week totalled 316 tons, of which 227 tons were on foreign account. For the corresponding week of last year the figures were 165 tons and 112 tons respectively.

Our Sheffield correspondent writes:—Sheffield industry is gravely affected by the shortage of fuel, but these firms with important contracts on hand have purchased Continental coal at prices ranging between 45s and 55s per ton at works. This is being used in the manufacture of stainless and other steels. In addition, colliery reserves of unwashed smalls have been purchased at prices in the neighbourhood of 12s per ton at pit; before the dispute this was scarcely saleable at 15s 6d per ton pit. The trouble has been that coke for the manufacture of crucible steels has been unobtainable, but a few of the biggest works have made shift with their existing reserves augmented with supplies of Durham coke and Derbyshire coke produced at slow heat in the beehive furnaces. There is no dearth of gas or electricity for power purposes. The lighter industries are thus well placed for power purposes, but, unfortunately, there are very few orders to be obtained in the present state of uncertainty, and works are only working at part capacity. The heavy steel and engineering departments are mainly closed because they are big consumers of fuel, and it does not pay to buy coal at present prices. The big open-hearth steel plants are closed down. In the cutlery trades there is virtually no home trade of importance being booked. Both London and provincial buyers decline to buy normally. The only orders are for job lots at special prices. The electro-plate and pewter ware branches are variously employed. Some few firms are well booked.

OTHER METALS.

TIN.—The market for tin opened the week with a quiet tone, but subsequently improved on stimulating advices from the East, combined with a good demand, both on Continental and American account, which resulted in a higher price level. Dealings were recorded in standard cash at £277 10s to £280 15s, £280 5s, three months £277 10s and £280 25s 6d. Sales in the East were reported at £285 5s to £286 15s. COPPER proved an active market, both Continental and American interests participating, and a firmer tone ensued. Standard cash changed hands at £58 to £58 2s 6d, three months £58 10s to £59 2s 6d and £59. LEAD again firmer, with business on a liberal scale. Good soft

foreign pig, July, sold £31 2s 6d to £32, August £31 to £31 18s 9d, September £31 2s 6d to £31 15s, October £31 to £31 15s. SWEETENED, while slightly irregular at times. July sold £34 6s 3d to £34 10s and £34 2s 6d, August £34 7s 6d to £34 10s and £34 2s 6d, September £34 7s 6d to £34 12s 6d and £34 7s 6d, October £34 7s 6d to £34 12s 6d and £34 8s 9d, November £34 10s to £34 7s 6d. ANTIMONY dull. English specials quoted £74 10s to £75, foreign refined £49 to £51, c.i.f. ALUMINIUM.—Home trade nominally £118, export £120 ton. QUICKSILVER firm. Spot quoted £15 10s per bottle. WOLFRAM firm. Prompt quoted 14s to 14s 6d per unit, c.i.f. TIN PLATES firm. I.C. Coke, prompt shipment, quoted 26s, forward 20s 6d, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 15, 1926.

There has been a little more activity in the market during the week. The Masters' Federation announce that an adequate majority has now been secured in favour of basic prices for American yarns, but the scheme will not be put into operation until after end of the coal strike. Reports are again to hand of excessive rains in the belt and further insect damage. Spot sale for the week July 9th to 15th (inclusive) are 20,000 bales. Of these, 11,110 are American, 850 Brazilian, 2,750 Peruvian, 1,550 Egyptian, 3,120 African, 530 Indian, and 90 sundries. Imports for the same period are 47,124 bales. These include 12,453 American, 3,853 Brazilian, 13,299 Peruvian, 7,804 Egyptian, 690 Indian, 8,451 African, and 484 sundries. Quotations to-day are: Middling American, 9.89; F.G.F. Sakel, 16.15; uppers, 11.90; fair Brazilian, 9.99; G.F. mod.-rough Peru, 12.00; smooth, 11.74; F.G.F. Tinnivelly, 8.75; middling West African, 9.64; and G.F. East African, 11.70.

(II.) Compared with Previous Years.

	Price, July 1926.	Corresponding dates in 1925. 1924. 1923. 1922. 1921.				
Raw Cotton—Mid. American	9-8d	13-72	17-12	15-71	13-70	8-34
— Sakellaridis Fully Good Fair	16-15	31-30	23-75	16-65	19-75	15-50
Yarns—32's twist	15-1	20-1	25	22-1	20-1	17-1
— 40's twist	15-1	21	35-1	22-1	19-1	16-1
— 60's twist (Egyptian)	27-1	37	34-1	28-1	30	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	3	32	0	35	9
36-in. Shirts, 75 yds, 19 by 19, 32's and 40's	29	3	36	3	40	0
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	14	6	17	9	20	6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.	13	9	16	0	18	9

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The results of the London wool auctions this week have, on the whole, been satisfactory. There is quite a good demand for wool, notwithstanding the adverse factors operating in this country, and Continental users are also in need of supplies. The steadiness of values indicates confidence in the future, and so far as fine wools are concerned good business is anticipated after the coal dispute is settled. In the meantime, business is very restricted, only comparatively small weights of tops and yarns being bought for current requirements. Most mills are working only three days a week, and neither spinners nor manufacturers are inclined to place orders for future delivery. Merino and fine tops are firm at late rates, but there is some irregularity in medium and low crossbreds. Demand for yarn is small, and mainly for the finer counts and qualities. Botanies are firm in sympathy with merino wool and tops. The position of crossbred yarns, however, does not show much improvement. Competition is resulting in a good deal of price-cutting, and both in tops and yarns offers are being made at prices well below replacement values. Reports from Germany speak of gradual improvement in financial conditions, and it is hoped that trade with that country will soon be possible on a larger scale. Piece-goods are moving well considering the general industrial position, the home trade being the best outlet at present. Prices are firm for the better-class fabrics.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The fourth series of London sales commenced last Tuesday, and considering the serious disadvantages under which the general trade of the country is labouring, the results must be regarded as eminently satisfactory. During the whole of the time in which the usual course of trade has been interfered with we have maintained that merinos were in a very sound position, and the sales have confirmed that opinion; in fact, the position is better than we expected. It must be clear to anyone with a practical knowledge of the trade that if there had been no coal strike merinos would now have been making distinctly more money. As things are, we are satisfied that the position is healthy, but in view of the near approach of the opening of another selling season it is doubtful whether there is scope for higher values for the raw material. Home trade spinners and manufacturers are having to face serious handicaps, but whilst there is not yet any sign of improvement, and none can be expected until mills are able to obtain an adequate supply of suitable coal to run full time, a remarkably determined spirit is being shown. Some withdrawals have taken place in London of scoured lambs, but, generally speaking, fine wools have met with a very good reception. Values are fully on a parity with those ruling last series. Continental representatives were prominent among the buyers the first day, and will remain there to the end of the series. It would almost appear that, whilst the British textile industry loses ground, the Continental section is developing, and we are afraid that the lower overhead charges are enabling French and German manufacturers to sell where hitherto British goods have been favoured. South African merinos have also met with a very hearty reception, the market for greasy parcels being very firm, and snow whites slightly stiffer. Crossbreds have met a better market than the majority expected. Good 56-58's qualities are very firm, sometimes a fraction dearer, and the reception of medium and coarse crossbreds has been a trifle better than was anticipated. Prices for these are par to 5 per cent. lower, and fine slipes are just a little irregular. The chief difficulty of the wool trade is that it is impossible to guarantee delivery, and export houses are consequently losing business. The home trade has certainly received a serious blow so far as retail demand is concerned, but the hot weather is encouraging the buying of light-weight summer goods.

THE JUTE TRADE.

DUNDEE, July 15.

The figures giving the estimated acreage under cultivation of raw jute for the coming season were confirmed by the Director of Agriculture in his official statement issued in Calcutta yesterday. The crop conditions on the whole are very good, though in the

Daisee districts slight damage has been done. In spite of the prospect of a record crop of jute, balers are most reluctant to make offers of fibre. The Calcutta mills have been purchasing to a small extent, but until the price falls to a more reasonable level it is not expected that business on a large scale will be transacted. Prices this week have shown steadiness under the reserve of sellers, but so far as this market is concerned there are no sales taking place. The rates named are purely nominal. First Marks actuals to Dundee being obtainable at £35 for August shipment, and at £33 for September. The continuation of the dull state of trade does not induce spinners to operate in the fibre at these comparatively high prices, which are much in excess of the return obtained for yarns. The price of £28 for October shipment of Daisee assortment is considered to be fairly reasonable, and if business in yarns assumed larger dimensions there is the feeling that the purchase of raw jute would commence in earnest. Buyers of yarns are still withholding their orders for large quantities in the hope that prices will further recede in their favour. The prospects for the spinner are very discouraging. For common 8 lb cops not more than 3s 3d can be obtained or 3s 4d for 8 lb spools. Other yarns are also lower at 5½d for 8 lb sacking chains and 4½d for 24 lb weft. Twist has been sold at from 5½d to 5½d for 3-ply 8 lb. Rove is only taken in small lots at from £36 to £37 for 48 lb, and at £27 to £29 for 200 lb, according to quality. Portugal is in the market with 120 tons 10 lb warp and weft, delivery of which is required in August. Cloth buyers are placing an increased number of small orders for delivery immediately. Manufacturers are shading their terms to 4½d for 10½ oz 40 in, and to 3½d for 8 oz, and even less would be accepted for orders of respectable dimensions. Calcutta goods have been firmer this week on account of reports from Calcutta of a good business passing at that centre. Prices have been raised by speculative sellers to 3s for 10 oz 40 in, and to 2s 6d for 8 oz for July-September shipment. Spot goods are finding small outlet at 3s for 10 oz and at 2s 6d for 8 oz.

HIDE, LEATHER, AND ALLIED TRADES.

In spite of the depression caused by the prolonged coal strike and the reduction of tanners' input, prices of market hides remain steady. At Thursday's Bermondsey auctions best ox made from 5½d to 8½d, and seconds 5½d to 7½d per lb—a few fractional advances being noted in the former class. Calfskins were steady from 6d to 1½d per lb, and wools sold from 5s to 9s 3d, hogs 4s 6d to 11s, and lambs from 2s to 5s 8d per skin. Tanners have been buying frigorific hides rather more freely at the easier rates, and best Argentine frigorific ox are now offering at 7d. Montevideo are offering at 7½d and dry Americanos at 9½d. Business in sole leather is still moderate with prices firm, as stocks are low at the tanneries. Light weights of bends are still taken freely by manufacturers, whilst 8/10 and 10/12 lbs bends are wanted in fair sized quantities by repairers. German sole leather is still arriving, but in much smaller quantities. In upper leather trade is quiet; carriers of kip leathers are very slack, as few orders are coming in from makers of artisan boots. Coloured kid is still selling, and a fair amount of sampling is going on in connection with the Russian boot, kid and light willow being favourites. Exports of British leather for the first six months of 1925 and 1926 were valued at £2,787,411 and £2,426,370, and imports of dressed leather for the same periods at £3,779,002 and £3,674,393. The boot trade is quieter. Exports of British-made footwear for the first six months of 1925 and 1926 were valued at £2,462,271 and £2,314,003, the decline being largely due to the fall in the demand from the Irish Free State.

VEGETABLE OILS AND OILSEEDS.

Markets all round have had a steadier tone this week, and more business has been done. Linseed oil is dearer in sympathy with seed, and has advanced to £35 per ton naked ex Hull mill for prompt and July-August delivery, later positions being quoted at a small premium, in which a fair business has been done by speculators. Cotton oils, after a period of weakness, are firmer, crude Egyptian advancing to £40 10s and ordinary refined to £41

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : Y45,000,000
Capital Paid Up : : : Y39,375,000

Head Office - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:
Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Serabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government. Issues its own notes in Formosa, conducts General Banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

prompt. Soya palm kernel and other soft oils are only a slow trade, and values about unchanged. In the oilseed section linseed has been in better request both by home and Continental consumers. The sharp rise in freights is reflected in higher prices of Plate linseed, for which Hull buyers have conceded £16 17s 6d on passage and up to £17 15 3d for September-October shipment. Indian linseed is in improved demand, Calcutta to London having been done at £18 10s June-July. Only a small trade has been done in Egyptian cottonseed, current value of seed afloat and for early shipment being around £10. Shipments of linseed continue at a good level, and the quantity available for export from Argentina and India this year has been reduced to 784,000 tons, as compared with 723,000 tons actually shipped in the corresponding period of last year.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—A dull tone prevailed for actual sugar, business being of a retail character, though prices of British standards remained unaltered. Messrs Tate and Lyle's cubes quoted 33s to 33s 6d; crushed, 31s 3d; B, ditto, 30s 9d; coffee crystals, 33s 6d; nibs, 33s 6d. Granulated-stoved, 31s 7½d; fine, also coarse grain, 29s 7½d; No. 1, 29s 4½d; No. 2, also London and T.L.S., 29s 1½d; mineral, water white, 29s 6d; icing cases, 35s 9d; bags, 36s 3d; pulverised, 32s 6d. Castor, finest, 34s 1½d; A, 33s 7½d; B, 31s 6d; yellow crystals, 26s 1½d. Foreign neglected, and trend of value in buyers' favour. Czech, granulated, spot, 27s 3d; ready for shipment, 14s 6d; August, 14s 7½d; November-December, 15s, f.o.b., Hamburg. Dutch "J," spot, 27s 3d; ready, 14s 7½d; August, 14s 9d; October-December, 15s 1½d, f.o.b., Rotterdam. Belgian crystals, prompt, 14s 6d, f.o.b., Antwerp. Polish crystals, prompt, 14s, f.o.b., Danzig. Canadian granulated, spot, 27s 9d; prompt shipment, 15s 6d, c.i.f., London. Mauritius crystals, spot, 26s to 26s 1½d. Cuban basis, 96 per cent., July-August, sellers, 11s 9d, c.i.f., U.K. White terminal market opened easier, but since steadier. August sold, 13s 9d to 13s 9½d; October, 14s 2½d; December, 14s 7½d; March, 15s 0½d; May, 15s 4½d per cwt.

COFFEE.—Moderate supplies were brought forward at public sales, and a fair demand prevailed at generally steady rates. Kenya, fair bold to good, sold, 133s 6d to 142s; peaberry, 110s 6d to 139s. Uganda, common to good bold, 111s to 126s; peaberry, 99s 6d to 120s 6d. Costa Rica, good to fine bold coffee, 169s 6d to 183s. Mexican, Maragogipe, fair greenish, 185s 6d. Futures quiet, and December, sold, 89s 3d.

COCOA.—Market generally quiet on spot, but late rates were maintained. Accra, for shipment, July-August, sold, 52s; intermediate crop, also new crop, 48s per cwt., f.o.b. terms.

TEA.—At public sales 20,292 packages Indian were offered, mostly comprising new season's, the first representative sale of the new crop. The tone was very irregular, and with only a limited inquiry, a considerable quantity was withdrawn. Common and plain liquoring kinds mostly showed a decline of ½d to 2½d per lb. Some invoices from Travancore met with fairly good support, though quotations often marked a drop of ½d to 1d per lb. Pekoe, sold, 1s 4d to 1s 9d; broken orange pekoe, 1s 5½d to 2s 1d. 26,000 packages Ceylon experienced more competition than for Indian, though prices were somewhat irregular and frequently ruled ½d to 1½d per lb lower, particularly for plain liquoring broken pekoes. The strongest inquiry was for best broken orange and medium pekoe suitable for export. Pekoe sold, 1s 3½d to 1s 7½d; broken orange pekoe, 1s 5½d to 1s 10½d per lb, in bond. China descriptions were in fair request, and new season's Keemun to arrive sold up to 3s, and old Keemun from 1s to 3d. Common monings realised 7d to 7½d per lb. In auction, 7,769 packages Java and Sumatra experienced a quiet demand, and prices show a decline of ½d to 1d per lb. Common and medium grades show the chief drop, but best pekoe's only fractionally lower. Pekoe sold, 1s 0½d to 1s 3d; broken pekoe, 9½d to 1s 4½d; orange pekoe, 1s 0½d to 1s 4½d; broken orange pekoe, 1s 0½d to 1s 5½d; pekoe souchong, 1s 1½d to 1s 1½d per lb, in bond.

RICE.—Market quiet, with an easier tendency. Rangoon, two stars, spot, London, sellers, 16s 10½d; July-August shipment, 16s 1½d, c.i.f. Spanish, spot, 22s to 22s 7½d, as to quality; July shipment, 21s 9d to 21s 6d. Italian, July shipment, 21s 6d. Straits quality, July-August shipment, 15s 10½d, to Cuban main ports, c.i.f. terms. Beans quiet. Madagascar butter beans, spot, 26s to 28s, as to quality; afloat, 24s 9d. Rangoon, hand-picked, July-August shipment, 12s 4½d. Peas slow. Japanese, spot, 34s 6d; September-October, 26s 9d cwt.

SPICE.—Pepper quiet. Black Singapore, spot, sellers, 10½d; May-July shipment, 9½d; August-October, 8½d; Lampung, spot, 10½d; May-July, 9½d; August-October, 7½d; white Muntok, spot, 1s 4½d; L.S., May-July, 1s 3½d; August-October, 1s 1½d. Pimento, spot, 6½d. Cloves, dull. Zanzibar, spot, 9½d to 10d; July-August shipment, 9½d per lb. Tapioca unchanged. July-August, sellers, 16s 3d. Sago flour slow. Sarawak to U.K., July-August, sellers, 14s 10½d, c.i.f. Desiccated coconut steady. Fine, on the spot, 45s; medium, 44s 6d; June-July shipment, 39s 9d; July-August, 39s 6d. Ginger, Japan, spot, 60s; West Coast African, spot, 37s 6d and 35s, c.i.f., per cwt.

FRUIT (Dried).—Currants firm, but business limited. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s; Vostizza, 40s to 52s; Patras, 31s to 33s; Australian, 46s to 54s. Sultanias slow of sale. Australian, new crop, 66s to 85s; South African, bleached, 70s to 76s; Californian, 55s to 61s. Dates continue in request. Siar, quoted 11s 3d to 11s 9d; Khadowie, 17s 6d. Raisins quiet. Valencias are practically out of supply on spot, but South African offers at 37s to 42s. Evaporated fruits quiet. Californian apricots, fancy, 140s; Australian, 130s to 140s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian,

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extra choice, 75s; fancy, 85s; Lake County, fancy, 100s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian, spot, 54s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines: Market generally quiet. Fair supplies of the new Portuguese pack are coming forward. Portuguese, ½s quoted 4s 3d to 6s per dozen tins. Salmon steady, with moderate inquiries. Red, tall, 1 lb, 60s to 65s; tall pink, 28s to 29s; ½ lb, pink, 41s. Lobsters firm, and the pack this season is expected to be on the short side. Best ½s, quoted 165s to 170s, and ¼s, 95s to 97s 6d. Japanese crab scarce, on spot, and further supplies are awaited. Crayfish unaltered.

CANNED FRUIT.—There is a steady trade passing at generally firm rates. Quotations for new Californian pack are slightly dearer for peaches and apricots, but lower for pears compared with those ruling at corresponding period last year. Californian Bartlett pears, choice, 24-2½s, 13s 6d to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Singapore pines in moderate request, on spot, with fair supplies on offer, but forward offers are sparingly made. South African and Hawaiian in better request, and prices firm. Italian tomatoes unaltered, on spot, while a fair business is reported in new pack.

CANNED MEAT firm, but quiet. Danish lunch tongues sell steadily. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 120s to 130s; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams are in good demand, and finest Danish quoted 1s 8½d per lb for case of six tins.

CONDENSED EVAPORATED MILKS.—Market unchanged in price, with a better call for the latter, owing to warm weather. Machine-skimmed sweetened, 11s 3d to 12s; full-cream unsweetened evaporated, 19s 6d to 25s; ditto sweetened, 21s to 25s upwards.

HONEY.—New Zealand in steady demand, but other descriptions quiet. New Zealand quoted 50s to 85s; Australian, 40s to 47s 6d; Jamaica ranges from 40s to 55s; Haiti, 37s 6d to 50s; Cuban, 37s 6d to 50s; Californian, 45s to 60s per cwt.

RUBBER.

Quiet, and prices fairly steady. Plantation standard sheet, spot, also July, sold, 1s 8½d; August, 1s 8½d; September, 1s 8½d; October-December, 1s 8½d to 1s 9d and 1s 8½d; January-March, 1s 9d per lb.

GENERAL.

JUTE firm with a fair trade in force. Firsts, to Continent, August, sellers, £33 10s; September, £31 10s; October to December, £30 10s. Lightnings, August, quoted £31 10s; September, £29 10s. Hessians and twills dearer.

HEMP.—Manila inactive. J grade, August-October, quoted £39 10s;

K, ditto, £30; L, £31; and M, £27 10s New Zealand High Point, July-August, sellers, £36; fair, ditto, £33 10s. African Sisal, No. 1 Tanganyika, August-September, £43 10s; No. 1 Kenya, ditto, £43 per ton.

SHELLAC steady. Fair T.N., orange, spot, 122s 6d to 127s 6d; Futures, August, also October, 119s 6d, and December, 117s 6d per cwt. **COPRA** quiet and easier. F.M.S. Straits, to Rotterdam, July-August, quoted £29; August-September, sold, £29 2s 6d; Dutch East Indies, July-August, £28 1s, quoted; F.M., South Sea ditto, £27 17s 6d; kiln dried, £27 7s 6d. Ceylon, £30 7s 6d. Palm kernels steady. June-July, to Liverpool, sellers, £20 15s; July-August, £20 12s 6d per ton.

TALLOW.—Messrs Colchesters and Woolner write on July 14th as follows:—The tallow market was quietly steady during the week, and prices were maintained to-day. Inferior sorts met a fair demand, while good coloured kinds received only moderate attention. At auction to-day 502 casks tallow were offered, and 323 were sold. Quotations are:—Australian mutton: Fine, 45s 6d; good to fair, 44s 6d to 43s 6d; dull to dark, 42s 6d to 40s 6d; hard, 45s. Australian beef: Fine, 45s 6d; good to fair, 44s 6d to 42s 6d; dull to dark, 41s 6d to 40s; sweet, 45s 6d. Present shipment from Australasia: Good mixed, 44s 6d, nominally. Present shipment from South America, 44s 3d. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough fat, per 8 lbs, 24d; melted

stuff, 29s 6d per cwt. Quotations are:—Town, 40s, net cash, naked, ex works. Country: Frail casks, 40s; home melted, shipping casks, net, f.o.b., good coloured, 43s; fair to dull, 41s 6d to 39s 6d. Bone fat: white none; pale, none; benzine, 35s; melted stuff, 35s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £23; Cochin, £25 10s to £50; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 44d; citronella, Ceylon, 1s 7d; Java, 2s 4d.

METROPOLITAN CATTLE.—July 15.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	6	0	0	0	Canadian	8	8	0	4
Cambridge	6	0	0	0	Sheep—Downs (clipped)	8	8	0	4
Hereford Short Horns	6	4	0	6	Ewes	4	8	0	5
					Crossbred	4	8	0	5
					Scottish	9	4	0	10
					Lamb—Downs	9	4	0	10

LONDON POTATO MARKETS.—July 15.

Per Cwt.	s	d	s	d	Per Cwt.	s	d	s	d
English Sharp's Express	6	0	0	7	St. Malo	6	0	0	0
Eclipse	6	0	0	7	Jerseys	6	0	0	0
Midlothian	6	0	0	0					
Epicures	6	0	0	0					

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.									
COCOA —Duty, British grown, 9s 4d, foreign, 14s cwt									
Trinidad	per cwt	71	0	78	0				
Grenada	per cwt	58	0	69	0				
Ceylon, plantation	per cwt	70	0	85	0				
Guayaquil	per cwt	54	0	60	0				
COFFEE —British grown, 9s 4d, foreign, 14s cwt									
Do India, fine ord. g.d. mid 120	per cwt	0	145	0					
Do good to fine	per cwt	0	150	0					
Costa Rica, ord. to mid. 120	per cwt	0	158	0					
Good to fine	per cwt	0	165	0					
Central American, g.d. ord.	per cwt	0	135	0					
Mid to fine	per cwt	0	140	0					
Colombian, foxy	per cwt	0	110	0					
Do g.d. ord. to low mid. 112	per cwt	0	126	0					
Do mid to fine	per cwt	0	130	0					
CHEMICALS									
Acid, citric	per lb	1	3	1	3				
Nitric	per lb	0	2	0	4				
Oxalic, net	per lb	0	3	0	4				
Tartaric, English	per lb	1	0	1	5				
Foreign	per lb	0	1	1	0				
Cream of Tartar	per cwt	80	0	155	0				
99% 100%	per cwt	80	0	155	0				
Alum lump	per ton	10	10	0	0				
Do ground	per ton	11	10	0	0				
Ammonia, carb.	per ton	37	0	39	0				
Muriatic, White	per ton	22	0	29	0				
Sulphate	per ton	14	0	15	0				
Arsenic, lump	per ton	65	0	70	0				
Powder	per cwt	16	0	17	0				
Ashes, pot	per cwt	65	0	70	0				
Pearl do	per cwt	9	0	10	0				
Bleaching powder	per ton	9	10	0	0				
Borax, gran.	per ton	22	0	0	0				
Do crystals	per ton	23	0	0	0				
Do powder	per ton	24	0	0	0				
Camel	per lb	4	2	4	4				
Iodine, dry	per oz	1	0	1	1				
Nitrate of Soda	per ton	13	5	0	0				
Potash—Chlorate, net	per ton	0	3	4	4				
Prussiate	per ton	0	8	0	8				
Do Foreign	per ton	0	7	0	8				
Sulphate	per ton	11	0	12	0				
Sal-Acetone	per lb	1	10	2	0				
Sal-Ammoniac	per cwt	42	6	45	6				
Soda Bicarb.	per ton	9	10	0	0				
Crystals	per ton	5	0	5	0				
Alkali	per ton	5	17	6	15	0			
Caustic	per ton	14	2	6	16	0			
Sugar of lead, white	per ton	0	0	0	0				
Foreign white	per ton	4	4	0	46	0			
Sulphate Quinine	per lb	1	9	1	10				
English Brands	per lb	1	8	1	9				
Foreign do	per lb	1	9	1	9				
Sulphate Copper	per ton	24	10	0	25	0			
Zinc, out.	per ton	9	0	9	0				
Sulphur Flour	per ton	9	0	9	0				
Do Roll	per ton	8	0	8	0				
Vermillion, Chinese	per lb	4	6	4	9				
English	per lb	4	6	5	0				
Oil Peppermint, H.G.H.	per lb	90	0	95	0				
COPRA —per ton, c.i.f.									
Malabar, June-July	per ton	30	7	6					
Ceylon	per ton	29	2	6					
FMS Singapore	per ton	28	0	0					
FM Straits	per ton	28	0	0					
COCHINEAL —per lb									
Alces, fine E.L.	per cwt	30	0	150	0				
Cape, good to fine	per cwt	41	0	42	6				
Balsam Peru	per lb	6	3	0	0				
Capivi	per lb	1	9	0	0				
DRUGS									
Japan, refined	per lb	3	4	3	5				
Cardamoms, Ceylon	per lb	3	0	3	0				
Cardamoms, China	per lb	3	0	3	0				
Castor-oil	per cwt	85	0	96	0				
Gum Benjamin Sum.	per cwt	5	0	10	0				
Olibanum, drops, fair to good	per lb	80	0	100	0				
Ipecacouanha	per lb	14	6	0	0				
Jalap	per lb	2	0	0	0				
Musk pod, China	per lb	62	6	67	6				
Oil, Cassia	per lb	8	0	8	3				
Aniseed	per lb	2	10	2	11				
Peppermint, Wayne	per lb	70	0	75	0				
County	per lb	3	0	3	3				
Rhubarb, China fr to in.	per lb	3	0	3	3				
DYE STUFFS, &c.									
Galls, China	per cwt	65	0	0	0				
Turneric, Bengal	per cwt	26	0	27	6				
Madras, finger	per cwt	38	0	40	0				
Gambier, black	per cwt	0	0	0	0				
Cutch, ord. to fair	per cwt	0	0	0	0				
DYEWOODS —									
Do Brazil	per ton	18	0						
Fustic, Jamaica	per ton	8	10						
Cuba	per ton	15	0						
Lima Wood	per ton	20	0						
Logwood, Campeachy	per ton	9	0						
Honduras	per ton	10	10						
Jamaica	per ton	7	15						
Red Sanders	per ton	12	0						
Sapang Ceylon	per ton	15	0						
FLAX—spot—c.i.f.	per lb	65	0	64	0				
Riga ZK	per lb	0	0	0	0				
Pernau HD	per lb	0	0	0	0				
Slanes U/A Medium	per lb	76	0	75	0				
FRUIT —									
Oranges, Denia & Val. 300	per cwt	8	0	18	0				
Do	per cwt	36	8	0	14	6			
Do Cape	per cwt	10	0	20	0				
Lemons, Naples	per cwt	8	0	20	0				
Do	per cwt	8	0	20	0				
Do Sicilian	per cwt	5	9	18	6				
Do	per cwt	10	0	23	0				
Do Malaga	per cwt	0	0	0	0				
Grapes, Lisbon	per cwt	0	0	0	0				
Almeria	per cwt	0	0	0	0				
Val. Ona	per cwt	6	0	8	6				
Egyptian Ona	per cwt	0	0	0	0				
Apples: Australasian	per cwt	9	0	10	0				
Cleopatra	per cwt	6	10	0	0				
Jonathan	per cwt	6	10	0	0				
Tasmanian Various	per cwt	5	6	11	0				
HIDES —Wet salted—									
Australian	per lb	0	5	4	6				
West Indian	per lb	0	4	0	7				
Argentine	per lb	0	6	0	7				
Lisbon	per lb	0	5	2	6				
Oporto	per lb	0	4	0	7				
Dry & Dressed Cape	per lb	0	8	0	11				
Madagascar	per lb	0	6	0	7				
Central American	per lb	0	7	0	11				
Buffaloes, Singapore	per lb	0	4	0	11				
Manila	per lb	0	5	0	10				
E.L.	per lb	0	5	0	13				
Market Hides, London —									
Best hvy. ox & heifer	per lb	0	7	0	8				
Do light do	per lb	0	5	2	0				
2nd ox, heavy	per lb	0	7	0	7				
Do light do	per lb	0	5	0	5				
Best cow	per lb	0	4	0	8				
2nd do	per lb	0	4	0	8				
Best calf	per lb	0	8	0	11				
2nd do	per lb	0	6	0	11				
INDIA RUBBER —lb—									
Para, fine hard spot	per lb	1	7	3	0				
Plantation sheet	per lb	1	8	2	0				
INDIGO—per lb—									
Bengal, good red violet to fine	per lb	5	8	6	0				
Mid. ord. vio. to good	per lb	5	0	5	6				
Low to good ord.	per lb	4	0	5	0				
Madras, dry leaf, good	per lb	2	0	2	6				
Do low to ord.	per lb	1	0	2	6				
Kurpah, g.d. mid. to g.d.	per lb	4	0	4	6				
Low to mid.	per lb	3	0	4	0				
HEMP —per ton—									
India P.C.	per ton	5	6	0					
Malilla, July-Sept., "J"	per ton	39	5						
Grade	per ton	39	5						
N.Z., high point, fair.	per ton	36	0						
June-July	per ton	36	0						
JUTE —									
Native first marks, July-Aug.	per ton	34	0	34	0				
Aug-Sept.	per ton	31	10	0					
LEATHER —per lb—									
Bole Benda 6/9 lb	per lb	1	3	2	0				
Do do 10/12 "	per lb	1	3	2	0				
Do do 12/14 "	per lb	1	4	2	6				
Do do 14/16 "	per lb	1	5	2	6				
Do do 17 lb and up.	per lb	1	6	2	6				
Bark Tanned Sole	per lb	2	6	3	0				
Shoulders from DS Hides	per lb	0	9	4	0				
Do Eng. or WS do	per lb	1	0	1	11				
Bellies from DS do	per lb	0	7	2	0				
Do Eng. or WS do	per lb	0	8	2	0				
Dressing Hides	per lb	0	6	2	2				
Ro. Eng. Calf, 20/30 lb.	per lb	3	6	4	6				
Aust. Hides	per lb	1	0	1	4				
METALS —B. Copper									
Best selected.	per lb	63	15	65	0				
Sheets (strong).	per lb	90	0	0	0				
Standard.	per lb	58	0	58	26				
Lead Eng. Pig per ton	per ton	33	5	30	0				
Soft Foreign.	per ton	32	0	31	6				
Spelter G.O.B.	per ton	33	18	34	9				
Tin—English ingot	per ton	278	10	279	10				
Do do bars	per ton	279	10	280	10				
Standard cash.	per ton	280	10	282	6				
OILS —Fish, per ton—									
Real, pale.	per ton	4	0	0	0				
Linseed, p. ton net, naked	per ton	36	0	0	0				
Rape, refined	per ton	51	0	0	0				
Crude	per ton	49	10	0	0				
Cotton-seed, crude	per ton	39	0	40	10				
Edible, refined	per ton	46	0	0	0				
Cotton-seed, crude	per ton	48	0	0	0				
Deodorised	per ton	48	0	0	0				
Palm.	per ton	38	10	38	5				
Lard, American	per ton	70	0	78	0				
Petroleum—O.I., per 8 lbs.	per lb	1	1	0	0				
Water-White	per lb	1	2	0	0				
Oil Cakes, Linseed, Eng.	per ton	21	5	21	10				
Oil Seeds—Linseed	per ton	1	5	1	6				
La Plata, p. ton July-Aug.	per ton	19	7	6					
Bombay, p. ton July-Aug.	per ton	18	15	0					
Calcutta, p. ton July-Aug.	per ton	18	15	0					
PORTLAND CEMENT —Best English									
per ton delivered, London	per ton	58	0	63	6				
Rapid hardening "Ferrocement"	per ton	10							
per ton extra.									
"Lightning" brand Aluminous Cement	per ton	100	0	105	6				
100"/to 105 6 per ton.									
PROVISIONS —									
Butter—per cwt.	per cwt								

discount market was at first firm, with the rate for three-months bills at $4\frac{3}{4}$ per cent., but with easier money and a stronger Continental demand rates gave way on Thursday and Friday, the quotation for three-months bills yesterday being $4\frac{1}{4}$ per cent. Yesterday's Treasury bills, as anticipated, went at a slightly more favourable rate for the Government—namely, just over $4\frac{1}{4}$ per cent.

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discounts: Call	3	3	3	3	2 (Dec. 3, '25)
Houses: Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{4}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed an increase of £398,800 in the stock of coin and bullion, and a decline of £121,800 in the note circulation. The Reserve was thus £520,600 higher, the Proportion rising to 24.5 per cent. Government securities were increased by £1,615,000, and Other securities reduced by £2,933,800, Public Deposits declining by £1,740,700 and Other Deposits rising by £960,100. Currency notes were reduced by £978,800 to £291,981,000, which includes £1,299,600 for notes called in but not yet cancelled. The fiduciary issue is £234,431,500, or £13,417,000 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market is reacting after the recent buoyancy, but the undertone is rather steady, with short-term money plentiful and reports from industry showing a maintenance of the recently improved tone. Concern is felt over French political ineffectualities, but it is realised that the fiscal problem is capable of solution when the politicians are ready. There is much regret at the controversy over the American debt policy, as no useful purpose is served. It is considered ironic that attacks are directed against Mr Mellon, who has led the forces of moderation throughout the negotiations and takes a broadminded view of European problems. It is worth noting that his statement as to the reasonableness of the Berenger Agreement was made to help Caillaux, but came too late, and that his letter, which contained the unhappy reference to British borrowing, was part of a general reply to a domestic attack upon the Administration's whole funding programme. Mr Mellon certainly wishes no controversies, and his letter is an example of the results of starting these controversies. The Reserve banks show a continuance of the midsummer decrease in borrowings, with discounts for the system and for the local bank materially reduced. The ratio for the system is 76 and for the New York bank 83 per cent.

THE STOCK MARKETS.

This week's settlement passed off without any of the trouble which had been anticipated in some quarters, but a good deal of stock has been realised to provide money to meet differences on certain industrial shares in which a bull account existed. The demoralisation of the franc has led to violent fluctuations in inter-bourse securities, and the general result has been the diversion of funds into gilt-edged stocks, which have been remarkably firm, notwithstanding the recent heavy flow of new issues. Home rails have been listless, but foreign railway stocks, as a whole, are fairly steady. Rubber shares are dull, and oils are mostly lower. Among industrials, Imperial Tobaccos gave way in the absence of a bonus with the interim dividend, but recovered later, and other tobacco shares are good. Kaffirs have suffered from French sales. The issues by Tamplin's Licensed Properties of £200,000 6 per cent. debenture stock and Timengor Tin Mining Company were over-subscribed.

THE COMMODITY MARKETS.

All markets continue to reflect the subversive influence of the coal stoppage. Imports of foreign coals again show an increase, a fair number of American cargoes having reached South Wales this week. Business in domestic pig-iron is stagnant, but re-rollers, tinplate

makers, &c., are using an increasing quantity of foreign material. The cotton market is less active than last week, lack of confidence in the current price level having induced caution among buyers. The demand for raw wool is remarkably well maintained, and jute is a little steadier after recent weakness. Wheat has been quiet all the week, prices having an easier tendency in sympathy with American markets. Sugar is steady at recent rates, coffee and tea well sought after, especially the finer qualities. The rubber market is dull, prices remaining below the 1s 9d level. Among non-ferrous metals tin prices have been in sellers' favour, copper has been irregular, with dealings on a fairly liberal scale, and lead active and firmer.

FOREIGN EXCHANGES.

The franc again occupied the centre of the stage in the foreign exchange market, and the fevered conditions to which we referred last week continued. They went, indeed, from bad to worse, under the influence of the political developments in France, the rate rising or falling according to the confidence or the reverse inspired by the particular Minister or combination for the time in power, or likely to be in power. The Belgian franc was the next most important centre of attraction, as might have been anticipated, and after that the lira. The high premiums on forward rates in each case shows the inherent weakness of the position of these three currencies; but for them the market was comparatively dull. On the 16th the franc opened weak, after closing the previous day at 197 $\frac{1}{2}$ -198 $\frac{1}{2}$, and touched 209, but recovered at the close to 201 $\frac{1}{2}$. Forward rates were one month 7f, and three months 20f above spot. Belgian francs similarly touched 212, but closed at 205, three months forward rates being 15f above spot. The lira at 143 was rather better. On the 17th the franc steadied, especially forward rates, on the publication of M. Caillaux's proposals, and after recovering to 197 $\frac{1}{2}$ eased to 200. Forward rates were 6f and 13f to 15f for one and three months respectively. Belgian francs recovered to 197 $\frac{1}{2}$, forward rates being unchanged. The lira weakened to 145 $\frac{1}{2}$. The defeat of M. Caillaux's programme, on the 19th, pulled the franc down to 227, and 235 was touched at one time, but a rally at the close improved the rate to 222 $\frac{1}{2}$. Forward rates went to the month 10f to 12f, three months 23f over spot, and the forward market was more or less demoralised. Belgium, after opening steadily, fell to 218, but recovered to 210; forward rates went worse to one month, 10f three months, 19f over spot. Further weakness was evident in the lira at 145 $\frac{1}{2}$ -146 and forward rates were 10 lira above spot for three months' delivery. On the 20th francs opened disastrously at 231, touched 238, and wound up at 229 $\frac{1}{2}$; forward rates were worse by 50 centimes. Belgium closed worse at 219 after touching 223, and three months forward rates were 25f above spot, as against the previous 23. The lira broke to 153, but forward rates were unchanged. On the 21st the access of M. Herriot to power and fears of a capital levy accentuated the flight from the franc to such an extent that the rate touched 250; but rumours of his impending fall caused a reaction to 220, at which rate it closed after a slight break. Belgian francs similarly opened at 224, rallied to 211, and wound up at 213, but three months' forward rates were worse at 28 francs above spot. The lira opened weakly at 154, but rallied after the publication of the Budget figures to 149 $\frac{1}{2}$, but forward rates advanced to 11 lira above spot for three months. On the 22nd Paris fluctuated between 202 and 210 and closed at 217, three months' rates advancing to 24f above spot. The Banque de France returns showed increases of 550 million francs in advances to the State and 87.8 million francs in the note circulation. Brussels opened at 203, fell to 214, and closed at 212 $\frac{1}{2}$; three months' delivery advanced to 30f above spot. The lira was steady at 150, but 14 $\frac{1}{2}$ lira above spot were asked for three months' forward. Yesterday an improvement set in on the news that M. Poincaré had succeeded, at the time of writing, in forming a Cabinet, and the rate was 210, bid forward rates being down to 9f and 20f above spot for one and three months. Brussels was also better at 208, and the lira at 149 $\frac{1}{2}$. New York has been fairly steady at about 4.86 $\frac{1}{2}$ -7 $\frac{1}{2}$, but there was weakness on 21st and 22nd at 4.86 $\frac{1}{2}$ -7 $\frac{1}{2}$. Amsterdam moved rather against this country to 12.09 $\frac{1}{2}$ -3, after opening at 12.10 $\frac{1}{2}$ -1.

Berlin was weakish at 20.42 at the beginning, but recovered to 20.43 at the end. Switzerland was temporarily weaker at 25.12-25.13 on 22nd. None of the other European currencies call for comment. South American currencies showed steadiness throughout except the milreis, which declined sharply on 21st to 7 15-32 from 7 $\frac{1}{16}$. The rupee was steady at 1s 5 $\frac{1}{8}$ d. In the Far East Shanghai was weaker at 2s 10 $\frac{1}{2}$ d, as against the opening rate of 2s 11 $\frac{1}{2}$ d. Silver prices ruled lower under the influence of China selling, and bears were tempted to cover by the falling rates. The spot rate is now 29 $\frac{1}{16}$ d and forward 1 $\frac{1}{8}$ d higher. For the first time for a considerable period silver was shipped from China to London, which indicates that the saturation point of this market has been reached owing to the steady transfer of silver from the United States.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 17th:—

EXPENDITURE.	(000's omitted.)	RECEIPTS.	£
Supply Services	7,550	From Revenue	16,674
Interest, &c., on Debt	733		
Sinking Fund	392		
Road Fund	1,079		
Sundries	483		
Increase in Balances	64		
Decrease in debt	6,373		
	16,674		16,674

Revenue amounted to £16,673,800, against £20,033,900 for corresponding period last year. Customs yielded £1,325,000, against £1,356,000, and Excise £5,480,000, against £7,016,000. Property and income-tax yielded £4,467,000, against £5,431,000, and Super-tax £600,000, against £740,000. Special receipts under Miscellaneous produced £1,161,200, against £2,315,000.

The week's operations reduced the National Debt by £6,373,000, and caused the following changes:—

(000's omitted.)			£
National Savings Certificates ..	£ 50	Treasury Bills.....	-10,003
Public Dept. Advances	+ 4,050	Sundries	- 470
	<u>+ 4,100</u>		-10,473

The floating debt was reduced by £5,965,000 to £775,466,000.

FINANCIAL YEAR, 1926-1927 (April 1 to July 17, 1926.)

£	£
Total Expenditure .. 260,830,775	Raised by Revenue .. 184,607,088
	Decrease in Balances .. 3,838,932
	Amount borrowed .. 72,384,755
Total	260,830,775

ESTIMATES for FINANCIAL YEAR 1926-7.

£	£
Expenditure	820,641,000
Revenue	824,750,000
Surplus	£4,109,000

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—The Standard Bank of South Africa, Bank of Roumania, Rock Investment Company, British North Borneo Rubber Trust, Eagle Oil Transport, Taquah and Abosso Consolidated, and Bodega Company. At the meeting of the Rock Investment Company Mr M. C. Harman explained the conservative policy adopted, a dividend of only 1 per cent. being paid on the ordinary stock, although 23 per cent. was earned.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include a new index of electricity production, and a review of the present position of Russian Agriculture.

THE CRISIS IN FRANCE.

THE French Chamber has once again dashed the hopes of all those, whether in France or abroad, who thought that the Briand-Caillaux Ministry, backed by the Expert Committee, might be able to steer the franc safely into port. Last Saturday M. Herriot descended from the chair, and marshalling the combined forces of Left and Right in the Chamber, defeated the Government on the question of granting special powers to the executive to deal with the financial situation. M. Herriot launched his attack on the laudable grounds of defending the rights of Parliament, but within two days his own short-lived ministry proved that he had no alternative plan, and his adventure, apart from sending the franc down to 242 to the £, merely gave another illustration of the ineffectiveness of the present French Chamber. Although M. Herriot secured a promise of support from the Socialists, he had no common ground with those who had combined with him to turn out the previous Ministry, and, indeed, it quickly became evident that his unfortunate Finance Minister, M. de Monzie, could only extemporise makeshift proposals to deal with what he found, as soon as he got to the Treasury, to be a desperate situation. In fact, he found the Treasury practically empty, and the only legacy of the Government is a Bill hastily passed after M. Herriot's downfall to permit France's foreign balance, including the small balance of the Morgan loan, to be used to keep the Treasury going for a few hours longer. M. Herriot's action precipitated something very like panic in Paris, and has brought down upon his own head, and that of the deputies, a wave of popular disapproval for having checked a serious effort to deal with the crisis. At the time of writing it appears that he will be succeeded by a small Ministry of National Defence under M. Poincaré. But it still remains to be seen whether M. Poincaré, or any other Prime Minister, will secure the necessary authority to deal with a situation which is rapidly becoming desperate. To the outside observer it would seem that during the last two years every possible combination of the present French Chamber has been tried, but has failed to produce a stable majority strong enough to put through a strong policy; and that the time is long overdue for trying what would have been done in this country months ago, namely, an appeal to the country in the hope that there would be better success with a fresh Chamber. It would then soon be evident whether it was essential to give the executive exceptional powers. We may add that the history of these two years illustrates the importance of the British plan of giving the Government sole responsibility for the Budget instead of allowing the Chamber to produce innumerable alternative finance Bills of its own.

The events of the last few days recall the time when the currencies of Central Europe were collapsing. The shops have been showing unwillingness to part with their goods, the public have been rushing to convert their money into commodities, and there is beginning to be a disposition to charge prices in accordance with the exchange rate of the franc. There are still many who hold that the franc cannot possibly experience an extreme slump comparable to that of the mark. It is true that the Budget has been nearly balanced, that France's economic position is good, and that she is not very dependent upon foreign trade, which, in any case, has not shown any strong adverse balance. In such circumstances the comparative level of prices in France and elsewhere establishes a normal to which the exchange should return—the purchasing power parity of which so much has been heard in recent years. But it is equally important to remember that if confidence is undermined, and for psychological reasons the exchange deteriorates far below this normal, and if this lack of confidence persists, it will alter, slowly at first, but later more rapidly, the internal conditions which determine the normal exchange rates. As soon as the French population begins to realise that prices and wages measured in francs are measured in a unit which has no stability, and as soon as the country begins to think in terms of index numbers internal prices will move more rapidly; a given movement of the exchange will be followed more

promptly by internal movements, and the value of the franc will deteriorate with increasing acceleration.

To this downward slide there is no limit, unless an absolute limit is set to the currency circulation—in which case the Government, whose expenses have been mounting up, would be faced with the disagreeable alternatives of raising money at exorbitant rates or by forced loans, or of repudiating its liabilities in some form or another. Needless to say, either course would accentuate the exchange difficulty by increasing the incentive to fly from the franc. The advantage of limiting the currency in a crisis of this kind is that it makes the Government find other means of meeting its obligations; but it is a clumsy means, which may precipitate social consequences of a very serious kind. On the other hand, if proper steps are taken to meet the nation's obligations, and are combined with measures to stabilise the currency, the amount of the note circulation is a matter of minor importance, which, subject to certain limitations, will adjust itself automatically to the country's needs. In the circumstances M. Poincaré is practically bound to get authority for one more extension of the note issue, and pick up at once the problem of stabilisation at the point at which M. Caillaux left off. This will involve the grant of wide powers to the executive which we fear will be given with a bad grace, if at all.

In this connection France compares unfavourably with her neighbour, Belgium, who has faced the same crisis with much greater determination. Parliament, though no less jealous of its prerogatives, has given the King for the time being very exceptional powers, which are described in a later column, and has set to work energetically to convert State property into cash with a view to reducing the floating debt. In the case of the railways and other undertakings this will only be effective if the new companies are given adequate charging powers and provided there is a large enough market in Belgium to absorb long-term securities, such as railway stock. In the task of replacing floating debt by securities representing State property, the Government will have many financial conundrums to solve; but it is evident that Belgium has the will to grapple with her acute difficulties. The keen and prompt appreciation by the Belgian Parliament and people of the necessities of the situation, compared with the more vacillating procedure in France, is perhaps due, among other causes, to the fact that Belgium is far more dependent on foreign trade than is France (her foreign trade in 1924 was equal to 185 dollars per head against 109 dollars for France), and that her whole economic life is therefore much more international in outlook. Matters in France, however, have reached such a stage that the French nation will require its leaders to act at least as firmly as those of her northern neighbour.

Meanwhile the British Parliament, under pretext of discussing the Caillaux-Churchill agreement, has roamed once more over the whole topic of the international war debts. The question, so far as it relates to the American debt, we discuss on a later page. As to the French debt settlement, the debate in the House revealed nothing new and showed no genuine difference of opinion. Mr Snowden, it is true, complained that Mr Churchill had abandoned the *pari passu* basis, but the Chancellor had no difficulty in meeting this criticism. If we add in the full value in 1980, it is true that we have the worst of the bargain, but if we confine our attention to the present generation, Great Britain's settlements are the more valuable. A more serious criticism is that in the annexed letters, which admit that France may ask for a modification of the terms if Germany wholly or partially defaults, it is implied that the Dawes Plan will last for the whole period of 60 years, or that the debt agreement must be reconsidered. This possibility seemed disquieting to the House, and it is indeed true that very few have contemplated that the Dawes scheme can last for so long. Technically, there is at present no limit to the Dawes scheme, since the total amount to be paid was not dealt with by the Dawes Committee. But it is fairly clear that, if circumstances arise which make necessary a radical revision of the Dawes plan, or if political conditions are such as to make it possible to wind up the whole of this disturbing business of international payments, international war debts must be included in any such general liquidation. The House, however, showed its common-

sense in endorsing the view that it was desirable to give France as much help as possible in putting her financial house in order. As Mr Hilton Young pointed out, we ought to concern ourselves as business men more with new business than with old debts. Our commercial ledger is of more importance than our ledger of public finance, for Britain is like the manufacturer to whom orders matter more than interest. To assist France towards monetary stability is of far more importance than a few figures up or down in the amount which we ask her to pay over a long period of years.

THE INDUSTRIAL OUTLOOK IN GERMANY.

BRITISH traders in overseas markets have learned by experience that it is extremely unwise to plan new developments, fix prices, or submit tenders without some reference to the possibility of German competition. This being a commonplace of present-day trade, it is the more surprising to find that a really sound and useful knowledge of the present industrial organisation of that country, and its future potentialities, is possessed by only a very small minority of people in England. The implications of the extremely important measures of reorganisation which have followed the Versailles settlement, the adoption of the Dawes Plan, the inflationary period and subsequent stabilisation, &c., are seldom realised here, although their effect on the competitive power of Germany, particularly during the next decade, cannot but be considerable. The British Electrical and Allied Manufacturers' Association have therefore performed a distinct service by compiling a report on the present state of German industry, based on numerous statistical tables, and written in a manner both lucid and concise.* Although the report, which is to be published shortly, is primarily concerned with the position of the German electrical industry, it includes a number of valuable facts relating to that country's industrial economy as a whole, and the following paragraphs are largely based on the conclusions reached and set forth in the ultimate chapter.

The association find that the introduction of the Dawes Plan has modified German economic conditions so radically that historical comparison and analogy are practically useless for the comprehension of the vital factors affecting the present situation. With the success or failure of this Plan lies the whole future of Germany. Is the present machinery likely to function until German Reparation indebtedness has been cleared away? An affirmative answer would presuppose four essential conditions:—

(a) That the wealth-producing capacity of Germany will be increased so greatly that the sum of £125,000,000 annually required for the scheme will be found from the national surplus. (b) That the adverse balance of trade existing before the war will be made good, and a surplus equivalent to the difference between £125,000,000 and the total of invisible exports be realised. (c) That the world market for manufactured goods will have increased so greatly that an additional £100,000,000—£125,000,000 from Germany will be absorbed without difficulty—the manufactured goods in question being almost wholly iron and steel, engineering and electrical products, textiles and chemicals—or, alternatively, that displacement in the world market through intense competition from German firms will be such that manufacturers in other competing countries will yield ground to the extent required to give Germany an export surplus of £100,000,000. (d) That the actual transfer of the sums required by the Dawes plan annually will not take place, and that they will, instead, be invested in German industry and agriculture. The fulfilment of these conditions, the association do not hesitate to say, will involve a state of affairs which few British manufacturers can afford to contemplate with equanimity:—

The Dawes plan will reduce the standard of living in Germany, force deflation to a lower level than even now to encourage a surplus of exports, encourage a dumping policy on the part of German firms, and cause a serious and permanent depression in the basic industries of Britain.

This is, of course, merely an emphatic restatement of the doctrine enunciated by Sir Josiah Stamp and other economists some time ago, but in proceeding to draw the moral that "it is essential for manufacturers in this

* "The Electrical Industry in Germany." (London) The British Electrical and Allied Manufacturers' Association (Inc.), 36 Kingsway, W.C. 2. 10s 6d.

country to press for a drastic revision and even abolition of the Dawes Plan in their own interests," the association would appear to be giving an extreme lead which opinion in other industries may not yet be sufficiently ripe to follow.

Passing to an examination of the financial factors in the German equation, the association come to the conclusion that—

the reorganisation of industrial finance after the period of inflation to meet the requirements of stabilisation on a gold basis is now complete. The result has been an improvement in the relations between capital invested and capital actually productive. There is now closer co-ordination between them, and the position of the balance-sheets is theoretically stronger now than even before the war. On the other hand, the work of deflation has robbed industry of any surplus capital it may have had for expenditure on new plant, on new sales organisations and on new amalgamations, and made the cost of financing higher than before the war. The financial position of the German manufacturer is now greatly improved as far as those branches of manufacture are concerned where only standard articles on mass production lines and with a rapid turnover are produced. In heavy contracts and non-standard manufacture, where the turnover is slow and liquid financial resources are necessary to see the work finished, the German manufacturer is at a disadvantage.

A most important legacy of the inflationary period has been the difficulty of executing orders dependent on the obtaining of financial accommodation stretching over a considerable period:—

Before the war the manufacturer, producing for the home market, discounted bills with his bank which were often renewed on maturity, and so became part of the debenture and loan capital of the concern. Now, the manufacturer cannot obtain short-term capital for long-term purposes owing to the diminished resources of the banks, and must be in a position definitely to redeem short-term bills on maturity, while the price of financial accommodation has become so high that his competitive position is seriously affected. He cannot, therefore, take on contracts extending over a long period without making provision for finance on a long-term basis, and his quotation must be raised accordingly. The principle of financing contracts by arrangement with the banks who could use "short-term capital," procured in London and New York ostensibly for general purposes, but actually for advancing German trade abroad, has become difficult of application. Financially, German competitive ability has thus been seriously weakened.

Numerous efforts have been made to overcome this disadvantage. From the United States German manufacturers have obtained new loan accommodation by fixed interest-bearing issues, secured on their plant and material. State credits for industry have been introduced on a large scale, modelled on the British Trade Facilities Acts. Such credits, which run to an estimated total of £60 millions, partake of the character of subventions, since the rate of interest demanded is less than 2 per cent. The main industries assisted have been iron and steel, shipbuilding, and general and agricultural engineering. In addition, an export credits scheme has been established, for engineering especially, which may lead to a revival, on a limited scale, of the pre-war system of financing contracts abroad.

The events of the last few years have left their mark also on the theory and practice of industrial organisation in Germany:—

Dependence on foreign capital combined with the economic utilisation of immensely increased manufacturing plant has effected four important changes. The vertical combine—i.e., from raw materials to the finished articles and finance—has no longer the power it once had owing to incomplete utilisation of the productive resources available at each stage of the combine, and is almost certain to disappear as the final development of industrial organisation. The trust is gradually exerting greater influence, and the tendency is to limit its range of production to one horizontal group, with absolute control of manufacturing capacity in that group and rigid adherence to the quota system. The United Steel Trust is a recent example, while the report of the Dye Trust, Interessengemeinschaft Farbenindustrie A.G., composed of the six great dye firms of Germany, shows that, in one industry at least, the trust has justified itself. The Kartell is yielding ground slowly to the trust idea, but there is no indication of the abandonment of the Kartell principle, in engineering at least. The protection of the home market is such that a comparatively inefficient association of manufacturers like the Kartell can still prosper. Price-fixing has become general practice down the whole range of German manufacture, in electrical engineering as well as in chemicals and textiles, and the tendency has been to maintain a gap between home prices and export prices, in some cases equivalent to as much as 25 per cent. State participation in industry has acted as a disintegrant of organisation for manufacture. The tendency is now for the large undertaking to form special companies to take over special branches of production, procure State assistance for itself, and allow the State to participate in the formation of those new companies. State participation, in manufacture as well as in public service undertakings, has grown with remarkable rapidity, and a central control company, the Vereinigte Industrie Unternehmungen A.G., has been created to cover the whole range of participation.

On the technical side the introduction of modern machinery is in process of effecting far-reaching economies

in production. The great industrialists, profiting by the errors of the past, are scrapping inefficient and obsolete machinery, making a new division of labour, in which human power is more and more fulfilling its proper function of control, and generally co-ordinating the national productive capacity into a coherent industrial machine of great and improving efficiency.

Germany has practically recovered from the disturbances caused by political developments, and is now producing at about 90 per cent. of the pre-war average. In coal-mining, iron and steel the pre-war average has been reached; the study of heat economy has reduced effectively the consumption of coal and rendered available a large tonnage for exports; engineering generally is still depressed, but electrical manufacture has now exceeded the pre-war output.

As regards the industry with which they are chiefly concerned, the association find that the German electrical manufacturer has lately become an increasingly formidable force in world competition. From his home market comes a steady demand, due primarily to the deliberate choice of electricity as the chief means towards increasing industrial production generally, and, secondarily, to the impetus which representatives of the electrical industry on the board of the German State Railway Company are in a position to give to the policy of railway electrification.

National co-ordination of electricity supply, both for strategic and economic purposes, has been conceived on a basis of large power zones operated by a central undertaking where public control, direct or indirect, has been a feature in its creation. The powers exerted by the finance corporations, and through them by the manufacturers, on the formation of electricity supply companies and the allocation of orders have been weakened by this work of co-ordination, but technical developments have tended to reinforce the monopoly enjoyed by the great electrical manufacturers. The power market in Germany is strong enough to keep manufacturers busy to above 80 per cent. of their capacity and allow them to introduce a system of dumping in foreign markets where competition is specially keen.

With the domestic market for his wares thus secured, the German manufacturer finds himself in a position to sell abroad at prices representing factory cost alone, without margins for profit, depreciation, or capital charges, and he has obtained a full share of the recent improvement in European conditions.

In 1925 German electrical exports to European countries increased 45 per cent. over those of 1924, and accounted for 73 per cent. of the total electrical exports. In 1913 the corresponding percentage was 71 per cent. Europe absorbs over £11,500,000 of German electrical goods annually and not much more than £1,500,000 of British electrical goods. Although the British total exported to European countries is higher now than in 1913, it is clear that there is still room for development of the European market by British firms.

In countries outside Europe, where the two are in competition, however, the odds are more in favour of Great Britain. In South America, China, and Japan the position of British firms is particularly strong; their main competitor has ceased to be Germany, and is now the United States.

In the matter of production costs the German electrical manufacturer enjoys at present a certain advantage over his British colleague.

Prices of raw material products were distinctly lower in Germany than in Britain throughout the whole of 1925. At the beginning of this year, however, a certain equilibrium had been reached, and, roughly speaking, it may be said that the British manufacturer, so far as raw material prices are concerned, is at a 10 per cent. disadvantage compared with his German confrère. As regards finished products, the difference is about 20 per cent., although present prices do not represent the true economic position of Germany industry. This increased advantage is due principally to the lower rates of wages and the longer working week in Germany, but the present trend of wages is such that some part of this advantage will be lost within the next few months, especially if the policy of deflation is continued.

The picture thus presented of a powerful industrial state, driven by the necessity of fulfilling its external obligations into a policy of internal development *à outrance*, may be a little overdrawn here and there, but in its essentials it is sound enough, and the lessons it teaches may well be taken to heart by British employers and employed. German captains of industry learned early to appreciate the disadvantages of an ultra-individualistic spirit. In financial and monetary matters, recognition of the true secret of prosperity, viz., "liquidity," came much later, but the process, though painful, has certainly not been fatal. Altogether the German industrial machine of to-day would appear to be in process of reaching a notably high level of efficiency, and industrialists in this country can scarcely afford to shut their eyes to its possibilities.

THE BANKING HALF-YEAR.

THE interim dividends paid by the English joint-stock banks were at the same rate as for the corresponding period of 1925, with the exception of the National Provincial, which paid at the rate of 18 per cent. per annum, against 16 per cent., and the Lancashire and Yorkshire, which paid at the rate of 24 per cent. per annum, against 20 per cent. In the former case it is merely a matter of bringing the interim dividend into line with the increased dividend of 18 per cent. paid for the year 1925, while the Lancashire and Yorkshire paid up an additional £2 per share on its capital out of reserves, making the shares £10 paid, and the extra payment just announced is equivalent to the old rate on the enlarged capital. In the absence of any figures of profits, we are left entirely in the dark as to the half-year's results, for the mere fact that dividends have been maintained does not of itself indicate that profits have not increased, or for that matter declined. For even with a substantial increase in profits the directors of the banks would be unlikely in the present state of affairs to make any addition to dividends; while, on the other hand, a reduction in profits would have to be very substantial to warrant a reduction, considering the hidden reserves which the banks are known to possess. A glance at the monetary history of the past half-year, however, suggests an increase in banking profits rather than a decrease. Bank rate remained throughout the period at 5 per cent., so that the main supply of revenue—namely, interest on advances—should have averaged 5½ per cent. or more. Again, the average rate for short loans was higher than usual at over 4 per cent., the actual margin over the rate paid on deposits being £1 1s 2d per cent., which compares with 17s 8d per cent. in the first half of 1925 and 9s 10d per cent. in the first half of 1924. It may be that larger allowances have had to be made for bad and doubtful debts in view of the paralysis in certain industries, but investment depreciation will have made no call on profits during the period.

Turning to the figures of the half-yearly statements as at June 30th, we append a table comparing the aggregate figures of the "big five" banks with those of December 31st last and of June 30, 1925:—

(Million £'s.)

	June 30, 1926.	Compared with Dec. 31, 1925.	Compared with June 30, 1925.
Paid-up capital	62.9	+ 1.7	+ 2.3
Reserves	50.7	+ 0.4	+ 2.0
Acceptances and endorsement	77.4	- 19.8	- 2.4
Deposits (including undivided profits)	1,515.8	- 6.3	+ 6.8
Total	1,706.8	- 24.0	+ 8.7
Cash, notes, balances at bank, and cheques in course of collection ..	248.2	- 9.9	- 4.2
Ratio to deposits	(16.4%)	(- 0.6%)	(- 0.3%)
Money at call and short notice	101.0	- 4.8	- 0.6
Investments	242.9	- 16.3	- 21.8
Discounts	197.6	+ 6.2	+ 9.2
Loans and advances	812.5	+ 19.4	+ 26.7
Premises and sundries (including cover for acceptances)	104.6	- 18.6	- 0.6

THE most striking feature in the comparison with this time last year is the increase of nearly £27 millions in loans and advances. It might have been expected that this movement would have been accompanied by a larger expansion in deposits than that shown above, but the figures show that the increase in loans has been met by sales of investments, which of itself tends to lower the volume of deposits. Cash in hand and money at call are also lower than they were twelve months ago, but discounts are £9 millions higher. The decline in deposits as compared with December last is a normal movement, and acceptances are usually lower at midsummer than at the end of the year. This year, however, they are slightly below the total shown at this time last year. The expansion in advances has been larger during the past six months than in the preceding half-year, and there has also been a heavier decline in investments.

In the next table we show the changes in the items of the individual banks as compared with six months ago:—

COMPARISON with DECEMBER 31, 1925.
(Million £'s.)

June 30, 1926.	Barclays.	Lloyds.	Midland.	National Provincial.	Westminster.
Deposits	- 2.1	- 2.0	- 1.1	+ 1.7	- 2.8
Acceptances	- 6.5	- 5.4	- 2.4	- 1.6	- 3.9
Cash, &c.	- 1.9	..	- 1.9	- 0.9	- 5.2
Money at call	+ 1.5	- 2.3	+ 1.7	- 0.6	- 5.1
Investments	- 5.6	- 7.2	- 1.4	- 1.0	- 1.1
Discounts	+ 1.2	+ 2.0	- 1.6	+ 1.1	+ 3.5
Advances	+ 2.6	+ 6.4	+ 2.0	+ 2.7	+ 5.7

The expansion in advances is common to all the banks, though larger than the average in the case of Lloyds and Westminster. Each of the banks has reduced its investments, the largest decreases being shown by Barclays and Lloyds. The investment holdings of the five banks are now as follows:—Barclays, £60 millions; Lloyds, £53.2 millions; Midland, £39.8 millions; National Provincial, £41.1 millions; and Westminster, £48.8 millions.

The changes shown by the figures of the five principal provincial banks are smaller and show a different tendency with less uniformity:—

COMPARISON with DECEMBER 31, 1925.
(Million £'s.)

June 30, 1926.	Bank of Liverpool & Martins.	District Bank.	Lancashire and Yorkshire.	Manchester & County.	Williams, Deacons.
Deposits	- 0.9	- 3.0	- 1.1	..	- 1.5
Acceptances	- 3.0	- 1.8	+ 0.1	- 0.5	- 0.8
Cash, &c.	- 0.8	- 2.0	- 0.1	- 0.2	- 0.3
Money at call	+ 2.5	+ 0.6	..	..	- 0.3
Investments	- 0.2	..	..	+ 0.1	- 0.1
Discounts	- 1.6	- 0.9	- 0.1	- 0.2	- 1.8
Advances	- 0.8	- 0.6	- 0.6	+ 0.4	+ 0.9
Advances	- 3.0	- 1.8	..	- 0.6	- 0.7

None of these banks has increased its total of advances, and in three cases discounts have been reduced. Investments are all lower, but two banks show a larger total of money at call.

In the concluding table we give the ratios of the advances of the big five banks to their deposit liabilities at the dates mentioned:—

RATIO of ADVANCES to DEPOSIT LIABILITIES.

	June 30, 1926.	June 30, 1924.	Dec. 31, 1924.	June 30, 1925.	Dec. 31, 1925.	June 30, 1926.
Barclays	45.0 ..	48.1 ..	46.5 ..	50.1 ..	50.0 ..	51.2 ..
Lloyds	52.7 ..	45.9 ..	48.4 ..	52.3 ..	54.1 ..	56.4 ..
Midland	56.9 ..	54.2 ..	53.5 ..	56.9 ..	56.2 ..	56.9 ..
National Prov	45.0 ..	50.1 ..	51.5 ..	52.3 ..	52.8 ..	53.4 ..
Westminster	48.1 ..	40.3 ..	44.7 ..	47.8 ..	46.3 ..	48.9 ..
Total	50.7 ..	48.0 ..	49.0 ..	52.0 ..	52.1 ..	53.7 ..

* Union of London and Smiths.

Lloyds and Westminster, which recorded the largest increases in advances, show the largest increase in this ratio during the past six months, that of the former being not much below the Midland Bank's figure, which for each date given in the table has been easily the highest. The average figure is now appreciably above the pre-war ratio.

THE LULL IN SPECULATION.

THE Stock Exchange Account which closed this week presented certain features of unusual interest and difficulty, for while the make-up prices reveal nothing like a general fall, the two-week period saw a rather sharp set-back to speculation in industrial shares, while the French crisis and the renewed slump in the franc not only sent French descriptions down, but also cast their shadows over markets in which Paris is apt to take a lively interest. Additional factors, of course, were the effect on public confidence of the long continuance of the coal stoppage, which, while it releases funds for investment, puts a progressively darker tinge to the industrial

outlook, the approach of the summer holidays, and a somewhat intensive campaign of new issues. The following table, which must not be taken as typical of market movements as a whole, shows some of the more conspicuous falls over the period of the Account:—

Security.	Price, July 5.	Price, July 19.	Fall.
French 5 % Rentes	9½	8½	1
French 4 % Rentes	8½	7½	1
Great Western Ord. Stock	86	84½	1½
L.N.E.R. Pref. Ord. Stock	53	51½	1½
L.M.S. Ord. Stock	72½	70½	2
Bradford Dyers' Ord. (£1)	52½	49½	3
Watney, Combe, Def. Stock	290	272	18
Callender's Cable Ord. (£1)	67½	63½	4
Courtaulds Ord. (£1)	61	53½	7½
Joshua Hoyle Ord. (£1)	26½	24½	2
Rylands and Sons Ord. (£1)	28½	26½	2
Siemens Bros. and Co. Ord. (£1)	28½	26½	2
Burmah Oil Ord. (£1)	63½	51½	12
Zinc Corporation Ord. (10)	55½	52½	3

In many sections movements are slight and irregular, and there are many rises to set against these falls. But it may be said that a feature of the Account has been the lull in industrial speculation.

Why so sudden a halt should have been called to speculation in the industrial markets of the Stock Exchange, writes a Stock Exchange correspondent, it is a little difficult to decide. The rock upon which the bullishness broke up was undoubtedly the reduction in the interim dividend of Courtaulds. This reduction of 3d a share, as compared with a year ago, is a bagatelle, so far as money is concerned, and Courtaulds could have easily maintained the previously paid 1s 6d per share, free of tax, had they deemed it discreet to do so. The fact that the board decided upon so trifling a reduction served, however, to set in train a good deal of uneasiness among holders of shares in other popular industrial companies. People who had been running after industrials, and buying the shares more on tips than on sound reasons, became suddenly frightened. Confronted with a drop of a pound a share from the recent best in the price of Courtaulds, the holders of other industrials started to turn out their shares at a pace which upset a number of sections in this particular market, and which made its effect felt throughout the House as a whole. Here and there recovery ensued from the lowest prices touched, but there is no doubt as to the check that has been laid upon the speculative spirit and the greater reluctance which has sprung up in the minds of the ordinary investor to take such risks as are involved through the purchase of shares on the top of a previously long rise in prices.

Some surprise is expressed at the nature of the selling that has occurred, which suggests that a fairly extensive bull account prevailed. Previous evidence of this had not been obvious in the market. Nowadays, however, people are more willing than they used to be to pay for what they buy, either with their own money, or with that borrowed from bankers and others whose names serve to cover the widespread character of the buying movement in various shares. When the actual holders become apprehensive, and want to sell, the shares come out of the names of nominees, well known in that capacity only. It is difficult to tell at the present time whether there is a large bull account or not in the shares of some particular company, for, apart from the position open in the Stock Exchange market, it is customary for a much larger hidden account to be built up beneath the names of nominees of a bank or some other financial institution. The bull account is there; that is the point, and the fact of there being but a moderate position open in the Stock Exchange does not by any means imply that the holders of the shares are strong enough to keep them in the face of adverse conditions prevailing in industry or finance. The Courtaulds drop pressed home, as nothing else could have done, the fact that the present labour disturbances, added to the General Strike and its aftermath, will have to be paid for by someone or other. Those people who hold the view that the present investment movement is an artificial one, and is merely due to the fact that capital is not required by industry, are quick to point out the unjustified character of the rises which have occurred in so many industrial stocks and shares. The bull account is still considerable. In addition,

there has been a lot of staggard during the past month or so of new issues. Of this the Morris Motors issue affords a striking example. Having been very largely oversubscribed, the scrip quickly went to 1s 6d discount. The stag is notoriously timid, and rushes to get out of his stock at the first profit which becomes available. On the other hand, he is not always so ready to cut a loss, but is very frequently willing to run his commitments rather than to get out of them at a loss in order to be ready for the next thing that offers. The reaction which has taken place among industrial stocks and shares merely serves to emphasise the danger of following the speculative markets heedlessly, and with the idea of skimming some microscopic profit. Fingers can be burned by this process, as may be instanced by one case in which a man bought 1,000 shares last Friday night, intending to take a profit of 3d a share, and who was thankful to cut a loss of no more than 1s 4d per share on the following Monday morning. Another, who had resisted the temptation to be a bull of Courtaulds on a rising market, chanced to buy 100 shares on the night before the dividend cut was announced, and he got out of his liability next day with a £75 loss. Such instances, multiplied many times over, are a feature of Stock Exchange speculation at the present time, and it is not very surprising that there should be a noticeably lessened demand for industrial issues on the part of those who hitherto had been following the markets with eagerness, and, until a week ago, with a good deal of success.

MINERAL ROYALTIES.—AN ILLUSTRATION FROM SOUTH AFRICA.

(FROM A CORRESPONDENT.)

ONE of the recommendations of the Coal Commission, about which there has been comparatively little disagreement, is that the ownership of coal deposits should be acquired by the State. In countries where development is recent, and vested rights have not been allowed to grow, it is recognised by everyone that minerals are a proper endowment for the community, and not for a private person who happens to have come into possession of the farm land lying over them; in Britain a legal decision of several centuries ago gave the coal to the private landowner, so that now it is necessary to buy him out for a considerable sum. The landowner's rights are expressed in the form of a "royalty" which is practically a rent, except that the national resources for which it is paid are exhaustible, whereas farming land yields revenue for an indefinite time. It has long been recognised that rent of land is due to superiority over land which will only just pay to cultivate; the same is true of minerals. There are deposits which will just about pay for the labour and capital needed to work them, and other deposits so much richer that business men will gladly offer a substantial rent to be allowed to exploit them.

The difficulty is to make sure beforehand how much a mineral deposit is worth. When a farm is available for leasing, the farmers of the neighbourhood can form a pretty close estimate of the crops it is capable of yielding and the cost of working it, so that competition will settle the rent offered, and there is no risk of a serious error of judgment. But a prospective mine can only be very imperfectly explored by boreholes, and studied by aid of the geology of the surrounding country, so that an exploiting company may be very far out in estimating how much profit is to be made. In these circumstances the rent offered is only a rough guess; the plan that has become customary in Great Britain is the very crude one of paying so much per ton raised—sixpence or a shilling commonly. It follows, naturally, that there are a good many mines which make abnormally high profits owing to their luck in striking a rich seam, while there are others which are called upon to pay a royalty for the privilege of raising coal on which they are losing money.

The methods that were used in the early days of the Witwatersrand were different, but equally unsatisfactory; however, a large area to the east of the Rand, which is Government property, has become available for leasing

in recent years, and there a new and more scientific plan has been introduced, chiefly through the efforts of Sir Robert Katze, the Government mining engineer. This is based upon the principle that the body of capitalists who undertake to exploit the gold ore known to exist on the land should have a reasonable prospect of making customary profits, and should be encouraged to do their best by the hope that profits may be somewhat above the average; but that if the ore should turn out to be particularly rich, the benefit should accrue to the owner rather than the exploiting company. With this aim, an estimate was first made, on the basis of what was known of the geology of the district, of the yield to be expected and the cost of working; a lease was then offered, according to which the rent paid to the Government was to be a percentage of the profits made, the percentage rising as the profits were larger. After some experience, a suitable relation between the two quantities was found, and was embodied in an algebraic formula, which is now an integral part of the leases; in the case of land put up more recently, the tendering consists in stating what constants the tenderer is willing to insert into the formula!

However, it is possible to understand the method even if one is ignorant of algebra. To take the lease of West Springs as an illustration: this is so arranged that if out of the gross proceeds of the gold extracted not more than 10 per cent. is profit, no rent is payable. If the business turns out more fortunate the rent rises, rapidly; with profits 25 per cent. of gross income, rent is 39 per cent. of profits; with profits 50 per cent. of gross income, rent is 52 per cent. of profits, and so on.*

In order to carry out such a plan it is necessary that accounts be kept very strictly in accordance with a prescribed system, and that the term "profit" be carefully defined. This, one need hardly say, is all to the good. There would be less trouble on the British mines if the accounts of the companies were open to inspection by auditors representing a public authority; indeed, publicity of accounts is an important safeguard in all industries. The promoters of businesses that have anything of a public character should not be granted the privileges of organisation under the laws of limited liability without a reasonable measure of publicity, and the coal-mining industry certainly has a public aspect.

This is by the way: the essential feature of the East Rand lease is that it retains for the State as much as possible of the natural value of minerals. A rougher plan does not secure this. The assumption of risk by the exploiter will probably lead to the royalty offered being less than the true average value of the mineral rights; but, even if it were equal to that average, in practice the Government's receipts will be less, for if the mine is unsuccessful, the owner has to reduce or abandon his royalties, while, if it turns out to be exceptionally rich, the owner gets nothing additional. Thus if our Government, after spending a hundred millions or so in acquiring the mineral rights, were to introduce a more scientific system in leasing new ground, it is probable that the yield of royalties would be increased, and the purchase might turn out to be a good investment. The matter should be investigated: the South African system would not be copied without modification. A knowledge of the technique of coal-mining, and of its economic circumstances, is needed to formulate a definite plan, but the principle is clear: the share going to the company should be appropriate to the capital it supplies and the intelligence and efficiency with which it conducts the business of mining, while the share going to the State, as owner, should be appropriate to the natural richness of the ground.

The South African Government has benefited considerably by adopting the sliding scale lease. It is true that certain areas offered recently have not been let, but that is not due to the form of the lease. Gold mining is passing through an unfavourable period, owing to the fall in the purchasing power of gold, so that it is difficult to raise capital for it on any terms.

* The formula is $y = a - b \div x$.

Where x is the percentage ratio which profit bears to gross income (after allowing for amortisation of capital) and y is the percentage of such profit to be paid to the State. a and b are constants offered by the tenderer.

NITRATE PRODUCING COMPANIES.

THE past year has not been a happy one for Chilean nitrate companies. Both Messrs Aikman (London) and Henry Bath and Son refer in their half-yearly reports on the industry to the increasing competition of artificial fertilisers. Messrs Aikman estimate the consumption of artificial nitrate fertilisers during the year to June 30th last (in terms of pure nitrogen) at 1,187,000 tons, against 1,088,000 tons in the preceding twelve months, and 970,000 tons for the year before that. "The feature," they say, "has been the large increase of synthetic nitrogen products, the production of which is estimated at 583,000 tons, against 450,000 tons, and 355,000 tons for the two previous years. The production of by-product sulphate of ammonia has remained more or less stationary, being estimated at 280,000 tons, against 275,000 tons and 275,000 tons respectively. The consumption of Chilean nitrate has fallen back, the figures in terms of nitrogen amounting to about 324,000 tons, against 363,000 tons, and 340,000 tons for the two previous years." The falling-off in consumption during the past year is attributed to a multitude of causes, the principal one being that the production of synthetic nitrogen products has increased at a greater rate than was anticipated, the actual increase having amounted to 133,000 tons of nitrogen, as compared with an estimate of 75,000 tons made at this time last year. Prices per unit of nitrogen were consistently and substantially lower than the price of Chilean nitrate, and, therefore, the latter merely filled the gap (after the production of the former was absorbed) and showed a reduced consumption of 39,000 tons in terms of nitrogen, which more or less corresponds with the increase in production of synthetic products over the figures estimated a year ago. The other contributory and important causes were the unsatisfactory methods of distribution, as compared with the excellent selling organisation of the combined producers of synthetic nitrogen, the opportunity given to inland dealers of conducting a safer and more profitable business in competitive nitrogenous articles, the violent fluctuation in Continental exchanges, the encouragement given to and the heavy subsidy paid on sulphate of ammonia by the French Government, and the low prices ruling for cotton and sugar beet, which are the most important crops for which nitrate is used.

The following table, showing shipments, production, and stocks for various periods, is compiled from statistics presented in the half-yearly report of Messrs Aikman (London), Limited. The figures for the six and twelve months ended June 30, 1914, 1924, 1925, and 1926 are shown:—

(In Thousand Tons.)

	1914.	1924.	1925.	1926.
Shipments to Europe and Egypt for six months ending June 30	831	380	388	315
Shipments to Europe and Egypt for twelve months ending June 30	2,025	1,066	1,279	1,099
Shipments to United States for six months ending June 30	310	524	720	499
Shipments to United States for twelve months ending June 30	547	930	1,101	926
Shipments to other countries for six months ending June 30	41	68	62	76
Shipments to other countries for twelve months ending June 30	87	145	144	172
Production in Chile for six months ending June 30	1,455	1,150	1,156	1,239
Production in Chile for twelve months ending June 30	2,822	2,184	2,371	2,569
Visible supply for Europe and Egypt at June 30	416	127	217	314
" " United States " "	84	62	122	117
" " other countries " "	11	20	23	18
Stocks in Chile at June 30	754	1,021	856	1,28
Total supply in eight at June 30	1,265	1,230	1,218	1,677

* Estimating production in June at 160,000 tons, and shipments at 52,000 tons to Europe and Egypt, 16,000 tons to the United States, and 8,000 tons to Japan and other countries. † Excluding about 60,000 tons reserve stock held by the American Government.

Deliveries in Egypt have been very satisfactory, nitrate having maintained its premier position in that country and having obtained a large proportion of the increase in consumption of nitrogen. With the exception of United Kingdom, Spain, Holland, and Italy, where consumption has been maintained at about the same level, all European countries show substantial decreases. In France the falling-off amounted to 34 per cent., owing to the large

subsidy granted by the French Government to sulphate of ammonia, which has been sold at £1 to £2 10s per ton cheaper than nitrate. Of the 94,500 tons delivered from Germany and Baltic ports, it is estimated that 25,000 tons were consumed in Poland, 42,500 tons in Czechoslovakia, 20,000 tons in Germany, and 7,000 tons in Russia and neighbouring countries, against 56,000 tons, 58,000 tons, 20,000 tons, and 6,000 tons respectively last year. In Poland, the falling-off, amounting to 55 per cent., was mainly caused by the financial difficulties ruling there. The Chilean exchange has fluctuated during the six months between 39.20 and 40.00, closing at 39.90 pesos to the £.

In our next table we show the amount brought in to the 1924 and 1925 accounts of a group of representative nitrate companies, together with net profits for each year and how the available balances were utilised:—

Name and Year.	Brought In.	Net Profit after Payment of Dividends.	Ordinary Dividend.	To Reserve.	Carried Forward.
Angela Nitrate	1924 3,801 1925 4,225	23,638 25,166	17,500 17,500	5,000 Nil	4,942 12,291
Lagunas Nitrate	1924 15,128 1925 13,526	16,398 18,465	18,000 9,000	Nil Nil	13,526 22,991
Lautaro Nitrate	1924 147,377 1925 372,149	671,375 1,048,513	446,603 728,000	Nil Nil	372,149 692,663
New Pacocha and Jazampca	1924 3,719 1925 5,208	4,684 1,213	3,195 Nil	Nil Nil	5,208 6,421
Rosario Nitrate	1924 29,180 1925 28,584	50,552 37,592	51,150 35,719	Nil Nil	28,584 30,457
Salar Del Carmen	1924 16,494 1925 7,884	33,985 22,199	42,625 17,462	Nil Nil	7,884 12,591
San Sebastian	1924 5,948 1925 8,046	7,668 3,299	5,570 Nil	Nil Nil	8,046 11,345
Santa Rita	1924 12,605 1925 15,912	20,808 15,812	17,500 10,000	Nil Nil	15,913 21,724
Tarapaca and Tocopilla	1924 29,878 1925 40,477	41,599 38,855	31,000 Nil	Nil Nil	40,477 79,312

Apart from the £9,000 distribution of the Lagunas Nitrate Company for 1925 noted above, the company has made a distribution as a special dividend of 13s per share, free of income-tax. The Lautaro ordinary dividend was payable on a largely increased capital. It is not surprising in the circumstances outlined above, to find that most of the Chilean producing companies were unable to maintain profits at the 1924 level. The Angela and Lagunas companies, however, both secured higher net profits, while the Lautaro seems also to have done very well, although, in this instance, direct comparison is not possible, owing to the inclusion of the figures of the Compania de Salitres de Antofagasta for six months of the year. The unsatisfactory financial position of the companies is reflected in the "reserve" column of the foregoing table, which shows that none of the undertakings are building reserves for contingencies, all of them preferring to carry larger amounts forward.

Our next table shows the principal assets and liabilities at the end of the past two years:—

Name and Year.	Principal Liabilities and Assets.						
	Share Capital and Reserves.	Debentures and Loans.	Creditors.	Properties.	Stocks.	Cash.	Investments.
Angela Nitrate	1924 110,933 1925 119,854	..	121,073 115,471	40,477 40,477	57,311 51,538	9,867 15,841	32,792 31,750
Lagunas Nitrate	1924 1,000,000 1925 1,000,000	..	37,635 44,534	817,765 819,270	118,635 114,466	56,850 66,148	75,092 75,092
Lautaro Nitrate	1924 5,911,331 1925 5,911,331	1,500,000 1,500,000	4,458,136 4,458,136	1,099,389 1,099,389	1,870,015 1,870,015	198,792 260,450	297,300 297,300
New Pacocha and Jazampca	1924 80,700 1925 80,700	3,416 1,500	11,159 11,386	52,330 52,330	42,604 57,725	5,753 2,989	Nil 1,649
Rosario Nitrate	1924 660,000 1925 660,000	19,000 19,000	118,466 118,466	737,259 737,259	156,373 156,373	21,577 21,577	Nil Nil
Salar del Carmen	1924 323,344 1925 315,113	..	12,644 15,637	279,351 310,327	78,146 107,966	18,256 4,063	2,190 5,216
San Sebastian	1924 146,959 1925 147,981	8,000 7,095	113,181 113,966	125,467 120,367	46,562 51,816	4,883 4,669	5,402 3,808
Santa Rita	1924 140,000 1925 165,000	..	22,975 22,975	98,585 98,585	85,671 85,671	9,052 5,268	9,820 24,900
Tarapaca and Tocopilla	1924 501,664 1925 479,850	..	244,450 140,937	537,835 530,271	91,463 122,219	185,707 127,144	2,587 48,250

† Includes bills payable.

The Lautaro is now the most important undertaking. During the year the capital was increased to £6,560,000, and authorisation given to the local board to purchase the assets and take over the liabilities of the Compania de Salitres de Antofagasta. The purchase price was £2,560,000, payable in cash, the shareholders of the Antofagasta Company subscribing for the 512,000 new shares issued by the Lautaro. With the object of refunding the balances of loans contracted by the Antofagasta Company and of providing the necessary capital for con-

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struction and enlargement purposes, a new loan of £1,500,000 was floated in October last in the form of 6½ per cent. debentures, of which £1,000,000 was issued in 1925 and £500,000 in February last. The only other alterations in capital were the issue of 25,000 shares of £1 each by the Santa Rita to the San Patricio Company, and of £400,000 of 6½ per cent. first mortgage debentures at £95 per cent. by the Tarapaca and Tocopilla. The expenses of the issue were provided by a withdrawal from the share premium account, reducing that item from £27,602 to £5,934. The Rosario Company's bank loan was raised from £19,000 to £163,000, while the Salar del Carmen secured an advance of £35,000. Stocks, in most cases, are higher, as are both creditors and debtors. Most of the companies hold more cash than a year ago.

Our final table shows prices, dividends, and yields of the companies listed above:—

PRICES, DIVIDENDS, and YIELDS.

Company.	Share.	June 30, 1924.			July 23, 1925.			July 22, 1926.		
		Price.	Div.	Yield.	Price.	Div.	Yield.	Price.	Div.	Yield.
Angela	1	2 1/2	25	10 3/4	2 1/2	25	11	1 1/2	25	16
Lagunas Nitrate	5	1 1/2	2	5 1/2	1 1/2	2	8*	1 1/2	1*	7 1/2*
New Pacocha	1	1 1/2	6	5 1/2	1	6	6	1 1/2	nil	nil
Rosario	1	1 1/2	11	6 1/2	1 1/2	11	8 1/2	1 1/2	7 1/2	8 1/2
Salar del Carmen	1	3 1/2	30	8 3/4	2 1/2	25	9 1/2	1 1/2	10	6 1/2
San Sebastian	1	1 1/2	5	10	1 1/2	5	14 1/2	1 1/2	nil	nil
Santa Rita	1	1 1/2	15	7 1/2	1 1/2	17 1/2	11 1/2	1 1/2	10	10
Tarapaca and Tocopilla	1	1 1/2	12 1/2	8 1/2	1 1/2	10	8 1/2	1 1/2	nil	nil

* Free of income-tax.

As regards the outlook, both Messrs Aikman and Messrs Henry Bath view the competition of synthetic nitrate with anxiety. Messrs Bath expressed the hope in their report that the meeting in Valparaiso between the Producers' Association and the importers will result in the formulation of plans for reducing the handicap under which Chilean nitrate has suffered during the past season. Investors will therefore be the more disappointed at the news that the conference has been productive of no definite result. The comparison between nitrate and sulphate prices in countries outside the range of cheaper freight facilities, state Messrs Bath, threatens to be even more unfavourable for nitrate. "The reduction of 10s per ton in the price of nitrate has been effected by the producers without assistance from the Chilean Government in the form of a reduction of export duty. If this endeavour.....could be followed by a similar reduction in the export duty by the Government, the resultant lower price should be instrumental in increasing consumption and in reviving the waning interest in the article which was so noticeable last season. In any case," they add, "it is desirable that the Government's intentions should be made known without further delay, for it is evident that the present uncertainty is acting as a deterrent to new business." Messrs Aikman suggest that with the probability of the world's supply of nitrogen (exclusive of Chilean nitrate of soda) for the year 1926-27 amounting to about 1,020,000 tons of nitrogen, the prospects for nitrate are uncertain and the advisability of the Chilean Government assisting the producers to place the national commodity before consumers at a competitive price is all the more urgent. A reduction in duty of 1s

per metric quintal would probably meet the case, and if combined with an improved and reorganised method of marketing, the prospects for consumption of nitrate during the next twelve months would be considerably better.

THE POLITICAL CRISIS IN CANADA.—II.—THE PARLIAMENTARY DEVELOPMENTS.

(BY OUR CANADIAN CORRESPONDENT.)

ON June 22nd, when Mr Mercier, the Liberal chairman of the special committee which had been investigating the administration of the Customs Department, moved the adoption of its report, Mr H. H. Stevens, a Conservative ex-Minister, after delivering a slashing attack upon the Government for its complicity in the scandals, moved a long amendment which condemned the practice of political interference with the course of justice for the protection of offenders, directly censured the conduct of Mr Boivin, the Minister of Customs, and charged the Government with full responsibility.

Upon this amendment a long and stormy debate took place, in which party passions ran high. Mr Boivin made a very skilful defence of his conduct. Mr Mackenzie King spoke vigorously in his defence, but he indulged in a very unfortunate defence of Senator Bureau, whom the committee had condemned, and it made a very unfavourable impression upon the House. Mr Meighen and other Conservatives pressed home their indictment, and bent their energies to converting the Progressives, who were in the rôle of jurymen, to the view that the incompetence and corruption which had been uncovered, demanded the condemnation of the Government, unless normal standards of political morality were to be disregarded. The Progressives, who had been giving the Government steady support, were in a difficult quandary, for while a very damaging case against the Ministry had been established, they hesitated to put in power a party committed to a policy of high protectionism, and private meetings of the party revealed an almost equal division of opinion. Eventually, on the third day of the debate, a Labourite, friendly to the Government, moved a sub-amendment which sought to eliminate the censure features of the Stevens amendment, and provide for the continuance of the Customs inquiry by a judicial commission. Amid scenes of great excitement and before packed galleries, it was rejected by a majority of two. A brace of other divisions which followed immediately on a ruling of the Speaker, and another sub-amendment, revealed the fact that sufficient Progressives were voting against the Government to make certain the passage of the amendment of censure, and the Liberals, after an all-night sitting, secured an adjournment on June 25th by a majority of one. During the week-end Mr King and his colleagues discussed the situation, and it was decided to advise a dissolution of Parliament.

It then became the turn of Lord Byng to be faced with a difficult dilemma. A dispute is now raging between constitutional pundits about the exact status of Governor-Generals. Originally they were political officers of the Imperial Government, sent out to control and direct, and armed with very wide powers, but the weight of informed authority, including Sir Robert Borden, the former Conservative Premier of Canada, holds that, as the result of the advance in political status achieved by the Dominions in recent years, they must now stand in the same relation to their Ministers as the British Sovereign does to his. There exist precedents in pre-Confederation Canada, in New Zealand in its colonial era, and in Tasmania as late as 1914 for Governors refusing a dissolution to Ministers who asked it, but since these cases did not involve Parliaments of self-governing dominions, they should not apply; and since in Britain there is no case of the Crown refusing dissolution within the last hundred years, Lord Byng could not, under ordinary circumstances, have ventured to reject the Canadian Premier's advice.

But there were exceptional circumstances to justify the refusal which he gave; he had already given Mr King a dissolution ten months before for the avowed purpose of securing a clear majority, and when Mr King failed, and himself and half his Cabinet were defeated, Lord Byng had shown exceptional consideration for him, and been

severely criticised in the Conservative Press for not demanding his resignation. Now Mr King, facing imminent defeat on a vote of censure, was seeking a second dissolution as a means of escape, and, obviously, if it had been granted, the precedent would have been established that Governments could always avoid censure for their sins by taking refuge in a dissolution. But once the decision—which would have been popular—to reject Mr King's advice was taken, Lord Byng proceeded to act with a maladroitness which reveals the peril of entrusting high political offices to soldiers without Parliamentary experience. Mr King, having been refused dissolution, had no alternative but to resign, and thereafter Lord Byng would have acted wisely if he had insisted that the verdict of Parliament on the customs scandals must be taken before his resignation could be accepted. At least he should have accepted Mr King's offer that he hold his resignation in suspense until a new Premier could be found. But Lord Byng committed the major error of sending an immediate acceptance, and the first result was that the country was left without any sort of Government for 24 hours. The Governor-General, however, invited Mr Meighen, the Conservative leader, to form a Ministry, and the latter, after receiving some vague assurances of support from Mr Forke, the Progressive leader, which were later repudiated by most of the latter's following, accepted office. There was a substantial quantity of unfinished business before Parliament, but it was chiefly supply and non-controversial bills, and the normal practice would have been for the outgoing Ministry to have facilitated its peaceful completion.

If Lord Byng had held Mr Mackenzie King's resignation, the latter could not have refused his request to facilitate public business, but his precipitate acceptance of it freed the Liberal leader from all obligations, left him with a real grievance, and set him free to embark on tactics of protest and obstruction. Mr Meighen was also left in a very embarrassed position. On accepting the Premiership, he himself had automatically lost his seat, and he could not appoint other regular Ministers without endangering his fragile majority. So he resorted to the device of appointing acting-Ministers without salaries, and sent half-a-dozen of them to the Commons to pass the vote of censure, and wind up the session's business. They succeeded in the first, but failed in the second enterprise.

From the moment that Lord Byng rejected Mr King's advice to grant dissolution, the Liberals manoeuvred to make the issue one of constitutional rights; their immediate purpose was to demonstrate that there was in reality no Meighen Government, that in the absence of the formalities usually inseparable from the creation of Ministers, the men in charge of the country's affairs were only private members, devoid of any proper Ministerial status, and that they were quite powerless to complete the work of the session. They established their case, and made it effective by the dramatic defeat of the new Meighen Government by a single vote on a want-of-confidence motion in the early hours of July 2nd. Mr Meighen was then faced with a most unpleasant alternative. He had either to admit his inability to control Parliament, or he had to get rid of it by securing instant dissolution. He advised the latter course, and Lord Byng, who had no course open but to stand by him, granted his request. The axe fell, and the fifteenth Parliament of Canada in full career came to an end, while most of the work of the session, with a few notable exceptions like the Budget, went by the board. Then Lord Byng further aggravated his offences in Liberal eyes by not following the usual practice of attending Parliament in person to announce dissolution, of which the news was communicated to most members by messengers in the corridors of the Parliament building. Leading Progressives have also denounced his conduct as Cromwellian, and it has added fuel to the flames of criticism directed against him.

The issue now goes to the electorate, and there are signs that the contest, while it may develop great bitterness, will at least produce an honest cleavage in Canadian politics. The Conservatives will endeavour to keep the customs scandals in the foreground, and argue that too much stress should not be laid on minor breaches of constitutional proprieties which contrived the expulsion from office of a corrupt and incompetent Government. If the

Liberals are defeated in the approaching election they will not sit down submissively under defeat, but will keep the issue alive. They will become a party pledged to the abolition of English Governor-Generals, and from this it would be a very short step to becoming a party advocating political independence. In the election the Liberals will raise the battle-cry, "Is Canada a Crown Colony or a Dominion?" and will contend that the constitutional clock has been set back to the days of British military governors endowed with almost autocratic powers, and that all the hard-won battles whereby progressive steps in autonomy were secured must be refought. They will rely on the steady growth of nationalist sentiment in Canada since the war, and will play up to it assiduously.

Powerful newspapers have been sedulously advocating the removal of the legal trammels created by the existence of the British North America Act, a statute of the British Parliament passed in 1868, which is the only authority for Canada's constitution. They assert that while *de facto* Canada enjoys all the attributes of a full-fledged nation, *de jure* she is still a subordinate political community bound and fettered by the terms of a statute which her own Parliament has no power to amend. Lately they have been concentrating on a demand for the abolition of the system of Canadian legal appeals to the Imperial Privy Council, which lately declared *ultra vires* a law of the Dominion Parliament, but they have been urging that the Canadian Parliament should make a declaration of constitutional rights which would proclaim to the world at large its complete autonomy, and set itself in exactly the same position as the British Parliament.

At present the leaders of the Progressive party and the Labour members show a disposition to make common cause with the Liberals on the constitutional issue, and in an appeal to the electorate to vindicate the rights of Canadian nationalism against the pretensions of Imperialism, as represented by Lord Byng and Mr Meighen. Faced with such a campaign, the Conservatives, who cannot now hope for gains in Quebec, and must win support in the West if they are to prevail, may, as the contest proceeds, decide to accept the credit as well as the blame accruing from Imperialist proclivities, and advocate comprehensive schemes for the political and economic consolidation of the Commonwealth. In that event there would emerge from the election a clear-cut division between two parties, one strongly Nationalist, and the other avowedly Imperialist, and the politics of Canada would undoubtedly thereby be brought to a healthier condition.

Notes of the Week.

America and War Debts.—In the House of Commons on Monday a debate, originally intended to centre upon the Caillaux-Churchill debt settlement, ranged over the whole subject of inter-Allied war debts. A section of the British Press has recently taken the opportunity to make trouble by launching a most ill-advised campaign of agitation against the attitude of America on this matter. We shall never get to a proper understanding of this difficult question until we realise that the war was not America's war in the same sense that it was Europe's war, and that the United States was not, and could never have been, a party to it to the same whole-hearted extent as were England and France. America's contribution in materials and subsequently in men was of decisive importance. Europe must never cease to be grateful for this assistance voluntarily given. If America ever agrees to modify or cancel the international debts it will be as a further voluntary addition to her contribution towards the war. There is not the least hope of such a contribution being made until Europe has shown that she has settled down in peace, and that she has put her whole heart into the task of making a renewal of such a war impossible. America's attitude will certainly not be improved by irritating comments from this side, belittling her war effort or endeavouring to point out what view she ought to have taken on the great war issue. Such comments merely have the effect of making the position more difficult for those who are genuine friends of Europe. The discussion has, however, produced another series of long-

distance retorts between the British and American Treasuries arising out of some comments recently made by Mr Mellon, which unquestionably lay him open to effective rejoinder, for his statement is as wide of the mark as the observation on the other side in the historic Balfour Note that "under the arrangement then arrived at the United States insisted, in substance if not in form, that, though our Allies were to spend the money, it was only on our security that they were prepared to lend it." Mr Mellon says "that England borrowed a large proportion of the debt for purely commercial, as distinguished from war, purposes, to meet commercial obligations maturing in America, to furnish India with silver, to buy food to resell to the civilian population, in order to maintain the exchange. American loans to England were not so much to provide war supplies as to furnish sterling for home and foreign needs, and to save England borrowing from her own people." This statement has resulted in the publication in detail of the objects on which British borrowings were spent (these were given in full in an article in the *Economist* of April 4, 1925, page 641). But whatever the details may be it is absurd to imagine that any line could possibly be drawn between purchases made for war and other purchases at the height of the Great War. The Treasury was not authorised by Congress to advance money for any other purposes than for prosecuting the war, and to attempt to divide up the food purchases in the United States by Great Britain, according to whether it was consumed in the field, in British hospitals, or in British homes, in lieu of similar supplies which British ships brought from other sources, and delivered to the Allies, including the American army, is fantastic. We have always endeavoured to dispose of the false assumption, so often made here, that the supplies we bought in America on American credit were not used by Great Britain. But it is none the less appropriate to remember the other side of the question, namely, that while we were borrowing in America for our own purposes, and the general purposes of the Allies, we were also lending sterling to the Allies for expenditure in England. These funds had to be supplied by the heavily taxed British taxpayer, or from internal borrowing. If America had acceded to our request to finance the European Allies for the last two years of the war in all respects, including their purchases in England, we should probably not have had to borrow in the United States. Mr Churchill's statement, issued on Friday, presents the situation completely and fairly. On this occasion he has had the best of the argument.

The Churches, the Miners, and the Government.—Since we last wrote an important development has taken place in the coal dispute, though it cannot be said that it has resulted in any definite progress towards a settlement. Representatives of the Anglican and Free Churches have met the executive of the Miners' Federation and have obtained from them a written statement of terms, which they suggest as a basis for the termination of the coal dispute. These terms are:—

I. Immediate resumption of work on conditions obtaining on April 30, 1926, including hours and wages. The settlement, when arrived at, shall be on the basis of a national agreement.—(Signed) A. J. C.

II. A national settlement to be reached within a short defined period, not exceeding four months. In order to carry through Clause I., financial assistance to be granted by the Government during the defined period, under a scheme to be drawn up by the Commissioners who prepared the Report. The Commissioners shall be reappointed for this, and for the other purposes mentioned in the following clauses.

III. The terms of the reorganisation scheme and the reference to wages in the Report to be worked out in detail by the Commissioners, and the results to be incorporated by them, as far as may be necessary, in a Parliamentary Bill or Bills.

IV. Those parts of the reorganisation scheme capable of early application to be put into operation at the earliest moment practicable.

V. The Government to give assurance that those parts of the Report which require legislative sanction shall be placed on the Statute Book at the earliest possible moment.

VI. At the end of the defined period, if disagreements should still exist, a Joint Board, consisting of representatives of both parties, shall appoint an independent chairman, whose award in settlement of these disagreements shall be accepted by both parties.

These terms represent a definite departure from the *non-possumus* attitude taken up by the miners, for they admit the possibility of arbitration on the question of wages

after a preliminary period when the reorganisation proposals of the Coal Commission have been worked out. Mr Baldwin at once pointed out that the suggestion of a renewed subsidy was against the Commission's recommendations and was impossible, and at an interview with the Churches' representatives apparently indicated that there was no likelihood of the Government using its influence with the owners to induce them to accept a settlement on this basis. The public, however, is still in the dark as to where the Government stands in relation to the new situation which has arisen, for it cannot be denied that this concession on the part of the Federation is a step in the direction which the Prime Minister has so frequently required. The owners' position is fairly clear. They hope and believe that the men will, in fact, return, slowly at first, perhaps, but later more rapidly, on the terms that they have proposed on an eight-hour basis. If a substantial move in this direction occurs after the Bank Holiday it is presumed that district discussions will commence. The owners are waiting for some one district to take the step, and attention in this direction is naturally fixed on Warwickshire, where the terms involved mean an actual increase of wages. It has, however, yet to be shown that the owners' optimism is justified. What the position of the Government is is more obscure. It appears to change from time to time, perhaps according to the news from the coalfields. It is, however, to be hoped that in the debate on the Report stage of the Mining Industry Bill, which is now through Committee, the House will be able to extract from the Government a statement as to whether they consider the drift back to work with district agreements as a desirable termination to the dispute, or whether they are waiting for further steps from the Miners' Federation. In this connection it is important that they should let it be well understood in the mines all over the country what are the conditions on which they are prepared again to negotiate with the object of securing a rapid and general settlement.

The Government and Trade Disputes.—The great experiment of the general strike and its dramatic end of necessity brought into the arena of active discussion the whole question of the present law as it affects the rights and privileges of trade unions and the conduct of trade disputes. The more hot-headed of the Government's supporters allowed the "surrender of the T.U.C." to go to their heads, and quickly set up a clamorous demand for legislation that would cut the claws and clip the wings of the trade union movement. Such a clamour was bound to arise. If those who rule the trade union movement allow themselves to overstep the mark of discretion, and even of legality, they cannot complain if reactionaries go to the opposite extreme, and seek to seize the opportunity of the collapse of the general strike for a bold effort to break a movement whose national services they forget, and whose present leaders and objects they hate. It is to the credit of Mr Baldwin that he refused to allow the fire-eaters in his party to drive him into foolish action with regard to trade unions. But his commendable caution in this matter could not be expected to be to the taste of one wing of his party; and their dissatisfaction found some slight expression on Tuesday, when, in the House of Lords, that "Prince of Die-Hards," Lord Banbury, moved the second reading of a Bill whose sole aim was to repeal the Trade Disputes Act, 1906. He eventually agreed to an adjournment of the debate after a speech by the Lord Chancellor, Viscount Cave. The latter is scarcely of the left wing of the Conservative party, and his speech revealed not merely a desire for legislation, but also the existence of Government proposals to be introduced at a later date. There are many people in all parties, and thousands of trade unionists among them, who feel that the general strike brought into the foreground questions relating to the conduct of trade disputes which cannot be allowed indefinitely to remain as they are—questions especially of the strike ballot, of intimidation, and of legality of lightning strikes. The Lord Chancellor contented himself with touching upon those broad questions upon which legislation might be desirable. Even the extreme right wing of the Conservative party must be aware that this whole question is one of the most delicate, and that the future of the Govern-

ment, and of the party, depends in no small measure upon the way in which it is handled. Whatever be the line which the Government takes, it must be a line which leads itself to no suspicion of hostility to trade unions, and one which, while not forgetting the great national benefits achieved by the trade union movement, aims merely at removing excrescences from a position which might threaten to develop towards tyranny rather than freedom or democracy. If the Government needed any reminder that their handling of this question has a very great bearing on the political future, the Wallsend election result will have provided it.

The Reform of the House of Lords.—If the Great War had not occurred, it is hardly likely that the House of Lords as at present constituted would still to-day be the second Chamber of our legislature. For the Parliament Act of 1910 was the first step in a reform which was bound in the course of time to pass into another stage. The Parliament Act curbed the powers of the second Chamber as at present constituted. But, in the bitter controversy which raged around that measure, both parties clearly realised that the situation established by the Act was not one that could last indefinitely. Indeed, the reform of the House of Lords was a plank in the platform of the Liberal Government which the first year of war brought to an end. Since the end of the war a continuous series of more urgent problems has kept this great constitutional question in the background. But it remains, none the less, a constitutional question of the first magnitude, and great political significance attaches to the visit of a Conservative deputation to the Prime Minister in connection with this subject on Tuesday, and to Mr Baldwin's repetition of his previous pledge that the Government intends to present a scheme for the reform of the second Chamber during the lifetime of the present Parliament. To the non-partisan in politics it appears to be impossible that we should in perpetuity have a second Chamber in which, by the nature of things, one of the three political parties holds an immense majority, and another is most exiguously represented. Nor is it easy to fit into the scheme of democratic development a House whose members are augmented by Honours Lists faster than they are depleted by natural causes. Lord Middleton, who, in speaking for the deputation, professed to voice the views of between 200 and 300 Conservative peers, claimed the partial retention of the hereditary principle, but recognised that the Upper House should be properly representative of all parties in the State. The public memory is notoriously short, and relative values have changed, but all who can cast their minds back 15 years must realise that here is a question which may prove a touchstone of Conservative fortunes. With the plea that the present House of Lords must be remodelled into a smaller and more efficient body more representative of and more in touch with the public opinion of the country, all but the blindest partisans must agree. But if the reform, to which Mr Baldwin has once more pledged himself this week, is to command the approval of the country, he will obviously have to resist powerful pressure from a strong section of his supporters to use his majority at Westminster for purely party ends. Mr Baldwin is indeed likely to find himself faced by a dilemma. The huge body of Conservative peers are hardly likely to volunteer to commit suicide, nor is the large Conservative majority in the Commons likely to approve any such proposal. Yet, on the other hand, any undemocratic proposals for constitutional reform will rouse a public feeling that will probably reflect itself in overwhelming defeat at the polls. Here, then, is one—trade union legislation is another—question, upon the handling of which will in no small measure depend the political history of this country in the next decade. The "die-hard" section would like to settle the question by a referendum—a hoary political suggestion which has a way of raising its head when tariffs or Lords reform come into the limelight. Mr Baldwin's reply to the deputation, however, makes it tolerably clear that he will resist this proposal, and by making his legislation for the reform of the second Chamber the last act of his Government (possibly two years hence), will put the problem before the country as a leading electoral issue. That is the proper course. But no plan for a new second Chamber, however democratic, can be satisfactory if it

stands by itself. It should be coupled with a reform of our whole electoral system, so as to make Parliament a proper reflection of public opinion.

Speeding Up the Census Returns.—We observe that the Solicitor to the Board of Trade has at last been instructed to take legal proceedings against firms who have persistently, in spite of repeated warnings, neglected to send in particulars of their businesses for 1924 as required by the Act. At the Clerkenwell Stipendiary Magistrate's Court, last week, the first small batch of summonses came on for hearing. In six cases the magistrate convicted delinquents and imposed penalties amounting to from £10 to £15. Seeing that the actual penalties legally enforceable against these defendants amounted in some cases to £700, and in one instance to £900, it is obvious that the magistrate treated these first fines in respect of the new Census very leniently indeed. A second batch of summonses against Census delinquents will come on for hearing at Clerkenwell on the 28th, and we may expect many more in London and other centres. We find from enquiries at the Board of Trade that a very large number of firms seem definitely to have made up their minds not to make returns. It was against such delinquents as these that proceedings were taken last week. The Census of Production Act provides for fully adequate penalties against such people if magistrates will see fit to impose them. As we point out above, the six firms fined on Wednesday might have been punished by the imposition of as many pounds in fines and costs as they were made to pay shillings. No doubt if the hearing of the very many summonses already applied for by the Solicitor to the Board of Trade merely result in nominal penalties, the Board will be compelled to press strongly for really stiff fines, perhaps of hundreds of pounds in specially bad cases. The patience of the President of the Board, who, of course, must have been the final authority to tell the Solicitor to go ahead, has been too long-suffering. The batch of delinquents fined last week had, we understand, all become nearly a year late with returns before long last summonses were served upon them. There are many thousands of firms just as late. These will now no doubt rapidly be dealt with. Inquiries made in authoritative quarters show how long-drawn-out has been the patience of the Board. Take the cases of last week. All the defaulters had received at least six individual notices giving warning of the increase in pressure. Let us briefly run over those applicable to all the Clerkenwell defendants. Their schedules were legally due for return three months after the date of issue of those schedules—that is, between June and September, 1925. Early in the autumn of last year firms in default were gently reminded of their incomplete schedules. About December of last year they were told that they really must hurry up. In March the returns completed were demanded within a month. In June the Solicitor to the Board wrote to say that legal proceedings would really be taken forthwith. Now at last, in July, steam has begun to be raised in the engine of legal machinery. And high time too, if we are to have a Census which will be really accurate.

British Firms and the French Debt Agreement.—Satisfaction is expressed in industrial circles at the inclusion in the Anglo-French debt agreement of an undertaking by the French Government to compensate British businesses located in France, whose plant, &c., was damaged during the war, on approximately the same basis as similar concerns of French ownership. This clause of the agreement is the consummation of efforts extending over the last four years, in which a Committee of the Federation of British Industries, under the chairmanship of Mr H. W. Lee, of the Fine Cotton Spinners' and Doublers' Association, has played no small part. Up to the present the French Government, which, compensating its own nationals for their war losses on the basis of replacement value, has not seen fit to make more than a trifling *ex gratia* payment to British firms similarly placed. The amount involved has been placed at something like £6½ millions, and the benefit will accrue chiefly to businesses with headquarters in Yorkshire, Lancashire, and Nottinghamshire, and branches in Northern France. The French and British

Treasuries may be congratulated on a just and equitable settlement of a matter which had naturally given rise to a certain amount of resentment on this side.

Employment in June.—Owing to the shortage of fuel and power resulting from the continued stoppage in the coal mines employment during June remained bad. According to the *Ministry of Labour Gazette*, among the 11.9 million workpeople insured under the Unemployment Insurance Acts of Great Britain and Northern Ireland, the percentage unemployed at June 21, 1926, was 14.7.* This compares with 14.5* per cent. a month ago, and 11.9 at June 22, 1925. The total number of registered unemployed at the end of June was approximately 1,699,000*, as against 1,675,000* at the end of May, and 1,368,000 a year ago. Among the members of Trade Unions the percentage unemployed was 12.9* at the end of June, compared with 13.2* at the end of May, and 12.3 at the end of June, 1925. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.								
	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	..
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	..
September ..	2.3	2.2	14.8	14.6	11.3	8.6	11.4	..
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	..
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	..
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

* Excluding workpeople in the coal-mining industry who ceased work owing to the dispute.

Employment remained bad in most of the large coal-using industries, and in such industries as iron mining, pig-iron, iron and steel, tinplate, and pottery manufacture, and shipbuilding, many works were either partially employed or completely idle. With skilled workers in the building trades and in agriculture, employment was, however, fairly good. It was also good in some sections of the printing and clothing trades.

Cost of Living.—There was a further rise in the cost of living during June. On July 1st the index number of the Ministry of Labour stood at 70 per cent. above the July, 1914, level. This compares with 68 per cent. a month ago, and 73 per cent. on July 1, 1925. The following table shows the monthly movements of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items. (Food, Rent, Clothing, Fuel, and Light, &c.)

1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan.	85-90	125	165	92	78	77	80	75
Feb.	90	130	151	88	77	79	79	73
March ..	90	130	141	86	76	78	79	72
April ..	90-95	132	133	82	74	73	75	68
May ..	95-100	141	128	81	70	71	73	67
June ..	100	150	119	80	69	69	72	68
July ..	100-105	152	119	84	69	70	73	70
Aug.	110	155	122	81	71	71	73	..
Sept.	110	161	120	79	73	72	74	..
Oct.	115-120	164	110	78	75	76	76	..
Nov.	120-125	176	103	80	75	80	76	..
Dec.	120	169	99	80	77	81	77	..

For food alone the index stood at 61 per cent., showing a rise of 3 per cent. on last month's figures, and a decrease of 6 per cent. as compared with last year. The rise in the percentage was chiefly due to the seasonal increase in the price of potatoes.

The Finance of Small Holdings.—The finance underlying the new Small Holdings Bill of the Government, applied in this case to England and Wales, but presumably to be extended later to Scotland, deserves consideration. The problem falls easily into three stages:—(1) Pre-war conditions, when these holdings could only be established on an economic or self-supporting basis; (2) the land settlement

schemes for ex-Service men and others in 1919, when, in the conditions then prevailing, no attempt was made to attain self-supporting methods, when several millions were spent in settlement, and under which, as indicated recently in these columns, it was necessary to achieve a fresh valuation, reduce the rents to the men, and write off heavy loss, to be borne by the taxpayers; and (3) the present proposals. In substance they suggest that the county councils should have power to provide small holdings where they are satisfied they can be run successfully; and power is also given to provide them where there will be a loss. The Government explain that they are advised by the county councils that it is at present impossible to try to revert to pre-war economic methods. Accordingly, it is thought that with prices as they are, each holder can now be settled at a cost of something less than £750, compared with the £900 of the 1919 land settlement schemes; that the annual loss per head will be £25, against the £50 of the 1919 basis; that if 2,000 holdings annually are established, or 8,000 in the next four years, the aggregate loss will be £200,000, of which three-quarters, £150,000, will be borne by the State, and one-quarter, £50,000, by the local authorities, which for all practical purposes will be the county councils. The imposition of any part of the burden on the local authorities is a new departure in the finance of British land settlement; hitherto the loss on all schemes having been borne in full by the Exchequer. Taking the 8,000 holdings at £750, the Government thinks that capital of £6 millions in all must be raised. Part of this will be found by the local authorities in the open market; the rest will be found under the Public Works Loans Board, but it is agreed that the rate will be not less than 5 per cent., and in many cases will probably be more. Part of the difficulty of the 1919 scheme was due to the high cost of capital outlay when prices were at their peak, and part was due to the comparatively high rate, 6½ per cent., for the money put up. The Government appear to have made insufficient allowance for the fact that, with their scheme in the field, prices will probably harden again, and in any event the saving in the interest charge will not be impressive, especially when it is recognised that the holdings are not on an economic basis. In these circumstances the loss may move upwards from the £25 annually contemplated to some figure nearer to the £50 of the admittedly philanthropic ex-Service men's land settlement schemes following 1919. If this proves to be the case the lessons of that experience may be regarded as having been thrown away. The Public Accounts Committee and other financial authorities in the House of Commons have repeatedly urged that any future scheme should be on a self-supporting basis. Having regard to the efforts which have been made to put the 1919 men on that footing, it seems odd that the Government should risk the anomaly of a fresh subsidised class. But the fundamental criticism is that the new scheme will probably make an early revaluation of the holdings, with further loss to the State, inevitable; and that, more than anything else, will tend to kill public interest in small and cottage holding schemes. With great force it is pleaded that it would be better to lay a foundation of agricultural co-operation, research, and other sound encouragement, and on that ask the holders to be self-supporting. Admitting that the aggregate finance of the present scheme is pettifogging when the magnitude of the land problem is considered, it remains true that loss on a small scale, and on indefensible economic principles, may be sufficient to destroy public support for the larger and sounder proposals which are admittedly required if considerable numbers of useful citizens are to be settled remuneratively on British soil.

The Present Position of Percentage Grants.—In some quarters it has been suggested that Lord Meston has agreed to call his Committee together for the purpose of considering a draft report on the detailed inquiry into the system of percentage grants. It will be remembered that, arising out of criticism of the system by the Geddes Committee, the Meston Committee spent much more than a year in detailed investigation; that members were scattered by the two general elections of 1922 and 1923; that successive Governments have pressed Lord Meston as chairman to present a report; that Lord Meston has

replied that he circulated a draft to members which did not meet with the approval of some of them; and that the Financial Secretary to the Treasury stated recently in the Commons that it had been impossible to get a report, and that the Government intended, in any event, to make their own inquiry. The position is in many respects extraordinary; but the subject of immediate interest is not the dispute with the chairman of the Committee, but the practical effect of what are believed to be current proposals for the Exchequer, the taxpayer, and the ratepayer. Most of the grants, like those for education and the leading departments of public health, are on the basis of 50 per cent. of approved expenditure from the Exchequer and 50 per cent. from the locality; venereal disease treatment receives 75 per cent. Exchequer grant; and there are certain port, sanitary, and other services for which the State finds the total outlay. The great bulk of the evidence tendered to the Meston Committee was in favour of the retention of the percentage grant system, with certain administrative improvements. But the present Government have announced that they intend to replace it as far as possible by block grant. It is now clear, however, that that block grant, or fixed amount, may be itself a variable quantity. The intention is to collect all information possible, on the basis of the finance of the present year, regarding the actual needs of the local authorities; to give them a guarantee of at least that amount for a period of, say, three years ahead; to ask them to accept this form of fixed State grant, with the concession of some relaxation of the considerable centralised control which the percentage grant system involves; and to give that method a trial in the interests of an effort to carry the campaign of Exchequer economy into the relationship with the local authorities. It appears that so far as the inquiry has gone, especially in the collection of data from the authorities, the tendency is to confirm the Government in the decision which it has publicly announced. On the other hand, the increase in unemployment, the great weight of relief which the coal stoppage has thrown on many of the local authorities, together with the adverse report of the recent Committee on necessitous areas, and the probable downward revision of the housing subsidy under the Wheatley Act of 1924, have strengthened the determination of the local authorities to resist any movement which would in their judgment shift the burden from national to local shoulders. In substance, their case is that many of these services, especially in public health, are comparatively new; that they are urgently required; that a change in the system of 50 per cent. of approved expenditure would inevitably involve their curtailment at a critical stage; and that the loss in other directions would be greater than the apparent gain to the Exchequer. It is thorny controversy, and in the circumstances there must be general regret that the Government are evidently not to have at their disposal the report of the Committee over which Lord Meston presided, with the conclusions arising from a mass of what is known to be highly expert and very valuable evidence.

Prosperity in South Africa.—In his speech to the shareholders of the Standard Bank of South Africa, Limited, at the annual meeting on Wednesday, the chairman, Mr W. Reiersen Arbuthnot, said that conditions in the bank's field of operations are improving, that trade in Africa shows increased vitality, and that the directors consider that the improvement is based on a really sounder situation, which appears likely to continue for a time unless quite unforeseen circumstances arise. "We do not pretend to prophesy what the future—even the next twelve months—has in store for us, but the outlook appears to us to be favourable; our business generally is, in our opinion, in a healthy condition, and our losses are not above normal." For this reason the dividend distribution is increased by a 2½ per cent. bonus, which restores it to the level paid for the four years previous to 1921-22. The net profit increased by £62,000 to £571,000, which is the highest since 1919. As to the past year, Mr Arbuthnot described it as one of prosperity, which affected the Government finances, so that the Union Budget statement showed a surplus of £500,000, against an estimated deficit of £187,000, and the railways a surplus of £673,000, against an estimated deficit of £61,000. The

shortage of sterling due to the reduction in South African exports during the shipping strike led to a rise in exchange rates in September, but towards the end of the year, when exports of produce to Europe were exceptionally heavy and the supply of sterling correspondingly more plentiful, the movement of rates was naturally downwards. Since then the accumulation of money in South Africa as the result of gold being sold locally, instead of in London, has resulted in an increased demand in South Africa for English sterling, with the result that our rates have returned to the level of a year ago, being now based on a charge of 15s per cent. for cable remittances from South Africa to London. The mining position is satisfactory, the absence of serious industrial trouble and reduction in the cost of stores being responsible for the excellent results obtained.

Underwriters and Underwriting.—Matters which concern the underwriting of new issues arouse more controversy than any other point connected with Stock Exchange business, writes a Stock Exchange correspondent. When an issue is made of shares at a price which, matched against that of similar shares already existing in the market is very attractive, it is generally held by the public that no necessity exists for the shares to be underwritten. Proprietors arise in their wrath when they see that the underwriting commission is practically a free gift to the favoured circles that are allotted it. In numbers of cases the practice of underwriting new issues of shares offered at a low price is not considered to be worth the expense in which it would involve the company. The one great argument which is, indeed, the only excuse that can be found for underwriting in some cases is that if there should happen to be some violent cataclysm, financial, physical, or international, between the time in which the subscription lists open and that when they close, the company might run the risk of not getting money that is essential to its credit and well-being. The shareholders would thereby be losers for the sake of having begrudged, through their directors, the payment of underwriting commission. It has happened in the past that an issue which, beforehand, appeared to have every chance of a big public success, has proved a failure, owing to some unexpected happening within the time that the subscription lists were open. Apart from this, the offer of underwriting in all instances as those where new shares are being offered at an obviously low price arouses sharp criticism. With the Colonial and Corporation loans, which have recently been so prolific, the underwriting commission is usually either ¾ per cent. or 1 per cent. Neither rate can be deemed extravagant in view of the probability of the loans not being fully subscribed by the public. These issues are made with such close calculation in the matter of price as to render it always a matter for some little doubt as to whether underwriters will get out or be left with a fair slice of their obligations. The Morris Motors 7½ per cent. preference issue made the other day, in which 3,000,000 shares were involved, was not underwritten at all, although the prospectus stated that Mr Morris was prepared to take any shares which were not subscribed by the public. The price promptly fell to 1s discount when the allotments appeared last Monday, and, after a further descent to 1s 6d discount, rallied to 6d discount. The question was raised as to whether the fall would have been so marked had the issue been underwritten. In point of fact the underwriting of 3,000,000 shares would not have made any difference in this case, because it was stated that the issue was over-subscribed, and underwriters would therefore have been released from the necessity of taking shares. Where underwriters get left with a large proportion, such, for instance, as was the case with the recent Telephone Manufacturing Company offer of shares, where the underwriters received 94 per cent., the tendency is for the market in the shares to be a bad one for weeks, possibly for months, until the shares are absorbed by the public. Using the Telephone Manufacturing case as an example, the underwriting commission was 4½d and over-riding 1½d per share, so that anyone who secured the full terms paid 7s for the shares, which were offered at 7s 6d. Being left with 94 per cent., the commission was of little value in helping the price, for the underwriter rarely wishes

to retain shares that he subscribes, his object being to get out as soon as possible. In professional underwriting this is frequently done whether there is a profit or a loss. Until underwriters, therefore, are out of their shares the market in any stock in which they are left with a proportion of their obligation is bound to be liable to the disturbance caused by continual dislodging of fresh lines from underwriters until these are taken by the public investor or speculator, and the market can settle down on to a normal basis of demand and supply on the part of the public.

The Capital Bonus and Income-Tax.—A legal correspondent writes:—The taxpayer, nursing gloomily his feelings of helplessness in the presence of the Revenue authorities, may be excused if he follows with almost grim delight the buffetings which those authorities sustain in the Courts in their repeatedly thwarted endeavours to get bonus capital distributions treated as income. The Crown's great effort in recent years was made in the case of the Inland Revenue Commissioners v. Blott, when it tried to extract super-tax upon bonus shares distributed to shareholders out of a capitalisation of accumulated profits. That attempt failed. As was mentioned in these columns on March 20th the Revenue made another attempt in the case of the Inland Revenue Commissioners v. Fisher's Executors. Here the distribution of undivided profits was in the form of debenture stock, instead of shares, as in Blott's case, and the Revenue sought to establish a difference in this distinction; but this effort to catch the taxpayer also proved a failure. This month yet another attempt has been made. It has not gone farther than the Court of Appeal, but that Court has been equally definite in turning down the Crown's arguments. The case is the Commissioners of Inland Revenue v. Wright. Mr Wright was a shareholder in a company which decided to increase its capital by issuing 90,000 new shares. It offered to the shareholders one new share for each of the existing shares, and at the same time declared out of its reserve fund a bonus dividend of £90,000, which the shareholders could, if they chose, allow to be applied in satisfying the sums payable in respect of the new shares. The resolution at the meeting of the company for putting through the scheme gave the directors power to withdraw the money from the reserve fund, "so that the same may be available for distribution among the shareholders as capital free from income-tax." The shareholders were in due course notified of the arrangement, and told that those not accepting the offer would have their shares otherwise disposed of, and would be paid cash for the full nominal amount of the shares not accepted. Mr Wright accepted his offer of new shares in full—and the Revenue demanded super-tax in respect of their value. In the High Court Justice Rowlatt lent a favourable ear to the Crown's contention that the option to take shares instead of cash differentiated the case from Blott's case. This perhaps was merely consistency on his part, for (as already noted in these columns) he had ruled, in Commissioners of Inland Revenue v. Cook, that where a company had purported to capitalise its undivided profits, and distributed them among the shareholders in the form of new shares, but had given the shareholders an option to take their distribution in cash instead of shares, that was not a capitalisation; and so he held the shareholder liable to pay super-tax alike upon the amount taken in cash and the value of what was taken in new shares. But the Court of Appeal, in Wright's case, has not been troubled with this effort after consistency, and has decided that the shares did not bear the character of income. Assuming there is no reversal of this decision in the House of Lords, we may then state the present position of bonus share distributions to be as follows:—A company may capitalise its undivided profits, and distribute them among its shareholders as new shares (Blott's case) or debenture stock (Fisher's case); and the shares or stock reach the recipient as a capital accretion, and not as income, and this whether the distribution is an absolute share distribution or whether the shareholders have been given the option of taking cash instead of shares (Wright's case); in any of these events the shares or stock so received are not taxable as income received during the year. But (it may be added, in view of the railway companies' attempt to get undivided profits which have been

used for capital expenditure treated as capital) the company must, of course, first turn the profit fund into capital by the normal process of creating shares or stock with it.

International Business Problems.—Several problems closely touching every-day business figure in the list of subjects to be discussed at the 34th Conference of the International Law Association, which opens at Vienna on August 5th. Among them is the question whether rules can be agreed upon to determine the date (in relation particularly to marine insurance contracts and general average adjustments) when rate of exchange should be fixed. Much confusion has prevailed of late years owing partly to conflicting decisions by Continental courts, and a committee of the association, composed of representatives of Lloyds and others along with French, Dutch, and German members, has worked out some draft rules for incorporation by reference in contracts. If these are agreed upon and adopted a position of greater certainty will be brought about. To reach this result, however, some existing differences of opinion will have to be reconciled. The matter involves a number of points of detail, but also a broad question of principle, and it is on the latter that the cleavage exists. The British law fixes the date for calculating exchange as that when a breach of contract occurs, or when a debt falls due for payment, but in certain Continental circles the alternative of the actual date when payment is, in fact, made is preferred. Some other subjects of more general commercial interest are included in the Conference programme, and, in view of their being discussed, the International Chamber of Commerce will be represented. These further matters include proposed rules to be applied to contracts of sale where the parties have bargained across a frontier, but have not expressly agreed which national law shall govern the contract. Commercial arbitration and bankruptcy, in their international aspects, are the subject of reports by committees on which discussion may arise. A draft international convention on territorial waters is also to be brought forward again, having already been debated at a previous Conference. To enable consideration to be given to these, as well as other subjects, the Conference will sit in three sections, reporting at the end to a general assembly of the members.

International Mercantile Marine.—Additional interest attaches to the accounts of the International Mercantile Marine Company for 1925 owing to the announcement made at the end of last week to the effect that the negotiations for the purchase of the White Star Line have "by mutual consent" been terminated. The Oceanic Steam Navigation Company (White Star Line) was acquired by the International Mercantile Marine in 1902, although the vessels of the fleet continued to have British registry. Reports of an impending purchase of the shares of the Oceanic Steam Navigation Company by a British group have been in circulation for several months, and in April it was stated that a provisional agreement for purchase had been reached, and last month, at a meeting of shareholders of the International Mercantile Marine, the sale of the White Star Line to a British syndicate, in which Furness, Withy and Co., Limited, were understood to be the principal shipping interest, was authorised at a price announced as between £7 millions and £7½ millions. No explanation of the abandonment of the negotiations is given, except that it is "owing to present circumstances and conditions." Various rumours have been put about in connection with the breakdown of the plan suggesting the intervention of various powerful influences, ranging at choice from the American Government to the Bank of England or large shareholders in the companies concerned. We believe these rumours to be entirely groundless, and that it is unnecessary to look farther than to the sombre condition of the shipping industry and the difficulty in such circumstances of coming to satisfactory terms. The accounts show that the net results of operating the International Mercantile Marine Company and its subsidiary companies (American Line, Red Star Line, White Star Line, Atlantic Transport Line,

Panama Pacific Line, and Leyland Line), after deducting depreciation, was a loss of \$1,540,100, as compared with a loss for the year 1924 of \$1,079,300. Before deducting depreciation (for 1925 \$5,656,100 and for 1924 \$5,756,200) there was a profit from the actual operation of all the steamers and business of the company and its subsidiaries, after payment of all expenses, taxes, and bond interest, of \$4,116,000, against \$4,676,900 for 1924. The year's deficit reduces the surplus standing in the balance-sheet to \$19,552,600. The paid-up capital is \$101,596,800, of which \$49,871,800 is in common stock and the balance in preferred stock, while the fleets, after deducting \$66,325,200 for depreciation, stand at \$170,687,900. The tonnage of the combined fleets at December 31st last was 1,120,422 tons. The report states that 1925 earnings were somewhat reduced by the seamen's strike, particularly in connection with the Australian services, and this has also been prejudicial to the 1926 earnings. The general strike in Great Britain and the coal stoppage have affected earnings this year, which are not as favourable as for the corresponding period of 1925. Total earnings from passenger business in 1925 were slightly better than in 1924, but freight traffic decreased.

The Preferred Ordinary Share.—A Stock Exchange correspondent writes:—Industrial preference shares of good class have been bought so persistently that the majority of them now stand at levels which to the older-fashioned view seem to be extremely high in view of the modesty of the yield that the current quotations admit. There are 5 per cent. preference shares, of which British-American Tobacco and Courtaulds make good illustrations, which stand almost at the point of par, and which return little, if any, more than 5 per cent. on the money, some of them, indeed, ranking higher, in relative price, than Colonial municipal bonds. It is useless to suggest that holders of these shares should part with their interests, because so complete is the confidence reposed in the companies that proprietors of the preference shares are as content to hold these as they are to put the money into a redeemable stock, such as War Fives. It is rather more singular, perhaps, to observe that people still want to buy these shares, notwithstanding the levels which the quotations have reached. In defence of the investors, it may be conceded that a preference share in a first-rate company can be fairly described as nearly gilt-edged, owing to the lavish manner in which the dividend service is covered on annual figures extending over a period of years. Nevertheless, the old-fashioned mind cannot get away from the feeling that, in the business of any industrial concern, there is usually that element of chance which removes the share capital from the category of purely gilt-edged investment. Other preference shares are also advancing in price. It is not an easy matter to get 6 per cent. with such security as can justify the holder of the stocks and shares in feeling that he is perfectly safe. At the same time, there is a demand on the part of the public for 7 per cent. as a minimum on their money. In order to get this rate, people have to take more risks—and they are content to take them—than would have been considered discreet two or three decades back. During the last week or so, another class of ordinary shares has been coming into notice, more particularly in the industrial market, and that is the preferred ordinary share, a somewhat favourite class amongst companies that have sprung into being within comparatively recent years. There are 8 per cent. preferred ordinary shares that stand between 18s and 23s, the security of which is, of course, none too well established, but which appeal not only to the speculative investor, but to the hosts of little trust companies which make a living out of the purchase of high-yielding stocks and shares. The trust companies pay their dividends from this high rate of interest, added to the proceeds of a little mild speculation, speculative investment, underwriting, and such-like sources of income. However greatly their procedure may be deprecated by the solid and austere-managed trust companies, the smaller concerns in this branch of finance are not above taking risks in the purchase of the more speculative types of stocks and shares. Their example is followed by many private investors, to whom 8 per cent.

on their money offers a temptation difficult to resist. So long as the speculative character of the shares is recognised, nothing can be said against this legitimate form of investment. It may be well, however, to point out that in a preferred ordinary share the line which divides it from a common-or-garden ordinary share is often very thin. Where the preferred ordinary will yield 8 per cent. on the money, the question should be asked whether there is sufficient margin, in the shape of profits divisible to ordinary shares for the preferred ordinary to be regarded as likely to prove tolerably secure. Did misfortune overtake the company, the "preferred" portion of the title would offer but a slender protection against loss, and the shareholder would be left wondering to what extent he was any better off than the proprietor of ordinary shares. The eagerness to obtain a fixed high rate of dividend is met by frequent postal offers of shares that afford it, and for which a good case can be made out on paper. We say nothing against the attractions of these offers, but we would enter a quiet warning to the investor who receives these recommendations that preferred ordinary is not the same thing as preference, and that safety, where this is essential, will be better consulted by acceptance of a more modest return from a less speculative investment.

Furness, Withy, and Co.—The accounts of Furness, Withy and Co., Limited, for the year ended April 30th last show a slight decline in profits, which are shown "after making provision for taxation." The figure given is £523,000, which compares with £528,700 a year ago. The usual allowance of £200,000 is made for depreciation, and after payment of preference dividend, which requires £60,000, and a repetition of the 7½ per cent. dividend on the ordinary shares, paid free of tax, a sum of £150,300, or £37,000 less, is carried forward. The following table summarises results since 1908:—

	Total Profit.	Depreciation.	Reserve, &c.	Dividends.	Ord. Rate.
	£	£	£	£	%
1908-9	267,075	114,897	..	166,361	5
1909-10	332,992	145,417	..	163,302	5
1910-11	440,732	179,603	50,000	220,620	7½
1911-12	653,207	240,000	125,000	270,620	10
1912-13	756,141	350,000	125,000	270,620	10
1913-14	620,928	350,000	..	270,620	10
1914-15	653,548	350,000	15,000	268,431	10
1915-16	1,386,960	350,000	300,000	463,125	20
1916-17	*787,564	350,000	200,000	456,250	20
1917-18	645,077	200,000	..	456,250	20
1918-19	747,661	..	300,000	452,500	20
1919-20	1,004,821	500,000	..	452,500	10
1920-21	782,944	300,000	..	452,500	10
1921-22	655,207	..	200,000	452,500	10
1922-23	552,511	200,000	..	356,250	7½
1923-24	572,443	200,000	..	358,122	7½
1924-25	528,742	200,000	..	358,122	7½
1925-26	523,044	200,000	..	360,000	7½

* After payment of two years' Excess Profits Duty.

The balance-sheet, which is analysed in another column, shows a reduction of £92,300 in the fleet and investments in associated shipping companies, which are included in one item amounting to £4,781,500. No mention is made in the report of the contract with a German firm for the supply of five motor vessels, but it is to be gathered from the report of the committee inquiring into the shipbuilding industry, to which reference was made in a recent issue, that the ships were supplied at a heavy loss by the German firm, and that this addition to the fleet of Furness, Withy and Co. has been made at a cost considerably below present market value. Other noteworthy changes in the balance-sheet are reductions of £534,100 in creditors, £216,200 in cash and bills, and £156,600 in cash and debtors.

British Celanese.—The accounts of British Celanese, Limited, for the year ended February 28th last show an increase in gross profits from £408,800 to £446,200, but, thanks to payment of Excise duty of £65,900, the net profit of £139,000 compares unfavourably with £193,500 for 1924-25. Both these amounts, however, were acquired for depreciation, and the debit balance at profit and loss account remains unchanged at £565,800. The directors

state that operations showed a satisfactory result for the first half of the year under review, but they were swollen by a trade artificially stimulated by the approaching imposition of the silk duties, and they were under no illusion that such results could be taken as normal. During the second half-year, on account of the general state of trade, the great disturbance of the market caused by the silk duties, and the inevitable damage consequent on recent controversies, conditions were abnormally bad. In accordance with the directors' promise to secure an independent report, Sir William Peat, after a prolonged investigation, has presented a report to the board, his own summary of which is circulated with the accounts. This report endorses the policy of the directors and the steps taken to put it into execution, the only criticism being concerned with one department, where fresh plant was laid down and the output increased before certain technical difficulties had been completely overcome. The demand for the company's yarn, says Sir William, is still increasing, and prices show a tendency to hold in face of lower competitive prices. "If these conditions continue, and the requirements of the company's fabric departments increase according to normal expectations, it may become necessary to seek some means of increasing the productive capacity of yarn. This situation has not arisen, and, in present circumstances, the further expansion of the fabric departments appears to be the course likely to prove most advantageous."

Oversea Correspondence.

UNITED STATES.—STOCK MARKET STRENGTH—THE STEEL TRADE — COMMODITY PRICES — OIL — FRENCH CREDITS.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 13.

THE continued advance in the share market now has carried railroad shares well into new high ground for the year, and has lifted industrials up close to the highest average level for all time. The volume of loans to brokers meanwhile is growing at a moderate pace, being up in this district, according to the statistics gathered by the Federal Reserve Bank for the week ended July 7th, by \$37,611,000. This brings the total, according to these tabulations, to a level some \$194,000,000 above the low touched on May 19th, after the effects of the March break had been fully reflected. This level is, however, still \$538,000,000 below the level touched early in the year. Meanwhile the somewhat similar figures tabulated from its members by the New York Stock Exchange show that brokers' loans rose from \$2,767,000,000 on May 28th to \$2,926,000 on June 30th. The high point for this tabulation, which is made on a monthly instead of a weekly basis, was reached on February 28th, when the loans stood at \$3,535,000,000. On either basis the conclusion is the same, namely, that the market has recovered approximately to the previous peak with the use of nearly \$600,000,000 less of brokers' credit than on the previous occasion. It is assumed that this circumstance reflects a healthier technical condition, and that the public participation on the recovery still is moderate. Both of these inferences seem to be justified. This does not mean that the advance has been the result of manipulation by speculative cliques. The reverse seems to be true. The buying seems to have come in large measure from institutions and wealthy individuals, and thus to have represented an overflow of investment demand.

At the moment the movement shows some signs of broadening out into more speculative directions. Leadership in the advance remains pretty generally where it was. Rails have continued conspicuously strong, and the common shares of the General Motors Corporation perhaps have furnished the leading feature. The latter have made

a new top for all time at 158½, this figure comparing with a low level of 113 made on the March reaction. The extraordinarily strong cash and earning positions of the company (whose net probably will reach \$200,000,000 in 1926), and the prospects of a liberal stock dividend, continue to be the chief motives behind the advance. Despite the keen competition, successful automobile companies are having a very profitable year, and some of them, such as the Packard and Nash companies, already have made extra distributions to their stockholders. The anticipated new models are now beginning to make their appearance, and seem to be meeting with a favourable reception.

Reports from the steel industry are good. Ingot production set a new high record during the first six months of the year, and buying of steel has improved during the past two months. April seems to have represented the poorest month of the year as far as bookings are concerned. May was better than April; June was better than May; and the last half of June surpassed the first part of that month. The loss in the unfilled orders of the United States Steel Corporation during June amounted to 170,000 tons, this comparing with 218,000 tons in May and 512,000 tons in April. Meanwhile, production is holding remarkably close to 80 per cent. of capacity, shutting down for the summer has been on a smaller scale than expected, and the price situation is pretty satisfactory to the manufacturers. Certainly the steel situation has held up much better than had been anticipated by the statisticians and business prophets, and the latter are now forced to recognise the possibility that business and industry may make a "double top" this autumn just as the share market already has.

Some further weakness in commodity prices during June was disclosed by the Dun and Bradstreet indices. The former declined by 1.1 per cent., the latter by 0.1 of 1 per cent. However, it is apparent that the rapidity of the decline has been diminishing, and the last few days have seen material rallies in such commodities as cotton and wheat. Here, again, cognisance must be taken of the possibility that a reaction has about run its course, and that autumn business may bring a recovery. Rains in the growing areas have helped cotton prices, fostering the belief that insect damage and the like may cut into the large crop estimates that the Government has prepared. Wheat has been helped by the reports on the Canadian crop, which suggest that excessive yields north of the border are improbable.

Some anxiety over the oil situation has been displayed during the past few days, but seems to have no very great foundation. A reduction in the price of Pennsylvania crude and reports of successful wells in new areas roused fears lest the equilibrium of the industry be overturned after the fashion of the past several summers. However, it is recognised in informed quarters that Pennsylvania crude has lost its former significance as an indicator of the general crude oil position, the Pennsylvania oil being used locally and being unimportant in volume as compared with the outputs of the mid-Continent and California fields. As for the new wells, they are not expected to alter the situation greatly. The crude oil position, in fact, is considered strong. Stocks of gasoline, on the other hand, are very large and over-production has existed in the mid-Continent field. However, corrective measures were taken a few weeks ago, while consumption of gasoline is tremendous. There have been rumours of an impending reduction in gasoline prices, but responsible persons in the trade declare that they see nothing to indicate it.

The course of the political efforts to deal with the French financial situation are being watched with great interest. The French, apparently, are still working on the idea of foreign credits, and seem interested to know whether reservations to the debt-funding agreement would interfere with the securing of credits on this side of the water. They seem unaware that the situation with regard to American credits has changed materially since Ambassador Berenger sailed home. At that time it seemed that objections would not be made to credits if a sound financial basis for the granting of credits existed. This attitude was conditioned, however, on the understanding that the Berenger agreement would be speedily ratified in France. The failure to secure this ratification has, one may assume, altered the matter in its essential aspects.

FRANCE—THE FALL OF TWO MINISTRIES—HERRIOT'S FAILURE—THE FINANCIAL PREDICAMENT.

(FROM OUR CORRESPONDENT.)

PARIS, July 22.

THE fall last Saturday of M. Briand's newly-formed and tenth Cabinet placed the whole plan for financial restoration again in the melting-pot, and at the time of writing this (Thursday) evening the outcome is still uncertain. M. Briand's defeat was due to a combination of simultaneous but mutually independent attacks launched respectively by M. Louis Marin's powerful group of Nationalists, by M. Herriot and the bulk of the Radical-Socialist Party, and by the Socialists. The occasion was the presentation to the Chamber of the Government's proposals for bringing into operation the greater part of the vital portions of the plan recommended by the Committee of Experts, and, above all, of the demand by M. Caillaux for "full powers" to legislate in this connection by Ministerial decrees, these latter to be subject to formal ratification by Parliament in six months' time, but to become operative immediately after signature by the President of the Republic.

In principle, neither the Chamber nor the Senate would have any deeply rooted objection to conferring this power to legislate by decree, provided the personage to whom such power is given enjoys the confidence of the country in general. The objection in the case of M. Caillaux was that it was feared, in view of his past history, he would be likely to misuse his dictatorial powers. If force of character, clearness of vision, and financial ability were all that would be necessary, M. Caillaux, it was admitted, was well fitted for the task. Unfortunately people have never forgotten that, during the judicial investigation that preceded his arrest on charges of treason during the war, a notorious document entitled "The Rubicon" was discovered among his papers, in which was set forth, in his own handwriting, a detailed plan for a *coup d'état*, which, it was fairly clear, foreshadowed the assumption of dictatorial powers by M. Caillaux himself. To make matters worse, it was discovered, before M. Caillaux went down to the Chamber on Saturday to ask for the "full powers" recommended by the experts, that the clause in the Bill concerning this point had been drafted (as M. Tardieu subsequently pointed out) in practically the same words as the corresponding clause in the famous "Rubicon."

From the moment the Bill "instituting measures designed to ensure financial restoration and the stabilisation of the franc" was introduced on Saturday afternoon, it was evident that the "full powers" asked for would be refused. M. Herriot seized the opportunity, in accordance with what is now known to have been a prearranged plan, to vacate his seat as President of the Chamber and deliver an impassioned protest against the Bill as a violation of the constitution and of parliamentary rights. This protest he claimed to make not in his capacity as a private member, but as the Speaker of the assembly. What M. Briand described as the "tragic duel" between himself and M. Herriot was followed by an attack of quite a different character by M. Louis Marin, who stigmatised as "frightful" the Government's demand that full powers should be conferred on M. Caillaux. He quoted with approval Professor Keynes's statement in a Paris newspaper that "the essence of the Bill is M. Caillaux's demand for full powers, which will enable him to lay hands on the Bank's gold reserve." "If I were prepared to entrust anybody with full powers," said M. Marin bluntly, directly addressing M. Caillaux, "it would not be you!"

Behind this personal question, however, as everybody knew, was another and quite as powerful objection on the part of the Marin Nationalists, who insist that under no circumstances must a French Parliament ratify the Franco-American debt agreement, nor must the country find a way out of the present financial trouble by availing itself of foreign credits. As ratification of the American and British debt agreements and immediate aid through the medium of foreign credits are the twin keystones of the experts' plan, it is difficult to see how the recommendations that have been put forward can any longer be re-

garded as practicable, no matter what Cabinet may now succeed to power.

In the vote of confidence which ended the debate, the Socialists and Communists, who voted solidly against the Ministry, had the support of 48 of the 136 Radicals and Radical-Socialists, and of 60 of the 102 Marin Nationalists. Defeated by a majority of 45 (288 against 243), M. Briand resigned. On Sunday universal astonishment was caused by the announcement that the President of the Republic had called on M. Herriot to form a Ministry. The effect on public opinion was electrical. M. Doumergue was sharply criticised for his action, on the ground that M. Herriot is the very last man who should return to power in present circumstances, but it is difficult to see how he could have acted otherwise, in view of the fact that technically speaking M. Herriot's friends still compose the majority of the Chamber (although, in fact, it is the Marin Nationalist group who appear to command the situation).

The effect on the franc was disastrous. From 199, which was the official closing price when the market closed for the week-end, prior to M. Briand's fall, the franc was marked down to 220 when the market reopened on Monday morning. By noon, when it was announced that M. Herriot would probably succeed in forming a Ministry whose programme would include further drastic predatory legislation, the franc had dropped to 235—a fall of 36 points in three hours. The rot continued until a fresh low record of 245½ was set up. Simultaneously conditions approaching panic seized investors everywhere. Selling orders were received in masses by every mail by Paris and provincial bankers. The fear of a new Herriot Government was so great that the expatriation of capital was reported to be resumed on a greater scale than ever. Enormous quantities of short-term Treasury bonds were presented for discount to such an extent that some of the small banks began to hesitate to accept more. M. Herriot himself was hooted by the crowd outside the Elysée, and foreign tourists were booed by excited crowds in Montmartre.

Fortunately, reaction set in immediately the list of M. Herriot's new Ministry was made public, and it was seen that he had failed to secure the co-operation of any of the non-Cartellist parties. It became evident, 24 hours before the new Government met Parliament, that it was foredoomed to immediate overthrow. Yesterday morning the franc, which started the day at 243, rose by noon to 226, and to 222.75 at 3 o'clock, two hours before the new Ministry were due to appear before the Chamber. On a vote of confidence the new Government was defeated by 290 votes to 237.

Before the Ministry resigned, however, it was imperative that provision should be made immediately to meet the pressing needs of the Treasury. M. de Monzie, the new Finance Minister, had previously informed the House that the authorised limit of borrowings from the Bank of France had practically been reached, and that at that moment there remained only 60,000,000 of available at the Bank. In the circumstances, he warned the House that unless further cash was made available immediately a suspension of payments by the State was inevitable. Accordingly he (the Minister) proposed, whether the Chamber approved or not, to direct the Bank to utilise the remainder of the Morgan Loan, in accordance with the convention between that institution and the State. This convention, it will be recalled, provides that the yield from this loan to the State (about \$89,000,000 net) shall remain in America in dollars, and be under the control of the Bank. It is stipulated, however, that the French Government shall have the right to dispose of the currency in case of need, and to call on the Bank to hand over to it the whole of the difference in its value in paper francs above 5f 18c to the \$.

M. Caillaux informed the Bank by letter on July 15th that the Government intended to take advantage of this provision, and called on the Bank to place the money so transferred at the disposal of the Treasury, subject to the passing of a special Act authorising this use of the cash. It is understood that the balance available is, in round figures, \$33,000,000, so that the amount available for the immediate relief of the Treasury should be in the neighbourhood of between 1,200 and 1,300 million francs.

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During the discussion it was announced that the Bank of France had written intimating that it would agree to the course proposed by M. Caillaux only on condition that, in view of the currency needs of the Bank, the present legal limit of the note circulation (which was fixed on December 2nd last at 58½ milliards) is raised by a corresponding amount. After brief discussions in both Houses a Bill was approved "raising the existing limit by a sum equal to the yield from the present cessions" (derived from the Morgan Loan). This law, which became operative on promulgation in the *Journal Officiel* this morning, enables the authorised limit of the note issue to be raised, while maintaining the State's borrowing power at 38,500 millions, to which it was automatically reduced on December 31st last. Whether the increased note issue can or cannot be described as equivalent to further inflation is a problem for the experts to solve.

The problem to be faced by whatever Cabinet may succeed M. Herriot's unfortunate combination is how sufficient cash is to be obtained to meet Treasury obligations during the next six weeks. M. Caillaux, in his swansong to the Chamber last Saturday, showed that the outlook for the immediate future was tragic. The payments to be made include the following:—

	Francs.
July 31—Public services (salaries, &c.), about	550,000,000
Aug. 1—Interest on purchase price of American stocks, \$10,000,000 (say, at 40frs to the dollar)	400,000,000
" 1—Instalment of agreed portion of Morgan loan, \$350,000 (or, at 40frs to the dollar)	14,000,000
" 16—Interest coupon on 5 per cent. irredeemable rentes	235,000,000
" 18—Due to Great Britain, £1,000,000, or at 200* ..	200,000,000
" 25—" " £2,500,000, " " " ..	500,000,000
" 25—Interest coupon on 6-year bonds, 1925	68,000,000
	1,967,000,000

* Repayment of commercial debt.

As already stated, there was this morning a sum of 60,000,000 of still available at the Bank of France. The sale of the Morgan dollars may be expected to yield immediately, say, 1,250,000,000, and the balance may be

expected to come from current revenue from taxation. The total revenue from all sources last month was 2,404 million francs, and July may be expected to yield a similar total, although how much of this still remains unspent, in view of the present precarious hand-to-mouth system, is doubtful. Nothing can be expected from the new direct taxation imposed by the 1926 Budget, as the demand notes have not yet been sent out.

The announcement last night that M. Poincaré had accepted the task of forming a Cabinet has had an inspiring effect on public opinion, which was reflected in a continued recovery in the franc throughout the day, now that the possibility of another Herriot Ministry has been removed. There is ground for hoping that by to-morrow evening M. Poincaré will have succeeded in forming a really non-party Ministry, which will devote itself solely to the task of financial restoration. It is reported that the new Cabinet may include MM. Briand, Barthou, and even M. Herriot.

GERMANY.—LABOUR CRISIS—FINANCES—CREDIT—INDUSTRY—FOREIGN TRADE—CROPS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 21.

THE continuance of severe unemployment has compelled the Cabinet to prepare for relief works of a comprehensive and permanent kind. The belief that the heavy winter unemployment would, according to precedent, decline in the summer was long ago abandoned, and it is now plain that Germany has settled down to chronic post-war unemployment similar to that of Great Britain, due to much the same causes, and entirely different from the violent but brief labour market crises of the inflation years. In the second week of June there was an improvement, but no appreciable improvement in the whole month occurred. The number of unemployed in the labour unions at the end of June was 577,748 out of 3,160,000 members, as against 595,092 out of 3,260,000 at the end of May. In the Metal Workers' Union the percentage of unemployed in June was higher than in April, in the Textiles' Union higher than in May. The percentage of partly employed in all the unions together has, however, fallen, but individual unions show considerable rises. The large number of foreign workmen, which was formerly necessary and desirable, is a factor which is being taken into account in the proposed general regulation. The most reliable estimate is 278,000; newspaper estimates, which were mistaken, varied between 850,000 and 1,000,000. The Government proposes to raise a loan of 200,000,000 marks, perhaps more, for financing productive relief works. It declares that it cannot provide work for all the present 1,700,000 unemployed. At present relief works in shifts are largely in practice, and about one-third of the unemployed have been so accounted for. In Saxony the unemployed engaged in relief works are changed every six weeks. The proposed federal relief works include large construction undertakings for the railways and posts and telegraphs. The Railways' Corporation is to be advanced 100 million marks for this aim, and several bridges, including the long Elbe Bridge at Stendal, will be reconstructed. The Posts and Telegraphs Department will provide employment for electrical and metal workers, and will also do some general building. A big canal will be constructed in Upper Silesia, and the eastern part of the Mittelland Canal, an undertaking which has been the subject of hot dispute for a generation, will be completed. A large sum will also be spent in road-making. Home colonisation, by construction of dwellings, will be pushed, with the result, it is hoped, of replacing with Germans 150,000 foreign season workers on the land.

The gross receipts from taxation in the first quarter (April-June) of the present financial year were:—

	(000's omitted).	Estimated for Whole Financial Year.
Total	1,455,391	6,465,300
Thereof, direct taxes	973,260	4,506,000
" indirect	481,902	1,959,300
" Reparations pledged..	461,229	1,907,000

The general sales tax yielded only 219,588,505 marks out of 974,000,000 marks estimated for the whole year. This tax has been reduced since the present revised Budget was prepared. Income-tax yielded 470,192,737 marks out of 2,100,000,000 marks estimated for the whole year. Customs, in spite of the drop in imports, yielded 166 out of 580 millions estimated. The sugar tax brought in only 56.7 millions out of an estimated 265 millions, or less than its quarter's share.

The new French franc collapse has made a great stir here, but has not shaken confidence as severely as earlier collapses. The general belief is that the new shock will enforce a currency reform, owing, as in Germany in 1923, to the increasing uselessness of the currency for home trade, following its supersession in foreign trade. The Berlin money market has continued fluid, and the day rate after the mid-month settlements fell back to 3 to 5½ per cent. The settlements imposed no serious strain, despite the fact that liabilities under Bourse speculation in futures were much the biggest on record, and that one official bank (but not the private banks) ceased financing prolongations. Speculation has been extreme, and it is stated that the turnover in some 60 stocks which may be sold for future settlements on certain days exceeded the turnover in the 900 stocks which are sold for cash. The Reichsbank's circulation in the week ending July 15 declined by 154 million marks to 2,738 million marks, discounts by 80½ million marks to 1,192½ million marks. The Reichsbank's last discount rate reduction has not so far enlivened credit operations. The private discount rate (bills up to 55 days) remains 4½ per cent.

The business situation shows no material improvement except in coal, and to some extent in iron and steel. Bankruptcies in the third week of July fell to 147, which is less than one-third of the high rate of February. Pig-iron production in June was 720,081 metric tons, against 736,206 tons in May, and 941,201 tons in June, 1925. In the first half of 1926 production was 4,161,974 tons, against 5,571,878 tons in the corresponding half of 1925. The stock of unsold coal on the Ruhr continues to decline. The Ruhr coal output in the last recorded week (July 4-10) rose to near the highest weekly figure of the year.

The June foreign trade balance was passive—for the first time since November, 1925. The figures are as follows:—

In Thousands of Marks.			
IMPORTS.			
Livestock	8,551	..	10,004
Food and drinks	282,176	..	292,892
Raw and half-manufactured materials	324,439	..	386,861
Manufactured goods	87,777	..	102,167
Wares only	702,943	..	791,924
Gold and silver	3,766	..	4,018
Totals	706,709	..	795,942
EXPORTS.			
Livestock	945	..	1,151
Food and drinks	25,532	..	27,036
Raw and half-manufactured materials	154,533	..	179,554
Manufactured goods	547,953	..	551,015
Wares only	728,963	..	758,756
Gold and silver	1,909	..	1,823
Totals	730,872	..	760,579

Foreign trade figures month by month this year were (in millions of marks), precious metals, whether imported or exported, being excluded:—

(In Millions of Marks.)			
Imports.	Exports.	Active	or Passive.
707	794	.....	+ 87
662	783	.....	+ 121
645	925	.....	+ 278
723	779	.....	+ 56
703	730	.....	+ 27
792	759	.....	— 33

In June the import of wares increased by 80 million marks, as compared with May, 62 millions of the increase being raw and half-manufactured materials. An increase of imports under these headings was expected after many months of low imports. Imports under the other groups also increased. Exports of manufactured goods increased slightly. Imports of all kinds (precious metals excluded) were the largest since October, 1925.

The crops index (in which 2 is "good" and 3 "medium") shows:—

	July 1, 1925.	July 1, 1926.
Wheat, winter	2.4	2.6
" spring	3.1	2.7
Rye, winter	2.5	2.9
" spring	2.9	2.8
Barley, winter	2.5	2.7
" spring	2.9	2.5
Oats	3.2	2.6
Potatoes	2.7	2.9
Sugar beet	2.8	3.0

Much damage was done in June by rain. This month still heavier rain has fallen.

The Bourse has had the expected reaction, but it is not yet possible to say whether the bull movement will be resumed. The *Frankfurter Zeitung's* stocks index for July 17 was 98.57, against a high point this year of 103.62 on July 3 (basis 100 on January 2, 1925). The stocks which have receded most are in general those which had the most rapid rises.

BELGIUM.—FINANCIAL DICTATORSHIP—EXCHANGE CONTROL—FLOATING DEBT CONSOLIDATION—COAL.

(FROM OUR CORRESPONDENT.)

Ghent, July 19.

PARLIAMENT has delegated to the King, for a period of six months, its legislative powers relative to financial matters in order to enable the Government to take without delay the steps which the financial situation may require. The Executive is empowered, by means of decree, to contract loans, alienate national property, recognise the validity of stipulations based upon gold value in public and private contracts, increase all taxes and duties so as to prevent a reduction in the real value of their yield; take all measures for reducing inflation, for bringing about the repatriation of capital, for counteracting information liable to affect unfavourably the credit of the State, for ensuring the provisioning of the population and a reduction in the consumption of luxuries, and for controlling and sanctioning the execution of the above measures.

Bankers are only allowed to supply foreign exchange against presentation of documents, and only to such persons and firms who will declare, in writing and upon their honour, that they possess no foreign exchange reserves. With the exception of sea freights and maritime insurance, all payments between firms established in Belgium are to be made in francs, but it is permissible to take as a basis the rate of exchange upon the day of payment.

In order to enable a consolidation of the floating debt the Belgian State Railways will be leased for a period of 75 years to an autonomous company with a capital of 11,000 million francs, represented by 1,000 million francs ordinary shares, which will remain in possession of the State (and will give it the majority of votes), and 10,000 million francs preference shares, which the State will offer to public subscription. A first issue of 2,000 million francs of these preference shares will be made shortly, and will serve chiefly to consolidate the five-years Treasury bonds falling due in December next (1,880 million francs). The yield of these shares will vary to a certain extent with the exchange fluctuations, so that it is probable they will find ready subscribers.

It is further intended to hand over at a later date the State telephone and telegraph service to a National Society, the State receiving in return 300 million francs ordinary shares, which would remain in its possession, and 1,500 million francs preference shares, which would be offered to the public.

If we take into account the extraordinary taxation of 1,500 millions yearly, which is to be levied for four consecutive years, and assuming that the shares of railway and telegraph and telephone societies are subscribed entirely by the public, this would give the State the following extraordinary resources between now and 1930:—

Extraordinary taxation, 6 milliards preference shares; railways, 10 milliards; and telegraph and telephone, 1½ milliards; or, together, 17½ milliard francs. Against this

amount stands the following indebtedness which can be claimed between now and 1932:—

Six-months Treasury bills and special bills placed abroad, about 6 milliards; five-years Treasury bonds, falling due December 1st next, 2 milliards; Treasury bonds, falling due between 1927 and 1932, about 1½ milliards; Post Office cheque service and State Savings Bank, about 3 milliards; or a total of 12½ milliard francs.

The above figures do not include the debt of the State to the National Bank, incurred after the armistice, for the repayment to their Belgian possessors of the marks left by the German occupation (more than five milliards). They include, however, the special advances made by the Bank to the State since May last, for the repayment of six-months Treasury bills falling due. These special advances have been authorised by Parliament for an amount not exceeding 1,500 million francs; up to July 15th the State had borrowed from the Bank, against this amount, 1,000 million francs, this being an increase of 100 millions since July 1st. The Minister of Finance has announced that 75 millions of the State debt to the Bank have already been paid off by means of the yield of the taxes specially intended for debt redemption.

Receipts from taxation continue to be in excess of estimates, revenue from direct taxes for the first half of 1926 exceeding by 231 million francs those for the corresponding period of 1925.

The Belgian Government and the Belgian population are sparing no sacrifice to fight inflation and to bring back the note circulation to the level of early 1926, viz., 1,000 per head (total 7½ thousand million francs). A speedy return to the gold standard appears, however, not yet to have been definitely decided upon, as the Minister of Finance has lately expressed the opinion in Parliament that a return to the gold franc is not yet desirable, seeing that it would cause a tremendous increase in prices and throw thousands out of employment. It remains to be seen whether a speedy return to world prices, even at the cost of an industrial crisis (which will have to be faced sooner or later when stabilisation comes), would not be preferable to the slow process of impoverishment through which Belgium is going at present, owing to the discrepancy between the internal and external purchasing power of the franc.

The coal strike in England has not failed to stimulate Belgian coal trade. In June, Belgian collieries have extracted 2,100,570 tons, against 1,846,440 tons in May. Stocks at the Belgian collieries totalled 1,290,850 at the end of April, 947,590 at the end of May, and 468,710 tons at the end of June.

POLAND.—EXCHANGES—TRADE BALANCE—COAL EXPORTS—POLISH BANK—CROP OUTLOOK—STOCK EXCHANGE.

(FROM OUR CORRESPONDENT.)

WARSAW, July 19.

THE rapid rise of the zloty during recent weeks is a quite unexpected event, which shows how difficult and uncertain are all prophecies in the domain of economics. Experience teaches that the period before the new crops are harvested is the most difficult for Poland. The stocks of cereals being exhausted, the country is obliged to import food from abroad, so that the trade balance moves in an unfavourable direction. This leads to a great demand for foreign currencies, and entails a rise in their quotations.

Contrary to the experience of recent years, we are now observing an increase in agricultural exports. During the first five months of the year the exports of articles of food amounted to 257 million zlotys, as compared with 118 millions during the same period in 1925. The exports of cereals during the first five months of this year were much greater than in 1925, as may be seen from the figures below (tons):—

	1925.	1926.
Wheat	0	36,108
Rye	283	87,459
Barley	13,578	61,818
Oats	41	43,511

The great exports of cereals before the new crops are probably due to the fact that great stocks were kept back by speculators who expected a rapid rise. In other agri-

cultural groups we also observe an increase in exports which are the result of the steady progress of Polish farming. In May the quantity of exported eggs exceeded 8,000 tons, while during the first five months of last year it reached only 10,000. The exports of this product have doubled in comparison with last year. Exports of timber are rising equally. From 1,181,700 tons in 1925, they increased to 1,753,800 tons this year.

To this must be added the flourishing state of the Polish coal trade, which is the result of the English strike. In June 1,391,000 tons of coal were exported, which, in comparison with the exports in May (704,000 tons) is an increase of nearly 100 per cent. This is a record figure, surpassing even the results during the occupation of the Ruhr. The exports to the United Kingdom amounted to 281,000 tons, 192,000 tons were sold as bunkers in Danzig. Exports to Austria increased by 73,000 tons, to Sweden by 34,000.

A new market has been opened for Polish coal in Russia. An agreement has been signed with the Soviets, according to which the mines of Upper Silesia and of Congress Poland will deliver from July to November 500,000 tons of coal. The deliveries are destined for Northern Russia, in the first instance for the district of Leningrad. The coal will be partly transported by railway, partly by water through Danzig.

The increase of the exports of agricultural products and of timber and of coal is exciting a very favourable influence on Poland's trade balance. Exports in May amounted to 181 million zlotys, as compared with 131 millions in February, 132 in March, 163 in April. Imports have decreased from 118 millions in April to 106.4 millions in May. The excess of exports over imports in May amounted to 75.8 million zlotys. For the first five months of the year this excess reached nearly 300 million zlotys.

The favourable state of the Polish trade balance has completely changed the conditions on the foreign exchange market. While hitherto the demand for foreign currencies exceeded the supply there is to-day a contrary tendency. The Polish Bank, which for more than one year has been obliged to struggle against a fall of the zloty, is concentrating its energies in an opposite direction. The prevention of a too rapid rise is now the chief problem with which the banking administration is faced.

The reserve of foreign currencies of the Polish Bank is rising rapidly, as may be seen from the figures below:—

(Million Zlotys.)			
	Foreign Currencies.	Sold.	
End of March	49.4	134.1	
April	51.4	134.2	
May	53.4	134.4	
June	78.5	134.6	
July 10	94.8	134.8	

The outlook for the coming months is favourable. The crop reports are good. It is expected that the yield of cereals will not be very different from that of last year. The crops of wheat are estimated at 15 million centals (15,762,000 in 1925), for rye at 51 millions (65,388,000 in 1925), for barley at 15 millions (16,773,000 in 1925), for oats at 31 millions (33,115,000 in 1925).

After a long period of absolute inactivity and of depression the Stock Exchange is again buoyant and full of optimism. During the last fortnight some shares have risen by 100 per cent.

DENMARK.—TRADE DEPRESSION AND CREDIT—UNEMPLOYMENT—PRICES—BALANCE OF TRADE.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, July 16.

At the invitation of Mr Stauning, the Prime Minister and Minister of Trade, a meeting was held at the end of June between representatives of the Government, trade, and the banks. The principal subject of the negotiations was the present state of the money market, one object being to develop and consolidate the co-operation between the banks themselves and between these and the trades. While the meeting was merely of a preliminary nature,

it must be regarded as a link in a chain of negotiations with the object of relieving the depressed state of trade. From the reports to hand it appears that a discussion has taken place on the question of the concentration and modernising of industry, a subject which has been investigated on previous occasions, for instance, by the so-called "Industrial Committee" appointed by the Ministry of Trade.

While at the meeting in the Ministry of Trade the affairs of industry were discussed—in relation to the money market and the credit restrictions in force—the affairs of agriculture were the agenda for a meeting of nearly 3,000 delegates recently held in Odense. On this occasion the impression was that the principal Danish trade was badly affected by the depression, as a result of which secured as well as unsecured debts have become much more of a burden than at the time they were contracted. From agricultural quarters it was strongly claimed that rates, taxes, and dues should be reduced, for instance, by means of a reduction of the number of Government officials and their salaries, while the intention to maintain a free-trade policy was still upheld. In a resolution passed by the meeting, a decided opinion was expressed against a customs policy, which will increase the cost of food for the population generally, and against an active customs policy, which would entail a danger of leading to tax-wars, to the serious detriment of the agricultural trade.

Generally, the impression is that the effects of the deflation are at present more of a burden than ever. Unemployment has been increasing for some time, and, according to the latest figures, the number of unemployed was 46,500, against 22,700 a year ago. It is hoped that employment will be better in the near future, when the next semi-annual price index for the cost of living is published towards the middle of August. The wages of labour will be regulated on the basis of this figure, and some concerns have at present closed down, awaiting the new index. For January the figure was 194, against 219 for July, 1925. It cannot be said beforehand what the figure will be in the present case, but a reduction of 7 to 8 per cent. is expected by the Press, and this would reduce the index figure to about 180 (80 per cent. more than in 1914), and cause a corresponding reduction of wages.

As far as the wholesale price index is concerned, there has been a decided stagnation for the last few months. Below are the figures of the Statistical Department for the first half of 1926:—

January, 1926	172
February, "	165
March, "	158
April, "	157
May, "	158
June, "	157

Apparently there is much to indicate that trade has come into a period of rather stable prices, in contrast with the previous half-year, when the rise of the krone was so violent. It is clear that this firmness is advantageous to merchants, who have long been hampered by incalculable exchange fluctuations. In these circles, as well as in others, it created satisfaction that as from June 24th the National Bank reduced its rate of discount from 5½ per cent. to 5 per cent.—a step which came as a surprise to most people. On the other hand, the National Bank has expressly stated that this reduction of the discount does not mean an increase of the credit facilities available for trade.

The balance of trade is still strongly in favour of Denmark—which is in itself another sign of stagnation. During May the value of the imports was Kr 128,000,000, against Kr 115,000,000 in April and Kr 144,000,000 in March. At the same time, the value of the exports was Kr 131,000,000, Kr 137,000,000, and Kr 143,000,000 respectively. While March thus showed an excess of imports of Kr 1,000,000, the months of April and May showed excess of exports amounting to Kr 22,000,000 and Kr 3,000,000 respectively. Altogether the exports during these three months exceeded the imports by Kr 24,000,000.

ARGENTINA.—LEGISLATIVE DELAYS—CROP PROSPECTS—FOREIGN TRADE—FINANCIAL CONDITIONS.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, June 26.

The opening of the ordinary session of Congress, which, in accordance with custom, should have occurred at the beginning of May, has just been fixed for July 1st. It was only yesterday that the Chamber of Deputies eventually succeeded in "constituting" itself, having been too busily engaged in wrangling over the qualifications of its newly elected members, with the usual interchange of recrimination, to trouble about settling down to business, which has long been clamouring for attention. Meanwhile, these two months have been wasted without the delivery of the Presidential Message, and, needless to add, without any Budget. The position in which President Alvear is placed has become more and more anxious and embarrassing, since for all practical purposes he has been left with the government of the country on his own hands. The problem with which he is confronted is how far the Executive can go in the direction of sanctioning urgent measures without overstepping the constitutional limits of its authority, which in certain respects are not too clearly defined. Some three months ago he very properly dismissed an extraordinary session of Congress for the simple reason that after four months had been absolutely wasted last year's Budget was no nearer approval than when the proceedings opened. More recently he has taken the course of issuing, on his own initiative, bonds for the purpose of meeting the claims of Messrs Walker, the contractors for the new port works, and enabling the work to be continued after a long interval during which everything had been at a standstill. Congress had been complacently holding up its authorisation for the last two or three years, not for any special reason, but merely because that is its little way. To have waited until it chose to signify its pleasure in the matter would have been to protract indefinitely an intolerable situation in the port, which without these necessary extensions is badly short of those facilities which shipping concerns are entitled to expect for their vessels in Buenos Aires. It may be a bad heresy against the democratic idea, but there are a good many people in this country who are reluctantly being driven to the conclusion that if only a President of Dr Alvear's stamp were permanently assured—unfortunately, there is much virtue in that "if"—it would be an exceedingly good thing for Argentina if the powers which Congress has virtually abdicated were to pass into the hands of an Executive which knows its business and can be trusted to devote some attention to the national interests.

The grain shipments continue to move in satisfactory volume, the exports for the first five months of the year, in round figures, being 1,500,000 tons of wheat, 1,170,000 tons of maize, 900,000 tons of linseed, and 330,000 tons of oats. There is no reason to doubt that it will be possible to maintain a steady output throughout the remainder of the year. Recent weather conditions have been favourable, and the Ministry of Agriculture has just issued a second maize forecast, improving the earlier figure by 13,000 tons. On this basis, the yield would be as much as 50 per cent. over that of last year. It is reported that the area sown has increased by 589,300 hectares, that the farming methods have greatly improved as the result of a campaign by the Ministry to that end, and that the present harvest is the best for the last five seasons. All this lends colour to the theory that the possibilities were purposely discounted in the preliminary estimate. It must not, of course, be forgotten that prices are not as favourable as they were in 1925. This is rendered painfully clear by a return issued by the National Statistics Department, showing the bad start which was made in the first quarter of the year. From the following table it will be seen that there was a reduction of 13.2 per cent. in the volume of exports and of 22.6 per cent. in the corresponding value, this last being spread over all commodities:—

VOLUME (Tons).				
Produce.	First Quarters.		Difference.	Per Cent.
	1925.	1926.		
Pastoral	388,518	409,412	+ 20,894	+ 5.4
Agricultural	2,649,528	2,262,067	— 387,461	— 14.6
Forestral	103,688	67,266	— 36,422	— 35.1
Others	158,458	126,537	— 31,921	— 20.1
Totals	3,300,192	2,865,282	— 434,910	— 13.2

VALUE (Gold Dollars).				
Produce.	First Quarters.		Difference.	Per Cent.
	1925.	1926.		
Pastoral	110,786,668	95,771,998	— 15,014,670	— 13.6
Agricultural	164,418,831	116,962,546	— 47,456,285	— 28.9
Forestral	6,005,391	4,122,957	— 1,882,434	— 31.3
Others	5,121,466	4,666,601	— 454,865	— 8.9
Totals	286,332,356	221,524,102	— 64,808,254	— 22.6

Apart from the factor of lower prices, it is certain that a better return will be possible for the half-year, and the railway traffic receipts to the end of the financial year on June 30th, which will reflect a fairly substantial increase in general, should suggest that there is not so very much to complain of in the actual position. For the rest, exchange at about 45½ sight on London and 108.70 on New York is rather better than a month ago. There is not a great deal of local capital seeking investment at the moment, and discount rates are holding firm. The total discounts and advances, according to the bank balances for May, fell from \$2,980,964,469 paper to \$2,895,573,274, though the gold figure rose from \$4,208,278 to \$4,322,274.

Short-term obligations amounting to between 62 and 63 million paper pesos have been renewed during the month for a further 180 days at 4½ per cent. The total of the internal and foreign short-term loans stood on May 31st at \$478,509,908 paper, being a decrease of \$750,810 as compared with the end-April figure. Of this \$87,151,817 corresponded to the obligations recently contracted in the United States, the balance being internal debt.

The Chamber of Deputies of the Buenos Aires Province has just completed its consideration of the Budget for the present year, which fixes the expenditure at \$120 millions. Last year's deficit was over \$14 millions, and this will be met by raiding the public works fund deposited with the Provincial Bank, while a committee has been appointed to investigate the alleged irregular loan transactions of the preceding Administration. It is even stated that the deficit is a good deal larger than here indicated, owing to \$15½ millions of the current year's revenue having been availed of to cover expenditure contracted in 1925.

The bankruptcy return for May showed abnormally high liabilities at \$49,448,834. For the purpose of making any comparison, however, the estimate presented by the Banco Comercial del Azul must be deducted, which reduces the figure to \$14,654,397. Even this, however, cannot be regarded as a satisfactory showing as against the \$12,288,924 in April, \$13,127,683 as the average for the first four months of 1926, and \$13,638,494 in May of last year. The retail trade is by no means out of the wood as yet.

OWING to the general strike the issues of the "Economist" for May 8th and 15th were considerably delayed. Copies of these numbers may be obtained from the usual agents or direct from the office of the "Economist," 3, Arundel street, Strand, W.C.

Letters to the Editor.

PUBLIC DEPOSITS AND TRADE FACILITIES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The thanks of everyone interested in the above subject are due to your Turin correspondent for his excellent letter of July 6th.

It has been a mystery to the ordinary man why Italy, with not only a balanced Budget, but with a large Treasury cash surplus, should still be unable to stabilise her exchange, and, indeed, to prevent it falling.

Now, this is explained by your correspondent, who shows that the Italian Treasury, by keeping its large cash resources at the Bank of Italy, enables that institution to support an expanding structure of commercial and industrial activity notwithstanding a decrease in note issue; and then points out that any unforeseen obligation causing the Treasury seriously to deplete its cash deposits would automatically cause a corresponding heavy increase in note issue. This contingency, therefore, appears to be the sole cause of the weakness in the lira.

May the ordinary man inquire, does not the same condition apply to our own Government?

Our currency note issue has expanded from £285,616,000 in March, 1923, to £296,019,000 in July, 1926. Although our commercial and industrial demands for capital are not active just now, our demands for financing the present flood of new capital issues are very active indeed; is there no danger of our currency being further inflated, or the Bank's reserve being only protected by a substantial rise in its rate before long? How any ordinary person could have expected a fall in the present Bank rate it is difficult to understand.—
Yours faithfully,
G. S. PAWLE.
July 11th, 1926.

Books and Publications.

BOOKS RECEIVED.

The Evolution of Modern Capitalism. By J. A. Hobson. (New and revised edition.) (London) The Walter Scott Publishing Company, Limited. 7s 6d net.

This is a new and revised edition of Mr Hobson's standard work first published thirty-two years ago. It contains a long supplementary chapter discussing the economic changes wrought by the war, especially the changes in the attitude of the State towards industry, in the distribution of wealth, and in the relative position of chief industrial countries. It also analyses some of the chief problems of reconstruction.

Histoire Economique et Sociale de la Guerre Mondiale.
Les Finances de Guerre de la France. Par Henri Truchy. 15f. *Les Dépenses de Guerre de la France.* Par Gaston Jéze. 20f. *La Main-D'Œuvre Étrangère et Coloniale pendant la Guerre.* Par B. Nogaro et Lucien Weil. 8f. *Tours et la Guerre.* Par Michel Lhéritier. 8f. (London) Oxford University Press, 11 Warwick square.

These are four new additions to the Economic and Social History of the World War, produced under the auspices of the Carnegie Endowment for International Peace.

The Presidential Primary. By Louise Overacker. (London) Macmillan and Co., St Martin's street. 12s 6d net.

A study of the process of the selection of the President of the United States. Twenty-six States, the author tells us, have attempted direct popular control of Presidential nominations by providing laws for the election of delegates to national conventions, or a preference vote for President, or both. This book is an analysis of these various laws and an evaluation of them as instruments of popular control.

The War Period of American Finance, 1908-1925. By Alexander D. Noyes. (London) G. P. Putnam's Sons, 24 Bedford street.

Mr Noyes, who is well known as a leading American financial authority, writes this book as a continuation of his previous volume, "Forty Years of American Finance."

Das Schicksal des deutschen Kapitalismus. By M. J. Bonn. (Berlin) S. Fischer, Verlag.

Economics for Commercial Students and Business Men. By Albert Crew, assisted by W. G. H. Cook and L. Ashmore. Seventh edition. (London) Jordan and Sons, Limited, Chancery lane. 5s net.

In compiling this book special attention has been paid to the requirements of the various public and professional examinations. It is, in fact, a text-book for those preparing for many examinations in which economics is a subject.

A Handbook of Company Law in Scotland. By William Elder Levie. (Edinburgh) William Hodge and Co., Limited, 12 Bank street. 10s 6d net.

This handbook is based on lectures given to accountancy students by the author under the auspices of the Society of Accountants, in Aberdeen, and is intended principally for those who do not have ready access to statutes and reports.

The Tragedy of Waste. By Stuart Chase. (London) Macmillan and Co. 10s 6d net.

An incisive inquiry into the sources and extent of economic waste, with special reference to American industry and social conditions.

A Peaceful Revolution. By Oswald Wildridge. (London) The C. W. Daniel Company, Graham House, Tudor street. 6d net.

A pamphlet containing a series of articles reprinted from the *Northern Daily Telegraph*.

The Edinburgh Review. July, 1926. (London) Longmans, Green, and Co., Limited, 39 Paternoster row. 7s 6d net.

Contains articles on "Canadian Nationalism," by J. A. Stevenson; "The Native Problem in South Africa," by W. E. C. Clarke; "Industry, Politics, and Public Opinion," by Sir Ernest Benn, &c.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2 :—

Department of Overseas Trade: Report on Economic Conditions in Roumania, March, 1926. 2s net.

Report on the Industries and Commerce of Spain, April, 1926. 2s 6d net.

The Registrar-General's Statistical Review of England and Wales for the year 1924. New annual series. No. 4. 5s net.

League of Nations—40th Session of the Council: Report by the Rt. Hon. Sir Austen Chamberlain, K.G., M.P. Cmd. 2,694. 3d net.

Accounts relating to the Trade and Commerce of certain Foreign Countries and British Countries Overseas, including figures received up to March 15, 1926. 7s 6d net.

Education in England and Wales, being the Report of the Board of Education for the School Year 1924-25. Cmd. 2695. 3s 6d net.

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Manchester Foreign Branch 94, Portland Street, Manchester.
Bradford Foreign Branch 18, Market Street, Bradford.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
August 10. August 12.

THE Stock Exchange settlement which finished on Thursday in this week was thought likely, in advance, to give rise to a certain amount of trouble owing to the stormy character of the fortnight over which the account had extended. The wild fluctuations in the franc served to upset many of the more speculative markets, and the continuance of the coal stoppage helped to impose a further check upon cheerfulness and enterprise. As it happened, the settlement passed off without trouble. There has been a good deal of stock realised to provide the money with which to meet differences on Courtaulds and a few other industrial shares in which a bull account existed. The demoralisation of the French financial position led to violent fluctuations in the prices of inter-bourse stocks and shares.

Circumstances such as those which are now current in the markets have the effect of driving money more and more into gilt-edged stocks, and, notwithstanding the liberal outpouring of new loans during the past six weeks, the supply has been readily absorbed, with the result that War Fives and most of the other gilt-edged issues present a very firm front, many rises being marked on the week.

French Government, municipal and railway bonds have been flat. The railway prices gave way by points at a time, but

were marked up just as readily when sentiment momentarily changed. The influence of Paris made itself felt in various directions amongst foreign bonds, but Brazilians have held their ground with a fair amount of strength. A new Hungarian loan was reported as the next big issue likely to come in this market.

Home Railway stocks have been curiously inert. The week's traffics were very poor, but led to no particular selling. The Argentine railway market, after being strong, turned downwards on sales of stock by people who wanted money for other purposes. Other foreign railway stocks as a whole are fairly steady, having regard to the prevailing circumstances.

Rubber shares are dull, a number of small falls having occurred. Probability points to the exportable allowance being maintained at 100 per cent. in the new quarter, starting August 1. The tea share market is easier, people beginning to sell their tea shares rather than wait for the improvement that is expected to take place some months hence. The iron and steel list is moving within very narrow limits. Amongst oil shares, French sales caused declines in some of the leading descriptions. Courtaulds formed the hub of active speculation, but interest in these has been eclipsed by the excitement caused by the Imperial Tobacco interim dividend announcement, which turned out to be 7½ per cent., tax free, the same as a year ago. The anticipated bonus remains an anticipation. Imperial Tobacco fell from £5 10s to £5 6s before they recovered to 11½d. Other tobacco shares are good, hints of bonuses serving to keep prices buoyant notwithstanding unfavourable factors elsewhere.

Banking and insurance shares have moved hardly at all, and the shipping group is a trifle easier, though movements are negligible. Remarkable activity sprang up in Morris Motors preference, where the price fell sharply to a discount on the allotments, to recover, however, most of the loss. A little buying of Liptons helped to strengthen the price of these shares. Marconis are weak on fears of the forthcoming dividend announcement. The cable group, on the other hand, has further improved upon its previous strength, though the construction shares are still disposed to droop. Brazilian Tractions have declined on Paris sales.

French selling led to falls in a good many Kaffir and Rhodesian shares. Diamonds were dull for the same reason. Tanganyikas and Zambesias improved, the dividends being better than expected. The tin share market moves, on one day up, and on the next down. The Middle East continues to be a buyer on balance. Canadians have been wanted by Montreal, and Mexican shares are better in places, as the Stock Exchange says. Rios have risen and fallen according to the movement in the French rate.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows :—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		136,973,561		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to July 17, 1926 .. Dr	£ 450,000			
Net sales week ended July 17, 1926, 50,000.				
To the Public—				
The Ship Canal Portland Cement, £600,000 6½ % First Mort. Deb. Stock, issued at 97½ % (July 19)	600,000	585,000	60,000	525,000
Tamplin's Licensed Properties, £200,000 6 % 1st Mort. Deb. Stock, at 95, red. not later Dec. 31, 1929 (July 21)	200,000	190,000	10,000	180,000
Camp Bird, Limited, 1,650,000 Ord. 2s, at 4s 3d (July 21)	165,000	350,625	103,125	247,500
Temengor Tin Mining, 60,000 Ord. £1, at par (July 21)	60,000	60,000	15,000	45,000
Total offered to Public		1,185,625	188,125	997,500
To Shareholders—				
Bowlana Tea Estates, 12,000 Shares of £1, at £1 7s 6d per Share	12,000	16,500	10,500	6,000
Carrongrove Paper Co., 75,000 8 % Cum. Pref. Shares of £1, at par	75,000	75,000	9,375	65,625
Darjeeling Consolidated Tea, 15,000 Ord. Shares of £1 each, at £2 10s per Share	15,000	45,000	45,000	
New Haysop Rubber Estates, 550,000 of 2s each, at par	55,000	55,000	13,750	41,250
Southern India Tea Estates, 12,000 Ord. Shares of £1, at £2 5s per share	12,000	27,000	27,000	
Venezuela Telephone and Electrical Appliances, 35,000 8 % Cum. Pref. Shares of £1, at par	35,000	35,000	1,750	33,250
Total offered to shareholders		253,500	107,375	146,125
Total offered for subscription to date				
1926	138,462,686			231,914,268
1925	125,804,753			209,326,100
1924	125,772,454			271,393,173
1923	200,298,323			573,675,650
1922	487,601,167			388,978,000
1921	139,290,281			367,948,656

Ship Canal Portland Cement Manufacturers, Limited.

—Issued share capital, £263,904, divided into 111,639 7½ per cent. cumulative preference shares of 15s each, 900,000 ordinary shares of 4s each, and 3,500 deferred shares of 1s each. This is an issue of £600,000 6½ per cent. first mortgage debenture stock at 97½ per cent. The debenture stock will be secured by a first specific mortgage or charge upon the lands, building, plant, &c., and a first floating charge on the remaining property and assets. It will be repayable by means of a cumulative sinking fund of 2 per cent. per annum, beginning in 1928. The company, whose capital was reorganised in 1924, owns cement works at Ellesmere Port and shale and limestone quarries at Garth and Little Orme, North Wales. The figures of production of cement at the Ellesmere Port works are given since 1922, and have risen from 50,718 tons in that year to 181,280 tons for the year to March 31st last. The proceeds of the present issue are required to pay off existing debentures and bank loans, and to provide for extensions, &c. The total value of the company's properties on a "going concern" basis is given as £1,501,624, while the net assets, exclusive of goodwill, are stated to be £1,533,110. Net profits for the years ended March 31, 1925 and 1926, before charging interest, depreciation and taxation, were, it is stated, £80,486 and £108,063 respectively. The amount of existing debentures is not stated. The company appears to have a good backing.

Tamplins Licensed Properties, Limited.—Share capital

£100,000 in £1 shares, in addition to which there is £500,000 of 6 per cent. first mortgage debenture stock authorised. Of the latter £200,000 is now being issued at £95 per cent. The stock will be secured by a trust deed constituting a first specific mortgage on freehold and leasehold properties, which are being purchased by the company for £300,000 in cash and a floating charge on remaining assets. The deed securing the stock will provide for redemption by means of an annual cumulative sinking fund of 1 per cent., which will be applied either by purchase at a price under par or by drawings at par. The whole of the stock will be redeemed not later than December 31, 1959. The company also reserve power to redeem stock on six months' notice at 102½ per cent. if the notice expires on or before January 1, 1937, and thereafter at par. The company has been formed by Tamplin and Son's Brewery, Brighton, Limited, to take over and acquire from them various licensed and other properties which are said to consist for the most part of premises belonging to the brewery business of Kidd and Hotblack, Limited, of Brighton. The business of Kidd and Hotblack, Limited, was originally established in 1821, and was formed into a limited liability company in 1906. It has been carried on under the supervision of the members of the Hotblack family down to the date of sale. The licensed properties included in the sale to this company are 87 in number, of which all except three are freehold. Tamplin and Son's Brewery, Brighton, Limited, which will be responsible for the rent and covenants of this lease, was incorporated in the year 1889. The annual dividend paid on the ordinary share capital of that company since its incorporation is stated to have averaged not less than 10 per cent., and has for the last four years, including bonuses, been 15 per cent. The purchase price, payable by Tamplin's Brewery, is £303,145, payable as to £203,145 in cash and the balance in Tamplins 7½ per cent. "B" cumulative preference shares, together with a sum to be ascertained by valuation in respect of stocks and loose effects. The purchase price to the present company is £300,000 in cash. It is a great pity that no figures of past profits are given in the prospectus. A well-secured industrial debenture in its class.

Triumph Trust, Limited.—In order to comply with Stock

Exchange regulations particulars are advertised of the above. The issued share capital is £200,000, divided into 999,500 preferred ordinary shares of 2s each and 1,000 deferred shares of 1s each. After a cumulative preferential dividend of 10 per cent. per annum has been paid on the preferred ordinary shares, the remaining profits (after providing for reserves, &c.) are divisible as to one half among the holders of the preferred ordinary shares and as to the remaining one half among the holders of the deferred shares. It is intended to issue £100,000 of 7½ per cent. registered convertible notes at par, repayable at £105 per £100 on September 1, 1936, and convertible up to April 1, 1929, into 10 per cent. preferred ordinary shares at the price of 2s 6d per 2s share, such conversion to take place on April 1st or October 1st in any year. It is also intended to repay £3,550 10 per cent. cash deposit certificates out of the proceeds of the above issue of notes. The company was incorporated in 1923 as a private company, and converted into a public company in 1925. Its objects are to carry on the business of an investment trust, finance development, general trading company, and other businesses. It is stated that since the inception of the Trust the cumulative dividend on the preferred ordinary shares has been regularly paid. For the years 1924-5, 1925-6, however, an additional 2½ per cent. was distributed, making 12½ per cent. per annum for each of the periods mentioned. No figures of revenue are given. Application is being made to the

London Stock Exchange for permission to deal in the 999,500 preferred ordinary shares. Investors should bear in mind the difficulties with which most finance undertakings are faced from time to time.

Camp Bird, Limited.—Share capital £2,100,000, divided into 749,625 8 per cent. cumulative preference £1 and 13,503,750 ordinary 2s shares, of which 649,625 preference and 2,750,051 ordinary shares have been issued. This is an issue of 1,650,000 ordinary 2s shares at 4s 3d per share. The company was formed in the year 1900 to operate the Camp Bird Mine in Ouray, Colorado, and up to 1920 paid to its preference and ordinary shareholders dividends to a total of £2,288,000. Camp Bird Mine was closed down in the year 1920; the plant and machinery has since been carefully preserved and is reported to be in good order. The company has over a period of years acquired interests in various corporations operating in Mexico and elsewhere, thus changing its character from that of a mining company to a mining investment and holding company. The company has no liabilities other than the arrears of preference dividend, which will be satisfied as to £136,421 in cash out of premiums derived from the shares now offered, and as to the balance by the issue of £113,684 7 per cent. funded income certificates repayable out of profits. The assets of the company, after providing for the above-mentioned dividend arrears, are valued by the directors at approximately £1,150,000. Quoted securities as at the end of approximately 80 per cent. of the total, and cash, including balance of the proceeds of this issue, over 15 per cent. After repayment of the arrears of preference dividend from the proceeds of this issue, the company expects to have available cash working capital of approximately £200,000. The chief holdings of the company are in the Santa Gertrudis Company, Limited, and in the Mexican Corporation, Limited. Fairly full particulars of these companies are given in the prospectus, but we should have liked some revenue figures included.

Temengor Tin Mining Company, Limited.—Share capital £200,000 in shares of £1 each. This is an issue of 60,000 shares at par. The company has been formed for the purpose of acquiring mining certificates and sub-leases over and working properties containing alluvial tin deposits situate at Temengor, Grik, Upper Perak, in the Federated Malay States. Certain areas extending approximately to 180 acres are being acquired immediately. Application has also been made to Government for land adjoining the areas now acquired by the company approximating a further 534 acres, and it is hoped that such application will be favourably considered as soon as this company can submit plans and surveys for the necessary tailings dam, and can give an assurance that it is in a position to carry out such work. The purchase price of £75,000 is payable as to £20,000 in cash, and £55,000 by the allotment of shares. Under the sale agreement the vendor company (Malayan Tinfields, Limited) has agreed to assist the company, so far as it is able, in obtaining grants from the Perak Government of mining leases over the additional properties, some 534 acres in extent, which it will be desirable to acquire should the working of the original property prove successful. As consideration for such agreement the company has agreed, in the event of its acquiring within three years not less than three-fourths in area of such further properties, to issue a further £20,000 of fully-paid shares in its capital to the vendor company, and a proportionately reduced number of shares should it acquire less than three-fourths in area of such further properties. The 60,000 shares now offered have been underwritten for a commission of 6 per cent. A speculative proposition.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War (3½%, 1925-26) .. 98½	98½	98½	—
Loans (5½%, 1925-26) .. 98½	98½	98½	—
4½%, 1925-26 .. 101½	101½	101½	—
4½%, 1925-26 .. 100½	100½	100½	—
Funding Loan 4½% .. 86½	86½	86½	—
Victory Bonds 4½% .. 83½	83½	83½	—
Conversion Loan 3½% .. 76	76	76	—
Consols 2½% .. 55½	55½	55½	—
Irish Land Stock 2½% .. 58	58	58	—
Local Loans 2½% .. 62½	62½	62½	—
Aust. 6½% 1931-41 .. 104	104	104	—

British Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord. .. 84½	84½	84½	—
London & North-Eastern 5½% Pref. Ord. .. 51½	51½	51½	—
Do Def. Ord. .. 16½	16½	16½	—
London, Mid., and Scottish, Ord. .. 70½	70½	70½	—
Metropolitan .. 64	64	64	—
Metropolitan District .. 53½	53½	53½	—

American Railroads.

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio .. 146	146	146	—
Erie .. 37	37	37	—
Do 4½% 1st Pref. .. 46	46	46	—

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Antofagasta Cons. 82½	82½	82½	—
B. A. and Pacific .. 85½	85½	85½	—
B. A. Gt. Southern .. 95½	95½	95½	—
Buenos Ayres West. .. 86½	86½	86½	—
Canadian Pacific .. 169	169	169	—
Central Argentine .. 73½	73½	73½	—
Cordoba Central New 33 .. 32	32	32	—

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Argentine 5%, 1886-7 .. 99	99	99	—
Austrian 6% Guar. 99 .. 99	99	99	—
Belgian 3% .. 71	71	71	—
Brazil 5% Fund. 1914 83 .. 83	83	83	—
Chilian 4½%, 1895 .. 86	86	86	—
Do 7½% .. 104	104	104	—
Chinese 5%, 1912 .. 60	60	60	—
Egyptian 4% .. 83½	83½	83½	—
French 5% .. 74½	74½	74½	—
Do 4% .. 104½	104½	104½	—
German 7%, 1924 .. 104½	104½	104½	—

Telegraphs.

	Price Last Week.	Latest Price.	Rise or Fall.
Anglo-American "A" 24½ .. 24½	24½	24½	—
Marconi Wireless .. 13½	13½	13½	—

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays B. (Ld.) 21½ .. 21½	21½	21½	—
Chartered Bk. of India 21½ .. 21½	21½	21½	—
Lloyds (5s with 1s paid) .. 3½	3½	3½	—
Midland (12s with 2s paid) .. 8½	8½	8½	—
Nat. Bank of Egypt (10) .. 40	40	40	—

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (Ld.) 2 .. 2	2	2	—
Amal. Cottons (Ld.) .. 4½	4½	4½	—
Anglo Persian Oil (Ld.) 4½ .. 4½	4½	4½	—
Armstrongs (Sir W.G.) .. 3½	3½	3½	—
Ass. Plant. Cement (Ld.) .. 3½	3½	3½	—
Barker, John (Ld.) .. 3½	3½	3½	—
B'ham Small Arms (Ld.) .. 2½	2½	2½	—
Bleachers (Ld.) .. 2½	2½	2½	—
Bradford Dyers (Ld.) .. 2½	2½	2½	—
Brazil Traction (Ld.) .. 102½	102½	102½	—
British-American Tobacco (Ld.) .. 48½	48½	48½	—
British Controlled Oil (Ld.) .. 3½	3½	3½	—
Bryant and May (Ld.) .. 2½	2½	2½	—
Curmah Oil (Ld.) .. 5½	5½	5½	—
Cosens (J. and P.) (Ld.) .. 3½	3½	3½	—
Courtaulds (Ld.) .. 5½	5½	5½	—
Cunard (Ld.) .. 4½	4½	4½	—
Dorman, Long (Ld.) .. 1½	1½	1½	—
Dunlop Rubber (Ld.) .. 1½	1½	1½	—
Fine Cotton Spinners (Ld.) .. 2½	2½	2½	—
Forestal Land (Ld.) .. 1½	1½	1½	—
Furness, Withy (Ld.) .. 1½	1½	1½	—
Highlands and Lowlands Rubber (Ld.) .. 3½	3½	3½	—

Mines.

	Price Last Week.	Latest Price.	Rise or Fall.
Ashanti Gold (Ld.) .. 4½	4½	4½	—
Broken Hill Prop. (Ld.) .. 1½	1½	1½	—
Burma Corp. (Rd.) .. 2½	2½	2½	—
Cam & Motor (Ld.) .. 2½	2½	2½	—
Central Mining (Ld.) .. 1½	1½	1½	—
Chartered (Ld.) .. 1½	1½	1½	—
City Deep (Ld.) .. 1½	1½	1½	—
Cons. Gold Fields (Ld.) .. 1½	1½	1½	—
Crown Mines (Ld.) .. 1½	1½	1½	—
De Beers Def. (Ld.) .. 1½	1½	1½	—
East Rand Prop. (Ld.) .. 4½	4½	4½	—
Geduld (Ld.) .. 4	4	4	—
Gov. Gold Areas (Ld.) .. 8½	8½	8½	—
Johannesburg Cons. .. 2½	2½	2½	—
Malayan Tin (Ld.) .. 1½	1½	1½	—
Modderfontein (Ld.) .. 5	5	5	—

MINING OUTPUT STATISTICS FOR JUNE, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
Gold.	Tons.	Tons.	Ozs.	Ozs.	£	£
Jumbo ..	1,545	1,545	241	272	513	654
Lena (July 8th-15th) ..	21,610	(May)	..	..	8,295	34,839
Oroville Consolidated ..	..	..	..	..	112,118	87,023
Oroville Dredging (30 days to July 15th) ..	..	..	..	..	..	15,040

	Output.	Other Notes in Return.
Tin.	Tons.	
Batura Monguna ..	3	
Renong ..	16	(First half of July).
Rukuu ..	3	
Coal.	Tons.	
Chinese Engineering ..	51,000	Sold during week ended July 10th.
Witbank ..	73,332	

SULPHIDE CORPORATION, LIMITED.—During the six weeks ended on June 26, 1926, 11,483 tons of Central and Junction Mines ore, together with 2,610 tons of slimes, were milled at the Central Mine, producing 2,402 tons of leach concentrates (including 215 tons from the de-leaching plant), which assayed 43 ozs silver, 62 per cent. lead, together with 2,824 tons of zinc concentrates, assaying 10 ozs silver, 7 per cent. lead, 48 per cent. zinc per ton, and 881 tons of special slimes, assaying 10 ozs silver, 17 per cent. lead, and 7 per cent. zinc per ton.

COMPANY MEETINGS, &c.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED.

SUCCESSFUL YEAR—INCREASED PROFIT.

DIVIDEND MAINTAINED—BONUS DISTRIBUTION.

YEAR OF PROSPERITY IN SOUTH AFRICA.

POSITION AND PROSPECTS OF VARIOUS INDUSTRIES.

The 113th ordinary meeting of shareholders in the Standard Bank of South Africa, Limited, was held, on Wednesday, the 21st day of July, 1926, at the Cannon street Hotel, Cannon street, London, E.C., Mr W. Reiersson Arbuthnot presiding.

The secretary (Mr Herbert G. Hoey) having read the notice convening the meeting,

The Chairman authenticated the correctness of the Register of Transfers by impressing thereupon the seal of the company.

The directors' report and accounts were taken as read, and the Secretary read the auditors' certificate.

The Chairman then addressed the meeting as follows: Ladies and gentlemen,

Prosperity for South Africa. Since we last met I am glad to say that South Africa has, on the whole, enjoyed a year of prosperity. This must be attributed largely to the unusually favourable weather enjoyed during the greater part of the year, which enabled agriculturists to reap an unprecedented crop of maize and largely increased crops of other cereals, while owners of livestock also did well. As a result many farmers were able to make good the losses suffered during the previous year of drought, to improve their farms, and to pay off liabilities.

The weather conditions were not so favourable in certain districts in the West and South-West of the Cape Province, where the rainfall was insufficient, and in the Eastern Transvaal, Zululand, and Natal, where it was excessive. Elsewhere, despite a general fall in prices, farmers, on the whole, were able to realise satisfactory profits.

Present Year's Prospects. As regards farming prospects for the present year, for the three months from November to January a period of drought supervened, which effectively destroyed all chances of a maize crop for this season comparable with that of last year. At the same time, considerable damage was caused by insect pests.

Though the good rains which have since fallen came too late to effect more than a moderate improvement in the maize crop, they have greatly benefited the veldt, and the majority of sheep farmers are facing the winter without undue anxiety. Many cattle farmers are, however, finding their land overstocked, and the resulting selling pressure has brought the prices of all except prime stock down to a low level.

Farming prosperity was reflected to a considerable extent among the business community, and it may now safely be claimed that, on the whole, the business of the Union is gradually reaching a sounder footing; indications of this may be seen in the insolvency statistics.

Budget Surplus. The effect of the prosperous year on Government finance is shown by the fact that the Union Budget statement showed a surplus of £500,000, against an estimated deficit of £187,000, and the railways a surplus of £673,000, against an estimated deficit of £61,000.

Throughout South Africa an active policy of new railway extension is still being pursued, while at the same time much attention is being paid to the improvement of the old systems, chiefly by the electrification of the Natal main line and the Cape Town suburban line.

While on the subject of railways, may I say how much we deplore the disastrous accident which occurred on the Cape Town line a few weeks ago. I am sure I am voicing the feelings of the whole body of our shareholders when I say that we sympathise very deeply with South Africa in the loss of a number of valuable lives and in the grief and distress which the accident has brought into so many homes.

Exchange Position. The South African exchange position has varied but little in the course of the year.

The shortage of sterling, due to the reduction in South African exports during the shipping strike, led to a rise in exchange rates in September, but towards the end

of the year, when exports of produce to Europe were exceptionally heavy and the supply of sterling correspondingly more plentiful, the movement of rates was naturally downwards. Since then the accumulation of money in South Africa as the result of gold being sold locally instead of in London, has resulted in an increased demand in South Africa for English sterling, with the result that our rates have returned to the level of a year ago, being now based on a charge of 15s per cent. for cable remittances from South Africa to London.

Satisfactory Mining Position. The mining position may be regarded as satisfactory, the output of gold having been more than maintained, while the cost of production was considerably diminished. The absence of serious industrial trouble and reductions in the cost of stores, &c., were partly responsible for the excellent results obtained, but these were mainly due to increasing efficiency of management and improvements in mining appliances and metallurgical practice.

The market for diamonds has, for the most part, been good. The demand for polished stones on the Continent of Europe is still small, but business in Great Britain and the United States continues to be satisfactory.

Southern Rhodesia. In Southern Rhodesia farming conditions have been generally favourable; in some districts the rainfall has been excessive, but the outlook, on the whole, is promising.

Nyasaland. While Nyasaland experienced excessive rainfall early in the year, prospects there have since improved.

South-West Africa. In South-West Africa rainfall was below normal during the year under review, and, though a certain amount of rain has since fallen, the immediate outlook cannot be regarded as favourable.

Portuguese East Africa. We are still unable to carry on normal business in Portuguese East Africa owing to the currency difficulties arising from the decision of the Portuguese Authorities to make the local sterling notes inconvertible.

A Decree providing for the withdrawal of the notes from circulation was recently signed in Lisbon, but some trouble appears to have arisen in Lourenço Marques as to its observance, and the position is still very unsatisfactory. Meanwhile, the British banks there are unable to secure the redemption of their holding of the notes.

Until the Authorities see their way to arrange for their currency to be placed on a better footing, it is obvious that the business of the territory must suffer.

East African Territories. In the East African Territories the period under review may be summarised as one of steady progress, despite adverse climatic conditions, and the advance made is reflected in the trade figures.

These territories have two of the greatest possible assets in the fertility of the country and a large native population. With these advantages and a continuity of the present type of settler to turn them to their best economic use, there can be no question of the future prosperity of East Africa.

Road and rail transport is opening up fertile parts and making possible development of their latent resources.

Influx of Settlers and Capital. The most important factor making for progress in Kenya is, undoubtedly, its European farming community in the Highlands. The past year has witnessed a steady influx of both settlers and capital, and largely increased areas have been put under cultivation. Generally, the season has been indifferent owing to irregular rains, but the Trans Nzoia and Uasin Gishu areas have been more favoured in this respect.

Mr Lowndes, our London manager, has recently returned from an extended tour throughout East Africa, which has given him an opportunity of getting into touch not only with the bank's staff out there, but also with the Government officials and the business and farming communities. He has also been able to make the personal acquaintance of many of the bank's clients, besides seeing for himself, on the spot, and being able to discuss local conditions and problems, and this will, I feel sure, have been of great value to him and to the share holders.

Many of you come into personal touch with Mr Lowndes and know the qualities he possesses, which are sure to result in his visit bearing good fruit. Mr Lowndes is present with us to-day, and, to spare his blushes, I will refrain from enumerating those qualities.

I speak from my own experience when I say that it is a pleasure to do business with him, and I have no doubt whatever as to the impression which he will have made on those with whom he came in contact on his tour of East Africa. (Applause.)

If you will turn now to the balance-sheet in your hands, you will see that the figures reflect a satisfactory expansion of our business.

The deposit, current, and other accounts now stand at £49,416,227, being an increase of nearly 2½ millions on the 1925 figures. Drafts outstanding and acceptances under credits have risen by £384,000, and bills for collection by £870,000. These items are naturally subject to considerable fluctuations, but at the same time they reflect in a general way any growth or falling away of our business.

The item of profit and loss has increased from £390,000 to £449,000, but that I will deal with in a moment.

On the assets side of the balance-sheet the first thing to strike you will, no doubt, be the strength of our cash position, as, in spite of the increase in our liabilities in deposits, our total of cash, bills of exchange and remittances in transit, is over 38 per cent. of our liabilities for note circulation and deposits.

Our investments remain practically unchanged at a little over £5,000,000, and you will note that, as usual, they appear in the balance-sheet at, or under, cost, and below the market values as at March 31st.

Bills of exchange are £576,000 lower than last year, due chiefly to the reduction in our purchase of bills drawn against shipments of gold. As most of the gold is now being sold in South Africa, instead of London, as formerly, it follows that there is a big reduction in the supply of these bills available for negotiation.

On the other hand, there is a substantial increase of about 2½ million pounds in the amount of bills discounted and advances to customers, which reflects a very satisfactory expansion of our earning powers.

Bank property and premises stand at about £14,000 less than last year, this being the sum by which our writings off exceeded the expenditure on new premises during the year.

Our new London premises are now approaching completion, and before long we hope that many of the difficulties and discomforts due to lack of accommodation during the last few years will be finally overcome.

I feel sure that all shareholders will agree with the wisdom of writing down the value of our premises year by year. With the figure still standing in the balance-sheet at over one and a-quarter millions, we have considered it prudent to allocate £75,000 out of profits to bank premises account.

If you will turn now to the profit and loss account, you will see that the net profits for the year amounted to £579,988, being an increase of £62,037 on last year's figures, a result which we think you will regard as very satisfactory.

Including the amount of £109,149 brought forward, we have a total of £680,138, from which has to be deducted £156,041 paid as an interim dividend in January.

This leaves available £524,097, from which has been appropriated £75,000 for premises, so that the amount now to be dealt with is £449,096.

My predecessor in the chair last year referred fully to the necessity for making provision for our officers' pension fund, and there is no need for me to say more than that, after careful consideration, we have decided to recommend that the sum to be set aside for the pension fund this year shall not be less than that approved last year.

I am happy to say that the balance still available enables us to recommend the payment of the usual final dividend of 7s a share and in addition a bonus of 2s 6d a share, leaving a balance of £112,326 to be carried forward to the next account. (Applause.)

These figures speak for themselves, and I hope that I am not mistaken in thinking that the message they convey will be a pleasant one to the proprietors of this bank. (Hear, hear.) They indicate that conditions in the field of our operations are improving, that trade in Africa shows increased vitality, and that we are recovering from the effects of the bad years through which South and East Africa passed after the war.

Your directors consider that the improvement is based on a really sounder situation, which appears likely to continue for a time unless quite unforeseen circumstances arise. But for this fact they would not have felt justified in recommending the payment this year of a bonus, but would have considered it their duty to increase further the bank's reserves.

In saying this, I do not wish to be misunderstood. We do not pretend to prophesy what the future—even the next twelve months—has in store for us, but the outlook appears to us to be favourable, our business generally is, in our opinion, in a healthy condition, and our losses are not above normal, for, however much banks may be accused of being overcautious and conservative, the fact remains that in banking business losses are inevitable from time to time. Having regard to the hopeful conditions to which I have alluded, we have felt that it is only fair to our shareholders that they should derive some benefit from the improved position and receive an addition to the regular dividend of 14 per cent. per annum. (Applause.)

During the year under review a branch has been opened at Shabani, Rhodesia, and a sub-branch at Potgietersrust, in the Transvaal. In addition, thirteen agencies have been established at various points in Africa, where the prospects of business have justified our representation.

As is usual on these occasions, we have prepared some particulars in regard to the chief industries of South and East Africa for the period under review.

South African overseas trade showed a marked increase during the year, exports totalling £89,266,219 and imports £67,799,316, compared with £84,304,931 (including the premium on gold) and £65,894,781 respectively in 1924. The expansion in exports, which was mainly due to an increase of about £6,000,000 in the value of farm products and an increase of about £1,500,000 in the value of diamonds, was the more remarkable as it was achieved in spite of the disappearance of the gold premium (estimated at about £4,000,000 in 1924) and a sharp fall in the value of wool.

As a matter of interest, it may be stated that if the 1924 prices for gold, wool and other commodities had been maintained, the value of exports during 1925 would have been some £9,000,000 higher than the figures shown.

The following figures represent the trade of East Africa for the year ending December 31, 1925:—

Dividend and Bonus.

Improved Position—Favourable Outlook.

New Branches and Agencies.

Trade Returns.

East African Trade.

KENYA AND UGANDA.

TANGANYIKA.

It is satisfactory to note that approximately 68 per cent. of the 1925 imports into these territories originated in the British Empire.

Minerals.

In Southern Rhodesia the value of the combined mineral output declined from £4,478,499 to £4,134,260. On the other hand, the value of base metals produced increased by £55,871.

The development of mineral deposits in the East African territories is increasing in importance. Gold, diamonds, tin, mica, and salt are being exported from Tanganyika, while indications of coal, asbestos, copper, and corundum are being investigated in various parts of East Africa.

Gold Mining Industry.

1925 was the highest on record, amounting to 9,599,702 fine ounces, compared with 9,597,634 fine ounces in 1924. Owing to the disappearance of the gold premium, the approximate gross value declined by

£3,828,149 to £40,776,942. This loss of premium was, however, offset to the extent of about £1,700,000 by savings in realisation charges—following the resumption of the gold standard—and by reductions in costs of production. The working profit of £12,565,892 was, therefore, only £2,084,944 below that earned during 1924.

Apart from the disappearance of the gold premium, the industry during 1925 had to face a serious disability in the shape of an acute shortage of native labour, due to the excellent maize harvest, which rendered it unnecessary for the usual number of natives to leave their reserves in order to find work. Since the end of the year, however, the comparative failure of a portion of the new maize crop has caused a large increase in the supply of labour available.

The achievement of the mining industry in more than maintaining the output of gold, and at the same time in considerably diminishing the cost of production, must be regarded as very creditable.

The Rand refinery continues to deal satisfactorily with the whole output of the mines, and during the year ending September 30, 1925, 10,468,571 ounces of standard gold and 940,950 ounces of fine silver were refined.

The prospects of the gold mining industry this year are considered good, and production should reach a higher level than that attained in 1925.

In Southern Rhodesia the gold produced last year was valued at £2,539,543, compared with £2,939,563 in 1924. Of this decrease the disappearance of the gold premium was responsible for £193,000, and decline in output for £206,000.

The value of diamonds produced in the Union during the year increased from £8,033,406 to £8,198,128, and sales from £6,752,499 to £8,663,244. The output was composed of mined stones to the value of £6,201,510, and of alluvial stones to the value of £1,961,618. The value per carat of mined stones increased by 2s 10d to £2 17s 8d, and of alluvial stones by 9s 10d to £7 19s 5d.

Exports during the year were considerably in excess of production, and the unexported surplus carried over from 1924 was largely liquidated.

The output of diamonds in South-West Africa amounted to 514,956 carats, compared with 492,696 carats in 1924. Sales during the year totalled 693,174 carats, valued at £1,888,867, compared with 449,846 carats, valued at £1,224,441 in the previous year.

The output of coal in the Union increased by about half a million tons during the year, and at 13,007,141 tons created a new record. This increase was more than accounted for by the expansion of the Transvaal industry, both that of the Orange Free State and Natal showing a slight decrease.

Generally speaking, the outlook for the export trade remains somewhat uncertain, but the internal position is fairly satisfactory, and seems likely to improve.

The value of the coal output of Southern Rhodesia during 1925 was £324,511, compared with £265,992 in the previous year.

The copper production of the Union during the last three years has been as follows:—

Copper.

Year.

1923

1924

1925

Prospects of present developments in the Transvaal are regarded as encouraging, while great activity is reported from Northern Rhodesia, where new mines are just reaching the producing stage.

In the Belgian Congo shortage of labour is tending to delay progress, and the 1925 output of 90,000 tons showed an increase of only 5,000 tons over that of 1924, as against an expected increase of 15,000 tons. Development is proceeding, and, provided labour difficulties can be overcome, an annual output of 200,000 tons is expected in about three years' time.

Prospecting is being vigorously carried on in various parts of the Transvaal, and it is evident that platinum-bearing formations exist over a very large area.

It is not yet possible to speak with any certainty of the future of the industry, but a large amount of useful exploratory work has been carried out which, in the opinion of technical men well qualified to judge, indicates that a large extent of platinum ore is capable of being profitably worked at the present price of the metal, and, in fact, at a much lower figure, provided the estimates and anticipations regarding the metallurgical side of the business are approximately reliable.

No actual production was declared down to the end of 1925, but

during the first three months of 1926 about 1,300 ounces of crude platinum, containing about 75 per cent. of pure metal, were obtained from one mine, and several other mines are expected to reach the producing stage in the near future.

The position of the tin-mining industry has continued satisfactory; the market price throughout the period under review has been firm, and the prospects generally for the present year appear to be very favourable.

The figures given below indicate the output of tin in the Union during the last three years:—

Year.	Tons.	Value.
1923	1,424	170,337
1924	2,051	305,398
1925	1,937	298,973

The output of asbestos produced in the Union during 1925 was valued at £152,115, compared with £110,075 in 1924.

A good demand prevailed during the year, and mines were at times unable to cope with the orders received.

The value of asbestos produced in Rhodesia during the past three half-years was as under:—

Six Months Ending	Value.
31/12/1924	336,741
30/6/1925	306,215
31/12/1925	459,765

The main difficulty confronting the asbestos industry in Rhodesia has hitherto been lack of transport facilities, but in view of the approaching advent of the railway to Shabani, the outlook for the industry appears bright.

Further extensions of asbestos producing properties in Rhodesia which are recorded should largely increase the output.

The value of chrome ore produced in the Union was £21,001 in 1925, as compared with £2,446 in 1924, and in Southern Rhodesia the output was valued at £337,318, as against £432,482 in the previous year.

The industry is expected to benefit greatly by the construction of the railway to Shabani, to which allusion has already been made. There is no difficulty in disposing of the production of ore, a strong demand existing for the mineral in America, England, and Germany.

The following are the values of sales and shipments of the more important of the other minerals produced in the Union during the past two years:—

	1924	1925
Silver (in gold bullion)	142,670	134,454
Silver (in other minerals)	69,800	32,388
Osmiridium	102,886	170,995
Lead	153,288	57,389
Corundum	13,284	13,229
Soda	9,844	13,480

The preliminary results of last year's agricultural census give the total production of maize in the Union for 1925 as over 24,000,000 bags of 200 lbs each. There was, therefore, an increase of nearly 13,000,000 bags, or 118 per cent., over the 1924 figures, and of nearly 5,000,000 bags, or 26 per cent., over those for 1923, which represented the largest crop previously recorded.

The expected yield of the 1926 crop will be far below that of last year; the drought, together with destruction caused by insects, compelled many farmers to replant their maize, in some cases more than once, and consequently it was feared that a large part of the crop would not have time to ripen before the winter set in. Conditions have improved, however, and it was hoped that at least 12,000,000 bags would be reaped, but cable advices received this morning reduce the unofficial estimate to 9,000,000 bags.

Down to the end of the year overseas prices of maize remained satisfactory, and by December 31st some 10,000,000 bags had been exported. During January overseas prices declined sharply, while local prices advanced in expectation of a short crop. As a result exports fell away, and since the end of January have practically ceased. Up to the present rather less than 11,000,000 bags of last season's crop have been exported, and as local consumption is estimated at between 10 and 11 million bags annually, it appears that there are still some 2-3,000,000 bags of surplus maize in the country. Though local prices have now declined, a considerable gap still exists between local and export prices, which must be adjusted before export can be resumed.

In spite of abnormal rains in many districts, the Rhodesian maize crop is expected to be normal, and in some districts distinctly above the average.

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The preliminary results of last year's agricultural census give the total production of maize in the Union for 1925 as over 24,000,000 bags of 200 lbs each. There was, therefore, an increase of nearly 13,000,000 bags, or 118 per cent., over the 1924 figures, and of nearly 5,000,000 bags, or 26 per cent., over those for 1923, which represented the largest crop previously recorded.

The expected yield of the 1926 crop will be far below that of last year; the drought, together with destruction caused by insects, compelled many farmers to replant their maize, in some cases more than once, and consequently it was feared that a large part of the crop would not have time to ripen before the winter set in. Conditions have improved, however, and it was hoped that at least 12,000,000 bags would be reaped, but cable advices received this morning reduce the unofficial estimate to 9,000,000 bags.

Down to the end of the year overseas prices of maize remained satisfactory, and by December 31st some 10,000,000 bags had been exported. During January overseas prices declined sharply, while local prices advanced in expectation of a short crop. As a result exports fell away, and since the end of January have practically ceased. Up to the present rather less than 11,000,000 bags of last season's crop have been exported, and as local consumption is estimated at between 10 and 11 million bags annually, it appears that there are still some 2-3,000,000 bags of surplus maize in the country. Though local prices have now declined, a considerable gap still exists between local and export prices, which must be adjusted before export can be resumed.

In spite of abnormal rains in many districts, the Rhodesian maize crop is expected to be normal, and in some districts distinctly above the average.

The value of chrome ore produced in the Union was £21,001 in 1925, as compared with £2,446 in 1924, and in Southern Rhodesia the output was valued at £337,318, as against £432,482 in the previous year.

The industry is expected to benefit greatly by the construction of the railway to Shabani, to which allusion has already been made. There is no difficulty in disposing of the production of ore, a strong demand existing for the mineral in America, England, and Germany.

The following are the values of sales and shipments of the more important of the other minerals produced in the Union during the past two years:—

	1924	1925
Silver (in gold bullion)	142,670	134,454
Silver (in other minerals)	69,800	32,388
Osmiridium	102,886	170,995
Lead	153,288	57,389
Corundum	13,284	13,229
Soda	9,844	13,480

As regards East Africa, it is computed that at June 30, 1925, there were 155,916 acres under maize, and the amount exported from Kenya in 1925 was valued at £416,964. This year the crop has been disappointing, owing to irregular rains, and the export is only expected to reach three-fifths of last year's total.

In the Western Province of the Cape the 1925 wheat crop failed to reach expectations, and gave a yield rather below that of the previous year. In other parts of the country, however, the yield was far above normal, and the total for the whole country, according to the preliminary results of the Agricultural Census, amounted to over 2,000,000 bags, an increase of approximately 350,000 bags over the 1924 figures.

The yield of Kaffir corn amounted to nearly 2,500,000 bags of 200 lbs, compared with approximately 1,250,000 bags in the previous year. As a result of this remarkable increase, Kaffir corn, for the first time on record, figures as an important item among exports from the Union.

Some progress is being made in improving the quality of cattle, but far too many farmers are still content with indifferent or poor stock. Generally speaking, progressive farmers prefer dairy farming, and the production of really high-class beef is not yet very large. A market for South African beef has recently been found in Italy, and exports of beef increased in value from £96,000 in 1924 to £256,000 in 1925, but it is to be feared that the quantity of beef exported will remain disproportionately small compared with the number of cattle in the Union until the quality of beef produced is materially improved.

In Rhodesia the cattle industry is making steady progress, but the difficulty of suitable markets has been increased by the closing of the Union market to cattle weighing less than 1,050 lbs. A considerable outlet has, however, been found by large purchases for purposes of meat export.

Trial shipments of cattle on the hoof have been made to England. Good prices were realised, though the heavy costs of transport greatly reduced the margin of profit.

Dairy farming in the Union continues to make good progress, and the quality of stock shows steady improvement. This branch of farming has the advantage of providing a regular income throughout the greater part of the year, and for this reason is being increasingly combined with other branches.

In Rhodesia the dairy industry is rapidly growing in importance, and exports of the produce show a steady increase.

Wool.	EXPORTS.	
	Quantity.	Value.
	lbs.	£
Average 1920-24	179,759,000	12,676,000
Year 1924	174,595,000	15,764,000
Year 1925	208,616,000	15,095,000

Compared with 1924, the average value of grease wool exported during 1925 fell from 1s 8½d per lb to 1s 5½d per lb. Prices, after reaching their highest point in December, 1924, fluctuated considerably, but are now generally steady, and it is thought that a more stable basis has been reached. Present prices are remunerative to the farmer, and it is believed that a moderate but steady price-level will ultimately prove more beneficial to producers and consumers alike than the alternations of high and low figures that have taken place in recent years.

Improvements continue to be made in methods of farming, and especially in the classing of wool and its preparation for market.

Mohair.	EXPORTS.	
	Quantity.	Value.
	lbs.	£
Average 1920-24	15,573,000	869,000
Year 1924	13,666,000	1,142,000
Year 1925	11,560,000	836,000

During 1925 exports fell by 15 per cent. in quantity, and 27 per cent. in value. At present the demand is dull, and little business is passing. Those concerned in the trade are, however, confident that the demand, which is governed to a certain extent by fashion, will sooner or later revive.

Ostrich Feathers.	EXPORTS.	
	Quantity.	Value.
	lbs.	£
Average, 1920-24	331,000	419,000
Year 1924	384,000	353,000
Year 1925	270,000	204,000

This industry shows signs of further retrogression, and there is little demand for feathers. The prices now obtained are not re-

munerative, and for some time past farmers have been devoting their attention to other classes of farming.

Exports from the Union during the year, compared with those of 1924, were as under:—

Hides and Skins.	Quantity.	Value.
	lbs.	£
Hides, 1924	31,440,000	973,000
1925	26,908,000	911,000
Skins, 1924	37,251,000	2,186,000
1925	32,803,000	1,795,000

Prices of sheepskins declined by about 12 per cent. in sympathy with the price of wool, but those of hides and goat-skins increased by about 11 per cent. and 12 per cent. respectively.

Prices of hides are at present firm, while those of skins are fairly steady. Hides and skins were exported from Kenya, Uganda, and Tanganyika during 1925 to the value of approximately £600,000.

The cotton crop of Uganda is by far the most important item in the East African trade, and the prosperity of the territory depends entirely upon it. It is wholly native grown, and practically everything in Uganda is secondary to it. The area under cultivation is steadily spreading, and extending northwards. The growing and marketing are carefully controlled, and a very definite policy regarding ginneries is in force.

This year a definite setback occurred, owing to late rains. The export figures are as follows:—
1924—128,604 bales of 400 lbs each, worth £3,486,565
1925—196,023 " " " £4,685,992

The 1926 crop is estimated at 150,000 bales. This falling off, combined with the reduced price of 17-18 cents per pound, as against 28 cents last season for raw cotton, is a factor which will adversely affect trade.

The year 1925 proved disappointing to cotton growers in South Africa. A greatly increased acreage had been planted, and a crop of about 25,000 bales was expected. Much damage was, however, caused by the heavy rains which began in January, and continued until May, and the final yield of the crop, according to the ginneries' returns, amounted to only 15,119 bales, of which a considerable proportion was discoloured or immature.

Cotton Market.	EXPORTS.	
	Quantity.	Value.
	lbs.	£
Average, 1920-24	1,881,000	94,000
Year 1924	3,299,000	171,000
Year 1925	6,981,000	350,000

The market remained fairly satisfactory throughout the selling season, which concluded in October, and export prices averaged only about 3 per cent. below the level of 1924. Since then, however, prices have fallen sharply in view of the large American crop, but in spite of this the acreage planted is little, if any, thing, below that of last year.

This year's crop is estimated at about 25,000 bales, about 60 per cent. more than the quantity gathered last year.

The Nyasaland crop for 1925 is estimated at 1,800 tons of lint, compared with 1,000 tons in 1924. Of this total about 525 tons were grown in the Port Herald District. This result was achieved notwithstanding the almost complete failure of the first crop, and it is therefore all the more pleasing that the second growth was remarkable both for quality and quantity.

In Rhodesia the crop is expected to be considerably better than that for the previous year, except in the Bulawayo District, where, owing to the lateness of the rains, the prospects are fair only. In spite of their unfortunate experiences in 1924 and 1925, farmers are still confident and the acreage under cotton is being steadily increased.

The position of the wine industry in South Africa is now more assured. It is estimated that the present vintage will produce some 100,000 leaguers of wine of various qualities which represents approximately a 40 per cent. surplus.

There is a large demand for dried grapes for export to America, which tends to restrict the output of indifferent wines.

The output of sugar in South Africa for the year under review was the largest on record; the figures compared with the previous year's being as follows:—

Sugar.	OUTPUT.		EXPORTS.	
	Quantity.	Value.	Quantity.	Value.
	lbs.	£	lbs.	£
Average, 1920-24	320,000,000	65,207,000	65,207,000	785,000
Year, 1924-25	322,506,000	18,656,000	18,656,000	179,000
Year, 1925-26	478,926,000	119,908,000	119,908,000	767,000

Owing to the lateness of the rains the outlook for the coming crop is not as promising as at one time seemed likely, but with the increased acreage under cane it is generally expected that the final yield will exceed that for 1925.

A good quality sugar is being grown in parts of Kenya and Uganda adjacent to Victoria Nyanza, the whole product being absorbed by the local market.

The fruit-farming industry in the Union is making rapid progress, and, as some doubt is felt concerning the ability of the English market to take the quantity of fruit which will be available for export in a few years' time, attempts are being made to open up markets on the Continent, and these are being watched with great interest.

Cold storage facilities at the ports are being improved, and the causes of deterioration of fruit in transit are being gradually eliminated.

The dried fruit section of the industry has been somewhat handicapped by the heavy fall in the prices of dried fruit in European markets during the last few years. The total value of fresh fruit and dried and preserved fruit exported during the year amounted to £920,000, as against £649,000 in the previous year.

The value of tobacco exported from the Union during 1925 showed a slight improvement, but is still far below the totals reached in the years immediately following the war.

The 1926 yield from the Western Province is expected to show a material increase, and the Transvaal crop, while of average dimensions, is expected to be of particularly good quality, but the Natal and Orange Free State crops have suffered from drought and the yield will again be below normal.

Exports of tobacco from Nyasaland during 1925 totalled 6,917,439 lbs, compared with 7,044,175 lbs in 1924 and 5,158,326 in 1923.

In spite of heavy rains prospects for the coming season in this territory are satisfactory. The yield is estimated at 3,700 tons, an increase of 600 tons on 1925, while the quality is expected to be better than that of last year's crop.

With the good markets which are being experienced overseas the outlook generally is good.

Tobacco-growing in Rhodesia continues to make progress. Farming conditions are at present favourable, and the present crop is estimated at approximately 5,000,000 lbs, of very fair average quality. If the present good prices are maintained, it is expected that a considerably larger acreage will be devoted to tobacco in coming seasons.

Wattle Bark and Extract.	EXPORTS FROM SOUTH AFRICA.	
	Wattle Bark.	Wattle Extract.
	Value.	Value.
	£	£
1924	584,000	257,000
1925	781,000	328,000

The increased export prices realised during 1925 were due to the good demand which existed up to last September. Since then there has been a considerable falling off, owing to the slackening of Continental competition and the practical withdrawal of Germany from the market, and prices have steadily declined.

The demand from the United Kingdom has been fairly consistent, but the requirements of that country are principally for ground bark.

In Kenya at June 30, 1925, there were over 65,000 acres under coffee of various ages. The amount exported during 1925 was 147,257 cwts, valued at £823,901, and although this quantity was slightly lower than 1924, the value increased by nearly 30 per cent.

Coffee is one of the principal crops of Tanganyika, and the exports from that territory increased from 105,222 cwts, valued at £352,529, in 1924, to 120,186 cwts, valued at £481,055, in 1925.

In Uganda efforts are being made to introduce the growing of "Robusta" coffee as an alternative crop to cotton. Careful experiments have been made, and an excellent coffee has been produced. The exports for 1924 were 41,093 cwts, valued at £167,695, and for 1925 29,884 cwts, valued at £140,019. Owing to the lateness of the rains, the bulk of the 1925 coffee crop will be reflected in the 1926 export figures.

The Natal tea industry does not appear to be progressing, and crop estimates are again in the neighbourhood of 1,000,000 lbs.

In Nyasaland progress continues to be made, and exports during 1925 totalled 1,155,781 lbs, compared with 1,038,504 lbs in 1924. With the increased acreage coming into bearing this year, together with more efficient methods of handling the crop, the figures for 1926 are expected to show a large increase.

Apart from coffee, the principal crop in Tanganyika is sisal, which is grown largely in the Coast areas.

The export figures for 1924 were 18,428 tons, valued at £644,835, and for 1925 18,276 tons, valued at £688,451.

The acreage under this crop in Kenya has increased. The area of sisal over three years old, at June 30, 1925, was 35,610 acres, and the amount exported for the year was valued at £531,129, as compared with £396,777 in the previous year.

Copra to the value of £160,800 was exported in 1925 from Tanganyika and £35,915 from Kenya and Uganda.

Rubber became a more important item in East Africa owing to increased production consequent on higher prices.

Exports from Kenya and Uganda for 1925 were 8,722 centals, valued at £72,710, compared with 6,100 centals, valued at £18,954, for 1924, practically all of which was produced in Uganda. Tanganyika exported 9,752 centals, valued at £59,801, as compared with 1,771 centals, valued at £5,462, in 1924. The average price per cental of 100 lbs realised increased from 3s 2d in 1924 to 8s 6d in 1925.

Cloves are grown on the two islands, Pemba and Zanzibar, and the trade there is entirely dependent upon the crop results. Business during the past season has been quiet. A new decree has been promulgated for regulating the quality of cloves offered for sale. Whilst this cannot fail in the long run to improve the quality, its immediate effect has been a restriction of business owing to a considerable proportion of the stocks in the hands of dealers not being up to the defined standard.

For 1926 the crop is estimated at 150,000 bales, which is a normal figure.

The output of ground nuts from Tanganyika in 1925 was disappointing owing to the unfavourable season, and in some cases diseased plants.

The export for 1925 was valued at £178,685, being about half that realised for the previous year.

The coming crop is estimated at 12,000 tons, and it is stated that record figures from Tabora district are practically assured.

The exports of ivory from East Africa for 1925 were valued at £172,702, most of which came from Tanganyika.

The export of carbonate of soda from Kenya shows a satisfactory increase from £154,306 in 1924 to £213,680 in 1925.

Whale oil exported from the Union during the first eleven months of 1925 was valued at £370,768, as against £233,236 during the corresponding period of 1924.

Off the Natal coast 1,294 whales were caught, an increase of 271 over the figure for 1924, and the total value of the catch, which produced over 8,000 tons of oil, 3,300 tons of fertilisers, 500 tons of whalebone, 500 tons of bones, and 220 tons of finners, was approximately a quarter of a million pounds.

In South-West Africa about 240 whales were treated during the season, and oil and other products to the value of nearly £60,000 were exported.

Exports of fish from the Union during the year totalled £332,000 in value, compared with £306,000 during 1924.

From an examination of the official figures, it appears that considerable improvement in employment has taken place in South Africa during 1925, particularly in the case of coloured and native workers.

This is borne out by the reports from independent sources, all of which agree that industrial unemployment is not so serious as it was a year ago, and that, with the exception of the "unemployable" class, comparatively few industrial workers are out of employment.

The electrical industry in its various branches continues to expand. Many electrical schemes are being undertaken throughout the country, while the new power stations in process of completion for the Government will add greatly to the country's output of electricity.

Manufacturers of foodstuffs are making good progress; millers are reported to have had a satisfactory year; while jam-makers have an almost complete monopoly of the local market, and are hoping to build up an export trade. Canners of cray-fish have been handicapped during the present season by small catches. France is still the principal market for this product, but increasing quantities are being taken by England, Australia, Italy and Belgium.

Tanners have been generally busy, and boot and shoe factories appear to be fully occupied.

The wagon-building industry had a prosperous year during 1925 on account of the additional transport needed for the large maize crop.

The textile industry is having considerable difficulty in making headway, in spite of heavy protection, but some progress is being made in the manufacture of blankets and rugs.

With regard to other individual industries, builders, contractors, brick and tile makers, manufacturers of furniture, &c., have been generally well employed in meeting the active demand which exists for increased living and business accommodation and equipment—principally in the urban areas.

I will now conclude by moving the first resolution, viz.:—

"That the report and balance-sheet to March 31, 1926, now presented, be adopted" (Applause),

and I will ask my colleague, Sir David Barbour, to second it.

Sir David Miller Barbour, K.C.S.I., K.C.M.G.: I have much pleasure in seconding the resolution which has just been proposed by the chairman.

The Chairman: Before putting the resolution to the meeting I will give the shareholders an opportunity of making any remarks they may desire to make on the report and accounts (A pause.) If there are no remarks, gentlemen, I will put the first resolution to the meeting. Will those in favour of it kindly signify in the usual way? Those against. That is carried.

I have now to make the formal declaration of dividend.

Declaration of Dividend. "As empowered by the articles of association, on behalf of the board, I now declare a dividend for the six months ending 31st March of 7s per share on 445,833 shares, as a final dividend for the 12 months ending on that date, with a bonus of 2s 6d per share (making, with the interim dividend, a total distribution at the rate of 16½ per cent. per annum), subject to income-tax, to be paid to those shareholders whose names appeared on the register on the 30th day of June, and to become payable on the 24th instant."

Mr R. E. Dickinson: I have much pleasure in proposing:—

"That E. Clifton Brown, Esq., J. Fairbairn Re-election of Finlay, Esq., C.S.I., and the Right Hon. the Earl Directors. of Selborne, K.G., be re-elected directors of the company."

Mr Horace Peel: I have much pleasure in seconding that proposal.

The resolution was unanimously adopted.

The Chairman: I will ask Mr Retallick to propose the next resolution, which it is usual to put from the other side of the table.

Mr J. J. Retallick: Mr Chairman and gentlemen, I beg to move:—

"That A. T. Turquand-Young, Esq., F.C.A., Sir Gilbert Garnsey, K.B.E., F.C.A., and Roderick M. Peat, Esq., F.C.A., be re-elected auditors of the company for the ensuing year at a remuneration of 400 guineas each."

These gentlemen are well known and highly respected, and know thoroughly all the workings of the bank. I feel that we cannot do better than re-elect them for the present year.

Mr Joseph Nissim: Mr Chairman, I have very great pleasure in seconding this resolution.

The resolution was unanimously agreed to.

The Chairman: Ladies and gentlemen,—
Vote of Thanks to the General Managers and Officers of the Bank. Although we have now completed the actual business of the meeting, I have one more resolution to move, and that is:—

"That the thanks of the meeting be given to the general managers and other officers for their valuable services." (Applause.)

I know it will receive your hearty support, and I feel sure that it will give you as much pleasure to pass it as it does to me to put it to you.

We have reason for congratulating ourselves to-day on the results of the progress of the bank, as indicated in the figures we have just considered, and it must be quite obvious to all shareholders that these results could only be attained by the continued zeal and devotion of our large staff. Your directors are glad to have an opportunity of placing on record their appreciation of the conspicuous ability with which the very heavy responsibilities of our vast business have been shouldered by our general managers in South Africa and the senior officials in London, East Africa, and New York. At the same time, we realise that all their zeal and ability would not achieve such favourable results without the loyal support of the whole of the staff from top to bottom. We are grateful to them for their devotion to the interests of the bank, and we believe that you, as shareholders, will be pleased to express your appreciation of the value of their services. (Applause.)

It gives me personally very much pleasure to move the resolution, and I will ask Mr Gilmour to second it.

Mr T. L. Gilmour: If I may say so, Mr Chairman, it is, I think, not only appropriate but extremely desirable that the resolution which you have moved should be supported from this side of the table. It is perfectly true that we, as shareholders, have

not the same opportunity which you and your colleagues have, sir, of gauging the value of the services rendered to the bank by the staff, but I think that each one of us must have had some personal opportunity of coming into contact either with the higher officials or with some members of the staff, and I am sure that I am speaking not only on behalf of a majority of the shareholders, but on behalf of the whole body of the shareholders, when I say that it gives us extreme pleasure to associate ourselves with this resolution. It is, I am sorry to say, some 15 years since I had the pleasure of being brought into personal contact with the staff in South Africa, but, incidentally, I may say that it was as a result of the impressions which I formed of the bank in South Africa that I first acquired an interest in this great corporation. I have, however, as others have, no doubt, had opportunities, during the visits paid by Mr Gibson from time to time to London, of being brought into contact with him, and of observing the zeal and ability with which he has protected and defended the interests of the bank, and there are, perhaps, more here who have been brought into contact with the officials in London. I was extremely pleased to hear the words which the chairman used in reference to Mr Lowndes and the visit which he has paid recently to East Africa, and I feel sure that the shareholders will endorse every word that fell from the chairman's lips. I should like also to say that we are, if I may say so, extremely fortunate in the whole of the superior members of our staff. I have been brought into contact with Mr King and Mr Hoey, and I am sure that we can congratulate ourselves upon the possession of their services. Gentlemen, we are proud of our bank, but a bank is a composite thing. The directors play a part which I should be the last to minimise, and the shareholders also play an important part; but I venture to think that the staff play a part which is not less important than the part played by those other entities I have named. And what is the result? I claim that to-day the Standard Bank of South Africa has in a peculiar degree the confidence of the public, and I claim that it is due to the co-operation of those varying elements. Gentlemen, I have the greatest pleasure in seconding the resolution.

The Chairman: Ladies and gentlemen, it has been proposed and seconded that the thanks of the meeting be given to the general managers and other officers for their valuable services.

The resolution was passed unanimously.

The Chairman: That concludes the business of the meeting, gentlemen.

Sir Frederick Eley, Bart.: Mr Chairman, it is my pleasurable duty to propose a vote of thanks to the board, but before formally moving it I should like to congratulate the direction and management on the year's result, on the increased distribution—no doubt very fully considered—and, what is to my mind more important, the great financial strength and liquid position as disclosed. The Standard has long enjoyed the position of a classic in our overseas institutions. Its reputation is second to none, and one day perhaps some historian may try to record what the bank has done for South Africa and for the pioneers and settlers there. Those who understand, as some of us do, the class of business which comes within the category of its operations, appreciate the many difficulties which must from time to time confront the board of a bank like the Standard, and it is the highest credential to the gentlemen who have constituted the directorate since its inception 64 years ago, of whom you, sir, and your colleagues to-day are worthy successors, that during that period the shareholders' and depositors' interests have been jealously guarded, and that, while doing this and building up a great bank, the legitimate claims for assistance to its customers and the development of trade in that country, and the opening up of its resources, have been fully responded to. It gives me much pleasure formally to move:—

"That the cordial thanks of the meeting be awarded to the directors for their attention to the affairs of the bank, and to the chairman for his conduct in the chair."

I will call upon Sir William Mitchell Cotts to second the resolution.

Sir William Mitchell Cotts, Bart.: Mr Chairman, I have very great pleasure in seconding this resolution. I think we as a body of shareholders to-day have to congratulate ourselves upon having such a body of directors to preside over our affairs. They have very great knowledge and very varied knowledge of the world's markets, and I think we could not be better represented. I have very great pleasure in seconding this resolution.

The resolution was cordially approved.

The Chairman: On behalf of my colleagues and myself I thank you very much, gentlemen, for your kind expression, and Sir Frederick Eley and Sir William Mitchell Cotts for the kind words they have said about us.

The proceedings then terminated.

BANK OF ROUMANIA, LIMITED. ROUMANIA'S SOUND FINANCIAL POLICY.

The meeting of the Bank of Roumania, Limited, was held, on the 21st instant, at Winchester House, Old Broad street, London, General the Hon. Sir Herbert A. Lawrence, G.C.B., presiding.

The secretary (Mr F. P. Carrington) having read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: The balance available, after making provision for bad debts and income-tax, amounts to £14,472 10s 4d. The board recommends the payment of a final dividend of 3s per share, less income-tax, and that the balance of £2,566 14s 4d be transferred to contingency account.

The business of the bank continues to be satisfactory. The working expenses, however, are heavy, due to the relatively high cost of living, and the rate of exchange at which we have to convert our lei profits reflects adversely on our profits in sterling.

When inflation has once started it is difficult to arrest the movement. The Government of Roumania have declared their intention of following a policy of non-inflation, and they have attained a considerable measure of success.

The policy of a restricted fiduciary circulation, while it assists to steady the exchange, has caused a stringency of money. The scarcity both of cash and banking credits has continued during the year 1925, and commercial transactions have been restricted.

The unusually limited export of grain last autumn had a pronounced effect on business, and instead of great activity, such as is usual in the autumn, general stagnation was experienced. This, of course, has had its effect on the bank's earnings. However, we confidently look forward this year to better business.

SOUND FINANCIAL POLICY.

In the early part of this year the Minister of Finance, when introducing his Budget for 1926, said:

"By balancing our Budget and at the same time stopping monetary inflation, by resuming the service of both pre-war and post-war internal and external public debts, by consolidating the floating debts, by meeting, in short, our liabilities of all kinds, we have amply demonstrated that we have not only the will but also the power to fulfil our contractual obligations up to date."

With the conclusion of the agreements for the consolidation of war debts between Great Britain, the United States of America, and Roumania at the end of last year, Roumania has now consolidated all her public debts with the exception of the war debt to France.

The value of imports into Roumania from all countries amounted to 30,098 million lei, and exports to 20,025 million lei, showing an adverse balance of about 1,000 million lei.

Trade between Great Britain and Roumania remains steady, and, in fact, shows a slight improvement. The exports from Roumania to this country were valued at £2,278,000, as against £2,208,000 in 1924. Imports into Roumania from Great Britain were valued at £3,071,000 (of which cotton goods represented £1,504,000), as against £2,851,000 in 1924.

AGRICULTURAL POSITION.

Taking the important industry of agriculture, the total area cultivated was greater than that of 1924 (20,670,000 acres, as against 28,400,000), and the yield per acre of all cereals was also greater. This was satisfactory so far as it went, but the exports of grain fell from 1,406,300 tons in 1924 to 841,500 tons in 1925. It is estimated that at least 1,500,000 tons of cereals are stored in Roumania awaiting exportation. The falling off in exports of grain may be accounted for by the drop in world prices of grain, the lack of efficient railway transport to the coast, and the heavy export duties. These export duties were reduced in July last, and further brought down in March this year, and it is anticipated that this latter reduction will encourage holders to sell their stocks. This year's crop promises to be very good, and the winter weather has been distinctly favourable for the autumn sowings.

The brightest spot in Roumania's economic life is the oil industry, which is undoubtedly flourishing, and the production for 1925 was a record for Roumania, reaching 2,313,000 tons, as against the previous best production of 1,882,000 tons in 1913 and 1,850,000 in 1924.

Exports of oil went up from 435,000 tons, valued at 3,366 million lei in 1924, to 783,000, worth 5,668 million lei, in 1925. It is estimated that nearly double this quantity will be exported during 1926.

A change of Government has taken place since the close of 1925: the Liberals, who had been in power, with Monsieur Jonel Bratianu as Prime Minister, since 1922, resigned in the early part of this year. The new Cabinet has as its head General Alexandre Averescu.

Lord Oranmore and Browne seconded the motion, which was carried unanimously.

SECURITY FIRST

ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

ROCK INVESTMENT COMPANY, LIMITED.

FURTHER PROGRESS—BOARD'S SOUND POLICY.

The fourteenth annual general meeting of the stockholders of the Rock Investment Company, Limited, was held, on the 20th instant, at River Plate House, London, Mr Martin Coles Harman, the chairman of the company, presiding.

The secretary (Mr R. J. Harper) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: This is the second annual meeting of the company at which I have had the honour to preside. The report and accounts now before you indicate, I am glad to say, a further improvement in our position both as regards revenue and capital.

The ordinary stockholders will remember that last year I informed them that in the interests of the debenture stockholders and the preference stockholders the board intended to adopt a most conservative policy in regard to dividends upon the ordinary, and that, at any rate, until the depreciation had been completely made good and in addition a really handsome reserve fund had been built up they should not expect more than a nominal rate of 1 per cent. dividend. Thus it comes about that, although we have earned in the year under review at the rate of about 23 per cent. upon our ordinary, we are paying out only 1 per cent., and are retaining the balance in our surplus revenue account, which is now over £35,000, or equivalent to about seven years' dividends on the preference stock.

The reward of this abstinence upon the part of the ordinary stockholders should be a greatly increased asset value later on.

You will have noted with pleasure that the auditors' report this year is free from any qualifications.

The figures of the balance-sheet are, I think, more or less self-explanatory. For the purposes of easy reference, the previous year's figures are quoted in red ink. The figures on each side of the balance-sheet show a considerable increase, but if you deduct the securities sold in advance from the investment item it will give you a fairer idea of the actual growth.

The past year has been a very busy one for your directors, their associates and staff. It would have been quite impossible to have made the further progress which has been made during the past year without the wholehearted assistance of our associates and staff, and among the latter I should particularly like to mention Mr Harper, our secretary, who is, in my opinion, entitled to the warmest thanks of the stockholders for the thorough manner in which he has carried out his onerous duties.

COAL STRIKE AND FRENCH EXCHANGE.

We are sorry to meet the shareholders to-day under two shadows, one being one of the most calamitous industrial disputes that has ever afflicted this country, and the other being the conspicuous weakness of the French exchange.

The coal strike will certainly have an adverse effect upon the balance-sheets of numerous industrial companies. What its permanent effects will be upon the commercial and financial interests of this country must be left to the future to be seen. It is to be hoped that the loss will be a temporary one, and that it will be more than made up for over a period by a better mutual understanding between the conflicting parties, and, above all, by a better appreciation of the economic standpoint, which is so often overlooked. Unfortunately, the longer the dispute lasts the more permanent are its dire results likely to be. So far as we are concerned, although we cannot hope to escape altogether its inevitable general ill-effects, we have at present no special reason to fear that our progress will be greatly retarded even if the struggle is to be still further prolonged.

So far as the franc is concerned, fortunately we have carefully avoided franc investments, so that any harm we might suffer under that head could only arise indirectly through the general disturbance which violent fluctuations in the value of the currency of such a near neighbour as France is might in certain circumstances bring about.

Mr D. C. Levin seconded the motion.

SHAREHOLDER'S TRIBUTE TO THE BOARD.

Mr Cooper said that, after listening to the speech from the chair on the position of the company, he thought it would be admitted that the progress made since the present board took control in October, 1925, had been amazingly rapid. In fact, he thought

that the results which had been obtained were a miracle of financial achievement. He sincerely hoped that the board would continue their conservative financial policy.

The resolution was then put to the meeting and unanimously approved.

The Chairman then proposed that a dividend of 1 per cent., less income-tax, be paid upon the ordinary stock.

Mr Wm. Harman seconded the motion, which was carried.

The retiring director (Mr Martin Coles Marman) was re-elected and the auditors (Messrs James Meston and Co., chartered accountants) were reappointed.

TAQUAH AND ABOSSO CONSOLIDATED, LIMITED.

RESULTS OF DIFFICULT YEAR—NATIVE LABOUR SHORTAGE.

The ordinary general meeting of Taquah and Abosso Consolidated, Limited, was held on the 23rd instant.

Mr T. F. Dalglish, the chairman, said, in the course of his speech: The ore treated amounted to 105,776 tons, against 96,326 tons in 1925, an increase of 9,450 tons. The value of the gold recovered gave a return of 36s 10.6d per ton, against 45s 11.1d the previous year, when we had the benefit of a premium on the standard value. The recovery per ton—leaving premium out of account—is 6s 4d less, which is explained by the reduced tonnage and lower average value of the ore taken from the Taquah Mine, which, as you know, is richer than that from the Abosso and Adjah Bippo mines. The working costs, on the other hand, show a substantial reduction of 3s 2.4d per ton, which in the circumstances your directors consider very satisfactory.

The ore reserves have been taken at 450,570 tons, as against 529,270 tons last year. The latter figure included 86,400 tons in the Taquah Mine, of which 16,055 tons were broken in the stopes during the year. As it is difficult to say how much of the remaining ore can be extracted profitably, since the diminishing tonnage must bear the whole of the fixed charges, your directors have considered it wiser to eliminate this figure entirely from the estimate of the developed ore. As a further precaution against loss they have written off £10,000 so that the cost of the ore reserves may be put at a safe figure.

RESULTS IN NO. 15 LEVEL.

The most interesting feature in the Abosso Mine is to be found in the No. 15 level, 200 feet below No. 14, on which driving has

been commenced. The internal shaft and two winzes 490 feet apart has been sunk on the reef a total of some 550 feet, and have disclosed the high average value of 44s per ton over a width of 50 inches. We look forward, therefore, to opening a block of good-grade ore here much above the average value, and this at the bottom of the mine. The sinking of the internal shaft is being pushed on to the No. 16 level.

The result of the year's working has been disappointing, and is attributable almost entirely to the shortage of native labour. The average number of natives on our books in 1924-5 was 3,300, while in 1925-6 it was only 2,758, a drop of 16 per cent. That this percentage is not reflected in the number of tons crushed, which actually shows an increase of about 10 per cent., is entirely due to the introduction of jack-hammer drills in the stopes. At first there was the usual objection on the part of the natives to adopt a new appliance, but this was overcome, and the efficiency gradually improved as the natives became accustomed to use the drills. The latest figures I have are those for the months of March, April, and May. A maximum of 28 drills were then at work in the stopes and on development. Forty-five per cent. of the ore from the Abosso and Adjah Bippo mines was broken by these drills, and the proportion is gradually being increased month by month. During this period machine-broken ore was found to be 2s 9d per ton cheaper than ore broken by hand, and the saving ought to be much increased as more drills are brought into operation. Not all of our stopes are suitable for machine drilling, but wherever possible it is being introduced. We now have 45 drills on the mines, and when the new engine, now nearly erected, is available, we should have 30 drills working in stopes, 10 on development work and five in reserve or under repair. We are therefore encouraged in the hope of reaching the monthly tonnage of 10,000 tons which our general manager considers necessary for profitable working.

CHANGE OVER TO JACK-HAMMER STOPING.

The past three months have given disappointing results, but in justice to our staff it must be recorded that they have encountered and surmounted an almost record rainfall, and its consequent difficulties. It will be recognised that in changing over from hand-stoping to jack-hammer stoping much re-arrangement of the plant has been involved and additional power and pipe-lines have had to be installed. The new engine, already referred to, should be in commission next month. It is anticipated that we shall then gradually be able to do the most of our stoping in Abosso and Adjah Bippo mines with these drills, and to proceed with development at a greater rate.

Although jack-hammer drills will go a long way to help us to attain the crushing we aim at, they will not dispose of the question of shortage of labour. We still require more hammer-boys and more shovel-boys. Our efforts jointly with the other mines to recruit labour in the Northern Territories during the year have been a complete failure, and we have been dependent on obtaining casual natives in the Colony. Early this year, in response to our representations, the Colonial Office withdrew the embargo on recruiting in Nigeria. An agent was sent there, but here, again, I am sorry to have to tell you, we failed, as with so much industrial activity in that country the available supply of native labour has not exceeded the demand, and there is naturally in such a progressive country some disinclination to encourage the migration of the natives.

The report and accounts were adopted.

BRITISH NORTH BORNEO RUBBER TRUST, LIMITED.

STRONG FINANCIAL POSITION.

The seventeenth ordinary general meeting of the British North Borneo Rubber Trust, Limited, was held, on the 21st instant, at Winchester House, London, Sir Ivor Philipps, K.C.B., presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our reserve account has now reached the round figure of £50,000, and, as I told you last year, it will be our endeavour to continue to add to this regularly. The loan from our bankers at £53,000 is lower than it has been for some years, but this is only in anticipation of the amount we knew we should require for dividend. On the other side of the balance-sheet the book value of our investments is shown at £518,054, which is about the average for the last six years. We took advantage of the rise in rubber share values to dispose of a certain proportion of our holdings. We realised nearly £42,000 profit in all, of which £40,000 came from rubber. But we have since made numerous purchases at prices some way below the best of rubber shares whose dividend prospects are particularly bright, with the consequence that we have now 44½ per cent. of our total investments in rubber, compared with 40 per cent. at June, 1925. The first item on the receipts side gives the amount received in interest and dividends on our investments, less the interest paid on our bank

loan. The sum actually received during the year amounted to £40,965, and this was after deduction of income-tax. It compares with £19,573 last year. Underwriting commissions also were considerably in advance of 1924-25—£2,567, compared with £1,207.

The net revenue carried to balance-sheet amounted to £39,611, approximately two and a-half times that of the previous year, which was £15,807. This improvement enables us to recommend a dividend of 8 per cent. for the year, together with a bonus of 1 per cent. The sum distributed, together with the managing director's commission and income-tax on directors' fees, amount in all to £30,775, and will thus leave £6,115 to be carried forward. Shareholders at the general meeting in 1920 voted that directors' fees should be paid free of tax. But your board resolved that they would not take the tax unless the dividend paid was 8 per cent. or more. You will, perhaps, like me to remark on the valuation of our share holdings. At June 30th it was clear that our issued capital was intact, and that, in addition, the valuation showed a substantial surplus equivalent to nearly 8s per share. On the break-up value of our investments it will be thus seen the value of each share would be about 26s after the dividend has been paid.

The report and accounts were unanimously agreed to.

EAGLE OIL TRANSPORT COMPANY, LIMITED.

STRONG POSITION—REPAYMENT OF OUTSTANDING NOTES.

The fifteenth ordinary general meeting of the Eagle Oil Transport Company, Limited, was held, on the 20th instant, at Winchester House, Old Broad Street, London, the Hon. Clive Pearson (the chairman) presiding.

The secretary (Mr C. H. M. C. Wilson) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen—I am pleased to be able to report that your vessels have given satisfactory service throughout the year under review. Their condition has been well maintained, and we have again been able to add to our repair reserve in consequence of the amount spent in repairs having been less than the amounts set aside for this purpose. This reserve, which has been built up to meet the cost of Lloyd's special surveys and the increased repairs which must necessarily arise as your vessels grow older, cannot be expected to show a continuous increase as in the past, and, in fact, as the heavier survey expenses come to be incurred in due course, we must anticipate a gradual depletion thereof.

The freight market for tank steamers showed no improvement over the previous year, and reached a very low level at the end of 1925. As a consequence, our original chartering agreement remains suspended, but, since the ordinary shareholders have again waived their right to a dividend, our revenue enables us to pay the maximum dividend of 8 per cent. on our preference shares, and for the third year in succession to write the substantial sum of £750,000 off the cost of our vessels.

REPAYMENT OF OUTSTANDING NOTES.

Turning to the balance-sheet, a further £142,300 of the company's notes have been purchased and cancelled, and I would mention that it is our present intention to exercise our option of repaying on June 30th next the whole of the notes outstanding at the stipulated price of £101 per cent.

The depreciation and sinking fund reserve stands at £4,144,934. The repair, &c., reserve now appears at £648,849. Creditors show a reduction of some £167,000, while cash shows an increase of some £513,000.

Since the date of the balance-sheet we have sold the s.s. "San Gregorio," one of our older vessels. The price received is regarded by your directors as satisfactory.

ARRANGEMENT WITH ANGLO-MEXICAN PETROLEUM COMPANY.

You may be interested to hear that as from January 1st last we have entered into arrangements whereby our associated company—Anglo-Mexican Petroleum Company, Limited—who are the marketers outside Mexico of the whole of the products of our charterers, have undertaken, with due safeguards to your interests, the management of your fleet. The relations between that company and ourselves have always been very close, and the arrangement has been entered into in the interests of efficiency and economy. I may say that the Petroleum Company has taken over the entire shore staff of the company, including your former manager and his technical staff, to whom our thanks are due for the efficient running of our fleet. Our thanks are also due to our staff afloat for the good services they continue to give to the company.

I beg to move: "That the report of the directors, together with the accounts of the company, for the year ended December 31, 1925, be received and adopted."

Sir Robert Waley Cohen, K.B.E., seconded the resolution, which was carried unanimously.

The Chairman proposed: "That the payment of the dividend in respect of the year ended December 31, 1925, on 400,000 cumu-

lative participating preference shares of the company at the rate of 6 per cent. per annum, together with a final dividend of 2 per cent., making 8 per cent. for the year, be and is hereby confirmed."

Mr A. S. Debenham seconded the motion, which was unanimously approved, and the formal business having been transacted, the proceedings terminated.

THE "BODEGA" COMPANY, LIMITED.

RESULTS OF PROHIBITION IN THE STATES.

The forty-sixth ordinary general meeting of the "Bodega" Company, Limited, was held, on the 23rd instant, at 42 Glasshouse Street, London, Mr H. W. Walmisley (the chairman) presiding.

The secretary (Mr G. H. Beardon) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the profit of the company for the financial year ended March 31 last amounted to £22,028, showing a slight increase over that of last year. The company's branches throughout were in good order, and were as up to date as it was possible to make them having regard to the class of business transacted in them. They had recently purchased a freehold fully-licensed property known as the Victoria Hotel, Great Yarmouth. Extensive alterations, redecoration and refurnishing had just been concluded, and the board were of opinion that the company now owned one of the most up-to-date hotels in that historic old city, and they looked forward to doing a profitable business there.

DROP IN WHISKY CONSUMPTION.

He had read in the papers that the consumption of whisky for the year ending March 31, 1926, was given as 12,074,000 gallons, a fresh low record, and compared with a relative figure of about 28,000,000 gallons in 1916. He understood that the port wine trade in the United Kingdom was at the moment also a declining one. Regarding the imports of sherry from Spain, the consumption in the United Kingdom was small as to be practically negligible.

Apparently at the moment the question of prohibition lay dormant, but it had a knack of suddenly becoming very wide awake, and it was their duty always to be on the alert. Sir William Arbuthnot Lane, on his return from America, had stated that prohibition was really a farce in America. One could get liquor anywhere. The poorer people got the poisonous stuff and the richer got the good. Sir William had seen more drunken people in a month in America than he had seen in England for the last two or three years. Figures issued by prohibitionists showed that drunkenness was increasing in America, whilst in England and Wales there had been almost a progressive decrease in convictions for drunkenness and in crime since 1913. It was contended that in the whole of America the convictions for drunkenness during the prohibition years showed a decrease over the wet years of 44.3 per cent. The reduction, however, in England and Wales without prohibition during the same years, 1913-23, had been much greater. A very remarkable fact was that the decrease in drunkenness during the wet years was as great without prohibition as the reduction claimed during the prohibition period. American cities were still more drunken than English cities.

LOCAL OPTION AND TOTAL SUPPRESSION.

On October 19, 1925, Mr Leif Jones, at Manchester, said that they had taken to local option because it was the shortest way to reach the total suppression of the liquor trade, whilst on December 1, 1925, Mrs Walter Runciman had said that local option was the

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	...	Fmk. 150,000,000
Reserve Fund and Profits	...	" 123,000,000
Total Assets (31/12/25)	...	" 2,101,000,000

All descriptions of banking business transacted.

Telegraphic Address: KANSALLISPANKKI.



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C.2

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£3,734,660
Paid-up Capital	£4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH AMERICA, Ltd., and
THE COMMERCIAL BANK OF SPANISH AMERICA, Ltd.

53 offices in the principal countries of
LATIN AMERICA
as well as 7 Branches in
SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York),
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.,
PARIS.
Northern District Office: 69, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED OVER ONE HUNDRED YEARS.
ASSETS £13,500,000.
FIRE. LIFE. ACCIDENT. MARINE.
Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

only practical method of attaining the total suppression of the drink trade.

For the current year the directors were pleased to be able to repeat the dividend of 5 per cent. actual paid last year, with the addition thereto of a bonus of 1 per cent. actual. Shareholders would, therefore, receive this year 6s a share on their £5 fully-paid ordinary shares and 4s 9 3/4d a share on their £5, £4 paid, ordinary shares.

In 1911 the net profits of the company were £15,100, the dividend on the ordinary shares and bonuses equalled 3 per cent., whilst the carry-forward was £8,500. In 1920 the net profit was £64,600, whilst the dividend on the ordinary shares and bonuses equalled 12 1/2 per cent. and the carry-forward was £70,200. In 1923 the net profit was £19,375, the dividend 5 per cent., and the carry-forward £25,884, whilst in 1926 the net profit was £22,029, the dividend 5 per cent. with a bonus of 1 per cent., and the carry-forward £20,220.

A considerable discussion ensued, in the course of which an amendment was proposed for the appointment of a committee of investigation, but ultimately the report and accounts were adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1913.	Mar. 31, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Mar. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	July 17, 1926.
Funded Debt	588	315	315	315	315	315	315	315	315	315	315	315	315	315	315	314
Term Annuities	30	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
3 1/2% Conversion Loan ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4 1/2% Conversion Loan ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 1/2% War Stock	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4 1/2% War Stock	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4 1/2% and 5% War Stock ..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109
National War Bonds	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706	706	706	706
4% Funding Loan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4% Victory Bonds	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Treasury Bonds	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Exchequer Bonds	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
National Savings Certs. ..	20	323	185	150	150	15	15	15	15	15	15	15	15	15	15	15
Other Debt*	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French) ..	..	1,306	1,087	1,157	1,128	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
Treasury Bills	15	1,107	878	616	588	576	635	665	613	613	613	613	613	613	613	613
Temporary Advances ..	1	243	147	194	186	167	181	139	162	162	162	162	162	162	162	162
Other Capital Liabilities ..	654	8,033	7,655	7,742	7,641	7,646	7,751	7,616	7,691	7,691	7,691	7,691	7,691	7,691	7,691	7,691
Total Liabilities	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,775	7,775	7,775	7,775	7,775	7,775	7,775	7,775

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	July 18, '25.	Mar. 31, '26.	July 17, '26.	Week ended July 17, '26.
Advances by Bank of England ..	£ 139,441,000	£ 162,301,000	£ 162,301,000	£ 4,050,000
Advances by Public Debt Office ..	£ 179,685,000	£ 179,685,000	£ 179,685,000	£ 179,685,000
Treasury Bills Outstanding	£ 603,870,000	£ 564,855,000	£ 613,165,000	£ 10,015,000
Total Floating Debt	£ 783,555,000	£ 704,296,000	£ 775,466,000	£ 5,965,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.						
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ties.	Balance	Bank of England
1923.	£	£	£	£	£	%		£	£
Mar. 28.	285,616	12,318	7,000	27,000	22,450	17-3		241,294	190
June 27.	286,503	12,516	7,000	27,000	22,460	17-3		242,446	123
Sept. 27.	282,784	12,401	7,000	27,000	22,450	17-5		238,595	140
Dec. 26.	289,070	12,571	7,000	27,000	22,450	16-5		255,032	159
1924.									
Mar. 25.	281,538	11,908	7,000	27,000	22,450	17-6		236,867	130
June 25.	290,316	12,472	7,000	27,000	22,450	17-0		246,198	140
Sept. 24.	285,592	12,227	7,000	27,000	22,450	17-3		241,185	184
Dec. 31.	296,261	12,812	7,000	27,000	22,450	18-2		248,111	132
1925.									
Mar. 25.	284,256	11,882	7,000	27,000	22,450	18-9		235,076	113
June 24.	292,278	12,265	7,000	27,000	22,450	18-5		243,474	119
Sept. 30.	293,004	12,555	7,000	27,000	22,450	19-1		242,188	121
Dec. 30.	296,777	12,561	7,000	27,000	22,450	18-9		245,896	192
1926.									
Mar. 31.	295,337	12,226	6,550	27,000	22,450	19-0		244,585	178
June 30.	294,036	12,567	6,550	27,000	22,450	19-1		243,667	136
July 14.	292,960	12,355	6,550	27,000	22,450	19-2		242,403	112
July 21.	291,981	12,195	6,550	27,000	22,450	19-2		241,270	106

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,150,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Total Receipts into the Exchequer from		RECEIPTS.	
	to July 17, 1926.	to July 18, 1925.	Week Ended July 17, 1926.	Week Ended July 18, 1925.
Balances in Exchequer on 1st April:—				
Bank of England	£ 5,880,249	£ 5,341,778		
Bank of Ireland	676,684	1,215,322		
REVENUE.	6,556,933	6,557,100		
Customs	30,380,000	29,085,000	1,325,000	1,356,000
Excise	37,321,000	38,101,000	5,480,000	7,016,000
Motor Vehicle Duties ..	4,063,000	3,628,000	698,000	..
Stamp	16,070,000	18,750,000	910,000	1,420,000
Land Tax, House Duty and Mineral Rights Duty ..	4,450,000	5,240,000	140,000	10,000
Property and Income Tax ..	120,000	140,000	10,000	..
Super-Tax	41,389,000	54,538,000	4,467,000	5,431,000
Excess Profits Duties, &c. ..	15,820,300	21,140,000	600,000	740,000
Corporation Profits Tax ..	1,560,000	4,030,000	60,000	300,000
Post Office	14,650,000	15,000,000	1,000,000	1,000,000
Crown Lands	240,000	220,000	..	..
Receipts from Sundry Loans	6,565,989	6,025,920	431,591	325,693
Miscellaneous	5,285,862	3,446,704	360,977	120,170
Ordinary Receipts	6,692,237	13,894,963	1,161,241	2,315,000
Special Receipts	184,607,088	213,300,587	16,675,809	20,033,863
Revenue	191,164,021	219,857,687	..	..
OTHER RECEIPTS.				
Temporary Advances Repaid—Under the Unemployment Insurance Act, 1921	300,000	670,000	..	290,000
Money Raised by Creation of Debt—(a) For Capital Expenditure Issues—Under the Telegraph (Money) Act, 1924 and 1925	2,890,000	3,050,000	..	..
Under the Housing Act, 1914 ..	..	3,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	..	11,533	..	..
(b) Under the Unemployment Insurance Act, 1921	3,070,000	920,000	..	..
(c) For other issues:—By Treasury Bills	738,026,000	731,022,000	43,652,000	43,376,000
By 3 1/2% Conversion Loan	23,079,560	23,079,560	..	..
By National Savings Certificates ..	8,550,000	11,550,000	700,000	700,000
By Treasury Bonds, 1925	..	10	..	..
By 4% Treasury Bonds, 1931-33 ..	3,512,150	..	..	..
(d) Ways and Means Advances Repayments—In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	80,927	65,308	..	..
Total	1,188,304,098	1,231,015,098	76,825,809	64,999,863

EXPENDITURE AND OTHER ISSUES.

	Total Issues out of the Exchequer to meet Payments from		ISSUES.	
	to July 17, 1926.	to July 18, 1925.	Week Ended July 17, 1926.	Week Ended July 18, 1925.
EXPENDITURE.				
National Debt Services—Interest, &c.	£ 126,690,359	£ 126,476,170	733,244	699,452
Sinking Fund	8,815,472	13,190,484	392,014	270,000
Road Fund	6,462,044	3,027,046	1,079,000	987,000
Payments to Local Taxation Accounts, &c. ..	1,475,304	1,435,135	277,981	445,520
Payments to Northern Ireland Exchequer ..	895,003	1,163,194	..	..
Land Settlement	..	103,525	..	..
Other Consolidated Fund Services	1,067,393	846,751	204,144	..
Supply Services	118,425,200	109,505,164	7,550,000	8,850,000
Expenditure	260,830,775	255,747,467	10,236,383	11,251,972
OTHER ISSUES.				
Temporary Advances—Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1924	36,891	36,891	..	..
Under the Unemployment Insurance Act, 1921	4,562,431	1,250,000	470,000	..
Issues to meet Capital Expenditure—Under the Telegraph (Money) Act, 1924 and 1925	3,250,000	3,450,000	..	..
Under the Housing Act, 1914 ..	..	6,000	..	3,000
Under the West Indian Islands (Telegraph) Act, 1924	..	11,533	..	..
Unemployment Insurance Act, 1921—Repayment of amounts borrowed ..	300,000	250,000	..	..
Redemption of Debt—Treasury Bills	689,715,000	702,750,000	53,655,000	39,485,000
Principal of National Savings Certificates	9,000,000	9,450,000	650,000	550,000
Principal of Exchequer Bonds paid off ..	..	306,667	..	..
Principal of National War Bonds paid off	..	3,639,550	..	..
Principal of Treasury Bonds paid off ..	..	23,645,860	..	..
Ways and Means Advances Repaid ..	217,891,000	227,685,000	11,750,000	13,450,000
Balances in Exchequer—Bank of England	£ 1,185,586,097	£ 1,228,228,968	76,761,583	61,739,972
Bank of Ireland	2,017,246	2,185,670	115,774	158,892
Total	700,755	600,400	76,000	160,999
Treasury, July 19, 1926.	2,718,001	2,786,150	61,426	259,891

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £35,000,000 in Treasury Bills were opened on July 23, 1926, and the total amount applied for was £46,855,000. For bills at 3 months, dated Monday to Friday, £98 18s 4d, about 40%, and above in full, Saturday at £98 18s 7d, and above in full. The amounts allotted were in bills at 3 months, £35,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.				
May 21	35,000,000	50,890,000	4 6 2-41	nil
May 28	40,000,000	48,680,000	4 6 10-28	nil
June 4	40,000,000	56,750,000	4 5 10-05	nil
June 11	35,000,000	46,905,000	4 6 8-33	nil
June 18	45,000,000	48,680,000	4 5 5-54	nil
June 25	45,000,000	64,685,000	4 5 0-93	nil
July 2	40,000,000	63,390,000	4 3 3-19	nil
July 9	35,000,000	50,600,000	4 6 7-5	nil
July 16	35,000,000	47,025,000	4 7 0-18	nil
July 23	35,000,000	46,855,000	4 5 6-42	nil

Tenders will be received on July 30, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, July 21, 1926.

ISSUE DEPARTMENT.

	£		£
Notes issued	170,201,345	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion ..	150,451,345
	<u>170,201,345</u>		<u>170,201,345</u>

BANKING DEPARTMENT.

BANK OF FRANCE.—In francs (000's omitted).

Assets.	July 22, 1926.	July 15, 1926.	July 8, 1926.	July 1, 1926.	Position May 28, 1924.
Gold coin and bullion	5,548,647	5,548,640	5,548,632	5,548,631	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321
Silver coin and bullion	337,760	337,753	337,753	337,753	632,650
Discounts and advances	7,559,533	7,559,530	7,559,530	7,559,530	6,037,119
Advances to the State	38,350,000	37,800,000	37,800,000	37,800,000	27,400,000
LIABILITIES.					
Notes	55,005,855	54,917,994	54,861,927	54,820,913	5,811,875
Government deposits	38,264	12,893	38,487	51,460	183,700
Private deposits	3,846,753	3,225,582	3,242,223	2,270,400	845,950

BANK OF JAPAN.—In florins (000's omitted).

Assets.	July 17, 1926.	July 10, 1926.	July 3, 1926.	June 26, 1926.	July 18, 1926.	Position May 31, 1924.
Gold	234,000	234,250	235,500	237,000	132,970	22,971
Silver	107,220	112,230	108,760	105,690	143,187	77,567
LIABILITIES.						
Notes in circulation	336,500	338,500	331,500	326,000	309,107	109,499
Deposits and bills payable	48,000	45,500	43,000	45,000	45,464	11,258

SWISS NATIONAL BANK.—In francs (000's omitted).

Assets.	July 15, 1926.	July 7, 1926.	June 30, 1926.	June 23, 1926.	July 15, 1926.	Position May 31, 1924.
Gold	419,718	419,460	419,381	419,355	499,745	171,175
Silver	88,552	88,107	88,356	89,159	89,595	18,350
Assets & advance	310,651	311,464	316,633	303,116	271,196	103,000
LIABILITIES.						
Notes in circulation	752,798	770,672	800,382	728,123	784,998	275,925
Deposits	126,375	104,601	104,601	129,218	170,988	33,750

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	July 15, 1926.	July 7, 1926.	June 30, 1926.	July 15, 1926.	Position May 31, 1924.
Gold and bullion—Gold	147,226	147,226	147,226	147,227	44,224
Balance abroad and foreign bills	78,096	81,655	81,225	59,776	28,533
Norwegian and Foreign Government securities	21,579	21,561	21,571	10,586	8,816
Discounts and loans	336,109	341,743	338,974	330,018	76,911
LIABILITIES.					
Notes in circulation	339,725	344,887	342,983	383,790	113,484
Deposits at notice	179,492	184,854	184,104	89,836	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	July 17, 1926.	July 10, 1926.	July 3, 1926.	June 26, 1926.	July 18, 1926.	Position May 31, 1924.
Gold	228,347	228,415	228,426	228,444	234,039	104,918
Balance abroad and foreign bills	125,325	126,513	126,445	125,651	112,739	112,172
Swedish and Foreign Government securities	47,251	47,251	47,251	47,251	50,705	32,465
Discounts & loans	265,650	290,165	286,297	283,781	346,926	112,668
LIABILITIES.						
Notes in circulation	462,125	473,428	509,633	468,627	463,630	226,555
Deposits at notice	127,221	140,584	143,186	135,095	201,654	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	July 8, 1926.	June 30, 1926.	June 23, 1926.	July 8, 1926.	Position May 31, 1924.
Gold	330,492	330,613	330,632	43,286	35,091
Balance abroad and foreign bills	933,185	963,122	915,704	1,047,543	90,379
Finnish and Foreign Government securities	366,417	366,417	366,417	403,296	21,826
Discounts and loans	728,328	735,042	735,648	414,180	105,151
LIABILITIES.					
Notes in circulation	1,283,067	1,297,748	1,278,100	1,261,287	123,941
Deposits at notice	398,006	441,390	393,497	450,010	21,225

BANK OF ESTHONIA.—In Est. marks (000's omitted).

Assets.	June 30, 1926.	June 20, 1926.	June 10, 1926.	May 31, 1926.	June 30, 1925.
Gold	499,624	499,545	499,076	498,911	458,763
Balance abroad and foreign currency	160,058	117,756	200,556	107,310	107,310
Bills in foreign currency	126,579	209,831	237,697	218,574	265,455
Discounts	1,762,555	1,776,949	1,772,255	1,755,401	1,723,019
Advances and sundry out-standings	4,661,793	4,672,123	4,641,521	4,730,671	4,208,994
LIABILITIES.					
Capital paid up	250,000	250,000	250,000	250,000	250,000
Reserve funds	256,801	207,946	207,946	207,946	212,771
Notes in circulation	1,807,775	1,849,863	1,807,428	1,815,574	1,752,947
Deposits	4,862,999	4,737,147	4,719,314	4,794,427	4,230,616
Commercial credits	20,919	619,167	621,937	608,481	544,843

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	July 14, 1926.	July 7, 1926.	June 30, 1926.	July 15, 1926.	Nov. 22, 1925.
Gold bullion and coins	23,596	23,591	23,588	23,522	14,993
Silver coin	2,680	2,660	2,728	2,728	2,466
Balance abroad	36,464	36,358	36,367	31,260	3,085
Treas. notes & small change	67,504	67,554	66,817	57,952	6,639
Short term bills	49,399	49,833	49,821	48,363	2,912
Other assets	8,517	8,616	8,820	8,858	1,359
LIABILITIES.					
Notes in circulation	29,570	29,877	30,436	28,040	4,065
Capital paid up	13,447	13,447	13,447	11,659	8,000
Reserve	2,237	2,237	2,237	1,522	1,522
Special reserve	2,500	2,500	2,500	2,500	2,500
Deposits	8,593	8,513	8,488	6,411	61
Current accounts	48,827	48,294	47,137	45,999	16,233
Government accounts	79,308	80,232	79,771	76,816	16,697
Other liabilities	14,184	12,585	12,588	14,767	3,757

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	July 15, 1926.	June 30, 1926.	June 15, 1926.	May 15, 1926.	Apr. 30, 1926.	July 15, 1925.
Coin and bullion	3,158	2,014	3,328	3,069	2,871	2,5
Of which held abroad	5	5	5	5	5	5
Danzig subsidiary coin	3,153	2,009	3,320	3,064	2,866	2,950
Balances, Bk. of Eng., Inc. notes	20,159	24,223	17,499	15,770	17,474	12,844
Bills of exchange	12,229	11,864	12,197	12,766	13,402	21,592
Loans	565	1,529	496	540	591	2,100
Foreign exchange	17,197	15,073	18,056	18,223	19,299	17,792
Other balances on demand	691	857	582	143	135	524
LIABILITIES.						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	31,796	35,183	30,612	30,197	33,333	29,689
Deposits on demand	4,532	2,379	3,514	3,073	2,557	3,901
Deposits at notice	nil	nil	nil	nil	nil	nil

BANK OF POLAND.—In zloty (000's omitted).

Assets.	July 10, 1926.	June 30, 1926.	June 23, 1926.	June 16, 1926.
Gold	134,832	134,832	134,832	134,832
Foreign currencies	94,794	131,696	134,603	134,603
Silver and bullion	281	644	15	986
Bills discounted	301,838	301,314	305,389	302,832
Loans against securities	47,402	50,055	49,328	49,954
Short-term discounts	23,824	23,780	23,765	23,765
Liability of the Treasury	50,000	50,000	50,000	50,000
LIABILITIES.				
Share capital	100,000	100,000	100,000	100,000
Reserve funds	2,908	2,908	2,908	2,908
Notes in circulation	455,993	448,015	415,535	423,526
Current accounts	99,321	78,342	104,675	92,374
Liability in foreign exchange	68,958	68,956	66,612	66,217

CZECHOSLOVAK NATIONAL BANK.—In Cz. K. (000's omitted).

Assets.	July 15, 1926.	July 7, 1926.	June 30, 1926.	June 23, 1926.	June 15, 1926.
Gold and silver holdings	1,038,693	1,038,693	1,041,346	1,048,161	1,058,060
Balance abroad and foreign currency	1,269,032	1,289,028	1,283,796	1,258,994	1,232,009
Discounts and advances	214,936	225,079	201,848	165,836	165,441
State notes debt balance	4,894,776	4,896,772	4,898,739	4,902,623	4,909,240
Other assets	1,144,737	1,181,244	1,184,467	1,125,362	1,097,820
LIABILITIES.					
States notes in circulation	6,719,765	7,018,117	7,219,962	6,437,158	6,548,106
Check account balances	1,160,294	937,522	685,418	1,332,703	1,253,209
Other liabilities	275,375	267,888	298,016	265,335	254,461

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	July 15, 1926.	July 7, 1926.	June 30, 1926.	July 15, 1926.
Metal reserve—				
Gold in coin & bullion	36,669	19,053	18,637	11,347
Foreign bills	496,712	514,074	514,301	421,046
Other foreign bills	104,676	98,663	100,249	113,511
Bills discounted	79,514	84,862	80,660	83,530
Advances to the Treasury	182,383	182,526	182,632	202,707
LIABILITIES.				
Reserve fund	4,552	4,552	4,552	2,679
Notes in circulation	816,678	843,575	836,568	770,158
Deposits	85,065	57,354	61,893	62,165

† Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	July 8, 1926.	June 30, 1926.	June 22, 1926.	June 15, 1926.	July 8, 1925.
Gold	80,320	80,146	79,938	79,824	79,703
Other coin and notes	18,222	17,948	18,195	17,983	19,313
Foreign credits	320,422	322,748	329,275	326,145	373,774
Bills	1,069,842	1,031,602	1,051,407	1,057,171	1,057,171
Govt. advances	4,467,515	4,467,500	4,467,504	4,467,398	4,467,398
LIABILITIES.					
Notes in circulation	5,640,391	5,493,870	5,494,639	5,493,023	5,493,023
State credits	349,327	349,222	349,126	349,120	349,120
Deposits	549,891	697,547	724,270	647,937	647,937

RUSSIAN STATE BANK.—Note-Issuing Department.

(In Tchernovets—000's omitted.) (Note: 1 Tchernovetz = 10 gold roubles.)

Assets.	July 16, 1926.	July 1, 1926.	June 16, 1926.	June 1, 1926.	July 1, 1925.
Gold in coin and bullion	14,728	14,683	14,650	14,653	16,949
Platinum	3,056	3,040	3,040	3,040	2,670
Foreign bank notes	5,025	5,025	5,011	5,007	4,585
Drafts in sterling (less 10%)	193	193	193	193	170
Bills (less 10% discount)	52,912	52,973	51,001	51,021	42,891
Securities covering advances on goods (less 10%)	86	86	86	86	486
LIABILITIES.					
Bank notes	74,663	72,663	72,781	70,126	67,243
Balance to which notes may still be issued	1,337	3,337	1,219	3,874	307

BANK OF SPAIN.—In pesetas (000's omitted).

STATE OF TEXAS.—IN DECEMBER, 1926. (In thousands of dollars.)						
ASSETS.	July 17, 1926	July 10, 1926.	July 3, 1926.	June 26, 1926.	July 18, 1925.	Position May 31, 1919.
Gold.....	2,549,910	2,547,088	2,545,274	2,540,878	2,536,617	521,775
Silver.....	670,153	669,042	670,897	674,199	674,798	728,800
Loans & discounts.....	2,519,960	2,568,353	2,597,425	2,517,236	2,425,386	800,725
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,378,782	4,403,166	4,403,039	4,332,507	4,299,153	901,550
Deposits.....	1,061,654	1,067,244	1,092,281	1,068,223	1,023,200	377,500

rather surprising that prices have receded so little. Nevertheless, the heavy reduction in the bear position during the last week or so is not likely to improve the undertone of the market, for it has removed a like proportion of potential capacity to buy. The shipment of silver from China to London has not taken place for many years. This movement indicates that the persistent transfer of silver from the United States to China has exceeded the latter country's powers of digestion. America has kept fairly in touch with this market by selling at every advantageous opportunity. United Kingdom imports and exports of silver during the week ending the 14th inst. were:—

	Imports.	Exports.
U.S.A.	101,045	71,104
Mexico	155,174	50,625
Canada	57,270	8,221
Other countries	19,600	
	333,089	129,950

INDIAN CURRENCY RETURNS.

	June 30.	July 7.	July 15.
Notes in circulation	19,144	19,265	19,409
Silver coin and bullion in India ..	9,092	9,210	9,354
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion in India ..	5,720	5,723	5,723
Securities (Indian Government) ..	2,100	2,100	2,100
Securities (British Government) ..			

No silver coinage was reported during the week ending the 15th inst. The stock in Shanghai on the 17th inst. consisted of about 69,200,000 ounces in sycee, 62,500,000 dollars, and 7,500 silver bars, as compared with about 69,200,000 ounces in sycee, 61,500,000 dollars, and 8,510 silver bars on the 10th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.		Silver.
		Cash. Forward.	Date.	Cash.
1926.	s d	d		d
July 17....	84 10½	29 13½	July 30, 1920..	56½
19....	84 10½	29 13½	29, 1921..	38½
20....	84 10½	29 13½	28, 1922..	35½
21....	84 10½	29 13½	27, 1923..	30½
22....	84 10½	29 13½	25, 1924..	34½
23....	84 10½	29 13½	24, 1925..	32

NOTICES.

Lloyds Bank, Limited, announce that a branch of the bank is now open at 24-26 The Broadway, Hammersmith, W. 6, under the management of Mr C. M. Jeram. A branch is also now open at 94 High Street, North Finchley, N. 12, under the management of Mr F. A. Copley.

Barclays Bank, Limited, announce that they have amalgamated their two offices in Brecon, the business hitherto carried on at 39 High Street, Brecon, having been transferred to the Bulwark House, Bulwark, Brecon, branch.

The Midland Bank announces the opening of a new branch in Uxbridge road (opposite the Ministry of Pensions), Acton Vale, London, W. 3, under the management of Mr W. G. Howard.

ANALYSIS OF BALANCE-SHEETS.

BRITISH CELANESE, LIMITED.

February 28, 1926.

LIABILITIES.	Amount.	ASSETS.	Amount.
7½% cum. pref., £1 4,250,000 ..	4,250,000	Freehold land, buildings, &c.	3,883,337
Ord. shares, 10s.	1,500,000	Goodwill, &c.	1,886,945
7½% deb.	1,000,000	Furniture, &c.	22,985
6½% deb.	286,000	Stocks	592,265
Loan	50,000	Sundry debtors ..	235,892
Sundry creditors 293,205 ..	293,205	Cash	156,772
Depreciation reserve account 313,739 ..	313,739	Profit and loss ..	565,827
General reserve ..	1,020		
Total	7,343,964	Total	7,343,964

FURNESS, WITHEY AND CO.

April 30, 1926.

LIABILITIES.	Amount.	ASSETS.	Amount.
Ord. shares	4,000,000	Steamships, investments in associated cos., & payments on account of new tonnage ..	4,781,465
Pref. shares	1,500,000	Investments ..	3,706,616
Reserves	2,000,000	Properties ..	284,581
Sundry creditors, 3,810,376 ..	3,810,376	Sundry debtors ..	1,466,323
Profit and loss ..	150,303	Bankers' balances, &c.	1,221,694
Total	11,460,679	Total	11,460,679

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim Div.	Final Div.	Method of Payment.	Lat. Year.	Pre-vious.
Railways.						
Metropolitan	1½%	Sept. 1	..	..	..	..
Banks.						
Bank of Montreal	3%	Sept. 1	..	Quarterly	6/ p.s.	6/ p.s.
Bank of Roumania	3%	Sept. 1	..	Less tax	10	9
Bank of Victoria	3%	Aug. 4	..	Quarterly	15	15
Canadian of Commerce	3%	Aug. 1	..	Quarterly	15	15
Commercial of Australia	4%	Aug. 1	..	Quarterly	7½	7½
Farmers' Loan and Trust	4%	..	..	..	10	10
London Merchant "B" shares	2%	..	..	..	..	..
Provincial of Ireland	10%	..	..	..	..	..
Queensland National	10%	..	..	..	..	..
Mining.						
Ipho Tin	3/ p.s.t.	..	..	Less tax	5/ p.s.	3/6 p.s.
Lahat	5%	..	..	Less tax	7½	nil
Tanganyika Concessions	24%	..	..	..	..	..
Do	1/ p.s.	..	..	..	..	..
Tekka	4½ p.s.	Sept. 3	..	Less tax	..	..
Tekka Taping	2½%	Sept. 3	..	Less tax	..	..
Zambesia Exploring	5%	(& bonus of 10%)	..	..	20	7½
Tea and Rubber.						
Anglo-Dutch Plantations of Java	12½%	..	..	Less tax	22½	13
Beaufort Borneo Rubber	7½%	..	..	..	17½	10
Jong-Landor Rubber	20%	Aug. 4	..	Less tax at 4/	15	..
Kuala Reman Rubber	10%	Aug. 6	..	..	25	17½
Malayan Plantations	15%	July 31	..	Less tax	15	6
Rosevale Rubber	7½%	..	..	..	..	..
Sungei-Timah Estates	7½%	..	..	..	..	..
Other Companies.						
A. F. Stoddard and Co.	15/ p.s.*	..	..	..	5	9
Anglo-American Telegraph	40%	..	..	Less tax	..	..
Bartholomew (London)	..	..	..	Less tax	6	6
Bechuanaland Exploration	..	..	..	..	..	..
Bodegas Company	7%	Aug. 16	..	..	..	..
Bon Marché	5%	Sept. 1	..	Less tax	11	11
British Steamship Investment	6½%	July 31	..	Less tax	17 p.s.	6 p.s.
British Wagon	..	..	..	..	..	..
Cellulose Holdings	..	..	..	Tax free	..	..
Chelsea Electricity Supply	9	Sept. 15	..	Less tax	10	10
Clarence Hotels	..	..	..	..	20	17½
Colebrook and Co.	..	..	..	Tax free	1	2
Continental Union Gas	2½%	July 30	..	Less tax at 4/	..	..
Copeclake Crampion	5%	Sept. 15	..	Less tax	..	..
Cony of London Elec. Supply	7½%	Aug. 11	..	Less tax	15	10
Courage and Co.	12½%	..	..	..	10	10
Craigmillar Creamery	..	..	..	Tax free	..	..
District Messenger	4/6 p.s.*	..	..	..	10	10
Dublin Artisans' Dwellings	..	..	..	..	10	10
East Indian Coal	..	..	..	..	2½	2½
Edinburgh Canadian Mortgage	5½%	..	..	Less tax	10	10
Edinburgh and Dundee Invest.	..	..	..	Tax free	7½	7½
Furness, Withy	5%	Aug. 14	..	..	..	..
Hayes, Candy, and Co.	3½%	..	..	..	..	..
Henry Paulder	15%	July 28	..	Less tax	10	10
H. E. Randall	..	..	..	..	..	..
I. J. and G. Cooper	7½%	Sept. 1	..	Tax free	5	5
Imperial Tobacco (of Gt. Britain and Ireland)	2½%	..	..	Tax free	10%	..
Improved Industrial Dwellings	10%	..	..	Tax free	5/ p.s.*	..
John Horn (Stockport)	..	..	..	..	..	..
Kensington Electric	12/ p.s.t.	..	..	..	10	10
Kent Road Works	5%	Aug. 5	..	Less tax	..	..
Lancaster and Yorks. Wagon	5%	..	..	..	..	..
Lloyd and Yorath	5%	..	..	..	..	..
London Brick	5%	Aug. 13	..	Less tax	10	10
London Commercial Sale Rooms	4%	..	..	..	..	..
London Electric Supply	..	..	..	..	10	10
London Paper Mills	..	..	..	..	10	10
Malayan Rubber Loan & Agency	6/ p.s.t.	..	..	Less tax	52	52
Manchester Dock & Warehouse	..	..	..	..	..	..
Manchester Ship Canal Warehousing	6/6 p.s.t.	..	..	..	15	15
Manchester Varieties	5%	..	..	Less tax	..	..
Mather and Platt	2½%	..	..	Tax free	..	..
Monks Hall	2½%	..	..	..	..	..
Mutual Tontine Westminster Chambers	5½%	Aug. 13	..	Less tax	20	20
National Electric Theatres, Ord.	10%	..	..	..	4/ p.s.	4/ p.s.
Do Def.	7½%	..	..	Less tax	..	..
North Glamorgan Wagon	5%	Aug. 8	..	Less tax	..	..
Orient Trust	5%	..	..	..	..	..
Peacock and Niambo	8½%	..	..	Less tax	12½	12½
Percy E. Fisher	2½%	..	..	Tax free	..	..
Plasmon	2½%	..	..	..	14	14
Radiation	22½	..	..	Less tax	..	..
Regent's Canal	5%	Sept. 15	..	Less tax	..	..
S. Frost and Co.	5%	Aug. 31	..	Less tax	..	..
South London Electric Supply	5%	..	..	..	..	..
South Metropolitan Elec. Light	5%	..	..	..	..	..
St. Mungo Property	..	..	..	..	..	..
Teetgen and Co.	..	..	..	..	12½	10
Thomas McKenzie	7½	Aug. 12	..	..	..	..
Tottenham District Light, Heat, &c. "A" stock	6½	Aug. 12	..	..	..	..
Do "B" stock	..	..	..	..	10	7½
Trafford Picture House	..	..	..	..	..	..
United Premier Oil and Cake	6%	Aug. 1	..	Less tax	..	..
United States Debentures	5%	..	..	..	..	..
United States Investment	17½%	(& bonus of 7½%)	..	Less tax	30	22½
Wagner and Co.	7½%	..	..	..	..	..
William Smith Owen	12½	..	..	Less tax	13½	..
Whitehead Iron and Steel	..	..	..	..	12½	12½
Willer and Riley	5%	..	..	..	10	..
William Hancock, Def.	..	..	..	..	..	..
Yorkshire Railway Wagon	..	..	..	..	..	..

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Production for the week ending July 14, 1926, 48,319 barrels. Shipments, 33,900 barrels.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended July 10, 1926, was 137,000 barrels.

VENEZUELAN OIL CONCESSIONS, LIMITED, announces that Well R. 75 at La Rosa was brought in on July 10th, producing approximately 600 tons per day through 1-inch flow-plug with 400 lbs. pressure; specific gravity .888. Well C. 35 at Concepcion was brought in on July 8th, producing about 100 tons per day through 3-inch tubing.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 16, 1926.	(c) Week ended July 17, 1926.	Miles Open.	Passen-gers, &c.	Goods, &c.	Total for Week.	Passen-gers, &c.	Goods, &c.	Total Re-ceipts.
Great Western	3,778	303,000	196,000	499,000	6,114,000	7,827,000	13,941,000	
Do for 1925	3,765	344,000	352,000	696,000	6,861,000	9,237,000	16,098,000	
Lond. & N.-Eastern (e) ..	6,715	485,000	560,000	845,000	9,760,000	15,552,000	25,280,000	
Do same period 1925 ..	6,714	587,000	690,000	1,277,000	11,434,000	18,707,000	30,141,000	
Lond., Mid., & Scottish ..	6,950	704,000	482,000	1,186,000	14,154,000	19,796,000	33,950,000	
Do for 1925	6,950	891,000	890,000	1,781,000	16,493,000	22,941,000	40,434,000	
Southern	2,183	390,000	90,000	480,000	8,193,000	2,850,000	12,137,000	
Do 1925	2,153	423,000	123,000	546,000	8,800,000	3,257,000	12,057,000	
Metropolitan (e)	59	28,800	2,500	31,300	813,400	84,700	898,100	
Do for 1925	58	35,100	4,100	39,200	920,100	104,800	1,024,900	
Underground E.R. (e) ..	..	..	..	273,800	..	..	6,852,600	
Do for 1925	..	..	..	269,200	..	..	7,055,300	
Lond. & Sub. Group (e) ..	..	..	..	42,600	..	..	1,026,400	
Do for 1925	..	..	..	41,600	..	..	1,067,500	
Belfast & Co. Down (b) ..	80	7,781	570	8,351	83,660	25,129	108,789	
Great Northern	562	24,950	12,800	37,750	409,200	444,100	853,300	
Great Southern	2,181	47,454	39,353	86,807	970,485	1,181,630	2,152,115	

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
				Rs.	Rs.	Rs.	Rs.
Assam Bengal	11 weeks	June 19	1,072	13,53,000 +	1,567	34,99,941 +	63,812
Bangi L. Ry.	12 weeks	26	118	30,200 -	12,200	4,99,000 +	71,200
Bengal & N. Western ..	12 weeks	26	4,076	7,20,070 +	49,978	95,22,726 +	8,12,443
Be. gal-Nagpur	11 weeks	19	2,835	15,08,000 -	1,39,000	1,38,38,000 -	94,093
Bombay, Bar., & C. I. ..	15 weeks	July 10	3,033	19,45,000 +	1,00,000	3,39,86,000 +	2,68,000
Burma	11 weeks	June 19	1,342	6,67,805 -	1,07,793	93,52,858 -	5,23,385
Delhi, Umballa & Kalke ..	26 weeks	Mar. 31	239	2,22,500 +	28,015	29,08,142 -	89,432
Madras & S. Mahr.	11 weeks	June 26	3,048	15,54,000 +	16,085	2,18,23,366 +	5,80,348
Nizam's Guaranteed (a) ..	12 weeks	26	993	3,71,168 +	9,794	48,58,059 +	3,03,618
Rohilk'd & Kumaon	11 weeks	19	259	61,605 -	58	7,13,510 -	94,432
Do Lucknow-Breilly	11 weeks	19	313	65,880 +	465	84,45,000 -	14,443
South Indian	12 weeks	26	1,876	10,39,168 +	7,231	1,30,34,514 +	2,42,618

RUBBER OUTPUTS.

In the table below we give the outputs for last four complete years, and monthly outputs for last six months, separately and July, 1925, of a number of Rubber Companies, while the latest reports of Rubber Companies are analysed under our Summary of Profit and Loss Accounts each week. The latest dividends declared appear under Dividend Announcements, and the Rubber Share Market is dealt with in our Stock Market section. Particulars as to the Market Price of the Commodity and other information will be found in our Produce Market Section.

Name. Year ends December 31, Except where Stated.	Outputs.				Outputs.							
	Year 1922.	Year 1923.	Year 1924.	Year 1925.	Jan., 1926.	Feb., 1926.	Mar., 1926.	April, 1926.	May, 1926.	June, 1926.	April, 1926.	
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	
Allied Sumatra	1,786,986	1,771,303	1,797,340	2,335,132	310,932	242,501	217,962	191,747	272,734	289,931	200,245	
Amalgamated Estates	232,234	251,099	336,062	410,106	232,693	230,524	212,559	200,663	232,532	226,582	38,460	
Ampat (Sept. 30)	3,189,650	2,692,549	3,202,500	3,650,368	64,432	67,622	44,630	34,750	57,086	54,915		
Anglo-Dutch	1,780,811	2,136,393	2,113,900	2,118,400	265,468	493,603	638,000	632,500	772,180	864,337	155,000	
Anglo-Java	272,056	251,201	237,400	238,000	30,000	27,000	30,000	21,000	21,000	107,967	90,000	
Anglo-Johore	1,193,767	907,735	952,519	1,243,013	119,076	91,874	83,362	98,124	108,939	105,273	90,000	
Anglo-Malay	858,670	656,026	446,872	833,103	86,000	77,000	81,000	80,000	80,000	80,000	Nil	
Ayer Kuning	464,407	454,132	495,187	747,380	95,782	78,696	85,039	76,666	86,398	82,565	111,700	
Badek	1,245,416	1,202,380	1,017,187	1,236,570	14,540	161,676	147,600	131,900	154,700	160,845	51,000	
Bah Lias (Oct. 31)	414,711	404,210	485,000	521,000	63,000	48,000	47,000	38,000	52,000	56,000	45,700	
Bandar Sumatra (July 31)	449,827	461,206	326,139	358,021	61,800	54,100	40,300	36,700	46,200	51,600	42,094	
Banteng (April 30)	303,819	354,723	308,352	484,495	45,172	45,724	50,813	66,332	71,451	65,942	72,000	
Batang Cons.	609,767	623,540	727,350	727,350	110,000	91,000	92,500	100,000	113,000	112,000	45,547	
Batu Tiga	434,773	400,603	306,535	407,748	131,328	127,501	136,495	146,149	155,229	198,770	166,000	
Bekoh (June 30)	1,504,498	1,528,745	1,217,921	1,445,524	79,000	71,000	83,000	62,000	83,000	71,000	49,500	
Bertam Cons. (March 31)	432,726	480,000	236,489	310,663	36,100	26,500	29,000	28,700	36,500	34,300	27,000	
Besokei	294,000	285,800	236,489	310,663	60,492	45,917	46,567	44,501	44,340	44,668	44,679	
Bikam	524,578	451,141	467,991	522,601	126,500	85,000	85,000	80,500	80,500	80,500	98,000	
Bradwall	702,000	688,805	635,422	633,305	53,000	48,000	41,000	37,000	43,000	51,000	30,000	
Brooklands		164,036	132,235	121,648	80,268	57,644	68,162	64,509	71,932	71,556	64,549	
Broome (June 30)	655,540	615,536	623,925	614,816	111,333	65,851	64,835	64,835	64,835	64,835	30,812	
Bukit Kajang (June 30)	676,119	781,210	841,641	841,641	54,362	60,759	59,914	50,842	41,237	53,685	40,309	
Bukit Mertajam (Mar. 31)	406,176	308,917	310,069	310,069	1,107,189	83,000	76,000	72,000	72,000	75,000	79,000	
Bukit Selangor (Mar. 31)	1,055,656	1,123,433	1,107,189	1,107,189	60,759	59,914	50,842	41,237	53,685	40,309	39,059	
Bukit Sembawang	350,627	328,886	355,793	563,668	63,252	33,234	50,737	53,285	64,231	39,059	39,059	
Chembong (Mar. 31)	502,733	438,345	443,707	612,858	78,148	46,433	46,433	46,433	46,433	46,433	46,433	
Cherong	728,000	600,000	552,000	817,000	122,700	112,300	90,900	93,500	106,406	102,700	71,000	
Cheriot	903,362	722,500	632,727	811,718	94,900	70,000	73,000	77,700	84,000	91,000	74,000	
Consolidated Malay	464,407	349,787	317,242	317,131	41,400	26,600	16,803	28,998	35,961	38,950	28,982	
Dennistown	758,978	758,978	758,978	758,978	910,000	89,550	92,211	71,140	89,950	64,570	62,600	
Djember	420,299	426,497	544,385	757,766	54,006	105,500	111,000	101,000	137,000	101,000	40,300	
Eastern Produce	770,000	665,000	1,033,000	1,033,000	142,000	105,500	111,000	101,000	137,000	101,000	40,300	
F. M. S. Planters	209,862	316,422	447,710	38,500	37,750	38,760	29,500	36,200	38,000	40,300	40,300	
Gadiah (Apr. 30)	1,153,166	853,746	920,747	1,049,334	120,000	54,667	68,750	145,012	91,921	91,305	136,000	
General Ceylon	330,333	305,537	262,153	542,000	53,500	51,700	26,500	21,800	51,300	56,100	26,900	
Glen Bervie (Sep. 30)	377,079	305,303	330,957	547,512	53,975	35,696	45,169	44,067	47,739	47,097	33,171	
Glenelsh	279,875	279,875	301,529	365,109	3,293	34,623	32,521	32,479	42,238	40,446	36,763	
Golden Hope	1,171,977	1,129,717	965,100	1,335,500	162,000	152,000	134,000	118,000	146,000	142,000	116,000	
Highlands and Lowlands	356,583	345,537	291,166	248,994	33,560	25,720	31,730	28,390	33,360	36,070	28,480	
Inch Kenneth (May 31)	364,420	300,092	350,478	289,802	44,945	37,045	36,870	36,870	38,863	42,356	35,282	
Insulindie (June 30)	834,349	934,832	878,896	1,094,684	108,500	100,100	121,800	99,800	109,700	112,300	79,500	
Java Amalgamated	454,638	426,800	457,847	580,000	58,000	63,000	64,000	61,000	80,000	72,000	40,000	
Java Rubber Plantations	416,541	425,533	547,579	850,000	70,000	52,151	56,920	49,844	49,684	61,975	42,468	
Jeram (March 31)	289,311	272,149	387,560	400,624	65,000	42,900	46,000	45,900	55,000	60,600	48,800	
K. M. S. (June 30)	295,200	387,660	400,624	609,700	64,700	58,500	61,500	41,100	48,100	41,600	23,100	
Kali Gagah (March 31)	305,420	353,420	303,195	609,700	75,000	72,900	76,400	82,200	89,200	93,500	70,800	
Kamuning (June 30)	377,079	468,100	631,500	582,800	66,600	59,403	63,200	58,300	62,260	50,400	71,000	
Kawie (Java) (March 31)	593,374	390,592	359,189	467,867	59,518	48,237	8,659	35,843	35,843	50,710	36,672	
Keptigala (March 31)	683,840	542,542	530,052	830,480	98,117	69,846	71,931	69,846	71,931	86,110	86,110	
Kepong (Malay)	667,750	572,403	505,174	698,773	87,150	69,803	70,980	73,250	77,080	107,000	88,500	
Kluang (F.M.S.)	900,710	1,020,081	1,020,081	1,020,081	124,200	107,000	97,000	96,800	107,000	107,000	88,500	
Lampoon	1,261,642	1,098,150	1,010,835	1,446,865	102,855	94,297	90,376	84,688	108,108	105,849	111,027	
Langon Java (Aug. 31)	555,688	510,829	446,000	474,000	42,000	42,000	42,000	29,000	39,000	41,000	39,000	
Langkat Sumatra	353,000	475,452	480,511	711,402	77,106	64,614	62,055	68,177	68,177	63,195	47,383	
Ledbury	2,256,547	2,235,415	1,465,507	2,636,116	297,600	244,700	227,300	227,300	269,200	265,700	221,000	
Linggi Plantation, Ord.	1,335,145	2,327,718	2,113,087	2,603,870	306,679	255,705	266,869	282,618	333,466	314,496	207,650	
London Asiatic	1,093,700	1,011,567	774,879	843,262	162,100	141,800	135,200	126,300	144,800	104,800	104,800	
Lumut (Sept. 30)	3,584,678	3,249,628	3,355,910	3,359,200	360,400	288,700	384,200	384,200	413,800	398,500	244,400	
Malacca, Ordinary	1,135,419	2,276,322	2,593,949	2,468,018	202,306	184,087	278,100	278,100	294,520	190,589	266,650	
Malayalam (March 31)	1,250,408	1,294,011	1,444,756	1,704,750	202,306	184,087	278,100	278,100	294,520	190,589	266,650	
Meridaris	702,603	636,694	504,219	645,252	69,600	68,300	67,500	58,700	72,500	72,500	57,400	
Nordana (Johore)	574,470	495,710	468,917	641,460	65,390	61,580	49,593	53,950	64,588	56,188	57,900	
Petaling	769,087	745,324	712,500	685,729	80,000	65,924	62,799	66,614	74,643	69,355	73,150	
Pegoh (Sept. 30)	515,589	524,050	547,881	451,200	30,000	35,500	34,000	50,000	47,000	47,650	47,650	
Perak (March 31)	462,760	514,645	563,014	990,186	126,525	110,655	95,314	111,203	126,675	125,754	89,466	
Pernambuco	769,403	687,152	612,308	1,051,900	105,500	85,800	92,900	91,400	101,400	99,700	88,100	
Pita Fibre and Rubber	174,370	154,394	146,028	373,127	35,448	20,055	17,588	26,064	27,926	25,686	19,970	
Port Dickson (March 31)	521,150	560,073	575,459	602,898	53,000	53,000	53,000	53,000	53,000	53,000	53,000	
Prye (Mar. 31)	751,346	682,713	751,346	751,346	78,800	65,771	61,500	61,500	72,000	72,000	72,000	
Rangoon Para	778,502	714,003	679,251	1,522,273	1,530,800	151,342	172,500	147,966	174,814	179,407	135,400	
Rani (Travancore)	778,502	714,003	679,251	1,522,273	1,530,800	151,342	172,500	147,966	174,814	179,407	135,400	
Rembau (April 30)	525,970	492,410	437,619	516,337	41,590	42,100	44,424	41,539	53,013	47,601	45,104	
Rubber Estates of Johore	370,150	336,974	285,35,									

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Diventure Interest.	Amount Available for Distribution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefce.	Ordinary.	Rate.				
					Amount.	Amount.	Rate.				
Banks.		£	£	£	£	£	%	£	£	£	%
Bank of Roumania	Dec. 31	..	14,473	14,473	..	11,906	6 p.s.	2,567	..	18,551	5
Provincial Bank of Ireland	June 30*	41,829	66,191	107,020	..	31,320	14½	30,000	45,700	68,011	14½
Breweries.											
Threlfall's Brewery	June 30	288,613	317,032	605,645	26,518	250,000	20	..	329,127	301,816	20
William Hancock and Co.	May 31	25,224	41,495	66,719	20,700	20,000	10	..	26,019	62,414	12
Financial, Land, & Investment.											
British Canadian and General Investment	Dec. 31	2,000	1,850	3,850	..	..	..	1,850	2,000	2,206	..
British North Borneo Co.	Dec. 31	180,841	Dr 18,442	162,399	..	..	..	110,000	52,399	17,057	..
Cellulose Holdings & Investment ..	June 30	8,228	30,948	39,176	..	30,931	58½	..	8,245	35,134	50½
Edinburgh Canadian Mortgage ..	May 31	2,561	6,651	9,212	5,000	2,500	2½	..	1,712	8,196	2½
Investment Corporation of Canada ..	April 30	974	17,652	18,626	13,500	..	..	2,000	3,126	6,609	..
Second Scottish Western Invest. ..	July 1	999	33,646	34,645	12,000	11,200	8	..	11,445	27,475	6
United States Mtge. of Scotland...	May 31	14,737	36,265	51,002	7,560	22,400	20	15,000	6,042	24,176	15
Hotels, Restaurants, &c.											
"Bodega" Company	Mar. 31	20,000	22,029	42,029	5,000	17,000	6	..	20,229	21,961	6
Iron, Coal, and Steel.											
W. H. Dorman and Co.	Mar. 31	Dr 42,801	Dr 19,670	Dr 62,471	..	..	..	..	Dr 62,471	3,623	..
Oil.											
Tankers	Mar. 31	102,850	20,797	123,647	..	..	..	..	123,647	36,240	..
Rubber, &c.											
Banteng (Selangor)	April 30	5,966	48,436	54,402	..	44,550	45	2,000	7,852	10,467	15
Belsari-Chardwar Tea Estates....	Dec. 31	5,663	4,307	9,970	4,800	1,200	3	1,740	2,230	..	..
Brass-Perak Estate	Feb. 28	Dr 8,111	16,308	13,197	2,605	5,990	20	3,279	1,323	969	nil
Malayan Rubber, Loan, & Agency ..	June 30	90	14,755	14,845	..	9,651	10	3,827	1,367	1,351	nil
Malayam Plantations	Mar. 31	39,821	384,948	424,769	..	289,143	25	95,000	40,626	282,174	17½
Manchester North Borneo	Mar. 31	24,001	54,680	78,681	1,127	49,500	30	10,000	18,054	22,382	12½
Sungei-Timah	Mar. 31	440	8,456	8,896	..	8,025	15	..	871	2,008	6
Shipping.											
Furness, Withy, and Co.	April 30	187,259	523,044	710,303	60,000	300,000	7½	200,000	150,303	528,741	7½
Shops and Stores.											
Jackson's Stores	Mar. 31	14,846	39,251	54,097	4,918	16,800	17½	17,169	15,210	..	..
Tea.											
Panora Tea and Produce	Mar. 31	..	4,818	4,818	..	..	..	4,818	..	14,762	17½
Upper Assam Co.	Dec. 31	38,529	60,190	98,719	..	50,000	25	5,000	43,719	78,684	30
Textiles.											
British Celanese	Feb. 28	Dr 865,627	138,995	Dr 426,832	..	..	..	138,995	Dr 565,327	193,494	..
Trust.											
British Steamship Investment ..	June 30	292,533	165,110	457,643	14,400	158,400	11	..	284,843	155,558	11
Hampstead Garden Suburb	Mar. 31	2,238	1,755	3,993	..	..	..	2,000	1,993	1,408	nil
Waterworks.											
Cleveland Water	June 30*	2,550	2,946	5,496	..	3,400	10 A 7 B	..	2,096	2,939	10 A 7 B
Other Companies.											
Lancashire & Yorkshire Waggon ..	June 30	10,717	11,268	21,985	..	8,000	..	..	13,985	10,802	..
United Premier Oil and Cake Co. ..	Dec. 31	16,605	39,278	55,883	34,431	..	..	18,000	3,452	75,186	6
Wellman, Smith, Owen Engine'g.	Dec. 31	19,619	Dr 5,848	10,971	..	..	..	..	10,971	..	..

* Half-yearly.

† Tax free.

offered, and the few lots available are held above milling value. Imported kinds also move off slowly, and prices tend in favour of buyers. In the floating and forward section trade is restricted, owing to fluctuating Continental exchange rates, and most descriptions were obtainable on slightly lower terms, being influenced by more favourable Canadian crop reports. Feeders, however, ruled firm, especially for La Plata maize in near positions. Steamers of this quality afloat sold 31s 9d to 32s 6d, and July clearance at 31s 3d per 480 lbs. Black Sea barley August sold 28s, and Tunisian July-August 28s per 400 lbs to U.K., c.i.f. terms. Wheat easier. No. 1 Northern Manitoba quoted 62s 6d, No. 2 ditto 61s 3d, No. 2 mixed Durum 57s, Barusso 61s 5s 6d, Australian 61s, all ex ship, choice white Karachi 61s 6d landed per 496 lbs. English nominally 14s 2d-14s 6d per 112 lbs, free on rail. Flour quiet. London standard grade 52s, town whites 53s, patents 54s-55s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported sack less for deliveries in the London districts. Of imported Manitoba patents range from 47s-49s 6d, Minneapolis 48s-49s, Australian 44s 6d per 280 lbs, ex-store. Maize firm. Plate new 35s 6d landed, ditto ex-ship to arrive 33s 6d-34s 3d as to position per 480 lbs. Barley maintained. Californian 36s-47s, Chilian Chevalier 50s-57s, ditto brewing 35s 6d-48s, Australian Chevalier 45s-46s ex-store, Smyrna 33s-47s ex-ship per 44s lbs. No. 3 Canadian Western ex-ship 30s, No. 4 ditto 29s 9d, American malt-ing 48 lbs landed 30s, Plate ex-ship 28s 9d, Russian 29s 6d per 400 lbs. English nominal. Oats: Plate descriptions tend firmer. La Plata ex-ship 22s 3d, landed 23s 6d, No. 2 Canadian Western ex-ship 27s, landed 28s, No. 2 Canadian feed ex-ship 23s 6d, landed 24s 6d, Chilian Tawny 22s 6d-22s 9d, landed 24s, American 38 lbs ex-ship 23s 6d, landed 24s 6d, mixed feed ex-ship 19s 6d, landed 20s 9d per 320 lbs. English 10s-10s 6d per 112 lbs, free on rail. Millers' offals firm. Broad bran 6s 3d-6s 9d, middlings 6s 9d-7s, fine ditto 8s 6d, bags included, ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s 3d per cwt, free on rail.

Oatmeal dull. London-made flaked 17s 6d, rolled oats 16s 6d, medium, also fine cut, 16s 6d, coarse, also medium pinhead, 16s 6d ex-mill per cwt.

AMERICAN WHEAT MARKETS.

Prices have declined this week, with the breaking of the hot, dry spell that was prejudicing crop prospects in Canada and the North-West, the advent of cooler weather and beneficial showers, and inactive export demand. A good deal of realising pressure occurred in the later stages. Quotations:—

	Jan. 2, 1925.	Jan. 7, 1926.	July 8, 1926.	July 15, 1926.	July 22, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	160	152½	159½	155
Chicago (No. 2 Winter)—Cents per 60 lbs	177	176½	137	143½	139½

Visible supplies of wheat in Canada, at 24,074,000 bushels, show a decrease of 294,000 bushels as compared with the previous figures. Supplies a year ago stood at 19,677,000 bushels.

COAL.

Our Cardiff correspondent writes:—During the present week a large number of coal cargoes, principally American, have been discharged at the South Wales ports, chiefly for the service of the Great Western Railway Company. Chartering on account of foreign imports has continued active, with cancelling dates extending till the end of August, and advices from Hampton Roads, as well as from Hamburg and Rotterdam, report increasing congestion. The Egyptian State Railway contract for the supply of 150,000 tons

over August and September is reported to have been placed with Messrs Watts, Watts and Co. at 34s 6d per ton c.i.f. Alexandria for South Wales coals, and at 36s c.i.f. for American coals. It is feared that in consequence of the strike this large order will be lost. Another contract diverted this week has been one for 30,000 tons for foreign depot bunkering purposes. There are no indications of any intention on the part of the miners' leaders to negotiate on the basis of the eight-hour terms.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange. Reports of quiet trading are general. There are a number of finishing mills still working under extremely difficult conditions and on somewhat precarious supplies of fuel and raw material. For the most part they are using imported coal, eked out with outcrop coal and such fuel as they may be able to obtain, and are, of course, confining their attention entirely to the working up of foreign raw and semi-finished products. The demand arising from this source has occasioned a considerable strengthening in the Continental markets, and supplies for anything like early delivery are not easily obtained. The strike of the Belgian dockers has been settled, and traffic conditions in Belgium are practically normal; but the fluctuations in the franc exchange have seriously disturbed the market.

Our Middlesbrough correspondent's report, dated July 22nd, is as follows:—Pig-iron: Business is absolutely stagnant, there being very little iron produced. Makers of No. 3 Cleveland G.M.B. are asking up to 90s per ton f.o.t. Hematite pig-iron is still obtainable in fair quantities, the quotation being about 80s to 81s per ton. Manufactured iron and steel: There is no new feature in this branch, most of the works being idle. There are no changes in quotations:—Steel ship plates, £7 17s 6d; steel ship angles, £7 10s; iron bars, £11; steel rails, £8. Iron ore: No transactions in foreign ore are taking place, and best Rubio is still nominal at 21s 6d per ton, c.i.f. Tees.

Our Glasgow correspondent writes:—The position in the iron and steel trade shows no change. Stocks of pig-iron are dwindling, and prices are firm at the recent higher levels. Demand from abroad for finished materials is steady, and those iron bar and sheet mills which are still able to operate (after the present holiday stoppage) are obtaining higher prices for their output. Sheet makers have full order books for both black and galvanised sheets, and the higher level of prices recently reached is not likely to be cut for some considerable time. £16 10s per ton is now being offered by exporters for galvanised corrugated sheets 24 gauge for any delivery this year that can be obtained. Several good engineering contracts have recently been secured by local firms, among which are one for 200 railways carriages for the L. and N.E. Railway placed with Motherwell firms, and a contract for the reconstruction of the Haven Bridge placed with Sir Wm. Arrol and Co., Limited, Glasgow, by the Yarmouth Port and Haven Commissioners.

Our Sheffield correspondent writes:—Activity in the finished steel and tool branches continues to be maintained at a fairly substantial level, and although stocks are now running low it has been possible to obtain sufficient supplies of raw and semi-material down to the present time. There is no Derbyshire or Northamptonshire pig-iron available, however, and British wire rods are unobtainable. The rolling mills are curtailing operations. Heavy steel is at a standstill, except that a few railway tyres and axles are being made. Several foreign orders for manufactured steel placed in Sheffield have been sent for execution to Germany. Locally, however, losses of business on account of the stoppage have not been considerable. Supplies of foreign outcrop coal have increased, and prices are easier. Both are giving results in excess of expectations, but the high cost is fatal to earning profits. A large batch of Russian orders for files and tools has just been completed, and the comparative absence of work from that market is responsible for quietude at numerous factories. Conditions continue slack in cutlery and plate, but the downward tendency appears to have received a check.

Our Cardiff correspondent writes:—In the iron and steel trade the position is practically unchanged. The tinplate works and other factories still operating are dependent almost entirely on foreign bars, the supplies of which are increasing. Receipts from works last week totalled only 27,787 boxes, compared with 51,277 boxes the previous week, but as the shipments were only 28,782 boxes, compared with 64,482 boxes, the stocks increased to 50,916 boxes. There has been no alteration in prices.

OTHER METALS.

TIN.—The market displayed firmer features, while influenced by higher Eastern and American cables and a fairly good demand from consumers. Later dealings were attended by some irregularity, though the general trend of values moved in sellers' favour. Sales were recorded in standard cash at £281 10s to £287 10s, and three months £281-£283. Business in the East was reported at £289 7s 6d to £290 17s 6d, £289 7s 6d and £289 17s 6d per ton c.i.f. terms.

COPPER slightly irregular on liberal offerings, while American markets were quieter, due to conflicting opinions regarding the functioning of the proposed U.S. Control Association. Dealings here, however, continue on a fairly liberal scale, comprising standard cash at £57 10s-£58, £57 17s 6d-£58 2s 6d, three months £58 12s 6d-£58 17s 6d-£58 10s and £59 1s 3d per ton.

LEAD active and firmer, though top points were not maintained, as sellers continued prominent, while some irregularity ensued. Good soft foreign pig July sold £32 2s 6d-£32 8s 9d, £32 5s-£32 3s 9d, August £32 to £32 6s 3d, £32 3s 9d, September £32-£32 3s 9d and £32 2s 6d, October £31 17s 6d, £32 2s 6d and £32 10s.

SPELTER opened steady, but after a quieter interval the market developed firmer features. July sold £33 17s 6d-£34, August £34 to £34 6s 3d and £34 5s, September £34 2s 6d, £34 6s 3d, October £34 2s 6d to £34 10s, November £34 7s 6d to £34 10s ton.

ANTIMONY quiet. English Regulus £74 10s to £75, and foreign £61 per ton ex warehouse.

ALUMINIUM.—Home trade nominally £118, export £120 per ton. QUICKSILVER firm. Spot £15 10s per bottle.

WOLFRAM firm at 14s to 14s 6d per unit.

TIN PLATES steady. I.C. coke prompt 25s 6d to 26s, and forward delivery after settlement of strike 20s 3d to 20s 6d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 22, 1926.

The cotton market has continued quiet but steady, and business has been a little more active. On the whole weather news has not been quite so favourable, temperatures having been reported as too low. The United States Agricultural Bureau report is due tomorrow, and this has tended to restrict business. The spot sales for the week 16th to 22nd inclusive were 23,000 bales. Of these 14,770 were American, 1,250 Brazilian, 2,000 Peruvian, 2,060 Egyptian, 2,000 African, 400 East Indian, and 520 sundries. Imports for the same period were 46,295 bales, these including 24,833 American, 1,751 Brazilian, 8,491 Egyptian, 7,641 African, 3,245 East Indian, and 334 sundries. Quotations to-day are:—Middling American, 10.06d; Egyptian Sakel, 16.30d; uppers, 12.10d; fair Brazil, 10.16d; G.F. mod-rough Peru, 12.00d; smooth, 11.91d; Tinnevely F.G.F., 8.95d; West African middling, 9.81d; and G.F. East African, 11.65d.

MANCHESTER, July 22, 1926.

Business in the market during the past week has been uneventful, buyers continuing to limit their purchases. There is not sufficient confidence in current rates for customers to display any real enterprise. Uncertainty exists as to future raw material values, but there is no fear of any distinct rise just at present. In cloth for

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India a miscellaneous business has been done, but on the whole demand has been less active than last week. Contrary reports have been received from China, and business has been at a low ebb. No operations of any importance have taken place for the several minor outlets. Quotations in American and Egyptian yarns have been rather steadier. Trading, however, has been within a narrow compass, the requirements of buyers being unimportant.

(I.) Comparative Statement of the Cotton Trade.

	Price, July 22, 1926.	Previous weeks in 1926.					
		Price, July 15.	Price, July 8.	Price, July 1.	Price, June 24.	Price, June 17.	
Raw Cotton—Mid. American	10 06	d	d	d	d	d	9 54
— Sakellaridis Fully Good Fair	16 30	16 15	15 85	16 05	16 25	16 50	
— Egyptian	15 1	15 1	15 1	15 1	15 1	15 1	
Yarns—32's twist	15 1	15 1	15 1	15 1	15 1	15 1	
— 40's twist	15 1	15 1	15 1	15 1	15 1	15 1	
— 60's twist (Egyptian)	27	27	27	27	27	27	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	25	25	25	25	25	9
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	29	29	29	29	29	9
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	14	14	14	14	14	14	4
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.	13	13	13	13	13	13	10

(II.) Compared with Previous Years.

	Price, July 22, 1926.	Corresponding dates in					
		1925.	1924.	1923.	1922.	1921.	
Raw Cotton—Mid. American	10 06	d	d	d	d	d	8 34
— Sakellaridis Fully Good Fair	16 30	13 48	18 60	15 01	13 29	15 50	
— Egyptian	15 1	15 1	15 1	15 1	15 1	15 1	
Yarns—32's twist	15 1	15 1	15 1	15 1	15 1	15 1	
— 40's twist	15 1	15 1	15 1	15 1	15 1	15 1	
— 60's twist (Egyptian)	27	27	27	27	27	27	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	32	36	36	32	32	0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	36	41	41	35	31	6
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	14	17	10	21	18	18	9
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.	13	16	6	19	16	16	9

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The best that can be said of this market under present conditions is that the tone keeps fairly good. Coal is being obtained at a price that is almost prohibitive, and the mills are running short time more on account of the scarcity of orders than on account of lack of fuel. There are one or two encouraging features, however. The demand for raw wool, both at the Colonial sales in London and at the country fairs, is remarkably good in the circumstances, and the price of raw material is being maintained in a way that indicates confidence in the future. As a matter of fact, most descriptions are above the Bradford parity, and although both topmakers and spinners are badly in need of new orders, they are well advised not to continue selling at prices below replacement costs. As things are, the demand for tops is mainly confined to the finer qualities, but the actual turnover is small, as users will only cover immediate and pressing requirements. There is very little business in the lower qualities, and prices are very irregular. This is even more noticeable in yarns than in tops, and all the indications point to trade running on the finer qualities when existing restrictions are removed.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The London sales this week have continued to make good progress, although there is not much actual change in values. In view of the marked depreciation in the franc, French and Belgian buying has been quieter, but there has been not the slightest evidence of any breakdown in prices. Merinos in particular, have continued to move most encouragingly, and are making values on a parity with last series. The home trade is a fairly free buyer, which is a satisfactory feature. What amazes everyone is the quantity of second-hand parcels catalogued. Wools have come for re-sale from Boston, Bradford and France, owners in the last-named country no doubt being tempted to turn the wool into English currency for future use. Offerings of new clip wools from Queensland have been bought freely by the Continent, at prices which hardly looked likely a good fortnight ago. A special feature of the series is the very good figures paid for New Zealand scoured merinos, up to 5½d being realised. This compares exceedingly well with the best Queensland combing scoureds at 4½d. South African wools this week have slightly eased, both scoureds and greasy parcels hardly fetching the extreme prices of last week.

Crossbreds do not show very much change. Good fine half-breds are barely maintaining last sales closing prices, and most crossbreds in the grease have lost ground about 5 per cent., but that is very little considering the limited trade in these wools. No doubt the slight ease in fine half-breds is due primarily to the lessened purchases of France. There is no change in slipes, which continue to make last sales prices for all good qualities and fair length lambs, while short clothing wools suitable for the blanket trade are very firm indeed. Scoureds are distinctly dearer, largely due to their comparative scarcity, America, Scotland and the Yorkshire trades all being keen to purchase. The auctions finish next Wednesday. Concerning the great handicap under which the home trade is working, the results of the series so far cannot

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but be regarded as satisfactory. If the home trade had been running its mills full time, merinos would have been distinctly dearer, while crossbreds would also have maintained fully last sales level.

THE JUTE TRADE.

DUNDEE, July 22.

The steadier tone of raw jute prices has proved temporary, and an easier tendency again prevails. Shippers are still reluctant to offer fibre for the early positions of August and September, and fairly high prices are the rule. The crop prospects have been very favourable, and in some quarters not less than twelve million bales of an outturn are looked for from season 1926-27. Consumers at all centres are keeping out of the market, under the impression that values will fall several pounds per ton. The ruling values at present are £36 for First Marks actuals for August shipment, and at £34 for September. Sellers would entertain £32 for October shipment. Daisee assortment is being offered at £27 for October-November shipment, but there are no buyers. Spinners are displaying no interest in these rates, which are far in excess of the prices at which they are compelled to dispose of their yarns. An attempt was made to further depress prices of jute yarns, but spinners made a determined stand, and would not accept less than 3s 1d for common 8 lb cops, and 3s 2d to 3s 3d for 8 lb spools. Values of other yarns have not fallen in proportion. Sacking 24 lb weft has been sold at 4½d to 4½d, chains at 5½d to 5½d, twist at 5½d to 5½d for 3-ply 8 lb, and Rove at from £35 to £37 for 48 lb, and £26 to £28 for 200 lb, according to quality.

Cloth buyers have been more in evidence during the past week, but the quantities purchased are insufficient to prevent a further depreciation of prices. Manufacturers have entered orders at from 4½d for 10½ oz 40 in hessians, and from 3½d for 8 oz. The Calcutta goods market has been interrupted by holidays. Prices rule from 32s 3d for 10 oz and 26s for 8 oz, July-September shipment. Spot prices have eased to 31s 6d for 10 oz and to 26s for 8 oz, business done.

HIDE, LEATHER, AND ALLIED TRADES.

The domestic hide market remains firm, and prices at Thursday's Bermondsey auctions were unaltered. Best ox sold again from 7½d to 8½d, and seconds from 5½d to 7½d per lb. Best heavy cows remained unsold, but lights made 5½d. Calfskins were steady, best selections selling from 6d to 11½d. Woolskins made 5s to 9s 3d; hogs, 4s 6d to 11s; and lambs, 2s to 5s 8d each. The imported hide market is firming up, as Germany and Russia have been freely buying of late. Home tanners are also interested, in spite of the reduced input, so that 7½d is now asked for best Argentine ox and 7½d for Montevideos. Dry hides are rather quiet, and 9½d has been accepted for B.A. Americanos. The Chicago position is called as strong, with best native steers quoted now at 15 cents.

Although trade in sole leather is regarded as quiet, there is sufficient demand to keep stocks well within compass. Now and then a tanner with an accumulation of bends seems prepared to sacrifice a little to clear, but on the whole the market is firm. As the end of the season approaches the demand for upper stock gets less, and only small parcels of coloured glass, willow calf and patent are wanted. The boot and shoe trade is rather quieter, as the prolonged coal strike is badly affecting the demand.

THE TIMBER TRADE.

(FROM OUR OWN CORRESPONDENT.)

In spite of the disturbance in industry occasioned by the coal dispute, house building during the past month has been proceeding most satisfactorily, and has been the sheet anchor of the timber market. The early months of the year found merchants faced with very large stocks of building woods, but with the good demand for timber for housebuilding and other construction work, the late opening of navigation, and the delays in shipping in early May owing to the general strike, stocks now are below the average, and the spot market is in a much stronger position than seemed possible in the closing days of April. Even if there were a rush of imports, the latter would only be anticipating the expectations of a good general demand for wood as soon as the miners returned to work. Building woods on the spot, therefore, have become firmer in value during the past month, and are likely to remain so provided no untoward event occurs in wood shipping circles to upset the poise of the trade here. The main point at issue is whether the North of Europe shippers can exercise a little more patience, and not press goods on to the British market until those bought and still to come forward have arrived and met with a satisfactory reception. Swedish and Finnish exporters, however, seem to be gauging the future of the British market accurately, are in no hurry to sell, and are firm in their asking prices. Wood shippers

from these countries have yet to sell each a third of their total export cut for this season, and although the Continental consuming countries (France and Belgium particularly) cannot be depended upon to buy largely this year, the general demand in this country should increase markedly with the close of the coal stoppage. Importers are now buying moderately for autumn delivery, but the future of the free on board and spot timber markets this season depends largely on the action of the British miners.

In the hardwood section of the trade mahogany log imports decreased in volume in June, but these additions could have been well dispensed with owing to the present poor inquiry. For other hardwood logs, however, imports have shown appreciable declines this year. Sawn hardwood imports have also declined in volume materially compared with last year, especially from the United States, and as the market continues dull for these descriptions, the falling off in supplies will not be regretted by holders of stocks. The furniture trade, according to official information, is only fair, but it is not too much to expect that with this year's record house-building the demand for furniture woods and furniture should increase steadily.

The pitwood market is lifeless. Imports, as expected, have declined considerably, and when the coal trade is resumed colliery owners are likely to be faced with higher charges for pitwood on account of the increase of freight rates occasioned by the shortage and high prices of bunkers.

VEGETABLE OILS AND OILSEEDS

Markets this week have been fairly steady as a rule, but in cases somewhat erratic. Linseed oil, in sympathy with seed, is dearer on the week, but prices are considered too high by consumers, who have been far from active buyers. Current value is about £35 10s per ton naked, ex Hull mill, prompt and to December, a small premium being quoted for the January-April position. Cotton oils are steady and scarce for early delivery, crude Egyptian being held for £41 and ordinary refined offering at the same figure. Soya, palm kernel, and other oils are about unchanged in value, but a poor trade. In the oilseed section linseed has commanded some measure of speculative interest, and on strong advices from Argentina, Plate to Hull was actually done at £17 7s 6d at the close of last week. This was followed by a sharp decline of 10s, since when the market has recovered to £17 2s 6d for seed afloat and August-September shipment, and £17 5s September-October. The strength of the position lies in the main in the fact that notwithstanding a record exportable surplus this season the balance remaining for export between now and the end of the year is less than that shipped in the same period last year. The cost is also being added to by the advance in freights, about 10s per ton in the past six weeks. Calcutta to London has been done at £18 12s 6d for July-August, but closes firmer. New Egyptian cottonseed is now offering for October loading at £10 10s 3d per ton to Hull.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Fair absorption continues with regard to spot parcels, and prices show no material alteration, while unchanged in the case of British goods. Czecho, granulated, spot, sold, 27s 1½d; July, 14s 8½d to 14s 9d; August, 14s 9d; November-December, 14s 10½d f.o.b., Hamburg. Dutch J, spot, sold, 27s 3d to 27s 2½d; ready, quoted 14s 9d; November-December, 15s, f.o.b., Rotterdam. Belgian crystals, prompt, nominally 14s 6d, f.o.b., Antwerp. Polish ditto, 14s 3d, f.o.b., Danzig. American and Canadian granulated, spot, 27s 8½d; July-August, to London, 15s 6d; and outports, 15s 9d, c.f. and 1. terms. Raw refining descriptions steady, and 6,000 tons Cuban 96 per cent., August, sold, 11s 9d to 11s 6½d, c.f. and i., Europe. White terminal slightly easier, with fair dealings in force. August, sold, 13s 9½d to 13s 7½d; October, 14s 2½d; November, 14s 3½d; December, 14s 7½d to 14s 6d; January, 14s 9d; February, 14s 10½d; January-March, 14s 11½d; March, 15s 0½d to 15s; May, 15s 4½d, 15s 5½d, 15s 3½d.

COFFEE.—Spot market disclosed general steadiness, and there was a fair off-take, particularly with regard to desirable qualities. Kenya, fair bold, sold, 136s 6d; peas, 148s 6d. Uganda, bold, 106s 6d to 122s; Matagalpa, 137s to 153s; Costa Rica, 174s 6d to 193s; peas, 155s; Maragogipe, fine coloury, 221s. Futures ruled firm, and May delivery sold, 88s.

COCOA.—Only small transactions on the spot, but at recent rates. Accra F/F, August-September, sold, 52s 6d, f.o.b.

TEA.—Indian auctions totalled 12,900 packages, for which generally quiet competition was experienced. Commoner qualities frequently ¾d to ¼d per lb lower, but good liquoring Dooraos commanded support at steady rates. Pekoe, sold, 1s 3½d to 1s 8d; broken orange, 1s 3½d to 2s 1½d. Ceylon sales embraced some 28,000 packages, and general run of quality cannot be described as attractive. Good to fine teas were steady, but medium and common ¾d to ¼d per lb down in most cases. Pekoe, sold, 1s 2½d to 1s 8d; broken orange pekoe, 1s 5½d to 1s 9½d. Java and Sumatra auctions amounted to 8,820 packages, which met with good competition for most descriptions, and prices disclosed no essential alteration. Best broken and leaf tea, suitable for export, were occasionally dearer. Pekoe sold, 1s 0½d to 1s 3½d; broken ditto, 9d to 1s 5d; orange pekoe, 1s 1d to 1s 4½d; broken ditto, 11½d to 1s 8½d; pekoe souchong, 10½d to 1s 2d per lb, in bond.

RICE.—General situation nominal, as demand at the moment is quite dormant in all directions. Two stars, Rangoon, spot, London, 16s 9d. Oiled Spanish, August-September, sellers, 21s per cwt, c.f. and i., London. Beans and peas dull, and mostly previous quotations.

SPICE.—Pepper quieter, and forward positions ruled slightly weaker. Black Singapore, f.a.q., May-July, quoted, 9½d; Lampong, May-July, 10½d; August-October, 8½d; Muntok, L.S., May-July, 1s 4½d; August-October, 1s 2½d. Pimento, spot, 6½d per lb, and July-August, steamer, to London, 58s 6d per cwt, c.f. and i. Cloves dull. Zanzibar, spot, 9d to 9½d; August-October, steamer, nominally, 8½d per lb, c.f. and i. Sago flour, July-August, 15s, per cwt, c.f. and i., U.K. Tapioca neglected, and nominally unaltered.

FRUIT (Dried).—Currants steady, but business still restricted. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s; Vostizza, 40s to 52s; Patras, 31s to 33s; Australian, 46s to 52s. Sultanias move off slowly. Australian, new crop, 66s to 85s; South African, bleached, 70s to 76s; Californian, 55s to 61s. Dates steady. Siar, quoted 11s 3d to 11s 9d; Khadrowie, 15s to 16s. Raisins quiet. South African, 37s to 42s. Evaporated fruits: Apricots scarce, and realise full rates on spot while very firm forward, but other kinds in quiet request. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian, extra choice, 75s; fancy, 85s; Lake Country, fancy, 90s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian, spot, 54s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines: Market unaltered, with a scarcity of fine quality. Portuguese, ½s, quoted 4s 3d to 6s per dozen tins. Salmon quieter. Red, tall, 1 lb, 60s to 64s; tall pink, 26s to 26s 6d; ½ lb, pink, 41s. Lobsters quiet. Best ½s, quoted 160s to 162s 6d, and ¾s, 92s 6d to 95s. Japanese crab scarce, on spot.

CANNED FRUIT.—Market generally unchanged, and trade is adversely affected by the industrial situation. Californian Bartlett pears, choice, 24-2½s, quoted 13s 6d to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Singapore pines in quiet request on spot, with fair supplies available. South African and Hawaiian in moderate request, while forward business is restricted by high prices asked for the latter. Italian tomatoes quiet unaltered.

CANNED MEAT firm but quiet, but there is a good demand for Danish lunch tongues, which tend dearer. Corned beef 6s quoted 38s to 46s, as to quality. Danish lunch tongues range from 122s 6d to 132s 6d; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams continue in request, and finest Danish quoted 1s 8½d per lb for case of six tins.

CONDENSED AND EVAPORATED MILKS.—Market practically unchanged. Machine-skimmed sweetened, 11s 3d to 12s; full-cream unsweetened evaporated, 19s 6d to 25s; ditto sweetened, 21s to 25s upwards.

HONEY.—New Zealand sells steadily, but other descriptions quiet. New Zealand quoted 50s to 85s; Australian, 40s to 47s 6d; Jamaica ranges from 40s to 55s; Haiti, 37s 6d to 50s; Cuban, 37s 6d to 50s; Californian, 45s to 60s per cwt.

RUBBER.

There is nothing fresh to note in this market, which continues very quiet. Plantation standard sheet, spot and July, sold, 1s 8½d to 1s 8½d; August, 1s 8½d to 1s 8½d; September, 1s 8½d to 1s 8½d; October-December, 1s 9d to 1s 8½d; January-March, 1s 9½d to 1s 9½d per lb.

GENERAL.

HEMP.—Manila quietly steady. J, August-October, quoted £40 15s; K, £30 5s; L, £31 10s; and M, £28. New Zealand quiet, and H.P.F., August-October, quoted £36 10s; and fair, £34. African sisal steady. No. 1 Tanganyiki, July-September, £43 10s; ditto Kenya, £43 per ton. Only a small inquiry for Italian, but sellers adhere to previous a-k-ing prices.

SHELLAC.—General quietness prevailed. Fair T.N., spot, 132s 6d to 135s; August, 124s; October, 124s; December, 120s per cwt.

COPRA.—Prices eased slightly as buyers adopted a good deal of reserve. F.M.S. Straits, August-September, to Rotterdam, quoted £28 17s 6d; Dutch East Indies, ditto, £28 11s 3d; Ceylon, £30; South Sea Islands F.M.S. quality, £27 15s; and smoked, to Mar-seilles, £26 17s 6d. Palm kernels dull. July-August, to Liverpool, quoted £20 3s 9d per ton.

JUTE.—This market continued on a downward course, mainly for new crop positions, owing to reserve of buyers, and cable reports of beneficial rains in the districts of production. Continental spinners absorbed fair quantities of old crop on spot and near at hand at comparatively steady rates, but Dundee operated quietly. General trade in manufactured goods is decidedly slow. Firsts, spot, Hamburg, sold, £43; ditto, near steamer, £42 10s; new crop, July, £37 to

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£36 10s; August, £33 15s to £32 5s; September, £31 to £30; October, £30 to £29 5s; October-November, also November-December, £30 to £29 5s. Lightnings, August, sold, £31 to £30 10s; September quoted £28 10s.

ESSENTIALS.—Market strong for menthol and peppermint oil. Menthol, spot, sold, up to 19s; October-December, 16s 6d; January-March, 15s 9d, 16s, 15s 9d; Japanese peppermint oil, spot, sold, 10s 6d to 11s; October-December, 9s 10d to 10s; January-March, 8s 6d to 10s. Refined camphor, spot, 2s 11d; crude, 2s 7d lb.

TALLOW.—Messrs Colchesters and Woolner write on July 21st as follows:—The tallow market was very quiet during the week, but prices were maintained to-day. There was rather more disposition to sell, but with less disposition to buy little business resulted. Shipments of tallow from Australasia during June amounted to 3,931 tons, against 6,900 tons during the corresponding month of last year. At auction to-day 1,255 casks tallow were offered, and 189 were sold. Quotations are:—Australian mutton: Fine, 45s 6d; good to fair, 44s 6d to 43s 6d; dull to dark, 42s 6d to 40s 6d; hard, 45s. Australian beef: Fine, 45s 6d; good to fair, 44s 6d to 42s 6d; dull to dark, 41s 6d to 40s; sweet, 45s 6d. Present shipment from Australasia: Good mixed, 44s 6d, nominally. Present shipment from South America, 44s. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough fat, per 8 lbs, 2½d; melted stuff, 29s 6d per cwt. Quotations are:—Town, 40s, net cash, naked.

ex works. Country: Frail casks, 40s; home melted, shipping casks, net, f.o.b., good coloured, 43s; fair to dull, 41s 6d to 39s 6d. Bone fat: white none; pale, none; benzine, 35s; melted stuff, 35s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 23s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 4½d; citronella, Ceylon, 1s 7d; Java, 2s 5d.

METROPOLITAN CATTLE.—July 22.

British Beasts, per stone of 8 lbs to sink the offal.		Sheep, per stone.	
	s d		s d
Beasts—Norfolk	6 4 to 6 8	Beasts—Heavy Bulls	8 6 to 9 0
Irish	6 4 to 6 8	Canadian	5 0 to 5 8
Cambridge	6 4 to 6 8	Sheep—Downs (clipped)	8 6 to 9 0
Short Horns	6 4 to 6 8	Ewes	5 0 to 5 8
Herefords	6 8 to 7 0	Crossbred	9 4 to 10 4
		Scottish	9 4 to 10 4
		Lamb—Downs	9 4 to 10 4

LONDON POTATO MARKETS.—July 22.

	Per Cwt.
English Sharp's Express	5 0 to 5 6
Eclipse	5 0 to 5 6
Midlothian	5 0 to 5 6
Epiques	4 0 to 4 6

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.	
COCOA—Duty, British grown, 9s 4d, foreign, 14s cwt	71 0 0
Trinidad	69 0 0
Grenada	69 0 0
Ceylon, plantation	69 0 0
Guayaquil	65 0 0
Bahia, fines	65 0 0
COFFEE—British grown, 9s 4d, foreign, 14s cwt	122 0 0
India, fine ord. g.d. mid	122 0 0
Do good to fine	122 0 0
Costa Rica, ord. to mid	122 0 0
Good to fine	122 0 0
Central American, g.d. ord.	122 0 0
Mid to fine	122 0 0
Colombian, ordinary	122 0 0
Do g.d. ord. to low mid	122 0 0
Do mid to fine	122 0 0
CHEMICALS—	
Acid, citric	1 31 1 34
Nitric	0 2 0 4
Oxalic, net	0 3 0 4
Tartaric, English	1 0 1 5 less 5%
Foreign	0 11 1 0
Cream of Tartar—	
99% 100% per cwt.	30 0 less 2½%
Alum lump	per ton £10/10/0 11/0/0
Do ground	£11/10/0 12/0/0
Ammonia, carb.	ton 37 0 39 0
Muriatic, White	ton 22 0 24 0
Sulphate	ton 24 0 25 0
Arsonic, lump	per ton 65 0 70 0
Powder	per cwt 16 0 17 0
Asbes, pot	per cwt 65 0 70 0
Pearl do	per cwt 65 0 70 0
Bleaching powder, per ton	9/0/0 9/10/0
Sorax, gran.	per cwt 22 0 0 0
Do crystals	23 0 0 0
Do powder	24 0 0 0
Calomel	per lb 4 2 4 4
Iodine, dry	ton 37 0 39 0
Nitrate of Soda	per ton 13/5/0 13/7/6
Potash—Chlorate, net.	0 32 0 4
Prussiate	0 8 0 9
Do Foreign	0 7 0 8
Sulphate	per ton 11 0 12 0
Sal-Acetone	per lb 1 10 2 0
Sal-Ammoniac	per cwt 42 6 45 6
Soda Bicarb.	per ton 9/0/0 10/0/0
Crystals	per ton 5/0/0 5/5/0
Alkali	per ton 6/1/0 6/15/0
Caustic	per ton 14/6/0 15/0/0
Sugar of lead, white	ton 14/0/0 15/0/0
Foreign white	£44 0 46 0
Sulphate Quinine	
English Brands	1 9 1 10
Foreign do	1 8 1 9
Sulphate Copper	per ton 24/10/0 25/10/0
Zinc, cut	nom
Sulphur Flour	9/0/0 9/10/0
Do Roll	8/0/0 8/10/0
Vermillion, Chinese, per lb	4 6 5 0
English	4 6 5 0
Oil Peppermint, H.C.H.	90 0 95 0
COBRA—per ton, c.i.f.	nom
Malabar, June-July	30 0 0
Ceylon	28 17 6
FM Singapore	27 17 6
FM Straits	27 17 6
COCHINEAL—per lb	2/9 3/6
ORUGS—	
Alone, fine E.L.	per cwt 130 0 150 0
Cape, good to fine	41 0 42 6
Balsam Peru	per lb 6 3 0 0
Gargivi	1 9 0 0
Japan, refined	2 11 3 0
Cardamoms, Ceylon	5 0 0 0
Cardamoms, China, per lb	3 6 0 0
Castor-oil	cwt 85 0 95 0
Gum Benjamin Sum.	cwt 50/0 100/0
Olibanum, drops, fair to good	80 0 100 0
Ipococanba	14 6 0 0
Salap	2 0 0 0
Musk, good, China	63 6 67 6
Oil, Cassia	per lb 8 0 8 6
Aniseed	2 10 2 11
Peppermint, Wayne	County 70 0 75 0
Rubarb, China fr to in.	3 0 8 3

METALS—B. Copper	
Best selected	64 0 65 5
Sheets (strong)	90 0 0
Standard	58/5/0 58/7/6
Lead Eng. Pig per ton	33/10/0 32/0/0
Soft Foreign	34/5/0 34/10/0
Spelter G.O.B.	34/2/6 34/10/0
Tin—English ingots	286/10/0 0/0/0
Do do bars	287/10/0 0/0/0
Standard cash	287/10/0 287/12/6
OILS—Fish, per ton	£ s d
Seal, pale	40 0 0 0
Linseed, p. ton net, naked	36 0 0 0
Rape, refined	51 0 0 0
Crude	49 10 0 0
Cotton-seed, crude	39 0 40 10
Edible, refined	46 0 0 0
Coconut, crude	48 0 0 0
Deodorised	52 0 0 0
Palm	37/10/0 38/5/0
Lard, American	70 0 78 0
Petroleum—Oil, per 8 lbs.	1/1 0/0
Water-White	1/2 0/0
Oil Cakes, Linseed, Eng.	per ton £11/0/0
Do per ton	£ s d
On Seeds—Linseed	17 2 6
La Plata, p. ton July-Aug.	19 10 0
Bombay, p. ton July-Aug.	19 10 0
Calcutta, p. ton July-Aug.	19 10 0
PORTLAND CEMENT—Best English	per ton delivered, London 58/0 63/6
Rapid hardening "Ferrocrete," 10/	per ton extra
"Lightning" brand Aluminous Cement	100/ to 105/6 per ton.

PROVISIONS—	
Butter—per cwt.	£ s d
Irish creamery	164 0 168 0
Do factory	136 0 140 0
Australian	144 0 160 0
Argentine	146 0 160 0
Dutch	158 0 162 0
New Zealand	160 0 172 0
Danish	176 0 180 0
Bacon, engd.—Irish	127 0 144 0
Danish	122 0 130 0
Canadian	116 0 124 0
American	0 0 0 0
Ham—Irish	nom
Canadian	0 0 0 0
American	135 0 154 0
Lard—Irish bladders	94 0 100 0
American boxes	80 0 83 0
Pork—per 8 lbs	8 0 9 4
Beef—Frozen	per 8 lbs 2 4 4 9
Sootch	8 4 9 0
Cheese—ows—Canadian	82 0 88 0
New Zealand	80 0 100 0
Eng. Cheddars	86 0 100 0
Cheshire	86 0 100 0
Dutch	42 0 81 0
Eggs, per 120—English	12 0 15 6
Irish	11 6 14 6
FLOUR—280 lbs—	
London standard ex mill	49 0 0 0
RICE—per cwt, c.i.f.—	
Rangoon, No. 2	16 0 0 0
Broken la	15 6 0 0
ROBIN—per ton—	
American	28/0/0 39/10/0
French	31/15/0 0/0/0
SAGO—Pearl, per cwt.	25 0 27 0
SHELLAC—per cwt.	£ s d
Orange, first marks	170 0 310 0
Second, fair to fine	145 0 165 0
TN Orange	127 6 130 0
Garnet, Lac. AO	125 0 130 0
Button—Pure	160 0 170 0
Blocky (TN)	117 6 120 0
SILK—per lb—	
China—Blue Elephant	16 6 0 0
Canton	12 6 23 0
Tussah	10 0 12 0
Re-reeled	0 0 0 0
Japan	25 6 27 6
Italian—Raw, fr. Milan	24 6 26 9
SHELLS—M.-o.-P., per cwt—	
Manila, bold	26/0/0 8/15/0
Macassar	8/10/0 11/0/0
Sydney	7/0/0 11/0/0
N. Australian	7/0/0 12/15/0
Bombay	5/0/0 5/15/0

SUGAR—per cwt, duty, 11s 8d.	
per cent. polarisation	s d
B.W.I., muscovado	nom
Crystallised	25 0 27 0
Java, white	spot nom
Refined—London—	
Yellow Crystals	26 14 0 0
Cubes	33 0 35 6
Crushed	31 3 0 0
Granulated	29 14 29 4½
Crystals, No. 3	29 0 0 0
Castor	31 6 34 1½
Pieces	23 0 27 9
SPICES—Pepper, lb—	
Muntok, fair White	1 4½ 1 4½
Black Singapore	0 10 0 10½
White Siam	1 4½ 0 0
Pimento	0 6½ 0 0
Cinnamon—lat sort	0 0 0 0
Do 2nd	1 11 0 0
Do 3rd	1 10 0 0
Cassia Lignea	52 6 0 0
Cloves—Zanzibar	0 10 0 10½
Penang	2 2 2 4
Madagascars	2 1 1 3
Ginger—per cwt—	
Cochin, small rough	67 6 0 0
Do wormy	0 0 0 0
Japan	60 0 0 0
Jamaica, ord. to good	65 0 87 6
Mace	1 0 0 0
Nutmegs, 55's	3 0 0 0
110's and 80's	2 1 2 4
Chillies—per cwt.	37 6 100 0
TALLOW—per cwt.	
Good mutton	44 6 0 0
Beef	44 6 0 0
TAPIOCA—per lb—	
B. I. Flake, fair, spot	0 2½ 0 0
Medium Pearl	0 22 0 28 0
Seed	17 0 26 0
TEA—Duty 3½d. British, foreign, 4d per lb.	
Indian and Ceylon—	
Pekoe	1 2½ 1 8
Broken Pekoe	1 3½ 1 11½
Orange Pekoe	1 4 1 11½
Broken Orange	1 3½ 1 13½
Pekoe Souchoong	1 3 1 5½
TIMBER—ex. yd—	
Swedish u/s 3 x 8, Pt. Std.	19 0 0
Do 2 x 4	19 0 0
Do 2 x 6	19 0 0
Can'dn Spruce, Dis.	17 10 0
Pitchpine	per load 9 0 0
Rio Deals	per std. 32 0 0
Teak	per load 20 0 0
Honduras Mahg. logs, c.i.f.	0 11 8
African	0 8 8
American Oak Boards	0 8 0
Do Ash	0 8 0
English Oak Planks	0 7 0
Do Ash	0 8 8
TOBACCO—	
Duty 8½/10½ per lb. Empire	
growths, 5½ per lb.	
Virginia leaf—	
Common to fine	1 3 2 3
Strips	2 0 3 6
Kentucky leaf—	
Common to fine	1 0 1 8
Strips	1 3 1 9
China	0 9 8 8
Borneo and Sumatra	1 0 7 0
Nyasaland	0 10 3 6
Seedleaf	1 6 4 6
Havana	1 6 0 0
Greek	1 0 1 8
East Indian	0 6 1 5
Cigars, duty 15½ per lb.	2 0 0 0
Cigarettes, duty 12½ 7d per lb.	
TURPENTINE, p. cwt.	63 6 0 0
WOOL—per lb—	
English, Southdown, washed	11
Lincoln hog	15½
Queensland, ned. super ombg.	45
N.S.W. greasy, super	34
N.Z. gray, half-bred 50-56	19
Crossbred 4C-14	15

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Bankers' Gazette and Railway Monitor:

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SATURDAY, JULY 31, 1926.

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THE MONEY MARKET.

SUPPLIES of floating credits this week have been amply sufficient for requirements, in spite of some calling in by the joint-stock banks, and short loans were obtainable down to 3½ per cent. The discount market was easier, being affected by the Continental

just over £4 millions. Three months' bills were quoted yesterday at 4½ per cent.

	July 30, 1926.	July 23, 1926.	July 16, 1926.	July 9, 1926.	Previous Rate and Date Changed.
Bank Rate	4%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	3½	3½	3½	3½	2½ (Dec. 3, '25)
Market rate (3 months' bills)	4½	4½	4½	4½	..

Thursday's Bank return showed an increase of £392,900 in the stock of coin and bullion, but as the note circulation expanded by £673,100, the Reserve declined by £280,200. The Proportion, however, rose to 26 per cent. owing to a decrease in Liabilities. Other deposits falling by £9,479,500, while Public deposits rose by £2,115,300. Government securities declined by £5,615,000 and Other securities by £1,417,600. Currency notes were increased by £1,915,100 to £293,896,100, which includes £1,299,000 for notes called in but not yet cancelled. The fiduciary issue is £236,347,100, or £11,555,400 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—After a moderate reaction the share market is rallying briskly, partly on short covering and partly in response to excellent earnings statements. The United States Steel in the second quarter earned \$4.20 per share, compared with \$3.88 in the first quarter and \$3.06 in the second quarter of last year. Similar figures for General Motors are \$9.83, \$7.50, and about \$6.00. A 50 per cent. stock dividend is expected to be announced at the August meeting. Meanwhile, reports from the steel industry and general business are encouraging, and while call money is cheap, the firmer tone for time money reflects the belief that rates will rise towards the end of the year. There is gratification here that the unfortunate and fruitless controversy over the British debt is dying down. It is hoped that Poincaré's programme to save France will succeed, but some scepticism exists.

THE STOCK MARKETS.

With the approach of the holiday season, business in the Stock Exchange has been irregular and patchy. Gilt-edged stocks, however, retain their firmness, and the public demand for scrips of recently issued Colonial and Corporation loans continues. In the foreign market the issue of the Counties of Hungary 7½ per cent. bonds, which was heavily oversubscribed, attracted attention. French bonds have been moving erratically, but Brazilians were in some demand. Home rails have been listless, the reduction from 2½ to 1½ per cent. actual in the L.M. and S. interim dividend being practically without effect. Canadian railway stocks are better, and Argentine rails moved upwards. Rubbers have been heavy, and oils irregular, and the feature of the industrial market has been the fall in tobacco shares on rumours of a war between the combine and non-combine companies. Mining shares have been inclined to droop.

THE COMMODITY MARKETS.

Approaching holidays and the continuance of the coal stoppage are responsible for the quiet conditions prevailing in many markets. Increasing supplies of foreign fuel are being received, but the inability of home producers to guarantee delivery dates has led to the loss of a large contract for South Wales coal this week. The heavier branches of the iron and steel trades remain largely inactive, owing to the dearth of imported fuel, but tinplate manufacturers have increased their output, and a fair degree of activity is predicted for the industry generally on the resumption of normal conditions. Slightly more interest has been taken in raw cotton, without any marked effect on prices. Piece-goods merchants continue to restrict commitments. The London wool auctions have closed without any serious drop in

values, though fair quantities are being held over. Bradford tops and yarns are steady, without sufficient bulk business to test the market. Wheat has been steady without marked buying interest. Sugar, coffee, and cocoa are steady. A larger business has been done in tea at slightly advanced quotations. Rubber is unchanged, buying support having been forthcoming to prevent a possible 20 per cent. cut in export quotas under the Stevenson scheme. Among non-ferrous metals, tin has advanced on higher Eastern cables, copper has been firm, with a fair business passing, and lead dearer in sympathy with American quotations.

FOREIGN EXCHANGES.

Interest has again been centred on French, Belgian, and Italian currencies, and the volume of business has been large, with wide fluctuations in the rates. The successful formation of the Poincaré Government brought down the Paris rate from a closing price of 207 on the 23rd to as low as 187 at one time on Monday. This figure was not long maintained, and by Monday evening the quotation was again 195½. After that, with the beginning of difficulties in the Chamber and the weakening of the first outburst of confidence, rates moved up again to 203½ on Thursday morning. On forward rates the discount—9½ for one and 23f for three months—remains very high, and the outlook is still completely obscure. The Brussels rate has followed much the same course as Paris, moving from 202 on the 23rd down to as low as 183 at one time on Monday, and up again to 199½ on Thursday morning. The discount on forwards is 12f for one month and 23f for three months. At the same time, there would seem to be some slight indications of a steadying tendency as contrasted with Paris. The lira has had an unfortunate week, moving from 149½ on the 23rd, after a slight recovery, to as high as 154½ on Tuesday and 155 on Wednesday. On that day intervention brought down the quotation to 150½, but on Thursday, with the rate at 151½, the tendency again seemed upwards. The dollar rate has shown little movement, dropping back ¼ from \$4.86 11-32 on the 23rd, rising again to \$4.86 9-32 on Wednesday, and remaining at the same level on Thursday. Forward dollars stand at ½-10 premium for one month ahead. Madrid has been fairly steady, moving up only from 31.37½ to 31.83½. Oslo has also gone slightly in our favour. The European gold exchanges, following New York, have moved a little against us. In Eastern Europe, Warsaw, at 44, shows a further slight improvement, but Bucharest is not quite so good at 1,072½. In the East, the rupee has fallen from 1s 5 61-64d to 1s 5 29-32d, and the yen from 1s 11½d to 1s 11d. The silver market has been steady, but with no show of confidence. Hong Kong has weakened from 2s 2½d to 2s 2¼d; Shanghai from 2s 11½d to 2s 10½d. In South America, Rio, after being slightly higher, is 1-32d dearer at 7 19-32d. Valparaiso, at 39 pesos, is also dearer as compared with the 39.70 quoted a week ago. Buenos Aires is the same as last week at 45½d, while Monte Video has fallen from 49½ to 49d. On rumours of stabilisation plans, Lima has moved to 25½ per cent. as compared with 26½ per cent. a week ago and 30½ per cent. at the beginning of the month.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 24th:—

EXPENDITURE.	£	RECEIPTS.	£
Supply Services	8,170	From Revenue	13,148
Interest, &c., on Debt	671		
Sinking Fund	886		
Sundries	563		
Increase in Balances	102		
Decrease in debt	2,756		
	13,148		13,148

Revenue yielded £13,147,600, against £12,300,700 in corresponding period last year. Customs produced £2,536,000, against £2,384,000. Excise yielded £2,867,000, against £1,130,000. Property and Income-tax brought in £3,433,000, against £4,288,000, and Super-tax £550,000, against £750,000.

The week's operations reduced the National Debt by £2,756,000, and caused the following changes:—

(000's omitted.)	£
Public Department Advances	1,900
National Savings Certificates	150
Sundries	546
Treasury Bills	160
	2,756

The floating debt was reduced by £2,055,000 to £773,411,000.

FINANCIAL YEAR, 1926-1927 (April 1 to July 24, 1926.)

£	£
Total Expenditure .. 271,120,814	Raised by Revenue .. 197,754,689
	Decrease in Balances .. 3,737,370
	Amount borrowed .. 69,628,755
Total	271,120,814

ESTIMATES for FINANCIAL YEAR 1926-7.†

£	£
Expenditure	825,727,000
Revenue	824,750,000
Deficit	£977,000

† Revised in Exchequer Return dated July 26, 1926.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Underground Electric Railways of London, Union Bank of Australia, Mercantile and General Insurance, British North Borneo (Chartered) Company, United Dominions Trust, Parent Trust and Finance, Furness Withy and Co., Malayalam Plantations, Threlfall's Brewery, Transvaal Gold Mining Estates, Tanganyika Concessions, and Zambesia Exploring.

The Report of the French Financial Experts.—With this issue will be found a supplement consisting of an English translation of the report recently presented by the Committee of French Financial Experts appointed in May by M. Briand's Government.

DEVELOPMENTS IN THE COAL DISPUTE.

This week Parliament has once more spent several hours talking about the coal dispute, but so far as can be seen at the time of writing a settlement by agreement is as far off as ever. It is possible that the Conference of Miners' Delegates that is meeting on Friday of this week may result in some change in the situation. But if this does not happen, it is important that the Government should take fresh stock of the situation, for if Parliament rises, the members of the Government disperse, and the public get into a holiday mood, it will be difficult to bring the influence of either Parliament or public opinion to bear for a considerable time. If no settlement is reached within the next ten days, there are two possible ways in which the situation may develop. The first is that contemplated by the owners, &c., at all events, by the majority of the Mining Association. It is that as soon as Bank Holiday is past some district association will open local negotiations, and that the moment this signal is given other districts will follow suit. Those who hold this view for the most part believe that work will be resumed before the end of August. The owners have more than once made it perfectly clear (a) that they dislike the Coal Commission's Report and believe it to be unsound, and (b) that they are stoutly opposed to arbitration on wages and hours. In these circumstances there is little likelihood that there would be much profit from a direct approach by the miners to the owners even if the former were disposed to make it.

The obvious drawbacks to the owners' solution from a national standpoint are, first, that it means a peace that will undoubtedly contain the seeds of a fresh war,

and, secondly, that it will tend to create more unemployment than the alternative of lower wages. Both alternatives are ways of reducing the cost per ton, and mean that production will be larger than the amount that could be marketed at the high cost price prevailing in April. (The actual sales before the stoppage were artificially stimulated by the subsidy, and, therefore, have no relevance to the problem.) This concentrating of production, however, may, in fact, not happen if as soon as markets begin to be over-stocked the pits work a reduced number of shifts per week instead of some of them closing down. This would mean that earnings would, in fact, fall, and that the men would work a few days a week only for eight hours. Even in this event, however, the change would have the disadvantage of inviting Continental coalfields to increase their hours of work, since the eight and a-half hours bank to bank which the Eight Hours Bill implies is half-an-hour in excess of the miners' day in Germany and Western Europe. This line of argument does not mean that the rigid seven-hour day is necessarily the ideal solution in all cases, and there are strong arguments for some greater elasticity than existed under the late régime—provided it is introduced, as the Commission suggested, with the concurrence of the men. But that is a very different thing from endeavouring, as the owners' policy aims at doing, to put the whole industry back to the full eight-hour day.

But whether it is good or bad, the owners' plan holds the field and the immediate question is not so much its merits but whether, in fact, it will succeed. About one-third of the Warwickshire men have gone back, the numbers have fallen appreciably this week, and at the time of writing there is no sign of any noteworthy movement elsewhere. For the Government to leave things alone in the belief that the owners' forecast is correct is at best taking a long chance on a solution which has grave drawbacks. If the owners prove to be wrong there is a real danger that we may find ourselves in September with nothing done. This would be a very serious position for the country. In the last week or two the expectation that there is still time for a trade revival in the autumn has been weakening, and the prospect of further prolongation of the stoppage may well result in the definite loss of orders which up to the present have merely been held over. Foreign coalfields are getting a firmer grip on markets which normally belong to us, and this is equally, perhaps even more, the case with our iron and steel trade markets, which means that one of the collieries' best customers may have its demand permanently reduced. Factories all over the country are exploring the possibilities of oil fuel, and in numerous other ways the long drawn-out stoppage is weakening the permanent markets of our coalfields. The parties concerned will be wise not to overlook these points, simply because on the return to work there will be a momentarily brisk demand for coal. The only possible argument on the men's side for this policy of holding on is that either the owners may be driven to the end of their resources or the Government, in view of the public discomfort, may be driven to its knees and compel the owners to accept the miners' terms. Neither of these is in the least likely, and it is inevitable if the Government steps in after another two months that the terms ultimately arranged should be substantially the same as those that would be arranged this week by an impartial tribunal.

These considerations were no doubt in the mind of Mr Baldwin when he discussed the possibilities of arbitration in the House on Monday. Mr Baldwin explained, not very convincingly, the reasons for his inability to regard the terms brought to him last week by the Bishops as offering a basis for renewed discussion. His rejection was based primarily on the proposal for a subsidy, but he also found difficulties in the proposal to bring the Commission together again to work out details of reorganisation, on the ground that the Government could not agree to delegate its powers of legislation in advance. But he went on to say that he thought at the beginning of the dispute, and he thought now, that the dispute was one that could properly be settled by arbitration. Later, he repeated that there was nothing to stop negotiations, and he saw no difficulty in setting up an impartial tribunal

acceptable to both sides. If such a tribunal were set up, he could see no reason why it could not begin by making up its mind what would be the effect of the proposals in the Mining Bill now under discussion, and also on the subjects to be discussed by the various committees that were being appointed, i.e., those on methods of selling, research, &c., before proceeding to reach conclusions as to the question of wages or hours. We believe the Prime Minister intended in this part of his speech to open the door to discussion of terms on which negotiations might be resumed.

Unfortunately the House failed to seize the opportunity to push it further open, for there were obviously several leading questions which should have been asked. If, for example, an arbitral tribunal, before considering wages and hours, is to take into account the subject of sales organisations as indicated by the Prime Minister, does this mean that he would undertake to give effect to any recommendations that the committee might make, or that the tribunal must wait till that committee reports? Again, does the Prime Minister contemplate a return to work on pre-stoppage conditions, and if not, how long does he contemplate that it would take the tribunal to make up its mind on the effect of the Government's reorganisation plan? Again, if the tribunal is to consider the question both of wages and of hours, does he consider it reasonable that any modification of hours which the tribunal might propose should be restricted in the manner suggested by the Commission, namely, that they should be freely accepted as an alternative by the men—a proviso which, as we have already pointed out, means in practice that they must be accepted by the men on a ballot? Finally, if he could arrive, in discussion with the leaders of the miners, at what he would regard as a fair basis of negotiation, would he be prepared to bring pressure on the mine owners to accept arbitration on such terms in the event of refusal by the latter? Such points as these should have been vigorously pressed by the spokesmen for the miners in the House. They failed to do so. It is, however, clearly still open for the Miners' Executive, if they realise how futile for all concerned the policy of dragging on the dispute must be, to seek answers to these and many similar questions. Last week the miners showed for the first time a willingness to arbitrate, but the Government disliked the terms proposed. This week, the responsible head of the Government still repeats that he thinks arbitration—and clearly his speech implies national arbitration—preferable to a policy of a drift back to work. The Government is so deeply committed financially and by reason of its legislation as a Party, to the present controversy that it cannot disinterest itself from negotiations which might take place on an arbitral basis. It is, therefore, essential that, as early as possible, the Government should be pressed to define on what terms it is prepared to use its influence to bring about the resumption of negotiations.

THE DEBT CONTROVERSY.

Now that the exchange of manifestoes by the British and French Treasuries has apparently ceased, we may, perhaps, hope that the international bickering between England and America on the international debt question will cease. We urged last week, and would repeat, that Britain has nothing to gain, and there is danger that we may lose a great deal of international goodwill, by carrying on the discussion and creating the quite false impression that we are trying by a side route to reopen the settlement reached in 1923. But even if this were not so, we could wish that the stunt Press would refrain from attempting to exploit the position, for it seems impossible for the writers in the popular Press to state the case correctly. For example, the very day after the Treasury manifesto of last Friday, a journal with an enormous circulation in its leading article mis-quoted Mr Churchill by stating that "Had we not stood as guarantor for the repayment of the cost of the foods and munitions supplied by America to our Allies, in all human

probability the British debt to the United States would never have been incurred." Yet even the man in the street should realise by now that the United States lent money direct to France and Italy to pay for the goods which those countries purchased in the United States. What Mr Churchill said was that if the United States had been willing to finance not merely the purchases of France and Italy in the United States, but also their purchases of coal, cargo space, textiles, and other war needs which they had to buy in Great Britain—"the sterling requirements of the Continental Allies"—the dollar balances which we should thus have indirectly acquired would have enabled us, without borrowing, to pay for the food, copper, cotton, and other American products which we needed for our own use, and "in all human probability the British debt to the United States would never have been incurred." The grounds on which the American Government refused to extend its advances to the European Allies have been so frequently explained in our columns that we do not propose to go over the ground again. It is, however, clearly impossible to get a fair view in England of the American debt so long as the unfortunate twist given to the matter by the Balfour Note and by the use of such phrases as "underwriting the allied purchases in America" is not straightened out.

If, however, British publicists would only leave the matter alone there would be a very much better chance of American and British opinion coming to look at the matter in the same light, for there are unquestionably many Americans willing and able to interpret the European point of view to America far better than any of the interested parties can do. A notable example is the article by Professor Edwin Gay (former member of the War Trade Board and Chairman of the Division of Planning and Statistics of the War Industries Board) in a recent number of "Foreign Affairs."* Professor Gay starts by rehearsing the story of reparations imposed upon France in 1815, and what happened to the inter-allied war debts of the Napoleonic period. In 1816 the House of Lords attacked the Premier, Lord Liverpool, on the Government's "expensive and disinterested generosity" in regard to the debts owed to England by her Allies. His critics urged consideration for the English taxpayer, who had borne a burden unparalleled in history.

Lord Liverpool explained in regard to the chief item, the Imperial loans of £6,200,000 to Austria, contracted in 1795 and 1797, that conditions following 1797, the date of Austria's last interest payment, had made it impossible to ask her for repayment. Instead, in 1803, 1809, and 1813 England had advanced subsidies to Austria. As for the next largest obligation, the Dutch loan to Russia guaranteed by England, amounting to a little over two million pounds sterling, the English Government in 1815 had taken over half of the debt, and under the circumstances he thought it unwise "to stir the question." The Austrian debt, with accumulated interest, totalling £15,600,000, was liquidated finally in 1824, when Austria, although she evidently regarded this political obligation as not a debt justly due, settled by a payment of £2,200,000. A loan to Portugal of £600,000, floated in England in 1809, with Government guarantee, was remitted in 1815. The only remaining loans, the comparatively small items of £200,000 to the House of Orange in 1813, and £200,000 to the French Bourbons in 1814, were repaid. According to the careful archive studies made by Dr Silberling, the total sum of bills drawn and bills and specie remitted for British subsidies and loans abroad, from 1793 to 1816, was £61.3 millions, of which at least £53 millions represented subsidy payments. Beset with difficulties of the gravest character at home, with taxes at an unprecedented height, with such serious financial complications that Ricardo was supporting a demand for a capital levy, with agriculture in distress and industry languishing, with an army of unemployed, and with riots in her manufacturing towns, England, nevertheless, showed expedient moderation toward France, and prudent forbearance toward her Allies. On the matter of the war debts it is probable that the historian of the future will judge that the English chose a wiser course a century ago than that which the United States is now pursuing.

Professor Gay proceeds to discuss the present American attitude, and imagines that the historian of the future will record that "whether from motives of partisan politics, accentuated by the after-war reaction, or from callous indifference, or from sheer ignorance, a policy was followed, from 1920 to, perhaps, 1930, which was difficult to explain or commend. Not the least of her errors, endangering her political and economic future, was the insistence upon the substantial repayment of the war debts from her former associates in the war; or perhaps

* "Foreign Affairs," April, 1926. (New York) 25 West 43rd street. \$1.25.

the initial failure of political judgment in granting aid during the war by loans rather than by subsidies." He proceeds to develop the view that expenditure on war cannot possibly be treated in the same way as commercial transactions, and imagines that if reflection had been possible in 1917 the country would have rejected any bickering about the sanctity of contracts. In support of this thesis he quotes a report of President McAdoo, who, in 1919, said that "The service of these loans in assisting to hold the battle fronts of Europe, until the might of our heroic army could be felt effectively, made possible, beyond the shadow of a doubt, the ending of the war in the fall of 1918. Without this aid to the Allied Governments the war unquestionably would have been prolonged, if not lost, with the resultant great additional cost in life and treasure." Five years later the Commander-in-Chief of the American forces himself, General Pershing, emphasised the same viewpoint when he declared that if it had not been for the Allies, "who held the lines 15 months after we entered, it might well have been lost.... We were responsible for their having to hold the line, and we advanced the money which made it possible for them to hold it. But I believe part of that expense should now be borne by the United States." We do not follow Professor Gay in his prophecy of the change which he thinks will take place during the next two or three years in American opinion, and, indeed, which was taking place until the unfortunate recurrence of the discussion on this side. But it must be evident that advocacy of this kind is far more potent than anything that can be said by a British writer. If it succeeds, then a reconsideration of the whole of the tangled problem of these international payments may before long come under international review. If not, the nations of Europe, including Great Britain, should contrive as best they may to make the payments due to the United States, recognising that while America may not have made as great a contribution to the war as she could have afforded, she nevertheless made a most decisive one, and that her entry into the war was an important factor in influencing the war itself, and in its moderating effect at the Peace Conference, for which future generations will never cease to be grateful.

THE WORLD'S SHIPPING.

EXCLUDING small craft of less than 100 tons burden, the merchant tonnage owned in the world, as recorded in the new edition of *Lloyd's Register Book*, amounted in June of this year to 64,784,000 gross tons. This figure represents a net increase during the past twelve months of 143,000 tons (as compared with a net addition of 618,000 tons during the previous year), steam and motor tonnage having expanded by 292,000 tons, while the tonnage of sailing ships contracted by 149,000 tons. The following table (based on the *Register Book's* statistics) contrasts the relative triennial growth of British and world shipping in the last six years and in the six years immediately prior to the war:—

Year.	Gross Tonnage (in Millions) owned in—					
	United Kingdom.			World.		
	Steam & Motor.	Sail.	Total.	Steam & Motor.	Sail.	Total.
1907.....	15.9	1.1	17.0	34.0	5.4	39.4
1910.....	16.8	0.7	17.5	37.3	4.6	41.9
1913.....	18.3	0.4	18.7	43.1	3.9	47.0
1920.....	18.1	0.2	18.3	53.9	3.4	57.3
1923.....	19.1	0.2	19.3	62.3	2.8	65.1
1926.....	19.3	0.1	19.4	62.7	2.1	64.8

Between 1907 and 1910, a period of trade depression for merchant shipping, British tonnage increased by roughly 3 per cent., and world tonnage by a little over 6 per cent. In the three years ending with 1913—a prosperous time for shipowners—the expansion in the British fleet amounted to 7 per cent., against a 12 per cent. increase in world's tonnage. Turning to the post-war years, it will be observed that between 1920 and 1923 British tonnage in-

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creased by 5.5 per cent., and the world total by no less than 13.5 per cent. This remarkable expansion, due to heavy launching of tonnage contracted for before the collapse of the 1919-20 "boom," and to the rebuilding of Germany's lost fleet, is sufficient to account for the pronounced excess of tonnage which has encumbered the freight market during the last five years. Since 1923, however, a condition of comparative stability in the quantity of tonnage afloat has been attained. During the past three years British tonnage has risen, and world's tonnage decreased, by approximately one-half of 1 per cent.

From the point of view of international trade, however, the sailing tonnage (a rapidly disappearing entity) is of comparatively small importance. Moreover, the figures in the foregoing table include not only American and Canadian Lake vessels, but a considerable quantity of wood and composite steamers, still in existence, but of limited competitive value. Accordingly, in the table which follows, only steel and iron steamers and motor ships are taken into account. For brevity, the fleets of Denmark, Sweden, and Norway are combined under the head of "Scandinavia," and, for better comparison, the 1914 tonnage of Austrian ownerships, now non-existent, is included with the Italian figure for that year:—

Country.	STEEL and IRON. STEAMERS and MOTOR SHIPS (excluding Lake vessels). (Millions of Gross Tons.)					
	1914.	1923.	1924.	1925.	1926.	
U.K.	18.9	19.1	18.9	19.3	19.2	
British Dominions	1.4	2.2	2.2	2.2	2.3	
U.S.A.	1.8	12.5	11.8	11.6	11.1	
Italy	2.5	2.8	2.7	2.9	3.1	
Germany	5.1	2.5	2.9	3.0	3.0	
France	1.9	3.2	3.2	3.3	3.3	
Holland	1.5	2.6	2.5	2.6	2.6	
Scandinavia	3.7	4.3	4.4	4.8	5.0	
Japan	1.6	3.4	3.7	3.7	3.8	
Other countries	4.1	5.3	5.2	5.4	5.7	
World total	42.5	57.9	57.5	58.8	59.1	

* Including Austrian tonnage.

The figures given above provide a clear picture of the progress of national ownerships during the past four years. Comparing 1926 with 1923, it will be noted that the only country whose tonnage records a shrinkage is the United States. The Dutch fleet has remained on balance stationary. All other leading shipping countries have extended their tonnage. In the past twelve months, however, substantial expansion occurred only in the case of Italy, Scandinavia, and "other countries," the last named being effected, there is reason to think, largely through purchase of superannuated vessels from British owners.

Mere comparisons, however, of aggregate tonnage owned by different countries have a strictly limited utility, since they take no account of the factor of relative efficiency of units owned. This factor is impossible, in the case of the shipping industry, to measure statistically, since incalculable elements, such as management, personnel, and organisation, necessarily enter into the problem. Some light, however, is afforded by the classification of vessels, carried out by *Lloyd's Register*, in age-groups. Thus, it is to be noted, the total tonnage, 5.7 millions, owned by "other countries," includes no less than 1.8 million tons of vessels 25 years of age and

upwards, whose competitive efficiency is small. It is remarkable—and greatly to be regretted, from the point of view of the shipbuilding industry—that the tendency to cling to these antiquated and usually outworn ships is not confined to the lesser maritime countries, but seems to be steadily increasing all round, the tonnage 25 years old and over growing larger, while tonnage under five years old declines, as the following summary will indicate:—

AGES OF STEAM AND MOTOR SHIPPING.

Year.	(Million Gross Tons.)			
	Under 5 Years Old—	25 Years Old & Over—		
	British.	World.	British.	World.
1922	6.01	25.01	1.53	7.07
1923	5.57	21.93	1.56	7.42
1924	4.95	16.56	1.62	7.77
1925	4.92	13.09	1.65	8.25
1926	4.55	10.40	1.68	8.81

It is satisfactory that the aged tonnage owned by this country has increased proportionately much less than that owned abroad, but, even so, it is difficult to justify the retention under the British flag of nearly 1½ million tons of these venerable, and not always seaworthy, vessels. What proportion of the total represents security for bank loans is a point on which full information would be interesting.

The world figure of nearly nine million tons of outdated shipping (approximately five million tons may be placed as in the "tramp" class of vessel) clearly represents a considerable deduction to be made from the total sea-going fleet, if an estimate of "effective strength" is to be arrived at, from the aspect of international competition. Manifestly no great exactitude for such an estimate could be claimed, but if, from the world's total of 59 million tons sea-going steel and iron motor vessels and steamships, the following deductions are made, viz.:—

Coasting and fishing vessels, say	5,000,000
Say two-thirds of all vessels 25 years old and over	6,000,000
U.S.A. "war-built" ships incapable of use, say	3,000,000
Tankers, about	6,000,000

Then the total tonnage available for ocean transport of passengers and cargoes, other than bulk oil, is reduced to 39 million tons. The margin of "efficient" tonnage afloat over requirements is in all probability very small—if, indeed, there is any margin at all—and the present difficulties of the shipping industry are predominantly caused by the retention in commission (particularly among foreign ownerships) of tonnage which relies on cheap labour to overcome its mechanical and structural shortcomings, and which sound policy would condemn to the scrap-heap.

Unfortunately, this policy is not being followed. As compared with pre-war "normalcy," scrapping is still proceeding at a high rate, but is apparently slowing up. The following are the latest figures:—

TONNAGE BROKEN UP.		
	U.K. Tons.	World. Tons.
Average 1908-13	84,000	171,000
1922	120,000	315,000
1923	184,000	963,000
1924	254,000	1,174,000
1925	199,000	653,000

According to *Lloyd's Register* the amount of tonnage being broken up in 1926 shows so far a further decline, but it is to be hoped that this tendency will soon be reversed. If the world's mercantile marine is to be kept as an efficient instrument of transportation, at least a million tons require to be scrapped annually during the next decade.

Two factors will probably hasten the process of scrapping. In the first place, experience continues to prove the superior economic efficiency of larger ship units. The recent tendency for the smaller type of vessel between 1,000 and 5,000 tons burden (the typical pre-war "tramp") to be superseded by ships of greater carrying capacity is illustrated by the following table, in which the numbers of vessels over 1,000 tons in size are arranged in three groups:—

SIZE OF UNITS.

	Number of Ships of Gross Tonnage Between			
	1,000 and 5,000 Tons.	5,000 and 8,000 Tons.	Over 8,000 Tons.	Total Number Over 1,000 Tons.
British†—				
1923	2,957	1,182	390	4,529
1925	2,906	1,214	395	4,515
1926	2,841	1,228	404	4,473
World—				
1923	10,226	3,580	791	14,597
1925	9,977	3,622	823	14,422
1926	9,763	3,665	864	14,292

† Including Dominion ships.

Alike in the case of British and world tonnage, it will be seen, the last three years have produced a diminution in the total number of vessels above the usual size of normal coasting craft, but this reduction has been effected wholly at the expense of the smallest of the three size-groups shown above, both the other groups recording steady growth.

As compared with world tonnage, the composition of the British mercantile fleet is still tending in the direction of relatively larger ships, as the following analysis of tonnage illustrates:—

STEAM AND MOTOR VESSELS OVER 1,000 TONS GROSS.		
Size.	British.	World.
1,000-4,000 tons	21	31
4,000-8,000 tons	53	52
Over 8,000 tons	26	17
Total	100	100

All the available evidence as to trading conditions suggests that the 1,000-4,000 tons class is destined for progressive contraction at the hands of the shipbreaker.

The second factor which should stimulate replacement of obsolete ships is the remarkable development of motor-propelled tonnage. The percentages of the total world fleet driven by various methods of propulsion are being strikingly altered, as the following figures show:—

	1914.	1924.	1925.	1926.
Steamers (coal-fired) ..	88.8	66.2	64.8	63.2
" (oil-fired) ..	2.6	26.8	27.5	28.2
Motor ships	0.5	3.1	4.2	5.4
Sail	8.1	3.9	3.5	3.2

Including auxiliaries, there are now 3,493,000 tons of motor shipping afloat in the world, against 2,714,000 a year ago, and 1,666,000 in 1923. During the last three years, the steam shipping in the world has actually shrunk by nearly 1½ million tons, while in the last five years motorship tonnage has increased by 176 per cent. Of the 2,343 motor vessels now built, 1,704—representing 415,000 tons in all—are craft of less than 1,000 tons burden. Excluding this type of motorship, the relative position of British ownership of motor tonnage to world ownership appears as under:—

MOTOR SHIPS OF 1,000 GROSS TONS AND OVER.		
	British Tons.	World. Tons.
1925	718,000	2,310,000
1926	938,000	3,078,000

The leading foreign ownerships of motor vessels exceed 1,000 tons gross are Norway, 467,000 tons; Germany, 285,000 tons; and Sweden, 272,000 tons. In the passenger and cargo-liner class (vessels of 6,000 gross tons and over) Great Britain owns 73 motor ships, amounting to 598,000 tons, out of a world total of 192 motor ships of 1,574,000 tons in all, to which Germany contributes 174,000 tons, and Italy 144,000 tons.

In conclusion, it is well to emphasise that, excepting for our share in the general tendency to cling to obsolete vessels beyond their period of useful service, there is nothing in the evidence afforded by recent issues of *Lloyd's Register Book* which should weaken confidence in the supremacy of Great Britain as a maritime country. Leaving out of consideration the special circumstances surrounding the hypertrophied American fleet, it is true that the tonnage of our competitors has increased rela-

tively to ours both as compared with 1914 and (to a much lesser extent) as compared with three years ago; but, as has been indicated in the foregoing tables of figures, this tendency existed long before the war, is not becoming aggravated, and is a feature requiring to be qualified by full consideration of comparative efficiency. The British proportion of modern tonnage, of motor ships, and of the larger type of vessels likely to prove increasingly the dominant factor in international trade, provides good augury for our shipping future.

A PETROL TAX?

(BY A CORRESPONDENT.)

It is Mr Churchill's hope to introduce within the lifetime of the present Parliament a petrol tax in place of the present vehicle tax. The arguments in favour of the petrol tax are becoming familiar through advertisements in the Press which are paid for by one of the motoring bodies. The motorist is informed that the petrol tax is a just system of taxation, that it makes the payment of a road tax proportionate to road usage, that the motorist will pay his tax as he goes and will not pay if he does not go, that if he is the fortunate owner of two cars, only one of which is in use at a time, he will no longer pay double tax as he does to-day, that he will never need to lay up his car to save taxation, and that all these blessings would be attained if he pays one small annual registration fee and the rest of the tax automatically through the petrol pump or the petrol tin. Unfortunately the motorist is never told by the advocates of the petrol tax exactly how much he would pay through the petrol pump or the petrol tin. Nor is he encouraged to view the possible objections which the commercial users of the roads would raise against a tax on motor spirit.

Perhaps the first thing which the motorist would realise is that the petrol tax has already had a history which is not inspiring. The Finance (1909-10) Act, 1910, imposed a Customs duty on imported motor spirit and an Excise duty on all home-manufactured spirit amounting to 3d per gallon, with a rebate of 50 per cent. in respect of motor spirit used in commercial goods-carrying vehicles, hackney vehicles, and in motor-cars used by fully qualified doctors. Motor spirit used for purposes other than road traction was excluded. In 1915 the duty was increased to 6d per gallon and the 50 per cent. rebate conceded to veterinary surgeons, commercial travellers, and relieving officers. In 1920 this scheme of petrol taxation, complicated by the system of rebates, was abandoned as unsatisfactory. A Committee, under the chairmanship of Sir Henry Maybury, appointed by the Minister of Transport, had presented a majority report in March, 1920, which condemned the petrol tax wholeheartedly, and recommended the introduction of the present system of vehicle taxation. The rebate system had involved the Inland Revenue in endless trouble and expense in examining the claims of small users, evasion of the tax was becoming widespread, and the tax became only partial in its operation. This was partly because of the difficulties in defining "motor spirit," partly because in 1919 benzol, shale oil, and home produced petrol were excluded altogether. The Excise duty, in fact, was abandoned, and the Customs duty proved unsatisfactory in operation. How does the situation to-day differ from that in 1920?

The whole question of motor taxation was reviewed once again in 1922, when, in response to pressure from the motoring bodies, in particular from Mr Stenson Cooke, who signed the minority report in favour of the petrol tax, the Minister of Transport asked Sir Henry Maybury's Committee "to take into consideration the objections to the present system of taxation in the light of experiences gained, and to report whether any more satisfactory alternative method of taxation can be devised or the present system be modified." In 1924 this Committee finally reported (1) "We cannot find any system of taxation capable of practical application under the existing circumstances which we recommend as likely to be more satisfactory than the system of vehicle taxation now in force," and (2) "The present system can be modified to

mitigate to a substantial degree some of the objections found to exist in practice."

Modifications of the vehicle tax were made, and the case against the petrol tax remains the same, except that in two particulars it has become stronger. In the first place, a tax on petrol would have to be almost double the 6d tax which was abandoned in 1920; in the second place, the exclusion of benzol from the tax, to which Mr Churchill has apparently committed himself, would be a more odious form of protection than any imposed under the Safeguarding of Industries Act. As regards the first of these objections, the expenditure on the roads has now risen to £20,000,000 a year, and if this sum is to be realised by a petrol tax on the 500,000,000 gallons of motor spirit consumed in the year, the tax would work out at about 10d per gallon. The expenses incurred by the petrol companies in collecting and accounting for the duty would increase the cost of petrol by an additional 1d or 2d per gallon, so that it appears that the motorist would pay an additional 1s per gallon for his fuel if the petrol tax were re-imposed. Evasion of a tax of this magnitude becomes important. A petrol tax is successfully applied in many States of America because, as it amounts to only one or two cents per gallon, it is not worth while to attempt to evade it. But it would be worth while to attempt to evade a tax of 10d or 1s, and apart from mere fraud, the difficulty in defining petrol still makes evasion an easy matter for the honest but ingenious chemist.

This technical point is of the greatest importance. The Government chemist, in his parting words to Sir Henry Maybury's Committee, said: "If it does not appear that we chemists are not able to give you a specification for this substance, such as we can give for a pure substance, the reason is that it is not a pure substance—it is an ungodly mixture." These words are the more cogent to-day, seeing that various chemical substances can be mixed with kerosene to make an efficient and "non-pinking" motor fuel. Kerosene fractions might, therefore, be imported for motor spirit purposes without being liable to taxation. Petrol is not a definite substance. It is made by distilling crude oil, but in the distillation process it is impossible to say where petrol ends and kerosene begins. It is not sufficient for the purposes of a petrol tax to say that the tax will be imposed upon any fuel which the motorist puts into his tank because petrol is used for other purposes than road transport, which may or may not be excluded from the operation of the tax. For instance, petrol is employed in the manufacture of paints and varnishes, and for rubber goods. It is used by dyers and cleaners in large quantities. The internal combustion engine is used for all sorts of power purposes other than road traction. The uses of petrol off the roads are much more varied to-day than when the petrol tax was imposed. How are these uses to be excluded? Whatever specification is devised—and, of course, any amount of specifications have been suggested—the danger is that it will be found to be either too narrow, and to allow too much to escape, or too extensive, and to include much that is not intended to be taxed.

If the opportunities and excuses for evading a petrol tax are to-day more varied, the expenses and difficulties in administering and collecting the tax are so much worse. Instead of a single tax scheme, as is now in operation under the vehicle tax, there would be a five-fold tax scheme involving a vehicle tax at a reduced rate, a customs duty, an excise duty, a licence duty for all refiners and distributors of motor spirit, and a self-assessment system by way of declaration with possible permits and refunds. It may, therefore, be assumed that the opposition of the Inland Revenue authorities to a petrol tax would be all the more intense to-day.

As regards the exclusion of benzol from the proposed scheme, there are probably 20,000,000 gallons of home-produced benzol being used by motorists each year. This means, assuming that on an average a gallon of benzol takes a motor vehicle 10 miles, that 200,000,000 car miles will not be contributing towards the wear and tear resulting from that mileage. In other words, petrol users would be mulcted so much extra to pay for those 20,000,000 gallons. And that extra would not go towards the upkeep of the roads, but would go into the benzol producers' pockets. Benzol mixtures are worth in the market a little

more than petrol, and if, under the petrol tax, the prices of petrol were advanced by 1s to 2s 7½d and 2s 8½d per gallon, benzol mixtures would also be advanced to 2s 9½d per gallon. A more odious form of protection could scarcely be devised. The consumer would pay more without receiving any benefit. The benzol makers would declare handsome dividends.

Sir Henry Maybury's Committee doubted whether the petrol tax was really a more equitable form of raising revenue for the roads. Some private motorists would certainly pay less. Some would pay more. For example, a motorist paying a £30 tax on a six-cylinder car and using 1,000 gallons of petrol a year would, under a 1s tax, be paying £50 a year to the Government. Certainly, the motorist who owns two or more cars would score heavily, but he is precisely the kind of road user who, on the accepted principle of capacity to pay, should pay more and not less to the State. There is already a differentiation against the pleasure motorist. Just as the holder of a season ticket on the railways pays less for his use of the railway because he is presumed to be earning his livelihood, so the commercial or business motorist is paying less for his use of the roads for the same implied reason. And it is even uncertain that the petrol tax would make the person who does most damage to the roads pay the most heavily. Commercial vehicles, especially motor-omnibuses working in hilly districts or in large towns where frequent stoppages are entailed, would use a disproportionate amount of petrol to their wear and tear of the roads. The present vehicle tax is not ideal and can operate harshly on some users, but it would appear to be more equitable than a petrol tax for the commercial users, and from the point of view of the Inland Revenue the only practicable form of raising revenue for the roads.

PROVINCIAL GAS COMPANIES.

In our issue of April 17th, on page 776, we examined the results of London gas companies in 1925. In order to complete the picture of the progress of gas undertakings in England, we propose in this article to analyse the results of seven representative provincial concerns. On the whole, the results achieved last year were eminently satisfactory. The depression in trade has not, apparently, greatly affected revenue, from which circumstance we may reasonably deduce that any decrease which may be taking place in sales of gas for commercial and industrial purposes is being more than made up by an increased demand for household and domestic use.

The table given below shows the quantity of gas sold by six of the concerns comprised in our list during the past two years:—

Name.	Year 1924.	Year 1925.	Inc.	Name.	Year 1924.	Year 1925.	Inc.
Bournemouth	8,061,259	8,684,928	7.7	Newcastle	18,956,233	20,118,564	6.1
Brighton	10,103,753	10,589,106	4.8	Sheffield	14,585,243,000	14,876,770,500	6.3
Cardiff	8,275,116	8,513,381	2.9	Wolverhampton	1,005,553,000	1,055,997,000	5.0

† Cubic feet.

All the companies included in the above list, it will be seen, sold more gas in 1925 than in the year preceding. The biggest gain was recorded by the Bournemouth, where the figure rose by 7.7 per cent. This was followed by the Sheffield with 6.3 per cent., and the Newcastle with 6.1 per cent. The Cardiff undertaking showed the smallest percentage increase, namely, 2.9 per cent.

Our second table shows the chief items of revenue and expenditure, together with the balance of net revenue:—

Company.	Revenue.				Expenditure.				Balance Net Revenue.
	Sale of Gas.	Rentals.	Residuals.	Total Receipts.	Maintenance.	Disbursements.	Total Expenditure.		
Bournemouth	1924 291,623	32,338	98,934	422,895	197,546	47,628	245,174	177,721	245,174
Brighton	1924 335,936	34,098	98,111	468,145	208,318	47,908	256,226	211,919	256,226
Cardiff	1924 401,733	68,836	123,685	594,254	349,750	107,117	456,867	137,387	456,867
Cardiff Gas	1924 329,618	37,816	96,236	463,670	293,335	61,690	355,025	108,645	355,025
Cardiff Light & Coke	1924 324,062	39,212	87,746	451,020	278,109	62,145	340,254	110,766	340,254
Liverpool Gas Co.	1924 1,027,912	29,938	36,067	1,093,917	973,120	145,668	1,118,788	1,118,788	1,118,788
Newcastle-on-Tyne & Gateshead Gas Co.	1924 657,344	102,762	336,631	1,096,737	613,591	181,752	795,343	301,394	795,343
Sheffield Gas Co.	1924 591,191	27,647	215,981	834,819	504,682	93,245	597,927	236,892	597,927
Wolverhampton Gas	1924 166,763	21,000	59,676	247,439	143,838	32,083	175,926	71,513	175,926
	1925 291,623	32,338	98,934	422,895	197,546	47,628	245,174	177,721	245,174
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	1925 1,027,912	29,938	36,067	1,093,917	973,120	145,668	1,118,788	1,118,788	1,118,788

beginnings is clearly shown, the gold value of her overseas trade increasing nine-and-a-half times over in the thirty years ended 1905. Both the United States and Japan have greatly strengthened their position since the war, while Germany has fallen several places in the list of trading countries. In our earlier review of the League of Nations' Memorandum we referred to certain evidence of a definite shift of the trade of the world from the Atlantic to the Pacific Ocean between 1913 and 1924. From what has been stated above it will be seen that this was no new tendency, but rather an accentuation of a process which had been going on for many years. According to a table given in our earlier article, the gold value of the total trade of a number of representative "Atlantic" countries was only 18 per cent. greater in 1924 than in 1913, while that of certain "New World and Pacific" countries showed a 92 per cent. increase. In the table which follows we have set out the figures for the same countries, at decennial intervals, from 1875 to 1905:—

VALUE OF TOTAL TRADE (IMPORTS plus EXPORTS) of COUNTRIES NAMED
(Million Florins.)

	1875.	1885.	1895.	1905.
"Atlantic" Group—				
United Kingdom	6,317	6,187	6,864	9,622
France	3,519	3,409	3,370	4,482
Germany	3,555	3,425	4,389	7,588
Netherlands	1,224	1,922	2,615	4,554
Sweden	309	388	435	659
Norway	186	159	227	297
Denmark	242	239	356	561
Italy	1,059	1,145	1,057	1,798
Belgium	1,144	1,210	1,456	2,409
Spain	440	677	582	676
Argentina	262	414	506	1,243
Brazil	483	523	586	873
Cuba	153	258	248	506
	18,893	19,996	22,691	35,268
	100	106	126	187
"New World and Pacific" Group—				
U.S.A.	2,514	3,183	3,733	6,445
Canada†	519	486	535	1,136
Japan	104	142	328	999
China	496	480	599	1,051
Australia	785	1,066	975	963
New Zealand	141	154	158	305
Chile	166	199	313	404
Peru	152	32	32	120
	4,877	5,742	6,673	11,423
	100	118	137	235

† Includes Newfoundland.

The tendency for the New World to outstrip the Old was certainly much less marked than during the subsequent war period, but its existence can be clearly traced for thirty or forty years back. In this respect, as in so many others, the war would seem to have intensified forces already present, rather than initiated a new order in the economic sphere.

Finally, we may indicate the broad development of those areas which are now numbered among the British Dominions, over the stirring times of the last fifty years. The varying parts which each has played in world commerce are shown below:—

SHARE OF THE BRITISH DOMINIONS IN WORLD TRADE.

	1875.	1885.	1895.	1905.	†1913.	†1924.
Australia	2.59	3.09	2.47	1.55	2.06	2.50
Canada	1.71	1.41	1.35	1.82	2.37	4.25
South Africa	0.52	0.44	1.35	1.58	1.74	1.48
New Zealand	0.46	0.45	0.40	0.49	0.56	0.90
India	3.60	5.14	3.28	3.64	4.25	4.69
Total Dominions	8.88	10.53	8.85	9.08	10.98	13.82

† League of Nations' figures.

Although "Imperial" trade as a whole increased, roughly, *pari passu* with that of the rest of the world towards the end of last century, the experience of the various countries was far from identical. While a predominantly agricultural State such as New Zealand has obtained a practically constant share of the world's trade over the last 50 years, the decline in the importance of the

export of precious metals in the case of Australia, and its increasing importance in South Africa find expression in the above table. Canada's enhanced position among commercial nations has been built up almost entirely since the war on the basis of her wheat trade. To her must be given the chief credit for the appreciably larger share of the world's trade which the Dominions have secured in the last few years.

Notes of the Week.

France's New Government.—Since we wrote a week ago M. Poincaré has succeeded in creating a "cabinet of all the talents," in which he has included both M. Briand and M. Herriot. Indeed, there are no fewer than six ex-Prime Ministers in the Cabinet. At the same time, it is a striking illustration of the rapidity with which offices change hands in France that there are more than as many left outside. The Cabinet is perhaps a union of personalities rather than a union of parties, for M. Herriot's own adherents are by no means solidly behind the Government. The prestige of the new National Cabinet was, however, sufficient to give it the substantial majority of 227 on a vote of confidence on Tuesday last after the Ministerial Declaration had been made. It must, however, be confessed that the Declaration, on the strength of which the Cabinet secured this handsome testimonial, is not very reassuring. It contains professions of patriotism and the need for national reconciliation, and appeals to the Chamber to cut short discussion and get to work, but as to what the Government is going to do we are left in the dark. No mention is made of stabilisation, and while the Government's tax policy is to be a combination of indirect contributions recommended by the experts and some imposition on accumulated wealth, part of which will furnish a sinking fund for the National Defence Bonds, the inference to be drawn from the report is that France is still to be in a state of uncertainty as to her monetary situation, and that an attempt is to be made to raise the level of the exchange before it is linked to gold. Indeed, it is admitted that the Government will not within a few weeks, or within a few months, solve the financial problem. This looks much too independent to inspire very much confidence, and we shall await with some concern a further development of the Government's plans.

The Eclipse of Zinoviev.—Zinoviev made his name in this country during 1924—first by his violent attacks on Mr MacDonald's Government, and his appeal for an intensive revolutionary campaign in Great Britain, at the conferences of the Russian Communist Party and the Third International in the summer of that year, and secondly, by the celebrated letter which, whether apocryphal or not, has become indissolubly associated with his name. The Anglo-Russian negotiations of 1924 made it evident that Zinoviev—entrenched in the Political Bureau of the Russian Communist Party and in the chairmanship of the Third International—was at cross-purposes with other Bolshevik statesmen, e.g., Chicherin and the men behind Chicherin, who were primarily responsible for the government of the U.S.S.R., and were therefore more concerned to improve the international position of the U.S.S.R., both economically and politically, than to exploit the U.S.S.R. as a base of operations for promoting world-revolution. At that time the Russian Communist Party—which was and is the driving force behind the Government of the U.S.S.R., and also behind the Executive Committee of the Third International—proved unable to compel the respective leaders of these two organisations to work in harness, with the result that the Anglo-Russian negotiations ended in a fiasco. Now, after two years, the Russian Communist Party has definitely and drastically declared against Zinoviev, and this event may have a profound influence on the foreign policy of the U.S.S.R., on the relations between the U.S.S.R. and the Third International, and on the activities of the latter organisation. On Saturday last,

July 24th, Zinoviev was officially expelled from the Political Bureau of the Russian Communist Party by the Central Committee. He still remains chairman of the Executive Committee of the Third International, but when the Third International holds its annual congress at Moscow this year, and proceeds to the election of a new chairman, it appears that the Russian Communist Party will either prevent Zinoviev from being put up for re-election, or will vote against him. In either case, their opposition will have a decisive effect. The charge against Zinoviev is that he has used his official position in the Third International improperly in two ways: first, in order to mobilise on his side the non-Russian Communist Parties affiliated to the Third International, and to put them in opposition to the Russian Communist Party in the Third International's proceedings; and secondly, in order to build up an opposition within the Russian Communist Party itself by secret and underhand means. Zinoviev's offence is a flagrant breach of party discipline. The inference is two-fold. On the one hand, the rigidity of organisation in the Russian Communist Party is still increasing; on the other hand, the temper and policy of the Party are becoming less revolutionary. The recent discord, it is suggested, has been accelerated by the death, last week, of Dzerzhinsky, whose principal claim to notoriety lies in his organisation of the Tcheka, or the Committee for Combating Counter-Revolution and Speculation, a "machine of terror" responsible for the murder of many thousands. His successor as head of this body has not yet been appointed, the selection apparently presenting considerable difficulty. The appointment of a Triumvirate, as was done after the death of Lenin, is suggested as a way out of the difficulty, it being regarded as dangerous again to entrust any one man with so much power as was given to Dzerzhinsky.

America and Allied Debts.—Our New York correspondent writes:—Recent international discussions of the inter-Allied debt funding agreements are causing the judicious on this side of the water to grieve. The statement that Secretary Mellon gave out last Thursday, the 16th, with regard to the liberality of the Berenger settlement apparently has been taken in certain quarters on your side as being intended to reflect on Great Britain. Mr Mellon's intention was nothing of the kind. His real purpose seems to have been to help Caillaux, who still seemed to have a chance to carry his programme for fiscal reconstruction through the Chamber, and who seemed likely to experience his greatest difficulty in getting the Berenger settlement ratified, this ratification, both Mr Mellon and M. Caillaux knowing, being essential to the securing of credits on this side of the water. As things turned out, Mr Mellon's statement came too late to help Caillaux, but not too late to stir up a number of belligerent persons, both here and abroad. Similarly with his letter on the subject of our debt settlements that was published on Sunday, the 18th, the circumstances must be appreciated in order to realise its significance. Mr Mellon had, some little time ago, received an open letter from a gentleman in Massachusetts, in which the Government's whole programme of debt settlements was severely criticised. The Secretary had a general answer prepared, and finally dispatched his answer just before sailing for a vacation abroad. As it happened, this was the day after the issuance of his statement for Caillaux's assistance. In his letter Mr Mellon took up the several points of criticism singly and entered a general denial. The paragraph to which Mr Churchill took exception might have been more happily worded. It said: "It must be remembered that England borrowed a large proportion of its debt to us for purely commercial as distinguished from war purposes—to meet its commercial obligations maturing in America, to furnish India with silver, to buy food to be resold to its civilian population, and to maintain exchange. Our loans to England were not so much to provide war supplies as to furnish sterling for home and foreign needs and to save England from borrowing from its own people." Mr Churchill's comment on this has brought a statement from the Treasury which admitted that total British expenditures aggregated \$7,219,408,669, but

which declared that of this \$1,853,612,246 was covered by reimbursement from other Allies out of funds loaned by the United States, and that the latter sum was not provided out of England's "own independent resources." There remained \$5,366,000,000, of which \$1,682,000,000 represented "exchange and cotton purchases." Most of this item, the Treasury contends, went for the maintenance of sterling exchange at the pegged price. The Treasury contends that England spent approximately \$760,000,000 out of cash from her own independent resources, and not the \$4,000,000,000 that Mr Churchill is reported to have mentioned. It may be noted that the Secretary had no intention of starting controversies in issuing his statements, and that their appearance in close conjunction was accidental. On the one hand, he was attempting to help the effort for financial rehabilitation in France; on the other, he was merely making his reply in a controversy that had been directed against him. The feeling in the financial district is that little will be served by carrying the controversy further. Questions of relative generosity are of little point when they are complicated by differences of opinion as to the line of greatest selfish advantage. It is well to remember that the administration here has its public to consider, just as foreign Governments have, and that the debt settlements represent its best judgment as to what may be obtained in the way of practical compromise.

Abyssinia and the Anglo-Italian Agreement.—In the House of Commons last Monday, two interesting facts came out in Mr Locker-Lampson's answers to questions from Mr Buxton. The first fact was that the concession of the right to contract the Lake Tsana barrage is now the only material advantage that we are seeking in Abyssinia. Mr Locker-Lampson justly pointed out that this was in the interest of irrigation in Egypt and the Sudan, and was not—at any rate in any direct way—an advantage for Great Britain. It also means that, as compared with the tripartite Anglo-Franco-Italian Agreement of December 13, 1906, the new agreement represents a concession on Great Britain's part towards Italy. In the 1906 Agreement we not only safeguarded British and Egyptian interests in the Nile Basin (as far as this lies in Abyssinian territory), more especially as regarded the regulation of the waters of the Nile and its tributaries, but we earmarked for ourselves all railway construction in Abyssinia west of Addis Abeba, save for lines connecting Italian Somaliland with Eribrea, which were left to be constructed by Italy. The new agreement concedes to Italy exclusive economic influence in Western Abyssinia, save for the regulation of Nile water. It is, presumably, in return for this concession that we expect, as Mr Locker-Lampson declared on Monday, to secure Italian support in subsequent negotiations with the Abyssinian Government over the Lake Tsana question. Mr Locker-Lampson admitted that the latter Government alone can authorise the construction of the Tsana barrage, and he expressed the hope that we shall be able to show the Abyssinian Government that this work will serve the interests of Abyssinia as well as of the Sudan and Egypt. On the question of material fact, there is no reason to suppose that the projected Tsana works will do any injury to the local Abyssinian population, or that the additional water which will thus be secured for irrigation in Egypt and the Sudan could be utilised in Abyssinia itself (where the Blue Nile flows through a deep and narrow gorge). On the other hand, the additional water is urgently needed in the two countries lower down the Nile, and every addition to the common water-supply of Egypt and the Sudan will help to ease the political tension over the allocation of Nile water which has now for some time existed between them. Thus there is nothing to be said against, and much in favour of, the Tsana barrage in itself. The doubtful point is the method by which the British Government has lately sought to promote its construction. Is it proper that the British and Italian Governments, over the Abyssinian Government's head, should promise each other support in securing certain material interests in Abyssinia? And, while our objective (i.e., the Tsana barrage) may be inoffensive to Abyssinia, can the same be said of that exclusive

economic influence in Western Abyssinia which we have conceded to Italy in exchange for her good offices? In the forthcoming Anglo-Italian negotiations with Abyssinia, will it be possible to draw the line between persuasion and pressure? This brings us to the second interesting statement made by Mr Locker-Lampson last Monday. The Abyssinian Government has invited the observations of the League in regard to the Anglo-Italian exchange of notes, and on the 24th of this month H.M. Government received from Geneva a copy of the Abyssinian Government's communication to this effect.

Estimates Committee and Parliamentary Finance.—Certain decisions of importance to the financial system of the House of Commons, arising from a series of recommendations by the Estimates Committee, have just been taken by the Government. The committee recommended that the Civil Service Estimates should be reclassified in nine categories on broad objective lines; that votes should be regrouped in classes so as to show, as far as possible, the complete functions and expenditure of each department; that Civil Service Estimates should in future be called the Civil Estimates; that the Estimates Committee should be increased in size, so that all the estimates may be examined every year; together with certain other recommendations urging that members of the Estimates Committee should be excused other Parliamentary duty, that it should have power to appoint persons from outside its own body to serve on any of its sub-committees, and that arrangements should be made for the Parliamentary discussion of its reports. In substance, the Government have replied that they agree to the proposal regarding the re-classification of the estimates; they are willing to provide a Treasury witness for the sittings of the committee; but beyond that they cannot go, so that the recommendations, for all practical purposes, may be regarded as dead. The Public Accounts Committee, to which any change in principle must be referred, or, indeed, any change at all, apparently do not take the view that there is no more than minor improvement in the present proposals. They and the Treasury consider that the re-classification is probably overdue, and that it will be to some extent to the advantage of Parliament in the consideration of the estimates. It is urged, of course, that if the change is approved it should remain in force for a substantial time, with seven or ten years as a minimum, since the arguments against too frequent change in this sphere are overwhelming. The re-classification will not in any way weaken the comparison of the estimates with their predecessors, and there is definite gain in having expiring war-time services brought into a final group at the end, destined to disappear completely when the obligations under the various heads are eventually discharged. The broad object of the re-classification is to make the estimates present a clearer picture of the services to which public funds are appropriated; in substance it may be said that this object is achieved. The Government approval is limited in character; the Treasury and the Public Accounts Committee regard the step as valuable in its way; and the re-classification will, therefore, take effect in the near future. The next task is to persuade the rank and file of Parliamentary membership to understand the nature of the change, and co-operate to make the review of expenditure by the House of Commons much more efficient than it can claim to be in existing conditions.

American Cotton Crop.—Our Manchester correspondent writes:—The Crop Reporting Board of the Department of Agriculture at Washington has published statistics as to the position of the American cotton crop on July 16th. The condition on that date is given as 70.7 per cent. of normal, against 75.4 per cent. three weeks earlier and 70.4 per cent. at the same time last year. The indicated crop is now 15,368,000 bales, against the estimate of 15,635,000 bales on June 25th. The final out-turn of the crop will depend upon whether the various influences affecting the crop during the remainder of the season are more or less favourable than usual. If developments during the remainder of the season are as unfavourable as during 1921, 1922, and 1923, a total production of

about 13,476,000 bales might be expected. On the other hand, if later developments are as favourable as during 1924 and 1925, a total production of about 16,628,000 bales might be expected. The Bureau in a supplementary report says that nearly all States have recently experienced favourable conditions for plant growth, but as a result of the late start, cool nights, and the loss of early bloom through widespread ravages of the cotton hopper, much less fruit than usual sets. This leaves crops more exposed than usual to late weevil damage, which may prove a serious menace in a number of States should weather conditions be favourable for developments of these insects. Although there is the promise of another big yield, prices have advanced during the last few weeks. On June 30th the quotation for middling American on the spot in Liverpool was 9.30d, whilst on Tuesday last the figure was 10.11d. Lancashire spinners are always slow to believe adverse news from America with regard to the crop, but according to cable advices there has been decidedly more activity during the past fortnight in manufactured goods in the United States.

Northern Ireland's Trade.—The Irish Free State trade statistics for May, which were published at the end of last week, show an adverse balance of £1,331,000—the smallest since November of last year. The total excess of imports over exports during the twelve months ended May, 1926, was £17,740,000. The very large adverse balance shown by the southern portion of Ireland upon a total trade of just over £100,000,000 arouses interest in the position so far as the six counties are concerned. Unfortunately, writes a correspondent, it is only with difficulty that the trade position of Northern Ireland can be ascertained, and the only year for which even an approximate idea of the trade balance can at present be arrived at—by the combination of statistics obtained from a number of sources—is 1924. Since Northern Ireland and Great Britain form a single unit for fiscal purposes, Customs entries are not required in respect of the trade between the two countries. Very valuable statistics of the cross-channel trade, however, are collected by the Ministry of Commerce from the various port authorities. The returns only relate to quantities, but values are assessed. In addition, particulars are obtained from the Customs authorities regarding the direct trade between Northern Ireland and foreign countries. In 1924 it was estimated that the total sea-borne imports of the province amounted to £58,911,000, and the sea-borne exports to £57,801,000. The figures for 1925, as given by Mr. H. M. Pollock, the Minister of Finance, in his Budget speech, were imports £59,500,000, exports £60,000,000. The estimated value of the principal imports in 1924 were: cotton goods, £6,961,000; maize, £3,377,000; flax, £2,838,000; coal, £2,442,000; wheat flour, £2,025,000; machinery, £1,904,000; woollen goods, £1,451,000; and boots and shoes, £1,363,000. In the case of exports, the predominant position occupied by the linen industry in the life of the province is shown by the value of the linen goods exported, which amounted to £18,413,000 in 1924, in addition to linen yarn valued at £1,962,000. The value of ships built and repair work done for owners outside Northern Ireland was £4,191,000. Other principal items in the list of exports were live stock, £4,988,000; cotton goods, £4,715,000; whisky, £3,292,000; eggs, £2,184,000; thread, £1,577,000; machinery, £1,475,000; and bacon and hams, £1,459,000. These figures, in respect of both imports and exports, include goods consigned to and from the Irish Free State via Northern Ireland ports. In the case of live stock and eggs this transit trade is considerable, but in the case of other commodities it does not appreciably modify the figures given above. The statistics suggest that an improvement in the linen and shipbuilding trades would speedily be reflected in a substantial increase in exports. The value of the total overland trade between Northern Ireland and the Irish Free State, as shown by the annual statement of the trade of the United Kingdom for 1924, was as follows:—Imports, £9,916,000; exports, £7,395,000. In addition, there is a transit trade between Northern Ireland and places outside Ireland, principally to Great Britain via Greenore, which, according to the

Trade and Shipping Statistics of the Irish Free State, amounted to £380,000 inward and £509,000 outward in 1924. The result is to show total imports amounting to £69,207,000, and total exports amounting to £65,702,000. Particulars regarding the coasting trade between Northern Ireland and Irish Free State ports have not been published, so that the position remains indefinite. If this coasting trade is ignored, however, the statistics available show an excess of imports amounting to three and a-half million pounds. The question of invisible exports remains. Addressing the Ballymoney Chamber of Commerce some 18 months ago, Mr H. M. Pollock stated that he estimated the invisible exports of the province exceeded two millions pounds annually.

Austrian Bank Balance-sheets.—The gold balance-sheets for 1925 of eight of the Austrian banks, including the Kredit-Anstalt, the Boden-Kredit-Anstalt, the Länder Bank and the Wiener Bankverein, show a substantial decline in receipts, and practically no change in total expenses, in comparison with 1913, the aggregate net profit being 27.8 million schillings for 1925, against 129.8 millions for 1913. Salaries, pensions, and current expenses were 90 millions, against 64.3 millions in 1913. The aggregate balance-sheet figures compare as follows:—

	(Million Schillings.)	1913.	1925.
Capital	1,009	....	233
Reserves	516	....	104
Deposits and creditors	4,688	....	1,993
Total liabilities or assets ..	7,544	....	2,397
Bills	1,379	....	244
Cash	168	....	69
Securities	357	....	117
Participations	348	....	159
Debtors	4,156	....	1,703

The ratio of liquid assets, bills and cash to total liabilities varies considerably among the different banks, being highest—21.3 per cent. in 1925, against 23.7 in 1913—for the Länderbank, and lowest—8.7, against 19.7 per cent. in 1913—for the Kredit-Anstalt.

The Stock Exchange and Vendors' Shares.—The Stock Exchange Committee at their meeting this week decided to confirm their decision, reached three weeks ago, to delete the rule which ran:—

The Committee will not allow dealings in shares or securities issued to the vendors, credited as fully or partly paid, until six months after the date on which permission was given for dealings in the shares or securities of the same class subscribed for by the public, but this does not necessarily apply to reorganisations or amalgamations of existing companies, or to cases where no public shares are issued, or to cases where the vendors take the whole of the shares issued for cash.

Various sequelæ have also been deleted, and the rule book is now shorn of provisions that were placed there after discussion, within the committee room and outside of it, which aroused the keenest interest and no slight amount of heat. The deletion, writes a Stock Exchange correspondent, occupied far less attention than did the original passage of the rule. Stock Exchange men are agreed that the rule has become out of date, and, therefore, in its present shape, superfluous. When it was passed the now common practice of "offering" shares by a bank, corporation, company, or private firm had not attained the popularity that is now its vogue. Shares were either offered on a prospectus, or were introduced by the ordinary methods of market-making. The sale of an issue by a company to an intermediary party who passed on the shares to the public was not unknown, but it was seldom employed in the case of a public offer. The vendors' shares rule was introduced in order to stop certain obvious abuses that were inevitable if vendors had the right to sell their shares immediately a market started in those which were subscribed by the public. The intermediary stepped in, bought the whole issue, and, bound by no Stock Exchange rule as to vendors' and public shares, re-sold the total amount through the medium of that offer of shares wherein certain prospectus protections became conveniently shelved. The Stock Exchange

Committee have been faced with two alternatives, and they have chosen the easier course of deleting, rather than of tightening, rules that, in their current form, were obsolete. By some critics the committee are charged with a retrograde policy in this matter that will open new avenues to undesirable innovations. Attention has been drawn on several occasions in these columns to the greater risks run by the public in buying shares upon the strength of an "offer" instead of a proper prospectus. The Stock Exchange Committee's technical requirements, in the way of documents, &c., are no less exacting in the former case than they are in the latter. Whatever defence this may allow to the "offer" of securities, the practical business man knows that the prospectus information, from the public standpoint, has to be more ample and explicit if the public support—save in the case of Government and similar issues—is to be obtained. The Stock Exchange Committee could have fortified, had they chosen to do so, the rules relating to transactions in vendors' shares, and the austere-minded maintain that this is the course dictated by regard for public safety. Time alone can demonstrate whether the forebodings of the critics are justifiable, or whether the committee have acted wisely in abolishing an obstacle set up to check questionable methods, now that more modern methods have shown the ease with which financial traffic can drive a gyratory route around it.

The Vegetable Oil Industry.—The returns relating to the vegetable oil industry of Great Britain reveal the somewhat significant fact that in the past six months a substantial decrease in the imports of oilseeds, nuts, and kernels was accompanied by a marked increase in the quantity of vegetable oils imported from abroad. Thus, while the oilseed crushing and extracting mills have dealt with a smaller bulk of raw material and produced less oil, the consuming trades apparently have relied to an increased extent upon the imported article. The gross imports, according to the Board of Trade figures, were 791,367 tons of oilseeds, &c., as against 933,458 tons in the corresponding half of last year, a decline of 142,091 tons, equal to 15 per cent. Linseed at 184,026 tons showed an increase of 30,000 tons, but cottonseed at 306,807 tons was 6,400 tons down, and soya beans at the very low figure of 28,056 tons were over 84,000 behind. Imports of all other oilseeds were lower, and nuts and kernels at 232,792 tons were 53,500 tons lower, or, adjusting re-exports, 50,536 tons less than at the same date last year. Whatever may have been the influence of the general strike and the coal stoppage upon the British oilseed crushing industry, the falling-off in soya beans and nuts and kernels coincides with greater activity in these articles, more particularly palm kernels, in Continental mills. At the same time, we imported 22,226 tons of soya oil, the equivalent of 200,000 tons of beans, which in earlier years would probably have been crushed in English mills. Now that it is possible to ship the oil in bulk in the water ballast tanks of steamers homeward bound from the Far East, it is not difficult to understand this development, though so long as there is a good market, as there is, on the Continent for the cake or meal produce, beans in this case will continue to be imported into Europe. The net imports of refined and unrefined vegetable oils into the United Kingdom in the six months totalled 95,671 tons, against 84,854 tons, an increase of over 10,800 tons. The principal items, beside soya oil, were palm and coconut oils, in addition to which there figured fairly large imports of linseed, cotton, and rape oils, these latter three affording evidence of the keen competition of mills in Holland and Belgium in our home market. This, however, has not been so keen of late. A specially notable feature has been the greatly-increased amount of linseed absorbed by the Continent this season. The shipments from Argentina, India, and the Baltic, the principal exporting countries to Europe from January 1st to the middle of July was not less than 937,150 tons, of which about three-fourths will go to the Continent. The total is 50 per cent. in excess of a year ago, and with 274,000 tons shipped to the United States and 18,000 tons to Canada and Australia, the aggregate world shipments were thus just over 1,230,000 tons, leaving an estimated balance to be exported over the

remainder of the year of 680,000 tons, against about 700,000 tons shipped in the same period last year. Lower prices of linseed, and, therefore, of the oil product, seem to have given a good stimulus to demand. The export trade in vegetable oils from this country in the half-year showed a satisfactory increase of over 8,000 tons, the total of refined and unrefined being 72,599 tons, as against 64,489 tons.

British Investments for Non-Residents.—The general increase in taxation since the war in practically all countries has not encouraged the investment of money in British securities by non-residents. The severity of income-tax, of course, varies considerably. At the same time it is not difficult to appreciate the reluctance of foreign investors to take up British securities on which they would have to pay British income-tax as well as having to contribute towards the national exchequer in their own country. At the same time we do not think it is as fully realised as it might be that there is a large number of British securities available on which non-residents would not be liable for tax here. It is with pleasure, therefore, that we learn that Messrs Frederic C. Mathieson and Sons have just issued a small pamphlet giving full particulars of these securities. It should, however, be made perfectly plain, in the first instance, what exactly is meant by the term "non-resident." Apparently, say Messrs. Mathieson, a non-resident is "a person who does not reside and has no intention of residing in Great Britain or Northern Ireland for some time. If, however, a person has resided in the United Kingdom for more than half of the income-tax year.....the Inland Revenue will endeavour to obtain the tax for that year....." The securities available to these persons range from the 5 per cent. War Loan to a lengthy list of commercial and industrial, mining, railway, financial, land and investment, banking, and British Colonial issues. Non-residents can obtain interest without deduction, or recover if income-tax is deducted, in the case of Colonial and foreign Government and corporation loans and Indian Raj and Zemindary issues, and dividends and interest on holdings in Indian, Colonial and foreign companies, which are duly paid through agents in London, and so they can escape the tax altogether. In the case of American railway loans, these are liable to American taxes, and this income-tax is rather troublesome; if the income from this source is small, foreigners to the U.S. do not have to pay tax if they make a declaration as to the amount of United States income. Some American securities pay interest which are not liable to income-tax, but which may be liable to surtax. With regard to mines, South African companies pay a profit-tax, which is reckoned as income-tax by British Inland Revenue authorities; this tax is, however, levied in such a way that it allows for the amortisation of the capital spent before the profit-tax is charged. It is an allowable deduction in carrying on the business, and is not reflected in the dividend, on which no relief can be claimed, however small a person's income.

Life Assurance Benefits Extended.—The directors of the Clerical, Medical and General Life Assurance Society announce some interesting changes in office practice which will be to the benefit of policyholders. In the first place it has been decided to grant intermediate bonuses in respect of premiums paid during the current quinquennium, 1926-31, on all participatory policies which have acquired a surrender value and are surrendered before June 30, 1931. The effect of this upon the society's "prime cost" or discounted bonus policy is that all current arrears of premium will be repaid out of the intermediate bonus, thus leaving the ordinary surrender value to be paid in full. The directors have also decided that in times of peace, and, except in very special circumstances, they will issue whole-world and unconditional policies to all English officers holding His Majesty's Commission in the Royal Navy, British Army, whether at home or abroad, and in the Indian Army without extra premium. For most parts of the world the directors will grant to civilians whole-world and unconditional policies without extra premiums, or at extra premiums on a very reduced scale. No extra

premium, for instance, will as a general rule be imposed upon officers in the mercantile marine, mining engineers, coal mine officials, or civilians holding good positions in India and the East.

United Dominions Trust.—The affairs of the United Dominions Trust are mainly of interest because of the fact that the undertaking specialises largely in financing purchases of motors and other engineering products on the deferred payment system. The company is run on lines similar to those of many of the American finance companies, which at the moment appear to be one of the features of the commercial activities of the U.S. The composition of the directorate is also not without interest. Sir Edward Mountain, of the Eagle, Star, and British Dominions Insurance Company, and Mr F. R. A. Shortis, vice-president of the Guarantee Trust Company, is an interesting combination. Recent estimates in the *Economist* (June 5, 1926, p. 1084) as to the extent to which the deferred payment system had developed in this country, indicated a comparatively new phase of our economic life. Sir Edward Mountain, at the annual general meeting, mentioned that during the year the company had provided banking facilities to the engineering and allied trades, especially to the motor trade, which had made possible the movement of a considerable volume of merchandise. This service had the effect of liquidating stocks which otherwise might have remained frozen in the factories, and had enabled the machinery users to procure new and needed equipment, and that, in turn, had its effect on other industries. It is reasonable to assume that the company has an extensive field for profitable exploitation in front of it.

Oversea Correspondence.

UNITED STATES.—MARKETS—INDUSTRIAL SITUATION—OIL.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 21.

ALTHOUGH the security market is experiencing a reaction at the moment, it is doing so only after a further show of strength, during which its leaders, General Motors and United States Steel common, made new high records for all time, the former at better than 170 and the latter at 145. Sentiment still remains predominately optimistic, the reaction, which so far is moderate, having been anticipated on technical grounds. Meanwhile, with the early July settlements past, short-time money has been growing cheaper, as is consistent with the seasonal tendency. Call loans on the Stock Exchange were renewed at 4 per cent. yesterday and to-day, and this kind of money was obtainable outside the Exchange for $3\frac{3}{4}$ per cent. There has been a slightly firmer tone in the time money market with regard to the more distant maturities, such as six months, this firmness apparently reflecting an expectation that active trade later in the year may make larger demands for commercial accommodation; but the earlier maturities still are obtainable at $4\frac{1}{2}$ per cent.

Meanwhile, industrial news continues good, or, at the least, is better than had been expected. The steel industry continues to receive orders and to operate at higher rates than had been hoped for, the mills as a whole still keeping up close to 80 per cent. of capacity. Steel prices show no signs of weakness. The showing is distinctly encouraging in the middle of the summer season, and particularly so in view of the fact that the railroads, which are prosperous and well supplied with funds, have not started their autumn buying campaigns. Public buying of automobiles, although affected by the season, remains extraordinarily good. Thus the General Motors Corporation's dealers sold 117,000 vehicles to the public during June, and while this figure compares with the record-breaking total of 141,000 for May, it is greatly in excess of the figure of 75,000 for June a year ago, and of the 65,000 for June of 1924. Incidentally, the General Motors statistics show that the proportion that closed

cars make up of the corporation's sales has risen from 19 per cent. in May, 1922, to 59 per cent. in May, 1925, and to 79 per cent. in May of this year.

As to the general outlook, the statisticians and business prophets, who became bearish in the first quarter of the year and predicted reaction in the second quarter, are now hedging on their prophecies of recession. Most of them admit that business prospects for the third quarter are good, and while some of them predict reaction for the fourth quarter, some have swung all the way around and are frankly bullish. Meanwhile, the index of wholesale commodity prices prepared by the Bureau of Labour Statistics continues for June the indication of greater stability that it gave in May. The average level rose 0.4 of 1 per cent., as compared with a rise of 0.3 of 1 per cent. shown by the May figure. The various groups shared the stability shown by the index as a whole. While the indication of this index is slightly different from that given by the Dun and Bradstreet indices, which are made up for the first of each month, and which have shown slight recessions during the past two months, it should be noted that the Bureau of Labour Statistics index is the best weighted, and that all three indices point to greater stability after the decline that began toward the end of last year and ran rather fast during the first quarter of this year. It also may be noted that wheat prices now are showing greater strength, partly in reflection of the idea that the Canadian crop will not be excessive, and that cotton is rallying on weather reports and a belief that the impending Government crop report will show a material reduction in the predicted yield.

Weakness of a moderate character in oil shares during the past week has reflected the unsettlement produced by the reduction in the price of Pennsylvania crude (which was not broadly significant), fears of new pools, and, perhaps, the weak character of the following that the oils seem to attract. At the moment fears over the stability of the price structure of petroleum and its products seem not particularly well founded. The mid-Continent crude market seems still firm, and while stocks of gasoline are large, consumption is extremely so. Reports were circulated last week that the Standard Oil Company of New Jersey was about to retire its \$200,000,000 issue of preferred stock, an operation that would require \$230,000,000 in cash. These reports, which have been current from time to time for a year or so, are premature. The directors of the company undoubtedly would like to retire their preferred stock, which carries a 7 per cent. dividend, and probably hope to do so at some time. However, it is well known that the Jersey company has no love for bonded debt, and the flotation of bonds to retire the preferred stock is quite improbable.

FRANCE.—THE NEW GOVERNMENT—M POINCARÉ'S PLANS—NEW FINANCE BILL—FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

PARIS, July 28.

THE best evidence that could be desired as to the effect of the advent of the new Poincaré Government is that as soon as it became known last Thursday that the ex-President of the Republic had consented to attempt to form a "Ministry of National Unity," the franc once more began steadily to improve. The actual announcement of the names of M. Poincaré's Cabinet gave the franc a further sharp fillip, and, before the new combination for the first time faced the Chamber on Tuesday, exchange rates showed an improvement of close upon sixty points. The effect of the change of Government on the franc has been shared by practically every aspect of the nation's activity. Confidence is obviously returning to a substantial extent, and all parties—with the exception of the Socialists—appear determined, for the immediate future at least, to ignore purely party squabbling, and to work together for the national weal. The first trial of strength between the new Government and the Opposition yesterday resulted in a division on a vote of confidence, which may be regarded as indicative of the probable outcome of the detailed discussion of its finan-

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cial proposals. The Government, in a House of 489, secured a majority of 227 (358 against 131).

With a view to expediting Parliamentary business, a long list of very desirable new rules of procedure was hastily brought into existence a few days ago, among them being regulations to limit the loquacity of deputies, which has been the cause of so much futile eloquence in the past. These will operate very much on the lines of those with similar objects which are in use in the House of Commons. The Government brought one of the most important of these into operation for the first time when it proposed that the discussion of its financial proposals shall be regarded as a matter of "extreme urgency," which the House approved by 418 votes against 31. On this occasion the Socialists abstained *en bloc* from voting, the minority including the 28 Communist deputies. The prospects are, therefore, that the Chamber is at last determined to settle down in earnest to the solution of the problem of financial restoration.

The Government's new financial proposals "for the creation of new fiscal resources and the endowment of a *caisse d'amortissement*" were made public yesterday, and it is expected that the Finance Commission will find itself able to complete its consideration of them within a maximum of six hours this evening, so that the discussion of them by the full House may begin forthwith. The detailed proposals indicate that M. Poincaré has by no means based his plans for financial restoration on the recommendations recently presented by the Committee of Experts. The experts laid down that stabilisation of the franc is the first condition of financial restoration, and the whole of their recommendations were based on this. "Without stabilisation," they reported, "neither equilibrium of the Budget nor of the Treasury can be attained," and they insisted that stabilisation of the currency can only be attained by the aid of foreign credits and the utilisation of the gold reserve. The Poincaré Government, on the contrary, take the view that the fall in the value of the franc is merely a consequence of other evils (the flight of capital, bad management of the national taxation and fiscal policy, &c.), and that if these evils are remedied, confidence will return, and the franc will in time right itself. France asks for sound money, and M. Poincaré insists that if the taxpayers will provide sufficient money to place things on a level keel once more, and the France that saves and the France that works will both put their shoulders to the wheel, sound money will automatically return. The experts based their conclusions on purely technical grounds; M. Poincaré has decided to base his policy on moral and psychological factors. He proposes to ask for the immediate imposition of 5,000,000,000 of additional taxation (in supplement to that legalised by the 1926 Budget Act), and for further drastic reductions of expenditure. He rejects absolutely all question of a moratorium, consolidation of existing debt or further inflation, and he calculates on restoring the franc by "a stricter and more skilful fiscal policy." By these means he expects to obtain, at the same time, security for the Treasury and super-equilibrium of the Budget.

The preamble of the new Finance Bill sets forth that the sole object of the measure is to restore internal credit, which is the first condition of all attempts at currency restoration. To achieve this, Parliament must (1) completely balance the Budget, (2) undertake immediately the amortisation of the public debt, and (3) vote the

measures necessary to attract or retain capital in France. "The currency malady from which France is suffering," the Bill declares, "is not the outcome of an adverse balance in foreign trade.....but due to the continual flight of capital. This hemorrhage must be stopped before everything." The flight of French savings abroad is undoubtedly due, the Bill insists, to the instability of the currency, to the excessive scale of certain taxes—notably the general income-tax, the succession duties, and the transfer duties on securities—and the abuse of vexatious and inefficient methods of control. This was the view taken by the Committee of Experts in their recent report.

The detailed proposals set forth in the new Finance Bill are admittedly only a first instalment, and other economic, financial, and currency proposals are to follow in due course. In the first clause of the Bill the Government asks for powers immediately to effect by decree substantial economies in the administrative services, down to December 31st next, "by suppressions or fusions of employments, of establishments, or of services." In view of the fall in the value of the currency, the Government asks power to increase specific fixed duties to a degree not exceeding six times the tariffs that existed on July 1, 1914 (with the exception of the sale price of tobacco, which must not exceed four times the pre-war price). Substantial increases are proposed in the Excise duties on beers, wines, &c. (but not on spirits), and in the taxes on railway tickets and goods traffic and on motor-cars and maritime transports. The tax on turnover is raised to a uniform level of 2 per cent. *ad valorem* on all internal transactions, and to 1.30 per cent. all round on exports (on which the turnover tax now ranges from .20 to 1.30 per cent., according to category). The tax on income from securities is increased by 50 per cent. while that on income from foreign securities (*non-abonnés*) is raised from 18 per cent. to 25 per cent. (*sans décimes*). Reductions are proposed in the annual transfer tax on certain categories of securities. The incidence of succession duties is completely recast, on the basis of considerably reduced duties in cases of direct successions and marked increase when property passes into the possession of distant heirs, the proposed rates varying from 7½ per cent. in the case of an estate of 500,000 francs passing to a direct descendant in the first degree to 35 per cent. where the inheritor is unrelated to the testator or related only in the fourth degree. Income-tax rates are revised in detail according to category. An additional 660,000,000 francs is asked for in connection with military and civilian pay, 400,000,000 francs to provide for "foreign debt charges not covered by special revenue," and an additional 961,250,000 francs to meet interest on the floating debt of the Treasury. The greater part of the increased revenue provided for, it will be seen, is to be drawn from indirect rather than direct taxation.

The foreign trade returns for June show that this aspect of the nation's economic life continues unsatisfactory and that the country is continuing to purchase more than it is selling. The month's exchanges disclose a total deficit of 509½ million francs (as against 630 millions in May, 150 millions in April, and 75 millions in March). The adverse monthly trade balance, which began to show itself in July, 1925, has now continued for exactly twelve months. The total excess of imports over exports for the first half of 1926 amounted to 2,691,415,000 francs, as against a surplus of exports amounting to 2,570,114,000 francs during the corresponding period of last year. The detailed figures are as follows:—

	First Six Months of		Increase in 1926.
	1925.	1926.	
Imports—	Francs.	Francs.	Francs.
Foodstuffs	3,780,785,000	5,219,593,000	+ 1,438,808,000
Raw materials	12,637,406,000	20,349,207,000	+ 7,711,801,000
Manufactured goods ..	2,592,213,000	3,845,516,000	+ 1,253,303,000
Totals	19,010,404,000	29,414,316,000	+ 10,403,912,000
Exports—	Francs.	Francs.	Francs.
Foodstuffs	1,686,474,000	2,199,957,000	+ 513,483,000
Raw materials	5,903,202,000	7,541,674,000	+ 1,638,472,000
Manufactured goods ..	13,990,842,000	16,981,270,000	+ 2,990,428,000
Totals	21,580,518,000	26,722,901,000	+ 5,142,383,000

The total exports during June amounted to 4,671,554,000 francs, as against 3,484,233,000 francs in June, 1925, while imports totalled 5,180,955,000 francs (as compared with 3,124,373,000 francs). In view of the chaotic situation created by the continued fall in the franc, the real position may perhaps be gauged best by the fact that exports during the past six months have had a tonnage of 819,453 tons more than during the corresponding period of last year, while imports increased by 565,234 tons only. In other words, while the quantity of exports increased during the six months by 5½ per cent., their value rose by about 24 per cent., whereas the weight of goods imported increased by less than 2½ per cent., while its value rose by about 55 per cent. The figures indicate that, not only is there now a serious adverse balance in the "visible" exchanges, but that, owing to the franc having fallen 40 points during June (from 139 to 179), the payment received for many of the consignments exported must have been insufficient to provide for the replacement of capital.

GERMANY.—CREDIT—PRICES—INDUSTRY—FUSIONS—CROPS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 27.

THE Cabinet has prepared a Bill to regulate the use of Article 48 of the Constitution. This may be considered a final act in the liquidation of the inflation process. The Article, which empowers the President of the Republic—in practice the Cabinet—to issue ordinances overriding the Constitution in case of emergency, was liberally used for the extra-parliamentary regulation of currency and financial questions connected with the mark depreciation, and was even used to regulate the Valorisation problem. Very often it was illegally applied, but this abuse of authority, though protested against, was tolerated on grounds of expediency. For such applications there is no longer any excuse, and the Article will be reserved for the emergencies contemplated when it was drafted, that is, in the main for civic disturbances. An agreement between the Republic and the interested States for completion of the Mittelland-Canal has been come to. The works include completion of the chief canal (Peine-Burg), with the following parts of the southern approaches:—Canal from Leipzig to Kreypau, canalisation of the Saale from Kreypau to Halle, a branch canal Bernburg-Leopold-Stassfurth, and a branch canal to Brunswick. By the execution of this plan will be settled a controversy dating from 1886, which arose from opposition by Junker agricultural interests, and which for years was Prussia's most important internal problem.

Money is still very plentiful. Good borrowers can get day-money at 3 per cent., month-money at 5 per cent. Prussia's issue of 40,000,000 marks of 6½ per cent. Treasury bills was overbought. The banks, being unable to obtain sufficient short-term investments, have been buying bills abroad. Supplies of exchange have come in from the realisation of foreign loans. The Government is granting a new credit of 100,000,000 marks to the Railways' Corporation for bridging and permanent ways and possibly for electrification. Before the issue in June of 150,000,000 marks Railway Corporation Preference Shares, the Republic had given a temporary credit of 100,000,000 marks, most of which had already been spent on new locomotives and on the permanent way. The 150,000,000 marks from the Preference Shares will be partly used for electrification of the Berlin urban railways. The Gold Discount Bank, which has already advanced 250,000,000 marks to agriculture, is reported to be about to advance a new 100,000,000 marks for terms of three to five years, in order to enable farmers to convert their bank debts into mortgages. Deposits in all German savings banks at the end of May totalled 2,258 million marks, practically all of which has accumulated since the currency stabilisation. Belated figures, for Prussia only, show that credit was more rapidly restored after the stabilisation than is believed. New mortgages in the cities in 1924 totalled 2,665 million marks, against 705 millions in 1913; in the country 1,346 millions, against 787 millions.

The cost-of-living index (100 in 1913-14) for June was 140.5, against 139.9 in May, and a high point of 145 in August, 1925. The wholesale prices index on July 21st was 126.3, against 128.1 on July 14th, and 134.8 average for all July, 1925. A law rescinding the ordinance against high prices has come into force. Some parts of this exceptional legislation were earlier abolished. Traders in food-stuffs are still compelled to take out licences.

The labour market has undergone no material change. Unemployed on July 1st numbered 1,742,567, against 1,750,000 on June 15th. The coal situation is very satisfactory. The last week recorded shows an average daily output on the Ruhr of 366,596 metric tons, the highest for a long time. The daily average for 1913 was 379,840 tons. In June, coal output in all Germany was 11,756,386 tons, as against 9,890,607 tons in June, 1925, and 11,794,143 tons in the same area in 1913. (Saar output in all years excepted.) The respective figures for the first half-years were 65,746,086, 64,564,584, and 69,878,503 tons. With exception of pig-iron, the iron and steel situation has improved. The Ingot Steel Syndicates companies are producing to the full 67½ per cent. of their output capacity, whereas a month ago they had only enough orders for their 65 per cent. ration. The Pig-iron Syndicate retains unchanged in August its prices and selling conditions. The new French franc collapse has intensified competition in pig. The scrap-iron market is more active, with rising prices. The increasing adoption of gold-pricing by French and Belgian firms will, it is expected, put an end to "exchange dumping" in the West. The English demand for semi-finished material has increased; home orders for railway material have also increased, as also export trade in heavy rails. The bars (home and foreign) and sheets markets have improved. German producers of thick sheets have gained from the fact that the low franc exchange has brought French and Belgian works orders in excess of their capacity. The recent Wire Industries agreement has resulted in a rise of prices. Steel Syndicate prices, also Tubes Syndicate prices, are unchanged. The output of pig-iron in June was 720,081 metric tons, against 736,206 tons in May, 1926, and 941,201 tons in June, 1925. Output in the first half of 1926 was 4,161,974 tons, against 5,571,878 tons in the corresponding half of 1925. Exports of coal in the first five months of 1926 were 6,551,885 tons, against 1,900,274 tons imports. Exports of iron and steel and wares thereout in the five months were 2,085,288 tons, against 378,090 tons imports. Exports of machinery were 185,040 tons, imports 15,129 tons. The coal export figures do not include Reparation deliveries. Those who remember the prophecies of five years ago—that Germany must lose her economic self-sufficiency as a result of the Versailles Treaty—find these figures very satisfactory, though it is true that the foreign trade balance and foreign payment balance would be much more satisfactory if Germany had not lost so much iron and coal.

The International Tubes Syndicate between Germany, France, Luxemburg, and Belgium has been formally perfected to date for three years from June 1st. Separate syndicates of the different territorial groups will conduct all selling, and while the respective quotas in the total sales will be regulated, no central selling organisation will be created. The existing Continental agreement with Czechoslovakia is brought into the syndicate. As a result of the agreement the prices of tubes have been put up. The Steel Trust (*Vereinigte Stahlwerke A.-G.*) has purchased for about 20 million marks the Rombach Company's smelting establishments in Bochum, Engers, and Rendsburg. The trust has concluded with the Stumm concern a leasing agreement, with power, it is understood, to buy the Stumm's works at any time within the lease term of 30 years. Many cartels, fusions, agreements, and price-conventions are reported in other branches of industry.

Further heavy rains and violent local storms have caused apprehensions as to the crops. But while it is stated that 125,000 hectares of agricultural land have been flooded, only a small part of this area was under grain crops, and no harm at all has been done in districts where the hay crops were already got in. It is stated that the

quite exceptional floods will not materially influence the total crops. Fodder crops are reported to be particularly rich. The grape and fruit crops were damaged by frost in May, and are considered unsatisfactory.

The Bourse last week was unsettled, and the average stock quotation fell slightly. The only stocks in great demand were banking, which continued to rise. The high-priced speculative stocks mostly stand 8 to 15 per cent. below their highest levels, which were reached at the end of June. This reaction is fully normal in view of the uninterrupted two-months' bull movement of May, and June. The inactive stocks, having risen very little, have as a rule receded very little. There is a great disparity between the yields at present prices of different classes of stocks. The Dyes Trust stock, which pays a 10 per cent. dividend, yields at quotation price of 250 only 4 per cent., while small but thoroughly solid private railway and other companies which pay 4 to 6 per cent. dividends can be bought at 50 to 75.

CANADA.—THE GENERAL ELECTION—THE MEIGHEN CABINET—NEW FINANCE MINISTER—CROP CONDITION AND ESTIMATES—THE AFFAIRS OF BESCO—PRICES.

(FROM OUR CORRESPONDENT.)

OTTAWA, July 13.

THE business community regards with feelings akin to dismay the prospect of the second disturbance from a general election within a year, but they will gladly tolerate the inconveniences of what promises to be a peculiarly bitter contest if it provides Canada with a Government possessed of a clear majority and able to pursue definite clear-cut policies. The date of the polling has not yet been announced, but all the parties are busy organising their forces, and candidates are already being nominated. Mr Meighen found the process of Cabinet making no easy task, and the difficulty of reconciling warring factions among the French-Canadian Conservatives has induced him to leave four portfolios vacant of which three will be allocated at a later date to French-Canadians. However, Mr E. L. Pateenaude, who served in the Borden Government, until he resigned over the conscription issue in 1917, joins the Cabinet as Minister of Justice, and Sir G. Perley will represent the English-speaking element in Quebec as Secretary of State. The most interesting appointment is Mr R. B. Bennett's selection as Minister of Finance. Mr Bennett is a very able lawyer, who rose to the leadership of the Alberta Bar, and, after serving an apprenticeship in provincial politics, came to Ottawa in 1911. He was on the verge of Cabinet rank when, differing with the Union Government, he dropped out of active politics in 1917, and he has since devoted his energies to his law practice and some large manufacturing enterprises in which he was interested. He is now rated a very rich man, and, as he is the director of numerous industrial and financial corporations, he will be branded as a representative of "big business," but, on the other hand, agrarian leaders in the West will testify that he was a cordial backer of the co-operative wheat pool movement from its inception, and lent it very useful assistance. He is an excellent man of business, and his varied experience and intellectual equipment ought to ensure his success in his new post. Messrs Guthrie, Tolmie and Stevens all served in previous Cabinets, and Sir H. Drayton, who, owing to poor health, has not taken a portfolio, was Minister of Finance from 1919 to 1921. Mr Black is a wealthy ship-owner from Halifax, and Messrs Chaplin and Ryckman represent the industrial interests of Ontario. The general verdict is that the new Cabinet is highly presentable, but does not possess any commanding strength. There is general regret that Mr Meighen failed in his efforts to enlist the services of some outstanding national figures like Mr Hume Cronyn, a former Liberal, who is now President of the Mutual Life Assurance Company and other corporations; but they feared to embark upon the stormy waters of politics. An attempt was also made to bring back Sir Robert Borden to public life, but he was disinclined to face the ordeal of a contested election, and the Senatorial seat now vacant in Nova Scotia which he would

have accepted cannot be filled until after the general election.

Crop conditions continue to be very variable. In Eastern Canada so far the summer has been abnormally cold and wet, and, while hay and pastures have profited by the abundant moisture, the growth of grain and other crops has been disappointing, and they have not yet made up for their late start. An average yield of fruit is promised, but the weather has been too cool for the important tobacco crop of Western Ontario to prosper. The western grain crop got off to a good start, but the third crop survey of the *Manitoba Free Press*, published on July 10th, records a certain setback. It reports that owing to cool weather in the latter half of June there was very little growth, and that in many districts the wheat crop is heading out on a short straw averaging from 18 to 24 ins. in height. A heat wave in the first week of July did considerable damage, especially in Saskatchewan, and out of 304 reports received from individual points, 54 rate the wheat crop's condition as unfavourable. But within the last few days heavy rains have fallen over wide areas, and helped the situation. Conditions in Alberta are more satisfactory than in the other provinces. The survey also shows the conditions of the coarse grains, like oats, barley, and flax running from fair to good.

These conditions are reflected in the first preliminary estimate of the grain crop of 1926, just published by the Dominion Bureau of Statistics. It places the total acreage planted to wheat at 22,492,000 acres, as compared with 21,972,732 acres in 1925. All of this, save about three-quarters of a million acres, is spring wheat. It forecasts the probable total yield of wheat at 348,626,000 bushels, which is substantially below the final yield of 417 million bushels in 1925, but it is being recalled that the corresponding preliminary estimate last year only forecast a crop of 365 million bushels. The preliminary estimates for the crops of oats, barley, rye, and flax are respectively 458,840,000 bushels, 100,624,000 bushels, 11,762,000 bushels, and 8,419,000 bushels.

Matters have moved rapidly to a crisis in the affairs of the British Empire Steel Corporation. Following the appointment of the National Trust Company as receiver and manager for the Dominion Iron and Steel Company, it is now predicted that similar steps are contemplated for another of the subsidiary organisations, the Nova Scotia Steel Company. The affairs of the corporation are evidently in a difficult position, and although hopes are now being raised that the return of a Conservative Government with a clear majority would mean increased protection for the coal and steel industries of Nova Scotia, the prospect of such assistance is far from certain, and even if it were forthcoming a drastic financial reorganisation could not now be avoided. There is great anxiety in Nova Scotia about the situation, for even the temporary closing of the various plants would mean serious unemployment, and affect the prosperity of the whole province.

Commodity prices show a tendency to decline, the index number of the Bureau of Statistics for June being 155.7 as against 157 for May; although four of the main groups moved upward declines in the other three groups, especially in the vegetable group, which fell from 180.7 to 173.7, were sufficient to send the total index downward. On the other hand, security prices moved upward in June, the Bureau's index figure for 31 industrial common stocks being 187.7, as compared with 182.8 in May, a gain of nearly 5 points. Paper stocks declined from 187.6 to 181.4, but milling stocks rose from 209.6 to 219.6. Ten public utility stocks showed a rise from 86.1 to 88.1. The index number for bonds fell from 107 to 105.1, due to the influence of Dominion Iron and Steel Company bonds. Bank stocks were virtually stationary, but they have been moving upward in a steady climb for the last year, and this process is now being attributed to American efforts to secure substantial interests in Canada. It is rumoured that an investment corporation which is controlled by Dillon, Read and Co. has been a heavy purchaser of Canadian bank stocks. The employment situation is very satisfactory, and the index number for June stood at 101.0, as compared with 94.3 on May 1, 1926, and 94.5, 95.2, and 97.3 on June 1, 1925, 1924, and 1923

respectively. There has also been a very gratifying inflow of immigrants, but it is still doubtful what proportion of them become permanent settlers, for on June 30th it was reported that about 4,000 newly arrived British people were waiting at Windsor, Ont., which lies opposite Detroit, to be on hand for the beginning of the new U.S. immigration year on July 1st, when fresh quotas were started.

The final foreign trade figures for the fiscal year ending March 31st last are now available, and, as given below with comparative figures for the two previous years, show a gain of 377½ million dollars over the total for 1925, and have only been exceeded in the peak year, 1921:—

	YEAR ENDING MARCH 31.		
	1924.	1925.	1926.
Imports	\$ 893,366,867 ..	\$ 796,932,537 ..	\$ 927,402,732
Exports, domestic and foreign	1,058,763,297 ..	1,081,361,643 ..	1,328,537,137
Total trade....	1,952,130,164 ..	1,878,294,180 ..	2,255,939,869

The percentage gain in imports was 16.4, and in exports 22.9 per cent. The favourable balance of trade is computed at \$401,134,405, which is a gain of 116 million dollars over the previous year, and has only been exceeded in the war year 1918. Trade with the United Kingdom was valued at 672 million dollars, which is a gain of 124 million dollars, or 22.8 per cent. over the figure of 548 millions for the previous year; of this gain, exports accounted for 89.8 per cent., and imports for 10.2. The increase in trade with the U.S. was about 159 million dollars, but here imports accounted for 63 per cent. of the increase and exports for 37 per cent.

INDIA.—COTTON TARIFF INQUIRY—JUTE OUTLOOK —INDIAN TOBACCO—MOTOR TRANSPORT.

(FROM OUR CORRESPONDENT.)

CALCUTTA, July 8.

As forecast in my last letter, a special Tariff Board has been constituted to investigate the causes of the present depression in the cotton mill industry, and to suggest the measures which might be taken to restore it to prosperity, and there is fairly general satisfaction with the personnel of the new body as well as with its terms of reference. The attitude of the millowners, however, differs from that of the general public, and may be described as indicating reluctant acquiescence rather than cordial approval, inasmuch as their own programme, which they did their utmost to force upon the Government of India, contemplated an inquiry so shaped and governed that interests of consumers would not have been taken into consideration. In short, their proposal, as expounded in the official proceedings of the Bombay Millowners' Association, was that "The personnel of the committee and the terms of reference should be settled in consultation with the Committee of the Millowners' Association"; "the inquiry should be limited to the mill industry in Bombay"; and, finally, "Government should pledge itself to take action without delay in accordance with the recommendations of the Inquiry Committee." These suggestions the Government of India, quite rightly, declined to consider, the Commerce Member insisting (a) that the personnel must be a matter for the Government of India; as well as all the factors affecting it, and not merely Japanese competition; and (c) that it was quite impossible for Government to pledge itself to accept the recommendations of the Inquiry Committee, though, naturally, it would be quite prepared to give such recommendations the most careful consideration. In summary, while the millowners demanded that their own opinion as to the causes of the present position of the industry should be accepted without further analysis—a packed committee, taking confidential evidence, being appointed solely to frame a new tariff—the Government refused to accept in advance either the millowners' diagnosis or the suggested prescription. In view of a recent communication from Manchester to *The Economist*, it is necessary to attempt to determine to what extent Lancashire interests connived at a proposal which the leading commercial weekly in

India has caustically described as "one of the most indefensible bargains ever suggested to a Protectionist Government."

The proposal outlined was put up to the Government of India in April. Meanwhile, as I indicated by a brief quotation from the Millowners' Association report in my last letter, Manchester and Bombay mill interests had been in consultation, and had agreed on a definite plan of action. In the Millowners' Association report for February it was announced: "Members are aware that the severe but very unfair competition which the cotton textile industry of this country is meeting from Japan, and the measures to offset this competition, occupy the foremost place in the committee's programme of work this year. The whole question was very exhaustively discussed at a meeting of the committee early in February, in which Mr J. H. Rodier, chairman of the East India Section of the Manchester Chamber of Commerce, was also present at the special invitation of the committee. After a prolonged and very interesting discussion, it was resolved: (1) That the present policy of the association should be (a) to press for abrogation of the Commercial Treaty with Japan; (b) to demand additional import duties on piece-goods and yarns imported from countries where labour conditions do not conform to the conditions laid down in the Washington Conventions regarding hours of work, employment of women at night, and minimum age of employment; (2) that a sub-committee consisting of Mr N. N. Wadia, Sir Victor Sassoon, Mr A. Geddis, and Mr H. H. Sawyer be appointed to draft a representation, detailing the association's case for presentation to the Government of India, the Press, and the members of the Legislative Assembly. Mr Rodier stated that he was in general agreement with the policy advocated, and promised that he would place the committee's views before the Manchester Chamber of Commerce on his return to England. He anticipated that Lancashire would give her whole-hearted support to the committee's policy, especially in view of the assurance given to him that the association's policy did not include any intention to increase the import duties on Lancashire goods."

Whether an agreement in such terms, and reached in such circumstances, represents a pact (the phrase to which the Manchester organisation objects), an understanding, or merely an *entente* is of less importance than the fact that it has been definitely agreed that no question shall arise of imposing a higher import duty on Lancashire products. The probable sufferers will be neither the Bombay or Lancashire millowners, who are combining to keep up prices; but, on the one hand, the consumers of mill products, who are to be debarred from buying piece-goods below the Bombay-Manchester parity, and, on the other hand, the handloom industry, which has as large an outturn as the Indian mills, and which stands to lose heavily, in the event of higher duties being imposed on imported yarn, in favour of the dearer and inferior qualities manufactured in this country. Taking the Calcutta market, imports of cotton goods, compared with the preceding year, dropped by Rs. 8 crores, the Collector of Customs, in his annual report, summing up the explanation in the remark that: "The Lancashire mills worked short time and the fixed rates agreed on for sales represented an advance of about 170 per cent. over pre-war prices, which is still considerably above the advance in grain and seed values on which the consumer depends for his purchasing power." It may be added that export trade, however important, reflects the economic condition of so small a percentage of the total population as to form a very misleading test of the purchasing power of the average cultivator. Concerning Japanese competition, the respective contributions to Calcutta's imports of cotton goods in 1925-26 were:—

	United Kingdom.	Japan.	% against % last year.
Twist and yarn	34	56	64
Grey goods	93	6	3
White goods	98	14	1
Coloured goods	69	25	12

According to the official trade report, one advantage which Japan enjoys is that certain of her products, e.g., grey shirtings, striped drills, cotton flannelettes, coarser types of poplin, low qualities of prints, &c., are consumed largely in Japan, only about 10 per cent. of the total pro-

duction being exported to India. She is thus in a position, not merely to ship speculative consignments not covered by contracts, but also to give immediate shipments on cabled orders which from Manchester or Bombay would probably require two to four months of delivery.

A jute crop of about 110 lakhs of bales is expected this season, compared with about 87 lakhs last year. Mills continue to work at a loss in some instances, which points to disappointing dividend declarations in the near future, but it goes without saying that the larger crop will result in the development of an entirely new situation in respect of mill operations in 1926-27. Cultivators and middlemen earned record profits on the crop just disposed of, but prices reached a level at one stage at which mills here or abroad absolutely refused to trade, thus indicating that a limit had been reached at which jute ceased to be a profitable purchase for the varied purposes for which it is usually utilised. This year there should be sufficient jute, at reasonable prices, to meet all requirements, assuming, as we may, that Calcutta mills will remain indefinitely on short time.

A Tobacco Bureau will be established shortly at Pusa (India's chief agricultural experimental station), and, it is hoped, will initiate improvements in cultivation, curing, &c., which, in due course, will enable Indian tobacco to take the fullest advantage of the preferential rate of 1s 6d conceded to Empire-grown tobacco by the United Kingdom. It is considered that the acclimatisation and hybridisation of American tobaccos offer a large field for the improvement of the cigarette tobacco industry in India, and, at the same time, that it is by the cultivation of these types that the export trade can be profitably expanded. The type of leaf required for export is the same as that required for cigarette manufacture, namely, a bright leaf having the colour, flavour, and texture of Virginia.

UNION OF SOUTH AFRICA.—IRRIGATION—MINING SHARES AS ANNUITIES—CENSUS FIGURES— RAND'S FUTURE.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, July 7.

THE statement is made that the Minister of Justice proposes to hand over the control of the Irrigation Department to General Kemp, Minister of Agriculture. When the Pact Government was formed, irrigation came under the Lands Department, so irrigation appears to be the "shuttlecock" of different departments. The *Star* points out that many schemes have been carried out since the first up-to-date Irrigation Act was passed 20 years ago, but the position to-day is both "muddled and dangerous." The Government has put over £4,000,000 into board schemes alone, and its total commitments are between £5,000,000 and £7,000,000. Some authorities put the figure much higher. But its security for all this money is far from satisfactory. Large areas of land which might be irrigated are lying idle, and the cultivated area cannot bear the total water rate necessary to attain a financial balance. There is a loud outcry for deferred rates, lower rates, a writing down of capital expenditure, and so on.

The Irrigation Finance Commission summed up the situation in a sentence: "Where a decade ago the land was crying for water, the land and the water are to-day crying for settlers." Mr F. E. Kanthack, Director of Irrigation some years ago, expressed a doubt whether the total area of land in the Union, potentially cultivable, considering only such land which is good enough to bear the high capital charges involved in bringing it under irrigation, amounted to more than 2 per cent. of the total extent of the country, that is to say, 10,000 square miles out of 473,000 square miles, but some authorities express the view that Mr Kanthack sets a somewhat high standard.

Some life assurance companies, and especially those domiciled in Canada, are pushing annuity contracts, advertising that they can offer over 10 per cent.; this, of course, means with extinction of capital. But a prospective annuitant may do better by purchasing Rand gold-mining shares. For example, Crown Mines may be relied upon to pay 6s a year on 60s, which is exactly 10 per

cent., and the life is a long one, possibly between 25 and 30 years if costs be reduced to the region of 15s, and perhaps so without that proviso. Illustrations used in propaganda frequently take the age of the prospective annuitant at 65. Such a person has an expectation of 11½ years' life on the British offices O.M. table (1893) or 11 years under the English experience No. 8 table. Crown Mines is embarking on a substantial capital expenditure in order to open up the large areas acquired during recent years, but unless anything unforeseen happens should easily stabilise its dividend at 6s per share; this would call for £554,000, whereas 10 months' profits (the usual formula on the Rand, the other two being absorbed by taxation and miscellaneous charges) at current rates would be £880,000. Thus the dividend requirement is only about five-eighths the divisible profit—surely an ample safety factor as regards maintenance of regular distribution. The ore reserve actually developed represents three and a-half years' supply. "Modders" yield 10 per cent. gross (i.e., without sinking fund) and Government Areas the same, assuming a distribution of 8s 6d half-yearly (the June profit was £220,000, of which rather more than half would accrue to the Government). Modderfontein's reserve, after allowing for sorting, presents fully five years' assured supply of ore, and of profits. The actual "lives" of these three mines may be said to average double the expectation of life of a man of 65, and the assured profit period covered by the ore reserve from one-third to half such period. Legatees would have the benefit of all dividends paid subsequently. It would, therefore, seem that, at any rate for a portion of the capital, investment in high-class mining shares should be considered for annuity purposes, though it is recognised that the security is not absolute, as it is in the case of a contract with a first-class assurance company—City Deep and Van Ryn Deep have demonstrated that.

Preliminary results of the Census of the Union for 1926 reveal an increase of 142,900 white persons, equal to 10.06 per cent. in five years. The total white population is 1,672,106. The Cape Province has 704,898, the Transvaal 606,763, the Orange Free State 202,191, and Natal 158,254. Natal shows the greatest increase, 15.65 per cent., the Transvaal 11.64, the Cape 8.39, and the Free State only 7.23. There are 36,208 more men than women. Adult males number 452,270, and these have to bear the bulk of direct taxation, and a substantial portion of the indirect taxation as well. Viewed in relation to population, the taxation is fairly heavy.

The feature of last month's (June) mining returns is the profit of £220,341 secured by Government Areas, a record for this or any other Rand mine, and, one imagines, for any gold mine the world has yet seen. Its superiority over the New Modderfontein is nearly £50,000. With gold at 91s 6d per ounce, a profit of £206,900 was earned in October, 1924. Costs were reduced to 16s 1d on the large tonnage of 200,000, but as they were only 3d higher on the basis of 161,000 tons in January, it is fully expected that when the additional plant is fully "tuned up," and, perhaps, crushing 215,000-220,000 tons, there is a likelihood of their being reduced to the region of 15s 6d, at which point they would "tie" with the lowest rates on the field, even those of companies doing an insignificant amount of development. The ore reserve would be automatically increased by lowering the pay limit from 4 to 3½ dwts.

Much public attention has been evoked by the Government Mining Engineer's report on the Far East Rand, wherein he advocates further leasing of fresh areas either to new companies on the Far East Rand or as extensions to existing concerns, as has been done recently in the case of the Crown Mines. Sir Robert Kotze is of opinion that mines having an annual crushing capacity of 6,620,000 tons will expire after five years, and another set with a slightly larger capacity in the five years, making a shrinkage of 48 per cent. in the next decade or so. In fifteen years' time he expects the annual crushing of the Rand's existing producing mines to be lowered by 82 per cent., or from 28,600,000 tons to a mere 5,125,000. As mines last longer than calculated, he thinks the reductions will actually take place a couple of years later in each case. Of course, the position would be materially altered if new mines were brought into being, but at the present moment there are no developing mines. He con-

siders that the excision of eleven millions sterling in the years' output consequent upon the strike of 1922 created a severe depression, felt in South Africa for at least two years. The depression, owing to shrinkage in mining operations, "will approach and come into being more slowly, but it will not be less certain. If in ten or fifteen years the output is curtailed by half, that means a reduction of nearly £20 millions. Even though we have other and expanding sources of wealth, such a substantial reduction in gold output must have serious effects." Mr H. O. K. Webber (one of the directors of the Barclays Bank (National Bank of South Africa division) urges the necessity of reducing costs all round to the region of 15s a ton. Unfortunately, Sir Robert Kotze is only able to indicate that some 5,932 claims "have a chance of being leased in the near future." Of these 2,373 claims on Grootefontein have been leased to the Sub-Nigel, accounting in large measure for the substantial rise in the price of the shares, though remarkably good development has been equally important, 519 have been sold to the Crown Mines, and 400 leased to New Kleinfontein since the report was framed. This leaves only 2,640 claims in Geduld East, which has been unsuccessfully offered since 1917, none of the tenders being acceptable. It is understood that the Union Corporation's tender of 1922 was rejected as being conditional on the results of investigation, a principle since conceded in the case of the Sub-Nigel.

NEW ZEALAND.—UNEMPLOYMENT AND IMMIGRATION—PRICES—BANK OF NEW ZEALAND.

(FROM OUR CORRESPONDENT.)

CHRISTCHURCH, June 17.

THE advent of winter, together with the development of the financial stringency due to over-importation relative to the lower export values of last season, has resulted in a greater volume of unemployment than the Dominion has experienced since the depression of 1921. There is always a certain amount of seasonal unemployment, usually not enough to cause comment, due to the contraction of farming employment in the winter. The aggravation of this seasonal difficulty by the prevailing financial stringency has attracted much attention in the past week or two. No accurate statistics are available of the volume of unemployment; but the estimates current run into some hundreds in the four chief centres. It is probable that the numbers will increase rather than decrease. The absolute numbers are small, and the general standard of living remains high; but unemployment on a fairly wide scale is unpleasant in New Zealand, and its occurrence excites a degree of concern that would be thought excessive in less fortunate lands. Besides the actual registrations of male workers, there are many indications of lessened employment among youths, and also among women and girls whose family connections are sufficient to maintain them by lowering the pay limit from 4 to 3½ dwts.

Meanwhile the continuing stream of immigrants is exciting a good deal of hostile comment. Normally New Zealand can absorb a quota of immigrants which varies round about 10,000 annually, but those who arrive at a time like the present add considerably to employment difficulties. A large part of the decrease in employment is due to the relatively unfavourable position of the farming, and especially of the pastoral community. Costs, especially the mortgage interest on inflated land values, remain high, and the ruling prices for wool enforce labour economies. The following table, summarised and adapted from the valuable revised index number of wholesale prices recently published by the Government statistician, indicates the difficult position in which the the pastoralist finds himself:—

	WHOLESALE PRICES IN NEW ZEALAND.		
	Group IV. B. Wool, Hides, Skins, Tallow, &c.	Class III. Materials for Farming Industries.	
1919	100	100	
1920	105	124	
1921	49	101	
1922	67	83	
1923	84	80	
1924	104	91	
1925	88	87	
1926 (April)	79	86	

These figures show clearly that with a falling price-level the products of the pastoral industry fall by big jumps ahead of the (mainly manufactured) materials which the pastoralist must buy. The average fall from the 1919 price-level is 16 per cent. for the produce, and only 6 per cent. for the materials. This is a handicap which is intensified in periods of financial difficulty like the present, and accounts in no small degree for the unemployment now being experienced.

The announcement at the present juncture of the very substantial profits made by the Bank of New Zealand is certain to cause criticism, particularly if, as seems likely, a Bill is brought again before Parliament to provide for a further capitalisation of undivided profits. The position of the bank since its reconstruction in 1893-5 is unique. The Dominion Government is its largest shareholder, and appoints the majority of its directorate, including the chairman, as well as the auditors. It is a matter of satisfaction that the bank, which is by far the greatest financial institution in the Dominion, should be on such a sound basis, with adequate reserves and ample liquid assets. But the capitalisation of undivided profits at intervals of three years or so, together with the payment of substantial dividends, and the generous provision of reserves, both visible and secret, in a period when prices are falling, and the primary industries are struggling with heavy mortgages at high interest rates, is sure to arouse hostile comment. Much of this in the past has been ill-informed, and directly mainly to an agitation for lower rates of interest on overdraft, a step that can easily be shown to be full of dangers. The real point of criticism is not in the level of the actual rates, but in the wide margins between lending and borrowing rates for capital, buying and selling rates for exchange, and in similar profit margins. The banks in New Zealand pay no interest on current account, there is a vexatious internal exchange charge, and the margin between the interest paid on fixed deposits and the overdraft rate is obviously wide enough to return substantial profit. There are other banks operating in the Dominion, but the Bank of New Zealand is *primus inter pares*, and could easily take the initiative in making warrantable concessions to its customers along the lines indicated. Under ordinary competitive conditions such concessions would undoubtedly occur, and it is probably only a matter of time before pressure from the farming interests forces the Government either to use its power with the Bank of New Zealand in this direction, or to undertake some alternative and more dangerous form of credit institution such as a rural credit bank or a State bank.

Books and Publications.

WEALTH AND DEBT.*

PROFESSOR SODDY is a very great chemist, and he has come to the conclusion that "the stinging-nettle of economics, boldly grasped, need no longer obstruct the path of the social reformer who would give peace and economic freedom to the world." This is good and great news, but if the Professor means, as he seems to, that anyone who reads his book will find in it the necessary glove for grasping the nettle, he will have to make his meaning much more clear before many of his readers will be able to start with confidence on the provision of peace and freedom. He tells us much that is interesting and suggestive, and much that is open to question. What he calls "virtual wealth" is the aggregate money in a community, which "represents the aggregate value of the wealth which the community prefers to be owed rather than to own." This "negative quantity of wealth," he says, "I term the virtual wealth of the community because the community is obliged by its monetary system and the necessity of having one to act as though it possessed this much more wealth than it actually does possess." Having rambled round the subject in a curious and interesting manner for some 300 pages, the Professor

* "Wealth, Virtual Wealth, and Debt, the Solution of the Economic Paradox." By Frederick Soddy, Professor of Chemistry in the University of Oxford. Allen and Unwin. 10s 6d.

sets out his practical conclusions. He favours what looks like a managed currency regulated by an index number "continuously ascertained by a national statistical authority," but his only novel suggestion is that some £2,000 millions of National Debt should be cancelled and the same sum of national money issued "to replace the credit created by the banks"; and then the banks "should by law be required to keep national money £ for £ of their liabilities for customers' deposits in current account, and only be permitted to lend money genuinely deposited into their keeping by its owners, who give up the use of it for the stipulated period of the loan." It is difficult to see how this proposal could work, and still more difficult to see how banking and business could work after it had been carried out. The suspicion that Professor Soddy has not really studied the system that he proposes to reform is confirmed by his pathetic complaint that "it is a great pity that the exact amount" of Treasury notes "issued does not seem to be publicly known." A large number of the public knows that the exact amount is published, and has been published from the beginning, every week.

BOOKS RECEIVED.

Elements of Statistics. By Professor A. L. Bowley. Fifth edition. (London) P. S. King and Son, Limited, Orchard House, Westminster. 18s net.

A fifth edition of Professor Bowley's standard text-book on the subject, first published in 1901. Certain chapters have been recast, and Part II., which deals with the application of mathematics to statistics, re-written. The whole is intended to form a general introduction to the theory and practice of statistics for all persons whose business is to handle them, or to whom a general understanding both of their utility and limitations is important, and provides an invaluable guide to the theory and practice of statistical method.

Organisation and Scientific Management as Applied to the Coal Industry. With foreword by Prof. W. J. Roberts. Published by the Author, Park View, Port Talbot. 4s, post free.

The author reviews the position and opportunities of those responsible for every step in the process of bringing coal from seam to pit-head, and makes valuable suggestions which may be commended to the attention of those concerned.

Fourth Year Book of the International Federation of Trade Unions, 1926. (Amsterdam) International Federation of Trade Unions.

Printed in three languages, and contains full particulars as to the centres affiliated with the Amsterdam International, the International Trade Secretariats, &c., with a number of useful statistics of world trade unionism.

Towards Socialism or Capitalism? By L. Trotsky. (London) Methuen and Co., Limited, 36 Essex street. 2s 6d net.

The author's purpose is declared to be "to estimate the true value of (Soviet Russia's) economic development." The Marxian State's *apologia pro vita sua*.

An Academic Study of some Money Market and other Statistics. By E. G. Peake. (London) P. S. King and Son, Limited, Orchard House, Westminster. 15s net.

Sets out the results of researches into certain monetary and other statistics, the results falling broadly into two parts concerned respectively with (a) rates of interest, discount and exchange, (b) prices of commodities.

City of Birmingham Financial Statement, 1925-1926. (Birmingham) The Council House.

This valuable review of municipal life and progress follows largely the same lines as in previous issues, and contains the usual fullness of detail on all points. A supplementary volume, "General Statistics and Epitome of the City's Accounts," will be found useful by those desiring a bird's-eye view of the activities of the city of Birmingham.

International Crop Report and Agricultural Statistics. July, 1926. (Rome) International Institute of Agriculture.

The World Race for Trade. Reprinted from articles which appeared in the *Daily Chronicle* between March 9 and June 4, 1926. (London) United Newspapers, Limited, 34 and 5 Salisbury square. 6d.

A spirited reply to criticisms of Britain's trade progress and methods, based on a review of conditions in seven other countries, including the United States, Germany, France, Belgium, and Italy. *Stock Exchange Investments for Non-Residents.* (London) Fred. C. Mathieson and Sons, 16 Copthall avenue. 6d.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Returns of the Capital, Traffic, Receipts, and Working Expenses of the Railway Companies of Great Britain for the Year 1925. £1 1s net.

Contains summary tables relating to all railways in Great Britain (1913 and 1921 to 1925); summary table of railways formed under Part I. of the Railway Act, 1921 (1913, 1924, 1925); details of the financial accounts and statistical returns of the railway companies of Great Britain (1925).

Statement of the Secretary of State for the Colonies explanatory of the Estimates for Colonial Services, 1926, and Middle Eastern Services, 1926. Cmd. 2704. 3d net.

Report of the Royal Commission on Lunacy and Mental Disorder. Cmd. 2700. 3s 6d net.

Annual Report of the Prison Commissioners for Scotland for the Year 1925. Cmd. 2689. 2s net.

Report of the East African Guaranteed Loan Committee Appointed by the Secretary of State for the Colonies. July, 1926. Cmd. 2701. 9d net.

Aliens Order, 1920. Statistics in regard to alien passengers who entered and left the United Kingdom in 1925. Cmd. 2698. 4d net.

BARCLAYS BANK LIMITED.

Head Office: 54 Lombard Street, London

AUTHORISED CAPITAL . . . £20,000,000
ISSUED CAPITAL . . . £15,592,372
RESERVE FUND . . . £9,250,000
DEPOSITS, etc. (30th June, 1926) . . . £304,247,460

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:

168 Fenchurch Street, London, E.C.3.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. August 10. ACCOUNT. August 12.

BUSINESS in the Stock Exchange has been very erratic and patchy. Some of the markets continue to attract a good deal of attention, but the majority of brokers and jobbers admit that they find it difficult fully to employ their energies during business hours. The strength of the gilt-edged section is one of the features, while amongst industrials falls in tobacco shares stand out conspicuously, the decline being occasioned by talk of a "war" between the combine companies and a trio of other manufacturers.

Public demand for the recently-issued scrip stocks of the Colonial and Corporation group has assisted to give a firmer appearance to this list, and the War Loan and other British Government funds have shown a strong disposition. Home Railway prior-charge stocks, however, lack the public's favour, weakness in the market for Home railway ordinary stocks reacting upon securities of the fixed-interest variety.

In the foreign market, the advent of the new Counties of Hungary 7½ per cent. bonds, offered at 98, aroused popular interest, and the subscription lists were closed very promptly. The underwriting commission of 1½ per cent. was easily earned. French bonds have been rising and falling in mercurial manner, and in accordance with the kaleidoscopic changes in French politics. French railway and municipal bonds have followed in the direction set by the Government bonds. Brazilians were again accumulated by their consistent supporters. The recently issued Westphalia Sevens from 1½ premium went back to ¾ premium. Peruvian Corporation stocks are slightly better.

Home Railways are heavy, and the market is very friendly. The Undergrounds kept firm, sustained by expectations of what Lord Ashfield might say at the Underground Electric Railways meeting, held on Thursday in this week. Canadian Railway stocks are better, Grand Trunk Pacific putting on several points and taking Canadian Northerns with them, on a vague hope that the Dominion Government will do some-

thing for the benefit of the bondholders. Argentine Rails moved upwards.

Rubber shares are heavy. It is considered practically certain that the exportable allowance over the next quarter of the year, which begins on Monday, will remain at 100 per cent., instead of being reduced to the 80 per cent. for which anticipation had hoped. Tea shares are almost stagnant. In the oil market the movements are irregular and unimportant, governed by speculative operations, of which a fair proportion have been in the nature of closing accounts in preparation for the holiday season. Aerated Bread shares enjoyed a sharp spurt, without, however, holding the full extent of the rise. Courtaulds have been animated, without getting far away from 5½. Tobacco shares came down with a run amidst excited dealings, on the report that the combine firms were about to enter upon a war with three of the principal outside competitors. Newspaper shares strengthened as a direct result, it being assumed that, if there were to be a tobacco war, an intensive campaign of advertising must necessarily be inaugurated. No official confirmation of the reported "war" was forthcoming, so tobacco shares rallied and newspapers went back.

The banking market is still disposed to be dull, though Colonial and foreign shares keep very firm. Siemens, amongst the construction descriptions, spurted to 30s before a slight reaction occurred, and other shares in this market are better. The House has been hoping that a settlement will be reached in connection with the coal stoppage over the August Bank holiday, and a little buying of iron and steel shares took place in consequence, Guest Keens being put up in price. The brewery market is good. A satisfactory dividend on Watney deferred helped the list. In trust companies' stocks, and in the shipping market, the tendency is harder for choice. There has been a good deal of option dealing during the past few days, more particularly in those shares which have fallen in price, and in which a recovery might occur after the holidays if the coal crisis should be ended. Gas Light and Coke stock is better, on the company's Bill having been passed by the House of Lords. Morris Motors preference fell away to 1s 4½ discount.

The Cape's interest in Sub Nigels, West Rand Consols, and a few other speciality shares in which Johannesburg has recently taken a hand, is not quite so aggressive as it was, with the result that prices are now moving quietly. The influence of Paris upon some of the popular inter-bourse mining shares had the effect of reducing Kaffir gold prices by small fractions. Amongst diamond shares, De Beers preference came in liberally, and the price went back, but other diamonds are not a bad market, though business in them is meagre. Mining Corporation of Canada came into request on account of what was said to be Montreal interests. The tin share markets are steady on the whole. On one or two days this week the list of West African shares showed no alteration from the opening to the closing of the market. Rio Tintos gained strength from French support.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		138,462,686		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to July 24, 1926 .. Dr 600,000				
Net sales week ended July 24, 1926, Dr 150,000.				
To the Public—				
British Canadian Packing Co., Ltd., 20,000 Ord. Shares of the par value of \$10 each, at 4½ 2d each (par.) (July 27) ..	41,167	41,167	5,000	36,167
The Perak River Hydro-Electric Power Co., Ltd., £1,275,000 7½ Pct. Deb. Stk. (rep. at 105), issued at 96½ (July 28) ..	1,275,000	1,224,000	63,750	1,160,250
New Merton Board Mills, 80,000 7% Cum. Pref. Shares of £1 each, at par (July 28) ..	80,000	80,000	10,000	70,000
Counties of Hungary Sterling Loan, £1,250,000 7½ 20-year Sterling bonds, at 98½ (July 28) ..	1,250,000	1,225,000	125,000	1,100,000
Total offered to the Public ..		2,570,167	203,750	2,366,417
Total offered for subscription to date in—				
1926 ..	140,882,853	1925 ..	231,914,268	
1925 ..	126,441,103	1924 ..	209,326,100	
1924 ..	127,788,204	1923 ..	271,393,173	
1923 ..	200,663,567	1922 ..	573,676,650	
1922 ..	498,315,387	1921 ..	388,978,203	
1921 ..	143,156,781	1920 ..	367,549,656	

Counties of Hungary Sterling Loan.—This is an issue of £1,250,000 7½ per cent. 20-year sterling bonds at £98

per cent. The bonds are to be redeemed in or before 1946 by the operation of an accumulative sinking fund, which is to commence in 1927. It has been arranged that the Government shall collect and pay to the trustee the gross road tax of each county. If the amount so collected for any county in any half-yearly period be insufficient to cover at least twice such county's portion of the half-yearly service, the Government will collect and pay to the trustee such county's tax for exemption of public work, and if these taxes be insufficient the Government will procure the levy of a special additional county tax. Last year the two taxes yielded the equivalent of over £600,000, while the annual service of the loan requires less than £125,000. The trustee will hold a special reserve fund for each county, provided in the first instance out of the proceeds of the issue. This reserve fund will equal one-fourth of each county's portion of the annual service of the bonds. If drawn upon, the fund must be replenished out of the next revenues. In addition, a sum sufficient to cover one half-year's service of the loan will be continuously retained by Messrs Rothschild and Sons. Further, no county can incur any liability ranking in priority to or *pari passu* with the loan without the trustee's consent. The net proceeds of this issue are to be applied by the counties as to approximately 80 per cent. for road construction and as to the remainder for hospitals, electricity works, railways, water works, county halls, and housing for employees. A good high-yielding investment, which was quickly over-subscribed.

The Perak River-Hydro-Electric Power Company, Limited.—Authorised share capital £1,000,000, of which £500,000 in 8 per cent. cumulative preference shares and £332,000 in ordinary shares of £1 each are issued. There is an authorised loan capital of £2,600,000, consisting of £1,250,000 5 per cent. debenture stock and £1,350,000 7 per cent. participating debenture stock. The 5 per cent. stock is to be issued before December 12, 1926, and redeemed at par between 1931 and 1951 by annual drawings commencing in 1931. The participating stock has a charge upon the lands, works, and undertakings subject to the 5 per cent. stock. It will be repayable at 105 at the option of the respective holders on June 30, 1951, or on any interest date thereafter, subject to six months' previous notice and at 105 in the event of liquidation. To provide for such repayment a sinking fund of £42,525, calculated to repay the whole of such stock at 105 on June 30, 1951, will be set aside each year, commencing in 1931. The company is entitled to apply the sinking fund in purchasing stock on the market. The £500,000 8 per cent. cumulative preference shares have, it is stated, been subscribed for at par by the Federated Malay States Government. Dividends on these shares will not become cumulative until January 1, 1930. The unissued ordinary shares cannot be issued except with the consent of the Federated Malay States Government. This is an issue of £1,275,000 of the above-mentioned 7 per cent. participating debenture stock at £96 per cent. The trust deed will provide for the payment to the trustees the whole of the profits of each year which it is determined to distribute and which remain after providing for the service of the debenture stock, and the dividend on the preference shares, up to a sum sufficient to pay a further 2 per cent. on the participating debenture stock. The British Government has agreed, on certain conditions, to guarantee principal and interest on the 5 per cent. stock under the terms of the Trade Facilities Act. The company has been formed to develop electric power supply in the State of Perak. It is stated that a dam on the Perak river, a water power station, an auxiliary steam power plant, and transmission and distribution lines are to be constructed. It is further stated that the cash balance of the present issue will provide for preference dividend and debenture interest during the period of construction, the provision of working capital in excess of the sum recommended by the consulting engineers, and the provision of approximately £200,000 for contingencies. The Federated Malay States Government has the right to purchase the undertaking at the expiration of 50 years, "subject to provision for proper compensation." The concession provides that all machinery and equipment shall be of British manufacture. As a high yielding investment the stock now offered possesses attractions, although it has £1,250,000 of debenture stock ranking before it.

British Canadian Packing Company, Limited.—Share capital \$499,900, divided into 49,990 ordinary shares of \$10 each, of which 28,000 have been issued. This is an offer for subscription of 20,000 ordinary shares of the par value of \$10 each at 4½ 2d each. The company was formed in 1925, and is incorporated under the New Brunswick Companies Act, its objects being particularly to establish abattoirs, packing and cold storage plants in New Brunswick and the Maritime Provinces. The proceeds of the present issue, after payment of the expenses of the issue, will be used for the necessary working capital to enable the purchase of livestock from the farmers, to permit of advances to them so that they may be able to replenish their stocks of cattle, sheep and pigs, and to arrange for marketing in Britain and elsewhere. The com-

pany has erected at a cost of \$150,000 (including buildings, yards, railway sidings, &c.) a modern and up-to-date abattoir and packing plant, and has leased 3½ acres of land having a waterfront. The president of the company states that "arising out of the formation of the company, a special Act to give financial aid to the abattoir and packing industries received the support of all political parties and was passed unanimously—the only instance so far as is known of this kind of unanimous support for legislation in the Maritime Provinces. Under this Act is sanctioned an issue of \$100,000 25-year 5½ per cent. bonds guaranteed as to principal and interest by the Government of New Brunswick, and a supplementary Order in Council was issued temporarily reserving the benefits of this Act to the British Canadian Packing Company, Limited. The company does not propose to avail itself of this Act unless further working capital is required." The advertisement contains many lengthy and optimistic references as to future prospects. Investors, we should imagine, will be loath to part with their money on the strength of these forecasts alone.

Associated Tin Mines of Nigeria, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. Authorised share capital £200,000, divided into 800,000 shares of 5s each, of which 400,000 have been issued. The company was formed on May 31, 1926, in particular to acquire from the London Tin Syndicate, Limited, certain leases and prospecting licences, covering in all some 8,000 acres of alluvial tin-bearing ground, situated in and around the Juba Valley and the Jarawa River on the Bauchi Plateau of Northern Nigeria. The Jarawa River areas have since been resold to Jarawa Tin Dredging, Limited. The Juba properties are well reported on by one of the directors. After meeting all the preliminary expenses and after paying for the areas which it has acquired, the company has in hand the sum of £27,000 available as working capital. The purchase price paid for the above-mentioned properties was £120,000 in cash and an option on the 400,000 unissued shares of the company at par until December 31, 1927. The purchase price received by the company for the Jarawa River property was £50,000 paid in cash and £50,000 by the issue of 200,000 fully-paid shares of 5s each of Jarawa Tin Dredging, Limited. In common with the shares of kindred undertakings, those of this company can only be regarded as speculative. The directors are men of experience.

New Merton Board Mills, Limited.—Capital £120,000 divided into 80,000 7 per cent. cumulative preference shares and 40,000 ordinary shares of £1 each. This is an issue of all the preference shares at par. The preference dividend is unconditionally guaranteed by the Inveresk Paper Company, Limited, to whom have been allotted at par the 40,000 ordinary shares. The company has been formed, it is stated, for the purpose of acquiring the freehold factory, machinery, and plant originally built and equipped in 1922 at a cost of approximately £300,000 (formerly known as the Merton Board Mills), and manufacturing all classes of cardboard and folding box boards for cartons and containers. The Inveresk Paper Company, Limited, which is the promoter of this company, negotiated the purchase of the above mills, with a view to ensuring for its associated company, Backhouse and Coppock (1926), Limited, supplies of the products to be manufactured by the company. The net profits of the Inveresk Paper Company before charging taxation are stated to have amounted in 1921-22 to £51,165, for the 13 months to September 30, 1923, £43,301, and for the year to October 31, 1925, £44,694. No particulars of the assets of the guaranteeing company are given. The purchase price is £37,500, payable presumably in cash. The issue is a small one which does not particularly appeal to us, although the guarantee is a point in its favour. It is stated that the issue was over-subscribed.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Price	Week	Latest	Price	Week	Latest
War 4½ 1925-28 ..	98½	99	+	India 3½ Stock ..	69½	69½	+		
War 4½ 1925-45 ..	95½	95½	..	Do 7½ 1926-31 ..	104	104	..		
Loans 5½ 1923-47 ..	101½	101½	..	Do 5½ 1932 ..	101½	101½	..		
4½ 1929-42 ..	100½	101	+	Do 4½ ..	90½	91	+		
Funding Loan 4½ ..	98½	98½	..	N.S.W. 5½ 1925-32 ..	101	101	..		
Victory Bonds 4½ ..	93½	93½	..	N. Zealand 3½ 1940 ..	85	85	..		
Conversion Loan 3½ ..	76	76½	+	Nigeria 6½ 1949-79 ..	112	112	..		
Consols 2½ ..	55½	55½	..	Queensland 5½ 40-60 ..	98	99	..		
Irish Land Stock 2½ ..	58	58	..	U. of S.A. 6½ 1930-40 ..	104	104	..		
Local Loans 3½ ..	63½	63½	+	S. Aust. 6½ 1930-40 ..	103	103	..		
Aust. 6½ 1931-41 ..	104	104	..	Victoria 5½ 1924-34 ..	101	101	..		
				W. Aust. 6½ 1930-40 ..	102	102	..		

British Railways.

Great Western, Ord.	84½	84½	..	Southern, Ord. "A" ..	40½	40½	+
London & North-Eastern				Do Ord. "B" ..	104	104	..
5% Pref. Ord.	50	49½	..	Do Pref. Ord.	77½	77½	+
Do Def. Ord.	16½	16	..	Do Def. Ord.	43½	43½	+
London, Mid., and				Underground Electric			
Scottish, Ord.	70½	70½	..	(£10) ..	3½	3½	..
Metropolitan ..	63½	63½	+	Do "A" (1) ..	103	103	..
Metropolitan District 5½ ..	51½	51½	..	Do Inc. Bds. (£100) ..	102½	102½	+

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Antofagasta Cons.	81.5	79.5	—	Grand Trunk Pacific, 4% Debts.	39	44.5	+ 5.5
B.A. and Pacific	85.5	85	—	Leopoldina	40.5	41.5	+ 1
B.A. & Gt. Southern	85.5	85	—	Mexican Railway	8	7.5	— .5
Buenos Ayres West.	85.5	86	+ 1/2	Do 1st Pref.	22	22	—
Canadian Pacific	167	168	+ 1	San Paulo	190	189.5	— .5
Central Argentine	73.5	73	— 1/2	United Havana	77.5	77.5	—
Cordoba Central New 32	33.5	33	— 1/2				

American Railroads.

Chesapeake & Ohio	143	145	+ 2	Southern	120	121	+ 1
Erie	35	35	0	Do Non-conv Pref.	95	97	+ 2
Do 4% 1st Pref.	45	45	0				

Foreign Government Securities.

Argentine 5%, 1886-7.	99	99	0	Greek 7%, 1924	92.5	92	- .5
Austrian 5% Guar.	99	99	0	Hungarian 7%, 1924.102.5	102.5	102.5	0
Belgian 3%	71	71	0	Japanese 5% 1924	93.5	93.5	0
Brazil 5% Fund, 1914 83	84	+ 1		Mexican Cons. 1899	46	45	- 1
Chilian 4%, 1895	86	86	0	Peruvian Corp. Pref.	46.5	45.5	- 1
Do 7%	104	104	0	P.L.M. 6%	76.5	78	+ 1.5
Chinese 5%, 1913	60	60	0	Portuguese (New)	33.5	33.5	0
Egyptian 4%	83.5	84	+ .5	Russian 5%, 1908	58	58	0
French 5%	73.5	74	+ .5	Spanish 4%	68	68	0
Do 4%	68.5	68.5	0	Serbian (Debt) 7%	84.5	84.5	0
German 7%, 1924	104.5	104.5	0	Siam 5%	107	107	0

Telegraphs.

Anglo-American "A" 24.5	24.5	+ .5	Marconi Canada	1.5	1.5	0
Marconi Wireless	1.5	1.5	Marconi Marine	1	1	0

Banks.

Barclays B. (A.I.P.) 21.5	21.5	0	National Provincial, (20, with 4 paid), rd 12.5	12.5	+ .5
Chartered Bk of India 21.5	21.5	0	Standard of S. Africa (20, with 5 paid), 13.5x	13.5	0
Lloyds (S. with 1 paid) 3.5x	3.5x	0	Westminster Bank (20, with 5 paid) 18.5	18.5	0
Melland (S. with 1 paid) 8.5	8.5	0			
Tra Bank of Egypt (10) 38.5	38.5	+ .5			

Miscellaneous.

Allied Newspapers (A.I.) 2	1.5	- .5	Hudson's Bay (A.I.) 5.5	5.5	0
Amal Cottons (A.I.) 4.5	4.5	0	Imperial Tobacco (A.I.) 5.5	5.5	0
Anglo Persian Oil (A.I.) 4.5	4.5	0	Linggi Plantations (A.I.) 2.5	2.5	- .5
Armstrongs (S. W. G.) 3.5x	3.5x	0	Lever Bros. (A.I.) 1	1	0
And Co. (A.I.) 3.5x	3.5x	0	Do 8% Cum. Pref. (A.I.) 1.5	1.5	0
Ass. Ind. Cement (A.I.) 3.5x	3.5x	0	Do 8% Cum. Pref. (A.I.) 1.5	1.5	0
Baker, John (A.I.) 3.5x	3.5x	0	Lister (A.I.) 1.5	1.5	0
B. Ham Small Arms (A.I.) 3.5x	3.5x	0	Lobitos Oilfields (A.I.) 6.5	6.5	+ .5
Bleachers (A.I.) 2.5x	2.5x	0	Lyons (A.I.) 3.5x	3.5x	0
Bradford Dyers (A.I.) 2.5x	2.5x	0	Marxian Eagle (A.I.) 2.5x	2.5x	0
Brazil Traction (A.I.) 102.5	102.5	+ 1.5	Nobel Industries (A.I.) 1.5x	1.5x	0
British-American Tobacco (A.I.) 4.5x	4.5x	0	Royal Dutch Petro- leum (A.I.) 15.5x	15.5x	0
British Controlled Oil (A.I.) 4.5x	4.5x	0	Rubber Plantations Investment (A.I.) 2.5x	2.5x	0
Gryant and May (A.I.) 2.5x	2.5x	0	Shell Transport (A.I.) 4.5x	4.5x	0
Burmah Oil (A.I.) 5.5x	5.5x	+ .5	Siemens (A.I.) 1.5x	1.5x	0
Cons. (A.I.) 3.5x	3.5x	0	Swedish Match "B" (A.I.) 15.5x	15.5x	0
Courtenays (A.I.) 5.5x	5.5x	0	Union Cold Storage 6% Cum. Pref. (A.I.) 1.5x	1.5x	0
Osmond (A.I.) 4.5x	4.5x	0	Do 7% Cum. Pref. (A.I.) 1.5x	1.5x	0
Dorman, Long (A.I.) 1.5x	1.5x	0	United Dairies (A.I.) 1.5x	1.5x	0
Dunlop Rubber (S. W.) 1.5x	1.5x	0	United Serdang (A.I.) 4.5x	4.5x	0
Wine Cotton Spinners (A.I.) 2.5x	2.5x	0	United Tobacco (A.I.) 4.5x	4.5x	0
Forestal Land (A.I.) 1.5x	1.5x	0	V.O.C. Holding (A.I.) 3.5x	3.5x	0
Furness, Withy (A.I.) 1.5x	1.5x	0	Vickers (S. W.) 2.5x	2.5x	0
Highlands and Low- lands Rubber (A.I.) 2.5x	2.5x	0	Watney Def. S. W. 2.5x	2.5x	0

Mines.

Ashanti Gold (A.I.) 4.5x	4.5x	0	Modderfontein "B" (S. W.) 1.5x	1.5x	0
Brakpan (A.I.) 4.5x	4.5x	0	Modderfontein Deep (S. W.) 1.5x	1.5x	0
Broken Hill Prop. (A.I.) 1.5x	1.5x	0	Mount Lyell (A.I.) 1.5x	1.5x	0
Burma Corp. (A.I.) 1.5x	1.5x	0	New State Areas (A.I.) 2.5x	2.5x	0
Cam & Motor (A.I.) 2.5x	2.5x	0	Randfontein Est. (A.I.) 2.5x	2.5x	0
Central Mining (A.I.) 1.5x	1.5x	0	Rand Mines (S. W.) 2.5x	2.5x	0
Chartered (A.I.) 1.5x	1.5x	0	Seikwa (A.I.) 1.5x	1.5x	0
City Deep (A.I.) 1.5x	1.5x	0	Shanxi (A.I.) 1.5x	1.5x	0
Cons. Gold Fields (A.I.) 1.5x	1.5x	0	Rio Tinto (A.I.) 3.5x	3.5x	0
Crown Mines (A.I.) 1.5x	1.5x	0	Ropp Tin (A.I.) 4.5x	4.5x	0
De Beers Def. (A.I.) 1.5x	1.5x	0	San Francisco of Mexico (A.I.) 1.5x	1.5x	0
East Rand Prop. (A.I.) 1.5x	1.5x	0	Siamese Tin (S. W.) 1.5x	1.5x	0
Geduld (A.I.) 4.5x	4.5x	0	Spring Mines (A.I.) 3.5x	3.5x	0
Gov. Gold Areas (A.I.) 8.5x	8.5x	0	Tanganyika Cons. (A.I.) 2.5x	2.5x	0
Johannesburg Cons. 2.5x	2.5x	0	Trans. Cons. Ltd (A.I.) 2.5x	2.5x	0
Malayan Tin (S. W.) 1.5x	1.5x	0	Zambesia Expl. (A.I.) 2.5x	2.5x	0
Modderfontein (A.I.) 5.5x	5.5x	0			

MINING OUTPUT STATISTICS FOR JUNE, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	MILL.	CYANIDE WORKS.	MILL.	CYANIDE WORKS.		
Exploring Land, Minerals	3,370	..	..	..	5,673	..
Frontino and Bolivia	2,020	(July)	..	..	7,412	..
Leas (July 16th-23rd)	..	..	..	..	9,393	39,157
London and Rhodesian	2,642	(July)	..	..	1,580	..
Marmajito	550	(July)	..	..	2,838	..
Oroville Dredging (35 days to July 15th)	..	..	..	..	30,031	..

WORKING PROFIT, TRANSVAAL.—The total estimated working profit of the gold mines of the Transvaal for the month of June, 1926, amounted to Witwatersrand, £1,141,391; outside districts, £17,939; total, £1,159,330. The estimated working profit in May, 1926, was, Witwatersrand, £1,119,510; outside districts, £16,134; total, £1,135,644.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 23, 1926.	Miles Open.	Week ended July 25, 1926.			Aggregate 28 Weeks, 1926.		
		Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Receipts.
Great Western	3,778	316,000	201,000	517,000	6,430,000	8,028,000	14,458,000
Do for 1925	3,765	367,000	352,000	719,000	7,228,000	9,589,000	16,817,000
London & N. Eastern (e) ..	6,715	517,000	357,000	874,000	10,493,000	15,909,000	26,402,000
Do same period 1925	6,714	603,000	641,000	1,244,000	12,037,000	19,440,000	31,385,000
Lon. Mid. & Scottish	8,950	748,000	490,000	1,238,000	14,902,000	20,228,000	35,188,000
Do for 1925	8,950	899,000	854,000	1,753,000	17,392,000	24,735,000	42,187,000
Southern	2,183	425,000	88,000	513,000	8,618,000	2,948,000	11,566,000
Do 1925	2,153	456,000	127,000	583,000	9,336,000	3,384,000	12,720,000
Metropolitan (c)	59	30,100	2,300	32,400	843,000	87,000	930,500
Do for 1925	58	34,900	4,100	39,000	955,000	108,900	1,063,900
Underground E.R. (c) ..	..	..	..	262,400	..	..	7,115,000
Do for 1925	..	..	..	261,300	..	..	7,316,600
Lon. & Sub. Group (c) ..	..	..	..	40,100	..	..	1,066,500
Do for 1925	..	..	..	40,400	..	..	1,107,900
Belfast & Co. Down (b) ..	80	4,048	803	4,851	87,708	25,932	113,640
Great Northern	552	20,250	15,200	35,450	429,450	459,300	888,750
Great Southern	2,181	45,985	37,337	83,322	1,016,470	1,218,967	2,235,437

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	12 weeks	June 26	1,072	3,13,000	- 8,461	38,12,941	+ 55,351
Bamri L. Ry.	13 weeks	July 3	112	26,900	- 77,700	6,25,900	- 6,500
Bengal & N. Western	13 weeks	June 26	3,076	6,91,180	+ 81,191	1,02,13,906	+ 8,93,684
Bengal-Nagpur	11 weeks	June 19	2,835	15,08,000	- 1,33,000	1,83,38,000	- 9,40,947
Bombay, Bar., & C. I.	16 weeks	July 17	3,033	18,55,000	+ 9,000	3,57,84,000	- 3,16,000
Burma	12 weeks	June 26	1,342	6,95,280	- 1,33,518	1,02,24,118	- 4,80,923
Dolhi, Umballa, Kalka	26 weeks	Mar. 31	439	2,22,500	+ 28,015	29,08,142	- 89,432
Madras & S. Mahr.	13 weeks	Mar. 31	3,948	15,10,000	+ 37,110	2,34,33,366	+ 6,17,458
Nizam's Guaranteed (a) ..	13 weeks	June 26	263	3,58,621	- 28,556	53,16,680	+ 2,75,062
Rohilk. & Kumaon	12 weeks	June 26	859	57,244	- 6,474	7,70,814	- 15,916
Do Lucknow-Breilly	12 weeks	June 26	26	61,096	- 9,063	9,06,102	- 23,507
South Indian	13 weeks	July 31	1,876	10,34,733	- 26,742	1,40,69,147	- 2,69,441

(a) Total receipts of all lines.

ARGENTINE (a).							
Argentine N.E.	4 weeks	July 24	754	13,900	- 400	41,100	- 7,100
B.A. and Pacific	4 weeks	July 24	2,652	135,000	+ 6,000	455,000	+ 8,000
B.A. Central	4 weeks	July 24	25	135,532	- 759	49,849	- 3,447
B.A. & Gt. Southern	4 weeks	July 24	4,718	198,000	+ 7,000	657,000	+ 8,000
B.A. Western	4 weeks	July 24	1,882	90,000	- 2,000	748,000	- 19,000
Central Argentine	4 weeks	July 24	3,305	225,000	- 2,000	300,000	- 19,000
Cordoba Central	4 weeks	July 24	1,202	75,000	- 500	254,000	- 22,500
Entre Rios	4 weeks	July 24	729	21,900	+ 200	62,900	- 11,500

CUBAN.

Havana Central	3 weeks	July 17	24	11,571	- 950	28,681	- 3,574
United of Havana ..	4 weeks	July 24	1,250	47,927	- 10,926	168,927	- 44,143

URUGUAYAN.

Central Uruguay ..	4 weeks	July 24	873	21,693	+ 182	76,390	- 1,203
C. Urug. (East. Ex.) ..	4 weeks	July 24	24	4,297	- 743	15,309	- 3,528
C. Urug. (North. Ex.) ..	4 weeks	July 24	185	2,464	- 429	7,869	- 1,398
C. Urug. (West. Ex.) ..	4 weeks	July 24	211	5,271	+ 291	8,223	+ 1,071

CANADIAN.

Canadian National ..	29 weeks	July 21	22,106	5,134,135	+ 539,144	136,108,155	+ 17,852,825
Canadian Pacific	29 weeks	July 21	14,229	3,559,000	+ 258,030	95,270,000	+ 10,232,000

BRAZILIAN (b).

St. West. of Brazil ..	30 weeks	July 24	1,018	13,300	+ 2,500	507,400	+ 94,000
Leopoldina	30 weeks	July 24	1,856	54,391	+ 20,205	1,184,395	+ 358,332
Leopoldina Term.	30 weeks	July 24	25	7,624	+ 2,681	223,889	+ 79,458
San Paulo	30 weeks	July 24	1,534	42,730	- 11,878	1,383,641	+ 233,120

CHILEAN.

Antofagasta	29 weeks	July 25	838	34,080	- 13,420	1,146,650	- 75,260
Nitrato (4-monthly) ..	28 weeks	July 15	366	25,326	- 14,871	439,113	- 51,908

OTHER OVERSEAS.

Alooy and Gandia ..	30 weeks	July 24	33	Pa. 22,000	+ 2,000	836,200	+ 29,400
Egyptian Delta	14 weeks	10	600	23,255	+ 1,604	83,371	+ 8,190
Gt. Southn. of Spain ..	28 weeks	17	104	Pa 53,559	- 20,419	2,647,128	- 612,054
Mexican Railway ..	3 weeks	21	432	\$241,100	- 9,900	737,940	- 41,600
Paraguay Central ..	4 weeks	24	274	\$5,600		16,110	- 5,600
Salvador	4 weeks	24	100	\$4,728	+ 2,102		

with oil palm cultivation, and his report was widely circulated; so far this form of cultivation has not been taken up. Then there are our extensive nipah*tracts, which offer great possibilities for alcohol and sugar manufacture. For future prosperity this company must rely upon the development of the plantation industry in all its varied forms.

The report and accounts were adopted.

The re-election of the Right Hon. Sir West Ridgeway and Sir John Hewett was lost on a show of hands, and in the case of Sir West Ridgeway a poll was demanded, the result of which will be announced later. In the case of Sir John Hewett, the Chairman announced that as opposition had been offered to his re-election, he had Sir John's authority to withdraw his name.

As the resolutions had been negatived under the deed of settlement, the meeting automatically stood adjourned for 14 days.

FURNESS, WITHY, AND COMPANY, LIMITED.

DEVELOPMENT AND EXPANSION OF THE BUSINESS.

FOREIGN COMPETITIVE CONDITIONS.

The thirty-fifth annual general meeting of Furness, Withy and Co., Limited, was held, on the 28th inst., at Furness House, Leadenhall street, London.

Sir Frederick W. Lewis, Bart., presided, and in moving the adoption of the report and accounts said: As regards the profit and loss account, the credit balance is slightly lower than last year's figures, viz., £523,044, but none the less I feel that, having regard to the conditions that have prevailed, the result will be regarded as satisfactory. With the balance brought forward there is an available balance of £710,303. We have already paid the usual two half-yearly dividends on the preference shares, as well as two dividends at the rate of 5 per cent. per annum upon the ordinary shares, and we have again transferred £200,000 to depreciation. We now propose to distribute a bonus of 2½ per cent. to the ordinary shareholders, making a total return of 7½ per cent. for the year, free of income-tax. The balance of £150,303 will be carried forward to the current year's accounts.

As regards the allocation to depreciation, whilst it is true to say that our assets are of greater value than the amount at which they stand in our books, we have always set aside a substantial amount for depreciation to enable us to replace wasting assets by new investments, and we have continued this policy in the account now before us.

EXPANSION POLICY.

One of the consequences of this conservative policy has been that, notwithstanding the development and expansion of our business, we have not required to issue any additional cash capital, either in the shape of ordinary shares, preference shares, or debentures for nearly 20 years, and our new investments have all been financed out of our accumulated resources.

It has consistently been the policy of your directors as opportunity has offered to extend the scope of your company's operations by the acquisition of steamship lines engaged in trading to different parts of the world, whenever such acquisitions could be made on advantageous terms. We have, during the past few years, acquired the Prince Line, the Johnston Line, and the Rio Cape Line. These purchases closely followed the acquisition of a preponderating interest in Houlder Bros. and Co. and their associated groups, the whole of the share capital of the Norfolk and North American Steam Shipping Co., Limited, the Warren Line, and practically the whole of the capital of the Neptune Steam Navigation Co., Limited, all of which have been acquired, as I have already shown, without any increase of your company's capital.

WHITE STAR LINE NEGOTIATIONS.

In pursuance of this policy of extending and developing our business, your directors, in conjunction with Messrs Morgan, Grenfell and Co., entered into negotiations some months ago with Mr P. A. S. Franklin, the president of the International Mercantile Marine Company of New Jersey, U.S.A., for the purchase from that company for the whole of the share capital of the Oceanic Steam Navigation Company, Limited, generally known as the White Star Line, one of the most prominent passenger organisations running between this country, United States of America and Canada, and with important affiliated interests in the Australian, New Zealand and South African trades.

It is necessarily a very difficult matter to keep negotiations of this magnitude strictly private and their existence became prematurely known. The disclosure created a great deal of comment in the public Press, and under the circumstances the authoritative statement which was published a few weeks ago was considered desirable. Therefore, you will all be aware of the existence of the negotiations, but I regret to state that it has been found impossible to arrive at a mutually satisfactory basis for the consummation of the transactions.

Although the White Star Line is American-owned, it is, as you know, a British company, and its steamers sail under the British flag. It possesses an excellent organisation, and has a distinguished history and tradition behind it, of which it is justly proud, and whether we have the privilege of being associated with it or not, we shall follow its future progress with much interest and with every wish for its success in the coming years.

ALLIED UNDERTAKINGS.

It has for many years been my custom to make reference to our various allied undertakings, but it becomes impossible to refer to them all in any detail. It is perhaps sufficient to say that those organisations have continued to contribute materially, both directly and indirectly, to the prosperity of the parent company. Altogether we have some forty shipping, insurance, and finance companies, which are either under our control or management, and with one exception they are all doing satisfactory business. The five vessels which we contracted for on the Continent have now all been delivered, and are in commission on the New York Far Eastern service of the Prince Line. They are in every way splendid vessels and are already establishing a popular reputation with shippers.

During the year we have further added to our motor ship fleet by having placed contracts in the United Kingdom for four large twin-screw vessels, which are intended for our trade between the United Kingdom and the Pacific Coast of North America. This trade shows every indication of expanding satisfactorily, and in particular the exports from this side are showing a welcome increase.

SHIPBUILDING PROBLEMS.

In referring to the strenuous efforts that are being made by the shipbuilding industry to improve its own internal conditions, I have in mind the conclusions and recommendations of the joint committee of the Shipbuilding Employers' Federation and the shipyard trade unions, whose second report has just recently been issued. It is clear that the joint conference has throughout been conducted in a mutually helpful spirit, and with a keen desire to find a solution of their problems, notwithstanding that the wages in the shipbuilding industry, which are already low in comparison with other industries in this country, are on a higher basis than some of the Continental competitors. To quote from the shipbuilding report, the Tyne wages in the shipbuilding trade are, for skilled men 55s 6d (about 14d per hour), for semi-skilled men 41s 6d, and for unskilled 38s 6d for a 47-hour week, in comparison with 44s 6d, 38s 9d, and 33s respectively in Holland, and average rates of 36s 9d, 34s, and 29s 2d respectively in Germany for a week which is supposed to be 48 hours, but which is often extended to 54 hours, either by agreement between the employers and the shipyard workers or by Government licences, as in the case of Holland.

The passenger services from New York continue to develop satisfactorily, and in particular the expansion of the Bermuda trade has justified the placing of a contract for a new vessel which it is hoped will be ready by the end of next year.

We have also put into commission the new passenger steamer "Nova Scotia," built by Messrs Vickers, Limited, at Barrow-in-Furness, for our Liverpool, Newfoundland, Nova Scotia service, and I am glad to say that the vessel is proving just as popular as her sister ship the "Newfoundland." During the winter months, which are the slack months in the North Atlantic passenger trade, the "Nova Scotia" will make a few voyages in our regular New York/West Indies trade in order to enable us to take care of the increasing tourist travel on that route.

CONDITIONS ABROAD.

Referring to conditions abroad, I would like to quote an actual case of a steamer which we recently transferred to a foreign flag, and which shows as clearly as possible the competitive conditions with which we are contending. On this particular vessel there is a difference of £247 per month, or, say, £3,000 per annum between the operating cost under the foreign flag as compared with the cost of the same service under the British flag. I am afraid a good many comparisons could be made showing either that the British shipowner is labouring under a disadvantage in competition with foreign owners, or that the facilities of British ports, even in the handling of commodities which are of pre-eminent importance to us, very often suffer in comparison with foreign ports.

FUTURE OF BRITISH SHIPPING.

I am as firm a believer as ever I have been in the future of British shipping provided the ordinary course of economic laws is not subverted. International trade must continue, and waterborne transport is still the cheapest and best-known method of transport, but we are still too heavily handicapped by the past. If I knew when increased trade would overtake the glut of tonnage with which the seas and harbours are burdened, I don't suppose I should disclose the fact at this meeting, but the fact that I do not intend to make any prophecy must not be interpreted to mean that I am concealing the information. We can but do our best

to keep abreast of the times, and prepare ourselves for whatever the future holds. This we are doing according to our judgment, and if in the meantime we can continue to present results to our shareholders on a par with those which we have before us to-day, I think we should not be dissatisfied. Not the least of our handicaps is the continued competition from foreign Government-owned vessels which are still being operated at less than cost, as is illustrated by the figures just recently published by the United States Shipping Board in support of their application to Congress for a grant to carry them through the current year. It is stated that \$18,000,000 will be required, and out of the published results of 29 services operated by Shipping Board tonnage only one made a small profit of less than £5,000.

This resolution was seconded by Mr R. E. Burnett, and carried unanimously.

Sir Harold Snagge, in proposing a vote of thanks to the chairman, said he was glad to think, though he hoped it would not in any way interfere with their chairman's duty to the company, that the Government, who were not always quick in recognising the right sort of ability, had recognised in their chairman the man to appoint at the head of a highly important and critical committee at the present time.

Mr G. A. Harradon (Liverpool) seconded the resolution, which was carried unanimously.

PARENT TRUST AND FINANCE COMPANY, LIMITED.

SATISFACTORY YEAR'S RESULTS.

The twenty-ninth ordinary general meeting of the Parent Trust and Finance Company, Limited, was held, on the 23rd inst., at the Hotel Cecil, Strand, London, W.C., Sir Arthur Du Cros, Bt. (the chairman), presiding.

The secretary (Mr E. Morrissey) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: I am glad to say that the net profit, before deducting income-tax, of £252,754 earned during the past year compares favourably with the best previous records of the company.

The profit shown on last year's balance-sheet was £523,000, in round figures, but, approximately one-half of those earnings had accrued in previous years; the profit shown this year fully equals the amount of the earnings applicable to last year, although business has been more difficult than usual, and somewhat anxious at times. Under all the circumstances the board are satisfied with the year's results, and with the fact that they are enabled to, and are justified in, maintaining the deferred share dividend.

The balance-sheet figures show considerable variations as compared with last year. The two items of general investments and investments in allied companies show an increase, taken together, of some £100,000, which is partly accounted for by capital requirements, which were anticipated, in connection with the satisfactory development of the cotton-ginning plants in Southern Rhodesia, to which I referred last year as being one of our industrial investments. These plants are now in operation, and under normal climatic conditions should join the ranks of our remunerative investments during the current year. The balance of the increase consists of investments in three new industrial undertakings of an interesting and promising nature. Our investments in allied companies are, as previously explained, mainly in the nature of prior securities.

CHANGES IN INVESTMENTS.

An important change has been made in the character of some of our investments to which I desire to refer. Last year we held a large investment in preference shares of the D.R. Cotton Mills, Limited, which was taken into our accounts at £863,000. This, as shareholders were aware, was, in effect, a short-dated security, it being at the option of the Dunlop Rubber Company to call upon us to resell the shares to them at certain dates, and the board were bound to take into consideration that this option might be exercised. We desired, therefore, to re-invest this money in securities which would be completely under our own control, and as the opportunity of doing so occurred during the year, we negotiated with the Dunlop Company for the immediate redemption of the shares. The whole of the proceeds have since been re-invested in freehold London real estate, and the shareholders will be interested to know that the company's present cash investments in landed securities now amount to approximately £1,200,000.

BOARD'S INVESTMENT POLICY.

The policy of the board in regard to the company's investments may be stated again in general terms as having for its object (1) the retention of the whole of the company's issued capital of, approximately, £2,350,000, in sound, basic securities, the income return from which will be sufficient to meet, in full, the fixed dividends upon our preference and ordinary capital, and provide

in addition a dividend on the deferred shares, and (2) providing the funds for the finance branch of our business, which supplies the balance of our profits, mainly by the utilisation of surplus assets, that is to say, assets which we hold in excess of the amount represented by our issued capital, and also by the use of the credits which are at our command.

In pursuance of this policy the directors during the past year availed themselves of opportunities of acquiring interests in real estate under favourable conditions; on the other hand, the sale of the D.R. cotton shares, together with certain other fixed dividend-bearing securities, for this purpose, temporarily diminished the company's fixed revenue from its investments, and will continue to do so until sufficient time has elapsed to receive the benefits which are anticipated from these new interests. They are capable of profitable development, and the directors are confident that they will become an important source of strength to the company. The change over has been a recent one, and while we were satisfied to make a temporary sacrifice of revenue for the greater return which we believe will accrue to us in the future, this point should be borne in mind in comparing the results of the past two years.

Public reference has been made to our association with the Covent Garden estate and the Foundling estate, the former of which occupies some 5½ acres in the heart of London, while the latter extends to some 56 acres in the Bloomsbury district. Interests in these properties, among others, do, in fact, form part of our investments. In the case of Covent Garden, we have a large holding in the company owning this property. In the case of the Foundling estate, we hold practically the whole of the securities of the Foundling Estates Company which owns the property, subject to the payment of the balance of the purchase money. This estate was purchased with the intention of breaking up and re-selling the major portion of it, and such sales as have already been effected have been made at prices quite satisfactory to the board.

THE FOUNDLING HOSPITAL.

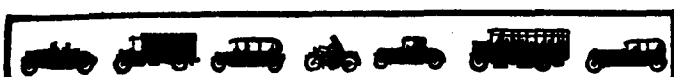
It is well known that the Foundling Hospital itself and its grounds, which occupy nearly nine acres of the 56 acres of that estate, have been definitely offered to the Covent Garden Estates Company, who regard this site as being a particularly suitable one for the re-establishment of Covent Garden Market, the removal of which has been proposed. The question of the suitability or otherwise of the site for this purpose is not one for the Foundling Estates Company to decide, their position in the matter simply being that if called upon to fulfil their obligations they will transfer the property upon terms which have already been provisionally agreed. On the other hand, should any better site become available, the two companies would be at liberty to rearrange their plans, and in that event the Foundling Estates Company would at once proceed to put into operation one or other of the several alternative schemes for the development of this part of the estate, which they have in mind.

Many public references have been made to the future of the Foundling Hospital and criticisms and opinions have been freely expressed upon the subject. I have noticed that these criticisms have been directed not so much against the vendors of the estate, who disposed of it unconditionally and free of all restrictions, as they had a perfect right to do, but oddly enough against the purchasers, who had acquired the property in the open market, where any individual or public body might have bid for it, had he or they so desired.

While I am in genuine sympathy with the desire which has been expressed to preserve an historic building and the open amenities of an interesting part of London, my hope of doing so is becoming rather a slender one. The feelings of my colleagues and myself in this matter must, of necessity, be governed by the fact that we occupy the position of trustees to shareholders who are the owners of the property, and the duty devolves upon us of reconciling the business side of the case with its sentimental aspects. Although these considerations must be made to square in some reasonable degree, yet so far we have received no business suggestion of any kind from those who have been interesting themselves in the preservation of the hospital, and I would suggest to them that the practical side of the question should not continue to be wholly ignored.

INTERESTS IN SAN PAULO.

I should make it clear that while approximately 90 per cent. of this company's landed investments apply to London, we are also substantially interested in two freehold land development projects abroad, one in the City of San Paulo in Brazil, and the other in the City of Durban in Natal. The directors hold a high opinion as to the position and prospects of both these undertakings. The balance-sheet of the City of San Paulo Improvements and Freehold Land Company will be published in a few weeks' time, and I recommend shareholders to examine and appraise it for themselves. I personally visited San Paulo at a time when we were contem-



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plating an increase of our investment in this particular company, and Mr Sidney Van den Bergh, another of your directors, also visited Brazil at a later date. As a result of my investigations, which were confirmed by Mr Van den Bergh, we increased our holding in the San Paulo Land Company, which owns and is successfully developing extensive tracts of freehold land in and around the important city of San Paulo, the capital of the great and wealthy State of San Paulo, and generally acknowledged to be the commercial and industrial capital of Brazil as well. The expansion of San Paulo in recent years forms a striking example of progress in the history of such developments. The shares of the San Paulo Land Company should appreciate during the next few years, and your trust and its associates are amongst the largest holders.

I gather from letters which I have received from shareholders that they are under the impression that we have sold all our Dunlop investments. This, of course, is not the case, nor have we any present intention of doing so. To the best of my knowledge we are still, by far, the largest individual holders of Dunlop preference shares.

The shareholders will appreciate that the figures of the balance-sheet show this company to be in a very strong position, but the future outlook of business must give some cause for uneasiness so long as the coal strike is unsettled at home and currencies remain unstable and erratic abroad. These conditions are, in our opinion, a passing, if unwelcome, phase, but while they continue the directors are disposed to approach all new business on even more cautious and conservative lines than usual, notwithstanding that this may, for a time, involve some slowing down of the company's activities. This policy is already reflected in the decrease of forward commitments shown on the balance-sheet.

The report and accounts were unanimously adopted.

UNION BANK OF AUSTRALIA, LIMITED. SUCCESSFUL RESULTS—TRADE CONDITIONS.

The annual general meeting of the Union Bank of Australia, Limited, was held on the 26th inst., at the head office, 71, Cornhill, London.

Mr Henry P. Sturgis (the chairman) said that the net profit for the past year amounted to £720,512, inclusive of £92,901 brought forward. This had enabled the directors to add £50,000 to the reserve fund, to set aside £50,000 towards the cost of new buildings, and to pay a dividend at the rate of 15 per cent. The figures of the balance-sheet, compared with those of a year ago, showed a shrinkage of £2,190,000. On the liabilities side there was a decrease in deposits of £1,957,000, and in bills payable of £337,000, while an increase was shown in reserve fund of £50,000 and in circulation of £51,000. The decrease in deposits was largely attributable to withdrawals by B.A.W.R.A. in connection with the distribution of their funds, and to other exceptional causes. On the assets side there were increases in specie, bullion, and cash balances of £1,782,000 and in advances of £504,000, while money in London showed a decrease of £365,000, and bills receivable, &c., of £4,110,000.

The liquid assets amounted to about 95 7d in the £ of the bank's total liabilities to the public. During the year ended December 31st last there was an excess of imports (including gold) into

Australia over exports of less than £2,000,000, as compared with an excess of £3,500,000 in 1924. In view of the fall in prices for wool, these figures seemed satisfactory.

Trade throughout Australia during 1925 was carried on under favourable conditions and on a sound basis, though considerable disturbance was caused by the shipping strike, which lasted from July to November. Apart from this there were no serious trade disputes. In New Zealand trade had been satisfactory on the whole, but a falling off was apparent at the end of 1925. Seasonal conditions in the pastoral areas of Australia during 1925 were not very satisfactory, but during the last few months good rains had improved the position in many areas. In New Zealand a severe winter and a dry spring caused a serious shortage of feed, with the result that wool, meat, and dairy produce showed a considerable shrinkage. With regard to seasonal conditions and prospects at present, the following telegram had been received from the general manager: "Throughout Commonwealth conditions generally satisfactory and prospects good, but large parts inland pastoral Queensland suffering from droughts. In New Zealand seasonal prospects excellent, but trade outlook only fair owing to reduced prices for stock and produce."

The report was unanimously adopted.

ZAMBESIA EXPLORING COMPANY, LIMITED. SATISFACTORY POSITION.

The ordinary general meeting of the Zambia Exploring Company, Limited, was held, on the 29th instant, at River Plate House, 7 Finsbury circus, London, General Sir Francis Reginald Wingate, Bart., G.C.B., presiding.

The secretary (Mr L. Scotland) having read the notice convening the meeting and the report of the auditors,

The Chairman formally moved the adoption of the report and accounts.

Mr Robert Williams (managing director) in dealing with the accounts, said he thought they would agree that they showed the company to be in a very satisfactory position. The item of creditors and credit balances showed a reduction as compared with the previous year, and was mainly reserve for tax on dividends and interest. Under the heading of debtors and debtor balances, the Benguella Railway debt had been reduced from £156,481 to £51,082. The Nile-Congo debt had been increased on account of further expenditure incurred in prospecting in the Sudan. Shares and debentures of other companies stood in the balance-sheet at £819,878, as compared with £460,921 for the previous year, the increase being represented principally by additional Benguella Railway debentures and additional Tanganyika Concessions shares. The latter were acquired under the option granted to Tanganyika Concessions, Limited, in consideration of advances by their company to assist in the construction of the Benguella Railway. The money was raised by the sale at a good profit of some of their Union Minière shares, and in view of the increased market value of the Tanganyika shares the transaction proved most successful.

At current market prices the company's quoted securities alone represented a value of about £1,750,000, in addition to which they had in cash and Government securities over £460,000. The balance of profit for the year was £204,212, as compared with £52,051 for the previous year. An interim dividend of 1s per share, less tax, was paid in January last, and they proposed to pay a final dividend for the year of 1s per share plus a bonus of 2s per share, both less tax, making a total distribution for 1925 of 4s per share.

In conclusion, Mr Williams referred to the wide spheres of the company's operations. Their engineers and prospectors were now operating in great mineral areas all over Africa, in Angola, Northern Rhodesia, Tanganyika Territory, Uganda, and the Sudan, as they recognised that wealthy corporations like theirs should spend a portion of the wealth they had acquired in Africa in discovering minerals in other parts in the hope that this would lead to the opening up of the country to trade and civilisation.

The report and accounts were unanimously adopted.

THRELFALL'S BREWERY COMPANY, LIMITED. "HIGHLY SATISFACTORY" RESULTS.

The thirty-ninth annual general meeting of Threlfall's Brewery Company, Limited, was held, on the 28th instant, at Cannon Street Hotel, London, Major C. M. Threlfall (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, after expressing regret at the death of Mr F. A. Waring, said: Your board appear before you to-day submitting results which they trust you will consider are highly satisfactory. I think we may attribute our prosperity to the quality of the goods we manufacture, and the very careful supervision generally exercised throughout the business by all concerned.

As mentioned at our last annual meeting, we have by judicious advertising considerably increased the sales of our Blue Label beer, and the year under review shows a further substantial increase, thus once again demonstrating the popularity of this beer.

You will probably have read in the newspapers that under the last Budget the method of payment of beer duty has been altered. In the past the procedure of the Excise authorities was to allow three months' credit after the brewing of the beer before payment was demanded. A period of two months has now been substituted. We were hoping that the Chancellor would have seen his way to reduce the duty, which is far too high, by an amount sufficient to enable the brewers to reduce the price to the general public. Our hopes, however, did not materialise, and instead the concession already mentioned, namely, the extended period for payment of duty, had been reduced.

Alterations and improvements to various properties, where the character of the neighbourhood demands such improvements, are continually being made in accordance with the policy of your board, which is to make our establishments congenial and comfortable for our patrons. We strive as far as it is possible, and where permission is granted by the various licensing magistrates, to eliminate the old-time stand-up bar, and in its place to provide a spacious lounge, with suitable seating accommodation and tables for customers. We are convinced that this departure is highly commended by the public, as their patronage continues to increase, and our endeavours to make our licensed houses places to satisfy their wants in every respect are well appreciated.

The gross profit for the year is £428,965 8s 1d, and, after writing off for depreciation of leasehold properties and plant, increasing the fire insurance fund to £41,750, and making a reserve for salary and wage bonus to employees, there remains a net trading profit of £381,165 18s 11d.

After deducting interest on debenture stock, interest on deposits, directors' fees, compensation levy, and adding transfer fees, bank interest, and interest on War Loan, there is a net profit of £317,032 0s 3d for the year, which, together with the carry forward from last year, makes a total of £605,644 13s 5d to be dealt with.

The report and accounts were approved.



**The Anglo-South
American Bank Limited.**

Head Office:
117 Old Broad Street, London, E.C.3

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£2,734,660
Paid-up Capital	£1,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of
LATIN AMERICA
as well as 7 Branches in
SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York).
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.
PARIS.
Northern District Office: 69, Market Street, BRADFORD.
Lancashire Branch: 18, Spring Gardens, MANCHESTER.

UNITED DOMINIONS TRUST, LIMITED. SUCCESSFUL YEAR'S OPERATIONS.

The annual general meeting of the United Dominions Trust, Limited, was held, on the 26th instant, at 32 Moorgate, London, E.C. 2.

Sir Edward M. Mountain, Bt., J.P. (the chairman), presided. The secretary (Mr J. P. F. De Salis) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that he had pleasure in congratulating the shareholders on the continued progress and prosperity of the company during the past year, the profits having amounted to £37,108, as against £21,240 for the preceding year. An examination of the balance-sheet would show how satisfactory this progress had been. Turning to the liabilities side, they would see that the issued capital, fully paid, amounted to £150,000, as compared with £149,650. There was due to the banks £618,041, as compared with £426,791 last year, thus showing the expansion of the business. Deposit and current accounts were £229,885, as against £70,479. Their trust reserve amounted to £17,747, as against £7,715, and the general reserve to £10,000, as compared with £3,409 in the previous period. Liabilities on other accounts amounted to £64,699, as against £41,908, the balance of profit and loss being £28,430, as compared with £13,633 in the last balance-sheet.

Turning to the assets side, they would see that the cash at banks and in hand amounted to £112,111, as compared with £78,997; bills receivable and notes on hand, £353,966, as against £143,214; bills receivable discounted or lodged with bankers, £625,922, as against £474,758. Other assets amounted to £26,805, as against £16,618. It would be thus seen that their assets had increased from £713,588 in the last balance-sheet to £1,118,804 in the present accounts. The profit for the year, £37,108, with the amount brought in, £2,466, made a total available for appropriation of £39,574, which it was proposed to allocate as follows:—

To payment of a dividend at the rate of 7½ per cent.	
p.a., less income-tax, on the issued capital	£8,979 0 0
To general reserve (increasing this reserve to £25,000)	15,000 0 0
To sum already set aside to trust reserve during the year	11,143 18 10
To carry forward	4,451 16 2
	£39,574 15 0

SERVICE TO ENGINEERING AND ALLIED TRADES.

The company, during the year, had provided banking facilities to the engineering and allied trades, especially to the motor trade, which had made possible the movement of a considerable volume of merchandise. This service had had the effect of liquidating stocks which otherwise might have remained frozen in the factories, and had enabled the machinery users to produce new and needed equipment, and that, in turn, had its effect on other industries. The trust, by its home and foreign connections, was in a position to give a wide and adequate service to the industries for which it catered.

In conclusion, he paid a warm tribute to the efficient manner in which the affairs of the company were handled by the management. The shareholders, he said, might rest content that the continued development of the company along commercially sound and conservative lines was assured under the managing director, Mr J. Gibson Jarvie, whose wide and unique experience, both national and international, of this highly specialised form of commercial banking was well organised.

Mr P. R. Jackson seconded the resolution, which was carried unanimously.

The resolution sanctioning the payment of a dividend of 7½ per cent., less income-tax, having been approved, Sir George J. Fowler, J.P., Mr Fred A. Franklin, Mr F. R. Acheson Shortis, the Rt. Hon. Edward Shortt, K.C., D.C.L., and Mr M. C. Spencer, F.C.A., on the motion of Mr J. Gibson Jarvie were elected directors.

In proposing the resolution, Mr Jarvie stated that the progress made was all the more remarkable in face of the difficulties of the past half-year. The company was still in its infancy, and only on the threshold of its real development, and, in fact, its great potentialities were probably not yet fully realised.

The auditors (Messrs George A. Touche and Co.) having been re-elected, the proceedings closed with a vote of thanks to the chairman.

MERCANTILE AND GENERAL INSURANCE COMPANY, LIMITED.

GOOD RESULTS—INCREASED DIVIDEND.

TEN YEARS' PROGRESS.

The ordinary general meeting of the Mercantile and General Insurance Company, Limited, was held on the 21st instant, at Nos 25-31 Moorgate, London. Mr Richard S. Guinness (chairman of the company) presiding.

The secretary (Mr H. P. Hewitt) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the report and accounts submitted that day marked a period of 10 years since the present directorate and management took over the affairs of the company. Ten years ago the company was inactive, but those now in charge had envisaged the possibility of reorganisation as a reinsurance company conducted with sound finance and skilled technical management, all then existing commitments being eliminated and fresh capital supplied. The following figures, he thought, justified their stewardship. In 1916 the net premium income was £94,401. During the ten years the figures had steadily grown, and the present accounts showed a net premium income of £661,825, which included life and marine business. Their invested funds had increased from £47,091 in 1916 to £470,415 in 1925. Those were book values, and a valuation showed the market values at December 31st last to be in excess of book values. Their total reserves in all departments amounted to over £707,000.

PAST YEAR'S RESULTS.

With regard to the results of the past year, the premium income on fire and miscellaneous account showed a gross increase of £61,844 over 1924, while the net figures had increased by £53,670. That increase was spread generally over home and foreign fire and accident business, and it was satisfactory in those difficult times to be able to report a moderate increase in each department. The loss ratio showed an appreciable increase, arising chiefly in the foreign field, where unsettled conditions on the Continent told the inevitable tale in increased losses. After providing the usual 40 per cent. reserve against unexpired risks, they transferred £18,815 to the credit of profit and loss account.

The life assurance account continued to show steady progress, with a net premium income of £65,254, against £52,100 in 1924. Their policy was to foster the steady growth of that department and to neutralise as far as possible the heavy expense of commission on new business, which was inevitable with a growing account, by strict economy in management expenses.

The marine account had been opened in 1919 on the same principle as that of the life business—namely, that the company should give facilities for all classes of reinsurance. They had decided in 1922 to revise their treaty arrangements so as to reduce considerably their net premium income. For the four years 1922 to 1925 their total net premium income had amounted to £156,200, as against a net premium income in the general departments of £1,827,202. In other words, their marine premium income has been in the ratio of 8.5 per cent. only to their total premium income—excluding life—with an average of £39,000 per annum for the past four years. In the present accounts they closed the 1923 account, and, in order to provide for excess of claims for 1923 and previous years, the sum of £7,601 was transferred from profits and loss account. Of that sum £5,165 was on account of claims for 1922 and previous years, and the balance represented the deficit on the 1923 account. They carried forward in the marine account £38,789, being fully 112 per cent. of their premium income for 1925, or approximately 100 per cent. of the average income for the past four years.

PROFIT AND LOSS ACCOUNT.

The profit and loss account showed a substantial increase in interest earnings, but a loss on investments realised of £1,746, and an adverse difference on exchange of £1,611. After providing for certain other items, they placed £10,000 to reserve funds, leaving a balance of £45,779. They recommended a tax-free dividend of 8 per cent. per annum, and carried forward £40,899. The increase in the dividend was fully justified by the fact that the amount distributed was less than one-third of their interest earnings for the year.

Their subscribed capital stood at £250,000, of which £61,000 was paid up, and their register showed that shares on which there was an uncalled liability stood in the names of parties who were in a position at any time to meet in full any calls that might be made; it was the intention of the directors to maintain that position, so that their uncalled capital was an additional reserve, always available in case of need. Their invested funds and cash totalled £584,492. In conclusion he expressed their appreciation of the support given to them by leading offices throughout the world; the friendly relations they had cemented during the past ten years were deeply appreciated, and they could never forget

the support and assistance they received in their infancy, when, in a sense, they were an untried proposition. They trusted that the facts he had given as to the policy pursued and the results obtained would gratify those friends who helped them at the outset and allow them to count upon continued and increasing support.

The report and accounts were unanimously adopted.

UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON, LIMITED.

CAPITAL REORGANISATION SCHEME EXPLAINED.

Extraordinary general meetings of the Underground Electric Railways Company of London, Limited, and of the holders of the £10 ordinary shares, the "A" is ordinary shares, and the contingent certificates therein, were held, on the 29th instant, at Caxton Hall, Westminster, S.W., for the purpose of considering a scheme of capital reorganisation. The Right Hon. Lord Ashfield, the chairman of the company, presided.

The Chairman said:—Ladies and gentlemen,—The immediate progenitor of the company was the Metropolitan District Electric Traction Company, Limited, which was incorporated in July, 1901, with a capital of £1,000,000, mainly with the object of electrifying the Metropolitan District Railway. But shortly after that company was formed a larger scheme, involving a much larger expenditure of capital, was set on foot to provide not only for the equipment and electrification of the District Railway, but also for the construction and equipment of new underground railways in London. For this purpose the Underground Electric Railways Company of London, Limited, was incorporated on April 9, 1902, and immediately afterwards it purchased the rights and assets of the Traction Company. Part of the consideration for the purchase consisted of the cession to the Traction Company of certain contingent rights in a portion of the prospective profits of the Underground Company, and certain contingent rights in a portion of its surplus assets in a winding-up. The certificates so issued are the present contingent certificates, which are included in the scheme for the re-arrangement of the company's capital.

I now come to June, 1912, when the company acquired the ordinary shares of the London General Omnibus Company under a scheme which provided for the payment of part of the purchase price in the form of certain "A" shares in the Underground Company, the capital of that company being increased by £60,034 16s by the creation of 1,200,696 of these "A" shares, of which 1,150,480 (£57,524) were issued under the scheme. In 1914, to provide, in part, for the purchase of the New Central Omnibus Company, a further issue of 48,500 (£2,425) of these "A" shares was made.

These "A" shares entitle the holders to have divided among them substantially one-third of the profits of the company available for dividend in respect of each year, and they also have certain deferred capital rights in the event of a winding-up, and in order that these rights might be attached to the "A" shares, the £10 ordinary shareholders and the contingent certificate holders surrendered a part of their rights.

AMENDING ANOMALIES.

Since the Underground Company in 1912 acquired the London General Omnibus Company, and also shares in the Associated Equipment Company, its income has gradually improved, and though this improvement has not hitherto been sufficient to enable it to pay any dividend, I expressed the opinion, when addressing the shareholders at the annual meeting last March, that the prospects of the company were more favourable than they had been at any other time in its history. I said that we counted upon the continued development of London, and, upon a reasonable control of its traffic, and, as a final conclusion, I said we took a hopeful view of the future, assuming a continuance of industrial peace. Under these circumstances, I suggested that it would be necessary to look at the capital account and amend certain existing anomalies, before the directors could recommend a payment of a dividend, should profits for that purpose be available.

What I had more especially in mind was the necessity for remedying, what the result has proved to be, errors in the past in connection with the issue of the "A" shares and the contingent certificates. As regards the "A" shares, the divergency between the capital and income rights of the two classes of shareholders has long been recognised as creating an impossible position, because shares of a nominal value of about £60,000 are entitled to one-third of the profits of an undertaking whose total ordinary capital is roundly £5,060,000. I do not suggest that the bargain then made can be departed from in its main principles, but I do suggest the anomalous position thus created must be altered.

Let me now refer to the contingent certificate holders, whose present position will be realised on a consideration of the following facts: At December 31, 1925, the cumulative arrears of divi-

dend due to the ordinary shareholders, which would rank before the contingent certificates, amounted to upwards of £5,300,000, and, unless some change is made, all these arrears must be paid before the certificate holders could receive a penny. Moreover, these arrears would be increased in the future to the extent that two-thirds of the profits of the company for each year available for dividend are less than 5 per cent. on its paid-up capital. Therefore, there is very little income value attaching to the contingent certificates. Their capital value is also very small. Nevertheless, they form part of the financial structure of the Underground Company, and, therefore, should be taken into consideration when dealing with any re-arrangement of the capital.

THE SCHEME.

Now that I have dealt briefly with the history of the company's capital, and with the reasons which influenced the directors in determining to place before the shareholders and contingent certificate holders a scheme for its reorganisation, let me say a few words about the proposed apportionment of the new £1 ordinary shares.

The scheme leaves the total share capital practically unchanged; its object being, not to raise further money, but merely to define and equitably adjust the existing capital and income rights between the interests affected, nevertheless the larger number of shares of a smaller denomination should, we think, be of advantage to the shareholders by providing a wider market for dealing in the shares of the company.

In the end, the directors adopted as a basis for distributing the new shares, that ratio of value which over a series of years has placed upon the shares by the buyer and the seller, namely, the ratio of the market or Stock Exchange prices.

The judgment of the directors in adopting this method of valuation appears justified by the fact that the relative value of shares of the two classes, if measured by their market prices, have not changed since the scheme was issued. Although the contingent certificates, as I have already explained, may be described as having a speculative rather than a real value, the same method has been applied in valuing them relatively to the shares, namely, the method of taking relative market values.

I think it is well to refer to a question which has been raised by some of the shareholders, and that is, whether under the scheme all arrears of dividend and all preferential rights are done away with. The answer is that under the scheme all such arrears and rights are done away with.

Since the directors decided upon their policy there have occurred the catastrophes of two strikes—a general strike and a coal strike—events affecting this company, in common with all industries in the country. What the result of the strikes may ultimately be, and whether in the result we shall be in a position to pay a dividend this year, of which I am still hopeful, are questions which no earthly wisdom can answer at the present time. The directors have not altered their original proposals for putting the company's share capital upon a sound basis, because they are confident that at some time this great undertaking of London traffic must become remunerative.

The scheme was approved on a show of hands at the extraordinary general meeting of the company, and at the meeting of the holders of contingent certificates. At the class meetings of the holders of the £10 ordinary shares, and the "A" ordinary shares polls were taken, the result of which will be made known later.

TRANSVAAL GOLD MINING ESTATES, LIMITED.

DIFFICULT YEAR—IMPROVED PROSPECTS.

Mr M. T. Brown presided at a general meeting of London members of the Transvaal Gold Mining Estates, Limited, held on the 27th instant, at Winchester House, London. He stated that during the year under review they had suffered from floods and drought and from shortage of labour—all matters beyond the control of the management—which explained to a large extent the diminished profits. The mine working revenue at £287,338 was £15,350 less than in the previous year, due to a fall of 1,260 tons in the tonnage milled and to a slight drop of 1s 4d per ton in the revenue from ore milled, the latter being largely accounted for by the absence of the gold premium. Against this the mine working expenses showed a reduction of 4d per ton. The working profit at the mine was £40,756, which showed a drop of £10,065, and after allowing for the slight saving in costs, the absence of the gold premium just about accounted for the difference. Fortunately, as a set-off against the drop in net revenue from the mines, they had to record a satisfactory increase in the profits from the wattle plantations of £6,592, so that, after adding other sundry revenue and allowing for the head office and London expenses, the net profit for the year was £50,837, or only £2,686 less than the previous year—a

result that might be considered not unsatisfactory when the handicaps their managers had to fight against were borne in mind.

HIGHER EXPENDITURE ON CAPITAL ACCOUNT.

Shareholders would observe that of the £50,837 balance carried down, only £28,598 was paid away in dividends, or 5 per cent. for the year, against 7½ per cent. But an examination of the other figures would show that they spent £16,558 more on capital account and £4,844 more on prospecting, which, after taking into account £6,000 less for taxes, left them with the net result that they had to encroach upon the unappropriated balance to the extent of £25,300. It had been the policy of the board to maintain a strong cash balance to be available for emergencies. So far as the current financial year had gone, they had had the results of three months' work, viz., April to June. During that period there were crushed 48,990 tons, as against 48,330 in the same period last year. The gold recovered was 18,142 ozs, against 15,915, and the profits were £11,132, against £6,311. Those figures were, of course, subject to certain adjustments, such as any profit there might be from the plantations.

TANGANYIKA CONCESSIONS, LIMITED.

STRONG POSITION—GOOD PROSPECTS.

The ordinary general meeting of Tanganyika Concessions, Limited, was held, on the 29th instant, at River Plate House, General Sir Reginald Wingate presiding.

The Chairman said that the situation is very satisfactory. He called attention to the tribute paid to Mr Robert Williams at the last meeting of the Union Minière in Brussels for the part he had played in the creation, development, and prosperity of the Union Minière, and especially the realisation of the Benguela Railway.

Mr Robert Williams, in the course of his address, said:—You will notice we have large liquid resources represented by cash at bankers and in hand, and by investments in Government securities and loans to brokers.

That is the outcome of the policy which I outlined at your general meeting last July, namely, to utilise as a sort of working capital to keep or sell as might be best the shares of the Union Minière taken up earlier in the year in respect of our rights.

To put your company in a state of financial independence, in face of the heavy commitments necessary to ensure the rapid completion of the Benguela Railway, the board decided to take advantage of the satisfactory state of the share market and to realise those shares. As a result, while retaining intact your original shareholding in the Union Minière, in addition to which you hold the 61,834 obligations, each having a vote specially created to reserve control in the hands of the founders of the Union Minière, you now possess strong liquid reserves in cash or the equivalent, and have also made handsome profits.

Notwithstanding the strong position in which your company stands, the board consider it wise to adopt a conservative policy in face of various adverse factors, which, although affecting profits for the moment, are, I hope, only temporary. I refer to the depreciated Belgian exchange, shortage of native labour, and the low price of copper. Dealing with the exchange, which up to March of this year had for some time been quite steady at about 107, if the rate had not depreciated, the Union Minière dividend for 1925 of 175f net per share would have yielded about £300,000 sterling instead of the sum actually received of £152,000, as compared with the £250,000 realised last year from the 1924 dividend of 138f net per share.

I trust that the efforts now being made by the Belgian Government to stabilise their exchange will shortly be successful. If that can be done the actual rate of exchange will not affect your future Union Minière dividends, as the copper is sold on a sterling basis.

UNION MINIERE DU HAUT KATANGA.

The copper production was increased to 90,104 tons, and the divisible profits to 120,000,000f, as against 86,000,000f for 1924. The sale of radium has been highly satisfactory, amounting to 80 per cent. of the total sales for the whole world. Some 600 tons of tin were also produced, and the cobalt plant at the beginning of this year commenced the production on a commercial scale of substantial quantities of cobalt, for the sale of which satisfactory arrangements have been made.

A new agreement has been made with the Wankie Colliery Company, ensuring the necessary fuel supplies up to December 31, 1935. A new agreement has also been made with the Rhodesian Railways for the transport of the above fuel at favourable rates, the Rhodesian Railways giving a firm undertaking for the first time to transport such fuel, thus ensuring regular and continuous supplies. The completion of the Benguela Railway will ensure a supply of excellent fuel, if necessary, from other sources.

With regard to the transport of copper from Katanga, the said

(July 31, 1926.)

agreement provides that a minimum of 50,000 tons per annum shall be sent over the Rhodesian Railways up to 1930, or any lesser quantity subject to a penalty of £2 per ton. After 1930 there is no obligation upon the Union Minière to transport any copper over the Rhodesian Railways.

On the other hand, those railways will undoubtedly secure compensating traffic by reason of the extensive development of the Katanga mineral area, rendered possible by the Benguela Railway and the leaching process.

BENGUELLA RAILWAY.

With regard to the Benguela Railway, the Trade Facilities issue of £1,150,000 to provide the money for the purchase of British materials to complete the line to the frontier was a great success. The guarantee of the loan by the British Government, which, as I explained to you last year, was agreed to after the Government of the Union of South Africa had stated they had no objection, has been subjected to some criticism both in the South African and Southern Rhodesian Parliaments.

Our Government's decision was amply justified, firstly because they retained for British workshops a large order which would otherwise have been placed abroad immediately, the finance being, in fact, assured from our own resources, and, secondly, because they were assisting a railway which it is recognised can be of great use in the development of Northern Rhodesia, Lobito Bay being obviously that country's natural port.

The report and accounts were adopted, and a final dividend of 2½ per cent., making 7½ per cent. for the year, and also an interim dividend of 5 per cent. for 1926 were declared.

MALAYALAM PLANTATIONS, LIMITED.

SUCCESSFUL YEAR—NEW ESTATES ACQUIRED.

The fifth ordinary general meeting of Malayalam Plantations was held, on the 29th instant, at 3 Idol Lane, London, Mr H. J. Welch (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: During our financial year 1925-26 the tea crop harvested amounted to nearly 8½ million lbs, being 461,000 lbs in excess of the crop for the previous year. The f.o.b. cost of production (including loss on exchange) was 9.47d per lb, against 8.62d in 1925. The increased cost was accounted for by the increased cost of the rupee, by depreciation written off, and by commission on profits and furlough expenses payable to the staff. The average net price realised was 1s 2.35d per lb, against 1s 2.04d in 1924-25. The average yield per acre was 633 lbs, against 616 the previous year. The present estimate, made by the estates' superintendents, of the current year's tea crop is 8,845,000 lbs, and we have harvested for the first three months ended in June 2,533,503 lbs. This is an increase of 69,719 lbs over the previous year to the same date. As you previously have been informed, the whole output of tea, excepting the crop from the two estates recently acquired, has been sold forward for this year at an average gross price of 1s 4.25d per lb. London landed terms, equal to an average net price of 1s 2.43d per lb.

During the year approximately 246 acres were opened and planted with tea. Of the two new estates which we are creating and to which I referred at the last meeting, approximately 350 acres have already been cleared. This area, with another 350 acres elsewhere, making 700 acres in all, will be planted up during the current year. A new tea factory is in course of erection on our Moongala Estate, and other tea factories have been extended and additional machinery installed.

As you have been advised, during the year we purchased two desirable tea estates known as Arniekudy and Dymock, which adjoin our Wallardie and Moongala properties, and contain 684 acres of planted tea and 575 acres of reserve land. We also have negotiated for the purchase of other desirable estates, which could have been conveniently and economically worked with other properties belonging to us, but for reasons of price or otherwise these negotiations fell through.

The rubber crop harvested was 2,876,000 lbs, an increase of 282,000 lbs over the previous year. The f.o.b. cost of production (including loss on exchange) was 8.07d per lb, against 7.75d in 1924-25. The average net price realised was 2s 1.33d per lb, against 1s 5.37d in the previous year; 763,262 lbs were harvested for the first three months ended in June, a decrease of 17,563 lbs as compared with the same period last year.

FORWARD SALES.

Of the current financial year's crop, 503 tons (or approximately 45 per cent. of the estimated crop) have been sold at an average gross price London equivalent of just over 1s 11d per lb, and out of the 1927-28 crop 119 tons (or about 10 per cent. of the esti-

mated crop) at an average gross price London equivalent of 2s 8d per lb.

Our cardamom crop was 24,585 lbs, and was harvested at a cost of 2s 5.21d per lb, f.o.b., and realised an average net price of 4s 6.41d per lb.

The labour position during the year and the general health of the labour forces was satisfactory. The services of Lieutenant-Colonel Clemesha, I.M.S., a medical expert in tropical diseases and hygiene, have been continued, and he is still visiting many of the estates, with the object of reducing malaria and other diseases, and of assisting and supplementing the work of our Indian medical staffs.

The total book cost of our properties, buildings, machinery and plant, at the date of the balance-sheet, was £1,296,259.

LOW COST PER PLANTED ACRE.

After providing for the dividend proposed to-day, the surplus of our liquid assets over our liabilities, as at March 31st last, amounted to £422,250, or £15 10s per planted acre. If this surplus is deducted from our issued capital, the present net cost of our planted acreage is under £38 per planted acre, without allowing any value for our 57 square miles of reserve land on the one hand, nor anything for the cost of bringing our immature areas into bearing on the other.

The year's working resulted in a profit of £172,443 from tea, £206,894 from rubber, £2,207 from cardamoms, and £15,193 from sundry receipts and interest. Our net profit amounted to £388,533, which is £105,000 more than in the previous year.

From the sum available, your directors recommend the payment of a final dividend of 15 per cent. (less tax), making 25 per cent. for the year, to contribute to the staff retirement fund £5,000, and to transfer to taxation reserve £70,000. In addition, it is proposed that £20,000 should be transferred to general reserve (which will bring that account up to over £180,000), and after paying the directors' additional remuneration, to carry forward £40,626, against £39,821 brought in.

The report and accounts were unanimously agreed to.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note.)	Total Receipts into the Exchequer from April 1, 1926, to July 25, 1926.	Receipts. Week Ended July 24, 1926.	Week Ended July 25, 1926.
Balances in Exchequer on 1st April:—				
Bank of England...	6,880,249	5,341,778	..	..
Bank of Ireland....	676,684	1,215,322	..	..
	6,556,933	6,557,100	..	..
REVENUE.				
Customs.....	108,450,000	32,916,000	31,469,000	2,536,000
Excise.....	141,300,000	40,148,000	39,231,000	2,867,000
Motor Vehicle Duties ..	21,600,000	4,164,000	3,628,000	101,000
Stamps, &c., Duties.....	58,000,000	17,860,000	19,870,000	1,790,000
Land Tax, House Duty & Mineral Rights Duty	25,000,000	4,700,000	5,630,000	250,000
Property & Income Tax	1,000,000	120,000	150,000	10,000
Super-Tax.....	254,800,000	44,822,000	58,886,000	3,433,000
Excess Profits Duties, &c.	64,500,000	16,370,000	21,830,000	4,288,000
Corporation Profits Tax	2,000,000	6,500,000	4,200,000	750,000
Post Office.....	59,400,000	15,950,000	16,400,000	30,000
Crown Lands.....	950,000	390,000	340,000	170,000
Receipts from Sundry Loans.....	21,650,000	6,565,989	6,026,920	120,000
Miscellaneous—				
Ordinary Receipts...	25,600,000	5,426,454	3,470,364	140,592
Special Receipts.....	26,000,000	6,692,246	14,410,949	21,660
Revenue.....	224,750,000	197,754,683	225,601,333	615,086
Total Inc. Balance.....	..	204,311,122	212,158,433	12,300,746
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Under the Unemployment Insur. Act, 1921.....	..	344,000	670,000	44,000
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues—				
Under the Telegraph (Money) Act, 1924 and 1925.....	2,830,000	3,050,000	..	..
Under the Housing Act, 1914 ..	..	3,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	11,533	..	..
(b) Under the Unemployment Insurance Act, 1921.....	..	3,070,000	920,000	..
(c) For other issues:—				
By Treasury Bills.....	783,421,000	774,622,000	45,395,000	43,600,000
By 3½% Conversion Loan ..	..	23,079,560	..	..
By National Savings Certificates	9,050,000	12,250,000	500,000	700,000
By Treasury Bonds, 1925 ..	3,512,150	..	..	..
By 4% Treasury Bonds, 1931-33	..	..	..	..
(d) Ways and Means Advances ..	252,001,000	243,885,000	11,250,000	3,100,000
Repayments—				
In respect of issues under Land Settlement (Facilities) Act, 1919 and 1921 ..	80,927	66,308	..	..
Total ..	1,258,640,699	1,290,715,844	70,336,601	59,700,746

NOTE.—Budget Estimate as in H.C. 69 of 1926.

July 31, 1926.]

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from April 1, 1926, to July 25, 1926.	Issues. Week Ended July 24, 1926.	Week Ended July 25, 1926.
EXPENDITURE.				
National Debt Services—				
Interest, &c.....	304,000,000	127,361,167	126,988,495	670,808
Sinking Fund.....	60,000,000	9,701,472	14,699,745	886,000
Road Fund.....	17,500,000	5,462,044	3,027,044	..
Payments to Local Taxation Accounts, &c.....	14,100,000	1,475,504	1,435,135	..
Payments to Northern Ireland Exchequer ..	5,200,000	1,458,234	1,272,197	563,231
Land Settlement ..	..	..	105,494	1,969
Other Consolidated Fund Services.....	2,600,000	1,067,393	863,619	16,868
Supply Services.....	422,327,000	126,595,200	116,105,164	8,170,000
Expenditure.....	825,727,000	271,120,814	264,496,893	10,290,039
OTHER ISSUES.				
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904.....	..	36,891	36,891	..
Under the Unemployment Insurance Act, 1921.....	5,152,431	1,250,000	590,000	..
Issues to Meet Capital Expenditure—				
Under the Telegraph (Money) Act, 1924 and 1925.....	3,250,000	3,450,000	..	..
Under the Housing Act, 1914 ..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	11,533	..	..
Unemployment Insurance Act, 1921—				
Repayment of amounts borrowed ..	300,000	250,000	..	..
Redemption of Debt—				
Treasury Bills ..	735,270,000	745,885,000	45,555,000	43,135,000
Principal of National Savings Certificates.....	9,650,000	10,050,000	650,000	600,000
Principal of Exchequer Bonds paid off ..	..	306,667	..	..
Principal of National War Bonds paid off.....	..	3,639,550	..	..
Principal of Treasury Bonds paid off ..	..	23,645,860	..	..
Ways and Means Advances Repaid ..	231,041,000	235,049,000	13,150,000	7,364,000
Balances in Exchequer—				
Bank of England.....	1,255,821,136	1,288,077,394	70,235,039	59,848,426
Bank of Ireland.....	201,680,938	2,019,993	438	165,677
Total ..	2,819,563	2,638,450	101,562	147,680

Treasury, July 26, 1926.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Accounts.	Balance at End of Month.
			Notes. Government Securities.	
1925.				
Mar. 28.....	285,616	12,318	7,000	22,450
June 27.....	286,503	12,516	7,000	22,460
Sept. 27.....	282,784	12,401	7,000	22,450
Dec. 26.....	299,070	12,571	7,000	22,450
1926.				
Mar. 26.....	281,538	11,908	7,000	22,450
June 25.....	290,316	12,472	7,000	22,450
Sept. 24.....	285,592	12,227	7,000	22,450
Dec. 31.....	296,261	12,812	7,000	22,450
1925.				
Mar. 25.....	284,256	11,882	7,000	22,450
June 24.....	292,278	12,265	7,000	22,450
Sept. 30.....	293,004	12,555	7,000	22,450
Dec. 30.....	296,777	12,561	7,000	22,450
1926.				
Mar. 31.....	295,337	12,226	6,550	22,450
June 30.....	294,036	12,567	6,550	22,450
Sept. 28.....	291,381	12,156	6,550	22,450
July 28.....	293,896	12,104	6,550	22,450

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

NATIONAL DEBT.—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	July 24, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	26	14	13	13	13	13	13
3½% Conversion Loan ..	..	..	268	684	666	709	760	760	760
4½% Conversion Loan ..	..	..	..	..	210	210	211	211	211
3½% War Stock	..	63	63	63	63	63	63	63	63
4½% War Stock	..	13	13	13	13	13	13	13	13
4½% and 5½% War Stock ..	..	2,047	1,953	2,095	2,166	2,052	2,109	2,109	2,109
National War Bonds	..	1,509	1,201	953	820	778	771	771	771
4½% Funding Loan	..	409	401	399	396	395	395	392	392
4½% Victory Bonds	..	360	336	334	330	350	348	348	348
Treasury Bonds	..	453	411	457	499	479	482	482	485
Exchequer Bonds	20	323	185	150	150	15	15	15	15
National Savings Certs....	..	267	342	354	366	372	375	374	374
Other Debt*	..	1,306	1,087	1,157	1,126	1,124	1,111	1,111	1,111
American Loan (Anglo-French) ..	..	51	878	616	588	576	535	535	535
Treasury Bills	15	1,107	874	194	186	167	181	139	160
Temporary Advances ..	654	8,033	6,655	7,742	7,641	7,646	7,751	7,616	7,688
Other Capital Liabilities ..	57	46	76	66	72	84	85	85	84
Total Liabilities.....	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,772

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Outstanding—	July 25, '25.	Mar. 31, '26.	July 24, '26.	Movement. Week ended July 24, '26.
Advances by Bank of England	175,421,000	139,441,000	160,401,000	1,900,000
Advances by Public Deptmts.	603,870,000	564,855,000	613,010,000	155,000
Treasury Bills Outstanding ..	779,791,000	704,296,000	773,411,000	2,055,000
Total Floating Debt	1,559,082,000	1,408,582,000	1,546,822,000	37,240,000

* Includes £13,000, the proceeds of which were not carried to the Exchequer within the period of the account.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, July 28, 1926.

ISSUE DEPARTMENT.

	£	Government debt	£
Notes issued	170,623,425	Other securities	11,015,100
		Gold coin & bullion ..	8,734,900
	170,623,425		150,873,425

BANKING DEPARTMENT.

	£	Government securities ..	£
Proprietors' capital ..	14,553,000	Other securities	34,925,328
Rest	3,531,307	Notes	68,524,751
Public deposits	9,727,001	Gold and silver coin ..	28,603,240
Other deposits	105,492,490		1,253,288
Seven-day & other bills ..	2,809		
	133,306,607		133,306,607

* Including Exchequer, Savings Banks

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the *Economist* of July 3; Denmark in July 10; Greece and Egypt in July 17; Canada, France, Netherlands, Sweden, Estonia, Danzig, Poland, Czechoslovakia, Austria, Hungary, Russia and Portugal in July 24.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.
RESOURCES.				
Total gold reserves	2,969,280	2,845,390	2,806,820	2,790,850
Total bills discounted	495,430	514,930	612,570	442,520
Bills bought in open market	217,440	234,190	237,570	224,530
Total U.S. Government securities	383,100	391,080	375,320	335,300
Total earning assets	1,102,170	1,146,600	1,233,550	1,014,700
Total resources	4,924,870	5,062,910	4,998,510	4,732,490
LIABILITIES.				
Federal Reserve notes in actual circulation	1,680,920	1,707,230	1,737,500	1,605,210
Deposits—Member bank—reserve	2,208,330	2,242,190	2,239,890	2,160,750
Total deposits	2,254,500	2,286,620	2,279,150	2,199,720
Capital paid in and surplus	342,900	343,080	343,060	333,350
Total liabilities	4,924,870	5,062,910	4,998,510	4,732,490
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	76.0%	74.9%	75.2%	77.1%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.
RESOURCES.				
Total bills discounted	126,380	145,920	238,000	120,890
Bills bought in open market	31,020	49,160	52,420	33,910
Total U.S. Government securities	81,220	91,370	75,880	65,760
Total earning assets	242,550	286,330	367,650	223,410
Deposits—Member bank—res. acct.	842,600	860,860	889,580	828,210
Ratio of total res. to dep. and Fed. Res. note liabilities combined	83.0%	79.4%	74.6%	83.5%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	July 3, 1926.	June 26, 1926.	June 19, 1926.	June 12, 1926.	June 5, 1926.	July 4, 1926.
ASSETS.						
Gold coin and bullion	7,285	7,572	7,654	7,584	7,896	4,254
Subsidiary coin	49	49	49	49	49	50
Bills discounted	6,581	5,796	5,644	5,513	5,449	4,741
Investments	548	548	548	548	546	524
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	258
Notes in circulation	8,014	7,506	7,110	7,339	7,855	10,380
Bankers' deposits	4,860	4,619	4,897	5,014	4,709	4,965
Ratio of cash reserves to liabilities to public	55.0%	59.0%	60.8%	60.9%	60.8%	76.2%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	July 2, 1926.	June 25, 1926.	June 18, 1926.	June 11, 1926.	June 4, 1926.	July 3, 1926.
ASSETS.						
Total securities	20,721	21,525	20,481	16,597	14,871	13,953
Loans	15,061	15,563	16,001	18,572	15,274	18,761
Cash	26,946	26,570	27,611	30,052	26,603	30,539
Indian bills	5,821	5,704	5,758	5,739	5,295	6,123
Foreign bills	28,151	32,941	31,151	31,581	23,701	18,121
Dead stock	2,745	2,753	2,782	2,772	2,746	2,772
Balance with other banks	4,391	4,331	4,421	4,411	4,357	4,357
Cash	44,395	41,434	37,993	34,995	33,261	34,484
LIABILITIES.						
Capital paid up	5,625	5,625	5,625	5,625	5,625	5,625
Reserve	4,825	4,825	4,825	4,825	4,825	4,825
Total deposits	105,851	102,534	99,650	98,181	87,341	95,851
These include—						
Deposits in London	959	1,063	1,081	1,186	1,142	1,392
Advances in London	1,067	1,099	1,188	1,202	1,251	1,192
Cash, &c., at other Banks in London	33	47	34	145	33	264

BANK OF JAPAN.—In yen (000's omitted).

	June 26, 1926.	June 19, 1926.	June 12, 1926.	June 5, 1926.	June 27, 1926.	Position June 30, 1914.
ASSETS.						
Cash and bullion	1,136,128	1,135,781	1,133,930	1,132,429	1,126,405	221,320
Discounts	308,548	237,321	185,460	175,958	294,651	41,740
Advances	100,161	100,593	97,011	99,305	147,714	70,540
LIABILITIES.						
Notes	1,280,207	1,197,667	1,126,854	1,118,776	1,348,635	362,270
Govt. deposits	603,390	616,916	646,931	645,647	619,339	87,340
Other deposits	89,362	80,110	77,836	80,710	103,619	11,440

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

	July 22, 1926.	July 15, 1926.	July 8, 1926.	July 1, 1926.	July 23, 1925.	Position May 28, 1914.
ASSETS.						
Coin (gold & silver and bullion)	391,275	392,144	392,449	393,102	384,542	322,650
Securities	1,709,372	1,635,786	1,390,697	1,361,850	1,429,036	697,600
Advances	100,161	100,593	97,011	99,305	147,714	70,540
LIABILITIES.						
Notes	1,280,207	1,197,667	1,126,854	1,118,776	1,348,635	362,270
Govt. deposits	603,390	616,916	646,931	645,647	619,339	87,340
Other deposits	89,362	80,110	77,836	80,710	103,619	11,440

BANK OF JAPAN.—In florins (000's omitted).

	July 24, 1926.	July 17, 1926.	July 10, 1926.	July 3, 1926.	July 25, 1925.	Position May 30, 1914.
ASSETS.						
Gold	229,000	234,000	234,250	235,500	132,941	22,971
Silver	114,330	107,220	112,230	108,760	149,352	77,567
Discounts, advances, and other investments	114,330	107,220	112,230	108,760	149,352	77,567
LIABILITIES.						
Notes in circulation	335,500	336,500	338,500	331,500	311,088	109,499
Deposits and bills payable	50,000	48,000	45,500	43,000	55,235	11,250

SWISS NATIONAL BANK.—In francs (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	June 30, 1926.	July 23, 1925.	Position May 31, 1914.
ASSETS.						
Gold	419,855	419,718	419,460	419,381	500,746	171,175
Silver	88,855	88,552	88,107	88,356	89,777	18,350
Assets & advances	309,534	310,661	311,064	316,633	270,361	103,000
LIABILITIES.						
Notes in circulation	753,918	752,798	770,672	800,382	772,125	275,925
Deposits	108,633	126,375	104,601	83,337	150,533	33,750

NATIONAL BANK OF ROMANIA.—In lei (000's omitted).

	June 26, 1926.	June 19, 1926.	June 12, 1926.	June 5, 1926.	May 12, 1926.	Position May 30, 1914.
ASSETS.						
Gold	568,122	569,122	568,958	568,839	545,275	775
Silver, &c.	20,856	21,994	15,580	10,794	10,794	775
Government loan	11,245,871	11,245,871	11,245,871	11,245,871	11,245,871	12,585,130
Other advances	9,525,879	9,723,185	9,683,483	9,677,360	9,677,360	5,037,432
LIABILITIES.						
Notes in circulation	20,970,792	20,970,792	20,970,792	20,970,792	20,970,792	15,845,426
Deposits	7,783,398	7,919,029	7,884,768	7,878,215	7,077,360	477,500

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.	Position May 31, 1914.
ASSETS.					
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212	177,212
Gold and bullion	1,492,485	1,492,269	1,491,234	1,491,001	1,491,001
Of which deposited abroad	260,435	260,435	260,435	260,435	260,435
Reserve in foreign currencies	308,449	344,415	324,827	367,667	367,667
Bills of exchange and cheques	1,130,463	1,273,111	1,288,208	1,487,571	1,487,571
Silver and other coin	115,854	105,748	107,546	71,647	71,647
Notes of other German banks	23,031	15,538	10,613	33,128	33,128
Advances	8,326	7,672	14,377	21,625	21,625
Investments	89,494	89,494	89,494	201,594	201,594
Other assets	714,412	680,285	621,626	723,999	723,999
LIABILITIES.					
Reduced capital	122,788	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212	177,212
Reserve	237,085	237,085	237,085	237,085	237,085
Notes in circulation	2,644,941	2,832,719	2,971,153	2,900,876	2,900,876
Other daily maturing obligations	748,681	579,477	526,626	878,818	878,818
Other liabilities	129,019	116,433	119,871	621,352	621,352

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription "of one pound of fine gold equals 1,592 Reichsmarks."

BANK OF NORWAY.—In kroner (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.	Position May 31, 1914.
ASSETS.					
Coin and bullion—Gold	147,226	147,226	147,226	147,226	147,226
Balance abroad and foreign bills	77,541	78,096	81,555	58,489	28,533
Norwegian and Foreign Government securities	21,766	21,579	21,561	11,146	8,616
Discounts and loans	334,661	336,109	341,763	324,752	76,911
LIABILITIES.					
Notes in circulation	337,050	339,725	344,887	379,983	113,484
Deposits at notice	180,250	179,492	184,854	88,584	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

	July 24, 1926.	July 17, 1926.	July 10, 1926.	July 3, 1926.	July 25, 1925.	May 31, 1914.
ASSETS.						
Gold	228,279	228,347	228,415	228,426	233,885	104,918
Balance abroad and foreign bills	126,533	125,325	125,513	126,445	116,099	112,172
Swedish and foreign Govt. securities	47,251	47,251	47,251	47,251	50,218	32,465
Discounts and loans	248,195	265,650	290,165	326,297	325,276	112,668
LIABILITIES.						
Notes in circulation	448,768	462,125	473,428	509,633	449,651	226,555
Deposits at notice	122,860	127,221	140,584	143,186	196,038	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

	July 15, 1926.	July 8, 1926.	June 30, 1926.	July 15, 1925.	Position May 30, 1914.
ASSETS.					
Gold	330,371	330,492	330,613	43,286	35,091
Balance abroad and foreign bills	916,524	933,185	963,122	1,049,081	90,379
Finland and Foreign Government securities	366,417	366,417	366,417	403,296	21,826
Discounts and loans	706,773	729,328	735,402	411,238	105,151
LIABILITIES.					
Notes in circulation	1,280,004	1,283,067	1,297,748	1,243,101	123,941
Deposits at notice	353,945	359,006	441,390	463,005	21,225

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

	July 21, 1926.	July 14, 1926.	July 7, 1926.	July 22, 1925.	Nov. 22, 1922.
ASSETS.					
Gold bullion and coins	83,598	23,596	23,591	23,532	12,993
Silver coin	2,740	2,680	2,660	3,980	
Balance abroad	36,511	36,484	36,326	32,398	22,466
Treas. notes & small change ..	10,867	10,486	8,899	11,298	3,085
Short term bills	67,507	67,504	67,754	58,569	6,633
Loans against securities	50,116	49,399	49,839	49,228	2,915
Other assets	8,230	8,517	8,616	8,404	1,321
LIABILITIES.					
Notes in circulation	29,774	29,570	29,877	28,284	4,684
Capital paid up	13,447	13,447	13,447	11,659	8,000
Reserve	2,237	2,237	2,237	1,524	
Special reserve	2,500	2,500	2,500	1,000	
Deposits	8,547	8,593	8,513	6,430	6
Current accounts	48,150	48,827	48,294	46,776	16,933
Government accounts	81,246	79,308	80,233	76,175	16,669
Other liabilities	15,658	14,184	12,585	15,563	3,75

Messrs Samuel Montagu and Co. write on July 28th as follows:—

GOLD.

During the week under review the Bank has received on balance £413,000, increasing the net influx since January 1, 1926, to £7,534,000, and decreasing the net efflux since the resumption of an effective gold standard to £4,061,000.

SILVER.

During the week the market has remained steady. The pressure of selling which brought about the drooping prices of the week before has been relaxed, and Indian and other bears took advantage of the lower level to reduce their commitments. The daily business has not been one-sided, both India and China having worked both ways. America has had little to do here. On the whole the market is pursuing a natural course without any speculative bias, but, irrespective of any immediate fluctuations, is lacking in confidence.

United Kingdom imports and exports of silver during the week ending the 14th inst. were:—

	Imports.	Exports.
U.S.A.	53,031	37,200
Nigeria	20,928	32,880
Other countries	16,161	57,189
	90,120	374,639

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	July 7.	July 15.	July 22.
Notes in circulation	19,265	19,409	19,506
Silver coin and bullion in India ..	9,210	9,354	9,445
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion in India ..	2,232	2,232	2,232
Gold coin and bullion out of India ..	5,723	5,723	5,730
Securities (Indian Government) ..	2,100	2,100	2,099
Securities (British Government) ..	2,100	2,100	2,099

No silver coinage was reported during the week ending the 22nd inst. The stock in Shanghai on the 24th inst. consisted of about 68,600,000 ounces in sycee, 62,400,000 dollars, and 2,530 silver bars, as compared with about 69,200,000 ounces in sycee, 62,500,000 dollars, and 7,500 silver bars on the 17th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
		Cash. Forward.		Cash.
1926.	s d	d		d
July 24....	84 10 ¹ / ₂	29 ¹ / ₂	Aug. 6, 1920..	56 ¹ / ₂
26....	84 10 ¹ / ₂	29 ¹ / ₂	5, 1921..	38 ¹ / ₂
27....	84 10 ¹ / ₂	29 ¹ / ₂	4, 1922..	35 ¹ / ₂
28....	84 10 ¹ / ₂	29 ¹ / ₂	3, 1923..	30 ¹ / ₂
29....	84 11	29 ¹ / ₂	July 31, 1924..	34 ¹ / ₂
30....	..	..	30, 1925..	32 ¹ / ₂

NOTICES.

The Standard Bank of South Africa, Limited, announce that an agency has been opened at Mazabuka, near Lusaka, in Rhodesia.

Barclays Bank, Limited, announce the opening of a new branch at 7 College terrace, London road, Southampton, under the management of Mr L. D. Ingmire, also the opening of new sub-branches at Glanydon, Corris, Merioneth, under the management of Mr W. A. Harries, who is also manager of Machynlleth branch, and at 131A Streatham road, Streatham, S.W. 16, under the management of Mr E. W. Finch, who is also manager of West Streatham branch.

Westminster Bank, Limited, announces the opening of a new branch at 96 Brighton road, Coulsdon, under the management of Mr G. O. Anson, of Purley.

The Imperial Bank of India have removed from 5 Whittington avenue, to 22 Old Broad street, London, E.C. 2.

Mr James Gourlay, Brankston House, Stonehouse, Lanarkshire, has been appointed a director of the Bank of Scotland.

Reports and Notices.

Mr Hugh Micklem has been appointed a director of the Selection Trust, Limited.

We are informed that Mr J. Hopkins, A.C.I.S., has been appointed assistant secretary to the Pearl Assurance Company, Limited.

BANKS.

YORKSHIRE PENNY BANK, LIMITED.—The statement for the year ending June 30, 1926, shows that the many facilities offered by the bank have been most extensively used by over 1,200,000 depositors. During the year ended June 30, 1926, 11,260,000 deposits were made, resulting in £35,045,000 being deposited, representing an average deposit of £3 3s 3d. The branches of the bank are as follows:—140 town branches, 711 village branches, 2,550 banks for school children; total branches 3,401. At June 30, 1926, the bank held amongst its assets:—Cash, &c., £7,660,960; Treasury bills, £400,000; short-dated British Government loans

and bonds, £16,666,977; total £24,727,937. The percentage of readily available assets to the deposits is over 88 per cent. The remaining assets at June 30, 1926, include Bank of England stock, Colonial Government and English corporation stocks totalling £904,655, loans on security and other accounts £3,247,740, and bank premises £571,457. All the securities are valued at or below market price. The amount due to depositors and other accounts at June 30, 1926, amounted to £27,951,792.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK.
Statement of conditions at close of business, June 30, 1926:—

RESOURCES.	LIABILITIES.
Cash	Capital
Loans and discounts	Surplus
U.S. Government securities	Undivided profits
Other securities	Reserve for taxes, interest, &c.
Bank buildings	Dividend payable July 1, 1926
Redemption fund — U.S.	Deposits
Treasurer's acceptance	Circulating notes
Customers' liability	Acceptances
Other assets	Other liabilities
931,650,714	931,650,714

THE NEW YORK TRUST COMPANY.—Balance-sheet, June 30, 1926:—

RESOURCES.	LIABILITIES.
Cash	Capital
Exchanges for clearing house	Surplus
U.S. bonds and certificates	Undivided profits
Other bonds and securities	Dividend payable June 30, 1926
Loans and bills purchased	Reserve for taxes, &c.
Bonds and mortgages	Accrued interest & accounts payable
Acceptances and letters of credit	Acceptances and letters of credit
Accrued interest receivable and other resources	Outstanding certified and treasurer's cheques
337,119,541	337,119,541

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim div.	Final div.	Method of Payment.	Lat'est Year.	Pre-vious.
Banks.						
Australian of Commerce	4%†	July 27	..	..	8	7 ¹ / ₂
Commercial Bkg. Co. of Sydney ..	10†	..	..	..	10	10
Union of Australia	15†	..	..	..	15	..
Employers' Liability Assurance Corporation	16† p.a.	Sept. 22	Tax free	..	..	..
Tea and Rubber.						
Beaufort Borneo Rubber	7 1/2%†	..	Less tax	17 ¹ / ₂	10	22 ¹ / ₂
Cleely Rubber	35%†	..	Less tax	60	..	..
Hanipha (Ceylon) Tea & Rubber ..	10%†	Aug. 13	Less tax	..	..	..
Jong-Landor Rubber	20%†	..	..	..	..	..
Kepong (Malay) Rubber	20%†	Aug. 23	Less tax	..	..	..
Kuala Raman Rubber	10%†	..	Less tax	15	nil	..
Sarawak Rubber	40%†	Aug. 10	Less tax	60	15	..
Mining.						
Ashanti Goldfields	20%†	Sept. 2	Less tax	..	..	..
Gabait Tributing	10%†	..	Less tax	15	..	..
Other Companies.						
Average Trust	10%†	..	Tax free	..	..	..
Bent's Brewery	10%†	..	Less tax	..	..	..
Birmingham Arcade	6%†	..	Less tax	11	11	..
Bristol & South Wales Railway ..	5%†	Aug. 16	Less tax	..	..	..
Wagon	5%†	Aug. 4	Less tax	..	..	..
Bristol Tramway and Carriage ..	3%†	..	..	..	..	..
British Tea Share Trust	7 1/2%†	..	..	..	..	..
Charing Cross Electric	4 p.a.†	Aug. 13	..	15	15	..
Consolidated Spanish Ore	5%†	..	Less tax	27 ¹ / ₂	22 ¹ / ₂	..
Devas Routledge	5%†	..	Less tax	..	..	..
Dublin (South) City Market	14%†	..	Tax free	..	..	..
Edinburgh and Dundee Invest.	5 1/2%†	..	Less tax	10	10	..
Edward Wood and Co.	7 1/2%†	..	..	2 ¹ / ₂	nil	..
Fisher and Ludlow	7 1/2%†	..	Less tax	..	..	..
Flouring, Reid, and Co.	10%†	..	Less tax	..	..	..
Furness, Witty and Co.	10%†	..	..	..	..	..
Gaskell and Chambers	5%†	Aug. 1	Less tax	..	..	..
Gas Light and Coke	2 1/2%†	..	..	..	..	..
General Hydraulic Power	3%†	..	Less tax	..	..	..
Grand Canal, Dublin	2%†	..	..	..	..	..
Grovesend Steel and Tinplate	6%†	..	Less tax	10	10(b)	..
Heritable Securities	5%†	..	Less tax	..	..	..
Holt Brewery	5%†	..	Less tax	..	..	..
International Paint	3%†	Sept. 30	Less tax	..	..	..
Isaac Holden	1/6 p.a.†	..	Tax free	11 ¹ / ₂	21 ¹ / ₂	..
Isaac Walton and Co.	1/6 p.a.†	July 31	Tax free	..	..	..
James Eadie	5%†	(bonus of 3%)	Less tax	13(a)	15(a)	..
Kensington and Knightsbridge Electric	5%†	..	..	..	..	..
"Liverpool Daily Post & Echo" ..	10%†	Aug. 14	Less tax	..	..	..
London Theatre of Varieties	10%†	..	..	..	..	..
Maple and Co.	2 1/2%†	Sept. 1	..	10	10	..
Metropolitan Electric Supply	6%†	Aug. 13	..	..	..	..
Mitchell and Butler	10%†	..	Tax free	13	13	..
Moss Empires, Ltd.	10%†	..	Less tax	..	..	..
New York and General Trust	5%†	Aug. 31	Less tax	..	..	..
Northampton Electric	4%†	Aug. 21	..	..	..	..
Oriental Carpet	5%†	..	..	5(p.p.s.)	5(p.p.s.)	..
Patent Victoria Stone	2 1/2%†	..	Less tax	..	..	..
Pawsons and Leafs	5%†	Aug. 6	..	..	..	..
Perry and Co.	5%†	Aug. 31	Less tax	..	..	..
Read Bros.	2 1/2%†	..	Less tax	..	..	..
Sellincoourt and Sons	5%†	..	Less tax	..	..	..
Shelfield Pure Ice	8%†	..	Tax free	14	9	..
Sir J. L. Hallett and Sons	1/6 p.a.†	Aug. 14	Less tax	..	..	..
Spratt's Patent	8%†	Aug. 3	Less tax	..	..	..
Thomas Wallis and Co.	12%†	Aug. 3	Less tax	7 ¹ / ₂	7 ¹ / ₂	..
United Dominion Trust	..	..	..	..	..	..
United States Debenture Corp'n.	..	..	..	..	..	..
Walker and Homfrays	..	..	..	..	..	..
Ward and Goldstone	..	..	..	..	..	..
Wayne, Combe, Reid, Def.	10%†	..	Less tax	7	11	..
Welsbach Light	5%†	..	Less tax	17	17	..
Western Wagon and Property	10%†	July 30	..	..	..	..
Westminster Electric	1/6 p.a.†	Sept. 1	Less tax	..	..	..
Wolsley Sheep Shearing Mach.	5%†	..	..	7 ¹ / ₂	..	..

(a) Bonus tax free. (b) Tax free.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Debenture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding PeriodLast Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount.	Amount.					Rate.
Breweries.		£	£	£	£	£	%	£	£	£	%
James Eadie	Mar. 31	68,844	65,389	134,233	12,500	27,500	13	20,000	74,233	66,033	15
Mitchells and Butlers	June 30	248,301	520,908	769,209	48,000	349,853	13+	100,000	271,356	501,221	13+
Financial, Land, &c.											
City of Aberdeen Land	June 30	1,340	7,834	9,174	..	7,000	12½	1,000	1,174	2,403	11½
Iron, Coal, and Steel.											
Grovesend Steel and Tinplate....	Mar. 31	89,844	152,675	242,519	16,250	50,000	10	109,569	66,700	154,026	10+
Rubber, &c.											
Beaufort Borneo.....	April 30	6,521	30,580	37,101	..	26,250	17½	5,000	5,851	21,676	10
Cicely Rubber.....	Mar. 31	7,756	84,219	91,975	3,900	75,959	60	5,000	7,116	18,379	22½
Semenyih.....	April 30	7,316	22,868	30,184	..	16,543	35	4,000	9,641	4,589	10
Vallambrosa.....	Mar. 31	5,736	88,059	93,795	..	70,840	175	..	22,955	20,078	50
Other Companies.											
Dublin (South) City Market	June 30*	4,511	3,638	8,149	..	3,000	3	500	4,649	3,145	2½
Welsbach Light	Mar. 31	20,475	3,021	23,496	..	12,896	5	..	10,600	11,228	5

* Half-yearly.

† Tax free.

Commercial Reports.**THE CORN TRADE.**

Mark Lane, Thursday Evening.

Climatic conditions continue favourable to growing crops, and rains during the past week have kept the plants supplied with moisture. The harvesting of winter oats is now general, and samples show good quality and weight. The small supply of old native wheat available was mainly taken for poultry feed, and realised full rates. Imported descriptions move off slowly, and values the turn in buyers' favour. Steamers of No. 1 Northern Manitoba October-November sold 55s 6d, and No. 2 hard winter expected to load August 28th 53s 6d, both to Continent. Feeders of however, were firmly held, particularly for passage cargoes of maize. Black Sea barley September shipment sold 27s 6d per 400 lbs c.i.f. terms. Wheat quiet. No. 1 Northern Manitoba quoted 62s 9d, No. 2 ditto 61s 6d, No. 2 mixed Durum 57s, Barusso 61 lbs 58s 6d, Australian 61s, all ex-ship, choice white Karachi 61s 6d landed per 496 lbs. English nominally 14s 2d to 14s 6d per 112 lbs free on rail. Flour quietly steady. London standard grade 52s. town whites 53s, patents 54s to 55s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported Manitoba patents range 47s to 49s 6d, Minneapolis 48s to 49s, Australia 45s 6d per 280 lbs ex-store. Maize firm. Plate new 36s landed, ditto ex-ship to arrive 33s 3d per 480 lbs. Barley maintained. Californian 36s to 47s, Chilean (Chevalier 50s to 57s, ditto brewing 35s 6d to 48s, Australian Chevalier 45s to 46s ex store, Smyrna 35s to 48s, ex-ship per 448 lbs. No. 3 Canadian Western, ex ship, 30s, No. 4 ditto, 29s 9d, American malting, 48 lbs landed, 30s, Plate ex ship, 28s 9d, Russian 29s 9d per 400 lbs English nominal. Oats firm. La Plata ex ship 22s 6d, landed 23s 6d, No. 2 Canadian Western, ex ship, 27s, landed 28s, No. 2 Canadian feed ex ship 23s 6d, landed 24s 6d, Chilean Tawny 23s, American 38 lbs ex ship 23s 6d, landed 24s 6d, mixed feed ex ship 19s 6d, landed 20s 9d, per 320 lbs; English 10s-10s 6d per 112 lbs free on rail. Millers' offals firm. Broad bran 6s 3d per 60 qd, middlings 7s to 7s 3d, fine ditto 8s 6d bags included ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s 3d per cwt free on rail. Oatmeal unaltered. London-malting flaked 17s 6d, rolled oats 16s 6d, medium also fine cut 16s 6d, coarse also medium pinhead 16s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23:—

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to July 24	Cwts. 10,931	Cwts. 133,824	Cwts. 20,030	Cwts. 38,413
47 weeks to July 24	12,832,221	11,003,611	12,673,340	16,834,362
Average price of English wheat per cwt.	s d 14 3	s d 11 9	s d 12 3	s d 11 6

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts.	Cwts.	Cwts.	s d	s d	s d
July 17.....	12,227	4,548	5,785	13 11	9 0	10 3
" 24.....	10,931	5,057	5,466	14 3	8 8	10 3
1922	74,143	2,964	12,434	12 6	11 3	11 11
1923	38,413	8,667	5,712	11 6	8 4	10 9
1924	20,030	2,645	5,665	12 3	11 10	10 0
1925	133,824	12,904	14,606	11 9	10 4	10 4

Our Glasgow correspondent writes:—Owing to the Fair holidays all the iron and steel works which had been producing (with the exception of the rolling mills of a firm in the Springburn district) have been closed down. The demand for black and galvanised sheets continues strong, and despite the reports of German competition prices are well maintained. The demand for bar iron keeps steady, but on a small scale. Considerable quantities of Continental bars and hoops are coming into Glasgow and neighbourhood. Steel works are, of course, doing nothing, but the feeling is prevalent that if fuel supplies are made available at an early date fairly good business can be obtained, and order books are already well filled for delivery after the strike. Messrs Scott's Shipbuilding and Engineering Company, Greenock, have secured a contract for a 6,500-ton steamer for the Holt Line. The engines will be twin-screw engines of the Scott-Still type. The shipments of pig-iron from Glasgow Harbour last week totalled 249 tons, of which 196 tons were on overseas account. For the corresponding week of last year the tonnages were 305 and 95 respectively.

Our Sheffield correspondent writes:—Local unemployment has decreased by some 3,000 during the past fortnight, and the average of the holiday stoppage next week will not exceed the normal. Increased supplies of fuel have enabled firms producing the lighter forms of steel to extend their operations, and mills are working at about half capacity by means of electric power and foreign and outcrop gas coke. No steel is being melted, however, and the gradual exhaustion of supplies has brought the heavy departments almost to a standstill. Semi-steel is being imported in large quantities from Belgium, France and Germany, and users are also going abroad for special kinds of steel unobtainable at home. Prices of foreign material have not been advanced appreciably, nor are sellers insisting upon contracts very far forward. The wire trade, which has been brisk, is now being curtailed, through restricted supplies of foreign rods. There is no demand for ferro-alloys, and prices are easier. Continental trade in fine steels and tools has shrunk to the vanishing point owing to exchange movements.

Our Cardiff correspondent writes:—The tinplate factories are being helped by the supplies of foreign fuel and steel, and it is estimated that the output has been increased to about 40 per cent. of the normal. Prices are practically unchanged, ranging from about 25s 6d per box for spot delivery down to 20s 3d for post strike deliveries. The supplies received by the warehouses from the works last week were slightly less than in the previous week, and in consequence of the doubling of the volume of the exports the stocks have been reduced from 50,916 boxes to 28,788 boxes.

OTHER METALS.

TIN.—The market proved active, and values responded to higher cable advices from the East, while somewhat irregular at times. Standard cash sold at £288 10s, £290, £289 17s 6d, and £291 15s, three months £283 5s, £285 5s, £284 15s, and £286 10s. Sales in the East were reported at £289 12s 6d, £290 5s, £289 18s 9d, and £292 15s. American advices were also firmer.

COPPER.—A considerable business transpired at full rates. Slight irregularity ensued, due to profit-taking, but general tone firm. Standard cash sold £58 6s 3d to £58 17s 6d, three months £59 2s 6d to £59 13s 9d.

LEAD continues in good support, and with American cables firmer values further hardened, though top points were not maintained. Good soft foreign pig, July, sold £32 15s to £33 7s 6d and £33, August £32 12s 6d, £33 7s 6d, £32 16s 3d, September, £32 10s, £33 2s 6d, £32, October £32 7s 6d to £33, and £32 10s; November £32 7s 6d to £33 and £32 10s per ton.

SPELTER firm, while in demand. July sold at £34 5s to £34 8s 9d, August £34 7s 6d to £34 11s 3d, September £34 15s, October £34 12s 6d to £34 16s 3d and £34 13s 9d, November £34 15s, £34 17s 6d ton.

ANTIMONY firm. English regulus, refined, £74 10s to £75. China crude spot £35, July-August £36, Regulus spot sold £64, July-August £58 to £60 per ton.

ALUMINIUM quiet. Home trade nominally £118, export £120 ton. **WOLFRAM** firm, and quoted 14s 3d to 14s 6d per unit, ex warehouse.

QUICKSILVER firm. Spot £15 10s per bottle.

TIN PLATES steady. I.C. coke prompt 25s 6d to 26s, and delivery after termination of strike 20s to 20s 3d per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 28, 1926.

A little more activity has been shown during the week, but prices record but little change. The American Cotton Bureau report, issued on Friday last, gave a condition of 70.7 against 75.4 last month, with an estimated production of 15,368,000 bales, but the figures have had very little effect on the course of prices. Reports from the Southern States state that there is rank growth, and the plant poorly fruited. There has also been too much rain. Spot sales for the period 23rd to 28th (inclusive) were 17,000 bales. Of these 7,310 were American, 510 Brazil, 3,300 Peru, 3,820 Egypt, 1,360 African, 190 East Indian, and 510 sundries. Imports for the same period were 23,611 bales. These include 11,510 American, 3,114 Brazil, 5,778 Peru, 395 Egyptian, 208 African, 550 East Indian, and 2,056 sundries. Quotations to-day are:—Middling American, 10.10d; Brazil fair, 10.20d; Peru G.F. moderate-rough, 12.00d; smooth, 11.95d; Timmivelly, F.G.F., 9.00; West African middling, 9.85d; and East African G.F. 11.70d.

MANCHESTER, July 28, 1926.

Business is slow in developing. Leading merchants still display a lack of enterprise, and commitments are restricted as much as possible. There is belief that trade will broaden when the coal dispute is over, but in the meantime the outlook is too uncertain for active dealings. In cloth for India there has been a fair amount of inquiry, but not more than a scattered business has been done, most of the buying being in light bleaching descriptions. Fresh news from China has been scarce, trade being confined to small lots, chiefly in fancies. There has not been any flow of orders for the Near East or South America, but the undercurrent of demand in home trade fabrics keeps up fairly well. Quotations in American and Egyptian yarns remain firmer. Export business for India in two folds has been rather better than recently.

(I.) Comparative Statement of the Cotton Trade.

	Price, July 28, 1926.	Previous weeks in 1926.				
		Price, July 22.	Price, July 15.	Price, July 8.	Price, July 1.	Price, June 24.
Raw Cotton—Mid. American per lb	10.10	10.06	9.89	9.37	9.24	9.47
— Sakellaridis Fully Good Fair Egyptian per lb	16.25	16.30	16.15	15.85	16.05	16.25
Yarns—32's twist per lb	15.1	15.1	15.1	15	15	15.1
— 40's twist per lb	15.2	15.2	15.2	15.1	15.1	15.2
— 60's twist (Egyptian) per lb	27	27	27.1	27.1	27.1	27.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's 25	0 25	0 25	0 25	0 25	0 25	0 25
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's 29	0 29	0 29	0 29	0 29	0 29	0 29
38-in. ditto, 38 yds, 18 by 18, 10 lbs 14	6 14	6 14	6 14	6 14	6 14	6 14
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs 13	9 13	9 13	9 13	9 13	9 13	9 13

(II.) Compared with Previous Years.

	Price, July 28, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	10.10	13.93	19.17	14.01	13.45	8.78
— Sakellaridis Fully Good Fair Egyptian per lb	16.25	32.55	26.15	15.85	18.00	16.00
Yarns—32's twist per lb	15.1	15.1	20.1	20.1	19.1	17.1
— 40's twist per lb	15.2	15.2	21.1	21.1	20.1	18.1
— 60's twist (Egyptian) per lb	27	27	37	37	28.1	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's 25	0 25	0 32	0 37	0 29	0 32	0 31
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's 29	0 29	0 36	0 42	0 32	0 31	0 31
38-in. ditto, 38 yds, 18 by 18, 10 lbs 14	6 14	6 18	6 21	6 17	6 18	6 18
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs 13	9 13	9 16	9 20	9 16	9 16	9 16

THE WOOL TRADE.

Our Bradford correspondent, writing on Wednesday, says:—There is very little change in general conditions. Demand in all sections is restricted, and the small transactions reported from day to day are obviously of a retail character just sufficient for current needs. There is, however, an underlying note of confidence, and both spinners and manufacturers still believe that business will come on to the market when the industrial outlook improves. This is suggested also by the way in which wool continues to sell at the London auctions. Wool has also been lifted remarkably well at the country fairs held in various parts of the country during the last two months. In many cases prices have been paid well above the Bradford parity, but no doubt buyers have been influenced by the fact that present conditions in the consuming centres afford no guide as to trade under more normal conditions, and have taken the wool in anticipation of better times ahead. There is very little change in Bradford quotations for tops and yarns. The finer qualities are steady, but there is no bulk business to test the market. In piece goods, demand on home trade account has been encouraging, but business for future delivery is difficult to negotiate owing to the inability of manufacturers to guarantee delivery dates. This is curtailing both home and export demand.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Last Wednesday saw the finish of the fourth series of London sales, and although a slight decline has to be recorded in practically all merino values compared with the first week, it is fully covered by 5 per cent. Of course, this is disappointing to importing merchants, who were hoping that July would see prices a little higher, and that they would thus get out of their colonial purchases without loss, but at the moment the majority are carrying their stocks which if sold would leave behind a slight loss. Rather than face this, the majority think it policy to wait until the next series, when, if the coal strike is settled and the French financial tangle is straightened out, we may see somewhat firmer values. That the decline in values has not been more marked is gratifying. Though it is three months since the miners' strike commenced, and most French buyers left the sales at the end of the second week, we still think the position is sound. Consumption is certainly somewhat lacking in the home trade, for most mills to-day are having to run on foreign coal, which is costing all round £3 per ton, against £1 per ton as supplied by Yorkshire coal pits. Apart from this increased cost, business is anything but good, the strike having strangled the summer demand for new clothes among retail distributors. However, the quantity of wool actually sold clearly shows that the position is sound, and it would seem as if the forth-

coming long interval will be characterised by steady values. The month of August has often been a period of activity, for in the ordinary way manufacturers then buy yarns for their following spring orders, but only hand-to-mouth buying will be done until the strike is settled. The big stocks of crossbreds in Bradford will have to be held until later in the year. Trade on the Continent is expected to revive with the harvest; and possibly good crops in the United States and Canada will lead to larger business in clothing during the winter, which will stimulate the consumption of crossbreds. At the same time, an increased demand for yarns and piece goods from Germany, Russia, and the Balkan States will be the chief factor in the betterment of crossbred wool. The home trade prefers fine, soft handling fabrics to those made out of crossbred wool, largely because of the reasonable prices which obtain for the former. The hosiery trade is languishing, and it would seem as if production is on too large a scale until other countries are able to buy fabrics more extensively. Little increase, if any, in wool values may be expected during the next two months, but in view of the present reasonable level we consider the position quite sound.

HIDE, LEATHER, AND ALLIED TRADES.

The domestic hide market remains firm, although it is reported that, in view of shortage of coal and power, tanners will soon be obliged further to reduce input. London and provincial prices show practically no alteration, and supplies are taken as offered. The market for imported hides is also firming up, and best Argentine frigorifics are now quoted at 7½d. Continental tanners are the chief buyers, the United States not being much in the market. Cables from Chicago report the position as strong, with best heavy packers now selling at 15 cents. Dry hides are advancing, and B.A. Americanos are now offering at 10d, but no sales are reported at this figure. The demand for sole leather has fallen off owing to the close proximity of the holidays. Manufacturers show no disposition to speculate, and orders have therefore been on the small side. Light bends are still wanted, but there has been a good demand for medium weights from the repairing section. The output of sole leather has been greatly reduced, so that offal is getting scarce, and will in all probability be dearer if a sudden demand should set in when the coal trouble is settled. As regards upper leathers, the demand still runs on coloured kid and light willow, whilst patent and reptile leathers are being worked up freely. The shoe trade is quieter, although makers of ladies' and sports goods are fairly busy. Good orders for export have also been received of late for high-class men's footwear.

VEGETABLE OILS AND OILSEEDS.

Trade in the past few days has been in narrow compass, consumers generally being far from active buyers. Linseed oil has fluctuated in sympathy with seed, but is little changed on the week, current value being around £35 10s per ton naked ex Hull mill for spot and delivery to December. Cotton oils have been firm, and in fair demand, and are scarce for early delivery. Crude Egyptian is held for £41 10s, and ordinary refined offers freely at £41 prompt. Soya and palm kernel and other oils are in poor demand, and nominally unchanged. In the oilseed section Plate linseed has been influenced by adverse reports of the crop in the United States. Some speculative buying was later dissipated, and prices are easier, spot and afloat offering at £16 17s 6d, and July-August shipment at £17. Indian seed is not active, Calcutta August shipment around £19 2s 6d. In other directions very little business is doing, and crushers interested to a very limited extent. New Egyptian cottonseed is now offering at £10 16s 3d for October loading.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Steadiness was the prevailing feature, and a fair amount of business was effected, both on grocery and manufacturing account. British descriptions remained unaltered, and Messrs Tate and Lyle's granulated, from Empire sugar only and ex-refinery, attracted the attention of London buyers, while 3d cwt dearer at 28s 3d. Firmness ensued at American centres, and sustained inquiries were recorded for Cuban sugar on Chinese and Japanese account. Imported kinds sold at slightly more money. Czecho, also Dutch J. granulated, spot, sold, 27s 1½d; American, in 1 cwt bags, 27s 6d. Forward positions were mostly steady. Czecho granulated, ready, sold, 14s 10½d to 14s 9d; November-December, 14s 11½d f.o.b., Hamburg. Dutch J. ready, done, 14s 9½d, f.o.b., Rotterdam. Belgian crystals, prompt, sellers, 14s 4½d, f.o.b., Antwerp. Cuban basis, 96 per cent., August, 11s 7½d, c.f. and i. terms. Peruvian afloat, sold, 11s 6d. Terminal easier. August, sold, 13s 9d to 13s 7½d; December, 14s 7½d; March, 15s 0½d to 14s 11½d; May, 14s 5½d to 15s 3½d and 15s 5½d.

COFFEE.—Market continued steady, and on balance business proved of fair extent. Fine bold Kenya, sold, 150s; Uganda, bold, brownish, 114s to 118s; Costa Rica, bold, 142s to 180s; Nicaragua,

157s 6d; ditto peas, 153s 6d to 160s. Futures generally quiet, and May delivery, sold, 87s.

COCOA.—Only a quiet trade with regard to spot parcels, but sellers asked recent rates. Accra F/F, August-September, quoted 51s 6d; afloat parcels, sold, 51s; intermediate quoted 47s; and November-January, 45s, f.o.b.

TEA.—Indian auctions of 15,280 packages aroused much better competition, and the bulk sold at full rates to ¾d to ¾d per lb advance. Pekoe sold, 1s ¾d to 1s 8½d; orange pekoe, 1s 4½d to 1s 11d; broken orange, 1s 4d to 1s 10½d. Ceylon sales embraced some 25,400 packages. Brisk competition was experienced, and recent rates were not only fully maintained but in some cases exceeded. Pekoe sold, 1s ¾d to 1s 6½d; broken orange pekoe, 1s 5½d to 1s 10½d. Of China, some very fine Keemuns sold, 3s 3d per lb, in bond.

RICE.—With continued reserve on the part of Eastern shippers, the market is firm, with business in a measure checked on European account. Two stars, spot, 16s 6d; forward, 16s 3d; No. 3, to the Levant, 16s 3d; S.Q., to main ports Cuba, 16s 3d; No. 1 garden, Siam, 18s; super, 21s 6d. Saigon, No. 1, 16s. No. 3 Spanish, June-July, 22s 3d; oiled, 23s, to London. Broken kinds in demand and very firm. Burma I.A., June-July, 15s; 2.A., 13s 6d; Siam, C.I., 12s 10½d cwt. Rangoon bran, October-December, held for £6 ton, ex ship. Beans and peas more or less neglected at the moment.

SPICE.—Pepper in slow support, and rates barely steady. Black Singapore, f.a.q., May-July, quoted, 9½d; Lampong, ditto, May-July, 9½d; August-October, 7½d; Muntok, May-July, 1s 3½d; August-October, 1s 1½d. Tellicherry, spot, quoted 11½d; Aleppy, 10½d; Lampong, 10d; Muntok, 1s 4½d. Pimento, spot, 6½d. Zanzibar cloves, 9½d to 9½d per lb. Tapioca steady, but quiet. Sago flour, near at hand, 14s 9d; forward, 15s cwt, c.f. and i., U.K.

FRUIT (Dried).—Currants in quiet demand, but prices fully steady, especially for good quality fruit. Confectionery kinds meet with good attention. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 30s; Vostizza, 40s to 53s; Patras, 31s to 33s; Australian, 46s to 53s. Sultanas quietly steady. Australian, new crop, sold, 76s; South African, bleached, 70s to 76s; Californian, 55s to 61s. Dates sell steadily. Siar, quoted 11s 3d to 11s 9d; Khadrowie, 15s to 16s; Hallowie (cases), 22s 6d to 25s. Raisins inactive. South African, 37s to 42s. Evaporated fruits without material change on spot, while forward quotations are maintained. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian, extra choice, 72s 6d; fancy, 82s 6d; Lake County, fancy, 90s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian, spot, 53s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines experienced a moderate demand and market steady. Portuguese, ½s, quoted 4s 3d to 6s per dozen tins. Salmon quietly steady. Red, tall, 1 lb, 60s to 64s; tall pink, 26s to 26s 6d; ½ lb, pink, 39s to 41s. Lobsters in short supply. Best ½s, quoted 160s to 162s 6d, and ¾s, 92s 6d to 95s. Japanese crab firmly held, with limited supplies coming forward. Crayfish unaltered.

CANNED FRUIT.—General trade is on moderate lines, and the position mostly unchanged, though a fairly good clearance was effected during the recent spell of warm weather. Forward purchases are on a limited scale. Californian Bartlett pears, choice, 24-2½s, quoted 13s 6d to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Singapore pines in moderate request on spot, but forward prices firm. South African and Hawaiian sell steadily at late rates. Italian tomatoes quiet, unaltered on spot, but there is a steady inquiry for shipment parcels.

CANNED MEAT quiet, unaltered, apart from a good demand for Danish lunch tongues, at full rates. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 122s 6d to 132s 6d; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams sell well, and finest Danish quoted 1s 8½d per lb for cases of six tins.

CONDENSED AND EVAPORATED MILKS.—Market without material alteration. Machine-skimmed sweetened, 11s 3d to 12s; full-cream unsweetened evaporated, 19s 6d to 25s; ditto sweetened, 21s to 25s upwards.

HONEY.—New Zealand moves off steadily, but other kinds generally quiet and tendency easier. New Zealand quoted 50s to 85s; Australian, 40s to 47s 6d; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

Market without new feature, business being of moderate dimensions and rates steady. Plantation standard sheet, spot, sold, 1s 8½d, 1s 8½d; August, 1s 8½d, 1s 8½d; September, 1s 8½d; October-December, 1s 8½d, 1s 8½d; January-March, 1s 9½d buyers, per lb.

GENERAL.

JUTE.—On cable news as to arrivals in Calcutta from up-country being much larger than anticipated, and the very slow sale for same, imparted considerable weakness to the market in the early part of the week. Buyers, however, show interest at the decline, and sustained buying led to an upward move, though some irregularity was in attendance. Dundee was closed for the holidays. Firsts, July new crop, sold, £35 10s, £34; August, £30 10s, £29 17s 6d, £30 5s, and £29 5s; September, £28 10s, £28, £28 15s, and £27 10s; October to December, £27 15s, £27 10s, £28, and £26 15s. Lightnings, August, sold, £29 10s to £28; September, £28 to £26 10s; October, £27 to £25 15s. Hessians and twills lower on the week, and trade slow.

HEMP.—Manila is a shade harder, despite quietness of trade, owing

to firmer cables from the other side; also American consuming centres. J. August-October, quoted £41 10s; K. £31 10s; L. £32 10s; M. £28 paid. New Zealand dull, unaltered. African sisal, No. 1 Tanganyika, August-October, £43; Kenya, £42 10s, c.f. and i.

SHELLAC quiet, but steady. Fair T.N., spot, 130s; August, 123s 6d; October, 124s 6d; December, 122s cwt.

COPRA—Business continues very slow, but prices disclosed no material change. F.M.S. Straits, August-September, to Rotterdam, sold, £28 17s 6d; Dutch East Indies, ditto, quoted £28 11s 3d; Ceylon, sellers, £30; South Sea Islands, £27 12s 6d. Palm kernels quiet. July-August, to Liverpool, quoted £20 5s ton.

TALLOW—Messrs Colchesters and Woolner write on July 28th as follows:—The tallow market was very quiet during the week, but prices show no quotable change. Where there is any inclination for business on the part of buyers it is rather for forward delivery than for spot or near. There will be no auctions next week. Quotations are:—Australian mutton: Fine, 45s 6d; good to fair, 44s 6d to 43s 6d; dull to dark, 42s 6d to 40s 6d; hard, 45s. Australian beef: Fine, 45s 6d; good to fair, 44s 6d to 42s 6d; dull to dark, 41s 6d to 40s; sweet, 45s 6d. Present shipment from Australasia: Good mixed, 43s 6d. Present shipment from South America, 44s. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough fat, per 8 lbs, 24d; melted stuff, 29s 6d per cwt. Quotations are:—Town, 39s 6d, net cash, naked, ex works. Country: Frail casks,

39s 6d; home melted, shipping casks, net, f.o.b., good coloured, 42s 6d; fair to dull, 41s to 39s. Bone fat: white none; pale none; benzene, 34s 6d; melted stuff, 34s 6d, f.o.b.

MISCELLANEOUS—Cocoanuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochinchina, £24 10s to £49; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 4½d; citronella, Ceylon, 1s 7d; Java, 2s 5d.

METROPOLITAN CATTLE.—July 29.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.			
	s	d	s
Beasts—Norfolk	..	..	..
Irish	..	..	..
Cambridge	..	..	..
Short Horns	6	2	6
Herefords	6	8	7
Beasts—Heavy Bulls	..	..	..
Canadian	..	..	..
Sheep—Downs (clipped)	8	4	to 8 10
Ewes	4	8	5 8
Crossbred	..	..	..
Scottish	..	..	..
Lamb—Downs	9	4	10 4

LONDON POTATO MARKETS.—July 29.

	Per Cwt.
English Sharp's Express	5 0 to 5 6
Elipse	5 0 to 5 6
Midlothian	5 0 to 5 6
Episcures	4 0 to 5 0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.			
COCOA—Duty, British grown, 9s 4d, foreign, 14s cwt	d	s	d
Trinidad	71	0	78
Grenada	58	0	69
Ceylon, plantation	70	0	86
Guayaquil	56	0	62
Bahia, finest	115	0	135
COFFEE—British grown, 9s 4d, foreign, 14s cwt	d	s	d
E. India, fine ord. g.d. mid. 122	0	147	0
Do good to fine	152	0	162
Costa Rica, ord. to mid. 120	120	0	138
Good to fine	152	6	158
Central American, g.d. ord.	115	0	135
Do mid	115	0	135
Mid to fine	135	0	145
Colombian, ordinary	108	0	116
Do g.d. ord. to low mid. 112	112	0	124
Do mid to fine	130	0	155
CHEMICALS	..	..	..
Acid, citric	1	3 1/2	1 3/4
Nitric	0	24	0
Oxalic, net	0	33	0
Tartaric, English	1	0	2 less 5/0
Foreign	0	11 1/2	1 0
Cream of Tartar	77	0	78
99-100%	77	0	78
Alum lump	11/10/0	11/0/0	12/0/0
Do ground	11/10/0	11/0/0	12/0/0
Ammonia, carb.	37	0	39
Muriate, White	22	0	29
Sulphate	214	0	15
Arsenic, lump	65	0	70
Powder	65	0	70
Asbes, pot	65	0	70
Pearl do	65	0	70
Bleaching powder, per ton	9/0/0	9/10/0	10/0/0
Borax, gran	22	0	20
Do crystals	23	0	20
Do powder	24	0	20
Calomel	4	2	4
Iodine, dry	0	1	1
Nitrate of Soda	13/5/0	13/7/6	13/7/6
Potash—Chlorate, net	0	34	0
Prussiate	0	8	9
Do Foreign	0	74	0
Sulphate	11	12	0
Sal-Ammoniac	42	6	45
Soda Bicarb.	29/0/0	10/10/0	10/10/0
Crystals	5/0/0	5/5/0	5/5/0
Alkali	5/17/6	6/15/0	6/15/0
Caustic	14/3/6	16/10/0	16/10/0
Sugar of lead, white	0/0/0	0/0/0	0/0/0
Foreign white	244	0	46
Sulphate Quinine	1	9	10
English Brands	1	8	10
Foreign do	1	8	10
Sulphate Copper	24/10/0	25/10/0	25/10/0
Zinc, out	9/0/0	9/10/0	9/10/0
Sulphur Flour	8/0/0	8/10/0	8/10/0
Do Roll	4	6	4
Vermillion, Chinese, per lb	4	6	4
English	4	6	4
Oil Peppermint, H.G.H. 90	90	0	95
COPRA—per ton, c.i.f.	..	..	..
Malabar, Aug-Sept	..	..	..
Ceylon	..	..	..
FMS Singapore	..	..	..
FM Straits	..	..	..
COCHINEAL	2/9	3/6	3/6
DRUGS	..	..	..
Aloe, fine E.I., per cwt 130	0	150	0
Cape, good to fine	41	0	42
Balsam Peru	6	0	0
Capivi	1	7	0
Camphor	2	11	0
Japan, refined	2	11	0
Cardamoms, Ceylon	5	0	8
Cantharides, China, per lb	3	6	0
Castor oil	86	95	0
Gum Benjamin Sum	5/0/0	10/0/0	10/0/0
Olibanum, drops, fair to good	80	0	100
Ipecacuanha	14	6	0
Jalap	2	0	0
Musk pod, China	62	6	67
Oil, Castor	18	0	0
Aniseed	2	10	2
Peppermint, Wayne	70	0	75
County	70	0	75
Rhubarb, China fr to fn	3	0	3
DYE STUFFS, &c.	..	..	..
Galls, China	65	0	0
Turneric, Bengal	nom	..	..
Madras, finger	26	0	27
Gambier, block	58	0	40
Cutch, ord. to fair	0	0	0
DYEWOODS	..	..	..
Brass	18	0	0
Fustic, Jamaica	8	10	0
Cuba	15	0	0
Lima Wood	20	0	0
Logwood, Campeachy	9	0	0
Honduras	10	10	0
Jamaica	12	0	0
Red Sanders	12	0	0
Sappan Ceylon	15	0	0
FLAX—spot—c.i.f.	..	..	..
Riga 2K	64	0	63
Pernau HD	0	0	0
Sianets U/A Medium	75	0	0
FRUIT	..	..	..
Oranges, Denia & Val. 300	14	0	33
Do	366	10	20
Do Cape	10	0	23
Lemons, Naples	0	0	0
Do	11	6	44
Do Sicilian	0	18	6
Do	13	0	30
Do Malaga	0	0	0
Grapes, Lisbon	0	0	0
Almeria	0	0	0
Val. Ona	6	3	9
Egyptian Ona	0	0	0
Apples: Australasian	0	0	0
Cleopatra	0	0	0
Jonathan	0	0	0
Tasmanian, Various	7	0	11
HIDES—Wet salted	..	..	..
Australian	0	54	0
West Indian	0	6	0
Cape	0	6	7
Lisbon	0	52	0
Oporto	0	4	0
Dry & Drysalted Cape	0	8	0
Madagascar	0	6	0
Central American	0	72	0
Buffaloes, Singapore	0	4	0
Penang	0	5	0
E.I.	0	5	0
Market Hides, London	..	..	..
Best hvy. ox & heifer	0	74	0
Do light do	0	52	0
2nd ox, heavy	0	7	0
Do light	0	5	0
Best cow	0	44	0
2nd do	0	44	0
Best calf	0	8	0
2nd do	0	6	0
INDIA RUBBER—lb	..	..	..
Pure, fine hard spot	1	8	0
Plantation sheet	1	8	0
INDIGO—per lb	..	..	..
Bengal, good red violet to fine	5	6	6
Mid. ord. vio. to good	5	0	5
Low to good ord.	4	0	5
Madras, dry leaf, good	2	6	3
Do low to ord.	1	0	2
Kurpah, g.d. mid. to g.d.	3	0	4
Low to mid.	3	0	4
HEMP—per ton	..	..	..
Italian P.C.	56	0	0
Manila, Sept-Nov "J"	41	15	0
Grade	36	0	0
N.Z., high point, fair	27/10/0	27/10/0	27/10/0
Aug-Sept	27/10/0	27/10/0	27/10/0
JUTE—Native first marks	..	..	..
"	..	..	..
"	..	..	..
LEATHER—per lb	..	..	..
Best Benda 6/9 lb	1	2	10
Do do 10/12 lb	1	3	2
Do do 12/14 lb	1	4	2
Do do 14/16 lb	1	5	2
Do do 17 lb and up	1	6	2
Bark Tanned Sole	2	6	3
Shoulders fm DS Hides	0	94	0
Do Eng. or WS do	1	0	1
Bellies from DS do	0	73	0
Do Eng. or WS do	0	9	1
Dressing Hides	1	6	2
Bo. Eng. Calf, 20/30 lb	3	6	4
Aust. Sides	1	0	1
METALS—B. Copper	..	..	..
Best selected	64	0	65
Sheets (strong)	90	0	0
Standard	58/17/6	59/0/0	59/0/0
Lead Eng. Pig per ton	34/5/0	34/5/0	34/5/0
Soft Foreign	33/0/0	32/11/3	32/11/3
Spelter G.O.B.	34/7/6	34/13/9	34/13/9
Tin—English ingots	290/0/0	290/10/0	290/10/0
Do do bars	291/0/0	291/10/0	291/10/0
Standard cash	291/10/0	291/15/0	291/15/0
OILS—Fish, per ton	..	..	..
Seal, pale	40	0	0
Linseed, p. ton net, naked	36	5	0
Rape, refined	49	10	0
Crude	49	10	0
Cotton-seed, crude	39	0	40
Edible, refined	46	0	0
Coconut, crude	48	0	0
Deodorised	52	0	0
Palm	37/10/0	38/5/0	38/5/0
Lard, American	70	0	78
Petroleum—Oil, per 8 lbs. 1/1	1/1	0	0
Water-White	1/2	0	0
Oil Cakes, Linseed, Eng.	21/10/0	21/15/0	21/15/0
per ton	..	..	..
Oil Seeds—Linseed	..	..	..
La Plata, p. ton Aug-Sept.	17	2	6
Bombay, p. ton Aug-Sept.	19	10	0
Calcutta, p. ton Aug-Sept.	19	0	0
PORTLAND CEMENT—Best English	..	..	..
per ton delivered, London 58/0	58/0	63/6	63/6
Rapid hardening "Ferrocrete," 10/	..	..	..
per ton extra	..	..	..
"Lightning" brand Aluminous Cement	..	..	..
100/- to 105/6 per ton	..	..	..
PROVISIONS	..	..	..
Butter—per cwt	..	..	..
Irish creamery	164	0	170
Do factory	136	0	140
Australian	144	0	158
Argentine	146	0	160
Dutch	158	0	164
New Zealand	160	0	172
Danish	178	0	180
Bacon, smgd.—Irish	127	0	140
Danish	122	0	130
Canadian	116	0	124
American	0	0	0
Hams—Irish	nom	..	..
Canadian	0	0	0
American	0	0	0
Lard—Irish bladders	90	0	100
American boxes	56	8	9
Pork—per 8 lbs	7	8	9
Beef—Frozen	7	8	9
Scotch	7	8	9
Pheasant—Canadian	78	0	87
New Zealand	80	0	88
Eng. Cheddars	88	0	100
Cheshire	88	0	100
Dutch	42	0	81
Eggs, per 120—English	11	6	15
Irish	11	6	14
FLLOUR—280 lbs	..	..	..
London standard ex mil 50	50	0	0
RICE—per cwt, c.i.f.	16	0	0
Broken la	15	6	0
ROBIN—per ton	..	..	..
American	28/0/0	39/10/0	39/10/0
French	31/15/0	0/0/0	0/0/0
SAGO—Pearl, per cwt	25	0	27
SHELLAC—per cwt	..	..	..
Orange, first marks	170	0	310
Second, fair to fine	145	0	165
TN Orange	127	0	130
Garnet, Lac. AC	125	0	130
Butter-Pure	160	0	170
Blocky (TN)	117	0	120
SILK—per lb	..	..	..
China—Blue Elephant	16	6	0
Canton	19	6	23
Tussah	10	0	12
Re-reeled	0	0	0
Japan	25	6	27
Italian—Raw, fr. Milan	24	6	26
SHELLS—M.-O.-P., per cwt	..	..	..
Macassar, hold	26/0/0	8/15/0	8/15/0
Garnet, hold	8/10/0	11/0/0	11/0/0
Sydney	7/0/0	12/15/0	12/15/0
W. Australian	7/0/0	12/15/0	12/15/0
Bombay	5/0/0	5/15/0	5/15/0
SUGAR—per cwt, duty, 11s 8d	..	..	..
per cent. polarisation	..	..	..
B.W.I.	..	..	..
Crystallised	25	0	27
Java, white	25	0	27
REFINED—London	..	..	..
Yellow Crystals	26	1 1/2	0
Cubes	33	0	33
Crushed	31	3	0
Granulated	29	1 1/2	29 1/2
Crystals, No. 3	23	0	0
Castor	31	6	34 1/2
Flores	23	0	27
SPICES—Pepper, lb—	..	..	..
Munket, fair White	1	4	1
Black Singapore	0	10	0
White Slam	1	4	0
Pimento	0	62	0
Cinnamon—1st sort	1	11	0
Do 2nd	1	11	0
Do 3rd	1	10	0
Cassia Lignea	52	6	0
Cloves—Zanzibar	0	9	0
Penang	2	2	2
Madagascar	2	1	1
Ginger—per cwt	..	..	..
Cochin, small rough	67	6	0
Do wormy	67	6	0
Japan	60	0	0
Jamaica, ord. to good	65	0	87
Macoe	3	8	4
Nutmegs, 65's	3	0	0
110's and 80's	2	1	2
Chillies—per cwt	37	6	100
TALLOW—per cwt	..	..	..
Good mutton	44	0	0
Beef	43	6	0
TAPIOCA—per lb	..	..	..
E. I. Flake, fair, spot	0	24	0
Medium Pearl	0	22	0
Seed	17	0	28
TEA—duty 3d, British, foreign, 4d per lb	..	..	..
India and Ceylon	..	..	..
Pekoe	1	32	1 3/4
Broken Pekoe	1	4	11 1/2
Orange Pekoe	1	4	11 1/2
Broken Orange	1	4	10 1/2
Pekoe Souehong	1	3	7
TIMBER—ex. yd—	..	..	..
Swedish u/s 3 x 8, Pt. Std.	19	0	0
Do 2 1/2 x 7	19	0	0
Can'dn Spruce, Dis.	19	0	0
Pitchpine	17	10	0
Rio Deals	32	0	0
Teak	32	0	0
Honduras Mahg. logs, c.ft.	0	11	6
African	0	6	8
American Oak Boards	0	6	0
Do Ash	0	6	0
English Oak Planks	0	7	0
Do Ash	0	6	6
TOBACCO—	..	..	..
Duty 8/2—10/44 per lb, Empire	..	..	..
growths, 6 1/2 per lb.	..	..	..
Virginia leaf	..	..	..
Cotton to fine	1	3	2
Strips	2	0	3
Kentucky leaf	..	..	..
Common to fine	1	0	1
Strips	1	3	1
China	0	9	2
Borneo and Sumatra	1	0	7
Nyasaland	0	10	3
Seedleaf	1	6	4
Havana	0	16	1
East India	6	1	5
Cigars, duty 15/7 per lb.	2	0	0
Cigarettes, duty 12s 7d per lb.	..	..	..
TURPENTINE—p. cwt. 63	63	6	0
WOOD—per lb	..	..	..
English, Southdown, washed	21	..	..

the Continent was taking bills at $4\frac{3}{8}$ per cent., and $4\frac{1}{2}$ per cent. was apparently the maximum working rate. Gold receipts during the week have reduced the net efflux since April, 1925, to the neighbourhood of £3,300,000.

	Aug. 6, 1926.	July 30, 1926.	July 23, 1926.	July 16, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed an increase of £717,400 in the stock of coin and bullion, and with an expansion of £483,300 in the note circulation the Reserve was £234,100 higher. The Proportion declined slightly to 25.7 per cent., owing to an increase in liabilities. Other deposits increasing by £3 millions, while Public deposits fell by £1½ millions. Government securities increased by £1½ millions, but Other securities were practically unchanged. Currency notes for the week were increased by £3,097,000 to £296,993,100, which includes £1,298,800 for notes called in but not yet cancelled. The fiduciary issue is £239,444,300, or £8,458,200 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—The buoyancy in the share market has carried average values to new high records, with a sensational rise in General Motors and a big advance in Steel Common. The turnover, while larger, is still materially below the high levels reached early in the year. The tendency is for the market to broaden out and deteriorate with more public participation. The rise is based chiefly on the remarkable earnings of certain companies, optimism over business prospects, and a plentiful supply of funds. Dun's price index number shows a slight drop in July, but commodity prices are now relatively stable. The steel industry continues to do better than expected, both as regards buying and production. Stories of French credits are premature, but it is noted that Poincaré is swinging towards debt ratification and the Experts' report, which would pave the way for credits. The Reserve System shows a moderate gain in discounting owing to an increase in crop-moving and autumn business demands. The ratio is 75.4, against 75.3 a year ago.

THE STOCK MARKETS.

The volume of business in the Stock Exchange has fallen to the meagre proportions normal at this time of year, though the sharp recovery in the value of the franc has served to steady the general tone, and the foreign market, in particular, has benefited. Gilt-edged stocks remain firm, and home rails have improved a little on bear covering. Argentine rails have been good, and Antofagastas gained several points. The maintenance of the 100 per cent. exportable allowance depressed rubber shares, but there was a recovery from the worst. The tea and oil markets have been quiet, and animation in the tobacco group and Courtaulds has subsided. Kaffir shares have been inclined to improve, but the disturbances in Mexico reacted unfavourably on Mexican mining shares. Underwriters of the Perak River Hydro-Electric 7 per cent. debenture stock were left with 80 per cent., and the price fell to 6 discount.

THE COMMODITY MARKETS.

Business has been restricted by holiday influences, but the undertone is largely unchanged. The importation of foreign coal continues on an increasing scale, supplies now reaching South Wales, for instance, at the rate of over 100,000 tons a week. The iron and steel trades are quiet, many of the finishing trades being hampered less owing to the shortage of fuel than to its high cost. More favourable weather reports have caused a decline in raw cotton prices, though dealings have been on a larger scale than of late. A slight expansion has occurred in the cloth demand for India, but operations generally have

been restricted by the holiday situation. Fairly large sales of raw wool have been effected on foreign account, and values are very firm. Sales of jute are limited by the expectation of lower prices following a record fibre crop this year. Wheat is in moderate demand, without much change in values, sugar steady, coffee and tea quiet. Rubber quotations have fallen on selling pressure following the decision to retain the 100 per cent. export ratio in British areas during the next three months. Among non-ferrous metals, tin has again moved sharply upwards, copper remains firm, and lead has been actively dealt in.

FOREIGN EXCHANGES.

In spite of the Bank Holiday, the past week has been one of great activity in the foreign exchange market, especially in the "franc" currencies. M. Poincaré's success in passing his Financial Bill through Parliament and in obtaining a majority in the Chamber for his Sinking Fund and Bank of France Bills, has led to a further remarkable recovery in the rate of exchange. From 203½ on July 29th, it fell to 201½ on the 30th and 199½ on the 31st. When the market reopened on August 3rd, after the holiday, it was known that the discount rate of the Bank of France had been raised from 6 per cent. to 7½ per cent. The opening rate of 181 was further reduced during the day to 178½, and to 167 on Wednesday after actually touching 162½ at one time on that day. The publication of the Bank of France return on Thursday, showing an increase of 400 million francs in advances to the State and of 1,237 millions in the note circulation, led to a reaction to 170. On Friday morning, however, following a report that the French Government intended to ask Parliament to ratify the War Debt agreements next week, the rate opened at 163½. Thus the remarkable recrudescence of confidence in France has brought about a recovery of 85f in a little over a fortnight. In the City, however, the position is viewed in a somewhat calmer atmosphere, and criticism is directed against the refusal of the Government to fix the rate at which stabilisation is to be carried out. The continuance for any length of time of uncertainty on this point would, it is felt, be as dangerous as an attempt to stabilise the rate at too low a level. The discount on forward rates has narrowed greatly, and now stands at 4f for one month and 11f for three months, as compared with 23f for three months a week ago. Brussels has recovered considerably in sympathy, but without such violent fluctuations. From 194 on July 29th it fell to 190½ on the 30th, and after reacting to 191½ on the 31st fell to 176 on the 3rd and 170 on Wednesday. Thursday's relapse to 174 was followed by a recovery yesterday morning to 170½ again. On forward rates the discount is now 7f for one month and 12f for three months, as compared with 12f and 23f respectively last week. Italy has also improved, although less markedly. On the 30th it closed at 151, compared with 148½ the previous day, but recovered to 150½ on Saturday. On Tuesday it fell to 146½ and, with slight fluctuations, to 145½ by yesterday morning. New York, on the other hand, on a quiet market, fell slightly from 4.86 9-32 on the 29th to 4.86 3-32 on the 30th, but rose again to 4.86 5-32 on Saturday and 4.86½ on Tuesday, since when it has been quoted between 4.86½ and 4.86½. Forward rates are slightly narrower at 11-32 to 9-32 cent. premium for one month. Amsterdam has moved in our favour from 12.10 to 12.11½, and Switzerland after remaining steady at 25.12½ during the week opened yesterday morning at 25.14½, while Stockholm has been steady around 18.16. Oslo has advanced from 22.19 to 22.20, but Copenhagen has fallen from 18.35 to 18.33. Madrid, on rumours of political troubles, has risen from 31.66 to 32.34. Berlin, Helsingfors, Vienna, Prague, and Warsaw are unchanged. Bucharest has improved from 1070 to 1060. In the East, the publication of the report of the Indian Currency Commission, in which a basis of 1s 6d is recommended for the rupee, led to a slight rise in the exchange from 1s 5 59-64d to 1s 5 61-64d, but the quotation was already so near to the new parity that no great movement was possible. The yen continues to improve, and rose during the week from 1s 11½d to 1s 11½d. The silver

market was disturbed by the Indian Currency Report and the possibility of future sales of silver by the Indian Government, and prices were weak. Hong Kong consequently fell from 2s 2½d to 2s 2½d and Shanghai from 2s 10½d to 2s 10½d. In South America Rio has risen from 7 17-32d to 7 19-32d, Buenos Aires from 45½d to 45½d, and Monte Video from 49d to 49½d. Valparaiso, on the other hand, has depreciated from 39.70 to 39.50 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 31st:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	7,518	From Revenue ..	10,683
Interest, &c., on Debt	1,571	Decrease in Balances	396
Sinking Fund	359		
Sundries	239		
Decrease in debt	1,352		
	11,079		11,079

The revenue for the week amounted to £10,682,600, as compared with £11,911,000 in the corresponding week last year. Customs and Excise were lower at £1,608,000 and £716,000, against £1,698,000 and £1,026,000 respectively. Property and Income-tax brought in £3,670,000, as compared with £5,467,000, and Super Tax amounted to £470,000, against £750,000. Ordinary Receipts amounted to £651,400, and Special Receipts to £200, as compared with nil in both cases last year.

The week's operations reduced the National Debt by £1,352,000, and caused the following changes:—

(000's omitted.)			
	£		£
National Savings Certificates ..	250	Public Department Advances ..	+ 3,100
Sundries	990		
Treasury Bills	3,212		
	4,452		+ 3,100

The floating debt was reduced by £110,000 to £773,301,000.

FINANCIAL YEAR, 1926-1927 (April 1 to July 31, 1926.)

£		£	
Total Expenditure ..	280,847,178	Raised by Revenue ..	208,437,271
		Decrease in Balances ..	4,133,152
		Amount borrowed ..	68,276,755
Total	280,847,178	Total	280,847,178

ESTIMATES FOR FINANCIAL YEAR 1926-7.

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		
† Revised in Exchequer Return dated July 26, 1926.			

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—General Mining and Finance Corporation, British Enka Artificial Silk, Cicely Rubber Estates, Semenyih Rubber Estate, and Louise and Company.

THE INDIAN CURRENCY REPORT.

To India and to the world at large it is of the utmost importance that she should be provided with a currency system which will give her inhabitants confidence in their money, cure them of their inveterate habit of burying gold, and train them in that of investment and the use of credit instruments. At the same time, it is evidently desirable to secure stability of internal prices and a link between their level and that of prices in the markets of the world. Such were the chief objects which had to be aimed at by the latest Royal Commission which has inquired into the problem of the Indian "exchange and currency system and practice," and there is good reason to hope that its recommendations will tend to their achievement. Its report sets out clearly and simply the arguments for and against the measures which it pro-

poses, and though these measures are likely to find plenty of critics, they seem to hold the balance fairly and sensibly between the aspirations of financial nationalism and the interests of India as a member of the community of nations.

To the Commission, as was clearly stated in its terms of reference, the interests of India were naturally the only question to be considered. But the action taken by any country concerning its currency is so full of possibilities with regard to its effect on that of its neighbours, with reactions on its own trade and progress, that the interests of India could only be secured through careful consideration of world interests, and the Commission will probably be held by most fair-minded critics to have gone as far as it could in satisfying nationalistic ambitions. It need hardly be said that it was with reference to India's possible demands for gold that conflict between the aspirations of extreme nationalists and the interests of other countries was most likely to arise, and it was also clear that on this point nationalism that asked for too much was certain to overreach itself. The outlook for the gold supply of the future is so full of uncertainty, and depends so much on the views that may be taken by nations asserting new-found economic strength concerning their demands upon it, that those who regard the gold problem from the world point of view tend to favour the collection and maintenance of a central gold pool, to which all the nations should be attached by gold exchange standard. Those, on the other hand, who take the nationalist view want to see their country rescued from the financial dependence which the exchange standard is supposed to imply, and endowed at once with its own gold reserve and gold currency.

On this point the decision of the Commission will disappoint both extremes, and is therefore probably right. A good deal of surprise was expressed when at the end of last year the official view of the Indian Government was expressed in favour of a gold currency for India. Writing on December 10th, our Calcutta correspondent recorded, in a letter published in our issue of January 9th, the dramatic surprise caused by "the revelation that the Indian Executive, on the advice of a Finance Minister recruited from the British Treasury, was allying itself with the indigenous demand for a full gold standard and currency," and the "pleased bewilderment" that it produced. Sir Basil Blackett, however, was more successful in delighting the financial extremists of Calcutta than in convincing the Commission. In spite of the force and lucidity with which this distinguished administrator doubtless put the case for a gold currency for India, the Commission recommends what it calls a "gold bullion standard" very similar to the system now at work in England; under it the currency will be directly convertible into gold in quantities of not less than 400 fine ounces, but gold will not circulate as money, and the legal tender of the sovereign and half sovereign will be withdrawn. In setting forth the reasons why it was unable to recommend a gold currency, the Commission mentions, among the points which it had to consider, the effect of the absorption by India of about £103 millions of gold (in addition to normal absorption for the arts, hoards, &c.) on the supply of credit, rates of interest, and gold prices throughout the world; the effect on the silver market, on "the favourite store of value of the Indian population" (that is, silver); the effect on India of the probable reaction of these proposals on silver-using countries, especially China; and the possibility of the provision of British and American credits for the execution of the plan. On the subject of the future of the gold market, so interesting to all consumers, producers, and investors, the Commission found it impossible to arrive at any definite conclusion, but was convinced that it would be most imprudent to ignore the "possibility, indeed the probability, that, unless great economy is exercised in the use of gold.....we have to look forward to a prolonged period of steadily falling commodity prices throughout the world." As to the huge stock of gold in America, the Commission learnt that "the residuum of free gold available is not in excess of the probable requirements of other countries for purposes of reconstruction." As to the raising of the required credits, both the Governor of the Bank of England and the Governor of the Federal Reserve Bank of New York "view the

proposal with alarm, on the grounds that it would retard the progress of monetary reconstruction in Europe, would upset world prices, and would be fundamentally harmful both to India and to the rest of the world." Moreover, the bankers of the United States could not be expected to encourage a proposal which would deal "such a blow to the silver market as the addition to supplies of thrice the whole of the world's production for a year," and it therefore appeared that insuperable difficulties would be encountered in obtaining the necessary credits.

For these and other reasons, which appear to be overwhelming in their force, the Commission rejected the proposal for a gold currency, the effect of which in curing the hoarding habit looks, at this distance, highly dubious. The reasons for which it also rejected proposals for a sterling exchange, or gold exchange, standard are less convincing; it considers that an exchange standard has a "refined" mechanism, and that "some knowledge of economics is necessary to understand it.....The uninstructed see nothing tangible behind the token currency to assure its value. These characteristics inherent in an exchange standard make it unsuitable to the needs of a vast community or collection of communities, the various members of which are of all degrees of education, and indeed of all degrees of civilisation." Whether an exchange standard is really much more difficult to understand than any other monetary system is a question on which much might be said; but if it be true that a large body of public opinion in India is suspicious of the mechanism of an exchange standard there is no need to look farther for arguments against it. Since at present "Indian public opinion will have confidence in one thing only as solid enough for a backing for its currency, and that is gold," the case for the bullion standard is irresistible; and if some day, when the question of the gold market is clearer, India likes to go a step farther and have a gold currency in circulation, its way will have been cleared, as the Commission points out, by the system now proposed.

As was generally expected, a gold parity equivalent to an eighteenpenny rupee was recommended by the Commission, and it is reported by our daily contemporaries that Lancashire is highly gratified, and hopes for an improvement in the cotton trade. Certainly this decision is greatly preferable, from the Manchester point of view, to the dislocation that must have followed a reversion to 1s 4d, but it is hard to see how trade can be materially improved by the maintenance of the rate which has long been current. The feature of the Report which will meet with most opposition is the recommendation that the control of India's currency and credit system shall be entrusted to a new Central Bank, instead of to the Imperial Bank of India, which was believed to have been formed in order to be made into the Central Bank when the time came. On this point controversy is likely to be vigorous. The reason for the Commission's decision is that the Central Bank should not, in its opinion, do a general commercial business, and that, since the Imperial Bank has built up a flourishing business as a commercial bank, which in India's interest ought to be maintained and developed, it is precluded from becoming the Central Bank. Most Central Banks confine themselves, in the main, to the task of keeping the accounts of the Government and of other banks, and do not do a general business, and although the Bank of France might be cited as a successful example to the contrary, the arguments in favour of keeping the Central Bank apart from the sphere of ordinary commercial banking are, in our view, conclusive. If the contrary policy is adopted there is bound to be conflict within the Bank itself between its duty as the credit-regulating authority and the desire of its branches to push its commercial business, while its power as a Central Bank makes competition with other commercial banks a very biased affair. It is significant that four of the signatories of the Report are directors of the Imperial Bank, and we hope that the considerations which have appealed to them will, on second thoughts, convince the public opinion of India of the wisdom of the proposal.

It seems likely that the Government of India will adopt

the Report, and put into effect these sane and balanced proposals. What the rest of the world wants is to see the inhabitants of India developing the banking and investment habit, and forswearing their mania for hoarding. With their new bullion standard reinforced by an ingenious system of gold saving certificates, it may be hoped that their financial practice may be more worthy, in future, of the great wealth and progress of their country.

THE "SUMMER SCHOOL" SEASON.

Nor many years ago the month of August was accounted a dead season for the newspapers. But in recent times the amazing growth of the "summer school" habit has filled their columns with reports of addresses on every subject under the sun delivered to political and other assemblies of enthusiastic searchers after truth. This development is a healthy sign of intellectual vigour, and, in the case of the political meetings, a very laudable attempt to refresh the stuffy atmosphere of day-to-day politics with the clearer breezes of first principles and political philosophy. This year Oxford has played a particularly prominent part in these gatherings, which endeavour to bridge the gulf between the academic world of ideas and the popular mind, for among a singularly full programme of summer meetings of various kinds it includes the ninety-fourth meeting of the British Association, under the presidency of the Prince of Wales.

The Prince had a very fruitful theme in surveying the progress of science over the past century, and the part which has been played by the co-operation of the State. The history of the British Association covers a period in which the theoretical and practical achievements of science have enabled it to fight its way into the universities, to overcome the opposition and secure the tolerance of the Churches, and finally to enlist in its support the active co-operation of the Government itself. The Prince's review of recent history forms an impressive catalogue. The chief landmarks before the war to which he called attention were the establishment at the end of the nineteenth century of the National Physical Laboratory for the testing and standardisation of machines, materials, &c., the Development Commission in 1908, and, under the Insurance Act of 1911, the Medical Research Committee in 1913, which has since become the Medical Research Council. During and since the war the activity of the State in this direction has increased enormously, and the list now includes eleven research boards and twenty-two industrial research associations. These bodies are concerned with matters affecting almost every aspect of daily life. The speaker did not claim that the achievements of science owe very much to State intervention. On the contrary, he expressly recognised that science thrives best in an atmosphere of freedom, and that its progress ultimately depends upon the genius of the individual. Moreover, the story he had to tell must be judged by comparison with what has been achieved by Government action in other great nations. It is, however, ground for satisfaction that the attitude of the State has so definitely changed that great social resources are at the disposal of science, and that provision for research is now ample instead of niggardly.

But if progress in the physical sciences has been almost overwhelming in its rapidity, it is not so clear that comparable progress has been made in another field which is also included under the heading of science by the British Association—namely, that of economic and social relations. If we compare our economic and industrial organisation to-day with that of 20 or 30 years ago there are very few directions in which there have been developments in any way comparable to the great technical changes that have taken place. There are many who realise that experiments are being made in the United States in regard to the organisation of industry, marketing and standardisation of products, the relations between consumers or workpeople, and the ownership of industry which may soon bring about changes only to be described as an economic revolution. It is very desirable that we

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should not be left behind. We therefore welcome the decision of the Government to send to America a small Commission of Inquiry under the chairmanship of Sir William MacKenzie, to inquire into industrial conditions and the relations of employers and workmen in America. It is a good thing that the Government should stimulate inquiry in this direction; but it is even more urgent that British employers should themselves realise that the last word on these matters was not spoken in the nineteenth century.

In this connection it is significant to find that both at the Liberal Summer School and at the economic section of the British Association considerable time has been devoted to the question of inheritance in its social and economic effects. Sir Josiah Stamp, in a lengthy examination of some of the issues raised by this far-reaching question, points out that average wealth has increased most rapidly in the last century in England and America, where inheritance is less restricted than on the Continent. He believes that inheritance is of diminishing and not of increasing importance in causing the great inequalities of wealth which exist to-day, and that a more equal distribution of wealth would tend to diminish saving. Conversely, he calls attention to the fact that the growth of capital is to a diminishing extent due to private saving, but is now largely the result of the accumulation of reserves by joint stock companies—a further important factor being the diversion of resources from consumption to saving by means of taxation. On the other hand, there are very important considerations of social justice which were developed by Mr Henderson, and referred to by Sir Josiah Stamp. What weight should be given to the feeling—if it exists—that inheritance gives an unfair advantage to many who are not on merit entitled to a long start in the race of life. Is the advantage of the start misused? Is the feeling of dissatisfaction one which has harmful economic reactions in preventing the development of a co-operative spirit in the nation? These questions clearly do not permit of statistical answers, but it is patent that the great distinction between the social organisation of England and America is the much greater freedom of movement in the latter country between the classes than in England, where, in spite of efforts to give greater opportunity to talent, we have still a very marked division into economic classes. On the one side this shows itself in an undue emphasis on class interests in labour politics, and on the other in conservatism among employers. In a densely peopled country like England this condition is undoubtedly fostered by the inheritance system. If it is true that British industry is chiefly suffering from the inefficiency of the second or third generation employer, who owes his position to birth alone, the problem of inheritance takes on a new significance. Though Sir Josiah Stamp and Mr Henderson differ in the degree to which they would modify the right of inheritance, both agree that death duties should be very much heavier for the second and subsequent generations than for the first, and many minds are engaged on attempting to devise schemes to that end.

Such ideas may be regarded by some as revo-

lutionary and dangerous. If so, it must be admitted that Oxford is this month full of inflammable material, for the process of increasing knowledge, whether in the physical or social sphere, inevitably leads to change. As Mr Lloyd George pointed out in another connection, "the greatest revolutionary England had produced was not Cromwell, the regicide, not Robert Owen, the Socialist, not Keir Hardie, the Labour leader, not Cook, the fiery strike leader, but W. E. Foster, the narrow, stern Whig individualist, who threw open the door of the elementary schools."

THE FINANCIAL RESTORATION OF BELGIUM.

(BY OUR PARIS CORRESPONDENT.)

THE preliminary conversations which took place in Paris last week between MM. Poincaré and Briand, on the one part, and MM. Vandervelde and Francqui, two of the leading members of the Belgian Ministry, on the other, gave rise to circumstantial reports that the French and Belgian Governments had agreed to take common action for the support of their respective currencies. Inquiries show that this conclusion is, at least, premature, and that there is as yet no question of any definite alliance between the French and the Belgian francs, based on mutual action.

In view of the curious parallel which exists between the situations of the two countries at present, it may be useful to set forth, as briefly as possible, what Belgium has already done in an attempt to restore her financial situation. The steps taken in Belgium are all the more interesting from the fact that her first attempt to bring about stabilisation proved a failure, and that she is now engaged in putting into operation a plan which is based on much the same principles as those laid down by the French Committee of Experts, while at the same time it is somewhat broader and more flexible than the latter, and consequently more adaptable to circumstances that have recently arisen.

The Belgians insist that the plan developed by M. Janssen, Minister of Finance in the Poulet-Vandervelde Government, failed chiefly owing to the exigencies of the American financiers who were appealed to. These being unacceptable, the idea of securing foreign credits was abandoned. The Jaspar Ministry, which succeeded to power, became convinced that it was necessary that Belgium should rely for financial salvation solely on her own efforts—at any rate, until such time as her internal situation would have so improved as to enable her to command foreign assistance on reasonable terms—and the plan which is now apparently being successfully developed was drawn up.

The creation of a sinking fund for debt extinction is the key of the present Government's plan. This fund, which is endowed with a very substantial amount of autonomy, has for its object the reduction of all categories of the Belgian public debt—the floating debt pro-

perly so called, the debt owing to the Bank, the long-term debt, and the foreign debt. To this end the following resources have been placed at its disposal:—

(a) Normal endowments through the Budget amounting to about 450,000,000 of a year.

(b) The yield from the sale of surplus Government properties.

(c) Donations and legacies to the State, either designed for this express purpose or made without special designation.

(d) An annual endowment of 1,500,000,000 for a period of four years, derived from the yield from certain temporary supplementary taxation decreed to this object, the revenue from this source to be expended in equal monthly instalments for debt extinction purposes. It is hoped that this extra revenue during the next four years will prove sufficient to pay off the whole of the debt to the Bank, to extinguish the floating debt, and to cancel a substantial proportion of the consolidated debt.

This energetic redemption scheme has naturally necessitated a very strong effort on the part of the taxpayers. So far as direct taxation is concerned, it was considered impossible further to increase either income-tax or super-tax charges. Heavy additional burdens, however, have been imposed on real estate (which, notwithstanding general depreciation, appears to have preserved its gold value). The land-tax, for instance, has been increased by 50 per cent. The taxes on domestic servants and on horses have been doubled, and the tax on motor-cars has been increased by 25 per cent. The tax on amusements has also been increased. Increases in indirect taxation were aimed chiefly at luxury articles, with a view to reducing the importation of non-necessaries. At the same time the transfer tax, which corresponds approximately to the French turnover tax, has been doubled (so that it now amounts, as in France, to 2 per cent.), except in respect of certain foodstuffs, such as wheat, while its field of application has been appreciably broadened.

The new taxation imposed by the Jaspas Government is estimated as being likely to yield from 1,500,000,000 to 1,700,000,000 of additional revenue per annum, of which it is expected that at least 500 millions will be derived from the increased taxes on land and 530 millions from increased Customs and Excise duties.

Simultaneously, sweeping reductions of expenditure are contemplated, and power has been given to the King to make these reductions by decree. No additional public servants are to be appointed except by the advice of the Treasury and after consideration by the Cabinet. Temporary State employees are to be reduced progressively, and covenanted Civil servants are to be encouraged to retire before reaching the age-limit. A certain number of departmental services are to be either suppressed entirely or largely reduced. This will enable a substantial number of buildings used as Government offices to be given up. The carrying-out of certain projected public works, chiefly in connection with the railways, has been countermanded. The financial autonomy of local governing bodies is to be limited, and a check thus put on unnecessary expenditure.

Finally, the Belgian Government has decided to hand over the exploitation of its monopolies to what practically amounts to private industry. The King and the Ministers, in virtue of the discretionary powers conferred on them by Parliament, have promulgated a decree transferring the State railways to a "national company" for a period of 75 years. This new company will be under the control of twenty-one directors, nominated by the King from among Belgian business men, engineers, financial specialists, and railway workers. The necessary capital will be derived from public subscription. The first portion of the capital offered for subscription will consist of 2,000,000,000 of preference shares, bearing fixed interest at the rate of 6 per cent., and giving the right to a super-dividend of 3 per cent., the whole free of income-tax.

A second decree will require the forced conversion of all existing Belgian Treasury Bonds into preference shares in the new company. This step was decided on ten days previously, in view of the critical situation of the Belgian Treasury, and is to become operative forthwith. The effect of this decree will be to suppress the whole

of the Belgian floating debt, which amounts to about 6,000,000,000. In view of the fact that large parcels of Belgian Treasury Bonds are held in Holland, Great Britain, the United States, and other countries, it is understood that the new decree affects only holders of these bonds—bankers and private persons—actually domiciled in Belgium, and that special arrangements will be made with respect to foreign holders. Belgian and foreign banking firms represented in the country are officially stated to have given their support to the scheme.

A similar transfer of the Belgian telegraph and telephone monopoly is also under consideration, and is expected to become a *fait accompli* very shortly. This new company will have a capital of 1,800,000,000, of which 1,500,000,000 will be offered for public subscription, while the balance of 300,000,000 will be reserved to the State. Of the 1,500 millions subscribed by the public, 750,000,000 will be devoted to repayment of advances made by the Bank, or to the cancellation of the floating debt, and the balance of 750 millions will be utilised for the extension and modernisation of the telegraphic and telephonic system.

In view of the stubborn opposition hitherto offered by the French Socialist Party to the various proposals for dealing similarly with the French tobacco and other State monopolies, it is interesting to note that the "alienation" projects just referred to meet with the general approval of the Belgian Socialists, whose leader, M. Vandervelde, in his capacity as one of the most important members of the Government, is largely responsible for the adoption of this particular device for ensuring the financial restoration of his country.

TURKEY AND THE FOREIGNER.

(BY A CORRESPONDENT IN TURKEY.)

WITH the passing of the century-old Capitulatory régime, the foundations of which were well and truly laid in the days of good Queen Bess for the better protection of merchant adventurers and mariners engaged upon their lawful occasions in the territories and waters of the Grand Seigneur, the foreign trader in Turkey found himself, after the lapse of centuries and at almost a moment's notice, in the unenviable position of having to face a whole series of novel conditions, not the least important of which was the inevitable necessity of meeting and trying conclusions with competitors among a certain section of the native population which had in the past been relatively innocuous in the matter of trade rivalry.

It is interesting, after the lapse of some two years under these altered conditions, to take stock of the present position, and to appraise the measure of success or failure which has attended the vigorous efforts of the Government to enforce their fiscal and economic policy and the equally energetic exertions of the foreign community to hold their ground against the ever-encroaching wave of native competition. Although falling far behind the foreigner in the matter of experience, enterprise, and business acumen, the indigenous trader, shipper, or banker has been able, in nine cases out of ten, to hold his own against his foreign *confrère*, thanks mainly to a multitude of legislative expedients obviously framed with the main purpose of keeping "Turkey for the Turks."

In every branch of economic activity, whether commerce, shipping, insurance, or banking—in some of the liberal professions also, such as medicine and the law—the foreigner has had to contend with grave disabilities to which his more or less sheltered rival is not exposed. It would be manifestly unfair to the Turk to assert that the protection he has afforded to his nationals is either illegal or unnatural. He is, after all, master in his own house and free to run his establishment as he pleases. But the most ardent well-wisher, the most lenient critic of this country, must concede that the Government have not hesitated to foist upon foreign business communities a multitude of "administrative reforms" of questionable wisdom if this country and its population are to prosper. The compulsory employment by foreign estab-

lishments of an ever-increasing percentage of untrained and unskilled native personnel, for instance, the keeping of books and correspondence in the vernacular, which, it must be remembered, is a difficult Oriental language offering little scope for proficiency except to an infinitesimal number of European experts, the prohibition to transact any business whatever on a Friday, a day on which all trading and financial establishments are open throughout the rest of the world, are all of them measures well calculated to throw the machinery of commercial routine completely out of gear.

To say that the bye-laws or regulations governing these various matters have been enacted with the deliberate intention of driving the foreigner off the market, or out of the country, would be a misrepresentation of the facts. But that the Government have displayed remarkable ingenuity and imagination in devising machinery for deflecting the stream of trade and employment away from the foreigner, and directing it towards his Moslem neighbour, it would be idle to deny.

Apologists, moved no doubt by a spirit of fair play in their defence of the young Republic, and all it stands for, are wont to draw a parallel, in this question of administrative control, between Turkey and certain Balkan States, notably Bulgaria, where approximately the same conditions would appear to obtain with respect to official supervision of foreign enterprise, and the use of the Bulgarian language. The analogy is, in one sense, a happy one in that both the Bulgar and the Turk are pre-eminently peasant races, accustomed to and tolerant of constant bureaucratic intervention. But the simile is scarcely convincing when pursued to its logical conclusion, inasmuch as the Bulgarian system, from its very inception, was one of slow growth, which gave the foreigner reasonable time within which to accommodate himself to national exigencies whilst the services of foreign specialists were being utilised in training a generation of young Bulgarian officials to adapt themselves to Western administrative methods. The best friends of Turkey have felt all along that she would have been well advised to follow so considered a precedent instead of, metaphorically speaking, encouraging her youth to run before they had acquired the necessary balance to walk without a spill.

In the matter of Turkish competition, it would probably be safe to conjecture that, on the whole, the honours have been fairly divided between the two adversaries—foreigner and native. But the fact nevertheless remains that a number of foreign houses, from ready-made clothes stores to banks, have put an end to their activities in Turkey. Others again, whilst retaining a smaller organisation in this country, have gone across the border to establish themselves in Greece, Bulgaria, and Roumania, and with them, of course, has gone a goodly portion of their working capital.

Another factor which is rendering the foreign trader's position more and more precarious is the ever-increasing burden of taxation. He sees his hardly earned profits materially diminished by the interplay of income-tax, profits tax, stamp tax, municipal tax, public instruction tax, consumption tax, and numerous other imposts. No one would deny that, although potentially rich for her size, Turkey is to-day a poor country, and that, as such, her financial salvation can only be assured from within by a balanced Budget, fed on the revenue side, *inter alia*, by the taxation, without distinction of race and without tolerated evasion, of all who reside within her borders. But the far-sighted foreigner, looking ahead in the hope of ultimate relief, be it for himself or his Moslem friends, is nonplussed to find that year after year, and with a barely balanced Budget, nearly half of the State expenditure (ostensibly 46 per cent. for 1926, but, in fact, probably more) is accounted for by the upkeep of armed forces and the provision of military equipment and stores. This is obviously a domestic matter, with which the foreign trader has no concern, and Turkey, as an independent State, is at liberty to spend her money as she elects so long as she honours her obligations to her creditors. But the facts are there, and the foreign trader as a man of business and of figures, will be bound sooner or later to ask himself whether, in spite of improving trade returns, and the relative stability of the Turkish currency, as compared with that of certain European countries, the game, when all is said and done, is any longer worth the candle.

PROVINCIAL ELECTRICITY SUPPLY COMPANIES.

THE operations of the majority of provincial electricity supply companies last year were productive of satisfactory results. It might have been expected that the depression in the trade would have resulted in the earning of lower profits. As a matter of fact, however, judging by the figures of a group of thirteen representative companies, those companies operating in the big industrial centres actually did better than those whose area of supply lies in less important districts. This, in itself, is a tribute to the efficiency of the management of the companies comprised in the following table, which gives the comparative figures of profits and appropriations:—

	Year.	Brought In.	Profit.	Debiture and Loan Interest.	Prefer. Dividend.	Ordinary Dividend.	To Reserve, &c.	Carry Forward.
Bournemouth & Poole	1924	£ 7,941	£ 153,182	£ 10,491	£ 10,753	£ 37,006	£ 90,992	£ 10,881
	1925	10,881	153,407	6,697	11,013	42,975	93,527	10,076
Clyde Valley Elec.	1924	29,108	272,039	..	58,000	48,000	131,268	63,879
Electrical Power	1925	63,879	291,740	..	58,000	78,000	152,195	67,424
Electrical Distribution	1924	6,642	25,620	..	..	13,425	8,000	10,838
of Yorkshire	1925	10,838	31,099	..	..	17,823	10,000	14,114
Folkestone Electricity	1924	1,498	35,401	4,191	2,500	6,458	22,212	1,498
	1925	1,498	37,970	4,177	2,500	10,802	20,491	1,498
Isle of Thanet Elec.	1924	7,086	52,477	11,257	15,750	..	31,123	1,403
	1925	1,403	53,451	15,000	12,600	3,750	20,000	3,504
Llanelli and District..	1921	1,071	39,369	9,352	9,300	10,850	10,036	902
	1925	902	38,279	11,810	11,668	7,938	6,766	909
Midland Counties	1924	4,691	123,416	16,965	40,124	45,862	20,698	4,458
	1925	4,458	142,270	17,787	51,527	51,527	21,154	4,733
Midland Electric Cor.	1924	43,889	152,471	22,280	14,000	42,000	90,500	30,963
poration	1925	27,576	173,307	22,280	14,000	42,000	90,500	30,963
Newcastle-upon-Tyne	1924	32,442	660,408	183,858	179,988	90,838	200,000	38,166
Electric	1925	38,167	701,671	194,100	180,832	124,388	200,000	41,518
Northampton Electric	1924	8,477	53,884	11,286	2,000	22,781	22,269	4,025
	1925	4,025	76,165	11,694	2,250	26,276	32,239	8,227
Scottish Power	1924	2,428	38,536	1,532	15,500	15,500	5,928	2,504
	1925	2,504	42,594	2,041	15,867	15,870	8,618	2,702
South Wales Elec.	1924	7,712	60,300	36,095	..	..	25,000	6,917
trial	1925	..	66,762	63,589	6,266	..	26,907	..
Yorkshire Electric	1924	34,640	213,013	30,250	38,595	67,755	65,000	46,053
Power	1925	46,053	236,363	30,250	39,529	84,667	71,819	55,851

The net profits of the Bournemouth were within £300 of the 1924 figure, those of the Folkestone were some £2,500 higher at £37,970, and those of the Isle of Thanet rose by approximately £1,000. On the other hand, the Newcastle earned about £40,000 more than in 1924 at £701,671, the Clyde Valley £20,000 more, the South Wales £36,000 more at £96,762, and the Northampton £23,000 more at £76,165. The exception was the Llanelli and District, whose profits declined from £39,369 to £38,279, and this is the only case in which the 1925 figures compare unfavourably with those of the preceding year. Reserves are not being neglected. The Newcastle, in particular, is maintaining an excellent record in this respect, and the only companies which did not augment or maintain their reserve appropriations were the Folkestone, the Isle of Thanet, and the Llanelli.

The following table compares the principal items of the last two balance-sheets:—

Name and Year.	Balance-sheet Total.	Chief Items of Liabilities and Assets.						
		Share Capital and Reserves.	Debentures and Loans.	Creditors.	Capital Expenditure.	Investments.	Cash.	D'trs.
Bournemouth and Poole	1924	£ 1,277,600	£ 941,731	£ 187,500	£ 101,110	£ 742,187	£ 398,143	£ 24,665
	1925	1,407,691	1,046,195	187,500	128,302	832,567	436,704	101,909
Clyde Valley	1924	1,374,562	2,406,703	733,414	124,084	2,669,972	124,305	155,610
	1925	3,578,639	2,991,500	299,014	141,958	2,902,649	212,159	20,749
Electrical	1924	392,473	294,000	..	71,911	334,894	..	8,638
	1925	815,701	556,186	..	226,306	580,001	..	205,209
Elect. Distribn. of Yorks're	1924	389,912	364,156	..	6,088	303,877	35,539	142
	1925	410,893	385,615	..	6,874	320,140	35,539	9,331
Folkestone Electricity	1924	750,192	425,259	300,000	20,380	625,240	40,238	2,245
	1925	784,614	434,622	298,616	40,972	689,949	..	6,382
Isle of Thanet	1924	677,122	422,986	214,966	15,320	559,634	10,699	9,309
	1925	775,964	480,495	269,536	15,806	606,576	50,711	9,011
Llanelli and District ..	1924	2,688,012	2,062,585	404,482	127,939	..	2,417,735	14,313
	1925	3,021,704	2,584,005	348,817	4,594	..	2,689,783	45,968
Midland Counties	1924	1,253,916	615,263	488,357	94,722	1,074,184	23,897	71,148
	1925	1,304,797	667,056	484,924	90,900	1,142,339	16,740	77,269
Newcastle-upon-Tyne	1924	9,638,362	4,968,040	4,065,729	418,036	5,792,939	2,828,581	1,212
	1925	10,536,123	5,856,662	3,897,252	570,571	6,110,927	3,404,462	248,003
Northampton Electric	1924	808,946	483,879	268,009	35,877	711,798	38,330	269
	1925	945,778	596,851	259,602	70,137	717,985	41,330	40,844
Scottish Power	1924	592,278	516,374	46,600	3,539	..	571,859	20,336
	1925	614,562	525,016	57,331	5,470	..	571,859	20,336
S. Wales	1924	1,486,836	385,331	880,929	1,237	1,425,365	..	5,425
	1925	1,830,864	419,451	1,281,205	122,992	1,621,488	..	15,000
Yorkshire Electric	1924	5,278,819	2,124,500	614,202	291,930	2,748,694	28,756	463
	1925	4,007,992	2,777,000	616,395	335,967	3,234,583	62,059	620

The alteration in the capital of the Clyde Valley was not due to the raising of fresh money during the year but to the fact that the ordinary shares issued in 1924 have since

become fully-paid. At the same time, temporary loans have been reduced from £733,414 to £299,014. The Electrical Distribution of Yorkshire, on the other hand, increased its capital during the year by the issue of 250,000 £1 ordinary shares at a premium of 6s per share. As was foreshadowed in the 1924 accounts, the Folkestone inaugurated a co-partnership scheme which involved the capitalisation of £8,000 of the reserve fund. The Isle of Thanet made no increase in its share capital, but during the year the debenture stock sinking fund came into operation, for which a special reserve account of £3,346 was established. In order to repay the 7½ per cent. debenture stock, and for general development purposes, the Llanelly issued £200,000 5 per cent. debenture stock and 50,000 preference shares, while the Midland Counties placed 250,000 preference and 250,000 ordinary shares, thus bringing the issued share capital up to £2,499,972. The Midland Electric, after the publication of the accounts, announced its intention of offering 70,000 new ordinary shares to the shareholders at par. Other capital increases were made as follows:—50,000 ordinary "B" shares by the Northampton, £400,000 5 per cent. prior lien debenture stock by the South Wales Power, and 500,000 £1 ordinary at 23s 6d and 756,000 6 per cent £1 preference shares at 21s each by the Yorkshire Electric Power.

In most cases creditors figure for more. Sundry debtors, too, are higher on balance, especially in the cases of the South Wales and Midland Counties, while capital expenditure shows an upward tendency. Investments are higher, although there was no pronounced general movement in the cash holding.

The final table gives recent dividends, prices and yields:—

Name and Amount of Share.	Dividends.				Prices of 1925.		Prices of 1926.		Present Yield.
	1922	1923	1924	1925	Hgat.	Lwst.	July 1925	July 1926	
Bournemouth and Poole (£1)	10	13	14	14	3½	2½	2½	2½	4 18 0
Clyde Valley Electrical (£1)	8	8	8	8	1½	1½	1½	1½	5 18 0
Llanelly and District (£1)	7	7	7	7	1½	1½	1½	1½	5 15 0
Midland Counties Electric (£1)	5	5½	6	6	1½	1½	1½	1½	5 16 6
Midland Electric Corporation (£1)	10	12½	15	15	2½	2½	2½	2½	5 16 0
Newcastle-upon-Tyne Electric (£1)	2½	6	7	7	1½	1½	1½	1½	6 8 0
Scottish Power (£1)	8	8	8	8	1½	1½	1½	1½	6 11 9
Yorkshire Electric Power (£1)	8	8	8	8	1½	1½	1½	1½	5 19 0

Bearing in mind the excellent results of recent years, some of the yields shown above are not ungenerous. Present prices are not very different to those ruling a year ago, and, in the majority of cases, are above the lowest touched during the current twelve months.

GERMAN COLONIAL POLICY—HUMANITARIAN AND ECONOMIC ARGUMENTS.

(BY A CORRESPONDENT.)

THE appearance in an English version of "German Colonisation, Past and Future,"* by Dr H. Schnee, the last Governor of German East Africa, may reveal to the English public something of the intensity with which the question of colonial activity is at present being discussed in Germany. Dr Schnee's argument in favour of returning to Germany her former colonies is based on her record as a colonial power in the past, and on the humanitarian policy she pursued, which he contends is evidenced by the zeal with which she promoted not only economic development, but all branches of science and learning, with a view to the improvement of the natives. Germany, he thinks, should again be permitted to take part in "this great cultural work for which she is so remarkably fitted."

This humanitarian plea, developed with great force and knowledge by Dr Schnee, is, however, not the only one being put forward. Apart from purely imperialistic arguments intended for home consumption ("Germany being a great power should have colonies," &c.), the latest line taken endeavours to prove that Germany will not be able to carry out the Dawes scheme without colonial territory, and that, therefore, it is in the interest of the Allied Powers to restore the lost colonies to Germany as quickly

as possible. The chief protagonist of this idea is no less an authority than Dr Schacht, the President of the Reichsbank, whose speeches on the subject have aroused considerable interest, first at the time of the Locarno Conference, and again in March of this year, at a meeting of the Berlin branch of the German Colonial Society. The question whether Dr Schacht's thesis is sound is of great practical importance, and demands careful elucidation.

Dr Schacht's basic argument may be summarised as follows: Germany can only fulfil her Reparation obligations by means of an excess of exports, which would have to consist largely of finished manufactured goods as Germany could produce a surplus of little else. But the creditor nations would certainly be unwilling to receive those goods, as they would compete with their own industries. It is also unlikely that investments in Germany by foreigners will be large enough to solve the problem. It only remains, therefore, for Germany to turn her activities to production of foodstuffs and raw materials for which there will always be a demand. In order to make such a development possible, Dr Schacht thinks Germany requires colonies of her own either with full sovereignty or with mandatory powers (the question of these alternatives is left open for the time being by Dr Schacht).

The number of problems raised by this argument, which may appear to be both simple and plausible, is indeed great. In the first place, it may be doubted whether the supposed unwillingness of the outside world to receive the kind of products which Germany produces to-day is not being somewhat over-estimated, especially in view of the fact that, after all, the maximum export surplus necessary would only represent a comparatively small percentage of the total world demand for industrial products. It may be pointed out, in the second place, that the production of foodstuffs, especially cereals, has lately been even less remunerative than industrial production. Has not Germany herself seen fit to subsidise agriculture by protective duties at the expense of her export industries? Coal and iron are also in a bad position. The gratuitous acquisition of oilfields, copper, or gold mines, is scarcely probable. Is it rubber, cotton, tea, and coffee that Dr Schacht proposes Germany should produce? The idea would appear to be that German and foreign private capital combined in the form of a chartered company should embark upon the production of these articles in a former German colony. Dr Schacht assures us that the terms would be made attractive to foreign capital, presumably more attractive than the purchase of shares in companies for the production of colonial products already in existence. German capacity for organisation might be able to make the foreign investments profitable, but where does the advantage to Germany, and more especially to the Reparation creditors, come in? Dr Schacht offers an explanation which it must be admitted is highly original. He says:—

"The economic absurdity of the Treaty of Versailles was clear when it was realised that at the same time as the Treaty demanded enormous payments from Germany it brought about an enormous restriction of the German currency area. Not only did it remove Germany's large colonial means of production, outside the sphere of her currency, but it also compelled her to acquire foreign exchange for the purchase of all raw materials from what had been her own colonies, thus artificially impairing her balance of payments in this respect. In the long run the economic and financial requirements of the Versailles Treaty had broken down on account of the German currency. From this it was clear what an important factor in the payment of reparations an extension of the radius of action of the German currency to the colonial sphere would be."

Germany would have to pay for her import of (say) cotton at the same world market price, irrespective of whether the cotton were produced in or outside German colonies (it may be assumed that no German colonial producer would accept a price lower than current market quotations), and these payments would ultimately take the form of export of finished products from Germany, which would go either to the German colonies or the outside world. The need to export would thus be the same in both cases, as the colonies would not give their

* Quoted from the *Times* of March 25th.

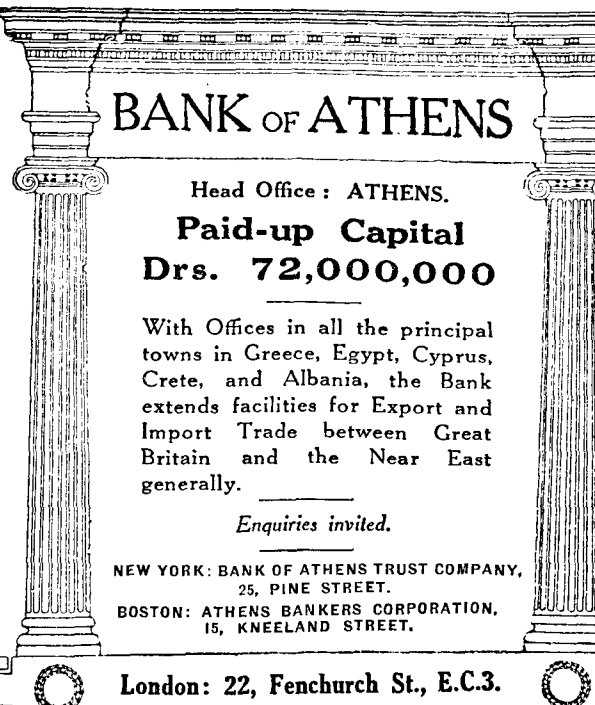
products to Germany for nothing. If the colonies had the same currency as Germany the exports to them would be credited to Germany in marks, while those to other countries would be in a foreign currency; but it is difficult to see what advantage that would give, apart, of course, from the slight increase in the profits of the Reichsbank on the issue of more notes. If Dr Schacht were correct and there were really some great advantage to be gained from a common currency, what folly it would appear to have been on the part of Holland to set up a separate currency in the Dutch East Indies with an independent central bank—the famous Java Bank—and how much they could have improved their balance of payment by counting all the imports from Java as home trade!

But is it not the case that colonies are more likely to buy the products of the home country than of other countries? Undoubtedly; but that depends not on the currency question, but on the direction of trade arising from common tastes, &c., or perhaps on Protection. Is there not lurking somewhere in the background a belief that colonies may be made to yield great profits to the home country? Such an idea is at least in direct contradiction to the principles on which mandates for the principal former German colonies are given by the League of Nations. The mandatory Power is, in the words of the Pact, bound to "secure equal opportunities for the trade and commerce of other members of the League." Thus the institution of chartered companies such as Dr Schacht proposes would appear to be impossible under the terms just quoted.

The return to Germany of her former colonies may be advisable from a humanitarian point of view, as part of a reconciliation policy between victors and vanquished in the late war, or in order to provide an outlet for Germany's surplus population; but Dr Schacht's attempt to enlist the interest of the Allies by arguing that colonial acquisitions will facilitate the transfer of reparation payments is probably doomed to failure. Any activity aiming at the exploitation of colonial territories for the exclusive benefit of Germany would in any case be contrary to the principles laid down for mandatory Powers under the League system.

Notes of the Week.

The Coal Situation—The week's developments in the coal situation may ultimately be adjudged to have brought the prospect of a settlement a little nearer, but at the moment it is difficult to interpret them with any degree of optimism. The delegate conference of the Miners' Federation, which met in London on Friday, July 30th, decided to refer the six points of the Memorandum drawn up by the Industrial Christian Fellowship (the terms of which were set out in the *Economist* of July 24, 1926, page 155), for ratification by the various districts, despite the opposition of the delegates from Durham and South Wales, who unsuccessfully moved a vote of censure on the conduct of the executive. Messrs Cook and Smith made it quite clear, however, that the arbitration clause would not be allowed to cover such matters as the length of the working day, or a settlement other than on national lines, and that a return to the *status quo* during the conduct of negotiations would be deemed as of the essence of the contract. The verdict of the districts is not available at the time of writing, but it is known that while Northumberland has accepted the proposed terms, Lancashire and Cumberland have rejected them, and lodge meetings held in South Wales suggest a similar decision in that area. In other words, feeling would appear most favourable in those districts which stand to lose least, while workers in the worst situated areas still maintain a dogged opposition to any terms involving a reduced standard of living. The Federation executive have, at least, abandoned the purely negative attitude which has done so much to protract the dispute, and made an effort to free itself from the "hand and foot" terms of the earlier delegate resolution. The district reports will be considered next week, when, it is



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believed, a decisive majority for or against the Memorandum will be accepted as conclusive, while a close vote either way will be held to justify reconsideration of the whole question of future policy in the light of the present situation. Possibly the executive would like a freer hand than the delegates are in a mood to afford them at the moment. Meanwhile, there is no evidence of any further drift back to work on eight-hour day terms in individual districts, except in Warwickshire and Cannock Chase, where, despite the partial success of the efforts made by the Federation, some 4,400 and 4,300 men are respectively at work.

The Franc's Recovery.—If its success is to be measured by the exchange rate of the franc, M. Poincaré's Ministry has started with a very great victory, for the franc has dropped from over 240 to 162 to the £. This movement, which recalls the famous rise in March, 1924, has produced great satisfaction in France, and has contributed to enable the Ministry of All the Talents to pass by very large majorities its Bills for the increase of taxation. We can well understand the feeling of relief in France that after so much vacillation and failure there is at last a Government which has shown its ability to act, and to act quickly. M. Poincaré's very success makes us regret the more that he has not yet revealed any clear policy on the question of monetary stabilisation, nor shown readiness to strike while the iron is hot and settle the question once for all. In 1924 the franc was driven too high for want of any clear idea where it ought to be stabilised, and hesitation on this point to-day is, in our view, the greatest danger to the final success of the present Ministry. We hope, however, that our fears are unjustified, and we take some comfort from the fact that the text of the Banque de France Bill published on Wednesday contains a provision under which the Minister of Finance is authorised, during a period of three months, "to conclude with the Governor of the Banque de France all necessary conventions enabling the Banque de France to prepare, by means of the restoration of the franc, the stabilisation of the currency." Moreover, M. Poincaré had a conference with the Committee of Experts on Wednesday, and there is some reason for thinking that pressure has been brought to bear upon him to move in the direction of the Experts' plan. But all the statements so far made suggest that the Government is disposed to think that stabilisation is a measure which can be allowed to wait, or, at all events, requires prolonged meditation, when, in fact, the announcement of a sound and definite policy on this matter is the one thing needed to maintain the confidence which has been created by these initial vigorous measures.

* German Colonisation, Past and Future." By Dr Heinrich Schnee. Introduction by W. H. Dawson. Allen and Unwin. 5s net.

Trade Unionism in the Civil Service.—Grave constitutional issues are implied in Mr Churchill's announcement on Tuesday last, that the Government have decided that it is contrary to the public interest for associations of Civil Servants to be affiliated to outside industrial and political organisations, and intend in due course to introduce legislation dealing with the matter. The Parliamentary correspondent of the *Times*, speaking obviously from inside knowledge, has suggested that the decision is to be regarded as the first-fruits of the deliberations of "a strong Committee of the Cabinet, which is understood to include the Law Officers," on certain matters arising out of the late general strike. The Government, it is understood, have no objection to members of the Civil Service combining for their own protection, and they do not oppose the formation of trade unions, though it has not been made clear whether the right of such unions to declare a sectional strike in defence of their members' interests is involved in this measure of recognition. The Government's attitude is, of course, easily comprehensible in the light of the events of last May. The members of the unions concerned, numbering some 126,000, were not, in fact, "called out" by the Trades Union Congress, but had they been called out a nice conflict would have ensued between their allegiance to the T.U.C. and their duty to the State. The Government can hardly regard with equanimity the possibility of its energies being paralysed at the source in the event of a similar future upheaval. As it is, some obscurity surrounds the past actions of certain of these bodies. The Assistant Secretary of the Union of Post Office Workers, for instance, is reported to have admitted that his union "gave the T.U.C. help during the strike," though "the members, as individuals, took no part in it," while the Civil Service Clerical Association instructed its members that they must not voluntarily undertake work outside their usual occupation except after consultation with the branch officers, who were to be "governed by the policy of the T.U.C." Most people will probably feel that those persons to whom responsibility for the State's administration and defence has been confided, and who receive the State's money in return, should not be subject to any influence even remotely conflicting with their duties to the nation. Trade Unionism has never been recognised as permissible in the Army and Navy; the right to strike has been expressly denied to the police force; why, then, should not similar principles be applied to all members of the Civil Service? The real difficulty is to know where and when to draw the line. Workers in, say, the Foreign Office and the Home Office might be held clearly to be covered by the above premises, but what of the Ministry of Works, for instance, the duties of many of whose members are indistinguishable from those of skilled and unskilled workers outside? Ought the principle to apply equally to Local Government workers, from town clerks to dustmen? The matter is obviously much less simple than it appears at first sight. We cannot, however, admit the force of the semi-official contention that the favourable position of the Civil Servant, both as regards conditions of service and of pension rights, is an argument for curtailing his industrial freedom. Many outside employers, including all the railway companies, have their own superannuation and pension schemes, without considering it necessary to forbid their workers to affiliate themselves to the T.U.C. or the Labour party. The proposals are likely to arouse much opposition among certain members of the rank and file of the Service, though public opinion will probably be behind the Government if its measures can be shown to strike an equitable balance between the duties of its workers as public servants and their rights as private citizens. In this connection the possibilities might well be considered of an arrangement similar to that adopted by the National Union of Teachers, who, while not affiliated to any outside body, promote Parliamentary candidates from time to time. The latter, if successful, may sit on opposite sides of the House, but invariably act together on educational matters.

Rural Housing.—The Housing (Rural Workers) Bill, which was given a second reading on Tuesday last, marks a further stage in the Government's housing policy. The Minister of Health, Mr Neville Chamberlain, in introduc-

ing the measure, declared that the rural housing problem differed from that in urban areas in two important respects. It was concerned, firstly, not with a rising but a stationary population, which suffered less from an actual shortage of accommodation than from the exceedingly bad state of disrepair into which the existing accommodation had fallen; and, secondly, the possibility of obtaining an economic rent was unfortunately precluded by the depressed circumstances of the agricultural worker. The Bill enabled local authorities to submit schemes within the next five years for the structural improvement of country houses of a value (including such improvements) of not more than £400, special provision being made to exclude slums from the benefit of the clause. Assistance in approved cases might then be given by way of grant—in which case the cost of the improvements would be borne, broadly, in equal proportions by the Government, the local authority, and the landlord, the amounts provided other than by the landlord being subject to a maximum of £100—or by way of loan from the local authority during the progress of the work, limited to 50 per cent. of the amount actually expended. To facilitate the process of checking the estimates submitted, it had been decided to make the county council the responsible local body in the first place, though the Ministry would have a discretionary power to delegate the work to district councils in certain circumstances. While the Bill was generally welcomed on the Ministerial side as a practical effort to enable the "poor" landlord to effect repairs otherwise beyond his means, its opponents based their case on the arguments that sufficient powers already existed to compel the rich landlord to carry out necessary repairs, while his poorer colleague would be able neither to provide the wherewithal for the one-third share of the cost which would fall on his shoulders, nor to obtain any return thereon from his impoverished tenants; that if a subsidy were to be paid at all, it should be retained for the encouragement of new building, rather than the patching-up of old and decrepit properties; and that once the principle of the Bill were admitted, no logical reason could be advanced against the extension of State subvention to drainage and a thousand-and-one other purposes. Some of these criticisms certainly appear to carry considerable weight. The Bill is entirely permissive, and while the best type of "rich" landlord may be willing to co-operate with the State in effecting improvements in return for the moral satisfaction associated with philanthropic endeavour, his less public-spirited colleague will probably lack the inclination, and his poorer colleague the means, to do so. The £400 maximum clause would seem, further, to limit the application of the Bill's provisions to exceedingly small cottage property—e.g., it will be possible to obtain approval for the carrying-out of repairs valued at £150 to property at present worth £250 or less. The proportion between the two figures seems unduly high. The Government will probably endeavour to press the Bill through all its stages before the end of the present session.

The Abyssinia Debate.—It is so much to the good that the Anglo-Italian Agreement regarding Abyssinia should have been ventilated in the House of Commons. As on certain previous occasions, the upshot is that Sir Austen Chamberlain is well-meaning and honourable, but neither very clear nor very far-sighted in his conduct of foreign affairs. If we really want the Lake Tsana dam, the step which he has taken has hardly been a step in the right direction. No doubt it might have been difficult to get the dam without Italy's assent, but it will certainly be impossible to get it if we have aroused Abyssinia's resentment and suspicion; and this we have, perhaps, effectually accomplished by linking our limited and strictly economic desiderata with Italy's wider and less unequivocally non-political ambitions. Two distinct questions are involved: first, what are the best means of increasing the supply of water for irrigation in Egypt and the Sudan; and, second, whether the diplomatic procedure agreed upon between Great Britain and Italy constitutes diplomatic pressure upon Abyssinia? With regard to the former question, Sir Murdoch MacDonald (who as one-time adviser on irrigation to the Egyptian Ministry of Public

Works was better qualified to speak on this point than any other member of the House) pointed out that there was a feasible alternative to the Tsana storage scheme in the construction, within Sudanese territory, of an additional barrage on the Blue Nile, above the existing barrage at Mekwar. Since Sir Austen Chamberlain mentioned in the debate that the Emperor Menelik gave the British Government the refusal of the Tsana scheme as far back as 1902, it is also pertinent to mention that, after the technical aspects of the Tsana scheme had been examined on the spot and reported upon favourably by Mr Dupuis, of the Egyptian Irrigation Service, Sir William Garstin, then Under-Secretary of State in the Egyptian Ministry of Public Works, in his celebrated report of 1904 on the Nile Waters, discussed the relative merits of the Tsana scheme (in Abyssinian territory) and the Upper Blue Nile scheme (in Sudanese territory) and pronounced against the former on the ground that it would produce awkward political complications. This judgment was endorsed by Lord Cromer in a covering letter to Sir William Garstin's report. In the light of what has happened, the judgment of these two weighty authorities must be held to have been better than the judgment of Mr Baldwin's Government when it entered into these unfortunate negotiations with Italy last year. As regards the question whether the procedure laid down in the Anglo-Italian note constitutes "pressure," Sir Austen Chamberlain's opinion in the negative would appear, to the layman, to be less convincing than the affirmative opinion of the Abyssinian Regent. The British and Italian Governments have not only agreed to take identical action at Addis Abeba, they have promised one another not to desist from their respective diplomatic efforts until both demands have been accepted by Abyssinia. This pledge is cast in the same form as the London Agreement not to make a separate peace between Great Britain, France, and Russia. Pledges "not to make a separate peace" surely imply something comparable to a state of war. It is certainly a good thing that all this is to be threshed out in public at Geneva.

The Kulturkampf in Mexico.—The outbreak of a struggle between State and Church in Mexico is grave, but it is neither unforeseen nor unprecedented. The upheavals by which Mexico has been convulsed since 1910 represent the release of forces long pent-up. Under the leadership of revolutionary idealists and revolutionary adventurers, the native peasantry (who constitute the mass of the population) and the small, but well-organised and powerful, class of industrial workers have been coming into their own; and, in the course of this development, a struggle between the revolutionaries and the Catholic Church for the allegiance of the peasantry was bound to come sooner or later. The actual conflict has arisen out of the ecclesiastical clauses in the Carranza Constitution of 1917, which are just being brought into force by the present Government of President Calles. Under these clauses, all primary education has to be secular; all private schools are subject to Government supervision; no ecclesiastic may establish or direct a school; monastic orders are forbidden, as involving a contract restricting a Mexican citizen's liberty of conduct; marriage is a civil contract; State legislatures may limit the numbers of priests in proportion to the population; and only a Mexican by birth may be the minister of any creed (a measure directed against the practice of filling high posts in Mexico, in the Roman Catholic hierarchy, with foreigners). The Catholic Church has retorted by declaring an interdict, which came into force—simultaneously with the Government's ecclesiastical laws—on the Friday before last (July 30th). Collisions occurred—though apparently to a lesser extent in the provinces than in Mexico City—between the police and the crowds which filled the churches to attend the last services conducted by the priesthood. There was some shooting, resulting in bloodshed and loss of life. On the whole, however, the struggle has been conducted with moderation on both sides, considering the strength of the opposing forces and the vehemence of the feelings aroused among an excitable population. The Government, having taken over the churches as national monuments, has left them open for private worship, and this has relieved the

tension. The Catholic episcopacy, on their side, have proposed a truce in order to give an opportunity for the controversy to be decided by a plebiscite, but this proposal has been rejected by President Calles. The outcome of the struggle may turn upon two factors: the attitude of Mexican organised labour and the attitude of the United States. On Monday a great Labour demonstration on the Government side was carried out in Mexico City, in spite of opposition from a clerical wing. As for the United States, it appears that Mgr. Tito Crespi, the ecclesiastic in charge of the Apostolic Delegation in Mexico, whom the Government has just expelled, is a United States citizen. The whole conflict has also naturally aroused considerable feeling among the Catholics of the United States, who are a powerful community. It seems certain, however, that in this, as in other internal conflicts in Mexico, the Washington Administration will preserve the strictest neutrality.

Our Index Number.—Irregular movements in commodity wholesale prices in July resulted in a slight net upward movement in our Index Number, the total being 4045, or 10 points higher than at the end of June. The table below shows the changes in each of the five groups:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, tin, oil, &c.).	Total.	%
Basic (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	352	616	464	553	2565	116.6
" Nov., 1918	1289	782	1848	903	1389	6212	282.6
" Mar., 1920	1508	914	2974	1246	1709	8352	379.6
" Dec., "	1344	805	1284	1216	1275	5924	269.3
" Dec., 1921	921	636	1106	762	931	4357	198.0
" Dec., 1922	861	706	1184	705	807	4264	193.8
" Dec., 1923	853	815	1382	774	755	4580	208.2
" Dec., 1924	992	789	1452	815	806	4855	220.7
" June, 1925	885	704	1234	736	791	4351	197.8
" July, "	908	698	1274	756	809	4446	202.1
" Aug., "	952	718	1235	748	796	4450	202.3
" Sept., "	934	702	1250	752	788	4427	201.2
" Oct., "	886	699	1203	749	788	4327	196.7
" Nov., "	918	704	1174	737	787	4322	196.4
" Dec., "	936	679	1120	733	782	4251	193.2
" Jan., 1926	892	694	1117	726	758	4189	190.4
" Feb., "	884	699	1058	736	762	4139	188.1
" Mar., "	880	688	1025	723	771	4088	185.8
" Apr., "	894	678	1000	714	766	4053	184.2
" May, "	885	681	978	718	765	4029	183.1
" June, "	893	682	963	735	760	4035	183.4
" July, "	910	678	945	763	748	4045	183.9

Changes in foodstuffs were of no great importance, cereals, meat, and sugar being a little higher, while tea and coffee declined slightly. In the textiles section the most prominent change was a further sharp decline in jute on very favourable crop prospects. Wool and silk were higher, and there was a small upward movement in cotton. In the minerals group pig-iron was again higher; stocks are dwindling, and very little is being produced. Tin and lead advanced. In the miscellaneous section the feature was a sharp decline in indigo. The following table shows the changes in each commodity's index number in comparison with the end of June, the figure 50 representing in each case the average price during the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For.	105	+ 1	Cotton, A	92	+ 7	Copper	49	+ 1
English	111	+ 6	Cotton, E	112	+ 1			
Flour	100	— 2	Cloth	32	+ 3	Minerals	763	+ 28
Barley	67	— 2	Wool, Eng.	106	— 8			
Oats	83	+ 5	Do Aust.	108	— 3	Baltic timber ..	93	..
Potatoes	53	+ 3	Silk	102	— 11	Amer. timber ..	77	..
Rice	123	— 2	Flax	85	+ 3	Leather	60	..
Beef	72	+ 1	Hemp	90	+ 1	Petroleum	103	..
Mutton	84	+ 1	Jute	59	+ 1	Oils	75	..
Pork	111	+ 3		97	— 47	Oilseed	80	+ 3
						Tallow	70	— 1
Cereals & meat ..	910	+ 16	Textiles	945	— 18	Indigo	76	— 13
Tea	152	— 6	Pig-iron	97	+ 10	Crystals	85	..
Coffee	138	— 4	Steel rails	66	+ 2	Rubber	21	..
Sugar, cane	94	+ 3	Iron bars	84	..			
Sugar, beet	94	+ 3	Coal, steam	125	..	Miscellaneous ..	748	— 12
Butter	83	+ 3	House coal	90	..			
Tobacco	116	..	Lead	137	+ 12	Total	4,045	+ 10
			Tin	114	+ 7			
Other foods	678	— 4						

The net result of these changes has been to raise the increase over the pre-war figure from 57.3 to 57.7 per cent. The lowest figure touched this year was 57.1 per cent. at the end of May, as may be seen from the following table:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., 1921	233	229	309	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Oct., "	153	199	195	161	143	168.7
Nov., "	159	200	191	159	142	168.5
Dec., "	162	193	182	158	141	165.8
Jan., 1926	154	197	181	156	137	163.3
Feb., "	153	199	172	158	138	161.4
Mar., "	152	196	167	156	140	159.4
April, "	154	193	162	154	139	158.0
May, "	153	194	159	155	139	157.1
June, "	154	194	156	158	138	157.3
July, "	157	193	153	164	135	157.7

A feature of this table is the steady drop recorded by the textile group. At this time last year the figure was 207. The fall has been common to all the items, but most prominent in the cases of Egyptian cotton, wool, and jute.

Cotton Spinning Depression.—Our Manchester correspondent writes:—Serious attempts are now being made in the Lancashire cotton industry to relieve the severe depression which is particularly pronounced in the section producing yarns from American cotton. A few weeks ago the Master Spinners' Federation announced that the owners of 93 per cent. of the spindles using American cotton had approved the scheme of basic prices for standard yarns, but at that moment it was not considered desirable, owing to the unsettled industrial situation, to put the proposals into operation. This week, however, the Federation has announced that the scheme will come into force from Monday, August 16th. The Short-Time Committee of the Federation will meet on Tuesday next and decide upon the first list of prices. It is understood that on this occasion the Federation will begin on very modest lines, and gradually lift prices until they are on a profitable level. In this connection everything depends upon the loyalty of the members. On Wednesday last there was a meeting in Manchester of the committee of mill directors to receive a report on the replies to the recent questionnaire sent to spinners as to the formation of a limited company for the purpose of combining interests, the proposal being that all yarns should be graded by experts and minimum prices fixed. For the purpose of this ballot the number of spindles producing American yarn was taken as 28,000,000. It was stated that the owners of 19,066,438 spindles had voted in favour of the scheme, those against being 825,484 spindles, indefinite 405,604 spindles, no replies being received from the owners of 7,702,474 spindles. After a long discussion, the committee decided to recommend the trade to go forward with the scheme, and a mass meeting of spinning employers is to be held to consolidate the support so far given.

A Stolen Stamp Collection.—A case that has aroused great interest among stamp collectors, diamond merchants, and insurance companies was the subject, this week, of a judgment in the Court of Appeal; a judgment that reversed the decision of the first Court in a very remarkable way. The plaintiff was a very wealthy Belgian diamond merchant, who, like most Antwerp merchants, was well known in London, and had considerable dealings with Lloyd's underwriters. A stamp collector on a large scale, he possessed a very valuable collection, which was insured by underwriters for £44,000. This collection was stolen from an hotel in Berlin, where the assured was staying, but the albums were afterwards found with the more valuable stamps removed. A claim was made on the underwriters for £39,000, representing the insured value less the value of the stamps recovered. The assessors acting for the in-

surers, after examining the claim put forward by the collector, Mr Lek, advised the underwriters that the values placed on the stamps lost were considerably inflated. A compromise was suggested, but refused by the assured, who took the claim to Court. After a hearing that occupied the Court for more than thirty days, judgment was reluctantly given in favour of the defendant, the judge finding that the plaintiff had been led away by a collector's vanity, and had attempted to deceive by giving untrue particulars of the stamps in his collection, he being unable to say when and where he acquired his rarities. The plaintiff decided to appeal, and his counsel, addressing the Court of Appeal, emphasised the fact that the reason for appealing was to clear the hitherto unsullied name of Mr Lek. After reading the report of the trial, the Court of Appeal decided by a majority of two to one to reverse the verdict, and accepted the evidence of the assured. Lord Justice Scrutton, who dissented, expressed the opinion that unless it was absolutely clear that the findings of the judge below were wrong the verdict ought not to be disturbed. The position is, therefore, that, while Mr Lek's good name is cleared, two judgments are in his favour and two for the underwriters, and should the case go to the House of Lords the final decision will be awaited with interest. Arising from this litigation are some noteworthy points, especially the reversal of a judgment depending entirely on the credibility of a witness, the high costs, which are placed at £60,000, and the surprising number of professional men who have turned out to be enthusiastic philatelists. At least one of the counsel engaged was an expert, and it is said that one of the judges was also a collector. The case will emphasise the difficult position in which underwriters and insurance companies are placed when called upon to decide whether or not to resist a doubtful claim; it is obviously in the interests of both assured and underwriters that only genuine losses should be paid, but, on the other hand, it is no light responsibility to refuse an insurance claim on the ground of fraud.

Home Railway Dividends.—The interim dividends announced by the home railway companies are no worse than could be expected after the industrial events of the past three months. The three companies which pay interim dividends on their ordinary stocks have reduced their rates substantially, and the London and North-Eastern has deferred its dividend on the preferred ordinary stock, the Southern alone following its normal course, which is to pay a full 5 per cent. on the preferred ordinary stock, leaving the distribution on the deferred stock until the end of the year. The following table compares the interim dividends with those paid at this time last year:—

	Interim Divs. per Cent. per Annum.		Prices of Ordinary Stocks.		
	1925.	1926.	Highest, 1925.	Highest, 1926.	Aug. 6, 1926.
Great Western ord. stock ..	5½	3	111½	92	85½
London and North-Eastern pref. ord. stock	5	nil	83½	63	50
London, Midland, & Scottish ord. stock	5	3	102½	78½	71
Metropolitan Consolidated stock	4	3	83	70	63½
Southern pref. ord. stock ..	5	5	85½	79½	78

We showed in a recent issue that the gross receipts of the four large companies had declined by £13 millions, or 13.9 per cent. in comparison with the corresponding period of 1925, a reduction which cannot by any means have been covered by savings in expenditure. The directors of the London Midland and Scottish state that, although in the existing abnormal circumstances it is impossible to forecast the results for the year, they have decided to make such a provision from reserve as will enable the reduced dividend to be paid. At the end of last year this company reduced its reserves by over £1½ millions. The present reduced dividend will take £952,000 less, as against a reduction of £5,314,000 in gross traffic receipts. Six months ago the Great Western took £800,000 from reserve, but no mention of any such withdrawal is made on the present occasion, though it would seem probable that

some transfer will be required, traffics having declined by £1½ millions. The directors of the London and North-Eastern state that they have decided to defer consideration of the payment of dividends on the ordinary stocks until the full year's results have been ascertained. Interim dividends upon all guaranteed and preference stocks are to be paid, but will necessitate "a large draft" upon the compensation account reserve fund. At the end of last year this company took no less than £4 millions from reserves, its net revenue failing to cover the preference dividends by over £1½ millions. Traffics in the half-year declined by nearly £3½ millions. The traffic receipts of the Southern, on the other hand, declined by less than a million, and as only £200,000 was withdrawn from reserves at the end of last year, the present dividend would appear to have been covered by earnings. Our table shows the striking fall that has taken place in the market prices of the stocks concerned in comparison with the highest point of last year.

Tin and Tin Shares.—Our mining correspondent writes: Despite the prevalence of the holiday season and other conditions inimical to business on the Stock Exchange, a fair degree of activity has recently prevailed in the shares of tin-producing companies. This is a reflex of the advance in the price of tin, which now stands within a comparatively short distance of £300, and bids fair to go still higher. Last year's maximum was £290, that of 1924 just over £298. The end-July statistics showed the visible supplies at 13,000 tons, a reduction of fully 2,000 tons on the June figures, and representing little more than one month's supply. Possibly but for the coal stoppage at home the consumption would have been still larger, although it is to be feared that American and Continental manufacturers have benefitted from the state of affairs in Great Britain. In the light of the statistics above referred to, and with no prospect of any appreciable increase in the supplies—at any rate for some time to come—there would seem ground for a "bull" view of the prospects of tin-producing companies. So far interest has been chiefly confined to the shares of companies dredging in Malaya and Siam. With expenses on a scale in the neighbourhood of £100 per ton of metallic tin, it is obvious that handsome profits can be made. A factor in the market for Eastern shares consists in the partiality of Malayan operators for them. Quite a large proportion of the recent buying has been for account of residents in the Straits Peninsula, who are naturally in a position to know how matters are going at the different properties. Reference may be made to a few companies whose prospects can be regarded as exceptionally attractive. The Malayan Tin Dredging has now secured an increased output, thanks to the operation of an additional dredger. Another is due to start, and the whole six will be driven by electrical power. Later on a new property will be exploited by two further dredges. The Siamese, after overhauling three dredges, has just brought a fourth into commission, and expects to have another before the end of the year. As mentioned in connection with the annual reports, the Sungei Besi is completing its hydro-electric installation, which will increase the output and reduce the costs; the Tronoh is interested in this and other undertakings. Amongst recent introductions, the Eastern Siam, Tanjong, and Temengor are considered promising. The first-named was sponsored by the British Malayan Syndicate, the second by the Gopeng, and the third by the Malayan Tinfelds-Renong interest. On the basis of tin at £200, the net profits of the Tanjong are estimated at 20 per cent. per annum. Dredging should start before the end of the year.

Anglo-Dutch Rubber Results.—An excellent showing is made by the accounts to December 31st last, issued this week, of the Anglo-Dutch Plantations of Java, Limited, and the figures indicate the extent to which the recovery in the price of rubber must have benefited the larger producers. There is additional reason for satisfaction in the lucid and comprehensive presentation of the report and accounts, which might profitably be taken as a guide by

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more reticent company directors. A comparative record of recent results is given below:—

	1919.	1920.	1921.	1922.	1923.	1924.	1925.
Share capital	£1,286,780	£1,330,170	£1,330,170	£1,330,170	£1,330,170	£1,330,170	£1,330,170
Loan capital	£1,286,780	£1,330,170	£1,330,170	£1,330,170	£1,330,170	£1,330,170	£1,330,170
Net profit	215,350	147,186	116,556	231,653	233,735	242,540	534,309
Brought forward	58,311	48,175	50,898	51,644	109,581	111,696	1,036,726
Available for distribution	273,661	195,361	167,454	283,297	343,316	374,235	644,665
Paid in dividends	225,187	144,763	115,810	173,715	231,620	251,753	435,726
Rate per cent.	17½	10 on old shares	6	9	12	13	22½
Carried forward	48,475	50,898	51,644	109,581	111,696	110,356	112,224

Net profits, it will be seen, have jumped from £242,540 to £534,309, while the dividend is raised from 13 to 22½ per cent. The increased dividend, however, has not been paid without due regard to the strengthening of the company's financial position, as £50,000 has been transferred to contingency reserve account and £20,000 to staff pension fund reserve. Moreover, the report states that although "the amount due to the directors as extra remuneration is £26,715, it is the intention of the directors to limit the amount taken this year to a sum of £15,000; the sum not taken will be written back in the next accounts." The company now controls 33 estates, with a planted area of 76,942 acres, compared with 68,678 acres at the end of 1924. Total expenditure on the estates last year was £1,101,346, of which £432,443 was charged to capital and £668,903 to revenue. The value of the 1925 produce was £1,336,396. It is stated that the reserve account opened in 1921 for depreciation of the company's rubber, tea, and sisal areas has been increased by £16,936 to £58,466. The labour supply is reported to have been sufficient, although a drought of exceptional severity was experienced during the year. The rubber crop totalled 5,997,659 lbs. against 3,650,638 lbs. and realised 2s 2½d per lb net in comparison with 1s 0½d, and while a slightly lower tea output was disposed of at practically 1924 levels, the coffee output rose from 20,397 cwt to 28,991 cwt, though the net selling price was reduced from 74s 7d to 73s 2d. On the other hand, a slightly larger Cinchona crop brought 49.17 cents per half kilogramme, compared with 42.57 cents. During the year the Sumatra Anglo-Dutch Estates was formed to take over the properties held by the Java company in Sumatra. The latter has guaranteed the payment of interest on the £250,000 first mortgage debenture stock of the new undertaking for a period of six years. It is also stated that negotiations regarding a concession for sugar are still proceeding. At the end of the current year the company's debentures become convertible into shares. It has thus become necessary to increase the capital by 250,000 shares, and the sanction of the shareholders to this step is to be sought at the meeting to be held on August 10th.

Guinness's Report.—The report of Arthur Guinness, Son, and Co., Limited, for the year ended June 30th last shows a decline of nearly a million in gross profits before payment of duties and taxation, but there was a saving of over half a million in Excise, Customs, and licences (which required £8,858,800, against £9,307,000 in the preceding year), and net profits were £452,000 lower at £2,433,300. As will be seen from the comparative table

below, this figure is under the average of the four preceding years, and 30 per cent. below the total for 1920-21 :—

	Receipts.	Ex-penses.	Net Profit.	Reserve, Depreciation, &c.	Ordin'ry Dividend.	Rate %
	£	£	£	£	£	
1908-9	2,218,160	1,096,522	1,121,638	230,000	700,000	14
1909-10	2,465,713	1,195,090	1,270,623	325,000	775,000	15½
1910-11	2,629,180	1,301,511	1,327,669	335,000	825,000	16½
1911-12	2,541,030	1,328,241	1,212,789	255,000	825,000	16½
1912-13	2,527,237	1,443,119	1,084,118	185,000	825,000	16½
1913-14	2,752,974	1,514,726	1,238,248	235,000	700,000	14
1914-15	4,181,655	2,721,206	1,460,449	585,000	700,000	14
1915-16	5,472,922	3,962,122	1,510,800	531,000	800,000	16
1916-17	4,920,287	3,014,157	1,906,129	235,000	800,000	16
1917-18	4,105,393	2,083,307	2,022,086	235,000	800,000	16
1918-19	5,858,854	3,808,174	2,050,680	285,000	800,000	16
1919-20	12,941,420	9,677,513	3,263,907	735,000	1,000,000	20
1920-21	18,187,514	14,558,324	3,629,190	519,407	1,250,000	25
1921-22	14,570,320	11,691,967	2,878,353	235,000	1,450,000	29
1922-23	13,759,584	11,084,264	2,675,320	235,000	1,800,000	24
1923-24	12,528,137	10,237,134	2,291,003	200,000	1,950,000	26
1924-25	13,220,814	10,335,276	2,885,538	400,000	2,400,000	32
1925-26	12,232,042	9,798,791	2,433,251	200,000	2,400,000	32

The net profit figure is struck after reserving £25,000 for depreciation and adding miscellaneous receipts of £3,300. The balance available for distribution is £3,451,800, against £3,752,900 a year ago, and includes dividends and interest amounting to £185,700 and a balance of £832,900 brought forward. The reserve allocation is reduced from £400,000 to £200,000, the 6 per cent. preference dividend absorbs £120,000, and after payment of 32 per cent. (free of income-tax) on the ordinary stock, the same as for the preceding year, there remains a balance of £731,800, or £101,100 less, to be carried forward. The balance-sheet, which is analysed in a later column, shows no very striking changes. Debtors and stock-in-trade have been reduced by £232,100 and £252,300 respectively, but cash and Treasury bills are £367,000 higher.

Bass, Ratcliff, and Gretton.—As was the case in 1924-25, the well-known brewing firm of Bass, Ratcliff, and Gretton, Limited, incurred somewhat higher expenses during the twelve months to June 30th last. Thus we find that in spite of the fact that the gross trading profit rose from £1,267,630 to £1,280,532, the net trading profit is reduced by more than £50,000 to £304,377. Although sundry revenue was slightly higher, the available balance is just over £50,000 down, owing to the smaller amount brought into the accounts. This will be seen from the following table :—

Year ended June 30.	1914.	1921.	1922.	1923.	1924.	1925.	1926.
Gross trading profit....	749,607	1,158,172	1,205,795	1,187,145	1,222,864	1,267,630	1,280,532
Expenses	455,611	880,771	925,946	857,617	851,301	908,767	976,155
Sundry revenue	293,996	277,401	272,849	309,518	371,563	358,863	304,377
Balance forward	143,153	236,894	200,528	204,394	236,796	259,466	277,868
	64,593	61,970	73,085	66,748	63,571	93,429	66,097
Deb. interest	501,742	576,265	553,462	580,660	671,930	711,758	649,342
Bad debts and invest.	80,800	80,800	80,800	80,800	80,800	80,800	80,800
Depreciation	34,266	29,980	13,514	43,889	64,501	81,661	36,869
Pref. dividend	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Ord. dividend	204,000	224,400	224,400	224,400	265,200	265,200	265,200
Rate	15 %	11 %	11 %	11 %	13 %	13 %	13 %
Reserve, &c.	50,000	100,000	100,000	100,000	100,000	100,000	100,000
Carried forward	64,676	73,085	66,748	63,571	93,429	66,097	97,473

The ordinary shareholders again receive the dividend of 11 per cent., plus the 2 per cent. bonus, making a total of 13 per cent. for the year. The previous allocation to reserve took the total of the fund up to £1,000,000. This time no appropriation is made, but a further £100,000 is put to the property depreciation reserve, which was started in 1924-25, with a similar allocation, and now figures in the accounts for the first time. The item "goodwill and trade marks" remains at £800,000. During the year "licensed properties and trade loans" have gone up by a little less than £200,000. Otherwise, balance-sheet changes are unimportant.

Watney, Combe.—The accounts of Watney, Combe, Reid and Co., the well-known brewery undertaking, covering the year to June 30th last, show that the prosperity which has attended operations in recent years was continued during the past financial period, the trading profit showing a satisfactory increase. Owing, however, to increased provision for depreciation and to a rise in sundry expenses, the net profit is slightly lower :—

YEAR ENDED JUNE 30.

	1922.	1923.	1924.	1925.	1926.
Trading profit.....	1,412,961	1,415,115	1,479,694	1,891,054	1,919,671
Net profit	614,614	690,718	702,626	1,198,489	1,135,117
Brought forward	150,562	194,494	215,372	185,503	213,608
Total available	765,576	885,212	917,998	1,383,992	1,348,725
Pref. and pref. ord. dividend ..	216,249	215,007	213,945	213,945	213,945
Deferred ordinary dividend ..	254,833	254,833	318,550	1406,439	541,519
General reserve	(32 %)	* (16 %)	(20 %)	(17 %)	(17 %)
Carried forward	100,000	*200,000	200,000	550,000	350,000
	194,494	215,372	185,503	213,698	245,411

* Deferred ordinary capital doubled by capitalisation of £796,353 from reserves.
† Paid on a capital of £2,389,059, against a capital of £1,592,706 in preceding year.

The preferred dividend is maintained at 4 per cent., and the deferred shareholders receive 17 per cent. once more, in spite of the fact that during the year £796,351 of reserves was capitalised and applied to restoring the deferred capital to its original figure of £3,185,410. During the twelve months £30,000 of debenture stock has been redeemed and £40,542 of preference capital bought and cancelled. The balance-sheet shows that the holding of Treasury bills has gone up from £197,752 to £791,316, while trade investments of £63,910 compare with £35,837 a year ago. On the other hand, stocks have declined from £528,214 to £442,638, and the holding of cash has been reduced from £908,597 to £388,890. The allocation of £350,000 to general reserve brings the fund up to £359,455.

Oversea Correspondence.

UNITED STATES.—THE MARKETS—U.S. STEEL—COTTON CROP—BRITISH DEBT.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 27.
AFTER about a week of reaction, which seemed called for on technical grounds at least, the share market has taken on a firmer tone. During the reaction, which was moderate in extent, considerable short selling seems to have taken place. In any event, short covering to-day disclosed a rather scanty supply of stock, and sent the market leader, General Motors Common, up to a new high record for all time at 173. Meanwhile, the other condition that became noticeable a week or two ago, namely, a slowing down in the bond market and a firming up in the time-money market, has persisted. Bonds have been rather soft, the buying, which comes predominantly from banks and insurance companies, having slackened at about the same time that the banks decided that the more distant maturities of time money should command a slightly higher price. The firmer tone for money to be repaid in six months or thereabouts, which has established a rate of 4½ per cent., is probably a reflection of the feeling that business is improving, and that the third quarter of the year, which many of the prophets had picked out as one of definite reaction, will be a good one in business. At the same time, the feeling has become prevalent that there is no reason for assuming that the fourth quarter will not also be good. Business, in short, has proved better than had been expected, and the satisfactory showing has improved sentiment with respect to business in the next several months ahead. Meanwhile, with the banks asking a higher price for their more distant accommodation, and with the buying of bonds slackened, short-term funds have remained plentiful and cheap. Call money on the Stock Exchange is renewing at 4 per cent., which is as low a rate as has persisted for any considerable time this year. All this is, of course, quite consistent with normal seasonal tendencies, money generally being easier in the latter part of July and August, and then firming up as autumn trade and the holidays approach.

Considerable interest, in view of the strength in the shares, has been displayed in the quarterly meeting of the directors of the United States Steel Corporation, which was held after the close of the market to-day. There has been talk of a special distribution to the stockholders, but this talk has not been credited in good quarters. The event showed that it was without foundation. Only the regular dividends were declared. This does not mean that something special will not be done for the stockholders at some future date. However, it was not likely that the directors would take action when two of them, Mr J. P. Morgan and Mr George F. Baker, were abroad, while there has been nothing to indicate that the Mellon-cutting is to be done at this stage of affairs. The quarterly earning statement was excellent, as had been anticipated. Net earnings for the second three months of the year amounted to \$47,814,105, which corresponds to \$4.20 a share on the common stock. This figure compares with \$45,061,281 and \$3.88 for the previous quarter and with \$40,624,221 and \$3.06 for the second quarter of 1925. Furthermore, earnings were well maintained throughout the second quarter, despite the normal seasonal tendency toward curtailment of operations. Thus in April the figure was \$15,705,202, while in May it was \$16,159,866, and in June \$15,949,937. As steel prices have been rather firmer recently, and as operations at the mills are holding up remarkably, a good third quarter seems to be in prospect.

More hopeful views now prevail with regard to the agricultural situation. The rallies in grain and cotton prices have been fairly well maintained, and estimates of farm purchasing power, which erred on the side of pessimism, have been revised upward. The Department of Agriculture estimated the condition of the cotton crop, as at July 16, at 70.7 per cent., this comparing with the July first estimate of 75.4 per cent. The estimated yield was reduced from 15,635,000 bales to 15,368,000 bales. Last year's crop, it will be remembered, actually amounted to 16,103,000 bales. As an ample carry-over exists, the reduction in expectation and the concurrent improvement in prices have been subjected to bullish interpretation.

The controversy over the British debt settlement seems to be dying down, for which all our bankers are thankful. It has been their view that little good could come out of such a controversy, as the existing agreement is considered a settled thing (and apparently it is regarded similarly in the best quarters on your side), and as the unloosing of controversy offers the demagogues and the "haters" an opportunity that they are only too willing to embrace. Events seem to have justified this view. The judicious note with pleasure the manner in which the wise persons on your side have handled the situation, and are equally pleased that President Coolidge has let it be understood that he has no sympathy with "bump-tious" American tourists, and that he feels that we should try to understand the difficulties that are irritating Europe rather than condemn that continent for outbursts that, he feels confident, do not really represent public opinion.

The greatest interest, naturally, is being taken in the programme of the Poincaré Government. Our bankers note that the new premier expects to save the franc without foreign credits. They consider this intention extremely laudable, and sincerely hope that the effort will be attended by success. It cannot be said, however, that they are entirely sanguine of that success.

FRANCE.—NEW FINANCIAL MEASURES—DIRECT AND INDIRECT TAXATION—THE SINKING FUND.

(FROM OUR CORRESPONDENT.)

PARIS, August 5.

To many people, both here and abroad, the revelation of M. Poincaré as a Finance Minister of exceptional ability has come as a surprise. This is probably due to the fact that, owing to the rôle he has played in recent years as an intransigent nationalist politician, they overlook the fact that he has twice previously held with distinction the post of Minister of Finance—firstly as far back as 32 years ago, and secondly, some 20 years since. In French banking and political circles M. Poincaré's finan-

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cial genius is accepted without question. No less an authority than M. Caillaux himself is credited with having described M. Poincaré, some three or four years before the war, as "the greatest Finance Minister of modern times."

M. Poincaré's financial proposals are now to a great extent public property, and some of them have already become law. Prefaced by drastic modifications of the rules of Parliamentary procedure, designed to reduce useless speech-making to a minimum, M. Poincaré's plans may be dissected as follows :—(1) The voting of sufficient new taxation to place the Budget in a condition of super-equilibrium and remove all danger of renewed Treasury crises; (2) the creation and endowment of a sinking fund, impregnable protected against political interference, for the systematic extinction of the floating and short-term debt; (3) the accumulation, under the control of the Bank of France, of a stock of sound currency, to be mobilised when necessary in defence of the franc; (4) stabilisation and revalorisation of the franc; (5) the settlement of the inter-allied debts.

The first of these proposals, involving a total of 2,458,300,000 of additional taxation for the year ending December 31st next, and of 9,192,800,000 for 1927, was passed into law in a single sitting of the Chamber (thanks largely to the new rules of procedure and to the fact that M. Poincaré reminded deputies that every day's delay would cost the country 16 million francs, or 11,000 francs a minute). One of the outstanding features of M. Poincaré's speech on his taxation proposals was his insistence on the necessity to attract back into France the many milliards of capital that have taken flight before the threat of confiscatory legislation. The Government obtained a vote of 295 against 188 in approval of the new taxation proposals. The minority comprised not only the whole of the Socialists and Communists, but 47 impatient Radical-Socialists, while ten of the latter party abstained. The figures suggest that, seeing that 63 of M. Herriot's followers supported the Government, all danger of effective opposition may be regarded as neg-

ligible. The course of affairs in the Senate was equally satisfactory, and the Bill was approved by 245 votes to 8.

The report of M. Henry Chéron, the *Rapporteur Général* of the Senate Finance Commission, showed that the Treasury will require, before the end of the year, 2,854 millions of "exceptional resources" unprovided for by the Budget, this sum being made up as follows:—Internal and foreign debt services, 1,285,000,000; increased pay for public servants, 669,000,000; civil service pensions, 200,000,000; extraordinary expenditure in Syria and Morocco, 800,000,000; interest on advances by the bank, due to sinking fund, 300,000,000. Of the total, it is estimated that 830,000,000 will still be available from this year's yield from the Dawes Plan, leaving a net deficit of about 2,100 millions. "Exceptional expenditure" to be provided for in 1927 is estimated as probably amounting to 9,850 millions, including the 1,000 millions which has been promised to the public servants as increased pay, 300 millions for pensions, 950 millions of interest on advances made by the Bank. The Treasury will have to be prepared, further, to meet heavy maturities of bonds, totalling 3,063 millions in February and 4,405 millions in September, but these, it is anticipated, will be reduced effectively to about 3,700 millions in all, by renewals and fresh subscriptions. There are also 160 millions of six-year bonds to be paid off next year, while 3,740 millions will be required to meet foreign debt payments. The Dawes Plan, it is estimated, will yield about 4,000 millions to France next year, of which 2,000 millions will be available towards the foregoing total deficit; but it is considered advisable, in order to give the Treasury elasticity, to fix the amount of "exceptional resources" required in 1927 at not less than 9,000 millions.

Analysis of the new taxation shows that neither the Socialists nor their opponents will have much ground to complain as to its distribution between direct and indirect imposts. Out of the total of 9,192 millions involved for the remainder of this year, and in 1927, only 3,864 millions can be described as "taxes on consumption properly so called." A further 1,695 millions represents increased taxation of motor-cars, motor-cycles, and bicycles to the extent of 170 millions, while a 32½ per cent. increase in railway fares, an 11½ per cent. increase in railway goods rates, and an 8 per cent. tax on the value of freight transported on waterways are expected to yield an additional 1,695 millions. In France, transport rates have hitherto been 50 per cent. below those current abroad, and in some cases only a-tenth of those in vogue in certain "sound money" countries. The increased taxes on transport, as a matter of fact, will still bear practically the same proportion to receipts as in 1914, while the multiplication by a co-efficient of six of the fixed duties on coffee, pepper, chocolate, tea, salt, sugar, billiards, playing cards, motor spirit, and other articles is merely a readjustment of their amounts in proportion to the depreciation of the currency. (The fixation of the co-efficient at six would appear to indicate, by the way, that M. Poincaré hopes eventually to stabilise the franc at 150.) Readjustments of income-tax burdens, including a reduction of the maximum "general" tax from 60 per cent. to 30 per cent., and a substantial increase in the schedule rates, and similar modifications of the succession duties, are designed to bring to an end the flight of capital to other countries. These and other direct taxes are expected to yield over 3,500 millions of the total 9,192 millions of new taxation. The promulgation of the new Finance Act in the *Journal Officiel* brought the additional taxation for the current year into force yesterday.

The text of M. Poincaré's project for the creation of a *Caisse d'Amortissement*, or sinking fund, for the extinction of National Defence and Treasury Bonds and the industrial exploitation of the tobacco monopoly (which is to furnish the bulk of the money for the extinction of the short-term and floating debt) has been received with great satisfaction. The new organism will take entire charge of the interest services, reimbursement and renewal of the whole of the National Defence and Treasury Bonds (the maximum amount to be dealt with being fixed at 49,000,000,000). The latter will henceforward not be renewable except in the form of National Defence descriptions. The *Caisse* will "exploit, until the complete extinction of the bonds, the monopoly of the purchase, manufacture, and sale of tobacco." It will be ad-

ministered by a board of directors consisting of twenty members, who will between them constitute (1) a financial committee (composed of financial and banking experts) and (2) a technical committee (which will be more especially charged with the exploitation of the tobacco monopoly). The technical committee will have the assistance of a Consultative Tobacco Council of twenty-six members, which will include representatives of every category interested in the industry, from growers to retailers and consumers. The resources of the *Caisse* will include the net yield from the tobacco monopoly, and if this is insufficient to assure the interest service of the bonds, it will be supplemented from the Budget. The *Caisse* will also receive the yield from the succession duties, and the new tax on first sales of realty and business concerns, all unexpended balances of authorised Budget expenditure, the yield from any lotteries that may be organised by the board of directors, &c. As soon as the Bill has been voted by the Chambers, both Houses will meet as a National Assembly at Versailles, and the *Caisse* will be the subject of a special constitutional law. The tobacco monopoly last year yielded a net profit of 1,600 millions, and is estimated to produce over 2,000 millions this year and 2,600 millions in 1927.

The Bank of France has raised its discount rate from 5 per cent. to 7½ per cent., and the rate of interest on advances from 8 per cent. to 9½ per cent. As has been expected for some time, the rate of interest on National Defence Bonds has been raised by Ministerial decree, in view of the increasing dearth of money. Speculation as to the ratification of the Churchill-Caillaux agreement has been set at rest by the issue of a *communiqué* by M. Poincaré stating that, contrary to statements that have been published, "there is no question for the moment of asking for ratification by the Chambers." In this connection it is to be noted that M. Chéron points out, in his report to the Senate on the Finance Bill, that "in virtue of the provisional Pétet-Churchill agreement," £4,000,000 has to be paid to Great Britain before the end of March, 1927.

GERMANY.—UNEMPLOYMENT—FINANCES—CREDIT —INDUSTRY—BOURSE. (FROM OUR CORRESPONDENT.)

BERLIN, August 3.

The political situation is unchanged. The industrial situation tends to improve, but only the coal and iron branches show any marked increase of activity. Bankruptcies in July fell to 698, against 949 in June, and are now about one-third of the highest figure of this year. No return to good employment is considered possible before the winter, and then the usual seasonal increase must be expected. The highest, lowest, and latest figures (for the beginning of a month since January, 1925) of publicly supported unemployed are:—

1925—February 1.....	593,024
July 1.....	195,000
1926—March 1.....	2,056,179
June 1.....	1,744,539
July 1.....	1,742,567

The movement this year so far radically differs from last year's in that it shows no fluctuations worth mentioning. The Government relief plan is correspondingly to be of a permanent character. About 400 million marks are understood to be available out of the extraordinary Budget, but an additional 600 millions are required for relief works, of which 100 million marks are for railway works and 200 millions for house-building. The house-building credit will probably be raised by the issue of three years' Treasury bills, and it is proposed to raise 700 million marks by loan, stage by stage as required, possibly with foreign help.

The Treasury return of Federal finances in the first quarter of the current financial year (April-June) is somewhat more favourable than was anticipated. This return is framed according to the new system of booking expenditure in the month to which it properly belongs in the Budget, and not, as formerly, in the month in which it was paid out:—

ORDINARY BUDGET.		Millions of M.
Revenue—		
From taxes.....		1,455.3
„ administration fees, &c.		68.7
Total		1,524.0
Expenditure—		
General administration		1,043.9
Reparations payments.....		46.1
Subventions to States and municipalities		511.0
Total		1,601.0
Treasury deficit.....		77.0
One-third of surpluses from years 1924 and 1925, as entered in Budget.....		91.8
Surplus		14.8
EXTRAORDINARY BUDGET.		
Revenue		0.6
Expenditure—		
General administration expenditure and war burdens		52.4
Reparations payments.....		64.1
Total.....		116.5
To be covered by loan		115.9
SUPPLEMENTARY REVENUE AND EXPENDITURE FOR FINANCIAL YEAR 1925.		
Revenue		33.7
Expenditure		193.9

In judging the above result it should be noted that in April, the first month of the financial year, the newest tax reductions had not yet taken effect, but against this is the fact that in the quarter year no property tax instalment fell due. The next instalment falls due in August. The deficit of 115,900,000 marks was covered out of the cash reserve, so that the Floating Debt was not increased. This debt on June 30th totalled 69,600,000 marks.

The money market is still easy; the month-end settlements imposed no serious strain, day loans being 4½ to 6½ per cent., month loans 5½ to 6½ per cent. The financing of the harvest will cause no difficulty. Farmers can now get short-term credit at 8 to 8½ per cent. The Reichsbank's inquiry into banking credit conditions has led it to the conclusion that interest rates, of which many complaints were heard, are reasonable, except those of such rural banks and savings banks as are free from Reichsbank influence. This admission is regarded as a retreat by the Reichsbank, which in many earlier utterances implied the contrary. Under the State-backed Russian export-credit scheme, contracts for some 40,000,000 marks have already been given. The Hamburg general export-credit insurance scheme has come into force. The premium is ¾ per cent. of the advance granted by a bank to the exporter, or normally about 1 per cent. of the insured debt. Credits for longer than four months bear supplementary premiums.

The *Frankfurter Zeitung's* wholesale prices index for July 30th was 133.37, against 134.82 one month earlier. The minerals group has risen after a long drop; it is 132.65, against 141.26 on January 1, 1925. The manufactured articles group, which embraces only certain standard goods of determinable qualities, continues to fall, and is 128.69, after having been 143.70 at the end of April, 1925, and 141.07 at the end of 1925. A Statistical Bureau report shows that the index disparity between industrial raw materials and agricultural products (so-called "scissors") has more than disappeared. The averages for whole years have been:—

1924.		1925.		1926 (to July).	
Industrial Materials.	Agricultural Products.	Industrial Materials.	Agricultural Products.	Industrial Materials.	Agricultural Products.
143.4	110.4	136.4	128.0	127.5	117.9

In 1924 industrial raw materials reached a high point of 151.1; in the following July agricultural products reached a low point of 96.4. In June, 1925, the indexes were in one month even, but the disparity was resumed. In June, 1926, the indexes, with 123.7 for industrial materials and 123.6 for agricultural products, were again practically even; and in July, 1926, industrial materials were 124.1, agricultural products 131.0. This question, as in Russia, is taken very seriously by farmers, whereas the industrial classes almost ignore it, although food prices, and therefore wages, are directly involved.

The coal market is very active, and formerly unsaleable

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qualities are readily purchased. There are no more reduced shifts on the Ruhr, and some mines are taking on extra men. Large German coke shipments are reported from Rotterdam. The iron and steel market improvement continues. The Steel Syndicate has raised the ratio of production for August to 70 per cent. of full capacity, as against 67½ per cent. in July, and an unchanged 65 per cent. during the preceding year. Steel production in June was 977,309 metric tons, against 899,797 tons in May; 5,294,624 tons in the first half of 1926, against 6,833,680 in the same half of 1925. The corresponding figures for rolled iron and steel goods were 855,929 tons, 790,614 tons, 4,545,134 tons, and 5,633,366 tons. Export of iron and steel in July is believed to have exceeded that of June, which was itself satisfactory. The scrap iron market is active, with rising prices. The Pig-Iron and Steel Syndicates have made no change in their prices or selling conditions for August. The export of heavy rails and of other railway permanent way material is increasing. The home and foreign markets for bars have improved, also for sheets. Wire prices have been put up slightly, as the result of a recent agreement between producers. The Stahlwerkesverband has suspended selling for export for a term of eight or ten days; this measure, it is understood, is in connection with the expected conclusion of the International Steel Syndicate negotiations. Owing to the supposed hopeful condition of these negotiations, and to the new activity in business, the stocks of iron and steel companies have risen in several Central European countries.

The Bourse has been active, with rising quotations, and with only moderate and brief reactions; but there has been no revival of the headlong upward movement of June. The *Frankfurter Zeitung's* index was 102.65 on July 31st, as against a high point for the year of 103.62 on July 3rd (100 on January 2, 1925). To-day the Bourse was firm. Certain stocks, in particular steel and dyes, are at their highest point of the year. To-day chemicals went up rapidly. From the upward movement of last week the chief gainers were steel-coal, electrical, chemical, shipping, and banking. Most of the inactive stocks continue to lag behind. Shipping stocks are gaining owing to more optimistic forecasts, and owing to new capital transactions by the leading companies. The Hamburg-America Company directorate has obtained power to issue bonds to a value of 6 million dollars above 50 per cent. of the share capital, and to transfer 10 million marks of new shares to the Harrimans (a transaction which, the directors state, will not bring any addition to American influence). The North-German Lloyd Company will increase its capital by a sum not exceeding 11 million marks of ordinary shares, and 343,750 marks of preference shares.

BELGIUM.—FORCED CONSOLIDATION OF FLOATING DEBT—UNEMPLOYMENT—ANTWERP HARBOUR ACTIVITY—RAILWAY RECEIPTS—PRICE INDEX—FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

GHENT, August 3.

The Belgian Government has taken drastic steps to stop further inflation; six months Treasury bonds outstanding, and five years Treasury bonds falling due on December 1st (together about 6,000 millions francs) will not be paid at maturity, but will be automatically transformed into preference shares of the National Railway Company.

Holders of Treasury bonds who intimate their unwillingness to accept this conversion before August 14th will receive 5 per cent. Treasury bonds without fixed date of maturity, which will be redeemed as soon as the situation of the debt amortisation fund enables repayment. The Minister of Finance is, however, empowered to grant special conditions as regards the repayment of the Treasury bonds in possession of the Savings Bank, credit institutions, and bodies of public utility. The consolidation of the Treasury bonds will only absorb part of the 10,000 million francs preference shares of the National Railway Company; the remainder will be offered to public subscription either for cash at par, or against Belgian Government stock, on conditions which have yet to be fixed. The 1,000 million francs ordinary shares of the National Railway Company will remain in possession of the State, which thereby secures the majority of votes at the meetings of shareholders.

The National Railway Company preference shares will be free of all present and future income-tax; they will have a face value of 500f each and will share between them one-half of the net profits of the company. In addition to this variable dividend (which official estimates put at about 2.70 per cent.), these shares will yield a fixed interest of 6 per cent., payable by the State, which will be increased in proportion to any rise of the exchange rate above 175f for sterling. The repayment at par of the preference shares will be made by the State within 75 years, with the same exchange guarantee as the 6 per cent. interest coupons. After redemption they will be replaced by dividend shares, without nominal value, which will only be entitled to their part in the net profits of the National Railway Company until the end of the 75 years, which mark the expiration of the lease of the State railways to the company.

The forced consolidation of the floating debt will perhaps be criticised abroad; it is certainly open to serious objections from a moral point of view, the more so since the Belgian Government has given on several occasions, and as recently as two months ago, the most emphatic assurances to investors that the Treasury bonds presented an absolute guarantee of repayment at maturity. However, the State would not be keeping faith with its creditors if it repaid them in a further depreciated currency. Between April 1st and July 29th the total of the note circulation and deposits at the National Bank of Belgium has risen from 8,029 to 9,656 million francs. In view of the heavy amounts of Treasury bonds falling due between now and the end of the year, it is to be feared that without a speedy consolidation of the floating debt, the State would have been compelled to resort to inflation at a constantly accelerating pace, so that between two evils the Government has had to choose the least.

The symptoms of artificial prosperity which accompany currency depreciation are reflected by the latest Belgian statistics. The percentage of working days lost through unemployment in June is 1.37, against 2.24 last year. The percentage of totally unemployed in June amounts to 0.9 only, against 1.1 in June last year. Tonnage entered into the Antwerp harbour during the first half of 1926 shows an increase of 313 vessels, or 1,042,304 tons, over the corresponding period of 1925, but part of this increase may be accounted for by loadings of coal vessels on account of the strike in Great Britain. Railway receipts for the first six months of 1926 amount to 914 million francs, an increase of 12 per cent. over the first half of 1925.

The picture is less comforting when we turn to the general level of prices, and to the figures of foreign trade. The index of wholesale prices has jumped from 692 in May to 761 in June (against 552 in June, 1925); the index of retail prices has risen from 579 on June 15th to 637 on July 15th (against 509 on July 15th last year).

The deficit on the balance of foreign trade for the second quarter of this year amounts to 2,048 million francs, an increase of 797 millions as compared with the first quarter:—

QUANTITIES (Metric Tons).			
	January-March.	April-June.	
Imports	8,496,159	8,621,021	
Exports	4,887,387	5,437,511	
Excess of imports....	3,608,772	3,183,510	

VALUES (Thousand Francs).			
Imports	4,776,093	5,984,741	
Exports	3,524,791	3,936,706	
Excess of imports....	1,251,302	2,048,035	

The value of exports has not risen in accordance with the depreciation of the exchange, whereas the prices of imported goods seem to have adjusted themselves quickly to the lower value of the franc.

ROUMANIA.—PARLIAMENT—CROP CONDITION—EXPORT TAXES.

(FROM OUR CORRESPONDENT.)

BUCHAREST, July 29.

In order to comply with the requirement of the Constitution that Parliament must be assembled within 30 days after a general election, the first session of the new legislatures began on June 25th, and closed on July 15th, when King Ferdinand left Bucharest for his annual "cure" at a French resort. The expectations that the opening of Parliament would be used by General Averescu as a suitable occasion for outlining the legislative programme of the new Government were not realised. Presumably the reason for this is that the Cabinet is far from being agreed upon a definite programme, especially in regard to financial and economic matters. The progressive faction headed by Mr C. Garoflid, the Minister of Agriculture, and Mr M. Manoilescu, Under Secretary of State for Finance, is obviously opposed to the financial and economic policies laid down by the former Bratianu régime, and embodied in such Acts as the Mining Law, the so-called Commercialisation Law, the law for Regulating Financial Policy, &c., passed by the late Parliament.

The first detailed estimate on the present season's probable crop outturn, issued a few days ago by the Ministry of Agriculture, makes an excellent showing. The figures are shown below in comparison with the 1925 yields:—

	(Metric Quintals.)	
	Crop Yield in 1925.	Estimated for 1926.
Wheat	28,506,047	35,101,745
Rye	2,031,477	2,989,089
Barley	10,193,278	19,014,842
Oats	7,400,625	12,573,481

These figures are especially interesting because the area planted to grain in 1925-6 is less than in 1924-5 (10,112,743 hectares, against 10,391,056). On the basis of the yields estimated for 1926, it is figured that Roumania will have available for export during the coming twelve months 1,350,000 metric tons of wheat, 115,000 tons of rye, 1,100,000 tons of barley, and about 435,000 tons of oats, plus an amount of not less than 2,000,000 tons of maize. This would mean a grain export surplus of some 5,000,000 tons, or more than double the surplus claimed for 1925, of which, incidentally, only about one-half has so far been exported.

It is a well-recognised characteristic of Roumanian crop estimates that they take an optimistic view of the situation, and, even with the most favourable climatic conditions during harvesting, it is hard to believe that the present season's crop will yield an exportable surplus of 5,000,000 tons. In any event, however, Roumania has neither the financial nor the transport facilities for handling a grain export surplus of this size, and it would be foolish to expect that, under prevailing conditions, an amount even approaching 5,000,000 tons could be shipped out of the country during the nine months of the year when the Danube is open for navigation.

Strenuous efforts have recently been made by the Garoflid-Manoilescu faction to bring about a reduction in the existing schedule of export taxes on grain shipped from Roumania. These taxes at present range from £10 per wagon of 10 metric tons on maize to £18 in the case of wheat, with the revenue therefrom being pledged for the services of the Sterling Consolidated Issue of 1922. Mr Lapedatu, the Minister of Finance, is stated to be strongly opposed to any further general reduction in grain export taxes until some other source of revenue can be found for meeting the requirements of the Consolidated Issue. The present dispute has been partially

settled by the Cabinet to-day approving a reduction in the export tax on wheat from £18 to £13 per wagon, with all other taxes remaining as they are at present. It is believed that the increased export of wheat that will result from the lowering of the tax will probably more than offset the decreased revenue per ton. It will probably be next March or April before the bulk of the maize crop will be dry and ready for export, and there will be ample time before then to consider a reduction of the tax on this grain.

The agitation that was started several weeks ago by the Garoflid-Manoilescu interests, supported by one or two of the leading banks, for a new emission of 2,000 million lei to finance the crop movement has petered out. The Bratianu representatives at the Treasury and the National Bank, supported by the entire Bratianu Press, let it be known in unmistakable terms that there must be no raising of the legal limit on currency circulation (which limit of 21,000 million lei has now been reached), fixed by last year's agreement between the Treasury and the National Bank and ratified by Parliament.

AUSTRALIA.—FEDERAL AND STATE TAXATION—ARBITRATION COURT—GOLD.

(FROM OUR CORRESPONDENT.)

MELBOURNE, June 24.

THE Commonwealth Government has introduced a second scheme for separating Federal and State finance by discontinuing the capitation payments of 25s per head made by it to the States out of taxation collected by it. Under the first scheme this would have been balanced by the abandonment of the greater portion of the Federal income-tax, the States being left to make good the gap in their revenues caused by the discontinuance of the capitation payments by imposing additional taxation on their own taxpayers. This proposal was not accepted by the States. The Commonwealth, under the second scheme, proposes to relinquish 40 per cent. of the Federal income-tax and to abolish the Federal land tax, death duties, and land tax, in exchange for the discontinuance of the capitation payments. The Commonwealth Parliament has power to decide the whole matter without consulting the States, but the latter object to losing the capitation payments and being put to the considerable trouble of rearranging their own taxation systems. The only saving to the taxpaying public would be such as would be possible with a buoyant state of the Commonwealth revenue without altering existing arrangements, and the whole question is that of the simplest form of collecting taxation to provide for a total expenditure not likely to be reduced.

The Commonwealth Government is pushing forward with proposals for extending the powers of the arbitration Court, which deals with rates of wages and conditions of labour. In accordance with the Constitution, the powers of the Court are at present limited to cases where a dispute between employers and employees extends over more than one State, while in cases where only one State is concerned the various State Courts or wages boards have sole power. In order to extend the powers of the Commonwealth Arbitration Court, it is necessary to amend the constitution of the Commonwealth itself, and for this and other objects the Government proposes to hold a referendum. Proposals of a similar character were introduced before the war by a Labour Government, which desired to confer more sweeping powers upon the Commonwealth Arbitration Court, but were rejected on a referendum. The Labour Party has been divided since the present proposals were brought forward in Parliament, opposition being largely directed to the fact that labour matters will be adjudicated upon by judges with life tenure, and, therefore, independent of Parliamentary control, if the proposals in their present form are carried out. Opinion amongst supporters of the Government is also much divided, as the proposals now introduced by an anti-Labour Government follow previous Labour proposals in principle, while in this as well as in finance it is feared that the Commonwealth will go too far in the direction of unification as distinguished from federation.

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During the last few months gold exports to the value of over 2½ millions have been made from Australia, including 2 millions to America through the Commonwealth Bank and over half-a-million to India. The total of 2½ millions is nearly half-a-million in excess of Australian annual output. Early last year the ordinary banks imported 10½ millions of gold with which to enlarge local stocks, which had remained practically stationary for a number of years previously, when current production was being exported. Part of these imports as well as recent current production has passed into the hands of the Commonwealth Bank, and the exports are partly based upon the official view that the holding of large stocks of gold is "uneconomic." The recent shipments, it is to be noted, have been made at a time when rates of exchange are still in favour of Australia.

JAPAN.—ELECTRIC SUPPLY—FOREIGN TRADE—NEW CAPITAL—MARKETS.

(FROM OUR CORRESPONDENT.)

TOKIO, July 12.

THE outstanding feature in the business world is a keen competition amongst the electricity supply companies for the disposal of surplus energy. Around Tokio, Osaka, Nagoya, and other distributive centres big power companies are engaged in a rate war trespassing on the area of supply of each other to furnish electricity for industrial purposes. In a few months power prices have been cut by nearly 10 yen per kilowatt per annum, leaving only a tiny margin of profit. Though leading power companies' accounts generally made a good showing for the past half-year, their future profits will be affected unless some measures be taken to put an end to the rate war. For this reason, the prices of most of electricity supply shares have lately shown signs of weakness, and are below the best which they attained at one time last year. Meanwhile, it is proposed, for the ultimate interest of the producer as well as the consumer, to end the competition by adopting a scheme of co-ordination amongst the power companies and inter-connection of existing power stations within electricity districts and between districts, which will lead to a more uniform system of supply over wide areas, a less reckless installation of generating plants, and hence lower capital charges and reduced costs of production. Nationalisation or national control of electricity supply also is coming into practical politics. As a matter of fact, a political party has recently made public a plan of national control of generating stations and main transmission lines.

The trade returns for June show that imports at 193,395,000 yen were 8,746,000 yen lower than in the corresponding month of last year, and exports at 156,238,000 yen 25,375,000 yen lower, the excess of imports over exports at 37,157,000 yen being 16,629,000 yen higher. These figures are rather discouraging, particularly in comparison with last year, when the heavy import season came to a close earlier, and there was a small balance of exports in the last ten days of June this year. But the total value figures for the first six months of the year reveal that imports fell by 105.8 million yen, while exports rose by 9.4 millions, bringing the total import excess to 403.7 millions, as against 518.9 millions for the first half of 1925. It is doubtful whether the year's adverse balance on the visible trade figures

will shrink far below two hundred millions, in view of the unsatisfactory record in the second quarter of the year. The only hope rests on the recent encouraging situation in the United States.

The new capital raised during the first half of the year was 704 million yen, as compared with 1,072 millions in the corresponding period of last year. The decrease is accounted for by the Government borrowings, which fell by 373 millions. But, apart from the Government issues, the other capital-raisers were unusually active in the first quarter of the year, owing to the monetary ease. After a sharp recession in April and May, on account of the excessive issue in the previous quarter, borrowing activities revived in June.

The pressure of the half-yearly settlements on the money market was less pronounced than had been expected. The disbursements of the Government loan interest in the middle of June have materially eased the market. The monetary situation has obviously favoured bullish operations in the stock market, and there has been a steady rise in shares all round since the latter part of last month. The general tone of the commodity markets also has been strong. A turning point seems to have been reached in the downward movement in commodity prices developed since October last. The Bank of Japan's wholesale index number for June registered a slight rise, the total being 234.75, as against 234.57 in May.

Books and Publications.

BOOKS RECEIVED.

Economic Development of Modern Europe. By F. A. Ogg and W. R. Sharp. (London) Macmillan and Co., Limited. 16s net.

A revised edition, which carries the story from 1914 to the present time. A useful text-book for economic students in two hemispheres.

History of Banking in Scotland. By A. W. Kerr. (London) A. and C. Black, Limited, 4, 5, and 6 Soho square, W. 1. 12s 6d net.

A fourth and considerably enlarged edition of a work originally appearing in the eighties. The narration has been brought down to 1925, and is a reliable study of banking development in a Scottish environment.

The Strength of England. By G. F. S. Bowles. (London) Methuen and Co., Limited, 36 Essex street, W.C. 8s 6d net.

The author's thesis is, briefly, that the strength of England is essentially maritime, and is "not that of a sea-bully using force alone, but a strength of law, of order, and of regulated preservation throughout." A thoughtful work, moderately presented.

Salesmen in Marketing Strategy. By L. S. Lyon. (London) Macmillan and Co., Limited, St. Martin's street, W.C. 15s net.

The author who, needless to say, is an American, deals very thoroughly with the training and equipment of the complete sales manager and his staff. A work of interest to the manufacturer and trader rather than the economist.

Places in the Sun. By Anthony Eden, M.P. (London) John Murray, Albemarle street, W. 5s net.

Mr. Baldwin contributes a short preface to this series of impressions written during the tour of the British delegation to the Empire Press Conference in Australia.

Der Weg der Reparation. Von Carl Bergmann. (London) Messrs J. Stanislas and Co., 230 Strand. 15s net.

This publication, written by the official representative of the German Government who was present at all the discussions regarding reparations, sets out in a lucid manner the history and events leading up to the Dawes Plan. An interesting account is also given of the structure and the working methods of the international and German organisations which were created in order to facilitate the carrying out of the reparation scheme. Special attention is paid to the political and economic significance of the Dawes Plan to the world in general.

Deutsche Währungs und Kreditpolitik. 1923-1926. Von Dr Dalberg. (Berlin) Reimar Hobbing, 17 Grossbeerenstrasse, S.W. 61. 5 Rm.

An interesting exposition of the currency policy of Germany during the years 1923 to 1926. It includes the last year of the inflationary period, the period of stabilisation, and, finally, the period of deflation—years of outstanding importance in the economic history of Germany. The closing chapter is devoted to a consideration of the future, namely, the probable effects on currency should a European Customs Union be formed.

Das Deutsche Volkseinkommen. Von Dr Erich Rogowski. (Berlin) Emil Ebering, 29 Mittelstrasse. 6.60 Rm.

This publication deals with the incomes of the German people, an interesting comparison being made between incomes in 1913 and in 1924. Reference is also made to the burdens imposed by the reparation agreements, and, incidentally, to Germany's capacity to pay.

Der Arbeitslohn. Von Franz Oppenheimer. (Jena) Gustav Fischer. 3.50 Rm.

A critical appreciation of the different theories of wages in the history of economics.

I Quattro Maggiori Istituti Italiani di Credito. Del Dott. Umberto Bava. (Genova) Soc. An. Valugani and C. An extended survey of the development of the Banca Commerciale, Credito Italiano, Banco di Roma, and Banca Nazionale di Credito.

League of Nations: Audited Accounts for the Seventh Financial Period (1925). 2s 6d net. *Budget for the Ninth Financial Period (1927):—Part I., Secretariat and Special Organisations of the League.* 1s 3d net. *Part II., International Labour Party Organisation.* 1s net. *Part III., Permanent Court of International Justice.* 5d net. (London) Constable and Co., Limited, 10-12 Orange street, W.C. 2.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Annual Report on the Progress of Civil Aviation, April 1, 1925, to March 31, 1926. Cmd. 2707. 2s net.

Report on the Work of the Imperial Shipping Committee, January, 1923, to May, 1926. Cmd. 2706. 3d net.

Report of the Board of Education under the Welsh Intermediate Education Act, 1889, for the year 1925. Cmd. 2705. 6d net.

Local Loans Fund: Accounts of Receipts and Payments by the Commissions for the Reduction of the National Debt, in respect of the Capital and Income of the Local Loans Fund, &c., for the year ended March 31, 1925. No. 102. 3d net.

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STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. August 10.	ACCOUNT. August 12.
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THE outstanding feature in the Stock Exchange markets during this short holiday week has been the recovery in the values of French Government, railway, and other inter-bourse issues, a recovery which followed the substantial improvement in the French exchange. Fears of demoralisation, resulting from the slump in the franc, have given place to a more cheerful feeling. This sentiment ran through other markets of the Stock Exchange, playing its part in serving to strengthen prices in various sections, although business, generally speaking, is on the meagre scale common to this season of the year. British Government securities keep firm, and the newly-issued Colonial scrip stocks are moving into more permanent channels. Other new issues are being given a rest. The Perak River Hydro Electric 7 per cent. debenture stock, issued at 96 per cent., and left with underwriters to the extent of 80 per cent., fell to 6 discount.

The foreign market has been cheered by the *volteface* in the French financial outlook. Substantial gains accrued to French railway bonds; the National issues strengthened upon a little speculative buying from people on this side. Peruvian Corporations enjoyed a brisk rally, thanks to the encouraging traffics reported by the company. Applicants for the new Counties of Hungary 7½ per cent. bonds received small allotments, but the loan was heavily staged, and the price, after opening at 1½ premium, fell away from the best. Brazilians are better in most cases. There has been a slight recovery in Italian bonds. Mexicans gave way, owing to the reports of friction connected with religious difficulties in the country.

Home Railway stocks came in for moderate support from the "bear" brigade on the eve of the preliminary carry-over yesterday. The rising of Parliament, without a settlement having been reached on the coal question, went unregarded as a factor in this market. Argentine railway stocks have been good, but the feature amongst foreign rails is a gain of several points in Antofagasta, where a handful of buying orders served to disclose the bareness of floating supply in the market. Nitrate railways are better; nitrate-producing shares show a firmer tendency.

Rubber shares gave way by reason of the exportable allowance for the current quarter being left at 100 per cent. instead of being reduced to the 80 per cent. for which anticipation had looked. Rubber Trusts led a general fall, these shares touching 42s at one time against the last making-up price of 45s. 9d. There was, however, a sharp reaction from the worst, and this applied to the market as a whole. Tea shares are very quiet, and the oil market attracts little attention from any except the professional operators, whose business nowadays consists mainly in what the Stock Exchange calls taking in one another's washing. The tobacco and Courtauld favourites have met with a measure of support, though animation in both sections has subsided very noticeably during the past week or two.

Brewery shares gave way because of sales said to be on behalf of people who require the money for meeting claims in other directions. Morris Motors preference continue weak. The cable group lost a little of its recent rise. Marconis fell back, the shares and debentures both being lowered on realisations from people who fear the result of the auditors' report now in course of preparation. Except for a decline in P. and O. deferred, the shipping market is almost unchanged. Banking shares remain steady, and trust companies' stocks are as hard as ever to obtain, though they remain in constant demand. The iron and steel market receives more inquiries than orders. In the land group there was mild inquiry for Sudan Plantations from Egypt. Recent rises in gas stocks are well held. Brazilian Tractions and Barcelona Tractions have both been features of pronounced strength. In the general run of industrials, catering, hotel, textile, stores and similar shares, the movements are unimportant. Good-class preferences command support, and it is obvious that, in spite of the holiday season, investment is still very much on the look-out for sound and well-secured stocks and shares.

The more cheerful tone felt in connection with French affairs has assisted prices in the Kafir market, though a sharp fall in De Beers preference caused surprise, these being apparently turned out by French investors. Strength in Modders is attributed to the excellent developments which the company reports. Other gold producers' shares are inclined to improve. The Cape has been less aggressive than usual in its speculation in West Rand Consols, Anglo-American, and other such favourites with Johannesburg, but the strength of Sub Nigels is conspicuous and consistent. Chartered shares are better. Tin shares have advanced, Malayan tin descriptions being noticeably popular, and the interest in these spreading to a fairly wide circle of home speculative investors who are watching with active interest the rise in the price of tin, the metal. West African and Cornish shares followed the upward tendency of the Malayan group, though at a more leisurely pace. Mining Corporations and some of the other

Canadian shares received quiet attention from Montreal, though the fluctuations in the prices of these have been comparatively slight. The disturbances in Mexico reacted unfavourably on Mexican mining shares. Russians were relieved from complete monotony by a rise in Lenas.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	140,882,853			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to July 31, 1926 ..	Dr 850,000			
Net sales week ended July 31, 1926, Dr 250,000.				
To the Public—				
Kingsdown and Tincroft Mines, £10,000 10% 2nd Mort. Debs., at 90% (rep. at par. Mar. 31, 1927)	10,000	9,000	9,000	..
Total offered to the Public ..	..	9,000	9,000	..
To Shareholders—				
Dominion and General Trust, 10,000 £10 Shares, at par....	100,000	100,000	5,000	95,000
Akoko Gold Mines, 354,591 Shrs. of 1s per Share, at par, less a commission of 6d per Share to be paid by the company....	17,729	17,729	8,865	8,864
Total offered to shareholders..	..	117,729	13,865	103,864
Total offered for subscription to date in year—				
1926.....	141,009,582	1925.....	231,914,268	
1925.....	126,969,892	1924.....	209,326,100	
1924.....	127,809,754	1923.....	271,393,173	
1923.....	201,909,067	1922.....	573,675,650	
1922.....	502,528,887	1921.....	388,978,203	
1921.....	146,859,781	1920.....	367,549,656	

Belgian National Railway Company.—Preference shares are being issued in Brussels on the 9th inst. at par (500 francs), which will carry the right to a fixed dividend of 6 per cent. guaranteed by the State and to half of the net profits of the company after the various statutory provisions have been made. They are repayable at par in 65 years from 1937 by drawings, or the sinking fund may operate by purchase in the market. Holders of shares thus amortised will receive "jouissance" shares, which will continue to participate in the profits of the company. Dividends and capital are free of Belgian income-tax, present and future, and the Government guarantees a maximum exchange of 175 francs to the £. Further particulars can be had from the Banque Belge pour l'Etranger, London, which is also prepared to transmit subscriptions to Brussels.

Seroeway Rubber Estates, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. Share capital £70,000, divided into 700,000 shares of 2s each, of which 600,000 have been issued. The company was incorporated on July 10, 1926, to carry on business as a plantation company, and more particularly to acquire the Seroeway Estate, situated in the Tamiang Province, East Coast of Sumatra, Netherland Indies. A local Dutch limited company is being formed for the purpose of holding the title to the property, the whole of the issued share capital of which will be held by this company. The estate comprises about 5,582 acres, and is held on a 75 years' lease, dated 1918, at a rental of about £500 per annum. Of the 5,582 acres, 247 were planted in 1919, 998 in 1924, the remaining 4,346 being unplanted. The estate will be taken over from July 1, 1926, and the purchase price is £50,750, payable in cash (this price including all the expenditure by the vendors).

BARCLAYS BANK LIMITED.

Head Office: 54, LOMBARD ST., LONDON, E.C.3

And over 1,850 Branches in England and Wales.

AUTHORISED CAPITAL ...	£20,000,000
ISSUED & PAID-UP CAPITAL	£15,592,372
RESERVE FUND ...	£9,250,000
DEPOSITS, etc. (30 June, 1926)	£304,247,460

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

on the estate as from January 1, 1926, amounting to approximately £11,750, in addition to which the company will bear all costs and expenses in connection with the purchase of the property and the formation of this company and of the Dutch holding company in which the title will be vested. The preliminary expenses are estimated at £1,500 in addition to the costs of and duty on the transfer of the estate, and are payable by the company. A considerable amount of development work will have to be done before the estate is brought into full production.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Rise or
				Fall.
War 4½% 1925-26	99	97½	97½	—
Loans 4½% 1925-26	95½	95½	95½	—
Loans 4½% 1925-26	101½	101½	101½	—
Loans 4½% 1925-26	101½	101½	101½	—
Funding Loan 4½%	86½	86½	86½	—
Victory Bonds 4½%	93½	93½	93½	—
Conversion Loan 4½%	76½	76½	76½	—
Consols 2½%	55½	55½	55½	—
Irish Land Stock 2½%	58	58	58	—
Local Loans 3½%	63½	63½	63½	—
Aust. 5% 1931-41	104	102½	102½	—

British Railways.

Great Western, Ord.	84½	85½	85½	+
London & North-Eastern	49½	50	50	+
5% Pref. Ord.	16	16	16	—
Do Def. Ord.	70½	71	71	+
Scottish, Ord.	63½	63½	63½	—
Metropolitan	51½	51½	51½	—
Metropolitan District	51½	51½	51½	—

Colonial and Foreign Railways.

Antofagasta Cons.	79½	83½	83½	+
B.A. and Pacific	86	87	87	+
B.A. & Southern	85	88½	88½	+
Buenos Ayres West.	86½	87½	87½	+
Canadian Pacific	168	168	168	—
Central Argentine	73	74½	74½	+
Cordoba Central New	33½	34½	34½	+

American Railroads.

Chesapeake & Ohio	145	147	147	+
Erie	35	34	34	—
Do 4½% 1st Pref.	45	44	44	—

Foreign Government Securities.

Argentina 5% 1886-79	99	99	99	—
Austrian 5% Guar.	99	99	99	—
Belgian 3½%	71	73	73	+
Brasil 5% Fund. 1914	84	84	84	—
Chilian 4½% 1896	86	87	87	+
Do 7½%	104	104	104	—
Chinese 5% 1912	60	69	69	+
Egyptian 4%	84	83½	83½	—
French 5%	8	9½	9½	+
Do 4%	67	68	68	+
German 7% 1924	104½	105	105	+

Telegraphs.

Anglo-American "A"	24½	24½	24½	—
Marconi Wireless	18½	18½	18½	—

Banks.

Barclays B. (£1, f.p.d.)	21½	21½	21½	—
Chartered Bk of India	21½	21½	21½	—
Lloyds (£5 with £1 paid)	3½x	3½x	3½x	—
Midland (£1, with £3 paid)	8½	8½	8½	—
Nat. Bank of Egypt (£10)	38½	37½	37½	—

Miscellaneous.

Allied Newspapers (£1)	13½	2	2	—
Amal. Cottons (£1)	36	36	36	—
Anglo-Persian Oil (£1)	48	48	48	—
Armstrong (Sir W.G.) and Co. (£1)	3	3	3	—
Ass. Fint. Commt. (£1)	4	4	4	—
Baker, John (£1)	3½	3½	3½	—
B'ham Small Arms (£1)	2½	2½	2½	—
Bleachers (£1)	2½	2½	2½	—
Bradford Dyers (£1)	2½	2½	2½	—
Brasil Traction (£100,000)	109½	109½	109½	—
British-American Tobacco (£1)	43½	43½	43½	—
British Controlled Oil (£5)	7	7	7	—
Bryant and May (£1)	2½	2½	2½	—
Burmah Oil (£1)	5½	5½	5½	—
Coats (J. and P.) (£1)	3½	3½	3½	—
Cornwallis (£1)	5½x	5½x	5½x	—
Osmond (£1)	8	8	8	—
De Beers, Long (£1)	18	18	18	—
Dunlop Rubber (£5)	18	18	18	—
Wine Cotton Spinn. (£1)	2½	2½	2½	—
Forestal Land (£1)	1½	1½	1½	—
Furness, Withy (£1)	1½	1½	1½	—
Highlands and Lowlands Rubber (£1)	2½	2½	2½	—

Mines.

Ashanti Gold (4)	88	88	88	—
Brakpan (£1)	4½	4½	4½	—
Broken Hill Prop. (£1)	1½	1½	1½	—
Burna Corp. (Rs.10)	2½	2½	2½	—
Cam & Motor (£1)	2½	2½	2½	—
Central Mining (48)	16½	16½	16½	—
Chartered (15)	18	18	18	—
City Deep (£1)	1½	1½	1½	—
Cons. Gold Fields (£1)	1½	1½	1½	—
Crown Mines (10)	3½	3½	3½	—
De Beers Def. (£24)	18½	18½	18½	—
East Rand Prop. (£1)	4	4	4	—
Gaduid (£1)	4	4	4	—
Gov. Gold Areas (£1)	4	4	4	—
Johannesburg Cons.	2½	2½	2½	—
Malayan Tin (5)	1½	1½	1½	—
Modderfontein (10)	5	5	5	—

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

COMPANY MEETINGS, &c.

GENERAL MINING AND FINANCE CORPORATION, LIMITED.

(INCORPORATED IN THE TRANSVAAL.)

"EXTREMELY GRATIFYING RESULTS."

RESUMPTION OF DIVIDENDS.

The twenty-sixth annual general meeting of shareholders was held in Johannesburg, on Tuesday, June 29, 1926, Mr Arthur French presiding.

The Chairman, in moving the adoption of the report and accounts, said:—It is a source of great pleasure to be able to present such a satisfactory position as is disclosed by the directors' report and accounts now before you, which reflect by far the largest profit made in any one year since 1909.

A special feature of the remarks from the chair at the two previous annual meetings has been the steady progress made by the corporation in improving and consolidating its financial position, and I am pleased to say that a continuance of this progress has culminated in the resumption of the payment of dividends after the lapse of fifteen years, during which no return to shareholders was deemed advisable.

The Chairman, having dealt with various items in the balance-sheet, continued:—The profit for the year, at £240,807, again shows a substantial increase, being £80,850 greater than that earned in the previous twelve months. After adding £22,847 brought forward from 1924, an amount of £263,744 was available, and was dealt with as follows:—

£50,000 was added to general reserve, bringing the total of that account up to £300,000, while provision for Transvaal Provincial and French taxation absorbed £14,729.

DIVIDENDS.

An interim dividend of 5 per cent., amounting to £50,698, was paid to all shareholders registered on October 15, 1925, leaving a balance of £148,317. Out of this balance a final dividend of 10 per cent. to ordinary shareholders, absorbing £101,296, and (in terms of the articles of association) a dividend on the founders' shares of £16,933, were declared on April 8th, and paid out at the beginning of this month, leaving an amount of £30,088 to be dealt with in the accounts for the current year.

I think you will agree that the state of affairs as disclosed by the balance-sheet and profit and loss account is an extremely gratifying one, and that the policy of your board in conserving the increasing resources of the Corporation during the past few years has been more than vindicated, seeing that it was largely by reason of the fact that we had ample funds with which to conduct our business that we were able to earn such satisfactory profits, out of which we have further strengthened our financial position and at the same time distributed such a substantial dividend to shareholders.

Towards the end of last year the corporation guaranteed an issue of 2,000,000 new shares of 10s each of the West Rand Consolidated Mines, Limited, to provide fresh capital for that company. I may say that, had the corporation in recent years not built up a strong financial position, your directors could not have contemplated the guarantee of such a large sum, and our company would consequently not have been able to reap the advantages which have accrued, and are likely to accrue, to it through the provision of sufficient capital to carry on upon an adequate scale the largest and most important property under its control.

SHORTAGE OF NATIVE LABOUR.

The results for the past year from the mines controlled by the corporation, as will be seen from the directors' report, have been satisfactory on the whole, but would no doubt have been better had we not been handicapped to a great extent for some portion of the period by a shortage of native labour. Despite urgent representations to the Union Government, in the course of which the industry guaranteed to employ all the available native labour which could be procured within the Union, no relaxation of the restrictions on the recruiting of natives from Portuguese East Africa was allowed, and this undoubtedly retarded progress in many directions, which would not only have benefited the mining companies themselves, but also have maintained and even enlarged the

field of white employment, with resultant gain to the community at large.

The return to the gold standard of both Great Britain and South Africa has, of course, had a considerable effect on the profits of all gold-producing companies, seeing that since May, 1925, only the normal price has been obtainable for gold, and even for some time before that the small premium ruling was counterbalanced by adverse rates of exchange.

During last year arrangements were made to sell gold locally to the South African Reserve Bank, and considerable shipments also were made to India. As a result of these factors, we are now able to get practically the full price for our gold, instead of being mulcted in railage, shipping, insurance charges, and exchange. This position has, of course, only been rendered possible by the fact that all our gold is refined locally, and that a mint has been established at Pretoria, on which we can call for sovereigns if we wish to do so. The establishment of the refinery and mint has thus been of decided advantage in enabling the mining companies to get the fullest possible return for their product.

The Chairman having dealt at length with the various mines under their control, said:—

LEGISLATION.

During 1925 and since the beginning of this year quite a crop of legislation affecting the mining industry has been placed on the statute book, none of which has been at all helpful, but, on the contrary, has imposed fresh burdens on the industry, either financially or as the result of unnecessary restrictions on our natural expansion.

The Miners' Phthisis Acts Consolidation Act, 1925, has placed an additional incubus on mining companies, and the Mines and Works Amendment Act, commonly known as the Colour Bar Bill, is a menace on account of the wide powers given to the Government in the direction of defining the spheres of labour between white and black.

The Wage Act, now in operation, gives a Wage Board power to investigate and report on wages and conditions of labour, and an amendment to the Transvaal Precious and Base Metals Act has just been put through Parliament at the last moment, giving the Government wider powers to deal with mines which for various reasons are not being worked, with the idea evidently of compelling the owners either to abandon or work such properties.

The case for encouraging and helping the mining industry by the Government has been ably placed before the public recently by the Government mining engineer and others, and various commissions have reported in very favourable terms on the labour conditions on the mines, so that it is surely not too much to hope that, even if the Government will not actively help us, they will at least refrain from further burdensome and restrictive legislation, and leave us to concentrate on the problem of cheapening the cost of production, which is one of the most vital issues facing us at the present time if the life of the Rand is to be extended to a legitimate extent by working the huge deposits of low-grade ore which are known to exist on these fields.

NATIVE LABOUR.

Although, as I have mentioned in an earlier part of my speech, there was a serious shortage of native labour during a considerable part of last year, this state of affairs was remedied by the end of the year through an influx of Cape Colony natives. This influx was entirely due to the failure of the crops in the Native Territories, and although we are at present in the position of having sufficient native labour, a good agricultural season in the areas from which we get our supplies of labour will undoubtedly bring about another shortage. It is to be hoped that, if and when this occurs, the Government will reconsider its refusal to allow the industry to obtain a sufficient number of natives from outside the Union to enable it to maintain normal operations. Any material decrease in production on the mines necessarily involves reduction in the number of persons employed, and to some extent in the consumption of stores, with a corresponding contraction in the spending power of the community.

STRONG POSITION—GOOD PROSPECTS.

Now, gentlemen, I have to-day endeavoured to give you a full and fair account of the affairs and position of the corporation, and I am sure you will acknowledge that they are more than encouraging. To summarise the more important results obtained since I addressed you at our last annual meeting a year ago, our net profit for the past year would more than have admitted of a return of 20 per cent. to shareholders, but we thought it advisable to still further increase our reserve by £50,000, and therefore paid dividends of a lower rate, aggregating 15 per cent. for the period. We have increased our reserve to £300,000, equivalent to practically 30 per cent. on the capital of the corporation. Our financial position is exceptionally strong, and partly by reason of that position we have been able to reorganise the West Rand Consolidated Mines and provide an extra million pounds of capital

funds for that company. The protracted negotiations for the amalgamation of the Cinderella Consolidated with the East Rand Proprietary Mines have now been satisfactorily concluded. We have established business relations with prominent banking and financial corporations in London and New York, through whom we have taken substantial participations in new issues in connection with mining, commercial and financial undertakings in Europe and America. We hope and believe that by so doing we are utilising our surplus funds in a manner which will be distinctly profitable to shareholders. And, finally, I think it only right to repeat that the balance-sheet as at December 31 last has been drawn up on an exceptionally conservative basis in regard to the valuation of our assets. With all these highly satisfactory factors I feel confident that we can look forward to continued and even increased prosperity.

Mr. W. P. C. Hastie seconded the resolution, which was carried unanimously.

BRITISH ENKA ARTIFICIAL SILK COMPANY, LIMITED. PRODUCTION EXPECTED IN OCTOBER.

At the first ordinary general meeting of the British Enka Artificial Silk Company, Limited, held, on the 4th instant, at Winchester House, London, E.C., Sir Henry Strakosch, K.B.E. (the Chairman), said that the meeting had been called chiefly to conform to legal requirements and the company's articles, whereby a general meeting must be held before the end of 1926. It was considered desirable to fix the company's financial year to correspond with the calendar year; hence the presentation of a balance-sheet covering the short period of 3½ months.

The company had acquired, after considerable investigation of other sites offered, the National Aircraft factory site at Aintree, Liverpool, the total area being 68½ acres, including buildings covering 15 acres. The directors believed that the site filled all requirements essential for artificial silk manufacture. The buildings were all on one floor, with ample space for extension, and were adjacent to the railway, now being connected with a siding; the supply of labour was ample, and borings had shown that the quality and quantity of water were adequate.

The necessary structural alterations were now being made, and girls were being trained in the work of sorting in readiness



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C.2

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£8,734,660
Paid-up Capital	£4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of

LATIN AMERICA

as well as 7 Branches in
SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York).
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.
PARIS.
Northern District Office: 69, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	July 31, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13	13	13
4½% Conversion Loan ..	30	266	266	266	266	266	266	266	266	266	266
4½% War Stock	63	63	63	63	63	63	63	63	63	63	63
4½% War Stock	13	13	13	13	13	13	13	13	13	13	13
4½ and 5% War Stock ..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109	2,109	2,109
National War Bonds	1,509	1,201	953	820	778	771	706	706	706	706	706
4½ Funding Loan	409	401	399	396	395	395	392	392	392	392	392
4½ Victory Bonds	360	335	325	314	350	350	348	348	348	348	348
Treasury Bonds	20	453	411	457	499	499	482	486	486	486	486
Exchequer Bonds	20	323	185	150	150	150	15	15	15	15	15
National Savings Certs...	227	342	354	366	369	372	375	374	374	374	374
Other Debt	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	51	1,107	878	616	588	576	635	565	610	610	610
Treasury Bills	15	1,243	147	194	186	167	181	139	163	163	163
Temporary Advances ..	654	8,033	7,655	7,742	7,641	7,646	7,751	7,616	7,688	7,688	7,688
Other Capital Liabilities ..	57	46	66	70	66	72	84	85	83	83	83
Total Liabilities	711	8,079	7,721	7,812	7,707	7,718	7,835	7,701	7,771	7,771	7,771

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Aug. 1, '25.	Mar. 31, '26.	July 31, '26.	July 31, '26.
Outstanding—				
Advances by Bank of England	178,471,000.	139,441,000.	163,501,000.	+ 3,100,000
Advances by Public Deposits	604,230,000.	564,855,000.	609,800,000.	+ 3,210,000
Treasury Bills Outstanding	782,701,000.	704,296,000.	773,301,000.	+ 110,000
Total Floating Debt	1,565,402,000.	1,408,582,000.	1,546,602,000.	

* Includes £15,000, the proceeds of which were not carried to the Exchequer within the period of the account.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS £8,501,581
CLAIMS PAID £37,361,771

Accidents and illness.
Employers' Liability. Fidelity Guarantees.
Surgery, Fire, Motor Cars, Public Liability.
Inspection and Insurance of Boilers, Engines,
Electrical Plant and Lifts.
Executive and Trusteeships.

Head Office: 36-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, August 4, 1926.

ISSUE DEPARTMENT.

Notes issued	£	Government debt	£11,015,100
171,335,390		Other securities	£8,734,900
		Gold coin & bullion ..	151,585,390
171,335,390			

BANKING DEPARTMENT.

Proprietors' capital ..	£14,553,000	Government securities	£36,340,328
Reserve	3,559,993	Other securities	£68,543,557
Public deposits	8,366,960	Notes	£28,831,920
Other deposits	108,491,601	Gold and silver coin ..	1,258,754
Seven-day & other bills	3,005		
134,974,559		134,974,559	

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Aug. 4, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
	£	£	£
Reserve	3,559,993	+ 28,686	— 16,421
Public deposits	8,366,960	+ 1,360,041	+ 2,670,447
Other deposits	108,491,601	+ 2,999,111	+ 2,005,927
Government securities ..	36,340,328	+ 1,415,000	+ 2,831,808
Other securities	68,543,557	+ 18,806	+ 314,078
Reserve	30,090,674	+ 234,146	+ 7,839,853
Note circulation	142,503,470	+ 483,285	+ 3,816,159
Coin and bullion	152,844,144	+ 717,431	+ 11,656,008
% of reserve to liabilities ..	25 3/4	— 3/8	— 5 1/2

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 30, 1926.	Miles Open.	Week ended Aug. 1, 1926.			Aggregate 29 Weeks. 1926		
		Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Receipts.
Great Western.....	3,778	419,000	207,000	626,000	6,849,000	8,235,000	15,084,000
Do for 1925.....	3,765	485,000	345,000	830,000	7,711,000	9,932,000	17,643,000
London & N. Eastern (e).....	6,715	715,000	379,000	1,094,000	12,080,000	16,248,000	27,496,000
Do same period 1925.....	6,714	783,000	671,000	1,454,000	12,820,000	20,019,000	32,839,000
London, Mid., & Scottish.....	6,950	991,000	512,000	1,503,000	15,830,000	20,738,000	36,568,000
Do for 1925.....	6,950	1,161,000	840,000	2,001,000	18,553,000	25,615,000	44,168,000
Southern.....	2,183	569,000	92,000	661,000	9,187,000	3,040,000	12,227,000
Do 1925.....	2,153	59,000	132,000	191,000	9,331,000	3,516,000	12,847,000
Metropolitan (c).....	59	31,700	2,300	34,000	875,200	89,300	964,500
Do for 1925.....	58	36,900	3,700	40,600	991,900	112,600	1,104,500
Underground E.R. (c).....	..	..	..	255,300	..	..	7,370,300
Do for 1925.....	..	..	..	217,500	..	..	7,564,500
London & Sub. Group (c).....	..	..	..	38,500	..	..	1,105,000
Do for 1925.....	..	..	..	37,700	..	..	1,145,600
Belfast & Co. Down (b).....	80	4,144	880	5,024	91,852	26,812	118,664
Great Northern.....(b).....	562	21,050	15,300	36,350	450,500	474,600	925,100
Great Southern.....(b).....	2,181	48,901	38,969	87,870	1,065,371	1,257,936	2,323,307

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
INDIAN.					
Assam Bengal.....	13 weeks	July 31	1,072	3,235,000 + 32,743	41,371,941 + 88,094
Barel Ak. Ry.....	14 weeks	10	118	25,000 - 38,600	5,50,900 - 45,100
Bengal & N. Western.....	14 weeks	10	4,076	7,19,810 + 1,71,355	1,09,33,716 + 10,61,979
Bombay, Nagpur.....	11 weeks	June 19	2,835	15,08,000 - 1,33,000	1,83,38,000 - 9,40,917
Bombay, Bar., & C.I.	16 weeks	July 17	3,033	18,55,000 + 9,000	3,57,84,000 + 3,16,000
Burma.....	12 weeks	June 26	1,342	6,95,280 - 1,35,518	1,02,24,118 - 4,80,923
Delhi, Umballa, Kalka.....	26 weeks	Mar. 31	439	2,22,530 + 28,015	29,08,142 - 89,432
Madras & B. Mar.	13 weeks	July 3	3,048	16,10,000 + 37,110	2,34,35,355 + 6,17,458
Nizam's Guaranteed.....	14 weeks	10	993	3,06,533 - 19,684	56,23,413 - 2,94,736
Rohilkh. & Kumaon.....	13 weeks	3	259	63,091 + 4,851	8,33,905 - 11,062
Do Lucknow-Bellary.....	13 weeks	3	313	65,012 + 5,778	9,71,114 - 17,729
South Indian.....	13 weeks	3	1,876	10,34,733 - 26,712	1,40,69,447 - 2,69,441

(a) Total receipts of all lines.

ARGENTINE (a).					
Argentine N.E.	5 weeks	July 31	754	15,900 - 2,400	55,000 - 9,500
B.A. and Pacific.....	5 weeks	July 31	2,652	137,000 - 2,000	593,000 + 6,000
B.A. Central.....	5 weeks	Aug. 1	1	13,182 - 137	63,031 - 3,584
B. A. Gt. Southern.....	5 weeks	July 31	4,718	197,000 + 14,000	854,000 + 22,000
B. A. Western.....	5 weeks	31	1,882	87,000 + 9,000	387,000 + 28,000
Central Argentine.....	5 weeks	31	3,305	222,000 + 1,000	970,000 + 1,000
Cordoba Central.....	5 weeks	31	1,202	77,000 - 3,000	329,000 - 25,500
Entre Rios.....	5 weeks	31	729	20,400 - 2,700	83,200 - 14,000

CUBAN.					
Havana Central.....	3 weeks	July 17	1,577	11,577 - 950	28,681 - 3,574
United of Havana.....	5 weeks	31	1,250	50,634 - 5,008	219,561 - 49,151

URUGUAYAN.					
Central Uruguay.....	5 weeks	July 31	873	21,521 - 2,523	97,911 - 3,726
C. Urug. (East. Ext.).....	5 weeks	31	1	5,874 - 1,541	19,183 - 5,069
C. Urug. (North. Ext.).....	5 weeks	31	185	2,237 - 518	10,076 - 1,916
C. Urug. (West. Ext.).....	5 weeks	31	211	2,124 - 216	10,347 - 855

CANADIAN.					
Canadian National.....	30 weeks	July 31	22,106	7,403,639 + 319,612	143,516,794 + 1,760,243
Canadian Pacific.....	30 weeks	31	14,229	5,323,000 + 572,000	101,277,000 + 109,33,000

BRAZILIAN (b).					
Gt. West. of Brazil.....	31 weeks	July 31	1,018	11,900 + 2,100	519,300 + 96,100
Leopoldina.....	31 weeks	31	1,856	56,004 + 19,236	1,240,399 + 377,568
Leopoldina Term.	31 weeks	31	..	7,594 + 2,062	231,481 + 81,820
San Paulo.....	31 weeks	Aug. 1	1,534	46,255 - 6,618	1,459,896 + 226,502

CHILEAN.					
Antofagasta.....	30 weeks	Aug. 1	838	31,870 - 15,662	1,178,530 - 90,920
Nitrate (4-monthly).....	29 weeks	July 31	366	24,519 - 23,263	463,632 - 75,171

OTHER OVERSEAS.					
Alcoy and Gandia.....	31 weeks	July 31	33	Pa. 21,500 + 4,300	857,700 + 33,700
Egyptian Delta.....	15 weeks	20	600	28,148 - 261	91,519 + 7,999
Leopoldina.....	29 weeks	31	104	Pa. 62,040 - 42,337	2,709,168 - 654,391
Leopoldina Term.	29 weeks	31	432	3,379,300 + 15,600	1,116,700 - 26,000
Mexican Railway.....	5 weeks	31	274	24,040 - 1,930	20,150 - 7,590
Panama Canal.....	5 weeks	31	100	25,179 + 2,391	23,694 + 11,719

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.	Total Receipts.
				1926. + or -	1926. + or -
Anglo-Argentine.....	30 weeks	July 29	329	275,760 - 8,107	2,503,109 - 104,993
B. Aires La Plata.....	5 weeks	Aug. 1	..	211,786 - 960	59,803 - 2,583
Burnley Corporation.....	1 week	July 31	12	23,887 + 703	..
Calcutta Tramways.....	1 week	31	354	Rs 10,917 - 12,989	..
Chatham & District.....	28 weeks	28	15	21,664 - 66	36,631 - 3,856
Egyptian Tramways.....	30 weeks	28	29	17,528 - 170	68,042 - 7,790
Glasgow Corporation.....	28 weeks	24	134	232,826 - 1,201	338,701 - 12,901
Isle of Thanet Trams.....	29 weeks	21	..	24,323 + 317	67,056 + 2,349
Liverpool Corp.	18 weeks	31	124	235,998 - 133	462,957 - 17,947
L.O.C. Tramways.....	18 weeks	Aug. 4	164	282,574 + 2,852	1,343,829 - 84,915
Madras Elec. & Tram.	18 weeks	July 31	..	Rs 47,624 - 5,349	6,39,363 - 34,920
Puerto Rico Trams.....	31 weeks	Aug. 1	..	26,176 + 1,600	190,235 + 52,228

* Combined revenue.

MINING OUTPUT STATISTICS FOR JULY, 1926.

Gold.	Tons Crushed.		Gold Recovered.		Value.	Profits.
	Mill.	Cy. Work.	Mill.	Cy. Work.		
Balaghat.....	3,600	4,350	2,445	157	2,602	..
Cam and Motor.....	20,600	..	..	..	11,465	48,621
Champion Reef.....	8,795	24,034	4,661	792	5,453	22,512
Fairbanks.....	..	..	..	..	1,456	..
Gem.....	1,800	..	..	..	1,253	..
Lena (July 23rd-31st).....	..	..	..	..	11,767	49,421
Mysore.....	19,692	33,100	9,426	1,297	10,723	..
Nunddroog.....	10,500	21,096	4,777	949	5,726	..
Oreogum.....	12,000	11,000	7,286	625	7,911	..
Oroville (17 days to July 30th).....	..	..	..	..	20,763	..
Rezende.....	6,300	1,180	..	..	3,295	14,212
Sherwood Starr.....	2,600	..	..	..	5,311	6,194
St John del Rey.....	..	..	..	..	36,000	..

Tin.	Output.	Other Notes in Return.	
		Est. value.	Est. cost.
Bangrin.....	27	..	..
Bisichi.....	30	..	..
Chenderiang.....	224	Est. value, £5,541.	..
Deebok.....	14	..	..
Fabulosa.....	71	..	..
Gopeng Consolidated.....	594	Est. value, £9,860; est. profit, £7,580.	..
Idris Hydraulic.....	314	Est. value, £4,725; est. cost, £2,344.	..
Ipho.....	353	..	..
Kamunting.....	92	Est. value, £14,933.	..
Kinta.....	26	Value, £4,317; costs, £1,983.	..
Kramat Pulai.....	344	Est. value, £5,413; est. cost, £1,341.	..
Lahat.....	214	Est. value, £3,711; est. cost, £2,848.	..
Malayan Dredging.....	119	Value, £20,809; cost, £8,861.	..
Pahang Consolidated.....	220	Black tin; 7 tons alluvial.	..
Pengkalan.....	30	Est. value, £ 785; est. cost, £1,715.	..
Rambutan.....	40	Est. value, £1,225; est. cost, £1,110.	..
Rayfield.....	40	Shipped 42 tons.	..
Renong.....	31	162 tons concentrates realised.	..
Ropp.....	91	..	..
Siamese.....	263	Est. value, £4,547; est. cost, £2,052.	..
Southern Perak.....	42	Est. value, £7,010; est. cost, £4,950.	..
Sungei Besi.....	304	Est. value, £4,760; est. profit, £2,755.	..
Tekka-Taipin.....	51	Est. value, £8,575; est. cost, £3,170.	..
Tongkah Harbour.....	40	..	..
Tronoh.....	324	Est. value, £5,479; est. cost, £4,007.	..
Copper.			
Messina (Transvaal).....	1,248	Concentrates, containing 491 tons of copper.	..
Poderosa.....	700	(metric) assaying 22% copper; est. profit, £2,885.	..
Coal.			
Blackhill Colliery.....	24,167	..	..
Dundee.....	23,904	..	..
Edmund W. Parker.....	46,979	..	..
Natal Navigation.....	130,771	..	..
South African.....	75,073	..	..
Tweefontein United.....	76,552	..	..
Vereeniging.....	189,663	..	..
Wankie.....	53,095	Coal sales, 15,568 tons coke sales.	..
Lead.			
Rhodesian Broken Hill.....	595	..	..
Miscellaneous.			
New Vaal River Diamond.....	..	706 carats, realising £6,084.	..
Tanganyika Diamond.....	..	696 carats.	..

SULPHIDE CORPORATION, LIMITED.—During the four weeks ended July 24 1925, 8,555 tons of Central and Junction Mines ore, together with 1,413 tons of slimes were milled at the Central Mine, producing 1,776 tons of lead concentrates (including 154 tons from the de-leading plant), which assayed 43 ozs. Silver 62 per cent. lead, together with 2,030 tons of zinc concentrates, assaying 11 ozs silver, 7 per cent. lead, 49 per cent. zinc per ton, and 470 tons of special slimes, assaying 11 ozs silver, 17 per cent. lead, and 10 per cent. zinc per ton.

RHODESIAN GOLD OUTPUT.

Month.	1923.	1924.	1925.	1926.
January.....	261,310	250,880	228,668	207,022
February.....	237,018	237,111	218,990	194,557
March.....	211,379	236,166	207,097	197,909
April.....	232,765	256,352	205,006	219,985
May.....	245,870	275,826	213,095	209,332
June.....	253,226	234,697	204,613	221,560
July.....	244,848	262,236	213,064	..
August.....	232,546	259,178	212,158	..
September.....	256,107	239,061	205,418	..
October.....	246,616	246,253	209,998	..
November.....	246,943	230,393	214,336	..
December.....	240,531	215,309	209,039	..
Total Gold.....	2,909,159	2,939,362	2,539,542	..

NOTE.—The value of the gold output fluctuates each month in accordance with the amount of premium which may be declared to the Mines Department of Southern Rhodesia in that month.

OIL OUTPUTS.

ANGLO-EQUATORIAN OILFIELDS, LIMITED.—The production for July is cabled as 2,635 tons.

ANGLO-TEXAS OIL COMPANY.—8,322 barrels or 1,188 tons.

APEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of July are as follows:—Production of oil, 18,250 tons; deliveries, 18,850 tons.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Production for the week ending July 21, 1926, 39,832 barrels, shipments 30,888 barrels. Production for the week ending July 28, 1926, 40,689 barrels. Shipments, 32,282 barrels.

CIA DE PETROLEO CALTEX, S.A.—872 barrels or 138 tons (wells closed part of month account damaged valves).

LOBITOS OILFIELDS, LIMITED.—The production for July is c

HARRISONS & CROSFIELD, LTD.

1-4, GREAT TOWER STREET, LONDON, E.C.3.

WITH BRANCHES AND ASSOCIATED COMPANIES THROUGHOUT THE FAR EAST AND IN NORTH AMERICA, AUSTRALIA AND NEW ZEALAND.

THE COMPANY ACTS AS AGENTS FOR MANUFACTURERS AND OTHERS, AND INVITES CORRESPONDENCE WITH THE VIEW OF DEVELOPING FOREIGN TRADE.

(II.) Compared with Previous Years.

	Price, Aug. 5, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	9.80	13.38	17.27	14.80	12.25	8.95
— Sakellaridis Fully Good Fair.....per lb	15.90	32.20	25.45	15.90	16.75	16.00
— Egyptian.....per lb	15.4	20.5	25.4	20.5	19	17
Yarns—32's twist.....per lb	15.4	20.5	25.4	20.5	19	17
— 40's twist.....per lb	27	37	36	28.5	27.5	33
— 60's twist (Egyptian).....per lb	27	37	36	28.5	27.5	33
32-in. Printers, 116 yds, 16 by 16, 32's and 50's.....	25	0 32	0 36	6	30	0 30
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's.....	29	0 36	3 40	9	33	0 30
38-in. ditto, 38 yds, 18 by 16, 10 lbs.....	14	6 18	14 21	9	18	0 17
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs.....	11	9 16	6 11 9	6	16	3 16

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Although the position locally shows no change, there is a fair measure of business passing. Fair weights have been sold of raw material in the bale, and still bigger quantities of matchings, mostly on export account. Some think that this really is a continuance of buying on Russian account, covering the orders placed two weeks ago. The enhanced value of the franc has also brought a fair measure of French inquiry into the market. Both German and American bids have also been encountered, and those in a position to offer wool have consequently been able to effect fair sales. All this has given increased strength to raw material values, and there is nothing to be had cheap, wool selling relatively better than tops or yarns. One would like the business better if the sales affected the two latter descriptions, and were being made on home spinners and manufacturers' account. The sales effected relate mostly to fine crossbreds and merinos. Some low offers have been made for coarse prepared tops, but few care to sell tops when they know they cannot buy wool to make them at the prices which they are commanding. There is also some inquiry for home-grown fleece wools, and satisfactory sales have been effected during the week for America in Downs and lustre hogs, as well as some half-bred hogs. The tendency here is against the buyer. Values generally are very firm.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

A somewhat startling message has been received from Tokio, intimating that wool buying for Japan may be in future transferred from Australian centres to Coleman street, the reason being given that "hitherto Japanese buyers have been purchasing a year's stocks, but fluctuating exchange has more than once hit them hard." This reason, in our opinion, is much too paltry. If there is to be any transference of Japanese buying from Australian markets to London, it will be entirely due to financial interests, for merchant-banking firms are almost entirely behind the Japanese mills, and these interests may have had something important to say on the line of operations recently conducted by them. If Japanese users of wool have been foolish enough to put into stock a year's supply, there is no wonder that very serious losses have resulted, and the obvious remedy is to follow the example of British and Continental firms and buy fairly closely with known requirements. A recent private message from a very important Japanese source in Japan in intimate connection with practically all Japanese wool textile mills, sets forth in strong language the present conditions in the majority of Japanese mills. Serious losses have had to be encountered, and but for Government and other financial assistance the majority would have had to call their creditors together. The statement about transferring buying from Australia to London may be an echo of all this, and if London financial institutions can dictate a better policy it will certainly pay Japanese mills to adopt it. At the same time we cannot for a moment entertain the view that such a procedure will materialise. Australian selling centres cannot be ignored by Japanese firms, particularly as at least 80 per cent. of the clip is being sold in Australia, where the selection is more to the needs of Japanese mills, and whence the cost of transport to Japan is less. Where we think there is need for reform is in the method of wool buying. Japan has much to learn at the hands of British and Continental wool buyers in regard to the conduct of her operations.

THE JUTE TRADE.

DUNDEE, August 5.

Business still proceeds along slow lines, and there has been no accumulation of orders over the holiday period. The prospects of a record crop of fibre during the coming season lead spinners to believe that raw jute will be cheaper, and sales of the raw material are limited. In Calcutta, mills and balers are doing little or nothing. Sellers have been forced to reduce their ideas of price, and good First Marks are now obtainable at £31 for August shipment to Dundee, and at £29 for September. There are extremely few offers of Daisee quality, the nominal value of which is stated at £26 for assortment, September-October shipment. The area under Daisee has been increased this season by 30 per cent., which should prove to be a favourable factor to Dundee, where Daisee jute is most largely used.

Prices of yarns are now extremely reasonable in comparison with those of the raw material, but buyers are showing no more inclination to secure their wants. Common 8 lb cops are obtainable at 3s, and 8 lb spools at 3s 1d, at which rates a little business has been done. 14 lb carpet warp rules at from 5d to 5 1/2d according to quality, sacking chains from 5d to 5 1/2d for 8 lb, and 24 lb weft at 4 1/2d to 4 3/4d. Little has been done in Rowe to test the values of £35 for 48 lb and £25 for 200 lb. Cloth business is difficult to effect, though manufacturers are disposed to shade their terms. The quoted rates are 4 1/2d for 103 oz 40 in hessians, and 3 1/2d for 8 oz, with the possibility of less being accepted in the case of a good order. Linoleum hessian manufacturers are badly in need of orders, and have made considerable reductions. Competition is very keen for business in the heavy goods end of the trade, and orders are placed only when concessions are made in prices.

HIDE, LEATHER, AND ALLIED TRADES.

Few hide sales have been held this week owing to the holidays, and Bermondsey has been no exception, as a fortnightly offering was sold last week. Prices all round remain firm, with hides and skins in short supply. Business in foreign hides is still mainly on Continental account, as tanners here are still restricting input in view of the shortage of coal and power. Best Argentine tregorifics are selling at 7 1/2d, but no business is reported in Montevideos, which are scarce. The Chicago market is cabled as steady, with best native steers selling at 15 cents. As practically all the provincial shoe factories have been closed down this week for the holiday, business in sole leather has been small. Tanners, however, report a good demand for repairing bends of 10-12 lbs and 14-16 lbs average. Heavy bends are scarce, and 17 lbs bends and over are difficult to obtain in quantities. Little is passing in upper stock, and inquiries have been confined to large-sized coloured glacé kid, and light willow suitable for the Russian boot. Carriers of kip leathers are very slack, as there is little demand for artizan boots owing to the industrial troubles. The demand for holiday footwear has been below the average, and few filling-up orders are therefore to be expected.

CHEMICALS AND FERTILISERS.

In the chemical market business continues to be restricted, but the undertone is steady, though prices in several lines have moved towards lower levels, notably barium chloride and acetone. Continued firmness is noted in glycerine, with quotations much higher on the month, while acetate of soda also is dearer with supplies scarce. Tartaric and citric acids are well maintained with fair business. Coal-tar products are quoted only at nominal rates, the acute shortage of spot supplies resulting in suspension of trading. The market for fertilisers is quiet pending inquiry on new season's account. Ammonium sulphate is quoted at £11 7s per ton for September, current stocks all being sold. Forward prices are on a rising schedule.

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : Y45,000,000
Capital Paid Up : : : Y39,375,000

Head Office - - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:
Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tientsin, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government. Issues its own notes in Formosa, conducts general Banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

Comparative representative quotations are as follows:—

	1926.			
	Aug. 5.	July 1.	June 1.	May 1.
Ammonium sulphate.....ton	13 1 0	13 1 0	13 1 0	13 1 0
Arsenic, white powdered.....ton	13 0 0	13 0 0	13 0 0	13 0 0
Barium chloride.....ton	9 15 0	10 10 0	10 10 0	10 15 0
Bleaching powder.....ton	8 10 0	8 10 0	8 10 0	8 10 0
Carbolic acid.....lb	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2
Caustic potash.....ton	27 5 0	27 10 0	27 10 0	27 0 0
Citric acid.....lb	0 1 3 1/2	0 1 3 1/2	0 1 3 1/2	0 1 3 1/2
Cream of tartar.....cwt	3 17 0	3 16 6	3 16 6	3 16 6
Formaldehyde.....ton	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts.....ton	3 12 6	3 13 9	3 13 9	3 12 6
Lead acetate, white.....lb	45 10 0	45 10 0	45 10 0	45 10 0
Oxalic acid.....lb	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2
Potassium permanganate.....ton	0 0 7	0 0 7	0 0 7	0 0 7
Potassium persulfate.....ton	12 10 0	13 0 0	13 0 0	13 5 0
Sodium nitrate.....ton	9 2 6	9 2 6	9 2 6	9 0 0
Sodium hyposulphite.....ton	9 2 6	9 2 6	9 2 6	9 0 0

VEGETABLE OILS AND OILSEEDS.

Markets generally are very quiet, and operations have been indifferent to a large extent. Linseed oil has recently been in good demand from consumers, and values are about steady around £35 10s per ton naked ex-Hull mill for delivery from now onward to December. Cotton oil is inactive, and crude Egyptian has eased to £39 10s, with ordinary refined offering at £40 10s without attracting buyers. In the oilseed section there is a distinct lull in linseed, and prices of Plate are easier, £17 having been accepted for seed on passage and August-September shipment to Hull, later positions commanding a small progressive premium. Only urgent requirements are being covered, crushers, both here and on the Continent, having been far from actively interested of late. New Calcutta linseed to London (on passage) has been done at £18 18s 9d, which about represents current value. Egyptian cottonseed has sharply declined to £9 12s 6d for "spot" and seed on passage and £9 15s August. Oilcakes of all descriptions are in poor request.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—The market for actual sugar remained without new feature, the general tone being steady, with a fair business passing in British makes. Messrs Tate and Lyle's cubes quoted 33s to 33s 6d; crushed, 30s 9d to 31s 3d; coffee crystals, 33s 6d; nibs, 33s 6d; granulated, 30s 9d to 31s 3d; fine, also coarse grain, 29s 7 1/2d; No. 1, 29s 4 1/2d; No. 2, also London and T.L.S., 29s 1 1/2d; Empire, ex refinery, 28s 3d; granulated, August delivery, 29s; caster, spot, finest, 34s 1 1/2d; "A", 33s 7 1/2d; "B", 31s 6d; mineral water white, 29s 6d; icing ranges from 35s 9d to 36s 3d; pulverised, 32s 6d; yellow crystals, 26s 1 1/2d. Foreign kinds move off quietly in forward positions. Czech, granulated spot, 27s; ready for shipment, 14s 9 1/2d; November-December, 14s 10 1/2d f.o.b., Hamburg. Dutch "J", granulated, spot, 27s; ready for shipment, 14s 10 1/2d; October-December, 14s 11 1/2d, f.o.b., Rotterdam. American, granulated, prompt, 15s 6d, c.i.f., London; and 15s 7 1/2d, c.i.f., outports. Belgian crystals, prompt, 14s 4 1/2d, f.o.b., Antwerp. Polish crystals, prompt, 14s 1 1/2d, f.o.b., Danzig. Cuban basis, 96 per cent., August-September, 11s 7 1/2d, c.i.f., U.K. White terminal steady, but generally quiet. August, sold, 13s 6 1/2d; October, 14s 3 1/2d; December, 14s 6 1/2d; March, 15s; May, 15s 4 1/2d per cwt.

COFFEE.—Spot market quiet, but values fully steady, especially for fine grades, which continue in small supply. Futures slow. September, quoted 91s 9d; December, 89s; March, 87s 9d; May, 86s 10 1/2d; July, 85s 10 1/2d per cwt.

COCOA.—Spot parcels in limited request, but late rates were fully maintained. Accra, for shipment, F.F. grade, July-August, 50s; August-September, 47s; and October-December, sold, 45s 6d per cwt, f.o.b. terms.

TEA.—Private market quiet, at about late rates. The auctions will be resumed on the 9th inst.

RICE.—Market steady. Rangoon, two stars, spot, London sellers, 16s 7 1/2d to 16s 9d; July-August shipment, 16s, c.i.f., U.K.-Continent. No. 1 garden, Siam, July-August, 17s 7 1/2d; Saigon, No. 1, ditto, 15s 3d. Italian cleaned, August shipment, 21s 6d; Spanish, oil dressed, August-September, 20s 4 1/2d cwt, c.i.f. Beans quiet. Rangoon H.P., for shipment, July-August, quoted 12s 3d; Madagascari butter, spot, 26s to 28s, as to quality; ditto, afloat, 24s, c.i.f. Japanese peas, spot, 32s; September-October, 26s 9d per cwt.

SPICE.—Pepper remains quiet. Black Singapore, spot, sellers, 9 1/2d, f.a.q.; May-July, 9 1/2d; August-October, 8 1/2d; Lampong, spot, 9 1/2d, f.a.q.; May-July, 8 1/2d; August-October, 7 1/2d; white Muntok, spot, 1s 4d; L.S., May-July, 1s 2 1/2d; August-October, 1s 1 1/2d. Cloves dull. Zanzibar, spot, 9 1/2d to 9 3/4d; for shipment, August-October, 8 1/2d. Pimento, spot, 6 1/2d per lb; for shipment, August-September, 52s, c.i.f. Tapioca weak. Singapore flake, to Havre, July-August, also August-October, sellers, 15s 9d. Sago flour dull. Sarawak, to U.K., July-August, 15s. Desiccated coconut quiet. Spot halves, sellers, 43s 6d; July-August, 38s 6d. Ginger: Japan, spot, 60s; West Coast African, spot, 37s 6d; forward, 32s 6d per cwt.

FRUIT (Dried).—Currants. Australian in better demand, but other descriptions slow. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 30s; Vostizza, 40s to 53s; Patras, 31s to 33s; Australian, 44s to 50s. Sultanas sell more readily. Smyrna, 69s to 71s; Australian, new crop, sold, 66s to 80s; South African, bleached, 70s to 76s; Dates in good request. Siam, quoted 11s 3d to 11s 9d; Khadrowie, 15s to 16s; Hallowie (cases), 22s 6d to 25s. Raisins quiet. South

African, 36s to 42s. Evaporated fruits quiet on spot, but forward quotations steady. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian, extra choice, 72s 6d; fancy, 82s 6d; Lake County, fancy, 90s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian, spot, 53s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines are in small supply on the spot, but demand shows no improvement. Portuguese, 1/2s, quoted 4s 3d to 6s per dozen tins. Salmon quietly steady. Red, tall, 1 lb, 60s to 64s; tall pink, 26s to 26s 6d; 1/2 lb, pink, 39s to 41s. Lobsters firm on scarcity. Best 1/2s, quoted 157s 6d to 162s 6d, and 1/2s, 92s 6d to 95s. Japanese crab firm, and arrivals are quickly absorbed. Crayfish in limited supply.

CANNED FRUIT.—General course of trade remains quiet for the time of year, and in some instances low prices are being accepted. Californian Bartlett pears, choice, 24-2 1/2s, quoted 13s 6d to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Pines in quiet request on spot, and prices unaltered. Italian tomatoes quiet, both spot and forward, at about late rates.

CANNED MEAT.—Market unaltered, with a steady demand for Danish lunch tongues, at firm rates. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 122s 6d to 132s 6d; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams sell well, and prices of finest Danish compare favourably with other kinds, at 1s 8 1/2d per lb, for cases of six tins.

CONDENSED MILK.—Skimmed: Market is quiet, and prices range from 11s to 12s. Full cream, 20s to 25s. Full-cream evaporated: A good trade is being done, and there are excellent milks offering from 19s 6d to 21s. Belgium is now sending consignments.

HONEY.—New Zealand continues in request, but other descriptions move off slowly. New Zealand quoted 50s to 85s; Australian, 40s to 50s; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

Market easier on selling pressure and weak American advices, but a fair business transpired at the lower levels. Plantation standard sheet, spot, also August, sold, 1s 6 1/2d to 1s 7 1/2d; September, 1s 6 1/2d to 1s 7 1/2d; October-December, 1s 7 1/2d to 1s 7 3/4d; January-March, 1s 7 1/2d to 1s 8 1/2d per lb.

GENERAL.

JUTE quiet and easier. Firsts, to Continent, August, sellers, £27 15s; September, sold, £26 10s; October to December, sellers, £26 10s. Lightnings, August, quoted £26; and September, £25 per ton. Hessians and twills inactive, unchanged.

HEMP.—Manila fully steady. J grade, September-November, quoted £43; K, ditto, £33; L, £34 and £30. New Zealand High Point, August-September, £37; fair ditto, £35. African sisal, No. 1 Tanganyika, August-September, £44; and No. 1 Kenya ditto, £43 10s per ton.

SHELLAC featureless. Fair T.N., orange, spot, 125s to 130s; Futures, August, 120s 6d; October, 123s; and December, 119s 6d per cwt.

COPRA slow of sale. F.M.S. Straits, to Rotterdam, August-September, also September-October, sellers, £28 15s; Dutch East Indies, ditto, £28 8s 9d; Ceylon, ditto, £30; South Sea, £27 10s; kiln dried, £27. Palm kernels lower. June-August, to Liverpool, quoted £20 2s 6d per ton.

MISCELLANEOUS.—Cocoanuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochín, £24 10s to £49; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 4 1/2d; citronella, Ceylon, 1s 7 1/2d; Java, 2s 5d.

METROPOLITAN CATTLE.—August 5.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.			
	s	d	s
Beasts—Norfolk.....	..	..	..
Beasts—Heavy Bulls.....	..	..	..
Irish.....	..	..	..
Cambridge.....	..	..	..
Short Horns.....	6	2 to 6	6
Herefords.....	6	8	7 0
Beasts—Downs (clipped).....	8	4 to 8	10
Ewes.....	4	8	5 8
Crossbred.....	..	..	..
Scottish.....	..	..	..
Lamb—Downs.....	9	4	10 4

LONDON POTATO MARKETS.—August 5.

	Per Cwt.			
	s	d	s	d
English Sharp's Express	4	0	to	5 0
Eclipse	4	0		5 0
Midlothian	4	0		4 6

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The Premium Income received, and
The Rate of Interest realised on Investments,

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The Expense Ratio.

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COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.		DYE STUFFS, &c.		METALS—B. Copper		SUGAR—per cwt, duty, 11s 8d.	
COCOA—Duty, British grown,		Galls, China, per cwt	65 0 0	Best selected,	64 15 66 0	B.W.I., muscovado,	nom
9s 4d, foreign, 14s cwt	71 0 78 0	Turneric, Bengal,	nom	Sheets (strong),	90 0 0	Crystallised,	25 0 27 9
Trinidad,	58 0 69 0	Madras, finger,	26 0 27 6	Standard,	58/12/6 58/15/0	Java, white,	spot nom
Grenada,	70 0 86 0	Gambier, block,	38 0 40 0	Lead Eng. Pig per ton	33/15/0 33/15/0		
Ceylon, plantation,	70 0 86 0	Cutch, ord. to fair,	0 0 0 0	Soft Foreign,	32/11/3 32/15/0		
Guayaquil,	70 0 86 0	DYEWOODS—		Spelter C.O.B.	29/15/0 29/15/0		
Bahia, finest,	60 0 65 0	Brass,	18 0	Tin—English ingots,	34/0/0 34/0/0		
COFFEE—British grown,		Brasil,	8 10	Do bars,	29/15/0 29/15/0		
9s 4d, foreign, 14s cwt	122 0 147 0	Cuba,	15 0	Standard cash,	29/15/0 29/15/0		
E. India, fine ord. gd. mid	122 0 147 0	Lima Wood,	20 0	OILS—Fish, per ton—			
Do good to fine,	120 0 158 0	Logwood, Campeachy, ..	9 0	Seal, pale,	40 0 0 0		
Costa Rica, ord. to mid, ..	120 0 158 0	Honduras,	10 10	Linseed, p. ton net, naked	36 0 0 0		
Good to fine,	162 6 193 0	Jamaica,	7 15	Rape, refined,	51 0 0 0		
Central American, gd. ord.		Red Sanders,	12 0	Crude,	49 10 0 0		
to mid,	115 130 0	Sapang Ceylon,	15 0	Cotton-seed, crude,	39 0 40 10		
Mid to fine,	135 145 0	Riga ZK, spot, c.i.f., ..	64 0 63 0	Edible, refined,	46 0 0 0		
Colombian, ordinary,	108 0 114 0	Pernau HD,	0 0 0 0	Coconut, crude,	48 0 0 0		
Do gd. ord. to low mid, ..	112 0 126 0	Blanets U/A Medium, ..	75 0 0 0	Deodorised,	52 0 0 0		
Do mid to fine,	130 0 155 0	FRUIT—		Palm,	37/10/0 38/5/0		
CHEMICALS—		Oranges, Denia & Val, 300	0 0 0 0	Lard, American,	70 0 78 0		
Acid, citric,	1 3/4 1 3/4	Do,	11 0 0 0	Petroleum—Oil, per 8 lbs.	1/1 0/0		
Nitric,	0 24 0 4	Do Cape,	36 0 0 0	Water-White,	1/2 0/0		
Oxalic, net,	0 34 0 4	Lemons, Naples,	0 0 0 0	Oil Cakes, Linseed, Eng.			
Tartaric, English,	1 1/2 less 5%	Do,	5 30 0	Oil Seeds—Linseed,	21/10/0 21/15/0		
Foreign,	0 1/4 1 0	Do Sicilian,	5 30 0	La Plata, p. ton Aug-Sept.	17 2 6		
Cream of Tartar—		Do boxes,	8 0 22 6	Bombay, p. ton Aug-Sept.	19 10 0		
English,	80 0 less 2 1/2%	Do Malaga,	0 0 0 0	Calcutta, p. ton Aug-Sept.	19 0 0		
Foreign, 99% 100%,	77 0 78 0	Grapes, Lisbon,	15 0 0 0	Portland Cement—Best English			
Alum lump,	21/10/0 11/0/0	Almeria,	0 0 0 0	per ton delivered, London 58/0 63/6			
Do ground,	37 0 39 0	Val. Ona,	6 3 11 6	Rapid hardening "Ferrocrete," 10/			
Ammonia, carb.,	22 0 29 0	Egyptian Ona,	0 0 0 0	per ton extra,			
Muriatic, White,	22 0 29 0	Apples: Australasian, ..	0 0 0 0	"Lightning" brand Aluminous Cement			
Sulphate,	24 0 15 0	Cleopatra,	0 0 0 0	100/- to 105/6 per ton.			
Argenic, lump,	65 0 70 0	Jonathan,	0 0 0 0				
Powder,	65 0 70 0	Tasmanian, Various, ..	10 0 14 0				
Ashes, pot,	65 0 70 0	HIDES—Wet salted—					
Pearl do,	nom	Australian,	0 5/4 0 6/2				
Bleaching powder, per ton	9/0/0 9/10/0	West Indian,	0 4 0 7				
Borax, gran.,	23 0 0 0	Lisbon,	0 6 0 7				
Do crystals,	24 0 0 0	Oporto,	0 4 0 7				
Do powder,	4 2 4 4	Dry & Drysalted Cape, ..	0 8 0 11/2				
Calomel,	1 0 1 1	Madagascar,	0 6 0 7				
Iodine, dry,	13/5/0 13/7/6	Central American,	0 7/2 0 11/2				
Nitrate of Soda,	13/5/0 13/7/6	Buffaloes, Singapore, ..	0 4 0 11				
Potash—Chlorate, net, ..	0 34 0 4	Penang,	0 5 0 10/2				
Prussiate,	0 7/2 0 8	E. I.,	0 5 0 13/4				
Do Foreign,	11 0 12 0	Best hvy. ox & heifer, ..	0 7/2 0 8/2				
Sulphate,	11 0 12 0	Do light do,	0 5/2 0 6/2				
Sal-Ammoniac,	42 6 45 6	2nd ox, heavy,	0 7 0 7/2				
Soda Bicarb.,	10/10/0 10/10/0	Do light do,	0 6 0 6/2				
Crystals,	5/0/0 5/5/0	Best cow,	0 4/2 0 5/2				
Alkali,	5/17/6 6/15/0	2nd do,	0 4/2 0 5/2				
Caustic,	14/2/6 16/10/0	Best calf,	0 8 0 11/2				
Sugar of lead, white,	0/0/0 0/0/0	2nd do,	0 6 0 9/2				
Foreign white,	44 0 46 0	INDIA RUBBER—lb—					
Sulphate Quinine—		Plantation sheet,	1 7 0 0				
English Brands,	1 9 1 10	INDIGO—per lb—					
Foreign do,	1 8 1 9	Bengal, good red violet to					
Sulphate Copper per ton	24/10/0 25/10/0	fine,	5 6 6 0				
Zinc, cut,	nom	Mid. ord. vio. to good, ..	5 5 5 6				
Sulphur Flour,	9/0/0 9/10/0	Low to good ord.,	4 0 5 0				
Do Roll,	8/0/0 8/10/0	Madras, dry leaf, good, ..	2 6 3 6				
Vermillion, Chinese, per lb	4 6 4 9	Do low to ord.,	1 0 2 6				
English,	4 6 5 0	Kurpah, gd. mid. to gd., ..	4 0 4 6				
Oil Peppermint, H.G.H. 90	95 0 0	Low to mid,	3 0 4 0				
COFFEE—per ton, c.i.f.—		HEMP—per ton—					
Malabar, Aug-Sept,	29 17 6	Italian P.C.,	56 0				
FM Singapore,	28 13 9	Manila, Sept-Nov "J"					
FM Straits,	27 15 0	Grade,	43 0				
COCHINEAL—per lb, 2/9 3/6		N.Z., high point, fair, ..	37 0				
DRUGS—		Aug-Sept,	37 0				
Aloes, fine E.L.,	0 150 0	JUTE—Native first marks					
Cape, good to fine,	41 0 42 6	" " " " " "					
Balsam Peru,	6 0 0 0	LEATHER—per lb—					
Capivi,	1 7 0 0	Sole Bends 6/9 lb,	1 2 1 10				
Camphor—		Do do 10/12,	1 3 2 0				
Japan, refined,	2 11 0 0	Do do 12/14,	1 4 2 6				
Cardamoms, Ceylon,	3 6 0 0	Do do 14/16,	1 5 2 6				
Cantharides, China, per lb	85 0 95 0	Do do 17 lb and up,	1 6 2 6				
Castor oil,	5/0/0 10/0/0	Bark Tanned Sole,	2 6 3 0				
Gum Benjamin Sum., cwt	5/0/0 10/0/0	Shoulders fm DS Hides, ..	0 9 0 11				
Olibanum, drops, fair to		Do Eng. or WS do,	1 0 1 8				
good,	80 0 100 0	Bellies from DS do,	0 7/2 0 8/2				
Ipecacuanha,	14 6 0 0	Do Eng. or WS do,	0 9 1 1				
Japan,	2 0 0 0	Dressing Hides,	1 6 2 2				
Musk pod, China,	65 0 67 6	Ro. Eng. Calt, 20/30 lb, ..	3 6 4 6				
Oil, Cassia,	8 0 0 0	Aust. Sides,	1 0 1 4				
Aniseed,	2 10 2 11						
Peppermint, Wayne Co. 70	75 0 0						
Rhubarb, China fr to In.,	3 0 3 3						

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Vol. CIII.

SATURDAY, AUGUST 14, 1926.

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THE MONEY MARKET.

THE past week has been quite an eventful one for the money market. Substantial gold arrivals, some of which were unexpected, failed to influence the supply of floating credits, and with some calling in by the joint-stock banks, there was a decided pressure for accommodation. On Wednesday a fair amount had to be borrowed from the Bank of England, and conditions were thus more comfortable on Thursday and Friday. The discount market

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has been distinctly firm, partly owing to monetary conditions and partly to the decline in the sterling exchange and the possibility of a rise in the New York Federal Reserve rate from $3\frac{1}{2}$ to 4 per cent. This happened on Thursday afternoon—sooner than the New York market had anticipated—and resulted in a pronounced hardening in discount rates here, three months' bills, which had been taken up till Thursday at $4\frac{1}{8}$ per cent., being quoted yesterday at $4\frac{1}{8}$ per cent. The movement will no doubt damp the enthusiasm of those who thought that this week's gold arrivals were sufficiently important to revive the possibility of a lower Bank rate here. In consequence of the hardening of discount rates the Government had to pay $4\frac{1}{2}$ per cent. on yesterday's Treasury bill allotments.

	Aug. 13, 1926.	Aug. 6, 1926.	July 30, 1926.	July 23, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed an increase of £1,023,600 in the gold stock and a reduction of £1,182,000 in the note circulation, so that the Reserve was £2,205,600 higher. The Proportion, however, was only a little higher at 26.2 per cent., Public Deposits having risen by £2,637,000, and Other Deposits by £3,670,700. Market borrowing at the Bank is reflected in an increase of £3,652,600 in Other securities. Government securities rose by £469,700. Currency notes were reduced by £2,816,000 to £294,176,800, which includes £1,298,300 for notes called in but not yet cancelled. The fiduciary issue is £236,628,500, or £11,274,000 below the maximum for 1926.

The monthly statement of the London clearing banks of average weekly balances for July, which is printed in full on a later page, shows some interesting changes, the most prominent of which are increases of £16½ millions in deposits and of £22½ millions in bills discounted. The following table compares the aggregate figures for the nine English banks:—

	Dec. 1925.	Mar., 1926.	April, 1926.	May, 1926.	June, 1926.	July, 1926.
Capital and reserves	121.0	123.6	124.2	124.2	124.2	124.4
Acceptances	108.2	100.6	95.7	92.4	87.8	85.2
Deposits (incl. undiv. profits, &c.)	1,646.8	1,587.8	1,590.4	1,589.8	1,630.1	1,646.7
Total liabilities	1,876.0	1,812.0	1,810.3	1,806.4	1,842.1	1,856.3
Coin, notes, balance at bank, and cheques in course of collection	256.2	236.2	236.4	239.3	250.9	243.6
Money at call	117.8	109.7	116.3	112.7	121.4	118.7
Investments	286.1	272.2	269.9	268.7	267.9	270.9
Discounts	231.0	187.2	187.6	185.7	210.4	233.0
Loans and advances	846.8	876.3	874.3	877.4	873.2	874.0
Cover for accept., premises, &c.	138.1	130.4	125.8	122.6	118.3	116.1
Total assets	1,876.0	1,812.0	1,810.3	1,806.4	1,842.1	1,856.3

Deposits are now at the same figure as in December last, which is the highest recorded since January, 1925, the total for July, 1925, being £1,633 millions. It will be observed that investments are higher; this is the first upward movement for several months and accounts in part for the increase in deposits. Loans and advances are practically unchanged, but there is a reduction in both cash and money at call. Acceptances are at the lowest figure since August of last year.

NEW YORK MARKETS.

Our New York correspondent cables:—The raising of the New York Federal Reserve Bank rate to 4 per cent. gives all the banks of the system a uniform rate. The action was expected in view of the growing firmness in the money market, but not quite so soon. The weekly statement shows an increase of \$25 millions in the discounts of the local institution, the reserve ratio being 79.5 per cent. The share markets, whose quality has been deteriorating recently, are undergoing a reaction, which has been extended by profit-taking in General Motors after the great rise, and some calling in of loans owing to the

firmer tone of the money market. There is some apprehension now lest seasonal demands for money should begin to conflict with the needs of speculative markets, in which case the latter would suffer. Industrial and trade reports are still good. There is some hope here of Poincaré swinging to debt ratification and the experts' plan. The Clemenceau letter merely served to draw the fire of Borah, and is not seriously regarded in responsible quarters.

THE STOCK MARKETS.

Although business remains quiet in the stock markets as a whole, prices keep firm, and there is some evidence of buying on the part of the public. Investment stocks of all kinds have been a good market, in spite of holiday influences and a stiffening of money rates, but the gilt-edged market yesterday reacted on monetary developments; recently issued Colonial stocks are quiet and somewhat neglected. French bonds have fluctuated, but foreign bonds, as a whole, are firm. Home rails are quiet, but improved yesterday, and Argentine rails are strong. Grand Trunk Pacific debentures gained a few points on the news that negotiations with the Government are to be reopened. Rubber shares have improved slightly on a small rise in the price of the commodity, but industrials generally are quiet. In the Kafir market Sub Nigels have attracted attention on Cape buying, and Malayan tin shares have been active.

THE COMMODITY MARKETS.

The position shows little change as compared with a week ago. Much foreign coal continues to reach this country, Continental prices having been raised slightly during the last few days, though quotations from America, the chief source of supply, are unchanged. Iron and steel stocks are reaching very low dimensions, and trade generally is very quiet, though a few orders for post-strike delivery are being taken. Cotton prices have declined on a better American Bureau report than had been expected, but a fair weight of business has been done at the lower rates. A first list of basic prices for American yarn has been published, but whether the scheme will be effective remains to be seen. The wool market has a firmer tone, as a result of export buying, but conditions in the factories of the West Riding still leave much to be desired. Wheat is cheaper in sympathy with Transatlantic market movements. Sugar is in moderate demand at steady figures, and coffee largely unchanged. Tea is briskly competed for, and slightly dearer; rubber steadied after a dull opening. Among non-ferrous metals, tin has reacted sharply from the levels reached early in the week; copper and lead have also failed to maintain their initial activity.

FOREIGN EXCHANGES.

The foreign exchange market has again been active. In Paris, after the low record of 158½ had been made on the 6th instant, the anticipated reaction set in, which brought the rate back to more natural levels. On Saturday it closed at 161, and on Monday at 166½, the latter jump being due to the realisation that the War Debts Agreements would not be ratified before the close of the Parliamentary session. On Tuesday the rate reached 172½, and on Wednesday 174½. On Thursday the opening quotation was 180, but the publication of the Bank of France statement, which showed a reduction of 550 millions in advances to the State and 987 millions in the note issue, brought it down again to 177. Yesterday morning it opened at 177½. The discount on forward rates has narrowed from 4f to 3f for one month, and from 11f to 9f for three months. As, however, no rate of stabilisation has yet been fixed, and the Debt Agreements cannot now be discussed until the autumn, it is difficult to see how any further movement against the franc, whether external or internal, can be resisted. No foreign credits are available, and the policy of buying foreign currencies against fresh issues of notes is, in fact, inflation—at least, in its effect on prices. Brussels has moved sympathetically, but less violently, so that the margin between the French and Belgian quotation is once more small. It also reached the lowest point of 168½ on August 6th, rising from there to 170 on Saturday,

ESTIMATES for FINANCIAL YEAR 1926-7.†

Expenditure.....	£ 825,727,000	Revenue.....	£ 824,750,000
Deficit	£ 977,000		
† Revised in Exchequer Return dated July 26, 1926.			

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Mitchells and Butlers, Watney, Combe, Reid and Co., and the Anglo-Dutch Plantations of Java. At the meeting of Watney, Combe, Reid and Co., the chairman referred to the book value of properties and goodwill, and mentioned that the latter stood at £3 millions. At the Anglo-Dutch meeting a small increase in capital was authorised.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

M. POINCARÉ'S FINANCE.

THE holding of a National Assembly at Versailles, with all the trappings of a great State ceremonial, for the purpose of making the sinking fund for the reduction of the floating debt a part of the constitutional law of France was a spectacular demonstration of the Government's determination to carry out its plans for the salvation of French finance. The carrying-out of the programme was interrupted by a certain amount of Communist obstruction for which disciplinary measures were found necessary, but in the end M. Poincaré secured his verdict by the overwhelming majority of 601 to 146 votes. The Bill is an addition to the constitutional law of 1875, for it provides on the one hand for autonomy of administration of the sinking fund, and, on the other, guarantees the necessary resources. Thus the obligation to deal faithfully with the debt is given the most impressive sanctions that are available.

We would not underrate the importance of impressing French opinion with the high importance of dealing faithfully with the financial situation, but it is idle to overlook the fact that a sinking fund is a pure delusion unless it is based upon a real surplus of receipts over expenditure in the Budget, and that if the condition of the nation's finances is such that it is necessary to borrow at a high rate of interest, the repayment of debt, some of which may have been borrowed at cheaper rates, merely has the effect of making the Exchequer worse off than before. Indeed, the Chamber might have been somewhat chary of carrying through this solemn constitutional amendment if it had borne in mind the deplorable fate of Pitt's sinking fund during the Napoleonic wars. Under the inspiration of the notorious Dr Price, British politicians thought there was something magical about a sinking fund. The fund was kept going right through the war, and at the end the net result was that the National Debt was considerably heavier than it need have been, simply because of this fantastic plan of paying off debt with one hand while the country was borrowing on less favourable terms with the other. The French Bill provides for the allocation to the sinking fund of the net receipts from the sale of tobacco, the products of the additional taxes on the first transfer of the rights of succession, and of voluntary contributions, while in the event of these proving insufficient the sum required must be made up from the Budget. The plan could only have been made water-tight if it had included a further provision that the current expenditure of the Budget must be covered by taxation and not by borrowing.

It is, therefore, not surprising that this imposing spectacle has failed to prevent a slip backwards in the value of the franc, which, since we wrote last week, has moved from 159 to 177½. In this connection there are two considerations which have militated against the franc retaining the ground it won last week.

174½ on Monday, and 175½ on Tuesday. There was little change on Wednesday, but on Thursday the rate closed at 178, to open yesterday at 178½. On forward rates the discount has narrowed from 7f to 2.50f per month. Italy has also shown some weakness, rising from 144½ to 147½ during the week. New York, after a quiet week-end, at 4.86 9-32, showed a distinctly weak tendency for the rest of the period, which may be attributed to two causes. In the first place, there are signs that the autumn demand for dollars is now really beginning to make itself felt, while, in addition, it was rumoured towards the end of the week that a rise in the New York Bank rate was intended, the rumours being justified on Thursday evening, when the rate was raised from 3½ per cent. to 4 per cent. to meet the seasonal demand for credit. The exchange rate under these influences fell from 4.86½ on Monday to 4.86 7-32 on Tuesday and 4.86 5-32 on Wednesday. On Thursday it touched 4.86 3-32, and opened at 4.85½ yesterday morning, when the New York rate news was received. Forward rates have narrowed from 1½ to 5-32 cent premium for one month. The gold exchanges have also moved against us in sympathy, Amsterdam falling from 12.11½ to 12.11, Switzerland from 25.17½ to 25.14, and Stockholm from 18.17½ to 18.15. Oslo moved during the week-end between 22.19½ and 22.20½. On Wednesday, however, it fell to 22.11½, owing, it is believed, to American speculation, but had moved up again to 22.15 by yesterday morning. Copenhagen fell from 18.34½ to 18.28½. Madrid fell from 32.30 on the 6th to 31.63 on Tuesday, rose to 31.88 on Wednesday, and fell again to 31.85½ yesterday. Berlin improved from 20.42½ to 20.41½, Helsingfors from 193½ to 193, Vienna from 34.41 to 34.38, and Prague from 164½ to 164. Warsaw is steady at 45, and Budapest at 27.85. In the East the rupee has advanced from 1s 5 61-64d to 1s 5 63-64d, while the rupee is steady at 1s 11½d. The silver market has fluctuated under speculative influences, but prices were considerably lower on balance. Hong Kong, however, is 1½d better at 2s 2½d, while Shanghai, after falling from 2s 10½d to 2s 9½d, recovered again to 2s 10½d. In South America, Rio at 7½d has improved 1½d, Monte Video has risen from 49½d to 49½d, and Buenos Aires from 45 15-32d to 45½d. Valparaiso has also appreciated from 39.50 to 39.40 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 7th:—

EXPENDITURE.		RECEIPTS.	
	£		£
Supply Services	9,437	From Revenue	18,781
Interest, &c., on Debt	5,975		
Sinking Fund	290		
Sundries	375		
Decrease in debt	2,681		
Increase in Balances	23		
	18,781		18,781

The revenue for the week amounted to £18,781,000, as compared with £14,666,400 in the corresponding week last year. Customs and Excise were both lower at £1,782,000 and £772,000, against £2,201,000 and £827,000 respectively. Property and income-tax amounted to £5,343,000, against £4,922,000, and super-tax to £440,000, against £600,000. Ordinary receipts brought in £7,053,400, as compared with £8,300, and special receipts were nil, as compared with £12,400.

The week's operations reduced the National Debt by £2,681,300, and caused the following changes:—

EXPENDITURE.		RECEIPTS.	
	£		£
National Savings Certificates ..	250	Treasury Bills	+ 6,029
Public Department Advances ..	7,900		
Sundries	560		
	8,710		+ 6,029

The floating debt was reduced by £1,830,000 to £771,471,000.

FINANCIAL YEAR, 1926-1927 (April 1 to August 7, 1926.)

EXPENDITURE.		RECEIPTS.	
	£		£
Total Expenditure ..	296,924,547	Raised by Revenue ..	227,218,306
		Decrease in Balances ..	4,110,818
		Amount borrowed ..	65,595,423
Total	296,924,547	Total	296,924,547

The first is the apparent unwillingness of M. Poincaré's Government to take a definite stand on the question of stabilisation. What the underlying reasons for this hesitation are it is not easy to fathom, but among other influences it is believed that M. Poincaré himself still hankers after ultimate stabilisation at a level of the franc very much higher than its present figure, and one that could only be attained after a long struggle to appreciate its value. It is recalled that in the spring of 1924, when M. Poincaré made his dramatic assault upon those who were speculating in the fall of the franc, its value recovered from over 120 to less than 70, that in reaching this point it came to a level which could not be retained, and that any hopes there might have been at that time of stabilising the franc were rendered abortive by the attempt to push it too high. It would help to clear the air if the Government's views on this question of the ultimate value of the franc were made known, and it became clear that this mistake would not be repeated.

An equally serious reason for hesitation is the fate of the war debt agreements. M. Poincaré came into power following on a demonstration by the Chamber that France would put her own house in order without foreign help. In recent days there was evidence that M. Poincaré had been persuaded that France could not hope to solve her difficulties if she continued to procrastinate about her international obligations, and last week-end it was thought that M. Poincaré would ask the Chamber to ratify the Churchill and Mellon agreements before the recess. The proposal, however, produced vigorous dissension within the Government itself, and roused the temper of the Finance Committee, with the result that the Government refrained from asking for a decision, and accepted the appointment by the Finance Committee of a sub-committee to report on the question, the present indications being that the matter will be brought before Parliament in October. The feeling in France on the matter has been crystallised in a long letter from M. Clemenceau to President Coolidge protesting against the terms of the proposed settlement. This effort of the veteran statesman is unlikely to affect the position in America, and even in France is regarded as having come too late to have any effect on American official opinion. But the force of circumstances is likely to compel the French Government sooner or later—and we hope sooner rather than later—to give effect to the words of M. Poincaré at the National Assembly to the effect that France's external creditors would understand that she wished to satisfy them to the full measure of her capacity. Time will unquestionably bring a radical revision of all obligations left behind by the war, but this will not be hastened by the hesitation of France, which at present only has the effect of undermining French credit in the country whose material resources are the greatest in the world.

THE ITALO-SPANISH TREATY.

THE Treaty between Italy and Spain, which was signed at Madrid last Saturday, August 7th, has been rightly hailed by the Fascist Press as an example of "the good, old-fashioned method of secret diplomacy." That negotiations for a treaty should be conducted privately is nothing out of the way. Indeed, this is recognised on all hands as being almost essential to diplomatic elasticity. If negotiators have to take every step, or half-step, forward and backward in the full light of publicity, they will hesitate to take any step at all, and will therefore be slow to reach common ground. What we do mean nowadays by secret diplomacy is the private conduct of negotiations without the fact that negotiations are in progress being made known, and the omission to publish the text of the resulting agreement when once it has been signed. Under this definition of secret diplomacy the treaty in question undoubtedly falls. The first that we heard of it was the announcement last Monday that it had been concluded, and we still await the text. Meanwhile, we have to be content with what the Fascist Press tells us regarding the contents.

In form the treaty appears to be not only correct, but almost edifying. It is a treaty of amity, conciliation, and arbitration; and it further provides that either party shall maintain friendly neutrality in case of unprovoked attack upon the other party by a third State—for instance, as the *Tribune* puts it, Italy would be obliged to remain neutral if Spain were attacked by France. This hypothetical but very concrete illustration transports us at once into the realm of practical politics.

What are the practical considerations which have led to this treaty being concluded? The Fascist Press informs us that it contains provisions for promoting the common interests of Italy and Spain, both in South America and in the Mediterranean. The first reflection which occurs to us is that these two fields of action are markedly different in character. The common interests of the two parties in South America are not merely legitimate, but eminently peaceful and constructive. The Latin-American countries (unlike the United States) are still in a phase of economic development in which they need and desire European immigration. Italy, and to a less extent Spain, are in a phase in which they need outlets for emigrants. Now that the former field for emigrants in the United States has been virtually closed they must look elsewhere, and where should they turn more naturally than to Latin and Catholic countries which need their emigrants, and where these emigrants will find themselves in an environment which will be far less alien to them than the North American strongholds of the Nordic race and Protestantism? The chief concern of the Italian and Spanish Governments is that their emigrants to Latin-American countries shall be secured fair conditions of work and living, and this is a matter in which joint action can be taken profitably as well as legitimately.

The common interests of Italy and Spain in the Mediterranean suggest more delicate questions. For example, the *Giornale d'Italia* defines the principal aim of the Treaty as a shifting of the Mediterranean equilibrium by a joint effort of the two sister countries. The Italian Press is at some pains to make it clear that no threat is implied to the Mediterranean interests of Great Britain. It is recognised that Great Britain needs a highway through the Mediterranean to the Oriental parts of her Empire; and it is admitted that a better distribution of influence in the Mediterranean, in proportion to the economic needs and historic rights of the countries concerned, is not incompatible with the maintenance of the British line of communications (or, by implication, with the retention by Great Britain of Gibraltar, Malta, and Cyprus). An equilibrium cannot, however, be shifted without disadvantage to somebody, and in the Italian Press comments on the Treaty there is a significant silence regarding the Mediterranean interests of another Latin sister—France. France, unlike Great Britain, does not hold a mere string of naval bases which are territorially and economically insignificant, however great their strategic value as places of call on an imperial highway. She holds the entire Continental mass of North-West Africa between the Spanish and International Zones of Morocco on the North-West and the Italian colony of Libya on the South-East. The French colonies and protectorates in North-West Africa include not only the vastly greater part of that area in terms of territorial extension. They also include the parts which are richest, most populous, and most civilised. Spain and Italy have only been able to pick up the crumbs which have fallen from France's table, and these crumbs have fallen either because the bread was too deficient in nutriment for France to fancy it for herself (as in the case of Libya), or else because some third party objected to France devouring that particular slice (as in the case of Northern Morocco, where Great Britain was unwilling to see France instal herself along a littoral commanding the Straits of Gibraltar).

It must be admitted at once that Spain and Italy have a grievance. Detached observers have watched them with cynical amusement as, in their somewhat naïve eagerness to cut a figure as imperial Powers, they have dug their teeth into the Libyan Desert and the Rif, and have been stung incontinently by a Grand Sanusi and an Abdu'l-Karim. The spectacle of the Powers with the weakest jaws attempting to crack the hardest nuts has been extremely diverting to the stronger Powers who had

prudently tossed the nuts to the ground; but the egotism of the stronger Powers is bringing its Nemesis. To begin with, the military disasters of the Italians in Libya and the Spaniards in Morocco have lowered the military prestige of all the Franks in North Africa; and France, as the leading Frankish Power in the region, has felt the consequences severely. The military fiascos of Spain in her zone of Morocco have recently involved France in a costly and dangerous war, and she has found herself obliged to pour out precious French blood and treasure in reinstating the Spaniards by force—with no security that the Spanish Humpty-Dumpty will not have another great fall the moment that the French prop is removed.

Meanwhile, Spain apparently considers that she has got out of France as much as she can expect to get; and feeling (perhaps not illegitimately) that she is under no moral obligation to this Latin sister, she has resumed her dealings with the other one. The arrangements now embodied in the Pact of Madrid appear to have been mooted originally during the Spanish Royal visit to Italy in 1923, but the opening of negotiations was delayed by the crisis of the war in the Rif, which compelled Spain to co-operate with France if she did not wish to be expelled, bag and baggage, from Morocco at the heels of that Power. Now that Abdu'l-Karim has surrendered and the military operations for the effective occupation of the Spanish zone have entered upon their last phase, Spain has promptly sheered off again from her late co-belligerent in Morocco, and has completed her *rapprochement* towards her other Latin sister, Italy.

In the Mediterranean, Spain and Italy both belong to what Signor Mussolini has picturesquely described as the proletarian class of nations, whereas France represents the propertied and prosperous *bourgeoisie*. If the equilibrium is to be readjusted, where is the process to begin? At Tangier? In Tunisia? The signatories of the new Treaty are keeping their own counsel, but the general nature of their Mediterranean programme—however it is to be carried out in detail—accentuates one of the disturbing features in the international landscape. The new Treaty distinctly increases the possibility that in North-West Africa the three Latin sisters may fall out over the division of the spoils. If they do, the *tertii gaudentes* will be the native peoples.

THE SUPPLY OF CAPITAL IN GERMANY.

(BY OUR BERLIN CORRESPONDENT.)

THE revival of the home capital market is one of the most striking and the least expected of several phenomena connected with the German Republic's rapid recuperation since the war. It means primarily the reaccumulation of national savings. This point may be exaggerated. In part the present abundance of home long-term loan offers is due to the industrial stagnation, as a result of which money, which in more active business conditions would normally be retained liquid for working capital, is being locked up in fixed-interest investments. Some months ago the Reichsbank President, Dr Schacht, even saw danger in this. History, he held, might repeat itself in a new form. During the inflation years a very effective form of "Flight from the Mark" was to invest rapidly depreciating paper currency in non-depreciable expansions of industrial plant and in absorption of industrial undertakings in associated branches. When stabilisation came this was a cause of the working capital famine, which in 1924, when the demand for manufactured goods was still strong, prevented manufacturers utilising their expanded plant to the full, caused the discharge of workmen for whom work was in hand, and brought losses which sometimes obliterated the savings originally made. In warning against undue expansion of the home capital market, Dr Schacht feared that industrial activity would in future be impeded by shortage of working capital.

Against this risk stands the fact of an ever more rapid reaccumulation of capital, so that possibly the present big home investments may not involve any shortage of liquid capital in the future. The reaccumulation is very

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remarkable. Less than two years ago Dr Schacht expressed the view that Germany would not within visible time be able to finance her own industry and trade. Savings arising from an excess of home production over home consumption would at best accumulate very slowly, and in the main foreign borrowing would be resorted to. Dr Schacht was not considered a pessimist. The real pessimists proclaimed that any excess of production was inconceivable; on the contrary, the country was using itself up: it had lost its economic self-sufficiency, and it would soon reach breaking point. A former Minister of Industry, Professor Hirsch, was even more optimistic than Dr Schacht. He argued and adduced figures to prove that since about 1921 the country had been producing more than it consumed, including its liabilities abroad, and that reaccumulation of capital at a very fair pace was proceeding. The revival of the home capital market in that year indicates that Dr Hirsch was right.

This revival is only one of the last links in a chain. The links nearest to it are the revivals of insurance business and agricultural long-term credit, and the links at the beginning are banking and savings bank deposits. The movements of banking statistics since the currency stabilisation have been periodically published in the *Economist*. The favourable figures shown need some qualification, because part of the new money in the public's hands originated in realisations of foreign currency loans, and part in realisation of foreign currency hoards and investments dating from the inflation years. The favourable savings banks' statistics, being associated with other classes of the nation, need no qualification. Even to-day the absolute savings bank deposits are very small. At the end of 1913 savings bank deposits totalled nearly 20 milliard marks, and in June, 1926, they totalled (savings accounts only, not current accounts) only 2,362 millions, in July nearly 2,500 millions. But in September, 1925, when statistics for the whole Republic were resumed, the total was only 1,388 millions. In Prussia since January, 1925, the figure has risen from 482 to 1,570 millions. At the date of currency stabilisation deposits had practically no value.

In 1923 insurance policies in mark currency had practically no value at all, their gold value having disappeared. The measures for their partial restoration enacted by the Valorisation Law have not yet had much practical effect, because the restoration depends upon an unknown factor, that is the valorisation of the insurance companies' own paper mark investments. But the value of new life insurance policies taken out in 1925 was 2,700 million marks, which is far above the highest pre-war annual increment. One group of companies boasts that its new policies in 1925 exceeded the figure of 1913 sixfold. In 1914 there were 3,175,000 outstanding policies (not including social insurance). In 1925 applications for 527,912 new policies were made. This comparison has been used, somewhat too liberally for the purposes of insurance

company propaganda, which ignores the fact that new insurances can be explained by other influences than superabundance of cash. It is the disappearance of their old mark investments as a result of the currency depreciation which to-day induces citizens, who have no other resources from which to provide for their families, to insure. The influence first became effective in 1925, when wages, salaries, and commercial earnings rose to gold values comparable with the pre-war level. So regarded, the new flood of insurances reflects impoverishment, not wealth. But the insurance premiums of 1925 represent newly accumulated capital, and tend to prove that insurers earned more than they consumed.

The revival of mortgage investments points in the same direction. Almost all the Mortgage Bank returns for 1925 (which appeared last April) showed large increases in the values of outstanding mortgage bonds, based on the increment of concluded mortgages. This development took place in spite of serious obstacles, such as the low rents of urban housing, the insecurity of title which resulted, and still results, from Valorisation legislation, and the dullness in building new houses, which are almost the only sort of real estate fully secure until the Valorisation confusion is cleared up. Figures for all the mortgage banks are not available; figures for a group of banks show that of 700 million marks outstanding mortgages at the end of 1925 400 million marks were concluded within the year. This year, owing to the decline in interest rates and to the raising of urban rents to the pre-war level, mortgage business has continued to develop satisfactorily. First mortgages on city property may now be had at 8 to 8½ per cent., as against 12 per cent. nominal, in reality (allowing for the discount at which the mortgage bonds given to borrowers instead of cash were saleable) about 15 per cent., which was the rate a year ago. Rural long term credit may now be had at 7 to 7½ per cent., and the supply is abundant, though in great part it comes from public banks. Part of the export credits which are now being given have also the aspect of long term investments, the terms being up to three years. While such export credits originally consisted in re-lending money borrowed from foreign countries, Germany being only an intermediary, to-day, with foreign borrowing declining, the export credit system may be considered as mainly financed out of home capital.

The yield from the Corporation Taxes has this year greatly increased, and the commercial banks' returns show corresponding increases in profits from capital transactions. The figures of home loan and debenture issues point in the same direction. These figures must not be summarily taken to prove the revival of the capital market, because they are occasionally swollen by big issues of a merely technical kind arising from industrial fusions. But, on the whole, the figures show a marked revival. In the pre-war years 1909-14 fixed interest emissions averaged 200 million marks per month, almost wholly from home sources. In all, 1924 home fixed interest emissions totalled 176 millions. In 1925 they totalled 144 millions, and in no month exceeded 49 millions. In five months not a single loan or debenture issue took place at home, while foreign borrowings totalled 1,312 millions. In the first half of 1926 home issues totalled nearly 750 millions. In July 174 million marks loans were raised, mainly in the shape of industrial debentures. In the first seven months of 1926 the Republic and States borrowed at home nearly 300 million marks and the cities nearly 200 millions. Numerous further public loans, Federal, State and municipal, are being negotiated, or have been decided upon.

As against this the tendency to borrow abroad has declined; but here again the figures cannot be summarily taken, because some months' totals include exceptionally large borrowings due to industrial transactions like the Steel Trust foundation. In the first eight months of 1925 foreign borrowing was inactive. In the last four months it averaged nearly 250 million marks a month. In the first five months of this year it averaged only 128 million marks a month. The month of June shows the abnormally big figure of 345 million marks, but this was largely due to the Steel Trust issue. In July, which was a normal month, foreign loans totalled only 80 million marks.

It is certain that Germany is regaining her independence of the international capital market more rapidly than was expected a year or two ago. Confirmation lies in the fact that the home long term interest rate has fallen, despite the absorption of new savings as rapidly as they accumulate. The inevitable industrial recovery, of which there are already signs, will accelerate this process by increasing the national production and by sparing the nation the present large cost of supporting its unemployed. But an industrial revival may cause temporary shortage in the capital market, just as it will almost certainly cause new stringency in the money market.

RURAL CREDIT IN NEW ZEALAND.

(BY OUR CHRISTCHURCH CORRESPONDENT.)

THE annual address of the chairman of the Bank of New Zealand is chiefly interesting for the proposals made concerning new facilities for long-term rural credit. The very sound financial position of the Bank has been commented on in a previous communication to the *Economist*. Attention is necessarily drawn to its operations, not only because of the predominant position which it holds in the Dominion, but also because of the relation in which it stands to the Government. Any alteration in its capitalisation involves an Act of Parliament to enable the Government to take up its quota of new shares, so that the periodic extensions of capital draw a great deal of public attention.

There has been in New Zealand, ever since the sharp decline in prices after the land boom of 1918-20, an agitation for a Rural Bank. In part this agitation arises from an unwillingness to face the losses involved in an acceptance of lower levels of value. In part, however, it arises from a genuine need for improved credit machinery in a part of the capital market hitherto comparatively unorganised. By far the most important part of the rural lands of the Dominion is freehold, and is readily saleable on the simple Land Transfer system. The ease with which a title may be obtained has led to a great extension both of long-term and of short-term credit in recent years. The short-term credit needed for dealings in stock and similar outgoings is provided largely by private firms, generally merchants and dealers, as well as finance and commission agents. Many of these firms have developed from the old land and estate agency companies, and for the most part they are sound conservative financial institutions engaged mainly in what is a form of specialised banking. In the boom period competition set in some measure by less established quasi-co-operative societies owned and controlled by farmers, involved these "semi-banks" in advances which became frozen and involved the banks proper (which had to carry the companies through the crisis) in some embarrassments. But, generally speaking, there is not much instability among these firms, even though their advances necessarily include as a general rule not only short-term credits, but also some part of the longer-term credit for the purchase of land.

The bulk of the mortgage market, however, is much less organised. Neither the banks nor the agency companies, as a general rule, care to lock up their funds in such securities; the mortgagee has, therefore, to find not only first, but second and subsequent mortgages in an unorganised capital market. The legal fraternity provide much of this long-term capital, the leading departments of the Government (such as the Public Trust Office and the Insurance Departments) and private individuals provide more, and there are also specially organised loan and investment companies. The Advances to Settlers Department caters more for the small farmers' lends comparatively small sums on first mortgage at safe margins for long terms, and on a scale of amortisation.

The great bulk of the mortgages are, however, for terms of three or five years, with no provision for reduction of principal. The expense of renewal is considerable, often adding a considerable fraction of 1 per cent. to the annual rate of interest. Considerable interest attaches,

therefore, to the Bank of New Zealand's proposal to create a new department with separate capital and administration in order to advance long-term loans under amortisation arrangements. It is proposed that authority should be obtained from the Government to set up a department to be financed by the new capital issue, and by the raising of debentures. If the Government is prepared to exempt its operations from income-tax, the Bank will undertake to provide advances at not more than 6 per cent (net interest). The maximum dividend payable is to be 7½ per cent.

A further development of the project was indicated by the Prime Minister's suggestion in the House that if the Government gave its consent to the Bank of New Zealand scheme, it would need to do so to similar schemes if undertaken by the other banks.

There can be no reasonable criticism of the utility of this scheme, but its limits are clear. In that part of the field which it covers it will give security, long-term credit, without the cost, anxiety, and inconvenience of frequent renewal, and will at the same time provide for regular reduction of principal. But, obviously, it will do little to provide relief for the marginal borrower or the marginal risk. It may even prove to be a means whereby valuations will be scaled down to more conservative levels. In the long run this may be a very useful service; but in the meantime it remains to be seen whether the project will prove acceptable to those sections of the community who have been active in the agitation for a Rural Bank. The leader of the agitation, Mr W. J. Polson, was sent away by the Government just before the elections as one of a Royal Commission of three to study the problems of rural credit in America and Europe. The Commission is on the eve of returning to the Dominion, and whatever report it may make is obviously forestalled in some measure by the bank's action.

RUBBER-PRODUCING COMPANIES.

At the end of July it was officially announced by the Colonial Office that no change would be made in the percentage of standard production of rubber allowed to be exported from British areas, which accordingly remains at 100 per cent. for the current quarter. A few weeks ago it seemed likely that the May-July average price would fall below the 1s 9d datum level, and the export figure consequently be reduced to 80 per cent. of standard. The average, however, eventually came out at 1s 9.0017d. A further statement issued by the Colonial Office on August 6th removes any doubts which may have existed as to the pivotal price for the current quarter and its effect on the following quarter's export level, it being definitely stated that the provisions regulating exports from Ceylon and Malaya announced on April 26th last will apply in respect of the current quarter "and until it may be decided to modify them." This second announcement had a steadying influence upon the market for the commodity, prices having been appreciably firmer since it was made. At the same time, the continuance of the restriction scheme is responsible for much of the uncertainty regarding the future. Prices of rubber shares are not particularly high. To some extent, of course, this is due to realisation of the fact that the profits secured in respect of the past twelve months were exceptional, and that those for the current year will probably be smaller on account of the fall in the price of rubber, which has since occurred. But, in our opinion, it is almost equally due to the unsettling influence of restriction. As things are at present, with America taking practically three-quarters of the world's supplies, the operations of United States manufacturers are primarily responsible for the level of prices. Thus, with supplies dependent upon prices—as they will be if the present scheme is effective—it seems that manufacturers on the other side of the Atlantic are presented with an excellent counter for market manipulation. It is probable that, were the Stevenson scheme to cease to function, both Mining Lane and the Stock Exchange would be subjected to

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a temporary period of depression, either for logical or psychological reasons. But restriction cannot last for ever, and sooner or later the effects of its removal will have to be faced. In these circumstances, it certainly seems as though the present time is opportune for the event. Most of the companies are doing very well, and a large number have arranged remunerative forward contracts, which would materially help them to tide over a temporary period of depression, and which will probably not be renewed next year. Thus it seems that the longer the delay the greater will be the evil. While on the subject of restriction we note that the Rt. Hon. Sir Matthew Nathan, G.C.M.G., has been appointed chairman of the Advisory Rubber Committee in succession to the late Lord Stevenson. Lord Stevenson, who died at the age of 53 on June 10th last, will be remembered as chairman of the Standing Committee of the British Empire Exhibition, although his name has figured prominently before the public as chairman of the Committee which drew up the rubber restriction plan. His successor was Governor of Queensland from December, 1920, to October, 1925. Previous to that he had been Governor of the Gold Coast, of Hongkong, and of Natal. He then became Secretary of the General Post Office and Chairman of the Board of Inland Revenue. In 1914 he was Under-Secretary to the Lord Lieutenant of Ireland, and in 1916 was appointed Permanent Secretary to the Ministry of Pensions.

According to Messrs S. Figgis, the shipments of plantation rubber during 1925 were 447,000 tons, which compares with those of previous years as follows:—

Exported from—	1920.	1921.	1922.	1923.	1924.	1925.
Ceylon (and India).....	Tons. 37,200	Tons. 40,100	Tons. 47,000	Tons. 37,000	Tons. 37,300	Tons. 48,000
Malaya, &c. (inc. re-exports).....	187,800	159,900	248,080	252,000	259,750	315,000
Java	31,000	29,600	32,000	33,500	38,580	44,000
Sumatra (East Coast)	22,400	29,900	39,000	47,000	41,000	44,000
India, Burma, &c.	..	..	..	..	11,000	23,000
Total	278,500	259,500	366,000	369,500	387,600	447,000

† December shipments estimated.

This table reflects the operation of the Stevenson scheme, by reason of which no true comparison of the shipment figures is possible. The total shipments from India, Burma, &c., show the biggest increase.

The average London price of first-quality spot crepe in 1925 was 2s 11½d per lb, as compared with 1s 1½d in 1924, 1s 3½d in 1923, 9½d in 1922, and 2s 3d in 1914. From the next table, which gives the crops of 10 representative producers and the prices realised, it will be seen that the producing companies must have benefited substantially from the rise in prices:—

Company.	Production.				Price per Lb.		
	1914.	1923.	1924.	1925.	1914.	1924.	1925.
Anglo-Malay	Lbs. 1,384,382	Lbs. 907,735	Lbs. 952,510	Lbs. 1,243,013	s d 2 11	s d 1 3½	s d 2 11
Chersonese	537,646	428,345	443,707	612,858	2 17	1 2½	2 5½
Cons. Malay	584,050	722,500	632,727	881,718	2 21	1 4½	2 8½
Golden Hope	174,132	279,875	206,405	365,109	2 08	1 2½	2 2
Hindis & Dowlands	1,137,858	1,129,917	965,106	1,335,500	2 2	1 2½	2 7½
Linggi	1,389,420	2,235,315	1,455,507	2,654,120	2 18	1 3½	2 6½
London Asiatic	1,131,430	2,327,718	2,113,997	2,628,971	2 18	1 2½	2 4½
Selangor	614,199	666,526	650,794	667,940	2 24	1 2½	2 9½
Sungei Kapar	658,616	667,149	568,437	752,190	2 24	1 2½	2 9½
United Serdang	1,827,943	2,845,881	3,403,510	3,598,218	2 24	1 4½	2 08½

Here, again, of course, crops were affected by the Stevenson scheme. As regards prices, in only two cases—Anglo-Malay and United Serdang—was the level lower than in 1914. Probably this is accounted for to some extent by the existence of forward contracts at slightly lower prices than those ruling in the open market. In

any event, all the companies secured very considerably higher rates than in 1924, particularly the Sungei Kapar, Selangor, and Consolidated Malay Companies. A comparison of the prices secured, however, is of little use without a record of costs. For this purpose we give below the costs of production per lb of a few companies over a period of years:—

COST OF PRODUCTION per LB.

	1913.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
Anglo-Malay	s d	s d	s d	s d	s d	s d	s d	s d
Cons. Malay	1 0-38	0 9-21	0 11-07	0 10-78	0 6-27	0 7-64	0 8-27	0 7-87
Golden Hope	1 2-18	1 0-81	1 2-11	1 0-71	0 8-23	0 9-86	0 10-42	0 8-88
Linggi	1 0-73	0 11-21	1 0-43	0 9-41	0 7-25	0 7-84	0 9-48	0 9-10
London Asiatic	1 4-76	0 10-12	1 0-14	0 9-33	0 8-47	0 8-63	0 9-58	0 8-88
United Serdang	1 4-56	1 0-86	1 2-22	1 1-97	0 7-87	0 7-72	0 9-25	0 10-70

It will be noted that there was a reduction in cost of production in each instance, with the exception of the United Serdang, whose directors state that "the increase in cost is accounted for by local taxation and commission to staff, both of which are based on the margin of profit earned."

The next table shows net trading results over a number of years:—

NET PROFITS after PROVIDING for all EXPENSES.

	1912.	1913.	1921.	1923.	1924.	1925.
Anglo-Malay	£123,206	£104,583	Dr 4,161	£21,297	£27,957	£87,842
Chersonese (F.M.S.)	20,764	29,081	34,207	22,443	30,882	70,798
Consolidated Malay	58,265	34,712	Dr 15,500	5,765	9,045	61,546
Golden Hope	20,318	12,254	Dr 4,962	5,052	5,237	25,397
Highlands & Lowlands	136,441	79,079	23,187	31,918	28,161	126,417
Linggi	147,814	89,680	17,159	46,350	39,026	249,347
London Asiatic	86,202	61,274	5,761	33,235	38,297	191,659
Selangor	82,300	50,263	36,496	17,819	15,319	70,539
Sungei Kapar	65,867	42,364	2,852	8,642	9,355	49,922
United Serdang	72,596	112,813	Dr 60,607	67,812	98,884	211,067

Even allowing for the fact that recent events may prove to be entirely exceptional, the table given above indicates the speculative element of the industry. The United Serdang, for example, records a remarkable chapter of ups and downs. The aggregate net profits of the ten companies last year amounted to £1,144,600, as against £302,200 in 1924 and £616,100 in 1913, the substantial increase in comparison with the pre-war year being largely due to the savings in costs of production effected during the lean years.

The next table presents a comparative picture of the balance-sheet position of ten rubber-producing companies over the past two years:—

Name and Year.	Share Capital and Reserves.	Creditors.	Properties, &c.	Stocks.	Cash.	Investments.	Debtors.
Anglo-Malay	£376,404	£48,197	£367,037	£23,408	£12,495	£63,637	£1,297
Chersonese Est'ts	£383,764	£52,469	£365,670	£41,277	£17,350	£88,379	£3,482
Consolidated Malay	£281,240	£13,666	£271,621	£17,290	£27,770	£12,731	£3,091
Golden Hope	£281,240	£21,135	£272,991	£30,709	£31,801	£20,425	£4,982
Highlands & Lowlands	£147,545	£4,110	£141,617	£16,847	£4,711	£200	£647
Linggi	£150,089	£9,814	£138,823	£24,281	£20,283	£35,320	£296
London Asiatic	£80,000	£2,676	£72,335	£5,947	£4,900	£8,062	£1,076
Selangor	£80,000	£5,354	£75,921	£11,713	£8,194	£15,589	£1,596
Sungei Kapar	£384,481	£33,497	£346,137	£39,256	£24,343	£69,977	£5,456
United Serdang	£623,586	£10,263	£587,601	£27,784	£9,876	£66,242	£333
Chersonese	£825,651	£14,962	£587,659	£122,002	£104,063	£206,159	£2,906
Consolidated	£602,700	£20,210	£587,686	£41,838	£18,184	£70,425	£3,004
London Asiatic	£603,291	£32,700	£606,123	£102,410	£28,489	£76,982	£29,258
Selangor	£126,739	£5,667	£108,923	£7,135	£9,476	£38,414	£248
Belangor Rubber	£128,574	£6,606	£109,599	£23,366	£37,536	£36,580	£327
Sungei Kapar	£121,964	£2,810	£100,000	£11,965	£13,561	£20,575	£460
United Serdang	£133,662	£6,098	£100,000	£19,392	£46,670	£26,491	£806
Chersonese	£89,258	£53,786	£781,335	£7,631	£29,116	£115,765	£8,455
United Serdang	£854,126	£95,734	£704,431	£8,405	£22,509	£269,813	£16,120

The cash resources of the companies have been increased, and some striking increases appear under the item "Investments." The investments are clearly set out in the balance-sheets, which show that most of their available resources are invested in British Government securities.

Our final table shows dividends over the past three years, comparative prices, and present yields:—

Name and Amount of Share.	Dividends.			Price End of July, 1924.	Price End of July, 1925.	Price End of July, 1926.	Present Yield.
	1923.	1924.	1925.				
Anglo-Malay (£1)	10	10	20	1 1/2	1 1/2	1 1/2	11 0 6
Chersonese (2/)	10	10	20	1 1/2	1 1/2	1 1/2	10 13 6
Highlands & Lowlands (£1)	7 1/2	10	37 1/2	1 1/2	2 1/2	2 1/2	12 17 0
Linggi (£1)	7 1/2	10	40	1 1/2	1 1/2	1 1/2	12 7 0
London Asiatic (2/)	12 1/2	12 1/2	50	1 1/2	1 1/2	1 1/2	13 6 9
Selangor (2/)	10	12	55	1 1/2	1 1/2	1 1/2	13 11 0
Sungei Kapar (2/)	10	12 1/2	25	1 1/2	1 1/2	1 1/2	7 6 9
United Serdang (2/)	10	12 1/2	25	1 1/2	1 1/2	1 1/2	7 6 9

It is natural that dividends should have been substantially increased, and that prices of rubber shares should have moved upward. Yields, however, are still on the high side. This is a good sign, for although most of the companies have been able to arrange good forward contracts, it is practically certain that the average price of rubber for the current year will be lower than that for 1925, and some reduction in profits would appear inevitable.

PASSING OF THE LATIN MONETARY UNION.

(BY A CORRESPONDENT.)

AMONG the somewhat belated casualties of the Great War we must now count that interesting Mid-Victorian attempt at an international currency—the Latin Monetary Union.

Belgium, according to a dispatch from Bern, formally denounced at the beginning of this year the treaties which have bound her since 1865 to France, Switzerland, and Italy in a common attempt to manage their subsidiary coinage. This same dispatch added—with what authority we do not know—that by the end of the year the other signatories, including Greece, who joined in 1868, will have followed Belgium's example. If so, it will be rather a pity, as these five States have carried on for more than sixty years a gallant and interesting attempt at the joint regulation of their coinage. Their difficulties illustrated the problems of the League of Nations long before the League was much more than dreamed of!

In fact, the Latin Monetary Union—as perhaps most people have forgotten—entertained for many years the secret ambition to become itself a "League of Nations"; it hoped to bring Germany, the Scandinavian countries, and Great Britain into the "Latin" Union, and, eventually, all the other nations of the Western World, including India and even Japan. According to the innocent theories of the 1860's, the extreme good sense of all the countries would impel them to join the Latin Monetary Union in a common scientific attempt to establish, if not literally an international currency, at any rate an easily interchangeable one, to the vast benefit and convenience of trade and travellers.

Alas, the other countries, though they attended numerous conferences at Paris, balked at the word "Latin." The German states, with Austria, formed a similar union of their own; the Scandinavian states formed another. In short, the Latin Monetary Union never became quite the Geneva it had hoped to be in world-wide currency matters. Nevertheless, its indirect influence throughout the nineteenth century was remarkable, and deserves recalling.

Its origin was simple enough. In the early '60's, Belgium, France, Switzerland, and Italy discovered that, without knowing it, they had evolved a sort of international currency of their own. In other words, they discovered that their respective nationals were thrifflily disposed to accept, regardless of frontiers, any small silver coins—from the 5-franc pieces down to centimes—which came their way. Belgian banks, French café proprietors, Italian railways and Swiss hotel keepers all accepted cheerfully, at their face value, anything in the way of silver (though drawing the line, curiously enough, at alien gold pieces) tendered them by the travelling public.

This idyllic internationalism was, unfortunately, abused. A lively mercenary trade sprang up in these silver coins as soon as Switzerland, adjusting her domestic currency, disturbed the common equality which all four silver currencies had enjoyed. Early in the '60's Switzerland decided to follow the example of the United States who had, in 1853, reduced slightly the amount of silver in the American silver dollar—just enough to keep the silver dollar slightly inferior to the gold dollar in mutual values. This step was, of course, prompted by the general alarm felt when, with the discovery of gold in California and Australia, gold threatened to become "cheaper" than it had been in relation to silver.

But Switzerland, while following the United States example, nevertheless managed matters differently. Instead of reducing the weight of her small silver coins (and thus instantly betraying the fact that they contained less silver than the

similar coins of her neighbours) she reduced the "finesness" or purity of the silver to "800-thousandths fine" instead of the generally prevailing European ratio of "900-thousandths fine."

The result was that shrewd Swiss bullion dealers, realising that the small coins of the adjoining nations had more silver in them than the analogous coins from the Swiss mint, began thriftily to collect the foreign coins. First, they did it in a small way—making the rounds of the Swiss hotels and banks, and collecting all the French, Belgian, and Italian silver they could find, which they melted and handed over to the Swiss mint for re-coinage. Finding that this was an extremely profitable business, they grew bolder and made periodic raids into the adjoining countries, where they gathered up into satchels all the silver coins which were obtainable. These they carried back to Bern, Geneva, or Zurich, melted up, and, as we have seen, re-coined them through the mint into perfectly good Swiss money.

When news of this merry game was noised abroad the neighbouring countries raised a vigorous protest. A gallant Swiss patriot was cartooned cruelly on the Continent as receiving in his bosom, not the spears of Switzerland's enemies, but the 5-franc pieces of her friends. None of the other countries, however, could think of a really effective scheme for preventing Swiss dealers from obtaining their coins, though France did pass an extremely indignant law forbidding the circulation of Swiss silver. However, the situation obviously called for common action, and at Belgium's suggestion all four countries, including Switzerland, met in Paris in 1865 to discuss the situation. The result was a small congeries of treaties forming the Latin Monetary Union.

These treaties were simple; first, they bound the four countries to employ the same amount of pure silver in their subsidiary coinage—that is to say, silver "835-thousandths fine" instead of the two conflicting ratios previously existing, "900-thousandths fine" for Belgium, France, and Switzerland, and "800-thousandths fine" under the new Swiss law. This blocked the almost too easy game of the bullion dealers. Next, soaring into somewhat higher realms of international relationships, the treaties stipulated that each country should keep the others informed, scrupulously, as to the amount of silver coinage produced per annum. And finally, reaching the very heights of internationalism in which the interests of one are the interests of all, the members bound themselves to limit definitely, at so much *per capita*, the silver currency produced each year. The franc—already common to France, Belgium, and Switzerland—and the equivalent lira of Italy, were given a common par value, one which obtains, of course, to this very day, as the foreign exchange tables daily remind us:—

Country.	Par of Exchange.
Paris	25.22½ French francs = £1 sterling.
Brussels	25.22½ Belgian " = "
Berne	25.22½ Swiss " = "
Milan	25.22½ Italian lire = "
Athens	25.22½ Greek drachmæ = "

But this daily foreign exchange table reveals that a number of other currencies have found it convenient to adopt units with the same par value as the units prevailing in the Latin Monetary Union. Glancing further down the ordinary foreign exchange table, one notes:—

Country.	Par of Exchange.
Helsingfors	25.22½ Finnish marks = £1 sterling.
Madrid	25.22½ Spanish pesetas = "
Warsaw	25.22½ Polish zloties = "
Riga	25.22½ Latvian latas = "
Bucharest	25.22½ Rumanian lei = "
Belgrade	25.22½ Yugoslavian dinars = "
Sofia	25.22½ Bulgarian levas = "

In addition, it may be remarked that the Latin Monetary Union exerted a notable influence upon the currency policies of some of the South American States.

The adventures of this enterprising Union during the nineteenth century attracted widespread attention. On a cold, wet Parisian day the Bank of France—being a thoroughly nationalistic institution, and possessing, moreover, the vague but real powers of a central bank—rose in protest against the attempts of the Union to "fetter" the coinage of France. The "boulevard Press," scenting a first-class battle, took it up, for and against,

and the "Locarno spirit" of 1865 became badly battered. The storm finally blew over without any great modifications of the scheme, and the Union, shaken but hanging gallantly together, carried on. The National Bank of Belgium precipitated a similar controversy, and Italy greatly complicated matters by demanding the right to put out a special silver coinage in honour of the new King ascending the throne. But to permit Italy to issue a new coinage in addition to her ordinary quota would obviously upset altogether the relationship between her silver currency and those of the others unless substantially all the old coinage was recalled, and to this task, finally, the nations set themselves with great amiability and with entire success.

The original treaties provided that the agreements should be for 15 years; if not denounced at the end of that period, they would last for another 15 years.

Accordingly the treaties were automatically renewed in 1880, and again in 1895 and once more in 1910. But now Belgium has formally withdrawn, and it is expected that the others will also release one another. The main reason for the break up is obvious. Belgium, trying to stabilise the franc, wishes entire freedom of action. What is more, she wishes the Belgian franc to cut loose from even a sentimental connection with the French franc. Furthermore, currency is not the simple, quantitative affair that it was in those good old days when the Union was launched; it is more complex, and while the moneys of the world are infinitely more closely related than they were then, each stands on its own budget, so to speak, and the help which countries can give each other is, in these harsh years of post-war reconstruction, more or less illusory.

Notes of the Week.

The Miners' Decision.—It was announced early this week that the miners had rejected the proposed terms of peace embodied in the memorandum of the Industrial Christian Fellowship which the Federation's Executive had accepted, and the delegate conference agreed by a large majority to submit to the districts. No official statement has been made as to the result of the voting in individual areas, but it is understood that the memorandum was favourably received in Northumberland, Durham, Nottingham, Derby, North Stafford, Warwick, and Leicester. On the other hand, South Wales, Lancashire, Cumberland, and the Forest of Dean were definitely hostile, and, with Scotland maintaining a neutral attitude—a local delegate conference recommended a ballot, but no further action appears to have been taken—the issue was ultimately decided by the adverse verdict of the Yorkshire miners. That Yorkshire, of all areas, should assume such a rôle must have come as a bombshell to the Federation leaders, since that county has much less to lose by an economic settlement than have many other areas, and the whole influence of the Yorkshire Federation and of Mr Herbert Smith—whose personality counts for much in the district—was thrown wholeheartedly on the side of the proposed terms. Faulty tactics are largely to blame for the invidious position in which the executive now finds itself. When, after long weeks of reiteration of an impossible formula, the executive had made an important move towards peace by agreeing to a memorandum which at least contemplated some modification of the conditions prevailing before the strike, the delegates were obviously reluctant to commit themselves to full and frank approval. As a result, the miners were asked to vote on terms which involved the abandonment of the ground they had held for so long, and at such heavy costs—without any satisfactory explanation of the reason for the sacrifice—and to take up a new position which had been proved untenable in advance by the Prime Minister's rejection of the Church's terms, on the ground that they contemplated a four month's extension of the subsidy. If this last fact needed any emphasis it was supplied by the Prime Minister's statement, transmitted

to America last week, setting forth, among other matters, the inflexibility of the Government's decision on the subsidy question. Although Mr Baldwin's contention was sound, the publication of his letter came most inopportunely at a moment when the miners were considering their verdict, since it gave rise to an impression, on their side, that the Prime Minister was hostile to them. The further delegate conference which has been called for Monday next will necessarily have to face a delicate problem, as it is generally realised that events cannot stand still, despite the result of the recent voting. The executive will be well advised to urge that the rejection of the particular terms embodied in the Church's memorandum should not be construed as a veto on further negotiations. Its leaders have already recognised that some sacrifice will have to be made, and it is essential that the delegates should speedily put them into a position to give practical effect to this recognition by amending the earlier resolution, which still nominally limits the scope of any negotiations to the maintenance of the *status quo*. Given such authority, the executive would for the first time be able to press the Government to use their influence, which has been repeatedly stated to be at its disposal, to bring about a resumption of relations, possibly along lines of national arbitration. Messrs. Smith and Cook, in recent speeches, have suggested that the memorandum was not regarded as by any means the last word they were prepared to say, and Mr Cook's article in the current issue of the "Miner" strengthens this impression. A forward move on these lines would not be unprecedented in the history of the industry. In 1912, in 1920, and again in 1921, the executive took its courage in both hands and proceeded to obtain a settlement on the best terms available after earlier proposals had been rejected by a ballot of the men.

Jugoslavia and Bulgaria.—The British Government has just done good service to the cause of European peace by making representations both at Belgrade and Sofia regarding the renewed tension over the activities of the Macedonian Revolutionary Organisation—that perennial cause of trouble between the two countries. It is disappointing that this tension should have become noticeable again, for during the last two or three years it had seemed to be steadily relaxing. Both the people of Macedonia and the people of Bulgaria had shown an increasingly strong preference for a quiet life, rather than for an unceasing sacrifice of almost all that makes life worth living in pursuit of a political ambition which has been twice frustrated, and which now has heavier odds against it than ever. Lately, the Yugoslav Government had done its part by improving the standard of administration in Macedonia, and so diminishing the volume of those day-to-day personal grievances which had kept conditions favourable for the work of the Macedonian Revolutionary Diehards. This was one essential element in a constructive policy of reconciliation. The other was to find ways and means for settling on Bulgarian soil, and rendering economically self-supporting, the refugees from Macedonia and from other Bulgarian *terre irredente* who had been squatting miserably in Bulgaria since the Armistice, and who had furnished the Macedonian Revolutionary Organisation with sufficient following to enable them to exert pressure upon the Bulgarian Government. When the Macedonians who had remained at home had obtained good government from Jugoslavia, and when those who had emigrated to Bulgaria had obtained tolerable conditions of life there, there was a good prospect that the ground would be cut away from under the feet of the Macedonian Revolutionaries, and that—with their subversive activities abated—a genuine reconciliation between Jugoslavia and Bulgaria might begin. This second element of constructive policy has recently been supplied by the decision of the League of Nations to promote, on Bulgaria's behalf, a refugee settlement loan, on the general lines of the loan raised for Greece after the expulsion of the great minority from Eastern Thrace and Anatolia. As in all the League schemes of this kind, there was to be strict and effective control in order to ensure that the proceeds of the loan should be used exclusively for the purposes for which they were intended; but, unhappily, the Yugoslav Government was so wrong-headed

as to oppose the loan on the ground that it might be misused for financing military preparations or revolutionary activities. On this *The Times* has aptly commented that "to oppose the Refugee Loan on such grounds seems most illogical. Every Macedonian refugee settled on the land [in Bulgaria] is a recruit the less for the Revolutionary Organisation or for the Communists, who are equally dangerous enemies of a general Balkan understanding." The opposition of Jugoslavia having failed to deter the Council of the League from taking a decision which had every principle of sound statesmanship in its favour, Jugoslavia proceeded to enlist the support of her Allies of the Little Entente for a demand that a Yugoslav delegate should be added to the League Committee of Control, by which the employment of the proceeds of the Bulgarian Loan is to be supervised. Since the representation of an interested—and hostilely interested—party on the Control Committee is both unstatesmanlike and contrary to precedent, it is unlikely that the Yugoslav demand will be accepted. In these circumstances, Jugoslavia has once more taken up the question of the incursions of Macedonian revolutionary bands across the frontier from Bulgaria. No doubt these are still going on, and will continue until the improvement of administration in Macedonia and of conditions of life for refugees in Bulgaria have had time to take effect. But it cannot be emphasised too strongly that these constructive measures are the only possible cure for the Macedonian problem. It is not a problem that can be solved by repression.

Overseas Trade in July.—The Board of Trade returns of overseas trade for July show some improvement in the value figures as compared with June, but the latter had one less working day, which detracts from the improvement, and by comparison with July of last year, which itself was not a very good month, the picture is dismal enough. The comparative figures for July and the first seven months of the year read as follows:—

MONTH OF JULY.				
	1925.	1926.	Increase (+) or Decrease (—) in July, 1926.	
	£	£	£	%
Imports	98,719,220	100,290,593	+ 1,571,373	+ 1.6
British exports	64,826,369	57,263,806	— 7,562,563	— 11.7
Re-exports	11,376,230	9,449,956	— 1,926,274	— 16.9
Total exports	76,202,599	66,713,762	— 9,488,837	— 12.5
Excess of imports over total exports	22,516,621	33,576,831	+ 11,060,210	+ 48.9

SEVEN MONTHS JANUARY TO JULY.				
	1925.	1926.	Increase (+) or Decrease (—) in 1926.	
	£	£	£	%
Imports	776,168,198	702,806,919	— 73,361,279	— 9.5
British exports	457,485,539	395,478,053	— 62,007,486	— 13.6
Re-exports	88,825,317	76,048,939	— 12,776,378	— 14.4
Total exports	546,310,856	471,526,992	— 74,783,864	— 13.7
Excess of imports over total exports	229,857,342	231,279,927	+ 1,422,585	+ 0.6

As compared with June of this year, imports are £2½ millions higher, British exports over £7 millions higher, and re-exports a million lower. As compared with July of last year, the increase in imports is more than accounted for by imports of coal, which amounted to 2,319,700 tons, valued at £4,148,000. This compares with 600,600 tons, valued at £966,300 in June. On the export side more than half the decline is accounted for by coal exports, which fell by £4,457,400, iron and steel (—£1,087,600) and cotton yarns and manufactures (—£2,624,100) being responsible for the balance. Of the decline in re-exports raw cotton accounts for £544,500 and rubber for £460,900, but these reductions being largely a matter of lower prices. Turning to the figures for the seven months, we find that exports of British manufactures account for £40 millions of the total decline of £62 millions, cotton goods figuring for a decrease of over £25 millions. Coal exports are down by over £14 millions as compared with the corresponding periods of 1925, and by £27 millions as compared with the first seven months of 1924, exports to date this year being valued at only £17 millions. On

the import side food, drink, and tobacco show a decline of £21½ millions in the seven months, raw materials a reduction of £26 millions, and manufactures a decrease of £24 millions, the figures last year having been swollen by heavy imports made to forestall the new duties. This partly accounts for the fact that the adverse trade balance for the first seven months of this year shows but a very slight increase. But the monthly average is over £33 millions, which is not a figure that can be viewed with complacency.

Home Crops.—The monthly report of the Ministry of Agriculture and Fisheries states that some winter oats and barley were ready for cutting soon after the middle of July, and in some southern areas a good proportion of these had been reaped before the end of the month, but owing to the showery weather practically none had been carted. Some crops were laid by the heavy thunder rains. On the whole, the crops did well during July, but more sun was needed towards the end of the month for good ripening. Wheat is healthy, with a good length of straw. The ears are generally of good size, and the grain has filled out well. On the appearance of the crops as standing at the end of July the yield per acre over the whole country is forecast at practically 18 cwts per acre, or more than ¾ cwt above the ten years' average, and only very slightly below last year's good yield. Barley looks well on the whole, especially on the lighter lands. The prospective yield per acre is estimated at rather more than 16 cwts, which is 1½ cwts above the decennial mean, and about ¾ cwt more than last year. Yields of wheat and barley are expected to prove above average in all parts of the country except the North-West. Winter oats have ripened well, and are very satisfactory, while spring oats are also good on the whole. The average yield per acre over the whole of England and Wales is forecast at 15½ cwts, or more than 2 cwts above the ten years' average, and nearly 1 cwt heavier than last year. Every division of the country is likely to have over-average crops. Many fields of beans in the east of the country, particularly in Lincoln and the East Riding of Yorkshire, have not fulfilled their early promise. In the division comprising Lincoln, Norfolk, and Yorks East Riding the yield per acre is forecast at only 12½ cwts, or more than 4 cwts under average, but yields are likely to be much better in other parts of the country, and over the whole country are expected to yield about 14½ cwts, or not quite 1 cwt below average. Peas have done well, and the yield is forecast at nearly 14½ cwts per acre, or some ¾ cwt above the ten year mean. As the figures of the approximate area under each of the three cereal crops this year, compiled from the annual agricultural returns collected in June last, are now available, it is possible to forecast, on the basis of the estimated yield per acre given above, the total yield of the crops this year. These forecasts are given in the table below, in which the final figures of 1925 are included for purposes of comparison. It is to be borne in mind, however, that the forecasts of this year's production are based on estimates made at the beginning of this month, and are consequently subject to modification:—

	1925.	1926.	Production, 1925.	Forecast, 1926.
	Acres.	Acres.	Tons.	Tons.
Wheat	1,500,000	1,592,000	1,360,000	1,430,000
Barley	1,318,000	1,150,000	1,010,000	926,000
Oats	1,868,000	1,861,000	1,379,000	1,459,000

In eastern potato districts first earlies yielded well, but in Lancashire and Cheshire crops were light as a result of damage by frosts during May. Over the whole country the average yield per acre is expected to be about equal to the ten year average. The area under this crop is returned at 499,500 acres, or 6,200 acres more than last year. The weather of July was favourable to the growth of root crops, but towards the end of the month mangolds would have done better with more sun. In the North turnip crops look exceptionally well, and over most parts of the country average or over-average yields are expected. Sugar-beet has grown strongly, and good crops are generally anticipated. Very good progress was made with the hay harvest during the first half of July, and over the greater part of the country the bulk of the hay was

secured in good condition before the weather broke. The yields have turned out better than was expected a month ago, and the crops are now estimated at an average of 30½ cwts per acre for seeds hay and 21½ cwts for meadow hay. These preliminary estimates are 1½ cwts and ½ cwt respectively above the ten years' average, and are each nearly ½ cwt heavier than last year.

Shipping Freight Index Number.—During July, for the third month in succession, there was a complete absence of the normal quotations for outward coal chartering from U.K. ports. In the following table, which gives the movement of our Index Number of "tramp" shipping freights, divided into its component groups, the figures for each of the past three months are duplicated. Those in black type record the results obtained by interpolating for each of the coal routes normally included in the Index the last available rates—viz., those current in April. The italic figures show the results reached on the basis of the routes for which quotations have been available—i.e., omitting the usual coal routes. It will be seen that during the month of June the total Index Number registered, according to each of the above methods of calculation, a substantial rise—the net increase being 11 per cent., comparing available routes with available May routes, and approximately 9 per cent. assuming continuance of the April coal-route quotations.

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
January, 1926.....	115.92	114.12	116.10	119.58	102.78	135.53	117.00
February, ".....	116.52	97.85	114.86	118.52	95.05	119.29	110.35
March, ".....	115.88	93.37	116.94	114.57	87.92	96.14	104.14
April, ".....	112.40	95.00	116.57	109.16	83.90	97.03	102.34
May, ".....	111.41	102.60	115.76	107.90	78.12	99.70	102.88
June, ".....	114.12	102.60	110.04	72.65	78.12	99.70	96.20
July, ".....	110.81	105.04	121.06	120.43	98.33	92.58	108.04
August, ".....	112.32	105.04	120.62	97.70	98.33	92.58	104.43
September, ".....	113.32	116.16	134.42	119.80	98.79	124.63	117.85
October, ".....	112.60	116.16	147.36	96.45	98.79	124.63	116.00

The month's changes in the Index of each group and sub-group (coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	100	0	S. America—outwards	147.36	+ 46.74
Bay—outwards.....	124.19	..	India—outwards	96.45	— 1.25
" homewards.....	101.01	+ 0.56	Far East, &c.	98.79	+ 0.46
Mediterranean—outwards	116.16	+ 11.12	Australia	124.63	+ 32.05

The rise in tramp freights during the month cannot, unfortunately, be said to represent any real improvement in international trade, but is a direct reflection of the abnormal conditions created by the prolonged stoppage in British coal production. Thus the substantial increase in the Index Numbers for the North and South American groups is not indicative of any marked expansion in the volume of grain moving, but was occasioned by the absorption of enormous quantities of tonnage by the requirements of American coal shippers, coupled with the fact that not only was the usual influx of outward-bound colliers from British ports to the Plate interrupted, but (as the Chamber of Shipping's latest return discloses) considerable additions were made to the fleet of laid-up British vessels during the second quarter of the year. Following on a slight revival of inquiry during June, tramp business from the East relapsed last month once more into a state of stagnation, and employment for vessels in European waters was difficult to secure, the ore market being reduced to a minimum. Tentative inquiries from Australia for next season's loading were begun at

considerably higher figures than those nominally current a month ago, but little chartering for this market has yet been definitely concluded. The relation of the Index to the average for 1913 may be seen from the following table, the italic figures for May, June, and July being those obtained without coal freights:—

Month.	(1913 = 100.)	1923.	1924.	1925.	1926.
January	114.05	117.11	114.49	100.57	100.57
February	112.73	123.78	115.96	94.85	94.85
March	115.23	122.09	106.63	89.51	89.51
April	115.45	117.22	104.24	87.97	87.97
May	114.55	114.27	98.23	88.17	88.17
June	106.82	108.62	91.74	92.87	92.87
July	103.39	103.75	94.90	99.71	99.71
August	100.16	104.43	95.87	..	..
September	103.04	110.50	98.19	..	..
October	107.86	115.55	99.49	..	..
November	111.21	112.76	102.23	..	..
December	111.81	111.21	104.67	..	..
Mean for year	106.69	113.44	102.22	..	..

Last month's figures, it will be noted, represent a level of freights approximately on a par with those obtaining in 1913, and considerably higher than the low level of a year ago. Since, in a month's time, the seasonal activity of the autumn is due to commence, it would seem probable that freights will not again reach this year the extreme point of depression recorded during April. It is, however, to be remembered that, as compared with three months ago, bunkering costs have risen by anything up to 60 per cent. Moreover, so dependent is the present artificial level of freights on continuance of the abnormal coal movement from West to East across the Atlantic, that a sudden resumption of work in the British coalfields would probably cause a sharp relapse in whole-cargo freights before the beginning of active shipment of the Northern Hemisphere harvests.

American Cotton Crop.—Our Manchester correspondent writes:—The Department of Agriculture of the United States Government on Monday last sprang a surprise on the cotton trade by its report on the crop for 1926-27. It is remarkable that, although the condition figure, compared with a fortnight earlier, was reduced from 70.7 per cent. to 69.8 per cent., the indicated yield was increased from 15,368,000 bales to 15,621,000 bales. In the circumstances the statistics caused much confusion in the markets of the world, especially in view of the fact that most private firms had forecast that the estimate of the growth would be about 15,000,000 bales. Owing to the figures being very bearish, prices declined from $\frac{1}{4}$ d to $\frac{1}{8}$ d per lb, and since then a very unsettled feeling has prevailed in trading circles. It should be mentioned that the Bureau estimates that should later developments in the season be as favourable to the crop as in the past two years, the output will be 17,501,000 bales, but should developments be as unfavourable as during 1921, 1922, and 1923, the yield will be 14,425,000 bales. For several weeks Lancashire traders have operated with extreme caution owing to the belief prevailing that lower values would be experienced in due course, and this policy of holding aloof has been justified by events. The crop in the States has still to pass through a critical period, and during the next few weeks varied advices are bound to be received. Some authorities in Manchester, however, are of opinion that, given a settlement of the coal dispute and more stability in raw cotton prices, demand in manufactured goods would broaden. Dealers throughout the world have now an opportunity of replenishing stocks at prices which are lower than for four or five years.

Co-operative Profits and Capital.—Although the London Co-operative Society, with its membership of 171,000, is now the largest distributive society in the country, writes a correspondent, that at Leeds continues to be regarded as the most typical example of the British co-operative movement, as understood by E. V. Neale, J. T. W. Mitchell, G. J. Holyoake, and those who laid the founda-

tions of Co-operation. Its membership is 97,344, and the sales for the past twelve months totalled £3,926,534, the resultant profit being £394,534. The report for the first six months has just been issued, and although the sales decreased by £90,759, as compared with the corresponding half of 1925, they were of the substantial amount of £1,936,317, or an average of practically £20 per member. This expenditure of a weekly average of 15s suggests that the members do not obtain all their supplies from the stores. Neither do the directors obtain all their stock from within the movement, for the productions from their own works, from the Co-operative Wholesale Society, and from other co-operative sources, only amounted to £435,043, out of total purchases of £1,431,322. After providing £25,000 for interest on capital, and £28,736 for depreciation, there was a profit of £201,584, from which the members received £184,465, in the form of dividend at 2s in the £ on purchases. The expenses totalled £305,917, in which figured £76,037 for wages, £13,985 in rates and taxes, and £1,104 in directors' fees and expenses. One striking feature in the balance-sheet was an increase of £10,494 in the share capital, which rose to £1,491,063, despite the coal and general strikes, and the lessened income of several thousands of the members. This is a phenomenon which can only be explained by the saving habit of the industrial classes, who feel that although the outlook is gloomy, they must continue to provide for a longer period of dull trade and continued slack employment. And they continue to use the Co-operative Society as a bank. On the capital of £1,491,063 employed, the profit for the last half-year worked out at £155,320 (including the allocations to depreciation and share interest), or 17 per cent. for the six months. This is a result which suggests economy of management, and the value of a market stabilised by the loyalty of 97,000 consumers and their families. Their interest in drawing supplies from the stores is not only whetted by the promise of a dividend which reduces the cost of £1 of purchases to 18s, but by a system of collective life assurance. Every purchasing member of the society and his wife, or her husband, is entitled to certain death benefits proportionately to the purchases made during the previous few years. These vary from small sums up to £50, and in the last six months 1,088 claims, aggregating £8,506, were paid. These subsidiary benefits constitute an important factor in inducing loyalty among the co-operators of Leeds.

The Supply of Petrol.—Little surprise, still less alarm, should have been felt at the address to the Chemistry Section of the British Association in which Professor Thorpe, referring to the extraordinary increase in the number of motor vehicles, prophesied that in the not distant future the world's supply of petrol would be unable to meet the demand. Statements of this kind have been regularly made at scientific gatherings since the war. Happily, whenever a geologist has gone so far as to assert that American oilfields have reached their zenith the production of oil in that great country has received another spurt. It must now be clear to the lay reader that as the reserves of oil are incalculable, it is possible to argue both ways with equal plausibility. As regards the supply of petrol, it was only recently that an expert Committee in the United States argued in the opposite way to Professor Thorpe. This was the Committee of Eleven appointed by the American Petroleum Institute to prepare a report upon the oil resources of the United States for submission to the Government Oil Conservation Board. It might be called a "Committee of all the experts," for it consisted of practical men engaged in the oil business who consulted experts within and without the oil industry—experts on oil shale and coal who answered for the substitutes of crude petroleum, and experts on automobile engines who answered for the mechanical changes which might conserve oil through more efficient utilisation. Its general conclusions were that there was no imminent danger of the exhaustion of

the petroleum reserves of the United States (still less of the world outside), that the supply of oil would be made to go much further by more efficient utilisation (especially in the internal combustion engine), and that by further development of the "cracking" process the supply of petrol would be still further increased. Allowing for a normal increase in population, the Committee estimate that by 1930 automobile engines in America will exceed 30,000,000, and that by 1950 they will reach nearly 45,000,000. To-day's total is over 20,000,000 motor vehicles in America, with possibly 5,000,000 in the rest of the world. The average consumption of petrol per vehicle in America over seven years works out at about 10 barrels (or 420 U.S. gallons). The Committee disapproved of applying this average consumption to the number of motor vehicles ten years hence, for automobile experts have declared that it is possible to design and manufacture automobiles which will run twice as far per gallon of petrol used. As regards supply, the "cracking" process has enabled the recovery of petrol from the crude oil produced in America to be increased from about 25 per cent. to 35.13 per cent. in 1925. This year it has further been increased to 37.19 per cent. The Committee of the American Petroleum Institute were convinced that the "cracking" process could be developed at American refineries until the recovery of petrol amounted to 55 per cent. of all the crude oil produced in the United States. Now, if it is assumed, firstly, that this recovery of petrol will be realised, secondly that the motor engine will be designed to consume half the amount of fuel for the production of the same amount of energy, which are fair assumptions to make, it will be found that by 1950 actually less crude oil will be required to meet the demands of petrol consumers than was actually produced and refined in 1924. And assuming only a small increase in the world's supply of crude oil, there would then be a world over-supply of petrol. These figures, at any rate, show that it is possible to argue with equal justice for an over-supply as Professor Thorpe did for a shortage of petrol. The estimates of the American "Committee of all the experts" will not, of course, be realised to the figure. If a temporary over-supply of petrol develops, prices will fall, and the motor engine will be allowed to consume fuel more wastefully and the "cracking" process will be curtailed: if a temporary shortage of petrol develops, the opposite will happen. But it is, at any rate, significant that the point has nearly been reached in America where by the development of the "cracking" process the refineries in America can take care of the annual increase in motor fuel consumption without requiring any increase in the actual production of crude oil. That fact does not support Professor Thorpe's theory of a world shortage of petrol.

Minimum Prices for Cotton Yarns.—Our Manchester correspondent writes:—In Lancashire trade circles this week there has been considerable interest in the scheme of the Master Cotton Spinners' Federation for establishing minimum prices for American yarns. The scheme is to come into operation from Monday next, and the federation has published the first list of minimum prices. It is pointed out by the Federation that the owners of 93 per cent. of the spindles concerned have given a written undertaking not to sell at less than the figures issued by the federation. The circular gives prices for 10 standard yarns. As an illustration, it may be mentioned that for 36's twist, assuming cotton futures to be 9.50d, the "points on" are given as 1.75d, making the raw material cost 11.25d. The minimum selling price is 17.00d. The range of quotations shows that approximately the minimum figures are about $\frac{1}{4}$ d a lb above current market rates. The circular issued by the federation says:—"You will notice there is no intention in the beginning stages to secure full production costs. The committee believe that the best method of securing success to the scheme is by gradually improving the prevailing prices.

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.....The prices which have been decided upon have been adopted after close examination into the conditions of trade. The object of the scheme is not only to raise prices, but to stabilise them, and if firms concerned will hold fast to these prices an end should shortly be reached to the deplorable conditions which have existed for so long." Although spinning employers are certainly determined to stop selling yarn at a loss, a great deal will depend upon market conditions as to whether the federation's scheme will be a success or otherwise. At the moment overhead charges are abnormally high as a result of short-time working in the mills and the big price which has to be paid for coal.

Farming in Kincardine.—The Scottish Board of Agriculture recently made a detailed investigation of the conditions and results of farming in four typical parishes of Kincardineshire. It was undertaken with the primary object of finding out what use was made of land not accounted for in the agricultural returns. On this point it was discovered that the discrepancy between the area as ascertained by the Ordnance Survey and that included in the agricultural returns was due mainly to inaccurate estimates by farmers of the extent of the "rough grazings" attached to their farms. But the course of the investigation took a wider scope. Every holding of more than 30 acres arable was personally visited, and information, which was readily given, was obtained regarding the general methods of management, the kinds and qualities of stock kept, the prices secured, the yield of grain crops per acre, and the systems adopted in laying down and manuring the different crops, &c. The general conclusions of this survey are interesting and important. The investigators report that the farming was generally of a high standard and the crops obtained above the average. The land was generally clean, dry, and well managed, while the organisation of labour was good. Nevertheless, the balance was frequently on the wrong side, after allowing for interest on capital and for the farmer's services. It is remarked, however, that "the apparent cause of this, viz., low prices for what the farmer had to sell and high working expenses, does not explain why so many farms were able to show a balance on the right side." The conclusion is that, high as the standard of farming is, there is yet room for considerable improvement, and some of the things which might be improved are indicated. Incidentally, this report is unconsciously illuminating on the subject of farming losses. It is often puzzling to account for the fact that many farmers who loudly assert they are losing money continue, notwithstanding, to remain in business year after year. The phenomenon is easily explicable if they expect not only to earn interest on their capital and remuneration for their services, but also a surplus before they consider their farming profitable.

Grand Trunk Pacific.—On Wednesday an announcement of interest to all holders of the 4 per cent. debenture stock of the Grand Trunk Pacific Railway Company was made

by the Stockholders' Committee, which stated that "on Monday they were in communication in London with representatives of the Canadian National Railways to explore means towards negotiations for an amicable arrangement. These negotiations will be entered upon at the earliest possible moment, but, naturally, the committee have no means of knowing at present whether a basis of settlement can be arrived at." It is reported that various important interests in the City have been endeavouring to discover an avenue of approach between the parties concerned, and it is sincerely to be hoped that a satisfactory solution will be found. The amount of stock outstanding is £7,176,800. Since March, 1919, holders have received only one payment, namely, 4 per cent. for the year ended February 29, 1924, which was paid in September, 1924. At the end of May last our Ottawa correspondent suggested that there was good ground for the belief that the King Government would, "if not during the present session, at least during the next," introduce a Bill seeking authority to negotiate a permanent settlement with the holders of Grand Trunk Pacific debenture stock. "If such authority were granted; the Government would offer to buy the debentures from their holders, and would probably suggest fixing the price by arbitration." The stock is now quoted at 51, which is very nearly the highest figure of the year. The lowest recorded in 1926 was 31½, and in 1925 28, the highest in the latter period being 65½.

Canadian Pacific Directorate.—With the usual quarterly dividend declarations on Wednesday the directors of the Canadian Pacific Railway Company announced that they have appointed Mr Reginald McKenna and Mr E. R. Peacock to be directors in succession to the late Sir Augustus Nanton and Sir Thomas Skinner. These appointments will no doubt be welcomed by British shareholders, the practice hitherto having been for only one London director to sit on the board. Mr McKenna now becomes actively connected with one of the world's greatest transport undertakings; Mr Peacock, who is a managing director of Baring Bros. and Co., is already a director of several foreign tramway and kindred undertakings.

Austin Motor Scheme.—The directors of the Austin Motor Company, Limited, have supplied shareholders with the brief details of a new reconstruction scheme under which the original proposal that arrears of preference dividend should be cancelled has been dropped. The directors state that in view of the opinions expressed by those representatives of all classes of the shareholders who were recently called into consultation, the directors have decided that it will not be advisable to ask any class of shareholders to accept a smaller dividend than that to which they are at present entitled, and, further, they have decided to pay off the arrears of both the A and B preference dividends in cash, over as short a term as the profits and cash resources of the company will permit. They have prepared for submission to the shareholders resolutions for the reduction of the company's capital (for which the subsequent sanction of the court will be necessary) by which the preferred ordinary and ordinary shareholders will be asked to agree to a reduction of the face value of their shares to 10s and 5s respectively in order that the deficit may be removed from the balance-sheet, and the payment of dividends resumed. The resolutions will provide that, on the reduction becoming effective, the rate of dividend on the preferred ordinary shares will be increased to 20 per cent., so as to equal the present rate. After the payment of the A and B preference dividend arrears, voting rights will be given to the preferred ordinary shareholders on the basis of one vote for every two preferred ordinary shares at general meetings of the company. The necessary meetings of shareholders and classes of shareholders will shortly be called to pass the resolutions indicated above. It may be recalled that the proposals submitted to the shareholders last March, which

were rejected, provided for a reduction of the preferred ordinary and ordinary shares to 8s and 5s respectively, and for the issue of 5 per cent. income certificates in compensation for cancellation of dividends on the A and B preference shares. The deficiency of £1,350,000 was to be met by writing down the capital by that amount.

The Reaction in Tin.—Nearly £3 a ton was again added to the market value of tin in the earlier part of this week, with quotations actually reaching £299 for standard cash, and £291 10s for forward delivery. This was a result of further buying by consumers on American and European account, but subsequently there was a reaction, which had been regarded as overdue. The break was the outcome of adverse technical conditions, but the position, having regard to the world's consumption overlapping current supplies, is quite sound. The liquidation may develop further, and this, coupled with a certain amount of short selling, tempted in the circumstances, may easily lead to a further drop, since the trade demand has been temporarily checked, and America seems disposed to look on for the moment. Adverse developments in Wall Street have not been without their influence on sentiment, but the fact remains that American consumption is going on at a very high rate, especially for the time of year, the domestic tinplate mills running at roughly 90 per cent. of capacity. Moreover, European trade requirements have been distinctly on the increase of late, while additional mills have been started in South Wales. Stocks in this country are dangerously low, although lately they have been increasing slightly, a fact which explains the decrease in the premium on Straits tin over standard in this market from about £10 to £8 a ton. This week's reaction followed on an almost continuous rise, amounting to as much as £37 a ton for cash and near tin, from the lowest level which had been reached well over two months ago. When resales by speculators come to an end the market is quite likely to become very sensitive, inasmuch as statistical indications are quite favourable, the American deliveries being expected to turn out very heavy, while only moderate shipments are looked for from Malaya and other sources. Consumers on the whole are by no means overprovided, and production continues at a rather disappointing rate.

Transvaal Gold Output.—The gold output of the Transvaal mines during the month of July, 1926, was the highest in the history of the industry, reaching a total of 860,134 ounces of fine gold, as compared with 852,145 ounces in June. The amount produced during the month of July, 1925, was 818,202. The following table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January..	670,503	651,593	639,728	764,469	796,768	823,692	796,270
February..	695,330	658,137	704,970	704,970	760,617	753,925	753,924
March....	707,036	671,123	761,526	761,526	795,671	825,479	834,340
April....	686,979	681,382	511,338	743,651	768,923	787,519	803,303
May....	699,041	687,776	629,786	786,564	809,003	813,249	849,214
June....	715,957	678,490	675,697	755,309	773,053	780,251	852,145
July.....	736,099	689,555	730,635	754,306	829,457	818,202	860,134
7 months..	4,840,945	5,618,056	5,187,184	5,270,855	5,543,472	5,602,317	5,749,350
August..	702,083	711,596	752,490	769,371	809,571	808,218	..
September..	682,173	691,028	747,089	739,504	799,422	797,247	..
October..	662,472	707,825	778,159	793,842	827,583	812,832	..
November..	633,737	704,236	764,476	780,639	802,313	787,633	..
December..	632,215	651,847	790,712	778,849	825,273	791,455	..
Total....	8,153,825	8,114,516	7,020,110	9,133,060	9,597,634	9,599,702	..

The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Dec., 1925.	Jan., 1926.	Feb., 1926.	Mar., 1926.	Apr., 1926.	May, 1926.	June, 1926.	July, 1926.
Gold mines....	166,385	171,985	178,311	181,204	183,828	183,905	183,092	182,262
Coal mines....	16,606	16,433	16,337	16,190	16,212	16,246	16,448	16,648
Diamond mines	3,705	4,652	5,631	5,957	5,834	5,766	6,054	6,099
	186,696	193,070	200,279	203,351	205,874	205,917	205,594	205,009

The number of natives employed in the gold mines shows a slight decrease as compared with the previous month's figures.

Obersea Correspondence.

UNITED STATES.—MARKETS—COMMODITY PRICES—OIL POSITION.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 3.

INTEREST in the financial district has continued to converge on the persistently buoyant share market. Leadership has remained with the same shares, that is, the common stocks of the United States Steel Corporation and the General Motors Corporation. Steel common advanced during the past week on an extremely heavy turnover to a new high record for all time of 153. General Motors common reached its new high peak at 213½, a price that is a full hundred points above the lowest of the year touched on the March break. For the continued strength in Steel common there is no explanation other than the maintenance of strength in the general market, the feeling that steel has been relatively cheap at recent prices, and the excellent character of the news from the steel industry. Nothing new has developed with regard to the much-rumoured but little authenticated "melon" for the Steel Corporation's shareholders. The trade reports indicate, however, that steel buying is holding up, and that operations at the steel mills are being maintained at an unusually high rate for the season of the year, the rate being approximately 80 per cent. of capacity. For the continued strength in General Motors there are explanations in the general recognition of the remarkable character of current earnings, \$17.33 a share having been earned in the first six months of the year, and the spread of the news that the directors intend to distribute a 50 per cent. stock dividend at the August 12th dividend meeting. The present \$7 dividend is expected to be retained on the full amount of stock that will be outstanding after the stock dividend has been put into effect, and there is a strong possibility that an extra cash dividend will be declared as well. Meanwhile, the showings of the new automobile models is going on, and seem to be eliciting a favourable response.

Optimism with regard to business prospects continues, and with this renewed confidence has come the belief, mentioned in these letters before, that money will be moderately firmer this autumn. Meanwhile, short-term money is plentiful and cheap. Although the call rate on the Stock Exchange rose to 5 per cent. over the turn of the month, no change in the fundamental condition of this market has occurred. The flurry was a normal incident to the August 1st settlement, and the rate on the Exchange already has dropped back to 4½ per cent. If precedent is followed the ease in call money will persist through August. One of the noteworthy developments of the past few weeks has been the stability of brokers' loans in the face of a rising share market. Thus in the week of July 28th the total of such accommodation, as reported to the Federal Reserve Bank, declined by \$19,000,000, leaving the total for this item at \$2,602,000,000. These figures coincide almost exactly with those for July 7th. The figure is \$194,000,000 above the low level of May 19th, and \$539,000,000 below the highest reached early in the year.

A further decline in commodity prices, but a small one, during July is reported by Dun's index. The loss amounts to 0.5 of 1 per cent., and leaves this index at 153.1 per cent. of the average during 1913. The losses were restricted to the meat, dairy, and garden products groups. Breadstuffs, clothing, and metals were slightly higher. In connection with the continued declining tendency as revealed by the Dun, as well as the Bradstreet index, it is well to remember that our best-weighted index—that prepared by the Bureau of Labour Statistics at Washington—showed slight advances in both its May and June figures. The significant point is that at present there seems to be no marked tendency towards either rise or fall. There is neither sufficient decline to suggest business recession nor sufficient advance to justify any thought of inflation.

Railroad earnings remain most excellent, and the statisticians now estimate that the net earnings of the Class I.

roads may pass \$100,000,000 for June. This would represent a gain of over \$8,000,000 over the level of a year ago. Some apprehension has been felt during the past two weeks over the condition of the oil market. Stocks of gasoline are large, and production of crude oil is increasing. Despite record-breaking consumption, some have feared lest the equilibrium of the oil market might be upset. Gasoline prices have held firm, however, and it now appears that prices are likely to hold through the season of large consumption. If this proves to be the case, the oil companies will have one of the best years on record. Meanwhile, it has been announced that the syndicate formed to dispose of the shares of the Tidewater-Associated Oil Company has been extended for two months more. All the \$46,000,000 issue of preferred stock, which was offered March 23rd, has been sold, but the common stock, which represents a commitment of some \$90,000,000, remains in the hands of the syndicate.

FRANCE.—TOBACCO MONOPOLY AND DEBT REDEMPTION—GOLD PURCHASES—PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, August 11.

WITH the enactment yesterday of an organic law of the Republic, permanently allocating the revenue from the tobacco monopoly to the extinction of the public debt, the Chambers, sitting together at Versailles as a National Congress, ensured as far as is humanly possible the carrying out of one of the chief of M. Poincaré's plans by writing his scheme for debt redemption into the Constitution itself. This scheme, which coincides very largely with the recommendations of the Committee of Experts in this regard, has been emphatically approved by public opinion and the certainty that was experienced in advance that it would become law has had excellent results in restoring confidence. No better proof of this can be given than the fact that the Government's appeal to taxpayers, in view of the Treasury's need of ready money, to pay as large a proportion of their liabilities in advance, without waiting for the demand notes to be served on them, has had a surprisingly good response. It was reported yesterday that the taxpayers in the Gironde department have made advance payments of 4,500,000f, and those in the Vosges over 3,000,000f (of which 470,000f came from the little town of St. Dié alone). Similar reports have been coming in from the rest of the country day by day. These indications speak loudly as to the new spirit that has animated the nation since M. Poincaré applied himself to his task, and confirms the belief that the country as a whole is sincerely supporting the effort that is being made, notwithstanding the heavy additional burdens it involves.

The manner in which M. Poincaré has utilised the tobacco monopoly as a factor in the plan for financial restoration came rather as a surprise both to the Socialists and to their opponents. It will be recalled that, shortly before M. Poincaré's unexpected defeat at the 1924 general elections, steps had already been taken for the restoration of the match monopoly to private industry, and it was confidently expected that a similar course would be taken with the tobacco and telephone monopolies. This was rendered impossible by the victory of the Cartel des Gauches at the polls. Since then a plan developed by M. Bedouce—who proposed that the factories and other assets of the tobacco monopoly, estimated as having a value of some 17,000 millions, should be handed over for a long term of years to a specially created independent organisation—has received considerable support in practically all quarters. It was proposed that the new company should issue 5 per cent. or 6 per cent. mortgage bonds up to 25,000 or 30,000 millions, which should be obtainable in exchange for National Defence and Treasury and other short-term bonds, thereby ensuring the consolidation by transformation of the bulk of this portion of the debt; another part of the scheme being that the whole of the receipts from sales of tobacco should be paid into the Debt Redemption Fund, which in turn would take care of the interests of the new mortgage bondholders. M. Poincaré has been reproached on the one hand with having gone too far in

his method of dealing with the monopoly, and on the other with not having gone far enough. As a matter of fact, he has left the tobacco monopoly still a State monopoly and merely ensured, beyond all possible modification, that the revenue from it shall be placed out of reach of predatory politicians, and permanently pinned down for debt redemption purposes. His objection to the Bedouce plan was that the proposed issue of mortgage bonds would probably prove insufficient to absorb the enormous amount of short-term descriptions that might be offered in exchange.

The new Debt Redemption Fund, or Caisse d'Amortissement, which has now become an integral part of the Constitution, has started existence with an income from taxation (succession duties, &c.) of 3,500 millions, to which must be added (1) the net profit from the tobacco monopoly, amounting at present to 2,000 millions (with the probability of a large increase in the immediate future); (2) an annuity from the Budget, if the yield from tobacco proves insufficient to meet the interest charges on the 49,000 millions of bonds which it will be the object of the Caisse to extinguish; and (3) various other resources. It will have the right to make new issues of bonds or stocks for the consolidation of that part of the debt with which it is particularly charged; nevertheless, the Government itself, to use M. Poincaré's own words, "retains the right to hasten, by large loans issued by itself, the conversion and extinction of the public debt."

Perhaps the most skilful of M. Poincaré's measures is that which he has restored to the Bank of France the right to buy gold and foreign currency for the purpose of enabling it to secure sufficient sound money to defend the franc. This measure became necessary, for one reason, through the exhaustion of the \$100,000,000 Morgan loan, the balance of which, amounting to \$30,840,836, had to be sacrificed last month, literally to enable the Treasury to keep its doors open. This balance was valued, in the transaction by which the State "sold out" its rights to the remains of the loan, on the basis of 30f 18c to the dollar, and the Bank credited the State, therefore, with 25f to the dollar. The agreement by which this transaction was legalised, however, obliges the Bank temporarily to invest the dollars "under the best conditions," and provision is made for a settlement to be come to between the Bank and the Treasury in the case of an eventual sale of the dollars; the Bank, further, being unable to make such a sale below 30f 18c except by consent of the Minister of Finance.

The law authorising the purchase of gold by the Bank provides that notes issued by the Bank in payment for purchases of gold and foreign currency shall not count as forming part of the ordinary authorised maximum note issue. The question has, of course, been raised as to whether this is not equivalent to a disguised form of inflation. M. Poincaré (who in this instance also has based his action on the recommendations of the Experts' Committee) insists that it is not, and both Chambers have supported this view. It is admitted that every note issued as payment for gold will increase the total note circulation, but it is insisted that as (1) each of these additional notes will be covered by the gold bought, (2) there will be no corresponding increase in the amount borrowed by the State, (3) the Bank's gold reserve will be absolutely respected, the issue of notes under such conditions cannot be described as inflation. M. Poincaré's view is that this measure will enable the Bank to secure "a powerful instrument for regularisation" in the event of foreign speculators "attempting another attack on the franc." The adoption of this proposal and the stipulation it contains that the Finance Minister and the Bank shall, within the next three months, make the necessary agreements for preparing stabilisation of the currency, marks a further step towards a return to sound money.

The question of the ratification of the Washington and London agreements on the debts question remains as it was. The Clemenceau bombshell has found general approval, and the same feeling is entertained in regard to the fact that the Chambers have to-day risen for the usual long summer recess.

The index figure for wholesale prices at the end of July, as issued by the Statistique Générale, indicates a rise of no fewer than 102 points on the month, as compared with

one of 52 points between the end of May and that of June, and of 287 points since the end of August, 1925. The detailed figures are as follows (based on 100 as representing wholesale prices in 1914):—

Nature of Articles.	Number of Categories.	Index Figures at End of		
		May.	June.	July.
General index figure.....	45	702	754	856
Foodstuffs alone—				
General figure.....	20	597	646	703
Vegetable foods.....	8	637	731	788
Animal foods.....	8	525	533	552
Sugar, coffee, cocoa.....	4	673	717	861
Raw materials—				
General figure.....	25	794	848	990
Minerals and metals.....	7	757	837	1,025
Textiles.....	6	933	971	1,162
Various.....	12	734	781	863

It will be noted that minerals and metals have registered a rise of 268 points during the past two months, while textiles have gone up 229 points, the wholesale price in the latter case now being nearly 12 times the pre-war figure. In foodstuffs the rise was chiefly in coffee, sugar and cocoa, and reflects the influence of the recent spectacular fall in the franc. The still more recent improvement in the value of the franc will doubtless be largely counterbalanced by the new indirect taxes, which have come into effect within the last few days. The index figure for retail prices in Paris, based on 13 articles of common necessity, of which petroleum is the only one of foreign origin, is returned as 574 at the end of July, as compared with 544 on June 30th, or a rise of 30 points on the month, and of 153 on that of July, 1925.

SWITZERLAND.—FOREIGN TRADE—TRADE WITH GREAT BRITAIN—RHINE WATERWAY.

(FROM OUR CORRESPONDENT.)

GENEVA, August 6.

The general economic situation did not improve in Switzerland during the second quarter of the present year, and the results of the first half-year are unsatisfactory. While the different services of the Federal Government—Post, Telephone, Telegraph, Railways, Customs—recorded an increase in their receipts, agriculture was badly hit by the cold and rainy weather which prevailed during June and part of July, and foreign trade returns are far from encouraging.

In June, imports reached a value of 200,639,994f (£8,025,339), against 191,427,337f (£7,657,093) in May, and exports totalled 148,696,549f (£5,947,862), compared with 147,299,795f (£5,891,991) in May, a slight improvement when compared with last May and April figures, but a serious drop when compared with June, 1925, when exports reached the unprecedented total of 209,099,042f (£8,363,961). During the first six months of the present year, imports reached a total value of 1,183,944,500f (£47,357,779), as against 1,226,928,711f (£49,077,148) in 1925, and exports totalled 869,815,565f (£34,793,123), compared with 1,069,315,939f (£42,772,677) in 1925, thus leaving a very heavy adverse balance of 314,128,935f (£12,564,656), which it will be very difficult, if not impossible, to make good by means of indirect and invisible exports; the adverse balance, which was about 12 per cent. for the first half of 1925, is reaching this year nearly 26 per cent. Imports declined, partly owing to the reduced needs of industry in raw materials, partly owing to the difficulty of obtaining goods from France, and partly owing to the slackening of imports from Germany pending the conclusion of a new commercial agreement with that country. That agreement was concluded towards the middle of July, and is said to be rather favourable to Swiss exporters. When compared with the corresponding period of last year, nearly all export items show a drop, which is particularly striking as regards silk goods (— 72 million francs), cotton goods (— 47 million francs), watches (— 46 million francs), ready-made clothing (— 20 million francs), chocolate (— 2 million francs), the only important increase being recorded in the condensed milk exports, which were 3 million francs higher

The crisis of the Belgian, French, and Italian currencies partly accounts for the unsatisfactory results of Swiss exports, as well as the Customs barriers set up in all countries of the world, but they are mainly due to the fact that Swiss products are too expensive. The monthly average of exports is 144,969,261f for the past half-year, as against 146,684,250f in 1923, which was the lowest figure registered during the last 10 years. Meanwhile, Swiss currency is maintaining itself slightly above par—25.12f for £1—once more an evidence that the general prosperity of a country cannot be measured by the value of the national currency.

Trade with Great Britain made further progress in June, when imports from her reached a value of 11,126,960f (£445,078), as against 9,167,000f (£366,680) in May, while exports to her totalled 22,481,729f (£899,269), compared with 20,480,000f (£819,200) in May. During the past half-year imports from Great Britain rose to 71,993,686f (£2,879,740), and exports to her totalled 149,142,104f (£5,965,683), Great Britain thus remaining the best customer of Switzerland. British purchases in Switzerland do not suffer great changes from month to month, purchases in watches and silk goods remaining unimportant since last year, as British importers have enough to do to try to sell the huge stocks they collected in 1925 before the re-establishment of the McKenna Duties. The setting up of Customs duties by the British Government was bitterly criticised in certain Swiss industrial quarters; those Swiss who object to these duties forget that formerly all Swiss goods entered Great Britain practically free from duty, while British goods had to pay Customs duties to come into Switzerland; thus free trading England was not even granted the treatment of the most favoured nation in Switzerland.

As for imports from Great Britain, they certainly could be higher; as previously stated, British goods can compete on the Swiss market with any other goods, if not always in price at least in quality; but they are not sufficiently known in Switzerland, and several people connected with the trading circles here are of opinion that British industrials should not overlook the importance of the Swiss market, and should make an effort to advertise their goods in Switzerland, where, for instance, stationery, leather goods, men's ready-made clothing, hosiery, cutlery, and all sorts of requirements for hotels should sell well. Now that the Rhine waterway is opened to Swiss ships, and that Basle is supplied with an up-to-date port equipment, British products can be shipped to Rotterdam or Antwerp, and thence conveyed to Basle on the Rhine barges. This means of transport should not only be cheap, but it would also do away with the grave inconvenience of delays on the French railways, which constitutes the great handicap in Anglo-Swiss commercial exchanges. The transport of goods between England and Switzerland can yet be improved, either through France or by the Rhine, and efforts should be made on both sides to improve it so as to facilitate and quicken trade relations between the two countries.

BULGARIA.—THE REFUGEE LOAN—FOREIGN TRADE—CROP PROSPECTS.

(FROM OUR CORRESPONDENT.)

SOFIA, July 30.

The League of Nations' consent to the £2,250,000 Refugee Loan to Bulgaria has been greeted with a general feeling of grateful relief throughout the country. Everybody in Bulgaria is thoroughly conscious of the urgent need to reach a radical and definite settlement of the refugee question. The proceeds of the loan are to be applied as follows:—Two-thirds to the housing and supplying of the 30,000 refugee families, with the most indispensable agricultural implements, seeds, and live stock. The balance is to be spent on the draining, irrigation, and preparing of wide tracts of land, and on the construction of a network of roads which will connect them with the nearest centres. The loan is to be guaranteed by the revenue of excise duties on salt and alcohol, and by the yield of the matches monopoly. The aggregate revenue from these three sources produced 450,000,000 levass during the last financial year. The various condi-

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tions of the transaction are not yet determined. It is reported that the repayment must be effected in 20 annual instalments, and that the loan is to be floated on the London market. The Financial Committee of the League of Nations has recommended a reorganisation of the National Bank of Bulgaria in order to render that institution more independent of the Treasury.

The conclusion of the loan is apparently hampered by certain political as well as financial difficulties. The neighbouring Balkan States seem to be opposed to the granting of the loan to Bulgaria unless their representatives are given an effective control over the actual use to be made of the proceeds; they have fears that irredentist organisations could be subsidised out of the loan, and that the Bulgarian Government would indulge in fresh expenditures on armaments. The League of Nations decision to entrust Mr René Chéron with the control of the funds advanced meets with deep approval in all Bulgarian circles.

Certain symptoms of nervousness observed during the last month in Yugoslavia and Roumania are interpreted by Bulgarian public opinion as consequences of the irritation which the hoped-for success of the loan produced in these countries. The tension in the relations between the other Balkan States and Bulgaria, which has been considerably relaxed during the past six months, has made itself unmistakably felt again since the decision of the League of Nations was announced. It is only to be hoped that this may be a coincidence.

The foreign holders of Bulgarian State bonds are reported to have asked for a reconsideration of their agreements with the Bulgarian Government concerning the payment of the coupons on a basis nearer to the gold parity of their face value. Were the Government to consent to a new increase of the basis, the burden of the public debt's service would reach a dangerously high level, the more so as the repayment of the Refugee Loan will certainly need an annual charge of at least 175 millions levass. Added to the already existing charges, and to the progressively increasing Reparations annuities—10 million gold francs from 1928 and 43 million gold francs from 1934—the future of Bulgaria's public finances leaves little room for light-hearted borrowing, and the eagerness to be observed as to the additional claims in connection with the loan is perfectly legitimate and comprehensible. Besides the difficulty of increasing taxation in a country where wealth is an exception, there is a practical impossibility to go on paying large sums in foreign currency out of a deficient foreign trade balance with no invisible items for compensation. Therefore, the application of the "transfer" system which, by the way, has never been applied to Bulgaria, seems to be a practical necessity. There is no reason to deny to this country the advantages of a principle universally recognised as fair and reasonable, because it had no alternative but to begin paying reparations previous to all other vanquished nations.

The foreign trade figures for the first half of 1925 and 1926 compare as follows:—

(Million Levass.)

	Import.	Export.	Excess of Imports.
June 30, 1926	2,925	2,524	401
June 30, 1925	3,694	2,544	1,150

The big drop in imports is probably due to the drastic restriction of consumption on the part of the peasants, who are returning to their pre-war habits of strict economy. The increase of Customs tariffs on luxuries has also played its part in this direction, although in a far lesser degree.

Trade conditions remain bad. Since the beginning of the year there have been over 80 bankruptcies, an unprecedented figure in this country. The failures are all, almost without exception, among dealers in imported goods, especially textiles, cotton yarns, hardware, and leather products.

Harvesting of wheat and barley is in full swing. The crop appears to be generally fairly good, especially for maize, sugar beet, rice and oil seeds. Tobacco is reported to be good in quality, but the total crop is estimated at not over 22 million kilogrammes, which is under the average of the last four or five years. Cotton-growing experiments have been much discussed this year, and are reported to have given quite satisfactory results in quality as well as yield. The Ministry of Agriculture intends to take measures to foster the extension of cotton growing, and there is official propaganda in favour of the substitution of this culture for tobacco in districts producing tobacco of low quality. According to specialists' statements, the conditions of soil and climate in Southern Bulgaria appear to be favourable to cotton.

UNION OF SOUTH AFRICA.—RAILWAY EARNINGS AND TRAFFIC—GOLD RECORDS—GROWTH OF PUBLIC EXPENDITURE.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, July 21.

THE total earnings of the South African Railways (proper) for the year ended March 31, 1926, were £24,151,407, compared with £21,747,631 for the year to March, 1925, an increase of £2,403,776, equal to 11 per cent. The expenditure was £18,735,325, as compared with £16,858,571, an advance of £1,876,754, also equal to 11 per cent. To arrive at the expenditure as given, the lump sum of £1,500,000 has been added for depreciation. The ratio of expenditure to earnings works out at 75.5 per cent., or exactly the same figure as in 1925, and compares with 74 per cent. in 1924, 77 per cent. in 1923, and as much as 82.7 per cent. in 1922. The balance on railways account is £5,416,083. From this falls to be immediately deducted £4,461,851 interest on a capital of £120,000,000. After allowing for net revenue from subsidiary services, interest on investments and miscellaneous receipts, interest on superannuation and other funds, rent of lines leased, and miscellaneous expenditure, there is a balance on the railway account of £1,083,998. Adding the surpluses of the harbours and steamships departments there is a total balance of £1,531,691, but from this amount have to be deducted (a) contribution in respect of amount of interest-bearing capital £250,000, (b) contribution to reduce the deficiency in pension and superannuation funds, £262,000, (c) contribution to betterment fund, £250,000. These three considerable items have the effect of halving the profit, and the excess of receipts over the expenditure is finally brought out at £769,691. From this has to be deducted £5,185, the accumulated deficit at the beginning of the year, leaving a net surplus of £764,506. The reasons why the extra traffic revenue has not been obtained at merely a slight increase in expenditure lie in the increase in employment of what is called "civilised labour," unskilled white labour uneconomic in contrast with coloured or native labour, and the greatly increased mealie traffic, 1,500,000 tons, as against 610,000 tons, which is conveyed at such rates (especially for export) as to be scarcely remunerative. The *Wall Street Journal* recently quoted a rate of £4 for an American grain haul of 2,000 miles, and a competitive one of £2 on the Canadian Pacific. For half the distance in South Africa the charge for maize under the temporary special rate would be as little as 10s., or proportionately a quarter and one-half the U.S.A. and Canadian charges. Hinterland and mines have to pay for such low rates as these, as well, it is contended, as for the low rates charged between the ports in competition with ships.

Merchandise traffic averaged 950,000 tons a month. The Rand gold mines in the five months to the end of May reduced to a fine powder or slime a rather larger tonnage, namely, 12,053,500. It is a statistical fact that the Crown Mines in May crushed a quarter of the entire merchandise traffic on the railways on the average of last

year, while the five greatest milling mines of the Rand, the Crown, East Rand Proprietary Mines, Government Areas, Randfontein, and Modderfontein will probably crush in July a tonnage equal to the mercantile traffic conveyed on the railway system of 12,000 miles. These figures are given, not to show the comparatively small tonnage for so large a mileage system, but the enormous significance of the Rand gold mines in the Union's economic arena. Revenue from goods traffic figures at £12,646,589 representing 22s per ton. General merchandise traffic works out at 950 tons per mile per annum.

The tonnage of coal is not given, but the freight revenue was £4,045,000, or about £200,000 more than the pits' mouth value of the entire coal production of the Union, practically the whole of which is conveyed by railway. The coal traffic would be about 12,700,000 tons. Taking merchandise and coal traffic together, the tonnage would be rather over 24,000 tons a year, just double the tonnage of basket ore milled on the Rand in the five months to the end of May.

In the gold-mining industry the year has been one of records, the gold yield in March, May, and June eclipsing previous attainments. Government Areas made the splendid profit in June of £220,350. The June gold output of the Transvaal was the first to surpass 850,000 ozs., and while the Rand for the first occasion surpassed a value of £3,500,000 with gold at standard price, this was beaten no less than 17 times in the high premium years 1920, 1921, and 1924. Only twice has the Rand value exceeded £3½ millions. The absolute highest value was £3,823,267 in August, 1921, when gold was taken at £5.575 per fine ounce. The Transvaal value in that month was £3,889,365.

Fiscal matters bulked largely at the annual congress of the South African Association for the Advancement of Science held at Pretoria. Mr J. J. Middleton, the Under-Secretary for Finance, read an instructive paper on "The Growth of Public Expenditure in the Union." Pointing out that the purchasing power of gold was 37 per cent. less than in 1910, the year of Union, he said that, had 1924-25 prices been operative, and allowing for growth of population, the expenditure would have been £23,150,000, whereas it was £29,299,000. In 1911-12 the Central and Provincial Governments were spending £13,109,000, while the current Budgets (1926-27) are for no less than £31,552,000, the high-water mark. Provincial services which cost a modest £2,894,000 in 1911-12, have now passed the ten-million mark, chiefly owing to education, which has become lavish and extravagant, its costs having risen from £1,750,000 to nearly £8,000,000. The gross annual charge on debt was 115 per cent. more than in 1911-12. Since the year of Union £125 millions had been spent on loan account, of which £69 millions were remunerative. The net debt is about £204 millions.

Letters to the Editor.

WEALTH, VIRTUAL WEALTH, AND DEBT.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In the review of my recent book, "Wealth, Virtual Wealth, and Debt," in your issue of July 31st, you suggest that my pathetic complaint—that the exact amount of Treasury notes issued does not seem to be publicly known—confirms the suspicion that I have not really studied the monetary system which I propose to reform. I trust you will give me the opportunity of saying that when I was in course of writing the book I sought for this information, and where I could get it, from one of the professors of economics here. I was told that even economists had the greatest difficulty in getting the real facts on this subject, that the data issued did not give the full information they appeared to give, and that questions were actually at the time being promoted about it in Parliament. In any case, my complaint was that "it was a great pity that these data are not authoritatively and less ambiguously available to the public," not to the money market specialist or even to the economist.

The difficulty your reviewer found in seeing how "my only novel suggestion"—that the banks should keep £ for £ of their liabilities for customers' deposits in current account—could work, invites the rejoinder that the economists do not seem really to have studied the system either. I may safely

leave it to the reader to decide whether or not it is the only novel suggestion, or, indeed, whether such a simple suggestion could have been made without the novel theory of money from which it arises. But to me, at any rate, it is one of the most curious consequences of, at least, a realistic, if not real, study, that if this had been the fact instead of only a novel suggestion, the system would have worked much as the economists have supposed it to work, instead of as it actually does work. That is to say, if the banks did lend to industry the money upon which they receive interest, but which its owners do not give up, the national industries would indeed be built up and made prosperous thereby, instead of being reduced to their present parlous plight.

Your reviewer further says that it is still more difficult to see how banking and business could work after it (my proposal) had been carried out. I should like to say to this that the position would be then very parallel to how the existing system would work, if ever the banks were neither increasing nor decreasing their "loans," but only issuing new credit as their outstanding advances are repaid. The owners of the money lent would divide with the bank the interest, the owners receiving the net interest after the bank's charge for its services was deducted. But, what is of far greater theoretical and practical importance is that the new currency required to maintain the market at a constant price-level, and to prevent "the fall of prices which makes the business world so unhappy," would be put into circulation when the new goods produced were finished and ready for sale, and not when their production is initiated. This is such an elementary necessity, if inflation and rise of prices is not to be inevitable, that it is safe to say it could have been arrived at by common-sense, without any aid from economic science at all.

If it is urged that it is absolutely essential for industry to be able to obtain credit as an antecedent to any increase of production, I entirely agree, and I would point out that business already pays interest for the use of money presumably as an inducement to the owners to give it up for the purpose. If it is feared that, under my system, the rate of interest would rise, I would point out that the quantity of money in existence being then proportional to the quantity of goods for sale, the manufacture of which is perfectly apprehended, the greater quantity of money would in all probability more than offset the novel condition, that no one could lend it who had not got it.—Yours, &c.,

FREDERICK SODDY.

Oxford, August 9, 1926.

Books and Publications.

BOOKS RECEIVED.

Sarajevo. By R. W. Seton-Watson. (London) Hutchinson and Co., Limited, Paternoster row. 18s net.

A scholarly attempt to put in their proper European perspective the Sarajevo crime and the Austro-Serbian quarrel from which it resulted. The author has carefully examined a good deal of new and hitherto undigested material, and reaches certain fairly definite conclusions having a direct bearing on the question of responsibility for the late war.

Easingden. By J. G. Sinclair. (Oxford) J. G. Sinclair, Lonsdale road. 5s net.

A study of conditions of day-to-day life in a coal-mining village.

La Legislazione Economica della Guerra. By Alberto de Stefani. (London) Oxford University Press.

Another publication of the Carnegie Foundation. The subject is dealt with objectively under various headings—personal, financial, commercial, &c. A valuable addition to economic literature dealing with the war period.

L'Alimentazione e la Politica Annonaria in Italia. By Riccardo Bachi. (London) Oxford University Press.

Professor Bachi's latest work is largely historical, and traces the various aspects of the food problem during the war and at the present time. The main foodstuffs receive individual treatment, and some suggestive conclusions are drawn. A Carnegie Foundation publication.

The Decline in Per Capita Consumption of Flour in the United States. Wheat Studies of the Food Research Institute, Stanford University, California. July, 1926.

The decline is declared to be part of a complex system of changes in consumption of the various important foods due to increased prosperity of the labouring classes, greater diversity of diet, smaller food requirements generally, and the substitution of sugar for the cereals. A thoughtful study, containing numerous informative charts and tables.

Società Italiana per Azioni: Notizie Statistiche. 1925. (Rome) Credito Italiano.

The Italian "Burdett," covering the whole field of limited liability. A highly convenient and informative summary of recent balance-sheet figures is included with other particulars regarding each company.

The Polish Economist: A Monthly Review of Trade, Industry, and Economics in Poland. No. 2. August, 1926. 1s. London offices, 47A Portland place, W. 1.

This journal will be useful to those requiring up-to-date information regarding Polish finance, industry, and trade. The current number contains articles on the coal problem, Budget equilibrium, Russian commercial relations, &c., and various notes on conditions in individual industries.

State of New York: Sixty-seventh Annual Report of the Superintendent of Insurance, for Year ending December 31, 1925. Part I. Joint-stock and Mutual Fire and Marine Insurance Companies, &c. (Albany) J. B. Lyon Company.

An encyclopædic work of reference, containing summary figures, followed by complete particulars of the financial position of every company doing insurance business in the United States.

New South Wales Statistical Register. 1924-25. Part VII.—Commerce: Part VIII.—Social Condition: Part IX.—Hospitals and Charity. (Sydney) A. J. Kent, Government printer.

The Co-operative Review. No. 1. August, 1926. Issued by the Co-operative Union of Great Britain and Ireland. (Manchester) Holyoake House, Hanover street. 6d net.

A review on these lines has been long overdue, and the present publication should speedily outgrow its somewhat modest initial dimensions. Among other interesting articles appears an examination of the value, or otherwise, of "safeguarding" from the co-operative point of view.

Tolley's Income-tax Chart and Manual (1926-27) and Free State Supplement. (London) C. H. Tolley, 4 Great Winchester street, E.C. 2. 3s.

Incorporates the provisions of the new Finance Act and numerous recent decisions of the Courts on such matters as foreign residence and foreign trade, super-tax, taxation of casual profits, &c. A concise, practical manual.

Income-tax Up to Date and Rules and Regulations for the Current Income-tax Year. By H. J. Gully. (London) The Financial News, 111 Queen Victoria street, E.C. 4. 9d net.

A useful handbook, revised to date.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Factories Bill, 1926: Memorandum Showing the Extent to Which the Bill Differs from the Existing Law. Cmd. 2716. 3d net.

Second Report from the Select Committee on Estimates (Co-ordination of Common Services). No. 119-3d net.

Admiralty: The Loss of H.M.S. Hampshire on June 5, 1916. Official Narrative. Cmd. 2710. 6d net.

Return of the Budget of the Governor-General of India in Council for 1926-27. No. 108. 4s 6d net.

Report by His Britannic Majesty's Government to the Council of the League of Nations on the Administration of Iraq for the year 1925. Colonial No. 21, 6s. net.

Colonial Report. No. 1297. St. Helena. 1925. 6d. net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
August 24.	August 26.

Stock Exchange speculation begins to run on what is likely to happen in the markets when the coal crisis is settled. Indications are assumed to point to a growing desire on the part of both sides, owners and men, to bring the present deadlock to a conclusion, and what will follow in the Stock Exchange when work is resumed in the coalfields is now a subject for general discussion. The strength of the gilt-edged markets suggests that people are not expected to withdraw capital from Government stocks in order to supply capital for industrial purposes, and the impression is fairly general at the moment that, though there may be a rise in many stocks and shares as soon as terms of agreement are reached, the outlook for the future is still uncertain and obscure.

The 5 per cent. War Loan is the steadiest in its own particular group, recently issued Colonial stocks being quiet and somewhat neglected. At the same time, the cessation of new issues is of assistance in placing into more permanent hands certain blocks of stock which had been accumulating in the

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market during the June-July rush of new loans. Investment stocks throughout the House are a good market, their absorption going on with daily steadiness in spite of the holiday influences at work, and the stiffening of money rates.

French bonds have been fluctuating somewhat excitedly, and form the focus of a good deal of mild speculation on this side of the Channel. Other foreigners are firm on the whole, Argentines being in demand on the satisfactory statement made the other day by the President of the Republic. Mexicans failed to recover the losses sustained by reason of the religious friction in Mexico. The Mid-European bonds present no feature of particular interest.

The Home Railway stocks, which were quoted ex dividend on Thursday in this week, have recovered a noticeable part of the deductions, and yesterday prices advanced on a supposedly better outlook in the coal dispute. Grand Trunk Pacific debentures gained several points on the news that negotiations are to be reopened between the stockholders' committee and the Canadian Government. The announcement that Mr. Reginald McKenna has joined the London board of the Canadian Pacific Railway is construed as a cheerful sign for the prospects of Canadian railway proprietors. The Argentine railway list is very strong; amongst Brazilians, Leopoldinas, both ordinary and preference, have been a good spot. Nitrate rails and nitrate-producing shares reacted on the announcement that the Chilean Government had no present intention of reducing the export duty on nitrate, though other means are to be studied for helping the industry after the end of June next year.

The rubber market is better, upon a slight revival in the price of the produce, and tea shares are disposed to follow the lead set by rubber. There is little doing in oils. Tobacco shares have been sold by people willing to take their profits in view of the industrial outlook, but fresh buyers appeared and the losses were regained. Courtaulds have been firm, although business in them was unusually placid. Trade in shipping shares, banking, insurance, gas, and other illumination securities is confined to bread-and-cheese orders—deceased accounts furnishing stock that is taken by ordinary investment demand. The wireless group remains dull, and cable stocks are resting after their recent rises.

Amongst the newly issued industrials, some of which the underwriters were left with to a substantial extent, the disposition has been for prices to respond to cautious buying on behalf of people tempted by the discounts that prevail. The brewery market went better after having shown a tendency to slip away. A sharp rise in Sidros and a further improvement in Brazilian Tractions had Brussels and Montreal for their chief inspirations.

In the South African market, a number of prices were marked ex dividend on the pay-day in this week, the effect being to give the list a cheap appearance, which attracted a little buying, though not of sufficient volume to exert any marked influence over prices, except in West Springs. The liveliest spot in this section continues to be Sub-Nigels, around which there is an almost daily fight between bull and bear. Were it not for the Cape and for Paris, the Kaffir market would be in a somewhat comatose condition. Paris has been buying Chartered again; and, amongst other Rhodesians, Sherwood Stars attracted attention upon good developments. The most animated part of the mining markets is that for Malayan tin shares, where the rise in the price of tin to within at one time 35s of £300 per ton, served to quicken interest in speculation and speculative investment alike. Prices are better on the week. There is a noticeable inclination on the part of operators to secure what profits they can, as soon as tin gives any indication of going back. Cornish shares are left almost alone, though West Africans contrive to draw sufficient public attention to their claims for prices to be advanced in various shares. Russians have been rather more lively than usual; market prophets profess to foresee a possible rise, next, in copper shares.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	141,009,582			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to July 31, 1926 .. Dr 1,100,000				
Net sales week ended August 7, 1926, Dr 250,000.				

To the Public—	Ulu Selangor Rubber, 400,000 Shares of 2s each, at par (Aug. 11).....	40,000 ..	40,000 ..	10,000 ..	30,000 ..
Total offered to the Public ..		40,000 ..	40,000 ..	10,000 ..	30,000 ..
To Shareholders—					
Rhodesia Exploration, 500,000 Shares of 2s, at par ..	50,000 ..	50,000 ..	12,500 ..	37,500 ..	
Glenraffe Tea Estates, 20,000 £1 Shares at 21s per share ..	20,000 ..	21,000 ..	3,500 ..	17,500 ..	
Total offered to shareholders..		71,000 ..	16,000 ..	55,000 ..	
Total offered for subscription to date ..					
1926	140,870,582				
1925	127,376,142				
1924	127,777,151				
1923	202,026,317				
1922	505,332,637				
1921	152,658,080				
Total offered for subscription for whole year—					
1925	231,914,258				
1924	209,326,100				
1923	271,393,173				
1922	575,675,650				
1921	388,978,203				
1920	367,549,656				

London County Council.—This is an issue of 5 per cent. Local Bonds, at par, for housing. The bonds will be secured upon all the property and revenues of the London County Council and the rates of the Council outside the City of London. A sinking fund is required to be set up for the redemption of the loan. The bonds will be repaid at par at the expiration of five or ten years, as may be applied for. The money is required to repay the 6 per cent. Local Bonds for housing, due for repayment on September 30, 1926, and for housing purposes. A good trustee investment.

Ulu Selangor Rubber Plantations, Limited.—Share capital £65,000, divided into 650,000 shares of 2s each. This is an issue of 400,000 shares of 2s each. The company has been formed in particular to acquire a rubber estate in the district of Ulu Selangor, in the State of Selangor. The estate consists of about 1,313½ acres, of which 305 acres are stated to be planted with rubber 5 years old. The directors have decided not to begin tapping until next year. The purchase price is £25,500, which, after allowing for the value of the reserve land, is said to be equivalent to about £64 per planted acre. This is a moderate capitalisation. It is estimated that the balance of the proceeds of the present issue should be sufficient to cover expenditure on the estates for roads and clearing purposes, to allow for one year's upkeep of the present planted area, and "to enable the directors to proceed immediately with the opening up of 500 acres of the reserve land." It appears from this statement that additional capital will be required when the preliminary work has been completed. Subscribers to the present issue should bear this in mind. The prospectus contains forecasts of future profits, but investors should not place too much reliance upon these, in view of the inherently speculative nature of rubber plantation business.

Batu Lintang Rubber Company, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. Share capital £1,250,000, divided into shares of £1 each, of which 981,542 have been issued. The company was incorporated in the Straits Settlements in 1920, particularly to acquire Batu Lintang, Limited—incorporated in the Straits Settlements in 1916—which was placed in voluntary liquidation. The principal asset thus acquired was the Batu Lintang Rubber Estate, in the State of Kedah, comprising some 3,503 acres. Of these, 1,322 acres are planted with rubber, as follows:—1916 and earlier, 574 acres; 1916-17, 144 acres; 1918, 249 acres; 1919, 70 acres; and 1920, 283 acres. It is stated that according to the information given in the company's report and accounts for the year ended June 30, 1925, the restricted crop for that year was 224,698 lbs, giving a return of 529 lbs per acre over an acreage of 425 acres tapped, and that a cable has been received stating that the crop harvested for the financial year ended June 30, 1926, totalled 381,405 lbs. The net profit for the year 1924-25 is given as \$36,817. An interim dividend of 5 per cent., it is stated, has already been declared, and paid on account of the year just ended. The purchase price paid by the company to the vendors, Batu Lintang, Limited, and its liquidator, was 875,000 shares of £1, credited as fully paid, which were allotted to the shareholders of Batu Lintang, Limited, as the nominees of the liquidator. The present company also undertook to discharge the liabilities of Batu Lintang, Limited, and the costs of the liquidation. In addition, the company has received the cash resulting from the issue of 106,542 shares of £1 each at par. The preliminary expenses of the company were \$2,342.84. The capitalisation per planted acre is high, and for this reason alone investors should proceed with caution.

To complete our record of new issues and summary of profit and loss accounts, company secretaries are requested to furnish us with copies of new prospectuses and reports and accounts. Our readers can also assist by forwarding copies of prospectuses and company reports and accounts which may fall into their hands.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War 3½% 1925-28 ..	97½	97½	..
Loans 5½% 1925-47 ..	101½	101½	..
Do 4½% 1925-42 ..	101½	101½	..
Funding Loan 4½% ..	86½	86½	..
Victory Bonds 4½% ..	93½	94	..
Conversion Loan 3½% ..	76½	76½	..
Consols 2½% ..	55½	55½	..
Irish Land Stock 2½% ..	58	58	..
Local Loans 5% ..	63½	64½	..
Aust. 5% 1931-41 ..	102½	102½	..
India 3½% Stock ..	69½	69½	..
Do 7% 1926-31 ..	104	104	..
Do 5½% 1932 ..	101½	101½	..
Do 4½% 1932 ..	91	91	..
N.S.W. 5½% 1922-32 ..	101	101	..
N. Zealand 3½% 1940 ..	85	85	..
Nigeria 6% 1940-79 ..	112	112	..
Queensland 5% 1930-40 ..	99	99	..
U. of S.A. 6% 1930-40 ..	104	104	..
S. Aust. 6% 1930-40 ..	103	103	..
Victoria 5½% 1924-34 ..	101	101	..
W. Aust. 5% 1930-40 ..	102	102	..

British Railways.

Great Western, Ord. ..	85½	87½	..
Lond. & North-Eastern 5% Pref. Ord.	50	51½	..
Do Def. Ord.	16	17½	..
Lond., Mid., and South. 4½% 1925-42 ..	71	72½	..
Metropolitan ..	63½	63½	..
Metropolitan District ..	51½	51	..
Southern, Ord. "A" ..	40½	40½	..
Do "B" ..	108	108	..
Do Pref. Ord.	78	78½	..
Do Def. Ord.	43½	43½	..
Underground Electric (10) ..	34	34	..
Do "A" (1) ..	45	45	..
Do Ind. Bd. (£100) ..	103	103	..

Colonial and Foreign Railways.

Autofagasta Cons.	83½	81½	..
B.A. and Pacific ..	87	88	..
B.A. Gt. Southern ..	98½	98½	..
Buenos Ayres West. 8½% ..	87½	87½	..
Canadian Pacific ..	168	169	..
Central Argentine ..	74½	74½	..
Cordoba Central New 3½% ..	34	34	..
Grand Trunk Pacific, 4% Debs.	50	50½	..
Leopoldina ..	422	44½	..
Mexican Railway ..	74	74	..
Do 1st Pref.	21	21	..
San Paulo ..	189½	189	..
United Havana ..	75½	74½	..

American Railroads.

Chesapeake & Ohio ..	147	149	..
Erie ..	35	35	..
Do 4% 1st Pref.	44	46	..
Southern ..	123	125	..
Do Non-conv. Pref.	97	98	..

Foreign Government Securities.

Argentine 5% 1886-7 ..	99	99	..
Austrian 6% Guar.	99	99	..
Belgian 3% ..	73	72	..
Brazil 5% Fund, 1914-44 ..	84	84	..
Chilian 4½% 1895 ..	87	87	..
Do 7½% ..	101	104	..
Chinese 5% 1912 ..	59	58	..
Egyptian 4% ..	83½	83	..
French 5% ..	98	98	..
Do 4% ..	88	84	..
German 7% 1924 ..	105	104½	..
Greek 7% 1924 ..	92	92	..
Hungarian 7½% 1924-1004 ..	100½	100½	..
Japanese 5% 1924 ..	93½	93½	..
Mexican Cons. 1899 ..	44	44	..
Peruvian Corp. Pref.	47½	48½	..
P.L.M. 6% ..	83½	82	..
Portuguese (New) ..	53½	53½	..
Russian 5% 1906 ..	59	59	..
Spanish 4% ..	70	70	..
Selne (Depts) 7% ..	93	90½	..
Siamese 7% ..	107	107	..

Telegraphs.

Anglo-American "A" ..	24½	24½	..
Marconi Wireless ..	3	3	..
Marconi Canada ..	17½	17½	..
Marconi Marine ..	1	1	..

Banks.

Barclays B. (£1, f.p.d.) ..	283	283	..
Chartered Bk of India ..	21½	21½	..
Lloyds (£5 with 5p. paid) ..	37½	37½	..
Midland (£12 with 3p. paid) ..	83½	83½	..
Nat. Bank of Egypt (£10) ..	37½	39	..
Hudson's Bay (£1) ..	5½	5½	..
Imperial Tobacco (£1) ..	5½	5½	..
Linggi Plantations (£1) ..	2½	2½	..
Lever Bros' Co. (£1) ..	1	1	..
Do 8% Cum. Div. (£1) ..	1	1	..
Do 10% Cum. Div. (£1) ..	1	1	..
Do 12% Cum. Div. (£1) ..	1	1	..
Do 15% Cum. Div. (£1) ..	1	1	..
Do 18% Cum. Div. (£1) ..	1	1	..
Do 20% Cum. Div. (£1) ..	1	1	..
Do 22% Cum. Div. (£1) ..	1	1	..
Do 24% Cum. Div. (£1) ..	1	1	..
Do 26% Cum. Div. (£1) ..	1	1	..
Do 28% Cum. Div. (£1) ..	1	1	..
Do 30% Cum. Div. (£1) ..	1	1	..
Do 32% Cum. Div. (£1) ..	1	1	..
Do 34% Cum. Div. (£1) ..	1	1	..
Do 36% Cum. Div. (£1) ..	1	1	..
Do 38% Cum. Div. (£1) ..	1	1	..
Do 40% Cum. Div. (£1) ..	1	1	..
Do 42% Cum. Div. (£1) ..	1	1	..
Do 44% Cum. Div. (£1) ..	1	1	..
Do 46% Cum. Div. (£1) ..	1	1	..
Do 48% Cum. Div. (£1) ..	1	1	..
Do 50% Cum. Div. (£1) ..	1	1	..
Do 52% Cum. Div. (£1) ..	1	1	..
Do 54% Cum. Div. (£1) ..	1	1	..
Do 56% Cum. Div. (£1) ..	1	1	..
Do 58% Cum. Div. (£1) ..	1	1	..
Do 60% Cum. Div. (£1) ..	1	1	..
Do 62% Cum. Div. (£1) ..	1	1	..
Do 64% Cum. Div. (£1) ..	1	1	..
Do 66% Cum. Div. (£1) ..	1	1	..
Do 68% Cum. Div. (£1) ..	1	1	..
Do 70% Cum. Div. (£1) ..	1	1	..
Do 72% Cum. Div. (£1) ..	1	1	..
Do 74% Cum. Div. (£1) ..	1	1	..
Do 76% Cum. Div. (£1) ..	1	1	..
Do 78% Cum. Div. (£1) ..	1	1	..
Do 80% Cum. Div. (£1) ..	1	1	..
Do 82% Cum. Div. (£1) ..	1	1	..
Do 84% Cum. Div. (£1) ..	1	1	..
Do 86% Cum. Div. (£1) ..	1	1	..
Do 88% Cum. Div. (£1) ..	1	1	..
Do 90% Cum. Div. (£1) ..	1	1	..
Do 92% Cum. Div. (£1) ..	1	1	..
Do 94% Cum. Div. (£1) ..	1	1	..
Do 96% Cum. Div. (£1) ..	1	1	..
Do 98% Cum. Div. (£1) ..	1	1	..
Do 100% Cum. Div. (£1) ..	1	1	..

Miscellaneous.

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COMPANY MEETINGS, &c.

MITCHELLS AND BUTLERS, LIMITED.

SATISFACTORY RESULTS OF DIFFICULT YEAR'S TRADE.

RESULTS OF PROHIBITION IN AMERICA.

MINING DISPUTE AND CHURCH INTERFERENCE.

The thirty-ninth annual general meeting of the shareholders of this company was held at the White Horse Hotel, Birmingham, on the 12th instant, under the presidency of Sir William Waters Butler, Bart.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and gentlemen,—The trading results as set out in the balance-sheet of this year I hope will appear to the shareholders as highly satisfactory, having regard to the unsettled industrial position which affected our profits, especially during the last two months of the financial year.

The fact that under such conditions our output exceeded that of the previous year plainly indicates that consumers appreciated the superior quality of our products, which are ever increasing in popularity. It is our policy, whenever possible, to add to the value given to the public and thus strengthen, in a permanent manner, the goodwill of the business. As an example of this, although brewing materials were more costly than in the previous year, we expended an additional sum of £54,000 in increasing the strength of our ales, as we are determined that no competitor shall offer better value to consumers.

To illustrate, however, the effect of the excessively high beer duty upon this decision to give better quality, of the additional expenditure of £54,000, to which I have referred, over £40,000 was beer duty, which shows to what an extent this high duty retards the increased use of brewing materials, to the great detriment of agriculture and the consumers of beer.

FALL IN CONSUMPTION OF SPIRITS.

The Budget did not bring about any reduction in the beer and spirit duties, owing to the heavy demands on account of the National expenditure. The consumption of spirits fell fully 50 per cent. between the years 1914 and 1925. The production of beer in England and Wales in barrels of standard strength fell from nearly 30 million barrels to about 19½ millions, representing a decrease of 35 per cent., but the bulk barrels of beer sold in England and Wales show a decrease of nearly 22 per cent., this difference being accounted for in consequence of the beer to-day being brewed at a lower average strength than in 1914. The average strength of the beer now sold is slowly increasing, but with the present high beer duty, this can only continue if output is increased and brewing materials become cheaper.

INCREASED WINE CONSUMPTION.

The consumption of wine per head of the population has increased nearly 50 per cent. over 1914, due to the alcoholic content of wine bearing a rate of duty equal to only about one-half that of beer and stout, and about one-sixth that of spirits. One is at a loss to understand why a foreign product, such as wine, should obtain this huge preference over home-produced beer and spirits, unless it be that strange weakness of ours of encouraging the products of the foreigner at the expense of the home producer.

Notwithstanding the huge decrease in the consumption of beer and spirits, consumers have had to expend not less than £150,000,000 per annum more in consequence of the greatly increased taxation of alcoholic liquors, and the additional costs of rates, taxes, and of production and distribution.

LABOUR UNREST AND BEER PRICES.

Of course, I know the enemies of the trade will at once say this has resulted in added profits to brewer and publican. That is not the point. What I wish to make plain is that no matter whether it be the State, brewer, or publican who benefits by this heavy taxation of alcoholic liquors at the expense of the consumer, it does not require much reasoning to realise that with falling wages—which, unfortunately, many depressed industries are not in a position to check—the workman must be in a state of unrest if his so-called "subsistence wage" leaves out of account the fact that a family of five has to expend £18 per annum more than it did in 1914 on a commodity which he looks upon as a necessity. Further, this largely increased expenditure is sufficient to purchase only about 60 per cent. of the alcoholic beverages he enjoyed in pre-war days. To express it another way: If the average family of five persons consumed to-day the same volume and

strength of alcoholic beverages as in pre-war days, it would necessitate an expenditure of £30 per annum more than then.

I have no desire to connect directly the price of beer with the unfortunate labour unrest now prevailing, but I do contend, as I told Mr Lloyd George years ago, that you must avoid sullenness in a workman. You must foster it, however, if you look upon the supply and cost of his beer as being of no consequence.

PAYMENT OF BEER DUTY LEGISLATION.

The only proposal in the Budget directly affecting the trade was the reduction from three months to two months in the time allowed for payment of the beer duty. The shortening of this credit will, of course, add to the costs of production, and by decreasing the surplus capital of the trader retard his rate of improving licensed properties, which, carried out as our company is doing, requires a large amount of capital at our disposal.

It will be seen from the accounts that in our assets the value of properties has increased by over £270,000, brought about by the improvement of our properties, and the erection and purchase of additional licensed houses. This expenditure, together with the repayment of £40,000 of the loan in connection with the purchase of the Midland Brewery—reducing this loan, which was originally £400,000, to £120,000—has, of course, diminished our cash at bankers and in hand.

During the year we have opened and have had under construction several new licensed properties in the midst of large growing districts, the licences of which were granted in consideration of the removal and closing of redundant licences. Thus we continue our policy of "fewer and better" houses.

One can realise how difficult it is in the midst of industrial unrest to predict the result of the trading operations for the current year. The coal dispute has not injured us as much as one would expect, but if it continues much longer we, like other industries, are bound to feel its ill-effects. Nevertheless, I hope we shall be able next year to submit to you a balance-sheet as satisfactory as the one submitted to-day.

MINING DISPUTE AND CLERICAL INTERFERENCE.

No doubt we all hold views as to how those responsible should deal with the mining position. I, myself, am of the opinion that the less interference there is with the disputants by persons having no economic knowledge of the industry the better. I am, therefore, pleased the Press generally has censured the interference and declarations of a body of clerics in this dispute, whose action appears to savour of that of the so-called Temperance Council of the Christian Churches in connection with licensing matters. In both cases we discover the hand of the Rev. Henry Carter, who is joint secretary of both movements. As the *Sunday Times* states, "Mr Cook has been clever and the leaders of the Churches have been simple. Mr Cook saw that he could gain a moral and tactical advantage by his move; and he used the unsuspecting clerics as his tools." In the same manner the Rev. Henry Carter is endeavouring to further his Prohibition policy under the cover of temperance reform by making use of a body known as the Temperance Council of the Christian Churches. One, therefore, reads with pleasure the remarks of the Bishop of Gloucester in regard to the intervention of the Bishops in connection with the coal dispute, as they are true of all such meddling bodies. He states that their representative character is entirely self-assumed. The words used by the *Sunday Times* in a leading article in analysing this latest intrusion of the clerics into industrial matters apply equally well to the claim put forward by the people who style themselves the Temperance Council of the Christian Churches. It says: "In the first place, what are their credentials? They enter the arena ostensibly as 'representative Churchmen,' but whom do they represent? Not, to be sure, the great bulk of Christian Church-folk in this country, whose opinions they had never consulted, for since their activities became public there have been many direct disclaimers of their methods from Churchmen whose views are of importance. These representative Churchmen, in fact, represent nobody but themselves. That being so, they have no particular claim on the attention of the public as delegates of

religion. Still less, of course, have they any claim to be heard as economic experts."

I find that as general secretary of the Temperance and Social Welfare Department of the Wesleyan Conference, the Rev. Henry Carter said that the liquor trade feared the Wesleyan Methodists more than any other body of people in the country. Apparently he now wants also the mine-owners to fear Methodism. Methodists are generally given the credit for bringing about Prohibition in the States, and I have no desire to deprive them of that doubtful credit. But of this I am certain, that the Prohibition movement in England has planned its campaign on the lines of the Anti-Saloon League of America, namely, to make use of the religious bodies for propaganda purposes.

AMERICA'S PROHIBITION RESULTS.

An inquiry has been taking place before a Sub-Committee of the United States Senate upon Bills to repeal or modify the National Prohibition Act. The evidence which has been given before that Committee, on oath, of the alarming results which have followed the application of the law is startling reading. The official reports of arrests in the three world capitals show that Washington, under Prohibition, and after more than five years of enforcement effort is shown to be five times as drunken as Paris, and nearly seven times as drunken as London. Birmingham, Alabama, with, bear in mind, a population only one-fifth that of Birmingham, England, had 136 murders in 1924 and 112 murders in 1925, and showed the following arrests for drunkenness:—

1920, the first year of Prohibition, 927.
1921, 1,118.
1922, 3,000.
1923, 3,652.
1924, 3,972.
1925, 4,962.

It is, under Prohibition, seven times as drunken as our own City of Birmingham, under licence.

JUDGE DENOUNCES PROHIBITION.

I think this condition as to crime and drunkenness justify the severity with which Judge Talley denounced the Prohibition law in his evidence taken before the Committee of Inquiry to which I have referred. He stated, "he had been for five years a Judge of the Court of General Sessions of New York City, which is regarded as the greatest criminal court in the world and is the oldest court of the United States, being a court of exclusively criminal jurisdiction, trying only felony cases from murder down." In his sworn evidence, he said: "It is my calm and deliberate judgment, based on my experience, that the greatest single menace confronting the United States to-day is the existence of the Prohibition law as it now stands. One of the most imposing promises made by the friends of Prohibition before the eighteenth amendment was that by abolishing drink crime would be decreased to a minimum. That promise has not been fulfilled. Crime has increased in such amazing proportion that it has become the dominant consideration of most of the State and municipal Governments of the nation. A national Commission has been set up to determine the cause and possible remedies to reduce the tremendous wave of crime that is sweeping not only the country, but New York as well. I need not quote statistics to the Committee, to demonstrate that this is the most lawless country on the face of the earth. I go a step further. I assert that Prohibition is one of the largest contributing factors to that disgraceful condition, by reason of the conceded failure or inability of Federal and State authorities to enforce the law; it has created a disrespect for law which, starting with Prohibition, has gone all along the line."

There is no doubt that Prohibition was inflicted upon the United States in consequence of the apathy there, for as more than one American has told me, the people never dreamt that it would come about. Let us be alert to avoid such conditions arising in this country.

Lord Astor, of course, is still doing his utmost to gain support for the proposals contained in what is known as the Bishop of Oxford's Bill. This, if carried, would permit confiscatory measures being taken to end private ownership in a district.

TEMPERANCE LEGISLATION WARNING.

One must confess, however, that during the past 12 months we have not been worried by our opponents in Parliament, and there has been a lull also in the public campaign of the teetotal party. Meanwhile, the trade has been free to devote its energies towards progress, and has been busily engaged in the improvement of the public-house. Nevertheless, you may rest assured the organisers of the trade are not deceived by this quietude, and are not living in a position of false security.

Mr Arthur Sherwell, in the current issue of the Monthly Notes of the Temperance Legislation League, says:—"The public mind has been preoccupied with urgent questions which have held the stage to the exclusion of other questions which have been tem-

porarily obscured, but not robbed of their essential importance. Their re-emergence with enhanced claims to attention is as certain as anything in the world of politics can be." He goes on to say:—"Among these questions will certainly be the drink question. It has been obscured, but not disposed of. Not even the most powerful leader of a powerful political party will be able to avoid it. Already there are unmistakable signs of its re-emergence as a problem of many-sided social importance. Not for many years past have so many minds been at work upon it. And they are not the minds of sectarians or of partisans, but of shrewd observers and students of social life. The British Parliament, which has had a temporary respite from the pressure of the drink problem, will presently find it knocking at the door in an insistent and not negligible way, and the demand, we predict, will have new forces and constructive ideas behind it."

The views of Mr Arthur Sherwell always deserve our notice and careful thought, as, in my opinion, he is the most earnest and well-informed investigator of temperance problems. I think Mr Sherwell's forecast is well founded, and it behoves all of us of the trade—with whom I, of course, include all having any financial interest therein—to be prepared for the storm he predicts is gathering.

To be forewarned is to be forearmed.

With these remarks, ladies and gentlemen, I beg to move the adoption of the report, and will ask Mr Herbert W. Bainbridge to second the resolution.

Mr Herbert W. Bainbridge seconded the resolution, which was carried unanimously.

PRESENTATION TO SIR WILLIAM WATERS BUTLER, BART.

At the conclusion of the ordinary business Mr Arthur Mitchell (deputy-chairman) took the chair, and on behalf of the shareholders presented Sir William Waters Butler with his portrait in oils, by Sir William Orpen, R.A., and Lady Butler with a pearl necklet. Mr Mitchell said the presentations were intended to mark the honour of a baronetcy conferred upon Sir William by his Majesty the King. Alluding to Sir William's work on behalf of the company and to his national work, Mr Mitchell said he was appointed a managing director of Mitchells and Butlers on the amalgamation of the Cape hill and Broad street businesses in 1898, appointed deputy-chairman in 1907, and had been chairman since 1914. He had built up a reputation as one of the greatest authorities in every department of the brewing trade, was a member of several learned societies, and had been a member of the council of Birmingham University from 1907. Sir William was chairman of the Brewers' Society in 1908, president of the Institute of Brewing in 1907, was appointed a member of the Central Control Board in 1916, and was at present a member of the State Management Districts Council. As a member of the Central Control Board his great knowledge both of the brewing and the retail sides of the trade must have been of the utmost practical value to the Government in connection with the State control schemes for Carlisle and other areas. It was undoubtedly the valuable work voluntarily rendered to the nation in this connection which had brought Sir William the honour which his Majesty had been pleased to confer. Beyond all this, Sir William had found time to help forward many movements of a philanthropic nature. The honour had been won by sheer merit, coupled with a fine personal character. Referring to Lady Butler, Mr Mitchell said that by her unselfish devotion and womanly instinct she had been the guiding star throughout her husband's brilliant career.

Mr Herbert W. Bainbridge referred to the occasion as an historic one. For many years, he said, they had had Sir William Waters Butler with them, for 12 years he had been chairman, and in the opinion of the board no fitter opportunity could have arisen to honour him than in connection with the signal distinction conferred upon him. No body of shareholders could have been better served. Sir William had devoted all the active years of his life, and all his talents, to furthering the interests of the company. The late Mr Henry Mitchell and the late Mr William Butler laid a splendid foundation for the business, but their efforts would have been of little purpose if the succeeding generation of Mitchells and Butlers had not carefully built upon it. There was every indication, too, that a third generation would prove equally as keen and energetic in maintaining the high traditions of the concern.

Sir Gilbert Barling, Bart., explained that he was not a shareholder of the company, but had been given permission to be present when the shareholders did honour to Sir William Butler. He could speak with more authority than most with regard to the very generous help Sir William had given to the University of Birmingham. From its inception some 27 years ago he had been one of its staunchest supporters. His last donation was valuable not only in its amount, but because it enabled the University Council to proceed with the building of a new block to be devoted to botany, zoology, and a brewing school. It was benefactions such as that given by Sir William Butler which pro-

vided the means to carry on research in the hope that much more might yet be done to the promotion of human welfare and relief from distress and suffering.

Mr J. Edwin Mitchell expressed the pleasure it gave him to add his testimony to Sir William's sterling worth. They had worked together most amicably at all times, and nothing had disturbed that harmony during the 28 years in which they had been associated. He hoped those who came after would maintain the traditions of the board.

Further congratulations were offered by Lt.-Col. H. S. Staveley-Hill and Mr J. Milliken Smith, after which the chairman handed over the gifts, expressing the hope that they would be handed down to many successive generations, and that Sir William and Lady Butler would live many further years of deserved happiness.

SIR WILLIAM BUTLER'S REPLY.

Sir William Butler, in acknowledging the gifts on behalf of Lady Butler and himself, remarked that whilst their intrinsic value was great, this was incomparable with the value he set upon the kind of spirit which prompted them. Without much sacrifice of time and pleasure on the part of Lady Butler, he would not have been able to undertake the national work which he had performed during and since the war. He rejoiced that a replica of the portrait was to be hung in the board room of the company, alongside those of the late Mr Henry Mitchell and Mr William Butler, his father. This was an honour deeply appreciated, for these two giants in the industry laid down the lines upon which the company had conducted its operations with such marked success. As a director during the past 28 years and chairman for 12 years, he had endeavoured to maintain the company's splendid traditions of upright dealing and of rendering good service to the public. He had done his utmost not only to advance the position of Mitchells and Butlers, but, by taking an active part in the counsels of the trade, from both the political and technical sides, to raise it in the eyes of the general public. He had been most loyally backed up by the members of the Mitchell family ever since his father, in 1898, joined the late Mr Henry Mitchell in the creation of Mitchells and Butlers, Limited. No one could desire to work with better colleagues than Mr J. E. Mitchell and Mr Arthur Mitchell. In conclusion, Sir William said the day had been a memorable one for himself and the members of his family, and recollections of it would be treasured to the end of their lives.

ANGLO-DUTCH PLANTATIONS OF JAVA, LIMITED.

HON. C. H. STRUTT ON POSITION AND PROSPECTS.

The sixteenth ordinary general meeting of the Anglo-Dutch Plantations of Java, Limited, was held, on the 10th instant, at the Cannon street Hotel, London, Colonel Sir Robert Williams, Bt., presiding in the absence, through illness, of the chairman of the company (the Hon. C. H. Strutt).

Mr Percy H. Bradford, representing the secretaries (Messrs Francis Peek and Co., Limited), read the notice convening the meeting and the auditors' report.

In the course of his speech, which was read to the meeting, Mr Strutt said: When comparing our dividend with other companies, it should be remembered that we are only partly dependent on rubber for our revenue, and we have, moreover, a large amount of capital expenditure that has not yet become productive or fully productive. Out of a total of 76,942 acres planted, 29,405 acres are not yet in bearing. This includes 3,207 acres of tea and nearly 10,000 acres of rubber; but perhaps of even greater importance is the fact that during the year under review our tea in bearing only gave an average of 459 lbs per acre. We certainly shall not be satisfied until this figure reaches at least 600 lbs per acre, which we are confident by our improved cultivation methods should be comfortably attainable. This alone should add to our tea output nearly three million pounds from our existing areas in bearing.

The dividend is also not quite so high as anticipated, but if the report be carefully examined it will be seen that this arises from caution. You will notice in our recommendations for the disposal of the revenue for the year that we have put by £50,000 to a special contingencies reserve to meet unforeseen expenses, and we have created a pensions fund of £20,000. Apart from these two reserves, there is also the depreciation reserve account, which now stands at £281,208, and the insurance reserve of £113,735. The auditors have thought it necessary to write off a still larger sum as depreciation on the Utilities Company's assets than has been done hitherto. This has necessitated our finding £27,251 to meet the deficiency caused by the payment of their debenture interest.

The number of our present shares issued, including options recently exercised, is £1,939,743, and adding to this option holders and debenture-holders, who can call for a total of £417,708, our share requirements are £2,357,451. Our present authorised capital is £2,250,000, and, as that requires increasing, you will probably like this to be in round figures to £2,500,000, which will give us a small amount of unissued capital still in hand. A resolution in this respect will be placed before you later in the proceedings.

Our permanent additions during the year to the planted area were 281 acres of rubber, 1,798 acres of tea, and 211 acres of cinchona.

NATIVE PLANTINGS.

Up to the end of 1925 we had 16,177 acres of rubber alone in bearing, out of 28,532 acres planted, but as 1920 was the year of very large planting (we having opened altogether 4,447 acres during that year), the additions to the tapped acreage this year and next year will be on a large scale. After this the annual additions will be comparatively small. Rubber, you will see, has by far given us our best share of profit during the past year, and the future of the industry will be of infinite importance to us. There is no doubt that the restriction scheme of the late Lord Stevenson has been of great temporary assistance to the industry, though I consider a mistake was made in not reducing the restriction faster after the price of 2s 6d was obtained. I think the rise of price to 4s, though welcome enough at the time, will have done too much to encourage those outside the restriction scheme, especially natives, to plant up too great an area. I have always paid more attention to the native plantings than the majority of rubber planters have done, and I am not at all sure that the planting of those who are outside the restriction area will not in five or six years increase the production so largely that the restriction scheme will either have to be withdrawn or be practically of small effect. In short, I think that in five or six years' time it will again be entirely a question of supply and demand. The production will, I believe, be much larger than it is now unless we find that the trees on the older plantations are suffering from old age. This will very likely be the case, but apart from that our chance of a favourable price in the future depends on the consumption increasing at a higher rate than the normal production. I have always been in favour of the restriction scheme, but not that of the selling combine, as I think it far more desirable that the rubber should not be tapped, and thereby the virility of the trees maintained, than to hold up stocks in hand, which I consider is necessarily part of the plan of any combine.

You will probably have noted our increased cost of producing the rubber. When we commence tapping a new area it always costs

us more in labour than on old areas, as generally the trees are picked trees, and not all in close proximity to each other. They do not yield as much, and the new tappers are not so capable as the old; but a more important point still is the bonus we paid to the managers and assistants based on the margin of profit obtained, and which, consequently, tends to increase the cost as selling prices rise. The first six months' yield of rubber for this year amounts to 4,070,088 lbs, and is well within our standard figure allowed under the restriction scheme, and it is expected that the new areas coming into bearing during the next half-year will give still better results.

TEA CROPS.

Our largest product is tea, but though the crop obtained was considerably more than that of rubber, the yield was largely decreased last year by a prolonged drought. These droughts present the weak point of growing tea in Java. They last sometimes for months, even up to five months, and there seems no natural and easy mode of meeting the difficulties they create. The new tea estates which we bought show cheaper capital costs than our old tea lands, but our visiting agents are continually calling for improvements in building, machinery or manuring, which will, we think, before long bring the capital costs up to those of the old estates.

For 1925 the crop of tea obtained was 8,760,251 lbs, against an estimate of 9,350,000 lbs. The estimate for the current year is 10,659,241 lbs, and, provided normal weather is experienced during the next two or three months, this crop should be assured, as for the first six months practically 6,000,000 lbs of tea have been obtained.

There is a slight increase in the cost price—8.45d, compared with 7.8d. This is accounted for partly owing to the smaller crop, but also to the fact that we have been gradually extending our system of manuring, especially on our recently acquired properties.

One-half of this year's tea crop has been sold forward at varying prices, giving an average of a fraction under 1s 3d per pound London.

COFFEE AND OTHER PRODUCTS.

The crop of coffee obtained last year was rather above that of previous years, and the net selling price was also above the average, so the results obtained were better than usual.

The supply of quinine for some little time past has been in excess of the demand, with the result that, although we have been restricting our output, there is still an accumulation of stock, and we are forced to anticipate lower prices and cannot expect to maintain the profits of the last few years. In addition to our agricultural products, we are now making a profit on the purchase of paddy for the Pamanoeken mill and the new mill at Pegaden. Both mills produced last year satisfactory results. This year a third mill has been erected at Pakceran. We have also built a tapioca factory capable of turning out 20,000 piculs of tapioca flour per month.

Our large extensions during the last years were in the direction of the growth of sisal and tapioca, only a small proportion of which was in bearing last year. The sisal suffered slightly from disease, and we have found it somewhat difficult to get the best market for the varieties which we grow. These difficulties we hope shortly to overcome. The sisal factory is now running well, and, though we have suffered, as most companies do in starting a new product, we hope now that we shall improve every year.

DEVELOPMENT OF CONCESSIONS IN SUMATRA.

A new company was formed in October last year to purchase our concessions in Sumatra amounting to 102,114 acres. We received as the purchase price £80,000 in cash and £80,000 in fully-paid shares of the new company. They have made an issue of £250,000 6 per cent. debenture stock convertible into shares on January 1, 1932, or January 1, 1933, and we have undertaken to make good out of the money received as purchase price any deficiency in that company's revenue for the first six years resulting from the payment of debenture interest. We have also subscribed for 170,000 shares in addition to those received as part of the purchase price. We understand that with these funds, which amount to approximately £340,000, the company intends to plant up 6,000 acres with rubber, tea, and coffee, spread over the next three years. For this year it is hoped to plant 875 acres with rubber, 875 acres with coffee, and about 90 acres with tea, but, owing to adverse weather conditions experienced recently, this programme may be somewhat curtailed. According to preliminary estimates, it is considered that the full programme should be completed at a cost of about £60 per acre, including factories and all expenditure up to the bearing stage.

The report and accounts were unanimously adopted, and a final dividend of 12½ per cent., less tax, making 22½ per cent. for the year, was declared.

A resolution was also passed increasing the capital of the company to £2,500,000 by the creation of 250,000 shares of £1 each.

WATNEY, COMBE, REID AND COMPANY, LIMITED.

SUCCESSFUL YEAR—RECORD RESULTS.

The ordinary general meeting of Watney, Combe, Reid and Co., Limited, was held, on the 11th instant, at the Charing Cross Hotel, Strand, London, Sir H. Cosmo O. Bonsor, Bart. (chairman of the company), presiding.

The secretary (Mr W. S. Bradley) having read the notice convening the meeting and the report of the auditor,

The Chairman, in moving the adoption of the report and accounts, said: When we had the pleasure of meeting at this time last year, we had the gratification of anticipating that we should be able to restore our lost capital, and we dwelt upon that anticipation. To-day we submit to you a balance-sheet which, I think, justifies our then action, and we are also going to recommend a dividend which, I hope, will be satisfactory to our stockholders. We have now had seven years of continuing and increasing prosperity, and I feel that one ought possibly to utter a word of caution. You are all aware that these strikes—whether you call them industrial or political—are having a disastrous effect upon the trade of the country. There are more people than ever out of employment, and there are a large number of factories either closed altogether or working on short time. London is always the last to feel a serious depression of trade, but there are unmistakable signs at the present moment that the demand for beer is not so good as it was at this time twelve months ago.

THE BALANCE-SHEET.

To deal with the balance-sheet we are submitting to you, I may say that I have been asked for some definition of the big figure of £12,000,000 odd which appears on it. I have been asked a question as regards the values of the items that make up that large sum. Our properties are all taken at their book value, and it is a fact that all our freeholds and leaseholds are undervalued. At the same time, there is a figure of close upon £3,000,000 for goodwill which is a part of that £12,000,000. I imagine, although I do not know, that if that £3,000,000 were distributed over our leasehold and freehold properties the value would be about equal to the market value at the present date. Consequently, I think we may rest assured that that item of £12,000,000 represents good value for the money. The fact is that our auditors in the past always deprecated our writing anything off goodwill; they asked us to confine depreciation to our freeholds and leaseholds; consequently, our freeholds and leaseholds are now, no doubt, considerably below their value, taken at present market prices.

Last year we told you that the amount we were carrying into reserve was already invested, or about to be invested, in the undertaking. During the year we have spent on capital account something between £400,000 and £500,000. As to how this has been applied, we have bought and also equipped new bottling stores; we have increased our office accommodation, and we have installed additional plant in our breweries. That was capital expenditure to meet what was our increasing trade. We have also spent £121,000 on rebuilding public-houses, £60,000 on alterations and extensions to public-houses, and £110,000 on the conversion of leaseholds into freeholds. That makes practically £300,000 altogether, and that capital is, or will be, remunerative. At June 30th last we had outstanding contracts of £250,000, so that the amount that we are recommending to be carried to reserve for this year is practically all required for capital expenditure on similar lines to our capital outlay of the past year.

REBUILDING OPERATIONS.

As regards our rebuilding operations, the licensing authorities have been very considerate in giving us leave to rebuild, and also for extensions. Our applications for rebuilding public-houses during the year were 28 in number, and out of those 28 applications 24 were granted. We applied in 89 cases for alterations and extensions, and of those 89 applications 82 were granted. That is a very good record, I think. It is a fact that, while the majority of magistrates welcome these improvements and take an interest in these improvements, there are still some magistrates—though I am glad to say their numbers are decreasing—who are so very conservative that they stick to the old tradition, which, in my opinion, is a fallacy, that increased accommodation means increased drinking. Our experience is that the provision of dining, luncheon, and tea rooms not only stops the abuse of alcohol, but also promotes temperance.

I do not think I have anything else to tell you, save that our secretary says that I ought to mention that we made three records during the year—I think I may say four. We have restored our capital, we have sold more beer than in any previous year, and we were, happily, able to maintain our trade. In our bottled beers we have had a very large increase of sales. It may interest you to know that during the year we sold 5,500,000 dozen pints in glass. We may also say that our gross profits constituted a record, being slightly better than last year, which itself was a record. The Chairman concluded by paying a tribute to the loyalty and excellent work of the staff.

The report and accounts were carried unanimously.



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C.4

Authorised Capital	: : : £10,000,000
Reserve Fund	: : : £4,000,000
Issued Capital	: : : £8,734,660
Paid-up Capital	: : : £4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of

LATIN AMERICA

as well as 7 Branches in

SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York),
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.,
PARIS.
Northern District Office: 89, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

GOVERNMENT RETURNS, &c.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					Balance at Bank of England.
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	
1923.								
Mar. 22.....	285,616	12,318	7,000	27,000	22,450	17-3	241,294	190
June 27.....	286,505	12,516	7,000	27,000	22,460	17-3	242,446	143
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17-5	238,585	140
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	16-5	255,032	159
1924.								
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17-6	236,867	130
June 25.....	290,516	12,472	7,000	27,000	22,450	17-0	246,198	140
Sept. 24.....	285,591	12,220	7,000	27,000	22,450	17-3	241,185	184
Dec. 31.....	286,261	12,812	7,000	27,000	26,950	18-2	248,111	133
1925.								
Mar. 25.....	284,256	11,882	7,000	27,000	26,950	18-9	235,076	118
June 24.....	292,278	12,265	7,000	27,000	26,950	18-5	243,474	119
Sept. 30.....	293,004	12,555	7,000	27,000	26,950	19-1	244,188	131
Dec. 30.....	296,777	12,561	7,000	27,000	26,950	18-9	245,896	192
1926.								
Mar. 31.....	295,337	12,226	6,550	27,000	26,250	19-0	244,585	178
June 30.....	294,036	12,567	6,550	27,000	26,250	19-1	243,667	136
Aug. 4.....	296,993	12,337	6,550	27,000	26,250	18-9	246,405	125
11.....	294,177	12,354	6,550	27,000	26,250	19-1	243,595	136

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

NATIONAL DEBT.—(Million £.)

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Aug. 7, 1926.
Funded Debt.....	588	315	315	318	314	314	314	314	314	314
Term Annuities.....	30	20	16	14	14	13	13	13	13	13
3% Conversion Loan.....	..	..	266	684	666	709	764	760	760	760
4% Conversion Loan.....	..	..	63	63	63	63	63	63	63	63
4% War Stock.....	..	..	13	13	13	13	13	13	13	13
4% and 5% War Stock.....	..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109
National War Bonds.....	..	1,509	1,201	953	820	778	771	706	706	706
4% Funding Loan.....	..	409	401	399	396	394	394	391	391	391
4% Victory Bonds.....	..	360	335	325	314	303	303	301	301	301
Treasury Bonds.....	..	..	453	411	457	499	479	482	482	482
Exchequer Bonds.....	..	323	185	150	150	150	150	150	150	150
National Savings Certs.....	..	367	342	354	366	369	372	375	375	375
Other Debt*.....	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French).....	..	..	51	..	..	..	..	..	..	..
Treasury Bills.....	15	1,107	878	616	588	576	635	665	616	616
Temporary Advances.....	1	243	147	194	186	167	181	139	155	155
Other Capital Liabilities.....	654	8,033	7,655	7,742	7,641	7,598	7,703	7,568	7,638	7,638
Total Liabilities.....	711	8,079	7,721	7,812	7,707	7,670	7,787	7,653	7,720	7,720

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Aug. 8, '25.	Mar. 31, '26.	Aug. 7, '26.	Week ended Aug. 7, '26.
Ways and Means Advances Outstanding—				
Advances by Bank of England	170,221,000	139,441,000	155,601,000	7,900,000
Advances by Public Deposits	607,985,000	564,855,000	615,870,000	6,070,000
Treasury Bills Outstanding	778,206,000	704,296,000	771,471,000	1,830,000
Total Floating Debt	1,456,412,000	1,408,592,000	1,542,942,000	154,770,000

* Includes £56,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note.)	Total Receipts into the Exchequer from	RECEIPTS.	RECEIPTS.
		Apr. 1, 1926, to Aug. 7, 1926.	Week Ended Aug. 7, 1926.	Week Ended Aug. 8, 1926.
Balances in Exchequer on 1st April:—				
Bank of England.....	..	5,880,249	5,341,778	..
Bank of Ireland.....	..	676,684	1,215,322	..
..	..	6,556,933	6,557,100	..
REVENUE.				
Customs.....	108,450,000	35,706,000	35,368,000	1,782,000
Excise.....	141,300,000	41,676,000	41,084,000	827,000
Motor Vehicle Duties.....	21,600,000	5,088,000	4,516,000	767,000
Stamps, &c., Duties.....	66,000,000	20,130,000	21,510,000	860,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	120,000	150,000	..
Property & Income Tax	254,800,000	53,835,000	69,275,000	5,943,000
Super Tax	84,500,000	17,280,000	23,240,000	440,000
Excise Profits Duties, &c.	2,000,000	..	..	..
Corporation Profits Tax	6,500,000	1,710,000	4,750,000	60,000
Post Office.....	59,400,000	18,750,000	19,400,000	1,700,000
Crown Lands.....	950,000	390,000	340,000	..
Receipts from Sundry Loans	21,650,000	6,639,635	8,254,572	73,646
Miscellaneous.....	..	..	..	2,227,652
Ordinary Receipts.....	25,600,000	13,131,267	14,422,449	8,334
Special Receipts.....	26,000,000	6,692,404	14,422,449	12,400
Revenue.....	824,750,000	227,218,306	252,178,719	18,781,035
Total, inc. Balance.....	..	333,775,239	258,735,819	..

	Total Receipts into the Exchequer from	RECEIPTS.	RECEIPTS.
	Apr. 1, 1926, to Aug. 7, 1926.	Apr. 1, 1925, to Aug. 8, 1925.	Week Ended Aug. 7, 1926.
OTHER RECEIPTS.			
Temporary Advances Repaid—			
Under the Unemployment Insurance Act, 1921.....	344,000	670,000	..
Money Raised by Creation of Debt—			
(a) For Capital Expenditure Issues			
Under the Telegraph (Money) Acts, 1924 and 1925.....	2,850,000	3,050,000	..
Under the Housing Act, 1914.....	..	3,000	..
Under the West Indian Islands (Telegraph) Act, 1924.....	..	11,533	..
(b) Under the Unemployment Insurance Act, 1921.....	3,070,000	1,250,000	..
(c) For other Issues:			
By Treasury Bills.....	882,428,000	870,535,000	54,194,000
By 3% Conversion Loan.....	..	23,079,560	49,626,000
By National Savings Certificates	10,150,000	13,350,000	550,000
By Treasury Bonds, 1925.....	..	10	..
By 4% Treasury Bonds, 1931-33	3,512,150	..	..
(d) Ways and Means Advances	267,751,000	255,035,000	7,850,000
Repayments—			
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921.....	90,595	78,816	9,668
Total.....	1,403,970,984	1,425,798,738	81,384,703

NOTE.—Budget Estimate as in H.C. 69 of 1926.

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27 (including Supplementary Grants).	Total Issues out of the Exchequer to meet Payments from	ISSUES.	ISSUES.
	Apr. 1, 1926, to Aug. 7, 1926.	Apr. 1, 1925, to Aug. 8, 1925.	Week Ended Aug. 7, 1926.	Week Ended Aug. 8, 1926.
EXPENDITURE.				
National Debt Services—				
Sinking Fund.....	304,000,000	134,907,651	135,100,563	5,975,369
Road Fund.....	60,000,000	10,390,561	15,340,352	2,721,337
Payments to Local Taxation Accounts, &c., ..	17,500,000	3,462,044	3,027,044	290,000
Payments to Northern Ireland Exchequer ..	14,100,000	1,975,304	1,789,932	300,000
Land Settlement.....	5,200,000	1,541,234	1,363,197	75,000
Other Consolidated Fund Services.....	..	..	114,502	..
Supply Services.....	2,600,000	1,097,928	1,133,346	..
Expenditure.....	422,327,000	143,549,825	130,594,629	9,437,000
Other Issues.	825,727,000	296,924,547	288,463,565	6,879,165
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904.....	..	36,891	36,891	..
Under the Unemployment Insurance Act, 1921.....	..	6,262,431	1,250,000	570,000
Issues to meet Capital Expenditure—				
Under the Telegraph (Money) Acts, 1924 and 1925.....	..	3,700,000	4,050,000	..
Under the Housing Act, 1914.....	..	..	6,000	..
Under the West Indian Islands (Telegraph) Act, 1924.....	..	..	11,533	..
Unemployment Insurance Act, 1921.....	..	..	..	..
Repayment of amounts borrowed ..	300,000	670,000	..	420,000
Redemption of Debt—				
Treasury Bills.....	831,466,000	838,215,000	48,165,000	45,930,000
Principal of National Savings Certificates.....	11,250,000	11,250,000	860,000	600,000
Principal of Exchequer Bonds paid off.....	..	306,667	..	..
Principal of National War Bonds paid off.....	..	3,639,550	..	..
Principal of Treasury Bonds paid off ..	..	23,645,860	..	..
Ways and Means Advances Repaid	251,591,000	251,399,000	15,750,000	11,400,000
Balances in Exchequer—				
Bank of England.....	1,401,524,869	1,422,944,066	81,362,369	68,320,502
Bank of Ireland.....	2,013,189	2,021,012	84,838	36,608
Total.....	432,926	835,660	107,172	151,000

Treasury, August 9, 1926.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 13, 1926, and the total amount applied for was £53,960,000. For bills at 3 months, dated Monday to Friday, £98 17s 2d, and above in full, Saturday at £98 17s 4d, and above in full. The amounts allotted were in bills at 3 months, £39,960,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
June 11, 1926.	35,000,000	46,905,000	4 6 8-33	nil
June 18.....	35,000,000	48,655,000	4 5 5-54	nil
June 25.....	45,000,000	64,685,000	4 5 0-93	nil
July 2.....	40,000,000	63,990,000	4 3 1-19	nil
July 9.....	35,000,000	50,600,000	4 6 7-5	nil
July 16.....	35,000,000	47,025,000	4 7 0-18	nil
July 23.....	35,000,000	46,855,000	4 5 6-42	nil
Aug. 6.....	40,000,000	48,120,000	4 7 0-29	nil
Aug. 13.....	40,000,000	50,920,000	4 7 3-16	nil
Aug. 13.....	40,000,000	53,960,000	4 10 4-04	nil

Tenders will be received on Aug. 20, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, August 11, 1926.

ISSUE DEPARTMENT.

	£	£
Notes issued.....	172,310,405	172,310,405
Government debt.....	11,015,100	..
Other securities.....	8,734,900	..
Gold coin & bullion.....	152,560,405	..
172,310,405	172,310,405	..
BANKING DEPARTMENT.		
Proprietors' capital ..	14,553,000	36,809,994
Rest.....	3,580,241	73,196,124
Public deposits*.....	11,003,970	30,988,985
Other deposits.....	112,162,279	1,307,316
Seven-day & other bills	2,929	..
141,302,419	141,302,419	..

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Aug. 11, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest.....	3,580,241	+ 20,248	+ 22,917
Public deposits.....	11,003,970	+ 2,637,010	+ 4,729,149
Other deposits.....	112,162,279	+ 3,670,678	+ 1,432,519
Government securities.....	36,809,994	+ 469,666	+ 2,591,474
Other securities.....	72,195,124	+ 3,652,567	+ 590,234
Reserve.....	32,295,501	+ 2,205,627	+ 6,457,058
Note circulation.....	141,321,420	+ 1,182,050	+ 3,931,990
Coin and bullion.....	153,867,721	+ 1,023,577	+ 10,389,048
% of reserve to liabilities.....	261%	+ 2%	+ 4%

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

Average Weekly Balances, JULY, 1926.	Bank of Liverpool and Martins, Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	Westminster Bank, Limited.	Willis's Bank, Limited.	Total.
ASSETS.	£	£	£	£	£	£	£	£	£	£	£
Coin, bank and currency notes, and balances with the Bank of England ..	5,963	34,796	1,453	2,599	39,691	50,083	3,709	27,817	27,960	3,723	197,794
Balances with and cheques in course of collection on other banks in the United Kingdom ..	1,695	8,230	655	966	7,625	12,933	124	7,112	9,288	1,037	49,665
Items in transit ..	5,397	23,563	2,592	4,865	20,135	18,254	4,003	17,608	23,559	2,682	122,658
Money at call and short notice ..	2,471	42,345	1,287	1,335	50,928	48,323	2,568	37,713	46,760	1,858	235,588
Bills discounted ..	9,555	53,427	4,254	7,510	46,335	36,219	15,693	38,267	45,829	4,757	261,846
Investments ..	34,345	155,822	8,208	9,445	185,667	196,322	16,072	135,277	129,589	19,320	890,067
Advances to customers and other accounts ..	3,725	10,144	..	1,633	15,290	34,601	103	8,455	9,910	1,470	85,331
Liabilities of customers for acceptances, endorsements, &c.	1,543	5,270	346	695	6,284	6,806	760	4,807	4,196	896	31,603
Bank premises account ..	..	6,059	..	..	6,581	6,377	..	2,754	2,991	..	24,762
Investments in affiliated banks ..	64,694	339,656	18,795	29,048	378,536	409,918	43,032	279,810	300,082	35,743	1,899,314
LIABILITIES.	10-50	11-43	8-45	10-13	11-76	14-31	9-99	11-02	10-29	11-97	11-74
Ratio of cash to current, deposit, and other accounts ..	10-50	11-43	8-45	10-13	11-76	14-31	9-99	11-02	10-29	11-97	11-74
Capital paid up ..	2,349	15,858	800	1,060	15,810	12,666	1,500	9,479	9,320	1,875	70,717
Reserve fund ..	1,850	9,250	800	530	10,000	12,666	1,285	9,479	9,320	1,300	56,480
Current, deposit, and other accounts ..	56,770	304,405	17,195	25,647	337,436	349,986	37,106	252,397	271,520	31,098	1,683,560
Acceptances, endorsements, &c.	3,725	10,143	..	1,633	15,290	34,600	103	8,455	9,910	1,470	85,329
Notes in circulation ..	..	..	..	..	..	..	..	..	..	..	..
Reduction of bank premises account ..	..	..	..	..	..	..	..	..	..	..	..
	64,694	339,656	18,795	29,048	378,536	409,918	43,032	279,810	300,082	35,743	1,899,314

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

ASSETS.	July 16, 1926.	July 9, 1926.	July 2, 1926.	June 25, 1926.	June 18, 1926.	July 17, 1926.
Total securities ..	22,05,90	22,08,71	22,08,71	21,58,25	20,48,16	13,64,48
Loans ..	13,17,70	16,06,81	15,55,53	16,00,13	17,65,45	17,65,45
Cash ..	23,05,79	24,08,39	25,94,21	26,57,50	27,61,31	27,61,31
Inland bills ..	5,10,31	4,89,32	5,82,21	5,70,84	5,75,28	5,25,33
Foreign bills ..	27,54	16,12	28,15	32,94	31,15	32,15
Dead stock ..	2,74,65	2,74,43	2,74,85	2,78,53	2,78,02	2,74,22
Bal. with other banks ..	21,99	16,20	4,91	8,33	4,82	18,97
Cash ..	49,50,49	46,15,53	44,39,95	41,43,54	37,99,63	40,87,39
LIABILITIES.						
Capital paid up ..	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve ..	4,92,50	4,92,50	4,82,50	4,82,50	4,77,50	4,77,50
Total deposits ..	104,95,63	102,97,28	105,85,81	102,53,04	99,65,60	97,58,21
Thereabove includes—						
Deposits in London ..	1,025	933	959	1,033	1,081	1,302
Advances in London ..	1,036	1,040	1,067	1,099	1,188	1,194
Cash, &c., at other Banks in London ..	143	95	33	47	34	127

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

ASSETS.	Aug. 5, 1926.	July 29, 1926.	July 22, 1926.	July 15, 1926.	Aug. 6, 1926.	Position May 28, 1926.
Coin (gold & silver and bullion) ..	390,640	391,368	391,275	392,144	384,533	322,650
Securities ..	1,518,087	1,519,384	1,709,372	1,635,786	1,420,562	697,600
LIABILITIES.						
Notes in circulation ..	8,993,164	8,975,301	8,896,181	8,946,917	7,674,674	934,150
Current accounts ..	543,325	681,053	613,605	497,402	220,780	112,125

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Aug. 9, 1926.	Aug. 2, 1926.	July 26, 1926.	July 19, 1926.	Aug. 10, 1926.	Position May 30, 1926.
Gold ..	425,550	425,639	425,951	421,018	419,354	163,092
Silver ..	27,335	27,479	27,750	27,408	27,408	8,456
Depts. and advances ..	403,027	429,886	418,337	412,408	457,441	153,504
LIABILITIES.						
Notes in circulation ..	824,101	847,686	814,574	822,803	887,419	316,632
Deposits ..	48,898	55,328	75,728	66,436	21,430	5,016

BANK OF JAYA.—In florins (000's omitted).

ASSETS.	Aug. 7, 1926.	July 31, 1926.	July 24, 1926.	July 17, 1926.	Aug. 8, 1926.	Position May 30, 1926.
Gold ..	227,500	228,250	229,000	234,000	132,688	22,971
Silver ..	120,520	114,760	114,320	107,220	159,798	77,567
Discounts, advances, and other investments ..	337,000	335,000	335,500	336,500	316,951	109,499
Notes in circulation ..	46,000	51,000	50,000	48,000	57,533	11,250

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

ASSETS.	Aug. 4, 1926.	July 28, 1926.	July 21, 1926.	Aug. 5, 1926.	Nov. 22, 1922.
Gold bullion and coins ..	23,599	23,601	23,598	23,535	12,993
Silver coin ..	2,601	2,660	2,740	3,244	..
Balances abroad ..	36,327	36,519	36,511	31,882	22,486
Treasury notes & small change ..	9,421	9,411	10,867	11,734	3,085
Short term bills ..	67,162	67,162	67,107	59,448	6,639
Loans against securities ..	49,894	49,894	50,116	48,924	2,912
Other assets ..	9,548	8,512	8,220	9,694	1,359
LIABILITIES.					
Notes in circulation ..	30,022	29,907	29,773	28,424	4,085
Capital paid up ..	13,447	13,447	13,447	11,659	8,000
Reserve ..	2,237	2,237	2,237	1,582	..
Special reserve ..	2,500	2,500	2,500	1,000	..
Deposits ..	9,101	8,485	8,485	6,483	61
Current accounts ..	44,463	45,326	46,150	46,873	16,931
Government accounts ..	81,368	80,461	81,246	75,267	16,697
Other liabilities ..	14,766	15,425	15,658	17,233	3,757

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Aug. 7, 1926.	July 31, 1926.	July 23, 1926.	July 15, 1926.	Aug. 7, 1926.	Position May 31, 1926.
Gold ..	420,077	420,032	419,855	419,718	521,268	171,175
Silver ..	87,839	88,140	88,855	88,552	88,955	18,350
Assets & advances ..	3,35,118	321,334	309,534	310,661	290,138	103,000
LIABILITIES.						
Notes in circulation ..	776,455	803,415	753,918	752,798	801,297	275,925
Deposits ..	77,087	80,652	109,633	126,375	157,636	33,750

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	July 31, 1926.	July 22, 1926.	July 15, 1926.	July 31, 1925.	Position, May 31, 1924.
Coin and bullion—Gold ..	147,226	147,226	147,226	147,227	44,224
Balances abroad and foreign bills ..	76,851	77,541	78,096	58,120	28,533
Norwegian and Foreign Government securities ..	21,766	21,766	21,579	11,482	8,816
Discounts and loans ..	340,433	334,661	336,109	324,622	76,911
LIABILITIES.					
Notes in circulation ..	339,517	337,050	339,725	384,091	113,484
Deposits at notice ..	183,182	180,250	179,492	84,508	7,188

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Aug. 7, 1926.	July 31, 1926.	July 23, 1926.	Aug. 7, 1925.
Reichsbank shares not yet issued ..	177,212	177,212	177,212	177,212
Gold and bullion ..	1,492,530	1,492,530	1,492,530	1,113,678
Of which deposited abroad ..	260,435	260,435	260,435	102,775
Reserve in foreign currencies ..	486,896	494,810	308,449	358,511
Bills of exchange and cheques ..	1,127,019	1,198,823	1,130,463	1,706,121
Silver and other coin ..	111,229	109,574	115,854	67,128
Notes of other German banks ..	16,122	9,209	23,031	19,899
Advances ..	7,714	80,325	8,326	23,845
Investments ..	89,494	89,494	89,494	201,682
Other assets ..	721,324	646,491	714,412	618,075
LIABILITIES.				
Reduced capital ..	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued) ..	177,212	177,212	177,212	177,212
Notes ..	237,085	237,085	237,085	185,807
Notes in circulation ..	2,971,711	3,106,505	2,644,941	2,472,669
Other daily maturing obligations ..	600,509	538,088	748,681	1,803,355
Other liabilities ..	120,235	116,763	129,019	516,881

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription
of one pound of fine gold equals 1,392 Reichsmarks.

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Aug. 7, 1926.	July 31, 1926.	July 24, 1926.	July 17, 1926.	Aug. 8, 1926.	May 31, 1926.
Gold ..	228,168	228,121	228,279	228,347	233,537	104,918
Balances abroad ..	126,013	125,490	126,533	125,325	133,621	112,172
Swedish and foreign Gov. securities ..	47,241	47,251	47,251	47,251	48,174	32,465
Discounts & loans ..	236,002	241,372	248,195	265,650	311,874	112,668
LIABILITIES.						
Notes in circulation ..	476,976	494,209	448,768	462,125	476,427	228,555
Deposits at notice ..	82,508	88,271	122,860	127,221	173,674	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

ASSETS.	July 31, 1926.	July 23, 1926.	July 15, 1926.	July 31, 1925.	Position, May 30, 1924.
Gold ..	330,133	330,280	330,371	43,286	35,091
Balances abroad and foreign bills ..	951,213	941,224	916,524	1,068,822	90,379
Finnish and Foreign Government securities ..	366,417	366,417	366,417	403,296	21,826
Discounts and loans ..	649,589	685,052	706,773	371,234	105,151
LIABILITIES.					
Notes in circulation ..	1,289,438	1,252,100	1,260,004	1,252,085	123,941
Deposits at notice ..	340,036	393,693	393,945	444,658	21,225

BANK OF LITHUANIA.—In lt. (000's omitted).

ASSETS.	July 31, 1926.	July 15, 1926.	June 30, 1926.	June 15, 1926.	May 31, 1926.	July 31, 1925.
Gold ..	30,548	30,525	30,500	30,439	30,407	33,483
Silver ..	6,396	6,548	6,803	7,055	7,376	32
State Treasury coins ..	1,923	1,908	1,905	1,891	1,892	2,371
Foreign currency ..	24,148	24,539	26,998	30,011	32,445	28,535
Discount and credit ..	43,053	44,074	44,412	44,075	44,470	39,483
LIABILITIES.						
Capital ..	12,000	12,000	12,000	12,000	12,000	12,000
Reserve ..	850	850	850	850	850	625
Banknotes in circulation ..	74,446	76,227	79,471	81,556	83,094	78,497
Deposits ..	20,006	19,054	19,188	20,114	21,575	19,796

BANK OF POLAND.—In zloty (000's omitted).</

OVERSEAS BANK RATES.

Changed.	%	Oslo.	Changed.	%
Amsterdam	Oct. 3, 1925 .. 34	April 19, 1926 ..	54	
Athens	Aug. 18, 1925 .. 10	Paris	July 31, 1926 ..	73
Belgrade	.. 6	Prague	Jan. 12, 1926 ..	73
Berlin	July 6, 1926 .. 6	Riga	Feb. 16, 1924 ..	8
Brussels	April 23, 1925 .. 7	Rome	June 18, 1925 ..	7
Bucharest	Sept. 4, 1920 .. 6	Sofia	.. 7	
Budapest	Oct. 21, 1925 .. 7	Stockholm	Oct. 8, 1925 ..	43
Calcutta	June 10, 1926 .. 4	Swiss Bank	.. 43	
Copenhagen	June 24, 1926 .. 5	places	Oct. 22, 1925 ..	34
Danzig	May 11, 1926 .. 7	Tokio	April 15, 1925 ..	73
Helsingfors	Oct. 29, 1925 .. 7	Vienna	Mar. 31, 1926 ..	73
Lisbon	Sept. 12, 1925 .. 9	Warsaw	July 7, 1926 ..	10

The Bank Rate of the South African Reserve Bank is 5½% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

MOSCOW QUOTATIONS FOR CHERVONETZ.

According to advices received in London, the following are the Moscow quotations for chervonetz:

£1,000 sterling equals 944 chervonetz,
\$1,000 " " " " 194

CURRENT RATES IN NEW YORK.

The Irving Bank—Columbia Trust Company cable the following money and exchange rates in New York:—

Aug. 13, 1925.	July 15, 1925.	July 22, 1925.	Aug. 5, 1925.	Aug. 12, 1925.
Call money	4 ½	4 ½	4 ½	4 ½
Time money (90 days mixed coll) ..	4 ½	4 ½	4 ½	4 ½

Bank acceptances:—	Selling Rates.
Members—eligible 90 days ..	3 ½
Non-members—eligible 90 days ..	3 ½
Ineligible, 90 days ..	3 ½
Commercial accept. 90 days ..	4

Rates of Exchange.	Par Level.	Aug. 13, 1925.	July 22, 1925.	Aug. 5, 1925.	Aug. 12, 1925.
New York on—					

London—	Dollars for £1	Aug. 13, 1925.	July 22, 1925.	Aug. 5, 1925.	Aug. 12, 1925.
60 days	4.8666	4.81	4.8187	4.8150	4.8137
Cable	4.8666	4.8375	4.8337	4.8346	4.8346
Cheques	19.30	4.8537	4.8587	4.8587	4.8548
Paris	19.30	4.6650	4.3950	2.8450	2.70
Brussels	19.30	4.50	2.4350	2.7650	2.7050
Switzerland ..	19.30	19.415	19.3475	19.34	19.34
Italy	19.30	3.61	3.2250	3.33	3.29
Berlin	23.81	23.80	23.80	23.80	23.80
Vienna	14.07	14.00	14.25	14.25	14.25
Madrid	19.30	14.39	15.31	15.00	15.26
Amsterdam ..	40.725	40.725	40.185	40.14	40.14
Copenhagen ..	22.82	22.82	22.50	22.25	22.57
Oslo	26.80	18.42	21.93	21.9050	21.96
Stockholm ..	26.875	26.875	26.77	26.77	26.78
Athens	19.30	15.525	1.11	1.1050	1.1050
Montreal	100	4.8575	4.8575	4.8575	4.8575
Yokohama	48.86	41.125	47.25	47.60	47.80
Hong Kong	57.30	54.375	53.625	53.625	53.625
Shanghai	77.00	71.125	69.50	69.125	69.125
Buenos Aires ..	36.62	36.34	36.30	36.30	36.30
Rio de Janeiro ..	103.65	109.40	109.30	109.50	109.50
Valparaiso	38.42	12.00	15.25	15.30	15.40
San Pedro de Macoris ..	20.60	11.95	12.125	12.125	12.125

CENTRAL AMERICAN EXCHANGE RATES.

The Commercial Bank of Spanish America, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador	1000	Sight London	Aug. 7	27.45
Venezuela	25.25	"	Aug. 11	25.66
Colombia (Bogota) ..	100	"	Aug. 10	98.88
Nicaragua	4.8665	"	July 17	4.80
San Salvador	9.75	"	July 31	9.75
Guatemala	10.45	"	Aug. 7	29.2
Costa Rica	10.45	"	July 1	19.50
Bolivia	19.20	"	July 3	17.8

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

Union of South Africa.	Union of South Africa.
From Close of Mail, February 19, 1926.	From February 22, 1926.
London on South Africa.	South Africa on London.
Buying.	Selling.
T.T.	1 ½ % dis.
30 days	1 ½ % dis.
60 days	1 ½ % dis.
90 days	1 ½ % dis.
120 days	1 ½ % dis.

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

London on Australia and New Zealand.	Australia and New Zealand on London.
Buying.	Selling.
Buying.	Selling.
T.T.	100
30 days	98 ½
60 days	97 ½
90 days	97 ½

BULLION.

The following statistics of imports and exports of gold for week ended August 11, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
British South Africa	Germany
Anglo-Egyptian Sudan	Netherlands
Other countries	Belgium
	France
	Switzerland
	Spain
	Austria
	Italy
	Gibraltar
	British India
	Straits Settlements
	Ceylon
	Other countries
Total declared value of imports	Total declared value of exports

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.	WITHDRAWALS.
Aug. 7	Aug. 7
9—Bars bought	9—Spain
S. Africa	10—India
10—Bars bought	11—Spain
11	12—Spain
12	Singapore
13	13
Total	Total
Net arrivals, £92,000.	

Messrs Samuel Montagu and Co. write on August 11th as follows:—

GOLD.

During the week under review the Bank has received on balance £975,000, increasing the net influx since January 1, 1926, to £9,217,000, and decreasing the net efflux since the resumption of an effective gold standard to £2,378,000.

SILVER.

The market has been in the throes of speculation during the week, and prices have fluctuated in accord with a preponderating balance of orders from bulls or bears. On the whole the bears have prevailed. This is not surprising in view of the disheartened condition of the market following the Currency Report. A second bear raid from the Indian bazaars carried prices on Saturday to 28½d for cash and 28¾d for two months delivery. These were the lowest quotations since March, 1916, when 28½d was fixed for cash delivery (no forward quotation was then made). The future of the market lies mainly in the hands of the bears, who, if persistent enough, can maintain prices at the lower level, or even depress them still lower, the possibility of lower production checking the fall being slight, whilst base metals command sufficient value to make the extraction of silver plentiful as a by-product. United Kingdom imports and exports of silver during the week ending the 4th inst. were:—

Imports.	Exports.
U.S.A.	France
British West Africa ..	Bombay
Other countries	Other countries

INDIAN CURRENCY RETURNS.

(In Lacs of Rupees.)

Notes in circulation	July 15.	July 22.	July 31.
Silver coin and bullion in India ..	19,409	19,506	19,748
Silver coin and bullion out of India ..	9,354	9,445	9,685
Gold coin and bullion in India ..	2,232	2,232	2,232
Gold coin and bullion out of India ..	5,723	5,730	5,731
Securities (Indian Government) ..	2,100	2,099	2,100
Securities (British Government) ..			

The silver coinage during the week ending the 31st ult. amounted to 4 lacs of rupees. The stock in Shanghai on the 7th inst. consisted of about 70,300,000 ounces in syces, 63,000,000 dollars, and 4,050 silver bars, as compared with about 70,300,000 ounces in syces, 62,600,000 dollars, and 3,930 silver bars on the 31st ult.

GOLD AND SILVER PRICES.

Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver—Per Ounce.
Cash.	Forward.		Cash.
1926.			
Aug. 7....	84 10	Aug. 20, 1920..	63 ½
9....	84 10 ½	19, 1921..	34 ½
10....	84 10 ½	18, 1922..	34 ½
11....	84 11 ½	17, 1923..	30 ½
12....	84 11 ½	15, 1924..	33 ½
13....	84 11 ½	14, 1925..	32 ½

NOTICES.

Barclays Bank, Limited, announce the opening of a new sub-branch at Walsgrave road, Coventry, under the management of Mr E. J. Corbett, who is also manager of High street, Coventry, branch. Also the opening of a new branch at Turners Hill, Cheshunt, under the management of Mr A. Stephens, and the opening of a new branch at 13 Upper Mulgrave road, Cheam, under the management of Mr Y. S. Morley, who is also manager of 6 High street, Sutton, branch. Lloyds Bank, Limited, announce that a sub-branch of the bank is now open at Craven place, Clee Hill, under the management of Mr W. J. Corbishley, of Ludlow branch.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	June, 1926.	July, 1926.
	Ore.	Est. Yield.
Aurora W. United (10s shares) ..	12,800	12,700
Brakpan	138,424	56,875
City Deep	98,000	146,107
Consolidated Main Reef	59,300	80,023
Crown Mines (10s shares)	227,000	293,554
Durban Roodepoort Deep	38,700	54,090
East Rand Proprietary	135,000	141,506
Ferreira Deep	35,100	34,720
Geduld Proprietary	81,000	117,056
Golden Hope Deep	66,900	64,489
Glynn's Lydenburg	5,400	8,241
Government Areas	200,000	379,409
Kleinfontein, New	53,300	48,487
Langlaagte Estate	79,500	96,060
Meyer and Charlton	15,300	28,057
Modderfontein B.	66,500	113,414
Modderfontein Deep Levels ..	44,200	99,750
Modderfontein East	50,000	71,313
Modderfontein, New (24 sha) ..	138,000	290,772
New State Areas	76,000	133,088
Nourse Mines	56,400	60,732
Primrose, New	21,200	18,446
Randfontein Estates	205,000	211,576
Robinson (25 shares)	7,800	7,933
Robinson Deep	74,500	97,563
Rose Deep	57,000	52,671
Simmer and Jack	78,800	77,462
Spring Mines	68,200	127,861
Sub-Nigel	11,500	36,614
Transvaal Gold Mining Estates ..	16,110	27,683
Van Ryn	37,500	39,461
Van Ryn Deep	69,300	105,977
Village Deep	56,500	66,700
West Rand Consolidated	37,500	39,465
West Springs	48,900	77,829
Witwatersrand Deep	46,700	55,493
Witwatersrand (Knight's)	5,700	46,887
Witwatersrand	30,800	30,255

Reports and Notices.

GOVERNMENT STOCKS, &c.

EXTERNAL DEBT OF HONDURAS.—The Council of Foreign Bondholders have received information that the National City Bank of New York, who are the agents designated for the collection of the revenues assigned to the service of the debt, finds itself unable to accept certain amendments introduced at its recent session by the Congress of Honduras into the agreement entered into in December, 1925, between the representatives of the Honduras Government and the bank. The carrying into effect of the settlement with the bondholders will, therefore, have to be postponed pending the reconsideration by Congress (which meets on January 1st next) of the agreement with the bank. Meanwhile, the Council are informed that the Honduras Government has instructed their Consular agents to place the Consular revenues on deposit in the National City Bank to be held in trust for the bondholders pending the ratification of the agreement with the bank as originally signed.

BANKS.

MOSCOW NARODNY BANK, LIMITED.—Turnover for the last half year amounted to £98,919,713, as compared with £152,229,240 for the full year 1925. Total assets on June 30, 1925, amounted to £3,289,021—the present balance-sheet, therefore, shows an increase of 59 per cent. in this respect.

MISCELLANEOUS.

CHILEAN GOVERNMENT AND NITRATE DUTIES.—In consequence of the rumours recently circulating as to the attitude of the Chilean Government in regard to a reduction of the present export duty on Chilean nitrate of soda, the Chilean Nitrate Committee, Friars House, New Broad street, authorises the publication of the following statement contained in a cable received by them from the directorate of the Producers' Association in Valparaiso:—A special commission from the directorate has been received in audience by the President of the Republic, with whom was the Minister of Finance. The commission explained that it is absolutely essential to know the Government's views concerning its policy towards the export duty, in order to allay the prevailing uncertainty in the market. Both the President and the Finance Minister emphatically declared that the present situation of the national finances made it impossible to entertain any reduction of the export duty before June 30, 1927. At the same time they assured the commission that the Government policy towards the nitrate industry is to assist it in every way possible, as Chile cannot afford to have its principal industry crippled, and the promise was given that the Government would from now onwards study means for assisting it during the next nitrate year, that is, after June 30, 1927.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.			Dividend for Whole Years.	
	* Interim div.	† Final div.			
	Interim Final.	Date of Pay-ment.	Method of Payment.	Lat'est Year.	Pre-vious Year.
Railways.					
Canadian Pacific	2½%	Oct. 1	Quarterly	%	%
Insurance.					
Bankers and Traders	..	..	..	7	..
Tea and Rubber.					
Cromlix Rubber Estate	10%*	..	Less tax	..	..
Harewood Rubber	5%*	..	..	..	..
Hidden Streams	15%*	..	Less tax	..	..
Karak	10%*	Aug. 20	Less tax	..	..
Pelmadulla Rubber	10%*	Aug. 20	Less tax	..	..
Perak Rubber	25%†	..	Less tax at 4/	40	..
Pusing Rubber and Tin	24%*	Sept. 21	Less tax	..	..
Do	7½%†	..	..	..	..
Rubber Co. of Malay	5%*	Aug. 11	..	..	..
Other Companies.					
Altrincham Gas, orig. shares	9/3 p.s.*	..	..	..	..
Do Ord.	7/ p.s.*	..	..	..	..
Do New Ord.	1/2 p.s.*	..	..	..	..
Aplin and Barrett	7½%*	Aug. 1	Less tax	..	..
Bennore Distilleries	..	..	Less tax	5	7½
B. Laporte	..	..	..	9	..
Boddington Breweries	1/ p.s.*	..	Less tax	..	..
Bradford Dyers' Association	1/ p.s.*	..	Less tax	..	..
Brooks, Thomas	6 p.s.*	..	..	..	..
Cannock and Co.	8*	..	Tax free	..	..
Charles Sharpe	3%†	..	..	6	6
City of London Elec. Lighting ..	1/ p.s.	Sept. 25	Less tax	..	..
Clarkson's Old Brewery	10/ p.s.†	(£ bonus of 20 p.s.)	Tax free	..	..
Clyde Valley Electric Power	3%*	..	Less tax	..	..
Derby Gas Light and Coke	3%*	..	..	..	..
Eastbourne Gas, "A" Stock	8 ½	Aug. 31	Less tax	..	..
Do "B" Stock	6 ½	Aug. 31	Less tax	..	..
Eastman Kodak	\$1.25 p.s.†	(£ extra div. of \$0.75 p.s.)	..	..	..
Edinburgh Reversion	6%†	Sept. 1	..	..	..
General Motors	50%	..	..	..	..
Great Grimsby Gas, "A" "B" "C" and "C" stock	7½%*	Aug. 24	Less tax	..	..
Do 1885 shares	6½%*	Aug. 24	Less tax	..	..
Harrods	10%*	Sept. 17	Less tax	..	..
Hart and Levy	3%*	..	..	..	..
Herne Bay Waterworks	7*	..	..	..	..
Hugon and Co.	6 p.s.*	..	Less tax	20	15
Industrial Tea & Rubber Trust ..	..	..	..	..	..
International Invest. Trust(Def.) ..	7*	Sept. 3	Less tax	..	..
Langham Hotel	10	Aug. 2	..	..	..
Law Land	6*	Sept. 1	..	..	..
Liverpool Gas	5½%*	..	Less tax	..	..
Manchester Dock Extension	6/ 10 p.s.†	..	..	52	52
M. B. Foster	10*	Oct. 1	Tax free	..	..
Morris and Jones	..	..	Less tax	6	6
Owen and Robinson	3%†	..	Tax free	6	6
Portsmouth Gas	7½	..	..	..	..
Do 5% Max. Stock	5	..	..	..	..
Reading Gas	2½%*	Sept. 1	Less tax	..	..
Redhill Gas	4%*	Sept. 1	..	..	..
Regent's Canal and Dock	4%*	..	..	..	..
Rylands and Sons	4%*	..	..	..	..
San Paulo Coffee (Def.)	2%†	..	Less tax	9	12½
Santa Rosa Milling	7½%†	..	..	10	12½
Scottish Northern Investment	12*	..	Less tax	..	..
Southend-on-Sea Gas, Orig. and New Ord.	6 ½	..	..	..	..
Do New Ord.	6 ½	Aug. 28	Less tax	..	..
South of England Dairies	6%†	Aug. 28	Less tax	10	10
Spratt's Patent	1/ p.s.	Aug. 21	Less tax	..	..
S. C. Larkins and Sons	5%*	..	Tax free	..	..
Swan, Hunter	3%*	..	Less tax	..	..
Swansea Gas	5	Sept. 1	Less tax	..	..
Swinton United Gas	5	Sept. 1	Less tax	..	..
Third Scottish American Trust ..	10½	..	..	92	..
T. Lyons	7*	..	..	..	..
Todd Burns	5%*	Sept. 1	..	..	..
Tyneside Electrical Development ..	3%*	..	..	..	..
United Carlo Gatti	4½%*	Sept. 1	Tax free	..	..
Utilities and General Trust	3%*	Sept. 1	Less tax	..	..
Wakefield Gas	65	Sept. 2	Less tax	..	..
Walton-on-Thames & Weybridge Gas, "A" Shares	10	Sept. 1	Less tax	..	..
Do "B" Shares	7	Sept. 1	Less tax	..	..
Waste, Heat, and Gas Electricity Generating Stations	1½%*	Aug. 31	Less tax	..	..
Winterbottom Book Cloth	7½%*	..	Less tax	..	..

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefer.	Ordinary.	Rate			
					Amount.	Amount.				
Breweries.										
Clarkson's Old (Barnsley)	June 30	£ 7,676	£ 23,566	£ 31,242	£ 3,900	£ 13,000	20½	£ 10,500	£ 3,842	£ 33,605
Gas.										
Malton	June 30*	£ 3,168	£ 2,048	£ 5,216	..	£ 1,440	6½	£ 195	£ 3,581	£ 1,465
Iron, Coal, and Steel.										
Sir William Arrol and Co.	Dec. 31	Dr 89,277	£ 29,989	Dr 59,288	..	..	..	..	Dr 59,288	Dr 147,072
Walter Scott	June 30	Dr 25,999	Dr 26,710	£ 52,409	..	..	..	..	Dr 52,409	Dr 29,985
Rubber, &c.										
Perak Plantations	Mar. 31	£ 2,568	£ 47,132	£ 49,700	..	£ 35,600	40	£ 5,000	£ 9,100	£ 8,760
Textiles.										
Rylands and Sons	June 30*	£ 104,876	£ 85,655	£ 190,531	£ 48,000	£ 64,000	8	..	£ 78,531	£ 97,777
Tramways.										
Tyneside	June 30*	£ 991	Dr 77	£ 914	..	..	..	..	£ 914	£ 79
Trusts.										
Third Scottish American	July 1	£ 36,450	£ 47,099	£ 83,549	..	£ 32,800	10½	£ 15,000	£ 35,749	£ 44,026
Waterworks.										
Whitby	June 30*	£ 1,623	£ 99	£ 1,722	£ 200	£ 622	6½	..	£ 900	£ 6½
Other Companies.										
Amalgamated Dental	Dec. 31	£ 14,251	£ 148,964	£ 163,215	£ 35,708	£ 94,275	8	£ 20,000	£ 13,232	£ 158,062
B. Laporte	June 30	£ 9,566	£ 16,841	£ 26,407	£ 8,789	£ 7,803	9	..	£ 9,815	£ 17,716
Owen and Robinson	May 31	£ 6,244	£ 6,090	£ 12,334	£ 2,100	£ 2,100	6½	£ 1,000	£ 7,134	£ 5,746
Frederick Braby	June 30	£ 42,448	£ 61,786	£ 104,234	£ 10,150	£ 50,770	15	£ 3,000	£ 40,314	£ 65,286

* Half-year. † Tax free. ‡ Formerly Claudius Ash, Sons, and Co., Limited.

in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported Manitoba patents range from 46s to 48s 6d, Minneapolis 47s to 49s, Australian 44s per 280 lbs ex store. Maize quiet. Plate to be landed 34s 3d, ditto ex ship 32s 6d as to position, Bessarabian ex ship to arrive 32s 9d per 480 lbs. Barley inactive. Californian 36s to 47s, Chilian Chevalier 50s to 57s, ditto brewing 35s 6d to 48s, Australian Chevalier 45s to 46s ex store, Smyrna 35s to 47s ex ship per 448 lbs. No. 3 Canadian Western ex ship 29s 3d, No. 4 ditto 29s, American malting 48 lbs ex ship 28s 9d, Russian landed 29s 6d per 400 lbs. English new 10s to 15s per 112 lbs. Oats quietly steady. La Plata ex ship 22s 9d, landed 23s 6d, No. 2 Canadian Western ex ship 27s, landed 28s, No. 2 Canadian feed ex ship 23s 6d, landed 24s 6d, Chilian tawny ex ship 22s 9d, American 38 lbs ex ship 24s 6d, landed 24s 6d, mixed feed ex ship 19s 6d, landed 20s 6d per 320 lbs. English new 8s 10d to 9s 6d per 112 lbs. Millers' officials firm. Broad bran 6s 6d to 6s 9d, middlings 7s 6d, fine ditto 9s 6d included ex mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal unaltered. London-made flaked 17s 6d, rolled oats 16s 6d, medium also fine cut 16s 6d, coarse also medium pinhead 16s 6d ex mill, per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23:—

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to August 7	Cwts. 7,852	Cwts. 144,253	Cwts. 25,652	Cwts. 33,301
49 weeks to August 7	12,849,441	11,301,824	12,718,775	16,900,332
Average price of English wheat per cwt.	14 6	11 10	13 1	11 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
July 31	Cwts. 9,363	Cwts. 4,982	Cwts. 7,882	14 5	8 8	10 5
Aug. 7	7,852	3,556	8,629	14 6	8 10	10 0
1922	69,673	6,564	11,803	12 6	10 7	10 9
1923	33,301	9,108	11,474	11 2	8 0	9 6
1924	25,652	1,524	5,559	13 1	12 6	10 3
1925	144,253	12,417	18,186	11 10	11 2	10 3

AMERICAN WHEAT MARKETS.

After a period of quiet to steady trading the publication of a bearish American Bureau report induced professional liquidation, accentuated by the absence of any considerable buying on overseas account. Quotations:—

	Jan. 2, 1925.	Aug. 13, 1925.	Jan. 7, 1926.	Aug. 5, 1926.	Aug. 12, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(c) 146½	160	(c) 143	(c) 139½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(b) 165½	176½	(b) 138½	(b) 135½

(a) July delivery. (b) September delivery. (c) October delivery. Visible supplies of wheat in Canada, at 19,469,000 bushels, show a decrease of 2,469,000 bushels as compared with the previous figures. Supplies a year ago stood at 10,232,000 bushels.

COAL.

Our Cardiff correspondent writes:—The most important event in South Wales this week has been the signing of an agreement between the Coalowners' Association and the Monmouthshire and South Wales Engine-men, Stokers, and Craftsmen's Association fixing conditions of employment for the working of an eight-hour day, the terms embodied being those posted by the owners at the pit-head on the passing of the Government Bill. This is the first important collective agreement concluded since the strike, and embraces more than three-fourths the engine-men, stokers, and craftsmen employed in South Wales. The effect of this independent action by a craft union affiliated not to the Miners' Federation, but to the Trades Union Congress, remains to be seen; but it can have little practical force until the question of hours has also been settled between the owners and the South Wales Miners' Federation. On the Cardiff coal market business has continued to centre mainly in foreign coals, which have arrived in large quantities. There has recently been an advance in the prices of Continental coals, but those imported from the United States, the chief source of supply, remain unchanged. The pressure of the import business has compelled the Great Western Railway Company to take action to relieve the dock sidings of colliery wagons, and a rent of 6d per day per wagon has been imposed. A large number of wagons have accordingly been removed.

Our Sheffield correspondent writes:—Outcrop coal is coming forward in excess of demand, but foreign coal is dearer, and local firms are only using small quantities for special purposes. During July 110,000 tons of German and 47,000 tons of American coal was delivered at the port of Hull. There has not yet been any curtailment of public gas and electric power, and there is plenty of gas coal available.

IRON AND STEEL.

The following is extracted from the weekly report issued by the London Iron and Steel Exchange:—Reports are of poor trade and difficult conditions. Although the majority of the lighter finishing works are able to obtain sufficient coal to carry on with, a scarcity of semi-finished material has developed. British steel makers have been almost entirely dependent upon supplies from abroad, and not only have quotations steadily advanced within the last week or two, but the surplus which the Continental works have available for export seems to have been booked up, with the result that many British works are finding increasing difficulty in continuing production. The uncertainty as to when the British works will be able to resume deliveries has caused a number of orders which had been held up to be sent abroad. Continental works are also experiencing difficulties in trading owing to the fluctuations of the franc exchange, and a number have withdrawn from the market. The actual volume of business which has passed in semi-finished material has been small, and there seems a general shortage of orders from most of the export markets.

Our Middlesbrough correspondents' report, dated August 12th, is as follows:—Pig-iron: There is no change in the position. Business has virtually ceased, as there is so little Cleveland iron for disposal. Makers can command their own price for what remains. No. 3 Cleveland G.M.B. is still quoted 90s per ton f.o.t. works. East Coast hematite has also become very scarce, but the quotation for mixed numbers remains at 81s per ton. Manufactured iron and steel: There is no new feature, and quotations are

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended July 31.		Seven Months Ended July 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	9,391,950	8,997,282	63,459,092	57,231,559
B. Feeding stuffs for animals	654,759	513,660	5,212,550	3,958,125
C. Meat	10,551,237	10,036,906	72,890,892	68,318,654
D. Animals, living, for food	1,163,213	1,338,123	8,162,519	8,173,953
E. Other food and drink, non-dutiable	15,182,410	14,977,391	103,291,460	98,547,421
F. " " " dutiable	8,483,106	6,751,314	65,265,795	58,577,138
G. Tobacco	835,053	913,817	7,654,351	5,919,631
Total, Class I.	46,261,730	43,528,493	325,936,669	304,329,481
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	718	4,147,995	11,171	5,124,891
B. Other non-metallic mining and quarry products and the like	571,355	540,159	3,448,202	3,375,045
C. Iron ore and scrap	369,528	67,920	3,251,086	2,524,585
D. Non-ferrous metalliferous ores and scrap	1,692,304	1,389,097	9,772,603	9,391,804
E. Wood and timber	5,566,834	4,525,857	23,253,666	18,539,285
F. Raw cotton and cotton waste	4,504,512	5,195,370	72,541,233	49,810,537
G. Wool, raw and waste, and woollen rags	4,098,244	4,346,949	55,996,274	48,223,462
H. Silk, raw, knubs and noils	121,215	1,255,742	1,198,694	1,198,694
I. Other textile materials	531,289	463,156	10,376,813	9,580,979
J. Oil seeds, nuts, oils, fats, resins, and gums	4,204,633	4,969,420	32,579,548	28,138,454
K. Hides and skins, undressed	1,514,177	1,315,089	13,009,746	11,368,800
L. Paper-making materials	1,007,385	1,002,533	5,904,577	6,769,195
M. Rubber	2,605,716	2,150,779	9,559,957	21,415,064
N. Miscellaneous raw materials and articles mainly unmanufactured	870,019	588,423	6,405,347	5,516,640
Total, Class II.	27,604,190	30,811,962	247,375,965	220,977,436
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	51	67,098	2,581	106,016
B. Earthenware, glass, abrasives, &c.	834,710	975,374	5,466,670	6,192,240
C. Iron and steel and manufactures thereof	1,936,090	2,209,576	14,307,604	13,548,883
D. Non-ferrous metals and manufactures thereof	3,428,513	2,827,491	22,799,811	21,902,738
E. Cutlery, hardware, implements, and instruments	833,996	483,247	6,631,211	3,704,697
F. Electrical goods and apparatus	291,087	288,505	2,323,192	1,941,825
G. Machinery	1,106,139	1,068,051	7,081,930	7,670,008
H. Manufactures of wood and timber	517,143	599,130	3,555,673	3,902,756
I. Cotton yarns and manufactures	727,152	717,021	6,168,093	4,960,607
J. Woollen and worsted yarns and manufactures	1,117,351	1,117,977	8,484,777	6,888,622
K. Silk and silk manufactures	1,017,255	1,269,018	18,051,841	10,134,747
L. Manufactures of other textile materials	1,167,108	1,126,595	12,484,220	9,018,300
M. Apparel	1,302,950	1,540,875	14,014,420	9,864,909
N. Chemicals, drugs, dyes, & colours	1,073,018	1,288,860	8,656,721	8,815,312
O. Oils, fats, and resins, manufactured	3,382,347	4,018,251	22,499,287	22,987,269
P. Leather and manufactures thereof	1,011,635	1,081,759	8,632,851	8,174,231
Q. Paper and cardboard	1,326,171	1,639,342	8,378,042	9,199,042
R. Vehicles (including locomotives, ships, and aircraft)	455,959	455,959	8,736,281	4,637,398
S. Rubber manufactures	438,567	618,526	3,641,649	4,532,446
T. Miscellaneous articles, mainly wholly manufactured	2,152,867	2,164,045	16,854,741	15,011,781
Total, Class III.	24,263,420	25,616,710	198,771,965	174,993,887
IV.—Animals, not for food	198,709	186,299	1,217,570	982,525
V.—Parcel post, non-dutiable articles ..	391,171	147,129	1,360,039	1,523,590
Total	98,719,220	100,290,593	776,168,198	702,806,919

unchanged as follows:—Steel ship plates, £7 17s 6d; steel ship angles, £7 10s; iron bars, £11; steel rails, £8. Iron ore: Best Kubio is still nominally 21s 6d per ton c.i.f. Tees, but no business is being done.

Our Sheffield correspondent writes: The position of the steel and allied trades continues unsatisfactory. The home demand has fallen off, but the export trade is fairly brisk, and up to the present time the loss of business through inability to deliver has not been considerable, except in the heavy railway steel department. The Sheffield industries as a whole have lived for the last three months on stocks which had accumulated during a period of six months' quiet trade, and buying of the hand-to-mouth order. These have now been cleared at enhanced prices, and makers will restart their milling plants after the settlement of the dispute with no material in hand. There have been similar clearances of tools and various finished products. The very limited demand for tramway layouts is being met with fair promptitude. Re-rollers have curtailed operations until consumers are prepared to pay better prices. There is a moderate demand for steel castings, for which higher prices are being demanded, except from old customers. The scrap trade is dead so far as heavy steel is concerned, and there is little or no business moving in pig-iron.

Our Glasgow correspondent writes as follows:—Pig-iron stocks are being rapidly reduced, and holders are standing out for higher prices for the available supply. Foundries are still at work, and in some cases are well provided with foreign pig and able to continue operations with imported fuel. In the steel trade the situation shows no change. Inquiries are few, and orders placed for execution after normal supplies of coal are available are being accepted by the heavy steel-makers on the condition that delivery be given in rotation. A fair tonnage has been booked since the stoppage, and when work is started again there will be a busy period until all accumulated orders have been overtaken. Advanced prices are demanded, in anticipation of higher costs after resumption, but in some instances works are willing to book orders at the agreed rates. The bar iron and sheet

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.).

	Month Ended July 31.		Seven Months Ended July 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	861,842	492,884	6,013,488	£ 3,401,060
B. Feeding stuffs for animals	225,373	188,101	2,046,230	1,425,715
C. Meat	113,418	128,185	921,014	923,974
D. Animals living, for food	8,122	9,898	93,213	84,365
E. and F. Other food and drink	2,753,692	2,938,714	18,045,536	17,444,058
G. Tobacco	657,769	822,923	3,914,354	4,875,342
Total, Class I.	4,620,216	4,580,708	31,033,835	28,154,514
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	4,465,092	7,708	31,377,428	17,236,914
B. Other non-metallic mining and quarry products and the like	169,524	225,553	1,141,999	1,166,084
C. Iron ore and scrap	26,076	19,759	278,509	174,924
D. Non-ferrous metalliferous ores and scrap	105,205	130,346	886,775	624,389
E. Wood and timber	65,702	57,433	454,057	420,293
F. Raw cotton and cotton waste	86,872	65,412	1,108,577	561,358
G. Wool, raw and waste, and woollen rags	842,701	623,058	6,954,930	4,336,800
H. Silk, raw, knubs and noils	3,433	1,333	48,297	9,406
I. Other textile materials	48,632	30,076	345,376	196,270
J. Oil seeds, nuts, oils, fats, resins, and gums	571,990	639,716	3,875,157	4,119,602
K. Hides and skins, undressed	177,995	197,260	1,930,760	1,613,916
L. Paper-making materials	163,546	150,365	1,172,366	935,014
M. Rubber	22,188	15,053	120,767	197,143
N. Miscellaneous raw materials and articles mainly unmanufactured ..	168,859	185,649	2,242,672	2,212,336

£34, September £34 2s 6d, £34 8s 9d, £34 3s 9d, October £34 7s 6d to £34 11s 3d, £34 5s, November £34 8s, £34 12s 6d, £34 6s 3d, December £34 12s 6d, £34 15s and £34 10s.

ANTIMONY firm. English £74 10s to £75, China crude spot £44, shipment £40, regulus spot £65, shipment £64 c.i.f.

QUICKSILVER firm. Spot quoted £15 5s to £15 10s per bottle.

TINPLATE quiet. I.C. coke prompt 24s 6d to 25s f.o.b., Swansea, per box.

THE COTTON TRADE.

LIVERPOOL, August 12, 1926.

The United States Agricultural Bureau report was issued on Monday evening, August 9th, and gave a condition of 69.8, indicating a crop of 15,621,000 bales. It was further estimated that should the conditions be the same as in 1924-25 the crop would be 17,510,000 bales, but should they be unfavourable, as in 1921, 1922, and 1923, a production of 14,425,000 might be expected. The figures came as a surprise, and a decline of about 30 points was immediately registered. Favourable weather continues over most of the belt, and though the earlier reports spoke of poor fruiting and some insect damage, no complaints are now being received. As the "carry over" from last season is estimated at between 5,000,000 and 6,000,000 bales, there should be enough cotton to meet all requirements next season. There has been a better demand on the spot, sales for the week 6th to 12th (inclusive) being 33,000 bales. Of these 17,640 were American, 2,850 Brazil, 5,000 Peru, 2,350 Egyptian, 4,330 African, 600 East Indian, and 230 sundries. Imports for the same period were 40,877 bales, of which 6,690 were American, 7,357 Brazil, 17,886 Peru, 393 Egyptian, 3,130 African, 5,388 East Indian, and 33 sundries. Quotations to-day are Mid-American, 9.36d; Egyptian Sakel, 15.25d; uppers, 11.90d; Brazil fair, 9.36d; Peru G.F. mod-rough, 11.50d; smooth, 11.11d; Tinnivelly, 8.40d; East African G.F., 10.75d; and Mid-West African, 9.06d.

MANCHESTER, August 12, 1926.

Business has been unsettled by the easier tendency in raw material rates, and very few buyers have been prepared to operate with any freedom. Sentiment with regard to future values remains bearish, and there is a disposition to adopt a waiting policy. Cloth inquiry for India has covered a wide range of goods, but not more than a scattered business has been done, most of the sales being in light fabrics and fancies. Transactions for China have been quite isolated. For the Near East and South America only retail lots have changed hands, but a fair demand has been met with for the colonies and the home trade. In the American yarn market the feature of interest has been the publication of the first list of basic prices, which are to come into operation on Monday next, and are about a halfpenny per pound above market rates. Demand has been rather better, some users having indulged in a certain amount of speculative buying. Limited activity has taken place in Egyptian spinnings.

(I.) Comparative Statement of the Cotton Trade.

	Price, Aug. 12, 1926.	Previous weeks in 1926.					
		Price, Aug. 5.	Price, July 28.	Price, July 22.	Price, July 15.	Price, July 8.	Price, July 1.
Raw Cotton—Mid. American	9.36	9.80	10.10	10.06	9.89	9.37	
— Sakellaridis Fully Good Fair Egyptian	15.25	15.90	16.25	16.30	16.15	15.85	
Yarns—32's twist	15	15 1/2	15 1/2	15 1/2	15 1/2	15	
— 40's twist	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	
— 60's twist (Egyptian)	26 1/2	27	27	27	27 1/2	27 1/2	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	0 25	0 25	0 25	0 25	0 25	3
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	0 29	0 29	0 29	0 29	0 29	3
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	14	6 14	6 14	6 14	6 14	6 14	3
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs.	13	9 13	9 13	9 13	9 13	9 13	6

(II.) Compared with Previous Years.

	Price, Aug. 12, 1926.	Corresponding dates in					
		1925.	1924.	1923.	1922.	1921.	
Raw Cotton—Mid. American	9.36	13.12	17.08	15.43	12.80	8.81	
— Sakellaridis Fully Good Fair Egyptian	15.25	30.75	26.15	16.30	17.75	16.00	
Yarns—32's twist	15	20 1/2	25 1/2	21	19 1/2	16 1/2	
— 40's twist	15 1/2	20 1/2	25 1/2	21	19 1/2	16 1/2	
— 60's twist (Egyptian)	26 1/2	36 1/2	36 1/2	29	28 1/2	29 1/2	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	0 31	9 36	0 30	6 31	6 30	0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	0 35	9 40	3 34	0 31	0 29	6
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	14	6 17	10 21	0 18	3 17	9 17	3
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs.	13	9 16	11 19	6 16	6 16	6 16	3

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Generally the market is better, as a result of some good sales of raw wool, both in the bale and in matchings. Although the bulk of the buying has been done for export, some fair weights have changed hands on home account, several comb-spinners being compelled to purchase to keep their combs running. The market wears a very cheerful aspect, most firms being satisfied that con-

ditions are better than they expected during the holiday month. The beginning of the improvement is really traceable to the buying on Russian account, and very considerable weights of good merinos have been purchased both in wool and tops. Home spinners also have found themselves in a position to take in more tops, both crossbreds and merinos, after receiving more spinning particulars. A considerable turnover has been effected in British fleece wools. Boston has purchased fair weights of super-Shropshires, good Midland Counties half-breeds, lustre hogs, and also Scotch pulled haslock. Nails, laps, and wastes do not show any change, and these are rather slow but firm in price. The condition of the spinning and manufacturing end of the trade leaves much to be desired, and although there is no falling off in the total machinery running, there is plenty of leeway to make up before it is possible to run combs, spindles, and looms fully. A fair export trade is being done in heavy overcoatings across the Atlantic, but there is nothing like the same weight of business with the Far East or even with South America.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The event of the week is the receipt by Dalgety and Co., Limited, of a cable from their Sydney office giving statistics regarding last season's Australian and New Zealand clips. The cable is as follows:—

	PRODUCTION.		Increase.
	1924-25.	1925-26.	
Bales.	Bales.	Bales.	Bales.
Australia	2,094,880	2,377,866	282,936
New Zealand	591,674	585,910	15,764
Totals	2,686,554	2,963,776	277,222
↑ Decrease.			
	SALES.		Increase.
	1924-25.	1925-26.	
Bales.	Bales.	Bales.	Bales.
Australia	1,587,750	2,655,334	67,584
New Zealand	462,795	491,582	28,787
Totals	2,050,545	3,146,916	96,371

* The sales for 1925-26 include 530,942 bales carried forward from the previous season.

The amount realised for 3,146,916 bales sold last season was £65,980,862, and for 2,050,545 bales sold in 1924-25, £69,083,182. The Australasian average per bale for the 1925-26 season is given as £20 19s 4d, and the average per lb as 16d, against averages of £33 13s 10d per bale and 24.7d per lb for the 1924-25 season. The Australian averages were £21 14s 9d per bale and 16.75d per lb, and the New Zealand averages £16 16s 2d per bale and 11.75d per lb.

In considering the above figures we may ignore entirely the 550,000 bales of old wool which were carried over on July 1, 1925. That wool was grown in the previous wool year, and, therefore, does not affect actual production, which is what chiefly interests the trade. The remarkable thing is that a record production and a big carry-over should have been got rid of during the past wool year without values being greatly affected. It speaks volumes for the consumptive capacity of the trade that over 3,000,000 bales of wool should have been purchased. The whole of last year's clip and a big carry-over of the old having been disposed of, the auctions which open in Sydney on August 30th will see the beginning of the sale of the new clip in good earnest. We are glad to observe that the trade is looking forward to this event with interest, though it would probably have been as well had the auctions begun a little later, and given France time to see where the franc was to be stabilised and England time to settle her coal troubles. Selling brokers in Australia, however, will doubtless adjust their programme to European conditions, and any giving way of values will lead to a very small offering until financial and other conditions become more normal.

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HIDE, LEATHER, AND ALLIED TRADES.

The hide market remains steady, with a firm tendency, and best ox hides sold from 5½d to 3½d per lb in Bermondsey on Thursday, seconds making 5½d to 7½d. One or two trifling advances were made on last prices which, though unimportant, showed the market to be firm. Best calfskins made from 6½d to 11½d, lambskins from 2s to 5s 8d, and pelts 4s 3d to 6s 6d each. The imported hide market is firm, buying from the Continent being very consistent. British tanners continue their policy of reduced input in view of industrial conditions. Best Argentine frigorifics are now offered at 7½d and Montevideoes at 8½d. Dry hides are steady, and B.A. Americanos are selling from 10½d to 11d. The Chicago market is cabled as quiet, with best native steers selling at 15 cents. The demand for sole leather remains quiet, although with the resumption of work in the shoe factories inquiries have been more frequent. Manufacturers are still asking for a light bend at, say, from 18d to 20d per lb, but the trade with repairers is sufficient to keep stocks of heavy and medium bends at a higher price well within the compass of tanners, and stocks are low. Sampling in upper leathers is going forward for the autumn trade, business running chiefly on coloured glacé kid and willow calf. Shoe manufacturers are not very busy, makers of artisan boots being very short of orders. Samples of the Russian boot are now before buyers, but so far few orders have been placed.

VEGETABLE OILS AND OILSEEDS.

Markets generally have had an easy tone this week, and prices have declined. Linseed oil has been in poor demand from consumers, and with some profit-taking by speculators values have fallen to about £34 10s per ton, naked, ex Hull mill, for August delivery, with later positions at a slight premium. Cotton oil has also been a dull market, with declining values, crude Egyptian now offering at £37 10s and ordinary refined at £40 per ton. Palm kernel oil is lower at £41, and in common with other soft oils is in small demand on both home and export account. In the oilseed section, Plate linseed sharply declined to £16 10s, which was accepted for seed on spot and on passage to Hull, and £16 15s for September-October. Indian linseed has offered more freely, and fair purchases have been made by crushers of Calcutta at £18 10s to £18 12s 6d, according to date of shipment. Egyptian cottonseed, in the absence of buyers, has declined to £9 7s 6d on passage and £9 10s August loading, but little or no trade is reported. Soya beans, too, meet with no demand from this side, and, while imports have fallen away, large quantities of soya oil in bulk continue to come to hand.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—British refined unaltered, moderate demand. Imported sold quietly at slightly easier prices with regard to Continental granulated. Czecho, also Dutch J, on spot, sold, 27s; white Mauritius, 26s 1½d to 26s 6d. Forward positions more freely offered, and rates against sellers. Czecho granulated, ready and August, 14s 10½d; September, 14s 11½d; November-December, sold, 14s 9½d, f.o.b., Hamburg. Dutch J, ready, sellers, 14s 10½d; November-December, 14s 11½d, f.o.b., Rotterdam. Polish crystals, prompt, 14s 3d, f.o.b., Danzig. Belgian crystals, prompt, sold, 14s 6d, f.o.b., Antwerp. Canadian granulated, August-September, to exporters, 15s 9d, c.f. and i. terms. Cuban, basis 96 per cent., more freely offered, and easier, at 11s 9d, c.f. and i. terms, U.K., August-September shipment. White terminal eased slightly, with moderate dealings. New York market weak, in view of the September liquidation. August delivery, quoted 13s 6d; December, sold, 14s 4½d; January, 14s 7½d; March, 14s 10½d; May, 15s 2½d to 15s 0½d.

COFFEE.—There was a moderate inquiry for spot parcels, and prices for most descriptions ruled steady. Of East India, Mysore sold, 156s to 157s for medium sizes. Vera Paz, bold, 13s to 15s 6d; peas, 12s 6d to 16s. Future delivery market firm but quiet.

COCOA.—Only small transactions in spot parcels on about former terms. Accra F/F, November-January, sold, 44s, f.o.b.

TEA.—Indian auctions amounted to 21,400 packages. Brisk competition prevailed, except for medium descriptions, and while these were mostly in buyers' favour, prices otherwise ruled firm to slightly dearer. Pekoe sold, 1s 4½d to 1s 9½d; orange, 1s 4½d to 1s 6d; broken orange, 1s 4½d to 2s 9½d. Ceylon sales of 29,000 packages soon cleared to brisk and well distributed competition at 4½d to 4d per lb advance. General run of quality marked a decided improvement. Pekoe sold, 1s 3½d to 1s 8d; broken orange, 1s 5½d to 1s 11½d per lb in bond. Only a small business arises in new season's China, but prices are fully steady. Some fine Keemuns sold, 3s 1d to 3s 3d per lb. Java and Sumatra auctions of 11,700 packages experienced a strong demand, and prices disclosed an irregular advance of 4d to 1½d per lb. Pekoe sold, 1s to 1s 4d; broken ditto, 9d to 1s 5½d; orange, 1s 2½d to 1s 7½d; broken orange, 1s 2½d to 1s 9½d; pekoe souchong, 1s 2½d to 1s 3½d per lb in bond.

RICE.—All Eastern grain continues firm, due to sustained absorption in local Burmese markets. European demand, however, is quiet. Two stars, spot, London, 16s 9d; forward, 16s, c.f. and i., London. Italian and Spanish slow, unchanged. Beans and peas remain very quiet. Japanese peas, September-October, 25s 9d cwt, c.f. and i. A large line of Rangoon bran sold by Hamburg interests to Liverpool, September-December shipment, at 10s per ton, ex ship terms.

SPICE.—Pepper still quiet, and prices weak. Black Singapore, spot, quoted 9½d; May-July, 8½d; August-October, 8d; October-December, 8½d. Lampung, spot, 9d; May-July sold, 7½d to 7½d; August-October quoted 6½d; October-December, 7½d. Muntok, spot, 1s 3d;

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May-July, 1s 2½d; October-December, 1s 0½d. Pimento, spot, 6½d. Zanzibar cloves, 9½d to 9½d lb. Tapioca steady, quiet. Singapore flake, August-September, to Havre, quoted 16s. Penang seed, ditto, to London, 16s 6d. Sago flour dull, and most positions forward quoted 15s cwt, c.f. and i., U.K.

FRUIT (Dried).—Currants market quiet, but prices firm for most descriptions. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s to 30s; Vostizza, 40s to 53s; Patras, 31s to 33s; Australian, 38s to 48s. Sultanas quiet. Smyrna, September shipment, 47s; Australian, new crop, 68s; South African, bleached, 70s to 76s; Dates: Home trade slow, but there is a fair inquiry on export account. Siar, quoted 11s 3d to 11s 9d; Khadrowie, 15s to 16s; Hallowie (cases), 22s 6d to 25s. Raisins quiet. Satisfactory reports are to hand regarding new crop Valencias. South African, 36s to 42s. Lexias, new crop, quoted 40s to 45s. Evaporated fruits quiet, both spot and forward. Californian apricots, fancy, 140s; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, new, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian, extra choice, 72s 6d; fancy, 82s 6d; Lake County, fancy, 90s. Apple rings, Californian, extra choice, 55s to 60s; prompt shipment, 48s; Canadian, spot, 53s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines in quiet request, with spot supplies still limited. Portuguese, ½'s, quoted 4s 2d to 6s per dozen tins. Salmon in moderate demand at about late rates, with supplies adequate. Red, tall, 1 lb, 60s to 64s; tall pink, 26s to 26s 6d; ½ lb, pink, 39s to 41s. Lobsters firm on scarcity. Best ½'s, quoted 157s 6d to 162s 6d, and ¼'s, 92s 6d to 95s. Japanese crab firm, and arrivals are quickly absorbed. Crayfish in limited supply.

CANNED FRUIT.—Trade continues quiet, buyers showing little disposition to operate forward. Californian Bartlett pears, 24-2½'s, quoted 13s to 14s; seconds, 10s 6d to 11s. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Pines in quiet request on spot, but forward prices maintained. Italian tomatoes somewhat neglected.

CANNED MEAT.—Market dull, apart from a steady demand for Danish lunch tongues, at firm rates. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 122s 6d to 132s 6d; American quoted 135s, with best at 140s to 142s 6d. Ox tongues firm. Cooked boneless hams, Danish, sell readily at 1s 8½d per lb, for cases of six tins.

CONDENSED MILK.—Market quiet. Machine-skimmed ranges from 11s to 12s. Full cream, 20s to 25s. Full-cream evaporated: A good trade is reported at prices ranging from 19s 6d to 21s, according to quality.

HONEY.—New Zealand continues in steady demand, but other descriptions slow. New Zealand quoted 50s to 85s; Australian, 40s to 50s; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

The discount market has been much firmer, the minimum working rate for three months' bills being $4\frac{1}{16}$ per cent., and in midweek $4\frac{1}{2}$ per cent. and higher was quoted. Yesterday's Treasury bill allotment was made at an average of about $4\frac{1}{16}$ per cent.

	Aug. 20, 1926.	Aug. 13, 1926.	Aug. 6, 1926.	July 30, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	$\frac{1}{2}$ (Dec. 3, '25)
Discount (Call)	3	3	3	3	$\frac{1}{2}$ (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed an increase of £276,400 in the stock of coin and bullion, and a reduction of £768,100 in the circulation, the Reserve being thus £1,044,500 higher, with the proportion at 27.3 per cent. Government securities were reduced by £2,477,700, while Other Securities were £22,600 higher, and as Public Deposits expanded by £5,934,700, Other Deposits were £7,334,300 lower. Currency notes were reduced by £3,217,800 to £290,959,000, which includes £1,297,500 for notes called in, but not yet cancelled. The fiduciary issue is £233,411,600, or £14,490,900 below the maximum for 1926.

NEW YORK MARKETS.

The share market, which has a tired appearance, is reacting, despite the efforts of the pools to convince a sceptical public that a higher Bank rate does not signify the end of the bull swing. Meanwhile indications of a continued high rate of activity in trade reinforce expectations of a further moderate firming up in money rates towards the end of the year. Call money is still easy, partly because brokers have turned to the time money market. The Bureau of Labour index number shows a decline of 1 per cent. in prices in July at 151, the chief declines being in agricultural products. Industrial commodities are fairly steady. The New York Reserve Bank's discounts decreased sharply as a result of the higher discount rate. A large gain in gold reserves, and a moderate decline in deposits, resulted in an advance in the Reserve ratio to 82.4 per cent. The ratio for the system is slightly lower at 75.1.

THE STOCK MARKETS.

Stock Exchange markets have shown an improving tendency, but business continues to be on a small scale. Gilt-edged prices have drooped, owing to the hardening of money rates, and in the foreign market French bonds have fluctuated with the franc. Home rails have again risen on anticipations of an early end to the coal dispute, and Argentine rails have been good on dividend prospects. The rubber share market has been fairly firm, but oils have aroused no public attention. Tobaccos have been more active, and there was a rally in the iron and steel group, but industrials have mostly been quiet. A feature in the Kaffir market was an abrupt fall in Sub-Nigels after the recent rise, which resulted mostly from Cape buying. Rhodesians are slightly better, but attention in the mining markets has largely been devoted to tin shares on the rally in the price of the metal.

THE COMMODITY MARKETS.

The slightly better outlook in the coal situation was reflected in a number of markets during the early part of the week. A number of tentative inquiries have been made for fuel supplies after the dispute, but collieries are as yet indisposed to quote. Activity in the lighter branches of the iron and steel trade is fully maintained at recent levels, though the shortage of home-produced steel is serious. Demand for cotton has been firmer, rates having hardened owing to unfavourable weather reports

from America. Buyers have not taken kindly to the new basic rates adopted by Lancashire spinners, and sales at full prices have been difficult. Trade in wool shows a certain further improvement, reflected in firmer quotations. The advance in raw jute prices, as a result of the interruption of supplies owing to bad weather in India, has not been maintained this week. Wheat prices have slightly declined on quiet trading after a preliminary advance. Sugar is quiet, coffee steady, and tea prices practically unchanged on the week. Rubber is somewhat firmer, forward positions still commanding a slight premium. Among non-ferrous metals tin offerings have been well-absorbed, copper has further improved in value, while lead is quiet but fully steady.

FOREIGN EXCHANGES.

It has been a quiet period in the foreign exchange market, in contrast to the activity of the past few weeks. New York showed a slightly firmer tendency in the first half of the period, but was inclined to sag again during the last two days. From $4.85\frac{1}{8}$ on August 13th, it rose to $4.85\frac{3}{4}$ 31-32 on Saturday, at which level it remained until Wednesday, when it closed at $4.86\frac{1}{32}$. On Thursday it fell again to $4.85\frac{1}{8}$, and opened at that level yesterday morning. In Paris a further marked recovery occurred, but this was followed by a slight reaction. From $179\frac{3}{4}$ on the 13th, the rate fell to $177\frac{1}{2}$ on Saturday. On Monday it rose slightly to $178\frac{1}{2}$, but on Tuesday fell to $176\frac{3}{4}$, and on Wednesday to $169\frac{3}{4}$. This movement is believed to have been due to official intervention, and there was some speculation concerning extensive purchases of francs on the New York market. On Thursday the Bank of France report, showing a reduction in the note issue of nearly 613 millions and of 350 millions in the advances to the State, brought the rate down further to $166\frac{3}{4}$. In the afternoon, however, in the absence of American buying of francs, the rate rose to $172\frac{3}{4}$. Yesterday the opening rate was $172\frac{3}{4}$. The discount on forward rates is slightly wider at $3\frac{1}{2}$ per month. Brussels has followed the same movements. From $183\frac{1}{4}$ on the 13th it fell to $181\frac{3}{4}$ on Saturday, $180\frac{1}{2}$ on Monday and $175\frac{3}{4}$ on Wednesday. On Thursday evening and yesterday morning it was quoted at $178\frac{3}{4}$. On forward rates the discount remains about $2\frac{1}{2}$ per month. Italy has fluctuated only within narrow limits during the week. From $148\frac{1}{4}$ on the 13th, the rate fell to $147\frac{3}{4}$ by Wednesday, but rose again to $148\frac{1}{4}$ on Thursday. Madrid fell from 31.86 to 31.35 over the week-end on the news of the Pact of Madrid, but subsequently reacted to 31.62 on Thursday owing to General Primo de Rivera's speech on the interest of Spain in the future of Tangier. Yesterday the rate was better again at 31.55 . Of the gold exchanges, Amsterdam remained about $12.10\frac{1}{2}$ until Thursday, when it rose to 12.12 . Yesterday it opened at $12.11\frac{1}{4}$. Switzerland also rose from $25.14\frac{1}{2}$ to $25.15\frac{1}{2}$ late in the week, and Stockholm from $18.13\frac{3}{4}$ to $18.15\frac{1}{2}$. Oslo is steady around $22.15\frac{1}{2}$, but Copenhagen rose from 18.27 to 18.29 . Helsingfors, however, fell from 193 to $192\frac{3}{4}$. Berlin is slightly weaker at $20.41\frac{1}{4}$, and Vienna has risen from 34.39 to 34.42 . Prague is steady at 164 and Warsaw at 45 . Budapest has fallen from 27.85 to 27.75 . In the Balkans, Bucharest has improved from 10.60 to 10.45 . In the East the rupee is steady at 15 6-164d, but the yen has advanced again from 15 11-21-32d to 15 11-25-32d, so that it is now within 4 per cent. of parity. The silver market has been quiet, but prices still have a weak tendency. Hongkong has fallen from 25 23d to 25 2d, and Shanghai from 25 93d to 25 93d. In South America Rio is unchanged at 7 19-32d, but Buenos Aires has improved from $45\frac{1}{8}$ d to 45 15-32d, and Monte Video from $49\frac{1}{2}$ d to $49\frac{3}{4}$ d. Valparaiso is steady at 39.40 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 14th:—

EXPENDITURE.		RECEIPTS.	
(000's omitted.)		(000's omitted.)	
Supply Services	4,980	From Revenue	12,474
Interest, &c., on Debt	1,586		
Sinking Fund	391		
Decrease in debt	5,364		
Increase in Balances	153		
	12,474		12,474

The Revenue for the week amounted to £12,474,300, as compared with £12,916,000 in the corresponding period last year. Customs were higher at £1,546,000, against £1,484,000, but Excise was lower at £1,280,000, against £1,535,000. Property and Income-tax brought in £4,016,000, as compared with £4,946,000, while Super-tax amounted to £420,000, as compared with £640,000. Ordinary receipts were lower at £507,300, against £584,800, but Special Receipts brought in £1,380,000, against £514,200.

The week's operations reduced the National Debt by £5,364,600, and caused the following changes:—

(000's omitted.)	
National Savings Certificates ..	£ 100
Public Department Advances ..	£ 11,750
	£ 11,850
Treasury Bills	£ 4,867
Sundries	£ 1,618
	£ 6,485

The floating debt was reduced by £6,905,000 to £764,566,000.

FINANCIAL YEAR, 1926-1927 (April 1 to August 14, 1926.)

£		£	
Total Expenditure ..	303,881,300	Raised by Revenue ..	239,692,566
		Decrease in Balances ..	3,957,880
		Amount borrowed ..	60,230,854
Total	303,881,300	Total	303,881,300

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		
† Revised in Exchequer Return dated July 26, 1926.			

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE SEVENTH ASSEMBLY OF THE LEAGUE.

It is one of the minor misfits in the political calendar that the annual Assemblies of the League of Nations, which take place at Geneva in September, should follow close at the heels of what in England, at any rate, is known, for good reasons, as the "silly season." During the "silly season" newspapers are full of such things as Test Matches and Kitchener myths, and this year the country's mind is divided between holiday-making and one of the gravest possible of domestic concerns in the shape of the coal dispute. All the more, therefore, is this "silly season" of 1926 a "close season" for the British diplomatist—a season in which that stiff-necked bird can venture upon headstrong and contrary flights with less danger than usual of being brought to earth by a well-aimed leading article or Parliamentary question. This is unfortunate, since it is well established that the secretary bird, like other game, flies best when he knows that he is a target for the marksmen—of course, under the fair rules of the game, which the political critic, like the sportsman, violates at his peril. This year, however, it is particularly undesirable that the British Secretary of State at Geneva should be immune from the fire of British public opinion. The business on hand in September is nothing less than the admission of Germany to membership in the League, and the individual on whose action the issue of this vitally important matter will largely depend is Sir Austen Chamberlain, who last spring, in this very matter, deliberately and obstinately set British public opinion at defiance when it had declared itself with a vigour and a unanimity which were almost unprecedented over a question of foreign policy. Sir Austen's conduct then was one of the causes of the tragedy of March 17th, when Germany, after having fulfilled all the conditions required of her, found her admission vetoed

by the vote of Brazil in the League Council. Brazil and Spain would hardly have adopted the intransigent attitude which they did adopt if they had not been confident of the British as well as the French Government's "benevolent condonation" of their action. The consequence was that the promise of Locarno was disappointed at Geneva. The hopes of European conciliation and recovery, which had brightened so wonderfully in the autumn, became overclouded in the spring, and the general situation of Europe—economic as well as political—suffered a severe setback, from which it has still to recover. The task of the Assembly this autumn is to undo the work of last March and to restore and carry forward the good work done at Locarno. A second failure would be incalculably disastrous. Yet we have no assurance that Sir Austen Chamberlain has taken to heart either the pronouncement of public opinion or the consequences of his own almost unconstitutional contumacy in ignoring it. However silly the present season may be, and however much the coal dispute may tend to preoccupy the last serious corner of our mind, it is essential that public opinion should be concentrated once again on the European issue, and that when Sir Austen goes to Geneva it should be impossible for him to profess any doubt as to the mandate which his countrymen have given him.

The great question is whether Germany's admission will be frustrated once more. If we compare the position as it is now with what it was in March, we shall note with relief that certain of the difficulties have been at least diminished. On Lord Cecil's initiative, the Committee which has met to frame proposals for the future composition of the Council has suggested an intermediate class of membership which should satisfy all legitimate aspirations of that new intermediate class of State—halfway between Great Powers and small countries—which has once again become prominent on the map as a result of the war. It is proposed that besides permanent seats for Great Powers and annual seats (without re-eligibility) for small States, there shall be three-year seats, the occupants of which shall be re-eligible continuously. This plan, together with the fruitful idea of group or regional seats to be occupied by different members of the same group in rotation, ought to clear the ground if the issue depended solely on reasonableness and equity. In politics, however, justice and common sense have always to reckon with self-interest and *amour propre*, and without taking these other factors into consideration it is impossible to make any practical forecast.

Let us review the position in concrete terms. What, to begin with, is likely to be the attitude of France? Here, again, we may note with satisfaction that relations between France and Germany have improved. In Germany there has been a remarkable and commendable absence of *schaden freude* over the fall of the franc, and even a tendency towards positive sympathy with the financial misfortunes of a fellow Continental Power—a tendency with which we do not propose to quarrel, though it has cropped up in reactionary quarters, and has a distinctly "anti-Anglo-Saxon" bearing. Again, there have been really serious discussions, with a view to co-operation, between the French and German iron and coal interests, with Belgian and Luxembourgish participation. For the moment the negotiations have been blocked, but, without undue optimism, we may look forward to their early renewal, and may count, in the not distant future, upon the accomplishment of a piece of economic statesmanship which is absolutely essential to the reconstruction of Europe.

France, then, is unlikely this time to act obstructively as far as her own interests are concerned. Last spring, however, M. Briand acted indirectly by encouraging other parties to cause the obstruction which he was unwilling to cause by his own direct and overt action, and it is not so easy to call off the hounds as it is to unleash them. What, then, will be the attitude this time of Brazil, Poland and Spain? Brazil, by her resignation, has put herself out of the picture, and, after the unfortunate stand which she took last spring, this was the least undignified course which she could adopt. We need not take Brazil's resignation to heart or resign ourselves to the belief that it will be permanent. The League of Nations is an institution which Latin American countries cannot afford to boycott,

because it offers them the only possible security against the hegemony of the United States. At the Williamstown Institute of Politics the other day M. Nicholas Polétis rubbed this into a North American audience, and Latin Americans hardly need prompting on the subject.

What, then, of Poland? Last March—be it said to her credit—Poland maintained a "correct attitude" which was in welcome contrast to the attitude of Brazil. Since then any Polish claim to a permanent seat has been weakened by Marshal Pilsudski's *coup d'état*. In the circumstances, Poland is likely to be content with one of the triennially re-eligible places on the Council, in the proposed new category.

But what of Spain? Spain, after a century of torpor and aloofness, has shown, since the war, an increasing desire to play an active part on the international stage—and no one, again, will quarrel with this so long as she does not block the general reconstruction of Europe in order to extort from her neighbours a rank and title which—whatever her claims on grounds of lineage—are not warranted by her present position in the European Commonwealth. Will Spain, this September, persist in her intransigence, or will she forego her unwarrantable aspiration to a permanent seat and content herself with an intermediate position in the same category as Poland, where she properly belongs? Spain's attitude is the uncertain and the dangerous factor in the situation. The collapse of Abdul-Karim and the subjugation for the first time of the entire Spanish zone in Morocco have elated her (albeit these military triumphs have been won by French more than by Spanish arms). The new and rather ominous treaty with Italy has assured her of powerful backing, and the prompt revival of her claim to Tangier shows that she is in an aggressive mood. Will this be her mood at Geneva, and, if it is, how will France react to it? Will she, perchance, seek to placate Spain by renewing her support of Spain's claim to a permanent seat on the League Council, in the hope that this may incline Spain to be more accommodating towards French policy in North Africa? We cannot pretend to prophesy either what Spain will do or how France will react to what she does do; but we can declare with confidence that the action of both the Marquis de Estella and Monsieur Poincaré will be profoundly influenced by the action of Sir Austen Chamberlain; and that, if we want Sir Austen to carry out the British nation's wishes in the matter, then we must remind him vigorously what those wishes are.

COAL: A NEW DEADLOCK.

THE first essential step towards a settlement of the coal dispute was taken on Tuesday, when a delegate conference of the Miners' Federation authorised the executive to open up negotiations with the colliery owners and the Government, with the sole proviso that such negotiations must be of a national character, and not entered into by districts separately. This final breach with the "not a penny, not a minute" policy was made only after protracted discussion, during which the weight of the executive's influence was thrown on the side of the proposed resolution. The adhesion of the delegates from Scotland—an area which maintained effective neutrality during the referendum on the Church's proposals—was apparently the decisive factor, a card vote eventually showing 428,000 in favour of the new policy and 360,000 against, after an earlier proposal to limit the executive's powers to a settlement involving "a seven-hour day, a national agreement, and a national minimum wage" had been dropped.

Contrary to expectation, the executive proceeded to make their first approach to the Mining Association, and not to the Government. The outcome of a round-table conference held on Thursday afternoon went far to endorse the views of those who believe that the two parties, left to themselves, will never reach an acceptable agreement. The *communiqués* subsequently issued by both sides do not by any means give an identical version of what occurred, but apparently the miners attempted to strike the right note at the outset, Mr Herbert Smith stating that they had come "to see how far they could now agree, and not necessarily to emphasise the points

of difference." Unfortunately Mr Smith proceeded to enunciate exactly those points on which agreement was likely to be most difficult. The miners, he declared, were convinced that no lengthening of the working day was called for, and that a national wage agreement was essential. The level at which rates should be fixed under such an agreement was to be decided "after a consideration of possible measures for the reorganisation of the industry," with possibly certain assistance from the Government in the interim. The owners' rejoinder was a blank refusal to consider such a programme, which they declared to be merely a restatement of the thesis which the Miners' Federation had been maintaining for the previous 15 weeks. The Association's spokesmen would seem, in their turn, to have reiterated their former demand for longer hours, district agreements, and, virtually, "no political interference." Neither side can be wholly absolved from a share of responsibility for the ensuing deadlock. The miners' blunt statement was, to say the least, untactful, but an even more serious feature was its ambiguity on the all-important point that the executive were, for the first time, empowered to discuss a possible modification of wage rates. The owners, again, would seem to have lacked the desire to get down to the terms which the miners would ultimately accept, as distinct from their bargaining programme, and their abrupt breaking-off of the discussion has certainly left an impression in the public mind that they are standing out, at the present advanced stage of the dispute, for a dictated peace which would imply complete surrender by the Federation.

Matters clearly cannot be left in this state. The miners' representatives have already notified the Government of the result of their meeting with the Mining Association, and are likely to call on Mr Baldwin to use his good offices, and their appeal is likely to carry the more weight if they can bring themselves to admit in plain terms what they have been broadly hinting in recent speeches—that they are willing to make tangible concessions in the matter of wages. As regards hours, they can make out a strong case, since not only did the Royal Commission pronounce strongly against an eight-hour day, except by mutual agreement, but the owners themselves were reluctantly persuaded by the Prime Minister to accept that verdict at the end of last April. The Federation may further argue that the owners' insistence on district as opposed to national settlements is not merely against the spirit of the Commission's recommendations, but needlessly doctrinaire, since the district offers recently made have all, in fact, provided for a minimum addition to basic rates of 20 per cent. Mr Churchill's speech on the coal question at Swansea this week was, perhaps intentionally, vague on many crucial points, but it left the impression that the Government might still be prepared to stand by a settlement on the broad lines of the Report. On the question of possible financial assistance Mr Churchill was sufficiently explicit. Although no further subsidy can be contemplated, the £3,000,000 set aside in the last Budget—or at least the residuum after financing recent importations of foreign coal—is still available to enable workers in uneconomic pits, the closure of which was foreseen in the Report, to move to other areas and other employment.

THE DIRECTION OF OVERSEAS TRADE.

WITH the July trade returns, some of the features of which were referred to in our last issue, are given the usual figures, showing the countries of origin of imports and of destination of exports and re-exports for the second quarter and for the first half of the year. It may be recalled that in the first six months of the year imports showed a decline of £75 millions in comparison with the first half of 1925, British exports a decline of £54½ millions, and re-exports a decline of nearly £11 millions. From the tables which follow it will be seen that while the decline in imports occurred principally in trade with extra-European countries, more than 66 per cent. of the falling-off in British exports was in trade with the Continent. The first table shows imports from and British exports to the principal countries of Europe for the first half of each of the past three years and for 1914:—

JANUARY TO JUNE. (000's omitted.)									
	Imports from				Exports to				
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.	
France	23,929	35,419	40,150	33,693	14,364	24,372	21,092	15,211	
Netherlands	11,493	25,348	29,001	30,235	8,127	17,643	18,632	14,917	
Denmark	12,054	21,906	23,424	23,474	2,955	6,832	5,581	4,701	
Spain	6,873	12,159	12,781	11,541	3,686	6,341	6,650	5,213	
Germany	39,531	14,406	24,147	27,082	18,890	22,907	22,456	11,414	
Switzerland	5,776	8,889	12,668	6,766	2,084	5,993	4,636	3,524	
Belgium	11,469	18,018	18,610	18,783	6,507	11,898	10,682	8,178	
Sweden	5,909	9,015	8,901	8,817	3,757	6,868	5,243	4,340	
Norway	3,574	4,346	6,804	6,611	3,543	4,164	3,959	3,592	
Italy	4,527	8,043	11,564	8,093	7,437	8,671	10,511	7,271	
Portugal	1,490	3,004	3,358	2,249	1,600	4,546	4,244	3,753	
Finland	...	3,667	4,224	3,610	...	2,124	1,867	1,425	
Czechoslovakia	...	7,227	5,971	5,318	...	587	796	691	
Greece	676	1,007	837	639	1,851	2,660	3,180	1,813	
Russia	15,282	4,591	9,148	7,521	8,505	664	2,879	3,236	
Latvia	...	2,660	3,061	3,486	...	772	510	454	
Poland	...	3,858	2,584	3,888	...	1,560	2,057	883	
Austria	3,803	1,137	1,563	1,153	2,188	1,220	1,165	864	
Hungary	...	168	171	188	...	168	287	302	
Roumania	1,770	1,196	921	1,287	1,573	1,794	1,535	1,378	
Turkey in Europe	652	587	456	495	1,833	1,694	1,745	1,346	
Estonia	...	1,180	865	1,064	...	291	291	236	
	148,808	187,838	221,272	206,043	88,940	133,869	130,098	94,794	

The decrease in imports from the Continent, the whole of which occurred in the second quarter of the year, is largely accounted for by France and Switzerland. In the case of the latter the drop of 50 per cent. is probably due to a large extent to the fact that last year's figures, especially in the second quarter, were swollen by goods imported to forestall the new duties which came into force in the second half of the year. The same explanation probably applies in part to the French and Italian figures, which, as may be seen from the table, increased sharply in the first half of 1925. Imports from Germany, on the other hand, increased by nearly £3 millions, and have almost doubled in two years. The decline in exports is general, and most pronounced in the case of Germany, France, Italy and Holland. Russia is an exception with a small increase.

The next table shows the figures for the United States and other foreign countries:—

JANUARY TO JUNE. (000's omitted.)									
	Imports from				Exports to				
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.	
United States	70,447	113,664	129,530	101,343	17,769	26,291	26,663	25,085	
Argentina	18,004	37,303	36,149	35,089	9,645	13,232	14,473	12,821	
Cuba	2,724	7,776	6,693	2,123	890	1,505	1,456	1,152	
Brazil	5,183	3,502	2,653	2,297	4,034	6,156	8,350	6,683	
Mexico	985	2,666	3,522	2,552	389	1,057	1,276	1,436	
Japan	2,047	3,574	4,135	3,986	5,146	14,343	9,910	7,569	
Persia	...	3,919	3,672	3,750	...	815	1,345	959	
China	1,976	5,507	6,892	5,531	8,445	10,822	8,191	9,259	
Peru	1,180	3,374	3,420	2,635	706	1,299	1,316	1,155	
Chile	2,996	6,360	7,760	5,171	2,569	2,477	2,921	3,057	
Uruguay	1,564	3,582	2,867	2,980	1,127	1,573	1,615	1,314	
Colombia	...	893	944	828	...	1,111	1,913	1,874	
Turkey in Asia	1,648	526	687	701	2,877	454	504	427	
Egypt	11,858	18,680	20,051	15,127	4,936	7,298	8,290	6,375	
Other Foreign Countries	11,835	10,028	10,969	10,440	13,744	6,590	7,376	6,329	
	132,447	222,064	239,944	194,553	72,277	94,823	95,019	85,512	

Substantial declines in imports are shown by the figures for South American countries and Egypt, the latter being probably partly accounted for by the fall in the price of Egyptian cotton. Imports from Persia show a slight increase. Exports to the United States fell off only slightly, and, as will be seen from a later table, re-exports to that country were more than maintained. With the substantial drop in imports, therefore, the adverse visible trade balance with the United States has been reduced by £27 millions, namely, from £88 millions to £61 millions. Exports to China have slightly increased, but elsewhere the decline in exports is general.

The third table gives trade with the Dominions:—

JANUARY TO JUNE. (000's omitted.)									
	Imports from				Exports to				
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.	
Australia	21,431	30,852	42,655	37,876	17,711	28,495	29,871	28,637	
New Zealand	16,068	31,802	37,428	30,861	4,689	9,060	11,117	9,648	
India & Ceylon	22,615	40,548	46,375	36,801	36,676	47,144	47,433	44,871	
Canada	9,899	23,617	27,372	29,111	9,580	13,321	13,652	12,701	
South Africa	7,179	9,446	12,410	10,774	10,830	15,436	14,885	16,174	
West Africa	3,394	6,647	7,303	6,684	3,931	4,571	6,374	6,144	
Straits Settlements	7,134	5,330	6,067	11,015	2,612	4,177	4,722	6,559	
Malay States	833	1,011	1,517	3,517	527	755	1,219	1,219	
West Indies	1,373	2,907	3,319	2,483	1,233	1,724	1,876	1,649	
Irish Free State	22,831	19,309	17,584	17,584	21,050	20,906	17,880	17,880	
Other Possessions	5,536	13,719	13,079	15,254	6,979	14,795	16,806	12,427	
	94,629	188,532	216,328	201,960	94,241	159,773	167,442	157,909	

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The substantial decline in imports from Australasia and India was partly offset by increases in those from Canada, Straits Settlements and Malay States, the price of rubber no doubt playing some part in the case of the last two. Imports from Ceylon, it may be mentioned, rose from £7,465,000 to £9,895,000. Total imports from the Dominions, it will be seen, are substantially higher than in the first half of 1924. On the export side there are increases shown by South Africa and Straits Settlements. In trade with the Irish Free State there is a decline in both imports and exports.

The final table gives re-exports to the principal countries:—

JANUARY TO JUNE.					
Re-exports to	1914.	1923.	1924.	1925.	1926.
United States	18,210,000	17,576,000	11,792,000	14,409,000	14,719,000
Germany	11,396,000	10,389,000	17,972,000	16,237,000	9,782,000
France	6,205,000	10,494,000	9,707,000	10,303,000	12,640,000
Belgium	4,140,000	4,983,000	5,688,000	5,130,000	4,304,000
Netherlands	2,615,000	2,631,000	4,065,000	3,322,000	2,427,000
Australia	...	2,004,000	2,715,000	2,323,000	1,085,000
Canada	...	1,453,000	1,237,000	1,817,000	1,266,000
Italy	507,000	1,095,000	1,406,000	1,331,000	1,423,000
Sweden	452,000	934,000	985,000	838,000	788,000
India and Ceylon	...	568,000	467,000	629,000	746,000
South Africa	...	668,000	727,000	816,000	758,000
Denmark	261,000	895,000	902,000	865,000	410,000
Norway	272,000	432,000	280,000	367,000	240,000
Japan	108,000	153,000	143,000	141,000	139,000
Russia	4,556,000	612,000	2,766,000	6,512,000	4,280,000
China	...	82,000	109,000	80,000	164,000
Irish Free State	...	1,862,000	5,274,000	5,651,000	5,362,000
Other Countries	10,554,000	7,033,000	7,823,000	6,918,000	6,066,000
	59,276,000	63,864,000	74,128,000	77,449,000	66,599,000

A large part of the decline in the total is accounted for by Germany, the figure having now dropped below the pre-war total. Re-exports to Russia have also dropped, but those to France have increased by over £2 millions.

BANTU AND EUROPEAN.

(BY A SOUTH AFRICAN CORRESPONDENT.)

THE Union is not breaking up yet, and the Union Jack has not been hauled down. Mr Tielman Roos is handing out secession-dope of the old brand to the Transvaal backveld and Natal is responding with vague and rather wild threats of secession from the Union. Labour is striving somewhat dolefully to perform the feat of maintaining the Pact while reassuring its members who are shaken and troubled over the flag question. It is not likely that these signs and portents will mean very much in the long run so far as the British Empire is concerned. The consequences of it all are much more likely to upset the politicians than to dismember the Empire. It is a pretty coincidence that Mr Tielman Roos is Minister of Justice in a Hertzog Cabinet, just as General Hertzog himself was Minister of Justice in a Botha Cabinet before he broke away and went off into the veld to organise the Nationalist Party. The parallel between the situation of 1926 and that of 1912 is not infrequently noted, and the Prime Minister himself must be painfully conscious of it at times.

But the Union will not break up nor will it "secede," whatever that may mean. The presence of the Bantu, over five millions of them, will decide that. For the

Power which uses the despised and lowly things of earth to confound the great and high seems to have placed the Kafir here to set strict limits to the lengths that white disunion may go. The mere fact of his presence in such numbers would be enough, like a sort of defining chiaroscuro. But now that he has begun to move, has become more eager for economic and social advancement, more aware of his own disabilities, and more disposed to organise on orthodox trade union lines, white disunion must be more suicidal than ever. The cause of the black man forced the United States to achieve final unity after four years of bloodshed. In this land, where they are nearly four to one, the Bantu, by their mere existence, must render any policy of white disunion futile, just because the alternative is fatal. It is a realisation of this master fact which leads so many, even among Nationalists, to deplore the blind perversity that would divert the white man's energies into barren and profitless controversies over purely academic issues like the flag question. The discomfiture of the Labour Party shows clearly enough that no political party can hope for long life in South Africa which tries to nourish itself on wind of that description. Ultimately each party will be judged by its attitude towards those great permanent social and economic problems which are constituted by the presence of five million blacks among and around less than two million whites striving to organise the life of half a continent on the lines of Western civilisation.

The South African politician usually runs too close to the ground to be able to see the whole landscape. Sometimes he does not see the native at all; sometimes he sees nothing else. But slowly and surely the insistent, relentless movement of the native mass is giving the native that central and permanent place in all considerations of policy that he must inevitably have. The process of popular education to this end has recently been much stimulated by two events of high importance. One is the publication of the Report of the Economic and Wage Commission, the body which after the passing of the Wage Act last year was instructed to report on the wage and employment conditions in which the Wage Board would have to operate. The other event is the publication of General Hertzog's four Bills, embodying in legislative proposals the heads of the native policy which he sketched in a speech at Smithfield some time ago.

The Wage Commission presented Majority and Minority Reports, and the main cleavage was that of difference of view on the economic relations of native to white labour. General Hertzog's Bills deal mainly with political rather than economic arrangements. One provides for (ultimate) full enfranchisement of the mixed ("coloured") people. A second provides for representation of natives in the Union Parliament by seven members who are to be Europeans, who are limited to non-party activities, and are elected by a selected constituency of chiefs and headmen, not by a direct native vote. A third Bill provides for the creation of a Native Council with statutory functions. The fourth is the only one that touches economic issues in a direct way. It is concerned with the terribly urgent matter of regulating the occupation of land by natives. Thus we have now before us:—(1) Reasoned statements of two opposing views of the position of the native in the national economy. (2) A scheme for defining the political status of coloured and native peoples. (3) A scheme for regulating occupancy of land by natives.

The common South African habit of talking of "natives" in a collective way as though they were one homogeneous group, is breaking down in face of the evidence of great economic diversity, together with increasing cultural diversity. There are at least three main groups of natives:—(1) Natives in the reserves, living on land reserved to them, and still retaining a good deal of their tribal life. There must be some two millions or more of these. (2) Natives living on European-owned land as squatters, or as labourers, tenants, or as servants or labourers. These, again, must be nearly equal to those in reserves. Thus, as far back as 1913 over 620,000 Transvaal natives were on European-owned land, and only 350,000 in reserves, while in Natal the corresponding numbers were 420,000 and 566,000. (3) "Urbanised" natives. That is, natives who have definitely become town-dwellers. Their num-

bers are variously estimated, but can hardly be less than 400,000. In towns like Johannesburg, Cape Town, Durban, and Port Elizabeth, there are now thousands of natives who were born in the town, and have never lived anywhere else.

It is enough for our present purpose to note these three main economic groups without raising the further matter of the increasing distinction between natives on cultural grounds. They range from the raw "blanket-Kafir" of the territories to the cultivated American-trained professor, and they are again cut across by a bewildering variety of religious groupings, Christian and non-Christian. These facts are important, of course, as illustrating the increasing difficulty of securing coherent common action among the natives as such.

Returning to the main economic situation, we may note at least two facts that seem to be universally accepted:—(1) That there is no hope of securing sufficient land to plant all the natives in reserves. A few vague dreamers sometimes talk of "segregation" in this sense, but it needs very little knowledge to dissipate that attractive vision. (2) That the urbanised native must be accepted as a permanent phenomenon. As both Majority and Minority Reports of the Economic and Wage Commission agree upon this, it need not be further questioned. There still remains, therefore, the question of natives living under rural conditions, but not in reserves. General Hertzog's fourth Bill is concerned mainly with these.

In view of these diverse conditions, destined to become more and more diverse, there can be no question of a native policy resting on some simple single principle. Policy will have to be many-sided, and the various aspects of the problem will have to be tackled separately, careful as we must be not to lose sight of their relationships. For these relationships are important, and often misunderstood. Thus the "reserve" natives even now are unable to live on the resources of their areas, and have to go out on contract labour to the mines and elsewhere to eke out their means. A rising standard of life adds to the stimulus. The Majority Report sees in the reserves a buttress for the native in bargaining for wages. He has the reserve to fall back upon, it is alleged, and so can resist unfavourable terms. It is doubtful whether this is so. The reserve is much more likely to act as a subsidy, making it possible for such natives to accept a low rate of wages in the towns, and so to depress the condition both of the fully urbanised natives and of the "coloured" labourers in the towns. From what is known of the psychology of the native and of the conditions now actually prevailing in the towns, it seems probable that the reserves operate much more as a form of subsidy than as an access of bargaining strength. Moreover, the presence of so much fleeting, migratory labour hinders the growth of trade union organisation among town natives, and so helps still further to perpetuate the depressed condition.

The danger of all this, not only to the "coloured" worker, but to the poorer type of white labourer in the towns, cannot be ignored, and it gives some weight to the considerations that are put forward in the Minority Report. Moreover, in labour and trade union circles there is a deeply-rooted suspicion that the resort of natives to the towns is encouraged by employers so as to preserve a reservoir of low-paid labour and to keep down wages generally. Hence, in Cape Town especially, there is a bitter outcry from organised labour for the exclusion of the native as far as possible. The trouble is likely to continue so long as a large supply is available of labour which lives on a low standard and is profitable to employ at the low wage it is prepared to take. The operation of the Wage Board may do something to check the trouble, but not much, so long as there is not a relative shortage.

On the other hand, organised white labour does not appear to have grasped as yet that its own prospects of profitable employment in such a country as this are largely dependent on a steady supply of reasonably cheap unskilled labour. If they do realise that, the suspicion just mentioned tends to prevent them from giving it expression.

A small white minority surrounded by a great black majority in a dark continent will be fortunate indeed if

it can altogether escape those alternating manifestations of greed and fear which may bring to ruin the most well-meant policies. The real benefactor would be the man who could find a tonic that would cure the South African of the sudden attacks of "nerves" he is apt to get where natives are concerned.

INTERNATIONAL LAW AT VIENNA.

(BY A LEGAL CORRESPONDENT.)

If, as seems not improbable, "the Vienna Contract Rules, 1926," prove shortly to be the basis of international legislation, the Vienna Conference of the International Law Association, at which a draft of the rules has just been unofficially worked out and agreed, will have done some work of definite practical value to commercial men, especially those engaged in trading with countries other than their own. These proposed rules are intended to be applicable to certain contracts—primarily those for the sale of goods, where the seller and the buyer are of different countries—which do not in terms provide by what national law they are to be governed. The rules would supplement such contracts by laying down which territorial law would, in the particular circumstances, apply to the case.

Very keen interest in this problem was shown at the Conference (which sat from August 5th to 11th) by a large number of commercial lawyers and representatives of business interests. The Conference was made up on most days of three sectional meetings sitting concurrently, and, in the section devoted to "conflict of laws," which dealt with this particular problem, there were some 80 or more members regularly in attendance. They were representative of all the principal European nationalities, and in this and some other matters the Conference had the active support and co-operation of the International Chamber of Commerce. Judge Bagge (Sweden) presided in the section, supported by Dr Mittelstein (Germany) and Dr Leslie Burgin (England). The debates were very thorough and practical, and they resulted, notwithstanding the wide scope and the difficulty of the subject, in complete unanimity as to both substance and form.

Though any summary of the contents of the rules must necessarily give but an imperfect idea of them—details being important in a matter of this kind—it may perhaps be stated that the rules lay down, in the first place, that the law applicable to contracts of sale of movables shall be the law of the seller. The law of the seller is to be determined in accordance with certain sub-rules. Further provision is then made that, in some cases, the law of the buyer shall apply. These are, mainly, cases where the contract is concluded in the buyer's country. Special provisions are included as to stock or other exchanges or fairs, and as to ships registered in a particular country. There are separate rules applicable to contracts for work, and contracts for services, but contracts of carriage are excluded.

The work of the section was confirmed at the general assembly of the Conference, which concluded the proceedings, and it was then decided that steps should be taken to arrange, if possible, for the summoning of a diplomatic conference at which the rules might be embodied formally in an international convention. If, as anticipated, this further official gathering takes place, it may be followed in due course by national legislation in the countries represented to make the rules operative.

In another section of the Conference some proposed rules to determine the date when rate of exchange should be fixed were discussed. There was considerable difference of opinion here, and, although these further rules were adopted as "Vienna Rules, 1926," there were very significant indications that (in their present form, at all events) they may not come into use in actual business. The proposal was merely that they should be available for voluntary incorporation by reference in contracts, and therefore, unless they commend themselves in commercial and maritime circles, they will remain a dead letter.

British representatives appeared to think that considerable revision would be necessary to make them workable, if that could be done at all.

These rate of exchange rules lay down that, if payment cannot be made in the currency mentioned in the contract, the debtor shall pay the equivalent in the country of the place where the payment is made, at the rate of exchange of the day of actual payment. Further, that, if payment is not made when due, the debtor shall pay, as damages, a sum equivalent to the depreciation of the currency of the contract, measured on a gold basis, since the due date.

There would be difficulty, under English legal procedure, arising from the provision for calculating rate of exchange on the day of actual payment. Under the rules the amount could not be ascertained till then, and therefore could not be expressed as a specific sum in a judgment, which, if pronounced in any case, would necessarily be anterior in date. English judgments, which are for specific amounts, therefore could not enforce the rules, or rather, the consequence of the terms of the rules is that they would not be able to be enforced in England, and probably in some other countries also. There were other objections expressed, and, upon the whole, this part of the work of the Conference does not seem likely to be of service in actual business.

Many other subjects were debated, including the international aspects of bankruptcy, of commercial arbitration, of c.i.f. contracts, and so forth. Consideration was given also, to some purpose perhaps, to proposals for making more uniform the laws as to territorial waters. Questions as to the protection of private property from confiscation by States, and as to the international protection of national minorities, were further items in a very extensive and varied programme of subjects. The work of the association, as a body of voluntary workers interested in bringing home to the public the importance of international law in every-day affairs, has always covered a wide field. There can be no doubt that the Conferences, held from time to time in various capital cities, with committee work in the intervals, serve a useful purpose, and, in some respects at least, as the earlier part of this article indicates, some very practical work is being accomplished.

ON CHANGING INVESTMENTS.

(BY A STOCK EXCHANGE CORRESPONDENT.)

EXHORTATION is always at work with words of sage counsel as to the advisability of overhauling investments with a view to seeing which stocks and shares should be realised, which should be replaced by more promising securities, and, in brief, of paying as much care to financial operations as one does to one's wardrobe. Some shares, bought when prospects seemed hopeful, may have arrived at a pitch where the previous promise is worn out, and they should therefore be discarded, while others are out of date as regards possibilities of improvement or appreciation, and were better cast aside in order that they may be replaced by sounder stuff. Advertising outside firms which are not members of any Stock Exchange perform a service, sometimes useful, in drawing attention to securities deemed preferable to some of those which the proprietor already possesses, although advice in this connection is linked with the manifest desire to sell other bonds, stocks and shares paying a higher rate of interest, but not always desirable from the point of view of security. The average man takes out his book of stocks and shares somewhere about the end of December or the beginning of the New Year, and looks through his holdings with the praiseworthy intention of tidying up his lists, with the result that, as every stockbroker knows, the markets are inundated for the first week or so every January with orders to sell oddments and broken amounts of stocks and shares for which their holders have no longer any use. The systematic examination of investments is certainly a counsel of perfection that is carried out by very few people. If a thousand men were to take away with them

on their holidays this month their sheets of holdings in stocks and shares, it would be no difficult matter to make a shrewd wager as to what would be the result in the great majority of cases. The capitalist would decide that his stocks and shares which stand at good prices are too sound for him to sell—unless he should happen to see some other security that appeals to him as being better—and that the remainder of his holdings are too low to make it worth his while to clear them out, having regard to the offchance of their recovering, some day, in value to the price which he originally paid. It is said by the financial cynic that one great element of fear which death holds to the ordinary man of affairs is the opinion which his executors will form of his financial acumen when they come to go through his papers after his decease. Those who have to deal with valuations of stocks and shares for purposes of probate are too familiar with the extraordinary hotchpotch of odds-and-ends that a man can accumulate in his strong-box, for the professional broker or solicitor to feel any astonishment at the variety of rubbish which, in larger or lesser degree, finds its way into the holdings of the ordinary investor. The advertising outsider bases his appeal upon the desirability of securing a higher income, and, to this end, points out the advantages which attach to speculative stocks and shares as compared with the humdrum and prosaic solidity of the War Loan or Great Western debenture. The man, and still more often the woman, with a fixed income derived from the interest on such uninteresting securities, is open to temptation, and provides the readiest source of income for the counsellor of this exchange-of-investment policy. To suggest that people should remain content with what they already hold in the shape of stocks and shares would be as ridiculous as it is for them to think that they will get the same degree of safety from speculative securities, however high-sounding the titles of the latter may be, as they will from the more conventional British Government stocks.

The policy of overhauling investments is one which is eminently sound. For instance, it would pay most people to weed-out of their deed boxes the certificates of the mining and industrial gambles that have long since lost the glamour they once possessed, and, selling the lot, the holder should put the proceeds into the War Loan, or some first-class preference share, however modest the dividend derivable from the exchange might be. Human nature is so constituted, however, that a man will hang on to shares which he knows perfectly well to be hopeless, rather than get rid of them for what they will fetch, and to spend the money in a more useful direction. Going up the scale, he will next find stocks and shares paying him no dividend, and with little hope of their ever doing so, but which carry some faint glimmer of prospect for the future. These also it would be profitable to dispose of in the majority of cases, though here again human nature prefers to take the 1,000 to 1 chance which such gambling counters hold out of turning up trumps in the future.

The present coal crisis is exercising the minds of a good many people in regard to the way in which it is likely to affect the profits of the Industrial companies in which their money is placed; the decline of quotations in a good many industrial shares shows that recent warnings have not been lost upon the public. People begin to realise that the losses inflicted by the general strike, and the coal crisis, will have to be paid for, and that the brunt of the loss will fall upon industrial companies. Again, however, the inborn bullshness of human nature gives rise to the expectation that, after the coal stoppage is over, trade and prosperity will both revive, a condition of mind which has a good deal to be said for it, and which, even in the austere financial sense, may prove to be right in the future, provided the shareholders have the patience to lock up their investments, and to accept, it may be for a time, some diminution of income. The policy of examination of investments deserves greater consideration than it generally receives, but what the investor has to be on his guard against, before all else, is the idea that he can increase his income through the sale of first-rate securities and the repurchase of anything that brings in a higher return. The excellent practice is growing steadily of a man putting a specified proportion of his capital into gilt-edged securities, and, having made himself safe in this

respect, utilising the balance in the purchase and sale of stocks and shares to which there attaches a more speculative flavour, and from which he will gain, if not increment in his capital, at all events an accession of interest in Stock Exchange price movements.

Notes of the Week.

Cloud and Sunshine in the Balkans.—Last week we commented on the threatening attitude towards Bulgaria which Yugoslavia was taking up over the question of *komitaji* raids across the border into Serbian Macedonia—raids which it is notoriously impossible for a disarmed Bulgarian Government to prevent, and which, in any case, cannot be brought to an end by the threat—and still less by the use—of force on the part of the other party. Meanwhile, the Yugoslav threats have been followed up at Sofia by the presentation of a joint Yugoslav-Græco-Roumanian note; and the Yugoslav Press is maintaining the extraordinary thesis that the possibility of an appeal by Bulgaria to the League of Nations is ruled out because Yugoslavia would never agree to it. This shows a fantastic ignorance of the League Covenant, for the case where one party to a dispute is willing, and the other unwilling, to submit a dispute to the League procedure, is the classical case with which the Covenant is designed to deal. Do the Yugoslavs forget what happened half-a-dozen years ago, when the British Government made use of its friendly right, under Article 11, to draw the attention of the Council to a Yugoslav invasion of Albania? If so, memories in Yugoslavia are short, and Yugoslavia herself will be the first country to suffer by this mental deficiency. Meanwhile, it is only fair to note that Yugoslav policy has taken a less aggressive turn in its dealings with Greece. It will be remembered that in 1923, after 10 years of intermittent negotiation, a Græco-Yugoslav Convention was signed, under which Yugoslavia obtained a Yugoslav Free Zone in the Greek port of Salonica. Up to that point the obstruction had been on the Greek side, and, indeed, Greece had only yielded to the fear that the 10-year alliance of 1914 might not be renewed by Yugoslavia when it expired in 1924. In spite of the previous signing of the Free Zone Convention, this Greek fear came to pass; for Yugoslavia had bought up, from a French company, the former Austrian railway from Salonica to Nish, and, having secured her Free Zone, she proceeded to demand from Greece that even the section of this railway which runs through Greek territory, between Salonica and Gergeli, should pass under the Yugoslav Government's control. It was because Greece demurred to this excessive demand that, in 1924, Yugoslavia denounced the 1914 Treaty. It is good news that last Tuesday (August 17, 1926) a new Treaty of friendship and conciliation between Yugoslavia and Greece was signed at Athens, together with four railway conventions in which the Yugoslav claim is compromised on equitable lines. The Greek Government purchases, from the Yugoslav Government-controlled company which had acquired it, the Gergeli-Salonica section of the railway, and this section is to be under Greek control; but Yugoslavia is to participate in this control in matters relating to Yugoslav traffic between the frontier and the Free Zone. Greece is to be congratulated upon this settlement of a dangerous controversy, and also upon the offer of a similar Free Zone which she is reported to be making to Bulgaria. Although, for the sake of solidarity, she has joined Yugoslavia in presenting the triple Note at Sofia, her general policy in South-Eastern Europe is at present one of the conciliatory and constructive factors in the local situation. Roumania, again, is unlikely—judging by her past record—to press to extremes her action against Bulgaria, with whom she has no deep-seated cause of quarrel. Thus we may hope that Yugoslavia will be restrained by her Allies before the League is called upon to intervene. Roumania, meanwhile, on the Friday before last (August 13th), signed a Treaty with France, which appears to follow the lines of the Franco-Czechoslovak Treaty of 1924; and it is possible that this may be followed (as in the case of

Czechoslovakia) by a similar Treaty with Italy. "The Balkans" are rapidly being knit into the framework of Europe.

The Chinese Civil War.—The event which has occurred this week in the Chinese Civil War is usual in one respect and unusual in another. The ordinary feature in it—a feature in which modern Chinese, like mediæval Italian, warfare is advantageously distinguished from modern war in Europe—is that the battle has been bloodless. The extraordinary feature is that this particular one among many bloodless battles appears (though all precedents are against this appearance being a reality) to have produced results which may make some difference to the course of Chinese history. It will be remembered that some time ago the Kuominchun Army of the Baptist—or Bolshevik—General Feng evacuated Peking and retired north-westwards, "in order to develop the agricultural possibilities of the Mongolian desert," as the temporarily allied forces of Wu and Chang converged upon the capital. But while Feng went for a holiday to Moscow, his army still held the Nankow Pass, through which a Chinese-built and Chinese-run railway (in normal times a very efficient concern) makes its way up from the Chihli plain on to the Mongolian plateau. It was obvious that so long as Feng's troops held this pass the hold of Chang and Wu upon Peking would remain precarious; and it was prophesied that, when the inevitable struggle for the pass took place, the allies would get the worst of it and that the Kuominchun would then reoccupy Peking. Instead of this, the allies have won the pass; and while it is improbable that the Kuominchun Army—with Soviet Russia behind it—will be put out of action, it may be presumed that the allies, now that in the north they have secured the key position, will be able to divert their forces southward in order to assist their associate Sun, in the centre, against the Canton Government, which is of the same political complexion as General Feng. *A priori*, Chang, Wu, and Sun have every advantage. They are overwhelmingly superior in numbers, and hold the interior lines; and they ought to be able to overthrow their southern opponents and occupy Canton while, at the distant Nankow Pass, they hold the northern confederates of the Cantonese in check. That this will actually happen, however, it would be foolhardy to prophesy; for in China things are apt to turn out contrary to the probabilities. The Cantonese are the most energetic of the Chinese, and they will not be disposed of easily. If they put up a good fight, they may hope that Wu, Chang, and Sun will fall out with each other (as they have often done before) without giving themselves time to secure a military decision. In that case, the Chinese situation will revert once again to a chaotic inconclusiveness.

Optimism and Markets.—Our present industrial troubles provide a breeding-ground for pessimism, and we are so frequently treated to dismal jeremiads by leading manufacturers that it is refreshing to find an optimist on the war-path. Such is Sir Harold Bowden, chairman and managing director of the Raleigh Cycle Co., Limited, who addresses us in the following terms:—"I have just returned from a land in which optimism is regarded as an indispensable commercial asset to a country overwhelmed by a pall of industrial gloom. One of the fundamental differences between American business methods and our own to-day lies in the fact that, while the American manufacturer acts on the maxim that supply creates demand, here the tendency is first to make sure of the customer. True, it is an easier thing to produce optimistically in a new continent, abounding in unexhausted natural resources and lightly taxed, than to pour out capital in an old country smitten with industrial dementia and wearing a financial millstone round its neck. None the less, even at such a time as this, I would make an appeal to my fellow-industrialists for optimism in their outlook and confidence in their plans for the future. The coal stoppage, which is leaving the raw material of all our industries unworked in the earth, is a nightmare that must pass. There still remain to us our natural resources, our

enterprise, resourcefulness, and technical skill, the best workmen in the world, and, added to all these, a potential demand for British goods that is world-wide. I am not speaking as a mere idealist. In my own company the general strike and the coal stoppage have caused a loss of over £100,000 worth of business, a loss which will unhappily be reflected on more than 3,000 workers who are interested in the profit-sharing scheme which I recently introduced. But, nevertheless, we are looking ahead with confidence, and spending capital on additional plant and new methods of production. This year we have manufactured 120,000 bicycles. For next year we plan to make 175,000. That is what I mean by producing optimistically. Production that is ahead of demand entails progressive methods of salesmanship (which includes advertising), a science in which we are, generally speaking, a decade behind the Americans. Better salesmanship, by creating a new demand—new standards of comfort—stimulates the desire to earn, and, therefore, the will to produce. British industry to-day is encumbered with the dead wood of nineteenth century political dogmas. If the individual worker cared more for his personal possessions, he would, like the American worker, aim at buying his own motor-car and his own house, and have no time for the rhetoric of his political misleaders. Optimism is infectious. Let our employers cultivate it, and thereby break into that vicious circle of economic and psychological depression that is weighing us down." While admitting that an excess of confidence may on occasion be as dangerous as a deficiency of that quality, we commend Sir Harold's buoyancy to the attention of the more timid of our business men.

Employment in July.—Employment in July on the whole showed no improvement, many works remaining partially or completely closed owing to the effect of the continued stoppage in the coal mines. According to the *Ministry of Labour Gazette*, among the 11.9 million workpeople insured under the Unemployment Insurance Acts of Great Britain and Northern Ireland, the percentage unemployed at July 26th was 14.6,* as compared with 14.7* at June 21st and 11.2 a year ago. The total number of registered unemployed at the end of July was approximately 1,664,000.* This compares with 1,699,000* at the end of June and 1,262,000 at July 27, 1925. Among the members of trade unions the percentage unemployed was 13.2* at the end of July, as against 12.9* a month ago, and 11.2 at the end of July, 1925. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.

	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9*
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	13.2*
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	..
September ..	2.3	2.2	14.8	14.6	11.3	8.6	11.4	..
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	..
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	..
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

* Excluding workpeople in the coal-mining industry who ceased work owing to the dispute.

The industries that remained the most seriously affected by the coal dispute were pig-iron, iron and steel, tinplate, and pottery manufacture, as well as engineering and ship-building. In the building trades and in agriculture employment was good with skilled workers, but in the tailoring trade there was a seasonal decline.

Cost of Living.—There was no change in the cost of living during July. The index number of the Ministry of Labour at the end of July was 70 per cent. above the July, 1914, level. This compares with 70 per cent. at the end of June and 73 per cent. a year ago. The following

table shows the monthly movements of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE over JULY, 1914.—All items.
(Food, Rent, Clothing, Fuel, and Light, &c.)

1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan....	85-90	125	165	92	78	77	80	75
Feb....	90	130	151	88	77	79	79	73
March...	90	130	141	86	76	78	79	72
April ..	90-95	132	133	82	74	73	75	68
May ..	95-100	141	128	81	70	71	73	67
June ..	100	150	119	80	69	69	72	68
July ..	100-105	152	119	84	69	70	73	70
Aug....	110	155	122	81	71	71	73	70
Sept....	110	161	120	79	73	72	74	..
Oct....	115-120	164	110	78	75	76	76	..
Nov....	120-125	176	103	80	75	80	76	..
Dec....	120	169	99	80	77	81	77	..

For food alone there was also no change, the index remaining at 61 per cent. This compares with 68 per cent. last year. The only important movements in retail prices during the month were increases in the prices of coal and eggs, and decreases in those of potatoes.

Closer Estimating in Public Expenditure.—The annual review of British public expenditure by the Public Accounts Committee of the House of Commons, which has just been completed for the financial year 1924-25, suggests that after the necessarily wide variations of the war period there is now a definite return to the closer estimating of pre-war times. In the various classes of Supply Services, together with the unclassified estimates and those of the Revenue Departments, for 1922-23 the general average percentage ratio of surrender to the grant was 12.5; in the following year it had dropped to 6.4, while in 1924-25 it was 4.1. Taking the 14 years from 1900-01 to 1913-14 for the purposes of comparison, the average annual percentage of savings on the net estimates of the Civil Services was 2.5, and in the Revenue Departments 1.3, the average for the total supply services being 1.4. That altogether admirable figure has not yet been reattained; but in an expenditure which is more than four times that of the pre-war period, which includes much that is still attributable to war conditions, together with an unclassified group of expiring services, which are very difficult to estimate with accuracy, the percentage of 4.1 represents very definite progress. In the case of the Army the variation between the Appropriation Account and the Estimates for 1924-25 was 2.55 per cent.; three years ago it was as high as 19.85. In the year 1924-25 the Navy was in a particularly good position, with a surrender of only .6 per cent., and the Revenue Departments were sound at .8; on the other hand, the Air Services were still comparatively high at 5.6, owing in part to the uncertainties of an expanding service. The practical meaning of this improvement for the taxpayer is that he has to provide more exactly each year the sum actually required for these Services. The large surpluses of recent times represent, so to speak, taxation that need not have been imposed; but the afflicted get some consolation in the fact that the amounts surrendered go automatically to the reduction of debt.

Conditions in Hongkong.—A Hongkong correspondent writes:—The activity in the piece-goods market, which I reported last month, came to a sudden termination, and, with clearances at a standstill, there was been a state of utter stagnation for the past three weeks. Other markets are in the same plight, and the most plausible explanation is that evasion of the boycott barrier is more difficult than ever. This is put down to the strike pickets having redoubled their energies in view of a possible settlement of the year-old dispute between Hongkong and Canton. At the invitation of the Canton Government, negotiations are to be opened between three Canton delegates on one side and H.B.M. Consul-General, with two Hongkong officials on the other. Confidence in a successful issue to the discussion is at present lacking, for two reasons. In the first place the Canton

Foreign Minister, the principal delegate, has already raised various quibbles as to the powers of the Hongkong representatives, and has in other ways given the impression that his chief object is to obtain recognition of Canton as an independent government. If the conference is to waste its time arguing this point, then the question of resumption of trade will be left in the background. In the second place there are doubts as to the stability of General Chang Kai Shek's régime, in view of the departure of so many native officials and their replacement by non-Cantonese. The feeling is that in the event of the recapture of the city by a Cantonese party, agreements entered into by the deposed leader will be promptly repudiated. A further cause of uneasiness is the persistence of local Chinese merchants that no settlement is possible without a substantial payment from the British side, not that any Chinese consider compensation is due, but because to the Oriental mind, finance is the basis of all understandings. Our Governor has many times pointed out that Hongkong will not pay a cent, and that negotiations will lead nowhere unless this is recognised. The reports of the various Commissioners of Chinese Maritime Customs for 1925 are beginning to appear, and those for four ports in the boycott area show only too clearly the disastrous effects of the artificial restraint of trade. In Swatow the volume of foreign merchandise passing through the Customs fell from 28,800,000 Haikwan taels in 1924 to 21,855,000 Haikwan taels in 1925, a drop of 25 per cent. Wuchow, the entrance port for the inland province of Kwangsi, reports a decrease of over 20 per cent. Kongmoon and Samshui, both on the Canton River Delta, suffered more acutely. The former port returns 6,617,000 taels for 1925, against 15,308,000 taels in 1924. In the case of Samshui, the Commissioner states that the figures for foreign goods imported represent clearances previous to July 9, 1925, as since that date there has been no direct trade whatsoever. No reliable estimate of the damage done to Chinese interests can be made until the figures for the bigger stations such as Canton, Kowloon, Lappa, and Amoy are published, and the full extent cannot be measured by the 1925 returns, as they only cover the first six months of the boycott restrictions. It is, however, obvious that the attempt to destroy British Commerce in China has had repercussions on native trade which will be felt for several years to come. From the point of view of the foreign merchant, the outlook as regards South China is full of anxiety. The Chinese in Hongkong are financially crippled, and will have the utmost difficulty in re-establishing connections with the interior. The dealers there have, in most cases, lost what little capital they ever had, and, even with the tranquillisation of the country, will be unable to trade freely because of the impoverishment of the people and the depreciation of currency. The only comforting reflection is that China has so often emerged from chaos, which would have overwhelmed most races, that she may do so again; but the process of disintegration which has been going on for the past decade has been on so vast a scale that the country is now in a state of anarchy from which it will be difficult to recover without foreign assistance. Intervention is a term that has not been mentioned for the past year, but it may have to be resorted to eventually either by the principal Powers working in unison or through the League of Nations.

Electricity in Agriculture.—In alluding to the benefits which agriculture has derived from science, the Prince of Wales in his address to the British Association did not include the application of electricity to farm practice. In this he was justified by the fact that the utility of electrical power for the cultivation of the land or the growth of crops is at present debateable. Even those who have the most faith in its possibilities admit that the interesting and hopeful experiments which have been made have not yet reached the stage of demonstration, while the average farmer is wholly sceptical. The Engineering Section of the British Association had, however, the advantage of hearing what can be done by one who has done it. Mr Borlase Matthews, who uses an electric-driven plough on his farm in Surrey, claimed that, "with electricity at 1d per unit, electric ploughing is cheaper than with petrol,

paraffin, or fuel oil tractors, and is also to be preferred owing to the greater immunity from breakdown." He also made the somewhat surprising statement that over 200 electric ploughs are now in use on the Continent. Mr Dampier Whetham, who probably knows as much as anyone on the subject, writing in the *Journal of the Ministry of Agriculture*, states that only one electric ploughing set—that of Mr Matthews—is at work in England and one in Scotland. The difficulty of applying electrical power to the actual cultivation of the land is apparent even to the non-expert, but there are other uses of electricity on the farm which appear to be more feasible. Not only for lighting and heating the farmhouse and buildings—and for cowsheds electric light has obvious advantages over any other form of illumination—but for driving the usual farm machinery—chaff-cutter, root pulper, &c.—electricity is very suitable. On a large holding the installation of his own plant may be worth the farmer's while, and, indeed, many farms are so equipped. But the general use of electricity on farms is impracticable except by its distribution, as in the towns, from central stations. The multiplication of large power stations which may be stimulated by the new Act is unlikely to meet the needs of agriculture. Even if a farm has a high tension main running across it, the current is useless to the farmer unless he is prepared to erect a costly transformer to reduce the energy to a suitable voltage. Until this difficulty can be solved the distribution of electric power, however widespread, will be of little use to agriculture.

The British Silk Industry.—A correspondent writes:—The silk industry is suffering severely from the condition of the Continental exchanges. For several years the trade position has become steadily worse, and just recently the curve has dropped sharply. The competition of artificial silk may be one cause of the lessened demand for natural silk material manufactured in Macclesfield and Leek, but to a very large extent artificial silk has created new markets, and has not encroached on the markets for natural silk. The truth is that a large proportion of the silk sold in London West-End shops as Macclesfield is really Continental or Japanese silk that has been finished in Macclesfield. The Japanese finish is quite different from that demanded here, hence goods imported from that country have first to be degummed and afterwards refinished. There are Macclesfield factories that specialise almost solely now on the finishing of imported cloths. In fairness may it be said, due allowances being made for the depreciated exchange of competitive countries, that our manufacturers are partly to blame for the loss of trade. They will not, for instance, give attention to the manufacture of plain cloth. After the Japanese earthquake no silk goods were imported from Japan for some time, and it was suggested to British manufacturers that they might profitably adapt some of their looms to the weaving of plain cloths, but they did not do so, and thus lost a splendid opportunity. In order to keep down production costs, Swiss and French machinery is being installed in the silk factories in preference to British, and especially is this so, perhaps, in the case of looms. Some of the Continental machinery is of a very high order, both as regards design and workmanship, and prominence was given in the Press recently to the arrival in Macclesfield of 23 machines four days after leaving France. The advantage that British machinists hold is in the matter of delivery, and, while Continental firms accept orders, twelve months sometimes elapse before the machinery is completed. Continental machinery is not better than British—there are manufacturers who do not consider it as efficient—but it is very much cheaper. In regard to production methods, those employed in British factories are quite up to date, and, therefore, although the industry has been suffering for some years, and more especially in recent months, the future should see renewed prosperity. All that is wanted is a little more enterprise in catering for the requirements of markets.

Cotton Trade and Minimum Prices.—Our Manchester correspondent writes:—This week further developments have taken place in Lancashire in the efforts of cotton spinners to improve their position. The basic prices

scheme for American yarns of the Master Spinners' Federation has come into operation, and on Monday last all sellers raised their quotations to the official figures published by the federation. There has not been a uniform advance, but, on the whole, the new rates have been about 1d per lb higher than last week. So far buyers to a considerable extent have resisted the upward movement, and spinners have been able to sell only small lots. There is every probability of a determined fight for supremacy. If spinners just at present cannot sell their production it is very undesirable that they should make to stock, and it is urged that increased curtailment of output should be adopted. On Tuesday last there was a mass meeting in Manchester of American spinners to consider the formation of an American Yarn Association, Limited, the object of which would be to secure the laying down of minimum yarn prices below which no member shall sell his yarn, and which shall assure spinners of a profit. The meeting was attended by representatives of over 200 mills, and the decision to proceed with the organisation was adopted unanimously. Nominations will now be received for directors, and arrangements are being made to register the company. The important feature of the scheme is that the association will have powers to penalise members if they transgress the rules. To carry this into effect, it is suggested that each spinning company should take up one £1 share per 100 spindles. It is not intended in the initial stages to call up more than 1s per share. Should a member not carry out the regulations the association will have power to call up the whole of the unpaid capital and make the company forfeit the shares. The organisation has received the support of the owners of 70 per cent. of the spindles concerned. No time will be lost in establishing the association.

Union Cold Storage.—Few concerns in recent years have shown such consistent prosperity as the Union Cold Storage Company, each of whose annual reports shows an improvement over its predecessor. That for the year ended December 31st last, just issued, is no exception. As will be seen from the table below, a substantial gain in net profit has once more to be recorded:—

	1913.	1920.	1921.	1922.	1923.	1924.	1925.
Gross profits	£ 137,094	£ 467,393	£ 558,765	£ 581,589	£ 726,904	£ 848,070	£ 883,564
Deb. interest, &c.	31,727	72,118	74,676	83,423	72,830	61,329	59,088
Net profit	105,367	395,275	483,999	498,166	654,074	786,741	824,476
Brought forward	23,806	71,717	87,497	104,028	109,922	127,841	149,278
Reserve & depreciation	126,173	466,992	571,496	602,194	763,996	914,582	973,754
Prof. dividend	43,185	87,939	108,667	133,472	138,826	138,504	102,572
Ord. dividend	46,109	261,556	328,800	328,800	395,830	526,800	607,030
Carry forward	36,879	87,497	104,028	109,922	127,840	149,278	164,153

During the year £63,450 of debenture stock has been purchased and cancelled, reducing the outstanding balance of the loan capital and mortgages on specific properties to £1,101,217. Redemption of debenture stock and repayment of mortgages have now been effected to the extent of £1,310,756. Unfortunately, the balance-sheet is not as lucid as it might be. We find, for instance, that freehold and leasehold properties, steamships, plant, and machinery, &c., and shareholdings in associated companies are all lumped together. In the absence, therefore, of any explanation in the directors' report, we are unable to trace how the increase in the item from £13,784,427 to £14,414,303 is accounted for. Moreover, so far from the directors showing any desire to present their accounts in clearer form, those under review are actually less illuminating than those for the preceding period. Whereas a year ago "debts due to the company" and "advances to associated companies" were shown separately, now we find that these two items also come under a single head, which, in addition, includes stocks and stores on hand. It is possible that since the ordinary shares are not publicly held the directors consider that there is no need for more detailed accounts. This, at any rate, was the view recently expressed to us by one well-known company chairman, who himself owned all the ordinary capital of his concern. We consider this to be a mistaken policy. Concealment of this sort is always inadvisable, and if a company has nothing to hide it should state its position with the utmost possible frankness. Especially is there need for this in the case of the

Union Cold Storage, in view of the recent unsettling rumours regarding the effects of the Argentine "meat-war," which at one time were sufficiently seriously considered as to depress Stock Exchange quotations for the preference shares. Incidentally, we may observe that the directors make no reference whatever to recent developments in the meat trade.

Rhodesian and General Asbestos.—The results shown for the year ended March 31st more than justify the favourable forecast made at the last annual meeting. At £223,240 the net profit shows an increase of about £100,000, or over 60 per cent. upon the 1924-25 amount. The allocations to depreciation were respectively £10,700 and £12,300. On the present occasion the capital ranking for dividend is £980,000, having been swollen to the extent of £350,500 by the bonus distribution and the fresh issue of shares made since the date of the previous accounts. Nevertheless, the directors are able to declare a final dividend of 10 per cent., making 20 per cent. for the year, the same as before, carrying forward £80,000, as against £28,100 brought in. A reserve fund is started with the allocation of £20,000 surplus on the revaluation of assets in February. By the issue—on terms not stated—of the remaining 20,000 shares the capital has been brought up to a round £1,000,000. Stocks are lower at £73,860. As usual, the report is very laconic in regard to the position of the properties. The directors merely repeat their intimation that "the position at the Shabanie, Gath, and King Mines continues to be satisfactory." Doubtless full particulars will be supplied at the meeting, but as this is not to be held until October 18th the shareholders will have to possess their souls in patience for some time. It is, however, known that, owing to the high grade of the company's product, it is in such demand that the requirements of consumers cannot at present be fully satisfied. On the basis of the dividends of the past two years the yield is not much more than 7 per cent.; but increased profits may be looked for when the additional plant comes into operation.

Mining in Mexico.—At the moment, affairs are distinctly under a cloud. Some—rather unnecessary—anxiety was aroused on the part of British investors by the conflict between Church and State, and this became intensified by the publication of the regulations under the new Mining Law. Because the latter sets out that all commercially valuable minerals and precious stones are the property of the nation, some people jumped to the conclusion that confiscation is intended. The law, however, is not retrospective; and those who hold concessions granted under the old conditions, and have complied with the stipulations, have no ground for alarm. Another adverse factor of an actual character consists in the fall in silver. Still, it should be pointed out that the monthly returns of the Santa Gertrudis, Mexican Corporation, and other companies are based on silver at 60 cents, U.S. The metal has so far not fallen below 61½ cents.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET REACTION—ACTIVE TRADE—COTTON CROP—THE FRENCH DEBT.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 10.

At the moment of writing the share market, after an exhibition of pronounced buoyancy, is reacting under the pressure of profit-taking. Many new high levels were recorded during the past week. General Motors, the market leader, rose to a new top for all time at 225½, this price comparing with one of 113 made during the March break. Steel common, the other big leader, touched 155½. On to-day's reaction General Motors fell back to 206, while Steel common sold below 150. A contributing factor in the current reaction is a flurry in call money,

which carried the rate on the Stock Exchange up to 5 per cent., and which was attended by moderate calling of street loans. The firmness in money coincided with a report by the Federal Reserve Bank on brokers' loans, which showed that this kind of accommodation rose some \$86,000,000 in the week ended August 4th, reaching \$2,688,000,000. This represents the first considerable increase for about a month, and doubtless reflects greater public interest in the market during the last week or so. Another influence that probably had some effect on quotations is the close approach of the General Motors dividend meeting, which will be held on Thursday, August 12th, and at which a stock dividend of 50 per cent. is expected to be declared. Many traders doubtless have taken profits in the stock on the theory that a reaction may come when the good news is out. As yet it is not known whether the directors will declare extra cash as well as the stock dividend, but it is taken for certain that the 7 per cent. rate will be retained on the new stock to be outstanding.

Although the question of a stock dividend for the shareholders of the United States Steel Corporation continues to be bruited around the brokerage houses, actual information on the subject continues to be conspicuous by its absence. Reports from the steel industry continue favourable, and there is some speculation over the possibility of higher prices for steel products, the advances in three products that the Steel Corporation made some weeks ago having given rise to the surmise that the Corporation may be modifying its price policy, which has stirred criticism among the independent manufacturers for some time. Meanwhile, the report on the unfilled orders of the Corporation, which was made public to-day, reveals an increase of 123,000 tons during July. This is the first increase that this indicator has shown since last December. The gain in orders confirms the trade reports to the effect that consumption of steel has been well maintained, and that inventories have been allowed to run down during the last four months. Unfilled orders on July 31st amounted to 3,602,000 tons. This compares with 3,539,000 tons at the end of July last year.

Further evidence of the continued active condition of trade is furnished by the statistics of railway car loadings. During the week ended July 24th these loadings amounted to 1,085,000 cars, which is a new high record for the year, and represents a movement some 159,000 cars greater than in the corresponding week of last year. Meanwhile, the earnings of the carriers remain excellent. During the first six months of the year the Class I. roads reported net earnings of \$494,000,000, which represents 4.9 per cent. on their property valuations. This figure set a new high record for all time, and compares with \$439,000,000, or 4.5 per cent., in the first six months of 1925. In June the earnings totalled \$107,000,000, a new high record for that month, and one that represents 6.18 per cent. on valuations. With these kinds of earnings furnishing a background, many of the leading railway shares have advanced to new high records.

Publication of the Government Report on the cotton crop as of August 1st resulted in a considerable break in cotton prices, the Report proving somewhat more bearish than the trade had expected. The condition was reported to have declined from 70.7 per cent. on July 16th to 69.8 per cent. on August 1st, but the indicated yield was placed at 15,621,000 bales of 500 lbs gross, this representing a gain of 253,000 bales over the previous estimate. The estimate added that if conditions proved as unfavourable as during 1921, 1922, and 1923 the indicated yield would be only 14,425,000 bales, but that if conditions proved as favourable as during 1924 and 1925 the indicated yield would be 17,510,000 bales. Whether this form of modified estimate is proving to be as helpful as the Southern Congressmen expected may be doubted.

Much interest continues to be taken in the French situation. Our bankers were encouraged by the indications that Poincaré was coming around to ratification of the debt funding agreements. Under these circumstances the Clemenceau letter has naturally proved disturbing, as it is feared that its effect may be to stiffen the resistance that Tardieu has been showing and diminish the chances of ratification. It is felt that President Coolidge cannot but continue to have his dealings with the official repre-

sentatives of the French Government, and that the letter will do little good here and possibly some harm. Incidentally, it is considered rather ironic that Clemenceau should have issued this open letter, as it has been understood that he did not sympathise with President Wilson's attempt to go over the heads of the European Governments at the Peace Conference in his desire to appeal directly to the European peoples, and as the war stores debt of \$400,000,000, which matures in 1928 and on which France now is paying \$20,000,000 a year, was contracted while he was Premier. The Berenger agreement takes care of the war stores debt very nicely, as this debt is funded under the agreement, and the agreement calls for payments starting at \$25,000,000 a year, or only \$5,000,000 more than France already is paying. The Berenger agreement, furthermore, takes care of the \$400,000,000 maturity in 1928.

FRANCE.—STABILISATION PLANS—FRANC REACTION—DEBT AGREEMENTS—REVENUE—FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

PARIS, August 18.

THE Chambers are in recess until the middle of October, leaving Ministers free to develop and apply by decree the remainder of their plans for restoring the financial situation, and the "Cabinet of all the Talents" is taking full advantage of the opportunity. Ministerial and Cabinet Councils have been fixed to take place at very frequent intervals, either in Paris or at Rambouillet, the summer residence of the President of the Republic, and inter-Ministerial conferences are being held daily for the development of plans for reducing the cost of living and to meet the inevitable economic and other crises that are expected to arise from the coming into operation of the various phases of the stabilisation plan that is being carefully matured. Ministers are acting upon the principle of working and acting, instead of talking, and it is understood that the various sections of their proposals are being dovetailed satisfactorily together. It is believed that the first public announcements of their decisions will take the form of the successive decrees whereby they will be brought into operation.

The recent reaction in the exchange rate of the franc is explained as being due (1) to the belief that the extent of the recovery of the franc had been allowed to exceed an advisable level (as in May, 1924), and (2) to deliberate purchases of sterling and dollars for the purpose of creating the *masse de manœuvre* required for future operations to protect the franc. No official statement has been made as to the figure at which it is proposed eventually to stabilise the franc, and this apparently will depend largely upon contingent circumstances that cannot, of course, yet be gauged. The fact that the recently adopted Finance Act stipulates that a large number of fixed duties shall be increased by the application of the coefficient of 6 to their pre-war figures, is regarded as foreshadowing that the Poincaré Government hopes eventually to stabilise the franc at 150.

All further visible steps in regard to the settlement of the British and American debt questions have been expressly postponed for the time being. It is practically certain, however, that the ratification of the Berenger-Mellon and the Churchill-Caillaux-Péret agreements will have to come up for decision when the Chambers resume in October. It is generally recognised, nevertheless, that the foreign debt problem, important as it is, must be regarded as subordinate, for the time being, to the even more pressing one of financial restoration and stabilisation in its purely domestic aspects. Any attempt to force ratification on the Chambers before at least an attempt has been made to secure better terms would almost certainly provoke a split in the only Cabinet that has so far shown any real determination to tackle the combined fiscal, currency, Treasury, and debt problems in a workmanlike manner, and would thus render useless any effort to settle the foreign debt question.

The French opposition to the Berenger-Mellon agreement is focussed largely on the absence of any written undertaking by the United States Government not to

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commercialise the bonds it holds against the French debt. In this connection much capital is being made out of the fact that the American Government, in its agreement with Italy, forced the latter to deposit 62 bonds, corresponding to the 62 annuities of debt which it has agreed to pay, while the agreement gives the creditor Government the right at any moment to demand that these bonds shall be exchanged against definite obligations in lire, which it has the right to throw upon the market when it chooses. The effect of this clause, it is insisted, is that the United States holds control over Italian credit, over the exchange value of the lire, and over the productive power of Italy. Unless both the British and the American agreements are made to include a clause safeguarding this country against what M. Clemenceau insists on terming this "turquification" of France by Anglo-Saxon finance, there is apparently little likelihood of either agreement securing ratification by the present Chambers.

Another objection to the British agreement, as it now stands, is that, although it is supposed to be more favourable to France than the Washington one, it stipulates that during the first five years this country shall pay £42,500,000 to Great Britain, whereas the American agreement calls for only £32,000,000 during the same period, notwithstanding the fact that the total of the American debt stands in regard to the British debt in the ratio of 8 to 5. Another subject of dissatisfaction is that whereas M. Raoul Péret claimed to have secured a promise that the British Government will not claim full payment from this country if the German payments fall to one-half of the agreed sum, Mr Churchill has informed the House of Commons that he has given no such promise. It remains to be seen whether, as the result of informal conferences which are taking place during the recess, a solution may be found in the shape of an undertaking to ratify the present agreements at an early date, provided concessions on the lines indicated can be guaranteed.

The revenue returns for July confirm the belief that the French taxpayer is making a sincere effort to assist personally in placing the nation's finances on a better foot-

ing. The demand notes for direct taxation for the financial year beginning in January are usually postponed until towards September, owing to the traditional delay in passing the Budget. This year, in view of the fact that a substantial amount of taxation additional to that embodied in the Budget had for various reasons become inevitable, there is every probability that the demands will be sent out even later than usual. The new Government therefore appealed to all patriotic citizens to pay as much of their taxation as possible in advance, without waiting for their demand notes, basing the amount tendered on their last year's payments. The response has been most gratifying. Down to the end of July the total payments in advance amounted to about 500,000,000f, of which 170,000,000f was received from Paris and the Seine Department. The record is believed to be held by a Paris borough, in which 25,000,000f were thus paid in advance. A note issued by the Finance Ministry states that taxation payments in advance in the Seine Department had risen by August 14th to over 465,600,000f. Similarly satisfactory results are reported from various other departments.

The total revenue from all sources during July (exclusive of posts, telegraphs, and telephones) was 3,661,106,700f (as compared with 2,420,797,000f in July, 1925). This is an entirely new record, except for the total recovered in December and January last, when slightly higher figures were recorded owing to the extraordinary "speeding up" measures enforced by M. Loucheur. This increase of 1,127,038,600f in available revenue in July was due (1) to the increase in *ad valorem* indirect taxation owing to the recent sharp rises in all commodity prices, (2) the operation of the additional indirect taxation imposed last April, and (3) direct taxation payments in advance. Out of the total revenue during the month of 3,661 millions, 3,583,638,600f were obtained from "normal and permanent" taxation (as against 2,311 millions in June, 1926, and 1,811,120,300f in June, 1925). The effect of the ruthless speeding-up devices put into operation just over six months ago may be gathered from the fact that the yield from direct taxation (which in this case means income-tax, super-tax, and special temporary super-tax alone), which was 1,078 millions in November, 1,571½ millions in December, and 1,546½ millions in January, fell to 74½ millions in May and June, and amounted to 423½ millions in July, solely owing to voluntary payments in advance. Apparently, in view of the drastic collection methods adopted, practically the last farthing of outstanding taxation of this kind has now been recovered. The yield from State monopolies and "indirect taxation" (which in this form of classification includes succession duties, registration and stamp duties and imposts on Bourse transactions, as well as Customs, Excise and taxes on consumption in general) totalled 3,136,928,000f (or 343,700,900f more than Budget estimates, and nearly 898 millions more than in July, 1925).

The most striking item in the return is the enormous increase during the month in the yield from the tax on turnover, which totalled 690,000,000f, or 314,860,000f more than in July, 1925. This monthly total should, of course, be largely increased henceforward, as the tax has now been made to apply to sales for export purposes, and also revised upwards in other respects. The "4,000 to 5,000 millions" which M. Klotz estimated some years ago, when he introduced this form of impost, would be the eventual yield from the tax on turnover, has already been largely exceeded. Its only rival is the duty on registrations, which last month yielded 831,338,000f, or 237 millions more than in July, 1925.

The foreign trade returns for July indicate that exports had a declared value of 5,244,187,000f, and imports of 5,016,083,000f, resulting in a favourable balance of 228,104,000f on the month. This is the first time since July, 1925 (with the exception of May last, when exports exceeded imports by slightly under 70,000,000f), that a month's exchanges have shown a favourable balance. In July, further, while imports fell off by over 28 millions, exports showed a rise of 573 millions as compared with the previous month. The total exchanges during the first seven months of the year have resulted in an adverse balance of 2,463,311,000f, the value of the imports having increased by nearly 55 per cent., as compared with the corresponding period of 1925, while exports showed a rise

in value of about 28 per cent. This rise in imports was due in large part to the sharp rises in prices consequent on the fall in the exchange value of the franc, as is shown by the fact that the tonnage of the imports was greater during the seven months by only 2½ per cent., while that of exports was less than 7 per cent. The detailed comparative figures for the seven months are as follows:—

	First Seven Months of		Difference in 1926.
	1925.	1926.	
Imports—	Francs.	Francs.	Francs.
Foodstuffs	4,633,602,000	6,184,509,000	+ 1,550,907,000
Raw materials	14,595,682,000	23,713,811,000	+ 9,118,129,000
Manufactured goods ..	3,006,502,000	4,532,079,000	+ 1,525,577,000
Totals	22,235,786,000	34,430,399,000	+12,194,613,000
Exports—	Francs.	Francs.	Francs.
Foodstuffs	1,964,757,000	2,658,736,000	+ 693,979,000
Raw materials	6,842,623,000	9,064,067,000	+ 2,221,444,000
Manufactured goods ..	16,284,292,000	20,244,285,000	+ 3,959,993,000
Totals	25,091,672,000	31,967,088,000	+ 6,875,416,000

Care must be exercised in drawing conclusions from the more favourable figures of the returns for July, however, in view of the fact that, although the value of the exports in July showed an increase of 1,733,033,000f, as compared with that for July, 1926, the tonnage increase (124,377 tons) was due solely to an increase of 180,188 tons in the weight of raw materials exported, both foodstuffs and manufactured goods showing an appreciable falling-off in tonnage. Imports, it is true, showed a still larger falling-off in tonnage (285,794 tons), but while foodstuffs dropped by 17,122 tons and raw materials by no less than 276,056 tons, there was an increase of 7,384 tons (as compared with July, 1925) in the quantity of manufactured goods imported.

CANADA.—CROP CONDITIONS—THE ELECTION CAMPAIGN—GENERAL BUSINESS—STOCK AND BOND MARKETS—RAILWAY EARNINGS—IMMIGRATION—THE ALBERTA OILFIELD.

(FROM OUR CORRESPONDENT.)

OTTAWA, July 27.

CROP conditions up till the middle of July were, on the whole, very satisfactory throughout Canada, but the Western wheat crop is admittedly passing through a very critical stage at the present time. It is well headed out with a very short straw, which will mean economy in harvesting operations, but a spell of very hot, dry weather which has prevailed on the prairies for the last week is causing it to ripen rather prematurely, and, according as it continues or is broken by abundant rains, the yield will be affected to the extent of several bushels per acre. Lately grain experts were contending that the first provisional estimate of the Bureau of Statistics for the wheat crop, placed at 348 million bushels, was too low, but if the drought continues it may be near the mark. However, the Alberta Department of Agriculture feels that under present conditions it is premature to make any estimates of the probable yield. On the other hand, if western crop conditions are less roseate, there has been a marked improvement in the eastern provinces; since July began, splendid growing weather has prevailed everywhere, and as there were copious reserves of moisture in the ground to supplement the heat, the late start is being steadily overcome. In southern Ontario an exceedingly good hay crop has already been reaped, and there is a promise of a harvest quite above the average all over central Canada. The Maritime Provinces are less fortunately situated, but even there the conditions give no ground for serious pessimism. As pastures are excellent, the season has been very propitious for the dairy industry, but prices are not too good, owing to a serious falling off in the export demand for butter and cheese, due in part to the diminution of purchasing power in Britain through industrial troubles.

The election campaign is now in full swing; many candidates have already been nominated, and both Premier Meighen and Mr Mackenzie King have delivered their keynote speeches and embarked on oratorical tours which

will take them to the furthest corners of the Dominion. In his speech at Ottawa the Conservative leader made light of the constitutional issue, which, he declared, had been manufactured as a smoke screen to conceal the administrative crimes of the Government. He also reiterated, not with undue emphasis, his belief in a policy of adequate protection, and threw out a sop to the western farmers by giving his cordial benediction to the co-operative wheat-pool movement and promising every assistance and encouragement to this and parallel co-operative enterprise. Mr Mackenzie King, on his part, held that while the Customs scandals were serious, they had been grossly exaggerated for partisan purposes, and maintained that they now must subside into insignificance besides the much graver constitutional scandal which had developed. However, in his opening speech he went out of his way to give Lord Byng a clean bill of health, and with the *Toronto Globe* seizing upon this to express the hope that no more will be heard of "the mischievous, improper, and unpatriotic reflections which have been cast in the direction of the Governor-General," it is difficult to see how the constitutional issue can be made an effective election cry outside Quebec.

Business is bound to suffer a certain amount of disturbance from the election, but conditions continue to be very satisfactory. Railway earnings and car-loading returns indicate that the movement of merchandise continues to be well above the level for the corresponding period of 1925. The miniature building boom which is in progress is providing abundant orders for firms dealing in cement, hardware, and all forms of builders' supplies, and there is a steady demand for machinery and tools of all kinds from the mining camps. The building boom also helps the lumber trade, and the pulp and paper industry, although a little more fearful than it was of European competition in the American market, is maintaining its output, and finds little difficulty about its disposal. The firms manufacturing farm implements are also very busy, and the motor industry, which at the time of the appearance of the Budget could foresee nothing but blue ruin ahead, is actually increasing its output, more than one firm having enlarged its plant in recent months.

The prevalence of the holiday season keeps the stock-markets very dull, and prices generally show a tendency to recede. There is, however, a satisfactory market for good bonds, and the figures show that the total sales for the first half of 1926 amounted to \$326,849,862, as compared with a total of \$242,231,885 for the first half of 1925. Of this total, \$163,143,000, or almost exactly half, were Government bonds, 38 millions were municipal, 114 were corporation, and 12 millions were railway bonds. The Canadian dollar remains slightly above par in New York, while other foreign exchanges have been steady, with the exception of French and Belgian francs, which have met with further marked declines. The earnings of the Canadian National system for the first half of the present calendar year make by far the best showing since the system was consolidated in its present form. The gross earnings are \$120,989,008, as compared with \$105,543,743 in the first half of 1925, and operating expenses were \$106,132,347, as compared with \$101,807,397. Net earnings are \$14,856,660, as compared with \$3,742,345, which is an aggregate increase of over 11 million dollars, or about 297 per cent.

Since the present season opened there has been a very gratifying increase in the immigration figures. During April and May the number of immigrants who entered Canada is placed at 36,113, which is an increase of 11,791 over the figure for the corresponding two months of 1925. During May, British immigrants increased from 6,559 to 7,986, and United States immigration jumped from 1,757 to 2,063, but the greatest increase was in the number of new arrivals from countries of Continental Europe, which increased from 5,022 to 8,571.

Great activity is still visible in the Turner Valley in Southern Alberta, where numerous oil wells are being drilled. At present only a few wells are actually producing oil in commercial quantities, but other wells are showing tremendous flows of wet gas, and there is general confidence that a really valuable oilfield exists in the region. High-placed employees of the Imperial Oil Com-

pany, the Canadian subsidiary of the Standard Oil, have spoken in most optimistic terms of the prospects, and it is counted very significant that the Marland Oil Company, an important American corporation, in which the Morgan firm is said to be heavily interested, has just entered into an arrangement with the Hudson's Bay Company for the development for oil purposes of the sections of land still owned by the company in Alberta. The Federal Government is also evidently impressed with the possibilities of the Turner Valley, for it has just secured the services as an oil expert of Mr Thomas Madgwick, of Birmingham, who will assume his duties at Calgary immediately.

AUSTRIA.—POLITICAL SITUATION—BANKING DIFFICULTY—ECONOMIC LEGISLATION—EXPORT CREDITS—MONEY AND STOCKS.

(FROM OUR CORRESPONDENT.)

VIENNA, August 19.

AUSTRIA is a country of compromises. This was again proved at the end of the summer session of Parliament. Up to the last few days of the session the parties faced each other with the fiercest fighting spirit. Parliamentary work was completely paralysed by the obstruction of the Social Democrats, when suddenly on July 28th peace was restored by compromises to such an extent that all the important Bills, such as the Amendment Bills to the Unemployed Act and Tariff Bill, the School Reform and the Incompatibility Bills, were passed without any difficulty. Thus the Cabinet crisis, which seemed imminent, was avoided, and Dr Ramck's Cabinet will remain in office at least for the next few weeks. It seems, however, that after the return of Dr Seipel from America a reconstruction of the Cabinet, under the auspices of either Dr Seipel or Dr Rintelen, may take place. The Social Democrats do not seem to have any desire to enter the Cabinet, as they prefer to represent a strong Opposition party, which, by obstructing Parliamentary work, can push through all its demands.

At the beginning of July the "Zentralbank der Deutschen Sparkassen" in Vienna, which acts as the clearing institute for all Austrian savings banks, got rather unexpectedly into difficulties. As the declaration of insolvency of this bank would have paralysed all the other savings banks, the Government decided to intervene and take over the guarantee for all deposits at the bank without asking the consent of Parliament. As about £2,000,000 deposits were withdrawn within the first week after the difficulties of the bank became known, the Government had to advance this sum to the bank without having much hope of having more than half of it returned. Although this action of the Government met with fierce protest on the part of the Social-Democrat party—who intend to bring the Cabinet before the Supreme Court—the main object has been accomplished, a panic and further economic complications being avoided. The Government hope to be reimbursed by creating a guarantee fund to which all savings banks must subscribe—this guarantee fund will have to issue bonds under the Government's guarantee to an amount equal to the sums advanced to the Zentralbank. At the same time, in order to avoid a recurrence of such a thing, the Government intend to amend the Savings Banks Act, in the direction of prohibiting savings banks from doing ordinary banking business and strictly limiting the number of concessions for accepting deposits. The latter measure has become necessary, because during the past years all co-operative stores and similar organisations have been granted such concessions. The biggest and oldest of the Austrian co-operative stores, the "Erster Wiener Consumverein," got into difficulties last month, and is unable to pay off its depositors, who all belong to the middle and working classes. The difficulties of the "Zentralbank" and the "Consumverein" had, however, no particular influence on the general economic situation of the country, except that a certain number of small industrial concerns, which were financed by the "Zentralbank," will have to be liquidated.

Among the economic Bills passed by Parliament just before closing, the most important are the Amendment Bills to the Tariff Bills and the Unemployment Act. The

new Tariff Bill represents the result of the official inquiries held last winter, in which the representatives of industries, trade, and agriculture put forward demands for a great number of protective duties. Most of these demands were met, and the increase of duties will apply to all sorts of commodities, such as rye, butter, honey, meat, iron, steel, wire, pipes, machinery of all sorts, firewood, naphtha products, textile goods, chemicals, turnery ware, &c., &c. The increases amount to an average of from 50 to 60 per cent. as compared with the present duties. The object of the new Tariff Bill is chiefly to put the Government in the position of being able to revise all present commercial treaties, and, therefore, only a part of the increases will be put into force at once.

The Amendment Bill to the Unemployment Act aims at lessening the burden of the dole on the industries. In future, industries will not have to pay towards Health Insurance more than A.S. 97 millions, while last year their contribution amounted to A.S. 117 millions. The Federal Government subsidy will also be reduced by 4½ million Austrian schillings, while the share borne by the Provincial Governments and municipal councils will be increased to make up the deficit.

A company with a share capital of A.S. 5,500,000 will be formed in September by Austrian industries and trade in conjunction with the big Vienna banks and some insurance companies, with the object of guaranteeing export credits, with the exception of export trade to Russia. As regards Russian trade, the Municipal Council of Vienna, together with the interested industries, intend forming a special reserve fund of \$500,000 to \$1,000,000, which will be used as guarantee fund for export credits to Russia.

In spite of the firmness of the Berlin Stock Exchange, business on the Vienna market remained dull during the whole month with the sole exception of fixed interest pre-war stocks, in which a real boom set in. In order to stop this quite unfounded speculation, the Treasury announced that it would soon call in all pre-war stocks in order to convert them into the new shilling currency. This statement had a speedy and good effect, and all quotations of pre-war stocks fell by about 50 per cent. Conditions on the money market continued to remain very easy; discount rates for fine bills moved between 6½ per cent. to 6¼ per cent.

NORWAY.—GOVERNMENT AND HANDELSBANK— BUDGET—FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

OSLO, August 6.

JUST on the eve of adjourning for the summer, the Storting adopted the findings of a committee, recommending the impeachment of a former Norwegian Prime Minister, Mr Abraham Berge, and his colleagues. The charge brought against them is based on the fact that in May, 1923, the Berge Ministry, without the knowledge of the Storting, deposited Treasury bills to the amount of 25 million kroner with Den norske Handelsbank, which was then experiencing a serious run, and did not disclose this when, about a year afterwards, they obtained authority to grant the bank a credit with the Norges Bank for a further 15 million kroner. The support was given at a time when the country was passing through an exceptionally critical period, and the Ministry considered absolute secrecy an essential condition for the success of action on the part of the Government. Although the bank ultimately succumbed to the pressure of its depositors, there can be little doubt that the Ministry at that time had every right to believe that the support would tide the bank over the difficulties. The impeachment must, therefore, be regarded as a vindication of constitutional principles, and in no way implying suspicion as to the personal integrity of the members of the Ministry, none of them being financially interested in the bank.

Otherwise, recent meetings of the Storting have been devoted to the Budget, more especially to the various reductions proposed by the Government, most of which were ultimately carried. A proposition regarding alterations in the Customs tariff, providing for an increase from 33½ per cent. to 50 per cent. in the temporary super-

charge on certain goods has been passed by the Storting. The "gold supplement" has been reduced from 40 to 30 per cent., the former figure having been in operation since November 4, 1925.

The trade balance, according to official statistics for June, has improved by over 22 million kroner, as compared with May, but imports still exceed exports by about 10.5 million kroner. The following table shows the reduction of the import surplus for the half-year ending June 30th in comparison with last year:—

		(Million Kroner.)		Excess	
		Imports.	Exports.	of Imports.	
January-June, 1926	.....	568.7	432.4	.....	136.3
"	1925	733.3	552.3	.....	181.0

It should be remembered, however, that while the rate of the krone in June, 1925, was about 27.45, the average quotation during June this year was about 22.15.

The impending strike in the paper industry increases the uncertainty already prevailing on account of the conditions in Britain, and although negotiations are now far advanced, it does not seem that there are any hopes of a peaceful solution of the conflict.

The freight market is also rather unstable, but the British coal dispute does not seem to have affected the situation so much as might have been expected. The chief coaling station for Norwegian ships at the present is Hook of Holland.

DENMARK.—PRICES STABLE—PUBLIC FINANCE— TRADE BALANCE—NATIONAL BANK.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, August.

AFTER a protracted decline Danish prices seem to have reached a more stable level. This appears from the wholesale prices as well as from the index of retail prices and cost of living, which was published a few days ago. As far as wholesale prices are concerned, the decline was practically uninterrupted until March, 1926—obviously in connection with the krone rise—and from February to March the official index showed a decline from 165 to 158 (1913 = 100). Since then, however, fluctuations have been insignificant, the figure being 157 for April, 158 for May, 157 for June, and 158 for July. The wholesale price level has thus been practically unchanged for four or five months.

The half-yearly index of the cost of living, according to which the salaries of officials and wages of labour are regulated, was reduced from 219 in July, 1925, to 194 in January, 1926, or by just over 11 per cent. During the following half-year the figure has been further reduced to 184 (or by just over 5 per cent.), and accordingly the decline has this time been somewhat less. If prices in July, 1914, are put at 100, the figures for the different groups were as follows in January and July of 1926:—

	January, 1926.	July, 1926.
Food	177	159
Clothes, boots, washing	230	210
Rent	178	185
Fuel and light	227	215
Taxes, subscriptions, &c.	260	253
Other expenses	181	177
	194	184

The only group to show a rise is rent, and this is principally due to rises in the country districts, where the rent restrictions have been abolished. The index figure computed is the average of the retail prices at the beginning of the last two quarters (i.e., in the present case the beginning of April and the beginning of July), and in periods of continued decline the Danish price index would therefore be somewhat higher than if it had been based exclusively on the prices of the moment. However, this time the difference cannot be very great, as by far the principal part of the decline for the half-year had taken place before April. From April to July the decline has been insignificant, especially for food.

As a consequence of the decline of the price index Danish wages in most trades will be reduced by 5 per cent., following a reduction of 12 per cent. early in the year. Nearly all comments on the price index from trade

sources indicate, however, that this decline is insufficient to ameliorate unemployment, the number of unemployed at present being nearly 50,000.

The State will gain an amount of about 11,000,000 kr to 12,000,000 kr annually by the reduction of salaries. Various further savings on the Budget are contemplated, and the demand for tax relief is increasing under these circumstances. Whether this will be granted by the present Socialistic Government will appear during the sessions of the Rigsdag, which will commence in October. At present the Minister of Finance has not made any definite statement, and he points out that, in his opinion, it is the indirect taxes which should be reduced, if any tax relief is possible at all.

The Danish balance of trade still reflects the slackness of trade. June imports amounted to 134,000,000 kr and exports to 128,000,000 kr, and accordingly there was a slight excess of imports, while the preceding months have shown excess of exports. During the entire half-year January-July the figures for 1925 and 1926 were the following:—

		1925.	1926.
		Krone.	Krone.
Imports	1,120,700,000	.....	802,100,000
Exports	1,051,800,000	.....	783,800,000
	68,900,000	.....	19,300,000

The balance of trade thus shows a considerable improvement, and is actually in favour of Denmark during the present year. That the balance has been particularly favourable lately must be a consequence of the fact that the entire tonnage, which was recently laid up, is now in commission, a development which, however, is principally connected with the coal strike in England.

From the exchange market it will be seen that the krone has now practically reached par, the present sterling quotation being 18.28 kr. The actual parity is 18.16 kr, but under present conditions the gold point is believed to be about 18.28 kr, although the actual figure is not quite certain. In all events, for practical purposes the krone is once more at par, and it is still regarded as certain that from New Year the gold standard will be re-established.

In its balance-sheet for 1925-26 (July 31, 1926) the Nationalbank has taken up its holdings of foreign exchange at par, as far as the gold standard exchanges are concerned, and accordingly all loss on foreign exchange (totalling about 11,000,000 kr), incurred through the exchange policy, has been written off, while the Bank has further written off 6,000,000 kr—on shares and "engagements." The shareholders will receive a dividend of 8 per cent. out of the dividend-equalisation fund, as for the previous two years, this being assented to by the Government in the exchange agreement between the Government and the bank.

POLAND.—COAL EXPORTS—POLISH BANK—MODI- FICATION OF THE BANK ACT—RAILWAYS— FINANCES.

(FROM OUR CORRESPONDENT.)

WARSAW, August 16.

THE factor which dominates the whole present economic situation of Poland is the growing export of coal. In July a new record figure was reached. The export amounted to 1,835,000 tons, as compared with 1,395,000 tons in June. Exports to the United Kingdom have risen by 416,000 tons, to Sweden by 65,000 tons, to Italy by 25,000 tons, to Hungary by 12,000 tons. Among the new markets which were opened, Belgium and Russia appear for the first time in the foreign trade statistics for July. As Danzig and the Polish port of Gdynia cannot cope with the oversea exports, large quantities are being sent by German ports (414,000 tons by Hamburg, 89,000 tons by Stettin, 49,000 tons by Bremen).

The great exports of coal since the beginning of the strike in England have contributed to an improvement of the position of the Polish Bank. While in 1925, and during the first quarter of this year the reserve of foreign currencies was steadily decreasing, a progressive increase took place in the second quarter and in July, which

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amounted to 2 million zlotys in April and May, to 25 millions in June, and to 13 millions in July. During the last month liabilities in foreign currencies (including reports) decreased from 68.9 to 47.2 million zlotys. The greatest part of the foreign debt contracted by the Polish Bank has been repaid, so that shortly the gold deposited abroad as guarantee of the loan will be released. The strengthened reserve enabled the Polish Bank to lower the rate of discount from 12 to 10 per cent. Discounts, however, are maintained on a nearly uniform level. They amounted to 301.5 million zlotys at the end of March, to 301.3 millions at the end of June, and to 304.2 millions at the end of July. The board of the bank has decided to modify the statutes so that an increase of the capital from 100 to 150 million zlotys will be possible. Hitherto the question whether the new shares are to be placed at home or abroad has not been settled. The board has also accepted Professor Kemmerer's plan of making the system of note issue more elastic. The fixed limit of a 30 per cent. reserve in gold and foreign currencies is to be abandoned. The bank will be able to increase its issues beyond this limit under the condition of paying a high tax to the Government. This modification of the statutes is not an innovation, but simply the application of a principle which is a characteristic feature of the modern banking legislation in other countries (Germany, Hungary, Austria, Chile). The proposals of the board will be shortly put before the General Assembly of the bank for decision.

The increased coal exports have not only enabled the Polish Bank to stabilise the zloty with the help of the increased reserve of foreign currencies, but they have also contributed to a financial and economic improvement of the whole state of the country. In the first instance, the State railways have benefited by the coal transports. The situation is even more favourable than during the occupation of the Ruhr; not only is the traffic much greater, but the average length of haul is much larger. The revenues from the transport of goods amounted in 1925 to 510 million zlotys; in 1926 they are estimated at 589 millions. Of the increase of 79 millions 32 are due to the increased tariffs, while the remaining 47 are the result of an intensification of the traffic. The Polish railways have obtained quite unexpectedly a surplus, which is used for the building of new lines, the repair of the rolling stock, &c. Orders for new wagons and locomotives have been placed at home and abroad.

Under the influence of these factors, unemployment is rapidly decreasing. The number of unemployed amounted at the end of July to 264,000, as compared with 359,000 at the end of January. An improvement may be noticed not only in the coal and iron districts, but also in nearly all branches of industry; for instance, in the textile centre of Lodz the number of unemployed has decreased from 89,000 in January to 60,000 in July.

The financial situation is, on the whole, satisfactory. The budgetary deficits fell from 43 million zlotys in January to 7 millions in February, to 2 millions in May, and to 12 millions in June. In March a surplus of 18 millions, and in April of 1 million, was obtained. A comparison of the revenues during the first half-year of 1925 and 1926 is given below:—

		(In Million Zlotys.)	
		1925.	1926.
Direct taxes	168.2	.....	200.1
Capital levy	34.6	.....	22.9
Indirect taxes	47.6	.....	62.1
Stamp duties	57.3	.....	58.7
Customs duties	174.6	.....	82.5
Monopolies	179.9	.....	246.5
Total	662.2	.....	672.8

The total revenues have increased by 10 million zlotys during the first half-year of 1926 as compared with 1925.

In studying these figures it must not be forgotten that during this period the zloty, in comparison with foreign currencies, has lost 50 per cent. of its value. The depreciation at home is smaller, but reaches nearly 30 per cent. The purchasing power of 672 millions this year is much smaller than that of 662 millions a year ago. In consequence it is only by a retrenchment of all expenditure that the Government succeeded in making both ends of the Budget meet.

Books and Publications.

BOOKS RECEIVED.

The Theory of International Prices. By James W. Angell. (London) Oxford University Press, Warwick square. 21s net.

The author, who is an associate professor of economics in Columbia University, reviews the history of the doctrines and investigations dealing with international price relationships in various European countries and in the United States, and seeks to combine the conclusions reached into a general theory of international prices. The work is published under the direction of the Department of Economics, Harvard University.

A History of Economic Progress in the United States. By W. W. Jennings. (London) George G. Harrap and Co., Limited, 39-41, Parker street. 15s net.

A new text-book, which covers the somewhat wide field indicated by its title in workmanlike fashion, and throws a number of illuminating sidelights on historic events.

Annual Summary of Tax Cases, 1925. By Raymond Needham. Vol. III. (London) Gee and Co., Limited, 6 Kirby street. 10s 6d net.

In the present volume Mr Needham takes us up to the end of 1925, and summarises no less than 78 cases litigated in that year.

The Electrical Industry in Germany. (London) British Electrical and Allied Manufacturers' Association (Inc.), 36 Kingsway. 10s 6d net.

This extremely informative survey was reviewed in a leading article of the *Economist* of July 24, 1926, page 148.

Bastiat and the ABC of Free Trade. Translated from the writings of Frederic Bastiat, and edited by Lorenza Garreau. (London) T. Fisher Unwin, 1 Adelphi terrace. 3s 6d net.

Readers will welcome this English text of Bastiat's amusing but pointed parables, which have obtained a permanent place among the classics of Free Trade. The Editor contributes, in a foreword, a sympathetic review of Bastiat's life and work.

Foreign Trade, August, 1926. (Paris) Published by the American Chamber of Commerce in France, 32 Rue Taibout.

The initial number of this new review, devoted to the furtherance of American business with Europe, contains a prefatory message by Mr Herrick, and includes, among other interesting items, articles on "National Boundaries as Factors in Trade and Commerce," by the President of Columbia University, and on "Inter-Allied Debts and Reparations," by Mr W. R. Batsell.

International Labour Review, July, 1926. (London) G. Allen and Unwin, Limited, Ruskin House, 40 Museum street. 2s 6d.

Contains articles on The Sources and Interpretation of Labour Law in France; Over-production and Under-consumption: a Remedy, &c.

The Situation in South Tyrol, 1918-1925. (Innsbruck) Ernst Mumelter, Sailerstrasse, 2-11.

This is the revised text of a memorandum drawn up by the leaders of the German parties in South Tyrol, and handed to the President of the League of Nations Union.

Serfdom in the Konkan. By P. G. Kanekar. Published by the Author at Working Men's Institute, Elphinstone road, Bombay. 8 annas.

Les Codes de la Russie Soviétique. II. Traduits par Jules Patouillet. (Paris) Marcel Giard, 12 Rue Soufflot. 20 francs.

This volume contains the text of the labour, forestal, agrarian, mining and veterinary codes respectively, and is issued under the auspices of the Lyons Institute of Comparative Law.

Joint Stock Companies in British India and in the Indian States of Mysore, Baroda, Gwalior, Hyderabad, Indore, and Travancore. 1923-24. No. 2022. (Calcutta) Government of India Central Publication Branch. 4s 6d.

Manuel Statistique de la République Tchèque. II. (Prague) Librairie Dépositaire Busik and Kohout.

This is the second volume of the "Statistical Abstract" of Czechoslovakia, the figures referring for the most part to the years 1920-22.

The International Significance of the Depreciation of the Zloty in 1925. By Feliks Mynaiski. (Warsaw) The Polish Economist, 2 Elektoralna.

The author contends that the development of Poland's resources is impossible without external financial assistance, particularly American.

English Life, August, 1926. (London) 9, East Harding street. 1s net.

Messrs Bertram Austin and Francis Lloyd, authors of "The Secret of High Wages," contribute a thoughtful article on "Prosperity in our Time—a Director's Responsibility."

The 100 Best Investments. (London) The British, Foreign and Colonial Corporation, B.F.C. House, Gresham street. 1s net.

The August issue includes special articles on "What British Industry Needs" and "The Investment Outlook."

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Report of the Royal Fine Art Commission. Cmd. 2712. 2d net.

Ministry of Health: 5th Interim Report of the Inter-Departmental Committee appointed to Survey the Prices of Building Materials. Cmd. 2719. 4d net.

Colonial Report: No. 1298. Cayman Islands (Jamaica). 1925. 3d net.

Memorandum on Present and Pre-war Expenditure, with particulars of Government Staffs at certain dates. Cmd. 2718. 3d net.

Registry of Friendly Societies: Return showing details of Membership, Income, Expenditure, and Funds of Registered Trade Unions with 10,000 or more Members in the years 1924 and 1925. Cmd. 2720. 3d net.

Safeguarding of Industries: Report of the Committee on Hosiery. Cmd. 2726. 6d net.

Reparation Commission: XII. A. Official Documents—Report of the Commissioner for the German Railways (September 1, 1925, to May 31, 1926), &c., &c. 3s net.

Finance Accounts of the United Kingdom, 1925-1926. No. 90. 2s net.

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STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
August 24. August 26.

THE Stock Exchange has been keyed up this week to a pitch of high excitement, though not over stocks and shares. Members followed, with keener interest than they ever took in Courtaulds, the progress of the Test Match, in which a Stock Exchange man was playing, and this dominated everything else to an extent which caused even the coal dispute to become a matter of secondary importance. Markets, apart from cricket, have been inclined to go better. The House begins to think that the coal crisis is definitely near its end. This led to improvement in a good many industrials, the iron and steel section being noticeably busy. In the gilt-edged stocks prices have drooped owing to the slight stiffening of money rates, added to the disappointment felt at the possibility of a reduction in the Bank rate being postponed for some time to come. The newly-issued Commonwealth scrip has declined to $\frac{1}{2}$ discount.

As the French exchange has moved so have French bonds fluctuated within fairly wide margins. The gambler finds this market ideal for his favourite occupation of getting in and out quickly, and there is a good deal of animation in French

Government bonds on his account. French railway bonds have risen sharply. The Mid-European list is firm, and several of the newer scrips, Counties of Hungary, Westphalia, &c., are strengthening. Brazilians keep hard, but apart from these the South American group is quiet. Peruvian Corporation stocks remain on the up-grade, in consequence of the anticipation that the day is approaching when some scheme will be presented for dealing with the arrears of dividend on the company's preference stock.

Home railway stocks, after their substantial spurt at the end of last week, wavered a trifle, but maintained their advances with a tolerable degree of tenacity. The amount of public business doing in this department is slender. Argentine railway stocks are attracting greater attention by reason of the anticipations of what dividends will be declared next month, and, in this section, Cordoba Centrals stand out more particularly. Leopoldinas have also been popular. Nitrates are sluggish and neglected.

The rubber market showed a moderate amount of strength, though in some of the leading stocks the disposition has been to allow prices to sag for want of a lead on the part of the public. Tea shares are firming up, the impression being that the companies will do at least no worse than they did a year ago, and that the market in the leaf is becoming more settled after its ferment of last year. Oil shares have aroused no fresh attention from the public. The tobacco market is active again, British Americans leading the way in popular favour, owing to the declaration of a dividend on old and new shares alike. Hopes of an early conclusion to the coal crisis led to rallies in a number of iron and steel shares, where the market has been further assisted by announcements of important contracts placed with leading companies. Courtaulds have thrown off part of their recent weakness, and the textile market as a whole is better, the improvement being due simply to the anticipation of work being resumed in the coal industry. This has a similarly favourable effect upon shares in the road and brick-making companies, together with a number of others in trades that depend to a large extent upon coal for their profitable operation. The shipping market, however, is extremely quiet, and movements in banking shares, insurance and trust companies' stocks have been few and far between. Employers' liability have gone ahead. Certain of the Canadian-Latin utility shares are again prominently good, Brazilian Tractions and Sidros especially. Gas and electric lighting shares have moved but little. Cable manufacturing issues continued their advance, though cable stocks and wireless shares are virtually unchanged on the week. Of the new issues, Morris Motors preference are distinctly better; Associated Biscuit preference strengthened to 23s. The land group is hard, with the Egyptian companies' shares rather firmer, and Hudson Bays also in request.

An abrupt fall in Sub-Nigels mystified the Kaffir market and exercised an unsettling influence over other South African shares, which for some time past had relied upon Cape purchases for their principal support. Deduction of the dividends from the prices of gold-producing companies' shares has failed to bring in further support. Rhodesians, on the other hand, make a slightly better showing, with Chartered on the rise. The tin shares in the Malayan group occupy the chief theatre of interest amongst mining shares, and on a rally in the price of tin, the metal public buying of the Malayan varieties became resumed. There is not much doing in Cornish or West African tin descriptions, the public treating these cautiously. A little activity in Russians and a fall in several Mexican mining shares—owing to an apparent misunderstanding—served to bring a little extra business into the mining markets, and there is some talk of a possible revival in copper shares by way of sequel to the activity which has recently characterised those concerned with tin.

The Stock Exchange Committee have confirmed the rule which makes it compulsory for members to mark the words "not negotiable" upon their cheques.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		140,870,582		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to August 14, 1926 Dr 1,200,000				
Net sales week ended August 14, 1926, Dr 100,000.				

To the Public—				
The Faurey Aviation Company, Limited, 10,000 Cum. Pref. Shares of £1 each, at par (Aug. 19)	10,000	10,000	1,250	8,750
Total offered to the Public ..		10,000	1,250	8,750
To Shareholders—				
Chosen Syndicate, 62,000 £1 Shares, at 25s 6d per share ..	62,000	79,687	17,187	62,000
Total offered to shareholders ..		79,687	17,187	62,000

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

Total offered for subscription to date	Total offered for subscription for whole year—
1926	1925
1925	1924
1924	1923
1923	1922
1922	1921
1921	1920

Fairey Aviation Company, Limited.—Capital £10,100, divided into 10,000 7 per cent. cumulative preference £1 and 100 ordinary £1 shares. In addition there is £150,000 of income stock outstanding. This is an issue of all the preference shares at par. The company has been formed to acquire from the Fairey Aviation Company, Limited, the business of aircraft manufacturers established in 1915, and all the shares in the subsidiary concern called the Hayes Real Estate Company, Limited, which owns a freehold factory at Hayes, Middlesex, the buildings covering, it is stated, 150,000 square feet. It is reported that the company will also acquire a freehold factory and seaplane launching station near Southampton. The prospectus states that the company has no debentures and that the assets are free from any mortgage or charge. The purchase price is satisfied by the allotment of £150,000 of income stock, the satisfaction of the vendor's liabilities, and the payment of the costs of winding up the latter. We are not told exactly what rights are possessed by the income stock, what profits have been made by the vendor company or what figure the assets are valued at. In view of this and the fact that aviation is only yet in its infancy, the shares can only be regarded as speculative.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Rise or
				Fall.
War 4½% 1925-28 ..	97½	97½	97½	—
Do 7% 1926-31 ..	104	104	104	—
Loans 5% 1929-47 ..	101½	101½	101½	—
Do 4½% 1929-42 ..	101½	101½	101½	—
Funding Loan 4% ..	86½	86½	86½	—
Victory Bonds 4% ..	94	94	94	—
Conversion Loan 3½% ..	75½	75½	75½	—
Consols 2½% ..	55½	55½	55½	—
U.S. 6% 1930-40 ..	104	104	104	—
Local Loans 3% ..	64½	64½	64½	—
Aust. 6% 1931-41 ..	102	102	102	—

British Railways.

Great Western, Ord. ...	87½	88½	88½	—
London & North-Eastern	51½	53½	53½	—
Do Pref. Ord. ...	17½	17	17	—
Do Def. Ord. ...	72½	73½	73½	—
Mid. and Scottish, Ord. ...	64½	64½	64½	—
Metropolitan ...	51	52	52	—
Metropolitan District ...	103	103	103	—

Colonial and Foreign Railways.

Antofagasta Cons. ...	81½	80	80	—
B.A. and Pacific ...	88	87½	87½	—
B.A. & Gt. Southern ...	98½	98	98	—
Buenos Ayres West. ...	87½	87	87	—
Canadian Pacific ...	169	169	169	—
Central Argentine ...	74½	74½	74½	—
Cordoba Central New ...	34	34½	34½	—
Grand Trunk Pacific, 4% Debts. ...	50½	51	51	—
Leopoldina ...	44½	44½	44½	—
Mexican Railway ...	74	74	74	—
Do 1st Pref. ...	21	21	21	—
San Paulo ...	189	189	189	—
United Havana ...	74½	74½	74½	—

American Railroads.

Chesapeake & Ohio ...	149	157	157	—
Erie ...	35	34	34	—
Do 4% 1st Pref. ...	48	43	43	—
Southern ...	125	124	124	—
Do Non-cum Pref. ...	98	98	98	—

Foreign Government Securities.

Argentine 5%, 1886-7 ..	99	99	99	—
Austrian 6% Guar. ...	99	99	99	—
Belgian 3% ..	72	72	72	—
Brazil 5% Fund. ...	84	84	84	—
Chilian 4½% 1896 ..	87	87	87	—
Do 7½% ..	104	104	104	—
Chinese 5%, 1912 ..	58	59	59	—
Egyptian 4% ..	83	82½	82½	—
French 5% ..	98	98	98	—
Do 4% ..	84	84	84	—
German 7%, 1924 ..	104½	104½	104½	—
Greek 7%, 1924 ..	92	92	92	—
Hungarian 7½%, 1924, 100% ..	100½	100½	100½	—
Japanese 6%, 1924 ..	93½	93½	93½	—
Mexican Cons. 1899 ..	44	44	44	—
Peruvian Corp. Pref. ...	48½	49	49	—
P.L.M. 6% ..	82	83	83	—
Portuguese (New) ...	33½	33	33	—
Russian 5%, 1906 ..	85	85	85	—
Spanish 4% ..	70	70	70	—
Seine (Dept.) 7% ..	90½	91½	91½	—
Siam 7% ..	107	107	107	—

Telegraphs.

Anglo-American "A" ...	243	243	243	—
Marconi Wireless ...	82	82	82	—
Marconi Canada ...	82	82	82	—
Marconi Marine ...	82	82	82	—

Banks.

Barclays B. (£1, f.p.d.)	238	238	238	—
Chartered Bk of India	21½	21½	21½	—
Lloyds (£5 with £1 paid) ..	3½	3½	3½	—
Midland (£12, with £2½ paid) ..	8½	8½	8½	—
Nat. Bank of Egypt (£10) ..	39	38½	38½	—
National Provincial, (£20, with £4 paid), 12½ ..	13	13	13	—
Standard of S. Africa (£20, with £5 paid), 13½ ..	13	13	13	—
Westminster Bank (£20, with £5 paid), 18½ ..	18	18	18	—

district, 4,253 m. tons (previous week, ended July 31, 4,161 m. tons).

Public attention had recently been directed to the dental manufacturing industry of Great Britain, and shareholders would be gratified to learn that their company occupied the position of the

NOTE.—Budget Estimate as in H. C. 69 of 1926

Telegraphic Address: KANSALLISPANKKI.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 20, 1926, and the total amount applied for was £49,880,000. For bills at 3 months, dated Monday to Friday, £98 16s 8d, about 34 % and above in full, Saturday at £98 17s, and above in full. The amounts allotted were in bills at 3 months, £40,000,000

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.				
June 18.....	35,000,000	48,655,000	4 5 5.54	nil
June 25.....	45,000,000	64,685,000	4 5 0.93	nil
July 2.....	40,000,000	63,990,000	4 3 3.19	nil
July 9.....	35,000,000	50,600,000	4 6 7.5	nil
July 16.....	35,000,000	47,025,000	4 7 0.18	nil
July 23.....	35,000,000	46,855,000	4 5 6.42	nil
July 30.....	40,000,000	48,150,000	4 7 0.29	nil
Aug. 6.....	40,000,000	50,920,000	4 7 3.16	nil
Aug. 13.....	40,000,000	53,960,000	4 10 4.04	nil
Aug. 20.....	40,000,000	49,880,000	4 11 11.62	nil

Tenders will be received on Aug. 27, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, August 18, 1926.

ISSUE DEPARTMENT.

Notes issued	£	Government debt	£
172,499,100		11,015,100	
		Other securities	8,734,900
		Gold coin & bullion	152,749,100
172,499,100			172,499,100

BANKING DEPARTMENT.

Proprietors' capital ..	£	Government securities ..	£
14,553,000		34,332,268	
Rest	3,568,730	Other securities	72,218,739
Public deposits	16,938,686	Notes	31,945,810
Other deposits	104,827,957	Gold and silver coin ..	1,395,028
Seven-day & other bills ..	3,472		
	139,891,845		139,891,845

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

SPECIAL SUPPLEMENT.

On SEPTEMBER 18th next, there will be published with "The Economist" a Special DANUBIAN SUPPLEMENT.

In addition to several general articles on the Danubian region as a whole, this supplement will contain special articles on AUSTRIA, HUNGARY, ROUMANIA, BULGARIA, CZECHOSLOVAKIA, and JUGOSLAVIA.

TO ADVERTISERS.

This supplement will have a world-wide and influential circulation, and should therefore prove a most valuable medium for Banks and other companies wishing to increase their business in the Danubian regions.

Full particulars can be obtained from the Advertisement Department—
The "ECONOMIST" Office,
3, Arundel Street, Strand, W.C.2.

	Amount, Aug. 18, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,568,730	—	£ 11,511
Public deposits	16,938,686	—	5,334,716
Other deposits	104,827,957	—	7,334,322
Government securities	34,332,268	—	2,477,726
Other securities	72,218,739	—	22,615
Reserve	33,340,838	—	1,044,537
Note circulation	140,553,290	—	768,130
Coin and bullion	154,144,128	—	276,407
% of reserve to liabilities	27.8%	—	14%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bille).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
June 30	150,549,540	141,705,190	165,127,126	154,701,189	98,000 in	28.374,350	17.5
July 7	150,520,960	142,217,610	122,093,605	112,080,084	195,000 in	28,053,350	25
14	151,335,084	141,468,970	123,364,292	111,801,493	329,000 in	29,616,114	24
21	151,733,945	141,347,125	122,583,639	110,482,676	365,000 in	30,136,720	24
28	152,126,713	142,020,185	115,219,491	103,450,079	413,000 in	29,856,528	25
Aug. 4	152,844,144	142,503,470	116,858,561	104,883,885	708,000 in	30,090,674	25.2
11	153,867,721	143,321,420	123,166,249	109,006,118	975,000 in	32,296,301	26.1
18	154,144,128	140,553,290	121,766,643	106,551,007	179,000 in	33,340,838	27.1

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Aug. 4.....	20,991,029	997,919	1,684,858	23,673,816
Aug. 11.....	677,589	32,406	58,415	768,410
18.....	659,681	30,679	53,295	743,555
Total to date 1926.....	22,348,299	1,060,904	1,796,578	25,185,781
Do 1925.....	22,869,857	1,077,529	1,899,132	25,846,518
Increase or decrease in 1926.....	-521,558	-16,625	-102,554	-680,737
%	-2.3	-1.5	-5.4	-2.5
Total for year 1925.....	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924.....	35,038,650	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925.....	+762,659	+84,233	+57,363	+904,255
%	+2.1	+5.2	+1.9	+2.2

PROVINCIAL CLEARING RETURNS.

	Month of July.		Aggregate Weekly Totals to Aug. 14.	
	1925.	1926	1925.	1926.
Number of Working Days	27	27		
	£	£	£	£
BIRMINGHAM	12,023,000	11,274,000	82,752,100	78,020,600
BRADFORD	5,843,000	6,273,000		
BRISTOL	5,532,000	5,578,000	38,002,000	37,795,000
DUBLIN			170,351,600	157,028,400
HULL	4,665,000	3,978,000	34,297,000	29,344,800
LEEDS.	5,083,000	4,654,000	33,515,200	30,926,900
LIVERPOOL	3,973,000	3,495,000	26,115,300	25,192,300
MANCHESTER	39,658,000	33,589,000	297,147,700	252,242,300
NEWCASTLE-ON-TYNE	66,757,000	55,300,000	522,239,700	436,491,600
NOTTINGHAM	6,689,000	4,731,000	52,882,400	43,386,300
SHEFFIELD	3,077,000	2,702,000	22,033,400	20,325,300
	4,534,000	3,830,000	34,208,600	31,838,400
Total	157,734,000	135,404,000		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the Economist of July 3; Greece in July 17; Canada in July 24; Italy in July 31; Denmark and Roumania in August 7; Lithuania in August 14.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Aug. 15, 1926.	Aug. 6, 1926.	July 30, 1926.	Aug. 14, 1926.
RESOURCES.				
Total gold reserves	2,837,180	2,836,900	2,850,920	2,777,610
Gold discounts	549,010	547,610	521,390	538,180
Bills bought in open market	230,970	228,490	211,170	211,660
Total U.S. Government securities	365,680	370,220	369,240	369,240
Total earning assets	1,148,660	1,149,520	1,106,300	1,090,770
Total resources	4,883,640	4,885,280	4,863,110	4,782,690
LIABILITIES.				
Federal Reserve notes in actual circulation	1,682,210	1,678,090	1,671,340	1,617,680
Deposits—Member bank—reserve account	2,225,640	2,216,700	2,205,130	2,179,670
Total deposits	2,267,880	2,269,230	2,261,030	2,236,240
Capital paid in and surplus	343,420	343,300	342,970	333,650
Total liabilities	4,883,640	4,885,280	4,863,110	4,782,690
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	75.3%	75.4%	76.3%	75.5%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Aug. 13, 1926.	Aug. 6, 1926.	July 30, 1926.	Aug. 14, 1926.
Total bills discounted	190,250	166,230	152,840	175,260
Bills bought in open market	37,060	34,760	33,440	32,260
Total U.S. Government securities	72,600	73,870	73,870	58,070
Total earning assets	299,920	274,850	258,510	265,420
Deposits—Member bank—res. acct ..	859,020	848,810	852,070	827,270
Ratio of total res. to dep. and Federal Res. note liabilities combined	79.5%	81.1%	82.6%	80.0%

SOUTH AFRICAN RESERVE BANK.—In \$'s (000's omitted).

	July 24, 1926.	July 17, 1926.	July 10, 1926.	June 26, 1926.	July 25, 1926.
Assets.					
Gold coin and bullion	7,505	6,863	7,420	7,285	7,572
Subsidiary coin	49	49	49	49	49
Bills discounted	6,073	6,523	6,508	6,581	6,796
Investments	548	548	548	548	548
LIABILITIES.					
Capital	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339
Notes in circulation	6,947	7,084	7,400	8,014	7,506
Bankers' deposits	4,860	4,991	4,942	4,860	4,619
Ratio of cash reserves to liabilities to public	61.5%	55.4%	56.9%	55.0%	59.0%

August 21, 1926.]

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	July 23, 1926.	July 16, 1926.	July 9, 1926.	July 2, 1926.	June 25, 1926.	July 24, 1926.
Assets.						
Total securities	22,09,55	22,05,90	22,08,71	22,08,71	21,58,25	13,61,50
Loans	13,00,49	13,17,70	14,23,54	16,06,81	16,64,47	16,64,47
Cash credits	22,82,60	23,05,79	24,08,39	25,94,96	26,50,50	27,73,50
Inland bills	4,84,18	5,10,31	4,89,32	5,82,21	5,70,84	4,56,25
Foreign bills	33,80	27,54	16,12	28,15	32,94	31,57
Dead stock	2,76,66	2,74,65	2,74,45	2,74,85	2,78,53	2,74,58
Balance with other banks	11,41	21,39	16,20	4,91	8,33	13,13
Cash	52,11,08	49,50,49	46,15,53	44,39,95	41,43,54	44,94,04
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50
Total deposits	107,11,94	104,95,63	102,97,28	105,85,81	102,55,04	99,90,39
Theobonds includes—						
Deposits in London	985	1,025	933	959	1,053	1,257
Advances in London	1,061	1,036	1,040	1,067	1,099	1,193
Cash, &c., at other Banks in London	78	143	95	33	47	76

BANK OF JAPAN.—In yen (000's omitted).

	July 17, 1926.	July 10, 1926.	July 3, 1926.	June 26, 1926.	July 18, 1926.	Position June 30, 1914.
Assets.						
Cash and bullion	1,136,504	1,135,949	1,136,104	1,136,128	1,136,128	221,320
Discounts	178,839	223,668	305,518	308,548	317,684	41,740
Advances	97,153	93,984	104,511	100,161	121,476	70,540
LIABILITIES.						
Notes	1,153,288	1,176,033	1,279,031	1,280,207	1,179,210	362,270
Govt. deposits	603,597	624,949	602,077	603,390	607,649	87,340
Other deposits	83,055	83,530	88,648	89,362	100,103	11,440

BANK OF FRANCE.—In francs (000's omitted).

	Aug. 19, 1926.	Aug. 12, 1926.	Aug. 5, 1926.	Aug. 2, 1926.	Position May 28, 1914.
Assets.					
Gold coin and bullion	5,548,676	5,548,676	5,548,676	5,548,676	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	632,650
Silver coin and bullion	338,639	337,883	337,883	337,883	2,327,775
Discounts and advances	8,195,971	9,252,629	10,105,311	6,131,738	28,000,000
Advances to the State	36,950,000	37,300,000	37,850,000	37,850,000	...
LIABILITIES.					
Notes	55,658,766	56,271,395	57,258,627	44,785,450	5,811,875
Government deposits	8,292	14,733	35,972	7,571	183,700
Private deposits	3,157,334	3,446,573	3,899,930	2,351,723	845,950

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

	Aug. 12, 1926.	Aug. 5, 1926.	July 29, 1926.	July 22, 1926.	Aug. 12, 1925.	Position May 28, 1914.
Assets.						
Coin (gold & silver and bullion)	390,045	390,640	391,363	391,275	384,932	322,650
Securities	1,587,208	1,518,087	1,919,384	1,919,372	1,358,204	697,600
LIABILITIES.						
Notes in circulation	9,107,908	8,993,164	8,975,301	8,896,181	7,668,366	934,150
Current accounts	513,368	543,325	681,053	613,605	444,609	112,125

NETHERLANDS BANK.—In florins (000's omitted).

	Aug. 16, 1926.	Aug. 9,
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NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).

Assets.	Aug. 7, 1926.	July 31, 1926.	July 23, 1926.	July 15, 1926.	July 7, 1926.
Metal reserve—					
Gold coin and bullion	148,155	141,171	136,938	133,708	127,096
Drafts and notes	88,840	93,675	102,454	99,018	103,586
Silver coin and bullion	861	885	893	902	904
Indian bills, warrants, and securities	155,701	161,509	142,620	147,118	164,323
Advances to the Treasury	151,600	151,663	151,663	151,663	151,663
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	404,574	424,311	359,248	366,300	382,114
Current accounts, deposits, &c.	177,448	158,909	210,132	192,236	190,067

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Aug. 8, 1926.	July 31, 1926.	July 22, 1926.	July 15, 1926.	Aug. 8, 1926.
Gold	11,119	80,904	80,651	80,400	73,205
Other coin and notes	17,944	18,228	18,585	18,434	22,250
Foreign credits	292,850	295,567	306,812	312,023	399,658
Bills	1,141,962	1,097,543	1,074,355	1,079,319	954,183
Govt. advances	4,468,665	4,468,488	4,468,226	4,467,986	4,519,507
LIABILITIES.					
Notes in circulation	5,465,261	5,421,911	5,405,804	5,543,053	5,781,735
State credits	350,387	350,210	349,948	349,708	366,785
Deposits	521,513	559,704	711,133	647,615	868,927

RUSSIAN STATE BANK.—Note-Issuing Department.
(In Tchernovetz—000's omitted.) (Note: 1 Tchernovetz = 10 gold roubles.)

Assets.	Aug. 16, 1926.	Aug. 1, 1926.	July 16, 1926.	July 1, 1926.	Aug. 16, 1926.
Gold in coin and bullion	14,787	14,769	14,728	14,683	16,738
Platinum	3,056	3,056	3,056	3,040	2,370
Foreign bank notes	5,043	5,027	5,025	5,025	4,685
Drafts in sterling (less 10%)	193	193	193	193	170
Bills (less 10% discount)	56,835	56,869	52,912	52,973	45,952
Securities covering advances on goods (less 10%)	86	86	86	86	86
LIABILITIES.					
Bank notes	78,581	75,162	74,663	72,663	69,450
Balance to which notes may still be issued	1,419	4,838	1,337	3,337	550

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Aug. 14, 1926.	Aug. 7, 1926.	July 31, 1926.	July 24, 1926.	Aug. 14, 1926.
Gold	2,556,327	2,556,206	2,554,813	2,554,255	2,536,628
Silver	668,936	669,212	674,420	672,958	728,600
Loans & discounts	2,420,913	2,457,772	2,482,931	2,473,822	2,331,533
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475
Treasury bills	150,000	150,000	150,000	150,000	150,000
LIABILITIES.					
Circulation	4,399,436	4,405,018	4,352,977	4,349,996	4,332,782
Deposits	1,027,195	1,028,993	1,037,962	1,052,488	992,458

BANK OF PORTUGAL.—In escudos (000's omitted).

Assets.	July 14, 1926.	July 7, 1926.	June 30, 1926.	June 23, 1926.	July 15, 1926.
Coin and bullion	9,787	9,788	9,907	9,770	9,944
Of which gold	8,577	8,577	8,577	8,577	8,577
Balance abroad	367,729	374,227	364,410	328,930	211,421
Discounts	151,107	148,307	146,272	152,256	198,472
Government loans	1,684,650	1,691,904	1,679,800	1,643,381	1,528,264
LIABILITIES.					
Notes in circulation	1,855,959	1,859,038	1,843,463	1,823,830	1,636,171
Deposits	55,136	51,108	48,850	51,202	70,312

NATIONAL BANK OF EGYPT.—In £ (000's omitted).

Assets.	June 30, 1926.	May 31, 1926.	April 30, 1926.	Mar. 31, 1926.	June 30, 1926.
Gold	3,430	3,424	3,435	3,419	3,384
Govt. securities	51,166	52,541	55,384	58,157	56,826
LIABILITIES.					
Notes in circulation	30,745	31,941	32,172	33,656	33,877
Govt. deposits	21,939	22,706	23,912	25,038	21,994
Other deposits	13,363	13,261	13,199	14,541	14,925

By authority of the Egyptian Government British Treasury Bills were deposited in lieu of gold.

LONDON RATES.

	Aug. 13, 1926.	Aug. 14, 1926.	Aug. 15, 1926.	Aug. 16, 1926.	Aug. 17, 1926.	Aug. 18, 1926.	Aug. 19, 1926.	Aug. 20, 1926.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5	5	5
Market rates of discount—								
60 days' bankers' drafts	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
4 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount (Treasury Bills)—								
3 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
6 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Loans—Day to day	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Deposits—Sight	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Discount houses at call	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
At notice	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

	Bank Bills.	Trade Bills.
	3 Months, 4 Months, 6 Months.	3 Months, 4 Months, 6 Months.
1926.		
July 29	4 1/2	4 1/2
Aug. 6	4 1/2	4 1/2
13	4 1/2	4 1/2
20	4 1/2	4 1/2

MOSCOW QUOTATIONS FOR CHERVONETZ.

According to advices received in London, the following are the Moscow quotations for chervonetz:—

£1,000 sterling equals 946 1/2 chervonetz, 1924

RATES OF EXCHANGE.

London on	Usance	Par.	Aug. 21, 1926.	Aug. 13, 1926.	Aug. 20, 1926.
Paris	francs to £1	T.T.	22-25 1/2	103-45-50	177 1/2
Berlin	marks to £1	T.T.	20-43	20-39-42	20-40-1 1/2
Vienna	schillings to £1	T.T.	34-58 1/2	34-45-55	34-37-40
Prague	kroner to £1	T.T.	24-02	163 1/2-163 1/2	163 1/2-163 1/2
Warsaw	zloty to £1	T.T.	25-22 1/2	28	44-46
Reval	Estons. to £1	T.T.	1810-1850	1800-40	1800-40
Riga	latas to £1	T.T.	25-22 1/2	25-04-29	25-25-40
Kovno	litas to £1	T.T.	48-66	49-20-49-30	49-50
Bukarest	lei to £1	T.T.	25-22 1/2	945-950	1055-65
Budapest	pengo to £1	T.T.	27-82	345/347,000	27-75-95
Constantinople	leva to £1	T.T.	110	825-832	875-79
Sofia	leva to £1	T.T.	25-22 1/2	660-680	665-80
Belgrad	dinara to £1	T.T.	25-22 1/2	270-273	273-6
Amsterdam	florin to £1	T.T.	12-107	12-054-05 1/2	12-111-12
Brussels	francs to £1	T.T.	25-22 1/2	106-85-90	179 1/2
Oslo	kroner to £1	T.T.	18-159	25-80-85	22-13-16
Stockholm	kroner to £1	T.T.	18-159	20-86-85	18-13-15
Copenhagen	kroner to £1	T.T.	18-159	20-86-85	18-26-29
Helsingfors	markka to £1	T.T.	193-23	192 1/2-192 1/2	192 1/2-3 1/2
Greece	drachmas to £1	T.T.	25-22 1/2	313-318	440-3
Italy	lire to £1	T.T.	25-22 1/2	133 1/2-133 1/2	147 1/2-8
Switzerland	francs to £1	T.T.	25-22 1/2	25-03-05	25-13-14
Madrid	pesetas to £1	T.T.	25-22 1/2	33-70-73	31-85-88
Lisbon	escudo to £1	T.T.	53-1	27-2 1/2	28 1/2-3 1/2
Alexandria	piastres to £1	Sight	9 1/2	9 1/2-9 1/2	9 1/2-9 1/2
New York	dollars to £1	Cable	4-85 1/2	4-85 1/2-85 1/2	4-85 1/2-85 1/2
Montreal	dollars to £1	Cable	4-85 1/2	4-85 1/2-85 1/2	4-85 1/2-85 1/2
Buenos Aires	pesos to £1	90 days	47-62 1/2	45 1/2-45 1/2	45 1/2-45 1/2
Rio de Janeiro	pesos to £1	90 days	16	6-6 1/2	7 1/2-8
Montevideo	pesos to £1	90 days	51	49 1/2-50	49 1/2-50
Valparaiso	dollars to £1	90 days	40	40-00	39-40
Limbo	Eng. to Per. £1	90 days	par	22 1/2 prem.	24 1/2 prem.
Calcutta	ster. to rupees	T.T.	10 to 1	1s 6d-6d	1s 6d-1-6d
Bombay	ster. to rupees	T.T.	10 to 1	1s 6d-6d	1s 6d-1-6d
Madras	ster. to rupees	T.T.	10 to 1	1s 6d-6d	1s 6d-1-6d
Hong Kong	ster. to dollar	T.T.	2s 4d-2 1/2d	2s 4d-2 1/2d	2 1/2d-2 1/2d
Shanghai	ster. to dollar	T.T.	2s 4d-2 1/2d	2s 4d-2 1/2d	2 1/2d-2 1/2d
Singapore	ster. to dollar	T.T.	2s 4d-2 1/2d	2s 4d-2 1/2d	2 1/2d-2 1/2d
Yokohama	ster. to yen	T.T.	24-58d	1s 8d-8 1/2d	1s 11 1/2d-1 1/2d
Manila	ster. to peso	T.T.	24-66d	1s 8d-8 1/2d	1s 11 1/2d-1 1/2d
Mexico	pesos to £1	T.T.	24-66d	1s 8d-8 1/2d	1s 11 1/2d-1 1/2d

† Rate for previous day. (b) Represents krone to £1 at a par value of 24-02 to £1.

OVERSEAS BANK RATES.

Changed.	Oct. 3, 1925	%	Changed.	April 19, 1926	%
Amsterdam	Oct. 3, 1925	3 1/2	Oslo	April 19, 1926	5 1/2
Athens	Aug. 18, 1925	10	Paris	July 31, 1926	7 1/2
Belgrade	July 6, 1926	6	Prague	Jan. 12, 1926	6
Berlin	April 23, 1926	7	Riga	Feb. 16, 1924	8
Brussels	Sept. 4, 1926	6	Rome	June 18, 1925	7
Bucharest	Oct. 21, 1926	4	Sofia	June 18, 1925	7
Budapest	June 10, 1926	5	Stockholm	Oct. 8, 1925	4 1/2
Calcutta	July 23, 1926	5 1/2	Swiss Bank	Oct. 22, 1925	3 1/2
Copenhagen	Oct. 29, 1925	7 1/2	Tokyo	April 15, 1925	7 1/2
Danzig	Sept. 12, 1923	9	Vienna	Mar. 31, 1926	7 1/2
Helsingfors	Aug. 12, 1926	4	Warsaw	July 7, 1926	10
Lisbon	Mar. 23, 1923	5			
New York Federal Reserve					
Madrid					

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

CURRENT RATES IN NEW YORK.

The Irving Bank—Columbia Trust Company cable the following money and exchange rates in New York:—

	Aug. 20, 1926.	Aug. 12, 1926.	Aug. 5, 1926.	Aug. 12, 1926.	Aug. 19, 1926.
Call money	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Time money (90 days' mixed coll)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Bank acceptances—					
Members—eligible 90 days	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Non-members—eligible 90 days	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Ineligible, 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept. 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Rates of Exchange.

Rates of Exchange. New York on—		Par Level.	Aug. 20, 1925.	Aug. 5, 1926.	Aug. 12, 1926.	Aug. 19, 1926.
London—						
60 days	Dollars for £1	4/6666	4/81	4/8150	4/8137	4/81 1/2
Cable			4/8575	4/8637	4/86	4/86
Cheques			4/8550	4/8687	4/8548	4/85 1/2
Paris	Cents for 1 franc	19-30	4/6875	2/8450	2-70	2-80
Brussels	Cents for 1 franc	19-30	4/5350	2/7650	2-7050	2-7050
Switzerland ..	Cents for 1 franc	19-30	19-3975	19-34	19-34	19-315
Italy	Cents for 1 lire	19-30	3-6225	3-33	3-29	3-2750
Berlin	Cents for 1 mark	23-81	23-80	23-80	23-80	23-80
Vienna	Cts. for 1 austr. shg.	14-07	14-00	14-25	14-25	14-25
Madrid	Cents for 1 peseta	19-30	14-41	15-00	15-26	15-26
Amsterdam ..	Cents for 1 guilder	40/195	40-29	40-14	40-14	40-10
Copenhagen ..			23-04	26-25	26-57	26-56
Oslo	Cents for 1 kroner	26-80	26-88	21/9050	21-96	21-92
Stockholm ..			26-88	26-77	26-78	26-755
Athens	Cents for 1 drachma	19-30	15-425	1-1050	1-1050	1-10
Montreal	Cents for \$1	100	100	100-75	99-75	99-75
Yokohama	Cents for 1 yen	49/85	47 1/2 pm.	47-60	47-80	48-05
Hong Kong ..	Cents for H. Kong \$	58-00	53-625	53-625	53-625	53
Shanghai	Cents for 1 Shng. tael	..	77-65	69-60	69-125	68-25
Calcutta	Cents for 1 rupee	..	36-63	36-30	36-30	36-45
Buenos Aires ..	Gold pesos for \$100	103/65	109-40	108-60	109-50	108-75
Rio de Janeiro ..	Cents for 1 milreis	39-42	12-25	15-30	15-40	15-35
Valparaiso	Cents for 1 peso	20/60	12-10	12-125	12-135	12-125

NORTH BROKEN HILL, LIMITED.—For the month of July the production was as follows:—56,580 tons of crude ore, were treated, producing 6,460 tons lead concentrates, averaging 64.1 per cent. lead, 29.6 ozs silver per ton, and 7.8 per cent. zinc; also 6,070 tons zinc concentrates, averaging 47.4 per cent. zinc, 6.3 per cent. lead, and 7.2 ozs silver per ton.

SAN FRANCISCO MINES OF MEXICO, LIMITED.—Ore treated, 13,580 tons; residues treated, 10,100 tons; lead concentrates produced, 1,879 tons; zinc concentrates produced, 4,636 tons. Estimated net smelter return on lead concentrates, \$147,194 (U.S. currency); and on zinc concentrates, \$185,673; total, \$332,867. Operating expenses, \$100,117. Estimated operating profit, \$232,750. Capital expenditure, \$59,444. Office Note.—This return includes \$7,382, being excess of realisations of products over valuations in respect of previous months.

	Output.	Other Notes in Return.
Tin.	Tons.	
Aramayo	234	And 124,000 ozs silver.
Batura Monguna	43	
Bereguela	12	Black tin concentrates.
Briscoe	12	Black tin clean-up.
East Pool	90.7	Black tin; 100 tons arsenic.
Geevor	37	Black tin; amount realised, £6,250.
Jantar	46	
Jos	14	
Kaduna Prospectors	13	
Kaduna Syndicate	194	
Kaleri	6	
Karri	4	
Kem Consolidated	50	
Kwapi	3	
Lower Bisichi	5	
Madubi	4	
Mongu	40	
Naraguta Extended	23	
Naraguta Korot	10	
Naraguta (Nigeria)	50	
Nigerian Consolidated	12	
North Ropp	17	
Northern Nigeria	115	
Rahman	324	
Renong	19	(First half of August).
Rukuba	4	
South Bukuru	4	
South Croft	60	Value, £9,210; arsenic and sundries, £661.
Tavoy	85	Value, £16,150; gross profit, £13,150.
Tin Fields of N. Nigeria	5	
Tingha Hydraulic	124	Concentrates.
Yarde Kerri	10	
Zeneki	14	
Coal.		
Chinese Engineering	40,060	Coal sales during week ended July 31st; 65,000 tons sold during week ended Aug. 7th.
Durban Navigation	58,241	
Witbank	46,833	
Copper.		
Namasqua	276	
Union Minière	7,100	
Lead.		
Broken Hill Proprietary	395	Lead concentrates and 258 tons zinc concentrates. (14 days to June 19th).
Zinc.		
Electrolytic	3,670	
Zinc Corporation	4,862	Lead concentrates and 4,259 tons zinc concentrates.
Miscellaneous.		
Crown Diamond	1,840	Carats.
Keeley Silver	125,018	ozs.
Tanganyika Diamond	545	Carats (July 27th to August 9th).

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Method of Payment.	Dividend for Whole Year.
Banks.			
British Linen Bank	16*	Less tax	%
Railways.			
Southern Punjab	6%*	Sept. 8	Less tax
Mining.			
Keeley Silver	8%*	(£ bonus 4%)	Less tax
North Broken Hill	1/2 p.s.*	(£ bonus of 2/ p.s.)	Less tax
Rhodesian and General Asbestos Tavy Tin	1/3 p.s.*	Sept. 1	Tax free
Tea and Rubber.			
Cairo (Malay) Rubber	15%*	Less tax	30
Doomoo Tea of Ceylon	30%*	Less tax	45
Ella Tea of Ceylon	30%*	Less tax	10
Leyland & Birmingham Rubber	7 1/2%*	Less tax	10
Mocha Tea of Ceylon	40%*	Less tax	75
Saffragam Rubber and Tea	45%*	Less tax	7
Tijlwangle Tea	11%*	Less tax	25
Vauxhall Rubber of Ceylon	11%*	Less tax	25
Other Companies.			
A. D. Foulkes	6%*	Less tax	15
Amalematat Press	2/ p.s.*	Less tax	15
Arnott and Co.	4/ p.s.*	Less tax	10
Barlow and Jones	1/ p.s.*	Less tax	10
Bournemouth Gas and Water	8 1/2%*	Aug. 21	Less tax
Do "B"	7%*	Aug. 21	Less tax
British American Tobacco	10 p.s.*	Sept. 30	Tax free
Charles Roberts	5%*	Less tax	10
Colchester Brewing	4%*	Less tax	8
Consolidated Gas, &c., of Baltimore	8 1/2 p.s.*	Oct. 1	Quarterly
Crowe, Wilson, and Co.	4%*	Aug. 26	Less tax
Daily Mirror Newspapers	7 1/2%*	Sept. 3	Less tax
East Worcestershire Water	10%*	Less tax	12 1/2
Ellis Ward	10%*	Less tax	12 1/2
Glasgow American Trust	7%*	Less tax	8
Hampton Court Gas	5%*	Less tax	10
Hartlepool Gas and Water	10%*	Aug. 31	Less tax
Holbeck (Lincs) Public Hall	10%*	Less tax	10
H. Williams and Co.	7/ p.s.*	Sept. 30	Quarterly
J. and P. Coats	7/ p.s.*	Sept. 30	Quarterly
John Mark and Co.	8%*	Less tax	10
John Oakley and Sons	2 1/2%*	Sept. 1	Less tax
J.P. Restaurants	9%*	Less tax	15
Leatherhead Waterworks, orig. shares	10%*	Less tax	15
Do	7%*	Less tax	15

DIVIDEND ANNOUNCEMENTS—Continued.

London and Edinburgh Shipping	2%	Less tax	13	13					
Long Sutton (Lincs) Market House	2%	Less tax	10	10					
Merchants' Warehousing	5%*	Less tax	7 1/2	7 1/2					
Milners' Safe	5%*	Less tax	7 1/2	7 1/2					
Newcastle and Gateshead Water	5 1/2%*	Aug. 27	Less tax	7 1/2	7 1/2				
North Middlesex Gas, Orig. Ord.	11 1/2%*	Sept. 3	Less tax	7 1/2	7 1/2				
Do Add. Ord.	8 1/2%*	Sept. 3	Less tax	7 1/2	7 1/2				
North of Scotland Electric	4%*	Less tax	7	7					
Peter Robinson	5%*	Less tax	7	7					
Pinn Bros.	5%*	Less tax	7	7					
Plummer, Roidis	5%*	Sept. 1	Less tax	9	12 1/2				
San Paulo Coffee, Def.	2%*	Less tax	6	6					
Scottish General Investment	5 1/2%*	Less tax	6	6					
Second Scottish-American Trust	1/4 p.s.*	Sept. 10	Less tax	6	6				
Seremban, Limited	10%*	Aug. 4	Less tax	6	6				
Southgate and District Gas, Ord.	7%*	Aug. 4	Less tax	6	6				
Do Add. Ord.	5%*	Aug. 4	Less tax	6	6				
Stephen, Smith, and Co.	1/8 p.s.*	Aug. 31	Less tax at 4/	15	15				
Style and Finch	6 1/2%*	Sept. 3	Less tax	15	15				
Sunday Pictorial Newspapers	6%*	Sept. 3	Less tax	15	15				
Switzers and Co.	6%*	Sept. 3	Less tax	15	15				
Thomas Dockrell	4%*	Aug. 28	Less tax	10	10				
Tootal Broadhurst Lee	4%*	Less tax	10	10					
Torquay Tramways	5%*	Less tax	10	10					
Union Cold Storage	5%*	Less tax	10	10					
Vyee, Sons, and Co.	1/6 p.s.*	Sept. 30	Less tax	10	10				
Walkers, Parker	7%*	Less tax	10	10					
West Surrey Water (1877, 1888, and 1901 Shares)	10%*	Less tax	10	10					
Do 1869 shares	2%*	Less tax	10	10					
W. H. Chaplin	2%*	Less tax	10	10					
Wilson Bros.	5%*	Less tax	10	10					
Wolseley Sheep Shearing	5%*	Less tax	10	10					

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 13, 1926.		Week ended Aug. 15, 1926.			Aggregate 31 Weeks, 1926.		
(c) Week ended Aug. 14, 1926.	Miles Open.	Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total receipts.
		\$	\$	\$			\$
Great Western	3,778	345,000	208,000	553,000	7,570,000	8,588,000	16,158,000
Do for 1925	3,765	396,000	294,000	690,000	8,550,000	104,290,000	18,979,000
London & N. Eastern (c)	6,715	552,000	369,000	921,000	12,364,000	189,740,000	29,338,000
Do same period 1925	6,714	612,000	619,000	1,231,000	14,104,000	211,570,000	35,261,000
Lon., Mid., & Scottish	6,950	172,000	518,000	1,290,000	17,501,000	217,380,000	39,239,000
Do for 1925	6,950	870,000	780,000	1,650,000	20,367,000	270,060,000	47,373,000
Southern	2,183	444,000	89,000	533,000	10,117,000	3,195,000	13,310,000
Do 1925	2,153	482,000	113,000	595,000	10,934,000	3,718,000	14,652,000
Metropolitan (c)	59	28,600	2,300	30,900	933,500	93,520	1,027,000
Do for 1925	58	35,400	3,700	39,100	1,065,600	119,400	1,185,000
Underground E.R. (c)	..	..	..	247,200	..	..	7,893,200
Do for 1925	..	..	..	244,700	..	..	8,078,200
Lon. & Sub. Group (c)	..	..	..	39,000	..	..	1,188,900
Do for 1925	..	..	..	39,000	..	..	1,227,800
Belfast & Co. Down (b)	80	3,681	948	4,629	100,129	28,521	128,650
Great Northern	663	21,400	15,700	37,100	498,550	503,100	1,001,650
Great Southern	2,181	51,605	43,506	95,111	1,183,183	1,338,313	2,521,496

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
INDIAN.					
Assam Bengal	15 weeks	July 17	1,078	Rs. 3,17,000 + 19,103	Rs. 48,30,666 + 1,73,953
Barri Lt. Ry.	16 weeks	24	118	30,900 + 72,700	7,00,100 + 62,500
Bengal & N. Western	16 weeks	24	2,835	5,51,360 + 50,871	1,21,42,825 + 12,23,849
Bombay, Bar., & C.I.	14 weeks	10	3,033	17,76,000 + 2,32,000	2,55,61,000 + 2,34,877
Burma	15 weeks	July 17	1,342	6,54,931 + 20,574	2,22,30,633 + 7,09,000
Delhi, Umballa & Kalke	26 weeks	Mar. 31	239	2,22,500 + 28,015	29,08,142 + 89,432
Madras & S. Mahr	16 weeks	July 24	3,048	13,30,000 + 54,937	2,81,85,884 + 4,43,508
Nizam's Guaranteed (s)	16 weeks	24	993	2,91,046 + 4,197	63,95,122 + 4,87,947
Rohilk'd & Kumaon	15 weeks	17	259	46,431 + 6,360	9,36,574 + 14,235
Do Lucknow-Breilly	15 weeks	17	313	51,501 + 443	10,80,706 + 11,909
South Indian	16 weeks	24	1,876	8,99,821 + 79,592	1,70,55,652 + 3,59,615

(a) Total receipts of all lines.

ARGENTINE (a).

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
ARGENTINE N.E.	6 weeks	Aug. 7	754	£ 12,700 + 1,400	£ 79,500 + 12,200
B.A. and Pacific	7 weeks	14	2,652	134,000 + 1,000	859,000 + 8,000
B.A. Central	5 weeks	1	13,182	137	63,031 + 3,594
B.A. Gt. Southern	7 weeks	14	4,718	199,000 + 12,000	1,235,000 + 27,000
B.A. Western	7 weeks	14	1,889	80,000 + 2,000	517,000 + 32,000
Central Argentine	7 weeks	14	3,305	214,000 + 9,000	1,388,000 + 14,000
Dordoba Central	7 weeks	14	1,202	77,000 + ..	477,000 + 34,503
Entre Rios	7 weeks	14	739	20,900 + 600	125,300 + 15,700

CUBAN.

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
Havana Central	7 weeks	Aug. 14	..	£ 11,546 + £ 34	£ 75,164 + £ 4,756
United of Havana	7 weeks	Aug. 14	1,250	49,313 + 8,011	318,251 + 64,352

URUGUAYAN.

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
Central Uruguay	7 weeks	Aug. 14	273	£ 19,674 + £ 4,199	£ 133,278 + £ 9,298
C. Urug. (East. Ext.)	7 weeks	14	311	4,088 + 787	23,853 + 6,916
C. Urug. (West. Ext.)	7 weeks	14	185	1,919 + 1,110	14,037 + 3,650
C. Urug. (North. Ext.)	7 weeks	14	211	2,391 + 57	15,206 + 935

CANADIAN.

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
Canadian National	32 weeks	Aug. 14	22,106	\$ 4,921,089 + 220,920	\$ 153,391,016 + 182,730,000
Canadian Pacific	32 weeks	Aug. 14	14,129	3,618,000 + 386,000	108,598,000 + 117,300,000

BRAZILIAN (b).

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1925. + or -
Gt. West. of Brasil.	33 weeks	Aug. 14	1,018	£ 12,900 + £ 3,000	£ 545,600 + 102,900
Leopoldina	33 weeks	14	1,856	60,847 + 16,452	1,350,371 + 415,173
Leopoldina Terminal	33 weeks	14	8,200	8,200 + 2,575	248,807 + 87,515
San Paulo	33 weeks	15	1,534	50,942 + 5,079	1,533,789 + 221,419

CHILEAN.

				£		£		£
Antofagasta	32 weeks	Aug. 15	838	34,610	—	9,410	1,242,485	—
Nitrate (4-monthly)	32 weeks	15	366	25,138	—	20,874	488,770	—
OTHER OVERSEAS.								
Alcoy and Gandia ..	33 weeks	Aug. 14	33	Pa. 25,000			905,700	+ 33,700
Elysian Delta	16 weeks	July 3	614	Pa. \$3,728	+ 1,001		101,247	+ 8,930
Sta. South. of Spain	33 weeks	Aug. 14	104	Pa. 38,040	+ 13,529		2,806,990	+ 691,230
Mexican Railway ..	7 weeks	14	432	\$231,600	— 29,400		1,686,200	+ 34,400
Paraguay Central ..	7 weeks	14	274	\$4,500	+ 1,120		29,520	+ 9,120
Salvador	5 weeks	July 31	100	\$5,179	+ 2,391		23,564	+ 11,715

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefce.	Ordinary.	Rate			
		£	£	£	Amount.	Amount.	Rate	£	£	£
Banks.										
Queensland National.....	June 30	15,950	194,676	210,626	..	148,977	10½	50,000	11,649	125,181
Rubber, &c.										
San Paulo Coffee Estates.....	Dec. 31	65,570	25,071	90,641	11,400	13,500	9	..	65,741	38,924
Textiles.										
Tootal Broadhurst Lee.....	June 30	56,504	103,040	159,544	16,000	66,756	10	..	76,788	132,622
Waterworks.										
East Worcestershire.....	June 30*	5,160	5,474	10,634	435	2,930	10	1,000	6,269	3,506
Woking Water and Gas.....	June 30*	5,428	6,975	12,403	..	6,762	10 7	250	5,391	6,606
Other Companies.										
Aberdeen University Press.....	June 30	272	2,378	2,650	949	972	12	250	479	2,210
Amalgamated Press.....	June 30	435,391	542,451	977,842	38,780	407,657	15	60,000	471,405	541,543
Charles Roberts.....	June 30	23,897	32,646	56,543	..	21,940	10½	10,000	24,603	64,417
Goodlass, Wall, and Co.....	June 30	15,968	56,941	72,909	13,710	22,500	12½	14,597	22,102	35,703
Merchants' Warehousing.....	June 30	37,617	12,280	49,897	..	3,960	10	34,000	11,937	10,964
Union Cold Storage.....	Dec. 31	149,278	824,476	973,754	607,030	100,000	10	102,572	164,152	786,741
W. H. Chaplin and Co.....	Mar. 31	30,943	28,252	59,195	5,000	17,500	7	4,404	32,291	37,963
Wilson Bros. Bobbin Co.....	July 15	4,227	13,325	17,552	..	14,250	5	..	3,302	28,303
Wolseley Sheep Shearing Machine	Dec. 31	13,035	15,033	28,068	..	7,500	7½	5,000	15,568	7,623

* Half-yearly.

† Tax free.

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Aug. 7.....	7,852	3,556	8,629	14 6	8 10	10 0
Aug. 14.....	7,703	8,493	30,197	14 1	11 0	9 4
1922.....	63,291	7,368	15,798	12 3	12 10	11 6
1923.....	67,932	9,524	43,629	9 8	8 3	8 7
1924.....	25,245	3,222	12,556	12 11	13 2	9 7
1925.....	137,159	18,033	23,707	11 9	12 1	10 1

AMERICAN WHEAT MARKETS.

Unfavourable crop advices and foreign weather news caused a rally in prices at the beginning of the week, but the market subsequently weakened under realisation. The close was steady, export inquiry being good. Frosts have been reported from certain parts of Canada, and wet weather is delaying harvesting. Quotations:—

	Jan. 2, 1925.	Aug. 20, 1925.	Jan. 7, 1926.	Aug. 12, 1926.	Aug. 19, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.	183	(a) 144½	160	(a) 139½	(a) 138½
Chicago (No. 2 Winter)—Cents per 60 lbs.	177	(b) 159½	176½	(b) 135½	(b) 135½

(a) October delivery. (b) September delivery.

Visible supplies of wheat in Canada, at 18,198,000 bushels, show a decrease of 1,286,000 bushels, as compared with the previous figures. Supplies a year ago stood at 7,543,000 bushels.

COAL.

Our Cardiff correspondent writes:—Recent developments in connection with the mining dispute have practically monopolised attention in coal trade circles during the past week. In anticipation of a settlement before next month, a fair number of tentative inquiries have circulated in respect of shipments within reasonable time after work is resumed. Collieries, however, in practically all cases, are indisposed to quote until definite terms of settlement have been agreed. Foreign coals continue to arrive in good supply. Since last week about 50,000 tons have reached the South Wales ports, making the total quantity imported to date approximately 450,000 tons. Local works, however, are inclined to defer placing further orders for forward delivery, pending developments in the coal position. Both Continental and American prices are firmer. Patent fuel has met a small demand at 44s-45s, though prices are barely maintained at this figure, and sales have been reported down to 42s 6d. Banked smalls for patent fuel manufacture are obtainable at 20s to 25s at works, while two cargoes of Scottish duff coal have also been imported for this purpose.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Unsatisfactory conditions continue to prevail in the British iron and steel trades. This year the seasonal quietness is accentuated by the conditions resulting from the coal strike. Manufacturers are obtaining better supplies of coal, both from home and foreign sources; but they are experiencing considerable difficulty in obtaining supplies of Continental steel. Continental manufacturers have recently advanced their prices, but the position is confused, and while a number of the foreign steel makers are quoting high prices and are disinclined to accept orders, others are showing a greater disposition to do business; but in all cases the period required for delivery has been extended into the autumn. The Continental situation has been made more difficult by the movements of the exchanges and by efforts to form international associations to maintain prices. Little attention is paid to the latter in the British market, as it is believed that the steel makers of the various countries are not sufficiently organised on a national basis to reach an international understanding.

Our Middlesbrough correspondent's report, dated August 19, 1926, is as follows:—Pig-iron: Owing to the local holidays, no market was held this week. There is, however, no change in the price of Cleveland No. 3 G.M.B., and those who have any for sale are still willing to accept 90s per ton from local consumers. Some improvement has taken place in regard to the price of East Coast mixed numbers, as stocks are being gradually reduced, and to-day the price is 82s 6d per ton. Manufactured Iron and Steel: Some of the local foundries are still working, and two of our local steel works are putting in two or three furnaces for the manufacture of steel to enable them to execute a few pressing orders for material. Quotations are unaltered. Steel ship plates, £7 17s 6d; steel ship angles, £7 10s; iron bars, £11; steel rails, £8. Iron ore: The nominal quotation of best Rubio is still 21s 6d per ton c.i.f. Tees, with no business being done.

Our Sheffield correspondent writes:—By the aid of foreign and outcrop coal a considerable volume of work is being carried on in

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THE COTTON TRADE.

LIVERPOOL, August 19, 1926.

The demand for spot cotton during the week has been good, and prices have advanced about 25 points. Since the issue of the Agricultural Bureau estimate, rather more unfavourable crop accounts have been received, too much rain having fallen in the West, and an increased activity has been shown by the boll weevil. The market is entirely ruled by the weather reports. Spot sales for the week, 13th to 19th (inclusive) were 33,000 bales. Of these, 17,470 were American, 3,000 Brazil, 5,400 Peru, 2,700 Egypt, 2,900 African, 1,100 East Indian, and 430 sundries. Imports for the same period were 45,442 bales. These included 8,382 American, 5,786 Brazilian, 11,929 Peruvian, 12,732 Egyptian, 4,659 African, 342 East Indian, and 1,302 sundries. Quotations to-day are:—Middling American, 9.63d; Brazil Fair, 9.63d; Peru G.F. Mod-Rough, 11.50d; Smooth, 11.28d; Egyptian Sakel, 15.75d; Uppers, 12.10d; West African Mid., 9.33d; East African G.F., 10.95d; and Tinnivelly F.G.F., 8.55d.

MANCHESTER, August 19, 1926.

The tone of the market has been firmer, partly owing to the hardening movement in raw material rates, and partly as a result of spinners of American yarns putting up their quotations in accordance with the Basic Prices Scheme of the Masters' Federation. On the whole, the higher figures have been resisted by buyers, and it has been difficult for producers to sell at top rates. Inquiry in cloth for India has been fairly extensive, and a moderate turnover has taken place, but practicable demand in grey staples remains disappointing. China merchants are discouraged by the position abroad, and low exchange is an unfavourable factor. No business of importance has been done for the minor outlets East and West, buyers being content to purchase odd lots. There are anticipations of increased activity after a settlement of the coal dispute. Spinners of American yarns have been firm at the basic prices, but they have not been able to sell very much. An irregular business has been reported in Egyptian counts.

(1.) Comparative Statement of the Cotton Trade.

	Price, Aug. 19, 1926.	Previous weeks in 1926.				
		Price, Aug. 12.	Price, Aug. 5.	Price, July 28.	Price, July 22.	Price, July 15.
Raw Cotton—Mid. American.....per lb	9.63	9.35	9.80	10.10	10.06	9.89
—Sakellaridis Fully Good Fair Egyptian.....per lb	15.75	15.25	15.90	16.25	16.30	16.15
Yarns—32's twist.....per lb	153	15	15½	15½	15½	15½
—40's twist.....per lb	162	15½	15½	15½	15½	15½
—60's twist (Egyptian).....per lb	27	26½	27	27	27	27½
32-in. Printers, 116 yds, 16 by 16, 32's and 50's.....	25 6	25 0	25 0	25 0	25 0	25 3
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's.....	29 6	29 0	29 0	29 0	29 0	29 3
38-in. ditto, 38 yds, 18 by 18, 10 lbs.....	14 9	14 6	14 6	14 6	14 6	14 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.....	14 0	13 9	13 9	13 9	13 9	13 9

OTHER METALS.

TIN.—The market for tin exhibited firmer features following higher Eastern and American cable advices. Slight irregularity, however, was noticeable at times due to realisations, though offerings were well absorbed. Dealings in standard cash were recorded at £290 5s to £295, £294, and three months £285 to £289, £288 10s. Sales in the East were reported at £291 2s 6d to £294. COPPER values also improved, while influenced by firmer advices from New York, and dealings were on a liberal scale. Later movements showed slight irregularity and weakness, owing to larger offerings of near dates. Standard cash sold £58 7s 6d-£59 2s 6d and £59, three months £59 2s 6d to £60 and £59 16s 3d. LEAD quiet but fully steady. Good, soft foreign pig, August, sold £32 13s 9d, £32 17s 6d, September £32 10s, October £32 7s 6d, £32 11s 3d, November £32 5s to £32 8s 9d. SPELTER maintained, while firmer for distant positions which attracted chief attention. August sold £34 to £34 7s 6d, September £34 5s to £34 8s 9d, October £34 10s-£34 11s 3d, November £34 7s 6d-£34 13s 9d, December £34 12s 6d-£34 15s per ton. ANTIMONY quiet. English, £74 10s to £75; China, crude spot, £45, shipment £39, regulus afloat £65, shipment £66 ton c.i.f. QUICKSILVER, spot, £15 5s to £15 10s per bottle. ALUMINIUM quiet. Home trade £118, export £120 per ton. TIN PLATES quiet. I.C. Coke prompt 21s 6d to 22s, forward 20s. 3d., per box f.o.b. Swansea.

Estd.



1862.

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(II.) Compared with Previous Years.

	Price, Aug. 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	9.63	13.11	16.33	15.38	13.88	9.68
— Sakellaridis Fully Good Fair Egyptian.....per lb	15.75	29.55	25.85	16.35	18.00	16.00
Yarns—32's twist.....per lb	15.3	20.1	25	21	20.1	17.1
— 40's twist.....per lb	16.1	20.1	25.1	21	19.1	16
— 60's twist (Egyptian).....per lb	27	36	36.1	29	28.1	29.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	31	35	30	32	30
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	35	39	34	32	29
38-in. ditto, 58 yds, 18 by 16, 10 lbs	14	9	17	10	18	17
39-in. ditto, 57 yds, 16 by 15, 8 lbs	14	0	16	0	16	3

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—More interest has been shown in wool and tops during the last week or two, and although district holidays have resulted in the closing of mills in various parts of the West Riding, it is an undoubted fact that trade in raw material and tops has improved, and this is reflected in firmer quotations. Users, both in this country and on the Continent, cannot ignore the fact that the only source of supply will be in London until the new clip wools are available, and it looks as if competition will be keen at the auctions which open in Coleman street next month. Already some fair weights of the wool withdrawn from last series have been taken privately, and all reports agree that stocks of fine combing wools are by no means plentiful in France and Germany. More interest has been displayed in practically all classes of tops this week, and in many cases topmakers are quoting from 1d to 1d more than a week ago. Some of the larger firms, evidently influenced by the wool position, are inclined to quote well above the market as a protective measure, and spinners who have sold yarn at low prices may yet find themselves in a difficult position if they have not covered in tops. Even crossbreds are moving more freely, and it is clear that the big weights of wool, both merino and crossbred, taken in recent weeks for Russia have greatly strengthened the hands of holders. There is not much change in the yarn section, and developments cannot be expected until the coal dispute has been settled, but quotations for fine yarns are very firm. Crossbreds are still very quiet, and prices remain irregular. Uncertainty regarding delivery is holding up business in piece goods, but prices are firm. The general impression is that business will expand as soon as the industrial outlook becomes clearer.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Very little cable information has been received from overseas during the past week, from which it may be inferred that there has been no important development affecting the wool trade, and that there has been no rainfall worth recording. It has been pointed out more than once that the quantity of wool to be sold in Australia during the current season cannot possibly be as large as last, as there is no surplus to be disposed of. This is better than having a large remnant from any preceding clip, as such is liable to be used in an attempt to frighten the trade into lower wool prices, particularly with manufacturing conditions such as exist to-day in the West Riding of Yorkshire and on the Continent. It is far better for each year's production to be got rid of as it comes on to the market.

The general outlook for the raw material must be regarded as satisfactory. It is expected that, without allowing for the large carry-over from the previous season, the current clip will be slightly smaller, but here again this need not be interpreted as an argument that there will be a scarcity of raw material, and that prices will therefore show any distinct advance. All the probabilities point to supplies being adequate for all needs. Some improvement is taking place in the financial position of France, which means that wool users in that country will still be able to take large weights, though it is obvious that further strenuous efforts will have to be made both on the part of the Government and the public if real financial stability is to be achieved. Some think that France will not operate on a large scale, but it is equally as reasonable to anticipate that big weights of wool will be taken, and certainly every effort will be made to maintain the output of piece goods. Competition will no doubt be keen. Endeavours will be made between firms in this country to get the business offered, and there will be similar keenness in competition

between British and Continental spinners and manufacturers. So far as this country is concerned, there is no prospect of any reduction in overhead charges, and consequently cloth is not likely to be any cheaper.

THE JUTE TRADE.

Bad weather conditions in India for a time prevented the free imports of raw jute into Calcutta. Offers of raw jute to this market again became extremely scarce, and all prices were considerably advanced. This week, however, under improved conditions and the subsidence of the flooding in India, sellers are offering to accept lower prices. Spinners are not to be rushed in their purchases of their requirements for next season, and are only picking up a parcel here and there when the price is reasonable. Religious troubles are stated to be responsible for the lack of offers of native baled jute, and never before has there been so little material offering at this period of the season. At all consuming centres buyers are anticipating a decline in values of the fibre, and are deferring their purchases. First Marks actuals for shipment to Dundee are obtainable at £32 for August, and at £30 for September. The Daisee crop prospects are meantime uncertain on account of damage by caterpillars. This class of jute is in consequence sparingly offered. Sellers are quoting £26 for assortment for September-October shipment.

There is little business being negotiated in yarns. Buyers are endeavouring to further depress prices by taking only small quantities, but spinners are most determined in their efforts to keep up values, and the majority will not yet sell at less than 3s 1d for common 8-lb cops and at 3s 2d for 8-lb spools. Some spins are obtainable at 3s and 3s 1d respectively. All other yarns are only being moderately dealt in at unchanged prices.

The dull monotony of the cloth end of the trade continues. Manufacturers are all complaining of a lack of orders of substantial proportions. The rate ruling for 10½ ozs. 40 ins. hessians is 4½d, and for 8 ozs 3½d is wanted. It requires actual business to test whether less than these prices would be accepted.

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HIDE, LEATHER, AND ALLIED TRADES.

The hide market remains firm. Many yards are still working in a reduced input, and this keeps stocks of leather low. At the auctions held in Bermondsey on Thursday last three classes of best ox hides were withdrawn, the two light selections making 6d to 6½d—an advance of ½d on last prices. All seconds advanced ½d, whilst cows sold in best grades from 5½d to 5½d. Best calfskins were steady at 6½d for heavy to 11½d for lights. Lambskins sold from 2s to 8s, and pelts from 4s 6d to 7s each. The English demand for imported hides has been quiet, but the wants of Germany and Russia have kept prices firm at origin, and 7½d to 7½d has been paid for best Argentine ox. Dry hides also share the firmness in the world's hide market. Cables from Chicago report the market as weaker, with best heavy packers, however, still selling at 15 cents.

Trading in sole leather is much better than might have been expected, and manufacturers are now taking moderate quantities of 10-12 lb bends from dry hides. Upper leathers are slow, although sampling is being freely done. Coloured kid and willow are still the best sellers, but there are slight signs of a revival in the demand for black kid. Curriers are badly off for orders, but there is a good demand for sheep leathers for clothing and glove-making purposes. The boot trade is quiet, and short time is being worked in most centres. The Russian boot is being pushed for all it is worth, but so far there is no definite sign that it will be popular amongst women this winter.

VEGETABLE OILS AND OILSEEDS.

Markets generally have been on the easy side this week, and prices all round have had a declining tendency. Linseed oil has met with little demand from consumers, and has lost on the week, current value being around £34 per ton naked ex Hull mill for prompt delivery and all positions, including January-April. Cotton oils have continued weak, and crude Egyptian has receded to £36 15s, and ordinary refined to £38 per ton, without attracting buyers. Soya palm kernel and other vegetable oils are quiet, and quoted lower.

In the oilseed section little has been passing in linseed pending the Argentine crop report, which is expected to show a decreased acreage. Sellers have thus been pressing sales, Plate on spot and afloat offering freely at £16 8s 9d, and August-September at £16 10s, and meeting with very little response. An early transaction in the new Plate crop for January-February shipment is reported at £16 7s 6d to Hull. Cottonseed has continued in poor demand, and black Egyptian is easier, old crop being offered at £9 7s 6d on spot, passage, and August loading. The nominal value of the new Egyptian crop is £10 7s 6d for October loading. Soya beans are inactive, and new crop for November-December shipment is quoted at £11 7s 6d.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—No change in prices of spot parcels. There was a moderate clearance in British refined, but imported met with but quiet attention. Forward positions also quiet, and prices mostly easier. Czecho granulated, ready, sold, 14s 9½d; September quoted 14s 10½d; November-December sold, 14s 7½d, f.o.b., Hamburg, Dutch J, ready, sellers, 14s 10½d; November-December, 14s 9d, f.o.b., Rotterdam. Canadian granulated, August-September, quoted 15s 6d, c.f. and i. terms. Crystallised West India, steady, at 26s to 27s for good to fine, lower kinds being virtually cleared. Cuban basis 96 per cent., August-September, quoted 11s 8½d, c.f. and i., U.K. White terminal quiet and easier. August sold, 13s 5½d to 13s 4½d; September, 13s 5½d; December, 14s 3d; March, 14s 9d; May, 15s per cwt.

COFFEE.—A quiet but steady tone pervaded the spot market. Costa Rica bold sixes sold, 16½s to 19½s; East India, Coorg, 160s; Vera Paz, 150s 6d to 158s 6d; Maragogipe, 200s. Futures quiet.

COCOA.—Only small transactions on the spot at about late rates. Accra easier forward, and F/F, November-January, sold, 45s to 46s, and 45s 6d, f.o.b.

TEA.—Quantity of Indian auctioned during the week amounted to 37,700 packages, and with a generally good demand recent rates were obtained for most descriptions, though common and low medium disclosed slight irregularity. Pekoe sold, 1s 4½d to 1s 10½d; orange, 1s 6½d to 2s 1½d; broken orange, 1s 4½d to 2s 9d. Ceylon sales of 30,500 packages soon cleared to a brisk demand at mostly 1d to 1½d per lb advance. Pekoe sold, 1s 4d to 1s 10d; broken orange, 1s 6½d to 2s 1d per lb, in bond. 8,600 packages Java and Sumatra were offered, and with generally subdued competition prices marked a

weaker tendency for the lower qualities, but fine brought steady rates. Broken pekoe sold, 1s 6½d to 1s 8½d; pekoe souchong, 1s 2d to 1s 2½d; orange pekoe, 1s 4½d to 1s 7d; broken orange, 1s 1d to 1s 10½d per lb, in bond.

RICE.—Market without new feature. European demand is quiet at previous prices, with continued sales in S.O. to Cuba, August-September, 16s 1½d, c.f. and i. Spanish and Italian slow. Beans and peas quietly steady. Business in Japanese peas, September-October, 25s 4½d cwt, c.f. and i. terms.

SPICE.—Pepper in quiet request. Black Singapore, spot, 8d; August-October, 6½d. Lampong, spot, 7½d; May-July, 7½d; August-October 6½d; October-December, 6½d. Muntok, spot, 1s 2d; May-July, 1s 1d; August-October, 11½d; October-December, 11½d. Tellicherry, spot, 10½d. Aleppy, 10d. Zanzibar cloves, spot, 9½d to 9½d; August-October, 8½d. Pimento, spot, 6½d. Tapioca nominally unaltered, also sago flour.

FRUIT (Dried).—Currants market remains dull. Amalia, quoted 30s to 31s; Gulf, 32s to 35s; Pyrgos, 29s to 30s; Vostizza, 40s to 53s; Patras, 31s to 33s; Australian, 38s to 48s. Sultanias quiet. Smyrna, September shipment, 47s; Australian, 66s to 84s; South African, bleached, 70s to 76s. Dates in fair demand both for home trade and export. Siam, quoted 11s 3d to 11s 9d; Khadowie, 15s to 16s; Hallowie (cases), 22s 6d to 25s. Raisins: Capes sold steadily at 37s to 42s; Lexias, new crop, quoted 40s to 45s. Evaporated fruits inactive apart from some inquiry for Australian apricots. Californian apricots, fancy, 137s 6d; Australian, 125s to 135s; South African, new Royals, best, 140s. Plums, Californian, 20/30, quoted 105s; 50/60, 52s; 90/100, 37s; Oregon, 30/40, 63s; 35/45, 55s. Pears, Californian, extra choice, 72s 6d; fancy, 82s 6d; Lake County, fancy, 90s. Apple rings, Californian, extra choice, 50s to 60s; September-October shipment, 48s; Canadian, spot, 50s per cwt.

CANNED GOODS.

CANNED FISH.—There is no improvement in the demand for sardines, though suitable size fish in small supply. Portuguese, ½s, quoted 4s 3d to 6s per dozen tins. Salmon quiet, and tendency easier. Red, tall, 1 lb, 54s to 56s; tall pink, 26s to 27s; ½ lb, pink, 39s to 41s. Lobsters steady. Best ½s, quoted 157s 6d to 162s 6d, and ¼s, 90s to 92s 6d. Japanese crab firm, and arrivals are quickly absorbed. Crayfish in limited supply.

CANNED FRUIT.—Trade continues quiet for the time of year, and prices are correspondingly low, the cheaper grades being in most request. Californian Bartlett pears, 24-2½s, quoted 12s 6d to 13s 6d; seconds, 10s to 10s 6d. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Pines in quiet request, both on spot and for shipment. Italian tomatoes slow, but prices firm for new pack.

CANNED MEAT.—Market quiet, though trade is fairly brisk for Danish lunch tongues. Corned beef 6's quoted 38s to 46s, as to quality. Danish lunch tongues range from 122s 6d to 132s 6d; American quoted 135s, with best 140s to 142s 6d. Ox tongues firm. Cooked boneless hams, Danish, continue in demand, at 1s 8½d per lb. for cases of six tins.

CONDENSED MILK.—Market quiet, at the recent decline. Machine-skimmed ranges from 10s 6d to 11s 6d. Full cream, 20s to 25s. Full-cream evaporated: A good trade continues for this class, at prices ranging from 19s 6d to 21s, according to quality.

HONEY.—Trade generally quiet, but there is a regular demand for New Zealand. New Zealand quoted 50s to 85s; Australian, 40s to 50s; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

In fair support, and market slightly firmer. Plantation standard sheet, spot, sold, 1s 7½d; September, 1s 8d; October, 1s 8½d; October-December, 1s 8½d, 1s 8½d, and 1s 8½d; January-March, 1s 8½d and 1s 8½d per lb.

GENERAL.

SHELLAC market stronger. T.N., spot, quoted 127s 6d to 132s 6d, August, 126s; October, sold, 127s 6d; December, 122s 6d to 123s per cwt.

COPRA market dearer on increased buying orders. F.M.S. Straits, August-September and September-October, Rotterdam, sold,

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£28 12s 6d, £28 13s 9d; Dutch East Indies, £28 8s 9d; Ceylon, August-September, quoted £29 15s; South Sea, F.M.S., afloat, £27 2s 6d; August-September, £27 5s; Manila, August-September, to Marseilles, £27 5s; smoked South Sea ditto, £26 15s; Palm kernels stronger, August-October, to Liverpool, sold, £26 10s per ton.

JUTE.—Prices opened the week higher due to Calcutta buying orders received by cable, but later a downward movement set in as demand on spinning account remained sluggish, with some irregularity in attendance, and advancing again. Firsts, August, sold, £29 10s to £30, £28 10s, and £30 15s; September, £28 15s to £29, £27 10s, and £29 10s; October £28 5s to £28 15s, £27 5s, £28 15s; November-December, from £28 12s 6d to £27 2s 6d and £28 10s. Lightnings quiet at proportionate figures of 25s per ton under firsts. Hessians and twills are easier, with business limited.

HEMP.—Manila opened firmer, but eased later as buying orders became lessened, though again improving. J, September-November, sold, £44 10s to £44, and £44 10s; K, £34 5s to £34 and £34 10s; L, £34 15s to £34 10s and £35; M, £30 10s. New Zealand nominal. African sisal, No. 1, f.a.q., September-October, £43 10s, sellers.

MISCELLANEOUS.—Cocconuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £17 10s to £23; cinnamon leaf oil, 4½d; citronella, Ceylon, 1s 7½d; Java, 2s 5d.

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GENERAL EASTERN MERCHANDISE.

METROPOLITAN CATTLE.—August 19.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs (clipped)	8	4	to	8
Short Horns	6	0	to	6	Ewes	5	0	to	5
Herefords	6	4	to	7	Crossbred	..	..	..	..
Devons	6	4	to	7	Scottish	..	..	..	..
					Lamb—Downs	9	6	to	10

LONDON POTATO MARKETS.—August 19.

English King Edward's	s	d	Per Cwt.
Sharp's Express	4	0	to 5
Eclipse	4	0	..
Midlothian	4	0	..

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.			
COCOA—Duty, British grown, 9s 4d, foreign, 14s cwt	s	d	s
Trinidad	58	0	78
Grenada	58	0	69
Ceylon, plantation	70	0	90
Guayaquil	70	0	90
Bahia, finest	60	0	65
COFFEE—British grown, 9s 4d, foreign, 14s cwt	s	d	s
E. India, fine ord. g.d. mid. 122	0	147	0
Do good to fine	0	152	0
Costa Rica, ord. to mid. 120	0	158	0
Good to fine	0	162	0
Central American, g.d. ord.	115	0	130
Mid to fine	115	0	145
Colombian, ordinary	108	0	114
Do g.d. ord. to low mid. 112	0	126	0
Do mid to fine	130	0	155
CHEMICALS—			
Acid, citric	1	32	1 34
Nitric	0	3	4
Oralic, net	0	3	4
Tartaric, English	1	0	1 5
Foreign	0	11	1 0
Creosote of Tartar	80	0	81
Foreign	75	0	76
Alum lump	10/10	10/10	10/10
Alum	11/10	11/10	11/10
Do ground	11/10	11/10	11/10
Ammonia, carb.	32	0	33
Muriate, White	32	0	33
Sulphate	14	0	15
Argento, lump	66	0	70
Powder	66	0	70
Anthracite	66	0	70
Pearl do	66	0	70
Bleaching powder, per ton	9/10	9/10	9/10
Borax, gran.	22	0	23
Do crystals	23	0	24
Do powder	24	0	25
Calomel	4	2	4
Iodine, dry	1	0	1
Nitrate of Soda	13/5	0	13/7
Potash—Chlorate, net	0	32	0
Prussiate	0	8	0
Do Foreign	0	7	0
Sulphate	11	0	12
Sal-Acetone	1	10	2
Sal-Ammoniac	1	10	2
Soda Bicarb.	10/10	10/10	10/10
Crystals	5/10	5/10	5/10
Alkali	5/10	5/10	5/10
Caustic	14/2	16/10	16/10
Sugar of lead, white	0/10	0/10	0/10
Foreign white	44	0	46
Sulphate Quinine	1	9	1 10
English Brands	1	8	1 9
Foreign do	1	8	1 9
Sulphate Copper per ton	10/10	10/10	10/10
Zinc, out	9/10	9/10	9/10
Sulphur Flour	8/10	8/10	8/10
Do Roll	8/10	8/10	8/10
Vermilion, Chinese, per lb	4	6	4
English	4	6	4
Oil Peppermint, E.G.H. 90	0	95	0
COPRA—per ton, c.i.f.	s	d	s
Malabar, Aug-Sept	nom		
Ceylon	29	12	6
FMS Singapore	28	12	6
FM Straits	27	10	0
COCHINEAL	2/9	3/6	
DRUGS—			
Aloes, fine E.I.	0	150	0
Cape, good to fine	41	0	42
Balsam Peru	6	0	0
Opium	1	7	0
Camphor	2	11	0
Japan, refined	5	0	0
Cardamoms, Ceylon	5	0	0
Cantharides, China, per lb	3	6	0
Carbor-oil	85	0	95
Gum Benjamin, Sum., cwt	5/10	10/10	10/10
Olibanum, drops, fair to good	80	0	100
Ipecacuanha	14	6	0
Jalap	2	0	0
Musk pod, China	67	6	70
Oil, Cassia	8	0	0
Aniseed	2	10	2 11
Peppermint, Wayne Co. 70	0	75	0
Rhubarb, China fr to m.	3	0	3
DYE STUFFS, &c.—			
Galls, China	65	0	0
Turnerie, Bengal	nom		
Madras, Anger	25	0	0
Gambier, block	38	0	40
Cutch, ord. to fair	0	0	0
DYEWOODS—			
Brassil	18	0	0
Fustic, Jamaica	8	10	0
Cuba	15	0	0
Logwood, Campeachy	9	0	0
Honduras	10	10	0
Jamaica	7	10	0
Red Sanders	12	0	0
Sapang Ceylon	15	0	0
FLAX—spot—c.i.f.	s	d	s
Riga ZK	64	0	0
Fernau HD	0	0	0
Slaves U/A Medium	75	0	74
FRUIT—			
Oranges, Denia & Val. 300	0	0	0
Do	350	0	0
Do Cape	12	0	24
Lemons, Naples	0	0	0
Do	0	0	0
Do Sicilian	4	0	15
Do	7	6	20
Do Malaga	12	0	17
Grapes, Lisbon	0	0	0
Almeria	0	0	0
Val. Ona	5	0	9
Egyptian Ona	0	0	0
Apples: Australasian	0	0	0
Cleopatra	0	0	0
Jonathan	0	0	0
Tasmanian, Various	13	0	17
HIDES—Wet salted—			
Australian	0	5	0 6
West Indian	0	4	0 7
Cape	0	6	0 7
Lisbon	0	6	0 7
Dutch	0	4	0 7
New Zealand	0	8	0 11
Danish	0	6	0 7
Bacon, sngd.—Irish	127	0	140
Danish	124	0	130
Canadian	112	0	124
American	110	0	114
Hams—Irish	162	0	0
Canadian	146	0	165
Lard—Irish bladders	84	0	100
American boxes	56	0	79
Pork—per 8 lbs	7	0	9
Boef—Frozen	2	2	4
Scotch	7	0	8
Cheese—cwt—Canadian	80	0	88
New Cheddar	82	0	88
Cheshire	88	0	100
Dutch	52	0	92
Eggs, per 120—English	16	6	20
Irish	16	0	18
FLLOUR—280 lbs—			
London standard ex mil 48	0	0	0
RICE—per cwt, c.i.f.—			
Rangoon, No. 2	16	0	0
Broken 1a	15	6	0
ROBIN—per ton—			
American	31/10	39/10	39/10
French	32/10	0/10	0/10
SAGO—Pearl, per cwt	25	0	27
SHELLAC—per cwt—			
Orange, first marks	170	0	310
Second, fair to fine	145	0	165
TN Orange	127	6	130
Garnet, Lac. AO	125	0	130
Button—Pure	155	0	160
Blocky (TN)	115	0	117
SILK—per lb—			
Blue Elephant	16	6	0
Canton	19	2	0
Tussah	10	12	0
Re-reeled	0	0	0
Japan	25	6	27
Italian—Raw, fr. Milan	24	6	27
SHELLAC—M.-o.-P., per cwt—			
Manila, bold	26/10	8/15/10	8/15/10
Macassar	8/10	11/10	11/10
Sydney	7/10	11/10	11/10
W. Australian	7/10	12/15/10	12/15/10
Bombay	5/10	5/15/10	5/15/10

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SATURDAY, AUGUST 28, 1926.

No. 4,331.

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Government interest payments to the extent of about £15 millions, the end of the month should be negotiated comfortably. The discount market, though quiet, has been firm in tone, the general quotation for three months' bills being $4\frac{1}{8}$ per cent. Allotments for yesterday's Treasury Bills, which were for a larger amount than usual, were made at an average of over $4\frac{1}{16}$ per cent.

	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Aug. 6, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	2 (Dec. 3, '25)
Market rate (3 months' bills) ..	$4\frac{1}{16}$	$4\frac{1}{16}$	$4\frac{1}{16}$	$4\frac{1}{16}$	..

Thursday's Bank return showed an increase of £661,400 in the stock of coin and bullion, and a reduction of £282,300 in the note circulation. The Reserve was thus £943,700 higher, but the proportion fell slightly to 26.7 per cent., Public Deposits having increased by £9,177,400, while Other fell by £2,770,900. Government securities increased by £4,441,300, and Other by £1,095,100. Currency notes outstanding were reduced by £207,500 this week to £290,751,500, which includes £1,296,900 for notes called in, but not yet cancelled. The fiduciary issue is £233,204,600, or £14,797,900 below the maximum.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market is showing more weakness over the increasing firmness of money rates, but the cliques are still supporting their favourites, and rails are good on the July earning statements, which are uniformly above the showing of a year ago. Fresh capital issues are increasing, and industrial companies are seizing the opportunity to refund at lower rates. Short-term Government financing is expected in the middle of next month in order to take up maturing Treasury certificates. The effect of the higher Reserve Bank discount rate, and the growing autumn demands for money, is seen in the lifting of the Stock Exchange call money rate to 5 per cent. The activity in industry is well maintained, and although the increase in petroleum output is unsettling, it is improbable that the summer will see any general reduction in prices. The Reserve statement shows a ratio of 83.6 per cent. for New York, a small decline in discounts and Government securities, and a moderate increase in bill purchases. Discounts for the System show an increase, the higher rate here apparently diminishing the draft of local funds to the interior.

THE STOCK MARKETS.

The Stock Exchange is regarding the coal situation coolly, and business in many markets is rather better than usual at this time of year. Gilt-edged stocks have been dull, and movements in the foreign market have been irregular, but Peruvian Corporation stocks continue strong. Home rails have not maintained last week's rise, but Argentine railway stocks continue in demand on dividend prospects. There is a slight increase in the volume of business in the rubber market, and oil shares have been firmer. The tobacco market remains good, but textiles weakened on the reduction in the profits of the Calico Printers' Association. Elsewhere industrials have been rather quiet. The Kafir market has been affected by Cape operations in a few speculative favourites, and there has been considerable activity in Malayan tin shares.

THE COMMODITY MARKETS.

Though hopes of an early coal settlement have receded, there has been no retrograde movement in the commodity markets this week. Arrivals of foreign coal have been less in evidence, prices still showing a hardening tendency. Iron and steel consumers find it impossible to cover their requirements from domestic supplies, and resort continues to be had to foreign material when available. The cotton market has been taken by surprise by a bearish American crop estimate, and prices have been increased all round. Demand for piece-goods continues disappointing. A more cheerful tone than might be ex-

pected pervades the wool trade, and all classes of material have lately moved against the buyer. Wheat harvesting is proceeding satisfactorily in many countries, and with inquiry on a small scale prices have declined to some extent this week. Sugar is steady at recent levels. Coffee has been bought in fair quantities, but while the finer grades of tea have met with a steady sale, common and low medium teas are weaker. The rubber trade is featureless, prices having fallen from $\frac{3}{4}$ d to $\frac{1}{4}$ d on the week. Among non-ferrous metals tin has been irregular on fluctuating American and Eastern reports, copper is easier, and lead dull.

FOREIGN EXCHANGES.

The feature of the foreign exchange market during the week has been the weakness of sterling and the comparative steadiness of the franc, both French and Belgian—a complete reversal of the position of a few weeks ago. In the latter part of the week, too, it became apparent that the Reichsmark had been unpegged, but the event seems to have escaped general notice, judging by the absence of references in the Press, although the rate had hardened steadily from 20.40 on Monday to 20.35½-20.36½ on Thursday. Another item of interest was the fact that, although the rate for spot lira remained comparatively steady, there was a marked improvement for forward delivery, one month moving to 11 lira discount and three months to 15 lira discount as compared with spot. The dollar rate has moved steadily against London throughout the week. After opening at 4.85½-1½ on the 20th, it passed gradually through the levels of 4.85½-¾ on the 21st, 4.85½-1½ on the 23rd to 4.85 7-32-11-32 on the 26th. Yesterday the spot rate was 4.85½, and forward rates $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$ premium for one, two or three months respectively. There is, however, no need to attribute the present weakness of sterling to any sinister or mysterious influences, as there is every reason to believe that it is due merely to heavy buying of dollars for commercial transactions which are of a seasonal nature. Paris and Brussels have shown considerable steadiness throughout, after a slight reaction to lower levels during the middle of the week. This steadiness is, of course, due in part to the recuperative measures adopted in both countries for the re-establishment of their financial stability, and it may therefore be regarded as the measure of the success so far of the expedients put into force. Paris also has available large supplies of dollars from this season's American tourist traffic, which is by no means over, and sufficient is still coming into the Paris banks to influence a rather dead market. The note issue in Belgium has decreased during the week by 37 million francs, whilst in France it was similarly reduced by 512 millions, and a further drop of 500 millions was shown in the Banque de France weekly statement under Advances to the State. By the latest enactments, however, the Banque de France is empowered to create notes for the purchase of gold, silver, and foreign exchange, and these notes are not to be regarded as an addition to the legal limit. It seems, therefore, that the test of the present deflationary processes in France will only come if and when these foreign currencies, &c., are again disposed of, the crux being, of course, the subsequent fate of the additional notes issued for their purchase. Paris opened at 169½-170½ on 20th, weakened to 172-172½ on 23rd, but recovered to 169½-¾ on 26th, and was yesterday at the same level. Forward rates showed an improving tendency throughout, and stand at 3½f, 6½f, and 8½f discount for one, two, and three months. Brussels remained at about 176½ throughout, with slight weakness at 176½-177 on 24th. Spot is at 176½. Forward rates showed similar tendencies towards improvement, and are 2f, 4f, and 5½f discount for one, two, and three months. The lira shows no change on balance at 148½-1, although it weakened to 150 on 23rd, and improved to 147 on 25th. Forward rates have already been referred to. Berlin, as we have said, went steadily from 20.40 to 20.35½ yesterday, and the Reichsmark exchange is now, we understand, free both spot and forward. The present strength is probably due to the glut of money on the Berlin market, due to the large sums recently lent to Germany, which have converted an adverse into a favourable balance. The peseta at 31.70 is weaker, as

a result of political influences, such as the Spanish attitude with regard to Tangier, and rumours of differences in the higher administration in Spain, and dissatisfaction with the Dictator in high quarters. The other European currencies do not call for remark. The South American exchanges were dull, the milreis being $\frac{1}{2}$ weaker at 45½ on Thursday, and again lower at 45½-½ yesterday. The Argentine exchange is rather firmer at 7½-¾. In the Eastern exchanges the rupee is steady at 1s 6d after weakness at 1s 5 31-32d on 23rd and 24th; Hongkong and Shanghai are firmer at 2s 2½d and 2s 10d. Silver showed a sharp upward reaction about the middle of the week, and prices rose on 24th to 29½d for spot, and 29½d for two months' delivery on 24th, followed by a fall of ½d next day on active selling at the higher levels. Further selling, chiefly on China account, brought prices later to 28½d for spot and 28½d for forward delivery. The sudden rise referred to above is said to have been due to the postponement of the Indian Currency Bill. This postponement was quite a reasonable one, but the temperamental nature of the Indian Bazaars, which are amongst the largest dealers in silver, is a factor which must be taken into account. The yen touched its highest record of 1s 11½d-1½d on 20th, and remained in the neighbourhood of this level until yesterday, when it fell probably under the influence of a natural reaction to 1s 11 19-32d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 21st:—

EXPENDITURE.	£	RECEIPTS.	£
Supply Services	10,000	From Revenue ..	17,643
Interest, &c., on Debt	685		
Sinking Fund	1,407		
Decrease in debt	4,021		
Increase in Balances	81		
Sundries	1,447		
	17,643		17,643

Revenue yielded £17,642,600, against £16,469,900 in the corresponding week last year. Customs produced £1,876,000, against £2,135,000, and Excise £7,573,000, against £7,221,000. Estate, &c., duties yielded £1,890,000, against £1,080,000. Property and Income tax produced £3,936,000, against £3,792,000.

The week's operations reduced the National Debt by £4,023,000, and caused the following changes:—

	£		£
Sundries	310	Treasury Bills	+ 9,337
Public Department Advances ..	13,050		
	13,360		+ 9,337

The floating debt was reduced by £3,725,000 to £760,841,000.

FINANCIAL YEAR, 1926-1927 (April 1 to August 21, 1926.)

	£		£
Total Expenditure ..	317,419,489	Raised by Revenue ..	257,335,122
		Decrease in Balances ..	3,876,513
		Amount borrowed ..	56,207,854
Total	317,419,489	Total	317,419,489

ESTIMATES for FINANCIAL YEAR 1926-7†

	£		£
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—National Bank of Greece, Amalgamated Press, and Union Cold Storage. The chairman of the National Bank of Greece gave an exhaustive survey of conditions in that country.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and an analysis of the Swiss balance of payments in 1913, 1924, and 1925.

THE COAL CRISIS CONTINUES.

THE great coal stoppage of 1921 lasted 13 weeks. The present dispute has already exceeded that span by a month. The present week began with considerable hope that in one of two ways the deadlock would be removed, either by bold negotiation or by so great an acceleration of the drift back to work as to force the miners' leaders into an attempt at wholesale settlement. Neither expectation has been fulfilled. In the realm of negotiation there has indeed been one significant move, the miners' leaders having a long interview on Thursday at Downing Street with Mr Churchill and other members of the Government. The official report of this discussion is not available up to the moment of going to press, but it appears that the proceedings were abortive, in the sense that they produced no definite change in the situation. As regards the drift back to work, this has mainly been confined to the coal fields of the Midlands, and has not developed, as at one time it promised to develop, from a trickle into a stream. In the absence of fresh negotiations, the time-factor may ultimately compel such a development; but it is held back at the moment by the fact that it is only in the better-placed fields that the owners are offering terms likely to bring the men back in any numbers, while organised picketing is obviously effective as a deterrent. In some areas picketing has gone to the lengths of serious intimidation. In the present temper this was unfortunately to be expected. It is, of course, the elementary duty of the Government to protect those who wish to work, and in fulfilment of this duty the Home Office have drafted strong bodies of police into the troubled areas; but there are forms of intimidation against which police protection cannot be wholly effective. In those areas where the owners have been most successful in getting the miners back to the pits the terms are, generally, pre-strike wages and seven and a-half hours, in place of the old seven hours. In South Wales a few men returned temporarily on the basis of eight hours and pre-strike wages; but that movement, which never assumed any substantial proportions, has now completely ceased.

So any resumption of coal production on an important scale, whether through a negotiated peace or through the spread of patchwork district settlements, is little nearer than a week ago. Direct negotiations between the parties have failed; Government attempts to find a way out have failed; the churches and other unofficial mediators have failed. Yet in one way or another the deadlock must be approaching an end. Men of all shades of opinion realise that a negotiated settlement is in the national interest immeasurably more desirable than a drift into district agreements dictated by hard economic stress. The latter form of *dénouement* would carry with it no promise of lasting security or peace. It is worth while, therefore, to examine briefly the positions now occupied by the contending parties and by the Government. The mine-owners, to take their position first, are still trusting to economic circumstances to accelerate the drift back to work, and to bring about a series of district settlements gradually spreading over all the coal fields. Time is obviously on their side. The miners' executive, although freed from the bonds of the delegate conference resolution against change in hours or wages, have not so far screwed up their courage to make effective use of the power to negotiate which was conferred upon them last week. The Government's attitude is made clear by Mr. Churchill, to whom Mr Baldwin, since his departure in search of rest at Aix-les-Bains, has delegated his functions in regard to the dispute. Mr Churchill, in the course of

the last eight days, has made two public speeches, from which the Government's attitude emerges as one of *laissez faire*, coupled with a reiterated refusal of a subsidy, and a general readiness to use its good offices to explore any new avenue for peace, should such avenue be opened up by either party. One of the most notable and unsatisfactory facts about the position is that none of the parties appears any longer even to mention the Royal Commission's Report, except for the purpose of partial quotation in support of *ex parte* argument. The Government explicitly accepted that Report, and, although they departed from it when they passed the Eight Hours Act, have shown some willingness to implement its recommendations. When that Act was passed it was quite clear that its passage would lengthen and embitter the struggle. It has done so. But may not the road to a lasting peace yet be found if the miners' executive, with the time factor in this struggle relentlessly working against them, boldly accept the report, thereby compelling the Government to stand by their acceptance, and putting upon the owners the *onus* of prolonging the deadlock by being the only party to reject the proposal that the lines which it laid down should be taken as the lines on which the future of the coal industry should be worked out. Acceptance would not lead to peace unless it were also agreed that questions of interpretation of the meaning of the Report, where doubt arises, should be submitted to the arbitration of an impartial tribunal. The eleventh hour adoption of the slogan "back to the Report" would doubtless call for courage upon the part of Mr Herbert Smith and Mr Cook. But they might be rewarded by terms better than those into which time and economic pressure would eventually drive them, and they would save from its threatened relegation to oblivion of a valuable constructive piece of work, out of which a prosperous future for one of our greatest industries could be evolved. It is not too late for this line of solution to be attempted. But very soon it may be too late. Meanwhile, as our monthly Review of the State of Trade clearly reveals, the trade and industry of the nation are week by week paying a heavy price for the failure of the coal industry to put its house in order, and to face unpleasant facts which have been abundantly clearly revealed. The results of the stoppage, though very serious, have not been as catastrophic as some were inclined to predict, and, if a lasting settlement could now be achieved, we might yet pass over the threshold of the autumn with good hope of steady economic recovery.

DUMPING IN EUROPE.—THE ANALOGY OF THE SUGAR CONVENTION.

The consideration of the economic problems which are likely to be discussed by the forthcoming Economic Conference of the League of Nations has been somewhat interrupted by the coal dispute in Britain and by the renewed instability of the French and Belgian francs. The preparations for the Conference are, however, steadily proceeding, and the second meeting of the Preparatory Committee is expected to take place after the Assembly of the League is over. Though there may be delay, the issues remain, and we make no excuse for returning to the subject. In the following article a Continental correspondent recalls one of the very few occasions when co-operative action was taken in the nineteenth century on a first-class commercial issue, and compares with that episode some of the features of the present situation.

THE object of the International Economic Conference may be formulated thus: "The policy of economic nationalism and prohibitionism at present prevailing is an obstacle to the economic recovery of the world, and in particular of Europe, and forms a danger to the policy of peace."

The discussion of the problems with which the Conference is to concern itself and the methods for their solution is still in its infancy; and in this connection it is perhaps worth recalling the first example of the international regulation of an important industry. When, in the second half of the nineteenth century the European beet-sugar industry was in course of rapid development and its exports were assuming increasing proportions, France endeavoured, in the first place, to promote sugar exports by refunding to the sugar factories, on the exported sugar, more tax than

they had actually paid on those quantities of sugar. This indirect export bounty was soon imitated in other countries. In Austria, in the years 1875-76, things went so far that the entire sugar tax was eaten up by the bounties for exported sugar, and was even converted into a deficit. The European sugar market was controlled by the bounty sugars, particularly those of France, Germany, and Austria-Hungary. In England in 1875 the Customs duty for sugar was completely abolished. Soon afterwards, among the English sugar refineries and in the English Colonies, whose sugar was no longer able to compete with the bounty-fed European sugar, a powerful demand arose for retaliatory Customs duties against the bounty sugars. In 1879 a Committee was appointed by the English Parliament to inquire into the sugar question. After years of efforts, this Committee succeeded in 1887 in convening a Conference in London of representatives of almost all beet-producing countries. A Convention was concluded, in which the countries concerned bound themselves to abolish the bounties and to retaliate against the importation of bounty-fed sugars. But France withdrew from the convention, and in England itself it met with violent resistance from consumers and the jam industry. The Convention was not ratified.

In the year 1888 the indirect bounty in the shape of the sugar tax refund was abolished in Austria-Hungary, and in its place a direct bounty introduced, the maximum amount of which was fixed at 5 million florins per annum. Germany in 1891, in addition to the indirect export bounty, introduced a direct one, and doubled it in 1896. Austria consequently increased the direct bounty from 5 to 9 million florins. France in 1897 supplemented its high indirect export bounty by a direct bounty of 4.50f per 100 kgs. In addition to this, sugar trusts were formed in the beet-sugar producing countries, and took advantage of the high duties in order to keep the price within the country high, and thus indirectly place the consumers under tribute, in this way creating a big fund for the fight in foreign markets. This indirect form of bounty feeding of sugar exports reached increasing proportions. Sugar prices in the home markets of the export countries were often more than twice as high as the export price. The system of bounties called forth an enormous increase of production, and led to a severe crisis in the sugar market.

Against the extremely heavy dumping which resulted, the United States of America were the first to take action; they, in 1897, taxed bounty-fed sugar with a countervailing duty to the amount of the export bounty of the particular country. By this means the bounties were simply confiscated and reduced to an absurdity. In 1898 the East Indies followed this example. Under these circumstances the bounty countries became willing to negotiate respecting abolition of the bounties. In the year 1898 a Conference met for this purpose in Brussels. Owing to the resistance of France, which was only willing to abolish its bounties in part, and of Russia, the Conference was adjourned. After lengthy negotiations and under the pressure of Britain, the market which is of the utmost importance to sugar exporters, it once again met in Brussels in 1901. Meantime, it had become clear that the high sugar duties of the beet-sugar exporting countries represented a higher export bounty than the direct bounties. England, therefore, declared the reduction of the sugar duties to be a condition essential to an agreement.

The Convention was this time concluded. All the States participating bound themselves entirely to abolish the direct and indirect bounties, and not to fix the sugar duty higher than 6f. Although the duty of 6f still contained a bounty to exporting countries, nevertheless, by the Sugar Convention of Brussels, sugar production was, on the whole, brought back to its natural basis. Before the conclusion of the Convention, the sugar duties in Austria-Hungary amounted to 24 kr, and in Germany to 20 marks. The Convention countries bound themselves to tax bounty-fed sugars with a super-tax equal at least to the amount of the bounty. The Convention became operative, and lasted with various modifications until the outbreak of the war.

The results may be briefly summarised. The Governments which had until then granted bounties, saved the large sums expended for that purpose. Sugar became

much cheaper in the exporting countries. The consumers were released from the tribute which they had paid to the sugar industry. As the abolition of bounty was general, the mutual position of the exporting industries was no more unfavourable than previously, and in actual fact no decline took place in their exports. In the importing countries the prices of sugar were raised to the level produced by the competition between non-bounty beet sugar and cane sugar. Thus the natural fixation of the price of sugar was again restored.

Many points of resemblance with the present situation of many branches of production at once force themselves on the mind. Others will only become clear later. Let us try now to glance at a series of questions bearing upon the economic problems which are to form the subject of the International Economic Conference. In all quarters the dumping by French industry is complained of. The French reply that they are not dumping at all, that their export prices are the same as their home prices, while the recognised definition of "dumping" involves high home prices and low export prices. Foreign countries reply that the French inflation is equivalent to a premium on exports. Dumping by German industry is also again becoming the subject of complaint. The Germans point out that their exports are relatively small, and very much smaller than their imports. Foreigners reply that this is the natural consequence of the large credits which Germany is taking up from foreign countries. England, Germany, and Austria, which have stabilised their currencies, are suffering from an exceedingly large number of unemployed. Why these countries in particular? Will France and other countries, when they stabilise their currencies, fall victims to the same economic crisis? As all these questions show, there is still great uncertainty regarding the lesson which the International Economic Conference is to teach. The problem is much more difficult than that of the International Financial Conference which was held in 1920 in Brussels. The teachings of the Financial Conference were clear and unequivocal: countries must cease to cover their expenditure by the issue of paper money. They must balance their Budgets and stabilise the value of money. These were principles on which the directors of the note-issuing banks, the Finance Ministers and experts were agreed. The problems of economic politics are far more complicated, and there are great groups of interests facing each other. If this time it is more difficult to attain clearness, yet it is so much more important that we should do so.

THE SOUTH AFRICAN TARIFF.

(BY OUR JOHANNESBURG CORRESPONDENT.)

MR J. W. JAGGER, M.L.A., is a very keen supporter of Free Trade, and his advocacy led to some disagreement with General Smuts, the late Prime Minister, who is a keen believer in reasonable protection. General Smuts about three years ago was desirous of doing more railway work in the Cape Town and Pretoria workshops, and of importing less material from Europe. He had, indeed, ambitious ideas that it might be possible to build certain classes of locomotives in South Africa. Mr Jagger was at that time Minister of Railways, and in favour of purchasing the requirements of the railways in the cheapest market, though he probably would not have ignored the local manufacturers if it were possible to buy at a small percentage over the landed cost of the imported article. The disagreement between General Smuts and Mr Jagger was doubtless one of the factors leading up to the resignation of the Prime Minister immediately after the defeat of Mr Robertson, the late Administrator of the Transvaal, at Wakkerstroom. Mr Jagger has just issued an interesting pamphlet, entitled, "The Folly of High Customs Duties in South Africa." He points out that the upward tendency of the South African Customs Tariff is well marked by the general *ad valorem* duty. Between 1903 and 1925 it rose by successive steps from 7½-10 per cent. to 20 per cent. Whole classes of British goods are ad-

mitted at a low rate of duty, being of a kind greatly needed and not produced in South Africa. Yet between 1914 and 1924 the average duty on all British goods imported rose from 7½ per cent. to 9 per cent. The general fall in the level of prices produces the result that, while the absolute increase in Customs duties has been great, the relative increase has been greater. In 1925-26 the Customs revenue was under-estimated, being £8,233,700, or £200,000 above the estimate. For the current year, this revenue is estimated at £7,710,000, but Mr Jagger thinks this is also an under-estimate, as receipts in April and May were £109,000 more than even those for the corresponding period. He works out the under-estimate for the year at over £1,178,000, which would bring up the total receipts to £8,888,000.

One may point out that in relation to the facts of the comparatively small population, and that the whole of the Customs tariff is borne by the white population, a total of nearly £9,000,000 is enormous. By what scales shall we judge it? The actual estimate as modified by Mr Jagger is no less than £2,654,000 in excess of the yield in the year to March, 1925, of income-tax, dividend tax, and super-tax. It represents some 70 per cent. of the gross receipts falling under the control of the Commissioner for Inland Revenue. It compares with £8,272,000 paid in dividends last year by Transvaal gold mining companies. It is £1,902,000 more than the State share of the profits from leased gold mines for the ten years up to 1925, and is two and a-half times the amount received from taxation and State ownership of gold mines in the year 1925.

Mr Jagger recalls Sir Ernest Oppenheimer's estimate given to Parliament, that these duties represented £50 a year to the well-to-do artisan, and £25 a year to the average farmer. Sir Ernest Oppenheimer appeared to have bestowed an enormous amount of labour on these figures. The Minister of Finance declined Sir Ernest Oppenheimer's request for an investigation, declaring that Sir Ernest must be wrong, because his figures amounted to far more than the whole Customs collections. "If they did not, they would certainly be wrong, as it is the essence of protection to raise prices to the consumer by amounts which go not to the Treasury, but to the local industry. However, the incident is of interest as showing how little the authors of oppressive taxation understand the oppression which they inflict." Apart from this it is obvious that in arriving at the effect of high customs tariffs on the community one must not only take the actual Customs Revenue, but the profit which the wholesale and retail merchants make upon this factor in their landed cost, and upon which the profit is estimated. One can only guess at the ratio of profit-loading, but if one takes it at 20 per cent. for the wholesale merchant, and at 25 per cent. for the retailer, a figure of £12,800,000 results. After examining the conditions in different countries, Mr Jagger declares that it is very doubtful whether there is at the present time any country in the world where a tariff board has the confidence of the business community. Believers in the wisdom of boards in adjusting fiscal policy to national requirements are to-day as few as believers in the capacity of Parliament to perform the same feat, and, owing to the publicity given to its proceedings, Parliaments have some advantages which boards have not. He says:—"The question whether high tariffs are wise or foolish resolves itself into the question whether the course into which they tend to divert our economic life is in accordance with its organic nature, or does violence to it. All over the world, but nowhere more than in South Africa, this question is receiving from the increasingly unmistakable logic of events an emphatic answer that the course of high tariffs is the course of folly."

The author examines at some length the effect of these protective duties upon Union manufacturers. The policy of charging less duty on motor chassis than on the complete motor trucks, the bodies being built in the Union, has met with some success. The duty on chicory is now somewhere near 140 per cent., yet in the last two years the importation of ground chicory has increased. Despite duties, the Union imported more butter in 1925 than in 1922; more condensed milk, despite a considerably increased duty, more than three times as much wheat in 1925 as in 1922. Although the duty on clothing has been raised from 7½ per cent. in 1903 to 15 per cent. in 1925,

imports grew by £125,000 in 1925. Between July, 1925, and February, 1926, the wholesale price index of the British Board of Trade fell by 8.7, whereas that of South Africa only fell by 2.7, so that in all matters in which we have to face British competition we have lost no less than 6 per cent. in six months.

The visible balance of trade in favour of the Union was £21,467,000, but this is counterbalanced by the amounts paid for shipping, interest, and services no less than £23,110,000, according to the latest account supplied to the League of Nations. "The blind policy of high tariffs," says Mr Jagger, "is crippling our exports, and is inflicting a mortal blow on our most promising industries by making a present to their competitors of their natural export markets, on which our industries depend to give them such a volume of production as will make cheap production possible. If this is industrialism, it is suicidal industrialism."

Mr J. W. Jagger gives an amusing instance of the futilities of the Board of Trade:—One clause provides "for a duty on rails 'not exceeding 30 lbs per running foot.' This is equivalent to 90 lbs rails. The proposal was slipped in at the last moment, and passed unnoticed. In South Africa practically no rails heavier than 90 lbs are used. Tariff proposals are introduced without explanation. In the present case it would appear that the Government's advisers were under the impression that the weight of rails is estimated by the foot, and what they meant was to tax rails weighing less than 30 lbs per yard, but that they erred because in this, as in many other matters, they neither had knowledge of their own, nor consulted those who had. It is in this way that our tariffs are framed."

Mr Jagger traverses the argument that high customs duties tend to increase employment, pointing out that in Germany, where experts have been spending some years in devising high tariffs there were almost twice as many unemployed as in Great Britain. We have a problem of our own in South Africa. Europeans pay more of the Customs duties than others, high duties naturally load the dice against them in competition for employment. During the past year the employment of Europeans in manufacturing industries has remained almost stationary, while the number of other persons employed has increased four times as fast in the case of coloured persons, seven or eight times as fast in the case of natives, and sixteen times as fast in the case of Asiatics. At Durban there are now well over three thousand Asiatics employed; while on the one hand we are endeavouring to force the Asiatic to leave the country, we are with the other imposing taxes on the Europeans in order to keep industries going manned with Asiatic labour. "High Customs duties, in short, are crippling our exports, injuring our agriculture, mining, and manufacturing industries, keeping up the cost of our transport and other services, doing nothing to increase employment directly, but decreasing it indirectly, keeping back the European, and assisting natives and Asiatics in the struggle for life, and tending to depress both money and real wages."

THE ENGINEERING TRADES IN THE UNITED STATES.

(BY A CONSULTING ENGINEER.)

THE information gathered by the recent *Daily Mail* mission of trade unionists to the United States shows clearly that the causes of the prosperity of the engineering trades in that country are economic and social rather than technical. No doubt a good market at home is an important feature of the favourable economic conditions, and if the welfare of the workers in the engineering industries is gained in part, as has been suggested, at the expense of other sections of the community, that is not a matter with which engineers, in their professional capacity, are concerned. To a great extent the prosperity of the workmen is due to concerted efforts by all engaged in the industry, and, besides the obvious factors such as attention to physical welfare and to means for stimulating the interest and industry of the workers, we may recognise a further element of success in the great size and wealth

of individual concerns, making possible such an efficient production of specialised products that a kind of collective bargaining of the concern as a whole with the purchasing public may be said to exist, and to be of some significance. Professional men form associations the main purpose of which is to maintain fees at a level which they regard as reasonable; trade unions have played the same part for workmen; but the new American system, already effective to some extent if we take a large concern as a unit, seems to hold out much greater, and possibly disquieting, possibilities as the result of "rings," not of capitalists only, but of capitalists with their staffs and all the men on their pay-rolls.

Leaving these high matters, we may usefully consider certain matters of interest to professional engineers and relating to the nature of the plant and machinery used in the United States and to certain features of the supply of skilled labour. The latter is a point of importance, for the report definitely indicates the value of the skilled hand as a manipulator of machinery which multiplies his own output, while it suggests also, to the careful reader, that these men play another and an important part in rendering effective the efforts of the younger and less skilled workers.

The report does not disclose a general efficiency much higher than our own as regards the lay-out of plants, though unstinted praise is given in certain cases; but some of the references to particular machinery are significant. In New York, 100 men produce 1,000 tons of ice daily, "mostly by manipulating switches," and the delegates noted that the operations of filling and freezing were performed by one man, whereas in Britain two are required.

When watching a man making flask moulds by a process which eliminated 50 per cent. of the human element, Mr J. T. Kay, iron-moulder, said: "In England a man doing the same job would work twice as hard, do half as much, and earn half as much," a remark which is worth considering in all its parts. The same delegate made the following comment on a conveyor which transported and emptied moulds. "A similar type of work in England requires that a man must handle the boxes and cast the work himself. Here he simply puts the boxes on a conveyor and gets the maximum output with the minimum physical effort, and at the same time gets higher wages." In his own report, Mr Thomas Murray, patternmaker, wrote: "Nowhere did I see men waiting for the use of indispensable machines as is frequently the case in Britain.....Everywhere in the United States the pattern-shop machinery is from two to six times greater in quantity than in Britain. This machinery includes such useful aids to production as pneumatic drills, pneumatic screw drivers and mechanical routers." He then details the equipment of a shop employing 150 patternmakers, including 24 metal patternmakers, 1 Wadkin universal wood-working machine, 1 Oliver universal woodworking machine, 2 planing machines, 2 surface planing machines, 12 bandsaws, 10 Oliver circular saws, 1 self-feeding circular saw, 1 circular swing saw, 16 turning lathes with saddles, 8 face plate lathes from 20 feet to 2 feet in diameter, 4 large disc sanders with spindles, 6 smaller types of sanders, 6 routing machines, 4 adjustable type tool grinders, 72 steam and electric glue pots, always ready."

At a works where heavy machinery is manufactured "the delegates were particularly struck with the use in a machine job of a steel bed-plate, 200 ft long, costing £12,000. On this a "job" is clamped down and various tools used for its completion are assembled around it, thus enabling drilling, boring, and shaping machines to be used at the same time instead of laboriously moving the work from one machine to another." The general superintendent said that by bringing tools to the job instead of the job to the tools they could do in 100 hours what would otherwise take 144 hours.

At a works manufacturing machine tools, and in a bay of the machine shop, "which is 1,000 ft long and flooded by light from glass-panelled roofs," the delegates "watched a man in charge of a vertical boring machine perform his work at different heights by raising and lowering himself with the platform on which he stood with no more exertion than a single twist of a lever by his right hand. Near him was another skilled workman, who

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seemed to move almost languidly, controlling a horizontal boring machine with the same ease, adjusting it to any angle by a simple turn of the wrist; this simplified the application of power reducing the time of the boring operation by 30 per cent."

Manufacturers in the United States maintain their unflinching attitude towards ageing plant and machinery. The Carnegie Company is "engaged in scrapping seven mills, which, although containing modern machinery, are not considered up to date, and is building new mills at a cost of £4,000,000." Mr W. Mosses, industrial adviser to the Mission, quotes in his report the remark by an American manufacturer: "I have no permanent machinery."

Mr Alexander Browning, blacksmith, contributed an interesting report, including the following passages:—"At the Buick works at Flint I saw drop-forging being done on a scale I have never before dreamed of. They have 60 drop hammers at work, ranging from the 5,000-lbs Massilon steam hammer to the light old-time board hammer. In addition, they have 14 upsetting machines in operation. The die-sinking work is also under the supervision of the manager of the forge, who has altogether in his department a staff of 900 men with an output that has been as high as 4,000 tons per month. At the International Harvester plant at Chicago the drop-forging is superseding the casting, as at other places. This is best shown by comparing the firm's output of castings and forgings. The figures are: Castings 120 tons and forgings 130 tons per day. At both places I have mentioned every means is adopted to conserve human energy. The material automatically enters the furnace at one end and emerges ready for the hammer at the other. In other branches of smithy and forge work the practice is, more or less, the same as at home. In skill and the quality of work laid down, however, the home employer has a decided advantage over the American manufacturer."

As a general condition of efficiency the provision of power indirectly aiding the worker is regarded as of great importance. Mr W. Wells, vice-president of the Brooklyn Edison Company, said: "It has been computed that the American workman has on the average $3\frac{1}{2}$ horse-power of generated gas and electricity at his elbow." Mr Alexander Drowning, blacksmith, wrote in his report: "Our employers are cruelly handicapped by excessive taxation—especially local—in comparison with their American competitors, while in the matter of cheap and abundant electric power they are simply not in it."

The reference to taxation is not to the present point, but is interesting, and perhaps very significant in regard to the resources of employers in Britain in the matter of reorganisation of industry. Mr J. T. Kay, ironmoulder, referring to an estimate of $3\frac{1}{2}$ horse-power as available at the elbow of every workman, wrote in his report: "I proved the correctness of this statement during our tour."

A number of passages in the report suggest that the American manufacturer is at present enjoying the advantage of being able to procure skilled workmen in sufficient numbers to keep his works going very efficiently, while, at

the same time, he uses his boys and young men for any work in which they show aptitude, without going to the trouble and virtual or relative expense of training them by apprenticeship.

"The visitors saw the plant turning out 230-ton goods engines at the rate of two daily, all 5,000 employees working at top speed. In the pattern shop, which has a Scots foreman, William Yorkston, who has been with the company for 36 years, the delegates found that 80 per cent. of the workers were British, and in the machine shops 30 per cent."

The General Motors Corporation of Detroit employ 99,000 men, of whom 8,500 are of British origin. Mr E. Barth, general superintendent of the Chevrolet works, said: "One phase of our industrial development is the passing of the old apprenticeship system. Boys will not accept low wages to learn a trade when they can make from £1 to £1 2s a day after the age of 18 by doing work which can be quickly picked up. Not more than 2 per cent. of our skilled men served an apprenticeship; 60 per cent. of our boys went to high school."

Mr J. T. Kay wrote in his report: "I was assured by all American employers that there is the greatest difficulty in times of good trade in getting skilled moulders. Whenever I went into a shop I had only to look round for the best job—the most intricate and the one requiring the most skill—and in 75 per cent. of cases the moulder or moulders came from Europe, chiefly from Britain. No apprentice moulders are being trained in the United States. Throughout my tour I never saw one. Some employers are quite frank, and state that they depend for their supply of moulders on Great Britain."

The aspects of the report to which attention is directed in this brief survey are not as important as those relating to the greater matters of social economics and common-sense, but they may be of great interest to engineers generally, and are certainly of some significance with respect to the main purpose of the *Daily Mail* Mission, an undertaking well-conceived, excellently carried out, and likely to have important results.

THE FINANCIAL SITUATION OF CZECHOSLOVAKIA

(BY A CORRESPONDENT.)

FROM the very foundation of the Czechoslovak Republic the financial policy there, besides being faced by the usual difficulties existing in all countries after the war, had to deal with its own special currency problem. The deflation of the currency was carried out in Czechoslovakia to an extent unknown in any other State. The exchange rate of the Czechoslovak crown, which in the autumn of 1921, at the time when an attempt was made to restore the Habsburgs in Hungary, fell to below 6 Swiss centimes, reached its maximum value of more than 19 Swiss centimes a year later, and then permanently maintained itself at 15½ centimes, this representing a proportion to the American dollar of 30 to 1. The deflation

of the currency was achieved through a difficult economic, monetary, and financial crisis. The State finances, which for 1921 resulted in a credit balance, once more showed a deficit, and it was not until 1926 that the Budget showed a credit balance. The currency has ceased to be a problem in the finances of Czechoslovakia, because by the law enacting the establishment of a bank of issue, the activities of which began this spring, provision was made for the Czechoslovak crown to be stabilised at its present level. As a matter of fact, this had already been accomplished after the deflation proceeding in 1922, and this stabilisation has been maintained ever since. The present aims of the financial policy are to carry to their conclusion all the consequences resulting from the stabilisation of the currency in their bearing upon the national and State finances. These consequences at the same time form an essential condition for the permanence of the stabilised currency, since the fixing of the exchange rate against fluctuations upwards is a mere question of currency, technique, and administration, while fluctuations downwards can be guarded against only by the existence of adequate reserves in the Bank of Issue, which in the case of Czechoslovakia, as an export State, represent a considerable amount. Moreover, the prevention of such downward fluctuations presupposes an economic equilibrium exhibited in a credit balance of payment, and also it is conditioned by financial equilibrium, which cannot be attained by burdening output and consumption to such an extent as to menace the country's competitive ability.

As regards national and private finances, the first result of currency stabilisation was to bring about a solvency which had been disturbed by the movements of the currency during and after the war. As far as private finances are concerned, it is necessary to abolish what is left of control, which is to-day restricted only to the measures for the protection of tenants. A Bill for this purpose, and also for providing a State grant to the building movement, was introduced at this spring's Parliamentary session.

The country's competitive ability is adversely affected by the post-war burden of taxation, which was rendered more acute by the deflation policy. What is therefore necessary is to ascertain how much taxation Czechoslovak manufactures are capable of yielding, and then adapting the volume of taxation to a currency. A permanent commission of inquiry attached to the Ministry of Finance is investigating the amount of taxation per unit of manufacture, and several Parliamentary bills are in preparation for the purpose of reconstructing the taxation system. It is vital to reduce the taxation which is proving a burden on undertakings, and this is the purpose of a scheme for the reform of direct taxes, which will be submitted to Parliament in the autumn. The same applies to taxes which are detrimental to manufacture, as, for example, the tax on coal which has just been abolished as far as exported coal is concerned, and reduced as regards coal to be used in iron works. On the other hand, in the interests of Budget equilibrium, it is necessary to increase certain taxes on consumption, the rates of which are below what must be considered reasonable in view of the currency conditions. This process was carried out during last session in the case of the sugar and alcohol taxes.

The financial administration of the country, however, can only fulfil its task towards the national finances if the State Budget is in accordance with the country's economic yielding capacity. In order to achieve this, the Budget must, above all, be constructed in a manner corresponding to its function as basis of the State finances. With this aim in view the Budget for 1927 will be divided into four sections, including administrative expenditure, management of State undertakings, grants to autonomous bodies, and management of the State debt. The reason for this method is that each of these sections requires different principles of finance and administration if they are to be properly worked.

The main items among the State undertakings are the railways and the postal services. Hitherto they took their profits from the State Treasury, and borrowed the amounts which they required as investments. This led to a worsening of their situation, since the amounts which were necessary for these investments in the public interest did not result in any profit from the point of view of an

ordinary business transaction. Now, beginning with the present year, the railways and posts will retain the whole of their net profit, and, in addition, the Treasury will grant the railways 20 per cent. of the transport tax on condition that they contract no loans for investment purposes. This will guarantee an improvement in their future situation. In a similar way, other undertakings will be granted a quota of profits for investments according to their nature. Thus, no further debts will be incurred in this respect, and a large portion of the State finances will cease to cause concern to the financial administration, becoming, on the contrary, a source of increasing revenue.

The Budget of the actual State administration will also have to be stabilised. With this end in view a new salary scheme for civil servants has been introduced, replacing the present bonuses by a fixed salary scale. In the same way the Budget for next year will comprise, in the case of the Ministry of Public Works, all administrative State buildings (schools, law courts, &c.), with a specified time limit for their completion. In this way it is hoped to stabilise the main Budget items.

The grants to autonomous bodies are current items, since they represent the legal share of the State taxation to which these bodies are entitled.

The State debt, both home and foreign, which amounts to about 30 milliard crowns, still remains to be adjusted, and there is also a trifling remnant of the pre-war Austrian debt, and the Italo-French war debt. This amount includes 3 milliards of transitional debt, the consolidation of which forms one of the first tasks of the financial administration. This process of consolidation was very successfully inaugurated this spring by a home consolidation loan, in which one-year Treasury bonds to the value of about a milliard crowns and pre-war railway preference shares to the same amount were disposed of. All the one-year Treasury bonds will disappear from circulation this year. For consolidating the remainder of the transitional debt, the arrears on taxes, &c., from previous years have been reserved. During the present year a vigorous activity has been set on foot for settling all arrears of payments. The revenues derived from this activity, and the separate revenue items exceeding the normal Budget estimate, will, by the forthcoming financial law, be reserved for the consolidation of the transitional debt. This will make it unnecessary to seek for credit abroad. From the point of view of political economy, foreign credit is justified only for currency and export purposes, and for such profit-yielding investments, for the realisation of which we need not only financial help from abroad, but also material assistance in the form of raw materials, machinery, &c. Otherwise, foreign credit leads to an artificial super-import and super-consumption, which is more expensive than home credit, and is a burden upon the balance of payment.

The State Budget for 1927 will show a credit balance, even after payment of all sums for investments. The expenditure of the State administration will amount to 10½ milliard crowns, including interest. This includes nearly 1 milliard of current items arising from the fact that, as has been mentioned, the State will grant autonomous bodies financial assistance from certain State taxes. The whole of the State administration itself will therefore require less than 10 milliard, and the whole of this amount will be covered.

Finally, the process of general consolidation will involve also a codification of financial law, a step which is particularly necessary in our country, not only in view of the post-war conditions, but also because hitherto the divergent Hungarian law has been applicable in Slovakia. The codification of direct and indirect taxation is in progress, a new customs scheme is under consideration by Parliament, and a code of financial penal law is being prepared, together with a scheme of financial management to adjust the form, the application and control of the State Budget.

In conclusion, to sum up the present condition of Czechoslovak finances, it can be said that they are satisfactory. The currency has been stabilised, and the National Bank has at its disposal more than the necessary reserves, which this Spring were strengthened by the conclusion of a revolving credit. The State finances show

a credit balance. This does not exhaust all the tasks to be dealt with by the financial administration, which will continue the process of reconstructing the State Budget in such a way as to get rid of taxation tending to hinder output and enterprise. But this will be possible only step by step, and according as the various post-war obligations, such as grants to disabled soldiers, cease to operate. It will depend also upon the manner in which the rest of the State revenues progress. For the purpose, however, of judging the financial situation, the decisive factor is not merely the position at any given moment, but the tendencies of its development. Even a favourable situation can give reasons for concern if it contains within itself the potentiality of a decline, while, on the other hand, an unsatisfactory state of affairs may be regarded as hopeful if it possesses an element of advance. The reason why the finances of Czechoslovakia are satisfactory is not only because the State finances are in a favourable and balanced condition, but chiefly because they contain those elements which may be safely regarded as leading to improvement. The rapid manner in which the considerable deflation crisis was overcome forms the best proof that the country is rich in economic resources which guarantee the favourable advance of the national finances.

BRANCH SHOP COMPANIES.

ALTHOUGH the prevalence of depression in most branches of trade and industry, with its accompaniment of unemployment, must have resulted in a diminution of the spending power of the community, we find that the big branch shop companies have, during the past twelve months, been able more than to hold their own. An analysis of the accounts of 16 old-established undertakings shows that in only six cases were net profits less than those for the previous twelve months. It is apparent from this that most of the companies must have paid considerable attention to staff efficiency, for in few other spheres of business is sound organisation and management such a vital factor in determining failure or success than in the control of branch shop undertakings.

Our first table shows the amount brought forward from the previous year's accounts, the net profit, after payment of debenture interest, and the distribution of the available balance:—

Name and Year Ended.	Brought In.	Net Profit after Payment of Deb. Int.	Distribution of Available Balance.			
			Prof. Div.	Ord. Div.	To Reserve, &c.	Carried Forward.
Austin Reed	Feb. 20, '25	£ 16,339	£ 44,639	£ 10,161	£ 17,360	£ 15,000
Baker	Feb. 20, '26	18,457	44,091	18,706	15,260	10,000
(Chas.)	Jan. 31, '25	Dr 56,077	Dr 45,756	..	..	7,500
Bobby and Co.	Jan. 31, '26	20,838	69,794	44,250	13,420	13,000
Boots Pure Drug	Feb. 10, '26	19,962	66,244	44,250	13,794	8,000
Home and Colonial	Mar. 31, '25	210,552	654,837	96,750	360,000	256,010
Hope	Mar. 31, '26	152,629	688,473	96,750	360,000	150,010
Brothers	1925	65,358	341,246	129,000	120,833	73,125
Horne	Feb. 28, '25	83,646	395,148	123,000	210,833	45,415
Brothers	Feb. 28, '26	27,429	82,408	16,500	40,000	23,000
International Tea Stores	Feb. 28, '25	30,337	75,906	16,500	40,000	17,000
Maynards	Feb. 28, '26	8,337	69,337	18,500	22,500	6,954
Maynards	Apr. 30, '25	123,048	326,721	53,500	170,000	100,000
Maynards	Apr. 24, '26	124,614	357,483	59,373	170,000	125,000
Lipton, Limited	Mar. 31, '25	42,884	86,712	104,000	..	25,597
Maynards	June 30, '24	2,097	30,844	50,000	..	Dr 25,000
Limited	June 30, '25	130,163	75,633	3,390	43,830	25,000
Maypole Dairy	1924	129,756	84,704	3,390	165,900	10,000
Meadow Dairy	Jan. 3, '25	137,487	215,410	107,500	377,708	20,000
Parke, Chemists	Feb. 28, '26	35,263	239,939	45,000	156,250	25,000
Pim Brothers	Jan. 31, '26	48,962	273,911	52,500	156,250	65,000
Plummer, Roddis	Feb. 7, '25	1,234	7,045	2,382	4,500	1,347
Rego Clothiers	Jan. 31, '26	1,347	7,227	2,382	4,500	668
Walton (Isaac)	Jan. 31, '25	2,730	1,865	5,500	7,500	10,000
	Feb. 7, '26	17,597	12,221	5,500	7,500	816
	Feb. 7, '26	18,738	35,509	3,875	16,953	18,738
	1925	7,035	40,643	3,980	18,111	23,790
	Jan. 31, '25	9,575	26,839	8,400	11,250	5,000
	Jan. 31, '26	10,428	21,590	8,400	11,250	2,000

(c) £117,200 of this amount to be capitalised.

The Maypole Dairy Company was conspicuously successful; Pim Brothers also have a satisfactory increase in profits to record; and good results were shown by the Home and Colonial and Horne Brothers. After the un-

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satisfactory experience of 1924-25, Charles Baker recorded a welcome recovery, and by earning a profit of £14,860 were able to reduce the loss of £56,077 incurred in the previous period to £41,217, the whole of which is carried forward. The actual figures, however, are not so satisfactory as they appear on the surface. The sum of £16,173 was received during the year in settlement of the claim for refund of Excess Profits duty and Corporation Profits tax, and this amount was included in the gross profit of £29,817.

The most unsatisfactory experience of all fell to the lot of Liptons. Once again the company disclosed a drop in profits. The directors, it will be remembered, stated in their report that a most exhaustive inquiry is being energetically instituted into the organisation and management. This suggests that the administration of the concern is faulty, a view which was put forward at the annual meeting. It would, at the same time, be interesting to learn what policy the directors have been pursuing in regard to advertising in recent years. In the meantime, shareholders can only hope that the investigation now proceeding will bear fruit. There is a good deal of satisfaction in knowing that Sir John Ferguson has been appointed deputy-chairman and financial director. His wide experience of financial matters should aid this well-known concern to get back to more prosperous times. Rego Clothiers—a newcomer to our list—has enjoyed its first year as a public company. The results are eminently satisfactory, and while we hope the concern will be able to maintain its profit-earning power, we also trust the directors will take advantage of the opportunity to build up a strong financial position.

The position as it affects shareholders is seen in the following table of dividends for a number of years past:—

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
Austin Reed	%	%	%	%	%	%	%	%	%	%	%	%	%
Bobby and Co.	10	6	6	8	8	10	10	10	12	12	12	12	12
Baker (Charles) and Co.	6	3	7	8	8	12	25	10	5	5	nil	nil	nil
Boots Pure Drug	20	25	30	30	30	30	30	15	25	22	25	25	27
Home and Colonial (A.)	6	5	4	6	8	10	15	10	6	10	10	10	10
Hope Brothers	nil	nil	nil	7	12	12	12	12	12	12	12	12	12
Horne Brothers	9	10	7	10	12	12	12	12	16	18	19	20	20
International Tea Stores	6	nil	nil	7	12	12	12	12	12	12	12	12	12
Lipton	10	10	10	20	40	50	50	20	20	20	40	45	50
Maynards	16	100	100	25	125	100	100	37	12	12	12	12	17
Maypole Dairy (Def.)	16	100	100	25	125	100	100	37	12	12	12	12	17
Meadow Dairy	4	6	4	7	7	10	10	10	7	7	7	7	7
Parke, Chemists	7	7	9	10	12	12	12	12	5	5	5	5	5
Pim Bros.	8	5	5	7	8	10	15	10	10	10	12	12	13
Plummer, Roddis	..	..	..	..	..	..	..	..	..	..	..	..	..
Rego Clothiers	..	..	..	..	..	..	..	..	..	..	..	..	..
Walton (Isaac)	..	..	..	..	..	..	..	..	..	..	..	..	..

* Free of income-tax. † Paid on a larger capital.

On the whole, shareholders in branch shop companies have little to grumble about as regards dividends for 1925. Two of the undertakings in our list—Lipton and Baker—were unable to make payments to their ordinary proprietors, but elsewhere dividends were at least equal to those for 1924; in many cases they were higher. The rate of dividend paid on the ordinary capital of Boots Pure Drug was reduced from 36 to 33 per cent., but the higher payment was made on a capital of £2,400,000, whereas the present figure is £2,900,000.

The principal balance-sheet items are compared below with those of the previous period:—

Name and Year Ended.	Share Capital and Reserves.	Debentures and Loans.	Creditors.	Properties, &c.	Stocks.	Cash.	Investments.	Debtors.
Austin Reed—	£	£	£	£	£	£	£	£
Feb. 20, '25	311,022	46,258	51,732	263,465	141,098	3,461	9,000	10,598
Feb. 20, '26	480,885	64,508	27,474	316,840	131,138	119,789	9,000	12,190
Baker (Chas.)—								
Jan. 1, '25	215,500	161,270	36,318	119,928	166,688	11,087	..	7,478
Jan. 31, '26	215,500	141,295	38,594	118,429	144,974	11,750	..	7,452
Bobby & Co.—								
Feb. 10, '25	830,455	415,387	132,543	947,048	288,092	66,302	..	112,296
Feb. 10, '26	40,630	595,391	101,717	1,048,882	309,353	75,145	..	122,333
Boots Pure Drug—								
Mar. 31, '25	3,341,102	..	473,691	1,758,278	806,909	31,201	1,186,128	440,916
Mar. 31, '26	3,617,071	..	544,288	1,894,497	780,216	41,221	1,186,686	643,089
Home & Col. Str.—								
Dec. 27, '24	3,100,788	..	413,267	695,228	768,820	193,393	1,629,574	71,279
Dec. 26, '25	3,567,609	..	387,587	703,487	763,840	374,457	1,947,407	79,395
Hope Bros.—								
Feb. 28, '25	852,500	15,000	85,871	321,938	366,182	94,672	27,227	6,512
Feb. 28, '26	858,480	..	125,475	470,565	367,933	21,603	27,227	7,120
Horne Bros.—								
Feb. 28, '25	1,058,659	..	30,633	614,07	236,441	57,052	45,372	4,338
Feb. 28, '26	1,049,835	..	38,045	674,097	263,723	29,322	..	5,683
Internat. Tea—								
April 26, '25	2,184,906	194,182	391,843	1,173,064	788,135	113,446	51,000	285,344
April 24, '26	2,552,238	41,387	354,779	1,235,710	864,152	146,794	51,000	238,205
Lipton—								
March 31, '25	3,250,000	1,100,000	551,904	3,138,01	1,306,463	66,471	200,440	428,840
March 31, '26	3,150,700	1,109,917	473,233	3,015,007	1,094,153	..	305,902	471,863
Maynards—								
June 30, '24	307,279	29,681	61,913	337,968	98,915	1,090	119,565	37,722
June 30, '25	332,395	30,063	36,842	378,815	84,704	13,566	91,587	35,623
Maypole Dairy—								
1924	3,528,319	..	481,268	1,943,551	993,947	39,890	758,126	50,496
1925	3,545,508	..	194,077	646,970	588,683	184,256	2,206,059	48,894
Mead & Dairy—								
Jan. 3, '25	1,105,000	61,190	320,619	407,917	287,725	50,223	859,092	24,722
Jan. 2, '26	1,167,500	58,203	347,150	520,571	346,829	30,694	864,124	53,640
Parkes, Chemists—								
Feb. 28, '25	127,497	..	17,790	46,275	61,776	7,302	20,148	2,875
Feb. 28, '26	128,228	..	20,038	43,351	61,464	7,511	20,737	3,163
Pim Brothers—								
Jan. 31, '25	305,000	50,000	88,677	160,000	128,291	2,528	4,750	154,158
Jan. 31, '26	295,000	50,000	91,412	160,000	115,690	2,089	..	149,458
Plummer & Roddis—								
Feb. 7, '25	368,931	95,911	67,723	347,392	123,325	7,618	2,011	49,278
Feb. 7, '26	382,433	143,897	76,553	415,281	123,791	1,786	2,150	57,176
Rago Clothiers—								
1925	425,694	53,350	97,529	406,932	148,723	24,369	..	13,072
Walton (Isaac)—								
Jan. 31, '25	295,000	80,450	27,518	305,395	64,817	21,363	..	10,404
Jan. 31, '26	281,400	90,950	28,442	312,703	59,180	13,872	..	10,589

The latest balance-sheet of the Maypole Dairy shows £1,996,452 as shares in subsidiary companies, loans, and trading investments, whereas in the previous year this item was included under properties, &c. This explains the greatly reduced figure for properties, and the increased figure under the heading investments.

Changes of share capital were recorded by a number of companies. Austin Reed issued 150,000 cumulative preference shares at 21s each, thereby raising the capital from £298,000 to £448,872. The share premium account now stands at £7,014. Bobby and Co. left their share capital unchanged. The latest accounts, however, contain a new item of £252,959, represented by 2,500 6 per cent. registered notes of £100 each. Against this, however, sundry mortgages and loans have declined from £415,387 to £342,432, and sundry creditors from £132,543 to £104,716. Boots raised their ordinary capital from £2,400,000 to £2,900,000, as noted above. The Home and Colonial issued 350,000 ordinary £1 shares at a premium of 10s per share. This had the effect of raising the capital from £2,049,727 to £2,400,000. Of the premiums received, £50,000 went to the pension fund, and £50,000 to a new benevolent fund, the remainder being allocated to the share premium reserve, which now figures for £74,134. The International Tea Stores share capital now amounts to £1,950,000, compared with £1,700,000, owing to the issue of £250,000 7 per cent. "A" preference shares. At the same time, secured loans were reduced from £194,182 to £41,387. On balance creditors are lower, and while in most cases the holding of cash is higher, sundry debtors figure for more. Most companies show gains under the heading of properties, which shows that a policy of expansion and extension is being proceeded with.

We conclude with a table of share prices and yields:—

Description.	Share.	Price July 30, 1924.	Price July 21, 1925.	Price Aug. 27, 1925.	Price 2nd July, 1926.	Price 2nd July, 1926.	Price Aug. 26, 1926.	Present Yield.
Boots Pure Drug	£1	5 1/2	4 1/2	4 1/2	5 1/2	7 1/2	6 1/2	5 1/2
Chas. Baker, 8% cum. pref.	1	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Home & Col. Str., 6% cum. pref.	1	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	5 1/2
Do 15% cum. pref.	1	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	5 1/2
Do 15% cum. ord.	1	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	5 1/2
Do ord.	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Hope Bros.	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Do 5 1/2% cum. pref.	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Horne Bros., 7% cum. pref.	1	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Internat. Tea, 6% cum. pref.	1	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Do 7% cum. pref.	1	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Lipton, Limited, ord.	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Maypole Dairy, def.	1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Meadow Dairy, ord.	1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Do 7 1/2% cum. pref.	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2
Plummer, Roddis	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	5 1/2

The range of yields is not high, but a reasonable return is obtainable on some of the preference shares which are well covered as to dividend.

Notes of the Week.

A Tariff Claim Rejected.—The end of last week saw the publication of the report* of the Committee appointed by the Board of Trade, under the Safeguarding of Industries Act, to consider the application by the Hosiery manufacturers for a tariff on foreign imports. The application is rejected by the Committee, who, however, sweeten the pill by suggesting that if the imports of certain classes of goods, such as cotton hose and half-hose and cotton underwear continue to increase, the applicants should be given the opportunity of putting forward fresh evidence. The applicants demanded a duty of not less than 45 per cent. on all hosiery imports, whether wool or cotton, while the application was opposed by a committee of merchants and importers. The Committee answered a number of the salient questions in favour of the applicants. They found the industry to be of "substantial importance," that a duty would not injure other industries, that the industry was conducted with "reasonable efficiency," and that "unfair competition" in certain classes was being suffered from countries with depreciated exchanges. But on other points the findings were less favourable to the applicants. Only in the case of the cotton descriptions mentioned above were imports found to be "abnormal," or to be placed on the market here at prices impossible to the British producer; nor did the Committee consider that employment is at present "seriously affected." The inquiry is revealed by the report to have possessed many of the same unsatisfactory features as previous inquiries of this kind. The interest of the poor old consumer came in for as little attention as usual; and the evidence of the applicants was as incomplete as usual. They offered, for instance, no direct evidence as to wages in competing countries. Another point worth noticing is that, although the applicants are found to have passed the test for efficiency, the Committee include the following paragraph in their report:—

The opponents laid considerable stress on the advantages to be derived from mass production methods, and the Committee are inclined to consider that if any really serious attempt is to be made by British manufacturers to regain the trade in such articles as cheap cotton stockings and underwear, such an attempt is most likely to be successful if the example set by America is closely followed, and the production of a limited number of staple lines in large quantities by factories controlling the whole of the processes under one management is undertaken. The Committee would also suggest that the whole question of the cost of dyeing and finishing in the hosiery industry, as compared with other countries, might with advantage form the subject of an investigation by the hosiery manufacturers themselves.

From one point of view the hosiery manufacturers may account themselves unlucky to have failed in their application, for the grounds of their claim, though slender indeed, are no more slender than those which have enabled manufacturers in some other industries to obtain tariff protection.

The Coup d'Etat in Greece.—One of the half-dozen dictatorships of Southern Europe has fallen in the same abrupt and violent manner in which almost all these military Governments have gained their seats in the saddle. General Pangalos has been hurled from power, and his overthrowers declare that their purpose is to restore a constitutional régime. The veteran Admiral Conduriotis (the representative of an Albanian family from the island of Hydlira, which distinguished itself in the Greek War of Independence) has consented to resume the Presidency to which he was elected after the overthrow of the monarchy, but from which the dictatorship thrust him aside; and we must hope that under his auspices parliamentary Government may strike root in Greece again. It would be rash, however, to be optimistic—at any rate at this stage. The chain of violence becomes harder to break with each link that is added to it (as Greeks in

* Cmd. 2726. Price, 6d. H.M. Stationery Office.

Æschylus's time well knew). Conduriotis, who is an old man, is likely to remain a figure-head, and, meanwhile, all we know for certain is that General Pangalos has been knocked out by General Condylis. It may be true that it takes one nail to knock out another, but sometimes the result is simply to knock the second nail in in the first nail's place, with nothing to show for the change except fresh splits and splinterings of the wood-work on which this rough-and-ready carpentry is being inflicted. Therefore we shall hesitate to hail the latest revolution in Greece as the overthrow of the Greek dictatorship until we are sure that all the nails are out of the wood. Fortunately for the Greeks, they are a nation which, whether or not the bad Governments which it has got have been the Governments it has deserved, has always managed, somehow or other, to get on in spite of them. Under the execrable Government which they received from the Turks, the Greeks accumulated sufficient wealth and energy to make a successful fight for independence. During the last century, again, they have been execrably governed by one another and by foreign rulers whom they have imported in the vain hope that they might achieve the impossible task of reconciling Greek factions. Nevertheless, the national life of the Greek people, in contrast to the Government of the Greek State, has made remarkable progress. Consider the economic recovery of Greece from the disastrous Anatolian War of 1919-1921, and from the overwhelming influx of destitute refugees. The resilience and resourcefulness of the Greeks in this emergency have been admirable, and though they could hardly have solved the refugee problem as they have done without the benevolent and powerful assistance of the League of Nations, the League would have found the situation beyond repair if the first crisis had not been met by the public spirit of individual Greek citizens. Yet during these very years the political history of Greece has been a nightmare with interludes of comic relief. There is no reason to suppose that, in the immediate future, the contrast between Greek private and public life will become less acute.

Labour's Agricultural Policy.—A correspondent writes:—The Labour Party has produced its agricultural policy, or, to be more precise, a formal statement has been prepared and published which will be submitted first to the Trades Union Congress and afterwards to the annual conference of the party. Assuming it to be then approved, the public have now before them the proposals of each of the three parties. The Liberals were first in the field, in consequence of the initiative and insistence of Mr Lloyd George, and the Conservative policy was authoritatively announced not long after in the famous White Paper issued by the Minister of Agriculture. It may fairly be surmised that the policies of the other parties were carefully considered when the Labour policy was prepared. It is admittedly drafted so as to cover up, so far as possible, the wolf of nationalisation with the fleece of reasonableness and compromise. The State is, of course, to acquire the ownership of all agricultural land, compensating the owners on the basis of Schedule A annual value, which, however, is to be diminished in the case of the "inefficient landlord." As it is previously stated, broadly, that "landlords fail not only in supplying the necessary capital, but also in maintaining and promoting a good standard of husbandry," it would seem that most of them may be adjudged inefficient. The nationalisation of farming—as distinct from the ownership of the land—is dealt with circumspectly. The efficient farmer is assured that he "need fear nothing from the change," and that all present agreements and conditions of tenancy are to continue "until modifications are required to meet new circumstances." At the same time, County Council Agricultural Committees will cultivate land themselves "on a considerable scale," and "the public control of the land," treating agriculture as "a great public service," is the idea enshrined in these ambiguities. The position of landowners and farmers under the scheme is rendered the more obscure by a later statement that the provision of cottages, on the more remote farms, "is the concern of the farmers or landowners themselves." Why land-

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owners should build cottages when they have been dispossessed of their ownership or what inducement farmers would have to build cottages is not clear. Public ownership of land and public control of farming having disposed of two of the agricultural classes, it is interesting to see what the Labour Party propose to do for the third class, which should be their special care. After laying down the familiar propositions that workers are entitled to "a living wage," and to "an adequate standard of life" (to which everyone assents in general terms), the establishment of "the Agricultural Wages Board system" is attributed to the Labour Government. The system was in fact established by the Coalition Government, and although it was interrupted by the repeal of the Agriculture Act, it is not historically accurate to claim it as the invention of the Labour Party. Apart from a continuance of the system, accepted by all parties, of the regulation of minimum wages, the Labour policy offers the farm workers nothing which is not already included in the programmes of the other parties, e.g., allotments, small holdings, better cottages, social amenities, &c. The nationalisation of the means of distribution is more explicitly advocated. The importation of wheat and meat is to be placed in the hands of the Government acting through Boards or Commissions appointed for the purpose, milling is "ripe for nationalisation and transformation into a public service," baking and the price of bread are to be controlled or organised, the wholesale distribution of milk is to be nationalised, and it is stated compendiously that "the same principles, so far as circumstances permit, would be applied to other agricultural products." Where the attempt to apply a rigid theory becomes unnecessary, as in regard to such matters as agricultural research and education, the framers of the policy get into a sphere of common agreement, and generally there is much in the ably-written document which would commend itself to all well-wishers of agriculture. One declaration, however, seems cryptic. "The Labour movement," it is said, "believes in economic democracy." It is not very clear what this means, but so far as it is intelligible it would appear to be contrary to Socialist principles. The nationalisation of all the means of production and distribution, which is the avowed ideal of the Labour Party, might surely be described more fairly as economic autocracy.

The Spanish Claim to Tangier.—In a leading article last week we referred incidentally to the fact that the signature of the Italo-Spanish Treaty had been promptly followed by a revival of the Spanish demand for the inclusion of the international zone of Tangier in the adjoining and surrounding zone of Moroccan territory, which is under the protectorate of Spain. Tangier has been the chief port of Morocco (though it seems likely to forfeit that position to Rabat or Casablanca, now that the South has come under the protectorate of France), and is therefore the chief, and, indeed, the only, Moroccan town with a considerable population of Western residents, apart from the French official settlements in the French zone, and the four or five ancient Spanish settlements (known as the *presidios*) on the Mediterranean coast. Hence Tangier has been the one place in Morocco where the régime of the capitulations has been an important factor; and here its importance has been so great that, while the rest of Morocco has been partitioned into a French and a Spanish sphere of influence, in Tangier the capitulations have

blossomed out into a full-blown international régime. After long delays, arising from the standing jealousies of the foreign Governments concerned, and aggravated by the war, the international administration of the Tangier zone was put on a new basis by the inauguration of a "statute" in 1923; but this statute, while impressive on paper, has neither appeased international jealousies, nor improved the lot of the mixed population of the territory. The statute was negotiated and signed by Spain, Great Britain, and France (the latter Power also contributing the assent of her protégé, the Moroccan Sultan), but Spain accepted against the grain a settlement which thwarted the aspirations of France at the price of thwarting Spanish aspirations as well; and Italy was outraged because a claim to participate in the negotiations, which she persistently put forward, was persistently rebuffed. If, however, the signatories of the statute were too few for diplomatic peace and goodwill, the number of Governments to whom the statute gave a finger in the Tangier pie was undoubtedly too large for the comfort and prosperity of the local population. The unfortunate inhabitants of Tangier have found themselves saddled with a régime which is almost as expensive, as unworkable, and as unrepresentative as that with which they had previously been afflicted, and in one important respect they have been decidedly the losers. Until the inauguration of the statute, the administrative separation of the Tangier zone from the rest of Morocco was still juridically incomplete. It has now been sharply defined, and this has already had a serious effect upon the life of a port which depends for its prosperity upon intercourse with its hinterland. There is thus a strong negative argument resting on the unsatisfactoriness of the present arrangement, in favour of the Spanish demand that Tangier should be incorporated in the Spanish zone. Since the Spanish zone completely surrounds Tangier on the landward side, Tangier would probably experience immediate benefit from a removal of the customs barrier which at present intervenes between the two territories. On the positive side, however, uncontrolled Spanish administration would hardly be welcomed—even as an escape from their present ills—by the non-Spanish elements in the population of Tangier, that is by the other European colonies, among which the French colony holds first place, and by the native Moroccans. In these circumstances the best solution might be that Spain, with the consent of Great Britain and France, should ask for the administration of Tangier under a League of Nations mandate. The mandate might be of the "C" class, which would enable the Spanish Government to reintegrate Tangier with its hinterland. At the same time, the non-Spanish inhabitants of Tangier would secure a supervision over the administration on the part of the Permanent Mandates Commission of the League; and the manner in which the Commission handled the Bondelswarts case in South-West Africa shows that, even in a "C" mandate, the supervision of the League may be exercised with great effect.

Congress of Minorities at Geneva.—On the Wednesday, Thursday, and Friday of this week, in anticipation of the seventh session of the League Assembly, there has been held at Geneva, for the second time, a non-official congress of delegates representing minority groups in a number of European States. The number of delegates was about 100, the number of groups about 16, and the total population represented about 30,000,000. These figures are sufficient to show that the Congress, while necessarily organised on private initiative, is an important international affair, and its influence will be greatly increased by the wisdom of the procedure which it has laid down for itself. To begin with, only those groups are represented which have a pronounced national sentiment and an effective organisation. Secondly, the agenda are confined to general questions affecting all minorities as such, to the exclusion of particular grievances. In the third place, all proposals are ruled out of order which involve an alteration of existing international frontiers. The aim of the Congress is to improve the position of all minorities, within the framework of the existing frontiers, by promoting mutual trust and co-operation between the minorities and their respective Governments. Having already met twice, the Congress is likely to become a permanent annual institution, and if it remains true to the

moderate and statesmanlike spirit with which it has started, it may achieve great things. Consider, for example, the effect of delegates from Polish minority groups in five countries, including Germany, and delegates from German minority groups in ten countries, including Poland, meeting regularly at Geneva, and taking friendly counsel together. If a resolution from the Congress, with these German and Polish signatures figuring side by side, at the foot of it, is submitted to the Council or Assembly of the League, or to the Governments of European countries, could either the Polish or the German Government afford to give it less than their most earnest and sympathetic consideration?

British Labour and Subsidy.—While one or two of the Labour leaders, and certainly the officials of the Miners' Federation of Great Britain, are insisting on subsidy as a means of meeting the exceptional difficulties to which a number of industries are exposed, it is understood that this demand is in reality in conflict with certain broad decisions which have been taken by the movement. Within recent times it was necessary to reach a decision on the financial side of the public ownership of mines to be tendered in evidence to the Royal Commission on the Coal Industry; to decide the course of action in somewhat similar circumstances in the Electricity Bill, and finally to determine the policy to be incorporated in the land programme which has now been submitted to the electorate. In coal the decision was that the burden of expropriating the owners, both of royalties and of the mines themselves, should rest on the industry itself, benefiting by the drastic reorganisation which Labour opinion would introduce; in electricity the plea was that the concentration of the large generating stations should become definitely public enterprise, the cost being carried again by the reorganised and more efficient industry; and, finally, while relying so far on the instrument of the taxation of land values in the urban and semi-urban areas, the Labour plan involved payment of compensation to existing owners in land bonds redeemable over a period of years, the annual service of the bonds to come from the aggregate and valid rent charged to tenant cultivators. Whatever view is taken of the economic principle underlying these proposals, it is plain that in three of the largest problems official Labour has definitely ruled out subsidy. That does not prevent one or two leaders from continuing to commit themselves to the economic error that subsidy involves; but it is of definite value that the official movement should not have been misled into recommending it for the purposes of the economic change it has in view. These decisions have had a marked influence in the official Labour attitude towards the indiscriminate call for further subsidy in the coal crisis; the sober truth is that the Miners' Federation have persisted in their demand for something which has been rejected in principle by Labour, and, indeed, is contrary to the evidence which Labour gave to the Royal Commission, which evidence was endorsed as to chapter and verse officially by the Federation!

Iron and Steel Production.—The figures just issued by the National Federation of Iron and Steel Manufacturers show that the coal stoppage has brought the iron and steel industry practically to a standstill. Only eight blast furnaces remained in operation at the end of July, compared with 147 at the beginning of the stoppage, while the production of pig-iron amounted only to 17,900 tons, compared with 539,100 tons in April, and of steel ingots and castings to 32,100 tons, compared with 661,000 tons. With the aid of outcrop and foreign coal, however, rolling mills have been operating at a much higher rate than is suggested by these figures. This is borne out by a consideration of the import and export returns; imports amounted to 270,900 tons, and included 77,000 tons of billets, blooms, and slabs, and 41,400 tons of sheet and tinplate bars; this semi-finished material must have been the basis of much of the finished material exported. Exports of iron and steel in July amounted to 243,900 tons, and included 32,200 tons of pig-iron, 53,600 tons of galvanised sheets, 24,800 tons of tinplates and sheets, and 18,400 tons of black plates and sheets. The coal strike in this country has given a further stimulus to pro-

duction on the Continent, and in June both France and Belgium were producing pig-iron and steel at a higher rate than at any previous period in their history. The following table shows the production of pig-iron and steel in the first six months of 1925 and 1926 respectively for the United Kingdom, United States, and the chief Continental producing countries:—

	(In Thousands of Tons.)			
	Pig-iron.		Steel Ingots and Castings.	
	1st Six Months.		1st Six Months.	
	1925.	1926.	1925.	1926.
United Kingdom	3,379.1	2,273.7	3,776.7	2,869.5
Germany	5,484.8	4,097.0	6,727.0	5,219.5
France	4,027.0	4,498.7	3,511.6	3,997.2
Belgium	1,508.1	1,480.1	1,432.1	1,360.2
Luxembourg	1,121.9	1,185.5	996.0	1,063.9
U.S.A.	19,145.8	19,848.4	22,406.1	24,260.6

The chief features of the table, apart from the effect of the coal stoppage in this country, are the depression in Germany and the great activity of France and the United States. France is now producing at about 85 per cent. of full capacity, both in pig-iron and steel, while the United States production in the first half of 1926 was about 80 per cent. of the pig-iron capacity and 86 per cent. of her steel capacity. That production in Belgium in the first half of 1926 is not equal to that in the first six months of 1925 is due to the fact that in the early months of this year Belgian production had not recovered from the effects of the Charleroi coal strike. The following table compares the foreign trade in iron and steel of the chief producing countries in the first half of 1925 and 1926; in spite of the coal strike, exports from Great Britain in the first half of 1926 have slightly exceeded those for 1925, but exports from Germany, France, and Belgium are very much in excess of last year:—

	Imports.		Exports.	
	First Six Months.		First Six Months.	
	1925.	1926.	1925.	1926.
United Kingdom	1,396.1	1,370.5	1,831.7	1,900.8
Germany	640.1	437.2	1,466.6	2,235.7
France	95.5	97.1	1,696.6	2,024.6
Belgium and Luxembourg	257.1	270.0*	1,639.6	1,510.0*
U.S.A.	432.1	580.9	805.2	966.4

* Partly estimated.

Apparently Germany's policy of export bounties to counteract the advantages of the depreciating exchanges in Belgium and France has been largely successful, and Germany has again become the world's greatest exporter of iron and steel.

American Cotton Crop.—On Monday last the Crop Reporting Board of the Department of Agriculture of the United States Government published further statistics on the cotton crop. The figures were not equal to expectations, and had the effect of bringing about a rise in prices of about $\frac{1}{8}$ d a lb. The condition figure was given as 63.5 per cent., against 69.8 per cent. a fortnight earlier, and 62 per cent. at the same time last year. The indicated crop was stated to be 15,248,000 bales, against the previous estimate of 15,621,000 bales. In market circles, writes our Manchester correspondent, it was anticipated that the report would be more favourable than a fortnight earlier, and most private firms put out forecasts of about 15,800,000 bales as the probable yield. Should later developments be as favourable to the crop as in the past two years, the output may be 16,221,000 bales, but should developments during the remainder of the season be as unfavourable as during 1921, 1922, and 1923, the indicated yield is 14,800,000 bales. In a supplementary report, the Bureau states that during the period under review there was too much rain in most parts of the belt, which caused growth of the plants at the expense of fruit, and favoured the multiplication of insects. It is pointed out that boll weevils are rapidly increasing in many sections, and there is a possibility of material

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damage owing to the lateness of the crop. If these official advices are correct, the prospects for a big growth are decidedly worse. Lancashire traders are slow to believe unfavourable news relating to the cotton crop, and for some time in the Manchester market sentiment with regard to prices has been bearish. There now seems to be less probability of lower values, although an easier tendency may show itself a little later when farmers begin to sell their cotton.

Agricultural Stabilisation.—A correspondent writes:—The pessimists who proclaim the continuous decadence of English agriculture are not influenced by statistics. If they were the statement of crops and stock as returned in June last, recently issued by the Ministry of Agriculture, might induce them to modify their jeremiads. The general impression which these figures convey is that English agriculture has returned, after the prolonged war period, to a position of relative stability. The yearly reduction of the total agricultural area, due to increasing urbanisation, continues, but, allowing for this, there is no significant change. Arable land, although absolutely less, has relatively increased in a slight degree. Wheat and oats hold their own, and the only important crop which appears to be declining is barley. Sugar beet shows the most striking change, having more than doubled its acreage, and thus justified the exceptional and somewhat expensive measures taken to stimulate its cultivation. The fact that cattle still steadily increase, and have reached a record number, denotes confidence among stock-owners, and represents larger farming capital, while the addition of a million sheep also indicates an appreciable increase of agricultural wealth. A similar statement just published by the Ministry of Agriculture for Northern Ireland shows, on a smaller scale, much the same results, the principal changes being a somewhat marked reduction in the acreage of flax, and a substantial increase of pigs and poultry.

The Franco-German Potash Agreement.—The agreement entered into between the Deutsches Kalisyndikat and the Société Commerciale des Potasses d'Alsace has been extended to 1936, with the proviso that either party may terminate it after seven years on giving a year's notice, otherwise it may be renewed for periods of five years after the first ten years have expired. This means that Germany and France have arranged to divide the world's supply of potash between them, and will do so unless new sources are found in the meantime outside their control. The agreement provides for increasing production and stimulating sale "in order to obtain greater profits from the export trade." In other words, France and Germany will serve themselves cheaply at the expense of foreign purchasers. A Commission is set up to regulate sales. Germany starts with the supply for Eastern Europe, including Austria, Czechoslovakia, Poland, and the Balkans, while France supplies the Western European markets, including England. With regard to other countries, including the United States, Germany will be given 70 per cent. of this market, and France 30 per cent. up to a total sale of 840,000 tons, but after 825,000 is reached France is allotted a supplement of 3,000 tons, and all sales in excess of 840,000 are to be divided equally between the two countries. In case after five years the quantity exported has not reached 840,000 France receives special consideration, and sales beyond the total for tire

end of the sixth year will be divided equally between the two countries. Each country, of course, attends to its own requirements. In 1913 French agriculture only used 33,000 tons of potash, which had increased to 40,000 tons in 1925. Germany uses three times as much. Germany is by far the largest producer of potash. In 1925 German production amounted to 1,225,000 tons, compared with 310,000 for France, so that under the agreement French interests are getting more than their fair share. On the other hand, the Alsace mines, which now have the benefit of the service of German experts, are expected to increase production every year. The increase in recent years has been as follows:—

	Tons.
1920.....	199,175
1921.....	109,724
1922.....	208,993
1923.....	237,000
1924.....	274,000
1925.....	311,000

France consumed 94,363 tons, sold 73,000 tons to America, 21,000 tons each to England and Belgium, and 24,000 tons to Holland. Referring to these statistics, a French semi-official publication says: "These figures give an idea of the importance which will be attained in the future by the Alsatian mines in the world production. The Franco-German agreement on this question constitutes an event of indisputable importance in estimating the value of our mines."

Trade Union Funds.—A statistical return issued this week by the Registrar of Friendly Societies* gives details of the membership, income, expenditure, and funds of registered trade unions with 10,000 or more members in the years 1924 and 1925. At the end of 1925 railwaymen were in the strongest position with a membership of 398,600 and funds of £1,911,500. Next in numbers come the Transport and General Workers with 376,300 members, but the funds amounted to only £486,500. The Amalgamated Engineering Union, with a membership of 234,300, had funds of £1,835,600, expenditure during the year amounting to £1,158,700, including unemployment benefit of £473,900. The expenditure of the Boilermakers amounted to no less than £1,399,600, of which £1,154,000 was for unemployment benefit. These two unions received refunds of National Unemployment insurance benefits of £395,900 and £1,213,300 respectively. The Miners had funds at the end of 1925 of £1,155,400, as against £1,149,400 at the end of the preceding year. The General and Municipal Workers had at the end of last year a membership of 314,000 and funds of £429,400.

The Australian Budget.—Our Melbourne correspondent writes:—The Commonwealth Budget, presented by the Treasurer, Dr. Earle Page, on July 8th, shows that after providing for sinking fund and redemption purposes, £4,030,605 (inclusive of £1,000,000 supplementing the ordinary sinking fund), there was a deficit of £2,822,585 for the 1925-26 financial year ended June 30, 1926. The gross revenue collected by the Commonwealth was £72,285,373, of which £7,951,727 was paid to the States, leaving £64,333,646 available for Commonwealth expenditure, against which the expenditure was £67,156,231, leaving a deficit for the year of £2,822,585. These figures are arrived at by aggregating those in various "parts" of the consolidated revenue account in order to include the total revenue of the railways, Post Office, &c., on the one side, and the expenditure on the opposite side, instead of taking net figures according to the present official form. The estimates for 1926-27 show a gross Commonwealth revenue of £75,131,150, and after deducting £8,428,312 to be paid to the States, there remains a net Commonwealth revenue of £66,702,838, against which Commonwealth expenditure is estimated at £66,553,457, leaving an estimated surplus of £149,381. The estimated revenue

includes £1,500,000 from special Customs duties on petrol, tyres, and chassis for main roads construction. That no reduction has been made in Federal income-tax in view of the actual buoyancy of the revenue has occasioned disappointment, and the special petrol and other duties have led to active opposition from the various interests affected, including motor-car owners. The taxation collected by the Commonwealth during 1925-26 amounted to £54,373,007, and adding that of the six States, £23,295,189, the total for the seven Governments was £77,668,196, against £74,505,727 for 1924-5, and £67,361,729 for 1921-22. The buoyancy of late years is the result partly of generally good seasons and good prices, with which the country has prospered, and partly of the stimulus to imports from external borrowing, the effect of which is to enlarge Customs revenue by several millions per annum. As regards the States, the figures so far available for the past financial year show that several have substantial deficits, the largest of which is £1,274,303 in New South Wales. The season is shaping well in nearly all parts of Australia, the principal exception being in Central Queensland. The area under wheat shows an increase of about 2½ per cent., and a good harvest is hoped for, subject to the spring weather. Butter production also promises well.

The Bank of Italy Return.—The last monthly return issued by the Bank of Italy referred to June 30th, the transfer of the sole rights of issue, which took effect as from July 1, 1926, having been responsible for the delay, owing to the necessity for checking the gold assets and notes which had to be taken over from the Banco di Napoli and the Banco di Sicilia. The Banca d'Italia has 128 branches in Italy, and 8 branches in the Italian colonies, and both the southern banks have a considerable number of branches throughout Italy and the colonies. This is a sufficient explanation for the delay in arriving at the final figures to be embodied in the full returns as prescribed by the Bank statutes. A provisional return, however, has been issued showing the main items for July 31st. These figures cannot be compared with those previously published, but in order to indicate what changes have taken place, we give below, firstly, the aggregate figures for the three note-issuing banks (Banca d'Italia, Banco di Napoli, and Banco di Sicilia), as stated in the Treasury returns for March 31, 1926; secondly, the Banca d'Italia figures, from the last return before the sole issue rights were taken over, namely, that of June 30, 1926, and finally the above-mentioned provisional figures for July 31, 1926:—

(00,000 omitted.)

	March 31, 1926.	June 30, 1926.	July 31, 1926.
	Aggregates for Banca d'Italia, Banco di Napoli, and Banco di Sicilia.	Banca d'Italia before taking over Sole Issue Rights.	Banca d'Italia after taking over Gold Assets and Circulation of Southern Banks.
ASSETS.			
Gold in hand.....	1,134.5	893.7	893.6
Gold deposited abroad.....	419.0	381.4	381.4
Silver in hand.....	125.2	85.6	87.5
Foreign bills and balances abroad.....	317.3	275.5	273.2
Reserve transferred to Banca d'Italia from Banco di Napoli and Banco di Sicilia.....			
Total reserve.....	1,995.9	1,634.2	310.9
Inland bills.....	5,683.8	5,972.6	1,946.6
Advances to the Treasury.....	7,066.2	5,240.1	6,729.5
Other advances.....	3,747.4	3,039.7	2,855.9
Credit with Special Independent Section of Syndicate for Advances against Industrial Securities.....			
Investments (Government securities).....	3,451.8	2,618.6	3,408.5
Deferred payments at clearing houses.....	497.2	357.7	
LIABILITIES.			
Notes in circulation.....	18,295.4	14,098.6	118,319.0
Public deposits (Treasury account with Banca d'Italia).....	2,151.1	1,970.4	1,321.0
Other deposits and drafts.....	2,176.9	1,627.7	2,192.5

* The Special Independent Section of the Syndicate for Advances against Industrial Securities was created with Treasury sanction under the auspices of the note-issuing banks, with the object of liquidating the frozen assets arising from the post war bank troubles. The credit in respect of notes outstanding, which were issued on behalf of the section, is secured to a large extent by a special fund set up to meet ultimate losses (standing to-day at nearly 2,600 million lire) and for the balance by the aforesaid assets.

† This figure includes the total notes outstanding on June 30th, issued by Banco di Napoli and Banco di Sicilia, the amount of which was for 3,782.4 million lire. Of these an amount of 620.5 million lire had already been replaced by Banca d'Italia notes and the balance of 3,161.9 million lire will be gradually substituted.

Mining Notes.

Rio Tintos.—The alternations of exchange have produced marked fluctuations in inter-bourse securities recently, one of the prominent movements being in Rio Tintos. It is a fair surmise, writes a correspondent, that these shares have been the medium of large currency transactions, resulting in a more or less artificial market position. The Rio Tinto has the merit of being one of the cheapest of all copper mines to work on account of the nature and situation of the property, so that, even in lean times, its rate of profit compares favourably with those of its largest competitors. But the chairman at the annual meeting last April made it clear that the company's position, owing to agreements with the Pyrites Association, was not, so far as concerned that product, satisfactory, and notice to terminate at the earliest possible date, namely, after 1928, would be formally given in due course. Consequently, it is from the output of copper itself that almost, if not all, profit is derived. Until quite recently the price of the metal this year has been a receding one, and compared with the average of £62 a ton in 1925, it has been below £56, the current quotation being about £58 15s. To offset this there has probably been some reduction in costs, but any benefit in this direction can only have been partial; furthermore, at the meeting above referred to the chairman spoke of the need to replace out-of-date plant which would of necessity involve capital expenditure. The proposed international combine to control sales of copper, in which it is said 90 per cent. of producers are willing to join, may reach fruition, but the declared policy of the Rio Tinto board is to avoid all restrictive alliances, and, therefore, that company is likely to hold aloof. Naturally, however, any rise in prices through such an amalgamation would benefit the Tinto company. In the meanwhile results can hardly have been so good as over the same period last year, and the dividend outlook seems towards a decrease rather than otherwise, as the whole profit for 1925 was absorbed in that year's distribution.

Broken Hill Proprietary.—Last year's results of this important enterprise are scarcely what might have been expected, in view of the recent demand for the shares from Australia. In point of fact, so far from the accounts showing an increased profit, the contrary is the case, the surplus amounting to £303,000, as against £372,300 for the 12 months ended May 31, 1925, albeit last year's development allowance at £293,800 was slightly higher. Results from the Broken Hill properties were of a very gratifying character. The year's output was the best for some considerable time, and, of course, metal prices continued high. Prospecting by diamond drilling failed to reveal any new ore bodies in the company's original mine, but the Potosi will be a small source of supply in the future. Work was interrupted for a couple of weeks owing to the drought. Fortunately the rainfall which has since taken place ensures ample water supplies for over two years. As regards the iron and steel works in New South Wales, upon which the company's future is so largely dependent, numerous drawbacks were encountered, including an increase in the price of coal and reduced working hours. An onerous Workmen's Compensation Act has been imposed, and a further advance in the price of coal has taken place since the date of the accounts; so that altogether the outlook in respect of this branch of industry is not very hopeful, unless the company is successful in its application for an increased degree of protection. An enquiry has been opened by the Tariff Board, but the result is not yet known. A considerable change is shown in some of the balance-sheet items, owing to the sale during the period of the company's holding in the Broken Hill Associated Smelters. The entry "Shares in other companies" has been reduced, while the cash in hand and on deposit has been increased; the liquid assets now amount to £1,243,300, as against £1,040,100 12 months previously. By further redemptions, the debentures have been reduced, the "A" series to £467,000, and the "B" series to £1,105,800. The year's dividends totalled 10 per cent., as against 5 per cent. only for 1924-25, but even on the former basis the yield on the shares amounts to little more than 7 per cent.

The Transvaal Mynpacht Decision.—The fuller details now available of the reserved judgment in the case of the Transvaal Estate and Development Company *versus* the Union Minister of Mines, entail a modification of the original impression. The company was entirely successful in its application, but in the future conditions may be different. It may be recalled that under the existing legislation the Union Government is entitled to proclaim any farm as a public diggings, provided that evidence of mineralisation is forthcoming, but the company has the first right to one-fifth of the area as "mynpacht." The Transvaal Devels. Co.'s farm, "Forest Hill," was proclaimed in September, and the company proceeded to mark out its mynpacht. In December, however, the Minister of Mines withdrew the proclamation on the grounds that the whole of the area was not mineralised. As this set up a precedent, and might, moreover, be attended with very grave inconvenience to the companies interested, a number of other undertakings joined with the Transvaal Devels., and a test action was brought. In this the company, as already intimated, succeeded on all points, and was awarded costs. But, in giving judgment, Mr Justice Stratford laid down the dictum that "the size of the area proclaimed is within the decision of the Governor, who must be satisfied as to its payability." In this he would be guided by the report of the Government mining engineer. Hence it may be inferred that future proclamations will be restricted to areas which are believed to be mineralised. The stipulation as to payability, however, raises, it would seem, a very thorny question.

Oversea Correspondence.

UNITED STATES.—FOUR PER CENT.—STOCK MARKETS.—GENERAL MOTORS DIVIDEND.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 17.

THE increase in the discount rate of the New York Federal Reserve Bank from 3½ per cent. to 4 per cent., which was announced last Thursday afternoon, came rather unexpectedly, but did not occasion a great deal of surprise in Wall Street. Most observers had thought that a higher bank rate might be put into effect some time in September, after the return to this side of the water of Governor Strong. The possibility of an increase had been discussed in brokerage circles for a week or two, but chiefly on Thursday afternoons, and then not to any great extent. However, after the change was announced, everyone seemed to realise that the higher rate was a perfectly natural development. With autumn approaching, the commercial demand for credit has been increasing. The rate on bankers' bills, which is something of an index, has been on a level with the bank rate for some time. The share market has been active, and brokers' loans have been increasing fairly rapidly again. With these conditions prevailing, a firming up in the time money market had reflected the opinion of bankers that the price of credit would be higher toward the end of the year. In addition, the total volume of credit being extended by the Federal Reserve system was materially higher than a year ago. On August 11th, to be specific, the total holdings of interest-bearing paper were, for the system as a whole, \$58,000,000 larger than on the corresponding date last year. Discounts for members were \$11,000,000 higher; open market purchases of bills were \$19,000,000 larger; and holdings of Government securities were \$37,000,000 larger. And it will be recalled that the autumn expansion that came last year carried the volume of credit extended by the Federal Reserve system up to a higher peak than had been reached in any of the three preceding years. In short, the open market for money furnished a primary basis for an increase in rates, while the prospects of active trade, and a big share market, made action desirable unless a repetition of last autumn's speculative market were desired. In any event, good judges are well pleased

with the official action. They are glad that what they call the mistake of last autumn is not to be repeated. They maintain that by leaving the discount rates down until November, and then only moving up the rates of the out-of-town banks (the New York rate being left unchanged until January), an undesirable speculation was fostered, and an unhealthy position was built up. The Federal Reserve authorities apparently now see the desirability of making additional credit resources available at a penalty, and of not using their reserves to retard the advance in the open money market.

Widely differing views are expressed as to the effect which the higher discount rate is likely to have on the share market. The old-fashioned bulls point out the many memorable bull markets that were had before the war, when money was high. They say that the price of money doesn't matter when the public wants to speculate. On the other hand, there are those who maintain that things have changed since the Federal Reserve system has been in smooth operation. They say that previous experience does not count under the new conditions. Since last week's advance in the official rate nothing startling has happened. However, this is not surprising, as it frequently takes a week or so for a change in the bank rate to become effective. When the change was made the reserve bank protected the bill and government securities markets, taking over at the old rate, according to reliable information, the supply of bills in dealers' hands, and buying governments liberally. As a result, the call money market had remained easy, the rate on the Stock Exchange ruling at $4\frac{1}{2}$ per cent. Since the change the dealers have marked up their rates on bills one-quarter, the 30-day paper selling on a $3\frac{1}{2}$ and $3\frac{3}{4}$ basis, while the 90-day bills command $3\frac{1}{2}$ and $3\frac{3}{4}$. Time money goes for $4\frac{1}{2}$ and $4\frac{3}{4}$ for 30-90-day loans, and for $4\frac{1}{2}$ to 5 for the longer maturities. Some bankers expect that later on 5 and $5\frac{1}{2}$ per cent. money rates will be seen in the open market, and that the official rate will be moved up to $4\frac{1}{2}$ per cent.

In the share market the news of the change caused a mild and transient reaction, which was succeeded by a considerable show of strength. The latter was helped by the easy tone in the call money market, and by the efforts of the pool managers and bull operators, who apparently considered that a demonstration was needed to keep market followers from deserting their speculative favourites. Average share prices now are well above the tops reached in the big market of early this year. The quality of the market seems to have been deteriorating during the past few weeks, although it must be admitted that it is the "good" shares that have led—the rails and the standard industrials. Everything considered, the situation lines up very nicely for a test of the effect of a higher bank rate during a period of active and even expanding business. The share market has yet to feel the effects of the change in the rate, but it should have an opportunity to do so soon.

One piece of important industrial news coincided with that regarding the bank rate, and tended to cloud the issue at the moment. That was the declaration by the directors of the General Motors Corporation of the 50 per cent. stock dividend that has been referred to in these letters. The directors made the old 7 per cent. dividend rate apply to the new as well as the old shares, thus increasing the regular annual cash distribution on the old shares to a rate of 10.5 per cent. Other than this, no extra cash dividend was declared, but it is not unlikely that something of this character may materialise at the next quarterly dividend meeting. Following this action, the directors of the du Pont de Nemours Corporation, which owns some 1,300,000 shares of General Motors stock, a holding which corresponds closely with the number of shares of its own stock, increased the dividend rate on the corporation's common stock from a 10 per cent. to a 14 per cent. basis. A special meeting has been called to authorise a two for one split-up of the du Pont shares, but this split-up is not expected of itself to alter the situation with regard to cash distribution. Shortly before the declaration of the General Motors stock dividend the General Motors common shares touched a new high record of 225 $\frac{1}{2}$, this price comparing with a lowest of 113 $\frac{1}{2}$ in the March break. Since the dividend action the stock has sold down to 196 $\frac{1}{2}$ and up to 214.

FRANCE.—FINANCIAL POSITION—EXPORT PRICES AND THE EXCHANGE—PRIVATE ECONOMY TO BE ENFORCED—WHEAT SUPPLIES.

(FROM OUR CORRESPONDENT.)

PARIS, August 25.

THE Government is now making, simultaneously with the development of its plan for the restoration of the franc, strenuous efforts to minimise the serious rise in the cost of living which is the natural corollary of the present currency situation.

The position of the Treasury, judging from last Thursday's Bank statement, has ceased to be alarming. The debt to the Bank was reduced last week by 350,000,000f, increasing the available margin to rather over 1,500,000,000f, while at the same time the total notes in circulation were reduced by 612,629,000f, leaving, before the authorised limit will be reached, nearly 3,000,000,000f of paper money available for issue to meet the requirements of commerce and other needs that may arise. The demand notes for this year's direct taxation have now been levied in most parts of the country—although not yet in Paris—and taxpayers are generally reported to be doing their duty patriotically, both in the way of payments in advance, without waiting for their demand notes, and by liquidating tax obligations more promptly than usual.

The Bank statement last week was all the more satisfactory in view of the fact that payments of \$10,000,000 and \$350,000 fell due to the United States on August 1st, while £1,000,000 had to be paid to the Bank of England last Wednesday. To-day a further payment of \$2,500,000 to the Bank of England matured and was met without difficulty. These obligations may be regarded as being in part responsible for the recent unimportant renewed drop in the franc, but their influence is now regarded as dissipated, and the closing quotation for sterling to-night was again a shade under 170. August being the month of the heaviest payments of the current year on foreign account, and revenue from taxation of all kinds being now once more on the up-grade, no anxiety need be felt for the immediate future. Both the Budgetary problem and the Treasury problem—which are two quite distinct matters, although often confounded—being now apparently solved, while the return of confidence among French people themselves is being confirmed daily, the nation is seriously considering the methods that should be adopted to meet the very serious difficulties that will have to be faced in the near future in connection with the pending stabilisation and revaluation of the franc.

People generally now appear to have at last grasped the fact that commodity prices must be adjusted to correspond with the real value of the currency. It is now being realised that the steady rise in commodity prices is not because the cost of existence is becoming higher, but because the currency by which these prices are expressed has lost its value. As a result, domestic commodity prices are being increased daily, rises of as much as 20 per cent. in certain categories having been recorded during the past week. In other words, French domestic prices are now being lifted to the same level as those prevalent in countries which are on a gold basis. The fallacy of fostering exports at sale prices in francs that were below average world prices as expressed in gold is now realised, and so is the oft-reiterated truth that the apparent prosperity of the past three or four years has really been exactly the contrary, and must, if it continues, inevitably lead to the irreparable disappearance of the rest of the country's acquired wealth. This realisation of the facts of the situation is now supplemented by the recognition that the only means of returning to a normal state of affairs is for every citizen to restrict his expenditure to the proportions of his real income, which is the only practical deflation possible. The practical significance of some of the measures taken by the Government this week is as yet certainly not clearly understood by the population, but there are many indications that the nation has sufficient confidence in its present leaders to accept the several and in some cases onerous restrictions imposed, in the conviction that they will help right the situation.

The first of the three stages of stabilisation predicated by the Experts' report—"a period of pre-stabilisation, with the exchange oscillating about a rate more or less fixed in advance"—has now been definitely entered upon. "The maximum of advances to the State by the Bank" has been "definitely fixed"; the "rigid maximum" of the note circulation has been replaced by a "more flexible system" designed to obtain "until legal stabilisation permits the fixing of a proportion between the reserve (gold and exchange) and the circulation"; notes are being "issued against purchases of gold or currency," which are "not being counted as part of the maximum note circulation"; the reserve is being "strengthened by the acquisition of gold coin at home," by the Bank, "at a rate near the current exchange rate." The readjustment of internal prices which has now also begun is an integral and inevitable part of the stabilising operation. The second period of the movement—"stabilisation in fact"—will begin "at the moment when the Bank, having definitely selected a rate at which to stabilise, decides to purchase and to sell gold at a fixed rate, and to sell foreign exchange with a margin between the selling and buying prices corresponding closely to the export and import gold points." The delicacy of adjusting all these varying factors amply explains why the Government and the Bank have as yet been unable to fix the rate at which to stabilise the franc.

The measures foreshadowed during the present week have the double object of extending to the population as a whole the effort in the direction of economies which the Government has already begun to apply to public expenditure. They include provisions to restrict consumption, particularly of bread, the recent rapid rise in the price of which has had a marked effect on that of other foodstuffs. In order to reduce the quantity of wheat imported from abroad, steps are to be taken to enforce the use of stale bread on as large a scale as possible. The consumption of foodstuffs in restaurants being regarded as excessive, a return is to be made to the system practised during the war of restricting each customer to two courses. Simultaneously, the sale prices of foodstuffs and other necessities are to be rigidly controlled, and all prices are to be plainly stated. Mixed committees of consumers and traders are to be formed in every district to try to reduce prices to the lowest advisable limits. The vicious system of holding foodstuffs off the markets in order to keep up prices is to be rendered dangerous, and the dealers in the public markets are to be compelled to sell to private retail purchasers, after the wholesale trade has been satisfied, at the same prices as to buyers in large quantities. (This measure has already been taken in the Paris Central Markets with excellent results.) Cheap restaurants are also to be reintroduced under public control. The production of foodstuffs is to be organised on a systematic basis, "with a view to the better utilisation of the resources and natural wealth of the home and colonial territories."

A decree was promulgated this morning instituting closer control over the wheat supply, with the double object of preventing the speculation in bread-making materials which has been rampant during the past year or two, and of forcing home-grown wheat on the market, in order to reduce imports of cereals from high change countries. The new law stipulates for rigid declaration by growers of the areas laid under wheat, registration of all the bread-making cereals and flour in the country, and declaration of all quantities sold and conditions of sale. It is provided that permits must be obtained before any consignments of bread-making materials can be moved. The new law applies to Algeria and to the French protectorates and colonies, as well as to France itself. The Minister for Agriculture states that the coming harvest is above the average, and that the yield will be better than that of last year. At the same time he estimates that this country will require during the coming twelve months to purchase 10,000,000 quintals of foreign-grown wheat to meet requirements. One object of the present measures is to utilise for immediate use the grain that is known to be available in France, and thus enable the country to tide over, without appealing to foreign wheat, the period between now and the advent of new domestic supplies.

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The retail selling price of bread, which is strictly controlled by the various local prefectorial authorities throughout France, was recently reduced by 30c per kilo. It is announced, however, that the price will very shortly be raised by 5c in consequence of the recent increases in transport charges, the reimposition of an import duty on foreign wheat, and the recent renewed drop in the exchange value of the franc.

GERMANY.—BUSINESS OPTIMISM—FINANCES—CREDIT—INDUSTRY—FOREIGN TRADE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 25.

BUSINESS sentiment during the past fortnight has been increasingly optimistic. The revival in the coal and steel industries has been followed by an improvement in the textiles, paper, and other branches. The continuation of the Bourse boom, and the rapid rises of security quotations in the other chief Central European countries, have strengthened the optimistic sentiment. It is predicted, on grounds which are so far rather thin, that Continental trade is about to undergo a great revival. More favourable reports from Russia concerning the political situation, the crops mobilisation, and the currency, are playing a rôle in influencing sentiment. German crops will be about average, but behind those of 1925. The last official conditions index (for August 1st) shows a slight deterioration during July in all grain crops, except oats, and also in potatoes, while the sugar-beet crop considerably improved. The building market has greatly improved. The Republic has added 20,000 dwellings to the year's construction programme. The Minister of the Interior has refused a demand from the creditor side for a referendum on a Bill revising the Valorisation settlement. The formal ground given for this refusal is that a clause in the Bill increases the valorisation percentage for public loans from 12 $\frac{1}{2}$ (the present rate) to 50 per cent. of the original gold value. This clause, the minister holds, is equivalent to legislation concerning the Budget, and the Bill cannot, therefore, be the subject of a referendum. The Supreme Court has refused to recognise a Danish Court's judgment on "mark equals mark" basis, compelling a mortgagee to accept paper mark repayment of value the fraction of a pfennig. The Danish Court declared that article 242 of the German Civil Code, which requires a debtor to discharge his liability in accordance with good faith, and with business practice, does not apply to the case in point, and that the creditor could gain his case only if the paper-mark offer was, according to German understanding of the matter, contrary to good morals. The Supreme Court declares that the paper mark offer was, in fact, contrary to good morals. This judgment is the first in which the Supreme Court here has condemned any foreign judicial decision in favour of the "mark equals mark" theory. The Supreme Court adds that the fact that Germans themselves for years accepted the erroneous "mark equals mark" rule, does not justify a foreign court in perpetuating the error. This decision seems to have a very clear bearing upon the insurance lawsuit, which recently occupied the English Courts.

The federal finances are improving. They reflect the industrial and trade stagnation less than was expected. Gross receipts from taxation in July totalled 708,004,928 marks. With the exception of two months of 1925, this is the highest figure since the currency stabilisation. In April-July inclusive the first four months of the current financial year, taxes yielded 2,183 million marks out of 6,465 million marks, estimated for the whole financial year. July is the first month of a quarter, in which certain quarterly tax payments fall due; but the receipts in the corresponding months, April, 1926, January, 1926, and October, 1925, were only 584,600, and 674 million marks respectively. As a result of bad employment, receipts from income-tax deducted from wages are unsatisfactory, but receipts from income-tax paid directly have considerably increased, and the Finance Minister expects a further improvement. The sales tax receipts are satisfactory, being considerably more than half those of the same time last year, when the tax rate was double the present. Customs yielded 113 millions in July and 279 millions in April-July, out of an estimated 580 millions for the whole financial year. The July estimated yield was only 53 million marks. In part this increase is due to heavier importing in anticipation of the August increase in grain duties. The Finance Ministry expects that Customs in the whole year will yield 200 million marks more than was estimated. Of the other taxes securing Reparations, the beer tax yield has fallen behind, but those of tobacco and spirits have increased. For the whole year the Ministry predicts a considerable excess of revenue over the estimate if no new set-back in business occurs. Expenditure has remained within the limits estimated. The Finance Minister has not needed to use the powers to borrow given to him last May, and has even managed so far to finance the housing and unemployment relief programmes out of money in hand. He states that he will postpone borrowing at home until money can be cheaply had, and until he can borrow without causing new stringency in the home market.

The money market has undergone no change. Day money last week was lent at 3 to 5½ per cent., this being somewhat lower than earlier in the month. Month rates have slightly increased. In the last few days the impending month-end settlements have hardly affected the market. Although interest rates in the past fortnight have fluctuated within narrow limits, there has been no general decline since June, before which were six months of almost uninterrupted decline. An official of the Finance Ministry predicts that the coming autumn will not see dearer money for business purposes. The financing of the harvest is already arranged for, and if money for Bourse speculation becomes slightly dearer, that will hardly affect industrial and trade credit, because the Reichsbank will not be compelled to raise its discount rate. Interest rates on long-term loans will be governed by the policy pursued in borrowing by the Republic and the States. The June Savings Banks reports show another considerable increase in deposits. The Reichsbank has abandoned its system of rigidly quoting the U.S. dollar at 4.20 marks. For August 24th it fixed a mean exchange of 4.199 marks. Until then all foreign exchanges, with exception of the dollar, had been quoted variably. The fixed official dollar exchange has been a way of expressing the value of the new Reichsmark which, not being convertible into gold, had to be anchored to some full-value gold currency. The resumption of variable dollar quotations, though directly due to the offering of dollars in excess of the Reichsbank's demand, may be regarded as implying that the Reichsmark can stand alone. The great banks have started on the long-expected capitalisation increases. The Disconto Gesellschaft has increased its 100 million mark capital by 35 million marks, offering 20 million marks of the increase to present shareholders at a price of 130. The bank's pre-war capital was 200 million marks. The Dresdner Bank proposes to add 22 million marks to its 78 million marks capital. The ratio of capital to deposits is, in case of all the leading banks, much smaller than before the war, this being a result of the fact that gold capital disappeared during the currency depreciation. The Deutsche Bank is recalling, for issue to its own shareholders, the 40 million mark shares which it parted with to English and American financiers in December, 1924.

The labour market improves slowly. Publicly supported unemployed on August 1st totalled 1,652,000, which is only 400,000 fewer than at the worst point of February. Bankruptcies in the third week of this month fell to the new low point of 108. In all July bankruptcies numbered 694. The improvement in the credit situation is shown by a rapid decline in the number and value of protested bills. In July the value was only 7,300,000 marks, against 38,400,000 marks in December, 1925, the number of protests being 5,900, against 24,500. The Ministry of Industry has retold the Potash Council's proposal to raise prices by 12 per cent. from September 1st. The improvement in textiles embraces all branches, except linen. Cotton weavers, dyers, and printers report greatly increased business, and orders for exports have risen. The woollen cloth branch is very active, also the silk branch, though this complains of low prices as result of French exchange conditions. The clothing industry is also active. The demand for paper of all qualities and for pulp has greatly increased. Foreign orders for paper are coming in satisfactorily. The coal industry improvement continues. Ruhr average daily output lately rose above the figure of 1913, though as a result of mechanisation and better organisation 40,000 fewer miners are employed. Very large exports of coal have been despatched via Rotterdam. Unsold reserves on the Ruhr have fallen to about the output of one week. The recovery in iron and steel is equally marked. The Steel Syndicate companies are producing to their full 70 per cent. ration. Some works are taking on new men. Pig-iron production in July totalled 787,862 metric tons, against 720,081 tons in June; ingot steel production, 1,022,068 tons, against 977,309 tons. In the first seven months of 1926 pig production was 4,929,836 tons, against 6,457,758 tons in the same months of 1925; steel production, 6,316,692 tons, against 7,864,745 tons. The home and foreign demand for semi-finished material, structural forms, bars, wire, and most kinds of sheets is rapidly increasing. Foreign trade in this branch is ever more active. Exports of iron and steel and wares thereof (excluding machinery) in the first half-year were 2,508,382 tons, against 483,142 tons imports. Exports of machinery were 213,756 tons, against 18,110 tons imports. Monthly exports of machinery this year have averaged 35,600 tons, against 30,750 tons in 1925, and 22,500 tons in 1924.

The July foreign trade balance was again passive.

Marks (000's omitted).			
IMPORTS.			
	July.	Jan.-July.	
Livestock	9,013	53,948	
Food and drinks	417,258	1,931,438	
Raw and half-manufactured goods ..	411,851	2,518,797	
Manufactured goods	103,955	666,546	
Wares only	942,077	5,170,729	
Gold and silver	6,941	147,658	
Totals	949,018	5,318,387	
EXPORTS.			
Livestock	746	6,685	
Food and drinks	22,875	265,495	
Raw and half-manufactured goods ..	215,790	1,220,636	
Manufactured goods	581,868	4,096,698	
Wares only	821,279	5,589,514	
Gold and silver	1,907	23,671	
Totals	823,186	5,613,185	

As compared with June, imports (wares only) increased by 150 million marks, whereof 124 million marks represented the increase in foodstuffs, due partly to the impending increase in duties. Exports of finished goods increased by 31 million marks.

The Bourse has been active and firm, with considerable set-backs. Leaders during the past weeks have been electrotechnical papers, this being the result of the plans for a Trust; but the market in general was strong, and the long-neglected "cash" stocks mostly rose. The *Frankfurter Zeitung's* stocks index for August 21st shows 115 (100 in January, 1925), but this index includes only big stocks—the average rise of the whole list is much less. The biggest rises since the boom began eight months ago are in chemicals, electrical, steel-coal, paper, brewery, shipping, railways, and bank stocks. Stocks of machine-construction, leather, and sugar companies still mostly stand at around half their prices of January, 1925.

HOLLAND.—FOREIGN TRADE—BRITISH COAL— MONEY MARKET AND FOREIGN CAPITAL— STOCK EXCHANGE.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, August 14.

NOTWITHSTANDING recent important events abroad, there is but little alteration to record in the general aspect of financial and economic conditions in Holland. The coal strike in Great Britain and the sharp fluctuations in French currency have, of course, reflected themselves in Holland's foreign trade, but not to so marked an extent as to give rise to consternation. At the time of writing the foreign trade returns for July have not yet been published. From the figures respecting June, and also the first half of 1926, it appears, however, that imports have been strongly on the increase. In the first six months of 1926 import values totalled 1,222.2 million francs, against 1,186.7 million francs in the corresponding period of the previous year.

It would, however, be erroneous to presume—as has often been done in this country—that the balance of trade has suffered to a great extent in consequence of French and Belgian competition due to the decline in the currencies of these countries. As a matter of fact, the value of imports from Belgium has shown a retrograde movement, while as regards France there is only an advance of about 6 million francs to record. This does not imply, however, that French and Belgian competition is not making itself keenly felt. The contrary is the case. If we consider the movements of goods to Holland according to the weight, a marked increase of imports is apparent both in the case of France and Belgium:—

IMPORTS FROM BELGIUM.			
	First Half-Year.	Tons.	Mill. Glds.
1923	1,391,417	102.3	
1924	1,787,301	126.2	
1925	1,935,822	134.2	
1926	2,002,256	133.4	
EXPORTS TO BELGIUM.			
	First Half-Year.	Tons.	Mill. Glds.
1923	1,166,342	68.7	
1924	1,205,725	64.6	
1925	1,787,805	77.9	
1926	1,999,502	74.6	
IMPORTS FROM FRANCE.			
	First Half-Year.	Tons.	Mill. Glds.
1923	109,858	33.3	
1924	181,547	53.7	
1925	222,435	54.8	
1926	291,874	60.9	
EXPORTS TO FRANCE.			
	First Half-Year.	Tons.	Mill. Glds.
1923	709,352	64.3	
1924	592,504	56.6	
1925	565,850	41.3	
1926	728,501	39.6	

From the foregoing figures it will be seen that Dutch exports to Belgium and France have shown a satisfactory advance, although the rise since 1925 has not been accompanied by a proportionate increase in the value, which is in many cases probably due to an endeavour on the part of Dutch exporters to retain their outlets by means of price reductions. Taking the general figures, it is evident that as far as imports of goods into Holland are concerned Germany has profited to a marked extent by the decline in imports from Great Britain. The figures appended are a good illustration of this:—

Imports from—	Tons.	Mill. Glds.
Germany	6,637,596	319.8
Great Britain	5,786,568	285.6
Germany	757,570	133.2
Great Britain	1,139,539	191.2

Generally speaking, the course of Holland's foreign trade cannot be regarded with satisfaction. The balance of imports, which had registered a considerable increase in the first quarter of 1926, owing to a great extent to a falling off in our exports to Germany, underwent but little

reduction in the second quarter of 1926, as will be seen from the figures subjoined:—

BALANCE OF IMPORTS IN MILL. GUILDERS.		
1st Quarter, 1925	188.7	
2nd " " 1925	156.0	
3rd " " 1925	96.9	
4th " " 1925	105.7	
1st " " 1926	220.2	
2nd " " 1926	210.7	

Our balance of trade has consequently shown a big import surplus, and were it not for the fact that the balance of payments receives material support from remittances coming forward from foreign markets for the delivery of colonial products, the Netherlands Bank would probably have to take recourse to the export of bullion or to selling foreign bills. In recent months, however—and this notwithstanding the high balance of imports for account of June amounting to 29 million francs—the foreign bills held by the Netherlands Bank have registered a rise, which appears to warrant the conclusion that our balance of payments continues to show a surplus in our favour. Of the more important changes that have marked the course of trade with the principal foreign markets, the strong falling off in Dutch exports to Germany is striking. It was to be expected that the pronounced decline which had set in during the first three months would not be made up in the past quarter. The fall was too great, and improvement in the state of affairs in Germany is too slow for matters to be otherwise. The figures subjoined indicate the course followed by Holland's foreign trade with Germany since the commencement of 1925:—

(In Million Guilders.)			
	Imports from Germany.	Exports to Germany.	
1st Quarter, 1925	150.8	108.3	
2nd " " 1925	134.8	118.6	
3rd " " 1925	148.7	152.6	
4th " " 1925	159.7	89.4	
Total, 1925	594.0	468.9	
1st Quarter, 1926	163.6	69.4	
2nd " " 1926	156.2	88.7	

As the returns show, a more favourable state of affairs prevailed in the second quarter than in the first, although the position continues to be unfavourable when compared with the second quarter of 1925.

Though there is no reason to discuss in detail the changes that have been recorded in the various classes of goods, an exception deserves to be made in respect of one article, viz., coal, since the exceptional course of events in Great Britain in connection with the coal strike calls for closer contemplation. According to the figures appended, Dutch imports of coal have augmented:—

COAL IMPORTS.			
	In Tons.	1926.	In Million Guilders.—
1925.	3,913,259	4,380,625	47.6
1926.			53.3

It is a matter for conjecture whether Great Britain will succeed in regaining her lost outlets after the coal dispute has been settled. As the following figures indicate, Great Britain has so far had to yield a large share of her coal trade to Germany:—

FIRST HALF-YEAR—IMPORTS. (In Tons.)				
From—	1923.	1924.	1925.	1926.
Great Britain ..	2,160,464	1,210,123	648,636	491,348
Germany	563,857	1,998,071	3,162,916	3,748,093

With regard to the state of affairs prevailing in Holland's internal trade and industry, quiet but steady progress has been recorded. Various factors considered, it is evident, however, that there is still room for improvement in trade and industry. The unemployment returns are, in the first place, a clear indication of this. The Dutch Central Bureau of Statistics regularly publishes index figures concerning the number of unemployed workers. According to these returns the index figure for April—the last month for which particulars are available—was 5.4, against 6.6 in March, 8.8 in February, and 15.2 in January. There has consequently been a marked improvement, though this is attributable mainly to the season of the year. The easy tone prevailing in the money market continues to be maintained. The private discount rate has in recent months seldom exceeded 3 per cent., and has usually moved well below this point. When considering the state of the

Dutch money market it should be borne in mind that large amounts of capital have flowed in from abroad to seek shelter from currency depreciation. The amounts involved are very large—although it is not possible accurately to estimate their extent—and are responsible for the easy tone of the Dutch money market assuming a permanent character. There is, of course, a possibility that, in the event of a satisfactory arrangement being made in the monetary position abroad, these amounts of capital will flow back to their source, though this could hardly be expected to endanger the position of the Dutch money market in any way, since the large Dutch banks have, on the other hand, important sums outstanding abroad either in the form of balances at foreign banks or in foreign bills. Notwithstanding the ease of money, trade and industry has only availed itself to a very limited extent of the opportunity to make calls on the market for new money. Most of the issues offered to the public are in the form of conversion loans for provinces or corporations; in addition, there has been some borrowing for foreign account.

In consequence of the low rate of interest investment securities on the Dutch Stock Exchange have continued to be very firm in tone. On the other hand, however, a period of quietude has prevailed in the share market, which is to some extent due to the decline in the price of rubber. The rubber market, which for long had given the lead to the whole exchange, has had to relinquish its position, and consequently the other sections of the exchange have exhibited a somewhat dull tone. The shares of various Netherlands Indian concerns, and also those of steamship companies engaged in the East Indian trade, have proved an exception to the general quietude, and continue to be in good demand.

JUGOSLAVIA.—CROP OUTLOOK—ECONOMIC CRISIS—PUBLIC FINANCE—DEBT SETTLEMENT.

(FROM OUR CORRESPONDENT.)

BELGRADE, August 11.

HEAVY downpours of rain, cloudbursts, hailstorms, and floods have caused severe damage to property and crops in most of the provinces, and especially in Baranya (in the Voivodina plain), where over 80,000 hectares are under water. At one time the weather seemed to take such a catastrophic turn that wild rumours of damages up to two milliard dinars (about 7,500,000 pounds sterling) became current, while subsequent investigation puts loss as nearer 500-600 million dinars (a little over £2,000,000), and crop reports, although not final, suggest a loss in wheat of about 10 per cent.

In spite of the severe loss, however, the storms and floods have done a good thing in arousing the Government to the need of quicker and more drastic action than hitherto. The Economic Council of Ministers is busy working out a plan to relieve the "economic crisis," but the declarations of the various ministers show no definite sign as yet of a cohesive and constructive policy. The general idea seems to be an all round cutting down of expenditure, and this is earnestly urged by the Minister of Finance, in view of the figures just published of the Budget for 1925-26. These give receipts at 11,728 million, and expenditure at 10,913 million, as against an estimate of 12,321 million dinars for both receipts and expenses. The surplus of 815 million dinars seems to be nominal, however, as the sum total of arrears and floating debt is in excess of 800 million dinars. But while last year's balance has just been saved, the likelihood of greatly reduced receipts, in consequence of the damages, makes severe saving imperative. The decrease in receipts is born out by the figures of direct taxation, which, during 1926, yielded in five months only 585, as against 617 million dinars during the same period last year, and as against an estimate of receipts of 770 million dinars.

Hitherto the economy campaign has resulted in the cutting down of all salaries by 10 per cent. for the next three months, a reduction by 10 per cent. of the expenses of each individual ministry, and a number of smaller reforms within the Ministry of Finance. Pending municipal elections, and the realisation that the damages were not so great as at first expected, have unfortunately caused efforts to slacken, and as a Belgrade economic paper so

aply puts it, "sincerely caused the Premier to wish for some more rain and floods." In fact, it seems that although the recent catastrophe will cause the hastening of a number of long proposed reforms, the main burden of economic progress will again be borne by a good harvest.

Harvest reports fortunately are very good. The loss in quantity in wheat is largely made up by better quality and weight, as a result of sufficient humidity. Maize also is excellent, and a repetition of last year's bumper harvest in maize is not unlikely. The amount of prunes for export is estimated at about 5,000 trucks. In general, production has been on the increase ever since the war, the present "economic crisis" being merely a question of profitability as is clearly shown by the trade figures, which give an increase in quantity, but a decrease in value, due to the fall in agricultural prices:—

	1925.		1926.	
	Tons.	Mil. Gold Dinars.	Tons.	Mil. Gold Dinars.
May	448,836	75.7	564,783	67.9
June	358,897	59.1	402,321	55.8
Jan.-June	2,145,337	379.7	2,616,625	359.4

The successful settlement of the war debt with U.S.A. and the preliminary negotiations begun between Great Britain and Yugoslavia for the repayment of the war debt, have had a favourable influence on the financial market, and there are several offers of loans before the Government. A group of Yugoslav emigrants to South America has offered to construct the Belgrade-Adriatic line, asking for the right of exploitation for 75 years, after which period the line with all rolling stock would be handed over without compensation to the Government. The offer has been characterised by the Minister of Communications as "serious." Another American group which is supposed to have 100 million dollars is said to be willing to grant 20 million dollars to the State Mortgage Bank, and also to extend a loan to the Belgrade Municipality.

The dinar continues steady at 275, at which rate it has quoted for the last twelve months. In July much of its steadiness was attributable to the intervention of the National Bank, but since then private banks have been offering more freely in view of the harvest being better than was expected.

HUNGARY.—FINANCIAL POLICY—FOREIGN LOANS—COMMERCIAL TREATIES—BOURSE.

(FROM OUR CORRESPONDENT.)

BUDAPEST, August 15.

LAST week the Finance Minister, Mr Bud, outlined his future policy and gave a general survey of the economic position of the country. He described the great progress made in the last two years, but warned the country of contracting debts for unproductive purposes. Though the rate of interest has been constantly falling and is now around 8 per cent. for foreign loans, the Finance Minister thought that the normal rate ought to be 6 per cent. under satisfactory conditions. He said that the Government proposes to alleviate the present anomalies of the housing position by a big building programme. He could not make any promise as to the valorisation of the war loans, because that would endanger the balance of the Budget, which he would not tolerate.

The latest report of Mr Smith estimated at 65 million gold kronen the amount which Hungary has to pay for her foreign debts. If we consider the new loans which have since been granted, it may be assumed that the trade balance will have "an invisible import" of over 100 million gold kronen for interest. It is rumoured that the Government is going to set up a Control Board similar in character to that existing in Germany in former years, whose duty will be to examine the spending programmes of the local authorities with a view to checking unproductive investments. Lately the House of Rothschild in London has granted to the Hungarian counties a loan of about £2 millions, which will be spent principally on improving and making roads and building hospitals. Other loans for agricultural and industrial purposes are slowly but constantly flowing in to the country. The money market is easy. The financing of the harvest will cause no difficulty. Good firms may obtain credits at 9-10 per cent., and, considering that they paid last year

15 per cent. and more, this is evidence of satisfactory progress. There is not very much hope that the private rate of interest will be much lower in the near future, as the position of the neighbouring States has to be taken into account. In Austria and in Czechoslovakia the rate of interest is practically the same; in Yugoslavia and in Roumania much higher. The currency stabilisation is reflected in increasing savings.

The commercial policy of the country is directed towards arranging the most-favoured treatment with any friendly country; and it has been successful. The difficulties with Austria and Czechoslovakia have been partly removed, as to-day the new treaty with Austria, which is on the basis of the most-favoured clause, begins to operate. It is expected to have a very good effect on the wheat and meat exports, and Austrian textiles and other manufactured products will likewise benefit.

Relations with Czechoslovakia are very similar to Franco-German relations. For five years after the ratification of the Treaty of Trianon Czechoslovakia enjoyed the most-favoured treatment. After the expiration of that imposed treaty the most-favoured-nation clause lapsed, but, nevertheless, 25 per cent. of the foreign trade of Hungary continued to be with Czechoslovakia. It was, therefore, important for both countries to agree upon the most-favoured-nation clause. Unfortunately, Czechoslovakia has recently passed a new Customs tariff in which the wheat and flour duties are excessively high. It is obvious that for internal political reasons the Czechs were induced to protect their agriculture. But the new duties are too high for Hungarian, Roumanian, and Yugoslav flour, and it was feared that it would involve serious trade disturbances among the Succession States. Fortunately, a provisional agreement was made in Prag, which will last until the end of August, by which Hungary enjoys the minimum tariffs, and in return has granted preferential tariffs to Czechoslovakia on about 20 industrial articles. It is of paramount importance that the negotiations, which will continue, should reach a satisfactory conclusion. The natural outlet for Czech industrial products is Hungary, as a part of the former monarchy. Should Czechoslovakia not meet the Hungarian demands that tariffs on wheat and flour should be reduced, it is obvious that Hungary will retaliate upon Czech manufactures. The foreign trade balance showed an import surplus of 60.6 million gold kronen for the first five months of the year. The corresponding figure for last year is 58.5 millions.

Unemployment shows a small seasonal decline. There were 27,000 unemployed in June, 1926, as against 30,900 in March, 1926, and 32,500 at the end of 1925. The cost of living in recent months does not show much movement. The figures are the following:—

	100 in 1913.		
	Cost of Living of a Worker's Family.	Ditto Without Rent.	Wholesale Prices.
December 31, 1924	116	149	160
December 31, 1925	102	119	130
June 30, 1926	101	116	122

The cost of living is lowered by the artificially low rent, which amounts now to 50 per cent. of the pre-war rent, but will be gradually raised.

The Bourse has been active. Certain stocks, such as electricity and coal, are at their highest point of the year.

Books and Publications.

BOOKS RECEIVED.

German Economic Report, January to July, 1926. (Berlin) Bett, Symons and Co., 53 Mauerstrasse, W. 8.

A feature of this interesting summary is the clarity with which the main facts of the financial and trade position are set forth in summarised tables.

Census of the Irish Free State on April 18, 1926. Preliminary Report. (Dublin) Department of Industry and Commerce. Obtainable from Eason and Son, Limited, 40 Lower O'Connell street. 3d.

The Free State may be congratulated on the celerity with which these results are published, the Census having been taken only five months ago. As the previous Irish Census dates from 1911, this early report is welcome.

The Japan Year-Book, 1926. Sold by R. Arita, 6 Howley street, York road, Lambeth, S.E.1. Yen 15,000.

Containing detailed information and statistics on Japanese history, geography, finance, industry, social problems, &c.

Introduction to the American Official Sources for the Economic and Social History of the World War. By W. G. Leland and N. D. Mereness. (London) Oxford University Press, Warwick square, E.C. 4. \$5.25.

A work of the greatest possible value to the historian and economist. Contains a summary account of the records and official publications of the United States Federal Government, which constitute the primary sources for the history of its social and economic activities during the period of American participation.

The French Revolution. By N. H. Webster. (London) Constable and Co., Limited, 10-12 Orange street, W.C. 2. 7s 6d net.

This history has been written round the question, "How far was the Revolution a success from the people's point of view?" An Epilogue points the moral as regards present-day political programmes. The authoress is Conservative to the backbone.

Business Management. An Introduction to Business. By Percival White. (New York) Henry Holt and Co., One Park avenue building. \$4.00.

A serviceable text-book, though the background is entirely American.

Co-operative Ideals and Problems. By Anders Örne. Translated by J. Downie. (Manchester) The Co-operative Union, Limited, Holyoake House, Hanover street.

The author is one of the younger leaders of the Swedish co-operative movement, who held Ministerial office under the late M. Branting. His views on co-operation are thoroughly progressive, and the work forms a valuable addition to the limited volume of literature on the subject.

International Review of Agricultural Economics. New Series, Year IV., No. 2. April-June, 1926. (Rome) International Institute of Agriculture.

An article on "Agricultural Tenancies in England," by Sir Henry Rew, is of special interest. Within the compass of 65 pages the author has condensed a summary of the main developments since the Domesday Book, with, of course, more detailed treatment of present-day conditions.

A Practical Solution to Britain's Industrial Problem. By F. Harty and H. Valder. (London) c/o New Zealand Offices, 415 Strand. 1s.

The solution advocated is that of share-acquisition by the workers, on the lines of the New Zealand Empowering Act.

France and Her Capacity to Pay. By Hon. H. Berenger. (Paris) The Reference Service on International Affairs of the American Library in Paris, 10 Rue de l'Elysée.

Contains the Bérenger Memorandum presented to the War Debt Funding Commission, and the Report of the French Expert Committee—both in English.

Colonial Participation in Imperial Wars—Australasia. By C. D. Allin. (Bulletin of the Departments of History and Political and Economic Science in Queen's University, Kingston, Ontario, Canada. No. 52. August, 1926.)

An objective review which does not go farther than the South African War.

The Round Table. No. 64. September, 1926. (London) Macmillan and Co., Limited, St Martin's street, W.C. 2. 5s.

This number contains the usual thoughtful review of questions uppermost in the mind of Imperial students at the present moment. The British coal dispute is described, and other articles deal, *inter alia*, with the constitutional crisis in Canada, the flag issue in South Africa, and the Locarno Treaties as a factor in Imperial relations.

Kyoto University Economic Review. Vol. I. No. 1. July, 1926. (Tokyo) Maruzen and Co.

This new review, published under the auspices of the Department of Economics of the University, will commend itself to many English readers who, interested in the study of Japanese economic conditions, have hitherto found the material accessible to them of disappointingly small dimensions. The number includes 10 articles, the majority of which deal with aspects of Japanese life.

Incorporated Accountants' Students' Society of London. Lectures—1925. Published by the Society, 50 Gresham street, London, E.C. 3s 6d net.

The papers include "The Duties of an Executor," "Accountancy as an Aid to the Solution of Social Problems," "Profit-sharing Schemes—The Accountancy Aspect," &c.

Journal of the Parliaments of the Empire. Vol. VII. No. 3. July, 1926. (London) Empire Parliamentary Association, Westminster Hall, S.W.1. 10s net.

Containing discussions in the various Parliaments on such subjects as the Locarno Treaty, the composition of the Council of the League of Nations, inter-Allied Debts, &c.

International Crop Report and Agricultural Statistics.
August, 1926. (Rome) International Institute of Agriculture.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2 :—

Employers' Liability Insurance: Effect of the Undertaking given by the Accident Offices Association for the purpose of limiting the charges to employers in respect of employers' liability insurance, relating to the year 1925. Cmd. 2715. 1d net.

British Sugar (Subsidy) Act, 1925: Statements, in the form of balance-sheets, transmitted to the Minister of Agriculture and Fisheries and the Board of Agriculture for Scotland by companies which manufactured, in Great Britain, in 1925-26, sugar or molasses from home-grown beet. Section 1. Factories. No. 133. 3d net.

Forty-fourth Annual Report of the Fishery Board for Scotland, being for the year 1925. Cmd. 2675. 2s net.

Report of the Bristol Advisory Committee for Juvenile Employment, 1925. 9d net.

Seventh Annual Report of the Ministry of Health, 1925-26. Cmd. 2724. 3s 6d net.

Royal Commission on Indian Currency and Finance:—Vol. I. Report. Cmd. 2687. 2s 6d net. (Reviewed in the Economist of August 7, 1926, page 235.)

Vols. II and III. Appendices. 8s and 4s net respectively.

Vols. IV. and V. Minutes of Evidence taken in India. 10s and 6s net respectively.

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DEPOSITS, etc. (30th June, 1926) £304,247,460

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C.3.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
September 14. September 16.

THE ebb and flow this week of the coal discussions have affected Stock Exchange markets to a slight extent, but the outlook is regarded coolly, and many members take the view that when definite settlement is reached this may not bring about any prominent advance, although it is generally expected that there will be a little flurry of excitement at the outset. Business in most of the markets is rather better than is generally the case at this time of the year, although in the rubber market brokers and jobbers are looking back a little regretfully to the madness of last August, when everybody was working at top pressure, holidays were abandoned, and the only thing that mattered was to keep pace with the enormous demand of the public to buy rubber shares at continually rising prices.

Conversion 3½ per cent. stock went ex dividend on Thursday, and deduction of the interest of 1½ per cent. gross led to a slight stiffening in the ex dividend quotation. The War Loan declined in the face of dearer money. Victory bonds came into mild request, on the anticipation of reinvestment of money realised by the repayment of bonds drawn for redemption next week.

In the foreign market the strength of Peruvian Corporation stocks continues to be something of a feature, while French Government bonds move in lackadaisical fashion within narrow limits. The Mid-European bonds keep steady; Chinese are inclined to sag owing to renewed uneasiness in regard to the state of the country. Brazilians hold their prices.

The home railway market has failed to maintain the full extent of the rises scored ten days ago, public interest being very inert. Argentine rails are the popular stocks of the moment amongst railways, prices advancing substantially on the dividend expectations due to be solved in three weeks' time. Traffics are being disregarded for the time being.

Nitrate rails and nitrate producing shares are heavy.

The rubber market is a little better, there being a gentle increase in the volume of business, and tea shares are on the rise, a good many parcels of shares having been taken up at the settlement this week. The oil market developed firmer features. Textiles weakened on account of a reduction shown by the Calico Printers' Association in its profits. The dividend has dropped from 10 per cent. to 7½ per cent. This reacted upon Courtaulds and artificial silk descriptions. The tobacco market is good, and continues to attract lively public interest. Amongst iron and steel shares the tendency is erratic, leaning, however, to the better side for choice, the attraction here being that at the end of the coal strike the low-priced iron and steel shares will look to the speculative mind "cheap" purchases. Movements in banking shares are confined to unimportant fractions. The insurance and shipping markets are equally placid. Improvements have occurred in Hudsons Bays, Sudan Plantations, and a few other land issues.

Morris Motors preference, which were 1s 6d discount a fortnight ago, have recovered to their par value of 15s paid. Pressure to buy Brazilian Tractions hoisted the price sharply, while other shares in this group—Sidros, Mexico Tramways, and especially Barcelona Tractions—are better. There is nothing doing in gas or electricity shares. The cable construction group is distinctly hard, daily rises being recorded in the popular shares.

The Kaffir market lies at the mercy of Cape operations in a few speculative favourites, of which Sub Nigels continue to be the principal medium. Here the price fell sharply at one time, to recover, however, upon fresh support from the Cape. The gold list is dull, small declines predominating amongst the changes. De Beers and other diamond shares dropped in consequence of an apprehension lest the proclamation of the new diamond field shall lead to competition with the older-established concerns. Amongst Rhodesians, Sherwood Stars have been in the ascendant. Malayan Tin shares remain a popular and animated market. Prices have been moving up and down according to the mood of the moment as regulated by the price of the metal. There is a good deal of business doing here, the provinces as well as London being active participants in the upward movement. Mawchis gave way on news of floods, &c. West Africans and Cornish shares are out of favour. A little attention has been given to Russians, and there has been inquiry for copper shares.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows :—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	140,860,269			

NATIONAL SAVINGS CERTIFICATES.

April 1, 1926, to August 21, 1926 Dr 1,200,000
Net sales week ended August 21, 1926, nil.

Total offered to public.	Total offered to shareholders only.	Total offered for subscription to date	Total offered for subscription for whole year.
1926.....	140,860,269	1925.....	231,914,268
1925.....	128,231,827	1924.....	209,326,100
1924.....	130,924,951	1923.....	271,393,173
1923.....	202,130,317	1922.....	573,675,650
1922.....	505,629,637	1921.....	388,978,203
1921.....	154,081,480	1920.....	367,549,656

Hellenic Electric Railways Company, Limited.

In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued share capital of £418,000, divided into 418,000 shares of £1 each. The company has also issued £400,000 7 per cent. 20-year bonds, of which £200,000 are "A" bonds and £200,000 are "B" convertible bonds. These bonds are of the respective denominations of £100 and £500 each, there being 1,000 bonds of the former and 200 bonds of the latter denomination in each series. The capital, interest, and amortisation of the bonds are guaranteed by the National Bank of Greece. The bonds are redeemable in 1946 by an accumulative sinking fund, beginning January 1, 1927, and either by drawings or by purchases in the market, while the company may also exercise the right of redemption in the ten years preceding 1946. Up to 1932 the holder of "B" bonds may convert his bonds into the company's £1 bearer shares in the proportion of 91 shares for every £100 nominal value of bonds. Amortisation of the "B" bonds by drawings is not operative while this right attaches. The whole of the bonds, it is stated, have been placed privately. In issuing the above bonds the company has reserved the right to issue (a) so long as the conversion rights attach to the "B" convertible bonds further sterling bonds to a total nominal amount of £100,000, and in addition bonds in replacement of those converted to an equivalent nominal amount, and (b) at any time for the express purpose of further works additional sterling bonds provided that additional £1 shares of the company equal to twice the nominal amount of such issue are simultaneously subscribed for in cash. Any bonds

to be issued in pursuance of this right are to rank *pari passu* with this present issue. The company was incorporated under the laws of Greece on April 14, 1926. The principal objects for which the company is established are the exploitation of the Athens Piræus Railway and other power and transport undertakings. The consideration for the transfer of the whole of the assets and liabilities of the Athens Piræus Railway was 282,040 shares, credited as fully paid, the balance of the shares being issued for cash at par.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets :—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
War 5½%, 1925-28.....	97½	97½	+	India 3½% Stock.....	69½	69½	+
Loans 5½%, 1925-28.....	95½	95½	+	Do 7% 1926-31.....	104	104	+
Loans 5½%, 1925-28.....	101½	101½	+	Do 5½% 1932.....	101½	101½	+
Loans 5½%, 1925-28.....	101½	101½	+	Do 4½% 1932.....	91	91	+
Funding Loan 4½%.....	86½	86½	+	N.W. 5½% 1927-32.....	101	101	+
Victory Bonds 4½%.....	92½	92½	+	N. Zealand 5½% 1940.....	85	85	+
Conversion Loan 3½%.....	75½	75½	+	Nigeria 6% 1940-79.....	113	113	+
Consols 2½%.....	55½	55½	+	Queensland 5½% 40-60.....	99½	100	+
Irish Land Stock 3½%.....	57½	57½	+	U. of S.A. 6% 1930-40.....	104	104	+
Local Loans 3½%.....	63½	63½	+	S. Aust. 6½% 1930-40.....	105	105	+
Aust. 6% 1931-41.....	102	102	+	Victoria 5½% 1930-40.....	101	101	+
				W. Aust. 6% 1930-40.....	102	102	+

British Railways.

Great Western, Ord.....	88½	89	+	Metropolitan District.....	52	51½	—
London & North-Eastern.....	78½	78½	+	Southern, Pref. Ord.....	78½	78½	+
5% Prof. Ord.....	53½	52½	—	Do Def. Ord.....	45	45½	+
Do Def. Ord.....	17	17½	+	Underground Electric			
London, Mid., and				Do (A).....	58	58	+
Scottish, Ord.....	73½	73	—	Do Inc. Ed. (£100).....	103½	103½	+
Metropolitan.....	64½	63½	—				

Colonial and Foreign Railways.

Antofagasta Cons.....	80	81	+	Grand Trunk Pacific.....	51	55	+
B.A. and Pacific.....	87½	91	+	4% Debts.....	44½	45	+
B.A. & Gt. Southern.....	98	100½	+	Leopoldina.....	42	45	+
Buenos Ayres West.....	87	90	+	Mexican Railway.....	21	20	—
Canadian Pacific.....	169	169½	+	Do 1st Pref.....	21	20	—
Central Argentine.....	74½	76½	+	San Paulo.....	189	189½	+
Cordoba Central New.....	34½	35½	+	United Havana.....	74½	73½	—

American Railroads.

Chesapeake & Ohio.....	157	157	+	Southern.....	124	126	+
Erie.....	34	33	—	Do Non-conv Pref.....	98	97	—
Do 4% 1st Pref.....	43	43	+				

Foreign Government Securities.

Argentine 5%, 1886-7.....	99	99½	+	Greek 7%, 1924.....	92	92½	+
Austrian 5% Guar.....	99	99½	+	Hungarian 7½%, 1924-1901.....	94	94	+
Belgian 3%.....	72	71½	—	Japanese 5% 1924.....	93½	94	+
Brazil 5% Fund, 1914.....	84	84½	+	Mexican Cons. 1899.....	49	49½	+
Chilian 4½%, 1895.....	87	87	+	Peruvian Corp. Pref.....	83	83	+
Do 7½% 1912.....	109	109	+	P.L.M. 6%.....	35	33	—
Chinese 5% 1912.....	59	59½	+	Portuguese (New).....	83	83	+
Egyptian 4%.....	82½	82½	+	Russian 5%, 1906.....	5½	6	+
French 5%.....	98½	92	—	Spanish 4%.....	70	70	+
Do 4%.....	82	82	+	Seine (Dept.) 7%.....	91½	91	—
German 7%, 1924.....	104½	105	+	Siamese 7%.....	107	108	+

Telegraphs.

Anglo-American "A".....	24½	24½	+	Marconi Canada.....	3½	3½	+
Marconi Wireless.....	3½	3½	+	Marconi Marine.....	3½	3½	+

Banks.

Barclays B. (£1,000).....	238	238	+	National Provincial.....	13	12½	—
Chartered Bk. of India.....	21½	21	—	Standard of Africa.....	13½	13½	+
Lloyds (£5 with £1).....	3½	3½	+	Westminster Bank.....	18½	18½	+
Midland (£12½ with £2½ paid).....	8½	8½	+				
Nat. Bank of Egypt (£10).....	38½	38	—				

Miscellaneous.

Allied Newspapers (£1).....	2½	2½	+	Hudson's Bay (£1).....	54½	54	—
Amal. Cottons (£1).....	4½	4½	+	Imperial Tobacco (£1).....	51½	51½	+
Anglo Persian Oil (£1).....	4½	4½	+	Linggi Plantations (£1).....	11	11	+
Armstrong (Sir W.G.).....	3½	3½	+	Liver 7% Cum. Pref (£1).....	18	18	+
And Co. (£1).....	3½	3½	+	Do 8% Cum. Pref (£1).....	18	18	+
Ass. Plant. Comen (£1).....	3½	3½	+	Do 10% Cum. Pref (£1).....	18	18	+
Barker, John (£1).....	3½	3½	+	Do 12% Cum. Pref (£1).....	18	18	+
B'ham Small Arms (£1).....	3½	3½	+	Do 15% Cum. Pref (£1).....	18	18	+
Bleachers (£1).....	2½	2½	+	Do 18% Cum. Pref (£1).....	18	18	+
Bradford Dyeing (£1).....	2½	2½	+	Do 20% Cum. Pref (£1).....	18	18	+
Brazil Traction (£100).....	118½	125½	+	Do 25% Cum. Pref (£1).....	18	18	+
British-American Tobacco (£1).....	41½	41½	+	Do 30% Cum. Pref (£1).....	18	18	+
British Controlled Oil (£5).....	2½	2½	+	Do 35% Cum. Pref (£1).....	18	18	+
Bryant and May (£1).....	2½	2½	+	Do 40% Cum. Pref (£1).....	18	18	+
Burmah Oil (£1).....	5½	5½	+	Do 45% Cum. Pref (£1).....	18	18	+
Coats (J. and P.) (£1).....	3½	3½	+	Do 50% Cum. Pref (£1).....	18	18	+
Courtaulds (£1).....	5½	5½	+	Do 55% Cum. Pref (£1).....	18	18	+
Cunard (£1).....	8½	8½	+	Do 60% Cum. Pref (£1).....	18	18	+
Dorman, Long (£1).....	8½	8½	+	Do 65% Cum. Pref (£1).....	18	18	+
Dunlop Rubber (6/8).....	14½	14½	+	Do 70% Cum. Pref (£1).....	18	18	+
Fine Cotton Spinning (£1).....	2½	2½	+	Do 75% Cum. Pref (£1).....	18	18	+
Forestral Land (£1).....	1½	1½	+	Do 80% Cum. Pref (£1).....	18	18	+
Furness, Withy (£1).....	1½	1½	+	Do 85% Cum. Pref (£1).....	18	18	+
Highlands and Lowlands Rubber (£1).....	2½	2½	+	Do 90% Cum. Pref (£1).....	18	18	+
				Do 95% Cum. Pref (£1).....	18	18	+
				Do 100% Cum. Pref (£1).....	18	18	+

Mines.

Asbanti Gold (4).....	8½	8½	+	Modderfont. "B" (5).....	1½	1½	+
Brakpan Hill.....	4½	4½	+	Modderfont. Deep (6).....	1½	1½	+
Broken Hill Prop. (£1).....	1½	1½	+	Mount Lyell (£1).....	2½	2½	+
Burma Corp. (Rs.10).....	21	21	+	New State Areas (£1).....	2½	2½	+
Cam & Motor (£1).....	21	21	+	Randfontein Est. (£1).....	3½	3½	+
Central Mining (28).....	17	17	+	Rand Mines (5).....	2½	2½	+
Chattereda (25).....	14½	14½	+	Shanawe (26).....	1½	1½	+
City Deep (£1).....	14½	14½	+	Shanawe (26).....	1½	1½	+
Cong. Gold Fields (£1).....	14½	14½	+	Rio Tinto (45).....	40½	42½	+
Crown Mines (10).....	14½	14½	+	Ropp Tin (4).....	18	18	+
De Beers Def. (£24).....	18½	18½	+	San Francisco of.....	18	18	+
East Rand Prop. (£1).....	8½	8½	+	Mexico (10).....	18	18	+
Geduld (£1).....	34½	34½	+	Siamese Tin (5).....	18	18	+
Gov. Gold Areas (£1).....	8½	8½	+	Spring Mines (£1).....	2½	2½	+
Johannesburg Cons.....	24½	24½	+	Tanganyika Cons (£1).....	2½	2½	+
Malayan Tin (5).....	14½	14½	+	Tanganyika Cons (£10).....	28	28	+
Modderfontein (10).....	4½	4½	+	Zambesia Expl. (£1).....	1½	1½	+

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 20, 1926.		Week ended Aug. 22, 1926.			Aggregate 32 Weeks, 1926.		
(c) Week ended Aug. 21, 1926.	Miles Open.	Passen- gers,&c.	Goods, &c.	Total for Week.	Passen- gers,&c.	Goods, &c.	Total Re- ceipts.
		£	£	£		£	£
Great Western.....	3,778	330,000	214,000	544,000	7,900,000	8,802,000	16,702,000
Do for 1925	3,775	380,000	301,000	681,000	8,930,000	10,730,000	19,660,000
Lon. & N. Eastern (c)	6,715	522,000	378,000	900,000	14,650,000	17,350,000	30,380,000
Do same period 1925	6,714	581,000	626,000	1,207,000	14,650,000	21,780,000	36,430,000
Lon., Mid., & Scottish	6,951	706,000	542,000	1,248,000	18,207,000	22,800,000	40,987,000
Do for 1925	6,950	792,000	796,000	1,588,000	21,159,000	27,800,000	48,961,000
Southern	2,180	121,000	89,000	510,000	10,568,000	3,282,000	13,820,000
Do 1925	2,183	457,000	115,000	572,000	11,391,000	5,333,000	15,224,000
Metropolitan (a)	59	28,500	2,300	30,800	962,000	95,800	1,057,800
Do for 1925	58	35,400	700	39,100	1,101,000	123,100	1,224,100
Underground E.R. (c)	..	..	..	250,400	..	..	8,143,600
Do for 1925	..	..	..	252,600	..	..	8,330,800
Lon. & Sub. Group (c)	..	..	..	39,000	..	..	1,227,900
Do for 1925	..	..	..	40,600	..	..	1,282,400
Belfast & Co. Down (b)	80	3,573	899	4,472	103,702	29,240	133,122
Great Northern	562	22,100	14,900	37,000	520,650	518,000	1,038,650
Great Southern	2,181	51,796	41,076	92,872	1,234,971	1,379,389	2,614,360

COMPANY MEETINGS, &c.

NATIONAL BANK OF GREECE.

STATE OF THE EXCHANGE MARKET.

DEVELOPMENT OF AGRICULTURE.

FINANCIAL AND ECONOMIC SITUATION.

BRITISH FINANCE AND NEW ELECTRIC COMPANIES.

BANK'S SOUND POLICY.

GOVERNORS INTERESTING REVIEW.

The ordinary general meeting of the shareholders of the National Bank of Greece was held on April 24th last at the head office of the bank, Athens.

The Governor (Mr. Alex. M. Diomède), in submitting the report for the year 1925, said: Gentlemen,—The past year did not share the normal financial character of its predecessor. A few disquieting signs in the midst of a period of intensive production indicated the need of following carefully the financial life of the country.

CIRCULATION.

No new issue of banknotes has taken place during the year 1925. Indeed, the circulation for the account of the bank was reduced by the extinction of Drs. 43,500,000, the corresponding sinking fund, according to law, having been paid from the State Budget.

The following is a complete statement of our circulation:—

Maximum Circulation.	On Dec. 31, 1925.	On Dec. 31, 1924.
1. For account of the Greek Government (Law B410' of 1898)	40,000,000	40,951,915
2. For the account of Bank	3,351,405,000	3,394,905,000
3. For the account of the Bank (according to Law IXMB' ..)	1,139,784,175	1,139,784,175
4. For the account of the Greek Government (D. Law of April 23, 1923)	1,016,100,560	716,423,140
Totals	5,547,289,735	5,292,064,230
Funds available for making up maximum circulation)	208,040,705.57	426,140,494
Balance in circulation	5,339,249,029.43	4,865,923,736
Of which—		
1. For the account of the Greek Government (Law B410' of 1898)	40,000,000	40,951,915.42
2. For the account of the Bank ..	3,143,364,294.43	2,968,764,506
3. Authorised by Law IXMB'	1,139,784,175	1,139,784,175
4. For the account of the Greek Government (Decree Law of April 23, 1923)	1,016,100,560	716,423,140
	5,339,249,029.43	4,865,923,736.42

Increase of real circulation in 1925, Drs.473,325,293.01.

It is only the portion of the circulation which comes under the Decree Law of April 23, 1923, that shows some differences as compared with last year. This circulation rose from Drs. 716,423,140 on December 31, 1924, having as cover £2,788,255 at an average rate of Drs. 256.94 per pound sterling, to Drs. 1,016,100,561, having as cover £3,182,525 at the rate of Drs. 319.25 per pound sterling, this being due to the increase at that time of the reserve of foreign exchange. This increase, however, soon disappeared, and the circulation returned to the same levels as in the past.

PURCHASE AND SALE OF EXCHANGE.

During the the year under review, the purchase and sale of exchange fell somewhat short of the movement of the previous year. In 1924 purchases amounted to £34,578,049, whereas in 1925 they totalled £32,869,096, a decrease of £1,708,953. This amount is here shown in detail:—

(a) 15 per cent. on the purchases of other banks (D. Law of April 23, 1923)	14,588,590
As compared with 1924	14,392,683
Or an increase for 1925	195,907
the daily average in 1925 reaching £49,961.	
(b) From the Refugee Loan	3,375,000
(c) From the market direct £14,905,506, of which £11,177,990 were purchased by our various branches.	

The whole state of the exchange market during the year was such that almost no direct purchases were made for the purpose of regulating the market. This, however, is particularly due to the fact that the withdrawal from the market of disposable exchange through the 15 per cent. was effected on a very large scale, particularly during the first five months, reaching the sum of £8,416,406. After such an automatic absorption, there was, of course, no reason to act directly.

But the sale of exchange in 1925 was also smaller, having amounted to £33,924,136, as against £34,255,869 sold in 1924, a decrease of £331,733.

Of the exchange sold, the following disposition was made:—

(a) For the account of the International Financial Commission	2,346,182
(b) For the account of the Public Debt not controlled by the International Financial Commission	412,624
(c) For various expenses and supplies of the Government	3,745,292
(d) For the needs of the market	27,420,038

as against £28,399,369 sold in 1924, or £979,331 less than in 1925.

TREND OF RATES.

Whilst during the first months of 1925 foreign exchange rates were maintained almost at the lowest figures of the previous year, from the months of May-June the trend of rates began to be clearly upward. The lowest rate during the year was in May—i.e., Drs. 256.50 per pound sterling and Drs. 42.89 per dollar, and the highest was that reached in December—i.e., 386 per pound sterling and 79.60 per dollar. The tendency towards higher rates was steadily kept up until the end of the year, and the amounts of exchange offered were absorbed by the market without any reaction. I think that the principal cause of this is to be sought in the fact that during the year there was an intensive demand for the commercial and other requirements of the country, and particularly for the payment of various industrial installations, there being no excessive offer to meet the demand. Indeed, our transactions with foreign countries show an important difference, at least in two principal points, influencing essentially the final result.

The remittances of emigrants, forming a capital element of our assets, were reduced to £2,223,000 in 1925, whilst in 1924 £3,653,724 reached the country through the National Bank alone, and the total of the remittances of emigrants, for which statistics may be had, fell to about £7,000,000 instead of the £9,000,000 imported during 1924. This difference of £2,000,000 of which the country was deprived could not fail to influence the market. Further, the unfavourable trade balance itself has been heavier, because the total importation in 1925 exceeded the exportation by £12,000,000 sterling, and this deficit was an important factor in turning the scales. In my opinion, these two tangible elements, which I mention merely as indications, were sufficiently strong to force up still higher the rates of foreign exchange.

BUSINESS CONDITIONS.

During the past year there was considerable movement of business. Under the impulse of more intensive production, which was particularly marked in 1924, the bank continued lending its support to the market, giving its attention chiefly to agriculture. The total of its loans shows an increase as compared with the past. The increase in productive branches of business at the close of the year amounts to 574 millions. But if one takes into consideration that 113 millions represent additional advances made to agriculturists' refugees, about 100 millions advances to urban refugees, and 190 millions to the real estate credit, it is only the balance that shows the real increase, which does not reach even 200 millions of drachmas, in spite of the reduction of the purchasing power of the drachma.

But beginning with the middle of the year, the tightness of the market, which became noticeable, dictated the retrenchment of business and, in addition to the restriction of new investments, also the prudent withdrawal of previous advances. Nevertheless, the bank has proceeded to this measure with the utmost circumspection, trying as much as possible to leave undisturbed business which was on the eve of completion at a moment when not only individual producers but even the whole national economy might be affected. This retrenchment would have shown itself more considerable in the figures if the management of the bank had not adopted the rule of applying almost no restriction on credits granted for agricultural production. Likewise the loans made to the urban refugees under guarantee of the State have remained untouched. Lastly, the figures shown were also influenced by the credits granted through the current office.

For the protection of its own available funds, and in order to restrain any rush for loans, the bank has necessarily proceeded to successive increase of the rates of interest. Thus the rate of interest on discounts rose from 7½ per cent. to 8½ per cent. on February 14th, and to 10 per cent. after September 9th. Proportionate increases were also applied to the other branches of the bank's business.

DISCOUNTS.

At the end of 1925 the capital invested in discounts amounted to Drs. 680,362,329.35, as compared with Drs. 479,932,337 at the end of 1924, or an increase of Drs. 201,329,992.35, equivalent to 42 per cent.

LOANS AND OPEN ACCOUNTS ON PLEDGE OF SECURITIES AND MERCHANDISE.

The capital employed for this purpose amounted to Drs. 344,589,817.55 at the end of 1925, as compared with Drs. 235,737,708.62 on December 31, 1924. The increase amounts to Drs. 108,852,108.93, or 46.17 per cent.

The bank has dealt in this branch of business with the utmost prudence, without being at all influenced in its estimate by the high prices, to which indiscriminate speculation forces the various securities of the Stock Exchange. Thus the margins demanded were always sufficient to secure an absolute guarantee and, at the same time, to have the actual value of each security clearly indicated.

The capital employed for this purpose on December 31, 1925, of Drs. 416,835,060.61, compared with the capital of Drs. 440,223,510.16 which was employed at the end of the year 1924, shows a small reduction of Drs. 23,388,449.55, equivalent to 5.3 per cent.

REAL ESTATE CREDIT.

The capital employed under this heading was increased during the past year by Drs. 133,633,540.88. At the end of 1924 it amounted to Drs. 407,138,279.20, and at the close of 1925 it rose to Drs. 540,771,820.08. The increase is equivalent to 32.80 per cent. This increase, of which 80 millions come from the head office of the bank and 54 millions from the branches in the provinces, is due to the granting of new loans and credits, though about 52 millions were collected from sinking fund payments. The bank was very chary in granting mortgage loans, because, on the one hand, it was obliged to grant loans with prudence, owing to the necessary concentration of its resources in general, and, on the other hand, because it was necessary to restrain the immense building tendency, which was threatening to precipitate a building crisis.

The rapid development of this branch and the anticipated large needs, which the real estate credit department is called upon to serve, have led the management of the bank to reinforce the special funds appropriated for the requirements of this branch, by issuing the 7 per cent. real-estate lottery loan of 200 millions. The over-subscription of this loan, in spite of the difficult time at which it was issued, induced the bank to continue this course of action by the issue of a second loan. However, besides finding the capital in our own country, to which it is advisable to proceed only with precaution, it was considered that it will add much to the strength of our economy if the bank could find capital abroad as well for the more generous supply of the real estate credit. We have every reason to believe that this will be realised, in which case the bank will acquire with greater ease the means for rendering assistance to the country, which is in absolute need of actual capital.

LOANS MADE TO LEGAL PERSONS.

The capital employed in the business under the heading at the end of the year presents an increase of Drs. 63,184,537.58, as compared with the foregoing year; this capital at the close of the year 1924 amounted to Drs. 217,427,303.09, and in 1925 it amounted to Drs. 280,611,840.67.

DEPOSITS.

The scarcity of capital noticeable since last year and its uninterrupted absorption by the great variety of enterprises in the country could not but have a direct influence on deposits as well, as is shown in the following table:—

	1923.	1924.	1925
Sight deposits	1,362,000,000 ...	1,592,000,000 ...	1,421,000,000
Savings bank deposits	221,000,000 ...	214,000,000 ...	257,000,000
At fixed dates deposits	944,000,000 ...	1,004,000,000 ...	956,000,000
	2,527,000,000 ...	2,810,000,000 ...	2,634,000,000

The above figures show a decrease of Drs. 177,000,000 during 1925, as compared with the year 1924.

It is only savings bank deposits that show an increase of Drs. 42,477,387, which is due to the increase of the limit allowed, from Drs. 5,000 to Drs. 25,000, and of the rate of interest from 4 to 5 per cent.

REPAYMENTS.

It is worthy of mention here that, in consequence of the Conventions, dated June 20 and July 28, 1925, between the Bank and the Greek Government, which were ratified by the Decree-Law of September 20, 1925, the deposits in actual gold, which were converted into deposits to be repaid in drachmas at par, by virtue of the Decree-Law of January 7, 1923, will be repaid by the Bank in exchange on London.

Their repayment will be effected through bonds of a loan of £1,800,000, which will be issued by the National Bank, for a period of 10 years, at 2 per cent., of a nominal value of £20 each, deposits or fractions of deposits under £20 to be repaid by sight drafts on London.

By virtue of the same Conventions the Government undertook the obligation to repay in gold or in exchange on London the gold loans of 40 millions and of five millions, concluded in the years 1915 and 1917 respectively, which were converted into loans of 40 millions and five millions in drachmas, by the Convention of January 30, 1923, between the Bank and the Government, which was ratified by the Decree-Law of March 3, 1923. This repayment will be effected within a term of 50 years and at an annual interest of 1½ per cent.

I consider it unnecessary to emphasise the financial importance of these Conventions. The loss of confidence, which was the inevitable consequence of that measure, which had dealt a severe blow to a variety of private interests, has now been countered, and we have every reason to hope that there will be no further obstacle to our receiving again deposits in foreign exchange and in gold on a larger scale.

AGRARIAN CREDIT.

The tendency toward the extension and development of agricultural production continued unabated during the year 1925, and was crowned by a satisfactory cereal harvest.

It may be safely affirmed that Greece has never known such an intensive land cultivation, the chief factor of which was the refugee population. Large areas of land were devoted for the first time to production, and a considerable activity and improvement was remarked in the methods of cultivation.

Parallel to this progress was the enlarged activity of the Bank's agrarian credit department, which suffered least of all from the pressure of the restrictions imposed by the tightness of the money market.

Thus, the new loans granted during the year 1925 (irrespective of those due at the end of 1924, which amounted to Drs. 462,155,810.855), totalled Drs. 942,459,760, as against Drs. 678,069,568 granted in the year 1924, an increase of Drs. 264,390,192, equivalent to 39 per cent.

In spite of the crisis, which was felt in the tobacco and currant production, and though the necessities of the agriculturist refugees were very pressing, still the results of the receipt may be considered as quite satisfactory.

It is necessary to emphasise here that this branch of the bank's business aims not merely at affording credit, but also at the education of the agricultural population, in order to create steady conditions of agrarian credit.

The regulations of the bank as regards this department became stricter in the course of the year, requiring better order in the accounts and internal organisation of the agricultural co-operative associations, and providing for a control over the allotment of the credits by the latter. These new measures have naturally caused some resentment, but the bank is determined to insist upon their application, being confident that in this manner it serves not only its own security, but at the same time promotes the spirit of association.

GRANTS TO AGRICULTURAL ASSOCIATIONS.

Thus, out of the total new agricultural loans of the year 1925 grants were made to native and refugee agricultural associations

amounting to Drs. 543,909,109, whereas in 1924 the new grants to agricultural associations amounted to Drs. 295,180,613 and in 1923 to Drs. 114,971,172; consequently these grants increased by Drs. 248,728,496, as compared with those of 1924, and by Drs. 428,937,937 as compared with those of 1923. In other words, the grants to agricultural associations in 1925 constitute about 58-100ths of the total, whereas in 1924 they constituted 43½ per cent., which plainly shows the policy of the bank of utilising these associations increasingly as organs of the lending of capital.

As regards the assistance rendered to the agriculturist refugees, we may mention that during the year under review Drs. 218,884,735 were granted, whereof Drs. 100,487,100 were through 412 such associations, whereas in 1924 only Drs. 105,729,834 were granted, of which hardly Drs. 4,000,000 were given through associations. Likewise, the refugee families, whom the bank has assisted by granting credits, reached the number of 75,196 in the year 1925, as against 44,099 during 1924.

Lastly, we note that the capital of Drs. 558,000,000 employed in agrarian credit at the close of 1925 was laid out in the following products:—

	Drachmas.
Tobacco	211,300,000
Currants	52,760,000
Vine-growing products	12,610,000
Olive oil	41,070,000
Animal products	21,900,000
Forest products	2,600,000
Cotton	6,410,000
Cereals and other products	209,350,000
Total	558,000,000

During the year under review an effort was made to secure a law regulating the rate of interest on agrarian credits according to up-to-date conditions, inasmuch as the interest fixed long ago under different presuppositions did not correspond any longer to the new conditions of the money market, and were becoming burdensome for the bank.

As regards the currant production, the year under review was marked by the establishment of the "Autonomous Currant Organisation," which must be commended not only as a system of independent and methodical handling of this valuable product, but also as an evolution in association. The currant growers now hold the destinies of their product in their own hands and are the responsible regulators, while the material administration has been entrusted to the National Bank.

GRANTS TO URBAN REFUGEES.

This branch of business continued during the year with the same intensity, financial assistance having been granted to all the refugee retailers, handicraftsmen, small manufacturers, and scientists. We were organised in groups and larger urban associations; we are of opinion that by such assistance we have contributed very materially to their financial rehabilitation. The capital employed under this heading amounted at the end of the year to Drs. 104,824,126.

From the data in hand it is shown that the results attained in this branch of business were very satisfactory for the bank.

FINANCIAL AND SOCIAL RESULTS.

But it is certain that the financial and social results were even more important, because, thanks to this financial assistance, the various classes of the working refugees have found the indispensable funds for making their labour productive, and also because in consideration of these grants, thousands of petty urban refugees have returned to a productive and normal life, transforming themselves from inert and passive elements of society into small independent economic organisms. Thus, they have escaped the danger of becoming victims to various subversive propagandas, the success of which would be the creation for our country of tragic social and political disturbances, if not a complete upheaval.

Furthermore, according to a special Convention concluded between the Greek Government and this bank, and ratified by Law 3292, we have granted loans under the Government's guarantee to refugees who are Greek citizens, against their real estate which was abandoned in Asia Minor.

This branch of business, differing from the one previously mentioned both in purpose and form, arose from the view that it would be fair and just for Greek citizens, whose property was seized by the Turkish Government since August, 1923, contrary to the clauses of the Treaty of Lausanne, to be assisted financially to a certain extent until the settlement of their case.

The loans granted to 614 beneficiaries up to December 31, 1925, amounted to Drs. 11,751,250. The sum fixed for this purpose by the aforesaid Convention amounts to 50 millions.

REAL ESTATE CONNECTED WITH THE EXCHANGE OF POPULATION

By the Convention of May 5, 1925, as modified by the supplementary Convention of October 3, 1925, between the Government and our bank, we took over the administration of the real estate abandoned in Greece by Mussulmans who had emigrated from the country. By these Conventions the State ceded to us all its rights over the urban and rural real estate (except such as had been ceded to the Refugees Settlement Commission under the terms of the Geneva Protocol) acquired in virtue of the Lausanne Agreement of January 30, 1923, concerning the exchange of populations, and of decision of June 21, 1924, of the Mixed Commission on said exchange.

The object of this cession was defined to be the clearing of this class of property, with a view to giving, out of the proceeds of its sale and out of the income thereof in the meantime, proper indemnities to the exchangeable refugees settled in Greece, against what was due them for the property abandoned by them in Turkey.

This class of refugee, consisting chiefly of an urban population, is quite numerous (estimated at 500,000 souls), and has up to the present undergone the greatest suffering. These people, who abandoned in Turkey properties of many thousands of millions in value, have been unable thus far to recover their normal place in the struggle for existence, owing to the lack of the necessary means, and naturally expect to procure these means from the value of the Mussulman properties, to which they are really entitled under the Lausanne Agreement.

The real estate thus concentrated in the hands of the bank offers a solid basis for the hope that the day is no longer distant when this class of refugee as well will receive proper relief, such as has already fallen to the lot of the agriculturist refugees through the Refugee Loan, as administered by the Settlement Commission.

PROPERTIES RECEIVED TO DATE.

We have received up to date the cession of 50,972 lots of real estate, whereof 39,519 are urban lots. The value of these properties, according to a conservative estimate, amounts to Drs. 2,963,377,588. Of these properties we have already let 24,095 for a total annual rental of Drs. 74,079,813. These figures eloquently justify the hopes we have expressed above; nor are they the final figures, which we shall be able to give you after the cession of such properties is completed.

In order to accelerate the indemnification of the refugees entitled thereto, it has recently been decided to issue bonds secured by the value of the aforesaid real estate. These bonds will be distributed amongst those entitled to indemnities, in lieu of cash advances upon their claims. Amongst other advantages, these bonds will serve in lieu of cash for the purchase of the real estate in question, whose systematic sale will commence shortly. By this means not only a speedy, but also a practical solution has really been found for the difficult problem of finding the resources required for the indemnification of the urban refugees.

FOUNDATION OF NEW COMPANIES.

I also have the pleasure to announce to the shareholders that the Syndicate of Studies and Enterprises, presided over by our bank, and the Power and Traction Finance Company, Limited, of London, has secured from the Greek Government the definitive concession of the privilege of producing and supplying electric current for lighting, industrial motor power, and traction, as well as of reorganising and exploiting the existing electric railways of Athens, Piræus and environs, and of working the Kephissia Railway by electric traction. This enterprise, the technical foundations whereof had already been laid after long and careful preparation, in which our bank took the leading part, is destined to serve, in the most advantageous manner, urgent needs of the two cities and their environs, both as capitals and as serious industrial centres. Now, after the concession of the aforesaid privilege and the complete understanding that has been arrived at between the concession-holders and the old companies, all the latter having become participants in the new enterprise, the concession-holders have founded five new limited liability companies and have made over to these their own rights and obligations under the terms of the concession. With these new companies the corresponding old companies have either been amalgamated or have merely contributed such of their plants as were indispensable for the purchase of the new companies under the concession.

A COMMUNITY OF INTERESTS.

The system which we have followed in the creation of these new companies is a novelty in Greece, though it has long been in application in countries that are financially well advanced. On the principle that enterprises for the production and supply of electric power, as well as of electric transportation, are inseparably bound up together, and therefore that the success of each depends upon the success of all, we set out to create a community of interests amongst these companies, which could be achieved only by the

bond of common capital. Thus we founded a parent company, "The Greek General Company," to which the "Syndicate of Studies and Enterprises" and the "Power and Traction Finance Company, Limited," contributed the entire shareholders' capital that was considered necessary for the enterprises included in the concession.

Of this capital, amounting to £750,000, the "Syndicate of Studies and Enterprises" furnished £400,000, and the "Power and Traction Finance Company, Limited," £350,000. The company thus founded undertook to create and consolidate financially the several companies, which should carry out the execution and exploitation of the works provided for in the concession, with the exception of the Athens-Piræus Railway Company, which, for technical reasons, was founded by the concession-holders directly, without the intermediary of the general company.

The latter, with the co-operation of the old companies, has founded three new companies: The Electric Power Company, the Electric Distribution Company, and the Electric Transport Company, and distributed its aforesaid shareholders' capital amongst these companies in such proportion as each required for the works to be carried out in Greece and for the purchase for cash of such of the installations or possessions of the old companies as were not made over to the new companies against shares.

In this manner the Greek General Company, by participating with its capital in all the enterprises, forms the financial link between them, and by participating in the management of these companies is enabled to guide them to the common good.

BRITISH FINANCIAL ASSISTANCE.

Nevertheless, it was evident that the new share capital, which the founders contributed to the companies thus founded, was not sufficient for their purposes. Wherefore our efforts were directed, from the very start, toward securing a large foreign loan. For this purpose we turned, as usual, to the British money market, which showed itself willing to help these new enterprises. And as the proceeds of this loan were destined, owing to the nature of the enterprises, to be utilised entirely for the purchase abroad of machinery, supplies, &c., it was found possible to combine the interests of these enterprises with the British Government's policy, as embodied in the Trades Facilities Act. Thus we succeeded in signing an agreement with the British Treasury, whereby the latter guarantees to the lenders the repayment of the capital (£2,000,000) and interest of the loan in question. The importance of this guarantee is obvious. Thanks to it, the loan, which will be given by the Prudential Assurance Company, will be issued at the price of 97½ and 97 per cent., with interest at 5 per cent., so that the real interest will not exceed 5½ per cent., whereas under the present conditions of the money market the real interest of a safe loan, guaranteed by a bank and destined for abroad, slightly exceeds 8 per cent. The proceeds of the above loan, which will go to the Greek General Company for distribution amongst the dependent companies, in proportion to their respective needs, will be utilised for the purchase in England of the necessary machinery, supplies, &c.

This enterprise, which has been exhaustively studied from both the technical and financial standpoint, will contribute greatly to the progress of the cities of Athens and Piræus and the development of their industries. And the National Bank may rejoice in the consciousness that without its intervention and initiative these results could not have been attained.

DEFENCE OF THE BANK'S POLICY.

There are, to be sure, some who question the soundness of the bank's policy in this matter. Some even criticise severely what they call the bank's active meddling in enterprises foreign to its own sphere of business. They claim that the National Bank, being the only bank of issue in the country, should confine itself to such banking operations as are related to its privilege of issue, leaving all other branches of banking business to the initiative of other banks.

In theory, of course, there can be no doubt that this view is the more correct. And it would have been a fortunate circumstance if the banking and financial organisation of our country were so far advanced as to allow the application of the above principle of division of business to the question in hand. Yet the National Bank's charter expressly states that the bank's aims include, besides the issue of bank-notes, participation in companies; and there is an unbroken tradition, according to which the National Bank's intervention and participation in the formation of companies, especially of those of a general interest, has always been considered both expedient and beneficial to the country, and has really proved such. Especially in the case of works of public utility, undeniably destined to promote the people's interests, yet requiring a large outlay of capital, the National Bank's initiative and the use of its credit may be considered an indispensable

condition both for the realisation of the projects and for the carrying out of the works to the best advantage.

But even more especially in the case of extensive works, which can be carried out only with the help of foreign capital, the National Bank's active intervention secures not only the participation of Greek capital under terms of equality, but also the better safeguarding of native interests. In such works, moreover, the National Bank does not act for itself alone, but considers it a duty to invite the participation of all other banks, if possible, in order that the financial forces of the country may present a wider and stronger front. Thus, in the case in hand, the honour of the success of the two largest enterprises—that of the electric power and that of the drainage works of Macedonia—is due to the co-operation of the more important Greek banks, which worked for the common aim with real unanimity and a deep realisation of the common purpose.

Until a banking organisation is formed in Greece, capable of studying and founding enterprises, especially of public utility, the National Bank will continue to follow its policy, as outlined above, in the conviction that, by so doing, it best serves the country's interests.

"A PERIOD OF STRESS."

We are passing through a period of stress. The first symptoms of trouble began to be felt last year. The causes must be sought for in the transitional character of our day, which impels native enterprises to excessive expansion and exposes them to speculative exploitation. But another factor, which exerted no small influence, was the needs of the Government, which presented themselves all at once and immobilised a considerable portion of the bank's assets. The country, finding itself in a period of intensive economic activity, was seized with the ambition of overleaping the intermediate stages of evolution and of creating within a brief space what could be established only slowly and in due course of time. We touched upon this question in our last annual report, and pointed out that in the various enterprises, to which Greeks were impelled by a spirit of excessive optimism, it frequently happened that the available resources were not properly weighed, while ephemeral factors were considered as an adequate foundation. The credit element was given undue importance, and the perspective of its use was thought to be a sure way of finding capital. Yet there is nothing more erroneous than this narrow point of view. Repeated observation has shown that unless timely retrenchment is resorted to disastrous consequences may be expected.

It must not be forgotten that the amount of real capital available in the country at any given period is limited, and that the only source of this capital is the people's savings—that is to say, the country's annual surplus, the economy left over from the consumption necessary for the country's subsistence. Any utilisation of internal capital beyond this limit means debit, creates an uncovered obligation, and constitutes a draft upon the future, whose production is uncertain, especially in times of stress, when the process of saving-up becomes slower and very often is diverted to other objects by reason of distrust.

INSUFFICIENT INTERNAL CAPITAL.

Nevertheless, during the year 1925 the above described tendency continued with increased force, and more native capital was called for than was available. A plain enumeration of figures, by no means covering the whole subject, will suffice to give a vivid picture of this situation. Only the companies previously existing increase their capital in drachmas by 585 millions. For the foundation of new companies capital in cash was produced to a total of Drs. 282,000,000. Mortgage loans of an aggregate of about 180 millions were contracted, chiefly for the construction of houses, the immediate cost of which represents an average outlay eight times as great. Over 200 millions was absorbed by the issue of bond loans. I omit the investments in foreign exchange, which were also very considerable. I do not believe that one can reasonably contend that the country's savings from its productive wealth during the above period were such as to cover such an extensive call for capital. Hence we had a rise in the rates of interest, and the failure of prices to maintain the levels to which they had been pushed by groundless optimism and unscrupulous speculation.

The distress thus created was further accentuated by the increasing reduction of the country's reserves of foreign exchange and the consequent restriction of circulation. In other words, the country's foreign exchange reserve was absorbed by various necessities and consumed by the continuously increasing production; yet a certain portion of this exchange left the country owing to motives of distrust. And, lastly, in the call for capital no small influence was exerted by the Government's competition. The Government's many necessities of late years led to constant reinforcements of the State budget by capital drawn from the country alone. And for the last three years the Government has proceeded to no technical increase of the revenue of the public Treasury by a

new issue of banknotes. But all the State expenses, ordinary and extraordinary, could not easily be covered by the ordinary revenues from taxation. And the extraordinary expenses were necessarily heavy, because of extraordinary events and conditions, and because instability of the national currency created constant deficits. All this brought about a considerable increase in the public Treasury's floating debt, which immobilised no little proportion of the Bank's available assets.

FLOATING DEBT.

This situation imposed the necessity of immediate measures both by the Government and by the Bank.

The floating public debt, which weighed upon the Bank and hampered its movements, is composed (1) of various older debts, which had been contracted from time to time as provisioned and had never until recently been collected, amounting in all to Drs. 281,736,161; (2) of the debit balance of the accounts of the Food Ministry, amounting to Drs. 421,510,200; (3) of Treasury bills paid by the Bank, amounting to Drs. 611,954,907.

For the speedy repayment of these sums it was of course impossible to look to the ordinary resources of the Budget. But the then Minister of Finance, Mr Gotsis, took the happy initiative of proposing to create a special source of revenue exclusively for the gradual redemption of the floating debt, by increasing to 20 per cent. the existing 10 per cent. surtax on all taxes and dues. The proceeds of this surtax, which are deposited directly in the National Bank, are used, after covering the service of the forced loan, for the automatic repayment of the various items of the floating debt. Thus, out of these proceeds deposited in the National Bank and amounting up to April 15, 1926, to Drs. 500,885,249, a total of Drs. 281,736,161 was paid off the floating debt during the year 1925, and up to this day, the remainder having been retained for the service of the forced loan and for the settlement of other Government obligations.

Yet it soon became evident that this measure, though very beneficial, was inadequate for a timely liquidation of the situation and for bringing more permanent relief to the strain on the bank's resources.

TREASURY BILLS.

The most dangerous menace to our financial affairs was that arising out of the short-term Treasury bills, guaranteed by the National Bank. From 1918 to 1925 Treasury bills had been issued to a total value of Drs. 1,933,207,000. In these bills, especially during the years of commercial and industrial stagnation, most of the country's annual savings were invested. To this handy and confidence-inspiring investment the unemployed capital, especially of the provinces, had recourse. Even the banks, not finding a better investment in those years for the abundant money in their coffers, purchased especially three-month Treasury bills. Thus many hundred millions of drachmas' worth of Treasury bills represented in reality the cash of the Greek banks.

Beginning, however, with the year 1924, and still more so during 1925, the increasing expansion in all branches of production demanded, incessantly, more capital, and commenced to absorb whatever capital became available, as well as that placed in provisional investments—that is to say, such liquid capital as was invested temporarily either in the form of bank deposits or in Treasury bills, finding now their final destination, were withdrawn and invested in industrial plants, agricultural enterprises, or building operations.

FINANCIAL STRAIN.

The result was that bank deposits came to a standstill, and Treasury bills began to decline. New purchases on renewals of Treasury bills were not sufficient to offset the repayments. Especially, the banks hastened to cash their Treasury bills as they fell due. This forced the National Bank, as guarantor, to pay gradually out of its own available funds Drs. 611,954,907; for the bank did not issue new banknotes, although it possessed the right to do so, nor did the Government refund the sums thus paid, because it lacked the necessary funds.

It was inevitable that the investment of such a large sum in cash in industrial plants, building or remote agricultural operations, added to other forms of immobilisation of funds, should gradually bring about a shortage, which made itself severely felt in the money market. And the drastic restriction of credits by all the banks, which had commenced several months before, only added to the financial strain. The latter, if left to itself and allowed to continue, threatened to deal a severe blow to the country, just beginning to recover from the effects of ten years of war, and that at the moment of the country's greatest economic effort. Moreover (and this was the most ominous point), the Treasury bills henceforth falling due would continue to pour in in great numbers for payment, but there would no longer be any available funds either

at the National Bank or at the Public Treasury for meeting them in cash.

PREVENTIVE MEASURES.

To meet this dangerous situation, which was in no wise due to loss of confidence in the Treasury bills (because I must emphasise the fact that new bills were constantly being purchased in large numbers), but to the rapid expansion of production and the abrupt increase of the country's population by over one and a-half million inhabitants, all seeking employment and working capital,* it was necessary to take preventive measures without delay. And this was the more imperative in that the threatened crisis was not due originally to bare speculation, in which case the crisis might have served to purge an unhealthy situation.

The measures adopted aimed at the complete settlement of the Government floating debt:—

(1) By procuring the necessary funds for the immediate repayment to the bank of the total sum disbursed by it to meet Treasury bills due or discounted—viz., Drs. 666,789,007—and for securing the payment of such bills as would hereafter be falling due.

(2) By the definitive regulation of all short-term Treasury bills and the cessation of further issues of such.

The Forced Loan (1926) by reducing the value of the banknotes in circulation (of over Drs. 25 face value) by one-fourth, this one-fourth being converted into bonds of a 6 per cent. loan, repayable in 20 years by annual drawings, yielded an approximate sum of Drs. 1,173,000,000, which was utilised largely for refunding to the bank what was owing to it by the State for paid or discounted Treasury bills (Drs. 661,789,007) and for another provisional obligation of Drs. 50,000,000. The total sum refunded to the National Bank amounted to Drs. 711,789,007.

By these payments the bank's assets were relieved of a considerable burden, and we were in a better position to come to a measured relief of the market.

LIQUIDATION OF THE FLOATING DEBT.

But this transaction would have had but transient results, and would have had the form of a financial measure of doubtful value, if, at the same time, forethought had not been taken to close once for all the source of the trouble. To this end the following measures were taken:—

The bills falling due for payment during the current year and up to April 1, 1927, amount approximately to Drs. 1,272,029,800 (the remaining Drs. 96,180,000 are five and ten-year bills, which will continue to be valid according to their original terms of issue). One half of this amount has been converted into 8 per cent. bonds, payable in ten annual instalments; the other half are being paid off in cash as they fall due.

Thus after 14 months there will be no short-term Treasury bills in circulation to the debit of the public Treasury.

The ready cash required for these payments is covered by the aforesaid sur-tax of 20 per cent., which is already in force, and is destined for the very purpose of providing sufficient liquid money out of the ordinary Budget revenues for the extinction of the floating debt. Up to April 15, 1926, of the Treasury bills outstanding for payment in cash (value Drs. 636,014,900) amounts to the value of Drs. 113,000,000 were thus paid off out of the yield of the 20 per cent. sur-tax. And as this yield amounts to Drs. 65,000,000 per month, the regular extinction of the remainder within the allotted time is assured.

ADVANTAGES OF METHODS ADOPTED.

The conversion of the other half of the Treasury bills into ten-year 8 per cent. bonds is considered by some as an arbitrary measure, undermining public confidence, and therefore to be avoided at any cost.

I do not share this view, but claim that the method adopted was the best calculated to preserve our credit and to avert financial dangers, present or future. A liquidation of the floating debt was the only procedure that could relieve the public finances of a crushing burden, which indirectly threatened to ruin private finance as well. But this liquidation—it must be emphasised—had to be accomplished within the limits of the existing circulation—that is, the act of liquidation and regulation should not bring about a fresh issue, which would have subverted every advantage aimed at, and would assuredly have given a further shock to the country's financial equilibrium, already badly shaken.

To attain this object, however, by the Budget resources which could be utilised for the purpose, was not immediately possible for the entire amount of the floating debt; nor has the abrupt paying off of so large a debt by new liquid funds, not proceeding

* The Refugee Loan is being used chiefly for the settlement of the agriculturist refugees upon the land, and not for the needs of the urban refugees.

from a foreign loan, ever been considered reasonable or free from the danger of a severe repercussion. On all occasions conversion has been considered the fitter and milder method. The renewal of the debt upon a new basis, by spacing off the dates of expiration without sacrificing the creditors' rights, is financially the sounder solution, especially when time of repayment is short and when a special recurring revenue, administered independently, assures a regular service.

Of course, the new form of this ten-year loan, of a nature entirely different from the previous short-term debt, entailed also a change in the bank's relations thereto. The Treasury bills bore the bank's guarantee and the right of discount under certain conditions; but also the original convention with the Government provided, as a remoter security for the bank's advances, the right of the bank to cover its disbursements by a corresponding issue of banknotes. The Government revoked this right, because it was considered dangerous to have recourse to it. But the logical consequence of this fundamental modification is the release of the bank from its original obligation, which in itself does not fit in to the totally different type of the new loan, and which release is acknowledged by the Government in the Decree Law of January 23, 1926, on the conversion of Treasury bills.

A dispassionate judge of the above measures cannot but admit both their timely character and their slow but sure efficacy.

CAPITAL LIBERATED FOR PRODUCTIVE PURPOSES.

And the wider economic significance of the immediate extinction of Drs. 993,525,168 of the State's floating debt is that this capital, which had been absorbed and immobilised by the State's needs (in other words, had become unavailable for the needs of the country's production), has returned to its proper destination, and its power is once more at the disposal of the public. And, furthermore, that this repayment has been consummated partly through the yield of normal taxation and partly through loan combinations—that is to say, through money lying in the country. There has been no recourse to a fresh issue of paper money, which would only in a technical sense have increased our means of circulation, without affording any real relief to the country's economic embarrassment.

This embarrassment, from which we are suffering and which I refuse to call a crisis, because it has none of the typical features of real crises, will assuredly not affect the country's economic progress

to any great extent. We must not forget that our national economy is now passing through a stage of real transformation with a real hyper-intensity of productive activity; that an entire new population has been thrown upon the country, working and producing, but also consuming; but that careful observation has shown that every perceptible change in a country's economy, even when that change is for the better, inevitably creates confusion in existing conditions and disturbs economic equilibrium. But these phenomena are not vital.

Yet all this will be of no advantage, and the assistance of the bank will prove useless unless we determine to place more faith in our own strength—unless we do not desist from creating causes of mistrust and from disseminating pessimism round about us—a pessimism which spells defamation of our national currency, the flight of capital out of the country, and its investment in foreign securities.

ECONOMIC SITUATION AND PROSPECTS.

In the midst of the general uncertainty which characterises the finances of nearly all countries, the instability of most currencies, the weakness of the prices of the various Government stocks, I think it is no exaggeration to say that our credit stands on a fairly good level, and (what is more important) that this is the opinion of foreign markets. This favourable disposition we must value highly, because to it we owe considerable capital, which has already come from abroad to fertilise our native industry, and from it we hope to obtain further the capital of which the country stands in need. The strong tendency toward a wider economic life, which is an excellent sign of the health and vitality of our race, cannot be met by our own unaided resources, which are utterly inadequate. We have reached that stage of development at which the people's work and enterprising spirit call for the co-operation of foreign capital, which will be used to assist production, not to be consumed in sterile expenditure, and which will thus be of real and permanent aid to our national economy. And we have every reason to believe that in the foreign markets there is both readiness and esteem for our country's material strength, and confidence in its economic future.

THE AMALGAMATED PRESS (1922), LIMITED.

SATISFACTORY RESULTS OF DIFFICULT YEAR.

"ADVERTISING THE LIFE BLOOD OF INDUSTRY."

BURDEN OF TAXATION.

The ordinary general meeting of the Amalgamated Press (1922), Limited, was held, on the 27th instant, at the Memorial Hall, Farringdon street, London, Sir George A. Sutton, Bt. (chairman of the company), presiding.

The secretary (Mr J. R. Sumpter, A.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, I assume the report and accounts will, as usual, be taken as read.

We meet to-day under the shadow of the gravest industrial depression this country has experienced for generations, with unemployment returns higher than ever and businesses closing down daily.

The report which we have the pleasure to place before you to-day includes the period of the general strike, during which period the business of the company was at a complete standstill for a fortnight. Owing, however, to efficient organisation and hard work, it was possible to make up for one of the lost weeks. Otherwise the effect on the business would have been more serious.

The report does not, of course, reflect in any way the calamitous coal strike, which has continued ever since the general strike. The damage already inflicted we can partly estimate, but who can foretell the ultimate evil consequences upon our national trade of an industrial upheaval of this nature? Never in the history of this business have we had to face conditions so adverse as those of the last four months. These conditions are known to you all. Take the coal strike alone. It is obvious that with over a million miners out of work in districts where our publications usually have huge sales, the loss in revenue to us must be considerable. The miners are great readers; they buy educational publications on a considerable scale, and I am pleased to testify that we seldom make bad debts among them. So we have a special reason for hoping that they will all soon be back at work again.

Having in mind, then, the adverse conditions mentioned, there is reason for satisfaction with the report we are able to place before you.

The profits, as you will have seen, amount to £542,238 18s 10d. INVESTMENTS.

First a word as to your investments, which I dealt with last year. Owing to the company's large paper requirements, your directors keep in close touch with the paper-making industry. Leading authorities in this industry view with concern the depletion of the world's pulpwood reserves brought about by the present huge demand for newsprint and the large increase in the production of artificial silk. On this account a paper-making undertaking that owns large timber limits from which to draw its pulpwood seemed to your directors to offer a promising field for investment.

We, therefore, subscribed for 10,000 7 per cent. preference shares of \$100 each in the Anglo-Canadian Pulp and Paper Mills, Limited, a new company formed with Lord Rothermere as its president. Ten dollars per share have been paid up and the balance of \$90.00 per share is payable by instalments during 1927. The company has ample funds to provide for these payments. In consideration of subscribing for these preference shares we shall receive a bonus of 4,000 ordinary shares.

The Anglo-Canadian Pulp and Paper Company has acquired vast timber limits on the north shore of the St. Lawrence River. These limits cover an area of approximately 2,237 square miles, and the quantity of pulpwood on them is estimated to be sufficient to produce five million tons of paper, which is equivalent to forty-five years' production of the proposed paper mill.

The preference shares will give a satisfactory yield, and the holding of the ordinary shares will ensure that we participate in the prosperity of the new company.

NEW PUBLICATIONS.

Despite the troubles to which I have referred, there are several noteworthy points in connection with the year's work that illustrate the marvellous vitality of our great organisation.

We have launched many new publications—notably "Music Masterpieces," a superb work issued in conjunction with Mr William Allen, chairman of the well-known firm of music publishers, Messrs Ascherberg, Hopwood, and Crew, Limited. This publication is one of our biggest successes, despite the fact that at a critical stage it had to encounter the setback of the general strike.

We have produced also three high-class literary and pictorial works in "The World's Great Books," "The Children's Colour Book of Lands and Peoples," and "Wonderful London."

The circulations of many of our older publications are in excess of last year's figures. Our old friend "Answers," now in its thirty-ninth year, still maintains its position as the leader of popular periodicals, and registers a very gratifying increase of circulation on the same period last year.

The editor of "Answers," always on the look-out for novel features, has just completed arrangements with Mr Edgar Wallace, author of that strikingly successful play "The Ringer," to tell the story of the play in serial form. "The Ringer" begins in "Answers" early in October, and advertisers may be certain of a largely increased circulation on account of this unique fiction feature.

There has also been very considerable expansion in your magazines and periodicals that sell to women. "Home Chat" has reached a higher figure, in company with "Home Companion" and "Woman's Pictorial." "Woman's Weekly" continues to add to its already vast assembly of readers, and has now the largest circulation of any woman's magazine or periodical published in this country.

Your fashion papers, too, show considerable improvement; all are higher in circulation than last year, particularly "Mab's Fashions," which is now unquestionably the leading fashion journal. And we have added "Mab's Children's Fashions" and "Modern Weekly" to our already long list of publications that cater for the feminine market.

These facts are very satisfactory—particularly to advertisers—as showing the enormous hold our publications have in the

country, and they are especially satisfactory having regard to the buffeting they have had to face the last few months.

LIFE OF THE QUEEN.

Another interesting item is the fact that we have purchased the Life-Story of the Queen. It gives me very great pleasure to announce that we have secured a contribution of world-wide interest—"The Life-Story of Queen Mary," by Kathleen Woodward. The authoress was given special facilities for obtaining the material, which gives this intimate study a peculiar distinction and importance as an authentic record of the remarkable woman who has shared the highest responsibilities of the State through this most sensational era. We claim, with justifiable pride, that we are presenting a unique and historical document. We have decided to publish this work in serial form in "Woman's Pictorial" this autumn. Unquestionably, it will greatly enhance the prestige and popularity of this valuable property.

MR RUDYARD KIPLING'S NEW STORIES.

Again, the editor of the "London" Magazine has secured at great expense Mr Rudyard Kipling's new short stories. This is a literary event of the first importance, and further evidence of our unabated editorial alertness.

ADVERTISING THE LIFE-BLOOD OF INDUSTRY.

I have now to draw your attention to what constitutes, I think, a very noteworthy and gratifying achievement. Once again, despite the adverse conditions to which I have already referred, the revenue from advertisements in your publications has beaten all previous records. This fact speaks for itself. There is no more striking testimony to the very high esteem in which your magazines and periodicals are held by advertisers and their agents. Taken together, the Amalgamated Press publications constitute a selling organisation—a stupendous publicity machine—unrivalled, I believe, in the whole world. Their "hold" upon all classes of the public in all parts of the country is now unshakeable, and the ever-increasing demand for advertisement space is but the natural outcome of the wide and profitable business which they have brought—and will continue to bring—to the great advertisers of this country.

Though every year the advertising horizon expands, we have, I believe, done little more yet than touch the fringe of possibilities; for realisation grows steadily among manufacturers and commercial firms that advertising is the very life-blood of industrial prosperity. In the wide expansion of advertising which must yet come about, it is quite certain that a great group of publications such as yours, penetrating into every hamlet of the kingdom, and deeply rooted in the affections of readers, is destined to play an ever larger part.

NEW DIRECTORS.

During the year we have elected two new directors to the board—Mr A. R. Linforth and Mr S. J. Brown.

Mr A. R. Linforth has been in the service of the firm for some 25 years, and has thoroughly earned his directorship, and if he is anything like as successful in the conduct of the affairs of this company as his brother, my colleague the vice-chairman, the company can congratulate itself on an acquisition to the board.

The other director, though he has not been in the service of the firm for many years, has shown great qualification for the post, and his election is a testimony to the fact that the board is always ready to recognise merit, even aside from length of service.

A SELF-CONTAINED BUSINESS.

It is well to point out again that this company does not derive all its profits from the sale of periodicals and magazines. It is the only periodical business in this country that is self-contained, in that it controls its own timber limits in Canada, its own paper mills, and has also its share interest in the largest printing ink works in this country, in addition to our vast printing and publishing factories. These advantages place us in a fortunate and unique position.

As you know, the Imperial Paper Mills, in which you own the controlling interest, are the second largest mills in the country.

AUTUMN ACTIVITIES.

And now, with regard to our activities for the autumn, I must not be too definite. We had prepared an ambitious programme, but it would be futile to risk the flotation of many new ideas on an impoverished market, since a concern of this kind is naturally wrapped up with the prosperity of the country. The conditions prevailing to-day—with the country strewn with the wreckage of industrial businesses—plus the ever-increasing burden of heavy taxation, which at present shows no sign of diminishing, all result in scarcity of money.

BURDENS OF TAXATION.

If, as I see it is suggested, there is to be still more taxation, the effect upon businesses already staggering under the burden of taxation and continual strikes must obviously be of a serious nature. There is to be considered, in addition, the killing of

initiative and enterprise and the flight of capital to other countries. It would be difficult, therefore, and foolish to make any sort of promise in regard to the future. Shareholders know as much about the situation and the difficulties we have to face as the directors do, but when we get to the end of these disastrous strikes the country should be in for a period of considerable prosperity, and if, as I believe, new ideas and initiative count more than ever to-day, the shareholders can rely upon the board taking every opportunity of developing the business on ambitious, up-to-date, and comprehensive lines.

THE RESOLUTION.

I move: "That the report of the directors produced, together with the annexed statement of the company's accounts at June 30, 1926, be received, approved, and adopted, and that a final dividend for the year of 2s per share, less income-tax at 4s in the £, be now declared upon the ordinary shares."

I will ask Mr A. E. Linforth (vice-chairman) to second the resolution.

Mr Arthur E. Linforth (vice-chairman): Gentlemen, I beg to second that resolution.

The Chairman: Have shareholders any questions to ask?

SHAREHOLDER'S QUESTION.

Mr J. W. Cooper: Mr Chairman, I should just like to ask what was the market value on June 30th of the investments at cost, which appear in the balance-sheet at £1,422,114, and also the approximate amount of dividends on them. After perusing the balance-sheet and hearing your interesting speech, I think it will be the unanimous opinion of the shareholders that the board, as well as the secretary and staff, have well merited their sincere thanks and congratulations on the splendid results as disclosed in the accounts. Although the outlook is somewhat obscure, I have no doubt that while we have such a good board you will be able to withstand whatever buffetings the abnormally adverse conditions may give us and still come up smiling. I have no doubt that the year we have now entered upon will be quite as satisfactory as the one now under review.

CHAIRMAN'S REPLY.

The Chairman: In reply to the question put by Mr Cooper I may say that the investments referred to are very largely in our subsidiary companies, and there is really no market quotation for them. They are companies controlled by the Amalgamated Press, such as "Fashions for All," and the average yield from them is about 7 per cent. I should mention that this item of investments includes £400,000 British Government securities, at cost price, which is under the present market value.

TRIBUTE TO BOARD.

Mr William Haley: Mr Chairman, I have no questions to ask, but one feels tempted almost to put a leading question: How have the board achieved these excellent results, submitted in facts by the balance-sheet and confirmed by your convincing speech? The answer can best be supplied by the shareholders themselves, especially some who may have more intimate contact with the actual working of the business—that such results can only be brought about by the conspicuously able management and matured experience of yourself, Sir George, your good colleague, Mr Arthur Linforth, and all your co-directors. The shareholders should have particularly good cause to be thankful that, despite almost unexampled difficulties in commerce and politics during the past year, our dividends are fully maintained, the profits are actually increased, the reserve fund has received a substantial addition, and the shareholders' interests generally have been consolidated. I feel sure, sir, that many chairmen of commercial corporations envy you your duty to-day in presenting such a report in the light of all the difficulties referred to, and we as shareholders should be lacking in common gratitude if we did not express our appreciation in no formal manner, but very sincerely. The Amalgamated Press, Limited, has a comparatively short but a wonderful record of success, and the best traditions of that period of unbroken success are, we know, being carefully safeguarded by the present directorate. Mr A. R. Linforth and Mr S. James Brown are to be heartily congratulated on their appointment as directors, and we wish them many years of enjoyment of their new dignities. You, sir, have referred to extracts from the report, of which I should like to repeat two: "It is impossible for a large manufacturing business to continue to make progress under such difficult conditions, and it is hoped that the much-needed industrial peace will not be long delayed. In the circumstances, the directors consider that the balance-sheet is a very satisfactory one." I should like to be the mouth-piece of this meeting in assuring you that the shareholders heartily agree with this. We warmly congratulate you on the report, and desire to offer you, Mr Chairman, and your colleagues every evidence of our continued confidence.

Mr Charles Steele: Sir George, I should like to support the remarks which have been made by the last speaker, and I content myself with doing so quite briefly because the facts which surround



**INSURE
YOUR MOTORING RISKS**

WITH THE
**LIVERPOOL
AND
LONDON
AND
GLOBE
INSURANCE CO. LTD.**

HEAD OFFICE:
1, DALE STREET,
LIVERPOOL.

LONDON.
CHIEF OFFICE:
1, CORNHILL, E.C.3.



us here to-day are, I am sure, sufficiently eloquent. After all, speaking as a very old shareholder in this company and its predecessors, I think I may say that what we have heard from the board to-day is very little more than we expected.

The resolution for the adoption of the report and accounts and the payment of the dividend was unanimously carried.

On the proposition of Mr H. Le Cren Clarke, seconded by Mr Charles Steele, the auditors (Messrs Turquand, Youngs and Co. and Messrs E. Layton, Bennett, Sons, and Co.) were reappointed.

The Chairman: That, gentlemen, concludes the business of the meeting. With regard to the kind remarks of the two shareholders who spoke, I can only hope that the conditions during the coming year will give the board a better chance.

The proceedings then terminated.

UNION COLD STORAGE COMPANY, LIMITED. GOOD RESULTS AND PROSPECTS.

The twenty-ninth ordinary general meeting of the Union Cold Storage Company, Limited, was held, on the 24th instant, at Winchester House, London, Mr Roger P. Sing presiding.

The Chairman, in moving the adoption of the report and accounts, said:—It is gratifying to me to be able to look back and see that for the past 25 years we have not only maintained a 10 per cent. dividend on the ordinary shares, but, with one exception, the earnings of each of those years has been a record for our company as compared with any previous year in our history. The total of the debenture stock redeemed and specific mortgages repaid to date together amount to the considerable total of £1,310,756. This materially strengthens the position of the company. The reserve funds, built up during past years and now exceeding £3,000,000, are also a feature of strength to which I direct your special attention. Goodwill, although it is in fact of very great value, was written off in our balance-sheet some years ago. Of all the multiple shop companies in Great Britain we have by far the greatest number of shops. In fact, we have become the world's largest retailers of meat. A very large proportion of the millions of cattle, sheep, lambs and other live stock which we purchase from the growers in the producing countries across the seas we distribute to well over 1,000,000 families per week over the counters of our own retail shops located in almost every town in the United Kingdom. Our desire is to bring the food products which we handle, and especially meat, within the buying power of the humblest householder. Our shops help materially to this end, as well as being a considerable source of strength to us. We work on a smaller margin of profit from the time the animals are handed over by the farmer until they reach the consumer than it is possible for any other system to live upon. During the year 1925 the business in most of our branches, both at home and abroad, has been consolidated and extended.

Mr J. M. Sing seconded the motion.

In reply to a shareholder, who asked whether any explanation could be given of the fall which had taken place in the company's shares during the past twelve months, the Chairman said it was natural that the trouble in the meat trade should be reflected in the price of all meat companies' shares. He pointed out, however, that the operations of this company in the wholesale meat departments were only a portion of the ramifications of their great business. In the opinion of the directors, the prospects for the continued prosperity of the company had never been better than they were to-day.

The report and accounts were unanimously adopted.



**The Anglo-South
American Bank Limited.**

Head Office:
117 Old Broad Street, London, E.C.2

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£8,734,660
Paid-up Capital	£4,367,330

The Bank has with its
AFFILIATED INSTITUTIONS
**THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and**
**THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.**

53 offices in the principal countries of
LATIN AMERICA
as well as 7 Branches in
SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York,
NEW YORK.)
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.
PARIS.
Northern District Office: 90, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from	Receipts	Week ended	Week ended
		Apl. 1, 1926, to Aug. 21, 1926.	Apl. 1, 1925, to Aug. 22, 1925.	Aug. 21, 1926.	Aug. 22, 1925.
Balances in Exchequer on 1st April:—					
Bank of England...	5,880,249	5,341,778	..	..	..
Bank of Ireland...	676,684	1,215,322	..	..	..
	6,556,933	6,557,100	..	..	..
REVENUE.					
Customs...	108,450,000	3,728,000	38,987,000	1,876,000	2,135,000
Excise...	141,300,000	50,525,000	49,840,000	7,573,000	7,221,000
Motor Vehicle Duties...	21,600,000	5,443,000	4,638,000	..	..
Stamp Duties...	68,000,000	23,150,000	23,520,000	1,850,000	1,080,000
Land Tax, House Duty & Mineral Rights Duty...	25,000,000	5,010,000	7,070,000	100,000	110,000
Property & Income Tax...	1,000,000	120,000	160,000	..	10,000
Super Tax...	254,800,000	61,787,000	78,013,000	3,936,000	3,792,000
Excess Profits Duties, &c.	64,500,000	18,050,000	24,380,000	350,000	500,000
Corporation Profits Tax...	2,000,000	1,830,000	5,110,000	60,000	170,000
Post Office...	59,400,000	21,450,000	21,900,000	1,200,000	1,100,000
Crown Lands...	950,000	390,000	430,000	..	90,000
Receipts from Sundry Loans...	21,650,000	6,681,567	8,254,572	41,932	..
Miscellaneous...	..	..	..	..	..
Ordinary Receipts...	25,600,000	13,858,992	4,272,671	220,355	209,129
Special Receipts...	26,000,000	8,467,663	14,989,387	395,259	52,788
Revenue...	824,750,000	257,335,122	281,564,630	17,642,556	16,469,917
Total, inc. Balance...	..	253,892,055	288,121,730	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Under the Unemployment Insurance Act, 1921...	344,000	1,170,000	..	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1924 and 1925...	2,850,000	3,050,000	..	..	..
Under the Housing Act, 1914...	..	3,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	..	11,533	..	..	..
(b) Under the Unemployment Insurance Act, 1921...	5,692,431	1,250,000	..	..	..
(c) For other issues: By Treasury Bills...	985,784,000	933,229,000	51,112,000	45,184,000	..
By 3% Conversion Loan...	..	23,079,560	..	..	..
By National Savings Certificates...	11,400,000	14,550,000	650,000	650,000	..
By National War Bonds...	..	15	..	..	..
By Treasury Bonds, 1925...	3,512,150	..	..	..	..
By 4% Treasury Bonds, 1921-23...	..	..	..	..	..
(d) Ways and Means Advances...	270,101,000	255,755,000	..	..	..
Repayments—					
In respect of issues under Land Settlement (Facilities) Act, 1919 and 1921...	90,595	78,816	..	..	..
Total...	1,543,664,231	1,550,298,664	69,404,556	62,303,917	..

NOTE.—Budget Estimate as in H.C. 69 of 1926.

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27 (including Supplementary Grants)	Total Issues out of the Exchequer to meet Payments from	Issues	Week ended	Week ended
		Apl. 1, 1926, to Aug. 21, 1926.	Apl. 1, 1925, to Aug. 22, 1925.	Aug. 21, 1926.	Aug. 22, 1925.
EXPENDITURE.					
National Debt Services—					
Interest, &c.	304,000,000	137,178,727	136,291,220	685,334	434,744
Sinking Fund...	60,000,000	12,188,572	16,010,213	399,861	399,861
Road Fund...	17,500,000	3,769,044	4,037,044	307,000	1,010,000
Payments to Local Taxation Authorities, &c.	14,100,000	2,616,359	2,689,906	641,055	899,974
Payments to Northern Ireland Exchequer...	5,200,000	2,039,034	1,781,353	497,800	418,156
Land Settlement...	..	119,514	..	..	2,342
Other Consolidated Fund...	2,600,000	1,097,928	1,135,202	..	..
Services...	422,327,000	158,529,825	146,215,129	10,000,000	8,850,000
Supply Services...	825,727,000	317,419,489	308,279,581	13,538,189	12,015,077
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904...	36,891	36,891	..	..	..
Under the Unemployment Insurance Act, 1921...	7,132,431	1,250,000	310,000	..	..
Issues to meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1924 and 1925...	4,100,000	4,490,000	..	..	..
Under the Housing Act, 1914...	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	..	20,071	..	..	..
Unemployment Insurance Act, 1921...	344,000	670,000	..	..	..
Repayment of amounts borrowed...	920,610,000	914,835,000	41,775,000	37,875,000	..
Redemption of Debt—					
Treasury Bills...	12,600,000	12,400,000	650,000	550,000	..
Principal of National Savings Certificates...	..	306,667	..	..	..
Principal of Exchequer Bonds paid off...	..	3,639,550	..	..	..
Principal of National War Bonds paid off...	..	23,645,860	..	..	..
Principal of Treasury Bonds paid off...	..	..	..	..	..
Ways and Means Advances Repaid...	278,741,000	278,049,000	13,650,000	12,200,000	..
	1,540,983,811	1,547,588,620	69,323,189	62,640,077	..
Balances in Exchequer—					
Bank of England...	2,003,494	2,013,539	46,633	61,005	..
Bank of Ireland...	676,926	696,505	124,000	275,155	..
Total...	2,680,420	2,710,044	181,387	336,160	..

Treasury, August 23, 1926.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	Aug. 21, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314
Term Annuities.....	30	20	16	14	14	13	13	13	13	13	13
3% Conversion Loan.....	..	..	266	684	666	709	764	760	760	760	760
4% Conversion Loan.....	..	..	..	..	..	210	210	211	211	211	211
4% War Stock.....	..	63	63	63	63	63	63	63	63	63	63
4% War Bonds.....	..	2,047	1,953	1,953	2,166	2,052	2,109	2,109	2,109	2,109	2,109
National War Bonds.....	..	1,509	1,201	953	820	778	771	706	706	706	706
4% Funding Loan.....	..	409	401	399	396	394	394	390	390	390	390
4% Victory Bonds.....	..	360	335	325	314	303	292	292	292	292	292
Treasury Bonds.....	..	..	453	411	457	499	479	482	482	482	482
Exchequer Bonds.....	20	323	185	150	150	15	15	15	15	15	15
National Savings Certificates.....	..	267	342	354	366	369	372	375	375	375	375
Other Debt.....	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111
American Loan (Anglo-French).....	..	51	..	..	..	..	..	..	..	..	..
Treasury Bills.....	15	1,107	878	616	588	576	635	665	639	639	639
Temporary Advances.....	1	243	17	194	186	167	181	139	139	139	139
	654	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,617	7,617	7,617
Other Capital Liabilities	57	46	66	7,742	7,641	7,598	7,703	7,558	7,617	7,617	7,617
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,691	7,691	7,691

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Aug. 22/25.	Mar. 31/26.	Aug. 21/26.	Week ended Aug. 21/26.
Ways and Means Advances	139,441,000	139,441,000	139,441,000	13,650,000
Advances by Bank of England.....	144,291,000	139,441,000	139,441,000	13,650,000
Advances by Public Debt Office.....	624,020,000	564,855,000	630,640,000	9,325,000
Treasury Bills Outstanding.....	768,311,000	704,296,000	760,841,000	3,725,000
Total Floating Debt	1,531,062,000	1,483,177,000	1,530,922,000	37,475,000

* Includes £22,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Aug. 27, 1926, and the total amount applied for was £55,020,000. For bills at 3 months, dated Monday, £98 16s 2d, and above in full, Tuesday to Saturday at £98 16s 5d, and above in full. The amounts allotted were in bills at 3 months, £42,675,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
June 25, 1926.	45,000,000	64,685,000	4 5 0/93	100
July 2.....	40,000,000	63,990,000	4 6 3/19	100
July 9.....	35,000,000	50,600,000	4 6 7/5	100
July 16.....	35,000,000	47,025,000	4 7 0/18	100
July 23.....	35,000,000	46,855,000	4 5 6/42	100
July 30.....	40,000,000	48,120,000	4 7 0/29	100
Aug. 6.....	40,000,000	50,920,000	4 7 3/16	100
Aug. 13.....	40,000,000	53,950,000	4 10 4/04	100
Aug. 20.....	40,000,000	49,880,000	4 11 11/62	100
Aug. 27.....	45,000,000	65,020,000	4 14 3/39	100

Tenders will be received on Sept. 3, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments in Foreign Accounts.	Redemption Accounts.			
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.
Mar. 28, 1923.	285,616	12,318	7,000	27,000	22,450	100
Sept. 27.....	285,503	12,516	7,000	27,000	22,450	100
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	100
Dec. 26.....	289,070	12,571	7,000	27,000	22,450	100
Mar. 26, 1924.	281,538	11,908	7,000	27,000	22,450	100
June 24.....	290,316	12,472	7,000	27,000	22,450	100
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	100
Dec. 31.....	296,261	12,812	7,000	27,000	22,450	100
Mar. 25, 1925.	284,256	11,882	7,000	27,000	22,450	100
June 24.....	292,278	12,265	7,000	27,000	22,450	100
Sept. 30.....	293,004	12,565	7,000	27,000	22,450	100
Dec. 30.....	296,777	12,561	7,000	27,000	22,450	100
Mar. 31, 1926.	295,337	12,226	6,850	26,250	21,945	100
June 30.....	294,036	12,567	6,850	26,250	21,945	100
Aug. 18.....	290,959	12,178	6,850	26,250	21,945	100
Aug. 25.....	290,751	12,044	6,550	26,250	21,945	100

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,146,400, and for 1926 at £247,902,500.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, August 25, 1926.

ISSUE DEPARTMENT.

Notes issued.....	173,149,420	Government debt.....	11,015,100
		Other securities.....	8,734,900
		Gold coin & bullion.....	153,399,420
	173,149,420		173,149,420

BANKING DEPARTMENT.

Proprietors' capital.....	14,553,000	Government securities.....	38,773,589
Rest.....	3,643,328	Other securities.....	73,313,855
Public deposits.....	26,116,116	Notes.....	32,878,415
Other deposits.....	102,057,104	Gold and silver coin.....	1,406,094
Seven-day & other bills.....	2,405		
	146,371,953		146,371,953

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Aug. 25, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest.....	3,643,328	+ 74,598	+ 27,451
Public deposits.....	26,116,116	+ 9,177,430	+ 2,160,966
Other deposits.....	102,057,104	+ 2,770,853	+ 3,359,556

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	July 31, 1926.	Aug. 22, 1926.	Position May 31, 1914.
Gold.....	420,324	420,171	420,077	420,002	522,203	171,175
Silver.....	88,562	88,186	87,839	88,140	89,226	18,350
Assets & advances	285,711	292,721	3,518	321,134	291,491	103,000
LIABILITIES.						
Notes in circulation	745,111	753,229	776,455	803,415	767,783	275,925
Deposits.....	91,321	92,027	77,087	80,652	186,733	33,750

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	July 31, 1926.	Aug. 22, 1926.	Position May 31, 1914.
Gold.....	228,044	228,143	228,168	228,121	232,893	104,918
Balance abroad and foreign bills	134,165	131,970	126,013	125,490	146,437	112,172
Swedish and for Gov. securities	46,914	47,222	47,241	47,251	48,098	32,465
Discounts & loans	221,506	225,031	236,002	241,872	285,551	112,668
LIABILITIES.						
Notes in circulation	456,430	469,635	476,976	494,209	461,642	226,555
Deposits at notice	94,407	92,844	82,508	88,271	170,328	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

ASSETS.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	July 31, 1926.	Aug. 22, 1926.	Position May 31, 1914.
Gold.....	329,832	330,026	330,133	332,885	335,091	35,091
Balance abroad and foreign bills	996,263	966,051	951,213	1,053,194	90,379	
Finnish and Foreign Government securities	366,417	366,417	366,417	403,296	21,826	
Discounts and loans	601,967	642,853	649,589	366,155	105,151	
LIABILITIES.						
Notes in circulation	1,273,435	1,291,659	1,289,438	1,240,420	123,941	
Deposits at notice	347,185	332,175	340,036	4,320,005	21,225	

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

ASSETS.	Aug. 18, 1926.	Aug. 11, 1926.	Aug. 4, 1926.	Aug. 19, 1926.	Nov. 24, 1925.
Gold bullion and coins	23,601	23,600	23,599	23,596	12,993
Silver coin.....	2,534	2,563	2,561	2,473	
Balance abroad	34,815	36,527	36,327	32,571	22,466
Treas. notes & small change	10,523	9,910	9,211	11,888	3,085
Short term bills	67,593	66,917	67,114	60,127	6,639
Loans against securities	50,285	50,254	49,884	48,448	2,912
Other assets	9,111	9,445	9,548	8,438	1,359
LIABILITIES.					
Notes in circulation	29,505	29,647	30,022	28,590	4,085
Capital paid up	13,447	13,447	13,447	11,659	8,000
Reserve	2,237	2,237	2,237	1,522	
Special reserve	2,500	2,500	2,500	1,000	
Deposits	9,113	9,104	9,101	6,568	61
Current accounts	45,599	47,295	44,463	45,946	16,933
Government accounts	80,659	79,607	81,958	75,234	16,697
Other liabilities	16,005	15,380	14,766	16,983	3,757

BANK OF LITHUANIA.—In lt. (000's omitted).

ASSETS.	Aug. 15, 1926.	July 31, 1926.	June 30, 1926.	June 15, 1926.	Aug. 15, 1925.
Gold.....	30,559	30,548	30,526	30,500	33,545
Silver.....	6,208	6,396	6,548	6,803	7,055
State Treasury coins	1,928	1,923	1,908	1,905	2,268
Foreign currency	22,194	24,148	24,539	26,998	25,227
Discount and credits	43,170	43,058	44,074	44,075	39,517
LIABILITIES.					
Capital.....	12,000	12,000	12,000	12,000	12,000
Reserve	860	860	860	860	825
Banknotes in circulation	73,708	74,406	75,427	79,471	81,704
Deposits	18,487	20,076	19,054	19,188	20,114
Other liabilities					14,459

CZECHOSLOVAK NATIONAL BANK.—In Cz. K. (000's omitted).

ASSETS.	Aug. 15, 1926.	Aug. 7, 1926.	July 31, 1926.	July 22, 1926.	July 15, 1926.
Gold and silver holdings	1,033,567	1,033,415	1,033,351	1,039,014	1,038,693
Balance abroad and foreign currency	1,310,794	1,304,377	1,290,476	1,289,210	1,289,032
Discounts and advances	184,716	188,218	193,549	206,778	214,996
State notes debt balance	4,884,869	4,885,872	4,889,732	4,890,117	4,894,776
Other assets	1,175,729	1,191,686	1,321,920	1,128,209	1,144,737
LIABILITIES.					
States notes in circulation	6,717,546	6,898,773	7,199,360	6,570,019	6,719,765
Check account balances	1,173,873	1,017,921	849,382	1,259,860	1,160,294
Other liabilities	291,456	280,074	273,546	285,689	275,375

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

ASSETS.	Aug. 15, 1926.	Aug. 7, 1926.	July 31, 1926.	Aug. 15, 1925.
Gold in coin & bullion	40,235	38,272	37,618	14,830
Foreign bills	486,833	501,527	509,053	415,058
Other foreign bills	118,955	117,112	113,238	98,229
Bills discounted	69,740	79,541	9,175	77,834
Advances to the Treasury	180,467	181,272	181,886	199,867
LIABILITIES.				
Reserve fund	4,552	4,552	4,552	2,679
Notes in circulation	810,753	835,005	885,011	784,966
Deposits	87,763	84,584	48,349	80,914

† Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF THE SERBS. &c.—In dinars (000's omitted).

ASSETS.	Aug. 15, 1926.	Aug. 8, 1926.	July 31, 1926.	July 22, 1926.	Aug. 15, 1925.
Gold.....	81,254	81,119	80,904	80,651	73,375
Other coin and notes	18,102	17,944	18,228	18,585	23,155
Foreign credits	292,169	292,850	295,567	306,812	395,673
Bills	1,169,690	1,141,962	1,097,543	1,074,355	94,828
Govt. advances	4,468,779	4,468,665	4,468,488	4,468,226	4,519,577
LIABILITIES.					
Notes in circulation	5,446,772	5,465,261	5,421,911	5,405,904	5,824,710
State credits	350,500	350,387	350,210	349,948	366,865
Deposits	547,381	521,513	559,704	711,133	934,908

NATIONAL BANK OF ROMANIA.—In lei (000's omitted).

ASSETS.	July 31, 1926.	July 24, 1926.	July 17, 1926.	July 10, 1926.	May 12, 1922.
Gold.....	569,981	569,981	569,981	569,462	545,275
Silver, &c.....	21,951	21,232	21,328	21,350	776
Government loan	11,254,442	11,263,107	11,258,054	11,258,105	12,585,130
Other advances	9,546,298	9,288,507	9,551,612	9,543,097	6,037,432
LIABILITIES.					
Notes in circulation	21,002,557	21,005,361	21,000,347	21,005,087	15,845,426
Deposits	7,762,279	7,727,732	7,738,384	7,738,677	7,077,350

NATIONAL BANK OF HUNGARY.—In Hungarian Pengö (000's omitted).

ASSETS.	Aug. 15, 1926.	Aug. 7, 1926.	July 31, 1926.	July 22, 1926.	July 15, 1926.
Metal reserve—					
Gold coin and bullion	168,359	148,155	141,171	136,938	132,708
Drafts and notes	73,047	88,840	93,675	102,454	99,018
Silver coin and bullion	861	861	861	861	861
Inland bills, warrants, and securities	152,250	155,701	161,500	142,620	147,118
Advances to the Treasury	161,600	151,600	151,600	151,600	151,600
LIABILITIES.					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	398,582	404,574	424,311	359,248	366,300
Current accounts, deposits, &c.	184,393	177,448	158,909	210,132	192,236

* Calculated at pre-war parity of exchange.

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	July 31, 1926.	Position May 30, 1914.
Gold.....	2,556,339	2,556,327	2,556,206	2,554,813	2,536,628
Silver.....	671,329	668,965	669,212	674,420	658,407
Loans & discounts	2,389,304	2,420,913	2,457,772	2,482,991	2,297,548
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475
Treasury bills	150,000	150,000	150,000	150,000	150,000
LIABILITIES.					
Circulation	4,365,481	4,399,436	4,405,018	4,352,977	4,291,448
Deposits	1,083,412	1,027,195	1,028,993	1,037,962	986,151

LONDON RATES.

	Aug. 20, 1926.	Aug. 21, 1926.	Aug. 22, 1926.	Aug. 23, 1926.	Aug. 24, 1926.	Aug. 25, 1926.	Aug. 26, 1926.	Aug. 27, 1926.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5	5	5
Market rates of discount—								
60 days' bankers' drafts	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
4 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount (Treasury Bills)—								
2 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Loans—Day to day	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Deposits—allowances: Banks	3	3	3	3	3	3	3	3
Discount houses at call	3	3	3	3	3	3	3	3
At notice	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

	Short Loans	Bank Bills	Trade Bills
1926.			
Aug. 6.....	4 1/2	4 1/2	4 1/2
13.....	4 1/2	4 1/2	4 1/2
20.....	4 1/2	4 1/2	4 1/2
27.....	4 1/2	4 1/2	4 1/2

OVERSEAS BANK RATES.

Changed.			Changed.		
Amsterdam	Oct. 3, 1925	3 1/2	Oso	April 19, 1926	5 1/2
Athens	Aug. 18, 1925	10	Paris	July 31, 1926	7 1/2
Belgrade	June 23, 1922	7	Prague	Jan. 12, 1926	7 1/2
Berlin	July 9, 1926	6	Riga	Feb. 16, 1924	6
Brussels	April 23, 1926	7	Rome	June 18, 1925	7
Bucharest	Sept. 4, 1920	6	Sofia	Aug. 25, 1924	10
Budapest	Aug. 26, 1926	6	Stockholm	Oct. 8, 1925	4 1/2
Calcutta	June 10, 1926	4	Swiss Bank		
Copenhagen	June 24, 1926	5	places	Oct. 22, 1925	3 1/2
Danzig	July 29, 1926	5 1/2	Tokio	April 15, 1925	7 1/2
Helsingfors	Oct. 29, 1925	7 1/2	Vienna	Aug. 6, 1926	7
Lisbon	Sept. 12, 1923	9	Warsaw	July 7, 1926	10
New York Fed- eral Reserve	Aug. 12, 1926	4			
Madrid	Mar. 23, 1923	5	Irish	Dec. 3, 1925	6

The Bank Rate of the South African Reserve Bank is 5% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Aug. 28, 1925.	Aug. 20, 1926.	Aug. 27, 1926.
Paris	francs to £1	T. T.	22-25 1/2	103-40-45	171-2
Berlin	marks to £1	T. T.	20-43	20-38-41	20-40-1 1/2
Vienna	schillings to £1	T. T.	34-58 1/2	34-45-48	31-38-43
Prague	krona to £1	T. T.	21-02	163 1/2-164	163-44
Warsaw	zloty to £1	T. T.	25-22 1/2	27 1/2-28 1/2	41-46
Reval	Estmk. to £1	T. T.	1810-1850	1800-40	180-40
Riga	lats to £1	T. T.	25-22 1/2	25-02-25-29	25-15-35
Kovno	litas to £1	T. T.	48-66	49-25-35	49-25-35
Bukarest	lei to £1	T. T.	25-22 1/2	980-985	1035-45
Bucharest	pagars to £1	T. T.	27-82	335,347,000	27-65-85
Constantinople	liras to £1	T. T.	110	835-845	875-79
Sofia	dinars to £1	T. T.	25-24 1/2	660-680	670-80
Belgrade	dinar to £1	T. T.	25-24 1/2	12-273	274-5
Amsterdam	florin to £1	T. T.	12-107	12-05-6	12-113-12
Brussels	francs to £1	T. T.	25-22 1/2	107-43-30	177-8
Oslo	kroner to £1	T. T.	18-159	24-78-83	22-14-16
Stockholm	kronor to £1	T. T.	18-159	18-08-93	18-15-16
Copenhagen	kroner to £1	T. T.	13-159	19-87-92	18-14-15
Helsingfors	F. marks to £1	T. T.	19-23	19-23-24	18-26-28
Greece	drachmes to £1	T. T.	25-22 1/2	323-328	435-39
Italy	lire to £1	T. T.	25-22 1/2	129-129 1/2	148-3
Switzerland	francs to £1	T. T.	25-22 1/2	25-04-07	25-15-16
Madrid	pesetas to £1	T. T.	25-22 1/2	33-78-81	31-53-56
Lisbon	pence to escu.	T. T.	53 1/2	2-13	2-13 1/2
Alexandria	piastres to £1	Sight	9 1/2	9 1/2-9 7/8	9 1/2-9 1/2
New York	dollars to £1	Cable	4-86 1/2	4-85 1/2-8 1/4	4-85 1/2
Montreal	dollars to £1	Cable	4-86 1/2	4-85 1/2-8 1/4	4-85 1/2
Buenos Aires	pence to peso	T. T.	47-62	45-45 1/2	44-84 1/2
Rio de Janeiro	pence to peso	30 days	16	6 1/2-6 1/2	7 1/2-7 1/2
Montevideo	pence to peso	30 days	51	49-49 1/2	49-50
Valparaiso	dollars to £1	30 days	40	40-00	39-40
Lima	Eng. to Per. £1	30 days	21 1/2 prem.	24 1/2 prem	23 1/2 prem
Calcutta	ster. to rupee	T. T.	10 to	16 1/2-16 1/2	16 1/2-16 1/2
Bombay	ster. to rupee	T. T.	Gold	16 1/2-16 1/2	15 1/2-16 1/2
Madras	ster. to rupee	T. T.	Sovn.	16 1/2-16 1/2	15 1/2-16 1/2
Hong Kong	ster. to dollar	T. T.	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2
Shanghai	ster. to tael	T. T.	3d 2 1/2-2 1/2	2d 2 1/2-2 1/2	2d 2 1/2-2 1/2
Singapore	ster. to dollar	T. T.	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2
Yokohama	ster. to yen	T. T.	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2
Manila	ster. to peso	T. T.	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2
Mexico	pence to dols.	T. T.	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2	2s 9 1/2-9 1/2

Barclays Bank, Limited, announce the opening of a new branch at 5 Liscard Village, Liscard, Wallasey, Cheshire, under the management of Mr J. L. W. Solley.

Lloyds Bank, Limited, announce that a branch of the bank is now open at 24 Half Moon lane, Herne Hill, under the management of Mr B. St. G. Parfitt. A sub-branch is now open at Bedford street, North Shields, under the management of Mr C. J. Sambidge, of the North Shields branch.

The Midland Bank announces the opening of a new branch at 107-109 Rowlands road, West Worthing, Sussex, under the management of Mr H. P. Trounce.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim Div.	Date of Payment.	Method of Payment.	Dividend for Whole Year.	Lat'st Pre-vious.
Banks.						
Anglo-Polish Bank.....	4%	..	..	Quarter	..	..
Bank of Nova Scotia.....	4%	..	..	..	..	..
British Bank of South America.....	5%	Sept. 24	..	Less tax	..	..
Commercial Bank of New York.....	5%	Sept. 1	..	Less tax	..	..
Equitable Trust of New York.....	3%	Sept. 30	..	..	..	..
Imperial Bank of India.....	8%	..	..	Tax free	..	..
National Bank of Egypt.....	4%	Sept. 1	..	Less tax	..	..
Tea and Rubber.						
Ragalis Tea Estates.....	10%	Sept. 7	..	Less tax	..	..
Mining.						
Naraguta (Nigeria) Tin.....	7½%	Sept. 14	..	Less tax	..	..
Rukuba Tin.....	6½%	Sept. 14	..	Less tax	..	..
Other Companies.						
Astley and Tyldesley Collieries.....	16 p.a.*	..	..	Tax free	..	..
Belgravia Trust.....	100%	Sept. 21	..	Less tax	..	..
Birmingham Canal Navigation.....	4	..	..	Less tax	..	..
British and S. Pacific Trading.....	4	Sept. 15	..	Less tax	..	..
Calico Printers' Association.....	12*	..	..	Less tax	..	..
Davis and Timmins.....	7	..	..	Tax free	..	..
First Co-operative Investment.....	7	..	..	..	..	..
George H. Leaver.....	2½%	..	..	Less tax	..	..
Gloucester Gas.....	5	Aug. 27	..	Less tax	..	..
Hastings Gas.....	6½	Sept. 3	..	Less tax	..	..
Hine, Parker, and Co.....	5	Aug. 26	..	Less tax	..	..
Hurst, Nelson, and Co.....	2½ p.a.	..	..	Less tax	..	..
Litt. & Trin. Lake Asph. Ord.....	12*	Sept. 9	..	Tax free	..	..
Do Prof.....	12*	Sept. 9	..	Tax free	..	..
Linoleum Manufacturing.....	7½%	Sept. 15	..	Tax free	..	..
London Pavilion.....	5	..	..	..	..	..
New Tamarugal Nitrate.....	5½%	Sept. 11	..	Less tax	..	..
Nicholsons.....	8	..	..	..	..	..
Oxford Electric.....	5	Sept. 1	..	Less tax	..	..
Pinchin, Johnson, and Co.....	10%	Sept. 1	..	Less tax	..	..
Plymouth Breweries.....	5	Aug. 30	..	Less tax	..	..
Scottish Assets.....	4½	..	..	Less tax	..	..
Shawinigan Water.....	\$2 p.a.	Oct. 11	..	Quarter	..	..
Tynemouth Gas.....	2½%	Sept. 1	..	Less tax	..	..
United Flexible Tubing.....	10	Sept. 3	..	Less tax 4/ in £	..	..
United Indigo and Chemical.....	10	..	..	Less tax	..	..
Waldorf Hotel.....	8	Aug. 27	..	Less tax	..	..
Watford Gas "A".....	6½	Aug. 27	..	Less tax	..	..
Do "B".....	..	..	..	..	..	..

Reports and Notices.

Mr Wilfred Hicks Dankes has been appointed managing director of the Anglo-Dutch Plantations of Java, Limited.

The directors of the Life Association of Scotland have appointed Mr A. Bertram Johnson, of their Glasgow office, to succeed the late Mr A. J. Holt as secretary at their Birmingham branch.

BANKS.

ANGLO-POLISH BANK, LIMITED.—The net profit for 1925 amounted to 366,113 zloty. This is utilised as follows:—To transfer to reserve capital 68,036 zloty. Payment of dividend of 8 per cent., 120,000 zloty. Tantieme to council, management, and staff, 73,326 zloty. To reserve for taxation, 72,000 zloty. Balance forward, 32,751 zloty. The profit and loss account reveals a gross profit of 1,415,663 zloty. Working expenses amounted to 1,049,549 zloty. Total assets amount to 44,267,260 zloty. Cash is at 1,645,004 zloty. Foreign currency in hand is at 668,362 zloty. Balances with correspondents abroad 4,160,265 zloty. Bills discounted, 15,373,047 zloty. With regard to liabilities, paid-up capital is 1,500,000 zloty. Deposits stand at 2,408,618 zloty. Bills rediscounted amount to 10,562,241 zloty. Overdrafts with correspondents abroad 9,572,461 zloty.

COMMERCIAL BANK OF AUSTRALIA, LIMITED.—The net profit for year ended June 30, 1926, amounted to £317,707, against £305,536 in preceding year. The sum of £110,083 is put to reserve fund, and £20,000 to reduction of bank premises. The preference dividend absorbed £84,694, and the ordinary dividend of 15 per cent., the same as for the preceding year, absorbed £119,359. The sum of £66,141 is carried forward. In addition to the amount of £110,083 transferred to reserve fund, the sum of £204,917, being premium received on the new issue of shares, has been credited to that account, thus increasing the reserve fund to £1,000,000.

IMPERIAL BANK OF INDIA.—The report for half-year ended June 30, 1926, shows that the average rate for money for the half-year was 5.65 per cent. The net profits of the bank for the half-year amounted to Rs. 74,27,354. This, with Rs. 10,22,919 brought in, makes a total of Rs. 84,50,273 available. The dividend of 16 per cent. per annum, free of income-tax, absorbed Rs. 45,00,000, while Rs. 10,00,000 is put to reserve fund and Rs. 29,50,273 carried to next account.

QUEENSLAND NATIONAL BANK, LIMITED.—In our issue of August 21, 1926, page 332, the net profit of this bank for the corresponding period of last year was shown as £125,181, whereas it should have been £184,446. We much regret the error.

MISCELLANEOUS.

CALICO PRINTERS' ASSOCIATION, LIMITED.—After providing £511,960 for maintenance, depreciation, repairs, renewals, and upkeep, and £128,000 for debenture interest, the accounts for the year ended June 30, 1926, show a net profit of £216,218, which, with £216,504 brought forward from last year, makes the total to the credit of the profit and loss account £432,722. Out of this sum an interim dividend for the half-year ended December 31, 1925, amounting to £75,402, has already been paid on the preference shares, leaving £357,320, and at their meeting to-day the directors resolved to recommend to the shareholders that a dividend be declared on the preference shares for the half-year ended June 30th last at the rate of 5 per cent. per annum (less income-tax), and on the ordinary shares for the year ended June 30th last a dividend at the rate of 7½ per cent. per annum (less income-tax), against 15 per cent. for preceding year, leaving the sum of £131,112 to be carried forward.

MINING OUTPUT STATISTICS FOR JULY, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
Gold.						
Esperanza.....	7,666	..	..	..	\$4,529	..
Exploring Land.....	2,580	..	..	..	3,646	..
Frontino and Bolivia.....	2,307	..	..	..	9,771	..
London and Rhodesian.....	110,486	..	..	..	1,317	..
Mexican Corporation.....	..	..	..	..	12,499	..
* Loss.						
Tin.						
Bangrin.....	..	..	..	..	Gross profit, six months to June 30th, £23,089	..
Slamase.....	..	..	..	..	Gross profit, six months to June 30th, £32,022	..

WORKING PROFIT, TRANSVAAL.—The total estimated working profit of the gold mines of the Transvaal for the month of July, 1926, amounted to:—Witwatersrand, £1,140,718; outside districts, £17,675; total, £1,158,393. The estimated working profit in June, 1926, was:—Witwatersrand, £1,141,391; outside districts, £17,939; total, £1,159,330.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Production for week ended August 18, 40,885 barrels, including 2,400 barrels from Well No. 121. Shipments, 31,436 barrels.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended August 14, 1926, was 147,000 barrels.

VENEZUELAN OIL CONCESSIONS, LIMITED.—Production for the week ended August 21, 1926, was as follows:—La Rosa, 26,319 metric tons (previous week ended August 14, 27,115 metric tons). Maracaibo District, 4,060 metric tons (previous week ended August 14, 4,041 metric tons).

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

A spell of fine weather has facilitated harvesting operations, and the grain is being secured in good condition. All dry samples were readily taken by millers, but prices show a downward tendency in sympathy with the general situation. Imported descriptions moved off quietly, available supplies being adequate for present requirements and trend of values in buyers' favour. Dull conditions prevailed in the floating and forward cargo section. The tone was adversely affected by continued Russian offers for prompt shipment, and only a few cargoes were disposed of, chiefly white kinds on Continental account. A sailer of Russian arrived sold at 57s, white Pacific September 51s 4½d and 51s 6d, red winter September 50s 4½d, and several cargoes of Russian, all to the Continent. Maize depressed for near positions owing to the large number of cargoes on passage, but forward quotations fairly steady. Steamers of La Plata afloat sold 30s 1½d to 30s 9d as to size and position, September-October 30s 6d, and November 30s 6d per 480 lbs. c.i.f. terms. Wheat easier. No. 1 Northern Manitoba quoted 60s 6d, No. 2 ditto 58s 9d, No. 2 hard winter 55s 6d, choice white Karachi 52s 6d, Barusso 55s 3d, all ex-ship per 496 lbs. English new sold 11s 1½d per 112 lbs. Flour dull and tendency to 53s per sack delivered in the Home Counties, with 6d to 1s per toba patents range from 46s to 48s 6d, Minneapolis 47s to 49s, easy. Plate landed 33s 3d, ditto ex-ship 31s 3d, Bessarabian ex-ship to arrive 32s 6d per 480 lbs. Barley steady but inactive. Californian 36s to 47s, Chilean Chevalier 50s to 57s, ditto brewing to 48s ex-ship per 448 lbs. No. 3 Canadian Western ex-ship 29s 6d, Russian landed 30s, ditto ex-ship to arrive 28s 6d, Persian ex-ship 28s 6d per 400 lbs. English new 10s to 15s per 112 lbs. Western ex-ship 27s, landed 28s, No. 2 Canadian feed ex-ship 23s 6d, landed 24s 6d, Chilean Tawny ex-ship 22s 9d, American 380 lbs ex-ship 22s 9d, landed 24s 6d, mixed feed ex-ship 19s 6d, landed 20s 9d per 320 lbs. English new 8s 6d to 9s 4d per 112 lbs. Miller offers quiet. Broad bran 6s 6d, middlings 7s 6d, fine ditto

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.	
					Prefce.	Ordinary.						
						Amount.	Amount.					Rate.
		£	£	£	£	£	%	£	£	£	%	
Banks.												
Commercial Bank of Australia ..	June 30	82,570	317,707	400,277	84,694	119,359	15	130,083	66,141	305,536	15	
Breweries.												
Dailuaine-Talisker Distilleries ..	June 30	22,197	35,323	47,520	4,175	21,393	25	10,000	21,952	38,371	25	
Gas.												
Cork Gas Consumers'	June 30*	..	5,279	5,279	..	4,679	8	600	..	5,035	8	
Iron, Coal, and Steel.												
Brightside Foundry & Engineering	June 30	770	9,380	10,150	2,250	3,200	4	..	4,700	5,568	3½	
Motor and Cycle.												
Singer and Co.....	July 31	30,441	121,953	152,394	..	66,676	25	63,352	22,366	91,021	22½	
Rubber, &c.												
Djaboong (Java).....	Mar. 31	1,809	15,852	17,661	..	12,603	50	1,500	3,558	..	..	
Trust.												
Glasgow American.....	June 30	1,284	8,897	10,181	2,880	4,608	8	1,000	1,693	8,262	7½	
Other Companies.												
Parkinson and W. and B. Cowan	Mar. 31	12,443	69,300	81,743	20,839	32,296	8	..	28,608	..	..	

* Half-year.

† Free of tax.

* Half-year.

† Free of tax.

9s, bags included ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal unaltered. London-made flaked 17s, rolled oats 16s, medium also fine cut 16s, coarse also medium pinhead 10s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23:—

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to August 21	Cwts. 15,413	Cwts. 147,213	Cwts. 25,043	Cwts. 216,073
51 weeks to August 21	12,852,557	11,586,196	12,768,073	17,184,937
Average price of English wheat per cwt.....	s d 13 1	s d 11 9	s d 12 11	s d 9 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Aug. 14.....	Cwts. 7,703	Cwts. 8,493	Cwts. 30,197	s d 14 1	s d 11 0	s d 9 4
Aug. 21.....	15,413	16,770	28,876	13 1	12 6	9 1
1922.....	76,250	5,818	23,071	11 5	11 0	10 3
1923.....	216,073	21,914	47,488	9 2	8 8	8 4
1924.....	24,053	26,889	28,756	12 11	14 3	9 5
1925.....	147,213	33,859	35,458	11 9	13 10	9 11

AMERICAN WHEAT MARKETS.

Throughout the week harvesting has made good progress under favourable weather conditions. Export inquiry has been of small dimensions, foreign buyers being disposed to await official intimation of the dimensions of the Canadian crop, with the result that prices have shown a steady decline.

Quotations:—

	Jan. 2, 1925.	Aug. 27, 1925.	Jan. 7, 1926.	Aug. 19, 1926.	Aug. 26, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.....	183	(a) 142½ (b) 156½	160	(a) 138½ (b) 154½	(a) 134½ (b) 154½
Chicago (No. 2 Winter)—Cents per 60 lbs.....	177	(a) 156½ (b) 176½	176½	(a) 138½ (b) 154½	(a) 134½ (b) 154½

(a) October delivery. (b) September delivery.

Visible supplies of wheat in Canada, at 16,051,000 bushels, show a decrease of 2,147,000 bushels, as compared with the previous figures. Supplies a year ago stood at 5,391,000 bushels.

COAL.

Our Cardiff correspondent writes:—The movement back to work at the pits has been followed with keen interest on the coal market. At the two collieries owned by the Powell Duffryn company, over 200 men were signed on, but only a small proportion actually presented themselves for employment, and by the end of the week the whole number had been prevailed upon to remain away. At present only the original safety-men are working. Pit-wood remains a nominal market. One small parcel of French wood, however, has been imported at Swansea, the price realised being over 40s per ton, ex ship. Demand for patent fuel continues quiet, but prices are maintained at 42s 6d to 45s. The bulk of inquiry circulating has been on inland account. The recent advance to 115s per ton in the price of pitch has aroused some apprehension among patent fuel manufacturers, and fears are expressed that

production will be curtailed as a result. Arrivals of foreign coal have been less active. Imports last week totalled only 37,660 tons. Quotations for both American and Continental coals, c.i.f. Bristol Channel ports, have hardened during the past few days, but pending further developments in the mining dispute local importers are indisposed to book up forward supplies, and business has been slow.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The situation in the iron and steel markets continues unsatisfactory. The low production of the British steelworks, owing to the lack of fuel and the difficulty of securing adequate supplies of Continental semi-finished steel, has resulted in buyers devoting unusual attention to the Continental markets. To some extent the position as regards the Western European steel market has grown easier, and the manufacturers appear more willing to quote, although there is very little Continental semi-finished steel available for delivery until late in the year. This, of course, handicaps the production of the British finishing works. The advance in the quotations for Continental finished steel has checked buying in this department. British makers are booking a fair number of orders for delivery some weeks after the strike, and any change for the better in the coal position would probably lead to their obtaining a considerable volume of business.

Our Middlesbrough correspondent's report, dated August 26th, is as follows:—Pig-iron.—The position is unchanged. For what little iron is available, some consumers are willing to pay 90s per ton asked by makers for No. 3 Cleveland G.M.B. Other users are relying on foreign iron, which can be obtained at prices well below the home figure. Supplies of hematite, although not large, are sufficient to meet all needs at present, and the quotation for East Coast Mixed Numbers still remains at 82s 6d per ton. Manufactured Iron and Steel.—One large local works has started three steel furnaces during the current week, but the output is for special requirements. Ordinary consumers of manufactured steel still find it almost impossible to cover their needs. Quotations are nominally unchanged as follows—Steel ship plates, £7 17s 6d; steel ship angles, £7 10s; iron bars, £11; steel rails, £8. Iron Ore.—Best Rubio is still nominally 21s 6d per ton, c.i.f. Tees, but no transactions are taking place.

Our Sheffield correspondent writes:—A feeling of profound depression has developed in the local steel trade. Foreign coal has only helped certain of the lighter branches, but it is proving extremely unsatisfactory, apart from its heavy cost. It is useless, for instance, for the production and heat treatment of the fine special steels, and wherever employed it is troublesome, wasteful, and uncertain in its results. Makers of finished steel goods continue to work in the face of serious odds, and are maintaining a good share of their overseas connections, but this can only be done by the sacrifice of every penny of profit. The home demand for tools continues quiet, owing to the inactivity of many of the engineering shops. The building trade is obtaining ironwork with fair regularity, but a certain amount of construction is being held up for want of tiles, bricks, cement, and sanitary ware, the production of which consumes large quantities of coal. Cutlery and plate-makers are booking orders from the holiday resorts which ordinarily would have been placed earlier in the year. There is little sale for silverware and plated hollowware goods. The cheapest classes of goods sell rather freely.

Our Glasgow correspondent writes:—Delays in procuring delivery of materials from iron and steel works are making the operations of industrial concerns increasingly difficult. The manufacture of heavy steel is still in a state of complete suspension, although a period of considerable activity in the steel trade is

looked forward to at the conclusion of the strike. Foreign and Colonial buyers are seeking their supplies abroad, and it is highly probable that some portion of this business will never be recovered. Orders placed for delivery after resumption of work are for the most part booked at the fixed minimum prices, but 20s to 25s per ton more is being paid for delivery, ex stock. Rollers and sheet makers are able to carry on on imported coal, and steady business is being done. Sheet makers are not anxious to book more orders, their order books being already well filled. Japanese thin sheets have again become a prominent feature, very large tonnages having been placed for delivery when local fuel becomes available.

Our Cardiff correspondent writes:—Business continues quiet, but prices are inclined to harden. Fully 30 per cent. of the tinplate works are operating on imported coal, and in consequence there has been a slight improvement in the number of men employed. Little interest is shown in forward business, and quotations are mainly nominal on a basis of 20s 6d to 21s for stock plates. Prices for prompt business range from 24s to 24s 6d basis I.C. f.o.b. works port. Welsh tinplate bars are unchanged at £6 5s per ton delivered, with galvanised sheets steady at £16 10s to £17.

OTHER METALS.

TIN.—Market irregular, due to fluctuating American and Eastern cables advices. A slow demand, combined with early realisations, imparted a weaker tone during the early part of the week, but later prices rallied on better support, particularly for forward positions, with holders showing more reserve. Standard cash sold £294 15s-£291 5s and £293 5s, three months £288 10s-£286 10s and £289. Sales in the East were reported at £295 17s 6d, £294 10s, £295 5s and £294.

COPPER easier on freer offerings and a poor consumptive demand, with slight irregularity at times. Standard cash sold £59 to £58 7s 6d and £59, three months £59 15s-£59 5s and £59 15s.

LEAD dull and easier, with liberal offerings closing steady. Good soft foreign pig August sold £32 17s 6d to £32 3s 9d, £32 17s. 6d, September £32 13s 9d-£32, £32 12s 6d, October £32 2s 6d to £31 18s 9d, £32 7s 6d, November £32 7s 6d to £31 16s 3d, December £32 5s to £31 15s, £32 6s 3d.

SPELT quieter and slightly lower on balance, closing firm. August changed hands at £34 3s 9d-£33 15s and £34, £34 6s 3d, September £34 6s 3d-£33 18s 9d, £34 10s, October £34 2s 6d, £34 5s, November £34 12s 6d-£34 5s, December £34 10s-£34 6s 3d, £34 11s 3d per ton.

ANTIMONY steady. English specials quoted £74 10s-£75, and foreign £65 per ton ex warehouse.

ALUMINIUM quiet. Home delivery £118 per ton.

WOLFRAM firmer, and forward quoted 14s to 14s 6d per unit, c.i.f.

QUICKSILVER steady. Spot £15 10s per bottle.

TIN PLATES quiet on the basis of 22s to 20s per box, according to delivery.

THE COTTON TRADE.

LIVERPOOL, August 26, 1926.

On Monday last the Washington Bureau issued its fortnightly report. To the general surprise of the cotton world, it indicated a considerable decrease in the probable crop, given favourable conditions, and this in face of fairly good weekly weather reports. On the other hand, the Bureau has left the cotton world guessing, inasmuch as it has raised its estimate of the minimum crop, given adverse conditions, from 14,425,000 bales to 14,800,000 bales. The crop is three weeks late, and consequently offers of actual cotton have not been as free as at this time last year. It would rather appear as if the minimum supply of American cotton would this year exceed requirements, whilst it must not be forgotten that the "carry-over" from last season was very heavy. Operators were short, but the covering of the short interest has caused an advance. Spot sales for the week August 20th to 26th (inclusive) were 33,000 bales. Of these 17,890 were American, 2,000 Brazilian, 7,000 Peruvian, 2,100 Egyptians, 1,050 East Indian, 2,370 African, and 500 sundries. Imports for the same period were 38,791 bales. These included 22,110 American, 4,033 Brazilian, 5,636 Peruvian, 1,479 East Indian, 5,533 African. Quotations to-day are middling American, 10.16d; Brazilian fair, 10.16d; Peru G.F. mod.-rough, 11d; Peru smooth, 11.16d; Egyptian Sakel, 16.20d; uppers, 12.45d; West African middling, 9.86d; East African good fair, 11.50d; and Tinnivelly F.G.F., 8.95d.

MANCHESTER, August 26, 1926.

Prices have hardened, and spinners and manufacturers have been compelled to put up their quotations. Buyers, however, have been slow in following the advance, and the turnover in yarn and cloth has been of small dimensions. For most outlets abroad the demand in piece goods remains disappointing, and local merchants are not in the mood to anticipate future requirements. Most of the bids for India have been too low, and buying has been confined to odd lots, chiefly in light cloths. No development can be recorded in the offtake for China. It has been very difficult to arrange transactions for most of the minor outlets, and home trade buyers have not been at all active. American yarn quotations have been advanced to meet the rise in the raw material, and spinners have been firm, but trade has been restricted. In Egyptian yarns only occasional sales have been reported.

(I.) Comparative Statement of the Cotton Trade.

	Price, Aug. 26, 1926.	Previous weeks in 1926.					
		Aug. 19.	Aug. 12.	Aug. 5.	July 28.	July 22.	
Raw Cotton—Mid. American per lb	10.16	9.63	9.35	9.80	10.10	10.06	
— Egyptian per lb	16.20	15.75	15.25	15.90	16.25	16.30	
Yarns—32's twist per lb	16.1	15.1	15.1	15.1	15.1	15.1	
— 40's twist per lb	16.1	15.1	15.1	15.1	15.1	15.1	
— 60's twist (Egyptian) per lb	27	27	26.5	27	27	27	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 9	25 6	25 0	25 0	25 0	25 0	
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 9	29 6	29 0	29 0	29 0	29 0	
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	14 10.1	14 9	14 6	14 6	14 6	14 6	
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 11.10	14 10	13 9	13 9	13 9	13 9	

(II.) Compared with Previous Years.

	Price, Aug. 26, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	10.16	12.69	15.40	15.30	13.76	10.76
— Egyptian per lb	16.20	28.40	25.15	16.65	18.00	18.00
Yarns—32's twist per lb	16.1	20	24.1	21	20.1	18
— 40's twist per lb	16.1	20.1	25.1	21	19.1	16.1
— 60's twist (Egyptian) per lb	27	35	35.1	29	28.1	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 9	31 1	34 6	30 6	32 6	31 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 9	35 3	34 9	34 0	32 6	30 6
38-in. ditto, 38 yds, 18 by 18, 10 lbs	14 10.1	17 9	20 3	18 3	18 3	18 0
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 11.10	18 9	16 6	17 0	17 0	17 0

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The cheerful tone is well maintained. There seems to be a general impression that the industry is on the eve of better things, based on the belief that the end of the coal dispute will bring a revival in the demand for yarns and piece goods. At present the strength of the raw material market rather than any decided movement in the spinning and manufacturing sections is the mainstay, and it remains to be seen whether users will be forced to follow the upward movement in wool and tops. Consumption is still restricted in this country, but all classes of wool and tops have moved against the buyer during the last fortnight, and the indications are that current values will be maintained. Crossbred tops—for so long neglected owing to the depression in the spinning section—have been taken up quite freely, and recent operations would seem to suggest that most spinners are not carrying large stocks. In view of the very low prices accepted for yarns—more particularly crossbreds—in recent months, it is difficult to see how spinners can make a profit on some of their contracts, and if the recent advance in wool and tops serves to put a stop to selling below replacement costs, it will be a good thing for the whole industry. There is not a great deal of new business in yarns, most of the orders lacking bulk, but prices are much firmer and spinners are in a happier position owing to the receipt of a good volume of particulars against old contracts. The home piece trade is more active, but export business remains dull.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Though they represent only one month's exports, the figures contained in the cable sent from Melbourne by Dalgety and Co., Limited, are very instructive, for they show that the shipments from Australia and New Zealand in July were above the average. The total of 91,000 bales is fairly large, though it must be remembered that during July a year ago sales were suspended, and the carry-over was then on the top side of half-a-million bales. The trade has become accustomed to big export figures as a result of that carry-over, and it will not be long before the exports this season show a marked falling off compared with last. It is curious to find that the figures relative to exports not to the July exports from Australia amounted to 76,000 bales, an increase of 8,000 bales compared with the corresponding period of last year, whilst the exports from New Zealand amounted to 24,000 bales, an increase of 14,000. This makes the total export 91,000 bales, and the total increase 22,000.

These figures show that wool is being got away to the manufacturing centres as quickly as it arrives. The bulk is destined for delivery at the doors of the mills in the various European countries, and it will be very interesting to know what quantity will be available for the forthcoming London sales. So far there is no definite data to work upon, but some are anticipating an available quantity of around 150,000 bales. Judging from the present tone of the market, it would seem as if the trade will be able to purchase fairly freely. What actually transpires, however, will depend a good deal upon whether the miners' dispute is actually settled before the sales open.

The way in which raw material supplies are being sent forward from Australia and New Zealand is in itself very encouraging, but in manufacturing circles in the West Riding there is no little concern about foreign competition. The raw material position at home has certainly had some relief in the large sales recently made to the Continent, particularly as top-makers have found the machinery of the West Riding needs to be fed in order to provide work for operatives, and for the industry to maintain its standing in home and foreign markets.

HIDE, LEATHER, AND ALLIED TRADES.

The hide market is again firming up, and both London and provincial prices have slightly advanced. Best ox hides sold at the Bermondsey auctions on Thursday from 6d to 9d per lb, and seconds from 5½d to 7½d—slight advances of ½d being noted in several classes. Best cows made from 5½d to 5½d, and seconds 5½d. Calfskins were steady, selling from 6½d for heavy best to 11½d best light. Lambskins made from 2s to 8s and pelts from 4s 9d to 7s 3d each. Oversea hides are a shade firmer, as buying is consistent from the Continent. Best Argentine fregorifics are now quoted at 7½d and Montevideos at 8½d. Dry hides are also firmer, B.A. Americanos making 10½d. The Chicago position is cabled as weak, although best packers, quoted at 15 cents, show no alteration on last rates. The sole leather position is firm, with tanners standing fast to their quotations. Heavy bends are scarce, and some difficulty is experienced in finding the requisite quantities for Army boots. Trade is quiet in the heavier classes of kip leathers. Coloured glacé kid is wanted, but there is little black glacé selling except for a cheap grade of women's shoes. Reports from the shoe centres show that offers are for small parcels, retailers awaiting the end of the coal strike before committing themselves.

THE TIMBER TRADE.

FROM OUR OWN CORRESPONDENT.

The timber trade during the past month has relied more than ever on orders from housebuilding sources, which, fortunately, have been of good volume and quite up to expectations. Battens and boards, poles, laths, and slating battens have been in continued request, which says much for the progress of the building industry. As the latter has been adversely affected in some districts by a shortage of materials arising out of the coal strike, one may assume that, with the return of the miners to work, the building trade will show a still further improvement. The timber market, on the whole, must be regarded as in a good position for sellers, imports from European producing countries having been on a much smaller scale this year, while stocks are low compared with the present demand. The shipbuilding industry has just passed through a very bad half-year, and one may expect a little more life in ensuing months. The export trade is also likely to make for increased output during the short period of the year left to us, with an increased call for boxes and cases, which have been in such poor demand during the past four months. In the European timber free-on-board market producers are optimistic as to possibilities from now on until the end of the shipping season. Prices, on the whole, are firm, with a rising tendency for 3 x 9 red deals, and the position in the leading countries of production is much more stable than at this time last year. Canadian spruce imports have declined in quantity, and the market generally for these descriptions is firm. The demand, however, is not as large as it should be. In Liverpool the call for the European softwoods has increased, whilst that for spruce has declined during the past few weeks. Furniture woods have been moving very slowly during the past month, and stocks generally are of good volume throughout the country. Imports, however, with the exception of mahogany, have appreciably declined recently. Colliery timber imports also have shown a decided shrinkage. We hope that this material will soon go into consumption freely and the market resume its customary activity. In the meantime, shippers are meeting with poor offers.

VEGETABLE OILS AND OILSEEDS.

The market for linseed oil is steadier, and more business has resulted from the lower level of values brought about by cheaper seed. At one time this commodity dropped to £33 per ton, naked, ex Hull mill, for prompt and forward delivery, but has since recovered to £33 10s, later positions, including January-April, being at a slight discount and weakly held. Cotton oils have been neglected and have further declined, crude Egyptian offering freely at £35 10s and ordinary refined at £37 15s prompt. Soyabean oil is lower, and palm kernel and other oils barely steady. In the oilseed section, Plate linseed sharply declined to £15 15s for early shipment to Hull on an official estimate of 550,000 acres increase in the area under linseed in Argentina. This induced some buying on crushers' account, and the market has since rallied to £16 for seed on spot and afloat, small premiums being quoted for shipment. New crop for January-February loading is offered at £15 17s 6d. Very little business appears to be passing in Indian linseed. Demand for the remainder of the old crop of Egyptian cottonseed is practically non-existent, and prices have fallen to £9 2s 6d, while new crop offers at £9 10s for late September and October loading.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Spot goods steady at full recent prices, with fair inquiries, especially for British makes. Of imported, Czecho and Dutch J. spot, sold, 26s 10½d to 26s 11½d. Forward positions quietly steady. Dutch J. ready, 14s 0½d, f.o.b., Rotterdam. Czecho, ready, 14s 10½d, f.o.b., Hamburg. There is a fair inquiry for white Java to India. October-December held for 16s 1½d; January-March, 16s 4½d, c. and f. terms. B.R.B. crystals, October-December, done, 15s 10½d, c. and f. terms to Bombay-Karachi. Small parcels of Cuban 90 per cent.,

August-September, selling at 11s 7½d, c.f. and i., U.K. White terminal steady. August, sellers, 13s 6d; September, 13s 5½d; November, 14s 0½d; December, 14s 3½d; March, 14s 9½d; May, 15s 1½d cwt.

COFFEE.—Business in spot parcels was on a fair scale, and a steady tone prevailed. Kenya bold, sold, 130s to 143s 6d. Costa Rican, fine bold blue, 194s. Colombian Maragogipe, 213s 6d to 214s 6d. Futures dull.

COCOA.—Spot goods sold quietly at previous rates. Accra, F/F, November-January, sold, 45s to 44s, f.o.b.

TEA.—Indian auctions of 37,750 packages met with good support regarding the finer liquoring descriptions at steady rates, but common and low medium teas declined ½d to ¾d per lb, and sold rather slowly. Leaf kinds did well on export account. Pekoe, sold, 1s 3½d to 1s 10d; broken orange, 1s 4½d to 3s 4d. Ceylon sales of 28,700 packages experienced a brisk market, and all the finer sorts ruled ¾d per lb dearer, and common about steady. Quality marked further improvement. Pekoe sold, 1s 3½d to 1s 11½d; broken orange, 1s 7d to 2s 3d. Java and Sumatra auctions embraced some 4,990 packages. Common and medium ¾d to ¾d lb down, others steady. Market rather irregular, but leaf grades for export attracted attention. Pekoe, sold, 1s 2½d to 1s 4d; broken, 9½d to 1s 6½d; pekoe souchong, 1s 2½d to 1s 3½d; orange, 1s 5d to 1s 6d; broken orange, 1s 1½d to 1s 9d; flowery broken orange pekoe, 2s 0½d to 2s 0½d per lb in bond.

RICE.—Eastern shippers offer sparingly, and market remains very steady, despite quietness of European demand. Two stars, spot, 16s 6d; forward, 16s 1½d. Italian and Spanish quiet, but steady. Beans and peas dull. Japanese peas, spot, 30s; September-October, 24s 9d cwt.

SPICE.—Pepper in fair request forward, and market firmer. Black Singapore, f.a.q., spot, quoted 7½d; August-October, 7d. Lampung, spot, 7½d; May-July, 7d; August-October, sold, 6½d to 6½d; October-December, 6½d. Muntok, spot, 1s 1½d; August-October, sold, 11½d to 11½d; October-December, 11½d. Zanzibar cloves, spot, 9½d to 9½d. Pimento, spot, 6½d lb; August-September, steamer, to London, 48s cwt. Sago flour, near, 14s 10½d; distant, 15s cwt, c.f. and i., U.K. Tapioca steady, unaltered.

FRUIT (Dried).—Trade remains dull, but prices steady as spot stocks are light, with only small supplies coming forward. Amalia, quoted 30s to 31s; Pyrgos, 29s to 30s; Patras, 31s to 33s; Gulf, 32s to 35s; Vostizza, 40s to 53s; Australian, 39s to 49s. Sultanias: Australian in fair demand, owing to scarcity of Smyrna fruit. Australian, quoted 64s to 80s; South African, bleached, 70s to 76s; unbleached, 65s; Smyrna, good average, cleaned, September shipment, 45s. Dates continue in good request, both for home trade and export at full rates. Siam, quoted 12s 6d to 13s; Khadowie, 16s 6d to 17s; Hallowee (cases), 22s 6d to 25s. Raisins in quiet demand, both spot and forward. Cape, f.a.q., 36s; g.a.q., 42s; Lexias, new crop, 40s to 45s. Evaporated fruits generally quiet. Californian apricots, extra choice, 125s; fancy, 132s 6d; South African, new Royal, first grade, 140s. Plums, Californian, 30/40's, 67s; 40/0's, 56s; 60/70's, 46s; 70/80's, 42s; 80/90's, 40s; Oregon, 30/40's, 60s; 35/45's, 55s. Pears, Californian, extra choice, 72s 6d; fancy, 80s; Lake County, fancy, 85s. Apple rings, Californian, extra choice, 50s to 55s; September-October shipment, 44s 6d; Canadian, spot, 45s cwt.

CANNED GOODS.

CANNED FISH.—Sardines: Market quiet, but the scarcity of snitable size fish is still pronounced. Portuguese, ½s, quoted 4s 3d to 6s per dozen tins. Salmon moves off quietly. Red, tall, 1 lb, 54s to 56s; tall pink, 26s to 27s; ½ lb, pink, 39s to 40s. Lobsters quiet. Best ½s, quoted 157s 6d to 162s 6d, and ½s, 90s. Japanese crab firm, and in demand. Crayfish sells steadily.

CANNED FRUIT.—There is a moderate trade passing at generally late rates. Californian Bartlett pears, 24-2½s, quoted 12s 6d to 13s 6d; seconds, 10s to 10s 6d. Californian peaches, choice, 11s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Pines in moderate request, but prices fairly steady. Italian tomatoes slow, owing to fluctuations in exchange rates.

CANNED MEAT.—Market quiet, but firm. Corned beef 6s quoted 38s to 46s, as to quality. Danish lunch tongues continue in request, and range from 122s 6d to 132s 6d, while offerings of Dutch brands are made at attractive prices. American quoted 135s, with best 140s to 142s 6d. Ox tongues firm. Cooked boneless hams, Danish, continue in demand, at 1s 8½d per lb, for cases of six tins.

CONDENSED MILK.—Market quiet, and skimmed difficult to move. Machine-skimmed ranges from 10s to 11s 6d. Full cream, 20s to 25s. Full-cream evaporated in good demand, and excellent qualities are arriving from Belgium at reasonable prices.

HONEY.—Market remains quiet, but more inquiry is expected during the next month for the winter trade. Meanwhile, New Zealand grades meet with chief support. New Zealand quoted 50s to 85s; Australian, 40s to 50s; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

Quiet, but generally steady. Plantation standard sheet, spot, sold, 1s 7½d; September, 1s 7½d; October, 1s 7½d; October-December, 1s 8d; January-March, 1s 8½d lb.

GENERAL.

SHELLAC steady. Fair T.N., spot, 132s 6d to 135s; October, quoted 127s; December, 124s 6d cwt.

COPRA reservedly offered, and a firm tone prevailed. F.M.S. Straits, August-October, to Rotterdam, quoted £28 13s 9d; Dutch East Indies, ditto, £28 8s 9d; Ceylon, August-September, £29 12s 6d; South Sea Islands, £27 5s; ditto, smoked, August-September, to Marseilles, sold, £27. Palm kernels firmer. August-September, to Liverpool, quoted £20 10s ton.

JUTE.—This fibre opened the week easier on some selling pressure, but soon rallied as numerous buying orders came to hand from

Calcutta, mainly in order to cover. Speculative interest counts for more at the moment than such considerations as legitimate supply and demand. A good deal of irregularity ensued later. First, August, sold, £31 and £32; September, £29 10s, £29, and £30 10s; October, £28 10s, £29 15s, £28 15s, and £29 15s; November-December, £28 10s, £29 10s, £28 5s, and £29 10s. Lightnings quoted 20s per ton under firsts. Hessians and twills disclosed a steadier tone.

HEMP.—Manila in better request, but since quieter, and offers sparingly made from the other side. J. afloat, sold, £45; September-November, £45; K. £34 15s to £35; L. £35 10s; M. £31. New Zealand fair, September-November, quoted £34 10s. African sisal quiet. No. 1, f.a.q., August-October, £43. Italian P.C., new crop, for shipment, £56.

TALLOW.—Messrs Colchesters and Woolner write on August 25th as follows:—The tallow market was fairly active during the week, and prices were unchanged to-day, excepting for one class of inferior, which advanced 6d. Home tallow continues plentiful for the time of year. At auction to-day 1,367 casks tallow were offered, and 409 were sold. Quotations are:—Australian mutton: Fine, 45s; good to fair, 44s to 43s; dull to dark, 42s to 40s; hard, 44s. Australian beef: Fine, 45s; good to fair, 44s to 42s; dull to dark, 41s to 39s 6d; sweet, 45s 6d. Present shipment from Australasia: Good mixed, 43s 6d. Present shipment from South America, 43s 6d. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough

fat, per 8 lbs, 24d; melted stuff, 29s 6d per cwt. Quotations are:—Town, 39s 6d, net cash, naked, ex works. Country: Frail casks 39s 6d; home melted, shipping casks, net, f.o.b., good coloured, 42s 6d; fair to dull, 41s to 39s. Bone fat: white none; pale none; benzene, 34s 6d; melted stuff, 34s f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £18 to £23; cinnamon leaf oil, 44d; citronella, Ceylon, 1s 7½d; Java, 2s 4d.

METROPOLITAN CATTLE.—August 26.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	6	0	6	4	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs (clipped)	8	4	0	9
Short Horns	6	0	6	8	Ewes	5	0	5	8
Herefords	6	6	6	10	Crossbred	..	..	..	..
Devons	6	6	6	10	Scottish	..	..	..	..
					Lamb—Downs	9	4	10	4

LONDON POTATO MARKETS.—August 26.

English King Edward's	Per Cwt.	s	d	s	d
Sharp's Express	6	0	6	6	6
Eclipse	4	6	5	0	0
Midlothian	4	6	5	0	0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.					METALS—B. Copper				
COCOA—Duty, British grown,	s	d	s	d	Best selected	65	5	66	10
9s 4d, foreign, 14s cwt	71	0	78	0	Sheets (strong)	90	0	0	0
Trinidad	58	0	69	0	Standard	59/0/0	59/2/6		
Grenada	70	0	86	0	Lead Eng. Pig per ton	34/5/0	0/0/0		
Ceylon, plantation	70	0	99	0	Soft Foreign	32/3/6	32/2/6		
Guayaquil	70	0	99	0	Spelter G.O.B.	34/11/3	34/11/3		
Bahia, finest	60	0	65	0	D.O. English ingots	291/15/0	292/5/0		
OFFICE—British grown,	s	d	s	d	Do do bars	293/5/0	293/10/0		
9s 4d, foreign, 14s cwt	122	0	147	0	Standard cash	293/5/0	293/10/0		
India, fine ord. gd. mid	122	0	147	0	OILS—Fish, per ton—	£	s	d	s
Do good to fine	152	0	162	0	Seal, pale	40	0	0	0
Costa Rica, ord. to mid	120	0	158	0	Linseed, p. ton net, naked	33	5	0	0
Good to fine	162	0	193	0	Rape, refined	50	0	0	0
Central American, gd. ord.	115	0	130	0	Crude	49	0	0	0
Do mid to fine	135	0	145	0	Cotton-seed, crude	44	0	38	0
Colombian, ordinary	108	0	114	0	Edible, refined	37	0	0	0
Do gd. ord. to low mid	112	0	126	0	Cocunut, crude	47	0	0	0
Do mid to fine	130	0	155	0	Deodorised	52	0	0	0
PALESTINE—British grown,	s	d	s	d	Palm	36/15/0	37/10/0		
9s 4d, foreign, 14s cwt	122	0	147	0	Lard, American	70	0	78	0
India, fine ord. gd. mid	122	0	147	0	Petroleum—Oil, per 8 lbs.	1/1	0/0		
Do good to fine	152	0	162	0	Water-White	1/2	0/0		
Costa Rica, ord. to mid	120	0	158	0	Oil Cakes, Linseed, Eng.	11/10/0	12/0/0		
Good to fine	162	0	193	0	Do do Lard	11/10/0	12/0/0		
Central American, gd. ord.	115	0	130	0	La Plata, p. ton Aug-Sept.	16	0	0	0
Do mid to fine	130	0	155	0	Bombay, p. ton Aug-Sept.	19	2	6	
PALESTINE—British grown,	s	d	s	d	Calcutta, p. ton Aug-Sept.	18	2	6	
9s 4d, foreign, 14s cwt	122	0	147	0	PORTLAND CEMENT—Best English	58/0	63/6		
India, fine ord. gd. mid	122	0	147	0	per ton delivered, London	58/0	63/6		
Do good to fine	152	0	162	0	Rapid hardening "Ferrocrete," 10'	per ton extra.			
Costa Rica, ord. to mid	120	0	158	0	"Lightning" brand Aluminous Cement	100/ to 105/6	per ton.		
Good to fine	162	0	193	0	PROVISIONS—				
Central American, gd. ord.	115	0	130	0	Butter—per cwt.—	s	d	s	d
Do mid to fine	130	0	155	0	Irish creamery	164	0	168	0
PALESTINE—British grown,	s	d	s	d	Do factory	125	0	145	0
9s 4d, foreign, 14s cwt	122	0	147	0	Argentine	146	0	170	0
India, fine ord. gd. mid	122	0	147	0	Dutch	158	0	180	0
Do good to fine	152	0	162	0	New Zealand	160	0	172	0
Costa Rica, ord. to mid	120	0	158	0	Danish	176	0	178	0
Good to fine	162	0	193	0	Bacon, engd.—Irish	127	0	140	0
Central American, gd. ord.	115	0	130	0	Danish	124	0	130	0
Do mid to fine	130	0	155	0	Canadian	112	0	124	0
PALESTINE—British grown,	s	d	s	d	American	110	0	114	0
9s 4d, foreign, 14s cwt	122	0	147	0	Hams—Irish	152	0	160	0
India, fine ord. gd. mid	122	0	147	0	Canadian	146	0	165	0
Do good to fine	152	0	162	0	Lard—Irish	84	0	100	0
Costa Rica, ord. to mid	120	0	158	0	American boxes, 56 lbs	78	0	79	6
Good to fine	162	0	193	0	Pork—per 8 lbs	7	0	9	4
Central American, gd. ord.	115	0	130	0	Beef—Frozen	2	5	4	4
Do mid to fine	130	0	155	0	Sootch	6	4	7	10
PALESTINE—British grown,	s	d	s	d	Cheese—cwt.—Canadian	80	0	90	0
9s 4d, foreign, 14s cwt	122	0	147	0	New Zealand	82	0	90	0
India, fine ord. gd. mid	122	0	147	0	Eng. Cheddar	88	0	100	0
Do good to fine	152	0	162	0	Chester	88	0	100	0
Costa Rica, ord. to mid	120	0	158	0	Dutch	52	0	90	0
Good to fine	162	0	193	0	Eggs, per 120—English	16	6	19	0
Central American, gd. ord.	115	0	130	0	Irish	16	0	18	0
Do mid to fine	130	0	155	0	FLOUR—280 lbs—	16	0	0	0
PALESTINE—British grown,	s	d	s	d	London standard ex mill	48	0	0	0
9s 4d, foreign, 14s cwt	122	0	147	0	RICE—per cwt, c.i.f.—	16	0	0	0
India, fine ord. gd. mid	122	0	147	0	Rangoon, No. 2	16	0	0	0
Do good to fine	152	0	162	0	Broken 1a	15	6	0	0
Costa Rica, ord. to mid	120	0	158	0	ROBIN—per ton—				
Good to fine	162	0	193	0	American	31/10/0	37/0/0		
Central American, gd. ord.	115	0	130	0	French	32/15/0	0/0/0		
Do mid to fine	130	0	155	0	SAGO—Pearl, per cwt.—	0	27	0	
PALESTINE—British grown,	s	d	s	d	SHELLAC—per cwt.—	s	d	s	d
9s 4d, foreign, 14s cwt	122	0	147	0	Orange, first marks	170	0	310	0
India, fine ord. gd. mid	122	0	147	0	Second, fair to fine	145	0	165	0
Do good to fine	152	0	162	0	TN Orange	130	0	130	0
Costa Rica, ord. to mid	120	0	158	0	Garnet, Lao, AO	137	0	140	0
Good to fine	162	0	193	0	Button—Pure	160	0	165	0
Central American, gd. ord.	115	0	130	0	Blocky (TN)	120	0	0	0
Do mid to fine	130	0	155	0	SILK—per lb—				
PALESTINE—British grown,	s	d	s	d	China—Blue Elephant	16	6	0	0
9s 4d, foreign, 14s cwt	122	0	147	0	Canton	19	6	23	0
India, fine ord. gd. mid	122	0	147	0	Tussah	10	0	12	0
Do good to fine	152	0	162	0	Re-reel	10	0	0	0
Costa Rica, ord. to mid	120	0	158	0	Japan	25	6	27	6
Good to fine	162	0	193	0	Italian—Ray, fr. Milan	24	6	27	6
Central American, gd. ord.	115	0	130	0	SHELLS—M.-O.-P., per cwt.—				
Do mid to fine	130	0	155	0	Manilla, bold	46/0/0	8/15/0		
PALESTINE—British grown,	s	d	s	d	Macassar	8/10/0	11/0/0		
9s 4d, foreign, 14s cwt	122	0	147	0	Sydney	7/0/0	11/0/0		
India, fine ord. gd. mid	122	0	147	0	W. Australian	7/0/0	12/15/0		
Do good to fine	152	0	162	0	Bombay	5/0/0	5/15/0		
Costa Rica, ord. to mid	120	0	158	0					
Good to fine	162	0	193	0					
Central American, gd. ord.	115	0	130	0					
Do mid to fine	130	0	155	0					

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balancing of Government receipts and disbursements from day to day. Up to 5 per cent. was paid on Tuesday, but subsequently money has been in good supply at 4 per cent. The discount market, where rates have been maintained in recent weeks by the heavy weekly offerings of new Treasury bills, has also shown an easier tendency in view of the smaller amount to be paid for next week, and the allotment rate for yesterday's bills was lower. The market quotation for fine three-months' bills has dropped away to $4\frac{1}{2}$ per cent., and the Continent continues a keen buyer at lower rates.

	Sept. 3, 1926.	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount (Call)	3	3	3	3	2 (Dec. 3, '25)
Houses (Notice)	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	2 (Dec. 3, '25)
Market rate (3 months' bills) ..	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed an increase of £693,300 in coin and bullion, and an increase of £1,018,000 in circulation. The Reserve was £324,700 lower. The Proportion rose $\frac{1}{10}$ per cent. to $27\frac{1}{10}$ per cent. Public deposits declined by £10,384,300, while Other increased by £6,523,500. Government securities declined by £716,800 and Other by £2,745,800. Currency notes outstanding were increased by £324,700 to £291,076,300, which includes £1,296,500 for notes called in, but not yet cancelled. The fiduciary issue is £233,529,800, or £14,372,700 below the maximum.

NEW YORK MARKETS.

Our New York correspondent cables:—Business sentiment is cheerful as autumn approaches, and share markets are enjoying increasing activity with higher quotations, especially for the railroad group. As regards fixed interest stocks, however, investors are less prominent than speculators, and the latter are becoming increasingly anxious about the hardening of money. Short sellers taking a premature stand have been forced to retreat from time to time, and pools are anxious to mark up their favourites before the tide turns against them. Call money advanced to 5 per cent. before the end of the month, but the rate is now easier, although a further hardening is expected between now and September 15th, which is a tax collection date. Commodity prices are firmer, and *Bradstreet's* index number, after eight months of slow decline, rose four-tenths of 1 per cent. in August, reaching 137.8. This compares with 152.9 at the end of August, 1925. Grain and livestock are slightly lower, but other groups are firmer, strength being shown particularly by textiles, hides and leather, and the miscellaneous group. The Federal Reserve statement shows a reserve ratio of 74.4 for the whole system and 81.9 for New York. A substantial increase in discounts and a moderate decline in the reserve ratio reflects the financial operations of the first of the month.

THE STOCK MARKETS.

The normal post-holiday increase in stock market activity is not yet in evidence, but there is plenty of money available for investment, and sound securities are absorbed easily. The coal dispute has lasted so long that its eventual settlement is thought to have been largely discounted in prices. Apart from Victory Bonds, which benefited from re-investment of money released by recent redemptions, the gilt-edged market is dull in sympathy with hardening money rates. Foreign bonds have been without feature. Home railway stocks move irregularly, business being very small. Argentine rails have eased off on profit-taking. Rubber shares show very slight changes, and tea shares did not maintain the strength of the early part of the week. Oil shares have received

rather more attention, but a substantial drop occurred in British Controlled. Among industrials, textiles are steady, and iron and steel shares hesitating and irregular. Brick-making concerns have been well supported on the publication of good results, and tobacco shares have advanced. Brewery and electric light shares are firm. The Kafir market is dominated by operations from the Cape and Paris. The gamble in Sub-Nigels has subsided. Malayan tin shares continue active.

THE COMMODITY MARKETS.

Pending more definite developments in the coal situation, markets generally have shown no decided trend this week. Considerable quantities of foreign fuel continue to be received, and a more hopeful view of the position is indicated by the decision of the Mines Department to relax certain conditions restricting the disposal of domestic supplies. Cleveland pig-iron prices have again been advanced, most consumers, however, being dependent on imported material. A shortage of steel continues in most parts of the country. American cotton prices show slight change, but Egyptian varieties have advanced smartly on less favourable crop reports. The yarn and cloth markets are quiet, demand from India being disappointing and reports from China pessimistic. The new season's wool sales in Australia have opened in firm fashion, and Bradford prices are well maintained, though the volume of business has fallen off to some extent. The jute trade shows a degree of improvement, increased orders having lately been forthcoming. Wheat markets have been dull throughout the week, with a slow but steady decline in quotations. Dealings in sugar have been quiet and featureless, coffee prices are maintained, and the finer grades of tea in steady demand. The rubber market is without special feature. Tin has again been firm, copper slightly irregular, and lead weaker after a bull movement.

FOREIGN EXCHANGES.

In a rather dull market the principal item of interest during the week was the marked appreciation of the lira. Of importance, too, were the increasing firmness of sterling against the dollar and the steadiness and improving tendency of the franc, both French and Belgian. The lira opened on the 27th at 149, and weakened by the 30th to 150, although at the same time the forward rate showed an improving tendency, as was the case last week. On the 31st there was an improvement in the spot rate to 148½, and matters appeared to have returned to normal. On the first of this month, however, there was a sensational rally, and the lira, after opening at 144½, jumped to 135½, an improvement of nearly 13 lira on the quotation of the previous day. This sharp recovery was due to the deflationary measures adopted by the Government in handing over to the Bank of Italy the balance of the Morgan loan, and the subsequent withdrawal of a considerable proportion of the paper note issue and the cancellation of certain Treasury bills. On September 2nd the movement was carried farther, and spot lira fell to 132, but there is little doubt that it was overdone, as, although yesterday the low level of 130 was reached, there was a reaction to 133½. At the actual moment of writing the rate is hesitant at 132½-133. The dollar exchange opened weakly at $4.85\frac{1}{2}$, as a result of dear money rates in New York, and of a continuance of the demand for dollars here for seasonal purchases. This weakness continued until the 30th. An improvement then set in, and yesterday the rate was as high as 4.85 19-32—forward rates being at a premium of 3-32, 5-32, and 7-32 for one, two and three months respectively. The strength of sterling appears to be due, firstly, to the conclusions of the commercial transactions which occasioned the demand here for large parcels of dollars; secondly, to easier call money rates in New York, and, thirdly, and in a fair degree, to sentiment. In other words, to a belief in the early settlement of the coal dispute. Paris opened at 169, with forward rates three months 10f worse than spot, and improved gradually to 165 on the 31st, three months forward rates improving also to 8½f worse than spot. The

rate was better at $163\frac{1}{2}$ on the 1st, and at $161\frac{1}{2}$ on the 2nd, when 160 was touched for a time. On the appearance of the Banque de France statement, however, the rate yesterday fell to $164\frac{1}{2}$, with forward rates at 3f, 5½f, and 8f discount for one, two, and three months. Brussels moved sympathetically at times with Paris, but within narrower limits, and after opening at $175\frac{1}{2}$, is but little changed at $175\frac{1}{2}$ to-day. Forward rates for one, two, and three months are at 2f, 3½f, and 5½f discount. Berlin, after hardening last week to $20.35\frac{1}{2}$ as a result of a surplus of money on the market, arising, it is understood, from the non-absorption of American loans to industry and commerce, has now fallen off again to 20.39 on these loans being taken up. Forward rates are at 1½, 2, and 2½ discount for one, two, and three months. The remaining European currencies, except the peseta, showed little movement, but the tendency of the gold exchanges was to move, with the dollar, in favour of this country. Madrid weakened from 31.68, the opening rate, to 32.03 on the 30th on unfavourable political rumours, and is still weak at $31.89-94$. The South American exchanges showed only slight fluctuations, the milreis being 7½d weaker at $7\frac{1}{2}$ d in the middle of the week, but unchanged on balance at $7\frac{1}{2}$ d. The peso was firm throughout at $45\frac{1}{2}$ d-½d. In the Far East the yen is very firm at 15 23-32—25-32d. There was a fair amount of activity in the silver market, and prices rose ½d to $29\frac{1}{2}$ d on the 27th. They fell, however, to $28\frac{1}{2}$ d on the 28th, as China and U.S.A. both came on the market as seller, and fell further to $28\frac{1}{2}$ d on the 31st on sales on Indian and Chinese account. On the 2nd the market was quiet at $28\frac{1}{2}$ d for spot and $28\frac{1}{2}$ d for forward delivery. The rupee was weakish at 15 5 31-32d, and stands at that level to-day. Hongkong is rather firmer at 25 2½d-¾d, but Shanghai is on the weak side, as compared with the opening rate at 25 9½d-2s 10½d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 28th:—

EXPENDITURE.		RECEIPTS.	
(000's omitted.)		£	
Supply Services	5,250	From Revenue	9,308
Interest, &c., on Debt	1,880		
Sinking Fund	393		
Decrease in debt	1,079		
Increase in Balances	95		
Sundries	611		
	9,308		9,308

Total revenue amounted to £9,307,600, against £11,579,900 in corresponding week last year. Customs yielded £2,300,000, against £2,125,000 and Excise £724,000, against £927,000. Estate, &c., Duties produced £910,000, against £2,380,000. Property and Income-tax yielded £3,221,000, against £3,468,000, and Super-tax £500,000, against £380,000. The week's operations reduced the National Debt by £1,078,800, and caused the following changes:—

(000's omitted.)		£	
Sundries	— 1,114	Treasury Bills	+ 7,085
Public Department Advances ..	— 6,750		
National Savings Certificates ..	— 300		
	— 8,164		+ 7,085

The floating debt was increased by £320,000 to £761,161,000.

FINANCIAL YEAR, 1926-1927 (April 1 to August 28, 1926.)

£		£	
Total Expenditure ..	325,553,408	Raised by Revenue ..	266,642,687
		Decrease in Balances ..	3,781,646
		Amount borrowed ..	55,129,075
Total	325,553,408	Total	325,553,408

ESTIMATES for FINANCIAL YEAR 1926-7 †

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		
† Revised in Exchequer Return dated July 26, 1926.			

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

PEACE HOPES IN THE COAL DISPUTE.

PARLIAMENT met this week for a two days' emergency session, the express purpose being the renewal of the Emergency Powers, quite properly demanded by the Government in view of the prolongation of the coal dispute. This actual business was, in spite of Labour opposition, disposed of on Monday, and Tuesday was devoted to a general discussion in the House of Commons of the coal situation. The result, in one sense, was disappointing. It had been hoped that the brief return of politicians to Westminster might provide the occasion for some definite new move towards a coal settlement, and this hope was encouraged by a conference—the first of its kind to be held since the strike began—between the miners' executive and the officials of the Parliamentary Labour Party. But no new move emerged from the Labour benches, and the speeches in which Mr Ramsay MacDonald and the miners' members reviewed the position produced no fresh contribution towards solving the impasse.

Nevertheless the brief Parliamentary session has clearly caused an appreciable change in the position. The change is due to the speech in which Mr Churchill outlined the attitude of the Government towards the present phase of the dispute. Mr Churchill's recent speeches on the public platform had, as we said last week, indicated little more than an attitude of *laissez faire*, coupled with a definite refusal of a subsidy. His speech in the House of Commons followed the same line up to a point. The refusal of a subsidy was reiterated strongly, and the Chancellor expatiated upon the futility of Government intervention in the absence of any new proposals from either side. "So far," he said, "all that the men have said to us..... is 'give us a subsidy,' and all the owners say to us is 'leave us alone.' In such an atmosphere there would not be much chance of success for an independent proposal." But, having consolidated this familiar ground, Mr Churchill proceeded to use phrases which tinge the Government attitude with a more hopeful colour. He emphasised the Government's desire to procure a fair and durable negotiated settlement, and made it perfectly clear that if any new proposals, any new sign of "generalship" came from the miners, the Government would "take the risk" of doing their utmost to further an "honest settlement."

More significant still was the passage in which Mr Churchill referred to the question of national and district settlements. From this we quote the more important sentences. "Then there is the question of national and district settlements. I cannot, myself, see the slightest difficulty in reconciling the controversy which has sprung up, and which to my mind is largely a controversy of form, between the two points of view. Notice must be taken of all the local conditions, and there ought to be a national survey of the whole of that process afterwards, and a national settlement within the ambit of which district conditions have been properly considered and district arrangements are properly embodied. I cannot see why that should be irreconcilable." After a brief digression Mr Churchill continued: "If hours and wages were no longer an insuperable obstacle, if the difficulties connected with wages and hours had been reduced to very moderate proportions, then it is quite clear that questions of form as between national or district agreements should never be allowed to stand in the way of a settlement." The general effect of these and other passages in a temperate and well-balanced speech is to convey the impression that the Government is "standing by" eagerly awaiting any chance of hopeful intervention, and armed with considerable resources of imagination and of expedient, which it is ready to use to promote a fair and lasting peace. That is a new element in the situation, and its significance grows when we remember that Mr Churchill is a man whose ambition is not less than his resourcefulness.

It is evident that Mr Churchill's speech influenced the proceedings at the miners' delegate conference held in London on Thursday. The essence of the deadlock has hitherto been that, while the owners will not move an inch because they think that

economic forces are rapidly working for them, the miners' leaders have hitherto considered themselves without authority to move from the position which Mr Herbert Smith has repeatedly laid down, and which provide for possible arbitration on wages after numerous conditions have been fulfilled. The delegate conference on Thursday has, however, vitally changed its tone in giving its executive by a 2 to 1 majority a free hand to discuss any terms for a national settlement, subject only to bringing them back for ratification to the delegate conference. Real conversations with the Government are at last assured, and though this does not necessarily mean peace, the prospect is undoubtedly more hopeful than at any time since May.

In form the owners' objection to national negotiations is still a barrier, but the Government, if it means business, can devise ways for overcoming this objection. Indeed, there are strong grounds of public policy against accepting the owners' views. The nation has already spent £23,000,000 directly to secure peace, and much more indirectly as a result of the dispute. It is vitally interested not merely in getting the men back to work, but in seeing that the peace is a lasting one, and not merely an armistice to permit preparations for new hostilities. The Government owes it to the country to see that the settlement should include provision for the equitable adjustment of wages in the future, and that the difficult problem of wage variations is settled, not merely in accordance with local wishes, but in the national interest. The fact that employers in certain industries are fighting to secure national settlements in face of the opposition of the men is clear indication that this question is for those engaged, not a matter of principle, but of individual interest. In the case of the mines, it is clearly to the interest of individual owners to prevent the migration of the industry. There are also social reasons against too rapid a transference. But the national interest may well require—particularly in abnormal circumstances like the present—more drastic changes than the parties concerned are likely to welcome. The fact that Cumberland mines cannot afford high wages is by no means a conclusive reason why they should be allowed to pay low ones. Mr Churchill appears to have made it clear to the owners on Wednesday that the Government would not be with them in standing out for district negotiations and the crushing of the Miners' Federation.

The Government cannot overlook the fact that events have not conformed to the owners' time-table. The month of August should have seen definite negotiations in important districts. This has not occurred, and though the return to work has been substantial in Notts, the total back at work in the various Midland coalfields is reported at the time of writing to be some 35,000—a bagatelle compared with the 1,150,000 employed before the stoppage. The existence of important minorities of men in most districts anxious to return to work greatly influenced the delegate conference, which at last has shown a will to peace. But the solidarity is still remarkable, and sufficient to prevent the Government weakly acquiescing in the delay, loss, and ill-feeling that would be involved in the owner's plan of piece-meal defeat.

THE LEAGUE, SPAIN, AND TANGIER.

THE League of Nations, in the annual meetings which opened with the Council's meeting on Thursday, has much important business to discuss and transact. But incomparably the most important task to be performed is the retrieving of the disastrous failure of last March. This week, as six months ago, the vital issue at stake is the admission of Germany to the League with a permanent seat on the Council. In March the proceedings became a fiasco, because certain lesser Powers seized the opportunity to press their own claims to a permanent Council seat, thereby producing complete deadlock. Between then and now a Special Commission has been examining the question of the composition of the Council and its work, culminating in protracted meetings at Geneva this week, clears most of the ground which the Council found impassable in March. It recommends an increase in non-

permanent members from six to nine, and has framed regulations for re-election which appear to have satisfied everyone except Spain. Although the Commission is only an advisory body, there is every hope that both Council and Assembly will endorse its report, which clearly favours the appointment of Germany, and Germany alone, to a permanent Council seat. Of the States which claimed permanent seats in March, only Spain persists in her claim, and she has withdrawn from the discussions. That claim never, in our view, rested on solid ground; but in the face of the Special Commission's recommendations for the increase of non-permanent members and for new regulations regarding re-election (which are discussed on a later page), it becomes weaker than ever. Under present circumstances, Spanish persistence in the claim is not merely irresponsible and dangerous to the recovery of Europe, but it is also folly; for if Europe breaks up, the weaker and less efficient of the European states will obviously not be the last to go under. It is disconcerting that the rulers of Spain have added to the number of their demands. In March, their exigencies were confined to the demand for a permanent seat on the Council. This demand was afterwards reinforced by the threat of the Spanish Foreign Minister to withdraw from the League in connection with the question of Tangier—a question with which, hitherto, the League has had nothing whatever to do. Unless, he declared, the Tangier Zone were incorporated in the Spanish Zone of Morocco, Spain would withdraw from the League, and possibly also from her Moroccan Zone. Although the main ostensible reason for Spain's decision, announced yesterday, to "dissociate herself" from League activities is her inability to obtain a permanent Council seat, the Tangier question is clearly a contributory cause of this deplorable policy.

Last week the Spanish Government presented a Memorandum at London, Paris, and Rome, in which it demanded that the incorporation of the Tangier Zone in the Spanish Zone should be brought before a conference of "all the interested States," and that this conference should be opened at Geneva on the Wednesday of the present week, that is on the day before the opening of the League Council's session, at which the admission of Germany is the principal item on the agenda. To this Memorandum Italy returned a friendly reply. France and Great Britain, on the other hand, insisted that, if the Tangier question is raised at all, it shall be raised apart from, and after, the session of the League Council for the admission of Germany. France seems also to have insisted that any reconsideration of the Tangier question shall be confined to the three Powers immediately interested—i.e., to Spain, France, and Great Britain—and shall not be thrown open to the Powers interested in the wider and remoter sense—i.e., to the other signatories of the Algeciras Act, of which the most important, in present circumstances, would be Italy. Dissatisfaction on this score may have been the decisive factor in causing Spain to break with the League.

In a note last week we discussed the Spanish claim to the Tangier zone from the practical point of view; and we concluded that, while the present separation of the port of Tangier from its hinterland in the Spanish zone by a Customs barrier was an arrangement which would probably prove unworkable, we should feel grave misgivings—in the light of Spain's record in administering the Spanish zone—at the thought of handing over to uncontrolled Spanish administration a city which contains not merely a native Moroccan population, but an important Western colony, in which other nations besides the Spaniards are strongly represented. We suggested that a solution might be found by conferring on Spain a mandate for the administration of Tangier in the "C" category, which would make possible the territorial reintegration of the port with its hinterland, while at the same time providing some guarantee for the welfare of the non-Spanish inhabitants of the Tangier zone. On Monday last, Sir Austen Chamberlain stated in the House of Commons that Spain had actually asked for a mandate over Tangier as an alternative to the absolute incorporation of Tangier in the Spanish zone; and in declaring that the British Government could not agree to the last-mentioned alternative, Sir Austen implicitly left a door open for

consideration of the other—though not, of course, until the question of Germany's admission to the League has been settled. On the same day, however, the Spanish Foreign Minister denied that he had ever asked for a mandate, and defined the Spanish demands as a permanent seat on the League Council and the incorporation (*sans phrase*) of Tangier in the Spanish zone. This contradiction has still to be cleared up; but meanwhile, if we are right in thinking that a Spanish mandate for Tangier may offer the most practical settlement of this dangerous controversy, it is worth while looking at this question of a mandate in its juridical bearings.

How have the existing mandates been conferred upon their present holders? They have been conferred by the principal Allied Powers, who during the Great War had conquered the territories covered by these mandates from their former sovereigns; but the mandates did not become juridically valid until these former sovereigns had renounced their rights by signing and ratifying treaties of peace, and until the terms of the mandates had been approved by the Council of the League, to which the supervision over their administration had been entrusted. There seems no reason why—given the willingness of the League Council to assume the responsibility of supervision—a mandate over another territory should not be conferred directly, by the juridical sovereign of that territory, upon some other Power. In such a case, the sovereignty would still remain vested in the original sovereign (there having been no transfer of sovereignty as the result of conquest in war), but the juridical position would be essentially the same as in the case of the mandates conferred as a result of the Great War. There would still be four parties involved: The inhabitants of the mandated territory to be administered, the Government of the mandatory Power on whom the administration of the mandate would be conferred, the juridical sovereign (in this case, the original sovereign and not the sovereign by right of conquest confirmed by treaty) who would confer the mandate, and the League Council who would supervise the administration of the mandate.

In the case under consideration, therefore, a "C" mandate for the administration of the Tangier Zone would be conferred upon the Spanish Government by the juridical sovereign of the territory—that is by the Sultan of Morocco, acting on the initiative and with the approval of the French High Commissioner, representing the Power under whose protectorate the Sultan placed himself by the Franco-Moroccan Treaty of 1912. It may be added that there would be nothing novel in this procedure. It would be similar to the procedure by which the Sultan, having (so to speak) leased the protectorate over the whole of his dominions to France, empowered France to sub-let this protectorate to Spain in respect of part of his dominions. It is in virtue of the discretion thus conferred by the Sultan upon France that Spain holds the title to her present zone in Morocco—under a Franco-Spanish Agreement concluded after the Franco-Moroccan Treaty. If she obtained a mandate for the Tangier Zone, Spain would receive a somewhat better title to it than that under which she holds the protectorate over her present zone, since she would obtain the mandate from the Sultan, who owns the property, and not merely from France, his lessee. On the other hand, her freedom would be restricted in this important and salutary respect, that she would be accountable for the administration of the mandate to the League Council instead of being accountable to nobody—an irresponsible position which she has enjoyed in the zone under her protectorate, and which she has scarcely used to the best advantage.

Thus the suggestion of a Spanish mandate over Tangier seems both practically not inopportune and juridically not impossible, although French agreement does not, on the face of it, appear very likely. But a settlement of this nature has obviously been made more difficult by Spain's abstention from the League's deliberations. The best that we can now hope is that the League, without Spain, will redeem the March fiasco by admitting Germany—which now seems tolerably certain unless Spain reconsiders her withdrawal, and attends the Council Meeting to exercise her veto—and that, thereafter, when the Tangier problem comes up for negotiation, the temper of Spanish diplomacy may have cooled down.

THE ANGLO-INTERNATIONAL BANK.

THE fusion of the British Trade Corporation and the Anglo-Austrian Bank, announced this week, brings to an end the separate existence of two institutions, one of which was created during, and the other profoundly modified by, the war. Both have been important in the politics of post-war international finance, and the present step is of interest not merely from the point of view of the prospects of the new institution, but also because of the general principles raised by the careers of the two organisations. The British Trade Corporation was a company established by charter in 1917 for the purpose of using finance for the more vigorous development of British trade after the war. It was based on the belief that Germany had strengthened her competitive position as compared with ourselves by a much closer liaison between banking and industry and by the granting of long credits. The Government intended to give the corporation substantial support by using it as its agent in financial operations arising out of arrangements made with other Governments, and the charter made careful provision for retaining control in British hands.

The Anglo-Austrian Bank, on the other hand, was launched in a reconstructed form after the war for different reasons. The bank was in grave difficulties and unable to meet its obligations to the Bank of England, acting as agent for the Treasury, in respect of its pre-moratorium bills. Instead of driving the bank into liquidation, the Bank of England took the initiative in reconstructing it in the hope, on the one hand, of retrieving some of the Treasury losses, and, on the other, of creating an island of refuge and stability amid the swirling currents of the monetary chaos in Europe. The Bank of England accepted certificates of indebtedness for a large part of its claims, took preference and preferred ordinary shares in respect of the remainder, and put its nominees on the directorate.

Unfortunately, neither venture entirely fulfilled expectations. The British Trade Corporation launched out on the Continent in circumstances under which it was impossible to do successful business, and even at home it very quickly ran into the period of post-war slump. It has already reduced its capital of £2 millions by one-half, and on the present occasion makes yet a further reduction. The Anglo-Austrian Bank, in spite of the powerful backing of the Bank of England, has proved the impossibility of planting British banking ideas in a foreign and uncongenial soil and carrying them out with personnel trained in an entirely different school. The bank played a most important rôle in the history of Austrian reconstruction, in which country the flood of depreciation was first checked. It did this by creating a bridge between London and Vienna; by interesting British financial circles in Austria at a time when the outlook seemed entirely black; and by giving Austria the assurance that powerful influences meant to help her. But this beneficial result ceased when the Austrian stabilisation plan was carried out, and the connection with the Bank of England began to have positive disadvantages. Only very special circumstances would justify the connection of a great central banking institution like the Bank of England with a particular enterprise which must necessarily be in competition with other financial houses, both at home and abroad; and the situation laid the Bank Court open to the charge—obviously quite unfounded in fact, but readily believed in Austria—that its policy in Central Europe, and that which it recommended to other central banks, was not disinterested. It was generally considered that the transfer of the Austrian branches of the Anglo-Austrian to the Credit-Anstalt, which was arranged in the spring, and of its Italian branches, was a first step towards enabling the Bank of England to disengage itself from its connection with the Anglo-Austrian Bank. The latter has been handicapped at every turn by the difficulties which have beset all Austrian banks—redundant staffs, burdens and regulations in regard to pensions, unwieldy boards of management, onerous turnover and other taxes, and, from the outset, the special difficulty of doing business in a country with a depreciating exchange.

Under the present plan of fusion, a new bank will be established in London under the name of the Anglo-International Bank, Limited. It will have a nominal

capital of £2,000,000 in ordinary shares of £1 each, and a paid-up capital of £1,960,000, of which £1,360,000 represents the consideration to the vendor companies, while £600,000 will consist of entirely fresh capital, the issue of which for cash has already been arranged at a premium of £400,000. This million of new money is presumably being found by the Bank of England.

Of the 1,360,000 shares of the new bank to be issued to the vendor companies, 610,000 will be issued to the shareholders of the Anglo-Austrian Bank, Limited, and by virtue of a provisional agreement between the principal preference shareholders and the holders of the preferred ordinary shares and certificates of indebtedness, the ordinary shareholders of the Anglo-Austrian Bank, Limited, will be enabled to receive one share in the new bank in exchange for every four shares of their present holding. Thus, the ordinary shares of the Anglo-Austrian are written down roughly in accordance with their market value, while the Bank of England has written off a considerable part of its claims. A further 750,000 shares are being reserved for the shareholders of the British Trade Corporation, who are being summoned to an extraordinary general meeting, on September 8, 1926, in order to ratify the arrangement. In this manner the different series of shares of the Anglo-Austrian Bank and the British Trade Corporation will be unified into one single type of ordinary share in the Anglo-International Bank, Limited.

Among others the following have agreed to join the board:—General the Hon. Sir Herbert A. Lawrence, G.C.B.; the Right Hon. Baron Faringdon, C.H.; Mr P. Bark; Mr Julian Day, M.C.; Sir Harry Goschen, K.B.E.; Sir Gordon Nairne, Bart.; and Mr M. S. Spencer-Smith, D.S.O., M.C. The new bank will be established in London, and will operate on the Continent through the medium of first-class local banks in pursuance of the policy of the Anglo-Austrian Bank in disposing of its foreign branches against important holdings in Continental banks.

The objection to the connection of the Bank of England with an institution which will compete with existing accepting houses and with other financial institutions remains valid. But the Bank's action was needed to give a fresh start to two institutions in which both the Government and itself have been concerned. With reduced capital, with a restricted objective, and with the prospect of steady recovery in Central Europe, the new bank should have fair prospects of building up a profitable business, which should before very long enable it to stand entirely on its own feet as a purely private institution. It can hardly, however, be expected to fulfil the high aim with which the British Trade Corporation was launched, namely, the setting of a new tradition in the financing of British industry and trade. That experiment has definitely failed.

FARMING BY DISTRIBUTIVE CO-OPERATIVE SOCIETIES.

(FROM A CORRESPONDENT.)

FARMING by industrial co-operative societies composed of workers in urban areas operating in the interests of consumers has not led to the revival of agricultural prosperity foreshadowed by the late Earl Winchelsea and those who advocated the linking of the landlord, farmer and labourer in a chain of interests. The experience of the last decade has shown that something more is needed for the success of farming by industrial societies than the possession of a market of known dimensions. For a retail co-operative society, with milk, grocery, butchery and greengrocery departments, knows exactly its likely requirements before it acquires a farm. Therefore, in theory, it should be able to start with excellent prospects. But only in a few cases have such hopes been realised. In 1917 the number of co-operative societies carrying on farming operations was 105. They rented or owned 24,476 acres. The amount of capital invested was £633,526, and after paying £23,120 interest they showed a net profit of £32,646. During the four following years 76 more

societies went in for farming, making the total acreage 73,438, and raising the capital involved to £3,229,698. The interest charges were £127,748, and instead of a profit there was an aggregate deficit in 1921 of £362,488. This had to be made good from the other departments of the societies. Had the farms been carried on as separate ventures the shareholders would have been considerable losers; but as the farms were only departments in the general business their losses were set against the profits in other sections.

Such were the results in 1921. Subsequent investigation shows that, although there are now only 157 societies farming, the acreage remains substantially the same, as a few societies have added to their holdings, mainly for the production of milk, while 24 have sold their farms and are keeping to their narrower functions as retail distributors of the daily requirements of their members. The capital now involved is about three millions, and the losses since 1921 have been well over a million. Looking at the individual results, inquiry finds that the losses have been greatest where much of the capital was in the form of cattle, the prices of which fell heavily during 1921-22. There is no doubt that when retail societies purchase farms the general policy has been to recondition the farm buildings on modern lines, with the result that heavy overhead charges have been incurred. Moreover, the co-operative society cannot have the advantage of the family help that proves useful to the small farmer when emergency demands assistance. It works along set lines, and although farm bailiffs are employed, they have not the discretionary and, often, the disciplinary powers that would be exercised by similar people employed by the individual owner of a farm. And in many cases the land acquired has not been suitable or of a remunerative size for the operations intended. Many of the farms have been bought without reference to expert judgment—for in farming matters the retail co-operative societies have been like sheep without a shepherd. And the results suggest that they have gone grievously astray.

At length the co-operative movement has awakened to the necessity of restraining further adventures into agriculture. It has made a special inquiry into the conditions of farming by societies, and with the aid of the principals of the agricultural departments of some of the Universities and the representatives of the Edinburgh, Plymouth and Tamworth societies has made a series of recommendations concerning the financial arrangements which are designed to secure success in the future. Hitherto the accounting periods have corresponded with the quarterly or half-yearly accounts of the societies. It is now proposed that these shall be published annually, and that the farms and stock be valued by qualified valuers, while a uniform method of depreciation is suggested on the basis of 2½ per cent. on the original value of buildings, of 10 per cent. on the original value of machinery, and that a reasonable proportion of any surplus should be applied to reducing the book value of the land. With regard to the interest charged on the nominal value of land, buildings, &c., this is to be at a rate a little higher than the average rate paid by the societies on share and loan capital. This will be equivalent to, roughly, 4½ per cent.

As regards general policy for future development, small societies are advised not to engage singly in farming, and all should, before entering upon farming, decide the real purpose of their operations, which should be, primarily, the supply of the needs of their own trading departments. In view of the proved weakness of committee control, it is urged that managers of farms should be allowed a large measure of freedom in their work, and that better co-ordination should be arrived at between the existing butchery, milk and other trading sections and those responsible for the work of the farms. Unfortunately many of the resolutions which are endorsed by co-operative organisations seem difficult to put into practice—owing to the influence of tradition and custom. But if the retail societies that have grown weary of making losses will shape themselves to the views put forward as the result of a year's serious investigation better returns should be recorded in the future. During the boom that followed the Armistice there was a rush to secure farms, start new works, and venture into fresh

fields of uncertain harvest. Experience has checked that movement, and experience should help in bringing some of the farms to a profitable issue. But they must be recognised as specialised industries to which the regulations of ordinary shopkeeping do not apply. Farming, the oldest of our industries, is not to be run on the lines of the multiple shop—nor are shopkeepers, as distributors, necessarily the most efficient producers. There are limits to the capacity of any class of persons to do the work of others.

TEA PLANTATION COMPANIES IN 1925.

The tea plantation industry, like all other branches of agriculture, is subject to constant change of fortune, being dependent to a large extent upon vagaries of climatic conditions, labour supply, and incidentally upon the caprices of the public. In spite of these ever-recurring difficulties, however, the industry has been able to record a fair measure of progress in recent years, a fact which is the more gratifying, as its development among Western peoples is mainly due to British enterprise.

The progress made in the industry can be seen from the following table of tea imports and re-exports:—

IMPORTS AND EXPORTS OF TEA.						
From—	1913.	1924.	1925.	1913.	1924.	1925.
India	Lbs. 203,459,657	Lbs. 294,511,709	Lbs. 291,027,166	£ 7,839,223	£ 24,269,175	£ 22,222,644
Ceylon	110,936,427	130,462,043	132,438,092	4,179,462	10,636,203	11,098,748
China	15,272,548	24,251,184	10,390,466	613,147	1,535,914	727,625
Dutch Indies	32,052,717	57,286,636	54,117,564	1,072,553	3,741,342	3,275,460
Other countries	2,322,115	3,987,806	3,024,274	78,558	266,378	215,863
	365,043,464	510,498,777	491,057,562	13,782,905	40,448,996	37,538,338
Re-exports	57,555,651	75,878,080	88,585,864	2,808,940	6,947,619	7,854,202

As will be observed, total imports were lower in 1925 than in 1924, although, curiously enough, re-exports were higher. Ceylon is the only producer whose 1925 figures are higher than those for the preceding year. The China figures may reflect the decline in the popularity of this grade of leaf, or alternatively the generally unsettled state of the country.

The following table shows crops for the past three years and financial results for 1920 and the past four years of 13 selected undertakings:—

	Crops.			Net Losses.	Net Profits.	Net Profits.	Net Profits.	Net Profits.
	1923.	1924.	1925.		1920.	1921.	1922.	1923.
Amalgamated...	Lbs. 5,840,101	Lbs. 5,855,836	Lbs. 5,587,911	£ 89,423	£ 158,233	£ 295,353	£ 304,913	£ 255,209
British Indian...	1,633,006	1,732,466	1,536,428	24,178	48,137	51,908	50,539	31,915
Ceylon Plant...	4,926,809	5,312,679	5,165,280	65,811	125,902	161,031	222,476	332,153
Chubwa	2,534,808	2,589,203	2,500,398	30,063	56,793	83,947	73,696	57,025
Cons. Tea, &c.	18,046,545	16,850,134	16,792,186	240,598	425,065	709,440	604,664	544,947
Dooars	14,872,922	13,770,655	13,944,986	42,367	24,654	40,168	44,880	51,443
E. Ind. & Ceylon ..	1,760,630	1,770,665	1,742,221	34,232	24,654	40,168	44,880	51,443
Nedem Prod.	4,930,152	5,649,474	6,028,221	34,232	24,654	40,168	44,880	51,443
Jhansie	3,261,882	3,590,411	3,207,363	18,949	84,655	97,606	106,339	82,535
Jokai	8,238,409	9,087,037	8,263,515	30,569	222,900	235,846	263,828	169,304
Lungia	2,636,351	2,677,511	2,773,003	73,112	59,714	67,933	68,226	60,566
Nedem	5,290,069	5,081,572	4,770,671	21,272	89,767	150,802	138,470	77,002
Yatiantota	551,391	458,970	353,169	30,559	8,191	18,098	20,755	63,653

* Net profit.

Only four of the 13 companies secured larger crops in 1925 than in the previous 12 months. This undoubtedly was responsible, to some extent, for the smaller net profits shown by most of the concerns in the foregoing table. Results were also adversely affected by higher costs. According to the annual analytical chart just issued by the Indian Tea Share Exchange the average price realised for the period under review was 1s 6½d per lb, against 1s 7d; costs were 1s 0½d, compared with 11½d; and the profit per lb was 6½d, in contrast to 7½d. This chart deals with 65 representative Indian companies having an aggregate issued capital of £17 millions, and yielding a crop of nearly 170 million lbs. Several companies were able to earn more last year than in 1924, namely, the Yatiantota, where the rise was from £20,755 to £53,053; the Eastern Produce, where

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it was from £180,529 to £250,328; and the Ceylon Plantations, from £222,476 to £332,153. The East India and Ceylon, and Dooars also, presented slightly better figures. With the exception of the Dooars, however, all these undertakings also cultivate rubber, and it is probable that the better prices secured for that product helped the profit figures.

Our next table shows the average prices of tea crops in 1924 and 1925, together with the total available balance and how it was utilised:—

		Average Price of Crops per lb.	1924.	1925.	Distribution of Available Balance.			
					Pref. Div.	Ord. Div.	Reserve &c.	Carry Forward
Amal. Estates	Nov. 30, '24	d 19-76	d 19-23	£ 384,853	£ 21,000	£ 167,422	£ 128,499	£ 67,932
British India	Nov. 30, '25	17-10	17-83	356,667	21,000	167,422	94,526	73,719
Ceylon	Nov. 30, '26	17-10	17-83	68,576	825	38,320	12,130	17,301
Chubwa	Nov. 30, '24	17-10	17-83	52,071	825	25,546	7,000	18,700
Cons. Tea	Nov. 30, '24	17-10	17-83	257,697	10,579	188,000	10,000	49,118
Dooars	Nov. 30, '24	17-10	17-83	381,272	10,579	225,600	90,000	55,033
E. Ind. & Ceylon	Nov. 30, '24	17-10	17-83	84,839	3,710	42,400	15,000	13,229
Jhansie	Nov. 30, '24	17-10	17-83	70,153	3,710	53,000	15,000	13,229
Jokai	Nov. 30, '24	17-10	17-83	888,942	78,000	360,000	224,369	226,573
Lungia	Nov. 30, '24	17-10	17-83	827,533	78,000	360,000	160,013	229,520
Nedem	Nov. 30, '24	17-10	17-83	160,954	5,250	132,405	11,000	22,295
Yatiantota	Nov. 30, '24	17-10	17-83	167,248	5,250	131,040	11,000	19,958
Cons. Tea	Nov. 30, '24	17-10	17-83	51,695	6,000	30,000	7,000	8,695
Dooars	Nov. 30, '24	17-10	17-83	60,138	6,000	40,000	5,000	9,138
E. Ind. & Ceylon	Nov. 30, '24	17-10	17-83	193,514	3,600	141,525	32,000	16,389
Jhansie	Nov. 30, '24	17-10	17-83	236,717	3,600	166,500	40,000	26,617
Jokai	Nov. 30, '24	17-10	17-83	130,583	64,400	17,056	21,601	21,601
Lungia	Nov. 30, '24	17-10	17-83	103,057	64,400	17,056	21,601	21,601
Nedem	Nov. 30, '24	17-10	17-83	295,866	6,000	173,452	64,258	52,156
Yatiantota	Nov. 30, '24	17-10	17-83	241,587	6,000	144,544	32,500	58,543
Cons. Tea	Nov. 30, '24	17-10	17-83	64,709	4,812	41,525	10,000	8,372
Dooars	Nov. 30, '24	17-10	17-83	45,639	4,919	26,713	6,000	8,016
E. Ind. & Ceylon	Nov. 30, '24	17-10	17-83	134,412	10,855	86,681	17,000	19,926
Jhansie	Nov. 30, '24	17-10	17-83	73,600	11,046	44,212	5,000	13,342
Jokai	Nov. 30, '24	17-10	17-83	21,950	2,700	15,750	2,000	1,500
Lungia	Nov. 30, '24	17-10	17-83	54,553	2,700	43,513	7,000	1,540

The Ceylon Plantations secured the best price for its crop, while the Nedem probably was the least fortunate in this respect. In most cases, it will be seen, allocations to reserve were reduced during 1925. Generally speaking, however, they are still on a fairly substantial scale, especially in the cases of the Ceylon Plantations, which reserved £90,000, Eastern Produce, Jokai, and Consolidated Tea and Lands. On reference to the Indian Tea Share Exchange annual chart, referred to above, we find that the amount distributed in dividends by the 65 companies analysed was £3,680,000, while £760,000 was added to reserves and carry-forward.

The following table shows the principal balance-sheet items during the past two years:—

Name.	Share Capital & Res.	Creditors.	Properties.	Stocks.	Cash.	Investments.	Debtors.
Amalgamated	Nov. 30, '24 1,249,350	£ 135,569	£ 772,650	£ 350,511	£ 17,689	£ 502,606	£ 133,841
British Indian	Nov. 30, '25 1,369,350	127,915	772,650	333,525	17,778	519,914	148,240
Ceylon Plantations	Nov. 30, '25 1,369,350	56,463	37,517	46,973	49,787	20,614	20,614
Chubwa	Nov. 30, '25 1,369,350	7,446	56,463	36,850	37,933	49,787	20,614
Cons. Tea	Nov. 30, '24 592,120	88,779	536,965	104,795	202,321	45,812	20,585
Dooars	Nov. 30, '24 592,120	113,747	573,361	141,707	230,669	45,812	27,548
E. Ind. & Ceylon	Nov. 30, '24 209,000	27,261	106,000	142,352	59,844	596	596
Jhansie	Nov. 30, '24 224,000	24,832	106,000	125,718	14,299	60,139	454
Jokai	Nov. 30, '24 2,838,000	276,237	2,026,644	989,891	184,794	1,091,178	150,480
Lungia	Nov. 30, '24 2,838,000	215,423	2,026,644	935,907	49,560	207,039	156,396
Nedem	Nov. 30, '24 452,819	82,339	286,248	103,495	102,220	110,604	27,975
Yatiantota	Nov. 30, '24 440,585	10,156	264,493	39,821	20,035	7,656	8,966
Cons. Tea	Nov. 30, '24 294,968	55,000	95,699	460,215	25,962	7,656	11,218
Dooars	Nov. 30, '24 294,968	119,120	480,366	184,979	143,643	58,601	93,900
E. Ind. & Ceylon	Nov. 30, '24 241,634	16,829	128,333	128,333	40,802	84,432	531
Jhansie	Nov. 30, '24 271,934	31,042	412,980	211,711	131,128	216,126	1,331
Jokai	Nov. 30, '24 853,280	89,496	412,980	286,011	43,372	220,461	31,695
Lungia	Nov. 30, '24 366,580	8,900	284,553	83,708	24,382	41,459	11,093
Nedem	Nov. 30, '24 599,560	4,555	301,087	75,756	11,465	40,876	5,110
Yatiantota	Nov. 30, '24 613,315	52,500	456,018	103,189	32,954	66,242	14,867
Cons. Tea	Nov. 30, '24 216,500	7,258	203,831	28,631	12,863	4,074	4,074
Dooars	Nov. 30, '24 216,500	10,465	206,680	28,495	30,893	..	..

The Chubwa Tea Company's balance-sheet for November 30, 1925, shows cash at £14,219, against £59,484 in preceding balance-sheet, but investments are at £60,139, against nothing in preceding year; these investments are specified in the balance-sheet as £25,139 in 5 per cent. War Loan and £35,000 as amount on deposit at the bank. During the year several capital changes were made. The Lungla converted a further £6,400 of the debentures into ordinary shares, making a total of £72,900 converted to date and leaving £1,600 outstanding. This item should soon be eliminated altogether. The Doors brought its issued capital up from £348,000 to £402,600 by the offer of 54,600 ordinary £1 shares, while the Consolidated Tea and Lands issued 60,000 ordinary £10 shares. The accounts show that properties are practically unchanged, while stocks and investments are also on approximately the 1924 level. In the majority of cases the cash holding is lower. Creditors exhibit no general definite tendency, while not much change has occurred in debtors.

Our final table shows a comparison of dividends and prices and present yields:—

Name.	Prices of 1925.		Dividends.		Price End Aug. 1925.	Price End Aug. 1926.	Present Yield.
	Highest.	Lowest.	1924.	1925.			
Amalgamated (£10).....	48	36½	35	35	38	43½	8 0 9
British Indian (£1).....	4½	2½	45	30	3	32	8 0 0
Ceylon Plantations (£1).....	7½	5	50	60	5½	6½	9 4 9
Chubwa (£1).....	5½	3½	50	40	3½	4½	9 1 9
Cons. Tea and Lands (£10).....	41	27	37½	30	29	33	9 8 3
Doors (£1).....	4½	3½	42½	40	3½	4½	9 8 3
Jhansie (£1).....	4½	3½	45	40	3½	4½	8 17 9
Jokal (£1).....	5	3½	45	37½	3½	4½	8 4 3
Lungla (Sylhet) (£1).....	2½	1½	20	12	1½	1½	7 7 9
Nedeen (£1).....	4½	3	40	20	2½	2½	6 16 3

Yields on even the best tea shares are high, which circumstance can only be ascribed to the speculative nature of the industry's fortunes. The tea share market on the Stock Exchange is, too, sometimes a difficult one to deal in, but with the splitting of shares and greater interest taken in them by an ever-increasing circle of British investors, facilities for buying and selling have improved in the last few years. Competent observers express the opinion that we shall shortly see a revival of activity in this section. The belief is founded on the knowledge that the Indian monsoon has been favourable and that satisfactory prices are being obtained at this season's Indian sales.

THE GRAND TRUNK PACIFIC SETTLEMENT.

THE long controversy between the Canadian National Railways and the holders of Grand Trunk Pacific 4 per cent. debenture stock is likely to be brought to an end by the compromise terms which were made public on Thursday. These terms have been reached through the good offices of an advisory committee, consisting of Mr McKenna, Sir George May, Mr Peacock, and Mr Wilkinson, which has acted as a mediating body between the company and the stockholders' committee. The company's offer will have to be ratified by the Canadian Parliament, and possibly may also require the approval of the Canadian Exchequer Court, while on the other side it must receive the assent of stockholders representing 75 per cent. of the stock (£7,176,801), to which the scheme applies. If these sanctions are obtained, and the scheme goes through, there will be removed a long-standing cause of irritation and bad feeling between the British investing public on the one hand and the Canadian Government on the other, which has tended to tarnish the repute of Canadian securities on this side. The terms of the scheme naturally do not fulfil the expectations of the holders, who are asked to accept a 50 per cent. cut in the current rate of interest in return for a Government guarantee and the certainty of redemption. They are offered in exchange for each £100 of Grand Trunk Pacific 4 per cent. debenture stock £100 of Canadian National Railway Company's debenture stock bearing interest at the rate of £2 per cent. per annum, payable half-yearly and redeemable by means of a cumulative sinking fund of £2 per cent. per annum, to be applied yearly. The payment of the principal, interest, and application of the instalments of the

sinking fund are to be unconditionally guaranteed by the Dominion of Canada. The yearly sinking fund will be applied as follows:—During the first ten years the amount available will be applied in the purchase of stock (by tender only) at not less than £60 per £100 of stock, including the current half-year's interest. If the amount of stock tendered is not sufficient to exhaust the moneys available, the balance will be applied in redeeming stock at par by drawings. After the ten years have elapsed, the sinking fund moneys, as they become available, will be applied in redeeming stock at par by drawings. Thus, the plan converts a perpetual security with an uncertain rate of interest into one with a low rate of interest, but carrying a certainty of capital appreciation. The arrears of interest, amounting to £24 per cent., are to be wiped out.

Whether the stockholders could get more by expensive litigation, they must decide for themselves. The stockholders' committee admit that they might do so; but point to the advantages of a security independent of railway earnings instead of one not only dependent on such earnings, but beset by all the controversies arising out of the guarantee agreement of 1906. Here lies the crux of the question. At present the Grand Trunk Pacific line itself does not earn any portion of the interest, and is unlikely to do so for a very long time to come, and the expectations of the holders, therefore, entirely depend on the guarantee of the Grand Trunk Railway Company, which guarantee, however, only arises in connection with the earnings of each particular year. Those of our readers who have followed the controversy will remember that, on the absorption of these companies by the Canadian National Railways, the Canadian Government guaranteed interest on the 4 per cent. Grand Trunk guaranteed stock, which, it is claimed, was junior to the Pacific debentures. This may have been unreasonable discrimination, or be held to establish a strong moral claim for a similar guarantee to the latter. But the committee appear to have been convinced that it did not constitute a valid legal claim either against the Government or against the holders of the G.T. guaranteed stock. It has also been urged that in the difficult task of assigning earnings to different parts of the combine, charges have been made against Grand Trunk earnings which ought not to have been met until after the Pacific debenture interest had been paid. On this point counsel have advised the Canadian National Railways and the stockholders respectively in opposite senses, and the outcome of litigation on the point is very dubious. The National Railways, on the other hand, reject all claim for arrears of interest; they hold that the 4 per cent. which was paid in 1924 (the only payment since amalgamation) was paid under a misconception of the legal position, and that the full interest would only be paid in years of exceptional prosperity.

The scheme does not strike us as over-generous. As Sir Henry Thornton has said, there may well be important imperial interests involved, and Canada's credit is certainly a matter of first-class importance to the whole Empire. It is true that in the first years the Canadian Railway budget will be charged with the full 4 per cent. owing to the sinking fund provisions, but this will rapidly dwindle, and the whole liability be wiped out in probably considerably less than 40 years. It is, however, appreciably more than half a loaf, and the stockholders are bound to be influenced by the opinion, not only of their own committee, but also of the advisory committee, both of which seem to be satisfied that the offer is the best obtainable.

THE FINANCES OF DANZIG.

(BY A CORRESPONDENT.)

It is expected that the present session of the League of Nations will grant authority for the issue of a new loan for the Free City of Danzig, in accordance with the recommendations made by the Financial Committee of the League at a Conference in London in July last. The following were the recommendations:—

(1) That the Danzig Senate should prepare and present to the Danzig Parliament a supplementary Budget, in which all expenses should be reduced by the end of August, and it would

also be considered at the next meeting of the Finance Committee in September.

(2) Proposals to increase the revenue from Customs. Danzig and Poland should come to the following agreement, beginning from September 1st. Poland should guarantee for a period of two years a minimum of 14 million Danzig gulden and a maximum of 20 million Danzig gulden, and between the minimum and the maximum the share of Danzig in the Customs revenue calculated on the basis of the now existing agreement, i.e., 7.8 per cent. of the whole Customs revenue collected within the Polish-Danzig Customs Union will be given to Danzig; which means that Danzig will be independent of the fluctuations of the Polish zloty. (Both delegations declared themselves prepared to submit the recommendations to their Governments. Further negotiations will be held in Danzig.)

(3) If Nos. 1 and 2 have been carried out the Finance Committee will be prepared at the September meeting to recommend a loan.

The financial affairs of Danzig had been drifting into an unhealthy state for some time. Danzig is a political and economic anomaly, and its fortunes and finances depend on conditions largely beyond its control.

Danzig stabilised its currency, but cannot maintain a financial equilibrium. Consequently, in July last year, the High Commissioner and the Senate of Danzig asked the League of Nations to study the financial situation. M. Janssen, a former Finance Minister of Belgium, ably assisted by Mr Jacobsson, carried out the inquiry, and it was on their report that the Finance Committee based the recommendations quoted above.

One factor which upsets Danzig's budgetary calculations is that, while its own currency, the gulden, is stabilised at 25 to the pound sterling, the Polish zloty is depreciated currency which is always fluctuating. The Financial Committee found that the depreciation of the zloty and Customs difficulties were two chief sources of loss of trade and of revenue. There are close commercial and official associations between Poland and Danzig. When Danzig receives revenue in zloty and has to pay in gulden, it is always in a state of anxiety. Take the revenue from Customs. Danzig is within the Polish Customs Union, and receives at present 7.8 per cent. of the total Customs revenue collected by Poland. In the Budget for 1925-6 Customs receipts were estimated at 19,689,050 gulden, and for 1926-7 at 16,600,000 gulden. A reduction was estimated for owing to the trade war between Poland and Germany and the import restrictions imposed by Poland. The receipts for this year are now estimated at only 8,600,000, and the Customs administration cost Poland 6,600,000, so that the net receipts of about 2,000,000 gulden leaves a heavy deficit.

The Polish policy of restricting imports hits Poland as well as Danzig. The economic theory of the Poles is that the more the exports of a country exceed its imports the richer is that country. Hence, there is little agricultural or industrial development in Poland, and public works are not undertaken except with borrowed money. Danzig is the victim of Poland's economic heresies. Customs receipts decline while exports increase, but exports, which just now consist largely of coal, bring no profit to Danzig. Coal is sold direct by firms in Upper Silesia to foreign purchasers, and the extra labour required to handle the increased export of coal in Danzig Harbour is only 180 men. The following figures show the comparative position of recent exports and imports compared with 1913:—

Monthly Average.	Imports by Sea.	Exports by Sea.	Ships Cleared for Sea Traffic.
	Tons.	Tons.	Tonnage.
1913	96,000	94,000	78,000
Jan., 1925	60,000	145,000	129,000
Dec., "	50,000	321,000	220,000
Jan., 1926	35,000	331,000	222,000
Feb., "	30,000	313,000	184,000
Mar., "	54,000	407,000	263,000
April, "	35,000	405,000	260,000

Exports since April have increased enormously. The June coal tonnage was 14,000,000, compared with 7,000,000 in May. The July figures exceed the June total. The majority of the ships enter the harbour in ballast. They take wealth from the country, but bring nothing in exchange. In spite of this adverse economic factor, Danzig has reduced the discount rate from 10 per cent. in January, 1925, to 6½ per cent. in July, 1926, while the

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cost of living has fallen from an average of 140, or 40 points above 1913, in 1925 to an average of 133 in 1926. On the other hand, the unemployed, who averaged 2,000 in 1924, rose to 8,000 in April, 1925, and to 21,000 in February, 1926, and are now 15,000, which is far too heavy a proportion of the total working population of 70,000, although not higher than the present abnormal rate in some German seaports.

Danzig carries special burdens which adds to its financial difficulties. It has too many officials, and they are paid too high salaries. While the Danzig authorities have been reducing the number of officials, the Financial Committee considers that the axe should be further applied. As regards salaries, it is pointed out that the little State of Danzig, where there is no room for advancement, would not get capable officials unless they paid higher salaries than in Germany. Local government is altogether an expensive affair in Danzig. Over one-third of the population depend upon the State for a living. The number includes 15,000 unemployed, who will increase during the winter, 9,1000 officials, former German officials and war invalids, persons in receipt of invalidity pensions, and others who depend on public assistance. Sixty per cent. of the pensions to war invalids is paid by Germany. The percentage of industrial workers is less than before the war. Agricultural, the liberal professional and public services, and all classes of employed have decreased, except those in trade, transport, and hotels. Prior to the war the trade in Danzig was stimulated by shipbuilding and military works for the German Government. There are now few local industries.

The equilibrium of the Budget, to which the Finance Committee of the League gave special attention, is upset owing to the large amount of direct taxes always outstanding, and by the fact that the officials' salaries are paid in advance. For the present financial year the advances in respect of salaries amount to 3,800,000 gulden, and for pensions 1,100,000 gulden. There have also been heavy advances to the Municipality of Danzig and to the gas and electricity undertakings. The result is that the Government is continually borrowing.

The total expenditure of the Free City amounts to considerably more than 100,000,000 gulden. The largest individual items are for pensions, science, art, and education, upon which 14½ millions are spent. The police expenditure amounts to nearly 8,000,000 gulden. It is considered necessary in Danzig to have a strong police force, as the police constitute a reserve to fall back upon in case of emergency, as the Free City has no army. There are other reasons for exceptional administrative expenditure. Among other things, Customs officials are utilised for the supervision of the frontier, and Danzig has an unfavourable frontier line. About two-thirds of the goods handled by the Customs administration is in transit for Poland. Administration is always relatively expensive in a small community which has a certain status to keep up and interests to watch and protect.

The proceeds of credit operations amounted to 6,690,000 gulden at the end of March last, and represents an initial charge prior to whatever deficit may arise in the financial year. It was hoped that the situation would have been somewhat relieved this year by the introduction of a tobacco monopoly, estimated to yield 5,000,000 gulden. The monopoly, however, has not been established. That fact, together with the reduction in the Customs and Excise receipts, showed a total cash deficit at the end of June last of about 7,500,000 gulden, part of

which, about 5,000,000, has been covered by Treasury bills discounted and loans. The short term credits outstanding on July 1st last amounted to nearly 12,000,000 gulden. It is estimated that the total deficit for the whole of the present financial year will amount to nearly 17,000,000 gulden, which includes 8,000,000 gulden for loss of Customs duties, 5,000,000 loss of receipts from tobacco monopoly, and 3,000,000 increase for unemployment. It is highly probable that the deficit may still be greater, particularly if unemployment increases.

The people of Danzig are always being reminded that the Free City is, to a large extent, an economic appanage of Poland. The issue of the new loan required to replace short expensive advances and develop public services requires the consent of the Polish Government.

Notes of the Week.

The Composition of the League Council.—The Committee appointed, after the fiasco of last March, to devise some scheme of composition for the Council which might reconcile conflicting claims and views, met again this week on the eve of the meeting of the Seventh Assembly. Last May, it will be remembered, Lord Cecil obtained support in this Committee for a scheme under which the number of non-permanent members of the Council should be increased from six to nine, three of them should retire every year (the period of tenure being three years), and three out of the nine should be made re-eligible, by a two-thirds vote in the Assembly, for a second three years' period. It was hoped that this possibility of holding a seat for six years (which would not, of course, exclude the possibility of being elected thereafter for a second six years, after a three years' interval), might satisfy the "middle-class" States like Spain, Brazil, and Poland. The scheme would not, it is true, have placed them on an equality with the Great Powers holding permanent seats; but it would still have opened to them the possibility of obtaining a distinction which would differentiate them from the mere rank and file. This scheme has not been as warmly welcomed by the Powers for whom it was designed as its supporters hoped, for Brazil has given notice of withdrawal from the League, and Spain is hesitating whether to follow suit or to announce that she disinterests herself from the League's proceedings. The plan, after much stormy discussion, has been amended in such a way as to make it possible for the Assembly this year, by a two-thirds majority, to confer on three members the quality of re-eligibility, so that Poland—and Spain if she continues to participate—may be at once put into the medium class, though the vote would not, of course, guarantee re-election. The plan of grading Powers has been strongly criticised by Sweden, as representing the smaller Powers, but for the sake of peace, the scheme has been approved by the Committee, with Spain abstaining and Brazil absent. The plan is assured of the Council's approval, and it is unlikely that in view of the important representation of small States in the Council, that the Assembly will upset its handiwork and reject the recommendation of the Council. Germany, at all events, is sufficiently satisfied with the proceedings of the Council to have appointed her delegation, and made her arrangements for proceeding to Geneva. Unless the unexpected happens, Germany should be a member of the League before the end of next week.

The Trade Union Congress.—If there is any excitement at the Trade Union Congress which opens at Bournemouth on Monday, writes a Labour correspondent, it will be very much against the wish, and contrary to all the plans, of the General Council. Their report is a singular document, inasmuch as the little incident of the General Strike is dismissed in a couple of curt sentences, while pages are devoted to an elaborate ruling given apropos of a gasworkers' demarcation dispute. The motive of this effort to stage Hamlet with Hamlet left out is plain enough. The General Council is still trying to stand by the miners. It is not that it has nothing to say for itself. The report prepared for the conference of executives of

June 25th, and postponed at the miners' request, showed that the Council had a very good case; and incidents like Mr Thomas's triumph at the railwaymen's conference at Weymouth suggest that the support of the great mass of the organised workers is behind it. The report of the General Council, in which it is stated that "the strike was terminated for one sufficient reason only—namely, that in view of the attitude of the Miners' Federation its continuance would have rendered its purpose futile," was held up out of loyalty to the Miners' Federation. It was, however, published by an individual member of the Council, Mr John Bromley, whose conversion to a working alliance with Mr Thomas is one of the incidental curiosities of the whole affair. The passage of time since it was written has progressively justified its severest strictures on the leadership of the miners. Consideration for the miners, therefore, is the sole reason for silence. Whether such silence would be, if secured, in the lasting interest of the industrial movement is dubious; still more dubious is the power of any chairman to restrain the speech of the very vocal section of the Trade Union movement which, with far less loyalty and sense of responsibility than the General Council's, is panting to "go for" it. The section which calls itself the "minority movement" is to-day more strongly represented in the personnel of the industrial than of the political side of labour organisation. Other considerations apart, this section believes in "trouble" for its own sake. The fact that Mr. Thomas will not be back from Canada till the Conference is over will take much of the spice out of attacks. Sir W. Joynson-Hicks, by refusing a passport to M. Tomsy, who attended the Conference two years ago, and who, this time, might be expected to distribute diatribes impartially to Right and Left alike, has removed, in advance, another dramatic moment. The Home Secretary has kindly provided the Council with a convenient means of obliterating international T.U. acerbities in unanimous condemnation of himself. Therefore, on all grounds the Conference is likely to interest itself more in the future, both of the movement as a whole and of the Miners' Federation, than in the past.

World's Wheat Position.—The Ministry of Agriculture has issued a preliminary review of the wheat position, which reveals that while the European "bumper" harvests of last year will not be repeated, and increased imports will be required during the coming season, North American crops are, taken as a whole, markedly heavier than a year ago, and the extra supplies should therefore be forthcoming. In England and Wales a good crop is being reaped, the total, on an area nearly 100,000 acres greater than last year, being estimated at approximately 28,600,000 cwt, as compared with 27,200,000 cwt in 1925. Estimates for Italy and Spain show a growth above the average, though less than in 1925, and unofficial calculations for France and Germany indicate the probability of increased imports for these countries. Rumania reports a good crop, amounting altogether to 59,000,000 cwt, or 3,000,000 cwt more than in 1925, and other Danubian countries should also contribute some exports. Sanguine estimates of the Russian crops have not been borne out, and it seems impossible to say at present whether that country will ship more than a negligible amount. The total United States crop may be estimated at 449,000,000 cwt, which is 90,000,000 cwt better than last year. For Canada, the latest official return gives the total as 170,000,000 cwts, considerable deterioration being reported during the past month. This figure is 50,000,000 below last year's very good crop. The latest bulletin of the International Institute of Agriculture summarises the situation to date in the northern hemisphere as follows (in millions of cwt):—

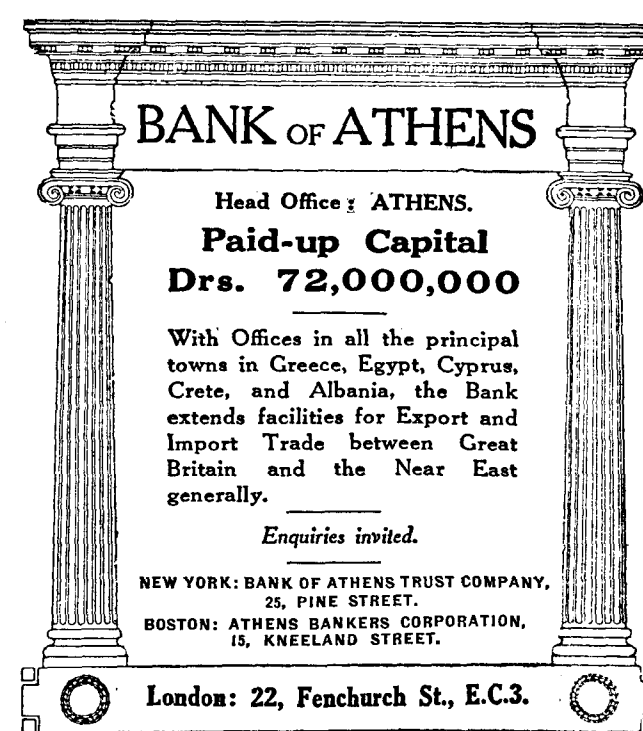
	Average, 1920-24.	1925.	1926.
Europe (15 countries)	328	416	388
Canada and the United States..	630	578	620
Asia (four countries)	205	200	195
North Africa (four countries) ..	46	56	52
Total (25 countries)	1,209	1,250	1,255

Although the data are still provisional and incomplete, they would appear to indicate that the question whether

total supplies will ultimately prove abundant or the reverse depends upon whether the next harvests in the southern hemisphere are largely over or under average. Of them, all that can be said at present is that prospects of the young crop in Australia are very satisfactory, and that in Argentina, while the weather has not been very favourable recently, it has now taken a turn for the better.

The French in Syria.—The dissatisfaction of the French Government with the administration of the French mandate in Syria has again declared itself in a change of personnel. General Billotte is to succeed General Gamelin as commander-in-chief, while Monsieur de Jouvenel, the distinguished publicist and politician, who has held the High Commissionership for the best part of a year, is handing over his office to an experienced civil servant, Monsieur Ponsot. It is a good thing that the policy of appointing a civil High Commissioner, which was tardily inaugurated when Monsieur de Jouvenel was offered the post, has not been abandoned; yet south-eastern Syria seems to have fallen into a chronic condition of guerilla warfare, which finds its parallels in the condition of Macedonia under the Ottoman régime before the first Balkan War, or in that of Southern Ireland during the darkest days before the establishment of the Free State. The French hold the principal towns by sheer military force, and are able to keep open, or rather perpetually to re-open, the principal lines of communication between them; but the open country is in the hands of the Druse and Muslim Nationalist bands, which are not intimidated by French punitive measures, and show no signs of giving in. The truth is that the brunt of the struggle falls neither upon the foreign mandatory Power nor upon its native opponents, but upon the mass of the Syrian people in the disturbed area. The unfortunate villagers are alternately terrorised by the bands into aiding and abetting them, and savagely punished by the French for acts of disloyalty committed under duress. It is the old story of the Macedonian villagers pounded between the hammer of the Turks and the anvil of the Komitajys. In the present case, however, the scandal is far greater, since the party responsible for this deplorable state of affairs is not an anachronistic Oriental Monarchy, but one of the Great Powers of the West acting under a mandate from the League of Nations. In Syria the mandatory of the League has brought not peace but the sword, and has embittered religious strife (one of the inherited handicaps of Syria, which it was the mandatory's business to remove) by arming Christian volunteers to make head against Muslim insurgents who were becoming more than a match for the French regular forces. What can be done? We do not draw attention to these facts out of any malice towards France. The ill-success of the French mandate in Syria adds to the difficulty of administering the British mandates in the adjoining countries of Palestine and Iraq, so that mere self-interest makes Great Britain eager to see the French position retrieved. It is high time, however, for the French Government and the Permanent Mandates Commission of the League to put their heads together and not to shrink even from drastic new departures. Great Britain, on her own initiative, remodelled her whole relation to Iraq after the great revolt of 1920. The results of this change have been happy, and they might well provide a precedent for a new régime in Syria. There is an urgent need for some régime there, which will not only put an end to the present miseries of the Syrian people, but will prevent this country from being, as it is at present, a danger to the whole Middle East.

Our Index Number.—Our Index Number of wholesale commodity prices rose during August by 104 points to 4,149, which is the highest level recorded since the end of January of this year. The figure is still, however, 301 points below that of the end of August, 1925. The percentage advance over the basis of 1901-5 is now 88.6, as compared with 83.9 at the end of July and 102.3 a year



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ago. Recent movements in the total in the various groups may be traced in the following table:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basic (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	352	616½	464½	553	2565	116.6
Nov., 1918	1289	782½	1848	903	1389½	6212	282.6
Mar., 1920	1508	914	2974½	1246	1709½	8352	379.6
Dec., "	1344	805	1284	1216	1275	5924	269.3
Dec., 1921	921½	636	1106	762	931½	4357	198.0
Dec., 1922	861	706	1184½	705	807½	4264	193.8
Dec., 1923	853	815½	1382½	774	755	4580	208.2
Dec., 1924	992	789½	1452	815½	806	4855	220.7
June, 1925	885½	704½	1234	736	791	4351	197.8
July, "	908	698	1274½	756	809½	4446	202.1
Aug., "	952	718½	1235½	748	796	4450	202.3
Sept., "	934	702½	1250½	752	788	4427	201.2
Oct., "	886	699½	1203½	749½	788½	4327	196.7
Nov., "	918½	704½	1174½	737½	787	4322	196.4
Dec., "	936½	679	1120	733	782½	4251	193.2
Jan., 1926	892½	694½	1117	726½	758½	4189	190.4
Feb., "	884	699	1058	736	762	4139	188.1
Mar., "	880	688	1025½	723½	771	4088	185.8
Apr., "	894	678½	1000	714	766½	4053	184.2
May, "	885½	681	978	718½	765½	4029	183.1
June, "	893½	682½	963½	735	760½	4035	183.4
July, "	910	678½	945	763	748½	4045	183.9
Aug., "	914	685	954	849	737	4149	188.6

It will be seen that in four of the five groups the change during August was of comparatively slight importance. The major part of last month's rise was contributed by the mineral group. Tin and copper were slightly dearer on balance, but the big item is coal. We have in our August calculation included quotations for foreign imported coal, and the consequent advance in coal is responsible for 90 out of the 104 points advance in the total. It will be seen therefore that the rise is mainly due to circumstances which arise directly out of the coal dispute, and will gradually disappear when the mines have been reopened. In the cereals and meat group, wheat, both imported and foreign, and oats are substantially lower, but barley has advanced very sharply, and potatoes are a little dearer. Among subsidiary food the principal point of interest is a hardening in tea quotations. In the Textile group, cotton and wool show little movement, but hemp and jute advanced. Earlier estimates of the American cotton crop have been appreciably revised in view of the lateness of the crop and losses from insect damage. In the miscellaneous group there is little worthy of note. Rubber is a shade easier on the month, and there has been a considerable fall in linseed. The August advance brings wholesale prices up to a level 61.7 per cent. above that

of July, 1914, as compared with 57.7 per cent. at the end of the previous month. How the various groups stand in relation to pre-war price levels may be seen from the following table:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., "	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Oct., "	153	199	195	161	143	168.7
Nov., "	159	200	191	159	142	168.5
Dec., "	162	193	182	158	141	165.8
Jan., 1926	154	197	181	156	137	163.3
Feb., "	153	199	172	158	138	161.4
Mar., "	152	196	167	156	140	159.4
April, "	154	193	162	154	139	158.0
May, "	153	194	159	155	139	157.1
June, "	154	194	156	158	138	157.3
July, "	157	193	153	164	135	157.7
Aug., "	158	195	155	183	133	161.7

At this date last year the increase over the pre-war level was 73.5 per cent., cereals and meat standing at 164, other food at 204, textiles at 200, minerals at 161, and miscellaneous at 144.

Index of Activity in the Electrical Industry.—Owing to circumstances arising out of the present abnormal conditions in British industry, it was not found possible to obtain the data for our index of orders received in the electrical manufacturing trades in time to permit of its inclusion in our Monthly Supplement. We now remedy this omission. The index, we may explain, is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Association. An explanation of the manner in which it has been computed will be found on page 888 of the *Economist* of November 28, 1925:—

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	1924.			1925.			1926.		
	Home.	Exp't.	Total.	Home.	Exp't.	Total.	Home.	Exp't.	Total.
January	96	95	96	78	102	84	75	110	84
February	100	83	95	77	102	83	74	106	82
March	107	96	104	67	105	76	80	101	85
April	106	105	106	60	95	69	83	100	87
May	108	107	108	55	87	62	83	104	88
June	105	99	101	58	86	65	82	110	89
July	102	79	96	58	119	73	80	79	80
August	92	79	88	61	119	76	..	..	..
September	89	94	90	61	121	76	..	..	..
October	83	92	85	67	125	81	..	..	..
November	91	96	92	68	124	81	..	..	..
December	80	80	80	76	117	86	..	..	..

The unfortunate effect of the coal dispute on the volume of new orders is reflected in the further decline shown in the "home" figure, but the drop of 31 points in the "export" index somewhat exaggerates the extent of the falling-off in that quarter. The index being based in each case on an average of the twelve months ending with the month in question, the dropping out for the first time of an unusually large order received in July, 1925, has given an unduly depressing air to the figures. As we indicated in our Review of the State of Trade a week ago, the most active branches of the industry at present are those concerned with the manufacture of small motors and domestic apparatus, the demand for industrial motors being stagnant.

The Finance of Broadcasting.—Fresh controversy has been awakened regarding the finance of British broadcasting by the suggestion that the Postmaster-General has to some extent placed a veto on necessary schemes of development. It is also urged that under the new order in broadcasting which will come into force when the present licence to the British Broadcasting Company expires on December 31, 1926, there will be grave danger of an embarrassed Exchequer looking upon the new Broadcasting Corporation or Commission as a revenue-producing asset. In these circumstances it may be well to recall the terms of the report of the Broadcasting

Committee, together with specification of the exact intentions of the Government and the Treasury. The committee recommended that the annual licence fee to listeners should remain at 10s. They contemplated more than two million listeners, which total is now, in fact, achieved. That would give a very broad basis of revenue, on which the first charge under the new corporation or commission would be full provision for research, improvement, and development in the industry, for adequate programmes, and for schemes which commended themselves to the commission from time to time. Only after all these requirements were satisfied was any balance to go to the Treasury. In theory the sound course would be to reduce the fee to the listeners, but the committee unanimously took the view that at 10s per annum it was as low as it should be, at all events in the social and industrial conditions likely to obtain for a considerable time. It is the intention of the Government to apply these recommendations of the committee, so that all doubt as to the financial provision for broadcasting should be removed. But some criticism remains on the question of financial control. In order to get the elasticity which would probably be absent from a strict statutory basis, the Government intend to proceed by charter, which will be discussed by Parliament in the short autumn session. Under that the commission (which will probably consist of five persons) will submit each year the usual estimates to the Postmaster-General, as head of the Department which is responsible in Parliament. They will enjoy, however, the largest measure of freedom. Presumably these estimates will also be seen by the Treasury, and unless there is a subsequent change in policy the accounts will come in the usual course before the Comptroller and Auditor-General and the Public Accounts Committee of the House of Commons. But all that does not imply restriction of the service in the interests of a needy Exchequer. The true reply is that the service is adequately safeguarded by the practically complete freedom which will be accorded to the Commissioners, and by the experience which it is known they will bring to bear on their task. The review of estimates and accounts in question is merely the normal and the essential Parliamentary power in the finance of a very large undertaking which has become for all practical purposes a great public service. In such circumstances it is difficult to account for the extravagant statements which have been put into circulation. If they were designed to secure an extension of the licence to the British Broadcasting Company (the company itself, of course, has made no such request), they were unnecessary, for the Government and all parties in the Commons have agreed that the committee's report is the only possible course, and that the public interest will best be served by the vigorous application of its recommendations for the future of broadcasting.

The Farmers' New Year.—The first of September begins a fresh agricultural season. It is the farmers' new year day. Agriculturists seem to complain of the instability of prices more than of any uniform depression. The following are the remarks of a practical agriculturist:—"The changes from one agricultural year to another are perplexing, and make any settled policy on a mixed farm one of no ordinary difficulty. Maize, the chief competitor with oats and feeding barley, has fallen 11s 6d per quarter on the year, but feeding rice, another competitor, is no cheaper. Beef and mutton are much cheaper, but pork is rather dearer, and there is also a rise in fish, a food competing with meat from the farm. Cheese and butter do not pay to make; the decline is not explained. Lard is much cheaper, and so, too, are potatoes. The farmer seeks in vain for a clue in this labyrinth." It may be remarked in connection with the above that prices for breadstuffs seem far from stable. English wheat at 12s 6d per cwt shows a return to its opening price, but Canadian at 13s against 15s is much cheaper. London household flour, a mixture including both English and Canadian, is at 23s 6d per bag, the price of a year back, so that the public have apparently failed to benefit from the decline in imported corn.

Contangoes and Carrying-Over.—A Stock Exchange correspondent writes:—When, nowadays, a man buys shares for whose purchase money he finds it inconvenient to pay cash he borrows the money and takes up the shares. Sometimes he gets the money from his bank; sometimes from other lenders. The shares are paid for, are transferred into the name of the lender of the money, and the borrower pays a percentage governed by the Bank rate then obtaining. Full stamp duty, 1 per cent. *ad valorem*, has to be met; on a share costing 20s the charge equals 2½d per share. If, on the other hand, a man sells shares that he possesses, he delivers them on the next Stock Exchange pay-day, and takes the money, whether he happens to require its immediate use or not. Such is present-day practice in the great majority of Stock Exchange transactions, purchases or sales. Before the war the buyer would have contangoed his shares if he were unable to pay for them. The seller who did not want money realised by his bargain also carried over. It was a useful means for making good interest without running undue risks, for the security—that is, the shares sold—remained in his own name. If the price went down and he bought them back, there was no stamp and fee to pay, because the shares, if carried over, did not leave his name. Contangoes and carrying-over go on to-day, of course; there is a big speculative position in certain shares. But compared with the extent and ramifications of the business as it existed in pre-war days, the volume of to-day's contango work is relatively very low. The present younger generation of Stock Exchange speculators has been brought up in the system of dealing for cash enforced during the war. Contangoes under such a practice ceased automatically, and when they were permitted, some of the leading firms in the House declined to start the business again. The Consol market ran a big contango account before the war. Many speculators would sell bears of Consols, or buy bulls of the stock, as an insurance against possible losses on transactions which they opened in other markets. Practically the whole of this account has gone, for the Consol market still deals for cash almost exclusively, instead of either for monthly settlements or money, as in the pre-war days. Facilities for carrying over stock and shares had the natural result of leading to establishment of rash, often weak, speculative positions, especially on the bull tack. At the same time, business was encouraged on behalf of the speculator, and the greater the amount of trade that comes into the Stock Exchange the greater is the flexibility and freedom enjoyed by the markets, such freedom being, of course, all to the benefit of the public. The Consol market nowadays does scarcely any carrying-over for outsiders; the American market, in which a huge contango account existed, has shrunk into the merest shadow of its pre-war self. The places of these two areas for the employment of huge sums of capital have been taken by others that call for the use of money on a scale so negligible as to render comparison scarcely worth mention. The old Stock Exchange rule still stands which forbids transactions of speculative business for any but a principal, unless the written consent of the speculator's employer is obtained. The costermonger who owns his own barrow may contango 5,000 Chartered—if he can find a broker to act for him in this operation—but the manager of a bank must not take in 50 Courtaulds without the written assent of his board, if he does not happen to want the money realised by his sale of the shares. It will probably be agreed with unanimity by members of the Stock Exchange that the marked reduction in the volume of contango business has proved of solid service to the credit of the House. In spite of a few painful cases of recent years, failures nowadays are extremely few. The reason for this immunity from financial fears lies in the modesty of the open carry-over account. Contango facilities exist and are of service in assisting freedom of markets, but the abstention on the part of the public from using such facilities as an easy means for unwholesome gambling is an invaluable contribution to the Stock Exchange credit.

Engineering Material from Germany.—One unfortunate effect of the mining dispute, writes a correspondent, has been to make engineering firms send representatives to the Continent to obtain supplies of raw materials. One

well-known constructional engineer is in Germany at present negotiating for the delivery of steel plates. Continental plates are not of as uniformly good quality as those manufactured by British rolling mills, and there is also the disadvantage that faulty material cannot be returned easily, but for work of inferior quality they are fairly satisfactory, and it is thought by some engineers that the opening obtained by the Continental manufacturers will be improved upon. Some classes of shipbuilding material have been bought from Germany for years, and castings have also been obtained from other Continental countries, including Belgium and Sweden. The latter country has always had a high reputation for steel castings. Owing to the increasing difficulty of obtaining iron and steel castings here, orders have been placed with foreign firms recently. It is considered unlikely, however, that serious damage will be done to the British foundry industry, because there is so much risk and inconvenience attached to obtaining castings from abroad. There is the difference of drawing methods, the metric system of measurement being universal on the Continent, and very rarely used here. Belgian, German, and French castings may not be worse than those made in England, but they are not better, and a percentage of them are always defective. These defects may not be discovered until costly machining operations have been performed, and, apart from the question of liability, there is considerable delay in obtaining delivery of another casting. Had the engineering industry been prosperous just now, many orders for castings would have gone to the Continent, and if the dispute lasts much longer this may happen, but up to the present little harm has been done. There is one section of the iron and steel trade that may be more seriously affected by the present need for Continental buying, i.e., the manufacturers of bar iron. For bright steel bars and sections there has never been keen Continental competition, but for the cheaper qualities of black bars the position has been somewhat different. Quantities of Continental bar iron have been bought for certain uses in this country for some years, some being re-exported from here. It is reasonable to assume that some consumers, who have been compelled to buy from abroad during the mining stoppage, will continue to do so.

Iron Ore Production in 1925.—With the publication by the Mines Department of the output and employment at iron ore mines in the fourth quarter of 1925, we are able to produce our usual annual table, giving the production and value of iron ore produced in 1925, and the numbers employed:—

OUTPUT AND EMPLOYMENT AT IRON ORE AND IRONSTONE MINES AND QUARRIES, 1925.

Kind of Ore.	Districts of Production.	Total Output.	Average Percentage of Iron in Clean Raw Material.	Average Net Selling Value at Mine or Quarry.	Total Number Employed at End of Dec., 1925.
West Coast Hematite (non-phosphoric)	Cumberland	Tons. 809,769	52	£ s d 0 19 7	3,184
	Lancashire	142,104	54	1 0 11	563
		951,873	52	0 19 10	3,747
Jurassic Ironstones—					
(a) Lower Lias	N. Lincolnshire (Frodingham).	1,988,268	22	0 2 9	595
(b) Middle Lias	Cleveland (N. Yorkshire).	2,284,186	27	0 6 4	3,609
(c) Middle Lias	S. Lincolnshire, Leicestershire, Northampton, & Oxford.	1,527,400	25	0 2 7	901
(d) Inferior Oolite Ironstone.	S. Lincolnshire, Northampton, and Rutland.	2,948,413	33	0 3 2	1,943
		8,748,267	27	0 3 10	7,048
Coal Measure Ironstone (Blackband and Clay Ironstone).	(N. Staffordshire	270,725	28	0 13 0	999
	S. Staffordshire	13,679	30	0 17 10	69
	Scotland	38,812	30	0 9 11	183
	Other Coalfields	19,805	33	0 18 9	128
		343,021	29	0 13 2	1,379
Other Occurrences of Iron Ore.	Devonshire, Forest of Dean, Somerset, Wiltshire, Carnarvon, Flint, Glamorgan, and Isle of Man.	99,717	..	..	288
		10,142,878	30	0 5 9	12,462

The total output of iron ore was nearly 1,000,000 tons less than in the previous year, and 5,855,000 tons less than in

1913. All districts showed a decline, with the exception of the Cleveland district of Yorkshire and South Staffordshire, where slight increases were reported. The average net selling value declined on the average throughout the country 5d per ton, from 6s 2d to 5s 9d, but the decline was as much as 1s 11d per ton for West Coast hematite, and 7d per ton for Cleveland ironstone. Numbers employed at iron ore and ironstones mines and quarries fell from 14,253 at the end of December, 1924, to 12,462 at the end of December, 1925.

Population and Agriculture in Northern Ireland.—A Belfast correspondent writes:—The recent publication of the results of the census of the Irish Free States enables complete figures for the whole of Ireland to be compiled. The census reveals a decrease in the population of all Ireland from 4,390,219 in 1911 to 4,229,124 in 1926, or 3.7 per cent. A decrease has been shown by every census since 1841, and to-day the population of Ireland is little more than half what it was eighty years ago, in 1846, when it reached its maximum (estimated at 8,287,848). The decrease during the past fifteen years has been confined to the Irish Free State, where the population has fallen from 3,139,668 in 1911 to 2,972,802 in 1926. In Northern Ireland there has been a slight increase from 1,250,531 to 1,256,322. In the decade 1891-1901 the growing industrialisation of the North of Ireland succeeded in arresting the steady decline in population which had been shown by successive censuses from 1841 onwards and there was an increase of 896, followed by a further increase of 13,579 in the next intercensal period, but the rate of increase since 1911 has fallen. Northern Ireland to-day comprises 29.7 per cent. of the population of the whole country, as compared with 20.1 per cent. in 1841. In the North as well as in the South, however, rural depopulation continues, and the inhabitants of rural districts have declined from 663,837 to 618,817. Meanwhile, the urban population has increased from 586,694 to 637,505. Net emigration (including war deaths overseas) from Northern Ireland has averaged 7,188 annually during the past fifteen years, and even from Belfast the yearly average has been 1,869. During the fifteen calendar years 1911-1925 the average annual net emigration from all Ireland amounted to 33,468, of which 18,815 was to countries outside Europe, leaving 14,653 to Europe (in effect to Great Britain). The latter figure is very high, but is swollen through the withdrawal of the British Army in the Irish Free State, war casualties, officers and men who joined the British Army and remained in other countries when demobilised, and the withdrawal from Ireland of many members of the Royal Irish Constabulary when disbanded. The agricultural statistics for Northern Ireland published a short time ago show that, despite the extremely favourable conditions at sowing time, the total ploughed area of the Six Counties is now only 574,500, 8,500 acres less than a year ago. The decline is principally due to a reduction of 7,000 acres in the area under flax, which was sown on only 30,500 acres this year, as against 37,800 in 1925. The crop, however, shows an excellent growth, and the yield is expected to be good. Other crops are also promising well. There has been some improvement in the linen trade recently. Business in yarns and brown linens has been active, while the outlook for bleached and finished linens is also viewed with greater optimism. The report on the sea and inland fisheries of Northern Ireland in 1925 has been issued. The total number of vessels of all kinds engaged in the sea fisheries during the year amounted to 528, and the aggregate crews employed amounted to 1,309 men and 38 boys. The figures show an increase of 27 boats and 29 men over the numbers in 1924. The quantity of sea fish (other than shell fish) landed in 1925 was 100,034 cwts, valued at £71,293, an increase of 44,815 cwts in weight and £26,054 in value compared with the previous year. The increase was due to the remarkable success of the County Down herring fishery, which showed an increase of almost 43,000 cwts in volume and £25,000 in value over the 1924 results.

Conditions in Hongkong.—A Hongkong correspondent writes:—The outstanding event of the past month has been the meeting in Canton of British and Chinese dele-

gates to find a way out of the boycott impasse which has now lasted for more than a year. The conference opened on July 15th, and adjourned *sine die* on July 23rd, without having accomplished its object. Hope of ultimate success has not been abandoned, but, as in the case of the Peking Tariff Conference, it is doubtful whether parleying with a shadow can be expected to yield concrete results. The whole difficulty is to find any authority which can speak in the name of the Chinese people. In the case of the Canton Conference, the Chief Executive, General Chang Kai Shek, has completely ignored the proceedings, which were instituted in his name to restore the economic welfare of his subjects. The General has departed on some military wild-goose chase, and left negotiations to be carried on by three officials, the principal of whom is Mr Eugene Chen, the so-called Foreign Minister. Mr Chen arrived in Canton less than two months ago, a political refugee from Peking. His knowledge of Chinese is scanty, but he has had a Western legal training and he is a practical journalist. He has, apparently, become well versed in Bolshevik propaganda, but he has no vestige of claim to represent the Cantonese. The consequence is that the conference has merely been a vehicle for the reiteration of Bolshevik attacks on Imperialism in general and British influence in particular, while the urgent need for the removal of the artificial restrictions on trade with Canton, both foreign and native, has been relegated to the background. In the meantime, financial stringency in Hongkong is causing much anxiety. The intensification of the boycott since the opening of the conference has still further impeded the trickle of merchandise which has been flowing into the interior. Local Chinese are most despondent, and have lost all interest in fresh business. The month of July is usually a quiet time, but this year there has been scarcely a sign of life in any market. The prospect of a settlement of the boycott caused many dealers to hold up orders and to postpone making consignments to distributing points of the interior. The suspension of negotiations has for the time being paralysed trade, and unless some relief is forthcoming in the near future, the outlook for the end of the year will threaten disaster.

American Oil Situation.—The quick rise in the production of crude oil in the United States—from a daily average of 2,029,976 barrels for the week ending June 19th to one of 2,170,000 for the week ending August 21st—has brought down crude oil prices in certain districts, writes a correspondent. This increase in output is due partly to the development of four new fields, and partly to what is described as a "come-back" in the old Spindletop pool in Texas. The four new fields are the Nigger Creek field, Texas; Seminole County, Oklahoma; Upton-Crane district, Texas; and the Texas Panhandle field. Of these the biggest is the Texas Panhandle field, but here production is being curtailed by the lack of transportation facilities. Recent regulations issued by the Government authorities forbid the completion of wells in this district until storage facilities are available. As no trunk pipe-line has yet been laid to this field, shipments are being made by railway tank car. The present output of the Texas Panhandle field is nearly 90,000 barrels a day. There was some fear that the Nigger Creek field, Texas, which lies close to the Mexia field, would prove to be a prolific producer, but the failure of one of the test wells seems to limit production to a small area. The Seminole field, Oklahoma, is expected to produce a peak of from 60,000 to 75,000 barrels a day of light crude oil by November 1st, which may further depress the price of crude oil, unless in the meantime the old Spindletop field, in which showings of salt water have appeared, declines rapidly. The sudden rise in American production is not the only depressing influence upon world crude oil prices at the present time. Apart from the increasing exports of oil from Venezuela, the exports of crude oil from Colombia are getting into full swing. For July Colombia exported 700,000 barrels. The Andian National Corporation, which recently completed its 350-mile pipe-line to the coast, is now planning the construction of an additional pipe-line which will bring its export capacity up from 30,000 to 50,000 barrels a day. Incidentally, this additional pipe-line will cost \$6½ millions. While crude oil prices have therefore weakened, there is no sugges-

tion of any considerable fall. The production of crude oil in America for the first six months of this year amounted to 359,199,000 barrels, against 370,185,000 barrels in the corresponding period of 1925, a decline of 10,986,000 barrels, while imports were down by 4,400,000 barrels. Consumption, on the other hand, was higher, and the consequent decline in stocks over the six months amounted to 14,568,000 barrels:—

U.S. OIL STOCKS.					
	Dec. 31, 1925.	March 31, 1926.	April 30, 1926.	May 31, 1926.	June 30, 1926.
Crude	418,417,000	420,188,000	410,498,000	409,368,000	404,533,000
Refined	120,313,000	121,324,000	120,138,000	118,673,000	119,629,000
Total	538,730,000	541,512,000	530,636,000	528,041,000	524,162,000

The increase in the consumption of refined oils was most marked in gasoline. There was an increase of nearly 16 per cent. in domestic consumption, or of 19 per cent. in domestic consumption and exports together, as compared with the corresponding period of 1925. Production, on account of the higher recovery of gasoline from the crude oil, increased by 11 per cent. In view of the large stocks of gasoline, amounting to 51 days' supply on June 30th, any general decline in crude oil prices would bring down gasoline, but so much closer is the balance between supply and demand that any pronounced decline in crude oil production would probably maintain the present price level.

Mexican Matters.—From the economic point of view writes a correspondent, the religious disturbances in Mexico seem to have had less effect than anticipated, the latest advices from this long-troubled Latin-American State tending to show that commerce and industry are proceeding, at least outwardly, much as usual. But, to make things easier, the National Treasury has suspended the decree of July 10th providing penalties for failure to meet *pagares*, or notes, in case of instalment-sales of land. The efforts of the Church party to bring about complete boycotts in this and that direction have failed of their purpose, while the Government professes to be in receipt of the usual revenues and to be suffering no particular monetary inconvenience. This year's receipts, estimated at 315,000,000 pesos (£31,500,000), are so far being maintained, and in some directions promise to yield something even better; the expenditures, estimated at 305,000,000 pesos (£30,500,000) thus foreshadowing a balance on the budget of 10,000,000 pesos (£1,000,000), are, however, likely to be exceeded. The mines are producing more generously than for some years past. Precious metals improved 13,545,346 pesos (from 122,160,315 pesos, in 1924, to 135,705,661 pesos in 1925), thus putting additional revenues, in the form of royalties, at the disposition of the Government; while a good harvest is expected, notwithstanding early damage to crops by the floods. On the other hand, oil-production has been declining for some time past, showing for last year a falling-off in value of 1,352,919 (from 293,350,613, in 1924, to 291,997,694 pesos, in 1925).

Brazil Central Railway.—A correspondent writes:—A recent official announcement, received from the Brazilian Ministry of Transport, states that "the electrification of the Central Railway of Brazil will be started this year." This intelligence is chiefly remarkable for the fact that a similar announcement was made, and recorded in the Press as long ago as November, 1919, when two tenders were received—one from a French syndicate, and the other from an Anglo-Italian company, both desirous of penetrating Brazil industrially, proposing to construct the electrified track. The Government, however, being then of opinion that the enterprise should be carried out "nationally," these offers were declined. In October of the following year the Government, through the medium of the Commission of Finance of Federal Congress, expressed its intention of raising the sum of \$11,000,000 (45,000,000 contos of reis) to cover the cost of converting the greater portion of the Central system from steam to electricity. Subsequently (November, 1920) the Senate sanctioned an increase of the sum to be borrowed to

60,000 contos (about \$12,500,000, or, say, £2,900,000). Again, tenders were called for the work by the Inspectoria Federal das Estradas (Ministério da Viação e Obras Públicas), Rio de Janeiro. Our own Commercial Secretary at the British Legation advised constructors on this side to give the matter their serious attention, and that they no doubt did; for several carefully prepared tenders, accompanied by plans, found their way to Rio, and there they still may be for all one knows to the contrary, or for the practical effect that they produced. In the following January it was learned, from an inspired source, that "the work of the electrification of the Central Railway is proceeding," although how this could have been even approximately a fact within so short a period after calling for tenders it is difficult to perceive. Two years later—April, 1922—tenders for the work of electrification had been still unallotted, although further definite offers to carry it out had been received from the General Electric Company (American); the Metropolitan Vickers Electric Company (British); and the Westinghouse Company (American). The proposals were said to contain, however, so many alternative specifications that the Federal Government, upon the advice of its technical department, withheld its consent; and once more nothing came of the matter. But several important American banking firms having sought to interest themselves in the undertaking, it was yet again brought forward for discussion, and there was made in New York (June, 1922) a public issue of \$25,000,000, when the demand for the bonds proved so considerable that the allotment had to be arranged upon a 10 per cent. basis. Eventually the contract for the electrification of the Central Railway's systems was given to the General Electric Company of U.S.A. It was officially stated that this conclusion had been arrived at because in "regard to price and technical advantages, the American offer was deemed to be the best." Nothing was said about the contribution of American dollars. A sequel to this little history was supplied towards the autumn of 1923, when the then President of Brazil—Dr Epitacio Pessoa—was publicly accused of having authorised the funds, that had been subscribed for the electrification of the Central Railway, being devoted to wholly different purposes—namely, the improvement of other existing Federal railways, and not to the specific purposes of electrifying the Central Railway. Since that time there have been several unsuccessful attempts to raise additional sums abroad—it would have been hopeless to expect to secure sufficient financial assistance at home; as recently as May of last year the Minister of Public Works was compelled to plead for a credit of 1,500 contos of reis for "urgent repairs" in connection with the Central system. In view of these facts, the statement now made by the Brazilian Ministry that "the electrification of the railway will be started before the end of the year," is not unlikely to arouse some amusement, perhaps not unmixed with incredulity.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET REACTION—MONETARY OUTLOOK—STEEL AND MOTOR TRADES—COTTON CROP.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 24.

WHILE the reaction in the share market that set in after the increase in the discount rate of the New York Federal Reserve Bank has not developed in a pronounced way, the market has been considerably unsettled. The common shares of the United States Steel Corporation, for example, have sold off about 11 points from the recent top of better than 159; and General Motors common, which made a top at 225½, has sold below 197. Granting that the market in any event was due for a technical reaction, the tone certainly has been considerably different since the bank rate was advanced. The standard dividend-paying railway shares have held up best as a class, but the sceptics point to buying in these issues as "sup-

port" to facilitate distribution in other directions, and aver that the market has lost its "snap." If such proves actually to be the case, the curb to speculative activity must, up to this time at least, be credited to the psychological influence of the change in rate, as there has been very little disturbance in the call money market on the Stock Exchange. The rate for this kind of accommodation has held with remarkable steadiness at $4\frac{1}{2}$ per cent., and there has been little calling of market loans. Just why the call rate on the Exchange should hold at $4\frac{1}{2}$ per cent. with a 4 per cent. bank rate, is something of a puzzle to many observers, as it is the general impression that the member banks feel that they must have a margin of 1 per cent. or a per cent. and a half in order to make rediscounting at the Reserve Bank profitable. Part of the explanation perhaps may be found in the fact that after the discount rate was changed the brokers hastened to take on lines of time money, the rate for which did harden up materially. Another part of the explanation may be found in the seasonal tendency toward ease during the latter half of August. This ease normally disappears with the advent of September, and developments early in that month will be watched with a great deal of interest. Meanwhile most bankers expect a gradual firming up in rates during the autumn, and some think that a $4\frac{1}{2}$ per cent. discount rate will be in effect before the movement is over. As for the share market, while some still maintain that big and strong markets are ahead, a generally more conservative tone is now apparent. Incidentally, the statistics tabulated by the Federal Reserve Bank show that brokers' loans expanded rapidly during August. The increase from July 28th to August 18th amounted to \$140,000,000, and brought the total up to \$2,742,000,000. This is about \$330,000,000 above the low touched on May 19th, but still is some \$400,000,000 below the high touched early in the year. The increase during the week ended August 18th amounted to \$20,000,000. While brokers' loans still are considerably below the year's high, there is a feeling that considerable borrowing on stock exchange collateral was shifted after the March break in the market, many individuals having taken up their shares from brokers' offices, borrowing on them directly from banks.

Whether or not the advance in bank rate and the slowing down in the rate of activity on the Stock Exchange were responsible, the fact remains that something of a change has come over sentiment in the steel trade. Present feeling is in no way tinged with pessimism, but it does take a more conservative view of prospects. Having had production run through the summer at an unusually high rate (and the industry as a whole still is doing about 80 per cent. of capacity) the producers now seem unwilling to take it for granted that consumption will keep up unabated during the rest of the year. They do not care to commit themselves very far ahead in the matter of raw materials. The trade is in such a frame of mind that reports of a sale of 3,000 tons of merchant bars at 1.90 cents a pound Pittsburgh, which would be slightly below the recently advanced price on this product, has brought into question the matter of whether the recent advances in prices of certain products will hold.

Reports from the motor industry, however, are encouraging. Production during July dropped off from that during June, as might be expected, on seasonal grounds and in view of the preparations to bring out new models in August. At 315,000 passenger cars, the July production was 38,000 below that for June, and 33,000 below that for July, 1925. However, the president of the General Motors Corporation has estimated that the August sales of the corporation will reach 130,000 vehicles, which would set a new high record for any month in all time, and which would seem to indicate that new models are catching on with the public.

Further firmness in cotton prices has resulted from the latest Government estimate of the growing crop. As of August 16th, the Department of Agriculture places the condition at 63.5 per cent., and the estimated yield at 15,248,000 bales. This is a reduction of some 300,000 bales as compared with the previous fortnightly report. However, it still is early to tell whether the actual yield will closely approximate the estimates, as about two million bales were added to expectations after this time last year.

FRANCE.—IMPROVED SITUATION—WAR DEBTS— SECRETARY MELLON'S VISIT—A SWISS LOAN— COAL PRODUCTION.

(FROM OUR CORRESPONDENT.)

PARIS, September 1.

CONFIRMATION of the indications of returning confidence on the part of the people of France since the advent of the new Poincaré Government to office is to be seen in the notable renewal of demands for National Defence bonds by investors of all classes. It is announced that it is due to the renewed sales of these bonds and to the response that has been made to the Government's appeal to taxpayers to pay at least a substantial proportion of their direct taxes in advance that the situation of the Treasury since the beginning of August has been rendered free from anxiety for the immediate future. During the four weeks that ended on August 26th the Government has been able to reduce the amount owing to the bank by no less than 1,400,000,000 (from 37,850 millions to 36,450 millions), while the note circulation has been diminished by 2,112,000,000 (from 57,259 millions to 55,147 millions). The available margin which the Government may borrow from the bank before the legal maximum is reached, which a few weeks ago was only 60,000,000, now exceeds 2,000,000,000, while the total amount of notes in circulation is now nearly 3,500 millions below the legal limit. One of the most satisfactory factors in the improved situation is that not only the population in general, but the rural classes in particular, are now again absorbing National Defence bonds for investment purposes. If public credit remains unshaken by a renewal of the political blunders of the past two years, or by any renewed depreciation of the franc—both of which appear substantially unlikely during the immediate future—the outlook should remain satisfactory for some time to come.

It is unofficially announced that prompt advantage was taken by the Government of the recent fluctuations in the exchange rates of sterling and dollars, and that action was successfully taken to ensure the Treasury's needs for sound money for several months ahead; while at the same time the constitution of the *mass de manœuvre*, which is being accumulated for the future defence of the franc, is proceeding satisfactorily. The risk of further inflation is now generally regarded as negligible, but should the need for a large supply of currency arise in the near future it should be comparatively easy to overcome the danger by again raising discount and interest rates, to which the Government and the bank appear resolved to have recourse in case of need. The coming harvest, although it will be insufficient, as usual, to meet requirements, will necessitate much smaller purchases of foreign grain, it is estimated, than last year, while the substantial stocks of raw materials that were accumulated early in the year will enable foreign purchases in the near future to be kept down to a comparatively low figure. Holders of francs abroad will be more likely, it is considered, to increase their holdings, in view of the improved situation, than to dispose of them. It is expected, further, that the measures the Government are now taking to check unduly high prices and bring down the cost of living as much as possible, before the economic difficulties that must accompany the restoration of the franc can develop, will also have a wholesome result. One step in this direction is the announcement by the Government of legal action to compel the declaration of not merely wheat, but of all other stocks of foodstuffs, for the purpose of preventing profiteering by "holding back for a rise." Speaking generally, the whole outlook has undoubtedly vastly improved.

There remains the problem of the British and American debts, and this also is generally believed here to be nearer a more satisfactory settlement, from the French point of view, than was deemed probable a few

weeks ago. The "brief interview" between M. Poincaré and Mr Mellon has excited deep interest here. It is recognised that the last word in regard to a more favourable settlement for this country may perhaps now lie with the American electors, but opinion generally insists that, unless the conditions of the Mellon-Béranger agreement are really substantially revised, there is practically no hope that the Chambers will ratify the settlement provisionally arrived at. It is insisted that if the Germans have so far been able to comply with the obligations of the Dawes Plan, this is solely because practically the whole of the payments have been made in kind. France, on the other hand, would be expected to pay the United States in cash, and would be faced with a similarly un-surmountable difficulty to that which it is generally anticipated will shortly face her former enemy. This thesis, it is believed, is now beginning to secure wider acceptance among the leaders of the United States, and it is believed that Mr Mellon's recent interviews at Evian respectively with Mr Parker Gilbert, the Agent-General for German Reparations, and Herr Schacht, of the Reichsbank, will be found to have had valuable educative effects in this connection.

In this connection the announcement that the French Government has arranged for a loan of 60,000,000 (Swiss) from the Banque du Crédit Suisse, of Zurich, is in some quarters regarded as significant. The loan, which is in obligations of 1,000 (Swiss), at 7 per cent., is repayable within 24 years from April 1st next. It is stated to be contracted on behalf of the French State railways, but this is apparently only technically accurate. As a matter of fact, the operation is the outcome of arrangements under which the Government has already advanced to the State railways a total sum of over 2,000,000,000 for new capital expenditure. This sum figures at present to the credit of the Treasury and to the debit of the State railway department. The Government, by means of this loan, has mobilised a portion of the debt owing by the railway department—probably as much as it could—and has thus secured ready money, which there is ground to believe amounts to something in the neighbourhood of 50,000,000 (Swiss), or about 350,000,000 (paper). The exact yield is difficult to say, as the price of issue has not been made known. It is rumoured that the money will be used to increase the fund of sound money (asserted to be equivalent to £5,000,000), which M. Poincaré resolved to accumulate for the defence of the franc in case of need. The allegation that the conclusion of this loan in Switzerland is to be regarded as a demonstration that France can dispense with American aid may be dismissed as unfounded, if only because its amount—about \$12,000,000—is insignificant in comparison with the \$250,000,000 which the experts suggest as the sum of foreign credits necessary to the success of their plan.

French coal production returns for June, which are now available, disclose a total output of 4,429,981 tons, as compared with 3,876,299 tons in June, 1925. These figures bring the total output for the first half of 1926 up to 24,477,739 tons, as against 23,478,297 tons in the corresponding period of last year. The daily output during June by the 311,508 men employed averaged 170,383 tons, as compared with a daily average of 144,680 tons only in January, 1924, when 286,804 men were employed. This increase of about 17½ per cent. in the daily average output, whereas the working staff has increased by about 9½ per cent. only, has been largely due to the improvement in the equipment of the pits since the war. The bulk of the increased daily output during June was in connection with the pits in the Nord and Pas de Calais coalfield, which were wrecked by the Germans during the war. The daily output of this field alone is now 107,075 tons daily, or 15,778 tons per day more than in 1913. During the same period the daily output of the pits in the Central and Southern coalfields has increased by 1,231 above the pre-war figures. The collieries situated within the old frontiers are now yielding a total of 17,009 tons per day more than in 1913, while an additional 17,227 tons per day are being obtained from the Lorraine field, which was recovered by this country under the Peace Treaty. The output of metallurgical coke by the plants attached to the French collieries totalled 306,718 tons in June, as against 311,416 tons in May.

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GERMANY.—INTERNATIONAL POSITION—JULY FINANCES—CURRENCY AND CREDIT—PRICES —INDUSTRY—LABOUR CONFLICTS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, September 1.

THE beginning of the third Reparations year, on September 1st, has provoked considerable Press comment, some of which is more pessimistic than seems to be warranted. The inspiration for these unfavourable comments comes largely from abroad, in particular from the United States, where the need for the immediate revision of the Plan, or even for its entire abandonment, is discovered by some expert about once a month. While nationalistically minded Germans welcome such ineffective intervention in their behalf, the practical politicians understand that no question of changing the Plan in any material way will ever be considered by Ally countries until the Plan has proved impossible in practice, or at least until it shows some definite serious defect. German pessimists in the Reparations question seize all the more greedily upon these foreign manifestations because in the working of the Plan so far they themselves have not been able to discern the difficulties which were anticipated even by optimists in 1924. While the Plan has not yet been put to its severest technical test—the cash transfers—it has withstood a severe political test. The immediate aim in 1924, which was sympathised with even by persons who altogether disapproved of Reparations, or who thought them impracticable, was to tranquillise Europe, to clear up the Ruhr-occupation mess, and to establish better relations between Germany and her former enemies. This has been achieved in greater measure than was then expected, and even if the Plan should later break down financially, it will probably always be regarded as a work of great political wisdom. This is the view of competent and reasonable Germans, but there is a small class to which success of the Plan, whether financial or political, will be lamented as a failure, while its failure will be welcomed as a success. As Germany's reception into the

League of Nations is in the first instance more a result of the Plan than of the Locarno Pact, progress at Geneva is being closely watched, and on this question the opposing German groups necessarily reason on the lines of their attitude towards the Plan.

The Finance Ministry's return for July, and for the first four months of the financial year, is shown below. This return, which gives ordinary and extraordinary revenue and expenditure separately, and contains only such expenditure as, according to the Budget, belongs to the months in question, replaces the former monthly Treasury reports, which gave indiscriminately all revenues received, and payments out made during the month:—

(In Millions of Reichsmarks.)			
ORDINARY BUDGET.			
	July, 1926.	July, 1925.	April to July.
Revenue—			
Taxes.....	708.0	708.0	2,163.3
Administration receipts.....	40.8	40.8	109.5
Totals.....	748.8	748.8	2,272.8
Expenditure—			
General administration.....	376.9	376.9	1,420.8
Reparations payments.....	22.9	22.9	69.0
Subsidies to states & municipalities.....	246.7	246.7	757.7
Totals.....	646.5	646.5	2,247.5
Treasury surplus.....	102.3	102.3	25.3
Monthly 1-12th from 1924 and 1925 surpluses.....	30.6	30.6	122.4
Budgetary surplus.....	132.9	132.9	147.7
EXTRAORDINARY BUDGET.			
Revenue.....	0.5	0.5	1.1
Expenditure—			
General Administration.....	54.8	54.8	107.2
Reparations payments.....	20.0	20.0	84.1
Total expenditure.....	74.8	74.8	191.3
To be covered out of loans.....	74.3	74.3	190.2

By the large ordinary Budget surplus in July, the deficit in the first three months of the financial year, which was 77 million marks, has been converted into a surplus of 25 million marks. Federal expenditure has of late remained very stable, with exception of the subventions to the States and municipalities which have increased in proportion to the increase in the gross tax yield. August tax receipts are also expected to exceed the month's estimate.

The abandonment of the fixed dollar exchange rate by the Reichsbank is not altogether convenient to German banks. As long as the rate was maintained at par, 4.20, it was safe for banks to borrow dollars in New York at the month's end, convert them into Reichsmarks, profit from the temporarily higher native interest rate, and be insured against exchange losses when repayment came to be made. Further, when the month-end pressure was over the banks could divert their marks to New York if, as often happened, the short-term rate fell below New York rates, and if, as sometimes happened, short-term money could not be placed here at even the lowest rate. Here, again, there was no exchange risk. This condition has passed. The dollar has since fallen so low that the question of exporting gold appears to have been considered in New York. The Reichsbank has been recalling from New York its own gold, which was deposited in the New York Federal Reserve Bank, as in some European central banks, to guarantee exchange credits. The last Reichsbank return (for August 23rd) shows 1,492,824,000 marks gold reserve, whereof 229,021,000 marks was still with foreign central banks. In the spring and early summer these gold deposits abroad were around 260 million marks. The Bank's discounts have fallen to 1,065 million marks, or with advances to 1,078 million marks, which is the lowest figure attained since February, 1924, immediately after the currency stabilisation.

The official wholesale price index has a rising tendency. The movement in the last six months has been:—

Average for March.....	118.3
" April.....	122.7
" May.....	123.2
" June.....	124.6
" July.....	127.4
August 25th.....	128.2

The cost-of-living index number for July was 142.4, against a low point this year of 138.3 in March. Bankruptcies in the fourth week of August fell to 98, the lowest figure since the inflation period. The Leipzig Autumn Fair has so far proved successful.

The activity in the Ruhr coal industry has further increased. The last week reported shows a daily average output of 387,068 metric tons, against an average of 379,840 tons in 1913. The consignments of coal have also risen very greatly. The coal export branch shows the following rapid development:—

(Metric Tons.)			
January.....	1,005,440	May.....	1,832,172
February.....	1,379,351	June.....	2,517,703
March.....	1,178,541	July.....	3,640,247
April.....	1,156,381		

The average monthly export of the last pre-war year, 2,881,000 tons, has been exceeded. Exports of coke have also greatly increased. The secretary of the coal branch of the Federation of German Industries, who recently made an inspection tour in England, predicts severe Anglo-German competition in coal as soon as England has settled down to a miners' 7½ hours' working day. He holds that when this happens Great Britain will be able to compete, and calculates that she will have a margin of 6s 6d per ton between production cost and selling price, while Germany will have a margin of only 4 marks. This expert does not believe in the possibility of Anglo-German combination in coal. While not opposing a combination, he considers that the lack of a native British coal organisation makes the plan impossible for the present.

The increase in recent years in Labour tranquillity is shown by a newly-issued report of the Ministry of Labour, with the following figures of strikes and lock-outs:—

	No. of Strikes and Lockouts.	No. of Lost Working Days.
Annual average in 1899-1913.....	2,114	8,006,791
1920.....	8,800	54,206,942
1922.....	5,361	29,240,740
1924.....	2,012	36,023,143
1925.....	1,766	16,855,856

The figures for the three first post-war years here given contain political strikes as well as economical. The year 1925 witnessed no political strikes.

The Bourse, which reached a new high point on about August 21st, has since been irregular, and on the whole weakish, but to-day stocks rose considerably, in particular the steel-coal and electrotechnical groups. The latter group may be said to lead the market at present. Siemens and Halske, which began the year at about 65, to-day reached 210. Geneva prospects and the Leipzig Fair reports have had a strengthening influence on the Bourse, but the market is not as active as formerly, and a good deal of speculative money has gone to Vienna, Budapest, and Prague, in all of which cities stocks have of late been strong.

SWEDEN.—HALF-YEAR'S TRADE—STATIONARY BALANCE—INCREASED TURNOVER.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, August.

The general impression of good business activity and prospering conditions during this year is verified by the statistical statements for the first half of 1926:—

FOREIGN TRADE, JANUARY-JUNE.					
(In Millions of Kronor.)					
	1913.	1923.	1924.	1925.	1926.
Import.....	395	600	675	676	698
Export.....	361	456	512	579	599
Excess of import.....	34	144	163	97	99
Total turnover of foreign trade.....	756	1,056	1,187	1,255	1,297
EXCESS OF IMPORT (—) OR OF EXPORT (+).					
	1924.	1925.	1926.		
January.....	— 35	— 24	— 32		
February.....	— 33	— 24	— 20		
March.....	— 22	— 40	— 40		
April.....	— 67	— 44	— 28		
May.....	— 24	+ 7	+ 7		
June.....	+ 18	+ 28	+ 14		
Total.....	— 163	— 97	— 99		

In these figures the first notable point is the important increase in the total value of foreign trade from 1,187 million kronor in 1924, and 1,255 millions in 1925 to 1,297 million kronor in 1926, an increase of 3½ per cent. over 1925, and more than 9 per cent. over 1924. The relation between import and export seems to have arrived at an equilibrium,

as both exports and imports are increasing in the same ratio.

The following table shows how imports are distributed:—

	June, 1926.	June, 1925.	1925.
Foodstuffs.....	19.7	25.6	26.5
Raw materials.....	34.8	31.5	33.5
Manufactured products..	45.5	42.9	40.0
Total.....	100.0	100.0	100.0

The increase in June this year in the import of raw materials (coal) accounts for an important part of the general increase in import.

The distribution of exports is as follows:—

	June, 1926.	June, 1925.	1925.
Foodstuffs.....	6.0	4.1	6.1
Raw materials.....	14.0	17.2	16.7
Manufactured products..	80.0	78.7	77.2
Total.....	100.0	100.0	100.0

The relative decrease of raw materials is caused by a change for the worse in the export situation of iron-ore. The quantity figures for imports during the first six months of 1926 for important commodities are as follows:—Wheat, 68,000 tons, against 141,000 during the same period 1925; coffee, 15,000 tons (15,700 tons in 1925); sugar, 4,760 tons, against 27,260 tons; syrup, 7,370 tons, against 14,000 tons the same period 1926.

The import of petroleum and gasoline was 59,410 tons, against 52,540 tons in the first six months of 1925; of coal, 1,598,600 tons, against 1,372,300 in 1925. The sales of timber at the middle of August amounted to around 610,000 standards, against 725,000 at the same date 1925. Because of the considerable contraction in production this year, the stock is estimated to be 100,000 standards less now than at the same date 1925. The prices have remained firm this year.

It is reported that 92 per cent. of 1926 production of paper pulp is sold, as well as important quantities for delivery 1927. It is also reported that this year's output of news print is nearly outsold. The total export of paper pulp, paper, and paper-board amounts to 773,500 tons the first six months this year, against 724,900 tons 1925, thus a considerable increase. The export of iron-ore is for the first six months 3,164,000 tons, against 3,869,000 tons in 1925. Very good crops are expected.

CANADA.—CROP CONDITIONS—GRAIN MARKETING DIFFICULTIES—GENERAL BUSINESS SITUATION—PROSPERITY OF PULP AND PAPER COMPANIES EFFECTS OF BRITISH COAL STRIKE—THE ELECTION CAMPAIGN—TRADE RETURNS.

(FROM OUR CORRESPONDENT.)

OTTAWA, August 23.

The Western harvest, which was in full swing, has been interrupted by rain, but the moisture and the cold weather which accompanied it have been very beneficial to the late and immature crops, which have been helped to fill, and as a result estimates of the final total yield of the prairie provinces are now being raised. Manitoba has always been assured of a good average crop, and the improvement which has been wrought in conditions in Alberta will bring the yield for that province within measurable distance of last year's figure. It is in Saskatchewan, however, the most important grain-growing province, that the effects of the July drought were in many places too serious for repair, and the total yield will be about 25 per cent. less than last year.

The grain marketing situation was, a week ago, causing decided anxiety, as the elevators in Montreal were almost full to capacity, and between 40 and 50 grain-boats from the upper lakes were waiting to unload; export demand was very feeble, as European buyers found it more profitable to fill their needs from the abundant wheat crop reaped in South-Western American States like Texas and Oklahoma, which export their surplus from Galveston and other ports in the Gulf of Mexico. Yet the congestion prevailed when none of the 1925 crop had appeared in Montreal, and a serious blockade at one time seemed imminent. However, the law of supply and demand has

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asserted itself; prices of Canadian wheat have had to drop to meet the competition of the surplus of Texas, and there are now indications that Great Britain, France, and Germany are all back in the Canadian grain market and buying heavily. The European orders, which have either been received or are forecasted, will clear out the relics of the 1925 crop and leave room for the crop of 1926, which has already begun to move to the seaboard.

Business has been affected by the usual mid-summer dullness, but the movement and distribution of merchandise still continues to be on a substantially higher level than for the corresponding period of last year. A fortnight ago there was some anxiety in business circles about the bad news concerning the Western crop, and plans were being laid on the basis of a diminished flow of orders from the West; but now the outlook is regarded as more hopeful, and no serious setback is now anticipated. The figure of car loadings for the week ending August 14th is placed at 58,339, which is a gain of 6,460 over the figure for the corresponding week of 1925, and the total from the beginning of the year is given as 1,840,721, a gain of 211,350 over the corresponding total for the previous year. Largely as a result of the industrial troubles in Great Britain the export demand for dairy products had been far below the level of 1925, but in the last two weeks there has been a welcome improvement, and the shipments from Montreal were substantially higher. The lumber merchants have experienced a very dull time, and have had to cut prices to secure orders, but there has lately been a brisker export demand both from the United States and Europe. The chief feature of a lively spell in the stock markets has been a minor boom in the stocks of pulp and paper companies. Despite a large increase in the capacity of Canada's newsprint mills, the ever-growing demands of the American market seem to be able to absorb all the additional output, and apprehensions that over-production might cause a slump in newsprint prices this autumn have vanished. As long as there is no cessation of the present tide of prosperity in the United States, the fortunes of the Canadian pulp and paper companies will be on a profitable basis, and many of them have been able to diminish wastage and secure useful economies by the use of new technical processes, with the result that their earnings, now being published, show a substantial gain over the figures of the previous year. There are also abroad rumours of further consolidations in the industry, and it seems possible that the well-known Laurentide Company may soon join the merger formed last year by the other pulp and paper companies operating in the St Maurice Valley in Quebec. Another factor which is contributing to the prosperity of this industry is the steadily growing demand for the finer qualities of woodpulp as raw material for the manufacture of artificial silk, and some large plants are being devoted to this particular line to the exclusion of everything else.

The holiday season has not yet ended, and retail merchants in the cities report trade as dull owing to the absence of many of their customers at summer resorts, but the storekeepers at the latter places are correspondingly busier. Canada is now the great summer playground of the inhabitants of the Northern United States, and the Department of Trade and Commerce at Washington has recently published a bulletin in which it is estimated that American visitors will this year spend about 190 million dollars in Canada.

Industrial conditions are reasonably satisfactory and the employment figures are very good, there being, indeed, a shortage of the extra hands required to handle the Western harvest. The boot and shoe factories in Quebec had been the scene of a prolonged strike, but it has now been satisfactorily settled, and this particular industry is now reported to be faring well. Canadians are now beginning to lay in their winter sup-

plies of coal, and many of them regret that the British coal strike has practically shut off the supplies of Scotch and Welsh anthracite, which had been freely imported in recent years. This British coal had become very popular, and now the American mineowners are taking advantage of the situation to regain their old control of coal markets of Eastern Canada. The problem of making available the coal supplies of Alberta and Nova Scotia for the fuel needs of the central provinces is still being explored, but the heavy incidence of railway freight rates still forms an insuperable obstacle to the utilisation of these supplies.

With polling day only three weeks distant the general election campaign is beginning to warm up, but hitherto the public has been singularly apathetic to the appeals of the different combatants, and refused to become excited either over the Customs scandals or the constitutional issue. The farmers, who constitute almost half the voters, are absorbed in their harvest, and have developed a certain pardonable cynicism about politics as a means of redressing their woes. Mr King has concluded his Western tour, and will devote the rest of the campaign to the Maritime Provinces and Ontario. Mr Meighen is still in the West, where he is preaching the virtues of a "brick for brick" tariff policy on American farm produce without much success, and he will spend the last fortnight of the campaign in what is regarded as an almost hopeless courtship of Quebec. It is too early yet to make any serious forecast about the result, but competent neutral observers believe that while a number of seats may change their allegiance, there will be no decisive balance of gain for either of the dominant parties, and that the deadlock of the last Parliament may be reproduced in the next.

The foreign trade returns for the first four months of the current fiscal year ending July 31st are very satisfactory, for at a value of \$718,906,711 they show a gain of \$71,175,413 over the figure for the parallel period of 1925. The following are the comparative figures of exports and imports during this period:—

	First Four Months— 1925.	1926.
Domestic exports.....	351,407,904	380,020,931
" imports	292,009,091	333,976,927

In the month of July by itself the grand total of Canadian trade was valued at \$200,204,844, which is a gain of some 15½ million dollars over the figure for July, 1925.

NEW ZEALAND.—THE BUDGET—DEBT REDEMPTION POLICY.

(FROM OUR CORRESPONDENT.)

CHRISTCHURCH (N.Z.), July 10.

The first Budget delivered by the Hon. W. Downie Stewart is a concise, clear, and workmanlike document. Its contents are of more than passing interest not only in view of the prevailing economic depression, but also because it is the first definite pronouncement after the election of the Government's financial policy. Its cautious, conservative, and sound finance indicates that the new Minister has a clear grip of the economic circumstances of the Dominion. It is also a reinforcing of the Government's claim that administration rather than legislation is needed just now.

There is some difficulty in comparing the accounts with the figures of previous years, mainly because of the accounting changes introduced into the railway system and the public debt services. But these changes are in the right direction of making each service show clearly its true financial position, so that the temporary obscurity cannot be cavilled at.

Compared with the financial results of the previous year, the revenue and expenditure show increases as under:—

(In Million £'s.)

	1924-5.	1925-6.
Revenue	23.0	24.7
Expenditure.....	21.8	23.6

The bulk of the increased revenue came from customs duties (£814,488), and post and telegraph receipts (£370,853). The import returns were, however, considerably swollen last year, and revenue from this source is likely to be much less in the ensuing financial year. The

Minister has budgeted on receipts approximately as great as those for the year 1924-5, when imports were valued at £49.8 millions. The fall in export values already recorded for the 12 months ending May 31, 1926, is approximately 9½ millions, so that if imports fall correspondingly in the financial year 1926-7, this estimate is likely to be optimistic. The figures of imports and exports are reproduced below:—

Year.	Imports.	Exports.	Excess— Exports.	Imports.
1919-20	32.2	50.8	18.6	..
1920-1	67.5	48.2	..	19.2
1921-2	36.0	43.8	7.8	..
1922-3	37.1	45.5	8.4	..
1923-4	44.4	51.7	7.3	..
1924-5	49.8	54.8	5.0	..
1925-6	53.0	48.7	..	4.3

The increases in expenditure are spread fairly evenly over the departments. The chief increases are:—

Interest	£ 264,537	Losses on railway branch lines	£ 344,830
Sinking Fund	189,658	Naval Defence	157,847
Old Age Pensions.....	95,959	Education	102,448

Of these increases, the losses on railway branch lines are a new item shown for the first time under the system whereby the consolidated fund is charged with losses on certain uneconomical lines. The most important of the other increases are those for the debt services. Two questions are involved in the Government's policy at this point. The first is the attitude towards fresh capital expenditure, involving a continuance of borrowing. During the year just past over £7 millions was spent in capital expenditure as follows:—

Railway Construction, &c.	£ 2,786,190	Public Buildings and Schools	£ 849,041
Telegraphs & Telephones	931,661	Other Public Works....	489,368
Hydro-Electric Supply	945,573		
Main Highways & Roads	949,077		
Irrigation, Swamp-Drainage, &c.	229,569		7,180,479

The Minister's final comment on this point is worth repeating:—"I hold the view that on completion of the large undertakings now in hand in respect of railways and hydro-electric power, a tapering-off policy should be adopted until a further national stocktaking justifies extensions commensurate with our increasing population and trade."

The second important point to be considered is the policy of debt repayment. This is, of course, dependent mainly upon a definite decision to curtail borrowings such as the Minister indicated. Such a decision will probably be forced upon the Government if only by reason of the large amounts of debt falling due for renewal within the next few years. Last year, however, there was a substantial increase of £13,374,539 in the gross and £11,040,831 in the total net debt. Of this net increase 57 per cent. (£6.3 millions) was absorbed by State advances to settlers, workers (for housing), and local authorities. The remainder was used mainly for various public works.

A new classification has been adopted showing the proportions of the debt as follows:—

	Million £.
Ordinary Debt	126.0
War Debt	75.3
State Advances Debt	27.8
Discharged Soldiers Debt	9.8
	238.9

Against this debt are various sinking funds and repayment provisions. Various sinking funds total £2,274,262, but the main provision now is by the Repayment of Public Debt Act, 1925, designed to extinguish the whole of the existing debt in 60 years. In addition, the payment of the £27.3 million advanced during the War to the Dominion by the Imperial Government is arranged under a funding scale by which the debt has now been reduced to £26.3 millions. The Minister of Finance further announced his intention of utilising "windfalls" and surplus revenue for debt repayment, and made a good start this year.

In view of this sound policy, the natural disappointment at the failure to reduce taxation will be considerably lessened. The new Minister is going the right way to reduce taxation by first reducing the causes of it.

ARGENTINA.—PRESIDENT AND PARLIAMENT—PUBLIC FINANCE—TRADE BALANCE—GENERAL BUSINESS—CROP ESTIMATES.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, July 28.

If parliamentary government in this country continues to prove a fiasco, it will not be for the want of plain-speaking by President Alvear, who in his Message at the opening of Congress administered a well-deserved rebuke to a legislature which had distinguished itself by doing absolutely nothing to justify its existence during the past year. The unsatisfactory circumstances in which Dr Alvear found himself called upon to make his annual pronouncement on the situation of the Republic will readily be realised. A Radical President, with a staunch faith in democratic principles, it was his ungrateful task to endeavour to recall those who are supposed to represent the popular will to a sense of their constitutional responsibilities and duties, and to warn them of the dangers which they are courting in abandoning all the business of government to the Executive Power. All this is verging on political ground, and it may be that few of your readers will be inclined to pay any very serious attention to South American politics. Nevertheless, if we are interested in the fortunes of Argentina, we cannot remain wholly indifferent to the part which good or bad government plays in the national affairs here, as elsewhere. To say nothing of the accumulation of urgent measures which appear to be hung up indefinitely for the lack of Parliamentary approval, the grave inconveniences of the "duodecimo" system, under which the State is compelled to meet its indispensable financial requirements from month to month on the basis of previous Budgets, should be fairly obvious.

As regards finance, the Message stated that the revenue during the past year amounted to \$642,368,900 (paper), and the expenditure to \$562,896,200, leaving a surplus of \$79,472,700, which had been utilised on various projects authorised by special laws. External debt bonds had been issued for \$175,952,454, representing the two loans placed in New York for the reduction of the floating debt, while \$29,739,214 had been amortised. The internal debt at the end of 1924 was \$836,227,480 paper, and during 1925 new bonds for \$95,070,000 were issued, and \$21,072,254 amortised. The total circulation of the consolidated public debt was as follows, the corresponding figure for 1924 being given for comparison:—

	Dec. 31, 1924.	Dec. 31, 1925.
	\$ Paper.	\$ Paper.
External debt	687,354,387	833,567,627
Internal debt.....	836,227,480	910,225,225
Total	1,523,581,867	1,743,792,852

With reference to the floating debt, we may take more up-to-date details, since furnished by the Minister of Finance, showing that its position at the end of last month was:—

	\$ Paper.
Short-term internal loans	339,650,000
Difference in exchange	35,000,000
Conversion fund (Banco de la Nación)	15,909,091
Short-term dollar loans	63,597,272
	454,156,363

The steady reduction which continues to be effected will be evident by a comparison with Dr Alvear's total of \$479,259,908, as at April 30th, and \$632,338,190 on June 30, 1925.

The President was naturally obliged to refer to the adverse balance of foreign trade last year, amounting to \$8,917,784 (gold), as compared with a favourable balance of \$182,684,589 in 1924, but he described this as a purely temporary phenomenon which was not to be interpreted as a decline from the prosperous course which is being followed by the country. On the other hand, he spoke of the improved terms of the recent \$20,000,000 funding loan, and its rapid oversubscription, as exemplifying the high reputation which Argentina now enjoys in the financial world.

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

Instead of forwarding to Congress the Budget which had already been drafted in respect of 1927, the executive has recommended the adoption of that for 1926, as already approved by the Budget Committee of the Chamber of Deputies. This covers an expenditure of \$674,983,560, the revenue being estimated at \$675 millions. It is explained that little variation is required in this year's expenditure, but the real object, of course, is to afford even less excuse than ever for time being wasted in fruitless discussion—with what result remains to be seen.

The general position may be described as fairly satisfactory, always allowing for the fact that retail business is not yet out of the convalescent stage. The June bankruptcy returns show a falling-off of \$2,557,392 in the declared liabilities, as compared with May, after discounting the return presented in the latter month by the Banco Comercial del Azul, which it is pleasing to report has now reopened its doors. With the same deduction the total for the first six months of the year stands, in round figures, at \$79,262,000, as against \$58,896,000 in the same period of last year, and \$52,440,000 in 1924. The increase is no more than might have been expected in view of the relatively unfavourable situation this year.

The final estimates of the Ministry of Agriculture give the total wheat yield for the 1925-26 harvest, including the carry-over at the beginning of the year, as 5,571,641 metric tons. After the usual allowances for domestic consumption and seed, and the deduction of 1,831,116 tons exported up to July 10, the exportable balance as from that date is estimated at 1,380,525 tons. The linseed total appears as 1,949,289 tons, the exports to same date 1,111,732, and the available surplus as 647,557 tons. Shipments continue to move forward at a normal rate.

The depressing results of Argentine overseas trade during the quarter ended March 31st are rendered still clearer by a further return by the National Statistical Department, according to which the value of exports fell from \$286,332,356 gold in the corresponding period of 1925 to \$221,524,102, while imports rose from \$219,186,928 to \$227,822,651. Thus the net adverse balance for the three months must be set down at \$73,443,977 gold, but it is to be borne in mind that a marked recovery should be apparent when the figures for the second quarter are available.

Letters to the Editor.

GERMAN COLONIAL POLICY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The best criticism of the efforts now being made in Germany to obtain the return of their colonies (*Economist*, August 7, 1926, p. 240) on the grounds that otherwise they will find difficulty in paying reparations annuities is that their colonies never paid, but were always a source of expense to the Reich. Between 1904 and 1911 the average budgetary deficit for all the colonies together was 81 million gold marks (*Statistisches Jahrbuch f.d. Deutsche Reich*, 1914, p. 454). In 1912, 1913, and 1914 the deficits were respectively 23, 38, and 43 million marks. Despite the heavy export of diamonds from South-West Africa, the German colonies, as a whole, were importers rather than exporters, doubtless owing to the introduction of capital, and the imports were chiefly from countries outside the German economic region. Since reparations payments must appear as the export of goods uncompensated by visible imports, the return of the colonies to the Reich could only have the effect of lessening the amount available for these payments. The impression I received from a visit to East Africa 11 years before the war was that money was being squandered in unnecessary and useless development.—I am, &c.,

TRAVELLER.

BOOKS RECEIVED.

Finland To-Day. By Frank Fox. (London) A. and C. Black, Limited, 4 Soho square, W. 1. 7s 6d net.

A traveller's impression of the country, its resources, its inhabitants, and their activities and conditions. Interesting to the general reader and well illustrated.

La Stabilisation du Franc. Par Fernand Leureux. (Paris) Marcel Giard, 12 Rue Soufflat. 12 francs.

A study of the general principles relating to currency stabilisation, the conclusions from which are applied specially to the present circumstances of France and Belgium.

Meetings. By F. D. Head. (London) Sir Isaac Pitman and Sons, Limited. 5s net.

Primarily intended as a text-book for company secretaries and students preparing for secretarial and accountancy examinations, this work should also be of use to chairmen, directors, and shareholders of limited companies.

Die Wirtschaftskrise in Mittel Europa. Von Arpad Torok. (Wien) Moritz Perles.

An analysis of the causes leading up to the post-war economic crisis in Central Europe, and a suggestion for its solution. The discussion includes inflation, destruction of capital, internal and external purchasing power of money, &c.

The South Africans. By Sarah G. Millin. (London) Constable and Co., Limited, 10-12 Orange street, W.C. 2. 7s 6d net.

Bulletin of the Imperial Institute. Vol. XXIV. No. 2. August, 1926. (London) John Murray, Albemarle street, W. 5s net.

Bulletin of the British Library of Political and Economic Science. August, 1926. (London) London School of Economics, Houghton street, Aldwych. 6d net.

The Mexican Revolution and the United States, 1910-1926. By C. Wilson Hackett. (Boston) World Peace Foundation, 40 Mt. Vernon street. 5 cents.

The London School of Economics and Political Science: Calendar for Thirty-second Session. 1926-27. 3s 6d.

A complete guide to the school's activities. Terms begin on October 4, 1926, January 10th, and April 25, 1927, respectively.

Die internationale agrare Arbeitsteilung Europas. Von Fritz Beckmann. (Jena) Gustav Fischer.

A description of the division of labour as it affected agricultural products in Central Europe in pre- and post-war days. Among other things, the author deals with the influence of the competition for markets for wheat, corn, &c., and the existence in Russia, before the war, of a large mobile labour force.

City of Manchester. Abstract of Accounts, 1925-26. (Manchester) Henry Blacklock and Co., Limited, Albert square.

Mathiesons' Traffic Tables. July-December, 1926. (London) F. C. Mathieson and Sons, 16 Copthall avenue, E.C. 2. 1s. net.

Tea Facts and Figures. No. 5. August, 1926. Price 2s. (London) Fredc. C. Mathieson and Sons, 16 Copthall avenue, E.C. 2.

Gives the following details of tea-planting, &c., companies:—Year formed, shares authorised, and number of shares issued, and amount paid; head offices of companies; number of acres planted; tea output in lbs. for four financial years (estimated for current year); profit (or loss), carry forward, &c., for recent years; dividends paid during, and approximate highest and lowest prices for 1923, 1924, 1925, and 1926 to date; costs F.O.B. and "all in"; selling prices; average price of tea.

The Nineteenth Century and After. September, 1926. (London) Constable and Co., Limited, Orange street, Leicester square, W.C. 2. 3s net.

Contains an article on "Mining Royalties and the Coal Problem," by Sir Reginald Craddock.

International Labour Review. August. (London) George Allen and Unwin. 2s 6d.

Contains an article on the eight-hour day by M. Albert Thomas.

Encyclopædia Britannica.—We are informed that the new Thirteenth Edition of the *Encyclopædia Britannica* will be ready for distribution in a few weeks' time.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Colonial Reports: No. 1299. *Fiji.*—Report for 1925. No. 1300, *British Guiana.*—Report for 1925. 1s each.

Annual Report of the Chief Medical Officer of the Ministry of Health for the year 1925—On the State of Public Health. 3s net.

Report of the Imperial Economic Committee on Marketing and Preparing for Market of Foodstuffs produced within the Empire. Fourth Report—Dairy Produce. Cmd. 2725. 1s net.

Annual Report of the Chief Inspector of Factories and Workshops for the year 1925. Cmd. 2714. 2s 6d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.
September 14.

ACCOUNT.
September 16.

THE entry of September revives the anticipation of quickening business in Stock-Exchange markets, as clients return from their holidays and look to the House for opportunities of replenishing depleted bank balances, or for the investment of money whose employment had been left over pending a settlement in the coal industry. That trouble has now been so long present that investment and speculation have come gradually to disregard its influence. Were there to be an early resumption of work in the coal mines, it is doubtful whether Stock Exchange markets would be greatly affected. Many people assume that the conclusion of the trouble is already discounted in prices. There is plenty of money available for investment. Sound securities are absorbed with ease and rapidity.

Victory bonds are better on the reinvestment of some of the money released this week by the redemption of bonds, but otherwise the gilt-edged market is inclined to be dull by reason of a slight hardening of money rates. Foreign bonds are somewhat uninteresting, the movements in French National issues being small. Deduction of the dividends from three of the French railway bond prices brought in no fresh buyers. Brazilians keep very firm, and Roumanian loans of both classes are decidedly better. Chinese bonds are flat on the troubles reported from that country. European reconstruction loans continue to be in quiet request, and Peruvian Corporation issues have strengthened.

Prices of Home Railway stocks move up and down in aimless fashion, the purchase or the sale of a comparatively small quantity of stock proving quite sufficient, so limited is the market, to influence prices all round. The only feature is a recovery in North-Eastern preferred. Prior-charge stocks are unchanged.

Argentine railways went back fairly sharply on sales by people who got in a few weeks ago, and who deemed it discreet to take now the profits which had accrued to them rather than to wait for the dividend announcements, upon the expectations of which the purchases were based. The stock offered found ready homes, and prices recovered. Leopoldinas have been a strong spot. United of Havana continues to be unfavourably affected by the uncertainty which prevails in the sugar industry. In nitrates there is no trade doing.

Rubber, the produce, has eased off a trifle without having any noticeable effect upon prices in the share market, while tea shares, after a show of strength, tended to droop towards the end of the week. There has been a little animation in oils, though the promise of increased public activity in this section has yet to materialise. The textile market is steady. Each setback in Courtaulds is seized upon as an opportunity for the bears to close their positions. Something of a feature this week has been the animation in brick companies' shares, owing to the good results reported by Eastwoods, Burlesdon, and one or two of the other companies. The iron and steel market is a trifle irregular, the public adopting a waiting attitude. Hudson's Bays have been strong. Hotels went a little better. Cable and electric equipment shares are mostly up. Wireless issues remain neglected.

Brazilian Tractions, after their recent remarkable rise, went back a few points, to recover, however, towards the end of the week, while others in this group, Sidros, Barcelona Tractions, and Mexico Tramways, have fluctuated sharply. The banking market is hard, and some mild attention has been attracted to shipping shares, with a few rises as a result. British-American Tobacco developed fresh strength, and Godfrey Phillips spurred. Canadian Tobacco shares advanced on very vague rumours of a possible bonus. Similar rumours, more confidently stated, brought about a jump in Dennis Motors, while Morris Motors 7½ per cent. preference, which fell to ½ discount soon after the allotments appeared, are now a trifle above their par price. The brewery list is firm, and amongst illumination issues, Gas Light and Coke stock has gained a fraction, the electric lighting list being virtually unchanged. There is a good deal of business afoot in a quiet way amongst industrials. Sound preference shares offered in this market find no difficulty in securing investment support.

The Kaffir market remains at the mercy of operations directed from the Cape and from Paris. This week Van Ryn

STARTING NEXT SUNDAY

A REMARKABLE
NEW CITY FEATURE

WILL APPEAR IN THE

SUNDAY PICTORIAL
EVERY WEEK

HOW, WHEN & WHERE TO INVEST

By PARVAL.

¶ This feature will be the work of an eminent financial expert, and will constitute the most authoritative city article in any Sunday newspaper.

Parval's policy is clearly explained in this first article which appears next Sunday. He will, while offering sound advice on first-class speculative investments, discourage hazardous speculation. The comparative advantages of various types of gilt-edged securities will also be dealt with.

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Parval is in the almost unique position of being possessed of first-class sources of information, and at the same time free from financial entanglements.

Consequently, his advice is as disinterested as it is invaluable. It will throughout maintain the same high tone and standard of excellence which distinguishes the already established features of the "Sunday Pictorial."

Deeps, Mozambiques, Tanganyikas (on Brussels business), and a few others stand out as particular favourites. The rest of the active shares have relapsed into something like quietude, the recent gamble in Sub-Nigels having spent its force for the moment, and the Cape no longer paying any particular heed to the previously popular platitudes. De Beers went strongly ahead on Thursday afternoon. There is still a fair amount going on in Malayan tin shares, the better class descriptions being on the up-grade, and West Africans came to the fore towards the end of the week, though Cornish tin shares command little public interest. The copper group keeps good, and, without any fuss, several of the Indian mining shares improved as a result of the week's work. San Francisco Mines of Mexico deserve to be mentioned as popular, on the good developments reported from the property.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	140,860,269			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to August 28, 1926 Dr. 1,500,000				
Net sales week ended August 28, 1926, Dr. 300,000.				

To the Public—				
Gondar Tin Mines, 100,000 Ord. Shares, 5s. at par	25,000	25,000	5,000	20,000
Do 100,000 Def. Shrs., 1s. at par	5,000	5,000	5,000	5,000
Total offered to the Public	30,000	30,000	10,000	20,000

Total offered to shareholders only ..	nil	nil	nil	nil
Total offered for subscription to date ..	140,860,269	140,860,269	23,194,268	117,666,001
1926	128,360,577	128,360,577	209,326,100	7,934,477
1925	130,822,951	130,822,951	271,393,173	7,566,222
1924	202,430,317	202,430,317	573,575,650	371,145,333
1923	508,248,328	508,248,328	388,978,203	119,270,125
1922	156,306,480	156,306,480	367,549,656	211,242,176

Gondar Tin Mines, Limited.—Share capital £42,000, divided into 140,000 ordinary shares of 5s each and 140,000 deferred shares of 1s each. This is an issue of 100,000 ordinary shares of 5s each at par and 100,000 deferred shares of 1s each at par. The holders of ordinary shares are entitled to a 10 per cent. non-cumulative preferential dividend and one-third the surplus divisible profits. Each subscriber for ordinary shares has the right of subscribing for one deferred share in respect of every ordinary share. The company has been formed in particular to develop a group of tin mines situated near Ancora, Portugal. The properties consist of eight leases, held in perpetuity from the Portuguese Government, having a total area of 1,000 acres. The purchase price to be paid by the company is £17,500, to be satisfied as to £10,500 (£5,500 in cash and £5,000 in fully-paid ordinary shares) to the original vendor, and as to the balance of £7,000 (20,000 ordinary shares and 40,000 deferred shares, credited as fully paid) to the promoter. It is stated that the proceeds of the present issue, after the payment of the cash portion of the purchase consideration and preliminary expenses, will provide approximately £23,500 for additional plant and working capital. A speculative venture.

Grange Trust, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £400,000, divided into 400,000 shares of £1 each. When fully paid-up, the shares will be converted into equal amounts of the preference and ordinary stocks at the rate of £5 of each class of stock for every ten fully-paid shares. The preference stock will be entitled to a cumulative preferential dividend at the rate of 5 per cent. per annum, but will have no further participation in profits or assets. The company was incorporated on July 2, 1926, in particular to carry on the usual business of an investment trust company. The 400,000 shares of £1 each have, it is stated, been placed at par. The amount of the preliminary expenses was £5,902, payable by the company. Prospectusless.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War 5½% 1926-28	97½	97½	—
Loans 4½% 1926-45	95½	95½	—
4½% 1926-47	101½	101½	—
4½% 1926-48	101½	101½	—
4½% 1926-49	101½	101½	—
4½% 1926-50	101½	101½	—
4½% 1926-51	101½	101½	—
4½% 1926-52	101½	101½	—
4½% 1926-53	101½	101½	—
4½% 1926-54	101½	101½	—
4½% 1926-55	101½	101½	—
4½% 1926-56	101½	101½	—
4½% 1926-57	101½	101½	—
4½% 1926-58	101½	101½	—
4½% 1926-59	101½	101½	—
4½% 1926-60	101½	101½	—
4½% 1926-61	101½	101½	—
4½% 1926-62	101½	101½	—
4½% 1926-63	101½	101½	—
4½% 1926-64	101½	101½	—
4½% 1926-65	101½	101½	—
4½% 1926-66	101½	101½	—
4½% 1926-67	101½	101½	—
4½% 1926-68	101½	101½	—
4½% 1926-69	101½	101½	—
4½% 1926-70	101½	101½	—
4½% 1926-71	101½	101½	—
4½% 1926-72	101½	101½	—
4½% 1926-73	101½	101½	—
4½% 1926-74	101½	101½	—
4½% 1926-75	101½	101½	—
4½% 1926-76	101½	101½	—
4½% 1926-77	101½	101½	—
4½% 1926-78	101½	101½	—
4½% 1926-79	101½	101½	—
4½% 1926-80	101½	101½	—
4½% 1926-81	101½	101½	—
4½% 1926-82	101½	101½	—
4½% 1926-83	101½	101½	—
4½% 1926-84	101½	101½	—
4½% 1926-85	101½	101½	—
4½% 1926-86	101½	101½	—
4½% 1926-87	101½	101½	—
4½% 1926-88	101½	101½	—
4½% 1926-89	101½	101½	—
4½% 1926-90	101½	101½	—
4½% 1926-91	101½	101½	—
4½% 1926-92	101½	101½	—
4½% 1926-93	101½	101½	—
4½% 1926-94	101½	101½	—
4½% 1926-95	101½	101½	—
4½% 1926-96	101½	101½	—
4½% 1926-97	101½	101½	—
4½% 1926-98	101½	101½	—
4½% 1926-99	101½	101½	—
4½% 1927-00	101½	101½	—

Telegraphs.

Anglo-American "A"	24½	24½	—
Marconi Wireless	24½	24½	—
Marconi Canada	24½	24½	—
Marconi Marine	24½	24½	—

British Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord.	89	89½	½
London & North-Eastern 5½% Pref. Ord.	52½	53½	1
Do Def. Ord.	17½	17½	—
London, Mid., and Scottish, Ord.	73	74	1
Metropolitan, Ord.	63½	63½	—

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Autogastage Cons.	81	80	—1
B.A. and Pacific	91	90	—1
B.A. & Southern	100½	99½	—1
Buenos Ayres West.	90	89½	—½
Canadian Pacific	163½	170½	7
Central Argentine	76½	76½	—
Cordoba Central New 3½% ..	34½	34½	—

American Railroads.

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio	157	161½	4½
Erie	35	34	—1
Do 4½% 1st Pref.	43	45	2

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Argentina 5%, 1888-7	99½	100	½
Austrian 5% Guar.	99½	100½	1
Belgian 3%	71½	72½	1
Brazil 5%, 1914	94	94	—
Chilian 4%, 1896	87	87	—
Do 7½%	104	104	—
Chinese 5%, 1913	59½	56½	—3
Egyptian 4%	82½	82½	—
French 5%	91	91	—
Do 4%	81	81	—
German 7%, 1924	105	106	1

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays B. (A.L.P.D.)	248	248	—
Chartered Bk of India	41	40½	—½
Lloyds (65 with £1 paid)	3½	3½	—
Midland (113 with £1 paid)	8½	8½	—
Nat. Bank of Egypt (10)	38½	37½	—1

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (11)	2½	2½	—
Amal. Cottons (11)	1½	1½	—
Anglo Persian Oil (11)	48½	51½	3
Armstrong (Sir W.G.) and Co. (11)	7½	7½	—
Ass. Plant. (Cement) (11)	3½	3½	—
Baker, John (11)	3½	3½	—
B'ham Small Arms (11)	2½	2½	—
Bleachers (11)	2½	2½	—
Bradford Dyers (11)	2½	2½	—
Brazil Traction (100) 12½% ..	123	123	—
British-American Tobacco (11)	41½	41½	—
British Controlled Oil (11)	2½	2½	—
Bryant and May (11)	2½	2½	—
Bureau of Ind. (11)	51½	51½	—
Coca (J. and P.) (11)	51½	51½	—
Courtaulds (11)	51½	51½	—
Cunard (11)	51½	51½	—
Dorman, Long (11)	51½	51½	—
Dunlop Rubber (6/8)	11½	11½	—
Fine Cotton Spinners (11)	2½	2½	—
Forestal Land (11)	11½	11½	—
Furness, Withy (11)	11½	11½	—
Highland and Lowlands Rubber (11) ..	21½	21½	—

Mines.

	Price Last Week.	Latest Price.	Rise or Fall.
Ashanti Gold (4)	48	48	—
Brakpan (11)	48	48	—
Broken Hill Prop. (11)	119	119	—
Burns Corp. (R.A.) (11)	21½	21½	—
Cam & Motor (11)	17½	17½	—
Central Mining (11)	17½	17½	—
Chartered (11)	17½	17½	—
City Deep (11)	17½	17½	—
Cons. Gold Fields (11)	17½	17½	—
Crown Mines (10)	17½	17½	—
De Beers Del. (22½)	18½	19½	1
East Rand Prop. (11)	48	48	—
Gold (11)	48	48	—
Gov. Gold Areas (11)	48	48	—
Johannesburg Cons. (11)	48	48	—
Malayan Tin (5)	11½	11½	—
Modderfontein (10)	48	48	—

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	Fmk. 150,000,000
Reserve Fund and Profits	" 123,000,000
Total Assets (31/12/25)	" 2,101,000,000

All descriptions of banking business transacted.

Telegraphic Address: KANSALLISPANKKI.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Apr. 1, 1926, to Aug. 28, 1926.	Receipts, Week Ended Aug. 28, 1926.	Week Ended Aug. 29, 1926.
REVENUE.				
Customs	108,450,000	42,028,000	41,112,000	2,300,000
Excise	141,300,000	51,253,000	50,767,000	2,125,000
Motor Vehicle Duties ..	21,600,000	5,243,000	4,638,000	910,000
Estate, &c., Duties	25,000,000	6,480,000	7,910,000	470,000
Land Tax, House Duty & Mineral Rights Tax ..	1,000,000	120,000	160,000	3,221,000
Property & Income Tax ..	254,800,000	65,008,000	81,481,000	3,468,000
Super-Tax	64,500,000	18,550,000	24,760,000	380,000
Excess Profits Duties, &c.	2,000,000	5,320,000	70,000	210,000
Corporation Profits Tax ..	6,500,000	1,900,000	22,000,000	1,000,000
Post Office	59,400,000	22,450,000	430,000	100,000
Crown Lands	950,000	490,000	—	—
Receipts from Sundry Loans	21,650,000	6,686,553	8,254,572	4,992
Miscellaneous	25,600,000	13,859,588	4,522,607	696
Ordinary Receipts	26,000,000	8,474,540	14,989,587	6,877
Special Receipts	824,750,000	266,642,687	293,144,566	9,307,565
Revenue	273,199,620	299,701,666	—	—
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Under the Unemployment Insurance Act, 1921	344,000	170,000	—	—
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues—				
Under the Telegraph (Money) Acts, 1924 and 1925	2,850,000	3,050,000	—	—
Under the Housing Act, 1914 ..	—	3,000	—	—
Under the West Indian Islands (Telegraph) Act, 1924	—	11,533	—	—
(b) Under the Unemployment Insurance Act, 1921	5,692,431	1,250,000	—	—
(c) For other issues—				
By Treasury Bills	1,035,317,000	1,009,064,000	49,535,000	45,835,000
By 3½% Conversion Loan	—	23,079,550	450,000	550,000
By National Savings Certificates ..	11,850,000	15,100,000	—	—
By National War Bonds	—	15	—	—
By Treasury Bonds, 1925	3,512,150	—	—	—
By 4½% Treasury Bonds, 1931-33 ..	—	—	—	3,800,000
(d) Ways and Means Advances	270,101,000	259,555,000	—	—
REPAYMENTS.				
In respect of Issues under Land Swedens (Facilities) Act, 1919 ..	90,595	78,816	—	—
and 1921	1,602,956,796	1,612,063,600	59,292,565	61,764,336
Total	273,199,620	299,701,666	—	—

NOTE.—Budget Estimate as in H.C. 69 of 1926.

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1926, to Aug. 28, 1926.	Issues, Week Ended Aug. 28, 1926.	Week Ended Aug. 29, 1926.
EXPENDITURE.				
National Debt Services—				
Interest, &c.	304,000,000	139,058,600	137,353,614	1,879,893
Sinking Fund	16,000,000	12,881,598	17,858,088	

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	Aug. 28, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	16	16	14	14	13	13	13	13
1½% Conversion Loan	266	684	684	666	709	764	760	760	760
4½% War Stock	63	63	63	63	63	63	63	63	63
4½% War Stock	13	13	13	13	13	13	13	13	13
4½% and 5% War Stock	2,047	1,953	2,095	2,166	2,062	2,052	2,109	2,109	2,109
National War Bonds	1,509	1,401	953	820	778	771	706	706	706
4½% Funding Loan	449	399	399	399	394	394	390	390	390
4½% Victory Bonds	360	335	325	314	303	303	292	292	292
Treasury Bonds	453	411	457	499	479	482	486	486	486
Exchequer Bonds	20	323	185	150	15	15	15	15	15
National Savings Certs.	267	342	354	366	369	372	375	375	375
Other Debt	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French)	15	1	878	616	588	576	535	565	537
Treasury Bills	1	243	147	194	186	167	181	139	124
Temporary Advances	654	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,617
Other Capital Liabilities	57	46	66	70	66	68	84	75	73
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,690

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Aug. 29, '25.	Mar. 31, '26.	Aug. 28, '26.	Week ended Aug. 28, '26.
Outstanding—				
Advances by Bank of England	144,341,000	139,441,000	124,051,000	6,750,000
Advances by Public Deposits	625,350,000	564,855,000	637,110,000	7,070,000
Treasury Bills Outstanding	769,691,000	704,296,000	761,161,000	320,000
Total Floating Debt	1,539,382,000	1,408,592,000	1,512,222,000	1,406,820,000

* Includes £7,000, the proceeds of which were not carried to the Exchequer within the period of the account.

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Aug. 18	22,328,299	1,060,904	1,796,578	25,185,781
Aug. 25	501,592	26,732	46,208	574,532
Sept. 1	700,919	26,017	43,934	770,870
Total to date 1926	23,531,210	1,113,653	1,886,720	26,531,583
Do 1925	24,140,941	1,132,667	1,994,729	27,268,337
Increase or decrease in 1926	- 609,731	- 19,014	- 108,009	- 736,754
%	- 2.5 %	- 1.7 %	- 5.4 %	- 2.7 %
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925	+ 762,659	+ 84,233	+ 57,363	+ 904,255
%	+ 2.2 %	+ 5.3 %	+ 1.9 %	+ 2.3 %

PROVINCIAL CLEARING RETURNS.

	Month of August.		% + or -	Aggregate Weekly Totals to Aug. 28.	
	1925.	1926.		1925.	1926.
Number of Working Days	25	25			
BIRMINGHAM	9,762,000	8,344,000	- 14.5	87,160,800	81,895,500
BRADFORD	5,112,000	5,506,000	+ 7.7		
BRISTOL	4,902,000	4,556,000	- 7.0	40,295,000	39,904,000
DUBLIN				179,913,800	165,725,400
HULL	3,996,000	3,830,000	- 4.1	36,057,300	31,114,700
LEEDS	3,695,000	3,596,000	- 2.6	35,335,300	32,625,200
LEICESTER	2,739,000	2,666,000	- 2.5	27,259,300	26,294,900
LIVERPOOL	34,376,000	29,511,000	- 14.1	312,871,800	265,603,100
MANCHESTER	62,277,000	51,751,000	- 16.9	549,044,200	459,097,200
NEWCASTLE-ON-TYNE	6,584,000	4,956,000	- 25.3	55,886,400	45,292,700
NOTTINGHAM	2,532,000	2,232,000	- 11.8	21,132,300	21,275,100
SHEFFIELD	4,389,000	3,574,000	- 18.5	35,825,300	33,393,400
Total	140,360,000	119,822,000	- 14.6		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the *Economist* of July 3; Greece in July 17; Denmark in August 7; Estonia, Danzig, Portugal and Egypt in August 21; Canada, Switzerland, Lithuania, Roumania and Italy in August 28.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Aug. 6, 1926.	Aug. 28, 1925.
Total gold reserves	2,840,610	2,834,320	2,837,180	2,836,900	2,762,150
Total bills discounted	570,640	534,540	549,010	517,610	579,680
Bills bought in open market	254,120	254,120	240,970	228,490	201,520
Total U.S. Gov't securities	321,220	360,020	365,680	370,220	332,250
Total earning assets	1,150,170	1,151,880	1,148,860	1,149,520	1,126,290
Total resources	4,874,740	4,954,940	4,883,640	4,885,280	4,727,950
LIABILITIES.					
Federal Reserve notes in actual circulation	1,692,640	1,685,790	1,682,210	1,678,090	1,615,890
Deposits—Member bank—reserve account	2,203,630	2,215,240	2,225,640	2,216,700	2,183,490
Total deposits	2,257,580	2,272,520	2,267,880	2,219,230	2,236,540
Capital paid in and surplus	243,760	343,740	343,420	343,300	334,160
Total liabilities	4,874,740	4,954,940	4,883,640	4,885,280	4,727,950
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	75.4%	75.1%	75.3%	75.4%	75.0%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Aug. 6, 1926.	Aug. 28, 1925.
Total bills discounted	140,060	145,910	190,250	192,830	192,830
Bills bought in open market	43,850	38,270	37,060	37,060	21,030
Total U.S. Government securities	60,270	70,670	72,600	72,600	60,230
Total earning assets	244,170	254,850	299,920	276,830	276,830
Deposits—Member bank—res. acc't	815,750	843,290	859,020	837,540	837,540
Ratio of total res. to dep. and Federal Res. note liabilities combined	83.6%	82.4%	79.5%	79.8%	79.8%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Aug. 7, 1926.	July 31, 1926.	July 24, 1926.	July 17, 1926.	July 10, 1926.	Aug. 8, 1925.
ASSETS.						
Gold coin and bullion	6,833	7,180	7,505	6,863	7,420	2,776
Subsidiary coin	49	49	49	49	49	50
Bills discounted	6,897	6,424	6,073	6,523	6,508	6,247
Investments	548	548	548	548	548	525
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	258
Notes in circulation	7,521	7,924	6,947	7,084	7,400	9,654
Bankers' deposits	6,303	6,022	4,860	4,991	4,942	5,319
Ratio of cash reserves to liabilities to public	52.0%	53.7%	61.5%	55.4%	56.9%	61.9%

BANK OF JAPAN.—In yen (000's omitted).

	July 31, 1926.	July 24, 1926.	July 17, 1926.	July 10, 1926.	Aug. 1, 1925.	Position June 30, 1914.
ASSETS.						
Cash and bullion	1,135,857	1,135,935	1,136,504	1,135,949	1,128,946	221,320
Discounts	265,749	155,094	178,839	223,068	242,422	41,740
Advances	101,408	94,192	97,153	93,984	129,024	70,540
LIABILITIES.						
Notes	1,264,561	1,162,174	1,153,288	1,176,033	1,268,835	362,270
Govt. deposits	582,810	586,355	603,597	624,949	606,832	87,340
Other deposits	70,762	76,530	83,055	83,530	76,665	11,440

BANK OF FRANCE.—In francs (000's omitted).

	Sept. 2, 1926.	Aug. 26, 1926.	Aug. 19, 1926.	Sept. 2, 1925.	Position May 28, 1914.
ASSETS.					
Gold coin and bullion	5,648,703	5,548,695	5,548,694	5,547,035	3,730,825
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321
Silver coin and bullion	338,810	338,788	338,639	310,041	632,650
Discounts and advances	8,486,607	7,939,535	8,195,571	7,247,782	2,347,775
Advances to the State	37,350,000	36,450,000	36,950,000	28,800,000	..
LIABILITIES.					
Notes	55,346,489	55,146,883	55,658,766	45,445,019	5,811,875
Government deposits	8,589	91,553	8,292	11,873	183,700
Private deposits	3,267,874	3,242,647	3,157,334	2,573,064	846,960

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Aug. 6, 1926.	July 30, 1926.	July 23, 1926.	July 16, 1926.	July 9, 1926.	Aug. 7, 1925.
ASSETS.						
Total securities	22,07,87	21,88,82	22,09,55	22,05,90	22,08,71	13,18,20
Loans	11,03,90	12,96,82	13,00,49	13,17,70	14,23,54	15,51,01
Cash credits	22,00,01	22,56,22	22,82,60	23,05,79	24,08,39	27,47,23
Land and buildings	4,27,14	4,41,79	4,84,18	5,10,31	4,89,32	4,49,01
Foreign bills	21,79	36,49	33,80	27,54	16,12	26,62
Dead stock	2,76,37	2,76,66	2,76,66	2,74,95	16,20	10,54
Bal. with other banks	4,69	11,19	11,41	11,41	44,37,07	44,37,07
Cash	55,87,16	56,57,24	52,11,08	49,50,49	46,15,53	44,37,07
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve funds	4,32,50	4,92,50	4,92,50	4,92,50	4,82,50	4,77,50
Total deposits	109,46,78	110,72,75	107,11,94	104,95,63	102,97,28	97,49,09
These above includes—						
Deposits in London	960	1,082	985	1,025	935	1,213
Advances in London	1,066	1,089	1,061	1,036	1,040	1,164
Cash &c. at other Banks in London	33	76	76	143	95	68

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

	Aug. 6, 1926.	Aug. 19, 1926.	Aug. 12, 1926.	Aug. 5, 1926.	Aug. 27, 1925.	Position May 28, 1914.
ASSETS.						
Coin (gold & silver and bullion)	389,594	389,837	390,045	390,640	386,202	322,650
Securities	1,506,749	1,560,979	1,587,208	1,518,087	1,335,763	697,600
Notes in circulation	9,147,515	8,070,876	9,107,908	8,993,164	7,615,534	934,150
Current accounts	437,985	522,606	513,388	543,325	227,534	112,125

NETHERLANDS BANK.—In florins (000's omitted).

	Aug. 30, 1926.	Aug. 23, 1926.	Aug. 16, 1926.	Aug. 9, 1926.	Sept. 1, 1925.	Position May 30, 1914.
ASSETS.						
Gold	419,992	420,228	420,354	425,550	414,417	163,092
Silver	27,596	27,832	27,659	27,335	23,002	8,436
Notes and advances	395,462	401,660	398,223	403,027	481,787	153,504
LIABILITIES.						
Notes in circulation	838,694	810,849	816,303	824,101	900,108	316,632
Deposits	37,322	52,890	55,235	48,898	26,307	5,016

BANK OF JAYA.—In florins (000's omitted).

	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	Aug. 29, 1925.	Position May 30, 1914.
ASSETS.						
Gold	230,750	231,000	231,500	227,500	132,310	22,971
Silver					44,913	29,785
Discounts, advances, and other investments	134,170	121,910	118,210	120,520	162,077	77,567
LIABILITIES.						
Notes in circulation	328,000	333,500	338,500	337,000	315,127	109,499
				46,000	50,865	11,250

RUSSIAN STATE BANK.—Note-Issuing Department.

(In Tchernovets—000's omitted.) (Note: 1 Tchernovets = 10 gold roubles.)

Assets.	Sept. 1, 1926.	Aug. 16, 1926.	Aug. 1, 1926.	July 16, 1926.	Sept. 1, 1925.
Gold in coin and bullion.....	14,927	14,927	14,927	14,927	16,338
Foreign bank notes.....	3,052	3,052	3,052	3,052	2,370
Drafts in sterling (less 10%).....	193	193	193	193	169
Bills (less 10% discount).....	59,786	56,835	56,869	52,912	46,852
Securities covering advances on goods (less 10%).....	86	86	86	86	86
LIABILITIES.					
Bank notes.....	80,042	78,581	75,162	74,663	70,277
Balance to which notes may still be issued.....	2,958	1,419	4,838	1,337	723

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	Aug. 29, 1925.	Position May 30, 1914.
Gold.....	2,566,391	2,556,327	2,556,206	2,556,666	521,775	728,600
Silver.....	671,329	668,966	669,212	659,886	800,725	728,600
Loans & discounts.....	2,418,821	2,389,304	2,420,913	2,457,772	2,338,940	800,725
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,343,316	4,365,481	4,399,436	4,405,018	4,298,931	901,650
Deposits.....	1,037,301	1,033,412	1,027,195	1,028,993	988,278	477,500

LONDON RATES.

	Aug. 27, 1926.	Aug. 28, 1926.	Aug. 29, 1926.	Aug. 30, 1926.	Sept. 1, 1926.	Sept. 2, 1926.	Sept. 3, 1926.
Bank rate (changed from 4% Dec. 3, 1925).....	5	5	5	5	5	5	5
Market rates of discount—							
60 days' bankers' drafts.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount (Treasury Bills)—							
2 months.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
3 months.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Loans—Day to day.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Short.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Deposit allowances: Banks.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount houses at call.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
At notice.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

	Share of Total	3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1926.	%	%	%	%	%	%	%
Aug. 13.....	4	4½	4½	4½	5	5½	5½
20.....	4	4½	4½	4½	5	5½	5½
27.....	3½ 4	4½	4½	4½	5½	5½	5½
Sept. 3.....	4	4½	4½	4½	5	5½	5½

MONTHLY TRAFFIC RETURNS.

AMERICAN RAILROAD GROSS AND NET RECEIPTS.
This table is extracted from the Commercial and Financial Chronicle of New York.

Date.	Miles of Road.		Gross Earnings.		Net Earnings.	
	1924.	1925.	1925.	Increase or Decrease.	1925.	Increase or Decrease.
June	236,357	236,779	506,002,036	+ 41,227,707	130,837,324	+ 29,350,006
July	236,525	236,762	521,538,604	+ 40,595,601	139,606,752	+ 27,819,865
Aug.	236,546	236,750	554,559,318	+ 47,021,764	166,558,666	+ 31,821,455
Sept.	236,587	236,752	564,443,591	+ 24,381,004	177,242,895	+ 18,026,891
Oct.	236,564	236,724	590,161,046	+ 18,585,008	180,695,428	+ 12,054,757
Nov.	236,917	236,726	531,742,071	+ 26,960,296	148,157,616	+ 16,775,769
Dec.	236,057	236,959	523,041,764	+ 18,591,184	134,445,634	+ 10,354,676
1925.	236,599	236,944	480,062,57	— 3,960,038	102,270,877	— 946,994
Jan.	236,593	236,839	459,227,510	+ 36,029,255	99,480,650	+ 38,008
Feb.	236,500	236,774	528,905,183	+ 43,668,624	133,642,754	+ 24,561,662
Mar.	236,526	236,518	498,448,309	+ 25,818,489	114,685,151	+ 11,704,296
April	236,858	236,833	516,467,480	+ 28,515,298	128,581,566	+ 15,677,492
May	236,243	236,510	538,758,797	+ 32,634,035	149,492,478	+ 18,571,582

OVERSEAS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Month.		Total Receipts.	
				1925-26.	+ or -	1925-26.	+ or -
INDIAN.							
Southern Punjab	1 mth	April 30	842	Rs 9,44,947	+ Rs 83,674	Rs ..	Rs ..

CANADIAN.

Canadian National	7 mths	July 31	31	Gross \$22,527,786	+ 21,571,721	143,516,794	+ 17,602,437
Canadian Pacific	7 mths	July 31	31	Net \$2,680,337	+ 755,396	17,536,998	+ 11,869,711
Temiscamie	1 mth	June 30	30	Gross \$16,598,000	+ 141,000	101,836,000	+ 11,482,000
				Net \$3,921,000	+ 532,000	17,878,000	+ 6,691,000

BRAZILIAN.

State of Bahia	3 mths	July 31	52	\$6,975	+ 814	18,671	+ 6,388
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CHILE AND PERU.

Peruvian Corp.	1 mth	July 31	31	131,066	+ 81,784	450 + 139,150	..
Taitai	1 mth	July 31	172	\$12,945	+ 18,360	..	..

URUGUAYAN.

Midland Uruguay	1 mth	July 31	319	\$3,830	+ 213	..	..
N.W. Uruguay	1 mth	July 31	113	4,787	+ 426	..	..
Uruguay North	1 mth	July 31	73	2,340	+ 319	..	..

OTHER OVERSEAS.

Algoma Cent. & Hudson Bay (a)	12 mths	June 30	Gross	\$122,616	+ 16,466	1,461,311	+ 333,744
Beira and Mashonaland	1 mth	July 31	810	142,654	+ 18,198	..	..
Bilbao	7 mths	July 31	15	567	+ 2,565	12,663	+ 8,035
Bolivar	7 mths	July 31	136	7,700	+ 3,018	75,488	+ 19,805
Costa Rica	12 mths	June 30	190	40,199	+ 266	428,185	+ 36,429
Dorado Extension	7 mths	July 31	70	33,530	+ 19,530	135,060	+ 9,970
Dorado Rope, Ex.	7 mths	July 31	45	8,300	+ 50	54,680	+ 9,970
International of Central America	7 mths	July 31	31	Gross 117,770	+ 8,103	878,363	+ 89,993
La Guaira & Car.	7 mths	July 31	223	44,620	+ 7,494	354,658	+ 12,687
Mid. of W. Aust.	1 mth	July 31	277	12,257	+ 2,289	97,980	+ 8,880
Nasajo Osearsh.	5 mths	May 31	..	9,203	+ 474	51,488	+ 2,988
Puerto Cabello, do.	7 mths	July 31	35	5,250	+ 250	37,500	+ 3,250
Rhodesia Railways	1 mth	June 30	1,397	205,318	+ 3,029	..	..
Samana & San'to	7 mths	July 31	..	5,460	+ 4,718	95,560	+ 8,225
Santa Fe Prov.	1 mth	July 31	..	140,939	+ 19,038	..	..
Zaire and Huéve	7 mths	July 31	112	Ps. 33,111	+ 20,638	2,086,720	+ 17,698

TRAMWAY & OTHER RECEIPTS.

Argentine Light and Power (a)	1 mth	Apr. 30	..	50,445	+ 3,924	..	..
Barcelona Trac.	6 mths	June 30	31	Gross \$48,927,982	+ 194,868	45,943,272	+ 2,371,209
Brasilia Trac.	7 mths	July 31	31	Net \$4,093,922	+ 83,850	30,297,324	+ 1,166,272
Brazilian Trac.	7 mths	July 31	31	Gross \$3,531,663	+ 971,631	22,657,609	+ 6,093,195
Recopil in S.	7 mths	July 31	31	Net \$1,396,889	+ 608,018	12,928,726	+ 3,493,637
Brit. Columbia Electric, do.	12 mths	June 30	30	Gross \$908,880	+ 64,696	12,041,545	+ 784,763
Burmah Electric Supply Co.	1 mth	July 31	..	Rs. 72,659	+ 5,039	..	..
Cape Elec. Trams	1 mth	July 31	..	631,590	..	..	..
Carthage and Herrerias Trams	3 mths	Aug. 31	1	41,140	+ 1,398	11,803	+ 6,979
Catamarca Trams	12 mths	July 31	31	Net \$1,877,312	+ 293,556	21,383,727	+ 3,420,490
El Estero de Vio.	16 weeks	..	22	(b) \$1,583	+ 14	16,194	+ 954
Inter national Light Power	12 mths	June 30	30	Gross \$33,110	+ 2,312	389,169	+ 80,798
Kalgoorlie Elec. Tramways	5 mths	May 31	..	Net \$6,263	+ 2,501	86,741	+ 7,998
La Guaira Harb.	1 mth	Aug. 31	..	Net \$1,929	..	8,970	..
La Plata Electric	4 mths	Dec. 31	..	Net \$351	..	..	..
Linea Light, Pwr. and Tramways	1 mth	Aug. 31	..	Net \$15,519	+ 4,435	..	..
Para Electric	8 mths	July 31	31	Gross \$26,138	..	..	..
Puebla Tram, do.	7 mths	July 31	31	Net \$117,500	+ 12,800	854,200	+ 34,900
Rangoon Electric	6 mths	June 30	30	Gross \$4,540,200	+ 33,300	27,455,340	+ 4,131,181
Shanghai Electric	10 mths	July 31	31	Net \$2,593,310	+ 8,710	16,893,294	+ 3,030,668
Singapore Trams	10 mths	July 31	31	Net \$234,849	+ 149,879	1,603,525	+ 513,575
United Electric of Montevideo	10 mths	July 31	31	Net \$67,900	+ 6,000	679,800	+ 38,000
Vera Cruz	7 mths	July 31	31	Gross \$55,794	+ 4,029	537,395	+ 28,043
Winnipeg Electric	6 mths	June 30	30	Net \$14,700	+ 5,408	139,400	+ 10,600
				Net \$43,328	+ 24,718	2,704,424	+ 79,980
				Net \$143,344	+ 17,815	999,918	+ 108,028

(a) Formerly Cordoba Light, Power, and Traction. (b) Four-weekly returns.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 27, 1926.	Miles Open.	Week ended Aug. 29, 1926.			Aggregate 33 Weeks, 1926.		
		Passen-gers, &c.	Goods, &c.	Total for Week.	Passen-gers, &c.	Goods, &c.	Total Receipts.
Great Western	5,778	314,000	221,300	535,300	8,214,000	9,023,000	17,237,000
Do for 1925	5,775	360,000	301,000	661,000	9,290,000	11,031,000	20,321,000
London & N. Eastern (a)	5,715	515,000	385,000	900,000	1,401,000	1,773,000	3,174,000
Do same period 1925	5,714	588,000	612,000	1,200,000	1,527,000	2,239,000	3,766,000
Lon., Mid., & Scottish	6,951	723,000	598,000	1,321,000	18,930,000	22,850,000	41,780,000
Do for 1925	6,950	795,000	789,000	1,584,000	21,954,000	28,910,000	50,864,000
Southern	2,180	427,000	94,000	521,000	10,950,000	3,376,000	14,326,000
Do 1925	2,183	464,000	121,000	585,000	11,855,000	3,954,000	15,809,000
Metropolitan (a)	59	28,400	2,300	30,700	990,400	98,100	1,088,500
Do for 1925	58	37,400	3,700	41,100	1,138,400	126,800	1,265,200
Underground E.R. (a)	..	..	..	258,500	..	..	8,402,100
Do for 1925	..	..	..	250,400	..	..	8,581,200
Lon. & Sub. Group (a)	..	..	..	39,800	..	..	1,267,700
Do for 1925	..	..	..	39,300	..	..	1,307,700
Belfast & Co. Down (b)	80	3,420	749	4,169	107,122	30,169	1,372,221
Great Northern (b)	562	18,200	15,750	33,950	538,850	533,750	1,072,600
Great Southern (b)	2,181	50,249	40,790	91,039	1,245,228	1,420,178	2,705,407

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	17 weeks	July 31	1,072	Rs. 3,11,000	+ 8,232	54,54,655	+ 2,09,646
Barelly R.	18 weeks	Aug. 7	118	18,100	+ 100	7,60,700	+ 89,400
Bengal & N. Western	18 weeks	Aug. 7	2,076	5,70,300	+ 8,230	13,25,695	+ 12,98,864
Bengal-Nagpur	17 weeks	July 31	2,861	13,46,000	+ 1,03,000	2,80,24,479	+ 3,72,748
Bombay, Bar., & C.I.	22 weeks	Aug. 28	3,033	17,16,000	+ 1,17,000	4,57,55,000	+ 1,36,680
Burma	17 weeks	July 31	1,349	6,24,581	+ 75,055	1,36,43,788	+ 3,79,026
Madras & S. Mahr.	18 weeks	Aug. 7	3,048	14,00,000	+ 1,091	5,10,15,884	+ 8,74,777
Nizam's Guaranteed (a)	18 weeks	Aug. 7	993	2,89,262	+ 46,623	70,22,687	+ 5,62,419
Rohtak & Kumaon	17 weeks	July 31	259	41,450	+ 3,914	10,40,464	+ 34,318
Do Lucknow-Bareilly	17 weeks	July 31	290	48,135	+ 1,507	11,76,113	+ 24,265
South Indian	18 weeks	Aug. 7	1,876	9,06,525	+ 17,139	1,88,33,292	+ 4,37,061

(a) Total receipts of all lines.

ARGENTINE (a).

Argentine N.E.	9 weeks	Aug. 28	754	13,500	+ 1,300	106,100	+ 14,000
B. A. and Pacific	9 weeks	Aug. 28	2,652	134,000	+ 3,000	1,128,000	+ 4,000
B. A. Central	9 weeks	Aug. 28	28	13,933	+ 201	114,460	+ 5,763
B. A. Gt. Southern	9 weeks	Aug. 28	4,720	202,000	+ 2,000	1,615,000	+ 11,000
B. A. Western	9 weeks	Aug. 28	1,882	81,000	+ 1,000	3,48,000	+ 33,000
Central Argentine	9 weeks	Aug. 28	3,506	205,000	+ 17,000	1,793,000	+ 43,000
Cordoba Central	9 weeks	Aug. 28	1,202	75,000	+ 5,000	622,000	+ 45,500
Entre Rios	9 weeks	Aug. 28	728	22,400	+ 3,300	168,900	+ 21,300

CUBAN.

Havana Central	9 weeks	Aug. 28	..	11,230	+ 184	..	..
United of Havana	9 weeks	Aug. 28	1,301	48,305	+ 5,555	417,507	+ 76,377

URUGUAYAN.

Central Uruguay	9 weeks	Aug. 28	873	21,252	+ 185	179,353	+ 12,575
C. Urug. (East, Ext.)	9 weeks	Aug. 28	311	4,054	+ 178	34,551	+ 7,519
C. Urug. (North, Ext.)	9 weeks	Aug. 28	185	1,985	+ 778	18,241	+ 4,977
C. Urug. (West, Ext.)	9 weeks	Aug. 28	811	2,453	+ 233	19,876	+ 1,105

CANADIAN.

Canadian National	33 weeks	Aug. 21	22,065	5,131,703	+ 373,174	158,522,749	+ 186,204,74
Canadian Pacific	33 weeks	Aug. 21	14,229	3,651,900	+ 141,000	112,249,000	+ 118,710,00

BRAZILIAN (b).

St. West. of Brazil...	35 weeks	Aug. 28	1,018	£	14,400	+	£	2,600	£	572,600	+	£	108,200
Leopoldina	35 weeks	28	1,856		54,806	+		11,629		1,473,025	+		411,000
Leopoldina Termni.	35 weeks	28			6,67	+		1,224		263,290	+		91,000
San Paulo	35 weeks	29	1534		48,374	-		5,603		1,627,993	+		205,000

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefec.	Ordinary.	Rate.				
		£	£	£	£	£	%	£	£	£	%
Banks.											
Bank of Victoria	June 30	38,934	200,924	239,858	41,676	106,125	10	53,000	39,057	189,797	9
Breweries.											
Kay's Atlas Brewery	June 30	30,232	21,719	51,951	3,168	12,500	12½	3,000	33,283	20,431	12½
Hotels, Restaurants, &c.											
Smedley's Hydropathic	July 31	6,312	9,280	15,592	1,125	7,500	12½	..	6,967	10,123	12½
Iron, Coal, and Steel.											
Wm. Roberts (Tipton)	Mar. 31	2,513	1,599	4,112	1,680	..	..	..	2,432	..	..
Rubber, &c.											
British Borneo Para	April 30	4,459	24,531	28,990	..	20,000	40	2,500	6,490	12,922	5
Trusts.											
Allied Noteholders	June 30	..	11,635	11,635	..	..	..	..	11,635	..	..
Mid-European Corporation	July 31	3,360	78,845	82,205	..	60,000	6	10,000	12,205	..	..
Other Companies.											
Bath and Portland Stone Firms ..	June 30	45,439	27,099	72,538	..	18,750	15	..	53,788	28,481	15
Crittall Manufacturing	May 31	6,382	102,577	108,959	42,521	30,000	15	21,082	15,356	58,076	10
Eastwoods	Mar. 31	24,553	74,618	99,171	..	52,500	17½	21,000	25,671	60,164	15

* Half-year.

† Tax free.

different, and prices moved in a downward direction in sympathy with weaker American cables occasioned by more favourable Canadian crop reports. Steamers of white Pacific October sold 50s 6d, Australian arrived 54s, and ditto afloat to Mediterranean at 55s. Maize dull, and La Plata qualities freely offered in near positions at less money, but European kinds firmly held owing to scarcity and dearth of freight. A steamer of La Plata just sailed changed hands at 30s per 480 lbs c.i.f. Wheat dull and easier. No. 1 Northern Manitoba quoted 58s 9d, No. 2 ditto 57s, No. 2 hard winter 53s 3d, choice white Karachi 56s, Barusso 61 lbs 53s 9d all ex-ship per 496 lbs. English new 10s 11d-11s 2d per 112 lbs. Flour lower. London standard grade 48s, town whites 49s, patents 50s-51s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 46s to 48s, Minneapolis 46s 6d-48s 6d, Australian 43s 6d-44s per 280 lbs ex store. Maize slow and values weak. Plate landed 32s 6d, ditto ex-ship 30s 9d, Bessarabian ex-ship to arrive 32s 6d per 480 lbs. Barley inactive. Californian 35s-43s, Chilean Chevalier 50s-57s, ditto brewing 35s 6d-48s, Australian Chevalier 45s-47s ex-store, Smyrna 35s-48s ex-ship per 448 lbs, No. 3 Canadian Western ex-ship 29s 6d, Russian landed 30s 6d, ditto ex-ship to arrive 28s 9d, Persian ex-ship 28s 6d per 400 lbs. English new 9s 6d-10s per 112 lbs. Oats quietly steady, La Plata landed 23s 3d, No. 2 Canadian Western ex-ship 26s 9d, landed 27s 6d, No. 2 Canadian feed ex-ship 23s, landed 24s 6d, Chilean Tawny ex-ship 22s 9d, American 38 lbs ex-ship 22s 9d, landed 24s 3d, mixed feed ex-ship 19s 6d, landed 20s 9d per 320 lbs. English new 8s 4d-9s per 112 lbs. Millers' offals quiet. Broad bran 6s 6d, middlings 7s 6d, fine ditto 9s, bags included ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal quiet and easier. London-made flaked 17s, rolled oats 16s, medium also fine cut 16s, coarse also medium pinhead 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1925-26, 1924-25, 1923-24, 1922-23:—

	1925-1926.	1924-1925.	1923-1924.	1922-1923.
Estimated sales of home-grown wheat—				
1 week to August 28	94,944	249,432	53,769	269,899
52 weeks to August 28	12,947,501	11,835,528	12,821,842	17,454,836
Average price of English wheat per cwt.	12 6	11 7	12 2	9 1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Aug. 21	15,413	16,770	28,876	13 1	12 6	9 1
Aug. 28	94,946	43,550	36,578	12 6	13 10	9 0
1925.						
Aug. 21	163,230	15,999	45,193	10 1	10 4	9 2
Aug. 28	269,899	34,036	54,182	9 1	9 6	8 8
1924.						
Aug. 21	53,769	103,947	48,505	12 2	14 8	9 1
Aug. 28	249,432	74,987	62,660	11 7	14 6	9 8

AMERICAN WHEAT MARKETS.

Dullness has pervaded all markets this week, the predominant factors being reported heavy interior movement of the new crops and the absence of demand from overseas consumers. Quotations:—

	Jan. 2, 1925.	Sept. 3, 1925.	Jan. 7, 1926.	Aug. 26, 1926.	Sept. 2, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 135½	160	(a) 134½	(a) 130½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(b) 154½	176½	(b) 134½	(b) 130½

(a) October delivery.

(b) September delivery.

Visible supplies of wheat in Canada, at 12,557,000 bushels, show a decrease of 3,494,000 bushels, as compared with the previous figures. Supplies a year ago stood at 3,937,000 bushels.

COAL.

Our Cardiff correspondent writes:—There has been no material change this week. The importation of foreign coals at Cardiff remains at about 60,000 tons per week, and although the bulk comes from Hampton Roads, cargoes are arriving of Silesian, Westphalian, and even Czechoslovakian coal. The railway companies and the gas and electricity undertakings have covered their requirements up to the end of September, but are temporarily delaying further purchases of foreign coal in the expectation of a settlement of the dispute. The Mines Department has also relaxed the conditions governing the granting of permits for the distribution of the controlled coals, and in its circular to the colliery companies it states that the revised procedure has been decided upon partly in order that as additional men return to work the collieries shall not be hampered in the disposal of their output, and partly to assist the return to normal trading as quickly as possible. There are inquiries on the market for post-strike supplies of South Wales coals, and it is reported that in at least one case a contract has been entered into to deliver within three weeks after the termination of the stoppage.

IRON AND STEEL.

The following has been extracted from the weekly report of the London Iron and Steel Exchange:—Rather more activity has been apparent in the market this week; but the holiday season is not yet over, and there is still a strong inclination on the part of traders to postpone business until the situation regarding the coal strike becomes clearer. The tone of the weekly meeting was apathetic, but it was reported that the British steel makers had booked a fair number of orders of late for delivery when production is resumed after the strike. The belief is gaining ground that the end of the coal strike is in sight, and as a consequence some buyers are placing orders so that they may be executed directly the steel industry gets to work again.

ZADRUŽNA GOSPODARSKA BANKA D.D.

(The Co-operative Economic Bank & Savings Co., Ltd.).

at LJUBLJANA, JUGOSLAVIA.

BRANCHES: Bled, Celje, Djakovo, Maribor, Novisad, Sarajevo, Sombor, Split, Sibenik. Foreign Correspondents for Yugoslavia of The American Express Company, New York, and Agencies; National Bank of South Africa, Pretoria; Commercial Bank of Australia, Melbourne, and branches.

Remittances to and from Yugoslavia. Bills collected. Banking and Exchange Business of every description transacted.

try gets to work again. The question of whether or not prices will advance when this takes place is being actively discussed. Much will depend upon the price of industrial fuel after the miners return to work; but the general impression seems to be that it will be considerably above that ruling before the strike, and that as a consequence the quotations for iron and steel material will also be higher than prior to May 1st.

Our Middlesbrough correspondent's report, dated September 2, 1926, is as follows:—Pig-iron: Prices of Cleveland iron have been advanced 6d per ton, and No. 3 Cleveland G.M.B. is now 90s 6d per ton f.o.t. Makers can command their own price, but most consumers are dependent on cheap foreign iron, imports of which have been fairly substantial lately. Hematite is less scarce, and the price of East Coast mixed numbers remains at 82s 6d per ton. Although fuel is more plentiful, it is far too dear to enable makers to restart more plant. Manufactured Iron and Steel: Small lots of material are being disposed of. A fair amount of activity is taking place at some rolling mills, to meet special requirements. Prices are approximately as follows:—Steel ship plates, £8; steel ship angles, £7 10s; iron bars, £11 15s; steel rails, £8 10s. Iron ore: Business in foreign ore is entirely held up, and best rubio is nominal at 21s 6d per ton c.i.f. Tees.

Our Sheffield correspondent writes:—Some works are now obtaining British coal from Nottinghamshire and Derbyshire, but none is forthcoming from the South Yorkshire pits, which are situated, so to speak, at their doors. Prevailing prices are still above normal. Large quantities of coke from Westphalia have lately been imported and sold to the iron foundries. It is said to be not far inferior to the Durham coke usually employed, but is extremely expensive, costing between 65s and 67s 6d per ton delivered. This importation has enabled a number of closed foundries to restart. The rolling mills and lighter steel branches continue to carry on, though with increasing costs. The scarcity of Sheffield high-grade steel has caused a run upon Swedish steel. Importers have cleared their stocks, and considerable quantities are under orders. A limited amount of crucible steel is being melted, but in the absence of the proper fuel the quality is not always up to the standard. The market for heavy steel scrap is practically at a standstill. Holders having no space to stock, have sold parcels at low prices. A recovery of prices is anticipated when steel melting is resumed.

Our Glasgow correspondent writes:—The majority of sheet works and re-rollers of steel bars are producing to a good average capacity, but output falls short of demand. Bar iron makers have increased their prices for Crown bars, and are experiencing a good demand. Heavy steel works remain closed, and will not be able to resume until local supplies of fuel are obtainable. Work at the shipyards and engineering establishments is greatly hampered through want of material. Foreign steel is coming into this district in fairly large quantities, and is now quoted at firmer prices. A good deal of Continental semi-finished steel is being used by sheet and bar rollers, as this class of steel is now quite unobtainable from British sources. There is a steady run on stocks of pig-iron, and prices have an upward tendency. Consumers are beginning to suffer from scarcity, but are unwilling to commit themselves at present rates for delivery after the strike.

Our Cardiff correspondent writes:—In the iron and steel industry the production of pig-iron and steel bars is on an extremely limited scale, but approximately between 40 per cent. and 50 per cent. of the tinplate mills and finishing departments are operating, and shipments, although much reduced, are continuing. Prices are a shade easier under the influence of an impression that the coal stoppage will end soon, quotations for prompt shipment being about 20s per basis box, and for post strike positions 24s. Galvanised sheets are steady at about £16 10s to £17.

OTHER METALS.

TIN.—The market opened firmer, in face of higher Eastern cables and a better demand, with holders showing more reserve, but later prices gave way on realisations. Standard cash sold £294 10s-£296 15s and £294 10s, and three months £290 5s-£293 2s 6d and £290 10s. Sales in the East were reported at £297 to £299 15s and £298.

COPPER slightly irregular, and barely steady on balance, with liberal dealings recorded. Standard cash changed hands at £59 5s to £59, and three months £60 to £59 15s. LEAD ruled firmer during the first half of the week, and near positions were well supported. Later, however, values gave way on heavy realisations both near and forward positions. Good, soft foreign pig September sold £32 17s 6d to £32 8s 9d, October £32 10s-£32 12s 6d-£32 3s 9d, December £32 8s 9d-£32 10s and £32 1s 3d. SPLITTER market irregular with dealings on a liberal scale. September sold £34 8s 9d-£34 12s 5d-£34 11s 3d, October £34 11s 3d-£34 12s 6d-£34 12s 6d-£34 8s 9d, November £34 11s 3d-£34 12s 6d-£34 6s 3d, December £34 11s 3d-£34 12s 6d and £34 10s per ton. ANTIMONY quiet. English special brands £74 10s-£75, foreign spot £64 10s. China crude afloat sold £40, regulus ditto £62 per ton.

ALUMINIUM quiet. Home delivery £118 per ton. QUICKSILVER spot £15 10s per bottle. WOLFRAM steady, and forward quoted 14s to 14s 3d per unit. TIN PLATES quietly steady on the basis of 23s to 23s 6d per box for prompt and 20s 6d forward delivery f.o.b. Swansea.

HARRISONS & CROSFIELD, LTD.

1-4, GREAT TOWER STREET, LONDON, E.C.3.
WITH BRANCHES AND ASSOCIATED COMPANIES IN:—
AUSTRALIA CEYLON JAPAN NEW ZEALAND
BORNEO CHINA JAVASUMATRA
CANADA INDIA MALAYA U.S.A.
MANUFACTURERS DESIRING REPRESENTATION IN ANY OF THE ABOVE COUNTRIES ARE INVITED TO COMMUNICATE WITH THE COMPANY.

THE COTTON TRADE.

LIVERPOOL, September 2, 1926.

There has again been but a meagre demand. Values of American show but little change, weather reports having been not altogether unfavourable. Prices of Egyptian have shown a very smart advance on speculative buying by Alexandria, based upon rather less favourable crop accounts. Spot sales for the week August 27th to 2nd inst. (inclusive) were 29,000 bales. Of these, 14,410 bales were American, 2,100 Brazilian, 6,600 Peruvian, 2,700 Egyptian, 2,600 African, 250 East Indian, and 250 sundries. Imports for the same period were 19,442 bales. These included 6,716 bales American, 3,933 Brazil, 2,265 Peru, 4,895 African, 1,520 East Indian, and 113 sundries. Quotations to-day are: American middling, 10.14d; Egyptian Sakel, 17.65d; uppers, 13.45d; Brazil fair, 10.09d; Peru G.F. mod.-rough, 11.00d; smooth, 11.00d; Tinnivelly F.G.F., 8.95d; East African G.F., 11.55d; and West African middling, 9.79d.

MANCHESTER, September 2, 1926.

The past week has been one of the quietest for a long time. Buyers generally have operated from hand to mouth, the opinion being still held that it will be possible to operate on a cheaper basis in the near future. There is no possibility of any decided improvement in trade until work is resumed in the coal-pits. Most business offering has been for India, and many offers have again had to be turned down. Calcutta continues to be the most disappointing outlet, a decided shrinkage having occurred in the number of offers. Occasional sales have taken place for Bombay, Madras, Karachi, and the up-country districts. Demand for China has been at a low ebb, and recent advices remain very discouraging. Only moderate support has been given by the Near East, but some fair transactions have been put through for the colonies. American yarn quotations have been well maintained, but there is still plenty of room for improvement in medium counts. Spinners of Egyptian descriptions have advanced prices in sympathy with the rise in the raw material rates, but the advance has checked buying.

(I.) Comparative Statement of the Cotton Trade.

	Price, Sept. 2, 1926.	Price, Aug. 26, 1926.	Price, Aug. 19, 1926.	Price, Aug. 12, 1926.	Price, Aug. 5, 1926.	Price, July 28, 1926.
Raw Cotton—Mid. American	d 10-14	d 10-16	d 9-63	d 9-35	d 9-80	d 10-10
— Sakellaridis Fully Good Fair Egyptian	17-65	16-20	15-75	15-25	15-90	16-25
Yarns—32's twist	16½	16½	15½	15½	15½	15½
— 40's twist	16½	16½	15½	15½	15½	15½
— 60's twist (Egyptian)	28	27	27	26½	27	27
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	25 9 25 9	25 6 25 6	25 0 25 0	25 0 25 0	25 0 25 0	25 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	29 9 29 9	29 6 29 6	29 0 29 0	29 0 29 0	29 0 29 0	29 0
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 10½ 14 10½	14 10 14 10	14 6 14 6	14 6 14 6	14 6 14 6	14 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 14 14 14	14 10 14 10	13 9 13 9	13 9 13 9	13 9 13 9	13 9

(II.) Compared with Previous Years.

	Price, Sept. 2, 1926.	1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	d 10-14	d 12-69	d 15-40	d 15-30	d 13-76	d 10-76
— Sakellaridis Fully Good Fair Egyptian	17-65	23-40	25-15	16-65	18-00	18-00
Yarns—32's twist	16½	20	24½	21	20½	18
— 40's twist	16½	20½	25½	21	19½	16½
— 60's twist (Egyptian)	28	35	35½	29	28½	31
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	25 9 31 3	34 6 30 6	32 6 32 6	31 0 31 0	31 0 31 0	31 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	29 9 35 3	38 9 34 0	32 6 32 6	30 0 30 0	30 0 30 0	30 0
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 10½ 17 9	20 3 18 3	18 3 18 3	18 0 18 0	18 0 18 0	18 0
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 14 15 10	18 9 16 6	17 0 17 0	17 0 17 0	17 0 17 0	17 0

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THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The new season has opened in Australia with a good general demand for wool, and with prices decidedly firm. In this market all quotations are very firm in sympathy, but the actual volume of business in tops has not been equal to that of the previous week or two. Spinners would like to buy at the prices ruling before the recent advance, but topmakers have very decided views regarding the value of wool, and more especially wool on the spot. Current requirements are not large, but stocks in the hands of users are also rather light, and it is considered that any material expansion in demand which may follow the settlement of the coal strike will cause a further rise in prices. The bugbear of the industry is that selling prices consistently lag behind costs of replacement, and the farther one gets away from the raw wool the more difficult it is to pass on any advance. It is recognised that the present state of the industry in this country does not warrant any further appreciation in wool values, but both in the primary markets and in London this month buyers may be forced to follow the lead of foreign competitors. There is not much change in topmakers' quotations, but all qualities are very firm, with, if anything, a hardening tendency. Spinners have advanced their quotations as a protective measure, but it is difficult to make more money for most descriptions of yarn. The most encouraging feature is that good particulars have been received against old contracts, and there is a marked improvement in employment in the spinning section. The demand for piece-goods on home account is well maintained.

COLONIAL WOOL.

(FROM OUR CORRESPONDENT.)

Values at the wool sales in Sydney, the opening of the Australian selling season, have gone very much in accordance with anticipations. During the past six weeks consumption has been steadily increasing, August having been one of the busiest months in consuming centres this year. The increase in activity was heralded by the commencement of Russian buying, and a very sound situation has been revealed. Purchases on Russian account have included every quality from 46-70's. At the commencement of the movement two or three Bradford firms made large sales, and have since been very busy delivering wool and tops. One effect of the revival has been to demonstrate that stocks of merino wool in Bradford are by no means heavy. A repetition of the placing of orders on the same scale would practically clear out the market, and there is an indication of the smallness of stocks in the buying limits cabled to Sydney. The majority of these limits were at 4s for good average 64's tops, but purchases on that basis have been very small so far. After Monday some buyers advanced their limits to 4s 6d, and "picking up" is now being done by all.

Cable reports of the sales are unanimous in stating that prices for good wools are mostly 5 per cent. above those current at the end of June. Pieces, bellies, and the shorter combing and clothing wools appear to be fully at par. There is just a little diversity as to what tops will cost, some estimating that warp 64's will cost 5 1/2d, and super 60's 4 1/2d. These prices are just about in harmony with those current in Coleman Street last series. Even allowing for the somewhat divergent views held about the cost of wool, Sydney is a very good market, for when the raw material can be purchased to bring in good warp 64's tops at 50-51d, we consider that prices are reasonable.

From the manufacturing point of view there is nothing to justify any inflation of wool values, for a further expansion of consumption at home and abroad is necessary. The sale of large quantities of wool to the Continent has no doubt been the immediate means of sustaining the present firm level of colonial values, but there is something wrong with manufacturing conditions in Bradford and district. All the wool sold for abroad could easily have been worked up by the machinery here if there had been any ultimate demand for it, and if there had been no coal strike it is quite probable that prices for tops would have been higher than they are to-day. Most importers are now of opinion that they can afford to wait developments, and in about another fortnight values will be submitted to another test at the London sales. It is understood that the quantity available will be approximately 170,000 bales, which will mean a series lasting four weeks. This quantity will be quite sufficient for all prospective needs, and if merinos and fine crossbreds advance 5 per cent. and medium and coarse crossbreds 10 per cent., it will be ample.

THE JUTE TRADE.

DUNDEE, September 2.

Prices of raw jute are still moving contrary to expectations, and the feeling is growing that the Government estimate of a record crop of between 11 and 12 million bales has been rather exaggerated. The final forecast will be issued in Calcutta on September 20th next. The district returns will be known a week earlier. Never before has there been such reluctance on the part of Calcutta to offer the raw material at this period of the season, and instead of spinners here purchasing thousands of bales to cover their requirements only a few hundred bales are changing hands where it is absolutely necessary to have the fibre landed here at a certain time. There is great doubt whether values will depreciate to the extent anticipated. Prices during the past month have gained at least £5 per ton, first marks now being offered at £35 for September shipments, and lightnings at £33 10s. There are no offers of

Daisee fibre being made, and the price of assortment is nominal at round about £30 for October-November shipment.

A considerable business has taken place in jute yarns during the past two weeks, as the result of which prices have appreciated 3d per spindle for cops and spools. The respective rates at which business is being negotiated are 3s 3d and 3s 4d, and some sellers are refusing to sell further, having booked large orders. The hessian cloth trade has improved, and orders are now being placed for larger quantities for delivery to the end of the year. Prices have advanced in sympathy with jute and yarns, manufacturers now quoting 4 1/2d for 10 1/2-ounce 40-inch Hessians and 3 1/2d for 8-ounce. Linoleum hessian buyers have been taking off fair quantities, and prices have firmed up. Calcutta goods have appreciated, and speculative sellers have withdrawn from the market for the early positions of shipment. Spot goods have been in demand from United States, and prices are higher at 29s 6d for 10-ounce 40 inch, and at 25s 3d for 8-ounce.

CHEMICALS AND FERTILISERS.

Business in the chemical market has been quieter during the month, holiday conditions having lessened the demand from the consuming industries. Actual trading has been only for small lots, and several products have been reduced in price. The undertone continues firm, however, with stocks short, and prices higher in some lines, including oxalic acid, sodium sulphide, and lithopone. Coal-tar products are now very scarce, with quotations nominal, actual business being at very high levels. Barium chloride and some potash chemicals are easier, while acetone is much cheaper at nominal rates. Fertilisers are in quiet request, with basic slag and ground mineral phosphate attracting some attention for autumn delivery. New season's prices are in force for ammonium sulphate. Nitrate of soda and superphosphate are both cheaper. Comparative representative quotations are as follow:—

	1926.							
	Sept. 2.	Aug. 5.	July 1.	June 1.	Sept. 2.	Aug. 5.	July 1.	June 1.
Ammonium sulphate	11 7 0	13 1 0	13 1 0	13 1 0	11 7 0	13 1 0	13 1 0	13 1 0
Arsenic, white powdered	13 5 0	13 0 0	13 0 0	13 0 0	13 5 0	13 0 0	13 0 0	13 0 0
Barium chloride	9 12 6	9 11 0	10 10 0	10 10 0	9 12 6	9 11 0	10 10 0	10 10 0
Bleaching powder	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0	8 10 0
Carbolic acid	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2
Caustic potash	27 10 0	27 5 0	27 10 0	27 10 0	27 10 0	27 5 0	27 10 0	27 10 0
Citric acid	0 1 3	0 1 3 1/2	0 1 3 1/2	0 1 3 1/2	0 1 3	0 1 3 1/2	0 1 3 1/2	0 1 3 1/2
Cream of tartar	3 15 6	3 17 0	3 16 0	3 16 0	3 15 6	3 17 0	3 16 0	3 16 0
Formaldehyde	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts	3 11 3	3 12 6	3 13 9	3 13 9	3 11 3	3 12 6	3 13 9	3 13 9
Lead acetate, white	43 0 0	43 10 0	43 10 0	43 0 0	43 0 0	43 10 0	43 10 0	43 0 0
Oxalic acid	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2
Potassium permanganate	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2
Potassium prussiate	0 0 6 1/2	0 0 7 1/2	0 0 7 1/2	0 0 7 1/2	0 0 6 1/2	0 0 7 1/2	0 0 7 1/2	0 0 7 1/2
Sodium nitrate	12 5 0	12 10 0	13 0 0	13 0 0	12 5 0	12 10 0	13 0 0	13 0 0
Sodium hyposulphite	9 0 0	9 2 6	9 2 6	9 2 6	9 0 0	9 2 6	9 2 6	9 2 6

HIDE, LEATHER, AND ALLIED TRADES.

The firmness in the hide market is maintained, and although tanners still maintain a policy of reduced input, they seem unable to control the values of raw material. At the Bermondsey auctions on Thursday best ox hides sold from 6d to 9d, and best cows at 5 1/2d—showing practically no alteration on last prices. Calfskins in best selections made from 6 1/2d for heavy to 9 1/2d for medium, lights being withdrawn. Lambskins sold from 2s to 9s each, and pelts from 5s to 8s each. Oversea hides are advancing, and good sales are reported to have been made of S.A. frigorifics at 7 1/2d for Argentine ox. Values of dry hides are also advancing, and 1 1/2d is quoted for dry B.A. Americans. The Chicago market is cabled as active, with best heavy packers now quoted at 15 1/2 cents. Trade in sole leather is much better than might have been expected; 10-12 and 12-14 lb bends have moved off well, whilst 7-9 have gone out from tanneries freely. Merchants are selling sole bends in fair-sized quantities, and 12-14 lb selections have made from 20d to 30d. The leather market is firm, and stocks are low. In upper stock, box and willow calf are selling fairly well. Coloured glacé

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kid is wanted, and there is a tendency toward the use of black kid for certain purposes. The shoe trade is quiet, the summer demand being almost over.

VEGETABLE OILS AND OILSEEDS.

Markets generally are far from active. Consumers of linseed oil are moderate in their requirements, and current quotations are easier at around £32 10s per ton naked ex Hull mill prompt and to December delivery. Cotton oils have continued neglected and are lower, crude Egyptian offering freely at £35 and ordinary refined at £37 10s ex Hull. Other vegetable oils are in poor demand. In the oilseed section a further decline has been recorded in Plate linseed, which changed hands at £15 10s on passage and £15 11s 3d September-October, with up to £15 15s paid for later shipment. New crop is offering for January-February shipment at £15 15s. A small trade has been done in Calcutta linseed to London at £17 5s for seed on passage. Cottonseed is firmer on a good trade demand, black Egyptian now being worth £9 10s afloat and new crop £10 for September loading. Some demand for Soya beans is making itself felt, the Continent having bought at £12 3s 9d September-October shipment.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—The market for refined goods ruled quiet and rather featureless, and previous prices were repeated for British standards. Foreign kinds lack support, and with sellers more in evidence values tended in a downward direction. Czecho granulated, spot, quoted 27s 0 1/2d; September, 15s; November-December, 14s 9 1/2d, f.o.b., Hamburg. J Dutch, spot, 27s 0 1/2d; prompt, 14s 11 1/2d; October-December, 15s 0 1/2d, f.o.b., Rotterdam. German granulated, first half September, 14s 10 1/2d; ditto, cubes, November-December, 16s 10 1/2d, f.o.b., Hamburg. R.T. cubes, prompt, 17s, f.o.b., Antwerp. Belgian crystals, prompt, 14s 7 1/2d, f.o.b., Antwerp. Polish crystals, November-December, 14s 3d, f.o.b., Danzig. Cuban basis 96 per cent., September, 12s, c.i.f., U.K. White terminal easy, while in fair request. September, sold 13s 6d; October, 13s 9 1/2d; December, 14s 3 1/2d; March, 14s 10 1/2d; August, 15s 6d per cwt.

COFFEE.—Business moved quietly, this being partly attributable to the selection on offer being very narrow. Prices, however, are fully maintained. New crop East African is now on offer, but more representative quantities in auction are awaited. Kenya, bold sizes, sold, 135s to 145s 6d; peas, 126s to 145s 6d. Arusha, bold, 130s. Costa Rican, fair to fancy bold, 156s to 195s. Futures quiet. September, sold, 90s.

COCOA.—Only small sales on the spot, at late rates. Accra, F/F, November-January, sold, 44s, f.o.b.

TEA.—Indian auctions during the week amounted to 49,810 packages. All good and fine liquoring parcels were well competed for and command full recent rates, but common declined 1/2d per lb, with but a quiet movement. Pekoe, sold, 1s 3d to 1s 1 1/2d; broken orange, 1s 6d to 2s 6 1/2d; and choice, 3s 5d to 4s 2d. Ceylon auctions of 29,100 packages aroused brisk support for all qualities marking further improvement, and these advanced 1/2d per lb, but common and plain teas ruled 1/2d per lb lower. Pekoe, sold, 1s 3 1/2d to 1s 1 1/2d; broken orange, 1s 4 1/2d to 2s 4d per lb in bond. New season's China meets with but quiet attention. Keemun sold, 1s 10d to 2s 4d, and Foochow Soochongs, 3s 2d to 3s 4d; fine Ching-Wo, 1s 9d. Common old Monongs are wanted in the region of 7d per lb. In auction, 7,029 packages Java and Sumatra offered experienced a better demand, but prices disclosed slight irregularity. Good liquoring grades were in request, and realised full to dearer prices, while leaf kinds sold readily on export account. Pekoe sold, 1s 2 1/2d to 1s 3 1/2d; broken pekoe, 9 1/2d to 1s 6 1/2d; orange pekoe, 1s 4 1/2d to 1s 5 1/2d; broken ditto, 1s 2 1/2d to 1s 1 1/2d; flowery ditto, 2s 1d; and pekoe souchong, 1 1/2d to 2s 1/2d per lb, in bond.

RICE.—Market remained dull, and without new feature. Rangoon, two stars, spot, London, quoted 16s 6d; July-August, 16s, c.i.f., U.K. No. 1, garden Siam, August, 17s 7 1/2d. No. 1 Saigon round grain, August-September, 15s 9d, c.i.f., U.K. Italian idle, with cleaned, afloat, sellers, 21s; Spanish, September-October, 20s to 20s 3d per cwt, c.i.f., U.K. Japanese peas, spot, 30s; September-October, 25s per cwt. Beans slow of sale.

SPICE.—Pepper firmer. Black Singapore, spot, 8d, f.a.q.; August-October, 7 1/2d. Lampong, spot, 8d; August-October, also October-December, sold, 7 1/2d to 7 3/4d; white Muntok, spot, 1s 2 1/2d; L.S., August-October, also October-December, sold, 1s 0 1/2d to 1s 0 3/4d. Cloves dull. Zanzibar, spot, 9 1/2d to 9 3/4d; August-October, 8 1/2d. Pimento, spot, 6 1/2d per lb; September-October, 48s per cwt. Tapioca flake, Singapore firm, to Havre, August-September to October-December value, 16s 6d. Sago flour steady. Sarawak to U.K., August-September, also September-October, sellers, 15s 1 1/2d; October-December, buyers, 15s 1 1/2d per cwt, c.i.f. terms.

FRUIT (Dried).—Currants firm, but quiet. Amalia, quoted 30s to 31s; Pyrgos, 29s to 30s; Patras, 31s to 33s; Gulf, 32s to 35s; Vostizza, 40s to 53s; Australian, 38s to 48s. Sultanias quiet. Australia, quoted 64s to 80s; South African, bleached, 63s to 68s. Smyrna, good average, cleaned, September shipment, 45s. Dates steady. Siar, quoted 13s; Khadowie, 15s to 16s; Hallowee (cases), 22s 6d to 25s. Business was reported during the week in new Hallowee, first tide, 2,000 cases, shipment from Bombay at 34s. Raisins move off slowly. Cape, f.a.q., 36s; g.a.q., 40s; Lexias, new crop, 40s to 45s. Evaporated fruits dull of sale. Californian apricots, extra choice, 125s; fancy, 132s 6d; South African new Royals, first grade, 140s. Plums, Californian, 30/40's, 69s; 40/0's,

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56s; 60/70's, 46s; 70/80's, 43s; 80/90's, 38s 6d; Oregon, 30/40's, 60s; 35/45's, 53s 6d. Peas, Californian, extra choice, 67s 6d; fancy, 77s 6d; Lake County, fancy, 85s. Apple rings, Californian, extra choice, 50s to 60s; September-October shipment, 45s 9d; Canadian, spot, 47s cwt.

CANNED GOODS.

CANNED FISH.—Sardines in moderate demand, but there is still a scarcity of good quality. Portuguese, 1/2s, quoted 4s 3d to 6s per dozen tins. Salmon slow. Red, tall, 1 lb, 54s to 56s; tall pink, 25s to 27s; pink 1/2s mostly cleared. Lobsters quiet. Best 1/2s, quoted 157s 6d to 160s, and 1/2s, 90s. Japanese crab clears readily. Crayfish steady.

CANNED FRUITS in better demand, especially for pears, which offer at reasonable prices. Californian Bartlett pears, 24-2 1/2s, quoted 12s 6d to 13s 6d; seconds, 10s to 10s 6d. Californian peaches, choice, 10s 6d to 12s 6d; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Pines in moderate request, but prices fairly steady. Italian tomatoes quiet, unchanged.

CANNED MEAT.—Moves slowly at late rates. Corned beef 6s quoted 38s to 46s, as to quality. Danish lunch tongues, however, sell steadily, and range from 122s 6d to 132s 6d. American quoted 140s, with best 145s to 147s 6d. Ox tongues firm. Cooked boneless hams, Danish, continue in request, at 1s 8 1/2d per lb, for cases of six tins.

CONDENSED MILK.—Market unaltered, and skimmed dull of sale. Machine-skimmed ranges from 10s to 11s 6d. Full cream, 20s to 25s. Full-cream evaporated, however, continues in demand.

HONEY.—Market generally quiet, apart from a steady demand for New Zealand. New Zealand quoted 50s to 85s; Australian, 40s to 50s; Jamaica ranges from 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

Market generally quiet, and prices irregular, though fairly steady on balance. Plantation standard sheet, spot, also September, sold, 1s 7 1/2d to 1s 7 3/4d, and 1s 7 3/4d; October, 1s 7 3/4d to 1s 8d; October-December, 1s 8 1/2d to 1s 8d and 1s 8 1/2d; January-March, 1s 8 1/2d to 1s 8 3/4d; April-June, 1s 9d to 1s 9 1/2d per lb.

GENERAL.

SHELLAC dealer.—Fair T.N., orange, spot, 150s to 152s 6d; Futures, October, sold, 146s; December, 143s 6d per cwt.

COPRA quietly steady. F.M.S. Straits to Rotterdam, August-October, quoted £28 16s 3d; Dutch East Indies, ditto, £28 11s 3d; Ceylon, £29 17s 6d; other kinds, however, show no change. Palm kernels quiet. August-October, to Liverpool, sellers, £20 12s 6d per ton.

JUTE.—The market opened the week with a quiet and easier tone, but rallied later on increased buying orders, though somewhat unsettled at times on speculative manipulations. Firsts, August steamer, sold, £32 10s to £34 10s; September, £30 5s to £31 5s, £33,

£32 10s; October, £29 5s to £31 5s, £31, £32 10s, £31 10s; October-November and November-December, £28 10s, £32, and £31 5s. Lightnings, August-September, sold, £29 15s to £31 15s; September-October, £28 15s to £30 10s. Hessians and twills firm, with a moderate demand.

HEMP.—Manila ruled firm on reserved offers with fair inquiries. J grade, August-October, £46 10s; K, £36; L, £36 10s; house mark, ditto, sold, £37 to £38; M, quoted £31 10s. New Zealand quiet but steady. African sisal, No. 1, f.a.q., September-November, quoted £43 per ton.

TALLOW.—Messrs Colchesters and Woolner write on September 1st as follows:—The tallow market was less active during the week, but prices were unchanged to-day. Buyers appear to have filled their requirements for the time being. The stock in London on August 31st, as returned by the wharves, amounted to 20,199 packages, showing an increase during the month of 3,042 packages. At auction to-day 1,384 casks tallow were offered, and 196 were sold. Quotations are:—Australian mutton: Fine, 45s; good to fair, 44s to 43s; dull to dark, 42s to 40s; hard, 44s. Australian beef: Fine, 45s; good to fair, 44s to 42s; dull to dark, 41s to 39s 6d; sweet, 45s 6d.

MISCELLANEOUS.—Cocoanuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £18 to £23; cinnamon leaf oil, 45d; citronella, Ceylon, 1s 7½d; Java, 2s 4d.

Present shipment from Australasia: Good mixed, 43s 6d. Present shipment from South America, 43s 6d. The market letter is unchanged. Town tallow, 39s 6d per cwt. Rough fat, per 8 lbs, 2½d; melted stuff, 29s 6d per cwt. Quotations are:—Town, 39s 6d, net cash, naked, ex works. Country: Frail casks, 39s 6d; home melted, shipping casks, net, f.o.b., good coloured, 42s 6d; fair to dull, 41s to 39s. Bone fat: white none; pale none; benzine, 34s 6d; melted stuff, 34s f.o.b.

METROPOLITAN CATTLE.—September 2.
British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

	s	d	s	d
Beasts—Norfolk	..	..	..	..
Irish	..	..	..	..
Cambridge	6	0	6	4
Short Horns	6	4	6	8
Herefords	6	6	6	10
Devons	6	6	6	10
Beasts—Heavy Bulls	..	..	..	..
Canadian	..	..	..	..
Sheep—Downs (clipped)	8	10	9	6
Ewes	6	0	5	8
Crossbred	..	..	..	..
Scottish	..	..	..	..
Lamb—Downs	9	0	10	0

LONDON POTATO MARKETS.—September 2.

	Per Cwt.
English King Edward's	6 0 to 6 6
Sharp's Express	4 6 5 0
Eclipse	4 6 5 0
Midlothian	4 6

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.				DYE STUFFS, &c.—				METALS—B. Copper				SUGAR—per cwt, duty, 11s 8d,			
COCOA—Duty, British grown,				Galls, China				Best selected				per cent. polarisation			
9s 4d, foreign, 14s cwt	s	d	s	Turmeric, Bengal				Sheets (strong)				B.V.I., muscovado			
Trinidad	71	0	78	Madras, Bengal				Standard				Crystallised			
Grenada	58	0	59	Gambier, block				Lead Eng. Pig per ton				Java, white			
Ceylon, plantation	70	0	86	Cutch, ord. to fair				Soft Foreign				spot			
Guayaquil	75	0	100	DYEWOODS—				Spelter G.O.B.				nom			
Bahia, finest	58	0	63	Brazil				Tin—English Ingots				nom			
COFFEES—British grown,				Fustic, Jamaica				Do do bars							
9s 4d, foreign, 14s cwt	s	d	s	Cuba				Standard cash							
E. India, fine ord. g.d. mid 122	0	147	0	Lima Wood				OILS—Fish, per ton							
Do good to fine	152	0	162	Logwood, Campeachy				Seal, pale							
Costa Rica, ord. to mid. 120	0	158	0	Jamaica				Lined, p. ton net, naked							
Good to fine	162	6	194	Red Sanders				Rape, refined							
Central American, g.d. ord.				Sapang Ceylon				Crude							
to mid	115	130	0	FLAX—spot—c.i.f.				Cotton-seed, crude							
Mid to fine	135	145	0	Riga ZK				Edible, refined							
Colombian, ordinary	108	0	114	Pernau HD				Coconut, crude							
Do g.d. ord. to low mid. 116	0	126	0	Stanets U/A Medium				Deodorised							
Do mid to fine	130	0	156	FRUIT—				Palm							
CHEMICALS—				Oranges, Denia & Val. 300				Lard, American							
Acid, citric	per lb	1	3½	Do				Petroleum—Oil, per 8 lbs.							
Nitric	0	24	0	Do Cape				Water-White							
Oxalic, net	0	34	0	Lemons, Naples				Oil Cakes, Lined, Eng.							
Tartaric, English	1	04	5	Do				per ton							
Foreign	0	11½	1	Do Sicilian				Oil Seeds—Lined							
Cream of Tartar	per cwt	80	0	Do				La Plata, p. ton Aug-Sept.							
Foreign	95% 100%	75	0	Do				Bombay, p. ton Aug-Sept.							
Alum lump	per ton	10/10/0	11/0/0	Do				Calcutta, p. ton Aug-Sept.							
Do ground	11/10/0	12/0/0		Do Malaga				PORTLAND CEMENT—Best English							
Ammonia, carb.	ton	37	0	Grapes, Lisbon				per ton delivered, London 58/0							
Muriatic, White	ton	22	0	Almeria				Rapid hardening "Ferrocrete," 10/							
Sulphate	ton	22	0	Val. Ona				per ton extra							
Argenic, lump	per ton	65	0	Egyptian Ona				"Lightning" brand Aluminous Cement							
Powder	per cwt	14	0	Apples: Australasian				100/- to 105/6 per ton.							
Ashes, pot	per cwt	65	0	Cleopatra				PROVISIONS—							
Do soda	per cwt	65	0	Jonathian				Butter—per cwt							
Do soda	per cwt	65	0	Tasmanian, Various				Irish Creamery							
Do soda	per cwt	65	0	HIDES—Wet salted—				Do factory							
Bleaching powder, per ton	9/10/0	9/10/0		Australian				Antarctic							
Borax, gran.	per cwt	22	10	West Indian				Argentine							
Do crystals	23	0	0	Cape				Dutch							
Do powder	24	0	0	Lisbon				New Zealand							
Calomel	per lb	4	2	Oporto				Danish							
Iodine, dry	per oz	1	0	Dry & Drysalted Cape				Beacon, engd.—Irish							
Nitrate of Soda	per ton	13/5/0	13/7/6	Madagascar				Danish							
Potash—Chlorate, net	0	34	0	Central American				Canadian							
Do	0	8	0	Buffaloes, Singapore				American							
Do Foreign	0	7½	0	Penang				Hams—Irish							
Sulphate	per ton	11	0	E. I.				Canadian							
Sal-Ammoniac	per cwt	4	6	Markes Hides, London—				Lard—Irish bladders							
Soda Bicarb.	per ton	9/10/0	10/10/0	Do light				American boxes							
Crystals	per ton	5/10/0	5/5/0	2nd ox, heavy				Pork—per 8 lbs							
Alkali	5/17/6	6/15/0		Do light				Beef—Frozen							
Caustic	14/2/6	16/10/0		Best cow				Scotch							
Sugar of lead, white	ton	0/10/0	0/10/0	2nd do				Cheese—cwt—Canadian							
Foreign white	£44	0	46	Best calf				New Zealand							
Sulphate Quinine	1	9	110	2nd do				Eng. Cheddars							
English Brands	1	8	19	INDIA RUBBER—lb—				Cheshire							
Foreign do	1	3	10	Para, fine hard spot				Dutch							
Sulphate Copper per ton 34/10/0	34	10	0	Plantation sheet				Eggs, per 120—English							
Zinc, cut	9/0/0	9/10/0		INDIGO—per lb—				FLOUR—280 lbs—							
Bulphur Flour	9/0/0	9/10/0		Bengal, good red violet to				London standard ex mil 46							
Do Roll	8/0/0	8/10/0		fine				RICE—per cwt, c.i.f.—							
Vermillion, Chinese, per lb	4	6	9	Mid. ord. vio. to good				Rangoon, No. 2							
English	4	6	0	Low to good ord.				Broken 1a							
Oil Peppermint, H.G.H.	80	0	90	Madras, dry leaf, good				ROBIN—per ton—							
COPRA—per ton, c.i.f.	£	s	d	Do low to ord.				American							
Malabar, Sept-Oct.	nom			Kurpah, gd. mid. to gd.				French							
Ceylon	29	17	6	Low to mid.				SAGO—Pearl, per cwt							
F.M.S. Singapore	28	16	0	HEMP—per ton				SHELLAC—per cwt—							
FM Straits	27	10	0	Italian P.C.				Orange, first marks							
COCHINEAL	per lb	2/9	3/6	Manila, Sept-Nov "J"				Second, fair to fine							
DRUGS—				Grade				TN Orange							
Aloes, fine E.I.	per cwt	130	0	N.Z. high point, fair,				Garnet, Lao. AC							
Cape, good to fine	41	0	42	Ag. Sp. 32/10/0				Button—Pure							
Balaam Peru	per lb	6	0	" " Spt. Oct. 31/10/0				Blocky (TN)							
Capivi	1	7	0	" " Oct. Nv. 31/5/0				SILK—per lb—							
Camphor	2	11	0	LEATHER—per lb—				China—Blue Elephant							
Cardamom, Ceylon	5	0	8	Sole Bends 6/9 lb.				Canton							
Cantharides, China, per lb	3	6	0	Do do 10/12				Tussah							
Castor-oil	85	0	95	Do do 12/14				Re-reled							
Gum Benjamin Sumatra	5/0/0	10/0/0		Do do 14/16				Japan							
Olibanum, drops, fair to				Do do 17 lb and up				Italian—Raw, fr. Milan							
good	80	0	100	Bark Tanned Sole				SHELLS—M.-o.-P. per cwt—							
Iris yonanza	14	6	0	Shoulders fm DB Hides				Manila, bold							
Jalap	2	0	0	Do Eng. or WS do				Macassar							
Musk pod, China	67	6	70	Bellies from DB do				Sydney							
Oil, Cassia	per lb	8	0	Do Eng. or WS do				W. Australian							
Aniseed	2	10	2	Dressing Hides				Bombay							
Peppermint, Wayne Co.	70	0	75	Ro. Eng. Cal. 20/30 lb.											
Rhubarb, China fr to in.	3	0	3	Asst. Sides											

by Continental holders on an important scale. For so large is the Continent's interest in sterling bills and sterling securities now that a reversal of the movement might be disturbing. For five three months' bills $4\frac{1}{2}$ - $\frac{3}{4}$ per cent. has been the usual quotation, but buyers have been less keen in the absence of an immediately profitable resale to Continental interests. November and December Treasury bills, however, have been in rather more demand by some of the banks down to $4\frac{1}{8}$ per cent. There was a fractionally higher average for yesterday's bills, the amount offered having again been raised by £5,000,000 as compared with the amount tendered for three months ago.

	Sep. 10, 1926.	Sep. 3, 1926.	Aug. 27, 1926.	Aug. 20, 1926.	Previous Rate and Date Changed.
Bank Rate	5	5	5	5	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses (Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	2 (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed a decrease of £105,600 in coin and bullion and a decrease of £985,600 in circulation, and Reserve was £880,000 higher. Public Deposits declined by £2,726,800 and Other by £2,419,400. Government Securities were £6,063,700 lower, but Other were £37,000 higher. The proportion rose $1\frac{1}{2}$ per cent. to $29\frac{1}{4}$ per cent. Currency notes outstanding were reduced this week by £426,500 to £290,649,800, which includes £1,296,100 for notes called in but not yet cancelled. The fiduciary issue is £233,103,700, or £14,798,800 below the maximum.

The monthly statement of the London clearing banks of average weekly balances for August, which is printed in full on a later page, shows that deposits declined by £12½ millions. Acceptances also fell by £2½ millions. The following table compares the aggregate figures for the nine English banks:—

	Dec. 1925.	Mar. 1926.	May 1926.	June 1926.	July 1926.	Aug. 1926.
Capital and reserves	121.0	123.6	124.2	124.2	124.4	124.4
Acceptances	108.2	100.6	92.4	87.8	85.2	82.4
Deposits (incl. undiv. profits, &c.)	1,646.8	1,587.8	1,589.8	1,630.1	1,646.7	1,634.1
Total liabilities	1,876.0	1,812.0	1,806.4	1,842.1	1,856.3	1,840.9
Coin, notes, balance at bank, and cheques in course of collection	256.2	236.2	239.3	250.9	243.6	240.0
Money at call	117.8	109.7	112.7	121.4	118.7	117.9
Investments	286.1	272.2	268.7	267.9	270.9	272.9
Discounts	231.0	187.2	185.7	210.4	233.0	226.1
Loans and advances	846.8	876.3	877.4	873.2	874.0	871.7
Cover for accept., premises, &c.	158.1	130.4	122.6	118.3	116.1	113.3
Total assets	1,876.0	1,812.0	1,806.4	1,842.1	1,856.3	1,840.9

Cash is £3½ millions lower, and there is a reduction of about £½ million in money at call. Investments are £1 million higher. Discounts have declined by about £7 millions, and Loans and Advances by just over £2 millions.

NEW YORK MARKETS.

Our New York correspondent cables:—Activity in the financial and commodity markets has slackened this week on account of the interruption caused by the Labour Day holidays. A firmer tone in the money market encouraged profit-taking in the share market, which had shown strength early in the week, but gave way to irregular price movements later. The large over-subscription of the \$350 millions of nine-months notes to replace September 15th maturities testifies to the growing scarcity of short-term investments, caused by the Treasury's policy of steadily reducing outstanding obligations. It is expected that Federal Reserve operations will tend to maintain a steady money market until after the next income-tax payment date. But a further hardening in rates is likely before the end of the month. No immediate change in the Federal Reserve rediscount rate is expected. The Federal Reserve weekly statement shows a substantial increase in circulation, due to holiday requirements and a decline in deposits. Discounts for the whole system are slightly lower, but they show a considerable gain for New York, whose reserve ratio is 79.2 per cent., as compared with 74.3 for the whole

system. Business sentiment remains generally cheerful. Crop prospects are favourable, and record-breaking railroad traffics indicate a greater volume of commerce.

THE STOCK MARKETS.

Growing hopes of a coal settlement and the steady return of holidaymakers have led to some increase in activity in some sections of the Stock Exchange. In the gilt-edged market, however, business is quiet and prices steady, except for a relapse in Victory Bonds following last week's rise. The foreign market has been featureless, apart from the weakness of Chinese bonds, caused by the incident in which a British warship was involved with casualties. Home Rails failed to respond to coal peace hopes. The rubber share section is firm, with the best-class stocks in good demand. The oil share market, though disturbed by the continued slump in British Controlled, showed a fairly steady list. Among general industrials gas and shipping stocks have gained, but the week has been without conspicuous feature. In the mining markets attention has been mainly absorbed by the lively speculative movement in Malayan tin shares, which is discussed at some length on a later page.

THE COMMODITY MARKETS.

The week's developments in the coal situation have induced a rather more cheerful feeling in certain markets, but business as a whole shows no marked change as to volume. Increased chartering of tonnage to load foreign coals has been a feature of the week. Iron and steel remain in very short supply, and makers refuse to commit themselves as regards post-strike engagements pending some indication of the probable level of fuel prices. An extensive spot demand has been experienced for American cotton, but the latest Bureau report is of a bearish character. Spinners of American yarns are adhering to the new basic prices, but orders are difficult to procure. Wool is very firm at the Antipodean auctions, and an advance of from 5 to 10 per cent. is looked for at next week's London sales. The wheat market has been slightly steadier over the week. Sugar is firm on sustained demand from consumers; coffee steady but quiet, and tea well competed for. Rubber remains quiet and featureless. In the non-ferrous metal markets a minor boom in tin is signalled by the attainment of the £300-a-ton level. Copper is fully steady, though dealings are on a less extensive scale than of late, while lead is slightly easier on realisations.

FOREIGN EXCHANGES.

Dullness characterised the Foreign Exchange market throughout the week; little business was done, and no sensational movements occurred. During the earlier part of the week sterling maintained its strength against the dollar, but weakened rather towards the close. The lira showed a weakening tendency as a natural reaction to the recovery of the previous week, which had been carried too far. Paris, after an early improvement, also weakened as a result of small purchases of foreign currencies in a very flat market. Brussels, though moving in sympathy, weakened in a far lesser degree, and remained comparatively steady, as it has for the past two weeks. The dollar rate opened on the 3rd at 4.85 19-32-21-32, and improved to 4.85½-1½ next day. No change occurred on the 6th, although there was fair activity, in spite of Wall Street being closed. Activity was again fairly marked on the 7th, but weakness then set in, and the closing rate of 4.85½ was the lowest of the day. The weaker tendency continued, the rates remaining at 4.85½ on the 8th and 9th, and yesterday further weakness was evident at 4.85½. Forward rates are 5-32, 1, 11-32 premium for one, two, and three months. It is not as yet clear what influences have caused this reaction, but we should be inclined to attribute it to purchases of dollars here at a favourable moment in anticipation of seasonal commercial requirements. Paris started well by recovering from 165 on the 3rd to 163½-164 on the 4th, and managed to maintain this latter level, or near it, at 163½-164½ and 163½-163¾ on the 6th and 7th, but weakness set in on the 8th at 165-165½, and on the 9th there was a sharp rise to 170½-170¾. The spot rate was the same yesterday, but forward rates show the same weakening tendency at 9½

above spot for three months yesterday, as compared with 8½f on the 7th, and 8f on the 3rd. The adverse influences operating during the past week were bad news as to the corn and beet crops, and the necessity to purchase dollars for seasonal grain and other shipments. Brussels, under the influence of Paris, went from 175 to 177½ during the week, after touching 178½, the forward rates being 2f, 3½f, and 5½f above spot for one, two, and three months. The comparative steadiness of Brussels over the past three weeks points to the efficacy of the remedial measures adopted. The lira fell away from the opening rate of 131½ on the 3rd to 136 yesterday after standing at 130½ on the 4th and 130 on the 6th. Forward rates were weaker at 8½ lira above spot for three months. The movement is probably a reaction to an impulse which national enthusiasm had allowed to go too far. Some movement took place amongst the gold exchanges of Europe, in sympathy with the dollar mostly against this country. Amsterdam closed ½ firmer at 12-10½, Berlin also firmer at 20.38-38½, Switzerland firmer at 25.12, and Warsaw unchanged at 44, as compared with the opening levels. The peseta reflected the rumours of serious internal disturbances in Spain, and after opening firm at 31.98 on the 3rd went out to 32.10 on the 6th, and remained at something over 32 on the 7th and 8th. The promptness of the Directorate in handling the situation, however, brought the rate back sharply to 31.92 on the 9th, and the peseta was yesterday stronger on balance for the week at 31.75. No other European currency calls for comment. Of the South American exchanges the milreis is better on balance at 7 15-32d-½, but the peso is fractionally weaker at 45 17-32d-19-32d. In the Far East the rupee has remained unchanged at 15 5 31-32d throughout. The yen is very firm at 15 11½d. The silver market is gloomy and disturbed, and the outlook is described as unpromising. Prices fell to new low levels, the lowest recorded since March, and spot stood at 28 5-18d and forward at 28½d on the 7th. They improved, however, to 28½ spot and 28½d forward on the 9th. Producers in the U.S.A. claim that the prospects are the worst for fifty years past, and anticipate harder times, but it is hoped to create a demand for silver in the arts and as subsidiary coinage to counteract the possible effects of recent Indian currency legislation. The silver exchanges have not, however, so far moved very much in sympathy with silver, Hongkong being practically unchanged at 2s 2d-2s 2½d and Singapore at 2s 3½d-2s 4d, but Shanghai is ½d weaker at 2s 9½d-2s 10d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended September 4th:—

EXPENDITURE.	(000's omitted.)	RECEIPTS.	£
Supply Services	7,122	From Revenue	11,102
Interest, &c., on Debt	13,057	Decrease in Balances	395
Sinking Fund	1,431	Increase in debt	10,803
Sundries	690		
	22,300		22,300

Revenue for the week amounted to £11,101,700, against £12,927,900 in the corresponding period last year. Customs produced £1,957,000, against £1,798,000, and Excise £864,000, against £949,000. Property and Income-tax yielded £4,154,000, against £3,785,000, and Super-tax £430,000, against £740,000. Special Receipts yielded £800,000, against £2,900,000 in the corresponding period. The week's operations increased the National Debt by £10,803,700, and caused the following changes:—

	(000's omitted.)	£
National Savings Certificates ..	— 100	
Treasury Bills		+ 1,887
Public Department Advances ..		+ 7,550
Sundries		+ 1,467
	— 100	+ 10,904

The floating debt was increased by £9,460,000 to £770,621,000.

FINANCIAL YEAR, 1926-1927 (April 1 to September 4, 1926.)

	£		£
Total Expenditure ..	347,853,829	Raised by Revenue ..	277,744,363
		Decrease in Balances ..	4,176,636
		Amount borrowed ..	65,932,830
Total	347,853,829	Total	347,853,829

ESTIMATES for FINANCIAL YEAR 1926-7.†

Expenditure	£ 825,727,000	Revenue	£ 824,750,000
Deficit	£ 977,000		
† Revised in Exchequer Return dated July 26, 1926.			

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

EUROPE'S NEW CHAPTER.

On Wednesday the Assembly of the League of Nations unanimously admitted Germany to membership and assigned to her a permanent seat on the Council. Yesterday her representatives took their appointed places. Thus the fiasco of March 17th is retrieved, and the most important political event witnessed in Europe since the war has taken place. Its significance may have been partially obscured by its long postponement; but it has not been in fact diminished. The seal is at last set on the work of Locarno, and the treaties signed there ten months ago with the aim of closing the loopholes for war come into force as soon as the purely formal exchange of ratifications has been transacted. Europe is therefore entering this week on a new chapter of her history, and before we survey some of the more important facts that emerge from this week's work at Geneva, let us remember to give honour where honour is due—for instance, to Germany for the initiative which led to the Locarno Conference, to France for the spirit in which this initiative was met, and to Sir Austen Chamberlain for his signal services at Locarno.

Of the many reasons why the accession of Germany to the League is of outstanding importance, the first is that it removes the last shadow of suspicion that the League, under all its fine professions, is really an alliance of the victors in the Great War, with the unavowed but paramount object of consecrating the settlement which they imposed upon the vanquished in the Peace Treaties. This conception of the League was never just, since, from the outset, its membership included not merely the ex-victors but the great majority of the ex-neutrals, and some of the latter rank among the most civilised and most disinterested communities in the world. Moreover, the membership was reinforced at an early stage by the admission of three ex-vanquished countries—Austria, Hungary, and Bulgaria—so that, in fact, it has long included representatives of all the three groups into which the countries of the world were divided during the war period. Nevertheless, the admission of Germany marks the moral, though not the technical, transcending of the war alignments; for the previous admission of three of Germany's ex-allies did not require a very strenuous moral effort on the part of those countries which had the decisive voice in the matter. By contrast, the admission of Germany does profoundly affect the interests and the feelings of her principal European opponents in the late war—particularly of France—and we must keep before our minds the greatness of the moral effort which France has made in consenting, in the first instance, at Locarno, to the admission of Germany to the League with the status of a Great Power. The willingness of France to invite Germany on these terms, and the willingness of Germany to accept the invitation, are unmistakable signs of the return of a constructive goodwill, without which Europe had no prospect of a better future.

Another point of profound importance is that the accession of Germany practically completes the extension of

the League over the whole of Europe, only those parts of Russia and Turkey which are in Europe, remaining outside. The League, of course, has always been a world-wide organisation, and this aspect will doubtless become more prominent—especially in the field of its economic activities—as time goes on. Nevertheless, the Great War had a European origin; its principal battlefields were on European ground, and the League of Nations was founded with the primary object of preventing the repetition of what had been essentially a European catastrophe. From this point of view it is evident that the inclusion of all European countries, and especially those which are Great Powers, is the League's first, though by no means final, objective; and, with the accession of Germany, this first objective has been attained. On this account the accession of Germany has been more urgent, though not more important, than that of the U.S. and the U.S.S.R.—the only two Great Powers that still remain outside the circle.

To turn from the broader aspects of Germany's entry into the League, there are also several results of immediate practical importance which should accrue from this event. Germany will now participate officially and fully in all the League's efforts at the financial and economic restoration of Europe. The reconstruction schemes for Austria and Hungary have been completed, but who can say whether other schemes of the highest importance may not be added before long to the list of present minor activities, such as the Bulgarian plan, which has been sanctioned this week, and Greek resettlement. Again, Germany will now share in the supervision of the mandates—some of them for her own ex-colonies—and of such work as the administration of the Saar Valley. But it is in the economic sphere that her influence is most likely to be felt. Her great need is for external markets. Only by achieving an export surplus can she pay her war obligations, and at the same time, as a result of the war, her export opportunities are curtailed. She has lost, in Alsace Lorraine, important ore resources and a large volume of exportable production. The Russian market, before the war so vital to her, is poverty-stricken; neighbouring nations have raised high tariff walls around her. From all this it may be deduced that Germany will greatly interest herself in all the problems to come before the International Economic Conference, and will use her League membership to influence the commercial policy of Europe towards more healthy fiscal systems.

Last, but most important of all, the adhesion of Germany to the League and the coming into force of the Locarno Treaties clear the most formidable obstacles out of the path that leads to the consideration of disarmament. That is the next great problem, and it is clearly of substantial importance that the League will approach it with its ranks reinforced by the one Great Power which is disarmed. It is not merely the anti-war machinery of the Locarno Treaties, and the presence of Germany at Geneva, which should render the handling of this formidable problem the easier. The will to achieve success should be effectively stimulated in this country and in Italy by the nature of the guarantees which, with the passage of the Locarno Treaties into operation, fall upon their shoulders. France, too, faced with her Herculean financial task, has the most compelling of reasons to take advantage of the more favourable conditions for approaching this problem.

In writing of a week that has brought such welcome progress in European affairs, it is distasteful to close on a jarring note. We must, however, confess that we detect a fly in the Geneva amber. The proceedings of the past ten days have revealed once more the tendency, so pronounced last March, to revert back to old and discredited diplomatic methods. Once again we have seen the representatives of the Powers manœuvring and intriguing, and finally compromising, and presenting the compromise to the Assembly in such form that its free functioning has been crippled, and its decision over the reorganisation of the Council dictated by the coupling together in one resolution of two questions, on one of which there was unanimity, and on the other great diversity of opinion. It is not by such methods that the prestige and usefulness of the League can be enhanced, and we hope that the Assembly will show its resentment and make it clear to dabblers in the old diplomacy that it will not again play the rôle of puppet to the wirepullers.

THE CANADIAN ELECTION AND TARIFF POLICIES.

(BY OUR CORRESPONDENT.)

OTTAWA, August 31.

WITH polling day little more than a fortnight distant, the general election campaign in Canada has now reached its critical stages, but so far it has been a very dull and lifeless affair, the main reason being that the farmers, who constitute almost half the electorate, are busy with their harvest, and decline to take much interest in the warfare of politics. Again, many electors are inclined to agree with the charge of the *Toronto Globe* that the leaders of the two historic parties are preoccupied with the personal duel which has been proceeding between them since 1919, and for the sake of triumph in it are prepared to sacrifice both national and party interests.

When the campaign opened each of the old parties was striving to make the issue, on which it was pinning its faith, dominate the contest. But in connection with the Customs scandals the Conservatives overplayed their hand, and when prominent members of the party made absurd charges reflecting upon the personal character of Liberal Ministers of unquestioned moral integrity, they impaired their chances of securing general credence for the very grave indictment of incompetence and corruption which can be laid; and the unexpected death of Mr Boivin, the late Minister of Customs, who was one of the central figures in the Customs scandals, has prevented full use being made of the ammunition which was available. On the other hand, outside of Quebec the Liberals have largely, as a result of their own pusillanimity, found the constitutional issue a poor electioneering weapon, and are gradually abandoning it. If there was any serious breach of constitutional proprieties, it lay in the refusal of Lord Byng to grant Mr King the dissolution which he sought on June 26th, and for this the Governor-General must bear the sole responsibility. But Lord Byng happens to enjoy great popularity with all classes, and particularly with the war veterans, and the Liberals soon developed apprehensions that any direct attacks upon his conduct would revive the old "loyalty" cry, of which, through memories of the Reciprocity election, they have an ingrained terror, and would also range the powerful ex-soldier vote solidly on the side of the Conservatives. Therefore, although Mr Bourassa on Quebec platforms continues to arraign the Governor-General as "a subaltern of Downing Street," who has reduced Canada to the status of a Crown Colony, and Liberal politicians in the same province are inveighing against the perils of Imperialism, elsewhere the constitutional issue has fallen flat.

As a result the tariff, the railway problem, and other issues which are the staple ingredients of Canadian politics, are now receiving their full share of attention. The Liberals are making the most of the tariff and tax reductions of their recent Budgets, but they have not abandoned their old tricks of adapting their fiscal tunes to suit the particular locality in which they are sung. In the Prairie Provinces the Liberal candidates follow the example of the Progressives, who are no longer a serious factor outside this territory, in denouncing the iniquities of the Protectionist system; but in the industrial districts of Quebec and Ontario they lay stress upon the need for tariff stability, and fiercely repudiate the charge that any further inroads upon the Protectionist fabric are contemplated by their party. In recent speeches in the Maritime Provinces, where a sense of keen disappointment at the economic results of Confederation has generated a growing volume of "secessionist" sentiment, Mr Mackenzie King has been trying to pacify the discontented elements by arguing that the chief blame for the economic stagnation of these regions must lie with the Conservatives, the authors of the defeat of the Reciprocity Treaty of 1911, which would have opened up to them their great natural market in the United States; but he has refrained from giving any pledge that he would, if returned to power, embark upon negotiations for a similar treaty.

Premier Meighen, the Conservative Leader, on the other hand, declares that "I am making no trade treaties with the United States," and alleges that the fatal obstacle to them would be the same impermanence which charac-

terised the Reciprocity pact. He asserts that the Liberals have really abandoned the idea of reciprocity, and points out that when last session he defied any member of the King Ministry to get up and advocate another Reciprocity treaty his challenge was not accepted. Meanwhile, during the present campaign, the Conservative Premier and his lieutenants have been preaching the virtues of a higher tariff and pledging themselves, if returned to power, to increase the scale of duties. Premier Meighen declares that permanence and stability are more important elements for a proper Canadian tariff than its height, and has repudiated the charge that he contemplates the wholesale "brick for brick" tariff policy which would bring the level of Canadian duties to a parity with those of the Fordney-McCumber tariff. But in numerous speeches he has pledged himself to enforce a "brick for brick" policy on farm products. His most definite declaration was made at Orillia, Ontario, where he said: "The tariff revision on farm products will be the very first revision we make. We will make only one revision, and in that revision we will place the tariff on farm products entering Canada on just as high a level as the American tariff." Now this declaration of policy has provoked strong criticism from the Liberal and Progressive parties, who contend that it can bring no real benefit to the Canadian farmer and might, if it provoked the United States to a policy of retaliation, do him a great deal of harm.

It is pointed out that vegetables, fruits, and meats are the chief farm imports from the United States which affect the fortunes of Canadian farmers, and undoubtedly the only demand for increased duties comes from farmers who are raising these articles, but it is now being held that in regard to these particular products the scale of United States duties is substantially lower than the Canadian scale. A study of the comparative rates of the two tariffs on this class of products shows that if Mr. Meighen fulfils his "brick for brick" pledge there will be less instead of more protection for the growers of vegetables and fruit.

On the other hand, a "brick for brick" policy applied to a number of major farm products would force an increase in the Canadian scale of duties, as the following examples will show:—

	U.S. Tariff.	Canadian Tariff.
Wheat, per bushel	.42	.12
Oats, per bushel	.15	.10
Barley, per bushel	.20	.15
Flour, per barrel	1.04	.50
Butter, per lb	.12	.4
Cheese, per lb	.5	.3
Potatoes, per cwt	.50	.35
Eggs, per doz	.8	.3
Hay, per ton	4.00	2.00

Yet the gains from such a change would be very problematical. Taking the figures of the fiscal year 1925, Canada imported from the United States only 152,954 bushels of wheat, and 933,323 bushels of oats—an insignificant quantity in comparison with our own domestic production, and, on the other hand, even with the high duties of the Fordney-McCumber tariff in operation, she sold to the United States 5,418,516 bushels of wheat and 4,488,246 bushels of oats. The same situation prevailed in regard to flour, butter, and condensed milk, as the following figures testify:—

	FISCAL YEAR 1925.	Canadian Imports from U.S.A.	Canadian Exports to U.S.A.
Flour	barrels	76,036	299,385
Butter	lbs	23,853	3,437,690
Condensed milk	cwts	..	89,375

In regard to cheese the balance is on the other side, for Canada imported 909,597 lbs and sold 758,800 lbs; but the fact persists that in 1925 Canada's exports of milk and milk products to the United States were valued at \$8,475,151, as against imports valued at the paltry sum of \$292,626. Only in regard to eggs is the balance of exchange heavily in favour of the United States. In 1925 Canada sold to her neighbour only 119,435 dozen, valued at \$48,187, and bought 2,564,551 dozen, valued at \$917,000, but it should not be forgotten that the greater part of these imports took place in the dead of winter,

when Canada's egg production, owing to climatic conditions, becomes very low, and substantial quantities are brought in from the Southern States. Fortified, therefore, by these figures, the critics of the "brick for brick" policy contend that, even if it availed to procure complete exclusion of all imports of the major farm products, it would make less than \$3,000,000 more available for distribution among all the farmers of the Dominion, and at the same time might imperil the American market for similar farm products, whose value to Canadian farmers is placed at \$20,000,000 per annum at least. The Liberal and Progressive leaders are also warning the Prairie Provinces that if they put the Conservative party in power they will be giving the latter a mandate for a general increase in the scale of duties on manufactured products—clothing, implements, furniture, utensils, &c., which cannot fail to increase materially their costs of living and of production.

It is doubtful, however, even if Mr Meighen were returned with a clear majority, whether he would be in a position to attempt any serious upward revision of the tariff. He seems to have made little headway in winning forgiveness from French Canada, and if it once more votes solidly against him, he can only secure a majority through the support of substantial contingents from the Maritime and the Prairie Provinces. Now, members of these regions, whatever may be their party labels, are for the most part unable to countenance a policy of any higher protection than now exists.

The result of elections is often decided in the last fortnight, and before September 14th fresh developments may bring about a swing of public opinion in one direction or the other, but at present neutral observers can discern no marked change in the state of political sentiment which produced a deadlock last October. The two great central Provinces of Ontario and Quebec, through their respective prejudices against Mr King and Mr Meighen, are evidently determined to cancel one another's influence once more, and in that event the Radical Progressives from the West, who will return at least twenty strong, will again hold the balance of power. There is, however, just one factor that might provide the Conservatives with a clear majority; the country is heartily sick of minority Governments and their timid, tortuous ways, and as the Conservatives have obviously the best chance of securing a clear majority, having only eight seats to gain, many independent electors may decide to contribute their support to a result which would produce a clarification of politics and a reasonably stable Ministry.

BANK CONTROL IN ITALY.

(BY OUR TURIN CORRESPONDENT.)

THE attention of financial circles is centred at present on the problem of control of banks. Political and economic reasons have contributed to give prominence to the problem. Through the creation of corporations of employers and employed, Fascism is endeavouring to give unity to industry and commerce, and to subordinate all economic life to Government direction. Banks, to which are entrusted the savings of the people, could not hope to maintain their independence from the all-pervading spirit of governmental control. It is contended that banks should not do business only for the sake of profits, but should always consider the "national" scope of every business proposition, and prefer to the most profitable the most conducive to approved national ends. This point of view should be especially paramount in all those cases which have a connection with the state of foreign exchanges. In some political circles there is a feeling that the big private banks are not keen in sustaining the public policy of devaluation of the lira, and there is some impression of undue interference of what is called "international finance" to the detriment of the lira. Strictly economic circumstances add emphasis to the general political ones. Several failures of banks—among which the most sensational was the failure of the Agricultural Bank of Parma—gave the impression of gross mismanagement which could and should have been prevented by timely control of competent supervisors. Old objections were repeated against the multiplication of small banks with insufficient capital, which are successfully catering for deposits among

The "six ordinary big banks" are the Banca Commerciale, Credito Italiano, Banco di Roma, Banca

In consequence of the above decisions, the next balance sheet statements of the Bank of Italy for September 30th and October 31st will be watched with the utmost interest, as they will bear traces of the vigorous deflationist policy to-day inaugurated. It would be very desirable that great care should be bestowed on the comparability of the figures before and after unification of the issue privilege. This should be one of the tasks entrusted to the newly appointed vice-director general of the Bank of Italy. The appointment of Signor D'Aroma to the vice-directorship of the Bank of Italy marks the end of many rumours current about the retirement, after 25 years, of the present director general, Signor Stringher. Stringher will remain at the head of the enlarged Bank of Issue, but he is strengthened by the appointment of Signor D'Aroma as vice-director, a very close friend of his, and a young, energetic man. For seven years (October, 1919, to August, 1926) D'Aroma was director general at the Finance Department, and to him is to be chiefly—not to say entirely—attributed the merit of the reorganisation of the direct taxation system. He is by far the strongest man discovered in the public services in the last decade, and his co-operation with Stringher will, it is hoped, be successful in solving the monetary problem—the most momentous of Italy's problems to-day.

SHIPPING COMPANIES' PROFITS.

AN analysis of the profits of a group of representative shipping companies during 1925 discloses a less satisfactory showing than for the preceding twelve months. This is not surprising, in view of the general trade depression. Rather, indeed, may we feel gratified that the figures are no worse. Our index number of "free" shipping freights fell heavily in 1925, and had earnings of the big lines fallen in similar proportion, there would have been a sorry story to tell. But many of the undertakings included in our table reap considerable reward from passenger traffic. Thus to a great extent these are not so seriously affected by adverse

trade conditions. Although the general level of profits was lower in 1925 than in the year previous, four companies were able to record higher earnings. This will be seen from the following table :—

Name and Year Ends.		Amount Brought In.	Net Profit After Payment of Deb. Interest	Distribution of Available Balance.			
		£	£	Pref. Dividend.	Ord. Dividend.	To Reserve, &c.	Carried Forward.
British India	Sep. 30, 1924	25,504	113,105	35,000	76,576	..	27,033
	Sep. 30, 1925	27,033	112,183	35,000	76,576	..	27,640
Cairn Line ..	Dec. 31, 1924	17,963	57,238	..	46,500	10,000	18,701
	Dec. 31, 1925	18,701	50,224	..	48,000	..	0,925
Cunard	Dec. 31, 1924	158,619	393,968	135,000	222,810	..	194,777
Steamship	Dec. 31, 1925	194,777	332,786	125,000	222,810	..	169,753
Eagle Oil	Dec. 31, 1924	88,410	908,308	160,000	..	750,000	86,718
Transport	Dec. 31, 1925	86,718	919,297	160,000	..	750,000	96,015
Elder	Dec. 31, 1924	101,796	474,302	395,875	70,137	..	110,086
Dempster..	Dec. 31, 1925	110,086	478,519	395,875	71,811	..	121,714
Furness,	Apr. 30, 1925	216,376	528,742	58,811	300,000	200,000	187,255
Withy	Apr. 30, 1926	187,259	523,044	60,000	300,000	200,000	150,303
	Dec. 31, 1924	59,492	137,701	12,375	27,500	75,000	82,511
Houlder Line	Dec. 31, 1925	82,518	117,567	12,375	27,500	75,000	85,010
Lampart and	Dec. 31, 1924	103,556	117,634	125,000	89,600	Dr	106,390
Holt	Dec. 31, 1925	106,390	133,552	62,500	..	150,000	27,442
Manchester	June 30, 1924	62,877	63,160	22,886	44,520	..	58,633
Liners	June 30, 1925	58,631	50,695	22,886	44,520	..	41,924
Oceanic	Dec. 31, 1924	124,091	508,837	..	375,000	140,000	117,323
Steam	Dec. 31, 1925	117,928	319,306	..	250,000	..	117,323
Orient	June 30, 1924	72,821	286,821	7,301	137,419	150,000	64,929
Steam	June 30, 1925	104,283	311,979	7,301	137,412	200,000	32,199
P. and O.	Sep. 30, 1924	181,973	974,124	158,000	431,102	388,861	101,033
	Sep. 30, 1925	102,534	853,538	150,000	399,252	..	142,141
	Dec. 31, 1921	130,534	543,494	233,500	300,000	..	140,582
Royal Mail ..	Dec. 31, 1925	140,582	487,929	233,500	250,000	..	144,955
Wm. France,	Dec. 31, 1924	8,851	68,703	8,250	60,000	..	9,301
Fenwick	Dec. 31, 1925	9,304	46,165	8,250	37,500	..	9,711

The best performances were achieved by the Orient, whose net profits advanced from £286,821 to £311,979; the Eagle Oil Transport, from £908,308 to £919,297; Elder Dempster, from £474,302 to £479,514; and Lamport and Holt, from £117,634 to £133,552. All the other companies have lower profits to record. Generally speaking, reserve allocations are not on too generous a scale. Eight of the fourteen companies this year make no appropriation. The Eagle Oil, however, still continues to make substantial provision for contingencies, the directors continuing their policy of strengthening the financial position before making any payment on the ordinary capital. The P. and O. has reduced its allowance from £388,861 to £301,608.

Our next table shows principal liabilities and assets over the past two years : —

Name of Company.	Share Capital and Reserves.	Debitures and Loans.	Creditors.	Properties, &c.	Stocks.	Cash.	Investments.	Debtors.
	£	£	£	£	£	£	£	£
Brit. India					All the	assets	are in	one
Sep. 30, 1924	3,057,200	1,657,200	9,906,618	14,703,839	bal.	none	the item.	
Sep. 30, 1925	3,057,200	1,657,200	9,417,832	14,215,660	..	59	314,544	66,908
Canad.					..	12,761	327,666	21,097
End 1924.	1,446,384	560	51,052	1,158,438	..	..	..	..
End 1925.	1,438,686	..	32,180	1,130,268	..	..	..	..
Cunard								
End 1924.	8,315,486	4,744,755	11,568,330	19,256,915	388,057	1,022,048	2,502,867	1,603,061
End 1925.	8,311,537	6,104,972	9,078,361	18,569,087	376,526	939,500	2,465,209	1,604,611
Eagle Oil								
Transport								
End 1924.	8,967,863	2,321,650	800,286	10,050,370	8,707	1,911,879	..	319,65
End 1925.	8,793,783	2,179,350	633,281	10,050,369	6,494	2,431,162	..	332,65
Elder Dem.								
End 1924.	9,755,070	2,000,000	2,064,379	750,719	..	299,826	1242,242	1,263,65
End 1925.	9,150,309	2,000,000	2,122,094	733,266	..	316,340	119,2175	1,028,49
Furness,								
Withy								
Apl. 30, 1925	7,500,000	..	4,344,473	5,160,834	..	1,437,936	3,863,237	5,69,72
Apl. 30, 1926	7,500,000	..	3,810,376	5,066,046	..	1,221,695	5,706,616	1,466,32
Hoelder								
Line								
End 1924	1,275,000	..	355,391	1,584,662	1,364	51,465	..	102,71
End 1925.	1,350,000	..	364,700	1,748,174	1,661	35,885	..	41,48
Lampot &								
Holt								
End 1924.	4,990,000	2,950,000	310,553	7,746,619	..	19,048	793,997	96,64
End 1925.	4,940,000	2,950,000	340,510	7,672,859	..	20,324	744,185	30,41
Manchester								
Liners								
J'ne 30, 1924	1,402,920	..	537,346	1,849,189	..	85,304	..	108,92
J'ne 30, 1925	1,402,920	..	601,178	1,952,384	..	80,211	..	57,94
Oceanic								
Steam								
End 1924.	6,452,409	1,136,800	3,246,734	7,755,886	220,506	21,659	1,761,790	1,256,24
End 1925.	6,452,409	1,154,250	2,364,818	7,318,411	203,905	35,694	1,218,585	1,382,214
Orient								
J'ne 30, 1924	2,952,040	178,250	854,001	1,584,419	106,986	130,202	..	368,03
J'ne 30, 1925	3,259,440	177,300	1,174,816	4,592,753	97,934	69,036	..	226,86
P. and O.								
Sep. 30, 1924	13,006,099	8,487,560	7,287,072	15,351,365	239,072	..	13,207,735	..
Sep. 30, 1925	13,625,055	8,487,560	9,772,833	18,820,110	234,291	..	13,276,891	..
Royal Mail								
End 1924	116,15817	4,500,000	4,079,743	19,628,804	127,499	619,482	197,848	488,06
End 1925	116,65443	4,500,000	2,602,303	18,554,753	116,191	449,333	195,017	480,10
W. France								
Fenwick								
End 1924	1,150,000	250,000	81,062	494,694	..	106,507	644,419	28,81
End 1925	1,025,000	..	65,047	360,960	..	119,419	622,769	23,22

(b) This item includes investments. † Includes shipping investments.
(c) Bills payable, &c.

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Lampart and Holt last year withdrew the sum of £100,000 from reserve. This time the fund is drawn upon to the extent of £50,000, which has been applied to the writing down of shipping investments. This operation involves a total sum of £200,000. Several companies have followed a similar course. Wm. France Fenwick and Co. have transferred £125,000 from reserve, mainly for the purpose of reducing the book value of the fleet. Elder Dempster have appropriated £625,000. During the year the Cunard Company converted £4,000,000 of its 7 per cent. mortgage debenture stock into similar stock bearing 5 per cent. interest. It also issued in the United States \$7,500,000 two-year gold notes bearing interest at 5 per cent., the proceeds being used in the purchase of new assets, and the reduction of amounts due in respect of steamers delivered to the company. The Eagle Oil purchased and cancelled a further £142,300, and the twelve-year notes, and the amount of these now outstanding is shown at £2,179,350, compared with the original issue of £3,000,000. In accordance with the requirements of the trust deed, £950 of debentures were redeemed by the Orient Steam Navigation. Once again we would like to direct attention to the very unsatisfactory method adopted by the British India, in showing in its accounts the items of stocks, cash, investments, and debtors under one heading. Nor can the P. and O. altogether escape censure in this respect, since cash, investments, and debtors are all lumped together in the balance-sheet.

Our final table shows highest and lowest prices of a number of shipping securities in 1925, together with prices a year ago, also present prices and yields, and dividends on the ordinary shares in past two years:—

	Name.	Prices.		Ordinary Dividends.	End of Aug., 1925.	End of Aug., 1926.	Present Yield.				
		Highest.	Lowest.								
								1924.		1925.	
725 323											
717 489											
542 411											
924 942	British India, 4½% deb.	90½	86½	8½	8½	87½	84½	5 9 6			
	Cairn Line, ord., £1.	1 48	1 32	5	5	5	5	6 19 6			
	Cunard, ord., £1.	1 38	1 32	5	5	5	5	5 14 3			
248	Eagle Oil Transport, 6% cum. pref., \$5	5 ½	4 3	nil	nil	5 ½	5 2	5 4 3			
147 137	Elder Dempster, 6% cum. pref., £1.	1 17	1 10	5	5	1 18	1 16	6 12 6			
437	France (Wm.), Fenwick, ord., £1.	1 32	1 18	7 ½	7 ½	1 32	1 28	6 3 0			
860	Furness Withy, ord., £1.	10 10	8 10	10	10	9 10	9 10	14 16 0			
	Houlder Line, ord., \$5	10 10	8 10	10	10	9 10	9 10	15 9 0			
	Lampert & Holt, 6% cum. pref., £1	1 14	1 10	10	10	1 14	1 12	16 8 0			
	Manchester Liners, ord., £1.	10 10	9 10	12 ½	12 ½	10 10	10 10	11 8 0			
	Orient, defd., \$5	302	237	12	12	255	240	14 3 3			
162 107	P. and O., def. stock	99 ½	83 ½	6	5	88 ½	82 ½	6 1 3			
367	Royal Mail, ord. stock										

† Free of income tax.

On the whole, shareholders have little cause to grumble in regard to dividend payments. All the undertakings were able to maintain former rates except the Royal Mail.

where there was a reduction from 6 to 5 per cent.; P. and O. deferred, which received 2 per cent. less at 10 per cent.; Wm. France Fenwick, 5, compared with 8 per cent.; and Lamport and Holt, whose ordinary proprietors went dividendless. On the previous occasion the latter received 4 per cent. During the twelve months share prices fluctuated to some extent, but quotations at the end of August compare favourably with those ruling in August, 1925, if all the circumstances are taken into account. Yields, in most cases, are on the generous side. This is not surprising, as most of the companies will probably be adversely affected by the high cost of bunkering with foreign fuel during the period of the coal dispute.

Sir Frederick Lewis, at the annual general meeting of Furness Withy and Co. in July last, made two interesting references to international shipping conditions. He said: "I would like to quote an actual case of a steamer which we recently transferred to a foreign flag, and which shows as clearly as possible the competitive conditions with which we are contending. On this particular vessel there is a difference of £247 per month, or, say, £3,000 per annum between the operating cost under the foreign flag as compared with the cost of the same service under the British flag." Sir Frederick continued: "I am as firm a believer as ever I have been in the future of British shipping provided the ordinary course of economic laws is not subverted. International trade must continue, and water-borne transport is still the cheapest and best-known method of transport, but we are still too heavily handicapped by the past. If I knew when increased trade would overtake the glut of tonnage with which the seas and harbours are burdened, I don't suppose I should disclose the fact at this meeting, but the fact that I do not intend to make any prophecy must not be interpreted to mean that I am concealing the information." Finally, he mentioned that not the least of our handicaps is the continued competition from foreign Government-owned vessels which are still being operated at less than cost, as is illustrated by the figures just recently published by the United States Shipping Board in support of their application to Congress for a grant to carry them through the current year. It is stated that \$18,000,000 will be required, and out of the published results of 29 services operated by Shipping Board tonnage only one made a small profit of less than £5,000. The stress laid by Sir Frederick on well-known troubles makes the more noteworthy the recent hardening of some leading shipping shares.

SCIENCE AND FARMING.

(BY A CORRESPONDENT.)

It may, and probably will, be felt that the above title has something unusual and not quite seemly about it. Should it not be "Science and Agriculture"? The two Latin words appear to go the better together. It is with a full concurrence in this idea that the title has been chosen, for it is necessary to consider where the English word farming conveys a different conception to the word from that imparted by the Latin word agriculture. To bring together science and agriculture is no more than to apply systematised and verified knowledge to one of the arts peculiarly capable of benefiting therefrom. Those engaged in bringing about such a union can and do take for their motto Dean Swift's famous saying that he is a public benefactor who makes two blades of grass grow where one grew before, that is to say on the old acreage. But those who are engaged in farming receive this same dictum somewhat frigidly, and here we have the difference between farming and agriculture. The farmer asks what has been the cost of doubling the yield per acre, and assuming his previous crop to have paid him 10 per cent. on outlay in cash, skill and labour, he judges the change in the production entirely by its result in increasing or reducing that percentage of profit.

Science has had a good deal to say about agriculture at Oxford, but the element which appeals to farmers has not been much considered. In one important respect

applied and tabulated knowledge has been an unmixed gain. Milk records and trap nesting have enabled farmers to eliminate unprofitable cows and hens where no observation of health or study of breed had been of value. The net gain to farming has been great already, and should be much greater in the future, for it may safely be assumed that "unprofitableness" is a mendelian character. This study, however, has been undertaken on lines of pure addition to knowledge, and the fact that it enriches those who live by breeding cattle and poultry is incidental merely.

The immense success of Rothamsted is intimately connected with what the Prince of Wales stated in his address at Oxford—namely, that it was a private benefaction. A practical man interested in the sale of fertilisers established and conducted it. Costs were studied as well as scientific results, and this side of things has been usefully carried further by the Oxford School of Agricultural Economics. Costings and the systematization of farm accounts promise to do more for farming than not a little agricultural experiment.

The Smithfield Club, which dates from the eighteenth century, was the great pioneer of scientific breeding of live stock for the table, but from the first it has separated itself severely from farming, and the man who breeds beef for the butcher has no guide to profit from the results at Islington. When the King's prize Hereford is bought for forty or fifty guineas the butcher's reward is in glory and advertisement, but even so it is doubtful if any net gain accrues to H.M. Privy Purse. Most of the prize-winning animals sell for prices indicating a heavy loss on fattening. The remarkable merits of this or that proprietary mixed food or ration are not necessarily overstated; what is lacking is a correlation of the cost of giving such food and what the butcher will give for the meat.

A much later establishment is the Botanical Institute at Cambridge, a State-endowed institution. This studies the possibilities of agricultural crops, and has made great efforts to improve our wheat. Here, however, the distinction between agriculture and farming has come sharply to the front. Wheat that is rich in dry gluten is less fecund than wheat which grows more slowly and makes more starch. The Institute pushes the glutinous wheat, and sells the seed corn as a species of propaganda, but the farmer is not an avid purchaser of "Government seed," and has even been known, "in the gun room," to work out little formulæ such as: "Six quarters per acre of slow-growing starchy wheat will fetch 12s per cwt; result 72s. Four quarters per acre of quick-growing glutinous wheat will fetch 14s per cwt; result 56s." There is also the consideration that Canada can grow the glutinous wheat better than can Great Britain, while no overseas country can rival the English starchy wheat for its peculiar gifts of softness and digestibility, mellowness, nuttiness and flavour. Agricultural machinery, to the improvement in which the Prince paid a deserved testimony, has even to submit to the same test of relation of outlay to return; its value is one of relativity. The Darby Digger was a magnificent creation, "a huge earth-shaking" machine. But the initial cost of £400 proved fatal. The various stack dryers have come and gone, but here again cost decides. Sir John Russell, the famous principal of Rothamsted, is a man of humour, rejoicing to be linked with the advertisement as "Rough on Rats," but while he has shown by a careful survey and by many patient experiments that the damage done by rats to stacks amounts to several millions sterling annually, the fact remains that the cost of rat-proof barns and the warehouse charges of the grain as consigned to a town keep thousands even of up-to-date farmers from early threshing and storage.

What the farmer needs to-day is a liaison officer between science and farming. The "living wage" is vital to the working farmer, and that must be the condition precedent to scientific development so far as the actual cultivator is concerned. The scientific development must pay its way.

TIN—A MINOR BOOM.

(BY A CORRESPONDENT.)

ON several occasions during the past few years tin has been "talked" to £300 per ton, and has nearly succeeded in getting there. Twice earlier in 1926 that price was actually approached; in fact, at one time during March the metal changed hands on the Exchange at £300 10s, although the closing price of the day was below the figure. On Tuesday the price closed 35s higher on the day at £300 7s 6d; on Wednesday the cash quotation was still another 25s up at £301 12s 6d; on Friday the price closed at £305 7s 6d.

There can be little doubt that but for the coal position in England the current level would have been reached earlier. For months past the statistical position has been growing stronger. At the end of August the visible supplies amounted to only 12,700 tons—representing about five weeks' consumption. The total compares with 15,600 tons at the end of January and 21,160 tons twelve months previously. The excess of consumption over production in recent years has been obscured by the stocks accumulated during the depression of 1921 and 1922 by the Malayan Government. In March, 1923, these stocks stood at 17,600 tons. In the course of the ensuing two years they disappeared entirely. The continued lack of output to keep pace with consumption has thus of late made a very visible effect upon the supplies, which have now shrunk to a dangerously low level. A number of the Eastern dredging companies are increasing their output capacity, and several recent flotations will reach the production stage between now and the end of the year. In addition, sundry Nigerian enterprises have recently installed additional machinery.

The course of recent events has naturally been followed with interest, and some little excitement, on the Stock Exchanges. Superficially the situation exhibits certain points of resemblance to that which characterised the rubber share market a year ago, but nothing like the same public interest has been aroused as yet. The external features of the tin market are less familiar to the average outside speculator than are those of the rubber market. Many people are unacquainted with the manner in which tin values are reckoned, but what they do know is the extraordinarily mercurial manner in which the price of tin can soar and—slump. Estimates of the lives of tin mines cannot be made with precision, as in the cases of Transvaal gold production. Malayan tin-mining is mostly alluvial, and the hazards of dredging for the metal are numerous. A dredge breaks down, or is put out of action by some unforeseen accident, and, whatever the insurance protecting it, the company's profits are bound to suffer—to suffer considerably if the price of tin happens to stand high. While all goes well, however, the tin producers stand to make remarkable profits.

The share capitals of the good Malayan companies are mostly of modest, or moderate, size. The companies are worked by engineers who are constantly on the alert for the latest inventions to cut down costs and increase capacity. Thus, even in bad times, when the price of tin falls low, a fair proportion of the Malayan tin mines contrive, with their cheap labour, to make some return to shareholders, and when the price is high to report such outputs as promise very pleasant dividends to shareholders.

Cautious observers are standing at the moment on the side of the bulls, in the assumption that, allowing for probable ups-and-downs, tin is likely to remain at a high price for a time. While tin was rising to £300 per ton, the Stock Exchange view maintained that as soon as the round figure became reached holders should sell and make secure of their profits. When tin touched £300 on Tuesday last the price evoked rounds of cheers, and when these had subsided buying of shares set in with greater vigour than before. The fear is not that real holders will sell, but that a rickety bull account will be established menacing the market with the prospect of shares being hastily flung overboard if tin goes back a little, or if any difficulty should materialise in the way of financing bullish operations. On Thursday and Friday last there

was an obvious disposition on the part of the public to accept the good prices that prevailed, but owing to the strength of the tin market the sellers found a fresh set of buyers willing to take shares for "new time"; that is, for the Stock Exchange settlement on September 30th. That is, briefly, how the position stands at present; a position promising as much excitement and interest as even a speculator in mining shares can crave.

JUGOSLAVIA.—A TRANSITION STAGE.

(BY A CORRESPONDENT.)

JUGOSLAVIA is now passing through a series of economic changes and adjustments too comprehensive to be grasped from trade figures or statistical data alone. It is passing on the one hand from a period of relative boom after the reconstruction years to normal circumstances, and on the other from a simpler to a more complex economic life. In State finances this change is reflected in the transition from deflation to stabilisation.

Deflation, synchronising, as it did, with specially favourable circumstances, had, contrary to theory, a very beneficial influence on Yugoslavia. The fall in the prices of imported industrial goods at a time when harvests were plentiful, created, during the years 1923-1925, an unprecedented demand for them among the peasants. The consequence of this was the introduction into agriculture of modern machinery and more advanced methods of cultivation. This in its turn resulted in an increase of nearly one-third both of the yield per hectare, and of the weight of the corn. Nor did industry suffer from deflation as might have been expected. Until then its chief difficulties had been the enormous rate of interest (in 1923 30 per cent. and over) and the lack of markets to absorb its products. Here, again, deflation soon reacted on the interest rate, which gradually fell to about 16 per cent. by July, 1926, while at the same time the prosperity of the chief consumer, the peasant, created a larger demand for industrial goods. Therefore, in spite of a decline in the prices of industrial goods of about 12 per cent. per annum, the fall was more than compensated by cheaper cost of production, cheaper raw material, and greater turnover. Nor should it be forgotten that about one-third of Yugoslav industry relies on foreign capital, and consequently foreign investors had an additional compensation in the rise of the value of the dinar. That industry did not suffer is proved by the fact that in spite of a number of failures of enterprises founded during inflation on capital borrowed at exorbitant rates, no old-established firm was obliged to close.

No less interesting was the effect of deflation on the cost of living and the middle-class consumer. At a time when corn was firm throughout the world, the rise in price was not reflected in dinars, since all increase in gold value abroad and at the bourse was counteracted within the country by the increase in the value of the dinar. So, while corn prices were soaring everywhere in Europe, wheat, for instance, continued to fetch about 400 in Yugoslavia throughout the year 1924. The middle-class consumer with a fixed income in dinars was thus saved from another rise in prices, while the peasant was able to maintain his price.

From the theoretical point of view this bears out the interesting fact that deflation may be beneficial in an agrarian country at a time of heavy export, increasing both the prosperity of the producer and assuring stabilised prices for the consumer. But the success of deflation and the stagnation in trade since 1925 emphasise even more forcibly the fact that Yugoslav prosperity depends more than anything on the state of the international market, and that international economic interdependence is playing an increasingly important part.

In July, 1925, Yugoslav industry was so frightened by the increasing influx of foreign-manufactured articles, which the improvement of the dinar was making cheaper, that it succeeded in causing the Government to introduce a prohibitive import tariff. But the theory that national

industry would prosper with Protection proved an absolute failure. It was in July, 1925, that exports suddenly began to decline in consequence of better harvests in grain-importing countries and the uncertainty of the Russian grain surplus. The harvest having been plentiful and export difficult, internal agricultural prices in Jugoslavia began to decline rapidly, and the peasants, who had sunk a good deal of money in improving their farms and cultivation, found it hard to recover more than costs of production plus a minimum for livelihood. Naturally, they disappeared as buyers from the industrial market, and, paradoxically enough, industry, which had carried on during deflation when only half protected, found itself in difficulties with full Protection and a stabilised currency.

While refraining from prediction, one is forced to conclude that the immediate outlook for industry is not the brightest. The recent floods and storms have damaged the wheat crops so seriously that, while the yield will suffice for internal consumption, it is doubtful whether an export surplus will remain. Consequently, the peasant will not appear as a buyer on the market until after the maize harvest, and even then he will purchase sparingly, for he will need money to repair damage. This will force industry to still lower costs of production, and to introduce more modern management and keener competition—in fact, to undertake a thorough overhauling. This will really mean the speeding up of a process which began about a year ago, when the first pinch was felt, and the Government will certainly be urged to hasten its taxation reform and make charges more tolerable.

Agriculture, also, is passing—or, rather, preparing to pass—through a series of changes. While its chief object hitherto has been the improvement of methods of production and greater yield, it will now have to begin the adoption of other forms of cultivation. Russian competition, although not serious as yet, is beginning to be felt in the Levant, and may be felt soon in the rest of Europe. The possibility, therefore, of passing from corn-growing alone to the cultivation of industrial materials also is occupying the attention of leading agrarians more and more, and is being propagated in the country.

Thus, the passing of the industrial and agrarian boom of recent years has caused the present tendency to move towards reorganisation and modernisation both in industry and agriculture.

Notes of the Week.

The Coal Dispute.—Mr Churchill has this week been actively engaged in the most determined effort to resolve the coal deadlock, which has been made by the Government since the dispute began. As a result of the resolution of the Miners' Conference, last week, the executive wrote to the Chancellor inviting him to convene and attend a conference of the miners and owners, and adding that "we are prepared to enter into negotiations for a new national agreement, with a view to a reduction in labour costs to meet the immediate necessities of the industry." The Government informed the owners that they considered this a sufficient advance to justify them in requesting the Mining Association to resume negotiations. The latter replied that the district associations had withdrawn any authority from the association to enter into national negotiations, and at a conference, on Monday, the Coal Committee of the Cabinet failed to move them from this attitude, in spite of Mr Churchill's argument that the Government passed the Eight Hours' Act in the belief that the owners were still willing to negotiate nationally, and that in the debates the Prime Minister had asserted without challenge from the owners that the latter's proposals would meet the demands of the men for a national settlement. All that resulted from the meeting was that on Tuesday the Central Committee of the association decided to consult the districts as to whether they desired to reconstitute the association as a negotiating body. What the reply of the districts will be is not yet known, though the omens are unfavourable. But in the meantime Mr Churchill has written a further letter to the owners indicating in general terms the Government's ideas as to the connection between district and national negotiations.

The Conference is to lay down general principles of settlement, to be followed by district settlements covering wages, hours, and other conditions, but provided that the points usually covered by national agreements shall be referred for confirmation to the central body. These latter points include:—The ratio of the division of the proceeds of the industry; the intervals between ascertaining; the principles of recoupment; definition of costs other than wages; the minimum percentage to be added to basis rates, and the principle though not the amount of subsistence wage rates in each district. This conception, and, indeed, the wording of the letter follows very closely the report of the Commission, as well as the proposals of the owners on these points in March and April last, and it is difficult to believe that the owners can be so certain of unconditional victory, or so pleased with the prolonged stoppage that they will obstinately refuse to accept the methods of negotiation that they were willing to accept five months ago. This would, indeed, be to surrender the substance for the shadow, for under the plan outlined by Mr Churchill, there is clearly room for substantial variations in minimum wage rates which—even if approved by a national board—mean none the less the abandonment by the men of the claim for a "national minimum." It is also significant that Mr Churchill does not rule out hours from the scope of the discussion, and though Mr Cook does not like the Government's detailed setting out of the possibilities, and would have preferred that nothing should be said beyond the formula of "a reduction in labour costs" until the Conference meets, it is clear that the scope of discussion will be very wide. The various owners' associations will take their decisions during the week-end. They will commit the gravest of tactical blunders if they reject the Government's plan, and by so doing compel the Cabinet to side more definitely with the Federation. The Government has accepted the miners' advance with approval. That decision cannot be dismissed as of no importance.

A Critical Moment in China.—While the various combatants in the Chinese civil war seem no nearer than before towards fighting out their quarrel to a military decision, several of them have contrived, during the past week, to get themselves into serious trouble with foreign Powers. As for the civil war, the recent discomfiture, on the Yangtse, of Wu Pei-fu by the Cantonese (Red) commander Chang Kai-shek has been neutralised—at least, for the moment—by the intervention of Sun Chuan-fang (the master of the five east-central provinces) in Chang Kai-shek's rear. In consequence, Chang has retreated with his main force to Changsha, and is proposing to stand on the defensive against Sun's forces in the province of Kiangsi. It is thought that Chang Kai-shek may find the task of dealing with Sun and Wu simultaneously too much for his strength—especially now that the Canton Government, in whose name he is waging war, has passed under the control of his personal opponents; but, as always in the Chinese civil war, prediction is futile. Meanwhile, the British Government has been having serious trouble both with an adherent of Wu Pei-fu called Yang Sen at Wanhhsien on the Upper Yangtse, and with Wu's enemies, the southern Red Government, at Canton; and it is small comfort to us that the Soviet Government—to whose machinations recent British troubles in China are at least partly due—has fallen into still more serious trouble with Chang Tso-lin in Manchuria. This incident in the north has arisen over the Chinese Eastern Railway, an enterprise created by the Czarism, and inherited by the U.S.S.R., whose rights over the railway were settled by treaty with the Central Chinese Government in 1924. In defiance of the treaty, Chang has just seized the railway's river flotilla and warehouses, and has closed its schools, in which, under the treaty, it has been providing education for the 200,000 Soviet nationals resident in the Manchurian provinces of the Chinese Republic. Almost simultaneously (on August 29th) General Yang Sen (for whom Chang Tso-lin's ally Wu is responsible) attempted to seize by violence a British passenger steamer at Wanhhsien, on the Yangtse, and revenged himself for his failure by successfully seizing two other British merchant vessels, while he immobilised a British gunboat, H.M.S. *Cock-*

chafer, by commanding her from the river bank with riflemen under cover. The British Consul at Chungking attempted to negotiate a settlement under instructions from the British Minister at Peking; but though his proposals to General Yang Sen were most conciliatory, they met with a blank refusal. Thereafter a British naval expedition was sent up the Yangtse from Hankow with orders to release the two British steamers by force. This they failed to do. They succeeded, however, in taking the British officers off one of the steamers, while those of the other jumped overboard, one of them being struck by a bullet in the water and drowned. Three British naval officers (including the officer in command) and four other ranks were killed, and there were six wounded. H.M.S. *Cockchafer* bombarded the town of Wanhhsien, and is believed to have inflicted considerable damage. A day or two before these grave events on the Yangtse, the British authorities at Hongkong had decided to treat the strike pickets at Canton as pirates, and to employ force, if necessary, in order to enable British shipping at Canton to go about its lawful business. Both at Canton and at Swatow British gunboats have taken the offensive, and, so far, the strikers have made no armed resistance. It is possible that the population, and even the Government, of Canton might not be sorry to see the strikers humbled; but, in their present mood, Chinese of all classes, parties, and provinces readily respond to the cry that the foreigner is trampling on Chinese rights, and some violent reaction to these British naval measures may, therefore, be looked for. To make the imbroglio complete, the Canton strike committee seized, on September 2nd, some petroleum stocks at Haiphong belonging to a French company. The moral of all this seems to be that foreigners in China have even worse trouble ahead of them than that which they have already gone through.

The Spanish Dictator Wins.—While the Spanish Government still abstains from participation in the proceedings at Geneva, without yet formally withdrawing from the League, events are happening in Spain itself which provide a striking commentary upon the Spanish claim to a permanent seat on the League Council. Permanent seats are presumably intended for "Great Powers" with stable governments and progressive peoples—for Powers, that is, possessing a combination of qualities which make them natural leaders in the world of international affairs. The struggle between the Spanish Dictator and the Corps of Artillery officers—though it has been terminated vigorously and rapidly, with hardly any shedding of blood—does not suggest that Spain yet possesses this combination of qualities which is required by her international pretensions. For years Spain has suffered from military domination, only tempered by the rivalry between one arm and the other. The officers have established a kind of prescriptive right—which no Spanish Government has so far succeeded in permanently breaking down—to organise themselves in juntas (a species of Soviets) in order to look after their own interests from their own point of view. Since their point of view is inimical to discipline, and especially inimical to promotion by efficiency instead of by mere seniority, the consequences, both for the Army and for the country as a whole, have been deplorable. A flagrant example of military domination in Spain was the *coup d'état* by which General Primo de Rivera brought the present Directory into power; for, unlike the Fascist movement in Italy, this *coup* was a purely military affair, and all the members of the Directory are either military or naval officers. Latterly, the corps of artillery officers seem to have been plotting to mete out to General Primo the measure which he himself has meted out to Spain, but this time they have met their match. The pretorian in the saddle has remained there, while his comrades who have attempted to unhorse him find themselves on the ground. Without much enthusiasm, we may congratulate General Primo and Spain on the outcome; for the worst feature of pretorian government is that the pretorians are apt to come and go in a rapid succession of violent revolutions, and the stabilising of one pretorian régime may be the first step in the evolution of a régime of some better kind. The crisis began last

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Sunday, when the whole of Spain was suddenly placed under martial law. At the same moment the King travelled post haste from San Sebastian to Madrid, and signed a series of drastic decrees which gave the Directory a free hand for bringing the artillery officers to heel. Throughout Spain (though not in Spanish Morocco) the artillery officers have now been disarmed, suspended and placed under arrest; and there has been surprisingly little resistance. The only bloodshed (to the extent of three lives lost) that is so far reported occurred at Pamplona. The chief trouble was expected at Segovia, where the artillery officers threatened to show fight, but at the last moment they followed the example of their comrades elsewhere, and, with their submission, the crisis has been officially announced to be at an end. With the passing of this trouble, let us hope that Spain has made a real step forward in the direction of stable government—the first requisite in a would-be "Great Power."

The Trades Union Congress.—A Labour correspondent writes:—The 58th Annual Trades Union Congress, held this week at Bournemouth, has falsified the prophets. There was a general expectation that there would be numerous pyrotechnical displays. The only "scene" at Congress was on Thursday afternoon, when the miners' representatives strongly resented the selection of Mr John Bromley to second a resolution dealing with the coal situation, in view of the statements made by Mr Bromley since the general strike. On the whole the Congress has been a sober assembly. The general strike has been but on the fringe of the discussions of the congress, as the strike was called with the approval of a conference of trade union executives, to which body the General Council propose, after the settlement of the mining dispute, to report on the strike. The cognate question of the powers of the General Council, however, found a place on the agenda in the form of a number of resolutions most of which were designed to enlarge the powers of the council of the congress. The important point regarding these resolutions is that they stood in the name of relatively unimportant organisations, and that not one of them was sponsored by any of the unions which played a prominent part in the recent national stoppage. It is interesting to record that a few years ago the council desired wider powers, but though the General Council of the Congress now enjoys an authority which it did not formerly exercise, the congress declined to grant it the full powers for which it asked. To-day the General Council itself is undesirous of accumulating any further powers, and it resisted the proposal to extend them. The spokesmen of the larger unions, generally speaking, upheld the council's view, and the suggestion on the resolutions was heavily defeated. It should not, however, be assumed that the large-scale strike is now regarded as a discarded instrument. The trades union movement is not an advocate of strike action for its own sake. The strike is conceived as the last shot in the locker. As regards large-scale sympathetic action, the general strike in May has not persuaded the movement that it is a useless weapon. So far as it is possible to ascertain the prevailing feeling on the matter amongst trade union delegates, it is that at the end of the general strike the miners could have obtained better terms than they could have obtained alone or than they are likely to obtain now; and therefore so far from being a failure it was a success, but the fruits of victory were not plucked by the miners. At

the same time the congress was subdued in tone. It may have been due to the somewhat relaxing atmosphere of Bournemouth, but primarily it was an expression of the reaction after a strike and of an appreciation of the heavy burdens which it entailed. There is a widespread feeling that the miners do not recognise the extent of the sacrifices made by their fellow trade unionists, and an openly expressed view that no other union could influence the General Council of the T.U.C. to organise a sympathetic stoppage. There is no disposition in the congress as a whole to talk about the "next time," though there is a desire for the improvement of trade union organisation, and a belief that circumstances might arise in the future which will force large-scale action, as a defensive measure. At the Scarborough Congress last year the "left wing" was prominent in the discussions. Perhaps the most remarkable thing about the Bournemouth Congress is the silence and impotence of the extremists. No doubt this is partly due to the fact that Mr Harry Pollitt, the ablest of the minority leaders, is in prison; partly it is due to the clever chairmanship of Mr Arthur Pugh. But it is also undeniably due to the fact that the General Council is in an immeasurably stronger position than it was a year ago, and that it has drawn the teeth of the extremists by leading the national strike. The Council has shown courage, the most striking example being its decision to issue to the delegates the offensive cable sent to the congress by Tomskey, and its own dignified reply.

The Second Year of the Dawes Scheme.—The Agent-General for Reparations has issued a statement of the receipts and payments for the second annuity year (September 1, 1925, to August 31, 1926) under the Dawes Scheme. Under the experts' plan the total of the second annuity was fixed at 1,220 million gold marks. Of this the whole was received within the annuity year with the exception of 53.1 millions in respect of interest on railway bonds, due to be paid on September 1st, and the balance of the transport tax, due on September 21st—ten days hence. As the Agent-General states, "Germany is thus faithfully performing her obligations, and has made punctually the payments due during the second year of the Plan"—a tribute which felicitously coincides with Germany's entry into the League. The following table shows receipts and payments in various categories for the first and second annuity years:—

RECEIPTS AND PAYMENTS FOR FIRST AND SECOND ANNUITY YEARS
(on Cash Basis, Reduced to Gold Marks Equivalents)
(In Million Gold Marks.)

Receipts.	First Annuity Year.	Second Annuity Year.	Payments.	First Annuity Year.	Second Annuity Year.
Balance of cash at August 31, 1925 ..	107.0		Payments to various Allied countries ..	789.0	1,060.2
Cash withdrawn from proceeds of German External Loan, 1924 ..	800.0		Expenses of Commissions ..	23.1	18.4
Budgetary contribution ..	250.0		Service of German External Loan ..	77.5	97.2
Transport Tax ..	241.9		Discounts, &c. ..	3.9	7.4
Interest on Railway Bonds ..	200.0	550.0	Cash in hand at Aug. 31.	107.0	93.6
Interest on Industrial Debentures ..		125.0			
Exchange Differences & Interest Received ..	0.5	2.9			
	1,000.5	1,276.8		1,000.5	1,276.8

Whereas in the first year receipts consisted entirely of the proceeds of the German external loan and railway bond interest, the second year's entries include 250 millions from the Budget, 241.9 millions from the transport tax, and 125 millions from interest on industrial debentures, while the interest on railway bonds reached 550 millions against 200 millions in the first year. How the payments were made, and how the four principal recipients participated, is shown below:—

(In Million Gold Marks.)

Nature of Payment.	To Britain.	To France.	To Italy.	To Belgium.	Total Four Countries.
On Account of Reparations Recovery Acts—First year ..	155.2	25.1	..	..	..
Second year ..	201.6	41.5	..	..	..
Occupation costs—First year ..	30.2	144.2	..	20.7	195.1
Second year ..	20.6	56.9	..	8.6	86.1
Deliveries in kind—First year ..	4.5	227.3	60.4	72.8	365.0
Second year ..	..	426.1	71.8	101.0	598.9
Cash transfers—First year ..	4.5	39.1	5.3	4.6	53.5
Second year ..	..	..	..	..	..

The decline in occupation costs is a welcome feature, and we may hope for a further decline this year. The yield under the Reparation Recovery Acts to Britain and France has substantially increased, as also have deliveries in kind to France, Italy, and Belgium. Other payments include 38.2 million gold marks to the Serb-Croat-Slovene State, 14.8 millions to the United States. Special importance attaches to the form in which transfers were made. The Agent-General states that "about 65 per cent., or 760 million gold marks, was transferred in the form of deliveries in kind, or in various forms of mark payments within Germany, while about 35 per cent., or 415 millions, was transferred in foreign currencies." This has apparently been achieved without dislocation. In the current year Germany is to anticipate some future payments. Under a new agreement reached with the Agent-General two supplemental budgetary contributions payable in the third and fourth annuity years are to be liquidated in a lump sum. The new arrangement substitutes for a total contingent liability of 500 million gold marks a fixed payment of 300 millions, all of which is to be paid during the third annuity year, which has just begun. The Agent-General describes this agreement as "a further evidence of the spirit of friendly accommodation, and a new earnest of the goodwill and mutual understanding that lie at the basis of the Plan itself."

Shipping Freight Index.—As indicated in the following table, "tramp" shipping freights during August showed a further advance in comparison with July. Quotations for outward coal chartering from the United Kingdom were once more conspicuous by their absence, and the duplicated figures given below have, in accordance with the plan followed since April, been arrived at by two different calculations. The figures in black type indicate the results secured by interpolating for each of the coal routes normally included in the Index the last available rates, i.e., those current in April. The figures in italics show the results obtained on the basis of the available freight quotations, that is to say, without coal. From these figures it will be observed that taking homeward routes alone (the italic figures) the Index figure shows a percentage increase of 5.8 over July, while the Index Number incorporating the April coal routes represents a rise of 5.7 per cent. compared with the similarly calculated figure for the previous month.

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913) ..	100	100	100	100	100	100	100
Average, 1913 ..	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920 ..	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December ..	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921 ..	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922 ..	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923 ..	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924 ..	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925 ..	116.98	121.57	117.03	110.05	110.10	154.90	121.77
January, 1926 ..	115.92	114.12	116.10	119.58	102.78	135.53	117.00
February, ..	116.52	97.85	114.86	118.52	95.05	119.29	110.35
March, ..	115.88	93.37	116.94	114.57	87.92	96.14	104.14
April, ..	112.40	95.00	116.57	109.16	83.90	97.03	102.34
May, ..	111.41	102.60	115.76	107.90	78.12	99.70	102.58
June, ..	114.12	102.60	110.04	72.65	78.12	99.70	96.20
July, ..	110.81	105.04	121.06	120.43	98.33	92.58	108.04
August, ..	112.32	105.04	120.62	97.70	98.33	92.58	104.43
September, ..	110.91	116.16	134.42	119.80	98.79	124.63	117.45
October, ..	112.60	116.16	147.36	96.45	98.79	124.63	116.00
November, ..	111.61	127.83	133.66	119.59	100.88	151.34	124.15
December, ..	114.72	127.83	145.83	96.03	100.88	151.34	122.77

The month's changes in the Index of each Group and Sub-Group (Coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade ..	..	..	S. America—outwards ..	145.83	- 1.53
Bay—outwards ..	124.19	..	India—outwards ..	96.03	- 0.42
Mediteranean—outwards ..	105.25	+ 0.24	Far East, &c. ..	100.88	+ 2.09
North America ..	127.83	+ 11.67	Australia ..	151.34	+ 26.71

Chartering for the carriage of coal from the United States to the United Kingdom again monopolised attention during August, the demand being so heavy as to attract vessels from all quarters, and even to bring about the re-commissioning of idle tonnage. Towards the end of the month a lull occurred, importers being more inclined to adopt a waiting policy in view of possible developments in the coal situation, but the falling off in transactions was without effect upon rates, which were fully steady. Other prominent features of the month were a broadening of demand for the loading of North American and Australian (new season) grain, and considerable activity on the part of Black Sea grain shippers. On the other hand, the movement of Argentine grain slowed down in sympathy with a reduced European inquiry; the Indian and other Eastern markets for the most part lacked animation, while the Mediterranean and Bay Ore Ports, though moderately busy on Continental account, suffered through lack of British orders owing to the extremely depressed state of the heavy industries in the United Kingdom. The relation of the Index to the average for 1913 may be seen from the following table, the italic figures for the past four months being those obtained without coal freights:—

Month.	(1913 = 100.)	1923.	1924.	1925.	1926.
January ..	114.05	..	117.11	..	114.49
February ..	112.73	..	123.78	..	115.96
March ..	115.23	..	122.09	..	106.63
April ..	115.45	..	117.22	..	104.24
May ..	114.55	..	114.27	..	98.23
June ..	106.82	..	108.62	..	91.74
July ..	103.39	..	103.75	..	94.90
August ..	100.16	..	104.43	..	95.87
September ..	103.04	..	110.50	..	98.19
October ..	107.86	..	115.55	..	99.49
November ..	111.21	..	112.76	..	102.23
December ..	111.81	..	111.21	..	104.67
Mean for year ..	106.69	..	113.44	..	102.22

The immediate future of "tramp" freights depends materially on the British coal position, but it is probable that any reaction in rates caused by an early resumption at the pits would be offset by the seasonal movement of grain, which should provide good employment for shipping during September.

American Cotton Crop.—Considerable interest was taken, writes our Manchester correspondent, in the fifth report of the American cotton season issued on Wednesday evening by the United States Department of Agriculture. Most traders were expecting a considerable decline both in the condition and in the indicated yield. Much surprise was created when it was known that, given normal conditions during the next 12 months, the crop would total 15,166,000 bales, which compares with the previous report issued a fortnight ago of 15,248,000 bales. The drop in the indicated yield has been quite modest, and as a bigger decline had been expected, American cotton prices in Liverpool and New York dropped immediately the report was issued. The growth in the United States is from two to three weeks late, and a very anxious period has still to be passed through. The United States Government, however, place the minimum crop at 14,040,000 bales, and the maximum indication at 16,379,000 bales. A further report will be issued in a fortnight's time.

International Cotton Statistics.—Our Manchester correspondent writes:—World interest has been taken in the annual cotton statistics just published by the International Spinners' Federation, which show that the world's consumption of American cotton for the year ending July 31st was 13,730,000 bales, against 13,256,000 bales a year ago. Europe consumed less, while Asia and America showed considerable increases on last year's consumption of American cotton. The consumption of all kinds of cotton was 24,681,000 bales, against 23,294,000 bales on July 31, 1925. There has been a considerable increase in the consumption of cotton other than American and Egyptian, and this reflects the greater activity in new cotton-producing countries. Russia has de-

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creased her consumption of American cotton in the last half-year from 21,453,9 to 59,374 bales, but this decrease has been more than made up by the consumption of cotton from Russia, Asia, and Persia. England has increased her consumption of outside growths from 277,000 bales last year to 370,000 bales this year. The total world stocks of American cotton on July 31st were 1,969,000 bales, against 1,833,000 bales a year ago. Although the American mill stocks in the world were 136,000 bales larger than on July 31, 1925, practically every country in Europe has slightly less stock than twelve months ago. Europe, again, has less stock of East Indian cotton. The Egyptian cotton mill stocks total to 201,000 bales, against 181,000 bales twelve months ago. The total world's mill stocks of all kinds of cotton on July 31, 1926, were 4,498,000 bales, against 4,267,000 bales a year ago, and 3,569,000 bales on July 31, 1924. All the above statistics have been compiled by Mr Arno S. Pearse, the General Secretary of the International Spinners' Federation.

Bulgarian Debt and a New Loan.—The Bulgarian Minister of Finance has signed, at Geneva, an arrangement regarding the Old External Debt which he will recommend his Government to authorise, and the acceptance of which, according to a statement issued by the Council of Foreign Bondholders, the British, Dutch, and French representatives are prepared to recommend to their respective bondholders' committees or certificate holders. After acceptance it is proposed that a new arrangement shall come into force next April. The main conditions as set out by the Council's statement are as follows:—

(1) The rates of interest payable on the loans of 1902, 1904, and 1907 for 21 years, from April, 1927, to April, 1948, shall be as follows:—

	Per Cent.
April 1927 to 1930 ..	49
" 1930 to 1933 ..	56
" 1933 to 1936 ..	63
" 1936 to 1939 ..	70
" 1939 to 1942 ..	77
" 1942 to 1945 ..	84
" 1945 to 1948 ..	91

(2) After April 1, 1948, the full service of interest on the above-named loans to be resumed. All payments to be in the most appreciated currency specified on the bonds. The rates of payment on the loans of 1892, 1896, and 1909 to be in proportion, but full payments in the case of these loans to be deferred until April, 1951.

(3) The sinking funds to be suspended for six years, from April 1, 1927, but the Bulgarian Government can at any time purchase bonds on the market for amortisation.

(4) From 1933 to 1948 half the full amount of the sinking funds on all the loans, as fixed by new amortisation tables on the basis of the outstanding bonds of each loan, to be applied by the Bulgarian Government to purchases of the bonds on the market, or by drawings at the same percentages as those fixed for the payment of interest at the time when such drawings take place.

(5) From April 1, 1948, the full sinking funds to be resumed and applied in the manner provided by the loan contracts as modified by the new amortisation tables.

(6) The new loan to be issued under the auspices of the League of Nations shall not in any way interfere with or affect the rights and securities enjoyed by the holders of the existing loans, and such holders shall be in all respects entitled to the same treatment as the holders of the new loan in regard to any transfer arrangements that may be established in connection therewith. Should financial conditions in Bulgaria materially improve or deteriorate during the period of this agreement, the Bulgarian Government and the bondholders respectively shall be entitled to negotiate for its revision by mutual agreement.

This agreement is subject to the issue of the above-mentioned new loan. At the same time, this agreement with creditors fulfils one of the conditions for financial assist-

ance that was laid down by the Financial Committee of the League. The new loan, which is to produce £2,250,000, is to be devoted to the settlement of refugees, the construction of houses and land cultivation.

The Indian Rupee.—The postponement of the discussions of the Currency Bill in the Legislative Assembly has given rise to some uncertainty regarding the policy of the Indian Government towards rupee exchange pending the introduction of the Bill. These doubts are now set at rest by the issue of the following communiqué by the Government of India:—"Doubts have been expressed in certain quarters as to the Government's intention in the matter of maintaining exchange at 1s 6d per rupee, in view of the postponement of consideration of the Currency Bill in the Legislature. The Government of India desire to make it clear that, in accordance with the announcement made in the Press communiqué of August 4, 1926, they will continue to take such steps as may be necessary to prevent any undue fluctuation in the exchange value of the rupee, in order to confine the movement of exchange within the approximate upper and lower gold points, as calculated on the basis of a 1s 6d gold rupee—namely, 1s 6½d and 1s 5½d respectively."

Building Societies and Super-Tax.—In view of the great development in the work of building societies, and the present anniversary movement to extend their scope (their total assets are placed at more than £160 million), certain questions have been raised with reference to the customary 5 per cent., free of tax, to depositors, and the extent to which the arrangement may be used for the avoidance of super tax. In the present agreement between the Inland Revenue authorities and the building societies there is a clause which provides that investors, depositors, and lenders are not to be charged to income-tax for the dividends or interest they receive; if charged, and the necessary proof is supplied, they are to be entitled to relief. No repayment of tax is to be made against income derived from investments in, or loans or deposits with, the society, and no certificates of payment of tax in respect of such income are to be issued by the society. The effect of this agreement is that, on the one hand, the Crown is not to be in a position to claim, as against the recipient, that the interest received by him has not been taxed, and, on the other hand, the recipient cannot claim for purposes of repayment that he has paid any tax upon it. But while building society interest paid free of tax under this arrangement is thus not returnable for direct assessment to income-tax, it clearly forms part of the recipient's total income, and is therefore required to be returned as part of that total income both for income-tax purposes (as, for example, in connection with life insurance relief), and for super-tax purposes. In view of these facts, it is believed that this requirement is generally understood and complied with by such super-tax-payers as may have deposits or other investments with building societies.

Nobel Industries.—Judging by the latest results of Nobel Industries, its various activities continue to be highly remunerative. A good rate of progress has been maintained by this important combination, and shareholders have every reason to be satisfied with the figures shown in the accounts for the year ended December 31st last, just issued. These are summarised in the following comparative table:—

	1921.	1922.	1923.	1924.	1925.
Gross profit	£ 809,242	£ 1,157,137	£ 1,178,443	£ 1,003,420	£ 1,091,920
Net profit	604,264	942,901	1,032,489	927,710	1,018,540
Brought forward	757,498	463,349	509,018	650,130	666,597
Available for shareholders	1,361,762	1,406,250	1,541,507	1,577,840	1,685,137
Preference shareholders	269,243	284,986	297,902	300,964	308,630
Ordinary shareholders ..	279,170	413,301	493,474	560,279	638,199
(5 %)	(7 %)	(8 %)	(9 %)	(10 %)	
Balance of note issue written off	..	148,945	..	..	..
Reserves	350,000	50,000	100,000	50,000	450,000
Carried forward	463,349	509,018	650,130	666,597	230,527

It will be seen that, according to our table, the reserve account has been strengthened by £450,000. This is not the full extent of the provision, as the directors state that the special investment reserve account is now no longer needed, and the £550,000 to the credit of the fund has been transferred to general reserve. The deferred shareholders receive 5 per cent. The total of the general reserve fund is now £1,000,000. The directors state that the stoppage in the coal industry has materially affected the home explosives business during the current year. They express the hope, however, that this will be repaired by an improvement in the result of operations in other fields, and a further improvement in the income received from general investments. The balance-sheet shows that £80,379, representing cost of the debenture issue, still remains to be wiped off.

Calico Printers.—The Calico Printers' Association, Limited, experienced a setback during the year ended June 30th last, a circumstance which is not surprising in view of the unsettled condition of the textile industry. A comparative summary of the figures is given below:—

Year Ended June 30.	Gross Profit.	Main-tenance and Depreciation.	Net Profit, Less Debenture Interest.	To Reserve, &c.	Dividends.	Ord. Rate.
1906.....	£ 682,160	£ 200,120	£ 354,040	£ 150,000	£ 201,074	4 %
1907.....	776,752	224,711	424,041	150,000	276,476	6½
1908.....	383,612	212,237	93,375	..	150,805	nil
1909.....	448,880	207,565	163,315	Dr 50,000	150,805	nil
1910.....	723,953	201,615	394,338	200,000	201,073	2½
1911.....	612,630	208,860	403,771	185,000	226,208	3½
1912.....	463,904	205,020	130,884	Dr 80,046	226,208	3½
1913.....	718,851	216,174	374,677	150,000	226,208	3½
1914.....	443,786	210,276	105,510	Dr 50,000	150,805	nil
1915.....	210,818	261,994	Dr 179,176	Dr 200,000	nil	nil
1916.....	1,104,732	312,345	664,387	300,000	351,878	2½
1917.....	1,268,058	562,340	577,719	300,000	251,342	5
1918.....	1,271,559	573,606	569,953	310,000	251,342	5
1919 and 1920	3,040,392	1,567,432	1,216,961	350,000	603,221	10
1921 and 1922	2,418,777	1,659,200	503,542	50,000	552,952	7½
1923.....	1,525,514	597,306	800,208	400,000	402,147	12½
1924.....	1,191,524	522,739	540,786	205,724	351,879	10
1925.....	1,331,554	503,249	700,304	250,000	452,415	15
1926.....	856,178	511,960	344,218	nil	301,610	7½

Net profits, it will be seen, are substantially lower than they were in the previous year. There is some satisfaction to be derived from the fact that the depreciation allowance is a little higher than in 1924-25. Against this, however, it has to be noted that reserves, which last time received £250,000, this time are neglected. The ordinary shareholders, too, are affected, as their dividend is halved at 7½ per cent. During the year capital expenditure absorbed £140,956, or approximately £40,000 more than in the previous period. Land and properties, &c., have gone up from £5,496,326 to £5,637,282, while creditors are up by £110,000, this being accompanied by an increase of £270,000 in the cash holding. Sundry debtors and investments are shown together. This composite item has fallen from £4,444,896 to £3,76,513, but stock-in-trade now stands at £1,965,800, in contrast to £1,792,633. The total of the depreciation account is now £1,003,244; the general reserve accounts for £750,000; the capital reserve for £60,000, and the reserve for equalisation of dividends for £300,000. The balance-sheet shows a fairly strong position, and this will enable the undertaking to tide over the present trying period.

A Plethora of Precious Products.—It would look, writes a correspondent, almost as though the Transvaal is in danger of having an excess of platinum and diamonds. Johannesburg authorities are greatly concerned as to the effect which the pending increase in the production of platinum is likely to exercise upon the price. Inquiry leads to the conclusion that an expansion in the employment of the metal for industrial purposes, owing to a reduction in the price, may be offset by a reduction in the demand for jewellery; as, actually, the chief attraction of the metal for purposes of adornment consists in its dearthness. Six treatment plants—three of them described as pilot—are, or shortly will be, in operation in the Transvaal; and it is calculated that

the output from them will be at the rate of between 40,000-50,000 ozs per annum. Will such an addition to the available supply be absorbed without having a material effect upon the price? Moreover, a distinct expansion is taking place in the output from the South American Gold and Platinum Company in Colombia. It is therefore being very insistently urged that no time should be lost in the creation of an organisation for control of the production and sale of platinum on the lines of the Diamond Syndicate. Then, with regard to diamonds themselves, several rushes have taken place during the past few months. The July output from alluvial workings amounted to £193,000, an increase of 50 per cent. upon the average of the preceding six months; and a further immediate expansion is foreshadowed. For 1925 the output of South Africa from diamond mines was 2,190,900 carats, and from alluvial 239,300 carats. It is obvious that the production from alluvial may become a factor of which the big diamond producers will shortly have to take account. Last year's world's production of diamonds from alluvial and eluvial deposits—chiefly in the Belgian Congo and South-West Africa—amounted to nearly 2½ millions, or somewhat more than the yield from pipe deposits. Moreover, there are indications of growth in the supply from various other centres than South Africa. For example, the Gold Coast Colony exports for 1924-25 were valued at £69,050, as against £34,200 in 1923-24. Two new plants have lately started up, and others are to be added. It would therefore look as though the Diamond Syndicate may find difficulty in maintaining the present prices for the stones unless it can succeed in getting control of the more important new sources of production.

Rand Mine Developments.—The shareholders in two well-known Eastern Rand companies have recently had some excitement, writes a correspondent. On an unofficial forecast of the end-June ore reserve estimate, Sub-Nigels were run up. When the company's own figures came to be published they proved the unofficial forecast to have been a case of unintelligent anticipation. The tonnage is placed at 731,000 tons, an increase of 222,000 tons upon the computation of twelve months previously, the value being 17.5 dwts over a stopping width of 28 inches. The forecast had suggested a total of 950,000 tons, giving 17 dwts over 40 inches. People whose expectations had been over-optimistic rushed to sell their shares; the offerings were quickly absorbed by others taking a different view of the position. One point is that the latest estimate does not fully reflect the character of recent developments, much of the high-grade ore having been insufficiently blocked out for inclusion in the reserves. The other share which has been much in the limelight is Van Ryn Deep. Owing to the reduction in the dividends, the price had lately come down to 2½—comparing with the best of 4½ in 1924. The reduction in the profits having been due to less satisfactory development in the mine as well as to the disappearance of the gold premium, any change for the better in the former respect would be a matter of considerable importance to those interested. On rumours as to the disclosure of better values, the shares for a time met with a strong demand. Information as to the location of the discovery will be awaited with interest. If it should be in the western section of the mine—hitherto found to be of lower grade than the eastern, which has supplied the bulk of the ore so far milled—the prospects of the company will undergo a material amelioration.

New Modderfontein.—Our mining correspondent writes:—Once against this wonderful Far Eastern Rand proposition has succeeded in putting up fresh records in several respects. In the year ended June 30th last the tonnage of ore milled, the development footage, the working revenue and the profit exceeded the results of any preceding period in the company's history. It is noteworthy that, despite the disappearance of the gold premium, the yield per ton (10½ dwts) was above that of any year since 1921-22; the advance in costs arose from special underground expenditure. Of the earnings of 1925-26, nearly £143,000 was absorbed by capital expenditure, the

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outlay on shaft-sinking and equipment again being higher than before. A considerable further amount will be required this year. Taxation, at £283,200, absorbed a trifle less than in 1924-25. Appended is a summary of the results for the past three financial years:—

	1923-24.	1924-25.	1925-26.
Ore crushed.....tons	1,384,000	1,479,000	1,532,000
Revenue.....per ton	43/6	43/4	43/10
Costs.....per ton	17/1	17/1	17/10
Profit.....per ton	26/5	26/3	26/
Total working profit ..£	1,825,890	1,938,960	1,992,530
Dividends.....£	1,400,000	1,540,000	1,540,000
Rate.....per cent.	100	110	110
Carried forward	£ 313,810	£ 363,240	£ 423,960
Ore reserves.....tons	9,064,400	9,090,100	9,289,900
Value per ton	8-5	8-5	8-6

An interesting feature in the mining practice consists in a further reduction in the stopping width by nearly 7 inches, due to the full equipment of the stopes with jackhammer machines. This has had the effect of bringing within the pay-limit a large tonnage of low-grade ore which under former conditions was unpayable. Hence, mainly, the expansion in the ore reserve tonnage. On the question of value the consulting engineer remarks: "The effect of the addition of such low-grade tonnage on the average value has also been material." In other words, but for such inclusion the average would have shown a larger increase than it does. On the basis of the dividends of the past two years the shares yield about 11½ per cent. gross, and may be regarded as a sound holding of their kind.

Nourse Mines, Limited.—Our mining correspondent writes:—The results for the year ended June 30th last of this old-established Rand producer are distinctly disappointing. A further increase took place in the tonnage of ore milled, and costs were further cut down by 1s 2d to 21s 10d per ton; but owing to a renewed shrinkage in the grade of the ore milled, and to the entire disappearance of the gold premium, a working loss of £2,730 resulted. Interest and exchange reduced this to £1,600. Capital expenditure on equipment, &c., amounted to £23,700, reducing the carry forward from £80,400 to £55,350. Naturally, no dividends were paid. For the first half of 1924-25 the shareholders received 2½ per cent., and for the whole of 1923-24, 8½ per cent. Last year's underground work rather more than maintained the ore reserves, which now figure at 1,097,600 tons, value 5.9 dwts—the same as before. This quantity, however, is by no means large, having regard to the capacity of the mill; and in practice it has become necessary to draw a large proportion of the ore from other sources. In fact, the percentage taken in 1925-26 from the calculated reserves was only 45. The consulting engineer sums up the position by stating that, "taken as a whole, the results of development show no improvement." Efforts are being made to meet the position by expansion of operations. This involves borrowing money from the parent undertaking, the Rand Mines. The sum agreed upon is a maximum of £40,000 at 7 per cent. interest, principal re-

payable by April 6, 1927. Of this amount, £12,000 had been borrowed at the date of the balance-sheet. Altogether there seems little hope of a resumption of dividends in the near future.

Our Index Number: A Correction.—We regret that inconvenience should have been caused to some of our readers by an error which occurred in our Index Number table on page 387 of last week's issue. The August figure for the second group, "Other Food Products," should have read 695, and not 685, as printed.

THE Industrial Welfare Society's seventh annual lecture conference will be held at Balliol College, Oxford, from September 10th to September 15th. The programme may be obtained from the conference secretaries, 51 Palace street, Westminster, S.W. 1.

Oversea Correspondence.

LEAGUE OF NATIONS.—COUNCIL REORGANISATION AND THE ENTRY OF GERMANY—PAST YEAR'S WORK REVIEWED.

(FROM OUR OWN CORRESPONDENT.)

GENEVA, September 7.

TOWARDS the end of the week, unless some unforeseen and unlikely hitch arises, Germany will be a member of the League of Nations with a permanent seat on the Council. It is no use pretending, however, that the attendant circumstances have satisfied everybody. A good many of the smaller States, including those who take their stand most securely on the interests of the League as a whole, are perfectly frank in their dislike of the Council reorganisation, adopted ostensibly to improve the working of the League, but, in fact, to meet political conditions, and there is a good deal of criticism of what is declared to be an attempt of the Council to dictate to the Assembly how it should conduct its business. One or two statesmen come to an arrangement before reaching Geneva, and a little clique of Powers makes use of the League to serve its own particular ends. The Assembly, they say, wanted Germany admitted with a permanent seat on the Council, and had no interest as a whole in the insistent demands of Poland and Spain or in the diplomatic prestige of France, the friend of Poland.

They see the German Press proclaiming a French triumph, and grumbling about Assembly procedure. They see the French Press saying that too much has been given away to Germany and the other Powers whose special claims have caused so much difficulty. They see that the compromise arrived at has so far failed to satisfy Spain or Brazil, who for the moment are taking no further part in the League, and that Poland is only reluctantly acquiescent. In their eyes, it all boils down, therefore, to ensuring the primary Franco-Polish aim that Poland shall come on the Council with privileges during the same session that German is given her seat. They fail to see why a fundamental reorganisation of the Council should take place to serve these ends, and they do not regard the addition of three non-permanent seats to the Council as necessary, especially as at present two of the existing members of the Council are absent. They resent, also, being asked to vote at the same time—as at present fore-shadowed—on the resolution of the Council for a permanent seat to Germany and three additional non-permanent seats for other States subsequently to be elected during the meeting.

None of these criticisms is without justification, but it is rarely possible to follow purist theories in a workaday world of international relations, and in some respects a good many of the criticisms now made appear a little trivial compared with the issues at stake. If the Council had acted as the custodians of the Covenant and nothing else, regardless of their own particularist desires, they might undoubtedly have done better, but account has to be taken of the fact that neither the Council nor the Assembly does work on these lines; it would be a long way towards the

ideal state if they did. The essential point was to reach an arrangement which Germany and France on the one hand and Poland, Sweden and Spain on the other could accept in order to make the path of Germany's entry secure. This has been sufficiently, if not completely, assured, and the situation with regard to Spain is still not without hope. It has been done without any serious dislocation of the organisation of the League. It may be that at present an additional three non-permanent members with the absence of Spain and Brazil is excessive, but that objection may not apply for long. Turkey will almost certainly come into the League next year. She already has two ambassadors as observers who have gone out of their way to show that Turkey no longer has any quarrel with the League, and M. Benes, who as acting-president of the Council made the opening speech at the Assembly, went out of his way to express the hope that after the happy solution of the Mosul question the League would soon have the opportunity of welcoming Turkey. He gave a definite invitation to Turkey to apply for membership. The return of Argentina to full participation in the League is also only a matter of time, and the return, sooner or later, of Spain is still hoped for. It is quite likely that the Assembly will, in fact, re-elect Spain to one of the re-eligible seats, and the feeling is that, coupled with the almost excessive regard which has been paid to the Spanish Government, Spain will be unable to resist this flattery upon flattery. Even if she does not immediately do so, it will be an advantage to keep a seat for her on the Council, as it will be simpler for her to return, and a vacant seat even for twelve months will make no difference to the work of the Council in present conditions. Ultimately, with Turkey and Argentina in the League, and possibly Brazil and Spain returning, nine non-permanent seats would almost be necessary to give adequate representation to the different regional interests of the world.

So far as the re-eligibility provisions are concerned, constitutionally they mean little, politically they may mean a great deal. The temporary provision by which, for this Assembly alone, not more than three States may be declared to be re-eligible at the beginning of their term of office, satisfies Poland up to a point because she regards it as amounting to something like a political assurance on the part of the Council that she will be re-elected; but constitutionally this is by no means a certain assurance, for re-eligibility is not the same as re-election, and though Poland or any other State may be declared re-eligible at this Assembly, when she comes up again for re-election it will depend entirely on the free vote of the Assembly as to whether or not she serves for another term of office.

It is difficult to find what real substance there is in the other criticism that the Council is endeavouring to impose its will on the Assembly. It was the Assembly's desire that the Council should set up a commission to straighten out the mess of last March. The Council did so, and with great difficulty reached a compromise. It recommends to the Assembly that this compromise should be accepted and put into force, as it has a perfect right to do. The Council also proposes the form in which the Assembly should deal with it, but the Assembly itself is master in its own house, and is perfectly entitled to accept or reject this advice. The Bureau of the Assembly, which consists of the president elected by the Assembly, of six vice-presidents elected by the Assembly, and of the six presidents of the Assembly Commissions, elected by the Assembly, is responsible for the conduct of business; it is free to propose what it wishes, and the Assembly in its turn is then free to accept or reject what the bureau proposes. If, therefore, there are States in the Assembly which object to the compromise, there is nothing in the world to prevent them from doing so. What is absolutely certain is that they are not strong enough to prevent its adoption. If they attempt it, the least that can be expected of them is that, in taking so grave a responsibility, they produce an alternative scheme which will meet the situation. The spirit in which the compromise has been carried out may not be in keeping with the spirit of the League of Nations conceived in its ideal working, but there is nothing in it to suggest that it will have any ill effect on the League, and its value is that it is good enough to provide a solution whereby Germany may enter.

It is the custom that in the opening speech of the Assembly the President should review the work of the past year, and M. Benes, in fulfilling this task with a succinct and comprehensive survey, gave prominence to what has been undertaken by the Economic and Financial Organisation of the League, dealing with the preparatory work now being undertaken for an international economic conference, with the work achieved in the reconstruction of Austria and Hungary, the raising of the Danzig municipal loan, the continuation of the work of the Greek Refugee Settlement Commission, and the preparation of a loan for the settlement of Bulgarian refugees. He also alluded to the variety of other matters under consideration, such as double taxation, unfair competition, the abolition of import and export prohibitions and restrictions, and so forth. As to the future Economic Conference and the Disarmament Conference, he emphasised the necessity for prudent and careful preparation, and with regard to disarmament especially, he said, the failure of an ill-prepared conference would amount to a catastrophe.

The essential step of the immediate future was the admission of Germany to the League and the bringing into force of the Locarno Agreements, which M. Benes described as no more than an application of the Covenant conceived fully in the spirit of the Covenant, carried out under the influence of plans and discussions of the League of Nations itself, and providing for a whole series of pacific procedure, commissions of conciliation, arbitration, Court of Justice, and the Council of the League. In this connection, M. Benes noted the remarkable movement which had begun in the political world as the result of powerful impulse given by the last two Assemblies. The members of the League throughout the world were in process of inaugurating a vast new political system based upon the principle of conciliation and arbitration. It was impossible to over-estimate the importance of this evolution, and if to all that had been done voluntarily in the last few months were added the supreme guarantee offered by appeal to the League, they had the most complete system yet established for the pacific settlement of international disputes.

UNITED STATES.—SHARE MARKET RECOVERY—GOOD RAILROAD EARNINGS—MONETARY FACTORS—IRON AND STEEL.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 1.

AFTER a substantial reaction following the increase in the Federal Reserve Bank's rediscount rate, the share market has been displaying a better tone under the leadership of railway shares. Trading has been on a moderate scale, and there has been no evidence of a strong public desire to indulge in speculative activity. Strength in the rails is readily comprehensible, as current car loading statistics and earning statements are extremely satisfactory. Car-loadings by the Class I. roads have been running in excess of one million cars a week for about three months, and the freight movement that these statistics reflect has been well in excess of the corresponding performances during 1925 and 1924 ever since the beginning of March. Meanwhile the earnings of these roads have been showing healthy gains over the corresponding months of the past three years. It is estimated that the net earnings for July will approximate \$122,000,000, which would correspond to an annual rate of 6.6 per cent. on the Inter-State Commerce Commission's valuation. This showing compares with \$99,000,000 and 5.56 per cent. in July of last year. It makes the second consecutive month in which earnings have exceeded the Inter-State Commerce Commission's "fair return" on valuation. At the same time, the question remains as to the character of the present buying, and as to the ultimate effect of the autumn hardening in money rates. So far the share market has withstood a 5 per cent. call money rate very well, perhaps because the recent reaction partly discounted a higher call money rate. However, a better test of the influence of the money market probably will be had during the next few

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weeks. The period of seasonal ease that centres around August is coming to an end, while the Labour Day holiday will make the usual large demands for currency, and the customary increased demand for money in September may be expected.

In its discussion of the money market, the current monthly bulletin of the Federal Reserve Bank points out that there has been a fairly close correspondence between the movement of share prices and the volume of credit extended by the member banks on stocks and bonds. The bulletin expresses the opinion that the correspondence is closer between share prices and these member bank loans than between share prices and the statistics of brokers' loans. Speaking of the recent increase in brokers' loans, which amounted to \$129,000,000 in the four weeks ended August 25th, the bulletin says:—"This increase in brokers' loans appears to be due largely to a change in the method by which security transactions are being financed, reversing the tendency of earlier in the year. From February to May, while stock prices were declining, there was evidence of a shift by which securities were carried more largely by loans made direct to private individuals by banks than by loans made to brokers. This shift was apparent in the statistics in a very rapid decrease in loans to brokers, but a small decrease in total bank loans on securities. From May to July loans to brokers and total bank loans on securities increased simultaneously. But since the latter part of July brokers' loans have increased \$121,000,000, while total bank loans on securities remained practically unchanged. This appears to indicate some shift from direct borrowing from banks to borrowing from brokers." On this basis the bulletin concludes that the total loans of member banks on securities offer a better index of the volume of credit employed in security transactions than do brokers' loans. The question arises as to what the two sets of figures show as to the character of the ownership of the securities, and whether an increase in the proportion of securities carried on brokers' loans indicates that stocks are shifting from strong to weaker hands.

Another interesting and significant subject treated in the Reserve Bank's bulletin is the magnitude of business profits during the last four years. Tabulations covering seven groups of industries show that the quarterly earnings of 89 industrial companies, after receding moderately during 1924, rallied strongly during 1925 and 1926, and reached the highest level of the past four years in the second quarter of 1926. Taking 99 industrial corporations, the profits during the second quarter of 1926 amounted to \$209,000,000, as compared with \$171,000,000 in the second quarter of 1925, and \$272,000,000 in the first six months of 1923. Meanwhile the Class I. railroads earned \$271,000,000 in the second quarter of 1926, as compared with \$234,000,000 in the second quarter of 1925. These figures suggest that earnings of both industrials and railroads will achieve new high records for the year 1926. Plainly the country is enjoying an excellent brand of prosperity, and one that is not tinged with inflationary tendencies.

Current reports show that the steel industry is running along on a remarkably even keel. Production of pig-iron during August averaged 103,103 tons a day, as against 103,978 in July. Production of steel ingots is expected to show a slight increase in August. Producers are reported as feeling confident that a high rate of operation will be maintained during the next two months. Iron and steel prices remain steady.

FRANCE.—ECONOMY PLANS—CONVERSION LOAN IMMINENT—FLOATING DEBT PROBLEM—WAR DAMAGE CLAIMS.

(FROM OUR CORRESPONDENT.)

PARIS, September 8.

THE Poincaré Government is continuing steadily its policy of financial restoration and reform, and every week is now recording either the initiation of further proposals to these ends, or the actual putting into operation of others. The outstanding feature of the past seven days has been the announcement of the approval by Ministers of a sweeping scheme of judicial reform, in view of "the imperative obligation to realise budgetary economies." The Government decisions concern chiefly the suppression of a large proportion of the minor courts and of many of the local prisons, which at present involve the maintenance of a great many more judges and other permanent officials than are regarded as necessary. The 90 départements of France are sub-divided at present into 385 *arrondissements* or electoral districts, 359 of which have their own permanently staffed civil and criminal courts. The decree which is to appear very shortly will suppress 228 of these courts, and will enable the judicial personnel to be reduced by 396 local judges and 271 other permanent officials. Some of these "suppressed" officials will be reabsorbed by extensions that will be necessary in connection with the existing tribunals in the departmental chief towns, but on balance a substantial saving will be effected. Simultaneously 218 local prisons are to be suppressed, involving a net reduction of about 275 permanent civil servants attached to the penal department. Another reform consists in the suppression of 87 departmental *conseils de préfecture*, and their replacement by 23 local administrative councils, each of which will cover much larger areas than the existing councils.

Plans are also being developed for the suppression of many of the sub-prefectures throughout the country, but here the Government is finding it necessary to act with exceptional caution. This reform has been projected for many years, but no Cabinet has ever yet dared to bring it to an issue. The *sous-préfecture* is not only the seat in every district of the direct representative of the central Government, but it is also the centre of the local social hierarchy, and its retention is jealously insisted upon. Deputies representing scores of obscure country towns whose *sous-préfectures* are threatened are already up in arms, and there is also much opposition to the proposed suppression of the local law courts. It remains to be seen whether even M. Poincaré's Cabinet will have the courage to press the proposals to accomplishment, but as to the wisdom of the proposals, from the points of view of economy and efficiency, there can be no two opinions.

The reorganisation and industrialisation of the tobacco monopoly is proceeding satisfactorily, and it is understood that the plan to be followed will be based largely on the report which André Citroën, the well-known motor-car manufacturer, was asked to lay before the Experts' Committee on the subject. It is estimated that it may be found possible to institute the new *régime* during October, but no exact date has yet been fixed for the net receipts of the monopoly to cease to be paid into the Treasury, and to be henceforward diverted into the new Caisse d'Amortissement.

The second large-scale operation in the Government's financial plan is foreshadowed by the announcement that a large national loan is to be issued during October. This loan, I understand, will be solely for the purpose of converting and consolidating a substantial proportion of the floating debt, therefore, it will add nothing to the already huge burden on the national finances. "There will be no advantage in voting additional taxation," M. Poincaré reminded the Senate recently, "unless some solution is found for the problem concerning the National Defence Bonds." If the Treasury is liable to be faced, at any crisis of confidence, with demands for the reimbursement of vast quantities of maturing bonds, the whole elaborate structure that is being raised may be overturned. The Experts Committee, it will be recalled, advised that the existing organisms should devote part of their available resources to buying in short-term Treasury bonds on the market, and eventually of Consolidated Rentes.

M. Poincaré is reported to be acting on this principle. The new loan, it is asserted, will not be issued directly by the Treasury, but by the new Caisse d'Amortissement. It is to be secured by the whole of the resources of the Caisse (the yield from the tobacco monopoly, the new succession duties and the new 7 per cent. tax on first transfers of business undertakings and goodwill). Should these resources prove insufficient, the deficit will be obtained from the Budget, under the law of August 7 last. The primary object of the loan will be to assure the Treasury against any crisis arising in connection with those portions of the short-term debt that will mature during 1927. These are:—

	Frs.
February 1—Crédit National Bonds.....	3,063,000,000
February 16—Six-year Obligations	40,000,000
May—Do do	40,000,000
August—Do do	40,000,000
September 25—6% Treasury Bonds	4,105,000,000
November—Six-year Obligations	40,000,000
	7,308,000,000

In the normal course of events, of course, not more than 50 per cent. of the holders of these would apply for repayment, but it is obviously advisable that as many of them as possible should be converted into consolidated debt, and thus prevented from becoming a recurrent danger in the future. The relation between the pending loan (the announcement of the amount and conditions of which is believed to be imminent) and the problem of stabilisation is obvious. Germany, it may be recalled, in its efforts to stabilise the rentenmark, redeemed the whole of its floating debt. The depreciation of the mark was such that the 191,580,405,000 marks of German Treasury bonds that were discounted by the Reichsbank on November 15, 1923, were paid off with 200 millions of rentenmark on December 22nd following. The French short-term and floating debt on December 31st last totalled slightly over 120,167 millions (paper), of which 93,687 millions was floating debt; therefore, its redemption would require an enormously greater sum in gold francs, so much greater that the adoption of the German plan would be impossible. The problem to be solved is whether M. Poincaré's more gradual plan will prove sufficient, or whether more drastic operations will not prove necessary.

Reports continue to reach Paris of the difficulties experienced by *sinistrés*, owing to the inability of the Government to liquidate the claims for payment of war damages that have been outstanding since the end of the war. These may be best summed up in a typical case that has just come under my own notice. A farmer owning the land he cultivated lost everything he had, owing to the destruction of his property in the Aisne Department during the war. His claim was duly approved some years ago, but down to the present he has not received one centime in satisfaction. Accrued interest is now owing to him to the amount of over 260,000fr. He has just received a proposal from the Government to capitalise this overdue interest, and accept the annual income arising from this capitalisation until such time as the national finances shall be sufficiently restored to permit of his long overdue claim for damages being satisfied and the accrued interest being paid off. This man's case is typical of many thousands.

GERMANY.—POLITICS—FINANCIAL POLICY— CREDIT—INDUSTRY—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, September 8.

THE reception of Germany into the League of Nations is not likely to have much immediate effect upon political or business sentiment here. The failure last March disappointed the League's German friends and gratified its enemies; and now with the former the effect of a belated reception has been discounted, while the latter present the reception as the result of an unsatisfactory compromise. The home political situation, which has been dull for some time, has had a mild sensation in the shape of an offer by the "heavy industry," which is the weightiest economic factor in German politics, to become a Cabinet party once more. This offer was made at the congress of the Federation of German industries by Dr Paul Silverberg, one of the late Herr Stinnes' associates, who, after

justifying the policy of Industry in opposing the first Socialist Government, declared for co-operation with Labour. As Labour is mostly organised in the Socialist Party, Socialism must again share in the work of government. This was practically an invitation to re-create the "Great Coalition," embracing all Reichstag groups from the People's Party on the Right to the Social-Democrats on the Left, and, incidentally, it was unfriendly to the German-Nationals, with whom the People's Party long stood on ambiguous but on the whole very friendly terms. Such a solution, which would provide the country with a Majority Cabinet—the present Cabinet has only minority support—is urged almost every time a new Cabinet is being formed. While it is an anomaly that a minor section of the industrial workmen, the Catholic Centre part, should have been represented in all recent Cabinets at a time when the greater part, as Socialists, were excluded from power, the Great Coalition has very small chance of being formed. There is a suspicion that the industrialist offer is a back-handed compliment to the Socialists, taking the form of a hint that after these had failed to maintain power and to execute their programmes, they might be taken in on a pledge of good behaviour.

At the same congress the Finance Minister, Dr Reinhold, made an important statement on industrial and financial policy. He told industry that it must cease to regard the Republic as its banker. The present system of using taxes collected from well-managed industrial concerns in order to afford credit to unsuccessful and indolent competitors must cease. The new policy of sharply dividing ordinary from extraordinary expenditure will be continued. The present income-tax, especially as regards the smaller incomes, must be moderated. Referring to the currency in its connection with valorisation, Dr Reinhold stated that "probably in the immediate future an event will happen which will prove how firm our currency stands in the whole world." This statement has aroused much speculation. The "event" is represented variously as the mobilisation of the Dawes bonds, the issue of a Reichsmark international loan, which, if successful, would certainly prove faith in the currency, and the restoration of gold convertibility for Reichsmark notes. It is certain that the Reichsbank has no intention to coin gold, but it is suggested that convertibility of notes to large values necessarily into gold bars, is being considered, and that gold in bars may be exported as a normal way of regulating the exchanges. Against these speculations stands the fact that the Reichsbank's free sale of the exchanges of countries with full-value currencies has proved to be as good as any form of gold convertibility. The Reichsbank president, Dr Schacht, has, however, personally always held the view that foreign exchange as cover for note circulation is a temporary expedient, and he has declared himself in favour of converting the Reichsbank's exchange reserve into gold—a policy which has in fact been pursued, though slowly. At present the Reichsbank's gold reserve is 1,493 millions.

The money market has been tighter. The increased demand lasted longer after the month-end settlements than is usual, and the day rate held at around 7 per cent., but yesterday dropped to 6½ per cent., or for first-class borrowers 6 and 5½ per cent. respectively. To-day abundant money was offered. Bankruptcies in August fell to 476, the lowest figure since the inflation era. The Prussian Trade Ministry's report for August is the most cheerful for some months. It states that many leading industries, in addition to coal and iron, have improved. This applies mainly to textiles, and in less measure to the electrotechnical, motor-car, building, chemicals, wood, clothing, and boot and shoe branches. In the linen branch an improvement has at last set in. The potash industry is regarded with less optimism. The result of the Leipzig autumn fair is described as moderate. The number of exhibitors was relatively small, and French, Belgian, and Czechoslovak goods were offered at below German prices. The iron and steel export market is very firm, with many orders from South America, the Far East, and India. The export prices of bars, wire-rods, plates, and other rolled goods have gone up. No change has been made in home prices, which are considerably above the world market level. There is some talk of the formation of a second great Steel Trust, or "Counter-Trust," to embrace all those leading Western concerns

which did not come into the first steel trust, the Vereinigte Stahlwerke A.G. The outstanding concerns are Krupp's, Haniel's, Hoersch, Kloeckner, Mannesmann, and the Wolff-Netter group. The supposed object of such a formation would be self-defence in case the Vereinigte Stahlwerke A.G. should get control of the syndicates—at present it is a long way off controlling the Ingot Steel Syndicate, which counts most.

The Bourse last week was irregular. The first two days of this week witnessed heavy and universal declines, from which the leading speculative stocks suffered most. To-day, after an uncertain opening, most securities rose. When at their lowest price of this week, some of the high-priced stocks had lost 20 or 30 points as compared with their quotations at the end of the third week in August, and there were drops of as much as 10 points in one day. The market had been heavily overbought, and many speculators were squeezed out. This reaction seems to have differed from those which took place earlier in the present year's bull movement, when the underlying tone was firm, and when profit-taking was the main cause of the decline. This time the Bourse was emphatically weak. The financial Press, therefore, raises the question whether the bull movement, which has now lasted eight months, is not at an end, and whether it did not go too far in carry shares which pay no dividend, and which have uncertain dividend prospects, to prices of 150 or 200; while stocks like Dyes Trust, which were lately quoted at nearly 300, sold on a yield basis of 3½ per cent.

AUSTRIA.—NEW GOVERNMENT LIKELY—PUBLIC FINANCE—SLIGHT TRADE IMPROVEMENT— MONEY AND STOCKS.

(FROM OUR CORRESPONDENT.)

VIENNA, September 1.

A CHANGE in the Government is likely to occur in the near future, and it is probable that the Chancellor, Dr. Ramek, and the Finance Minister, Mr Kollmann, will resign. It is quite uncertain who will become Dr. Ramek's successor, and this will depend on an amicable settlement of the differences between the Vienna and the Styrian groups of the Christian Socialist party. Although the motion by the Social Democrats to bring the Cabinet before the Supreme Court for having used public funds to assist the Zentralbank without Parliamentary consent was rejected by the House, the consequences of this affair cannot yet be foreseen. But it is certain that the present state of affairs, when Parliamentary work is secured only by continuous compromises, cannot go for any length of time, and it can be assumed that both parties will, during the winter, prepare themselves for general election next year. An indication of this is the party programme recently issued by the Social Democrat party, which is drawn up on very radical lines, and shows that the Socialists hope to get the support of the small farmers. Whilst the Social Democrats expect that a new election will bring them great success, the Christian Socialists are of the opinion that their action will not make any great change in the composition of the actual parties.

The fact that the Treasury had to raise the amount of over 62 million A.S. in order to assist the Zentralbank—part of which money was taken out of State funds, and part borrowed—proves more and more to have taxed State finance to the utmost; the Government is, therefore, endeavouring to reimburse itself as soon as possible, and, for this reason, is negotiating with banks and savings banks to induce them to subscribe for short-termed Treasury bonds up to an amount equal to the sums advanced; the amortisation of these bonds would be secured by a special tax to be levied upon savings deposits. It is natural that both banks and savings banks oppose this project, and are only prepared to consent to it if the Treasury grants them certain taxation facilities, regarding which negotiations are still taking place. In the event of the banks taking over these bonds, it will, no doubt, be difficult to place the 75 million A.S. Treasury notes, the issue of which was granted to the Government by the League of Nations Committee last year. The residue of the League of Nations' Loan, still unused, amounts to 106 million A.S., and the Government hope to get part of this released for certain expenditure of public utility

which cannot be placed in the ordinary Budget. At any rate, it is certain that the next Budget will allow of no margin because the State subsidy for the unemployed is increasing, and the State officials have again lodged a claim for emergency help, which is estimated to amount to about 100 million A.S. It is true that up to the present the revenue derived from taxation has been satisfactory, and has exceeded the estimate, but it is to be feared that, owing to the protracted economic crisis, it will considerably decrease next year.

The economic conditions show some, although slight, signs of improvement. At least the fact can be stated that the number of insolvencies is falling; whilst there were still 286 insolvencies declared in April last, there were only 203 in July, and a further decrease is expected for the month of August. It seems as if the necessary, though painful, process of purification in business and trade, which mainly affected the weak firms, is drawing to a close. Unemployment, however, still remains unsatisfactory; the number of unemployed having again increased to 138,610 in the middle of August. In the timber and furniture industries business is still very slack, whilst an improvement is to be noted in electric and cable industries owing to State orders. It is worth noticing that the economic difficulties, under which the country has suffered for some time, have influenced the labour question, inasmuch as trade unions and employees realise that under existing conditions there can be no question of fighting for higher wages.

On August 6th, the bank rate was reduced from 7½ per cent. to 7 per cent. After a long period of dullness a complete change of scene has set in on the Stock Exchange; big Berlin firms and banks have begun to purchase a number of Austrian securities, and also the establishment of more intimate relations between German industries and the Alpine Montane-Gesellschaft has led to purchases on the Vienna market for German account, particularly in shares in the Austrian Danube Navigation Company and various electrical companies. The effect was that not only these shares but practically quotations of all securities have considerably advanced. Austrian buyers follow suit only very slowly, as they are still intimidated by the bad experiences of previous years. For the Vienna banks this advance in prices is very important, as they all have very large investments in securities, which they took up during the slump in order to support the market.

Conditions on the money market continue to remain very easy; this easiness, however, is not sound, but mainly due to the fact that trade and industries have considerably restricted their activities, and large sums of money have become free as the result of the liquidation of so many businesses. Anyhow, these conditions have had the effect of reducing the cost of short-term loans which, not long ago, was 15 per cent. per annum for first-class firms to about 10 per cent. On the foreign exchange market there was but little business and the quotations showed little fluctuations.

POLAND.—FOREIGN TRADE—TRADE RELATIONS WITH BRITAIN—STOCK EXCHANGE—COAL EXPORTS.

(FROM OUR CORRESPONDENT.)

WARSAW, August 29.

THE foreign trade statistics for the first six months of the year show a very marked decrease of imports, as may be seen from the figures below:—

	(Million Zlotys.)	1925.	1926.
A. Agricultural products		281.9	46.7
B. Timber		5.5	1.2
C. Colonial goods		84.7	40.1
D. Mining products		30.8	17.6
E. Other raw materials		188.9	114.5
F. Manufactured goods		455.4	131.6
G. Gold and silver		0.8	0.2
Total		1,048.0	351.9

If we take into account the reduced value of the zloty the decline becomes even greater. Such an abnormal change in the import trade is due to three causes. The intensified agricultural production and a good harvest rendered Poland independent of foreign cereals. The fall of the

zloty acts as a protective barrier, because the home prices are at a relatively low level as compared with foreign exchanges. This natural tendency has been accentuated by protective and partly even prohibitive measures, which render the import of foreign goods very difficult.

The value of exports also declined, but the decrease was much smaller. Below are the export figures for the most important groups:—

	(Million Zlotys.)	1925.	1926.
A. Agricultural products		211.6	253.5
B. Timber		124.4	98.0
C. Colonial goods		2.9	1.2
D. Mining products		138.4	142.3
E. Other raw materials		10.4	9.8
F. Industrial goods		142.4	69.4
G. Gold and silver		..	0.3
Total		630.1	574.5

This decrease is in the first instance the result of reduced industrial exports, which fell from 142.4 to 69.4 millions. The point of gravity of the Polish export trade is being steadily shifted from industrial to agricultural products.

The geographical distribution of Poland's foreign trade has undergone an important change since 1925. The United Kingdom, which in 1925 occupied in the import trade the fourth place (7.2 per cent., the figures being for the first five months of the year) after Germany (33.4 per cent.), the United States (12.9 per cent.), and Austria (9.8 per cent.), now ranks third (10.7 per cent.). In the export trade the United Kingdom occupies the second place (15.9 per cent.) after Germany (23.8 per cent.), while last year it stood fourth (6.6 per cent.), being outdistanced by Germany (51.0 per cent.), Czechoslovakia (8.1 per cent) and Austria (11.8 per cent.).

The stabilisation of the zloty during the last two months has contributed to an upward movement on the Stock Exchange. Funds which were hitherto engaged on the foreign exchange market are seeking new channels of investment. The movements of the stock exchange index numbers during recent months are as follows:—

	60 Commercial Banks.	90 Industrial Undertakings.
End of 1924	100	100
" 1925	69	74
End of January, 1926	57	62
" May, "	51	55
" June, "	62	56
" July, "	76	84

The lowest level was reached in May of this year. In June and July there was an upward tendency, which during this month has been steadily progressing, so that the index is working back to its level of 1924. In comparison with pre-war conditions, the share values are still very low. According to an official index of the Statistical Bureau, the average value of Polish shares amounted to 17.80 per cent. of the pre-war quotations.

Coal exports during the first half of August amounted to 950,000 tons, as compared with 917,000 tons during the first half of July. Coal exports to the United Kingdom and to Russia increased, while the quantities sent to Sweden and Denmark decreased by 50,000 tons.

Letters to the Editor.

THE HOSIERY TARIFF CLAIM.

TO THE EDITOR OF THE ECONOMIST.

SIR,—It is consoling to some extent to read the sympathetic reference, even if somewhat qualified, to the fate of our safeguarding application in the weekly notes in your issue of 28th.

Nothing definite can be said as to future action, if any, in connection with the Report, until the executive of the Council has met. Meantime, I wish to thank you for your very fair comments upon same. You will, however, I am sure, permit me to deal with two points you raise.

The first is that we offered no direct evidence as to wages in competing countries. Just what the Committee expected in this direction it is difficult to say. It will be granted they could hardly anticipate our ability to persuade a German, Japanese, Belgian, or Czech manufacturer to attend the inquiry, and state that he is paying wages which are much below those obtaining in this country. The fact of the matter

is we had secured from reliable sources information which was embodied in our application, and which, from documents circulated by the Committee, we found they had confirmed for themselves, so that the purpose of their statement "no direct evidence was offered" is obscure. It certainly was unnecessary, as the decision on this point in favour of the applicants bears out.

The other point you refer to is that the Committee refer to the considerable stress laid by the opponents on the advantages to be derived from mass production methods, and report their inclination to consider that any really serious attempt to regain the trade in such articles as cheap cotton stockings and underwear is most likely to be successful if the example set by America is closely followed.

I submit, Sir, that this is a case of putting the cart before the horse. Mass production infers an outlet for the resultant output. It would be interesting to have the opinion of the Committee as to where this outlet is to be obtained. If it is within the grasp of the hosiery industry, then undoubtedly the Committee were not justified in coming to the conclusion that the industry is conducted with reasonable economy and efficiency! In any case, mass production is a matter of degree—the man who can make and find an outlet for 25,000 dozen a day should always be in a position to undersell the man who, by circumstances over which he has no control, is restricted to an output of 5,000 a day.

As for standardisation or concentration on a few lines, witnesses who have been adopting these methods gave evidence, and have had the worst unemployment experience of any of our witnesses. This is not to be wondered at, as evidence was forthcoming of the great number of tiny or special orders tendered to British manufacturers which the wholesale houses expect to have executed at the standardised prices. It was admitted by witnesses from the opposition that these small orders were unacceptable to foreign competitors, in fact, could not be executed in time were it otherwise, but the main orders in bulk are placed abroad.

The applicants, of course, were under the impression the regulations were introduced with the idea of changing existing conditions where unfair competition is proved, as in this instance; but the inconclusive recommendation of the Committee seems to warrant the statement that they do not share that view, and that it is not within their province to prescribe for the patient until death has occurred.—Yours faithfully,

M. R. ALLARD, Secretary.

National Joint Industrial Council of the Hosiery Trade, 6 New walk, Leicester, September 3rd, 1926.

OLD DEBTS AND NEW BUSINESS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Imperialism—the desire to dominate the world—is as old as civilisation itself; modern imperialism, after a period of peace, progress, and goodwill among nations, cropped up again when Bismarck smashed Denmark, Austria, and France, formed the German Empire, and consolidated his power by means of the Triple Alliance. In 1914, Germany, confident in her own strength and resources, made war on the civilised world. Are we to draw a veil over the unutterable misery everybody has endured since that awful catastrophe was thrust upon us, merely because politicians and financiers tell us that "we ought to concern ourselves more with new business than with old debts"?

Has the "British nation and public opinion declared itself with a vigour and a unanimity almost unprecedented in favour of the admission of Germany to membership of the League?" Is Sir Austen Chamberlain the sort of man to "set British public opinion at defiance"?

May I ask you a few more questions? Does British public opinion approve of the action of the Bank of England as agent for the German Government in asking for the deposit of all pre-war German Government and municipal bonds on terms which confiscate 97½ per cent. of their capital value, and return a worthless piece of paper representing the remaining 2½ per cent. to the depositors?

Are Spain and Brazil, both countries having kept faith with their creditors for many years past, often in times of acute financial embarrassment, entirely dominated by unworthy political motives in their attitude towards Germany's admission to the League?

I rarely find myself at issue with the views expressed by the *Economist*, which is, and has always been, regarded as expressing the considered opinion of the leading bankers and merchant bankers of the City of London, but I do seriously question the argument that this "new business," i.e., the "reconstruction loans" now being introduced and strongly recommended by London and New York financial houses as safe and profitable investments—founded as they are on the ruin of pre-war security holders—is really approved by British public opinion, which hitherto has been taught to regard honesty as the best policy?

If, in the evening of a long life and with many hard fights for sound financial principles behind me, I am to be classed as

a "reactionary," I must submit to the doctrine of "other times other manners."—Yours faithfully, G. S. PAWLE.

London, August 24th, 1926.

[That the City and the British investing public do not share our correspondent's views is shown by the standing of the European reconstruction loans in the Stock Exchange Official List. The allocation of blame for Germany's currency depreciation is too large a question for discussion in a footnote.—Ed. Econ.]

THE KUOMINCHUN.

TO THE EDITOR OF THE ECONOMIST.

SIR,—With reference to the interesting note on the situation in China in your issue of July 3rd, may I point out that the Kuominchun is the "People's Army" created by Feng Yu-Hsiang, and is not to be confused with the Kuomintang (People's Party), which dates from pre-revolution times and clings to the ideals of its deceased leader, Sun Yat Sen.

The Kuomintang is certainly a force to be reckoned with, for wherever Cantonese are to be found, whether in Shanghai, Peking, or overseas, there is invariably an active and wealthy branch. Unfortunately, within the past two years the headquarters of the party has passed into the hands of extremist leaders whose policy has been shaped by the Soviet agent, Borodin. The consequence is that the efforts of the Hongkong Government to come to a friendly understanding with the Canton Government, which is identical with the Kuomintang, have been frustrated. Relations between Hongkong and Canton are similar to those between London and Moscow, and any well-intentioned advances from Hongkong are at once misrepresented as imperialistic guile. The rank and file of the Kuomintang, whose interests are almost entirely commercial, realise full well the disastrous effects of the rupture between Hongkong and Canton, and undoubtedly desire to see harmony restored. Although courage is lacking and patience appears inexhaustible the ways of the Chinese are mysterious, and it would cause no surprise if the internal discontent at present smouldering burst into activity and drove out the doctrinaire leaders of the party. Then perhaps co-operation between the Kuomintang and the British Government might be possible, and the task of evolving order out of chaos become a joint undertaking.—Yours faithfully, Hongkong, August 10th, 1926. P. S. CASSIDY.

Books and Publications.

THE CITY FROM WITHIN.*

A NEW work by a City Editor is decidedly a literary event. This "plain account" of the British financial system bears all the outward and visible signs of its author's position: a refreshing sense of reality, suggesting observation from within rather than without; a clean-cut style, as if the writer were accustomed to make his points, day by day, with the least possible waste of language; and, one must add, a tendency to seize on the first obvious explanation of any given phenomenon, as if time were precious and the printer's boy never very far from the door. The work is distinguished from most other manuals describing City methods, terminology, and traditions by its strongly personal tone—the writer is constantly taking his readers behind the scenes and persuading them to view City institutions through his eyes. He has a distinct turn for the pithy and arresting phrase: "The City is an expression which is found very useful when we want to put a great many heads under one hat." "All reform comes down to the question of means to carry it out." "No place is a better whispering gallery than the Stock Exchange." He is by no means prepared to believe that all is for the best in the City as it exists to-day, and some of his criticisms, one must admit, come shrewdly home. He believes that recent bank amalgamations have in some cases curtailed the trader's opportunities for obtaining accommodation, and that the multiplication of competitive branches in the outer districts is in danger of being carried to excess. He confesses to a feeling of dissatisfaction whenever the Treasury bill rate is less than 12s 6d below Bank rate. "I feel that when the Government pays a discount rate which works out at an interest rate of 4½ to 4¾ per cent. with a 5 per cent. Bank rate.....the Money Market is, on the whole, doing a little too well out of the taxpayer,

* "Modern Finance and Industry." By A. S. Wade, City Editor of the *Daily News and Star*. (London) Sir Isaac Pitman and Sons, Limited. 5s net.

and out of the finest short-term paper in the world." He frankly states his belief that the preference shares and some of the ordinary shares of the best-known British companies should be rated above foreign bonds. He gives an interesting analysis of the consequences which ensue from the fact that such commodities as tin, rubber, and tea are marketed in the same centre as the capital concerned in their production. The least satisfactory feature of the work is the constant iteration of the thesis that, starting from the Cunliffe Report, Great Britain has gone too swiftly forward with deflation for either her industries or other countries to keep pace. The writer leaves the impression that the Cunliffe Committee were responsible for the collapse of the 1919-20 trade boom, and that all through the subsequent period "less obvious consequences of the policy were disturbing our trade conditions and leading up to industrial crisis." This idea runs like a thread through the whole narrative, and though the author has undoubtedly a right to his opinions, one may question whether the general reader, unacquainted with the minute details of, to say the least, a highly controversial topic, will not carry away a false sense of values from a work designed chiefly for his perusal. Again, is Mr Wade on firm ground in declaring that "a true gold standard would involve our return to a gold currency," or in describing the quantity theory of money as "simple"? Such blemishes apart, however, the present volume is a welcome addition to the list of works designed to give the general reader an intelligent and informed interest in financial matters, and we venture to suggest that the writer might give us, in the future, a second treatise, in which many interesting points, necessarily touched on but lightly in this initial publication, would be reserved for detailed treatment.

BOOKS RECEIVED.

General Strikes and Road Transport. By George Glasgow. Introduction by the Right Hon. D. Lloyd George. (London) Geoffrey Bles, 22 Suffolk street, S.W. 1. 5s net.

A very interesting and detailed description of the transport system for the distribution of essential supplies, initiated shortly after the war, built up afterwards, and seen in full operation during the general strike last May. In his preface Mr Lloyd George says:—"Mr Glasgow, rightly, I think, claims that the experience of Great Britain in May, 1926, has established a new truth in political philosophy, namely, that road transport can be relied on to serve the immediate vital need of a country in a sudden emergency of short duration."

The Cattle Industry and the Tariff. By Lynn R. Edminster. (London) George Allen and Unwin, Limited, Ruskin House, 40 Museum street, W.C. 1. 10s net.

This is the latest volume in the valuable series of studies produced by the American Institute of Economics. The author, who has enjoyed the assistance of the council and staff of the Institute, summarises his conclusions on the American cattle trade as follows:—"First, that the domestic cattle industry in its present state is not dependent upon duties on cattle, and is dependent on a duty on beef, if at all, only in a very small measure; second, that duties on cattle and beef can in the future be made effective in increasing prices and stimulating production only under conditions that are peculiarly difficult, and, finally, that the endeavour to protect this industry will eventually impose a burden on the nation quite out of proportion to the gains that can accrue from such a course." This and other volumes in the Institute's series of economic studies may be recommended to all serious students of fiscal problems.

How to Use a Bank. With a Preface by Hartley Withers. Published by Lloyds Bank, Limited. (London) W. H. Smith and Son. 6d net.

"In money matters," writes Mr Withers, "punctuality and precision are a first duty to oneself and to others, and those who resolve to cultivate them will find a kindly teacher and adviser in this handbook." This testimony is well deserved, for the pamphlet explains in the clearest and most efficient manner the multifarious services performed by the modern bank, and just what the ordinary bank client has to do to make best use of them.

Internationales Jahrbuch für Schiedsgerichtswesen in Zivil- und Handelssachen. Band I. Compiled by Dr A. Nussbaum. (Berlin) Carl Heymann, Mauersstrasse, 44. 20 marks.

A collection of articles on the different systems of civil and commercial arbitration which function in the more important countries of the world. The articles are written by eminent authorities in each country. Part IV. deals with specific cases which have been under consideration.

Report on the Work of the Indian Trade Commissioner During 1924-25 and 1925-26. By H. A. F. Lindsay. (London) Office of the High Commissioner for India.

This report includes an account of India's trade with the Continent and the United Kingdom, the progress made with regard to commercial publicity and intelligence, &c. Useful trade statistics are given in the Appendix.

European Economic and Political Survey. Vol. I., Nos. 23-24. August 15-31, 1926. (Paris) The Reference Service on International Affairs of the American Library in Paris. \$10 a year subscription.

International Administration (Political and Financial). By J. W. Wheeler-Bennett, Junr. (Paris) The Reference Service on International Affairs of the American Library in Paris, 10 Rue de l'Elysée. 25 cents.

The Banker. September, 1926. Vol. II. No. 8. (London) Eyre and Spottiswoode (Publications), Limited, 1 and 2 Goldsmith street, Fleet street, E.C. 4. 1s.

National Bank of Australasia, Limited: Quarterly Summary of Australian Conditions as on June 30, 1926.

This review satisfies a definite need for comprehensive and up-to-date information on Australian trade and finance. We venture to suggest that the bulletin might usefully be supplemented by a cable advance summary of the main points, such as is furnished, for instance, by the South African institutions.

How to Form a Company. By H. W. Jordan. (London) Jordan and Sons, Limited, Chancery lane, W.C. 2. 1s 6d net.

This is the seventeenth edition of a useful and well-known work explaining the documents filed on incorporation, and the principal statutory requirements affecting companies.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

National Debt: Return showing for the financial years commencing April 1, 1880, April 1, 1890, and for each financial year thereafter:—(1) The total amount of Dead Weight debt outstanding on April 1st, &c. (2) Other Capital Liabilities. (3) Gross Liabilities of the State. No. 107. 2d net.

Reparation Commission—Official Documents XIII.: Distribution of the Pre-War Austrian and Hungarian Debt. 3s net.

Department of Overseas Trade: Report on the Economic Situation in the Belgian Congo. June, 1926. 1s 6d net.

Unemployment Grants Committee: Fifth (Interim) Report of Proceedings from June 25, 1925, to June 24, 1926. 1s net.

Colonial Reports: No. 1301. Barbados: Report for 1925-26. 9d net.

East India: Accounts and Estimates, 1927-27. Explanatory Memorandum by the Under-Secretary of State for India. Cmd. 2735. 9d net.

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STOCK EXCHANGE NEWS.

SETTLING DAYS.

Ticket. September 14. Account. September 16.

The usual week-end prospect of a settlement of the coal dispute seemed on Friday to have more basis than it has done for some time past, and the Stock Exchange again took a hopeful view of the outlook. There is a good deal of business doing in some of the markets. The return of the public from holidays, coinciding as it does with the obvious fact that the two parties to the coal stoppage are getting tired of trade inactivity, serves to stimulate speculation and investment alike, although the latter part of the business is still quiet, and in the British Government stocks there is no more than bread-and-

butter business doing. Prices keep steady on the whole; Victory Bonds have gone back after the rise that they enjoyed upon reinvestment of part of the money that was repaid at the beginning of the month to holders who had their bonds drawn.

The foreign Government market is noticeable chiefly by reason of the flatness of Chinese bonds, prices of which gave way materially in consequence of the serious outbreaks which have occurred. Brazilians are again a little harder, but, except for this, the South American list is unchanged. French descriptions have spent a quiet week.

Home Railway stocks derived no strength from the better prospects of peace in the coal world. Argentine rails have fallen on profit-taking at the end of a long and rather tedious Stock Exchange account of 21 days. Buenos Ayres Great Southern, however, went ahead on dividend hopes. Mexican rails are dull and Mexican utilities have weakened, to recover, however, from the worst on the issue of statements respecting the Mexican Light and Power and the Mexico Tramway companies. Brazilian Tractions provided mild excitement, because of the violent fluctuations in their price. Antofagasta and United of Havana stocks remain depressed.

The rubber market is good, with unremitting pressure to buy the good-class stocks, of which there is a limited supply obtainable. The tea market moves rather erratically, discrimination being shown by purchasers who are directing their attention more particularly to the companies that turn out high-grade tea. In the oil market a further slump in British Controlled common and preferred shares shook the list for a while. All kinds of rumours came into circulation to account for the drop, but none of them have received official confirmation so far. Other shares in the oil list acknowledged no more than a temporary following of British Controlled, some of the prices being a little harder on the week.

The textile list is, for once in a way, uninteresting, though Snias strengthened on an improvement in the Italian exchange. Tobacco shares retain a wide public following, and speculators turned them out on account of the Chinese anarchy, the B.A.T. Company having interests in China. Egyptian land shares have shown buoyancy, and Hudson's Bays held their previous improvement. Gas stocks are better, in consequence of the increase which companies are making in the price charged for their product. Electric lighting shares have not moved. Cable construction issues are hesitating after their long and almost continuous rise. A trifling demand for Marconis served to arouse hopes that the forthcoming auditors' report, expected at the end of this month, may not be as bad as previous fears had apprehended. The shipping market is better, on the hope of resumption of work on the coalfields, and iron and steel shares, as a rule, show very small improvements, optimism in this section being qualified by the passing of the preference dividend by Richard Thomas, the Welsh tinplate manufacturers. Brick shares are better, thanks to a batch of good reports recently issued. Harrods and Harrods (Buenos Ayres) shares have gone ahead. Harrisons and Crosfield deferred stand out with a good rise. The banking market is steady, and no special changes have occurred amongst insurance and trust companies' shares.

Kaffirs played second fiddle to the Malayan tin shares, where lively speculation lashed the market into optimism as the price of tin crossed £300 per ton. Chartered are good at 30s; the shares have been absorbed in thousands per diem by French and option dealers. De Beers keep hard. Cornish tin shares eased off upon rumours of a debenture issue by one of the principal companies, and West Africans attracted a little attention, which led to prices being advanced. San Francisco shares are better upon the good results officially reported, and the quiet demand for Indian mines would be more noticeable were it not for the liveliness amongst tin shares domiciled in the same market.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		140,590,269		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to September 4, 1926 Dr 1,600,000				
Net sales week ended September 4, 1926, Dr 100,000.				
To the Public—				
Nil				
To Shareholders only—				
Nil				
Total offered for subscription to date				
in—				
1926.....	140,490,269			231,914,268
1925.....	128,573,577			209,326,100
1924.....	130,672,151			271,393,173
1923.....	202,630,317			573,675,650
1922.....	509,298,328			388,978,203
1921.....	159,570,230			367,549,656

Gordon Selfridge Trust, Limited.—Capital £2,000,000, divided into 1,000,000 6 per cent. cumulative preference shares of £1 each and 1,000,000 ordinary shares of £1 each. This is an offer for sale of 1,000,000 6 per cent. preference shares and 100,000 ordinary shares, both at par. Purchasers can take one ordinary share in respect of each ten preference shares, offers to purchase ordinary shares alone not being accepted. This Trust has been formed by Mr H. Gordon Selfridge and Mr H. G. Selfridge, junr., to acquire from them the whole of the ordinary share capital of £750,000 of Selfridge and Co., Limited. The profits of the company, for the years ended January 31, 1924, 1925 and 1926, after charging all trade expenses, directors' remuneration, debenture and other interest, corporation profits tax, and dividends on the preference shares, preferred ordinary shares, and staff participating shares, but before deducting income-tax, depreciation of buildings, and investments and amounts placed to reserve, are certified by the auditors to have been as follows:—1924, £124,616; 1925, £164,158; 1926, £278,705. Dividends on the ordinary share capital are certified to have been 10 per cent. for 1924 and 1925 and 15 per cent. for 1926, all free of tax. It is stated that the purchase price payable to the vendors is £2,000,000, to be satisfied as to £400 in cash and as to the balance by the allotment to the vendors and/or their nominees of 1,000,000 preference shares of £1 each and 999,600 ordinary shares of £1 each, credited as fully paid, the vendors undertaking to pay the preliminary expenses of the registration of the Trust. The vendors have disposed of 1,000,000 preference shares and 100,000 ordinary shares at the total price of £1,022,000, payable in cash. These shares are the subject of the present offer, the purchaser paying the sum of £53,000 to the offerer. A good commercial offer.

Puerto and Balneario Quintero Railway.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued capital of \$7,700,000.00, divided into 42,000 "A" shares of \$100.00 each and 35,000 "B" shares of \$100.00 each. In addition, £187,500 5 per cent. bonds (\$7,500,000 of 6d gold) have been issued, of which £937 10s have been drawn for repayment, and the balance—namely, £186,562 10s—has been purchased by the Anglo-South American Bank, Limited. The purchase price was £76 15s per cent. net in 997 bonds of \$1,500 gold, or £37 10s (at 6d) and 1,989 bonds of \$3,000 gold, or £75 (at 6d). The bonds are guaranteed as to principal, interest, and redemption by the Republic of Chile, and are redeemable by 1963 by means of a cumulative sinking fund of 1 per cent. per annum by half-yearly drawings only at par. Interest is payable in Valparaiso or in London in sterling. The Quintero San Pedro Railway is a short line of about 39 kilometres just north of Valparaiso, and was opened in March of this year. The proceeds of the bonds have been applied to cancel an original debt of £125,000, and the balance in the purchase of equipment and material. Application is being made, it is stated, for permission to deal in these bonds on the London Stock Exchange.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Price, Latest.	Rise or Fall.
War 4½%, 1925-28	97½	98	+
Do 4½%, 1926-31	101½	102	+
Do 5% 1932	101½	101½	—
Do 4%	91½	91½	—
Funding Loan 4%	85½	85½	—
N.S.W. 5½% 1924-32	101	101	—
N. Zealand 5½% 1940	85	85	—
Nigeria 6% 1949-79	113	113	—
Queensland 6% 40-60	98½	98	—
U. of S.A. 6% 1930-40	104	104	—
S. Aust. 6½% 1930-40	103	103	—
U. of S.A. 6% 1930-40	100x	100	—
W. Aust. 6% 1930-40	102	102	—

Telegraphs.

Anglo-American "A" 2½	24½	24½	—
Marconi Wireless	2	2	—
Marconi Canada	32	32	—
Marconi Marine	32	32	—

British Railways.

Great Western, Ord.	89½	89½	—
London & North-Eastern 6% Pref. Ord.	53½	52½	—
Do Def. Ord.	17½	17½	—
Do Def. Ord.	17½	17½	—
Mid. and Scottish, Ord.	74	73½	—
Metropolitan	63½	63½	—
Metropolitan District 5½	51½	51½	—
Southern, Pref. Ord.	78½	78½	—
Do Def. Ord.	45½	45½	—
Underground Electric (10)	3½	3½	—
Do "A" (1)	7½	7½	—
Do Inc. Bd. (£100)	100x	100x	—

Colonial and Foreign Railways.

Antofagasta Cons	80	78	—
B.A. and Pacific	90	90½	+
B.A. & Gt. Southern	92½	101	+
Buenos Ayres West	89½	88½	—
Canadian Pacific	170x.172	172	+
Central Argentine	76½	76	—
Cordoba Central New 3½	35½	35	—
Grand Trunk Pacific, 4% Debts	57	58½	+
Leopoldina	46½	46½	—
Mexican Railway	20	19	—
Do 1st Pref.	190	190	—
San Paulo	71½	77	+

American Railroads.

Chesapeake & Ohio	161½	166	+
Erie	34	35	+
Do 4% 1st Pref.	45	44	—
Southern	132½	132	—
Do Non-cum Pref.	97	97	—

Foreign Government Securities.

Price	Week	Latest	Rise or
£	£	£	Fall.
Argentine 5%, 1886-7, 100	100	100	..
Austrian 6% Guar. 100	100	100	..
Belgian 3% .. 72	73	73	..
Brazil 5% Fund., 1914	84	85	..
Chilian 4%, 1895 .. 87	85	85	..
Do 7% .. 104	103	103	..
Chinese 5%, 1912 .. 82	83	83	..
Egyptian 4% .. 91	93	93	..
French 5% .. 81	83	83	..
Do 4% .. 105	105	105	..
German 7%, 1924 .. 105	105	105	..

Banks.

Barclays B. (Ld.)	243	243	..
Chartered Bk of India	203	203	..
Lloyds (£5 with £1 paid)	34	34	..
Midland (£12, with £2 paid)	83	84	..
Nat. Bank of Egypt (£10)	374	384	..

Miscellaneous.

Allied Newspapers (£1)	21	21	..
Amal. Cottons (£1)	5	5	..
Anglo Persian Oil (£1)	5	5	..
Armstrong (Sir W.G.) and Co. (£1)	3	3	..
Asa. Rynd. Concn. (£1)	3	3	..
Barker, John (£1)	3	3	..
B'ham Small Arms (£1)	3	3	..
Bleachers (£1)	2	2	..
Bradford Dyers (Ld.)	2	2	..
Brazil Traction (£100)	120	121	..
British-American Tobacco (£1)	4	4	..
British Controlled Oil (£5)	1	1	..
Bryant and May (£1)	1	1	..
Burmah Oil (£1)	5	5	..
Coats (J. and F.) (£1)	3	3	..
Courtaulds (£1)	5	5	..
Cunard (£1)	1	1	..
Dorman, Long (£1)	1	1	..
Dunlop Rubber (6/8)	1	1	..
Fine Cotton Spinners (£1)	2	2	..
Forestral Lumber (£1)	1	1	..
Furness, Withy (£1)	1	1	..
Highlands and Lowlands Rubber (£1)	2	2	..

Mines.

Ashanti Gold (4/)	4	4	..
Broken Hill Prop. (£1)	4	4	..
Burma Corp. (Rs. 10)	4	4	..
C&M Motor (£1)	2	2	..
Central Mining (£8)	1	1	..
Chartered (15/)	1	1	..
City Deep (£1)	1	1	..
Cons. Gold Fields (£1)	1	1	..
Crown Mines (£1)	1	1	..
De Beers Ltd. (£2)	1	1	..
East Rand Prop. (£1)	1	1	..
Goldfield (£1)	1	1	..
Gov. Gold Areas (£1)	1	1	..
Johannesburg Cons.	1	1	..
Malayan Tin (5/)	1	1	..
Modderfontein (10/)	1	1	..

ANALYSIS OF BALANCE-SHEETS.

NOBEL INDUSTRIES, LIMITED.

December 31, 1925.

LIABILITIES.	Amount.	Compared with Dec. 31, 1924.	ASSETS.	Amount.	Compared with Dec. 31, 1924.
Ord. shares .. 8,038,321	..	+ 8,092	Investments at cost or under—		
6% cum. pref. .. 6,481,721	..	+ 6,019	(1) Shares in constituent cos. .. 16,006,676		
Deferred shares .. 1,455,549	..	+ 1,513	(2) Shares in associated cos. and other industrial investments .. 4,876,864		
Fractional defd. shares .. 229	..	18	(3) British and Colonial Govt., Municipal, Railway, and Public Authority Stocks .. 719,904		
5% deb. stock .. 1,600,178	..	+ 99,945	Property .. 300,424	..	+ 41,582
Interest accrued .. 11,735	..	+ 343	Office furniture .. 21,744	..	+ 418
General reserve .. 550,000	..	+ 550,000	Amounts due from associated companies, &c. .. 550,212	..	55,001
Amount due to associated companies, &c. .. 3,779,089	..	482,398	1st mt. deb. stk. red. account .. 36,250	..	+ 1,018
Special invest. reserve .. 500,000	..	..	Sundry debtors .. 342,038	..	+ 81,765
Sundry creditors .. 536,165	..	+ 157,710	Cash, &c. .. 1,041,763	..	367
Bills payable .. 6,019	..	+ 6,019	Bills .. 14,837	..	+ 13,917
Profit and loss .. 1,532,085	..	+ 104,615	Cost of deb. issue .. 80,379	..	2,977
Total .. 23,991,091	..	248,736	Total .. 23,991,091	..	248,736

CALICO PRINTERS' ASSOCIATION, LIMITED.

June 30, 1926.

LIABILITIES.	Amount.	Compared with June 30, 1925.	ASSETS.	Amount.	Compared with June 30, 1925.
Capital account .. 2,589,558	..	140,956	Cash and bills .. 502,225	..	270,677
Sundry creditors .. 2,006,317	..	110,806	Cash & securities .. 269,147	..	3,304
Deb. interest .. 53,333	..	..	Stock-in-trade .. 1,365,800	..	+ 173,167
Depreciation acct. .. 918,598	..	174,646	Sundry debtors .. 3,760,513	..	684,383
Reserve account .. 900,000	..	+ 150,000	Investments .. 687,641	..	+ 15,984
Capital reserve account .. 60,000	..	..	Copper and other rollers .. 15,984	..	..
Res. for equalisation of divs. .. 300,000	..	..			
Profit and loss .. 357,330	..	486,197			
Total .. 7,185,326	..	764,505	Total .. 7,185,326	..	764,505

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

CRITTALL MANUFACTURING COMPANY, LIMITED.
ATTRACTIVE REORGANISATION SCHEME.

Presiding at the annual general meeting of the Crittall Manufacturing Company, Limited, held on the 6th instant, Mr F. H. Crittall, chairman, in moving the adoption of the report and accounts, stated that the profit earned during the past year amounted to £114,085 15 7d, which he thought might be considered as very satisfactory, showing as it did an increase of £43,922 2s 10d. This, with their share premium account and the amount brought in, enabled them to bring the dividend on the participating preference shares up to the maximum of 10 per cent. for the year, to place £40,000 to reserves, raising these funds to £54,650, to write off preliminary expenses over £6,000, to pay 15 per cent. on the ordinary share capital, and to carry forward £15,355, as against £6,381 brought in.

Having reviewed the operations of the past year, the Chairman continued: In the remarks I have just made I hope I have succeeded in conveying to you a clear picture of our organisation, the basis upon which it has been established and of the undoubted possibilities that await us in the further development of our plans.

I have told you of the capacity of our plants, that our sales continue to show substantial increases, and of the necessity we felt for making ourselves more self-contained by erecting and equipping additional manufacturing units for fittings, &c., which fittings we have hitherto obtained from outside sources.

The question of the effective distribution of our products is one, as I have already indicated, that has occupied the earnest attention of your directors; it is fundamental that our customers should be in a position to obtain windows in or near their immediate locality as and when they require them. Therefore, to meet this situation it is our intention to establish depots or warehouses in selected areas; we recently opened such a depot at Leicester with most gratifying results, and we are confident that the extension of this plan on the lines I have indicated will prove most profitable.

A circular is being issued to the shareholders to-night, which invites your approval to the proposals for the rearrangement of the company's existing capital in a manner which, in the considered judgment of your directors, will prove advantageous to all shareholders and to the future prosperity of the company, and also provides the additional capital required for the necessary further developments.

The matter is one that has received the most careful consideration of your board, they being anxious to formulate a scheme under which the maximum benefits in every respect may accrue to existing shareholders, for it will be appreciated that in other circumstances it might be difficult to obtain this new capital without prejudicing the position of all existing shareholders, owing to the present high rate of interest, including the participating rights paid on the preference shares.

This scheme, we are advised, can, with the aid of the requisite resolutions of the two present classes of shareholders and of the company, be carried out with the minimum of expense, and the necessary separate class meetings and company meetings are being summoned for the purpose of giving effect thereto.

The scheme is shortly as follows:—It is proposed that the present preference shares shall as from June 1, 1926, be replaced by debenture stock, preference shares, and ordinary shares in such proportions that every ten present preference shares (and so in proportion for less numbers than ten) will as from that date be represented by £3 of 6 per cent. redeemable debenture stock, £4 of 7 per cent. cumulative preference shares, and £3 of ordinary shares, and that in addition each holder of existing preference shares will have a transferable right to subscribe for one ordinary share ranking *pari passu* with the existing ordinary shares as from June 1, 1926, at a price of 25s per share for every two of the present preference shares held by him. Fractions of debenture stock and shares will not be issued, but arrangements have been made whereby, if the scheme is approved, such fractions will be realised to advantage.

In order to give effect to the provisions of the scheme, and to make ample provision for the rapidly expanding business of the company, it is necessary to increase the nominal share capital by £600,000. The company will also create £500,000 6 per cent. debenture stock, of which £150,000 will be issued to the existing preference shareholders, leaving £350,000 for future issue. The share capital as rearranged will consist of £500,000 7 per cent. cumulative preference shares and £1,000,000 ordinary shares, and, when the scheme is carried out, the issued capital will be £200,000

preference shares and £600,000 ordinary shares. There will, therefore, be available, in addition to the £350,000 debenture stock, £300,000 7 per cent. cumulative preference shares, and £400,000 ordinary shares for future issue, as required by the normal developments of the business.

On the basis of the proposed capital and payment of the same rate of dividend, viz., 15 per cent. on the ordinary share capital thereof, the effect of the scheme will be that the dividend accruing to the preference shareholders from their converted and new holdings will be increased from 10 per cent. to about 10½ per cent. per annum. Moreover, the directors anticipate great expansion of business, which will be shared by the present preference shareholders through their holdings of ordinary shares. The directors have very carefully considered the scheme in order to satisfy themselves of its essential fairness and benefit to both classes of shareholders, and they unanimously recommend it for acceptance with every confidence.

The report and accounts were unanimously adopted.

BRITISH TRADE CORPORATION.
RESOLUTIONS UNANIMOUSLY APPROVED.

An extraordinary general meeting of the members of the British Trade Corporation, and also separate meetings of the holders of "A" and ordinary shares, were held, on the 8th instant, at the Institute of Chartered Accountants, London, to consider resolutions in connection with the proposed amalgamation with the Anglo-Austrian Bank, Limited, and the formation of a new company.

Lord Faringdon, C.H. (the governor), who presided, said that some of the large shareholders had for a considerable time been of the opinion that a strengthening and broadening of the basis upon which the corporation stood was essential. Experience had proved that it was essential for an undertaking aiming at the class of business which had become the major portion of their activities to have reserves, either hidden or disclosed, to meet contingencies, and one of the attractions of the present scheme was that those reserves were provided. The board also hoped that the scheme would bring much nearer the date when dividends might be available for the ordinary shareholders.

The Anglo-Austrian Bank, Limited, had a nominal capital of £2,000,000, of which £1,406,370 was issued and fully paid. Its surplus assets, after discharging liabilities, were taken at £610,000. The British Trade Corporation had a paid-up capital of £1,000,000, and its surplus assets were taken at £750,000. On the formation of the proposed new company £610,000 of its capital was to be given to the Anglo-Austrian Bank, which should leave a substantial surplus which would become a hidden reserve, and £750,000 was to be given to the British Trade Corporation, which would likewise provide an ample margin. Those transactions would not, however, put the new concern in possession of capital for the contemplated extended business, and friends of the bank had agreed to subscribe for £600,000 of new shares at £1 13s 4d per share, thus providing an additional £1,000,000, of which £600,000 would rank for dividend and £400,000 would go to the credit of a disclosed reserve account. Thus the new company would start with a nominal capital of £2,000,000, divided into 2,000,000 shares of £1 each.

As regarded the £750,000 given to the corporation, it was proposed that £450,000 should be distributed to the holders of the £500,000 "A" shares in the proportion of 18s in new shares for every £1 held. Shareholders who accepted the offer would be paid

dividend upon their "A" shares up to the 30th instant. Those who did not accept would be paid out their £1 per share, plus dividends up to September 30th. It was proposed to distribute the remaining £300,000 of shares among the existing 200,000 shareholders at the rate of three new £1 shares for every two £2 10s shares held.

The scheme was approved at all the meetings.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Dec. 31, 1925.	Mar. 31, 1926.	Sept. 4, 1926.
Funded Debt .. 588	315	315	318	314	314	314	314	314
Term Annuities .. 30	20	16	14	13	13	13	13	13
5% Conversion Loan .. 266	684	666	666	709	764	764	764	764
4% Conversion Loan .. 210	210	210	210	210	211	211	211	211
3% War Stock .. 63	63	63	63	63	63	63	63	63
4% War Stock .. 13	13	13	13	13	13	13	13	13
4% and 5% War Stock .. 2,047	1,953	2,095	2,166	2,052	2,059	2,109	2,109	2,109
National War Bonds .. 1,509	1,201	953	820	778	771	706	706	706
4% Funding Loan .. 409	401	399	396	394	394	390	390	390
4% Victory Bonds .. 360	335	325	314	303	303	292	292	292
Treasury Bonds .. 453	411	457	499	493	479	482	486	486
Exchequer Bonds .. 20	323	185	150	150	15	15	15	15
National Savings Certs. .. 267	342	354	366	369	372	375	375	375
Other Debt .. 1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French) .. 15	51	878	616	588	576	565	565	565
Treasury Bills .. 1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107
Temporary Advances .. 1	833	147	147	147	147	147	147	147
Other Capital Liabilities .. 654	57	46	66	70	66	84	75	73
Total Liabilities .. 711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,700

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Sept. 5, '25.	Mar. 31, '26.	Sept. 4, '26.	Movement Week ended Sept. 4, '26.
Outstanding—				
Advances by Bank of England	158,241,000	139,441,000	131,601,000	+ 7,550,000
Advances by Public Deptms.	625,075,000	564,855,000	639,020,000	+ 1,910,000
Treasury Bills Outstanding	783,316,000	704,296,000	770,621,000	+ 9,460,000
Total Floating Debt	1,566,632,000	1,408,592,000	1,541,242,000	+ 19,020,000

* Includes £30,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Sept. 10, 1926, and the total amount applied for was £54,025,000. For bills at 3 months, dated Monday to Saturday, £98 16s 8d, and above in full. The amounts allotted were in bills at 3 months, £38,775,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.	4% Treasury Bonds Average Price.
1926.				
July 9 .. 35,000,000	50,600,000	4 6 7-5	nil	nil
July 16 .. 35,000,000	47,025,000	4 7 0-18	nil	nil
July 23 .. 35,000,000	46,855,000	4 5 6-42	nil	nil
July 30 .. 40,000,000	48,120,000	4 7 0-29	nil	nil
Aug. 6 .. 40,000,000	50,920,000	4 7 3-16	nil	nil
Aug. 13 .. 40,000,000	53,960,000	4 10 4-04	nil	nil
Aug. 20 .. 40,000,000	49,880,000	4 11 11-62	nil	nil
Aug. 27 .. 40,000,000	55,020,000	4 14 3-39	nil	nil
Sept. 3 .. 40,000,000	52,135,000	4 13 0-4	nil	nil
Sept. 10 .. 40,000,000	54,025,000	4 13 3-25	nil	nil

Tenders will be received on Sept. 17, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ties.	Balance at End of England.
1923.	£	£	£	£	£	%		£
Mar. 28.....	285,616	12,318	7,000	27,000	22,450	17-3	211,294	190
June 27.....	286,503	12,516	7,000	27,000	22,460	17-3	212,446	123
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17-5	238,595	140
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	16-5	255,032	159
1924.								
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17-6	236,867	130
June 25.....	290,316	12,472	7,000	27,000	22,450	17-0	246,196	140
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17-3	241,185	184
Dec. 31.....	286,261	12,812	7,000	27,000	26,950	18-2	248,111	132
1925.								
Mar. 25.....	284,256	11,882	7,000	27,000	26,950	18-9	235,076	112
June 24.....	292,278	12,265	7,000	..	53,950	18-5	243,474	119
Sept. 30.....	293,004	12,555	7,000	..	56,250	19-1	242,188	121
Dec. 30.....	296,777	12,561	7,000	..	56,250	18-9	245,896	192
1926.								
Mar. 31.....	295,337	12,226	6,550	..	56,250	19-0	244,585	178
June 30.....	294,036	12,567	6,550	..	56,250	11-1	243,667	136
Sept. 1.....	291,077	12,086	6,550	..	56,250	19-3	240,279	133
8.....	290,650	12,173	6,550	..	56,250	19-3	239,912	111

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27 (See Note)	Total Receipts into the Exchequer from		RECEIPTS.	
		Apr. 1, 1926, to Sept. 4, 1926.	Apr. 1, 1925, to Sept. 5, 1925.	Week Ended Sept. 4, 1926.	Week Ended Sept. 5, 1925.
Balances in Exchequer on 1st April—					
Bank of England...	5,880,249	5,341,778	5,341,778	5,341,778	5,341,778
Bank of Ireland...	676,684	1,215,322	1,215,322	1,215,322	1,215,322
	6,556,933	6,557,100	6,557,100	6,557,100	6,557,100
REVENUE.					
Customs...	108,450,000	43,985,000	42,910,000	1,957,000	1,798,000
Excise...	141,300,000	52,117,000	51,716,000	864,000	949,000
Motor Vehicle Duties...	21,600,000	5,454,000	4,838,000	211,000	200,000
Stamps, &c., Duties...	66,000,000	25,060,000	26,940,000	960,000	1,046,000
Land Tax, House Duty & Mineral Rights Duty...	254,800,000	69,162,000	85,266,000	4,154,000	3,785,000
Super-Tax...	64,500,000	18,980,000	25,500,000	430,000	740,000
Excess Profits Duties, &c.	2,000,000	2,000,000	5,500,000	100,000	180,000
Corporation Profits Tax	6,500,000	2,000,000	5,500,000	100,000	180,000
Post Office...	59,400,000	23,550,000	23,700,000	1,100,000	800,000
Crown Lands...	950,000	490,000	430,000	..	..
Receipts from Sundry Loans...	21,650,000	6,772,235	8,336,695	85,676	82,123
Miscellaneous—					
Ordinary Receipts...	25,600,000	13,869,588	4,636,398	10,000	113,791
Special Receipts...	26,000,000	9,274,540	17,889,387	800,000	2,900,000
Revenue...	824,750,000	277,744,363	306,072,480	11,101,676	12,927,914
Total, Inc. Balance...	284,301,296	312,629,580	..	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Under the Unemployment Insurance Act, 1921...	344,000	1,170,000	..	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues—					
Under the Telegraph (Money) Act, 1924 & 1925...	2,850,000	3,050,000	..	..	..
Under the Housing Act, 1914...	..	3,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	..	11,533	..	..	..
(b) Under the Unemployment Insurance Act, 1921...	7,692,431	1,390,000	2,000,000	140,000	..
(c) For other issues—					
By Treasury Bills...	1,089,659,000	1,060,350,000	54,342,000	51,286,000	..
By 3% Conversion Loan...	..	15,650,000	550,000	550,000	..
By National Savings Certificates...	..	15	..	..	..
By National War Bonds...	..	10	..	..	..
By Treasury Bonds, 1925...	3,512,150	..	..	..	..
By 4% Treasury Bonds, 1931-33...	..	..	..	..	..
(d) Ways and Means Advances...	279,501,000	276,205,000	9,400,000	16,650,000	..
Repayments—					
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921...	127,350	111,043	36,775	32,227	..
Total...	1,680,387,227	1,693,649,741	77,430,431	81,586,141	..

NOTE.—Budget Estimate as in H.C. 69 of 1926.

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27 (including Supplementary Grants)	Total Issues out of the Exchequer to meet Payments from		ISSUES.	
		Apr. 1, 1926, to Sept. 4, 1926.	Apr. 1, 1925, to Sept. 5, 1925.	Week Ended Sept. 4, 1926.	Week Ended Sept. 5, 1925.
EXPENDITURE.					
National Debt Services—					
Interest, &c.	304,000,000	152,115,694	150,456,501	13,057,074	13,102,887
Sinking Fund...	60,000,000	14,012,525	19,321,640	1,430,927	1,463,552
Road Fund...	17,500,000	3,769,044	4,037,044	..	..
Payments to Local Taxation Accounts, &c.	14,100,000	3,821,943	3,802,663	605,584	142,593
Payments to Northern Ireland Exchequer...	5,200,000	3,125,034	1,875,532	75,000	75,000
Land Settlement...	..	201,713	..	..	82,219
Other Consolidated Fund Services...	2,600,000	1,107,764	1,156,611	9,836	..
Supply Services...	422,327,000	170,901,825	161,501,668	7,122,000	7,076,000
Expenditure...	825,727,000	347,853,829	342,353,219	22,300,421	21,942,251
OTHER ISSUES.					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904...	36,891	36,891	..	..	..
Under the Unemployment Insurance Act, 1921...	8,262,431	1,470,000	570,000	800,000	..
Issues to meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1924 and 1925...	4,650,000	5,050,000	..	..	..
Under the Housing Act, 1914...	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	3,779	20,071	..	..	..
Unemployment Insurance Act, 1921—					
Repayment of amounts borrowed...	344,000	1,170,000	..	500,000	..
Treasury Bills...	1,015,515,000	1,010,905,000	52,455,000	51,600,000	..
Principal of National Savings Certificates...	14,000,000	13,450,000	650,000	500,000	..
Principal of Exchequer Bonds paid off...	..	306,667	..	..	..
Principal of National War Bonds paid off...	..	7,794,789	..	..	..
Principal of Treasury Bonds paid off...	..	23,646,860	..	4,155,439	..
Ways and Means Advances Repaid...	287,341,000	284,549,000	1,850,000	2,750,000	..
Balances in Exchequer on 1st April—					
Bank of England...	1,678,006,930	1,690,757,490	77,825,421	81,527,490	..
Bank of Ireland...	2,017,572	2,065,26	3,211	18,531	..
Total...	2,380,297	2,892,251	395,010	58,651	..

Treasury, September 6, 1926.

The Bankers' Gazette.

BANK OF ENGLAND.
Week ended Wednesday, September 8, 1926.

ISSUE DEPARTMENT.	
Notes issued	173,686,920
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	153,936,920
	173,686,920

BANKING DEPARTMENT.	
Proprietors' capital ..	14,553,000
Reserve	3,714,929
Public deposits*	13,005,014
Other deposits	106,161,230
Seven-day & other bills ..	3,919
	137,438,092

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Sept. 8, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	3,714,929	—	1,735
Public deposits	13,005,014	—	2,726,761
Other deposits	106,161,230	—	2,419,353
Government securities	31,931,159	—	6,063,620
Other securities	70,605,107	—	1,825,970
Reserve	3,714,929	—	2,092,173
Notes in circulation	140,303,400	—	985,570
Coin and bullion	155,393,226	—	105,571
% of reserve to liabilities	294%	—	148%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
July 21	151,733,845	141,347,125	122,583,639	110,482,676	365,000 in	30,136,720 94%	5%
28	152,126,713	142,020,185	115,219,491	103,450,079	413,000 in	29,858,226 96%	5%
Aug. 4	152,844,144	142,503,470	116,858,561	104,883,885	708,000 in	30,090,676 95%	5%
11	153,867,721	143,321,420	123,166,249	109,006,118	975,000 in	32,296,301 95%	5%
18	154,144,128	140,553,290	121,766,643	106,551,007	179,000 in	33,340,838 97%	5%
25	154,805,514	140,271,005	128,173,220	112,087,444	637,000 in	34,284,509 96%	5%
Sept. 1	155,498,797	141,288,970	124,312,358	108,624,874	673,000 in	33,959,827 94%	5%
8	155,393,226	140,303,400	119,166,244	102,598,266	133,000 out	34,839,826 92%	5%

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Aug. 25	22,930,291	1,087,636	1,842,786	25,860,713
Sept. 1 to 8	700,919	26,017	43,934	778,870
	634,582	30,020	53,946	718,548
Total to date 1926	24,265,792	1,143,673	1,940,666	27,350,131
Do 1925	24,707,080	1,163,106	2,056,376	27,926,562
Increase or decrease in 1926 {	-441,288	-19,433	-115,710	-576,431
	-1.8%	-1.7%	-5.6%	-2.0%
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,890,146	39,522,864
Increase or decrease in 1925 {	+762,659	+84,233	+67,363	+904,255
	+2.1%	+5.2%	+1.9%	+2.2%

PROVINCIAL CLEARING RETURNS.

	Month of August.		% + or -	Aggregate Weekly Totals to Sept. 4.	
	1925.	1926.		1925.	1926.
Number of Working Days	25	25			
BIRMINGHAM	9,762,000	8,344,000	-14.5	90,592,800	84,595,800
BRADFORD	5,112,000	5,506,000	+ 7.7	41,525,000	41,025,000
BRISTOL	4,903,000	4,556,000	- 7.0	37,198,600	31,982,900
DUBLIN	3,996,000	3,830,000	- 4.1	184,543,300	170,194,400
HULL	3,695,000	3,596,000	- 2.6	36,239,600	33,495,000
LEEDS	2,739,000	2,666,000	- 2.6	28,044,900	27,063,600
LIVERPOOL	34,376,000	29,511,000	-14.1	321,833,600	273,840,800
MANCHESTER	62,277,000	51,701,000	-16.9	565,549,500	471,881,500
NEWCASTLE-ON-TYNE	6,584,000	4,256,000	-35.3	57,697,500	46,435,200
NOTTINGHAM	2,532,000	2,232,000	-11.8	23,901,500	21,877,500
SHEFFIELD	4,389,000	3,740,000	-14.6	37,349,800	34,506,900
Total	140,360,000	119,822,000	-14.6	..	..

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the Economist of July 3; Greece in July 17; Portugal and Egypt in August 21; Canada, Roumania and Italy in August 28; and Russia in September 4.

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Sept. 3, 1926.	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Sept. 4, 1925.
Total bills discounted ..	176,840	140,060	145,910	190,250	195,490
Bills bought in open mkt. ..	33,190	43,850	38,270	37,060	25,040
Total U.S. Govt. securities ..	60,710	60,270	70,670	73,600	56,850
Total earning assets	270,750	244,170	254,850	299,920	279,400
Deposits — Member bank ..	864,940	815,750	843,290	859,020	840,290
Ratio of total res. to dep. and Federal Res. note liabilities combined ..	81.9%	83.6%	82.4%	79.5%	79.1%

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

Average Weekly Balances. AUGUST, 1926.	Bank of Liv'pool and Martins, Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	West- minster Bank, Limited.	Willi'ms, Deacon's Bank, Limited.	Total.
	£	£	£	£	£	£	£	£	£	£	£
ASSETS.											
Coin, bank and currency notes, and balances with the Bank of England ..	5,881	34,386	1,389	2,817	38,551	49,979	3,670	27,998	28,103	3,652	196,426
Balances with and cheques in course of collection on other banks in the United Kingdom	1,718	7,106	580	886	7,523	13,459	110	7,341	7,644	1,043	47,410
Items in transit	4,107	24,128	1,807	6,410	18,066	18,452	3,495	18,327	24,306	2,337	121,435
Money at call and short notice.....	2,561	41,308	1,374	1,246	52,294	45,856	2,533	35,049	44,536	1,875	228,632
Bills discounted	9,858	52,692	4,253	7,635	46,263	37,712	15,693	38,193	45,829	4,759	262,887
Investments	34,197	156,172	8,512	8,843	184,365	195,702	16,314	135,850	128,836	19,231	888,022
Advances to customers and other accounts											
Liabilities of customers for acceptances, endorsements, &c.	3,479	9,310	..	1,562	14,856	33,472	103	8,438	9,781	1,325	82,326
Bank premises account	1,549	5,270	346	695	6,337	6,806	744	4,839	4,224	904	31,714
Investments in affiliated banks	..	6,060	..	..	6,582	6,377	..	2,754	2,992	..	24,765
	63,350	336,432	18,261	30,094	374,837	407,815	42,662	278,789	296,251	35,126	1,883,617
Ratio of cash to current, deposit, and other accounts	10-56	11-38	8-33	10-52	11-53	14-32	10-00	11-13	10-49	11-92	11-71
LIABILITIES.											
Capital paid up.....	2,349	15,858	800	1,060	15,810	12,666	1,500	9,479	9,320	1,875	70,717
Reserve fund.....	1,850	9,250	800	530	10,000	12,666	1,320	9,479	9,320	1,300	56,515
Current, deposit, and other accounts ...	55,673	302,014	16,661	26,764	334,171	349,012	36,694	251,393	267,818	30,626	1,670,826
Acceptances, endorsements, &c.....	3,478	9,310	..	1,562	14,856	33,471	103	8,438	9,781	1,325	82,324
Notes in circulation.....	..	..	..	178	..	..	3,045	..	12	..	3,057
Reduction of bank premises account ...	..	..	..	..	..	..	..	..	..	..	178
	63,350	336,432	18,261	30,094	374,837	407,815	42,662	278,789	296,251	35,126	1,883,617

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

Assets.	Aug. 31, 1926.	July 31, 1926.	June 30, 1926.	May 31, 1926.	Aug. 31, 1925.	Position, May 30, 1914.
Coin and bullion	209,112	209,132	209,147	209,159	209,419	76,644
Loans & discounts	228,027	248,086	252,496	281,345	252,129	88,470
Debtors abroad	36,929	39,366	50,516	51,834	148,362	24,102
Securities	6,303	6,622	6,933	6,970	7,064	11,988
LIABILITIES.						
Circulation	376,468	388,681	400,989	400,109	442,140	157,266
Deposits	26,559	26,436	22,308	28,770	75,342	6,696

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 23, 1926.	Aug. 16, 1926.	Aug. 31, 1925.	Position, May 30, 1914.
Coin and bullion—Gold	147,227	147,227	147,227	147,226	44,224
Balance abroad and foreign bills	72,480	72,315	72,774	60,915	28,533
Norwegian and Foreign Government securities	23,437	23,437	23,254	11,449	8,816
Discounts and loans	340,316	333,711	336,795	307,609	76,911
LIABILITIES.					
Notes in circulation	334,275	331,164	333,455	378,330	113,484
Deposits at notice	184,595	181,515	182,470	77,218	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	Sept. 4, 1926.	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 31, 1925.	Position, May 30, 1914.
Gold	227,869	227,985	228,044	228,143	232,196	104,918
Balance abroad and foreign bills	137,213	136,446	134,165	131,970	111,776	11,172
Swedish and for Gov. securities	46,914	46,914	46,914	47,222	48,028	32,465
Discounts & loans	241,194	220,190	221,506	225,031	293,940	112,668
LIABILITIES.						
Notes in circulation	500,733	465,903	456,430	469,635	503,757	226,555
Deposits at notice	74,649	85,739	94,407	92,844	142,163	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 14, 1926.	Aug. 31, 1925.	Position, May 30, 1914.
Gold	325,562	329,669	329,892	43,286
Balance abroad and foreign bills	1,052,681	1,033,922	996,263	1,057,384
Finland and Foreign Government securities	366,417	366,417	366,417	403,296
Discounts and loans	596,716	614,804	601,967	389,889
LIABILITIES.				
Notes in circulation	1,295,915	1,259,804	1,273,435	1,268,212
Deposits at notice	390,389	406,426	347,185	447,169

BANK OF ESTHONIA.—In Est. marks (000's omitted).

Assets.	Aug. 20, 1926.	Aug. 10, 1926.	July 31, 1926.	July 20, 1926.	Aug. 31, 1925.
Gold	500,610	500,569	500,444	500,090	458,763
Balance abroad and foreign currency	160,358	163,985	153,351	151,737	96,405
Bills in foreign currency	139,882	138,190	126,839	118,471	227,652
Discounts	1,717,710	1,718,924	1,763,187	1,771,663	1,693,039
Advances and sundry out-standings	4,619,318	4,591,318	4,682,561	4,651,281	4,122,282
LIABILITIES.					
Capital paid up	250,000	250,000	250,000	250,000	250,000
Reserve funds	256,801	256,801	256,801	256,801	212,273
Notes in circulation	1,844,035	1,812,231	1,841,617	1,851,414	1,759,889
Deposits	4,476,791	4,703,354	4,763,180	4,664,119	4,196,094
Commercial credits	583,846	563,106	591,687	614,165	534,740

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	Sept. 1, 1926.	Aug. 25, 1926.	Aug. 18, 1926.	Aug. 11, 1926.	Sept. 2, 1925.	Nov. 22, 1924.
Gold bullion and coins	23,611	23,606	23,601	23,600	23,639	12,993
Silver coin	2,200	2,442	2,534	2,563	1,803	1,803
Balance abroad	35,292	34,931	34,815	35,527	32,449	22,466
Treas. notes & sm. change	9,335	9,375	10,523	9,910	9,942	3,085
Short term bills	67,703	67,717	67,933	66,917	60,790	6,639
Loans against securities	51,079	51,089	50,825	50,254	48,091	2,912
Other assets	8,883	8,659	9,111	9,445	8,268	1,359
LIABILITIES.						
Notes in circulation	30,486	30,449	29,505	29,647	28,903	4,065
Capital paid up	13,447	13,447	13,447	13,447	11,659	8,000
Reserve	2,237	2,237	2,237	2,237	1,522	..
Special reserve	2,500	2,500	2,500	2,500	1,000	..
Deposits	8,839	9,133	9,113	9,104	6,616	61
Current accounts	44,364	43,676	45,599	47,295	46,320	16,933
Government accounts	81,845	79,354	80,659	79,607	71,539	16,697
Other liabilities	14,386	17,425	16,005	15,380	17,320	3,757

BANK OF LITHUANIA.—In lt. (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 15, 1926.	Aug. 1, 1926.	Aug. 15, 1925.	Aug. 31, 1925.
Gold	30,913	30,559	30,548	30,520	33,585
Silver	5,970	6,208	6,536	6,548	6,803
State Treasury coins	1,920	1,925	1,923	1,908	1,905
Foreign currency	22,841	22,194	24,148	24,539	26,998
Discount and credit	42,691	43,170	43,058	44,074	44,412
LIABILITIES.					
Capital	12,000	12,000	12,000	12,000	12,000
Reserve	860	860	860	860	860
Banknotes in circulation	73,730	73,708	74,446	76,227	79,471
Deposits	19,528	18,487	20,066	19,054	19,188

CZECHOSLOVAK NATIONAL BANK.—In Cz. K. (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 23, 1926.	Aug. 15, 1926.	Aug. 7, 1926.	Aug. 31, 1925.
Gold and silver holdings	1,033,550	1,033,513	1,033,567	1,033,415	1,033,351
Balance abroad and foreign currency	1,323,522	1,313,824	1,310,794	1,304,377	1,290,476
Discounts and advances	190,503	171,967	184,716	188,218	193,549
State notes debt balance	4,883,746	4,884,664	4,884,869	4,885,872	4,889,732
Other assets	1,437,742	1,213,563	1,175,729	1,191,686	1,321,920
LIABILITIES.					
Notes in circulation	7,161,203	6,542,914	6,717,546	6,898,773	7,199,360
Check account balances	1,030,195	1,381,705	1,173,873	1,017,321	849,382
Other liabilities	286,865	286,112	291,456	280,074	273,546

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 22, 1926.	Aug. 15, 1926.	Aug. 8, 1926.	Aug. 31, 1925.
Gold	81,646	81,509	81,254	81,119	73,442
Other coin and notes	18,296	18,419	18,102	17,944	20,058
Foreign credits	297,101	293,398	292,169	290,850	434,356
Bills	1,232,766	1,189,317	1,169,690	1,149,962	937,823
Govt. advances	4,469,097	4,468,950	4,468,779	4,468,665	4,519,761
LIABILITIES.					
Notes in circulation	5,470,112	5,405,343	5,446,772	5,465,261	5,965,004
State credits	360,819	350,672	350,500	350,387	367,038
Deposits	634,743	599,759	547,381	521,513	956,539

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 14, 1926.	July 31, 1926.	July 15, 1926.	June 30, 1926.	Aug. 31, 1925.
Coin and bullion	1925	1925	1925	1925	1925	1925
Of which gold coin	5	5	5	5	5	5
Danzig subsidiary coin	2,670	2,895	2,686	3,153	2,009	2,648
Balances, Bk. of Eng., inc. notes	23,372	16,459	18,835	20,159	24,223	18,205
Bills of exchange	14,582	15,355	15,090	12,229	11,864	19,513
Loans	341	405	418	565	1,529	2,297
Foreign exchange	14,333	17,131	17,400	17,197	15,073	13,889
Other balances on demand	153	338	121	691	857	1,922
LIABILITIES.						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	35,913	32,424	34,535	31,796	35,183	33,444
Deposits on demand	4,560	3,315	3,035	4,532	2,379	3,387
Deposits at notice	nil	nil	nil	nil	nil	nil

BANK OF POLAND.—In zloty (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 20, 1926.	Aug. 10, 1926.	July 20, 1926.	July 10, 1926.
Gold	135,480	135,330	135,252	135,199	134,932
Foreign currencies	107,586	82,763	75,493	91,325	94,863
Silver and bullion	306,687	17,914	2,525	2,448	875
Bills discounted	40,955	304,025	301,681	304,178	296,770
Loans against securities	24,612	42,002	45,612	49,323	44,123
Short-term discounts	24,612	24,958	23,939	24,351	24,451
Liability of the Treasury	50,000	50,000	50,000	50,000	50,000
LIABILITIES.					
Share capital	100,000	100,000	100,000	100,000	100,000
Reserve funds	2,908	2,908	2,908	2,908	2,908
Notes in circulation	560,840	511,730	499,533	511,166	455,119
Current accounts	98,074	117,959	97,216	86,223	97,084
Liability in for. exchge	24,425	23,859	27,545	47,289	69,070

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 23, 1926.	Aug. 15, 1926.	Aug. 7, 1926.	Aug. 31, 1925.
Metal reserve	42,978	41,485	40,235	38,272	14,830
Gold in coin, etc.	490,533	490,606	486,233	501,527	511,326
Foreign bills	128,589	127,539	118,955	117,112	87,985
Other foreign billst.	82,668	66,372	69,740	79,541	73,141
Bills discounted	178,899	179,667	180,467	181,272	198,442
Advances to Treasury					
LIABILITIES.					
Reserve fund	4,552	4,552	4,552	4,552	2,679
Notes in circulation	858,168	781,632	810,763	835,005	835,513
Deposits	68,276	127,150	87,763	84,584	40,283

† Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengö (000's omitted).

Assets.	Aug. 31, 1926.	Aug. 23, 1926.	Aug. 15, 1926.	Aug. 7, 1926.	July 31, 1926.
Metal reserve	168,571	168,445	168,359	168,155	141,171
Gold coin and bullion	82,342	75,536	73,047	88,840	93,675
Drats and notes	861	861	861	861	885
Silver coin and bullion	159,121	148,837	152,250	155,701	161,509
Inland bills, warrants, and securities	151,523	151,574	151,600	151,600	151,663
Advances to the Treasury					
LIABILITIES.					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	431,529	382,845	398,582	404,574	424,311
Current accounts, deposits, &c.	177,556	207,515	184,389	177,448	158,909

* Calculated at pre-war parity of exchange.

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Sept. 4, 1926.	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Sept. 5, 1926.	Position May 30, 1914.
Gold.....	2,556,502	2,566,391	2,556,339	2,556,327	2,536,667	521,775
Silver.....	670,072	673,905	671,392	668,966	655,460	728,600
Loans & discounts.....	2,405,846	2,418,821	2,389,304	2,420,913	2,348,874	800,745
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,390,679	4,343,316	4,365,481	4,399,436	4,341,525	801,550
Deposits.....	1,026,027	1,037,301	1,033,412	1,027,193	970,970	477,550

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
Sept. 4	£	Sept. 4	£
Bank	500,000	Sub. African Reserve	10,000
6—South Africa ..sovs.	400,000	6—Bars sold ..sovs.	6,000
7	nil	7	nil
8	nil	8—Spain, &c. ..sovs.	7,000
9	nil	9—Bars sold ..	10,000
10	nil	10—Bars sold ..	7,000
Total	400,000	Total	546,000
Net withdrawals, £146,000.			

Messrs Samuel Montagu and Co. write on September 8th as follows:—

GOLD.

About £286,000 bar gold was available in the open market this week, and of this the Continent secured about £190,000 and the trade £60,000. The balance was taken on account of India. During the week under review £133,000 on balance has been withdrawn from the Bank, decreasing the net influx since January 1, 1926, to £10,573,000, and increasing the net efflux since the resumption of an effective gold standard to £1,022,000.

SILVER.

During the week China has been the chief seller, as America has been reluctant to follow the falling prices. Bear covering and some Indian shipment orders absorbed the fairly plentiful supplies. The consignment from China, unusual in character and a record in size (valued by H.M. Customs at £917,000), to which we referred in our circular of July 21st last, has now arrived in London, and has considerably swollen the floating stock in this market. This fact explains the larger discount on cash silver, and may exert a depressing effect upon the market in the long run, although the silver has already been sold for forward delivery. The movements of the price of late would seem to show that the market, in spite of temporary resilience, has lost the power of remaining at the quotation level of the last few years. With a large body of speculative operations and with the chance of fresh speculative factors intervening one way or the other, a tranquil market can hardly be anticipated. Fluctuations, unexpected and sharp, up or down, are more like to occur. The ability of bears to maintain their position may be tested by attempts to corner deliveries, especially in India. American producers have lost their usual optimism—and rightly so—and they have begun to gauge the real condition of the silver market, and this must be reckoned as a factor. United Kingdom imports and exports of silver during the week ending the 1st inst. were:—

Imports.		Exports.	
	£		£
China	917,205	France	54,850
U.S.A.	66,280	Bombay	42,387
Mexico	33,230	Other countries ..	11,079
British West Africa ..	43,421		
Straits Settlements ..	52,615		
Other countries	15,787		
	1,128,538		108,316

INDIAN CURRENCY RETURNS.

(In Lacs of Rupees.)

	Aug. 15.	Aug. 22.	Aug. 31.
Notes in circulation ..	19,907	19,983	20,053
Silver coin and bullion in India ..	9,837	9,913	9,984
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion in India ..	5,738	5,738	5,738
Securities (Indian Government) ..	2,100	2,100	2,099
Securities (British Government) ..			

No silver coinage was reported during the week ending the 31st ult. The stock in Shanghai on the 4th inst. consisted of about 72,400,000 ounces in sycee, 63,200,000 dollars, and 9,800 silver bars, as compared with about 72,400,000 ounces in sycee, 63,200,000 dollars, and 9,380 silver bars on the 28th ult.

GOLD AND SILVER PRICES.

	Gold		Silver—Per Ounce.		Date.	Silver.
	Per Ounce.	Cash.	Cash.	Forward.		
1926.						
Sept. 4....	84 11 1/2	28 1/2	28 1/2	28 1/2	Sept. 17, 1920..	60
6....	84 10 1/2	28 1/2	28 1/2	28 1/2	16, 1921..	39 1/2
7....	84 10 1/2	28 1/2	28 1/2	28 1/2	15, 1922..	35 1/2
8....	84 11 1/2	28 1/2	28 1/2	28 1/2	14, 1923..	31 1/2
9....	84 11 1/2	28 1/2	28 1/2	28 1/2	12, 1924..	34 1/2
10....	84 11 1/2	28 1/2	28 1/2	28 1/2	11, 1925..	33 1/2

NOTICES.

Barclays Bank, Limited, announce the opening of a new sub-branch at Northolt road, South Harrow, under the management of Mr E. F. Larter, also manager of 355 Station road, Harrow, branch. They have also opened a new branch at 121 Pinstone street, Sheffield, under the management of Mr R. P. Walker.

The Midland Bank announces the opening of a new branch in Cross street, Manchester, under the management of Mr C. Redman. This office adjoins the Manchester Royal Exchange,

and will be known as the Royal Exchange branch. New offices have also been opened at 30 Stanley terrace, Cherry Tree, Blackburn; 97 Boughton, Chester; and in Llandudno road, Penrhyn Bay, near Llandudno.

The National Provincial Bank, Limited, announce that a branch of their bank is now open at 4 Stile Hall parade, Chiswick High road, W. 4, the resident officer being Mr W. J. Potter.

Lloyds Bank Limited announce that a branch of the bank is now open at 25 Camberwell green, S.E. 5, under the management of Mr A. J. Bull.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim div.	Final div.	Method of Payment.	Lat/1st Pre-Year, vious.
Railways.					
Isle of Man	5%*	..	..	Less tax	%
Banks.					
Banco de Costa Rica ..	7%*	Sept. 15	..	Tax free	15
Chartered Bank	7%*	Sept. 15	..	Tax free	12
Commercial Banking of Sydney ..	4%*	Oct. 1	..	Less tax	10
Eastern Bank	8%*	Sept. 25	..	Less tax	..
Mercantile Bank of India, "A."	8%*	Sept. 15	..	Less tax 4/ in £	..
"B," and "C"	8%*	Sept. 15	..	Less tax 4/ in £	..
Northern Banking Co., "A."	8%*	Sept. 15	..	Less tax 4/ in £	..
Do "B"	8%*	Sept. 15	..	Less tax 4/ in £	..
Mining.					
Balaghat Gold Ref.	..	Sept. 28	..	Less tax 2 1/2 in £	1/ p.s. 1/ p.s.
Central Provinces Manganese Ore ..	10%*	Oct. 4	..	Tax free	..
Idris Hydraulic Tin	1/ p.s.*	Sept. 24	..	Less tax	..
Kinta Tin Mines	1/ p.s.*	Sept. 29	..	Less tax	..
Nundyroog Mines	1/ p.s.*	Sept. 27	..	Less tax 2 1/2 in £	..
Parl Tin	5%*	Sept. 27	..	Less tax	..
Sungei Besi Mines	5%*	Sept. 27	..	Less tax	..
Tronoh Mines	5%*	Sept. 28	..	Less tax	..
Tea and Rubber.					
Berang (Selangor) Rubber ..	10%*	..	..	Less tax	20
Cheras Rubber	10%*	..	..	Less tax	7 1/2
Chersonese (F.M.S.) Estates ..	6%*	Oct. 6	..	Less tax	..
Dimbula Valley (Ceylon) Tea ..	15%*	..	..	Less tax	..
Galaha Ceylon Tea	10%*	Sept. 17	..	Less tax 4/ in £	..
General Ceylon Rubber and Tea ..	10%*	Sept. 17	..	Less tax 4/ in £	..
Gula-Kalumpung Rubber	7 1/2%*	..	..	Less tax	..
Igalkande Rubber and Tea ..	7 1/2%*	..	..	Less tax	..
Kalidjeroek Rubber	5%*	..	..	Less tax	..
Kinta Kelas Rubber	12 1/2%*	..	..	Less tax	50
Mapalagama Rubber	12 1/2%*	..	..	Less tax	40
New Dimbula Company	40%*	Oct. 6	..	Tax free	12 1/2
Riverside Rubber	5%*	..	..	Less tax	55
Rosehaugh (Ceylon) Rubber ..	10%*	Sept. 24	..	Less tax	..
Rosehaugh (Ceylon) Tea	7 1/2%*	Sept. 24	..	Less tax	..
Sungei Puran Rubber	12 1/2%*	..	..	Less tax	..
Other Companies.					
Amer. Invest. & General Trust, Ltd.	5%*	Sept. 30	..	Less tax	..
American Telephone	2 1/2%*	Oct. 15	..	Less tax	..
Apex (Trinidad) Oilfields ..	10%*	Oct. 15	..	Less tax 2/0-28d in £	..
Automatic Telephone	3 1/2%*	..	..	Less tax	..
Birmingham Omnibus	10%*	..	..	Less tax	15
Blyth, Green, Jourdain, and Co.	5%*	..	..	Less tax	..
Bradleys (Chester)	5%*	..	..	Less tax	..
British Insulated Cables	5%*	..	..	Less tax	..
City Offices	13/ p.s.*	Oct. 15	..	Less tax	..
Dalmellington Iron	10%*	..	..	Tax free	5
D. Napier and Son	5%*	Sept. 18	..	Less tax	7 1/2
Foreign, American, and General Investment Trust, Ltd. ..	3%*	Sept. 30	..	Less tax	..
General and Commercial Investment, Ltd. ..	5%*	..	..	Less tax	..
Hardy Patent Pick	3 1/2%*	Sept. 30	..	Less tax	7
International Automatic Telphn.	3 1/2%*	..	..	Less tax	10
Jones and Higgins	3 1/2%*	..	..	Less tax	..
King Line	3 1/2%*	..	..	Less tax	..
Middle West Utilities, Pref. ..	1 1/2%*	Oct. 15	..	Less tax	..
Pontypool Gas & Water, "A."	7%*	..	..	Less tax	..
Do "B," "C," and "D" ..	7%*	..	..	Less tax	..
Quebec Power	8 1/2% p.s.*	Oct. 15	..	Less tax	..
Rangoon Electric Tramway ..	5% p.s.*	Sept. 30	..	Less tax	..
Redditch Gas	5%*	Oct. 1	..	Less tax	..
Rhonda Valley Breweries ..	2 1/2%*	..	..	Less tax	..
Samuel Webster	1/6 p.s.*	Oct. 1	..	Less tax 4/ in £	..
Second Alliance Trust	18 (13 mths)	..	..	Less tax	..
Singleton and Cole	1/ p.s.*	Sept. 28	..	Tax free	..
Southdown Motor Services ..	5%*	Oct. 1	..	Less tax	..
Southdown Waterworks	10%*	Oct. 1	..	Less tax	..
Stewart and Lloyd, Pref. Ord.	10%*	Sept. 30	..	Less tax	..
Thomas, Wolfe and Son	7 1/2%*	..	..	Less tax	..
Western Telegraph	5/ p.s.*	Sept. 29	..	Tax free	10

OIL OUTPUTS.

ANGLO-ECUADORIAN OILFIELDS, LIMITED.—The production for August is cabled as 3,052 tons.

APEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of August:—Production of oil, 10,150 tons; deliveries, 17,100 tons.

BRITISH BURMAH PETROLEUM CO., LIMITED.—The production of crude oil by this company and the Rangoon Oil Company, Limited, for the month of August amounted to 52,356 barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Week ending September 1, 1926:—Production, 36,809 barrels; shipments, 30,987 barrels.

LOBITOS OILFIELDS, LIMITED.—The production for August is cabled as 21,831 tons.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended August 28, 1926, was 147,000 barrels.

STEUA ROMANA (BRITISH), LIMITED.—The output of the Steua Romana, Bucharest, for month of August was 40,060 tons, an increase of 2,760 over October, 1925, the highest month since the war.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Output for the week ending Wednesday, September 1, 1926, amounted to 925 tons.

VENEZUELAN OIL CONCESSIONS, LIMITED.—The production for the week ended August 28, 1926, was as follows:—La Rosa, 29,049 metric tons (previous week, ended August 21, 27,115 metric tons); Maracaibo District, 4,220 metric tons (previous week, ended August 21, 4,060 metric tons);

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

b) Week ended Sept. 3, 1926.	Miles Open.	Week ended Sept. 5, 1926.			Aggregate 34 Weeks, 1926.		
		Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Re- ceipts.
Great Western	3,778	315,000	219,300	534,300	8,529,000	9,242,000	17,771,000
Do for 1925	3,775	339,000	306,000	645,000	9,629,000	11,337,000	20,966,000
London & N. Eastern (a) ..	6,715	487,000	417,000	904,000	13,888,000	18,154,000	32,042,000
Do same period 1925 ..	6,714	543,000	635,000	1,178,000	15,816,000	23,030,000	38,846,000
Lon., Mid., & Scottish ..	6,951	724,000	592,000	1,316,000	19,654,000	23,470,000	43,124,000
Do for 1925	6,950 1/2	790,000	809,000	1,599,000	22,744,000	29,400,000	52,144,000
Southern	2,180	425,000	95,000	520,000	11,390,000	3,471,000	14,861,000
Do 1925	2,183	440,000	118,000	558,000	12,295,000	4,072,000	16,367,000
Metropolitan (a)	59	29,700	2,500	32,200	1,020,100	100,600	1,120,700
Do for 1925	58	37,900	3,900	41,800	1,176,500	130,700	1,307,200
Underground E.R. (a) ..	..	..	..	259,800	..	..	8,661,900
Do for 1925	..	..	..	253,400	..	..	8,834,500
Lon. & Sub. Group (a) ..	..	..	..	39,500	..	..	1,307,600
Do for 1925	..	..	..	39,500	..	..	1,347,200
Belfast & Co. Down (a) ..	80	3,637	777	4,414	110,759	30,946	141,705
Great Northern	562	21,300	17,150	38,450	560,150	550,900	1,111,050
Great Southern	2,181	52,475	45,181	97,656	1,377,703	1,465,360	2,843,063

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	18 weeks	Aug. 7	1,072	Rs. 3,05,000 +	Rs. 6,205	57,59,666 +	2,15,851
Bombay & N. Western ..	19 weeks	Aug. 14	118	16,500 +	2,400	7,77,200 +	87,900
Bombay & N. Western ..	19 weeks	Aug. 14	2,076	5,58,400 +	98,366	13,18,005 +	13,97,230
Bombay & N. Western ..	18 weeks	Aug. 7	2,861	12,90,000 +	44,000	2,93,14,479 +	4,16,892
Bombay, Bar., & C.I. ..	21 weeks	Aug. 14	3,033	17,16,000 +	1,17,000	4,57,55,000 +	13,68,000
Bombay	17 weeks	July 31	1,349	6,24,581	75,055	1,36,43,788	3,79,026
Madras & S. Mahr ..	19 weeks	Aug. 14	3,048	13,36,000 +	19,987	3,23,51,884 +	8,54,790
Nizam's Guaranteed (a) ..	14 weeks	Aug. 14	993	2,79,565 +	36,926	73,63,090 +	6,60,183
Rohilk'd & Kumaon ..	18 weeks	Aug. 14	259	39,841	2,985	10, 0,705	37,300
Do Lucknow-Breilly ..	18 weeks	Aug. 14	290	43,846	1,706	12,19,959	22,559
South Indian	19 weeks	Aug. 14	1,876	8,91,715	22,180	1,97,25,067	4,59,241

(a) Total receipts of all lines.

ARGENTINE (a).

	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
Argentina N.E.	10 weeks	Sept. 4	754	£ 14,800 -	£ 500	120,900 -	14,500

value of bullion, \$37,306.02; recovery per cubic yard, 54.066 cent; total cost per cubic yard, 11.905 cents. Estimated gross return for 31 days to August 31st, \$16,500 from 46,000 cubic yards. (Official note—Restricted output due to the breakage of the spud; expect repairs completed about September 7th.)

NORTH BRONX HILL, LIMITED.—For the month of August the production was as follows:—36,270 tons of crude ore were treated, producing 6,710 tons of lead concentrates, averaging 64 per cent. lead, 30.1 ozs silver per ton, and 8 per cent. zinc; also 6,320 tons zinc concentrates, averaging 47.3 per cent. zinc, 6.1 per cent. lead, and 6.9 ozs silver per ton.

ONVERWACHT PLATINUM.—The following cablegram has been received from Johannesburg: "Reduction plant milled 1,369 tons during month of August." **SAN FRANCISCO MINES OF MEXICO, LIMITED.**—Cable advice of operations for August:—Ore treated, 13,370 tons; residues treated, 9,780 tons; lead concentrates produced 1,837 tons; zinc concentrates produced 4,698 tons. Estimated net smelter return on lead concentrates, \$164,563 (U.S. currency), and on zinc concentrates, \$182,370; total, \$346,933. Operating expenses, \$105,723; estimated operating profit, \$241,210; capital expenditure, \$28,609.

WAIHI GOLD MINING CO.—Bullion return for the period ended August 28th, 16,994 tons of 2,000 lbs have been crushed, and 5,712 fine ounces of gold and 31,106 fine ounces of silver have been produced.

Reports and Notices.

The Coal Distributors' Information Department has removed its offices from 27 Southampton street, W.C. 2, to 8 and 9 Essex street, Strand (telephone, City 3489). The newly-formed Coal Distributors' Parliamentary Committee has its offices at the same address.

After September 13th the address of Messrs James Capel and Co. will be 10 Old Broad street, E.C. 2.

The registered offices of the South Kalgurli Consolidated, Limited, are now situated at No. 1 Broad street place, E.C. 2.

BANKS.

COMMERCIAL BANKING OF SYDNEY.—The profit for the year ended June 30, 1926, amounts to £485,069, against £480,261 for preceding year. The ordinary dividend is again 10 per cent. for the year. The sum of £170,000 is put to reserve fund, making total reserve £3,000,000. The carry-forward is £55,296, against £90,227 brought in. Balance-sheet shows total assets £47,099,230. Bills discounted are at £25,844,832. With regard to liabilities, deposits amount to £38,539,205. The paid-up capital of the bank is £3,500,000.

MISCELLANEOUS.

BRITISH GLUES AND CHEMICALS.—The balance on profit and loss account brought forward from last year's account amounted to £48,770. Preference dividend (less tax) paid September 29, 1925, absorbed £15,312, leaving £33,458. Deduct net loss for year ended May 31, 1926 (£22,919), after due allowance has been made for depreciation (£29,123) and bad and doubtful debts. This leaves £10,539. Deduct income-tax to May 31, 1926, £3,519, leaves carry-forward of £7,019. Balance-sheet shows cash at £1,894, against £20,907. Debtors stand at £150,922, against £124,273. Stocks are at £202,859, against £212,863. Turning to liabilities, there is a bank overdraft of £34,572, which was not on the preceding balance-sheet. Creditors stand at £69,990, against £61,512. Depreciation reserve account now stands at £189,767, against £160,643.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED.—At a board meeting of the directors of the company, held on Tuesday, the following resolution was duly passed:—"That the offer to the members on the register of ordinary shareholders on the 1st day of July, 1926, and the holders of share warrants to bearer for ordinary shares on the same date, of new shares in the proportion of one share for every five existing ordinary shares on that date, shall remain open until December 31, 1926, and that all acceptances from registered shareholders and applications from holders of share warrants to bearer, received by the company's bankers in London on or before September 28, 1926, will be accepted by the company, and shares allotted to rank for the full dividend payable on September 30th next." In connection with the above it is officially stated that the company are not now prepared to split offers.

CANADIAN COLLIERIES (DUNSMUIR), LIMITED.—Production and sales of coal for the quarter ended June 30, 1926:—Production, 146,020, increase as compared with corresponding period last year, 22,389 tons; commercial tons, 122,352, increase 16,315 tons; sales tons, 118,109, increase 14,448 tons. Aggregate from July 1, 1925, to June 30, 1926: Production, 508,454, increase 18,330. Commercial tons 427,704, increase 12,402; sales tons 410,653, increase 20,734.

CRITALL MANUFACTURING COMPANY.—The directors' report for the year ended May 31, 1926, states that the profits amounted to £114,085 (as compared with £70,162 for the previous year). Deducting interest on loans, governing directors' salary, directors' fees, &c., £11,508, and the half-yearly dividend on the 8 per cent. participating preference shares paid on November 30th last, £12,520, there remains, with the balance brought forward, £6,381, and the amount of the share premium account £25,000, a total of £31,381 available for distribution. This the directors recommend should be allocated as follows:—£20,000 in payment of the second half-yearly fixed dividend on the participating preference shares, the transference to general reserve of £25,000, to depreciation reserve account, £15,000; and £6,081 to writing off from preliminary

expenses; the payment of a dividend of 15 per cent. (as against 10 per cent. last year) on the ordinary share capital, absorbing £30,000; an additional 2 per cent., making 10 per cent. for the year, on the participating preference shares, and the carrying forward of the balance, £15,355.

MID-EUROPEAN CORPORATION.—The report for the financial year ended July 31, 1926, shows a gross revenue of £86,844. The net revenue is £78,845, which, with £3,360 brought forward, makes a total of £82,205 available. The ordinary shareholders receive a dividend of 6 per cent., absorbing £60,000. The sum of £10,000 goes to income-tax reserve account and £12,205 is carried forward.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Climatic conditions over the United Kingdom have been favourable for fieldwork, and farmers made good progress with harvesting and threshing. Supplies of native wheat were on a larger scale, and general run of prices steady, as quality shows improvement. Imported descriptions somewhat irregular, the tendency being rather more in buyers' favour, apart from North American grades, which were less freely offered. A slow demand continued for floating and forward cargoes, but holders were not pressing, owing to adverse Canadian weather reports and advancing rates for freight both from North and South America. Steamers of white Pacific afloat sold 50s, and November 50s 6d. Of feeders, steamers of La Plata maize afloat sold 30s to 30s 3d per 480 lbs, and South Russian barley September at 28s per 400 lbs, c.i.f. terms. Wheat generally steady. No. 1 Northern Manitoba quoted 59s 6d, No. 2 ditto 57s 6d, No. 2 hard winter 53s 3d, choice white Karachi 55s, Barusso 61 lbs 52s 6d, all ex-ship per 496 lbs. English new 10s 11d-11s 1d per 112 lbs. Flour dull. London standard grade 47s, town whites 48s, patents 49-50s per sack delivered in the Home Counties, with 6d-1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s-47s, Minneapolis 45s 6d-47s 6d, Australian 43s 6d-44s per 280 lbs ex-store. Maize quiet. Plate landed 32s, ditto ex-ship 30s 6d, Bessarabian ex-ship to arrive 32s 6d per 480 lbs. Barley: Malt neglected, but feeding sorts fully steady. Californian 35s-43s, Chilian Chevalier 50s-57s, ditto brewing 35s 6d-48s, Australian Chevalier 45s-47s ex-store. Smyrna 35s-48s ex-ship per 44s lbs. No. 3 Canadian Western ex-ship 30s, Persian ex-ship 28s 6d, Russian ex-ship 29s per 400 lbs. English new 8s 9d-15s per 112 lbs. Oats inactive. La Plata landed 23s, No. 2 Canadian Western ex-ship 26s 9d, landed 27s 6d, No. 2 Canadian feed ex-ship 23s, landed 24s 6d. Chilian Tawny ex-ship 22s 9d, American 38 lbs ex-ship 22s 9d, landed 24s 3d, mixed feed ex-ship 19s 6d, landed 20s 9d per 320 lbs. English new 8s 4d-9s 2d per 112 lbs. Millers' offals quiet. Broad bran quoted 6s 6d, middlings 7s 3d, fine ditto 9s, bags included, ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt, free on rail. Oatmeal in moderate demand. London-made flaked 16s 6d, rolled oats 15s 6d, medium, also fine cut, 15s 6d, coarse, also medium pinhead, 15s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—1 week to September 4.....	Cwts. 288,467	Cwts. 265,759	Cwts. 90,144	Cwts. 322,002
Average price of English wheat per cwt.....	11 9	11 8	12 3	9 1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Aug. 28.....	Cwts. 94,946	Cwts. 43,530	Cwts. 36,578	12 6	13 10	9 0
Sept. 4.....	288,467	67,266	58,100	11 9	12 9	8 8
1922.....	206,284	20,407	43,828	9 7	10 11	9 1
1923.....	322,002	84,953	54,899	9 1	10 10	8 10
1924.....	90,144	188,779	47,701	12 3	16 3	9 1
1925.....	265,759	156,747	56,136	11 8	15 3	9 9

AMERICAN WHEAT MARKETS.

After a marked degree of firmness at the beginning of the week, induced mainly by reports of unfavourable harvesting weather,

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.			Corresponding Period Last Year.	
					Prefce.	Dividend.		Balance Forward.	Net Profit.
						Amount.	Rate.		
Banks.									
Commercial B'king Co. of Sydney	June 30	90,227	485,069	575,296	..	350,000	10	170,000	55,296
Breweries.									
Waller's Bradford Brewery.....	June 30	..	72,531	72,531	30,000	22,300	..	..	20,231
Shipping.									
Hazelwood	May 16	467	978	1,445	..	..	..	1,000	445
Textiles.									
Calico Printers' Association.....	June 30	216,504	216,218	432,722	150,805	150,805	7½	..	131,112
Tramways.									
Dundee, Broughty Ferry, &c.	July 31	145	5,130	5,275	2,400	1,610	7	1,000	265
Other Companies.									
British Glues and Chemicals	May 31	33,458	Dr 26,439	7,019	..	..	..	..	7,019
Eastwood's Cement	Mar. 31	..	653	653	..	..	..	..	653
Manch. Dock & Warehouse Exten	June 24	1,030	32,693	33,723	17,789	14,375	5½	..	1,559
Manch. Ship Canal Warehousing	June 24	1,563	10,140	11,703	5,100	4,800	6	..	1,803
Nobel Industries.....	Dec. 31	666,598	1,018,540	1,685,138	308,630	638,199	Ord. 10 Def. 5	450,000	230,528
						57,781			927,710

prices reacted on liquidation, but further heavy purchases, particularly of Manitoba, induced a recovery later:—

	Jan. 2, 1925.	Sept. 10, 1925.	Jan. 7, 1926.	Sept. 2, 1926.	Sept. 9, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 133	160	(a) 130½	(a) 132½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(b) 150½	176½	(b) 150½	(b) 151½

(a) October delivery. (b) September delivery.
Visible supplies of wheat in Canada, at 10,975,000 bushels, show a decrease of 1,582,000 bushels, as compared with the previous figures. Supplies a year ago stood at 5,528,000 bushels.

COAL.

Our Cardiff correspondent writes:—During the early part of the week business in foreign coals was on a very restricted scale, but later there was a considerable spurt in the chartering of tonnage for the shipment of American coals to the United Kingdom, and freight rates are from 15 6d to 25 per ton higher than a week ago. The cancelling dates of some of the vessels chartered this week extend to nearly the middle of October. The c.i.f. prices of foreign coals have ranged from about 41s for Westphalian unscreened to 45s for best American run-of-mine coals. A significant incident has been a meeting of colliery salesmen on the Cardiff Exchange to consider the question of the course of prices after work has been resumed, at which it was decided to revive the divisional committees which have existed at other periods since the war, in order to ascertain how far co-operative action was possible for the maintenance of prices.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—In spite of the improved outlook in the coal situation business in iron and steel remains quiet. Traders appear inclined to wait until the position as regards the strike becomes clearer, although the market has an active appearance owing to the numerous inquiries in circulation. This is believed to indicate that there is a considerable tonnage of new orders waiting to be placed as soon as industrial conditions become more settled. Most of the steel works already have a fair amount of work on their books for delivery after operations in the steel trade are resumed; but this, of course, will not be until at least a week or two after the strike is over. Buying by the chief export markets is still dull, and the higher prices quoted by Continental makers have undoubtedly checked buying from this direction.

Our Middlesbrough correspondent's report, dated September 9th, is as follows:—Pig-iron: Owing to the very limited quantity of Cleveland iron available, prices have tended to harden still further, and the general quotation for No. 3 G.M.B. is now 92s per ton, f.o.t. Hematite is also becoming increasingly scarce, and for mixed numbers 83s per ton is the average nominal quotation to-day. Until makers know the future price of fuel they are not disposed to commit themselves forward. Manufactured iron and steel: Two or three of the mills restarted to execute a few special orders are again idle, but there is still one mill in operation elsewhere. Some of the local foundries are still working. Quotations are nominal at last week's levels:—Steel ship plates, £8; steel ship angles, £7 10s; iron bars, £11 15s; steel rails, £8 10s. Iron ore: No business is being done, and best Rubio is quite nominal at 21s 6d per ton, c.i.f. Tees.

Our Sheffield correspondent writes:—As regards work in progress, the local position is better, but steel makers find it impossible to cover their heavy additional costs of fuel by raising selling prices. Makers of finished tools, who are paying more for materials as well as for fuel, are obtaining no increase whatever on their products. It is reported that the two Ballerlie blast furnaces in Nottinghamshire are starting next week, and have already booked orders for the delivery of foundry pig-iron next month. In Sheffield four large open-hearth furnaces are working, mainly

on steel for the manufacture of railway tyres, axles, &c. The mills rolling for hire are working at 75 per cent. capacity, the greater part of the orders being diverted from the mills at the heavy steel works. No rails are being rolled, nor will any considerable quantity be wanted by the British railway companies until the early spring, when track relaying begins. Large quantities of Westphalian coke are going to local ironfoundries and crucible steel makers. The cost to the small buyer is about 6s 6d delivered, compared with 4s 5d paid for Durham coke before the strike. More crucible steel is being melted to-day than at any time since May 1st. French basic pig has been offered at from 45s to 50s f.o.b. Antwerp and Belgian No. 3 foundry at 75s Antwerp. Some revival is reported in the demand for cutlery and plated goods, and makers of stainless steel for industrial purposes are busy.

Our Glasgow correspondent writes as follows:—There is no new aspect in the iron and steel position this week. Makers have very full order-books, and consumers who have been holding off are displaying more anxiety to place their requirements in order to secure preferential delivery when works are in a position to resume operations. For stock material available at the steel works from 20s to 30s per ton premium is charged. The feeling is general that the coal stoppage cannot now be prolonged, and some of the works are making active preparations preliminary to an early start. Re-rollers are well employed on limited capacity, and sheetmakers have more work on hand than they can deal with in view of the scarcity and inferior quality of the fuel obtainable. Galvanised corrugated sheets are now £17 10s per ton delivered locally, and delivery is difficult to procure. Pig-iron stocks are nearing exhaustion, and foundries are using large quantities of foreign make.

Our Cardiff correspondent writes:—In the iron and steel industry the general position is very little changed. The increase in the price of tin and in the price of imported steel bars has had a hardening effect on the prices of tinplates, which have been sold at 21s for next month's shipment, but it is stated that at this price manufacturers are suffering a substantial loss. Galvanised sheets are ruling at between £16 10s and £17, and local steel bars at £6 5s.

OTHER METALS.

TIN.—Very firm conditions prevailed in the standard market, and values registered a sharp upward turn in sympathy with higher Eastern advices. The favourable statistical position and active covering of both near and forward dates caused holders to adopt reserved measures, though later slight irregularity occurred, chiefly forward on some profit taking. Standard cash sold from £297 to £306 and £305 5s, and three months £292 10s-£297 5s-£296 10s. Sales in the East were reported at £298 5s to £303 10s.

COPPER.—The general tone was fully steady, and although dealings were on a lighter scale than of late, there was no pressure to sell, in view of lighter stocks and maintenance of prices in America. Dealings were chiefly confined to spot and near dates. Standard cash sold £59 2s 6d-£59 5s and £59, October £59 10s, three months £59 17s 6d-£59 18s 9d and £59 15s. The market for refined descriptions ruled steady but inactive.

LEAD.—Opened firmer but slightly irregular and easier on realisations. A fair business transpired, however, comprising good soft foreign pig, September, at £32 11s 3d-£32 12s 6d and £31 18s 9d, October £32 8s 9d-£32 10s-£31 16s 3d, November £32 7s 6d-£32, December £32 6s 3d to £31 11s 3d per ton.

SPELTER. met with less inquiry, but offerings were only of moderate extent and general tone steady. September sold £34 to £34 5s, November £34 7s 6d, December £34 5s-£34 10s-£34 7s 6d per ton.

ANTIMONY. quiet. English specials quoted £74 10s-£75. China crude August-September £39, regulus spot £64, September-October buyers £62 10s ton.

ALUMINIUM. quiet. Home trade £118 ton.

QUICKSILVER. steady. Spot £15 10s per bottle.

WOLFRAM maintained. Forward quoted 14s to 14s 6d per unit c.i.f.

TIN PLATES quiet. I.C. coke for delivery after the coal strike quoted 20s 3d to 21s 6d per standard box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, September 9, 1926.

The American spot demand has been extensive. The Egyptian figures have shown considerable activity, due to shorts covering on reports of damage to the Sakel crop. The week's settlement difference on Monday last was 150 points. The American Bureau figures issued yesterday indicated a yield of 15,166,000 bales, with a condition of 59.6. If developments during the remainder of the season are as unfavourable to the crop as in 1921, 1922, and 1923, a total production of about 14,104,000 bales may be expected, but if later developments are as favourable as in 1924 and 1925, the total production will be about 16,379,000 bales. Spot sales for the week 3rd to 9th instant (inclusive) were 41,000 bales. Of these 12,510 were American, 4,550 Brazil, 11,100 Peru, 6,100 Egypt, 5,350 African, 550 East Indian, and 840 sundries. Imports for the same period were 42,854 bales, of which 14,813 were American, 2,959 Brazil, 9,423 Peru, 12,004 Egypt, 661 African, 2,994 East Indian. Quotations to-day are: American middling 10.26d, Egyptian Sakel 18.05d, upper 14.05d, Brazil fair 10.16d, Peru G.F. mod.-rough 11.00d, smooth 11.16d, Tinnivelly 9.05d, West African mid. 9.86d, and East African G.F. 11.60d.

MANCHESTER, September 9, 1926.

As far as fresh business is concerned, the week has again been featureless. The majority of buyers have been quite content to hold aloof, and this attitude has been fully justified by the publication of a Bureau report. Spinners and manufacturers continue, however, to present a firm front to customers, spinners of American yarns adhering to the basic selling prices of the Master Spinners' Federation. Manufacturers have not booked any large orders, most offers being from 5 to 10 per cent. below Manchester rates. Demand for India has been fairly persistent, but no sales of weight have been mentioned. There is no improvement in the position regarding China, the present political situation giving rise to further anxiety. Only a moderate sprinkling of orders has been secured for the remaining smaller outlets. Production of cloth is still about 60 per cent. of full capacity. Business in Egyptian yarns has not been important, the stiff advance in prices during the last fortnight checking operations.

(I.) Comparative Statement of the Cotton Trade.

	Price, Sept. 9, 1926.	Previous weeks in 1926.				
		Price, Sept. 2.	Price, Aug. 26.	Price, Aug. 19.	Price, Aug. 12.	Price, Aug. 5.
Raw Cotton—Mid. American.....per lb	10.26	10.14	10.16	9.63	9.35	9.80
— Sakellaridis Fully Good Fair						
— Egyptian.....per lb	18.05	17.65	16.20	15.75	15.25	15.90
Yarns—32's twist.....per lb	16½	16½	16½	15½	15	15½
— 40's twist.....per lb	16½	16½	16½	15½	15	15½
— 60's twist (Egyptian).....per lb	28½	28	27	27	26½	27
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 9	25 9	25 9	25 6	25 0	25 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 9	29 9	29 9	29 6	29 0	29 0
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 10½	14 10½	14 10½	14 9	14 6	14 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 1½	14 1½	14 1½	14 0	13 9	13 9

(II.) Compared with Previous Years.

	Price, Sept. 9, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	10.26	12.89	14.14	17.29	13.42	13.69
— Sakellaridis Fully Good Fair						
— Egyptian.....per lb	18.05	28.05	24.80	17.60	17.50	22.00
Yarns—32's twist.....per lb	16½	20½	24	21	20	21
— 40's twist.....per lb	16½	20½	24½	23	19	19½
— 60's twist (Egyptian).....per lb	28½	35	35	30	28	37
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 9	31 9	33 6	32 9	32 0	34 6
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 9	35 9	33 0	36 3	32 0	34 0
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 10½	10 19	0 19	6 19	17 9	20 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 1½	0 17	9 17	6 16	3 19	6

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The active demand for raw material continues, though neither in wool nor in tops has the turnover this week been so large as a week ago. A very considerable weight of wool and matchings has been sold for export, particularly to Russia, and this has relieved the market, and made up for the reduced consumption in the mills since the beginning of the coal strike. Confidence in the wool position appears to be fairly general, especially as Continental

requirements are thought to be extensive. A big weight of wool is being offered for the September-October series, and good support will have to be forthcoming from the Continent if the bulk is to be lifted and prices maintained; but as London will be the only source of supply for anyone in need of quick delivery, it may well be that wool on the spot in Coleman street will sell at a premium. From the standpoint of traders in the West Riding, however, values are high enough already, and manufacturers are practically unanimous in declaring that it is impossible to pass on the full advance recently recorded in wool and tops. All quotations for tops are very firm, with a hardening tendency, and in sympathy yarns of all descriptions are quoted firm, though new business is by no means plentiful. Both spinners and manufacturers, however, are hoping that demand will expand when the coal deadlock is overcome, and in the meantime they mostly prefer to buy small weights for immediate requirements.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Cable news from Sydney respecting the course of the sales in that centre indicates that the market is still very firm. Private information from actual buyers states that wool is being picked up to bring in merino tops at prices harmonising with what the makers of the best tops in Bradford can sell at to-day. It is not revealing any secret to assert that last week the representative of one of the leading topmaking firms in Bradford picked up over 600 bales in three days to produce average 64's at under 4s, the topmaker admitting that he has been able to sell the lot forward at a profit. Of course, if super. 70's warp wools are required a different price has to be paid, and Japanese and Continental buyers are alone able to pay the high prices mentioned. Bradford buyers will have to get back to their own method of operating in good average merinos, for here there appears to be some prospect of making a profit. The basis of values at the last London sales was nearly as high as Sydney to-day, and any further advance in Coleman street next Tuesday will place values there slightly in front of those ruling in Sydney.

The quantity available for the forthcoming London sales is 108,000 bales. The announcement of such a large quantity has caused a good deal of surprise both in London and Yorkshire, and it is probably correct to say that it has been sensibly augmented by the big weight of second-hand wools which have arrived for inclusion in the catalogues. It is understood that 170,000 bales was the quantity generally expected, but many feel that the heavier arrivals should help to check any undue tendency towards an extravagant rise. Various views are expressed regarding what basis may be established next Tuesday. Selling brokers should be well satisfied with a rise of 5 per cent. in merinos, 7½ per cent. in fine crossbreds, and a good 10 per cent. in medium and coarse crossbreds. These advances are as much as the trade can stand, and nobody wants to see a big spurt at the beginning followed by a slack finish. There should be a consolidation of the best factors in the trade, particularly at the consuming end, rather than any attempt to push raw material values higher. This is said fully recognising that such an eventuality would help importers to get out with their second-hand parcels. For the general and ultimate good of the trade, however, it will be best for values to remain steady around their present level. Wool is quite dear enough to-day to enable orders for yarns and piece-goods to be obtained on any extensive scale, and a development on these lines is most urgently needed.

HIDE, LEATHER, AND ALLIED TRADES.

Domestic hides were steady at the Bermondsey auctions this week, the only alterations being a reduction of ¼d per lb on 90 lbs and a similar advance on 80-89 lbs. All kips and calf-skins sold at last week's prices, while pelts made from 5s 4d to 9s and lambs from 2s 3d to 9s 9d per skin. The market for foreign hides has again showed strength. In frigorifics Argentine ox have sold at 7½d, with cows making 7½d. The Continent has been the principal buyer, but a considerable amount of business has been transacted for the home trade. Latest cable advices from the States show the market as strong, with Chicago packers making 15½ cents. Small parcels for immediate delivery have constituted the main portion of the business done in sole leather this week. September is always considered an "off" month, but this year there seems to be rather more activity. In bends the inquiry for heavier weights suitable for the repairing trade has been better, while cheap light weights have gone out in fair quantities on manufacturing account. Prices all round are firm. The upper leather section also reports a more healthy tone, particularly in regard to the demand for black glacé kid. There is a satisfactory call for willow calf and sides, also for box calf and patent. Shoe manufacturers report conditions as unchanged, and are marking time to see what result the exhibition of Russian boots will have on the probable demand for this class of footwear.

VEGETABLE OILS AND OILSEEDS.

Markets have continued very dull and uninteresting all round. Linseed oil, in sympathy with cheaper seed and in consequence of the poor demand from consumers, has further declined to £32 per ton naked ex Hull mill for prompt delivery, small premiums being asked for the later position. Cotton oils are neglected and lower, crude Egyptian offering freely at £35, and ordinary refined at £37 10s., without attracting trade. Other vegetable oils are also very quiet, and prices somewhat easier. In the oilseed section linseed has been easy on lower Argentine options, and demand from crushers has been on decidedly modest lines. Current value of Plate is about £15 10s on spot and September-October shipment, £15 12s 6d being quoted for October-December. New Argentine linseed is offering at the latter figure for January-February shipment, but little or no actual business appears to be in progress. The balance of the old Egyptian cottonseed is offering at £9 12s 6d to £9 15s, but there is little demand to test the market. The new crop offers at £10 for September, and 2s 6d below that figure for October loading.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market firm, while assisted by sustained consumptive demands and increased stability in American centres. Further business has taken place in Cuban 96 per cent. on Chinese account at higher prices. British refined advanced 3d per cwt all round, and quantities on offer were well absorbed. Crystallised West India in limited supply, and quoted 26s 9d to 27s 9d as to quality. Imported descriptions reservedly offered. Czecho and Dutch J granulated, spot, 27s 1½d paid. Czecho, September, sellers, 15s to 15s 3½d; November-December, 14s 10½d, f.o.b., Hamburg. Dutch J, September, sold, 14s 11½d, f.o.b., Rotterdam. Belgian crystals, prompt, quoted 14s 8½d, f.o.b., Antwerp. White Mauritius, September-October, 17s 6d, c.f. and i., London. Cuban 96 per cent., September, sellers, 12s 6d, c.f. and i., U.K. White terminal fairly active and firmer. September sold, 13s 8½d to 13s 10½d; October, 13s 11½d to 14s 1½d; November, 14s 1½d to 14s 2½d; December, 14s 4½d to 14s 6½d; March, 14s 11½d; May, 15s 3d; August, 15s 7½d cwt.

COFFEE.—The market on spot is steady, but general trade quiet. Only a narrow selection remains on offer. In auction, Kenya smalls, sold, 110s to 116s 6d; bold sizes, 138s to 144s; peas, 131s. Uganda, bold, 114s to 125s 6d; peas, 129s to 130s 6d. Costa Rica, fine bold colory, 174s. Colombian, fine bold, up to 155s 6d. Future delivery market quiet and featureless.

COCOA.—Only limited transactions on the spot at late rates. Accra, F/F grade, November-January, sold, 42s, 41s 6d, and 42s, f.o.b.

TEA.—Indian auctions this week amounted to 29,880 packages. Brisk competition prevailed for all tippy Assams and good rich liquoring broken Doars, and some high prices were secured. Clean common teas firm to ¼d per lb dearer, and wanted. Consignments from Neilgherry and Travancore were accorded fair support at steady quotations. Pekoe, sold, 1s 3d to 2s 2d; orange, 1s 4½d to 1s 11½d; fine and finest, 2s 2d to 3s 6d; broken orange, 1s 4½d to 2s 9d, and choice parcels at 4s 4d. Ceylon sales of 26,310 packages evidenced a generally quieter demand, export buyers being more reserved. In the case of quality being maintained, steady rates were realised, but otherwise buyers were favoured regarding any change in prices to the extent of ¼d to 1d per lb in the case of common and medium teas. Pekoe sold, 1s 3d to 1s 11½d; orange, 1s 6½d to 2s 3d; broken orange, 1s 5½d to 2s 6d per lb, in bond. New season's selling quietly. Fine Keemun sold, 2s to 2s 2d; Ching-Wo's, 1s 8½d; Panyongs, 1s 1d to 1s 1½d. Common Monings inquired for at 7d per lb. 6,960 packages Java and Sumatra were catalogued in auction, and evidenced a very quiet market. Prices disclosed a good deal of irregularity, and most descriptions were ¼d to 1½d, and in some instances 2d, per lb lower. Pekoe sold, 1s 2½d to 1s 3½d; broken ditto, 10½d to 1s 6½d; pekoe souchong, 1s 1½d to 1s 2½d; orange pekoe, 1s 3½d to 1s 5½d; broken orange, 1s 2½d to 1s 8½d per lb, in bond.

RICE.—Quotations are mostly nominal, demand showing no signs of revival. Bran steady, with a moderate inquiry. Beans unaltered. Japanese peas firm. September-October, sellers, 26s; October-November, 25s 6d cwt, c.f. and i., London.

SPICE.—Pepper firm. Black Singapore, f.a.q., August-September, 8½d; September-October, sellers, 8d. Lampong, August-October and October-December, sold, 7½d; Muntok, spot, done, 1s 3d; and buyers, August-October, 1s 1½d to 1s 1½d; October-December, 1s 1½d ½b. Cloves nominal. Tapioca steady, and Singapore flake, September-November, to Havre, sellers, 16s 9d. Sago flour, November-December, value, 15s 3d. Desiccated cocoanut, spot, halves, 41s 6d; August-September, 39s 3d cwt, c.f. and i. terms.

FRUIT (Dried).—Currants in quiet demand, but late rates were maintained. Amalia, quoted 30s to 31s; Pyrgos, 29s to 30s; Patras, 31s to 33s; Gulf, 32s to 35s; Vostizza, 40s to 53s; Australian, 38s to 48s. Sultanias in fair demand. New crop, Smyrnas, are offering, and while quality is satisfactory, much of the fruit is of small size. Natural colour ruled from 63s to 66s, and bleached, 73s to 74s. Australian sold fairly well at 64s to 78s, as to quality. South African quoted 63s to 65s. Raisins quiet, apart from some business in Capes, f.a.q. selling at 36s; and g.a.q., 40s to 42s. Lexias, new crop, quoted 40s to 45s. Dates firmer forward owing to adverse crop reports. Hallowee, first tide, quoted, 31s 6d; Khadowie, 22s, and siar, 19s 6d. Evaporated fruits firm, and Oregon plums in demand. Apricots held for full rates, and Californian, extra choice, quoted 125s; fancy, 132s 6d; South African new Royals, first grade, 140s. Plums, Californian, 30/40's, 69s; 40/50's, 56s; 60/70's, 46s; 70/80's, 43s; 80/90's, 38s 6d; Oregon, 30/40's, 60s; 35/45's, 53s 6d. Pears, Californian, extra choice, 67s 6d; fancy, 77s 6d; Lake County, fancy,

85s. Apple rings, Californian, extra choice, 50s to 60s; September-October shipment, 45s 9d; Canadian, spot, 47s per cwt.

CANNED GOODS.

CANNED FISH.—Sardines quietly steady, and the assortment on offer is not particularly attractive. Portuguese, ½'s, quoted 4s 3d to 6s per dozen tins. Salmon: Alaska talls tend easier, with limited inquiries, but pink steady. Bockeye firm, owing to the reduced pack this season. Red, tall, 1 lb, quoted 50s to 54s; tall pink, 25s to 27s; Lobsters move off quietly, and best ½'s, quoted 157s 6d to 160s, and ½'s, 90s. Japanese crab and crayfish sell steadily.

CANNED FRUITS.—There is only a moderate trade passing, but prices disclosed slight irregularity. Californian Bartlett pears, 24-2½'s, choice, quoted 12s 6d to 13s 6d; seconds, 10s to 10s 6d. Californian peaches, choice, 11s to 13s; standard, 10s 6d to 11s 6d; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; standard, 10s to 11s; seconds, 9s 3d per dozen tins. Singapore pines quiet. Italian tomatoes move off slowly on about former terms.

CANNED MEAT in slow demand. Corned beef, 6's, quoted 38s to 45s, as to quality. Danish lunch tongues sell steadily at 122s 6d to 135s. American, 140s, with best 145s to 150s. Ox tongues maintained. Cooked boneless hams in good request, and Danish quoted 1s 8½d per lb, for cases of six tins.

CONDENSED MILK remained unaltered, with no improvement in demand for skimmed. Machine-skimmed ranges from 10s to 11s 6d. Full cream, 20s to 25s. Full-cream evaporated in request at late rates.

HONEY quiet, but New Zealand steady at 50s to 85s; Australian, 40s to 50s; Jamaica, 37s 6d to 50s; Haiti, 37s 6d to 48s; Cuban, 37s 6d to 48s per cwt.

RUBBER.

Quiet and featureless. Plantation standard sheet, spot, and September, sold, 1s 7½d; October-December, 1s 8½d; January-March, 1s 8½d, and April-June, buyers, 1s 9d per lb.

GAMBIER.—Market quiet. Block, September-October, 26s 6d per cwt, c.f. and i., London.

GENERAL.

JUTE.—The general tone proved quiet, though at certain periods good absorption took place at the lower rates established under marked pressure to sell. It is interesting to note that American houses now operate in the London market, this feature occurring about a month ago. Firsts, August-September, sold, £32 to £30 15s and £31 15s; September-October, £31 to £29 10s and £30 15s; October-November and November-December, £30 5s, £30 15s, £29 5s, and £29 17s 6d. Hessians and twills quiet and easier. 10 oz, spot, sold, 29s 4½d; 8 oz ditto, 25s 9d, and B twills, spot, 81s 9d.

REMP.—A quiet and easier tone prevailed for Manila. J new grade, September-November, sellers, £45; K, £36; L, £36 10s; ditto 2, £35; M, £33 10s; 2, £31. New Zealand nominal. African sisal, No. 1, f.a.q., September-November, £43.

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payments mentioned. Meanwhile, the discount market has preserved a waiting attitude, with rates maintained by the obscurity of the outlook concerning the course of events this autumn, and in spite of the continued buying of bills on Cointinental account. The rate for fine three months' bills has not been allowed to go below $4\frac{1}{2}$ per cent. In view, however, of the favourable maturity date of the Treasury bills offered on Friday for payment next week, the allotment was made upon terms which were just a fraction more favourable to the Government than for the previous week, the applications at £98 16s 8d only receiving 25 per cent., whereas in the previous week tenders at that price were allotted in full, but no offers at lower prices were accepted.

	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Aug. 27, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3%	3%	3%	3%	$\frac{1}{2}$ (Dec. 3, '25)
Discount, Call	3%	3%	3%	3%	$\frac{1}{2}$ (Dec. 3, '25)
Houses (Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills) ..	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

The Bank return showed an increase of £457,000 in coin and bullion, and a decline of £848,600 in circulation. Reserve was £1,305,600 higher. Public Deposits rose by £1,237,400, and Other declined by £742,700. Government securities rose by £1,037,300, and Other declined by £1,839,600. The proportion of reserve to liabilities rose by 1 per cent. to $30\frac{1}{2}$ per cent. Currency notes were reduced by £1,077,500 to £289,572,300, which includes £1,295,600 for notes called in but not yet cancelled. The fiduciary issue is £232,026,700, or £15,875,800 below the maximum for 1926.

The Norwegian Bank rate was reduced from $5\frac{1}{2}$ per cent. to 5 per cent. on September 13th. It had stood at $5\frac{1}{2}$ per cent. since April 19, 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—Uncertainties about the credit situation and apprehensions of an increase in the Federal Reserve Bank's rate caused irregularity in the share markets, which for some time showed slackening of buying and a substitution of speculation for investment. The income-tax date, with financial operations totalling a thousand million dollars, passed with little change in money rates, on account of the influence of the Reserve Banks and the plentiful supply of credit which is still available. As business assumes its autumn growth a hardening of money rates, but no real tightness, is anticipated in banking circles. A rise in the discount rate may come later, if speculation increases. The Reserve Bank statements reflect income-tax operations. Deposits rose sharply, and the reserve ratio fell to 74.8 for New York and 71.6 for the whole system. A jump in Treasury certificate holdings represents Government borrowing pending the collection of tax cheques, while discounts fell sharply as member banks used increased Government deposits to pay off indebtedness at the Reserve Banks.

THE STOCK MARKETS.

The only real activity in the Stock Exchange this week has been seen in the mining sections, where, on a further rise in the price of the metal, a very big turnover again took place in tin shares. Elsewhere, in various sections the cloud of the continued coal deadlock and of the crisis in China has had repressive effect. British Government stocks were dull on monetary fears aroused by the unsatisfactory movement in the trade balance revealed in the August returns. In the foreign market there was little business, but Chinese bonds rallied after a fall. Home rails were depressed, but Canadian Railways were firm, and Buenos Ayres Great Southern spurred on the dividend declaration. Rubber shares are mainly unchanged, and oil shares tolerably steady, apart from the slump in British Controlled, which is discussed elsewhere. Industrials generally were rather lifeless, but there was some buying of shipping shares. Bank shares went a little better, and the insurance section was very firm, with Commercial

Union a good feature. New issue results reveal a keen appetite on the part of the investor. The issue of 1,200,000 6 per cent. cumulative preferred shares by Lewis's, Limited, was fully subscribed, while it is announced that heavy oversubscription was accorded to the offer of 1,000,000 6 per cent. preference shares and 100,000 ordinary shares in the Gordon Selfridge Trust, Limited, a similar fate being enjoyed by Manbré Sugar and Malt, Limited, issue of 400,000 7 per cent. cumulative preference shares, 387,692 ordinary shares and 58,334 deferred shares.

THE COMMODITY MARKETS.

Seasonal conditions have made for a larger volume of business this week, but the absence of a coal settlement continues to cast a shadow over trade as a whole. Chartering of tonnage to load foreign coal has been more active, with dates extending into November, and at firmer prices. Large orders continue to be received for post-strike delivery in the iron, steel, and allied trades, but only in the more finished branches can definite dates be given. Raw cotton has declined on better weather advices and the beginning of the new crop movement, while unsettlement in China has been an adverse factor in the cloth markets. The London wool auctions, on the other hand, resulted in a 5-10 per cent. increase of prices, buying orders, however, coming chiefly from France and Germany, rather than the West Riding. Wheat has ruled firm this week on a steady home demand. Sugar is steady at recent prices, coffee in moderate but satisfactory demand, and tea has fully maintained recent levels. Among non-ferrous metals, tin has continued its upward course, but copper is slightly less active. Lead remains firm, with dealings on a fairly liberal scale.

FOREIGN EXCHANGES.

Extreme quietness has prevailed in the Foreign Exchange market during the week with transactions more restricted, and fluctuations restrained within narrower limits than for some time past. New York has remained fairly steady, a rise over the week-end from 4.85 $\frac{1}{2}$ on Friday to 4.85 $\frac{3}{8}$ on Monday being followed by a slight decline to 4.85 $\frac{1}{4}$ by Wednesday. A recovery to 4.85 $\frac{1}{2}$ on Thursday gave place to an opening quotation of 4.85 15-32 yesterday morning. This steadiness is satisfactory, in view of the influence of adverse seasonal factors. It would seem that any appearance of weakness in the rate is at present the signal for buying of sterling in New York. Forward rates show little change at $\frac{1}{4}$ cent. per month below spot. In Paris francs the relapse which set in towards the close of last week continued on Saturday when the rate fell to 167 $\frac{3}{4}$ as compared with 169 $\frac{1}{2}$ on the previous day. On Monday, however, the opposite tendency became apparent, and the rate rose to 169 $\frac{1}{2}$ on that day, and to 169 $\frac{3}{4}$ on Tuesday. A reaction to 169 $\frac{1}{2}$ on Wednesday was followed by a further rise to 171 $\frac{1}{2}$ on Thursday, and to 172 $\frac{1}{2}$ yesterday morning. It remains to be seen how long the authorities will be able to maintain the rate at its present levels against the autumn demand for foreign currencies. Forward rates are slightly narrower at 9 $\frac{1}{2}$ above spot for three months. Brussels followed a similar movement. After falling from 177 $\frac{1}{2}$ on the 10th to 176 $\frac{1}{2}$ on Saturday, it rose to 177 $\frac{1}{2}$ on Monday. A decline to 176 $\frac{1}{2}$ by Wednesday was followed by a further advance to an opening rate of 177 $\frac{1}{2}$ yesterday. The last two movements are probably to be attributed to a premature report that the Government contemplated an early stabilisation, which was contradicted on Thursday evening. Forward rates have narrowed from 2 $\frac{1}{2}$ to 1 $\frac{1}{2}$ per month above spot. Italy was steady at a rate slightly below 135 until Wednesday, when a recovery to 132 $\frac{1}{2}$ took place. This was followed by a reaction to 134 $\frac{1}{2}$ on Thursday, with yesterday's opening quotation at 133 $\frac{1}{2}$. Madrid has risen from 31.70 to 31.97. Of the gold exchanges Amsterdam, after touching 12.10 $\frac{1}{2}$, stands once more at 12.11 $\frac{1}{2}$, but Switzerland has moved against us from 25.13 to 25.11 $\frac{1}{2}$. Berlin has also fallen from 20.38 $\frac{1}{2}$ to 20.38. In Scandinavia, Stockholm fell from 18.16 to 18.15, but Helsingfors is steady at 192 $\frac{3}{4}$. Oslo has moved from 22.15 $\frac{1}{2}$ to 22.15, and Copenhagen from 18.28 $\frac{1}{2}$ to 18.27 $\frac{1}{2}$. In Eastern Europe, Vienna, Prague and Budapest are unchanged, but Warsaw has improved

from 44 to 42 $\frac{1}{2}$. Of the Balkan States, Bucharest has fallen from 975 to 935, but Athens, after falling from 425 to 407, reacted again to 420. Constantinople has depreciated from 905 to 940. In the Far East the rupee has cheapened from 1s 6d to 1s 5 61-64d, but the yen has improved further from 1s 11d 27-32d to 1s 11 63-64d. In the silver market a better tendency early in the week was reversed later, owing to Chinese and American selling. Singapore is steady at 2s 3 $\frac{1}{4}$ d, but Shanghai weakened from 2s 9 $\frac{3}{4}$ d to 2s 9 $\frac{1}{2}$ d. In South America, Rio has improved from 7 15-32d to 7 17-32d, while Buenos Aires is steady at 45 $\frac{1}{2}$ d. Monte Video is 1d cheaper at 49 $\frac{1}{2}$ d. Valparaíso is slightly weaker at 39.30 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended September 11th:—

(000's omitted.)		
EXPENDITURE.	RECEIPTS.	
Supply Services	From Revenue	£ 9,823
Interest, &c., on Debt		
Sinking Fund		
Sundries		
Increase in Balances		
Decrease in debt		
	9,823	9,823

The Revenue for the week amounted to £9,822,800, as compared with £10,889,100 in the corresponding week last year. Customs and Excise were lower at £2,097,000 and £1,078,000, against £2,444,000 and £1,113,000 respectively. Property and Income-tax brought in £3,176,000 as compared with £3,560,000, while Super-tax amounted to £410,000, as compared with £390,000. Ordinary receipts were lower at £177,400, against £426,700, ad Special receipts at £4,400, against £200,000. The week's operations reduced the National Debt by £2,278,000, and caused the following changes:—

(000's omitted.)			
£		£	
National Savings Certificates..	150	Treasury Bills	+ 172
Public Department Advances ..	1,400		
Sundries	900		
	2,450		+ 172

The floating debt was reduced by £1,220,000 to £769,401,000.

FINANCIAL YEAR, 1926-1927 (April 1 to September 11, 1926.)

£		£	
Total Expenditure ..	355,302,170	Raised by Revenue ..	287,567,171
		Decrease in Balances ..	4,080,169
		Amount borrowed ..	63,654,830
Total	355,302,170	Total	355,302,170

ESTIMATES for FINANCIAL YEAR 1926-7.

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the meetings of the following companies:—Bank of New Zealand, Nobel Industries, and V.O.C. Holdings Company. The chairman of the Bank of New Zealand gave a review of general conditions in the Dominion, to which reference is made in a Note of the Week. The V.O.C. chairman foreshadowed a fresh issue of capital.

ECONOMIST DANUBIAN SUPPLEMENT.

We publish this week a special Supplement, summarising some of the principal data relating to the economic life of the six Danubian countries of Austria, Czechoslovakia, Hungary, Roumania, Bulgaria, and Yugoslavia. The Supplement outlines the progress of economic reconstruction in a part of Europe which was particularly affected by the war and the Treaty settlement.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

CANADA AND THE EMPIRE.

MR MACKENZIE KING has confounded the prophets who foretold stalemate in the Canadian elections, still more those who thought that the desire of the electorate to solve a deadlock would lead them to vote for the Conservative Party as the one most likely to produce a stable majority, for after an election campaign which was energetically and bitterly fought, and which resulted in heavy polling, the dead point in which the movement of Canadian politics had latterly been suspended has now been surmounted by a decisive Liberal victory. Mr Mackenzie King and his party have secured 119 seats (as against 101 in the last Parliament), while the Conservatives have dropped from 117 to 91. It is true that the Progressive groups, in which the farmers of the Prairie Provinces form the principal element, still hold the balance with an aggregate of 30 seats (as against 24 before), but 11 of these are held by "fusionists," who have been elected with official Liberal support, and are to be regarded as definite supporters of a Liberal Government. This group gives Mr King an assured majority. Even the rest of the Progressive vote may normally be expected to support Mr King, for the Conservative defeat is largely due to the understanding between Mr King and the Progressives, the result of which was to avoid three-cornered contests. In all circles, whether Liberal or Conservative, there is general relief that what threatened to be a period of political impotence and uncertainty has been avoided, and that Canada knows where she stands and can devote herself once more to developing her great inheritance with some assurance of continuity of policy on vital matters such as railways and tariffs. The analysis of results cannot fail, however, to remind us of the greatest internal problem of the Dominion of Canada, namely, the extreme divergence of economic interest between the different divisions of the country—the result of which is that parties tend to represent not so much a dominion-wide division of opinion on political principles, but the interests of the different sections of the country. The figures to hand show the following allocation of seats to parties—the Progressives (shown separately in brackets) being included with the Liberals and the three Labour, two Independent members being omitted:—

	Conservatives.	Liberals and Progressives.
Maritime Provinces	20	9
Quebec	4	60
Ontario	53	29 (4)
Prairie Provinces	1	50 (26)
British Columbia and Yukon ..	13	1

Since the pre-war days of Liberal ascendancy, the Conservatives have captured the Maritime provinces, lost them in 1921, but regained them in 1925. But as a counterweight the Liberals have recently—and particularly in the present election—made headway in Ontario. But the other three sections of the country are single party areas—two Liberal and one Conservative—and vote largely according to their economic interest. Indeed, the clash between the Free Trade prairies and Protectionist Ontario is perhaps the chief source of weakness to the unity of the Dominion. So far as relations with Great Britain and the Empire are concerned, there is no such sharp line of cleavage; but it is fortunate that the Protectionist area is one which is perhaps the most devoted to the imperial connection. If anywhere in the dominions high Protectionist sentiment, and a lukewarm attitude towards the Mother Country became associated we should be faced with a new and critical situation.

Mr King had against him the discredit of the Customs scandal, while the constitutional crisis on which he originally proposed to fight the election fell somewhat flat owing to the personal popularity of Lord Byng, and the conviction that he acted in what he thought were Canada's best interests. We shall, therefore, probably not be far wrong in attributing the result to the strength of the opposition to the protectionist plans of the Conservative Party, the popularity of Mr Robb's Budget—which reduced taxation and promised still further reduction—and the working alliance in the constituencies with the Progressive Party. The outstanding fact of economic

interest is that, for the next few years at all events, Canada is not to move further in a protectionist direction.

The election, however, is of very much more than purely Canadian interest. For the imminence of the Imperial Conference and the developments at Geneva have brought to the fore problems which may be affected by the internal politics of Canada. It is rumoured that Mr King will not attend the Imperial Conference owing to preoccupations in connection with the formation of his Government, which also involve a number of important by-elections. It would be very unfortunate if Mr King is unable to be present, and it might be worth while to postpone the Conference to make this possible, for there are urgent matters to be dealt with, one of them being the attitude of the Dominions towards the Locarno Treaties, which have this week been ratified in Geneva. The Dominions are not yet parties to these treaties; but, as it is pointed out in a very able article in the "Round Table" on "the Imperial Complex," it is very hard for the Dominions to disinterest themselves from British foreign commitments since in the last resource it is almost impossible to contemplate Great Britain being at war without involving the Dominions. International law does not offer any means whereby of persons with a common citizenship some may be at war and some at peace. At the same time, the disinclination of Canada to be bound by the foreign policy of Downing Street is very real, and is shown on the one hand by Mr. King's support of the separate treaty-making rights of the Dominions and on the other by Mr. Meighen's curious and impracticable proposal that in the event of Great Britain being involved in war, Canada should not join in until after a General Election had been held on the subject. As the writer in the "Round Table" points out, "the difficulty of the present-day situation is largely due to the fact that the assumption which has governed the conduct of foreign affairs since the appearance of the Imperial War Cabinet in 1917—namely, that it was possible for the six self-governing nations of the Empire to consult together sufficiently continuously and sufficiently effectively to formulate a common policy for dealing with foreign affairs, and to make themselves jointly responsible for such a common policy—has broken down. The system worked triumphantly at the Washington Conference, on the Pacific and naval disarmament. It began to weaken at Chanak. It was badly strained at Lausanne. It was only maintained by a fiction during the London Conference on Reparations. It disappeared altogether at Locarno. The theory of joint responsibility for a joint diplomacy having thus gradually failed, no clear-cut and easily understandable alternative has been accepted and put in its place. The *malaise* of the last year or so in inter-Imperial relations, the deadlock in devising any intelligible or effective system of inter-Imperial communications, is due not to any real difference about the foreign policy to be pursued, but mainly to the fact that nobody quite knows where they are. It is one of the first tasks of the Imperial Conference to remove the uncertainty, and define a new basis for the conduct of the foreign policy of the Empire, which will conform to the facts and make harmonious and confident relations between its parts once more possible."

But in the meantime the position of the Dominions has been raised upon an even wider stage. At the election of nine non-permanent members of the Council of the League at Geneva this week, the Irish Free State put forward her candidature for the express purpose of indicating the claim of the Dominions to stand for membership of the Council of the League independently of Great Britain; Canada supported her in this view that the permanent British delegate could not be regarded as affording complete representation of the Dominions, or as rendering superfluous their presence on the Council as individual members of the League; and the fact that at the first ballot the Irish Free State secured ten votes, and Canada two, is proof that there is substantial support in the Assembly of the League for this view. Mr King is needed in London next month to help to thrash out some of these difficult questions.

THE HEALTH OF THE NATION.

In the busy day-to-day life of the community, the unobtrusive and beneficent activities of the public health service pass for the most part unnoticed. The Annual Report of the Chief Medical Officer of the Ministry of Health reminds us of the far-reaching services which our public health system is rendering to the nation. This annual stock-taking enables us to appreciate both the progress which has been made in eradicating disease and establishing higher standards of health and the tasks which still remain uncompleted. Unfortunately, it is not possible to produce a profit and loss account in terms of pounds, shillings and pence, for could health and disease be expressed in money, such an account would convince the most parsimonious taxpayer and ratepayer that the public health service has been one of the most productive of investments, and that the material loss due to continued preventable disease and disability is the mildest form of public extravagance.

During the past half century the birth rate per 1,000 of the population in England and Wales has fallen to one half of what it was, and the actual number of births per year by nearly 150,000. The infant death rate, which in the 'seventies averaged 149 per 1,000 births, has fallen to one half, the rate in 1925 being 75 per 1,000. Whilst during the last 50 years the population has increased by 60 per cent., the average annual number of deaths at all ages has fallen from an annual average of 517,831 in the 'seventies to 472,841 last year, and the death rate per 1,000 from 21.4 to 12.2. It is probable that the mortality rate may in future rise somewhat, as a declining birth rate implies an increase in the average age of population. These figures indicate an enormous saving of human life due to a variety of causes, including the rise of the public health services.

In his annual Report on the State of the Public Health for 1925, Sir George Newman, summarises the changes which have taken place since the Public Health Act of 1875:—

There has been a remarkable reduction in, and in some cases a disappearance of, devastating epidemics such as cholera and typhoid fever, which disturbed the whole nation; similarly a fall in fatality has occurred in scarlet fever, diphtheria, whooping cough, tuberculosis, small-pox, and bronchitis, and thus certain types of disease have become milder; a prolongation of the length of days has taken place, and, therefore, increased opportunity; there has been an immense advance in general education, and knowledge is power; infancy and childhood are unquestionably healthier to-day than 50 years ago, and twice the number of children survive to grow up; the treatment of disease is certainly both more expeditious and more effective, and hence gross invalidity is lessened in suffering and shortened in time; insurance has developed by leaps and bounds, and now comprises the sick, the unemployed, the injured, the aged, the widow and orphan, and thus the anxieties which interfere with capacity and labour are greatly reduced; the facilities for saving and thrift have been extended, wages have risen, and purchasing power (though in smaller degree) has extended, and this fact, in conjunction with insurance, has placed the people as a whole in a more favourable position to practise a way of life conducive to health, and become in larger degree masters of their own fate; lastly, there has been improvement in the social and personal habits of the people in regard to health which has, directly or indirectly, enhanced their potential power, e.g., personal cleanliness, living more in the sunlight and fresh air, increased sobriety, and improved nutrition. All these changes cannot do other than enlarge the capacity of the individual enjoying their advantages.

Marked as the progress of the past half century has been, there is still ground for criticism regarding the present state of the public health. One out of every nine deaths is of an infant under one year old, and one out of every six of children under five. Of all the deaths in 1925 two out of every five were of people under 50 years of age. Not one out of every three persons reach three score years and ten. In 1925 the approved societies administering the national health insurance scheme paid out £6,133,000 in sickness benefit and £2,833,000 in disablement benefit to men and £3,120,000 and £1,679,000 respectively to women; in respect of 15,000,000 weeks' sickness amongst men and 10,000,000 weeks' sickness amongst women. Add

to this the volume of sickness amongst young children, children of school age, young uninsured adolescents, and all the uninsured population, and we are faced with a colossal volume of material loss and human suffering, much of which is definitely preventable. Sir George Newman says:—

Alongside the advance which has taken place, there is ample indication of the need for greater, or perhaps more correctly, wider progress. Cancer appears to gain ground; tuberculosis is still all too prevalent; pneumonia and influenza are undefeated; small-pox is preferred to vaccinia; even maternal mortality is permitted to be higher than the average of the previous 10 years. We lost 10,000 children from measles and whooping-cough in 1925 ("childish maladies" in which mortality is preventable); and general invalidity and physical incapacity cost us, among insured persons only, the equivalent of 12 months' work of half a million people. Speaking broadly, therefore, it must be said that whilst we are reaping substantial benefit in many directions, we neglect to take our full profits.

The Chief Medical Officer of the Ministry of Health draws attention to "the supineness or unwillingness of some local sanitary authorities in the discharge of their statutory duties." There is undoubtedly a wide gulf between the most progressive local authorities and the most reactionary, between those who vigorously exercise their wide powers and those who in the mistaken interests of the ratepayers are perfunctory or indifferent in the exercise of their opportunities. It is undeniable that in various parts of the country the community suffers from an inadequate or unsatisfactory water supply, primitive drainage and sewage systems, lack of hospital accommodation, insufficient provision of ante-natal and infant clinics and children's health centres, and feeble supervision of food supplies. We have, indeed, reared an extensive system of national health insurance for the adolescent and adult population, with its medical and cash benefits, on an imperfect system of preventive medicine. It is too obvious to be repeated that a clean and abundant water supply, proper drainage and sanitation, an unpolluted atmosphere, and wholesome food are in the long run cheaper than the most efficient system for treating and curing the victims of unhealthy conditions of life.

But the problem is wider than that of the public health service. As Sir George Newman wisely says, "we must always remember that the science and art of medicine have a social setting, and that an intimate and essential part of the rearing and maintaining of a healthy race of people is dependent upon social conditions." Public health policy should be a part of a wider social policy directed towards greater efficiency and wider opportunities for the people. It is satisfactory to know that, in the closing words of Sir George Newman's report, "Nature and Nurture are marching a little more hand in hand, and there is a fuller understanding of the mutual aid and interdependence which should obtain between improved environment (including housing and industrial conditions), the care and nurture of the body, and the social life of the community."

What, however, is the root difficulty is that there is not a sufficient understanding of the value of expenditure on public health and cognate services. If a proposal to increase the income-tax by sixpence in the £ and beer by a penny a pint for the purpose of some great campaign to root out disease and the conditions creating disease were referred to a plebiscite, it is a matter for conjecture what the result would be. If we may judge by the experience of factory and other industrial legislation in the past, aimed at improving hygienic conditions in industry, which have invariably met with strong opposition in many directions, the result of the plebiscite would not be favourable. Yet less money spent on pleasure and luxuries and more on the public health service would be a highly advantageous redistribution of expenditure from every point of view. Those who will invest 3s in the Report on the State of the Public Health will find in the volume justification for a certain national pride in the inroads made into destructive influences of disease and premature death, a broad survey of the manifold activities of the public health services—preventive and curative, local, national, and international—and some indication of the great evils which still remain to be overcome. No one who looks below the surface of our present difficulties can read this volume without becoming convinced that our national greatness rests largely upon the "health of life" of the people.

THE COAL STOPPAGE AND THE TRADE BALANCE.

THE restriction of overseas trade by the coal stoppage was in May, June, and July so comparatively evenly distributed between imports and exports that the change in the trade balance brought about by the crisis was not very conspicuous. The Board of Trade returns for August tell a different story. Last month's figures reveal an excess of imports on the published merchandise figures £25 millions greater than in August, 1925. The returns, which we discuss in this article, show that at last our external commerce has begun to feel the full force of the coal stoppage, and an examination of them gives reason for fearing that further very substantial additions to the excess of merchandise imports will continue to be made until a settlement has been reached and coal stocks have again been replenished—a task which will occupy a considerable time after work has been resumed. Here is a summary comparison of the value figures for August and the eight months of this year and last:—

MONTH of AUGUST.

	1925.	1926.	Increase (+) or Decrease (—) in August, 1926.	
	£	£	£	%
Imports	91,737,921	101,137,290	+ 9,399,369	+ 10.2
British exports	61,037,999	49,786,744	— 11,251,255	— 18.4
Re-exports	13,499,668	8,570,517	— 4,929,151	— 36.5
Total exports	74,537,667	58,357,261	— 16,180,406	— 21.7
Excess of imports over total exports	17,200,254	42,780,029	+ 25,579,775	+ 148.9

EIGHT MONTHS ENDED AUGUST 31st.

	1925.	1926.	Increase (+) or Decrease (—) in August.	
	£	£	£	%
Imports	867,716,874	803,790,981	— 63,925,893	— 7.4
British exports	518,523,538	445,264,797	— 73,258,741	— 14.1
Re-exports	102,324,985	84,619,456	— 17,705,529	— 17.3
Total exports	620,848,523	529,884,253	— 90,964,270	— 14.6
Excess of imports over total exports	246,868,351	273,906,728	+ 27,038,377	+ 10.9

In the four months before the coal stoppage imports fell by £38.3 millions, and total exports by £31.2 millions, the price factor being mainly responsible, and the net effect was an improvement of £7.1 millions in the balance as compared with the corresponding period of 1925. In the next three months a fall (compared with 1925) of £35 millions in imports and of £43.5 millions in total exports took place, leaving the visible merchandise import balance still only £1½ millions larger at the end of seven months than a year previously. In August, however, a further contraction of £16.1 millions in total exports coincided with an increase of £9.4 millions in imports, and at the close of eight months we find the balance £27 millions more than a year ago, August alone being responsible for £25 millions out of the £27 millions. Coal in itself was a big item. Instead of exporting coal to the value of £3.2 millions and importing practically none, we imported last month coal to the value of £7.5 millions and exported practically none. Also, as compared with August, 1925, iron and steel exports were nearly £2 millions lower, and exports of cotton yarns and manufactures lower by £3.8 millions. At the same time re-exports were nearly £5 millions down. It must be supposed that, as the autumn proceeds, coal requirements, which will become more insistent every week, will, in the absence of a quick resumption of work, have to be met by an increasing import. It is also clear that in the case of some industries which have been drawing on stocks for overseas shipments, a further export decline must be expected. Thus the unsatisfactory movement of the trade balance revealed in August is likely to grow steadily more serious in September, and, unless a speedy settlement is reached, in October also.

The effects of the coal stoppage on the balance of trade are thus seen to threaten a formidable increase in the strain upon the position of sterling exchange, and the accelerated change in the balance comes at the most awkward moment, namely, during the period when heavy

* "The Round Table," September, 1926. (London) Macmillan and Co. 5s.

financing of autumn imports normally influences the international exchanges against London. Nor can we expect any increase in invisible exports to counterbalance this movement of the merchandise balance; on the contrary, shipping earnings have been decreased by the coal stoppage. Obviously, therefore, we are approaching a difficult period, which might be seriously aggravated if foreign borrowing—which has been very slight during the summer—revived strongly. Gold holdings, it is true, are strong, being as large as in the first week of the resumption of the gold standard; but it would be a pleasant surprise if the authorities succeed, even with the co-operation of the directors of American monetary policy, in steering the country through the autumn without using the instrument of a higher bank rate.

Movements of imports and exports in main categories in the first four and in the second four months of this year, as compared with the same periods of 1925, are analysed below:—

IMPORTS.

	January-April.		May-August.	
	1925.	1926.	1925.	1926.
	Mln. £.	Mln. £.	Mln. £.	Mln. £.
Food, drink, and tobacco	191.8	180.6	175.2	166.6
Raw materials & articles mainly unmanufactured	159.6	137.9	115.5	113.9
Articles wholly or mainly manufactured	108.5	103.9	112.5	98.1

BRITISH EXPORTS.

	January-April.		May-August.	
	1925.	1926.	1925.	1926.
	Mln. £.	Mln. £.	Mln. £.	Mln. £.
Food, drink, and tobacco	18.2	16.6	17.4	15.6
Raw materials and articles mainly unmanufactured	31.6	26.2	25.9	9.5
Articles wholly or mainly manufactured	213.9	194.2	200.0	173.2

The cessation of coal exports is reflected in the second line of the second table, while in the first table raw material imports are swollen nearly to last year's May to August figures by the inclusion of nearly £12½ millions for coal. That the May to August drop in manufactured exports is not greater is a matter for relief, for part of the drop that is shown is due to the price factor. That the figure has dropped no further is proof that many lines of export industry are still doing moderately well in comparison with last year. How some leading British exports fared before the coal stoppage and since is shown by the next table, giving quantity statistics:—

BRITISH EXPORTS.

	January to April.		May to August.	
	1925.	1926.	1925.	1926.
Coal	17,462,134	17,481,236	16,100,675	1,492,418
Cotton piece goods	1,576,121,000	1,407,533,100	1,424,110,500	1,290,068,300
Cotton yarn	66,339,500	62,884,000	59,558,600	49,898,400
Woolen tissues	47,466,100	40,861,900	47,423,800	41,827,500
Worsted tissues	18,822,800	15,940,200	14,883,300	15,046,300
Machinery	167,257	167,840	170,546	155,076
Motor cars	6,387	6,030	5,825	4,333
Iron and steel (total)	1,233,673	1,395,730	1,192,090	912,629
Pig-iron	162,436	176,680	130,862	78,692
Ferro alloys	46,905	15,923	26,671	9,069
Railway material	127,818	164,520	140,252	111,194

The Lancashire figures are unsatisfactory, but worsted shows a remarkably good record. The fall in the total iron and steel exports is not so great as might have been expected, but this is due largely to the comparative activity of the finishing trades working on stocks or on imported materials. That is a figure in which we fear to see accelerated decline until a normal coal position has been restored.

In the eight months of this year we have imported £32 millions of bullion and specie, against exports of £19½ millions, the import balance on this account of £12½ millions, comparing with one of about £4 millions in the corresponding period of 1925. Another point brought out by the August trade returns is the effect upon shipping wrought by the coal stoppage. The tonnage of vessels engaged in foreign trade clearing with cargoes from the ports of Great Britain was 3.3 millions in August, against 4.8 millions a year ago. The eight months' figures show

a drop from 41 to 33 millions; and the figure for the past four months was 13.4 million tons, compared with 21 million tons in May to August, 1925. Value figures of imports and exports for August and the eight months in a number of categories will be found in the statistical section of this issue.

THE ECONOMIC OUTLOOK IN ALSACE-LORRAINE.

(BY A CORRESPONDENT.)

THE industrial resources and prospective progress of Alsace-Lorraine have an important bearing on the financial situation in France, as inquiring visitors to this district are continuously reminded. A union has been formed of all the limited liability companies in the industrial area, which includes the recovered provinces, the Saar and Luxembourg, whose interests are closely related; a society for research and economic information has been organised, and the Société Générale Alsacienne de Banque—the largest bank in the area with a capital of a hundred million francs, and with branches in Belgium and Germany—issues a series of publications for the benefit of investors and others interested. Its latest production* is a comprehensive review of the whole situation, which, like other official publications, contains much useful data, all of which must be checked and supplemented from other and independent sources in order to obtain a correct conception of the position.

The re-annexed provinces were a rich prize for France; a highly-developed and efficiently managed estate fell into her lap. Lorraine has given France half her iron ore and 38.89 per cent. of her steel. With the addition of Lorraine coal and lignite and Saar coal—a free gift for 15 years—France has now an annual production of 50 million tons, to which must be added Reparation coal from Germany. The Saar coal was intended to make up the deficiency of production in the devastated areas of Northern France, which, however, according to the Société Générale, produced one million tons more last year than in 1913. As the Saar produces 13 million tons a year, France's compensation last year exceeded by 14 million tons the losses from devastation. With the mineral wealth of Lorraine, its blast furnaces—the most modern in Europe—its extensive metallurgical works, went the potash mines, oil wells, textile factories, and other industries of Alsace; including well-developed agriculture, a highly organised railway system, an up-to-date port at Strasbourg, and various other works and institutions in the prosperous provinces.

The industrial development of Alsace-Lorraine was due to the enterprise of the Germans, who left it one of the richest and most self-contained areas for its size in Europe. While the Alsations chafed under the political and military rule of the Kaiser and yearned to rejoin France, so as to enjoy her free and democratic institutions, they played their part loyally in the development of their country, and now find that economically they are very much worse off. In the interval between the Armistice and the signing of the Treaty of Versailles the provinces were over-run by French prospectors pegging out claims, as it were. An industrial inventory was made preparatory to the transfer. Railways, all other public works and institutions passed automatically to the French State. France also became the owner of the immense mineral and industrial wealth of the province, which were sold on Government account. They were sold to new French companies, a crop of which sprang up in the area, or to existing French companies at about a tithe of their value, and it is doubtful whether that proportion was always paid. It was the impression of French statesmen at the time that Germany had a reservoir from which the maximum of Reparations could be obtained—and it was argued that the less French citizens paid for German property the more the German Government would have to pay—so that in the end the French State would not be any the worse off. By getting property for nothing, like the railways and the Saar mines, and other property at comparatively small

* "Alsace et Lorraine, leur production, leurs industries, leur commerce."

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capital outlay, the French owners were placed in a favoured position to show good results, and to compete in the international market. It is important to bear these facts in mind in studying the situation, and also to remember that for five years the door was left open for trading with Germany—a reasonable and necessary provision intended to enable France to find new outlets for the products of the recovered territory.

The population of the three Departments carved out of Alsace-Lorraine—the Upper and Lower Rhine and Moselle—is now 1,781,574, an increase of 71,000 since 1921, including French officials and Polish immigrants. The French authorities sent away all Germans who occupied responsible positions in any capacity, including engineers, experts, and foremen, as well as others and a number who were not 100 per cent. Alsatian. The work of transformation became all the more difficult because of the shortage of capable and experienced Frenchmen to take the jobs of displaced Germans. It is fair to assume that after seven years normal conditions should have been reached.

A few comparisons between production in 1913 and now will show the extent to which progressive development has been maintained under French rule. In regard to iron ore, according to the statistics of the Mines Department and of the Comité des Forges, whose indirect control amounts to a combination—almost a trust—the production in the Metz-Thionville area of Lorraine, which produces nearly half the French ore, reached in 1925 73 per cent. of the output of 1913. The tonnage in the district was 9,023,010 out of a total used in all French blast-furnaces of 22,327,000 tons in 1925. The French production of iron was 93.6 per cent. of 1913, including the blast-furnaces of Lorraine, which represented 38.8 per cent. of the total. Lorraine was responsible for 35 per cent. of the steel. There has been an improvement in the metallurgical industries during the last year, owing to the international agreements arrived at, including the rail combine.

France, who has vastly improved her position in engineering, has become a great coal-producing country. No wonder that we are told that "the coal question now appears to be solved for France"; but the compliment which follows—"this is a result which confers the greatest honour on our coal industry"—requires to be qualified, for if an industry is presented with property for next to nothing and much of it free, the solution of the problem is due to this fortuitous circumstance rather than the enterprise of the owners.

Two other sources of wealth, oil and potash, have increased enormously since France took possession of them. In 1913 the production of potash was 350,000 tons; in 1925 it was 1,926,000 tons. We are not given the figures for the war period, when production must have been stimulated. After the French sent the German chemists and other experts away, the exploitation was not successful. Experts were brought back, and a combine entered into with Germany which gives France and Germany practically a monopoly in the world's market.

Germany, besides home consumption, has two-thirds of the export trade.

Alsace is fortunate in having valuable oil wells. The production of crude petroleum, which was 49,584 tons in 1913, was 63,650 tons in 1925. The returns for the war years are not published by the Société Générale.

The textile industry is one of the largest in Alsace. The number of spindles employed has decreased since 1913. Production has also declined, owing to direct competition with other parts of France and loss of markets in Germany. Artificial silk factories have been established since the war. Progress has been made in public utility works, such as electric power in Strasbourg and an ambitious project adopted for enlarging the Port of Strasbourg. Transport is not so satisfactory. There is less traffic by water. The railways, in spite of their being taken over free of capital, lost heavily up to 1923. Now that they are profitable Alsations complain that they are over-charged so as to contribute to the French railway administration. The milling industry on the Rhine is in a bad way. Germany no longer takes Alsatian flour. Alsace succeeded in keeping out German beer, and the breweries are flourishing. As compared with pre-war days, agriculture shows a diminution. Horses, cattle, sheep, pigs have decreased; land under cultivation is less by an average for all crops of 10 per cent. It is explained that lack of farm labour is responsible. Minor industries, including wine, tobacco, and beer, have held their own. On the whole, however, Alsace-Lorraine is not showing the same productive capacity under France. If, after making allowances for the dislocation caused by the transfer of property, the transformation of industries to work in harmony with industries in the interior of France, the opening up of new markets to take the place of Germany, it can still be said that France has not made the most of the efficiently organised estate which she inherited, her failure must be attributed to several causes. There has been too much politics and finance introduced into the country; centralisation in Paris and bureaucracy have had a crippling effect. A less efficient administration and transport system also share the responsibility; but above all is the view which many Alsations hold—that the French are less capable in industry, in business, and in organisation than were their German predecessors. However rich an estate may be, efficient management is necessary to maintain its prosperity.

THE ELECTRICITY BILL IN COMMITTEE.

(BY A CORRESPONDENT.)

THE changes made in Committee have been sufficiently drastic to warrant consideration of the Electricity Supply Bill as now amended as almost a new measure. Whether those changes make for improvement or not can only be determined by actual experience. There is no doubt, however, that the Bill which, in its original form, was sufficiently complicated, has been rendered more complicated still and may, through sheer difficulty of applica-

tion and interpretation, run the danger of becoming a dead letter. The constitution of the Central Electricity Board has not been fundamentally affected, the only new paragraphs being calculated to remove all possibility of corruption or abuse of privilege to further particular interests. Three new principles have, however, been incorporated in the Bill which, while ostensibly guarding the position of the electricity supply undertakings, may seriously weaken the authority of the Board and reduce the business of supplying electricity to a perpetual wrangle in the law courts. The Bill, as amended, should prove a gold mine for the legal profession, if not for the consumer who expects a supply of electricity at an economic price with a minimum of delay.

The three principles are:—(1) The recognition of arbitration. (2) The transfer of financial outlays, hitherto incurred by supply undertakings to the Board, in the case of standardisation and adaptation of transmission and distribution plant to the new supply schemes. (3) The retention of the Joint Electricity Authority. In addition to this, the relations between the Electricity Commissioners and the Central Electricity Board have changed. The Electricity Commissioners have now to prepare the scheme for national co-ordination of electricity supply, instead of the Board, and the actual execution of the scheme is entrusted to the latter. This means that the originators of the scheme, who, under present conditions, are the most suited of all the experts in Britain to understand in every detail the technical and financial aspects of the supply position, have been deprived of the power to ensure that the scheme, when eventually approved, will be thoroughly sound.

The recognition of the principle of arbitration has struck right at the heart of the original Bill. In certain cases an authorised undertaker may appeal, against the findings of the Central Electricity Board or the Electricity Commissioners or both, to the arbitration of a barrister appointed by the Minister of Transport. This barrister may call in the aid of one or more qualified assessors in the consideration of the appeal, and his decision, with certain modifications, is final. If we now consider the sections of the Bill where arbitration by a barrister is allowed, the full significance of the change may be appreciated. In the first place, the scheme for interconnection, selection of generating stations, supply to and by the Board of electricity and standardisation of frequency may, even after approval and adoption, be held up by any authorised undertaker who is convinced that the scheme will adversely affect him in translation into operation of the obligations imposed on him, and the arbitration machinery comes into play. In the second place, where the Board requires an authorised undertaker to undertake extensions and modifications of its generating station or stations which would entail an undue financial burden on the undertaker, the latter can make use of arbitration. In the third place, in the definition of generating costs, selling prices and expenses fixed by the Board, the authorised undertaker may appeal to arbitration against the findings of the Board and the Electricity Commissioners. In the fourth place, the price to be paid by the Board for a main transmission line and generating station, and, in the fifth place, the determination of expenses incurred through standardisation of frequency are subject to arbitration, if desired by an authorised undertaker. If we add up all those five cases where arbitration machinery may be set up, there is little of any fundamental importance left apart from them in the Bill. The business of co-ordinating electricity supply in this country depends wholly on the power of the Board to preserve and maintain the goodwill of the authorised undertakers, or, failing that, a barrister assisted by one or more assessors will virtually take over their duties.

A further development of the arbitration principle lies in the provision that, in two cases at least, the special order made by the Minister of Transport must lie 30 days before each House of Parliament, and in the event of an Address being presented to His Majesty within that time by either House, no further action shall be taken. In the first case, the right of the Board to acquire itself a generating station owned by an authorised undertaker where the latter is unwilling to carry out the arrangements rendered necessary by the Board; and, in

the second case, the determination of the tariff to be paid for the supply to and by the Board, are at issue. In other words, practically every feature of real importance for the successful realisation of a nationally co-ordinated scheme of electricity supply lies at the mercy of a barrister or of a party sufficiently strong to carry either House of Parliament with it against the provisions, in certain instances, of the Bill.

It is obvious that, in the desire to avoid victimisation, the Government has gone to the opposite extreme and placed the Bill in danger of obstructionist tactics as adopted by an authorised undertaker determined to reduce the Bill to nullity. The opposition to the Bill shows that this probability is by no means an impossibility.

The Central Board, apart from the arbitration provisos, is now saddled definitely with the interest and funding charges on capital required to finance standardisation of frequency and, even in the determination of expenditure incurred on this account, is subject to approval by the Electricity Commissioners with the threat of arbitration in the background. In addition to this, in acquiring a main transmission line, the Board must defray expenditure incurred in altering or replacing switchgear to make use of it, and, at this point again, come under the arbitration proviso.

It is fairly clear that the possibilities of extra capital expenditure of little productive value by the Board are increased by those amendments. The clause also that a selected station must remain a selected station even if the Board may be in a position to close it down and use power from a newer and more efficient station goes against the basic principle of the original Bill. The one point of importance lies in the fact that the Joint Electricity Authority will remain under the Bill wherever determined, and that the definition of electricity districts may be hastened. The salvation of the electricity supply industry depends on the retention and extension of the Joint Electricity Authority rather than on any improvements to be effected by a Central Electricity Board condemned to everlasting disputes before an arbitrator or political interference in the proper execution of its administrative functions. The one industry to benefit by the Bill as amended is the legal industry; no other can possibly find in its provisions any room for optimism.

THE LEAGUE, GERMANY AND THE COUNCIL.

(BY OUR CORRESPONDENT.)

GENEVA, September 14.

THIS morning the instruments of ratification of the Locarno Treaties were deposited with the Secretary-General of the League of Nations—the final step required, after the admission of Germany into the League, to bring these treaties into force. These two acts and the definite Spanish notice of resignation from the League are the most important events which have occurred in Geneva since my last letter. The unanimous election of Germany, both as a member of the League and as a permanent member of the Council, was a great moment, recognised by all as marking a decisive stage in the progress of the League, and everything it represents.

The election itself, however, was completely eclipsed by the memorable session of Friday last, two days after the election, when Dr Stresemann and the German delegation arrived to take their seats in the Assembly. They were given a warm welcome, and Dr Stresemann's acknowledgment, delivered in German, was a model of tact and wisdom, couched in rather warmer terms than might have been reasonably anticipated. He described it as an event of historical importance that Germany and the States allied against her during the war were now brought together within the League for permanent and pacific co-operation, and said that it indicated more clearly than words or programmes could ever do that the League of Nations might indeed be destined to give a new direction to the political developments of mankind. He recognised that the League had already done most valuable

work, and he promised the whole-hearted co-operation of Germany in the tasks which lay ahead. In so far as he made any reference to the divergencies between the League and Germany, he expressed the hope that the settlement of such questions would be rendered easier by German co-operation within the League; and he gave a lofty interpretation of the contribution which national genius might and could make to civilisation as a whole. The ideals of nationality and humanity were able to unite on the intellectual plane, and they could unite in the field of political aspiration, provided there was a will to serve the common process of evolution in this spirit. The speech made a most favourable impression, and enabled M. Briand to characterise it as eloquent and lofty.

M. Briand, who was the only other Assembly delegate to speak, made, according to those able to judge from experience, the utterance of his political career, and without a shadow of doubt the most moving, significant speech ever addressed to the Assembly. It would be difficult for anyone who looks forward to the League becoming the best expression of world conscience to find anything but satisfaction in his glowing enthusiasm for the League, his analysis of how League aims can be achieved, and the friendly hand outstretched to Germany. He promised the German delegation that they would find in him a loyal collaborator; the French and German nations had both reaped an ample harvest of military glory, and henceforward might seek their laurels in other fields. In a notable passage, M. Briand said that if the League had the appearance of a kind of tournament, if, under the stimulus of polemical debates or actuated by an overheated national sense of pride, delegates came to Geneva as champions fighting with a desire to gain the perilous successes of prestige, all would be spoilt. "Prestige," he said, "stimulates the imagination, aggravates selfish interests, urges States on to oppose the statesmen who then lose the guiding rein of reason, the power to find moderate solutions. I promise to endeavour to avoid bringing this spirit here, and I count on the intelligence, the pacific spirit, and the lofty sentiments of the German delegates to do the same. . . . We shall win real greatness for our countries if we induce them to lay aside their pride, if we persuade them to sacrifice certain of their own desires in the service of world peace. This sacrifice will not diminish, it will increase their prestige." The words of collaboration exchanged by Germany and France in a like spirit of sincerity should be marked with a white stone. It was a day of great significance; it was an event which would take a great place in history, and it was for them to ensure that no imprudence would endanger the hopes of the peoples of the world.

M. Briand received a great ovation on returning to his seat, and the President expressed the thanks of the Assembly to M. Stresemann and M. Briand for their speeches. "It is an impressive spectacle," he said, "to see the delegates of Germany and France come to the same platform, animated by the same spirit, in order to express their profound faith and their invincible conviction in the future of the League of Nations." The Assembly was packed, and the proceedings created a very deep impression. The Germans were greatly pleased, and the reception accorded to the speeches both in Germany and France has been admirable. Nothing, in fact, could have been better than the circumstances in which Germany began her long-looked-for association with the League.

The notice of definite resignation subsequently received from Spain had not been anticipated until two or three days before it was actually received. It was couched in strangely contradictory terms, proclaiming a sincere desire for the broad and elevated aims of the League, coupled with a resignation based on the fact that Spain had not been conceded her own particular claim. The importance of the fact was naturally greatly diminished by the entry of Germany, and everyone agreed that Spain was stabbing herself in the back rather than causing any very serious damage to the League. Spain is almost forgotten in Geneva already.

On the other hand, the elation of last Friday has not altogether been maintained during the discussions which have taken place and are still continuing on the method of election of non-permanent members of the Council. Many States frankly do not like various parts of the

scheme, and are not letting it go through without an effort radically to change it. They are certainly being strengthened in their attitude by the definite notice of withdrawal by Spain, as it is now, of course, impossible to re-elect her to the Council in the hope that she might quietly return later on. This means that, with the withdrawal of both Spain and Brazil and with the three new non-permanent seats already voted, there will be five new States to be appointed to the Council. Some reluctance is being shown by suggested nominees for the seats to be held for one year only, and there has been something like a hunting round for States who will accept nomination. Sweden definitely refuses to stand for re-election, which is natural, in view of the part she has played in the discussions during the last few months. Czechoslovakia has definitely announced her intention of withdrawing in favour of the candidature of Roumania as the representative of the Little Entente. That leaves at present only Belgium and Uruguay out of the six non-permanent members hitherto sitting. There is some gossip in favour of electing only seven non-permanent members, thus providing a seat for Poland, instead of nine, but as the nine seats have already been set up it would be a little difficult for the Assembly to leave them empty. Practically, however, it might well be the best thing to do. According to present intentions, the Assembly Committee on methods of election may have finished its work in time for elections to take place on Thursday.

There has been talk of Canada or the Irish Free State putting up for election, and it seems to be the intention of the Irish Free State delegation, if the Canadian delegation, on account of the present political circumstances at home, feels not disposed to stand, definitely to go ahead with its own claim. There is some doubt as to whether she would succeed in gaining a place, but the effort, at any rate, is significant, and will very likely create a renewal of the discussion of the difficult problem of Imperial relations. That is far too big a subject to be entered into here, but it is one which ought to be very thoroughly explored in connection with Locarno and the separate Dominion membership of the League when the Imperial Conference meets in the autumn.

Another question is that of which State or States shall be declared re-eligible if, as must be assumed, the Assembly approves of the re-eligibility provisions of the reorganisation plan. The general feeling is that no other State but Poland should receive this special treatment, and there is opposition to any State receiving it at all. For the ordinary seats for one, two, or three years, mention is made amongst others of Holland, Roumania, Finland, Cuba, Uruguay, Belgium, China, and, as I have said, Canada or the Irish Free State. The Assembly choice will certainly not be an easy one.

Notes of the Week.

Coal-Owners' Decision.—The events of the last few days have not served to render the prospects of a speedy settlement of the coal dispute, now in its twentieth week, any the brighter. Mr Evan Williams, President of the Mining Association, informed Mr Churchill on Monday that, with the exception of one small inland district (Warwickshire), the 24 district associations had replied "clearly and emphatically declining" to empower the association to embark upon national negotiations. Unofficial reports from certain areas would seem to indicate that the attitude of some, at least, of the local owners was less flatly uncompromising, but the adverse nature of the general verdict, at all events, was sufficient to dissipate any lingering hopes Mr Churchill may have cherished of effecting a settlement, or setting the stage for one, before the return of his chief. Mr Baldwin arrived in London on Wednesday night, and after refreshing his memory as to recent developments, proceeded to arrange separate meetings with the officials of the Miners' Federation and with Mr Evan Williams. The Government is evidently by no means satisfied that "there is nothing but the void to talk to," and is anxious to explore more closely than has yet been done by either side the possibility of ultimately incorporating numerous

local agreements in the framework of a national settlement, and in the meantime to get the men back to work at the earliest moment possible. The attitude of the Miners' Federation spokesmen has remained studiously correct through a trying week. The announcement of the owners' decision was followed by the inevitable declaration of inflexibility on the miners' part, but its wording was conspicuously moderate, and by all indications the federation's executive would seem to be sensible of the advantages attaching to their present rôle at the bar of public opinion as plenipotentiaries anxious for a just and equitable settlement, whose efforts are brought to nought by the reactionary intransigence of their opponents. The trickle back to work in inland districts shows no decided growth of volume, the owners' figures showing about 58,600 men at work in Warwick, Notts, and Derby, &c., on Wednesday last, an increase of about 14,000 over the previous six days. The total national output of coal from all sources may now be estimated at about half-a-million tons per week, as compared with four to five and a half millions in normal times.

League Council Seats.—Our League of Nations correspondent, whose article on the proceedings of the Assembly at Geneva appears on an earlier page, wrote before the final voting to elect the non-permanent seats on the Council. This took place on Thursday, and the following States were eventually elected:—For the term of three years, Poland, Roumania, and Chile; for the term of two years, Holland, Colombia, and China; for one year, Belgium, Salvador, and Czechoslovakia. These, with the Great Powers, who hold permanent seats, Britain, France, Italy, Germany, and Japan, compose the Council for the ensuing year. The new Council held its first meeting the same afternoon.

Another Attempt on Signor Mussolini.—On Saturday last another attempt was made to assassinate Signor Mussolini—this time by throwing a bomb at his car. The Italian dictator—who now lives under as great a menace as ever clouded the life of any Russian Czar—took the incident with his customary *sang froid*; but while we heartily congratulate him and Italy upon his escape from a dastardly attempt and admire the Duce's courage, each fresh outrage that gives him occasion to display it, and so to confirm his hold upon the popular imagination, only makes us deplore more earnestly the tyrannical régime which must bear the ultimate responsibility for these repeated outrages. In this case the crime has not only led to about 300 arrests, and to proceedings for the re-introduction of the death penalty into Italian law in respect of persons attempting (whether successfully or not) to assassinate the King, the Queen, the Heir Apparent, or the Prime Minister. The fact that the chief conspirator had arrived in Rome a few days before from Marseilles, and that the plot seems to have been hatched among the Italian *émigrés* in that city, has excited a violent anti-French campaign in the Italian Press. This attack impugns the principle of political asylum (which has always been one of the mainstays of European liberty), and it is wholly unwarrantable, for there seems no evidence that the French police had been culpably negligent. The venom that has been instilled into this Italian Press campaign had been accumulating long before the incident which released it. It represents the pent-up jealousy of Fascist Italy towards France on account of those great French possessions on the further side of the Mediterranean in which Italy desires a share. If such a spirit of rancour and covetousness is allowed to grow unchecked, Fascism will become a standing danger to European peace, as Prussianism was before the war.

The Crisis in China.—The simultaneous crises in the Chinese civil war and in Anglo-Chinese relations still continue, and they are reacting on each other in ways which are wholly impossible to predict in advance, though, as compared with last week, the situation appears slightly more reassuring from the British point of view. In the civil war, Wu Pei-fu's garrison in Wuchang, the city on the south shore of the Yangtse, opposite Hankow, is

still holding out against heavy attacks by the Cantonese forces; but its fall seems inevitable, since the Cantonese have followed up the capture of Hankow by advancing northwards, along the Hankow-Peking Railway, until they have consolidated a position on the passes at the boundary between the provinces of Hupeh and Honan. Nothing more has been heard of Sun's reported stroke against the Cantonese communications at Changsha, or of General Chang Kai-shek's reported counter-invasion of Sun's province of Kiangsi. Meanwhile, the Soviet Press announces that the Baptist-Bolshevik General, Feng, has left Moscow for Inner Mongolia with his staff, and at the same moment there arrives another report (from the same source) to the effect that there has been a serious mutiny among Chang Tso-lin's troops at Kelgan, and that there is disaffection among his followers elsewhere. A New York message states that the Kelgan mutiny has been bloodily and effectively suppressed. It would seem, however, that the U.S.S.R. is taking revenge for Chang's high-handed action in seizing the flotilla, and closing the schools, of the Chinese Eastern Railway, by once more unleashing Feng against him. We may, therefore, expect Feng's army (which still remains intact in Inner Mongolia) to take the offensive, and, in that case, Chang Tso-lin may be immobilised in the north while the Cantonese fight it out on the Yangtse with Chang's "ally-rival," Wu, and with the "neutral," Sun. If the Cantonese win, as seems likely, Chang may find himself in an awkward position between the two "Red" forces of the north and south, which are in sympathy, if not in formal alliance, with one another. Hitherto, Chang Tso-lin has been reputed the most efficient of the War Lords, but he will now have to measure himself against Chang Kai-shek. The fate of China may be decided by a final contest between the frontiersmen of the south and north—the men of Canton led by one Chang, and the men of Manchuria led by another. Meanwhile, the Cantonese are playing for high enough stakes in the civil war to incline them to shake loose from their irrelevant complications with Great Britain; and while the Cantonese Army on the Yangtse has been firing promiscuously on British and United States gunboats, the Canton Government at home seems at last willing (and, we hope, able) to end the anti-British boycott. The latest news is that, on the strength of a promise from the Canton Government to protect British wharves, patrol the river, and prevent breaches of the peace, the British gunboats in Southern Chinese waters have been withdrawn. Meanwhile, British merchant vessels still remain in the hands of Wu Pei-fu's recalcitrant general, Yang Sen, at Wanhhsien in Szechwen—which is almost as far up the Yangtse from Hankow as Hankow is distant from the sea. As the Shanghai correspondent of *The Times* quaintly puts it, "the Wanhhsien incident has proved British impartiality. The only difficulty arises out of the large numbers of killed at Wanhhsien, which may be used as propaganda material." We are asked to believe that, if we only fire as many shots at Wu Pei-fu's forces as at Chang Kai-shek's, and do an equal or greater amount of execution, the Cantonese will relent from their anti-British fanaticism and will even kiss us and be friends. The Admiralty, apparently, are prepared to act on this theory, supposing the negotiations now taking place at Ichang between a representative of Yang Sen and Rear-Admiral Cameron fall through. Two more gunboats have gone up the river from Hankow, and seventy naval ratings "left for Ichang by passenger-train" on Tuesday night, according to the Hankow correspondent of *The Manchester Guardian*. China must be the only country in which 70 armed foreigners can travel by train through one province in order to make war on the inhabitants of another, and this across a war-zone in which two native armies are in conflict. Yet, however bizarre the situation may be, we devoutly hope that a second punitive expedition, with further "large numbers of killed," will not come to pass.

Another Safeguarding Committee.—The following announcement is made by the Board of Trade: The Board of Trade have appointed a Committee consisting of Mr B. A. Cohen, K.C. (chairman), Mrs M. Beer, and Mr M. Jenks to inquire into and report, in accordance with the White Paper (Cmd. 2327) relating to the Safe-

guarding of Industries, upon applications made by the National Leather Goods and Saddlery Manufacturers' Associations for the imposition of a duty upon light leather bags and other receptacles, including bags and receptacles of materials made to resemble leather, and by the British Fittings Manufacturers' Association for the imposition of a duty upon metal frames, locks and clasps for bags and other receptacles. The Secretary to the Committee is Miss A. Kilroy, Board of Trade, Great George street, London, S.W. 1, to whom all communications relating to the work of the Committee should be addressed.

Employment in August.—There was some improvement in employment during August, principally due to the increased supplies of foreign fuel, but most of the chief industries of the country continued to be seriously affected by the coal stoppage. According to the *Ministry of Labour Gazette*, among the 11.9 million workpeople insured under the Unemployment Insurance Acts in Great Britain and Northern Ireland, the percentage unemployed at August 23rd was 14.2* as compared with 14.6* at the end of July, and 12.1 a year ago. The total number of registered unemployed at the end of August was approximately 1,606,000.* This compares with 1,664,000* at the end of July, and 1,418,000 at the end of August, 1925. Among the members of trade unions the percentage unemployed was 13.3* at the end of August, as against 13.2* per cent. a month ago, and 11.4 at the end of August, 1925. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.								
	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9*
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	13.2*
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	13.3*
September ..	2.3	2.2	14.8	14.6	11.3	8.6	11.4	..
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	..
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	..
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

* Excluding workpeople in the coal-mining industry who ceased work owing to the dispute.

The industries which showed some slight improvement during the month included cotton, jute, pottery, wool and worsted, iron and steel, tinplate, and railway service. In the building trades employment continued good with skilled workers, but a decline was recorded in the engineering, shipbuilding, printing and tailoring trades.

Cost of Living.—There was an appreciable rise in the cost of living during August. The index number of the Ministry of Labour at the end of August stood at 72 per cent. above the level of July, 1914. This compares with 70 per cent. a month ago, and 74 per cent. at the end of August, 1925. The following table shows the monthly movements of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items. (Food, Rent, Clothing, Fuel, and Light, &c.)								
1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan.	85.90	125	165	92	78	77	80	75
Feb.	90	130	151	88	77	79	79	73
March ..	90	130	141	86	76	78	79	72
April ..	90.95	132	133	82	74	73	75	68
May	95.100	141	128	81	70	71	73	67
June ..	100	150	119	80	69	69	72	68
July	100.105	152	119	84	69	70	73	70
Aug.	110	155	122	81	71	71	73	70
Sept.	110	161	120	79	73	72	74	72
Oct.	115.120	164	110	78	75	76	76	..
Nov.	120.125	176	103	80	75	80	76	..
Dec.	120	169	99	80	77	81	77	..

For food alone the index rose to 62 per cent. at the end of August, as against 61 per cent. at the end of July, and 70 per cent. a year ago. The movement of the index

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was chiefly due to increases in the prices of coal, eggs, and milk, which were partly offset by decreases in the prices of potatoes.

American Copper Statistics.—A correspondent writes: Developments in the American statistical position of copper, as indicated by the usual monthly returns cabled a few days ago, have been quite satisfactory. The most striking feature, perhaps, is that there was only a slight increase in the August production of blister copper to 84,029 short tons, and that the stocks of this copper were reduced by as much as 12,612 tons, making the total 259,493 tons. Evidently the output at the mines has been rather discouraged by the low price. The refinery output for August was increased by 9,920 tons to 128,925 tons, but, at the same time, the deliveries into domestic consumption were excellent, indicating an increase on the month of 7,682 tons, although there was a slight decrease in the exports to 43,173 tons. The stocks at refineries are at much under the normal, showing a small increase on the month at 66,658 short tons. As with lead and zinc, the copper market here has been clearly affected by the coal crisis, but following on the 6,000 tons taken out of home warehouses last month, another important decrease is expected to be shown for this month. It is generally surmised that these stocks will be reduced to about 35,000 tons by the end of this year, which would compare with 56,000 tons a year previous.

Minimum Prices for Cotton Yarns.—It is now six weeks, writes our Manchester correspondent, since the minimum prices scheme of the Master Cotton Spinners' Federation came into operation. In Lancashire there has been great interest in this movement, and the official quotations have been adhered to by spinners to an extent which was scarcely expected. The yarn market as a whole in Manchester during the last few weeks has been distinctly firmer. The Master Spinners' Federation have this week issued a statement on the working of the scheme. The loyalty of the members has given the Committee very great satisfaction, and not a single case has been brought to their notice in which, on investigation, it has been found that a breach has been committed. One satisfactory feature is that deliveries of yarn have been more than actual production, with the result that stocks have been reduced, although spinners have not been able to secure any increase in volume of business. It is officially stated, however, that compared with three months ago yarn stocks have been reduced by about 7 per cent. It is pointed out that the determination of spinners to secure an improvement in margins is proved by this fact, and if volume of trade has not increased this may be attributed in a large measure to the difficulties of the coal situation and the uncertainty of the raw cotton markets. It is estimated that these causes are merely temporary, and that when demand comes forward spinners will be in a still stronger position to secure more adequate margins. On behalf of the Federation, it is stated that unless this position materialises in the near future, the committee, rather than allow any tendency to accumulation of stocks, may find it necessary to recommend a further curtailment of production. The spinning mills in Lancashire engaged on American cotton are working at the moment from 45 to 50 per cent. of the full output. This short-time running

is partly due to the coal situation, and partly to the demand for yarn being restricted as a result of a large number of looms having to stand idle.

Marketing Empire Produce.—The Imperial Economic Committee, writes an agricultural correspondent, was charged by the Government with the duty of devising plans for the better marketing of Empire produce, and a grant of £1,000,000 was made for the purpose. That the Empire includes the Mother Country is a fact which appears to be sometimes overlooked, and in setting up the Committee home producers were ignored. When the National Farmers' Union, not unreasonably, drew attention to the omission assurances were given that it was unintentional and that British producers would be considered in the allocation of the grant. As a guarantee of good faith, Mr. Blundell, chairman of the Chamber of Agriculture, and a well-qualified representative of English farmers, was added to the Committee. The National Farmers' Union was invited by the Committee to give evidence, and a memorandum of the points submitted to them is published in the current issue of the official organ of their Union. This statement was evidently prepared with care and deliberation, and it is important as indicating the attitude of the Union on the subject of marketing, which many people consider to be the crux of the agricultural problem. Agricultural co-operation is definitely discouraged. Not only is it said not to be "a panacea for agricultural ills," but the opinion is explicitly expressed that it would not be good business for farmers "to abandon their enterprise in favour of establishing large-scale co-operative ventures." It is added that there is no definite opening for the provision of special assistance from the Empire marketing grant for existing co-operative marketing enterprise. On the other hand, grants are recommended for enabling the East Malling Fruit Research station to continue and extend its investigations, for the Imperial Fruit Show, for experimental tests of methods of grading and packing, and for cheaper issues of the Ministry of Agriculture series of economic reports. The Union reiterates its objection to the prohibition of the use of preservatives in butter and cream, advocates the establishment of abattoirs in the chief meat-producing and meat-consuming localities, and presses for the removal of the restrictions imposed by the Dominions on the importation of pedigree stock. The most constructive proposal is that a statistical bureau should be established, charged with the duty of making regular surveys of world food supplies and prices, and co-ordinating data relating to production, stocks, and present and potential supplies throughout the Empire. Linked with this is a demand that a single Government department should correlate and publish "producers' and consumers' prices for food-stuffs in this country." It is pointed out that three departments now publish statistics of this nature which, it is urged, "simply cannot be utilised by the man in the street." There is force in these suggestions, although the difficulties are perhaps under-estimated. It was at one time hoped that some effective steps in this direction might be taken by the Food Council, but the expectation aroused by the appointment of that body has weakened.

Federal Oil Conservation Board Report.—The Federal Oil Conservation Board has issued an interim report to President Coolidge, in which it states that the country's estimated reserves in proved oil areas are 4,500,000,000 barrels, or less than six years' supply. It urges the necessity of conservation, and to that end makes a number of recommendations. This report should alarm no one. The Federal Oil Conservation Board is not an expert, but a political body. It consists of the Secretaries of the Interior, Commerce, War, and the Navy. It was appointed over a year ago, while the scare over the oil scandals was alive. It was, in other words, an attempt on the part of the Administration to meet public suspicion of the oil industry. The Board's report merely lives up to its "scare" origin. It may be said at once that the scare of six years' supply does not represent the general body of expert opinion. It may be the opinion of Mr. Doherty, head of the Cities Service Company, who delights in play-

ing a lone hand in the oil industry, or of a few geologists at cross purposes, but the majority expert opinion was plainly expressed in the Report of the Committee specially appointed by the American Petroleum Institute to make a report on this question to the Oil Conservation Board. This Committee was certainly anxious to correct the impression that the oil industry was wasteful and inefficient, but on the question of future supplies, it had every reason to give the unbiased expert view. Its conclusions were:—(1) that there is no imminent danger of the exhaustion of the petroleum reserves of the United States; (2) that oil recoverable by present methods of flowing and pumping from existing wells and proved acreage amounts to 5,300,000,000 barrels (against the Oil Conservation Board's estimate of 4,500,000,000 barrels); (3) that improved methods of deep drilling below oil sands now producing will disclose in many areas deposits not hitherto available which will be tantamount to the discovery of new fields; (4) that the quantity of oil left in the ground under producing and proved areas after flowing and pumping have ceased to produce oil may be estimated at no less than 26,394,157,000 barrels; (5) that oil reserves greater than all these lie in some 1,100,000,000 acres of land which geology indicates as capable of oil bearing. These conclusions make the six years' supply estimate of the Oil Conservation Board, which applies to estimates 2, 3, and 4 of the Committee, appear absurd. The views of the expert Committees may safely be regarded as conservative. Deeper drilling is still in its infancy, and is still unlocking hidden reserves. After flowing and pumping have ceased to produce oil it has already been found possible to get back production by flooding the oil beds with water, or by restoring pressure by the introduction of gas. Moreover, two new processes of oil extraction have recently been developed. The more important, which has been worked out by the United States Geological Survey, consists of flooding the oil beds with a soda ash solution which dislodges the oil from the sand particles just as washing soda dislodges dirt from clothes. The other is a new mining process, which is a great improvement on the mining that is successfully adopted in the oil sands of Pechelbronn, France. This has been taken up by the Standard Oil Co., of New Jersey. These improved methods of oil extraction make it pretty certain that the 26,394,157,000 barrels of oil left underground will be recovered as soon as the price of oil makes recovery worth while. All this is apart from the untouched areas, capable of bearing oil, for which the Committee did not attempt to give any estimate. Exhaustion of oil supplies in the United States in the near future is therefore improbable. What the Oil Conservation Board apparently wants to do is to encourage by any sort of alarm the incursion of American oil operators into foreign fields. Dependence on foreign oil companies is a prospect which has always frightened Mr. Hoover.

Conditions in New Zealand.—Our Christchurch correspondent writes:—"The trade returns for the year ending June 30th give a clear and accurate picture of the effects of falling prices on New Zealand. The calendar year bisects New Zealand's export season, so that figures for the year ending June 30th give much more accurate indications of the true trading position. For the year ended June 30, 1926, exports amounted to £46.3 millions, and imports to £52.5 millions, so that last year's export balance of £6.6 millions has been turned into a deficit of £5.8 millions. The fall in export prices was clearest in the case of wool, which on average is returned at 38 per cent. lower than in 1924-5. The value of butter exported was also considerably less than in the preceding year, mainly because of lowered quantity in a bad season. Declines were shown also in cheese, meat, skins and hides—all the chief exports of the Dominion. This fall in prices has inevitably precipitated a considerable depression, the worst feature of which is a degree of unemployment in the towns greater than has been experienced for some years. The Government statistician is now collecting trade union returns of unemployment, and these show a percentage of 6.6 unemployed among the members of the reporting unions. While the immediate problems of credit stringency and unemployment relief are natur-

ally engrossing the public attention, there are indications also that the Dominion is beginning to realise that the old reliance upon a rising price level is failing it. An unusually clear statement of the present situation is contained in a bulletin recently prepared by the Canterbury College Department of Economics, and issued by the Canterbury Chamber of Commerce. This bulletin attempts a measurement of the material progress of New Zealand, and shows clearly that the per capita productivity is lower now than in 1910. The calculation is worth reproducing:—

Year.	Value of Production. £m.	Value per Head. £	Index of Wholesale Prices.	Volume of Production per Head.
1900 1	31.98	39.4	94	85
1910-11	51.90	49.5	100	100
1920-21	99.97	79.3	208	77
1923-24	105.96	79.3	187	86

In view of these facts there is an increasing body of opinion forming against the political and economic experimentation that was characteristic of New Zealand in easier times. The Arbitration Court has refused to increase the basic wage; there is growing opposition, particularly among strong sections of the dairy industry, to the inauguration of absolute control, and the recently returned Royal Commission on Rural Credit has produced an extremely innocent report. It is true that there are considerable sections of the community which still look to high prices for salvation—the secondary industries are asking for higher protection, the farmers talk not only of meat and dairy produce control, but of wheat pools, wool control, &c., &c., while the cost-of-living basis of wages is firmly fixed in the minds of the labour leaders. But the logic of facts is beginning to force consideration of means for greater and cheaper production, and there are not wanting signs of distrust of such schemes as aim at keeping prices up to levels above the export parity." At the annual meeting of the Bank of New Zealand, which is reported in a later column, the chairman, Sir George Elliot, gave an extended review of economic conditions in the Dominion, in the course of which he said:—"There is, unfortunately, in the Dominion rather a tendency to take a gloomy view of the situation whenever a set-back is experienced, and also a tendency to become extravagant when times are good. Ups and downs are inevitable—it is the average that has to be reckoned with. To gauge truly the conditions of any country, one must take a long period of time into consideration. In the case of our own country, looking back over the years, one cannot but be deeply impressed with the steady march of progress and prosperity. Although for the moment that march has somewhat slackened, there is not the slightest doubt that in the comparatively not distant future it will be renewed and quickened with fresh life and vigour."

British Controlled Oilfields.—The financial sensation of the week has been provided by the issue of a statement by the directors of this concern who, under the chairmanship of Lord Buckmaster, replaced the old board last November. The last report of the late directors stated that "the stage was set for a prosperous future," and the quotation of the shares went as high as 24s. The new directors "lift the curtain," and the shares, which have been crumbling all the year, have gone to the neighbourhood of 4s. The curtain rises on a very sorry scene. For instance, in 1919, the year after its incorporation in Canada, the company purchased by the issue of \$4,375,000 preferred stock and \$15,000,000 common stock certain rights in Ecuador and Costa Rica which turned out to be wholly invalid. In 1921 \$5,000,000 preferred shares were paid for rights in Central and South America, which only in one case proved to have any value at all. The upshot of the matter is that of all the company's huge areas, only one, the Buchivacoa Concession, is stated to be of "proved value," and this is at present one of "indeterminate possibilities," and only one of three sections of this property—the Western—is still retained by the company. This is the field for the management and development of which the present board made a contract

with the Standard Oil Company. The result of the latter's diligent and expert work is so far profoundly disappointing. The final conclusion of Lord Buckmaster and his colleagues is that out of the capital of \$45,000,000 about \$30,000,000 has been lost. "It follows," they say "that if it be desired to put this company on to a sound footing, a drastic reduction of capital is essential." That is obviously so, and at the same time the constitution of the company needs radical change. But even with drastic capital reduction, the prospects of shareholders will still be cloudy; for two of the many serious points disclosed are that annual obligations in several fields are very heavy, and that, if exploitation work is to be pursued in some of the fields possessing dubious possibilities, heavy expenditure is necessary. The whole story makes a deplorable chapter in the history of company finance. The conduct of the old board, whether in purchasing worthless rights at huge cost or in leading shareholders to suppose that prosperity was approaching, appears to be utterly inexcusable. Lord Buckmaster and his colleagues, on the other hand—and this is the only bright spot—are entitled to full credit for their courage in disclosing to the public the whole unpalatable story. But shareholders will deduce from the fact that Lord Buckmaster and four of his co-directors intend to resign that those who are most closely acquainted with the full facts do not rate very highly the chances of bringing the company to prosperity. Presumably they feel that by investigation and publication of the real position they have done all they can do to serve the shareholders.

The Tin Boom.—Under intense activity again this week, writes a correspondent, the buoyancy of the tin market became even of a more spectacular character than in the previous week, when after an almost continuous rise prices indicated a total rise of £11 for cash and near delivery and over £6 a ton for forward delivery. Cash tin then closed at £305 7s 6d, leaving the forward price at a "backwardation" of £8 15s a ton, which by Thursday this week was increased to £12 10s. The market steadily broke into new high records for the year, reaching on that day £317 for actual standard tin, with three months' delivery following up to £305. Such figures had not been seen since the first half of 1920, in which year £423 10s was touched, which was an absolute record. This phenomenal inflation was in a large measure due to exceptionally aggressive speculative enterprise, in fact, reckless manipulation, whereas the present high price has not been brought about through these agencies, but chiefly by the more acute scarcity of supplies, although the fact may be mentioned that a good deal of public interest was aroused in the metal this week, similar to that which has been going on in tin shares. It was fully recognised when the statistics for August came out that the visible supplies had reached a dangerously low level, at about 13,000 tons; and what particularly impressed sentiment was that the American stocks and "afoats" combined were unusually depleted at 6,811 tons, as against 8,905 tons a month previous and 10,864 tons a year before. This naturally meant that at the end of August America had made practically no provision for her October needs, considering that her consumption in the course of this year showed a monthly average of roughly over 6,000 tons. Eliminating the total quantities afloat to Europe and America, tin supplies actually on the spot between the two sides of the Atlantic early this month were very small, and the position threatens to become still more acute. America has become rather nervous as to the filling of her needs over the autumn; it seems almost inevitable that Straits tin will be called for from this side next month, and it is considered rather doubtful whether this would ease the American position to any material extent. There was a considerable amount of American buying in the first half of this week, and the difficulty of securing parcels afloat or near at hand induced American importers and dealers to divert more attention to forward positions, both in Straits tin and the open market, for standard tin. Prices are apt to fluctuate after a violent rise, but the market is clearly faced with a shortage.

Rhodesian Railway Control.—A Stock Exchange correspondent writes:—Under proposals published by the British South Africa Company, the administration as a single transport system of railways serving Northern Rhodesia, Southern Rhodesia, Bechuanaland, the Mozambique Territory, and 112 miles in the Union of South Africa is likely to become an accomplished fact. The benefits of a unified control are to be obtained through the establishment of an authority to be called the Railway Commission, and the year commencing October 1, 1927, will be the first to which the suggested machinery shall apply. In the interim, the companies are asked to limit their dividend distributions for the two years that end with September 30, 1927, in such a manner as will permit of the starting of a reserve fund that forms an integral part of the scheme. The heads of the agreement, published in the memorandum containing the proposals, are drawn in legal language as clear as lawyers' literature usually is, but the principle emerges of a strict apportionment of earnings that shall add to the stability of the security. For this reason the proposals have met with approval from holders of the bonds now quoted, and the effect, while nominally slight, has been to render proprietors more than ever disinclined to part from investments the status of which is likely to be improved by the proposals coming into force. The memorandum, lengthy though it is, deals with a matter of such consequence and intricacy that it leaves unstated many of the minor points that surround the subject. The immediate Stock Exchange market effect was to bring about a decline of about sixpence in Chartered shares. These had been steadily rising for several weeks previously by reason of expectations that the Rhodesian Railway's proposals when announced, might convey an inferential hint of a further capital sum being returned to the holders of Chartered shares. The scheme suggests, neither directly nor indirectly, anything of this kind. Opinions differ as to whether it releases the Chartered Company from obligations in respect of the railways in its territory, but, by encouragement of traffic through a possible revision of rates under unified control, it will assist development of the Chartered Company's area. To this extent it should be a bull point for holders of Chartered shares. The scheme will require time for its benefits to bear material fruit, but it must be recognised as a far-seeing endeavour to place the railway system upon a broad and statesmanlike basis. To which consideration criticism will no doubt yield tribute if opposition should be raised to the present proposals.

Mining Notes.

Modder East.—Our mining correspondent writes: With this enterprise the year ended June 30th has proved a period of transition. During the first four months crushing was continued at the Apex mill of the New Kleinfontein Company; then the company's own reduction plant was brought into operation. Naturally, the change-over involved some expense; but the absorption of gold by the new works was more than counter-balanced by the clean-up at the Apex mill. In respect of the initial four months the working profit aggregated £7,000; during the latter four months it amounted to £42,200. Costs were lower by 5s 10d per ton than the average of the preceding twelve months, while the profit represented 4s 2d in place of 7d per ton. For the whole year the working surplus totalled £36,500, as against £10,950 in 1924-25, and £151,700 in 1923-24, when £44,100 was contributed by the gold premium. Throughout the current session, of course, the company will obtain the benefit of having its own treatment works. Nevertheless, there seems little prospect of an early entry into the dividend list. Last year debenture interest absorbed £30,300. The funds provided by the debenture issue having proved insufficient to cover the capital expenditure, arrangements have been made with the parent undertakings for a loan up to £65,000 at 7 per cent., principal repayable by December 31st next. Including £20,200 advanced to date, the accounts show a net deficit of £48,700. The performance of a substantially increased development of footage expanded the ore reserves

by 214,000 tons to 2,022,000 tons, the value remaining at 6.2 dwts. On the whole, however, the development results proved disappointing, especially in the new ground.

Mount Morgan.—But for the company's income from investments last year's operations would have resulted in a loss of £72,800, whereof £29,600 arose from the fire. Actually the deficit amounted to £3,300. Labour exactions—which have so seriously handicapped the company in recent years—became even more onerous. A slight concession in the basic wage rate made by the Arbitration Court was overruled by Act of Parliament. As a result, during the twelve months ended May 31st last the miners at Mount Morgan averaged 32s per shift. For the past six years the concern has been worked entirely for the benefit of the employees, the last dividend having been 5 per cent. early in 1920. Notwithstanding this, a scheme is on foot for the exploitation of the mine as a big low-grade proposition. The purchase and installation of the necessary machinery would, it is estimated, involve an expenditure of over £1,000,000. Naturally, before any scheme is placed before the shareholders extensive tests are being carried out, and their completion will take well over twelve months. Meantime a renewal of the company's leases has been arranged. It is a question whether the interests of the existing shareholders might not be better served by liquidation. Realisation of the investments alone would provide a sum considerably in excess of the market value of the shares.

Dolcoath.—Shareholders in this old-established Cornish undertaking are much chagrined to learn that still more capital will be required to bring the new property to the production stage. It will be recollected that rather more than three years ago a reconstruction was carried out, the prior charges being incidentally extinguished. Subsequently an advance of £65,000 was obtained under the Trade Facilities Act. The managing director estimates that a further £30,000 will be needed owing to various causes, which he specifies. To be on the safe side, the board propose to create £50,000 debenture stock, and to offer it at par to the shareholders in proportion to their holdings. The stock will bear 8 per cent. interest and carry a bonus of 50 shares per £100. Shareholders unable or unwilling to take up their proportion of the debentures are inclined to haggle at this bonus. Obviously, however, some inducement will be needed, and an addition of 25,000 shares to the company's issued capital of 460,100 shares will not be a very serious matter. Encouraging developments have been reported.

San Francisco.—In June an interim dividend of 1s 6d per 10s share was paid on account of the year ending September 30th. Considerable discussion has lately taken place as to the probable rate of the final distribution. We append some illuminating figures:—

Profit—Eleven months	£ 342,300
One month say	48,500
Total	390,800
Available for dividend taking, 1925 ratio	332,000
Less 1s 6d per share already paid	112,800
	219,200
2s 9d final would take	206,200
Carry forward	13,000

Actually it is thought in market circles that the balance payment will be 3s, making 4s 6d for the year.

Transvaal Gold Output.—The gold output of the Transvaal mines during the month of August, 1926, amounted to 843,854 ounces of fine gold, as compared with 860,134 ounces in July. The amount produced during the month of August, 1925, was 808,218. The following

table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
January..	Fine Ozs. 670,503	Fine Ozs. 651,593	Fine Ozs. 639,728	Fine Ozs. 704,469	Fine Ozs. 796,768	Fine Ozs. 823,592	Fine Ozs. 796,270
February..	625,330	558,137		704,970	760,617	753,925	753,924
March ..	707,036	671,123		761,586	795,671	825,479	834,340
April	686,979	681,382	511,338	743,651	768,923	787,519	803,303
May	699,041	687,776	629,786	786,564	809,003	813,249	849,214
June	715,957	678,490	675,697	755,309	773,053	780,251	852,145
July	736,099	689,555	730,635	754,306	829,437	818,202	860,134
August ...	702,083	711,526	752,490	769,371	809,571	808,218	843,854
8 months..	5,543,028	6,329,582	3,939,674	6,040,226	6,353,043	6,410,535	6,593,184
Septemb'r.	682,173	691,026	747,089	739,504	739,422	797,247	..
October..	662,472	707,825	778,159	793,842	827,585	812,832	..
November	633,737	704,236	764,476	780,639	802,313	787,633	..
December	632,215	681,847	790,712	778,849	825,273	791,455	..
Total	8,153,625	8,114,516	7,020,110	9,133,060	9,597,634	9,599,702	..

The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Dec., 1925.	Feb., 1926.	Mar., 1926.	Apr., 1926.	May, 1926.	June, 1926.	July, 1926.	Aug., 1926.
Gold mines	166,385	178,311	181,204	183,828	183,905	183,052	182,262	184,032
Coal mines	16,606	16,337	16,190	16,212	16,246	16,448	16,648	16,827
Diamond mines	3,705	5,631	5,957	5,834	5,766	6,054	6,099	5,918
	186,696	200,279	203,351	205,874	205,917	205,594	205,009	206,677

The number of natives employed in the gold mines and coal mines has increased, but there is a decline in the number employed at the diamond mines.

BEGINNING on October 20th, a course of six lectures will be given at the Kingsway Hall, London, on "The Shrinking World: Dangers and Possibilities." The lecturers include the Right Hon. William Graham, M.P., Professor A. J. Toynbee, the Hon. Bertrand Russell, the Right Hon. Sidney Webb, and Mr. Bernard Shaw. Admission will be by ticket, which can be obtained from the secretary of the Fabian Society, 25 Tothill street, Westminster, S.W. 1.

Oversea Correspondence.

UNITED STATES.—FACING THE AUTUMN—MARKETS AND MONEY—COMMODITY PRICE STABILITY.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 7.

WITH the passing of the three-day Labour Day holiday, business men and financiers are beginning to return to their desks after their summer holidays, and Wall Street is taking on its more accustomed aspect. The approach of the autumn season finds the financial community in a cheerful mood, and the markets generally reflect that mood; but it is as yet somewhat early to secure definite ideas as to how business and financial developments will shape up as the end of the year approaches. The share market continues to give a good account of itself, the bull movement in railroads having carried the prices of many of the leading shares up to new high records for the post-war period. Atchison, Topeka, and Santa Fé common has sold at a high of 161, as compared with a low this year of 122; the corresponding figures for New York Central are 147½ and 117; for Southern Railway they are 131½ and 103½. The strength in rails persists at present, and furnishes the backbone for the market. Industrials are irregular; some of the recent favourites have fallen away rather markedly on profit-taking; some others have taken their place in reaching up to new highs for the year. Hopes still are cherished that the oils may come through before the current bull movement has worn itself out, but so far the oils have been held back by a weak bull account, and by the fears for the stability of the oil market that have been engendered by a moderate but steady increase in the rate of crude oil production. Some encouragement has just been furnished the bulls in the oils by the report of the President's Oil Conservation Board, which said that existing visible supplies in this country

will last for only six years, and that the country will be forced to depend on new domestic discoveries and foreign production outside of that. However, this is an old story; or at least a great deal along the same line has been heard since the war. The ability which the oil industry has shown during the past few years in the development of new pools and the creation of improved technology to increase the yield of useful products from the oil actually mined has moderated the fears of shortage. Similarly the discovery that old fields that had been given up as exhausted are able to give new and greater yields from deeper sands has been reassuring. The latest example of this sort of thing is the Spindletop Field in the Gulf region of Texas, which, after dropping down to a few thousand barrels a day from the shallower sands, is now producing over 80,000 barrels a day from the deeper sand. Meanwhile the oil enthusiasts, who were disappointed that the Standard Oil Company of New Jersey did not take steps to retire its preferred stock at the last meeting, are convinced that the company will take such action before autumn is past, and are hoping that the move will help their favourites.

Expectations of moderately higher money seem to be in the process of realisation. Normally, the commercial demand for credit expands rather rapidly after the start of September, and something of this kind is expected this year. The rates on bankers' bills have continued to display a firm tone, and the 90-day paper of this character is now selling on a 3½ and 4 per cent. basis. The rate on these bankers' bills, in short, has again crept up to the Federal Reserve Bank's rediscount rate. In the past, the persistence of this kind of a situation has been followed by an increase in the official rate, and while such a development is not expected just now, the situation does make some bankers think that a further increase in the official charge for money may occur this autumn. In any event, it would seem that the Federal Reserve banks have a good hold on the money market. Statistics of brokers' loans compiled by the New York Stock Exchange confirm the indication given by the Federal Reserve Bank's weekly tabulations. They show that the volume of this kind of accommodation extended to members of the Exchange increased during August by \$144,000,000, bringing the total up to \$2,997,000,000. This figure compares with a low (on the monthly basis) of \$2,767,000,000 on May 28th and a high of \$3,535,000,000 on February 28th.

Announcement by the Treasury of its September 15th financing shows that the Government recognises the somewhat higher money market now prevailing. The offering is nine months' certificates of indebtedness bearing a 3½ per cent. rate, and the amount is \$350,000,000 or thereabouts. It will be recalled that the Treasury sprang something of a surprise by doing no financing in June, its cash position in connection with the large income-tax receipts, being strong enough to obviate the necessity. A year ago, however, the Treasury paid 3½ per cent. on nine months' certificates after having paid 3 per cent. on one-year certificates in the previous June. Last December's financing took the form of one-year paper bearing 3½ per cent. Some students of government finance look for a long-term operation in December.

The Bureau of Labour Statistics index of wholesale commodity prices for July having shown a slight decrease after two small increases, the *Dun* and *Bradstreet* indices both report small increases during the month of August. The former is up 0.3 of one per cent. at 153 per cent. of the 1913 average; the latter gained 0.4 of one per cent. at 137.8 per cent. of pre-war. Weakness in breadstuffs was offset by firmness in other foods and in industrial products. Altogether, the effect that the movement of these various indices during the past several months produces is an impression of stability. There is no tendency whatever toward inflation; on the other hand, there is nothing to suggest a demoralising decline in prices.

Taking everything into consideration, our bankers are inclined to be encouraged over the European fiscal situation. They appear to be impressed with the improvement in the position and management of the Bank of France, and with the chances for a period of relative stability in the franc. They note the rumours of stabilisation in

Belgium, and would not be surprised if the Belgian authorities were to return to gold without waiting for France. They consider that the Belgian authorities have made commendable progress in picking up the threads that were broken at the time that the stabilisation effort broke down, and intimate that a well-considered scheme to return to gold should be able to command the co-operation of international bankers. Meanwhile, a statement of financial reforms given out by the Italian Government, while it has given rise to some rather puzzling comment in Italy with regard to severe deflation, is taken as an earnest of Italian intentions to recover the gold standard.

FRANCE.—NAVAL AND MILITARY ECONOMIES— CONSOLIDATION LOAN—COMMODITY PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, September 15.

THE announcement that the Government intends to carry out sweeping reductions of both military and naval expenditure has apparently been received abroad with even greater satisfaction than previous measures. According to the scheme drawn up by M. Painlevé, the War Minister, and approved by the Cabinet, the number of army officers is further to be reduced by 3,900, thus bringing the legal total of the *cadres* down to 28,000, as against the pre-war total of 35,000. The cavalry arm is to be substantially reduced forthwith by the sale of 7,000 horses, this being a first instalment of a total reduction in the near future of 10,000, to which must be added a further 2,000 horses at present used by the gendarmery department. The Army Remount department is to be totally suppressed, this alone representing an economy of 27,000,000 of a year. Out of 350 barracks in the provinces, about one-half are to be demilitarised and handed over to the local authorities for other purposes (in addition to 199 barracks already demilitarised). A gradual return is to be made to incorporation for army service at the age of 21 (instead of 20 as at present), in preparation for the reduction of the term of compulsory service to twelve months. This step will result, as from 1927, in an appreciable reduction in the strength of the standing army and a saving of about 100,000,000 next year. Decrees legalising these and other measures are to be promulgated before the current week is over. The programme of naval economies includes the suppression of a large number of establishments and simplification of administration that will assure further substantial economies. It has also been decided that in future both the army and the navy shall secure their supplies through a common purchasing agency, which will enable further compression of expenditure to be made.

The axe is also to fall once more in the Department for the Liberated Regions, of which M. Tardieu, Minister for Public Works, is now the responsible head. The total staff of this department, which consisted in 1920 of 65,600 people, was reduced in 1923 to 27,852, and recently to 5,488. A further 488 officials are to be "combed out" forthwith, each being given two months' notice of dismissal, and another 168 are to go soon afterwards. M. Tardieu reports that out of total approved claims for war damages amounting, in round figures, to 88,000,000,000, 67,367,495,000 had been paid down to April 1st last, leaving 20,632,505,000 still to be liquidated.

The first meeting of the Board of Directors of the new Caisse d'Amortissement took place this morning, and thus brought into practical being the novel organisation which has been created to take over from the Treasury the entire responsibility for the floating debt, the reduction of the consolidated debt, and the industrial exploitation of the tobacco monopoly. The most serious feature of the national financial situation, as M. Lebrun, the chairman, pointed out, is the danger that some untoward incident may upset the confidence of holders of the floating debt bonds and again cause demands to be made for the paying off of large masses of these securities. In Paris alone, during the panic period in July last, the Treasury was called on to repay National Defence Bonds at the rate of over 200,000,000 of a day. The object of the Caisse d'Amortissement, of course, is to render a recurrence of such sudden demands impossible, and for

this it has been endowed with the profits from the tobacco monopoly, estimated to amount henceforward (in view of the recent substantial increase in sale prices) to about 2,500 million francs a year, and other sources of revenue estimated to produce a like amount. The crux of the problem to be solved by the directors of the new Caisse is as to whether this estimated annual income of 5,000 millions will suffice to enable them to handle satisfactorily such demands as may be made upon them in respect of a total of 49,000 millions of National Defence Bonds that will have, sooner or later, to be dealt with. Any deficit that may arise will be met, certainly, from the Budget, but such a contribution would be forthcoming only long after the event. The permanent income of the Caisse, also will reach it only day by day and week by week, as the yield from the sales of tobacco and from the taxes specially affected by it are received. It is therefore obvious that the first task of the new Caisse will be to provide itself with an initial endowment in the form of a large sum in cash, to enable it to carry on until its permanent revenue comes in.

At their meeting this evening the directors of the new Caisse decided that the first portion of the vast loan which is to be issued for the consolidation of the National Defence Bonds shall be opened for subscription on October 7th and remain open until October 15th. The decree authorising the issue will appear in to-morrow's *Journal Officiel*. The amount to be offered for subscription will be 3,000,000,000, which will be obtainable only in exchange for National Defence Bonds. The new scrip, which will be secured on the profit of the tobacco monopoly, will be in units of 500, and will be issued at par. The bonds will bear fixed interest at the rate of 6 per cent., and holders will also receive 50c per annum and per bond (with a guaranteed minimum of 5f—equivalent to an extra 1 per cent.—per annum and per bond) in respect of every 100,000,000 of profit per annum earned by the monopoly above the first 2,000,000,000 of a year. The scheme provides for the whole issue to be redeemed at par within 40 years, plus a premium of at least 100f per bond. This premium is calculated, like the variable interest yield, on a basis of 5f per bond as representing the premium in respect of every 100,000,000 of net profits from the monopoly in excess of 2,000,000,000 for the year. The net profit declared by the monopoly in 1925 was 1,643,000,000, but it is anticipated that, by the end of the current year, in consequence of the recent substantial increases in sale prices (from 1f 50c to 2f 50c, in the case of ordinary capital), the net revenue will exceed 3,000,000,000, which will justify the payment of the extra 1 per cent. of interest referred to above. The bonds will be exempt from all the special taxes payable in respect of other securities. National Defence Bonds will be taken in payment at their face value, less that portion of the interest paid in advance that has yet to accrue. As will be seen, the interest yield from the new bonds will be appreciably the same as from Defence Bonds, but these carry no premium. The general conditions of the issue were fixed after a conference between M. Poincaré and the heads of the great banks, which took place last week, and at which M. Moreau, the new Governor of the Bank of France, was present.

It is obvious, however, for many reasons, that the forthcoming consolidation loan can of itself scarcely be considered as of vital importance. The consolidation of 3,000,000,000 of National Defence Bonds cannot in itself have any substantial influence on the general situation, particularly as conversion is optional, and it is evident that other operations on a much more important scale will be inevitable. The possibility of mobilising to this end the railways, forests, or other portions of the national wealth is being suggested, and is by many people regarded as feasible, although it is recognised that such an operation would not be easy. One hopeful sign is that, notwithstanding many foolish unofficial proposals that find their way into print every day urging the penalising of foreigners in France, business men appear to be beginning to realise that it is vital for this country that domestic commodity prices should be raised to the level of those obtaining in sound money countries, and that it is their's and not the foreigners' fault if tourists flock to France because prices are lower than at home.

The recent renewed slight drop in the franc is explained

as having been due to payments maturing for foreign wheat purchases, and a similar movement may be expected next month, when heavy commitments will have to be met for cotton. It is unlikely, however, that any serious consequences will result, as the Treasury is understood now to be amply protected against any speculative raids.

It is now officially announced that the recent French State Railway loan of 60,000,000 (Swiss), issued in Switzerland, was subscribed 10 times over. The loan, which is redeemable in 25 years and yields 7 per cent., was issued at 94 per cent. The French Government have since signed a contract with a group of Dutch banks for a similar 7 per cent. loan of 30,000,000 fl, redeemable in 35 years. The Dutch loan, like the Swiss one, will enable the State railways to reimburse the Treasury for advances made to them, and the money will be used to pay off a loan from Holland which was contracted during the war, and which is due for repayment next year.

For the first time for some years the monthly index figure representing wholesale prices in France (as announced last Saturday, by the *Statistique Générale*, for August) shows a substantial fall. The general figure is returned as 785, compared with 854 at the end of July (a fall of 69 points), 754 in June, 702 in May, 664 in April, 654 in March, and 569 at the end of August, 1925.

GERMANY.—POLITICS—CURRENCY AND CREDIT— INDUSTRY—BOURSE—CROPS.

(FROM OUR CORRESPONDENT.)

BERLIN, September 14.

DISCUSSION of political prospects after the Reichstag reassembles in the autumn has been revived by German-National threats to oppose the Government if this Party is not taken into the Cabinet Coalition. To some extent these threats are an answer to the "heavy industry's" overtures to the Social-Democrats reported last week. Although the Socialists have not officially replied to the unofficial request to join the Cabinet, the President of the Trade Union Federation has commented in a favourable sense. Originally, the Marx Cabinet was a provisional construction, accepted in the belief that the Socialists would later come in. At the time they were prevented from doing this by several circumstances, the chief of which was their ill-fated persistence in the plan to expropriate the former ruling houses. The inclusion of the Social-Democrats is probably the only kind of Cabinet expansion which two of the present governmental parties—the Democrats and the Centre—would accept. Although a minority body, the Cabinet could probably pull through next winter without taking in any new allies; but should the German-Nationalists insist, as they threaten, that they are to force Dr Marx's new allies, the effect would probably be to force the Chancellor to come to terms with the Socialists, and take them in instead, so realising the "Great Coalition" ideal. If the prestige of the Social-Democrats in the economical domain is very low, the prestige of the Nationals is weak in the domain of international politics, and not very strong in economic affairs. The Minor Tariff of 1925, or at least the agrarian part, which was put through under German-National pressure, is being severely attacked, and will probably have to be amended. The German-National Prime Minister Schlieben's taxation has had to be altered; and, owing to his policy towards indirect taxation, he is being held responsible for the increased Reparations liability from the pledged sources. Once they shared power with the moderate parties, the Nationals would be in the uncomfortable position of conducting an international policy which they had all along disapproved of and opposed. As the entry into the League of Nations, the Locarno Agreement, and the Reparations settlement are all sealed by formal international agreements, they could not be repudiated, yet the Nationals, admitting this, continue to condemn and deride them. The able men in the party see the difficulties which must here arise, and it is not certain that they really want to share power with parties of radically different principles and antecedents. The prospect, therefore, points rather to opposition by the Nationals than to their entry into the Cabinet.

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The money market is much easier. As interest rates remained relatively high longer than usual, after the month-end settlements it was feared that the period of cheap and superabundant short-term credit was at an end. The mid-September settlement was, therefore, looked forward to with anxiety. Recent days, however, show that the settlement had been well provided for, and day money even became abundant at a lower rate on the eve of the mid-month settlement. To-day day money fell to a minimum of $4\frac{1}{2}$ per cent., and a maximum $5\frac{1}{2}$ per cent. The Reichsbank's return for the first week of September shows the unusually small decline of 123½ million marks in circulation, after a rise in the preceding week of 469 millions, to 3,101½ million marks. Discounts increased slightly by 30 million marks, while advances fell by 92½ million marks to 7½ million marks. The Rentenbank's return for August 31st shows circulation down to 1,498½ million marks. Withdrawals from circulation under the liquidation law have been 581½ million marks. The Reichsbank has been buying more gold abroad, the reserve on September 7th having risen to 1,518,662,000 marks, or 25,844,000 marks more than at the end of August. In accord with the bank's policy, nearly all of the increment has been brought to Berlin. Since March 31st the gold deposits abroad have fallen from 262½ to 200½ million marks, while gold in Berlin has risen from 1,228 to 1,318 million marks. The Reichsbank's note circulation, which at the beginning of 1925 was practically the same as the Rentenbank circulation, is now about twice as high. Present Reichsbank gold cover for note issue is 49 per cent., against the 30 per cent. required by law, but the gradual replacement of Rentenmarks with Reichsmarks will involve increasing demands upon the gold reserve.

The success in New York of the first Prussian foreign loan, at an interest rate and issue price which bring the investor the relatively low yield of 6.95 per cent., has modified the opinion which lately prevailed here that the American market for such issues was about to dry up. The cost to Prussia is 7.4 per cent. The loan is to be

devoted to expansion of the State electrical works and to harbour construction. It is stated unofficially that the much-talked-of Federal foreign loan in reichsmarks is to total 200 million marks. No immediate cause for issuing this loan is known, and considerable scepticism is felt on its much-advertised issue in reichsmarks. Insurance returns show that at home confidence in the reichsmark is growing. This currency is increasingly accepted by both parties, although both are legally entitled to choose any currency which seems better secured. Out of insurance policies totalling 3,300 million marks in 1924, 2,900 million marks were contracted in gold marks and only 75 million marks in reichsmarks (the remainder in a foreign currency, mostly dollars); in 1925, out of a total of 3,000 million marks, 800 million marks were in reichsmarks; and this year about half of all new policies are in reichsmarks. This shows a great growth of confidence by the insuring public, which would be the losing party in case of reichsmark depreciation. Savings deposits in savings banks in all Germany totalled 2,469 million marks, as against 1,629 million marks at the end of 1925. The development of the emission market in the last three months was:—

(Millions of Marks.)				
	Foreign Loans.	Home Loans.	Capital Increases.	
June	260.5	10.5	37.16	
July	110.8	173.98	34.95	
August	39.1	128.5	40.06	

The industrial situation continues to improve slowly. The number of publicly-supported unemployed fell between August 15th and September 1st from 1,603,000 to 1,549,000. Bankruptcies, which in August numbered only 490, are still declining, the number in the first two weeks of September being 148. Railway car loadings show a rapid increase, being in the last recorded week 132,800 cars per day, against 123,500 in July and 101,800 in January. The wholesale index number for September 8th was 127. The home coal demand has considerably increased. Large quantities of fine coal, which in normal conditions are difficult to get rid of, have been sold. A brisk demand for semi-finished steel and rolled goods continues, but the pig-iron market has revived very little. Russia has decided to give a large order to German firms for electrical materials. The total price is stated at 70 million marks. The deal will be financed under the German 300 million marks export-credit scheme.

The provisional crops report, as compared with last year's realised crops and those of 1913, were:—

—In Metric Tons.—			
	1913	1925.	1926.
Winter wheat	3,525,800	2,976,000	2,779,000
Spring "	510,500	241,000	275,000
Winter spelt	437,800	155,000	153,000
Winter rye	9,985,300	7,965,000	7,398,000
Spring "	144,700	98,000	97,000
Winter barley	...	317,000	329,000
Spring "	3,035,500	2,282,000	2,291,000
Oats	8,615,500	5,585,000	6,570,000

The 1913 figures are calculated on the present area.

AUSTRALIA.—OVERSEAS TRADE IN 1925-26—THREE YEARS' EXPORTS COMPARED.

(FROM OUR CORRESPONDENT.)

MELBOURNE, August 4.

THE preliminary statement of Commonwealth trade statistics for the financial year ended June 30, 1926, shows an increase of £4,451,722 in imports of merchandise as compared with the preceding year, but a decrease of £10,149,525 in imports of gold, leaving a net decrease of £5,697,803 in gross imports. Against this is a decrease of £13,785,187 in gross exports as the net result of a decrease of £17,195,780 in merchandise and an increase of £3,410,593 in gold exports. A comparison for the last three financial years is as follows:—

	1923-24.	1924-25.	1925-26.
Imports—			
Merchandise	140,593,551	146,632,092	151,083,814
Gold	24,742	10,511,204	361,679
Total imports ..	140,618,293	157,143,296	151,445,493
Exports—			
Merchandise	116,674,894	161,085,420	143,889,640
Gold	2,812,270	944,739	4,355,332
Total exports ..	119,487,164	162,030,159	148,244,972

Included in imports for 1925-26 are apparel and textiles, £33,256,574, a decrease of £2,900,189, and metals, metal manufactures and machinery, £45,303,928, a decrease of £290,174. The latter class includes the sub-class vehicles (motor-cars, &c.), £15,701,276, a decrease of £912,252.

Australian exports for 1925-26 include wool to the value of about £10,000,000 from the previous season's clip, which was carried over unsold at June 30, 1925, while this year practically none of the 1925-26 clip is carried over. With a smaller wheat harvest at the beginning of 1926, the wheat and flour export season has practically closed much earlier than last year. Taking these items into account, the real reduction in Australian production for 1925-26 has been greater than is indicated by the decrease of £17,195,780 in merchandise exports for the twelve months, and the effect of this will be noticeable in exports subsequent to June 30, 1926. The following is a comparison of the principal exports from Australia for the last three financial seasons:—

	1923-24.	1924-25.	1925-26.
Wool and tops	56,197,158	63,263,145	63,206,248
Wheat and flour	19,297,139	40,799,988	23,877,877
Butter	4,919,664	10,006,081	7,006,872
Frozen beef, mutton, and lamb	2,472,729	5,662,169	5,583,865
Lead	3,323,463	4,154,448	4,524,142
Zinc	1,057,895	1,146,309	1,069,332
Zinc concentrates	1,166,424	1,055,802	1,499,394
Silver	1,080,872	1,123,865	1,171,770
Dried fruits	1,243,272	1,939,829	1,462,673
Hides and skins	6,293,320	8,149,800	8,298,036

Prospects for the 1926-27 season are, however, decidedly favourable at the present moment, subject mainly to the possible effects of spring weather on the wheat crops.

JAPAN.—BUDGET ESTIMATES—TRADE RETURNS—IMPORT EXCESS—BANK REPORTS—COMMODITY PRICES.

(FROM OUR CORRESPONDENT.)

TOKIO, August 11.

THE spending departments have prepared and submitted their estimates of expenditure for 1927-28 to the Treasury, which will soon begin to scrutinise them. Despite the Finance Minister's repeated request for rigid economy, those departmental estimates bring up the total national expenditure to 1,670-80 million yen, including new items of expenditure of 203 millions. Besides this, supplementary estimates to be submitted afterwards will amount to no less than 100 millions. This shows an increase of about 130 to 140 millions upon the current year. Larger outlay on Navy, Army, Education, and Debt Service is primarily responsible for the increase. The fund to be drawn upon to meet these increased expenses is placed at only 70 or 80 million yen out of last year's surplus and the current year's normal growth of revenue, and they must be "axed" accordingly if the Budget is to be balanced. Of the new charges, however, such items as the naval programme for cruiser construction (24 millions for the first year's instalment), increased grants in aid of elementary education (10 millions), better pay for Government's employees, and subsidy to reclamation work in Hokkaido cannot be rejected or substantially reduced mainly for political reasons, for, it will be remembered, the 1926 Budget obtained Parliamentary sanction, with a rider that the Government should budget these expenses for the following fiscal year. It remains to be seen how the Finance Minister will devise the means for raising the necessary fund to meet these charges. At any event, many experts expect that Japan will have another bloated Budget for next fiscal year, in spite of the present Government's avowed policy of financial retrenchment.

The trade returns for July show that imports totalled 184,178,000 yen and exports 161,331,000 yen, the excess of imports over exports amounting to 22,847,000 yen, which brings up the total adverse balance since the opening of the year to 428,254,000 yen. As compared with the corresponding month of last year, there was an import excess of 22,847,000 yen, against an export excess of 41,926,000 yen. Besides this unencouraging record, the recent sharp decline in silver prices in connection with the Indian Currency Committee's recommendation for the

adoption of a gold standard cannot but prove an adverse factor in Japan's export to the Oriental markets. Of the Japanese export industries, the cotton industry will suffer most from the consequent declining purchasing power in silver countries. Mainly owing to the advanced value of the yen, the export of cotton manufactures has been on the decrease since April, as will be seen from the following table:—

EXPORT OF COTTON MANUFACTURES.
(000's omitted)

	1925.	1926.	Increase (+) or Decrease (—) in 1926.
January	36,379	44,976	+ 8,597
February	43,259	49,316	+ 6,057
March	46,204	55,905	+ 9,701
April	47,415	44,212	— 3,203
May	50,471	40,441	— 10,030
June	55,370	37,088	— 18,282
July	46,957	38,396	— 8,561

Under the circumstances it is a matter of concern how far the depreciating silver price, combined with the appreciating yen exchanges, will affect the course of the cotton trade, and pessimism already predominates in some sections of City circles.

With a very few exceptions the leading Japanese joint stock banks have now published their last half-year's results, which show that banking profits are declining. The decreased earnings have been primarily due to monetary ease and lower discount rates ruling during the period. But no changes have been made in the rates of dividend in comparison with the customary rates paid during recent years. The banks owned by big financial families, whose results will be published later, will tell the same story. The accounts of the Bank of Chosen disclose that a steady improvement has been made in its position since its financial and managerial reorganisation a year ago. This Colonial banking institution earned net profits of 768,000 yen for the June half-year, and declared a 5 per cent. dividend for the same period, carrying forward a sum of 53,000 yen.

An upward tendency in commodity prices which developed in June has continued during last month. The Bank of Japan's wholesale index number for July recorded a further rise of 1.41 points, the total being 236.46, as against 234.75 in June and 234.57 in May, which was the lowest since February, 1918. The principal contributors to the rise are the textiles and foodstuffs groups, in which cotton yarn, rice and wheat are prominent.

TURKEY.—FOREIGN CHAMBERS OF COMMERCE—JUDICIAL STATUS OF FOREIGNERS—SHORTAGE OF FOREIGN EXCHANGE.

(FROM OUR CORRESPONDENT.)

CONSTANTINOPLE, September 2.

A CONSIDERABLE amount of space has been devoted in some of the leading home papers to the attitude recently adopted by the Turkish authorities with respect to the status of foreign Chambers of Commerce established in Turkey. None of these institutions have actually been closed, as erroneously announced, although a semi-official *communiqué* in the Turkish Press contained a warning that this step might eventually become necessary if the Chambers did not mend their ways.

The writer has had an opportunity of perusing an official letter on this subject addressed by the Turkish Minister of Commerce to the Chairman of the British Chamber, and delivered yesterday evening. Couched in polite and diplomatic language, this document recognises the utility of the Chamber and undertakes to encourage its activities in developing Anglo-Turkish commercial relations. It, nevertheless, points out that, viewed in the light of recent Turkish legislation, the word "Oda," or Chamber, is reserved for the exclusive use of the Turkish institution of that name. It, therefore, suggests, politely but firmly, that the British Chamber should call itself something else, and offers it the choice, as suitable alternatives, of Trade Union, trade institution, trade club, trade association, or trade affiliation. The troublesome aspect of this suggestion is that the British Chamber is registered in London as a corporation, with a London office. Its name, therefore, can only be altered by the

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somewhat lengthy formalities which are usual in such matters, and with the consent of the Board of Trade. A fact which lends piquancy to the situation is that the British Ambassador is the honorary President of the Chamber, whilst the British Consul-General and the Commercial Secretary of Embassy are *ex officio* members of its Council.

A remarkable test-case, involving French shipping interests in particular, and the status of foreigners in general, has recently been set down for hearing in the Turkish Courts. As the issue turns on the interpretation of certain clauses in the Treaty of Lausanne affecting the judicial standing of foreign subjects resident in Turkey, diplomacy has not been slow to intervene, and the action of the Turks has formed the subject of a vigorous verbal protest addressed by the French Foreign Minister to the Turkish Ambassador in Paris.

Some three weeks ago, about midnight, a collision took place off Cape Sighri, Mitylene, between the 7,000-ton French mail-packet *Lotus*, owned by the Messageries Maritimes, and the *Bos-Kourd*, a 1,000-ton Turkish tramp bound for Smyrna, with a cargo of Heraclea coal. The *Bos-Kourd*, cut almost in two, sank within a few minutes with the loss of nearly a dozen lives. On the arrival of the *Lotus* in the harbour of Constantinople the following day, her second officer, who had been on watch at the time of the accident, was arrested, forcibly removed from his ship by the Turkish police, and placed in goal, where he has remained ever since, notwithstanding the repeated efforts of the French Embassy to procure his release. The captain of the Turkish vessel, who, with the surviving members of his crew, had been picked up by the boats of the *Lotus*, was subjected to the same treatment.

The thesis upheld by the Turkish authorities is that, as criminal proceedings have been instituted against all parties at the instance of the relatives of the dead, who were all Turks, the Courts are bound to keep the accused, including the French officer of the watch, within the orbit of their jurisdiction. The French objection points out that, as the collision occurred outside the limit of Turkish territorial waters, the Turkish claim to exercise its jurisdiction over a French national falls to the ground, and that, moreover, in the particular circumstances, the imprisonment of the officer before any evidence respecting the facts has been heard or sifted constitutes a grave breach of the elementary principles of *jus gentium*.

The Turks appear to be obdurate, and it will be interesting to see, not only how the diplomatic knot is unravelled, but in what way the very evident conflict of principles between the Turkish Penal Code, on which the Turkish claim is based, and the provisions of the Lausanne Treaty with respect to the judicial status of foreigners, will eventually be reconciled, bearing in mind that the present Penal Code is of a later creation than the Treaty. The whole principle at issue constitutes, at all events, a nice technical point for the international lawyer.

Something approaching consternation has to-day been occasioned in financial and trading circles by the action taken by the Commissary of the Turkish Bourse or "Change" with the object of counteracting the recent depreciation of the Turkish lira. At this time of the year, when crops, and more especially the Smyrna sultana and fig harvests have been lifted, and are being shipped to foreign markets, the seasonal offer of foreign exchange should normally cause the Turkish unit of currency to show a marked appreciation. The contrary has this year

been the case. The pound sterling, which, incidentally, forms the basis of all foreign exchange quotations on this market, and which, normally, should just now be the equivalent of approximately 800 to 825 Turkish piastres, has hardened by successive stages until it has passed the 900-piastre limit. To the layman the reason for this dogged persistence of the £ to move in the wrong direction is possibly obscure. A reflective mind would not hesitate, of course, to attribute the unusual phenomenon to the normal play of supply and demand. The official Mandarins do not appear, however, to attach much importance to this economic factor, as they have officially "ordered" the Turkish lira to depreciate no further by compelling local banks to decline all operations with the general public beyond an arbitrarily fixed sterling limit of 910—a Pyrrhic remedy which is already defeating its own object by curtailing offers at a time when a rather badly uncovered market is asking for more and more. A contributive factor to the unexpected weakening of the Turkish currency should undoubtedly be sought in the activities of the Government itself. Whereas certain commodities, such as sugar, alcohol and petroleum, were formerly imported by a host of dealers in relatively small parcels, they are now ordered in bulk by a solitary importer, the "Department of Government Monopolies." The demand for foreign exchange, particularly sterling and dollars, to meet these heavy commitments, coupled possibly with purchases for Government account to cover the cost of military stores, has apparently exceeded the offer created by the export of Turkish produce.

Letters to the Editor.

BANCO CENTRAL DE CHILE.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your issue of June 5th, page 1082, in speaking of the Banco Central de Chile, you made one or two slight errors, which I am sure you will be glad to have corrected.

The Banco Central de Chile can issue its banknotes freely, not solely against gold or foreign bills of exchange. It must keep a reserve of 50 per cent. against its note issue and deposits. This reserve must consist of gold, or sight deposits in banks in London and New York. It can fall below a 50 per cent. reserve in times of emergency, but when it does so it is subject to penalties.

The new currency unit is the peso, which is equal to 6d; the cóndor is ten pesos.

Since the organisation of the Banco Central de Chile sight exchange on London has fluctuated between 40.40 and 39.76, the par being 40 pesos to the pound.—Yours, &c.,

WALTER M. VAN DEUSEN.

Banco Central de Chile, Santiago, August 10th, 1926.

Books and Publications.

BOOKS RECEIVED.

The American Coal Miners' Struggle for Industrial Status. By Arthur E. Sufferin. (London) George Allen and Unwin, Limited, 40 Museum street. 10s net.

Almost every week we acknowledge a new addition to the useful series of studies produced by the American Institute of Economics. This volume is the latest. Its purpose is (1) to account for the evolution in the American coal industry of collective bargaining; (2) to describe the administrative machinery that has been developed for the making and enforcing of agreements, and (3) to analyse the general principles and working rules which have come to govern the relations of operators and miners. The volume is of special topical interest in view of the present controversy over similar matters relating to the British coal industry.

The Evolution of Labour. By W. R. Hayward and G. W. Johnson. (London) Gerald Duckworth and Co., Limited, 3 Henrietta street, Covent Garden. 5s net.

An essay in history with a modern application, this volume describes the continuous struggle of human labour "against the destructive forces of man and nature" from earliest nomadic times to the present days of international industrialism. Their studies lead the authors to conclusions which are optimistic in relation to the present day, and by no means condemnatory of the so-called "capitalist" system. Necessarily sketchy, but decidedly readable.

The British Year-Book of International Law, 1926. (London) Oxford University Press, Warwick square. 16s net.

This volume, invaluable to students of international law, contains a dozen articles on international law topics of the day by known authorities, and also gives the decisions, opinions, and awards of International Tribunals in 1925-26.

League of Nations. Memorandum on Currency and Central Banks, 1913-1925. (London) Constable and Co., Limited, 10-12 Orange street. Vol. I., 4s; Vol. II., 8s.

Mercantilism and the East India Trade. By P. J. Thomas. (London) P. S. King and Son, Limited, Orchard House, Westminster. 8s 6d net.

The title of this book hardly covers the ground dealt with. The author's main object is to trace the beginnings of protectionism in England.

The Orient I Found. By Thomas J. McMahon. (London) Gerald Duckworth and Co., Limited. 15s net.

A book of Eastern impressions by an Australian traveller. Well and profusely illustrated, and outspoken on the problem of the attitude of white races to the Chinese and Japanese.

La Navigation Intérieure en France Pendant la Guerre. Par G. de Kewille. (London) Oxford University Press, Warwick square. 16f.

Rouen Pendant la Guerre. By M. J. Levainville. (London) Oxford University Press. 8f.

Two new French volumes in the Economic and Social History of the World War, produced under the auspices of the Carnegie Foundation for International Peace.

Graphit. Von Dr Eugen Ryschkewitsch. (Leipzig) Verlag on S. Heitzel, Königstrasse, 2. 14.50 marks.

A German technical study dealing with graphite, its production, its uses, and its characteristics.

Moody's Public Utility Manual for 1926. (London) Moody's Investors' Service, Limited. £5 5s.

A manual of some 1,972 pages, forming a complete reference work on American Public Utility Companies and their securities. Complete figures are given from official sources, each security is described in detail, and nearly all are "vested" to show investment status, according to the views of the publishers. This volume embodies data received up to August 15th last.

A Selected Bibliography of Publications, 1920-25, relating to the World Wheat Situation. (Stanford, Cal.) Wheat Studies of the Food Research Institute, Stanford University, California.

An invaluable aid to the study of the subject. Includes sections dealing with various special branches, such as prices, types of wheat, production factors, farm costs, marketing, transport, &c.

Instituto Nazionale delle Assicurazioni. Annuario per il 1926. Città di Castelle, Tipografia della Casa Editrice S. Lapi.

An Italian year-book of insurance.

Annual Statistical Report of the American Iron and Steel Institute for 1925. (New York) American Iron and Steel Institute, 40 Rector street.

Superannuation Schemes and Methods of Making Provision for Dependants of Employees. (London) The Industrial Welfare Society, 51 Palace street, S.W. 1.

The Economic Journal, September, 1926. (London) Macmillan and Co., Limited, St Martin's street. 6s net.

Contains articles on "Inheritance as an Economic Factor," by Sir Josiah Stamp, "The End of Laissez-Faire," by Right Hon. Sidney Webb.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Accounts relating to the Foreign Trade and Commerce of Certain Foreign Countries and British Countries Overseas, including figures received up to June 15, 1926. 6s.

National Debt. Particulars to 1925-26. Cmd. 2723. 9d.

Accounts relating to the Trade and Navigation of the United Kingdom: August, 1926. 4s 6d.

The figures are reviewed in this week's issue.

Fifty-First Annual Report of the Public Works Loan Board, 1925-26. 5s 6d.

Report by H.B.M. Government to the Council of the League of Nations on the Administration of the British Cameroons—1925. Colonial No. 22, of 1926. 4s 6d.

Report of the Ministry of Labour for the Year 1925. Cmd. 2736. 3s.

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Bradford Foreign Branch 13, Market Street, Bradford.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
September 28. September 30.

THE mining markets have assumed the pride of place so far as good business is concerned in the Stock Exchange. The shadow of the coal stoppage hangs over the railway industry and other branches of trade connected more or less directly with the production of coal. But in the mining markets there are activity and strength: Tin shares stand out with conspicuous buoyancy, by reason of a further spurt, for which *Economist* readers have been prepared, in the quotation for the metal.

The War Loan and other British Government stocks barely maintain their prices. Business is quiet. Conditions in the money market are the mainsprings which change gilt-edged stocks, although the home railway prior-charge stocks have drooped to some extent on the dulness that developed in the ordinary stocks.

Chinese bonds, after being extremely weak, took a decided turn for the better on the news being read as affording hopes of peace. French and German Government bonds have been disposed to ease off. Foreign bonds as a whole are not attracting much attention.

Home railway stocks, while above the worst prices of the week, are dull, on account of the uncompromising attitude adopted by the mine-owners. Canadian railways hold their rises. Buenos Ayres Great Southern enjoyed a fresh spurt upon declaration of a bonus of 1 per cent. in addition to the dividend that made 7 per cent. for the past year. Entre Rios rose sharply by reason of dividend hopes. Other Argentine railway stocks are inclined to hang fire. United of Havana was hoisted upon buying said to emanate from Cuba, but cessation of the support led to a reaction. Brazilian railways are firm and Antofagastas seem undecided.

Rubber shares hold their prices at previous levels. In fact, the great majority of prices in the rubber shares have scarcely moved for nearly a month. There is a demand for good-class tea shares. In the oil market, British Controlled further slumped, publication of the company's circular, foreshadowing reorganisation of the capital and resignation of five directors, led to acute flatness. Other oil shares are tolerably steady. Courtaulds and textiles have been inanimate in consequence of the restraint upon business imposed by the coal stoppage, a consideration which applied to various other sections of the industrial market. Egyptian and other land shares are better. Speculation in Brazilian Tractions having subsided, the price of the shares also went back, taking with it Sidros and some of the other shares in this group. The banking market is disposed to be better. Insurance shares are hard, Commercial Unions being a feature of strength.

The buying of shipping descriptions is attributed to hopes of better times ahead when the coal dispute has been settled. The tobacco market remains under the leadership of British Americans, which, after being weak in consequence of the company's interests in China, braced up in sympathy with the rally in Chinese Government bonds. Nitrate shares are dormant.

The Kafir market has developed a good deal of activity, West Rand Consols being the principal speculative counter. These have changed hands in tens of thousands every day. The Cape and Paris joined in a movement that was kept going by British speculators, and West Rand Consols have ousted Sub Nigels as a popular speculative medium. Chartered went back a trifle on publication of the memorandum dealing with the future working of the Rhodesian Railway system. De Beers and other diamond shares presented a better front. The tin share markets have monopolised a good deal of public attention, Malayan shares being especially favoured. There has been a rush to buy tin shares on the rise in the price of the metal. Included in the popular favour, West Africans advanced in company with Malaysians. The Cornish list strengthened a trifle. The daily turnover in tin mining shares has been on a very large scale. Other mining shares have

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Sub- scription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded			140,490,269	
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to September 11, 1926 Dr 1,750,000				
Net sales week ended September 11, 1926, Dr 150,000.				

To the Public—				
Lewis's, Ltd., 1,200,000 6% Cum. Pref. Shares of £1 each, at par (Sept. 13) ..	1,200,000	1,200,000	150,000	1,050,000
Gordon Selfridge Trust, 1,000,000 6% Cum. Pref. Shares of £1 each, at par ..	1,000,000	1,000,000	125,000	875,000
Do 100,000 Ord. Shares of £1 each, at par (Sept. 14) ..	100,000	100,000	12,500	87,500
Manbré Sugar and Malt, 400,000 Cum. Pref. Shares of £1 each at 24s per share ..	400,000	480,000	100,000	380,000
Do 387,692 Ord. Shares of £1 each, at 45s per share ..	387,692	872,307	193,846	678,461
Do 58,334 Def. Shares of £1 each, at £10 per sh. (Sept. 14) ..	58,334	583,340	58,334	525,006
Akoko Gold Mines, £20,000 10% First Deb. Notes, at par ..	20,000	20,000	2,000	18,000
Total offered to the Public		4,255,647	641,680	3,613,967

To Shareholders only—				
Total offered for subscription to date			Total offered for subscription for whole year—	
1926	144,595,916	1925	231,914,268	
1925	129,228,077	1924	209,326,100	
1924	132,758,151	1923	271,353,173	
1923	204,561,317	1922	573,675,650	
1922	510,021,328	1921	348,978,203	
1921	166,202,642	1920	367,549,636	

Lewis's, Limited.—Issued share capital £1,675,000, divided into 500,000 6 per cent. cumulative preference shares, 1,057,500 preferred ordinary shares and 117,500 deferred ordinary shares, all of £1 each. This is an issue of 1,200,000 6 per cent. cumulative preference shares of £1 each at par, of which 600,000 have been applied for and will be allotted in accordance with a contract published in the prospectus. The company provides clothing and personal and household requisites, and was established in 1856, becoming a public company in 1924. The object of the present issue is to provide the balance of the cost of new buildings, now completing, the cost of acquiring Newbury's, Limited, and additional working capital for the development of further properties, and the general expansion of trade. Profits before charging for taxation, but after making provision for all charges, including bank interest, interest on loans and deposits, debenture interest, debenture redemption fund, directors' fees and salaries, amortisation of leaseholds and depreciation of fixtures, are certified to have been as follows:—1922, £406,856; 1923, £314,237; 1924, £327,323; 1925, £388,098; and 1926, £386,939. The net assets of the company on August 1, 1926, are given as £2,374,088, which, it is stated, includes nothing for goodwill. The moderate return offered renders the issue not very attractive.

Manbré Sugar and Malt, Limited.—Issued share capital, £719,160, divided into 100,000 preference shares, 544,160 ordinary shares, and 75,000 deferred shares, all of £1 each. This is an issue of 400,000 7 per cent. cumulative preference shares of £1 each at 24s per share, 387,692 ordinary shares of £1 each at 45s per share, and 58,334 deferred shares of £1 each at £10 per share. The holders of the existing ordinary and deferred shares of the company will be entitled to one new ordinary for every two ordinary, and one new deferred for every two deferred shares now held, while the holders of the preference shares will be entitled to one new preference share for every one now held. The business of the company consists of the manufacture of brewing sugars and the products from maize. The company has entered into a contract to purchase the whole of the issued share capital in Garton, Sons and Co., Limited—in the same line of business—at the price of £2,300,000, and the object of the present issue is to provide the purchase price and for development of both undertakings. The net profits of Garton, Sons and Co., Limited, before charging partners' salaries or directors' fees, income-tax, excess profits duty, and corporation profits duty, but after providing for depreciation, are certified to have been as follows:—1920, £391,329; 1921, £154,843; 1922, £232,042; 1923, £339,621; 1924, £236,929; 1925, £247,149. The profits of the Manbré Co., before charging directors' fees, income-tax, excess profits duty, and corporation profits tax, but after charging managing directors' remuneration, and depreciation, are certified to have been as follows:—1920, £216,667; 1921, £83,232; 1922, £173,292; 1923, £238,754; 1924, £235,971; 1925, £212,982. In addition to the present issue, the vendors have subscribed for

ordinary and deferred shares of the Manbré Co. to the value of £500,000. A reasonably good speculative industrial offering.

Daffo (Northern Nigeria) Tin Mines, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an authorised capital of £70,000, divided into 280,000 shares of 5s each, of which 240,007 have been issued. The company was incorporated in July of this year with the object of acquiring mining properties in Nigeria or elsewhere. The company has purchased from the C.B.N. Syndicate, Limited, three prospecting licences in respect of areas of 4,353 square miles, 677 square miles, and 999 square miles respectively of land between the villages of Sha and Bargesh in the Kaleri District of Nigeria, together with three mining leases in the same locality. It is stated that the purchase price is £45,000, payable in cash; the vendors to the C.B.N. Syndicate, Limited, received £24,000, payable in cash. The preliminary expenses are estimated at £1,500.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War 4½% 1925-28 .. 98 .. 98 ..			
Loans 4½% 1925-45 .. 95 .. 95 ..			
4½% 1925-47 .. 101 .. 101 ..			
4½% 1925-48 .. 101 .. 101 ..			
Funding Loan 4½% .. 85 .. 85 ..			
Victory Bonds 4½% .. 92 .. 92 ..			
Conversion Loan 3½% .. 74 .. 74 ..			
Consols 2½% .. 54 .. 54 ..			
Irish Land Stock 2½% .. 57 .. 57 ..			
Local Loans 3% .. 62 .. 62 ..			
Aust. 6% 1931-41 .. 102 .. 102 ..			

British Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord. .. 89½ .. 89½ ..			
London & North-Eastern .. 52 .. 52 ..			
Do Def. Ord. .. 17½ .. 17½ ..			
London, Mid., and .. 73 .. 73 ..			
Scottish, Ord. .. 63 .. 63 ..			
Metropolitan .. 51 .. 51 ..			

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Antofagasta Cons. .. 78 .. 78 ..			
B.A. and Pacific .. 90 .. 90 ..			
B.A. Gt. Southern .. 101 .. 101 ..			
Buenos Ayres West. .. 88 .. 88 ..			
Canadian Pacific .. 172 .. 172 ..			
Central Argentine .. 76 .. 76 ..			
Cordoba Central New .. 35 .. 35 ..			

American Railroads.

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio .. 166 .. 166 ..			
Erie .. 35 .. 35 ..			
Do 4½% 1st Pref. .. 44 .. 45 ..			

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Argentine 5% 1886-7 .. 100 .. 100 ..			
Austrian 6% Guar. 1904 .. 90 .. 90 ..			
Belgian 3% 1924 .. 73 .. 73 ..			
Brazil 5% Fund. 1914 .. 85 .. 85 ..			
Chilian 4½% 1896 .. 86 .. 85 ..			
Do 7½% .. 103 .. 103 ..			
Chinese 5% 1912 .. 54 .. 56 ..			
Egyptian 4% .. 82 .. 83 ..			
French 5% .. 98 .. 98 ..			
Do 4% .. 88 .. 88 ..			
German 7% 1924 .. 105 .. 105 ..			

Telegraphs.

	Price Last Week.	Latest Price.	Rise or Fall.
Anglo-American "A" .. 243 .. 243 ..			
Marconi Wireless .. 32 .. 32 ..			

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays B (L) Ltd. .. 243 .. 243 ..			
Chartered Bk of India .. 202 .. 202 ..			
Gloyds (£5 with £1 paid) .. 32 .. 32 ..			
Midland (£12, with £4 paid) .. 88 .. 88 ..			
Nat. Bank of Egypt (£10) .. 38 .. 39 ..			

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (£1) .. 2½ .. 2½ ..			
Amal. Cottons (£1) .. 5½ .. 5½ ..			
Anglo Persian Oil (£1) .. 5½ .. 5½ ..			
Armstrong (Sir W.G.) and Co. (£1) .. 3 .. 3 ..			
Asiatic Cement (£1) .. 3 .. 3 ..			
Baker, John (£1) .. 3 .. 3 ..			
B'ham Small Arms (£1) .. 2 .. 2 ..			
Bleachers (£1) .. 2 .. 2 ..			
Bradford Dyes (£1) .. 2 .. 2 ..			
Brazil Tobacco (£100) .. 120 .. 120 ..			
British-American Tobacco (£1) .. 43 .. 43 ..			
British Controlled Oil (£5) .. 2 .. 2 ..			
Bryant and May (£1) .. 2 .. 2 ..			
Burmah Oil (£1) .. 5 .. 5 ..			
Coca (J. and F.) (£1) .. 5 .. 5 ..			
Contraols (£1) .. 5 .. 5 ..			
Conard (£1) .. 1 .. 1 ..			
Dunlop Rubber (£1) .. 1 .. 1 ..			
Wm. Cotton Spinning (£1) .. 1 .. 1 ..			
Forestal Land (£1) .. 1 .. 1 ..			
Guthrie, Withy (£1) .. 1 .. 1 ..			
Highlands and Lowlands Rubber (£1) .. 2 .. 2 ..			

	Price Last Week.	Latest Price.	Rise or Fall.
Ashanti Gold (4) .. 4 .. 4 ..			
Brakpan (£1) .. 1 .. 1 ..			
Broken Hill Prop. (£1) .. 1 .. 1 ..			
Burma Corp. (Rs.10) .. 1 .. 1 ..			
Cam & Motor (£1) .. 2 .. 2 ..			
Central Mining (£8) .. 1 .. 1 ..			
Chartered (15) .. 1 .. 1 ..			
City Deep (£1) .. 1 .. 1 ..			
Cons. Gold Fields (£1) .. 1 .. 1 ..			
Crown Mines (10) .. 1 .. 1 ..			
De Beers Def. (£2½) .. 1 .. 1 ..			
East Rand Prop. (£1) .. 1 .. 1 ..			
Geduld (£1) .. 1 .. 1 ..			
Gov. Gold Areas (£1) .. 1 .. 1 ..			
Johannesburg Cons. .. 1 .. 1 ..			
Malayan Tin (5) .. 1 .. 1 ..			
Modderfontein (10) .. 1 .. 1 ..			

MINING OUTPUT STATISTICS FOR AUGUST, 1926.

	Tons Crushed.	Gold Recovered.	Value.	Profit.
	Mill.	Mill.	£	£
Gold.				
Abbotskirk .. 3,150 .. 13,296 .. 13,296 ..				
El Oro .. 860 .. 101,512 .. 101,512 ..				
Gabait Tributing .. 636 .. 867 .. 867 ..				
Globe and Phoenix .. 708 .. 4,832 .. 4,832 ..				
Great Boulder Proprietary .. 14,304 .. 19,272 .. 19,272 ..				
Lake View and Star .. 5,951 .. 24,691 .. 24,691 ..				
La Nora .. 5,951 .. 48,865 .. 48,865 ..				
Lena .. 5,951 .. 49,421 .. 49,421 ..				
Lonely Reef Gold .. 5,400 .. 2,879 .. 2,879 ..				
Oriental Consolidated .. 20,224 .. 83,152 .. 83,152 ..				
Oroya Links .. 5,624 .. 12,987 .. 12,987 ..				
Sabie .. 2,300 .. 2,966 .. 2,966 ..				
Selukwe .. 196 .. 817,243 .. 817,243 ..				
Shamva .. 56,300 .. 31,019 .. 31,019 ..				
Tomboy .. 16,400 .. 850,500 .. 850,500 ..				

* Loss.

	Output.	Other Notes in Return.
	Tons.	
Tin.		
Aramayo .. 236 .. 133 ozs silver.		
Associated of Nigeria .. 12 .. Concentrates.		
Berenguela .. 32 .. Black tin concentrates.		
Bri-eis .. 12 .. Black tin clean up.		
East Pool .. 91 .. Black tin; 100 tons arsenic; est. revenue, £16,325.		
Ex-Lands Nigeria .. 55 .. Concentrates.		
Mawehi .. 129 .. Concentrates.		
Tingha (N.S.W.) Hydraulic .. 52 .. Concentrates.		
Copper.		
Namaqua .. 261 ..		
South American .. 381 .. Matte, assaying 27½ per cent.		

TRANSVAAL GOLD OUTPUT STATISTICS.

	July, 1926.			August, 1926.		
Name of Mine.	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Aurora W. United (10s shares) .. 12,700 .. 12,576 .. 805 ..						
Brakpan .. 86,200 .. 137,948 .. 55,636 ..						
City Deep .. 103,000 .. 151,234 .. 33,567 ..						
Consolidated Main Reef .. 59,800 .. 79,568 .. 10,159 ..						
Crown Mines (10s shares) .. 229,000 .. 295,006 .. 83,950 ..						
Durban Roadpoort Deep .. 38,900 .. 54,536 .. 167 ..						
East Rand Proprietary .. 136,000 .. 143,121 .. 6,578 ..						
Ferreira Deep .. 35,200 .. 34,985 .. 4,452 ..						
Geduld Proprietary .. 83,000 .. 119,760 .. 48,585 ..						
Geldenhuis Deep .. 66,000 .. 63,235 .. 5,226 ..						
Glyn's Lydenburg .. 5,400 .. 8,239 .. 145 ..						
Government Areas .. 208,000 .. 396,179 .. 230,235 ..						
Kleinfontein, New .. 55,200 .. 49,857 .. 7,507 ..						
Langlaagte Estate .. 82,000 .. 99,033 .. 18,025 ..						
Meyer and Charlton .. 15,400 .. 26,373 .. 9,020 ..						
Modderfontein B. .. 67,000 .. 112,762 .. 9,020 ..						
Modderfontein Deep Levels .. 45,400 .. 102,172 .. 67,657 ..						
Modderfontein East .. 51,000 .. 72,666 .. 12,235 ..						
Modderfontein, New (£4 shs.) .. 135,000 .. 276,003 .. 177,620 ..						
New State Areas .. 79,000 .. 134,487 .. 56,091 ..						
Nourse Mines .. 75,500 .. 63,329 .. 1,158 ..						
Primrose, New .. 200,000 .. 18,925 .. 2,007 ..						
Randfontein Estates .. 78,200 .. 212,201 .. 34,558 ..						
Robinson Deep .. 59,000 .. 98,361 .. 30,641 ..						
Rose Deep .. 79,800 .. 76,801 .. 7,507 ..						
Simmer and Jack .. 70,200 .. 131,647 .. 64,407 ..						
Spring Mines .. 11,500 .. 39,513 .. 13,573 ..						
Sub-Nigel .. 16,560 .. 25,442 .. 3,957 ..						
Transvaal Gold Mining Estates .. 38,000 .. 40,895 .. 6,031 ..						
Van Ryn .. 71,000 .. 109,315 .. 51,690 ..						
Village Deep .. 56,500 .. 66,152 .. 3,040 ..						
West Rand Consolidated .. 37,500 .. 38,682 .. 3,006 ..						
West Springs .. 48,100 .. 81,109 .. 33,457 ..						
Wilwatersrand Deep .. 53,000 .. 57,618 .. 14,074 ..						
Wilwatersrand (Knight's) .. 48,076 .. 48,076 .. 7,509 ..						
Woluter .. 30,700 .. 30,137 .. 452 ..						

(1) Loss due to stoppage of hoisting at No. 3 shaft owing to breakdown of rock hoist on August 12th. Hoisting was resumed on August 26th.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

BANK OF NEW ZEALAND.

THE QUESTION OF LONG-DATED LOANS.

SEVERE TAXATION.

THE GOLD STANDARD AND IMPROVED EXCHANGE POSITION.

THE CHAIRMAN'S OPTIMISTIC VIEW OF NEW ZEALAND'S FUTURE.

The ordinary general meeting of the proprietors of the Bank of New Zealand was held at the head office on Friday, June 19, 1926.

Sir George Elliot (chairman of directors) presided, and said: The capital issued to shareholders as at April 1, 1925, has been paid in full, and appears in the balance-sheet before you. The capital account now stands:—

	£
Preference capital held by the Government of New Zealand .. 1,875,000	
Ordinary share capital .. 3,750,000	
5,625,000	
The reserve fund with the additions now recommended will amount to .. 2,825,000	
And the disclosed undivided profits to .. 565,378	

These various items—capital, reserve fund, and undivided profits—total .. 9,015,378

In addition there is the 4 per cent. guaranteed stock which matures in July, 1934, amounting to .. £520,988

Of the new shares issued, 1,233 were not taken up by shareholders entitled to them, and they were, therefore, submitted for sale by tender. They realised an average premium of a fraction under £1 17s 6d per share, and the premiums aggregated £2,310 16s, the whole of which, in accordance with the bank's deed of settlement, has been transferred to the reserve fund.

You will, no doubt, have noticed from the report and balance-sheet that, in addition to the £2,310 16s referred to, a sum of £247,689 4s is proposed to be added to the reserve fund. Of this amount £147,689 4s was taken from the ordinary banking profits for the year, and £100,000 from an internal reserve which had been created in previous years to provide for probable losses in transferring surplus funds that had accumulated in London. You will appreciate the necessity of such a reserve when I tell you that in 1924 it cost the bank up to 4 per cent. to transfer large amounts from London, and, had the restrictions on the export of gold been continued, a large proportion of this special reserve might have been required to provide for exchange losses. Fortunately, the restriction on the export of gold from London was removed last year; immediately the whole exchange position altered, and we are able to transfer the £100,000 mentioned to the ordinary reserve fund of the bank.

It may interest you to know that our reserve fund is invested in British Government securities.

PROFIT AND LOSS ACCOUNT.

The profit earned from the ordinary operations of the bank for this year amounted to £912,160 13s 1d, being an increase of £92,875 5s 5d over that for the previous period. This increase is mainly due to the employment of the £1,125,000 of new capital, nearly all of which was paid up early in April, 1925, and to the surplus over the book value of investments which matured during the year.

DIVIDEND.

The dividend, which is payable in Wellington to-morrow, and at the various branches on receipt of advices, will be at the same rate as that of last year; but, next year, without making any definite promise, the directors hope to be in a position to pay a bonus of 1 per cent. on the preference "B" and ordinary shares. This statement is being made now so that all shareholders may have early information of a probability that may eventuate a year hence.

DEPOSITS.

Our deposits at the balance date were £1,042,006 more than at March 31, 1925. Current account credit balances of the public at our New Zealand branches decreased by nearly £1,200,000, accounted for largely by the local issues of Government and local body loans. Fixed deposits and Government balances, however, show satisfactory increases.

ADVANCES AND BILLS DISCOUNTED.

On the other hand, advances and bills discounted amount to £22,662,696, being an increase of £2,048,411 on the previous year's

figures. Owing to the shrinkage in the Dominion's exports and increase in imports, customers have found it necessary to lean on the bank to a greater extent than during the previous year. Indications point to the probability of our still being called upon for extra assistance until next season's produce returns become available. Owing to the strong financial position of the bank, our resources are ample to meet all demands likely to be made upon us.

There appears to be an impression abroad that this bank does not cater for people of small or moderate means. There is no foundation for such an impression, as will be gathered from the fact that in point of numbers 57 per cent. of our advances are for amounts of under £300 each. Indeed, we have many advances of under £50 each, and we are always willing to strain a point for the small borrower as we are for the large borrower.

NOTE CIRCULATION.

The increase of £275,548 was due to cash requirements of customers for the Easter holidays, which commenced on April 2nd.

COIN, CASH BALANCES, AND DEPOSITS WITH BANKERS.

These items show an increase of £235,476 on the previous year's figures.

MONEY AT CALL AND SHORT NOTICE, GOVERNMENT SECURITIES, AND OTHER SECURITIES IN LONDON.

Decrease of £823,000 is due to transfer from London of funds for temporary investment in Australia.

AUSTRALIAN GOVERNMENT SECURITIES.

Increase £957,782. This represents investment, at remunerative rates, of surplus funds in readily realisable stocks. These securities will be sold as and when funds are required for our New Zealand business.

Since 1922 the book value of our landed property and premises has not been written down, as they already stand in our books at considerably under their actual value. Instead, it has been thought preferable to add to the reserve fund any amount which might otherwise have been written off this item.

LONDON OFFICE.

We again express our appreciation of the care and attention bestowed by the London board on our important interests there.

GENERAL MANAGER.

Mr H. Buckleton, our general manager, returned last December from his visit to the Old Country. Mr Corkill, who acted during Mr Buckleton's absence, discharged the duties of the position efficiently.

BOARD OF DIRECTORS.

My colleagues have again done me the honour of appointing me to the chair for the current year.

Sir Harold Beauchamp has been granted leave of absence to enable him to visit England and Canada. During his stay in London he will be associated with the London board.

EXCHANGE AND CURRENCY.

Amongst those whose views are entitled to respect, there is still an acute difference of opinion as to whether or not the reversion to the gold standard was premature. Be that as it may, this at least we do know: that, since the removal of the restriction, exchange difficulties in New Zealand have disappeared, and primary producers have materially benefited.

OVERSEAS TRADE.

The external trading figures for the

than they are buying from us. As I stated at our last annual meeting, it might be possible to make such adjustments in our Customs tariff as would tend to bring our exports and imports to and from various countries more on an equality.

THE BANKING POSITION.

The figures of the quarterly returns of the banks for the period ended March 31st last compare unfavourably with those of similar period of 1925:-

Deposits.—1925	£53,090,843	
1926	£51,314,674	Decrease £1,776,169
Advances.—1925	£43,730,262	
1926	£48,285,142	Increase £4,554,880

The result being a shrinkage in banking resources in the Dominion of £6,331,049

This position is due primarily to the adverse external trade conditions already mentioned, and, in a lesser degree, to the raising of loans locally by the Government and local bodies.

THE NATIONAL FINANCES.

The net surplus revenue—£1,155,679—of the Dominion for the year ended March 31st last, although arising mainly from Customs duties on abnormally heavy importations, is a very satisfactory indication of prudence in the conduct of the country's finances. This prudence is also reflected in the successful flotation, a few weeks ago, of a 5 per cent. loan of £6,000,000 in London at 98½, which was over-subscribed by the public.

TAXATION.

The burden of taxation is still very severe, and there does not appear to be any early prospect of a substantial reduction. Tax-payers will always grumble, but provided prudence and economy are exercised by the Government in its administration, we should all accept the position with as good a grace as possible, never forgetting that we are still paying the price, and must for many years continue to pay the price, of freedom from foreign domination.

We do, however, feel the competition that banks have to face from Government Departments, which pay only trifling taxation, or no taxation at all, in connection with their activities.

It is no argument to say that it would merely be taking money out of one Government pocket and putting it into another for the Post Office Savings Bank to pay taxes in the same proportion as the joint-stock banks. That is not the case; the real effect would be that the Savings Bank would have to pay its depositors almost 3 per cent. less interest than it does at present; or, looking at the matter from another point of view, by reason of the non-payment of income-tax, the Savings Bank can afford to pay ½ per cent. more for its deposits than a joint-stock bank can afford.

Probably nowhere else in the English-speaking world does a Government compete with the banks on such lines as in this country. The function of a Government savings bank is to encourage thrift amongst the poorer classes of the community by providing undoubted security for the investment of their savings. In Great Britain no depositor can pay into the Post Office Savings Bank more than £500 in any one year, on which sum he is allowed interest at the rate of 2½ per cent. per annum; in the United States the limit of a deposit account is \$2,500 and the rate of interest 2 per cent. per annum. In New Zealand the limit is £5,000, and interest at the rate of 4 per cent. is paid on the first £500 and 3½ per cent. is paid on the balance. If the Post Office Savings Bank deposits were in the hands of the banks they would be employed in the development of the pastoral, agricultural, and industrial interests; as it is, they are used by the Government, and are diverted from the channels in which they could most usefully be employed.

LABOUR TROUBLES.

The strike in the Dominion last August of seamen on British ships resulted in serious losses to producers, exporters, and others. Large shipments of meat were held up, some of which had been sold to arrive on certain dates. As a consequence contracts were cancelled, and the meat on arrival in England was dumped on to a glutted market, and had to be sold at a loss. The season, in any case, was not a good one for meat exporters, and this additional loss greatly aggravated the position.

LONG-DATED LOANS.

The question of creating a special department of the bank for the purpose of making loans on the amortisation principle has, during the past few months, had the careful consideration of the directors. In considering the question as to the advisableness, or otherwise, of the bank taking up this class of business there are naturally important points to be considered. Perhaps the most important is that it would be improper for a commercial bank to

lock up any portion of its deposits, or even its ordinary capital, in loans extending over long periods.

As banks have the machinery in existence that would enable them to conduct a lending business of this description more cheaply than any other organisation in the Dominion, we have decided, subject to Parliamentary authority being granted, to set up a department for the purpose of making long-dated loans on an amortisation basis.

Authority will be sought to enable the bank to raise £1,406,250 of new capital to be styled "Long Term Mortgage Capital," and also to raise by debenture issues as and when required three times the amount of this special capital. The debentures would be secured on the "Long Term" loans. The amount of loans outstanding would be limited to the amount of the new paid-up capital and debentures issued, and no deposits nor any of the present capital of the bank would be employed in this new line of business, except by way of a limited advance pending the issue of the new capital and debentures.

The dividend on the new capital will be fixed at 7½ per cent. per annum.

The rate of interest to be charged by the bank on the "Long Term" loans will be 6 per cent., and is not to be varied except under authority of an Order-in-Council.

Charging this rate of interest, it is evident we shall not net a return of 6 per cent. from the operations of the long term loan department, as working expenses, losses, and income-tax have to be provided for; but we shall ask Government, in consideration of our fixing the lending rate on these long term loans at 6 per cent., that the income from this department shall be assessed for taxation on a basis appropriate to the circumstances of the case.

We may reasonably hope to secure for the ordinary business of our bank some collateral advantages from these long term loans; but, whether we do so or not, the profit-earning power of the bank as a whole will be sufficient to pay dividends on the existing capital at present rates, as well as 7½ per cent. on the new capital.

In entering into this new activity, we believe and trust that we are serving the very best interests of the country.

THE OUTLOOK.

Although many of our primary producers have had an unprofitable year, mainly owing to adverse weather conditions, present prices for produce, as a whole, are remunerative to farmers who hold their land at its productive value. It is quite a mistake to suppose that many farmers in New Zealand are in difficulties—the percentage is by no means large. Unfortunately, however, many of those who are in difficulties are returned soldiers who certainly deserve a better fate.

Experience has shown that in some districts land has been brought into use that should have been left in its virgin state, for its actual value is less than the cost of the improvements effected.

The Minister of Lands is dealing with the position in regard to land leased from Government in a manner entirely praiseworthy. A successful farmer himself, his views, which he makes known with refreshing freedom, must carry weight with farmers.

During the past year there has not been much demand for farm land, and not many would-be buyers are able to pay a reasonable proportion of purchase money in cash.

Except in a few districts it looks as if the country were in for a hard winter. To aggravate matters the general strike in Great Britain will doubtless result in a reduction of her purchasing power, which must to some extent affect the prices of the season's produce.

There is, unfortunately, in the Dominion rather a tendency to take a gloomy view of the situation whenever a set-back is experienced, and also a tendency to become extravagant when times are good. Ups and downs are inevitable—it is the average that has to be reckoned with.

To gauge truly the conditions of any country one must take a long period of time into consideration. In the case of our own country, looking back over the years, one cannot but be deeply impressed with the steady march of progress and prosperity. Although for the moment that march has somewhat slackened, there is not the slightest doubt that in the comparatively not distant future it will be renewed and quickened with fresh life and vigour.

Let me close this survey with a reminder, although it may be a repetition of what I have previously said, that as we in New Zealand depend on the Mother Country for so much of our material prosperity, it is our bounden duty, not only as loyal citizens of the Empire, but in absolute self-interest, to assist to our utmost the trade of Great Britain by purchasing British goods; in so doing each individual may help, be it ever so little, to unite and strengthen the commercial bonds of Empire.

MR WATSON'S REMARKS.

Mr Watson said:—

I have pleasure in seconding the motion for the adoption of the report and balance-sheet, and I congratulate you on the

position of the bank, which has been fully dealt with by the chairman.

Your elected representatives on the board of directors, Mr Gibbs and myself, have gone carefully into the question, explained by the chairman, of making a special issue of shares and debentures to enable the bank to undertake the business of long-dated loans, on the amortisation principle, and we are of opinion that such a new departure, carefully conducted, will be in the distinct interest of the shareholders of the bank and of the people of the Dominion generally.

The excellence of the bank's staff of officers in their various spheres warrants confidence as to the continued progression of the institution.

Thirty-two years ago a considerable amount of odium was cast on the directors and staffs of banks owing to the losses made with customers. Knowing how perilous the times were then, I did not join in the adverse criticism levelled against the previous directors of the Bank of New Zealand, as was evidenced by my 21 days' examination before the Parliamentary Committees. After the removal of the head office to Wellington, however, all available measures were taken to avoid a recurrence of past misfortunes. For several years none of the profits were paid to shareholders, which body did not then include the Government, and afterwards only small dividends were paid until, by additions to reserves, disclosed and internal, the bank was in a strong position. Other banks adopted the same principle of amassing reserves, and as all joint stock banks belong to numerous shareholders who work and save, it is surely not to the loss of the public that from their reserves the banks are enabled to augment their dividends. Yet by some critics the success of the banks has been referred to in harsh terms, and I am inclined to think that those who now blame for our prosperity have much in common with those who before-time blamed for adversity. Thank goodness, they are a very minor section of the community. While wages, and prices of most other services, have risen very materially, and the expenses of the banks have increased in accordance therewith, the public do not have to pay much more than before the war for banking service.

The strength of a bank is to the benefit of its depositors in providing undoubted security for their deposits; to borrowers in affording confidence against pressure so long as they fulfil their obligations; and to buyers of exchange in giving safety in the conduct of their business.

To joint stock enterprise must be conceded an important part of the prosperity of this country, and it may not be too much to say that the Bank of New Zealand has been foremost in that particular. Its funds have been employed in the development of land and trade and in assistance to public bodies, and there are many companies and individuals to-day in good positions which they owe to its backing. With increasing strength its functions will undoubtedly expand to the further benefit of the community.

I have been associated with the bank since 1894, when the head office was transferred to Wellington. My present period of office will expire on March 31, 1927, and I am emboldened to seek another renewal of the confidence which you have so long placed in me, and to stand for re-election as a director in December next.

The report and the balance-sheet were unanimously adopted.

A motion increasing the directors' remuneration having been passed, a vote of thanks to the general manager and staff was proposed by the Chairman and duly carried, and after the general manager had replied the proceedings terminated.

NOBEL INDUSTRIES, LIMITED.

EFFECTS OF THE COAL STRIKE.

DEVELOPMENT OF EXPORT BUSINESS.

The seventh annual general meeting of Nobel Industries, Limited, was held, on the 17th inst., at Winchester House, Old Broad Street, London, Sir Harry McCowan, K.B.E. (chairman and managing director) presiding.

The secretary [Mr W. H. Coates, LL.B., B.Sc., (Econ.)], having read the notice convening the meeting and the auditors' report,

The Chairman, in the course of his speech, said: The year 1925 in its opening months was one of considerable promise, but the hopes which were so widely entertained at the commencement of the year of a substantial rate of improvement in the general trade situation were, I am sorry to say, not realised. Two outstanding events characterised the year, namely, the return to the gold standard and the development of a critical position in the coal mining industry. The gradual readjustment in a downward direction of the price level throughout the year, arising from the former, made its effect felt upon export trade, in which, of course, the shipment of coal abroad was adversely affected, necessarily reducing the consumption of explosives in the coal mines of this country, and the prospect of trouble in the coal mining industry cast a shadow of apprehension over the whole country.

SECURITY FIRST

ROYAL INSURANCE COMPANY, LIMITED

6 HEAD OFFICES: LIVERPOOL AND LONDON.

HOME TRADE.

The serious reduction in the output of coal in the United Kingdom which took place in 1925, amounting to some 26 million tons, or nearly 10 per cent. of the 1924 production, materially affected our home trade in explosives and accessories. Notwithstanding the added burden of cost per unit which arises inevitably from a curtailment of output, we felt that we should be justified, in face of the serious position of the coal mining industry, in drawing upon the strength which we derive from our other widespread activities, including our general industrial investments. Accordingly towards the close of last year we made a further reduction in the selling prices of our explosives, and although the price of explosives constitutes only a small item in the costs of the coal mining industry, we believe that our shareholders will unhesitatingly endorse the policy of their board in contributing their share towards the restoration of that industry to economic health.

Satisfactory progress has been maintained by our Birmingham businesses. Our products of sheet and rolled metal and strip, motor bicycles, radiators and carburettors, and lightning fastener have a high and well-deserved reputation for quality and efficiency. Detailed and continuous attention is paid to the maintenance and improvement of technical efficiency, with satisfactory results both to our customers and ourselves.

Our military ammunition continues to give satisfaction. It will interest you to know that at Bisley, in July last, Mr Ashdown, a member of our staff, created a world's record for the Elcho Shield by scoring 44 consecutive bulls out of 45 shots at 900 yards, 1,000 yards, and 1,100 yards with match rifle ammunition made by Kynoch, Limited.

FOREIGN TRADE.

Our general export business showed satisfactory progress during 1925, and our investments in associated businesses established on the Continent yielded us satisfactory returns. We continue to compete for European metal and ammunition business, although the extraordinary keenness of competition, assisted largely by the temporary advantages of unstable currencies, makes the return on such business for the time being almost negligible. We are, however, establishing a reputation for quality of our products in those European countries which we supply from our home factories, and as a result we anticipate greater success in this direction when the stabilisation of European currencies is completed.

The three great Dominion enterprises—Canadian Explosives, Limited, African Explosives and Industries, Limited, and Nobel (Australasia), Limited—in which we are so largely interested, are growing steadily, and are of a profitable character.

In the spring of this year I paid a visit to South Africa, when I had an opportunity of seeing each of the three factories of African Explosives and Industries, Limited, and of realising the high level of efficiency which they have attained. On the explosives side the relations of that company with the mining interests are of the best, and considerable satisfaction is felt with the reductions in prices which we knew would result from the concentration and consolidation of the various interests in that company. With the opening up of new mineral fields in Rhodesia, the demand for explosives will no doubt increase, so that the prospects in this respect are most promising. In the chemical field, including fertilisers, sheep dips, insecticides, &c., the outlook is excellent. Considerable expenditure is being incurred upon research work, and certain portions of the factories in Natal and Cape Province have been organised as experimental stations, to demonstrate the value of the use of fertilisers on the various agricultural products of South Africa. This development has been welcomed by the Government and the farmers generally, and has facilitated appreciation of what can be done on the soil with the aid of the proper fertilisers. The company has recently decided to increase its capital by £300,000 to finance the expansion of the chemical side of its business.

Nobel (Australasia), Limited, commenced business on January 1, 1925, and has had a satisfactory year.

The South American Explosives Company, whose factory is situated in Chili, continues to progress satisfactorily.

I have again to report continued progress on the part of Canadian Explosives, Limited. Mining developments are on a considerable scale, and it looks as if the mineral resources of that great Dominion have hardly yet been touched. In all branches of its business the Canadian company is doing well, and with its excellent organisation I have no fear for the future of that company.

DEVELOPMENT.

It is often said that industry organised upon a large scale tends to suffer from its own size, and to display accordingly a lack of keenness in initiative and development. I can assure you that the management of your company does not suffer from any lethargy of this kind. We have achieved much, but realise that there are still further fields of development in front of us. During the past year we extended our interests in the manufacture of artificial leather by the acquisition of a very substantial holding in the British Leather Cloth Manufacturing Company, which makes the well-known Rexine leather cloth. We have now, therefore, two factories engaged in this activity in Manchester, and we look forward to securing considerable advantages from the consequent fusion of interests.

In the paint, varnish, lacquer, &c., trade, we are developing the production of the well-known Du Pont Viscolac hard enamel for motor-car bodies and other articles, under the name of "Belco." This product is giving great satisfaction to the motor trade, and the demand for it is increasing rapidly, not only in this country, but in other Empire markets.

Some time ago a fusion of interests in the motor accessories trade took place as between Messrs Joseph Lucas, Limited, C. A. Vandervell and Co., and Rotax Motor Accessories, Limited, in the last-named of which we had a substantial shareholding. In the transaction we exchanged our ordinary shares in Rotax Motor Accessories, Limited, for shares in Joseph Lucas, Limited, and we shall therefore share in the advantages which will undoubtedly accrue from this combination of interests.

Before the war Nobel's were associated with important German manufacturers of explosives. This association has now been renewed through our taking a shareholding in the Dynamit-Actien-Gesellschaft and the Köln-Rottweil Company. As a matter of interest, and as it is now more or less public property, I may say that the above companies have entered into a close alliance with the Badische Anilin und Soda-Fabrik—in our opinion an excellent arrangement.

INVESTMENTS.

General Motors Corporation: The progress achieved in 1925 by the General Motors Corporation, in which, as you know, we have a substantial interest, was phenomenal. The total number of cars and trucks sold amounted to 835,902, or 42 per cent. in advance of the figures of the previous year. The total earnings of the company (including its equities in subsidiaries) rose to \$116,000,000, thus putting the corporation in the third place in this respect in the whole of American industry. The earnings available for the common stock in 1925 were nearly \$99,000,000, as compared with \$38,000,000 for the preceding year. The total earnings of the corporation for the first six months of the current year were approximately \$100,000,000, so that this year's earnings will undoubtedly surpass the remarkable figures of 1925. American industry, like our own, is always subject to trade cycles, and we accordingly took a favourable opportunity last autumn to realise a part of our holding and to apply the proceeds to strengthening our balance-sheet value of this investment against any such contingency. On my recent visit to America, advantage was taken of the market to realise a further part of our shares at a handsome profit. We still retain, however, a very substantial holding in the company.

Dunlop Rubber Company: In this company also we have realised a further part of our holding at a satisfactory profit. We are, however, still substantially interested in the fortunes of the company, which, we are glad to observe, is making good progress.

British Celanese, Limited: The unfortunate dissensions in this company had their inevitable effect upon the market value of the shares, and we accordingly took the prudent step of writing our holding down to our estimate of its market value. Since then we have disposed of our preference shares.

Our other industrial investments, taken as a whole, continue to give us a satisfactory return.

THE BALANCE-SHEETS.

The profit of Nobel Industries, Limited, for the year amounts to £1,091,919, which compares with £1,003,420 for 1924. After anxiously weighing the likely duration of the coal stoppage, your board decided to recommend a dividend of 10 per cent. for the year on the ordinary shares and one of 5 per cent. on the deferred shares. The progress which had been made in safeguarding our position against temporary market fluctuations in the values of our industrial investments enabled us to dispense with the special investment reserve account, and to carry the £550,000 which stood to its credit to general reserve. We recommend you further to strengthen this reserve by allocating to it £450,000, thus bringing the total general reserve to £1,000,000.

Your company is a holding company, and one which carries on no trade or business of its own. As a separate legal entity it is only under the obligation to publish its own legal balance-sheet, treating the shares it holds in other undertakings as investments.

I have in recent years given you a statement showing the financial position of the merger regarded as a single business in the consolidated account. This year I am enabled to go a step further and present you with a consolidated balance-sheet of the whole of the merger. This balance-sheet covers the assets and liabilities of Nobel Industries, Limited, and of each of the constituent companies. Following the definition we have adopted, it includes the figures of 40 constituent companies as compared with 30 for the previous year.

In the special circumstances of last year, during which we realised, as I have said, some of our holdings, and had not reinvested the proceeds at December 31st, I will ask you to take the items of investments and cash together. On this basis the 1925 total of approximately £11,079,000 compares with £11,161,000 for the previous year, showing a decrease of only £82,000. I may add that since last December we have adjusted the temporary excess of cash by further investments. All the investments are taken at or under cost. The value placed upon them as a whole is conservative. For those for which market quotations are obtainable the value at the date of the balance-sheet was above that shown. For those shares, mainly in associated companies, where there is no market quotation, we are amply satisfied as regards the value we have adopted.

On the liabilities side I will go at once to the final item of surplus of assets over liabilities and share capital. This consists of the reserves and undistributed profits of the main company and its 40 constituents applicable to the share capital of Nobel Industries, Limited. Deducting the cost of the debenture issue, we are left with a surplus of £2,690,872 on the whole group, which is attributable to that share capital. This figure, of course, includes the general reserve and balance carried forward on profit and loss account of Nobel Industries, Limited. It may be compared with the surplus at December 31, 1924, amounting to £2,495,012, or an increase of £195,860. I am happy to be able to describe the surplus shown at December 31, 1925, as a real margin of asset value after dealing with all contingencies which your board can measure or reasonably foresee.

PENSION SCHEME FOR CLERICAL AND TECHNICAL STAFF.

Shareholders will recollect that last year I informed them that we were considering the establishment of a pension fund, and I am now able to submit to you the outlines of a scheme which has received your board's approval.

We contemplate the establishment of one pension fund for the male and female staff of the parent and constituent companies. As that staff numbers some 1,800 men and women, we have ample strength to organise a fund as a separate entity in the hands of trustees. We propose to establish it upon a contributory basis. Your directors are convinced that the inauguration of this scheme will yield real economic value to your interests, and they accordingly recommend it for your approval. If you pass the resolution which I shall shortly submit to you, no charge will fall upon the trading results of the present year (1926), as it is proposed to start the scheme from January 1, 1927.

PROSPECTS FOR 1926.

The early months of the year were full of promise, notwithstanding the under-current of apprehension of the situation in the coal-mining industry. Had a satisfactory solution of those difficulties been arranged, I should have been able to assure you that the results of our business for the current year would almost certainly have compared favourably with those for the year 1925. Unfortunately, we have had the serious dislocation caused by the general strike, and the slowly paralysing effects of a 20 weeks'

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	...	Fmk. 150,000,000
Reserve Fund and Profits	...	" 123,000,000
Total Assets (31/12/25)	...	" 2,101,000,000

All descriptions of banking business transacted.

Telegraphic Address: KANSALLISPANKKI.

ESTABLISHED OVER ONE HUNDRED YEARS.
**SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.**

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.

London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

In La Paz and Concepcion the drilling programme has been continued, but although the oil found is of superior quality, the results as regards quantity have been somewhat disappointing, and we shall probably curtail our programme to some extent. The gas pressure has fallen in both fields, and pumping outfits are being installed.

We are also investigating the possibilities of the Sibucara district, where an exploration well was spudded in on February 16th. This well has now reached down to 1,652 feet, and has produced a large volume of gas from two separate levels. Drilling is being continued.

Our pipeline systems, both for oil and water, and our shipping facilities have operated without interruption. In spite of an exceptionally severe dry season the new Rio Palmar water supply system has proved quite adequate, and in addition to our own requirements we have been able to assist the people of the Maracaibo district during the drought, and have received public appreciation of our services therein.

LARGELY INCREASED CONSTRUCTIVE PROGRAMME.

What I have told you as to our largely increased drilling activity and production has its natural corollary in a largely increased constructive programme.

Oil and gas gathering lines and water and fuel distributing systems have been installed to serve the four kilometres of La Rosa-Cabimas coastal drilling, and connecting with the interior La Rosa field and the new Ambrosio field.

The work on our new terminal at Cabimas has progressed satisfactorily, and the steel screw pile wharf has been completed. Direct shipments are now being made to Cabimas from Europe and America, obviating the loss of time and additional expense involved in transshipment at Maracaibo. Extensive housing facilities, machine shop, carpenter's shop, electric power plant, warehouses, and offices are in course of erection. Additional housing facilities have also been built on the La Rosa field itself for the accommodation of the increased staff. The four storage tanks referred to in the directors' report have been completed, and are in use, and three additional tanks of 67,500 barrels capacity each have been constructed.

Plants have been ordered and will soon be erected to treat the large volume of gas produced in the La Rosa field. The residue gas will continue to serve for fuel purposes, and in spite of the heavy increase in our La Rosa-Cabimas Ambrosio operations, the consumption of crude oil for fuel purposes is being steadily diminished.

IMPROVED PRODUCTION METHODS.

Improvements are being made in production methods by the installation of gas separators and individual well production tanks to avoid evaporation and other losses occasioned by flowing the wells into open sumps.

In the Shore Lagunillas Field a separate terminal is under construction. This consists of a material and oil loading wharf, pumping station, steel storage, staff and peon quarters, warehouses, &c. The creation of these facilities is proceeding in such manner as to allow of the handling and shipment of oil produced from our first well immediately upon its completion. The work has been planned with a view to gradual extension of facilities as the development of the field may justify.

As you will remember, the amount of oil contracted for sale to the Caribbean Petroleum Co. under the Sale of Oil Agreement of September, 1924, was raised to 7,000,000 barrels per annum in January of this year. In consequence of the continually increasing production this was again raised in May to a total of 12,000,000 barrels a year. Shipments have been maintained so that at present the buyers have taken delivery somewhat in excess of their contractual obligations.

The price realised for your oil is calculated as before on the same sliding scale based on the Tampico price, and for 1925 was about 2s 8d higher than for the previous year.

FURTHER CAPITAL REQUIRED.

Now all this development and expansion of which I have treated, and which even now is not at its height, cannot go on without great capital expenditure, and as you will have no doubt realised from the balance-sheet the liquid resources of the company are practically exhausted. At the same time the present large programme is giving such results that it would be folly to curtail it for lack of funds. We shall therefore recommend in due course the raising of fresh capital by the issue to the existing shareholders

stoppage of the coal mines. The prolonged stoppage has entailed us closing down, either wholly or in part, several of our explosives factories, and has also affected our activities in other interests. As a result, we cannot expect that the outcome of our actual trading for the current year will be as favourable as last year. On the other hand, we look for a further improvement in the income we shall receive from our general industrial investments, arising partly from that marvellous degree of prosperity in the United States which has been at once the envy and the wonder of the world. In the present uncertainty you will not expect from me any forecast of the outcome of 1926. All I can say is that we shall not lightly abandon the level of dividends paid this year.

The report and accounts were unanimously adopted.

V.O.C. HOLDING COMPANY, LIMITED

IMPROVED POSITION.

DIVIDEND PROSPECTS.

The fifth ordinary annual general meeting of the V.O.C. Holding Co., Limited, was held, on the 14th inst., at Winchester House, Old Broad street, London, Mr Andrew Agnew, C.B.E., presiding.

The Chairman, after explaining that he occupied the chair that day in the absence of the chairman of the company, the Hon. Walter H. Samuel, owing to a recent bereavement, proceeded to read the speech which had been prepared by Mr Samuel, which contained the following statements:—After taking credit for interest received and accrued and transfer fees for the year, amounting in all to £44,600 8s 4d, and charging against this sum the balance of our administration expenses as at December 31, 1924, administration expenses for the year 1925, and the amount written off preliminary expenses account, &c., we are left with a balance to the credit of our revenue account. The result of the year's operations is a net profit of £237,805 8s 1d, subject to taxation, and we propose applying it to the extinction of the loss standing at the debit of the profit and loss account as on December 31, 1924. The result is that we are left with the sum of approximately £2,500 at credit of profit and loss account, which will be carried forward to next year's account. I think that, generally speaking, the results for the year 1925 may be regarded as very satisfactory. We have eliminated from the Holding Company's balance-sheet the assets which are valueless, and we are now in a position to credit all future net earnings to revenue. This being so, we are hopeful of being able to declare our maiden dividend when we see the actual results of the current year's work.

INCREASING PRODUCTION.

At the last general meeting of the company I foreshadowed a production of a million tons for 1926. You will be gratified to hear that we have already exceeded that figure, and at the present rate of production should be well over the million and a half ton mark for this year.

This much-increased production is the direct result of a greater number of drilling rigs at work, and is not attributable to larger wells. We have again concentrated for the most part on the La Rosa field, which has contributed about 90 per cent. of our production. At the end of 1925 we had 12 rotary rigs there, developing a continuous six-string drilling programme, and this has now been increased to 19 rigs working on a ten-string programme, in addition to the equipment for the necessary intermittent cleaning of producing wells. In 1924 we brought in nine producing wells in La Rosa, in 1925 twenty, and in the current year we have already brought in 43 up to September 4th, and hope to do better still. The offset agreement between the Lago Petroleum Company, the Venezuelan Gulf, and ourselves, to which I referred last year, has proved effective in providing for more economic and satisfactory development of drilling on our common boundaries, and its scope has been extended to cover the new developments at Ambrosio and Lagunillas, to which I will now refer. In order to make these developments clearer we have had a sketch map attached to the report, and you will see from it the location of the various fields.

WORK AT LAGUNILLAS.

I referred last year to the well being drilled by the Venezuelan Gulf Company at Lagunillas, which came in in May this year, and to our own development there. Our first well was spudded in on August 19th of this year, and we have completed all the necessary facilities, and have four rotary strings on the spot. We are also drilling two wells at El Mene de Lagunillas, about 14 kilometres from the shore; both wells have oil indications, but in view of the more pressing importance of concentrating on the Shore location, we are now suspending work on them, while leaving them in condition for deepening at a later date. At Ambrosio the Gulf and the Lago have both brought in wells about a kilometre out in the lake, and as you will have read recently in the Press, we have brought in our first well at about 240 tons a day.

of both ordinary and participating preference shares of new ordinary shares at par or thereabouts.

It only remains for me to conclude this review of your company's affairs by saying that in my opinion their condition is most satisfactory, and that to that satisfactory condition the splendid services of our staff have been a very largely contributory factor.

The report was adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Sept. 11, 1926.
Funded Debt	588	315	315	318	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13
5% Conversion Loan	..	..	268	684	666	709	760	760
4% Conversion Loan	..	..	..	..	..	210	210	211
4% War Stock	..	..	63	63	63	63	63	63
4% War Stock	..	..	13	13	13	13	13	13
4% and 5% War Stock	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109
National War Bonds	1,509	1,201	953	820	771	771	706	706
4% Funding Loan	409	401	399	396	394	394	390	390
4% Victory Bonds	360	335	326	314	303	292	292	292
Treasury Bonds	20	23	185	150	150	15	482	486
Exchequer Bonds	..	267	342	354	366	369	372	373
National Savings Certs.	..	1,306	1,087	1,157	1,128	1,124	1,111	1,111
Other Debt*	..	..	..	..	..	..	..	..
American Loan (Anglo-French)	15	51	878	616	588	576	535	539
Treasury Bills	1	243	147	194	186	181	139	131
Temporary Advances	574	8,033	7,655	7,742	7,641	7,598	7,803	7,526
Other Capital Liabilities	65	46	66	70	66	68	74	75
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,693

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Sept. 12, '25.	Mar. 31, '26.	Sept. 11, '26.	Week ended Sept. 11, '26.
Outstanding	£ 628,675,000	£ 634,855,000	£ 639,200,000	£ 639,200,000
Advances by Bank of England	154,641,000	139,441,000	130,201,000	1,400,000
Advances by Public Debt Office	628,675,000	634,855,000	639,200,000	180,000
Treasury Bills Outstanding	782,316,000	704,296,000	769,401,000	1,220,000
Total Floating Debt	1,941,696,000	1,974,006,000	2,138,802,000	2,600,000

* Includes £38,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27 (See Note)	Total Receipts into the Exchequer from Sept. 11, 1926, to Sept. 12, 1926.	Receipts, Week ended Sept. 11, 1926.	Receipts, Week ended Sept. 12, 1926.
Balances in Exchequer on 1st April:—				
Bank of England	5,880,249	5,341,778	..	..
Bank of Ireland	676,584	1,215,322	..	..
Bank of Scotland	6,556,933	6,557,100	..	..
REVENUE.				
Customs	108,450,000	46,082,000	2,097,000	2,444,000
Excise	141,300,000	53,195,000	2,829,000	1,113,000
Motor Vehicle Duties	21,600,000	5,454,000	4,838,000	..
Stamps	66,000,000	25,860,000	2,722,000	780,000
Land Tax, House Duty & Mineral Rights Duty	25,000,000	8,010,000	9,200,000	950,000
Property & Income Tax	1,000,000	130,000	170,000	10,000
Super-Tax	264,800,000	72,388,000	88,826,000	3,560,000
Excise Profits Duties, &c.	64,500,000	19,390,000	25,890,000	390,000
Corporation Profits Tax	2,000,000	2,070,000	5,650,000	150,000
Post Office	59,400,000	24,450,000	24,500,000	800,000
Crown Lands	950,000	490,000	430,000	..
Loans	21,650,000	6,772,235	8,404,120	67,425
Miscellaneous	25,600,000	14,046,955	5,051,062	424,664
Ordinary Receipts	26,000,000	9,278,981	18,089,387	4,441
Special Receipts	824,750,000	287,567,171	316,961,569	10,889,089
Revenue	1,414,126,000	524,124,104	524,124,104	..
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Under the Unemployment Insurance Act, 1921	344,000	1,170,000	..	..
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues—				
Under the Telegraph (Money) Act, 1924 and 1925	2,850,000	3,050,000	..	..
Under the Housing Act, 1914	..	3,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	..	11,533	..	..
(b) Under the Unemployment Insurance Act, 1921	7,692,431	1,390,000	..	..
(c) For other issues:—				
By Treasury Bills	1,414,916,000	1,113,769,000	52,257,000	53,419,000
By 5% Conversion Loan	23,079,560	16,400,000	500,000	550,000
By National Savings Certificates	12,900,000	15	..	..
By National War Bonds	..	10	..	..
By Treasury Bonds, 1925-26	3,512,150	..	..	..
By Treasury Bonds, 1923-24	..	..	..	..
(d) Ways and Means Advances	279,901,000	276,805,000	400,000	600,000
Repayments—				
Under the Telegraph (Facilities) Act, 1919 and 1921	127,350	111,043	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	142,853	142,853	..	..
Total	1,743,387,035	1,758,266,683	62,379,000	65,500,942

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27 (including Supplementary Grants)	Total Issues out of the Exchequer to meet Payments from Sept. 11, 1926, to Sept. 12, 1926.	Issues, Week ended Sept. 11, 1926.	Issues, Week ended Sept. 12, 1926.
EXPENDITURE.				
National Debt Services—				
Interest, &c.	304,000,000	152,729,715	151,730,359	614,021
Sinking Fund	60,000,000	14,402,525	19,592,225	390,000
Road Fund	17,500,000	3,769,044	4,037,044	..
Payments to Local Taxation Accounts, &c.	14,100,000	3,901,943	3,852,663	80,000
Payments to Northern Ireland Exchequer	5,200,000	2,125,034	1,875,352	50,000
Land Settlement	..	..	207,370	..
Other Consolidated Fund Services	2,600,000	1,110,084	1,156,611	2,320
Supply Services	422,327,000	177,263,825	168,972,816	6,362,000
Expenditure	825,727,000	355,302,170	351,424,440	7,448,341
OTHER ISSUES.				
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	36,891	36,891	..
Under the Unemployment Insurance Act, 1921	8,762,431	1,560,000	600,000	90,000
Issues to meet Capital Expenditure—				
Under the Telegraph (Money) Act, 1924 and 1925	5,050,000	5,450,000	400,000	400,000
Under the Housing Act, 1914	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..
Unemployment Insurance Act, 1921—				
Repayment of amounts borrowed ..	344,000	1,170,000	..	..
Redemption of Debt—				
Treasury Bills	1,087,600,000	1,060,725,000	52,085,000	49,820,000
Principal of National Savings Certificates	14,650,000	13,950,000	650,000	500,000
Principal of Exchequer Bonds paid off	..	306,667	..	..
Principal of National War Bonds paid off	..	8,194,789	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	400,000
Ways and Means Advances Repaid ..	289,141,000	289,749,000	1,800,000	5,200,000
Balances in Exchequer—				
Bank of England	2,037,040	2,070,334	19,468	4,708
Bank of Ireland	439,724	941,636	76,999	115,001
Bank of Scotland	2,476,764	3,011,960	96,467	119,708

NOTE.—Budget Estimate as in H.C. 69 of 1926.

Treasury, September 13, 1926.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Cheques Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.
1923.								
Mar. 28.....	£ 285,616	£ 12,318	7,000	27,000	22,450	17-3	£ 311,294	£ 150
June 27.....	286,503	12,516	7,000	27,000	22,460	17-3	312,446	143
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17-5	313,556	130
Dec. 26.....	289,070	12,571	7,000	27,000	22,450	16-5	315,032	159
1924.								
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17-6	316,867	140
June 25.....	280,316	12,472	7,000	27,000	22,450	17-0	316,198	130
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17-3	318,185	184
Dec. 31.....	296,261	12,812	7,000	27,000	22,450	18-2	318,111	129
1925.								
Mar. 25.....	284,256	11,882	7,000	27,000	22,450	18-9	325,076	118
June 24.....	292,278	12,265	7,000	..	22,450	18-5	324,474	119
Sept. 30.....	293,004	12,555	7,000	..	22,450	19-1	324,188	131
Dec. 30.....	296,777	12,561	7,000	..	22,450	18-9	324,896	192
1926.								
Mar. 31.....	295,337	12,226	6,550	..	22,450	19-0	324,585	178
June 30.....	294,036	12,567	6,550	..	22,450	19-1	323,667	136
Sept. 8.....	290,650	12,173	6,550	..	22,450	19-3	323,912	111
Sept. 15.....	289,572	12,068	6,550	..	22,450	19-4	323,668	173

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Sept. 17, 1926, and the total amount applied for was £53,065,000. For bills at 3 months, dated Monday to Friday, £98 16s 8d, about 25 per cent. and above in full; Saturday, £98 17s, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
July 16, 1926.	35,000,000	47,025,000	4 7 0-18	..
July 23, 1926.	35,000,000	46,855,000	4 5 6-42	..
July 30, 1926.	40,000,000	46,120,000	4 7 0-29	..
Aug. 6, 1926.	40,000,000	53,950,000	4 7 3-16	..
Aug. 13, 1926.	40,000,000	49,880,000	4 10 4-04	..
Aug. 20, 1926.	45,000,000	55,020,000	4 11 11-62	..
Aug. 27, 1926.	40,000,000	52,135,000	4 13 3-39	..
Sept. 3, 1926.	40,000,000	54,025,000	4 13 3-25	..
Sept. 10, 1926.	40,000,000	53,065,000	4 12 11	..

Tenders will be received on Sept. 24, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, September 15, 1926.

ISSUE DEPARTMENT.	
Notes issued	174,047,330
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	154,297,330
Total	174,047,330

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	33,030,473
Rest	3,722,759	Other securities	68,765,469
Public deposits*	14,242,391	Notes	34,592,565
Other deposits	105,418,570	Gold and silver coin ..	1,552,877
Seven-day & other bills ..	4,664		
Total	137,941,384		

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Sept. 15, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	3,722,759	+ 7,830	+ 21,478
Public deposits	14,242,391	+ 1,237,377	+ 3,207,440
Other deposits	105,418,570	+ 1,037,314	+ 4,983,349
Government securities	33,030,473	+ 1,839,638	+ 2,679,262
Other securities	68,765,469	+ 1,305,616	+ 1,141,039
Reserve	36,145,442	+ 848,635	+ 21,791
Note circulation	139,454,765	+ 456,981	+ 5,213,479
Coin and bullion	155,850,207	+ 1	+ 14
% of reserve to liabilities	30 1/2	+ 1	+ 1 1/2

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							

chases, though a certain amount of bear covering has taken place. American operators are more disposed to meet the market. China has worked both ways. United Kingdom imports and exports of silver during the week ending the 8th inst. were:—

Imports.	Exports.	£
U.S.A.	Germany	39,090
British West Africa	Egypt	6,010
Other countries	British India	136,000
	Straits Settlements	22,920
	Other countries	3,895
		207,915

INDIAN CURRENCY RETURNS.

(In Lacs of Rupees.)

	Aug. 22.	Aug. 31.	Sept. 7.
Notes in circulation	19,983	20,053	20,109
Silver coin and bullion in India ..	9,913	9,984	10,039
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion out of India ..	5,738	5,738	5,738
Securities (Indian Government) ..	2,100	2,099	2,100

No silver coinage was reported during the week ending the 7th inst. The stock in Shanghai on the 11th inst. consisted of about 68,100,000 ounces in sycee, 62,500,000 dollars, and 6,200 silver bars, as compared with about 72,400,000 ounces in sycee, 63,200,000 dollars, and 9,800 silver bars on the 4th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1926.	s d	d		d
Sept. 11....	84 11 1/2	28 1/2	Sept. 24, 1920.	59 1/2
13....	84 11 1/2	28 1/2	23, 1921..	41 1/2
14....	84 11 1/2	28 1/2	22, 1922..	35 1/2
15....	84 10 1/2	28 1/2	21, 1923..	32 1/2
16....	84 11 1/2	28 1/2	19, 1924..	34 1/2
17....	84 11 1/2	28 1/2	26, 1925..	32 1/2

NOTICES.

The Commercial Bank of Australia, Limited, announce that branches of this bank have been opened at the following places:—194 Pitt street, Sydney; Lascelles, Victoria; Condon, New South Wales.

A branch of the Queensland National Bank, Limited, is now opened at Tamborine North, in Queensland, for the transaction of all usual banking business.

OIL OUTPUTS.

ANGLO-TEXAS OIL COMPANY.—Production for August, 7,183 barrels, or 1,026 tons.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For the week ending September 8, 1926: Production, 34,647 barrels, shipments 50,665 barrels. Total production for calendar month of July, 194,035 barrels; total production for calendar month of August, 178,050 barrels; total shipments for calendar month of July, 21,560 tons; total shipments for calendar month of August, 21,852 tons. Well No. 124, 500 feet south-west of No. 116 has struck salt water, and has been abandoned.

CIA. DE PETROLEO CALTEX, S.A.—Production for August, 2,210 barrels, or 351 tons.

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—The total production during August amounted to 135,712 barrels, or approximately 19,387 tons, as follows:—Kern River Oilfields of California, Limited, 43,624 barrels; 6,232 approximate tons; St Helens Petroleum Company, Limited, 37,767 barrels; 5,394 approximate tons; Kern Trinidad Oilfields, Limited, 22,125 barrels; 3,161 approximate tons; Kern Romana, Limited, 8,746 barrels; 1,249 approximate tons; Kern Mex Oilfields, S.A., 23,456 barrels; 3,351 approximate tons; total, 135,712 barrels; 19,387 approximate tons.

TAMPICO OIL, LIMITED.—The total production on the company's properties in Mexico during August was 42,479 barrels, in respect of which the royalty due to Tampico Oil, Limited, amounted to 3,186 barrels.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Output for week ended September 8th amounted to 884 tons.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Method of Payment.	Dividend for Whole Years.
	Interim div. or Final.	Interim div. or Final.	Lat'est Pre-vious.
Railways.			
Buenos Ayres Great Southern ..	4%+ (bonus)	of 10% Less tax	% 7
Buenos Ayres Western	4%+	Less tax	% 7
Central Argentine, Ord.	3 1/2%+	Oct. 15	% 6
Do Def.	3 1/2%+	Oct. 15	% 6
Central Uruguay	3 1/2%+	Oct. 15	% 6
Cent. Uruguay East. Extension	1 1/2% p.a.	Oct. 20	% 6
Cent. Uruguay North. Extension	7/6 p.a.	Oct. 20	% 9
New York Central	1 1/2%+	Nov. 1	% 9
North-Eastern of Uruguay	3 1/2%+	..	% 7
Banks.			
Australian of Commerce	1 1/2%+	..	% 8
Royal of Ireland	1 1/2%+	..	% 10
Insurance.			
Eagle Star and British Dominion	5%+ p.a.	Oct. 1	% 2 1/2 p.a.
Standard	1 1/3 p.a.	..	% ..
Mining.			
General Investors and Trustees	4%+	Oct. 1	% ..
Gopeng Consolidated	3 1/2%+	Sept. 30	% ..
Kamunting Tin	1 1/2% p.a.	Oct. 30	% ..
Mysoore Gold	1 1/2% p.a.	Oct. 9	% ..
Nevada Consolidated Copper ..	25% p.a.	Sept. 30	% ..
Perak	5%+	Oct. 25	% ..
Rand Selection Corporation ..	25%+	..	% ..
Rooiberg Minerals	2 1/2%+	Oct. 14	% ..
Shamva	10%+	Sept. 30	% ..
Siamese Tin	1 1/2% p.a.	Oct. 7	% ..
Tekka (Bonus Div.)	2 1/2%+	Nov. 3	% ..
Transvaal Gold Mining	1 1/2% p.a.	Sept. 30	% ..
Utah Copper	1 1/2% p.a.	Nov. 3	% ..
Wahji Gold	..	..	% ..
Tea and Rubber.			
Amherst Estates (Selangor) Rub.	7 1/2%+	Oct. 6	% ..
Bah Lias Rubber	10%+	Oct. 15	% ..
Bandarapola Ceylon Co.	20%+	Sept. 28	% ..
Batu Tiga (Selangor) Rubber ..	7 1/2%+	Sept. 24	% ..
Damsara (Selangor) Rubber	5%+	Oct. 18	% ..
Dangan Rubber	7 1/2%+	Oct. 15	% ..
Dickella (Ceylon) Rubber	20%+	Sept. 15	% ..
Doloswella Rubber and Tea	7 1/2%+	Sept. 29	% ..
Edarapola Tea of Ceylon	15%+	Sept. 15	% ..
Grand Central (Ceylon) Rubber ..	10%+	Oct. 13	% ..
Higoda Rubber	5%+	Sept. 30	% ..
Highland Tea of Ceylon	10%+	..	% ..
Kamuning (Perak) Rubber & Tin	15%+	..	% ..
Kelani Valley Rubber	15%+	Sept. 21	% ..
Klanang Produce	15%+	Oct. 15	% ..
Nordana (Johore) Rubber	7 1/2%+	..	% ..
Pemmas Rubber	5%+	Sept. 30	% ..
Rangalia Consolidated	5%+	Sept. 30	% ..
Raub Rubber	5%+	Sept. 30	% ..
Rubber Estates of Bentota	8%+	Sept. 27	% ..
Selangor Rubber	2 1/2% p.a.	..	% ..
Strathmore Rubber	5%+	..	% ..
Sungei Dangar (Malay) Rubber ..	7 1/2%+	Oct. 2	% ..
Sungei Kruit Rubber	12 1/2%+	..	% ..
Sungei Way Rubber	1 1/2% p.a.	..	% ..
Teluk Piah Rubber	7 1/2%+	Sept. 30	% ..
Tempoh (Java) Rubber	5%+	Sept. 29	% ..
Travancore Tea	15%+	Oct. 1	% ..
Tyspane Tea	10%+	Sept. 17	% ..
Wampoe Tobacco and Rubber ..	5%+	Oct. 22	% ..
Other Companies.			
Achille Serre	5%+	Sept. 30	% ..
Alfred Dunhill	10%+	Oct. 1	% ..
Alhambra Co.	5%+	..	% ..
Alliance and Dublin Gas	6 1/2%+	..	% ..
Alliance Trust Co.	2 1/2%+	Oct. 15	% ..
Argentine Cramail	..	..	% ..
Argentine Eastern Land	..	..	% ..
Army and Navy Co-operative ..	7 1/2% p.a.	Sept. 30	% ..
Atlas Securities Co.	2 1/2%+	..	% ..
Beecham Estates and Pills	1 1/2% p.a.	Sept. 30	% ..
Bombay Gas	8%+	Nov. 1	% ..
British Aluminium	4%+	Oct. 1	% ..
British Gas Light	4%+	..	% ..
Butterley Co.	4%+	Sept. 30	% ..
Chamberlain, King and Jones ..	3%+	..	% ..
Consolidated Water of Rosario ..	5%+	Oct. 1	% ..
Cramphorn	10%+	..	% ..
Crosswell's Brewery	10%+	..	% ..
D. H. Evans	5%+	Oct. 15	% ..
Direct Spanish Telegraph	4%+	Oct. 1	% ..
Dominion Tar and Chemical	5 1/2%+	Sept. 28	% ..
Drury Lane Theatre	..	..	% ..
Dundee Extensions	..	..	% ..
Eastern Transvaal Telegraph ..	5 1/2% p.a.	Oct. 15	% ..
Electric Supply Corporation	2 1/2%+	Sept. 25	% ..
Fraser, Hinde and Hardy	8%+	..	% ..
Frederick Goring	7%+	..	% ..
General Investors	4%+	Oct. 1	% ..
Glasgow Workmen's Dwellings ..	5 1/2% p.a.	..	% ..
Globe Telegraph and Trust	..	..	% ..
Gosport Gas	5%+	Sept. 30	% ..
Hendon Electric	10%+	Sept. 25	% ..
Henry Haddon	10%+	..	% ..
Henry Tomlinson	5%+	Sept. 16	% ..
Hopkinson	10%+	..	% ..
Ibbotson Bros.	6 1/2% p.a.	..	% ..
Imperial Tobacco Co. of Canada	1 1/2%+	Sept. 29	% ..
International Telephone	1 1/2%+	Oct. 15	% ..
Iter's Brick	7 1/2%+	Oct. 1	% ..
Leyland & Birmingham Rubber ..	7 1/2%+	..	% ..
Liverpool Exchange	2 1/2%+	Sept. 30	% ..
London United Laundries	7 1/2%+	..	% ..
Manila Electric	50% p.a.	Sept. 30	% ..
Martinez Gassi	7 1/2%+	Sept. 30	% ..
Marple Electric, Def.	..	..	% ..
Midland Electric	4%+	Oct. 14	% ..
Municipal Trust	5%+	..	% ..
Natal Land	5%+	..	% ..
Rio de Janeiro City Improvmt. ..	6%+	..	% ..
So tish Mail Distillers	6 1/2%+	..	% ..
South Kent Water	6%+	..	% ..
Staveley Coal and Iron	10%+	Sept. 30	% ..
Staveley T. ust.	10%+	..	% ..
Sudan Plantations Syndicate	10%+	Sept. 30	% ..
Sussex Brick	10%+	..	% ..
Tennent Bros.	5%+	..	% ..
Thos. W. Ward	12%+	..	% ..
Vine Products	5%+	Oct. 1	% ..
Wales	5%+	Sept. 30	% ..
Wright, Bindley, and Gell	4 1/2%+	..	% ..
Yorkshire Amalgamated Prod'cts	4 1/2%+	..	% ..

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

b) Week ended Sep. 10, 1926.	Miles Open.	Passen- gers, &c.	Goods, &c.	Total for Week.	Aggregate 35 Weeks, 1926.
(c) Week ended Sep. 11, 1926.					
Great Western	3,778	287,000	221,300	508,000	8,816,000
Do for 1925	3,775	316,000	320,000	636,000	9,945,000
London & N. Eastern (e) ..	6,715	473,000	409,000	882,000	14,461,000
Do same period 1925 ..	6,714	514,000	635,000	1,149,000	16,500,000
London, Mid., & Scottish ..	6,951	652,000	593,000	1,245,000	20,306,000
Do for 1925	6,950	728,000	814,000	1,542,000	23,472,000
Southern	2,180	388,000	94,000	482,000	11,778,000
Do 1925	2,183	398,000	123,000	521,000	12,693,000
Metropolitan (d)	59	29,300	2,500	31,800	1,049,000
Do for 1925	58	39,500	3,900	43,400	1,215,800
Underground E.R. (e) ..	..	..	..	262,300	..
Do for 1925	..	..	..	253,000	..
London & Sub. Group (e) ..	..	..	..	40,700	..
Do for 1925	..	..	..	38,600	..
Belfast & Co. Down (b) ..	80	2,986	701	3,687	113,745
Great Northern (b)	569	18,650	15,061	33,700	578,800
Great Southern (b)	2,181	51,975	45,027	97,002	1,389,678

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
INDIAN.					
Assam Bengal	19 weeks	Aug. 14	1,072	Rs. 3,45,000 + 42,489	Rs. 61,47,191 + 3,00,865
Barni Lk. Ry.	20 weeks	21	118	19,000 + 4,300	7,93,200 + 91,300
Bombay & N. Western ..	23 weeks	21	2,076	6,00,180 + 1,39,393	14,43,284 + 15,50,722
Bombay-Nagpur	18 weeks	7	2,861	12,90,000 + 44,000	2,93,14,479 + 4,16,892
Bombay, Bar., & C. I. ..	23 weeks	Sept. 11	3,033	17,62,000 + 3,26,000	4,91,82,000 + 20,08,000
Burma	18 weeks	Aug. 7	1,349	5,98,823 + 77,408	1,42,42,612 + 4,54,434
Madras & S. Mahr.	20 weeks	21	3,048	13,80,000 + 28,661	5,38,03,132 + 9,54,699
Nizam's Guaranteed (a) ..	20 weeks	21	993	2,78,651 + 36,012	76,31,741 + 6,96,195
Bohilk'd & Kumaon	19 weeks	14	259	41,689 + 256	10,93,140 + 46,815
Do Lucknow-Breilly	19 weeks	14	290	43,794 + 4,813	12,77,228 + 4,271
South Indian	20 weeks	21	1,876	9,17,730 + 1,335	2,06,42,737 + 4,60,576

(a) Total receipts of all lines.

ARGENTINE (a).

				£	£	£	£
Argentine N.E.	11 weeks	Sept. 11	754	13,500	1,200	134,400	15,700
B. A. and Pacific	11 weeks	11	2,652	135,000	6,000	1,398,000	9,000
B. A. Central	11 weeks	11		14,143	190	140,913	15,000
B. A. G. Southern	11 weeks	11	4,720	207,000	9,000	2,012,000	15,000
B. A. Western	11 weeks	11	1,482	82,000		870,000	33,000
Central Argentine	11 weeks	11	3,305	217,000	10,000	2,225,000	35,000
Cordoba Central	11 weeks	11	1,202	82,000	3,000	78,000	47,500
Entre Rios	11 weeks	11			3,600	214,000	26,200

CUBAN.

Havana Central	11 weeks	Sept. 11	1,301	11,644 + 122	121,414 + 4,481
United of Havana	11 weeks	11	1,301	51,425 + 11,195	517,511 + 98,387

URUGUAYAN.

Central Uruguay	11 weeks	Sept. 11	273	23,421 + 2,528	227,612 + 9,305
C. Urug. (East. Ext.)	11 weeks	11	511	4,272 + 68	43,286 + 7,290
C. Urug. (North. Ext.)	11 weeks	11	185	2,232 + 41	22,731 + 4,977
C. Urug. (West. Ext.)	11 weeks	11	811	2,789 + 228	25,431 + 1,609

CANADIAN.

Canadian National	35 weeks	Sept. 7	22,065	4,894,117 + 443,738	170,677,458 + 19,565,082
Canadian Pacific	35 weeks	7	14,229	3,664,000 + 544,000	121,644,000 + 12,759,000

BRAZILIAN (b).

Gt. West. of Brazil	37 weeks	Sept. 11	1,018	15,600 + 3,700	602,300 + 114,600
Leopoldina	37 weeks	11	1,856	54,360 + 7,813	1,588,055 + 463,085
Leopoldina Termal.	37 weeks	11	11	8,005 + 1,966	279,608 + 95,238
San Paulo	37 weeks	12	1534	40,076 + 24,105	1,717,308 + 161,679</

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefere.	Ordinary.	Rate.			
					Amount.	Amount.	Rate.			Dividend.
Banks.		£	£	£	£	£	%	£	£	%
Australian Bank of Commerce ..	June 30	54,560	207,943	262,503	..	147,200	8	60,000	55,303	7½
Bank of New Zealand	Mar. 31	513,299	1,012,161	1,525,460	212,464	499,928	13½	247,689	565,379	13½
Royal Bank of Ireland	Aug. 31	9,298	70,531	79,829	..	24,125	10	45,000	10,704	10
Breweries.										
Tennant Brothers	June 30	8,716	85,829	94,545	8,319	55,267	13½	20,000	109,959	13½
Canals and Docks.										
Mount Stuart Dry Docks and Shearmans	June 30	Dr 8,086	2,765	Dr 5,321	..	..	..	..	Dr 5,321	..
Financial, Land, &c.										
Argentine Eastern Land	June 30	1,172	7,638	8,810	..	5,250	6	2,104	1,456	..
Gas.										
British Gas Light	June 30	41,725	86,568	128,293	7,000	51,300	7½	..	69,993	7½
Iron, Coal, and Steel.										
Sheffield Forge and Rolling Mills ..	June 30	Dr 36,223	Dr 5,023	Dr 41,246	..	..	..	..	Dr 41,246	..
Rubber, &c.										
Kalidjereok Rubber	Mar. 31	5,876	52,177	58,053	..	40,000	50	11,678	6,375	25
Other Companies.										
Macfarlane and Robinson	June 30	Dr 36,699	Dr 10,124	Dr 46,823	..	..	..	..	Dr 46,823	..
Wardle and Davenport	June 30	37,393	61,084	98,477	3,300	51,750	15½	10,000	33,427	20½
Wright, Bindley, and Gell	June 30	3,125	14,392	17,517	5,206	7,874	6½	1,000	3,437	6½
Yorkshire Amalgamated Products ..	Mar. 31	5,971	38,022	43,993	..	15,041	7½	13,900	15,052	5

* Half-year.

† Tax free.

dividend on the 7 per cent. cumulative preference shares which was last paid on April 1, 1925. The company's trading results show some improvement, but the coal strike is seriously affecting turnover, and Continental competition is still very severe. No decision has yet been given by the authorities on the company's claim for return of income-tax."

WARDLE AND DAVENPORT.—The twenty-seventh annual report to June 30, 1926, shows a net profit of £61,084, against a net profit of £128,309 in preceding year. Including £37,393 brought forward from preceding year there is £98,477 available. The preference dividend absorbed £3,300, and the ordinary dividend £51,750. The sum of £10,000 is written off plant and machinery, and £33,426 carried forward. Cash and investments amount to £375,413, against £382,124. Stocks amount to £63,890, against £81,758. Debtors are at £90,788, against £112,999.

YORKSHIRE AMALGAMATED PRODUCTS, LIMITED.—The following is a comparison of figures for the years 1924-5—1925-6:

	Year Ended March 31, 1925.	Year Ended March 31, 1926.
The gross profits were	43,400	57,415
From which must be deducted the provisions for repairs and renewals and directors' fees and taxation	10,979	12,152
Leaving	32,421	45,263
Deduct—Debit interest paid and accrued	7,332	7,241
.....	25,089	38,022
Add—Balance brought forward from March 31, 1925	1,086	5,970
.....	26,175	43,992
Deduct—Interim dividend paid on the ordinary shares 3 per cent. actu al (less tax)	nil	6,016
.....	26,175	37,976

The directors recommend that this balance be disposed of as follows:—
To place to depreciation reserve fund (making same into £29,168 in 1924; £36,168 in 1925)

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Climatic conditions were favourable to agricultural operations in the United Kingdom, and good progress was made with field work and threshings. All good dry samples of wheat found a ready sale to millers at full to firmer prices. Foreign kinds in moderate request, but general tone firmer in sympathy with the forward position. In the floating and forward wheat cargo market, prices were advanced for all grades, chiefly due to the scarcity of tonnage from North and South America, and the sharp rise in freight rates.

Buyers, however, remained indifferent, so that general conditions were largely nominal. Maize, however, attracted better support, mainly on Continental account, and rates hardened while affected by the freight situation. Steamers of La Plata arrived and afloat sold 29s 6d, ditto ready to load also November-December shipment from 30s to 30s 4½d per 480 lbs c.i.f. terms. Wheat again dearer. No. 1 Northern Manitoba quoted 60s 6d, No. 2 ditto 59s, No. 2 hard winter 56s 6d, No. 2 red winter 55s, all ex-ship, choice white Karachi landed 56s, all per 496 lbs. English new 11s 1d-11s 3d per 112 lbs. Flour firm. London standard grade 47s, town whites 48s, patents 49s-50s per sack delivered in the home counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s-47s, Minneapolis 45s-47s, Australian 43s-45s 6d per 280 lbs ex-store. Maize firmer. Plate landed 33s 9d, ditto ex-ship 32s, Bessarabian ex-ship to arrive 32s 9d per 480 lbs. Barley firmly held, especially for feeding sorts. Californian 35s-43s, Chilean Chevalier 50s-57s, ditto brewing 35s 6d-46s, Australian Chevalier 45s-47s ex store, Smyrna 35s-48s ex ship per 448 lbs. No. 3 Canadian Western ex-ship 30s, Persian ex-ship 29s, Russian ex-ship 30s per 400 lbs. English new 8s 9d-15s per 112 lbs. Oats again dearer. La Plata landed old 24s 6d, new 23s 9d, ditto ex-ship 22s 3d, No. 2 Canadian Western landed 29s 6d, No. 2 Canadian feed landed 26s 6d, Chilean Tawny landed 24s, American 38 lbs landed 26s 6d, mixed feed landed 21s per 320 lbs. English new 8s 2d-9s 3d per 112 lbs. Millers' Offals maintained. Broad bran quoted 6s 6d, middlings 7s 6d, fine ditto 9s, bags included ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal firmer. London made flaked 17s, rolled oats 16s, medium also fine cut 16s, coarse also medium pinhead 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—				
1 week to September 11	Cwts. 389,336	Cwts. 402,421	Cwts. 123,452	Cwts. 391,281
2 weeks to September 11	677,803	668,180	213,596	713,283
Average price of English wheat per cwt.	11 2	11 8	12 1	9 0

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Sept. 4	Cwts. 288,467	Cwts. 67,266	Cwts. 58,100	11 9	12 9	8 8
Sept. 11	389,336	124,119	71,527	11 2	12 9	8 6
1922	249,051	58,764	47,430	8 11	10 6	8 9
1923	391,281	232,449	57,376	9 0	11 9	8 9
1924	123,452	333,164	60,962	12 1	17 5	9 3
1925	402,421	199,038	72,238	11 8	14 4	9 8

AMERICAN WHEAT MARKETS.

Firmness has been the order of the day, the ruling factor being the continued rains in Canada, which are hampering crop movements. There is no great export inquiry as yet, and the rise in prices over the week represent predominantly speculative buying:—

	Jan. 2, 1925.	Sept. 17, 1925.	Jan. 7, 1926.	Sept. 9, 1926.	Sept. 16, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 134½	160	(a) 132½	(a) 139½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(b) 151½	176½	(b) 131½	(b) 136½

(a) October delivery. (b) September delivery.
Visible supplies of wheat in Canada, at 11,457,000 bushels, show an increase of 482,000 bushels as compared with the previous figures. Supplies a year ago stood at 6,640,000 bushels.

COAL.

Our Cardiff correspondent writes:—The only important development in the coal market position this week has been revived activity in the chartering of tonnage for foreign coal. The failure of Mr Churchill to secure a three-party conference, and the complications which his mediation has caused, have deferred the hopes of an early settlement of the dispute, and consumers are now entering into contracts for the supplies of foreign coal extending up to the end of November. Moreover, prices for spot or prompt supplies at Cardiff have hardened appreciably, and American coals are now quoted at 50s per ton c.i.f. At some of the smaller pits in the South Wales coalfield work has been resumed under the terms offered by the owners. The output from these pits, though small, is increasing, and is helping to relieve the shortage.

IRON AND STEEL.

We have extracted the following from the weekly report of the London Iron and Steel Exchange:—Conditions in the iron and steel trades have improved somewhat, and the tone is more optimistic than for some weeks past. There has been also more interest shown in the market by buyers. There is still considerable difficulty experienced in obtaining pig-iron or steel materials for delivery before November. Only small quantities of British pig-iron are being produced, and these are sold at high prices. Continental producers have also advanced their quotations. The demand for semi-finished materials for working up in British mills continues active, but supplies appear limited and insufficient to meet the demand, which is principally for delivery within a few weeks. In the finished steel department there has been some buying by exporters, chiefly for the Eastern markets. The British works which are in the market have generally advanced their prices, while the Continental works' quotations are generally higher, although there is a wide disparity in the prices quoted both by Continental works and by merchant resellers. Several thousand tons of sectional steel material have been bought during the past few days, including a good tonnage of joists for export to the East.

Our Middlesbrough correspondent's report dated September 16th is as follows:—Pig-iron: Both buyers and sellers are unwilling to commit themselves too far ahead, preferring to await the trend of quotations. No. 3 G.M.B. is at present quoted 92s 6d per ton f.o.t., for next month's delivery only. Supplies of hematite are scarcer, but as there is no great demand East Coast mixed numbers can be obtained at the quoted price of 83s per ton, both for home and export. Manufactured iron and steel: Although small lots are being sold, there is a disinclination to book orders until the position is less obscure. The following are the nominal quotations:—Steel ship plates, £8; steel ship angles, £7 10s; iron bars, £11 15s; steel rails, £8 10s. Iron ore: Best Rubio is still nominally 21s 6d per ton c.i.f. Tees, but no business is being done.

Our Sheffield correspondent writes:—The position has become very difficult for the large firms producing open-hearth steel as foreign coal affords no solution of their problem, and only about six of the 70 furnaces have worked since the strike began. Manufacturers in the lighter branches are working at half capacity or more, but owing to the dearth and inefficiency of the fuel available they cannot get selling prices which cover the increased costs. Inability to produce special qualities of steel and castings due to the lack of good-class fuel is hindering the manufacture of engineers' small tools. No rails have been rolled since the strike, but a limited tonnage of tyres and axles is being turned out. Some orders for wire ropes have lately been received from the pits which are now working, and there is a fair demand for such material. The seasonal demand for plate and cutlery has begun, and increased activity is noticeable in all sections, particularly spoons and forks and stainless cutlery. Imports of cutlery are small compared with a year ago. New goods suitable for the Christmas trade are in request.

Our Glasgow correspondent writes:—Unfilled orders are now very considerable, and it only requires a return to normal fuel supplies to provide work for several months. Inquiries for two cruisers and a large repair ship from the British Government are in the hands of local shipbuilders. Several good engineering contracts have recently been placed locally, among the latest being:—12 superheater tank locomotives for Madras and South Mahratta Railway placed with the North British Locomotive Company, and an order placed by the New Zealand Government with Sir William Arrol and Co., Limited, of Glasgow, for the erection of new railway workshops. The contract price of the latter order is said to be in the neighbourhood of £200,000. Some brands of pig-iron are now unobtainable, and for the remaining stocks consumers are asked to pay up to 100s per ton. No fresh production is possible until after the coal dispute is settled. Steel works are quoting for delivery after works resume on the basis of £7 17s 6d per ton for ship plates. Bar iron is in steady demand, and supplies from works command high prices. Re-rollers of steel bars from foreign billets have increased their prices owing to the advance in Continental semi-raw material. Sheets are a steady market, both black and galvanised, with prices a fraction easier as sources of supply across the border widen.

Our Cardiff correspondent writes:—In the iron and steel trade tinplates are showing a firmer tendency, and manufacturers are in some cases guaranteeing shipments for next month. For immediate delivery prices are on the basis of 22s per box, while for shipment up to the end of October quotations are about 1s 6d lower. There has been a slight increase in the output, and stocks now amount to 45,540 boxes. Foreign steel bars are being imported at £5 10s per ton, and manufacturers are now relying principally on these. Galvanised sheets are a steady market at from £16 5s to £16 10s per ton.

OTHER METALS.

TIN.—The market ruled strong, though some irregularity was noticeable at times, due to profit-taking. Holders, however, generally adopted reserved measures in face of higher Eastern cables and purchases on American account, so that a substantial advance in prices was registered. Standard cash sold £308-£311-£307 10s and £317, finally £313, with three months £297-£301-£298, £305 and £303 5s. Sales in the East were reported at £307 2s 6d-£304 5s and £307 10s to £307 10s.

COPPER.—There was rather less activity in the standard market, and despite steady advices from America offerings were on a larger scale and rates the turn easier. Standard cash changed hands at £58 17s 6d-£59 2s 6d and £58 15s, three months £59 12s 6d-£59 17s 6d and £59 10s.

LEAD. generally firmer, with business on a fair scale. Good soft foreign pig, September, sold £31 17s 6d-£32 10s, October £31 15s to £32 7s 6d, November £31 13s 9d-£32 1s 3d, December £31 10s-£31 18s 9d ton.

SPELTER in generally quiet request, but prices for the most part remained steady. September sold £34 5s, October £34 7s 6d, £34 11s 3d, November £34 6s 3d, £34 10s, December £34 10s-£34 6s 3d-£34 8s 9d to £34 11s 3d, January £34 11s 3d per ton.

ANTIMONY quiet. English special brands quoted £74 10s to £75, and foreign £65 per ton ex-warehouse.

ALUMINIUM quiet. Home trade £118 per ton. QUICKSILVER firmer. Spot £16 per bottle.

WOLFRAM maintained. Forward 14s to 14s 6d per unit c.i.f. **TIN PLATES** steady on the basis of 22s 6d per standard box, for guaranteed October delivery.



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OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended August 31.		Eight Months Ended August 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	7,780,794	9,595,808	72,239,886	66,830,367
B. Feeding stuffs for animals	727,802	477,635	5,940,352	4,435,760
C. Meat	9,396,763	9,014,034	82,287,645	77,332,688
D. Animals, living, for food	1,489,495	1,473,305	9,652,014	9,647,258
E. Other food and drink, non-dutiable	12,697,651	13,708,638	115,989,111	111,756,059
F. " " dutiable	8,331,738	8,422,245	73,444,395	66,846,195
G. Tobacco	874,418	828,331	8,522,672	10,347,962
Total, Class I.	41,298,651	43,020,036	367,046,075	347,196,289
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	1,775	7,542,847	12,946	12,667,738
B. Other non-metallic mining and quarry products and the like	501,349	381,150	3,949,451	3,756,196
C. Iron ore and scrap	279,725	54,318	3,530,811	2,578,903
D. Non-ferrous metalliferous ores and scrap	1,550,826	1,301,117	11,323,429	10,694,921
M. Wood and timber	5,291,081	4,543,033	28,554,746	23,082,318
F. Raw cotton and cotton waste	4,744,871	3,941,521	27,286,104	53,754,058
G. Wool, raw and waste, and woollen rags	2,849,766	3,040,104	58,846,040	51,263,566
H. Silk, raw, knubs and noils	44,694	98,805	1,300,436	1,297,499
I. Other textile materials	563,877	421,652	10,946,090	10,004,641
J. Oil seeds, nuts, oils, fats, and gums	4,998,405	3,831,525	31,577,955	31,969,979
K. Hides and skins, undressed	1,682,918	1,441,083	14,692,664	12,809,983
L. Paper-making materials	921,115	933,513	6,825,692	7,762,708
M. Rubber	3,295,725	2,261,111	12,855,682	23,676,175
N. Miscellaneous raw materials and articles mainly unmanufactured	978,177	949,865	7,383,524	6,466,505
Total, Class II.	27,709,604	30,805,654	275,085,569	251,783,090
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	315	165,110	2,896	271,126
B. Earthenware, glass, abrasives, &c.	850,954	943,801	6,317,624	7,136,041
C. Iron and steel and manufactures thereof	2,020,729	2,517,458	16,328,333	16,066,341
D. Non-ferrous metals and manufactures thereof	2,855,085	2,664,657	25,654,896	24,567,395
E. Cutlery, hardware, implements, and instruments	393,001	491,663	7,024,212	4,196,360
F. Electrical goods and apparatus	324,272	288,728	2,647,464	2,230,553
G. Machinery	1,002,104	871,237	8,084,034	8,541,245
H. Manufactures of wood and timber	524,220	554,971	4,079,893	4,457,727
I. Cotton yarns and manufactures	660,452	706,814	6,828,545	5,667,421
J. Woollen and worsted yarns and manufactures	1,071,850	1,225,419	9,556,627	9,914,041
K. Silk and silk manufactures	402,370	1,326,587	18,454,211	11,461,374
L. Manufactures of other textile materials	1,149,931	1,149,075	13,634,151	10,167,375
M. Apparel	1,308,311	1,550,713	15,322,731	11,415,822
N. Chemicals, drugs, dyes, & colours	1,053,339	1,245,517	9,710,060	10,060,829
O. Oils, fats, and resins, manufactured	2,947,593	5,310,247	25,446,880	28,297,716
P. Leather and manufactures thereof	1,206,705	1,063,427	9,839,556	9,237,518
Q. Paper and cardboard	1,288,734	1,491,565	9,667,136	10,690,607
R. Vehicles (including locomotives, ships, and aircraft)	502,779	579,736	9,239,060	5,217,134
S. Rubber manufactures	572,268	553,095	4,213,917	5,085,541
T. Miscellaneous articles, mainly or wholly manufactured	2,130,286	2,270,310	18,985,027	17,282,091
Total, Class III.	22,265,298	26,970,130	221,037,253	201,964,017
IV.—Animals, not for food	221,492	251,707	1,439,662	1,234,232
V.—Parcel post, non-dutiable articles	242,876	89,763	3,108,915	1,613,353
Total	91,737,921	101,137,290	867,716,874	803,790,981

THE COTTON TRADE.

LIVERPOOL, September 16, 1926.

The spot demand continues good, that of outsiders being well in evidence. American futures show a fall of about 65 points, mainly due to the movement of the crop being felt and to hedge selling. Weather advices have also been better. Spot sales for the week 10th to 16th inclusive were 43,000 bales, of which 20,940 were American, 2,700 Brazilian, 9,750 Peruvian, 4,080 Egyptian, 3,350 African, 1,450 East Indian, and 730 sundries. Imports for the same period were 26,900 bales. These included the following:—11,717 American, 1,214 Brazilian, 5,226 Peru, 1,738 Egyptian, 4,918 African, 1,425 East Indian, and 663 sundries. Quotations to-day are American Mid., 9.54d.; Egyptian Sakel, 18.55d.; Uppers, 13.65d.; Brazil fair, 9.49d.; Peruvian G.F. mod.-rough, 11.00d.; smooth, 10.49d.; Tinnivelly, 8.40d.; West African mid., 9.19d.; and East African G.F., 10.90d.

MANCHESTER, September 16, 1926.

The market has been under the influence of a downward movement in American cotton prices. An unsettled feeling has prevailed, and buyers of manufactured goods have not been disposed to operate with any freedom. The cloth section has been distinctly quiet. A fair amount of inquiry continues to be met with from India, but actual business has been confined to small lots, chiefly in light fabrics. News from China has been discouraging, and the auctions in Shanghai have been suspended for two weeks. The turnover for the Near East and South America has been limited, but some makers of fancy styles have reported rather more demand for the Continent. American yarn prices have been easier and business restricted. Very little has been done in export yarns.

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.).

	Month Ended August 31.		Eight Months Ended August 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	803,272	406,465	6,816,760	3,807,525
B. Feeding stuffs for animals	242,647	184,833	2,288,877	1,610,548
C. Meat	109,816	105,142	1,030,830	1,029,116
D. Animals living, for food	7,569	8,837	100,782	93,202
E. and F. Other food and drink	2,901,566	2,748,488	20,947,096	20,192,546
G. Tobacco	457,200	572,378	4,371,554	5,447,720
Total, Class I.	4,522,064	4,026,143	35,555,899	32,180,657
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	3,159,952	3,422	34,537,380	17,240,336
B. Other non-metallic mining and quarry products and the like	133,640	169,163	1,275,639	1,335,247
C. Iron ore and scrap	29,449	23,859	307,958	198,783
D. Non-ferrous metalliferous ores and scrap	81,050	134,058	967,825	758,447
E. Wood and timber	59,247	55,106	513,344	473,129
F. Raw cotton and cotton waste	118,463	98,975	1,227,040	660,233
G. Wool, raw and waste, and woollen rags	905,839	565,040	7,860,769	4,901,840
H. Silk, raw, knubs and noils	1,837	51	50,134	9,457
I. Other textile materials	43,945	16,975	389,321	213,245
J. Oil seeds, nuts, oils, fats, resins, and gums	446,385	469,373	4,321,542	4,581,975
K. Hides and skins, undressed	218,882	133,491	2,149,602	1,747,407
L. Paper-making materials	128,718	113,078	1,301,084	1,018,092
M. Rubber	31,478	22,628	152,245	219,771
N. Miscellaneous raw materials and articles mainly unmanufactured	167,449	130,899	2,410,121	2,343,235
Total, Class II.	5,526,334	1,934,018	57,464,004	35,731,197
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	293,916	3,129	2,391,766	1,332,791
B. Earthenware, glass, abrasives, &c.	1,091,929	818,432	8,661,231	8,123,250
C. Iron and steel and manufactures thereof	5,304,850	3,358,790	45,058,281	40,239,200
D. Non-ferrous metals and manufactures thereof	1,606,966	1,555,598	10,768,353	12,469,022
E. Cutlery, hardware, implements, and instruments	802,007	775,606	6,291,502	5,885,049
F. Electrical goods and apparatus	777,764	941,912	7,784,025	7,246,051
G. Machinery	4,165,475	3,742,125	32,652,962	30,302,108
H. Manufactures of wood and timber	167,445	166,644	1,475,079	1,323,297
I. Cotton yarns and manufactures	15,856,667	12,046,428	137,352,251	108,325,493
J. Woollen and worsted yarns and manufactures	5,169,325	5,161,620	41,706,757	35,051,534
K. Silk and silk manufactures	118,520	179,068	1,242,879	1,190,855
L. Manufactures of other textile materials	1,988,034	2,042,950	18,928,297	17,865,887
M. Apparel	2,611,813	2,523,278	19,317,530	17,597,142
N. Chemicals, drugs, dyes, & colours	1,739,567	1,523,440	16,152,202	15,169,524
O. Oils, fats, and resins, manufactured	778,912	744,129	6,608,295	6,349,531
P. Leather and manufactures thereof	556,674	503,267	4,665,206	4,243,543
Q. Paper and cardboard	754,048	850,933	6,366,752	6,363,783
R. Vehicles (including locomotives, ships, and aircraft)	2,292,762	2,346,803	19,806,504	21,613,159
S. Rubber manufactures	573,618	614,222	4,992,992	5,312,062
T. Miscellaneous articles, mainly or wholly manufactured	2,802,550	2,801,546	21,848,983	21,436,848
Total, Class III.	49,482,942	42,735,921	413,851,947	367,430,129
IV.—Animals, not for food	251,517	171,356	1,448,768	1,046,510
V.—Parcel Post	1,255,142	919,306	10,202,920	8,876,504
Total	61,037,999	49,786,744	518,253,538	445,264,797

Some moderate lines have been mentioned in Egyptian spinnings without any general buying movement.

(I.) Comparative Statement of the Cotton Trade.

	Price, Sept. 16, 1926.	Previous weeks in 1926.				
		Price, Sept. 9.	Price, Sept. 2.	Price, Aug. 26.	Price, Aug. 19.	Price, Aug. 12.
Raw Cotton—Mid. American	d 9.54	d 10.26	d 10.14	d 10.16	d 9.63	d 9.35
— Sakellaridis Fully Good Fair Egyptian	18.55	18.05	17.65	16.20	15.75	15.25
Yarns—32's twist	15 1/2	16 1/2	16 1/2	16 1/2	15 1/2	15
— 40's twist	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	15 1/2
— 60's twist (Egyptian)	28 1/2	28 1/2	28 1/2	27 1/2	27 1/2	26 1/2
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 3/4	25 3/4	25 3/4	25 3/4	25 3/4	25 3/4
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 3/4	29 3/4	29 3/4	29 3/4	29 3/4	29 3/4
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 7/8	14 10/16	14 10/16	14 10/16	14 9/16	14 9/16
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs	13 10/16	13 14/16	13 14/16	13 14/16	13 14/16	13 9/16

AMERICAN EXCHANGE-PACIFIC NATIONAL BANK
NEW YORK

(The American Exchange National Bank and Pacific Bank were consolidated August 1, 1925)
Member Federal Reserve System and New York Clearing House Association
Founded 1838
Capital (fully paid), Surplus and Reserves Over \$20,000,000
Total Resources Over \$250,000,000
DOMESTIC AND OVERSEAS
BANKING BUSINESS OF EVERY KIND
COMMERCIAL AND BANKING ACCOUNTS SOLICITED
Head Office 128 Broadway
Six Branches in New York City

(II.) Compared with Previous Years.

	Price, Sept. 16, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	d 9.54	d 13.63	d 13.63	d 18.58	d 13.24	d 15.18
— Sakellaridis Fully Good Fair Egyptian	18.55	29.00	24.55	19.00	17.50	26.00
Yarns—32's twist	15 1/2	21 1/2	24 1/2	24 1/2	19 1/2	22 1/2
— 40's twist	16 1/2	21 1/2	24 1/2	24 1/2	19 1/2	22 1/2
— 60's twist (Egyptian)	28 1/2	35 1/2	35 1/2	31 1/2	28 1/2	43 1/2
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 3/4	32 3/4	34 3/4	34 3/4	31 3/4	36 3/4
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29 3/4	36 3/4	39 3/4	37 3/4	31 3/4	36 3/4
38-in. ditto, 38 yds, 18 by 16, 10 lbs	14 7/8	18 1/8	19 1/8	19 1/8	17 1/8	22 1/8
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs	13 10/16	16 1/16	17 1/16	17 1/16	16 1/16	21 1/16

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Once again wool is "top dog," and is dominating the market. The first real impetus was got from the big buying movement on Russian account a few weeks ago. This cleared a considerable weight of wool, and so strengthened the position of holders of stock. Then, when the new selling season opened in Australia, a wonderfully strong demand was revealed on Continental and Japanese account, and at the wool auctions in London this week the recent advances in raw material have been confirmed. In short, it is manifest that, apart from the requirements of this country and America—which are by no means heavy at the moment—there is a real machinery demand for wool in France, Germany and Japan, and these countries are operating extensively. In most cases Yorkshire importers are being outbid in the primary markets, and in London those who are compelled to buy are having to pay prices which the actual state of the home trade does not appear to justify. In other words, quotations for tops and yarns have been advanced in recent weeks, but even now are practically all below replacement costs, yet it is difficult, if not impossible, to induce users to pay more money for either tops or yarns. Users, therefore, are covering immediate needs and leaving the future to take care of itself, in the hope that values may ease somewhat when the first rush of buying by foreign countries has exhausted itself. All quotations are very firm, but the turnover leaves much to be desired.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The fifth series of wool sales commenced in Coleman street last Tuesday, when all sections of the trade were fully represented. A very sober tone was manifest in the bidding, but generally speaking anticipations were realised. The offerings for the day amounted to 11,800 bales, consisting of fairly representative offerings from most of the Australian States, with a liberal weight of crossbreds from New Zealand and Punta Arenas. Nobody showed any desire to push values beyond the levels justified by manufacturing conditions, and but for the lead given by France and Germany, these would have remained as in July. Judging from the prices paid, Continental representatives are able to obtain prices for tops, yarns, and pieces, which are more in harmony with the cost of wool than are topmakers, spinners, and manufacturers in the West Riding. It is also possible that French and German requirements are more pronounced than those of the home trade. In any case, competition on Continental account was most encouraging.

The bulk of the better-class merinos were fully 5 per cent. above the rates current in July, whilst even shabby greasy and scoured pieces, bellies, and locks often appreciated a little more than 5 per cent. Crossbreds showed generally a rise of 5 to 7 1/2 per cent. in fine classes, whilst medium and coarse mostly appreciated 10 per cent. Slipes also improved a good 5 per cent., whilst short and inferior second-class wools often advanced more, there apparently being a greater demand for these to-day for the woollen trade than in July. Puntas also appreciated fully 5 per cent., whilst the few lots of Capes sold showed a general advance of about 5 per cent.

Taking a survey of the auctions since the opening, there is very good reason to be satisfied with the freedom with which wool has sold and the prices paid. Mr Harry Dawson's report, published after the first sale, rightly observes that "There is a uniquely strong resistance against higher prices. The trade cannot continue to encounter new risks and further losses by paying high values for wool without any chance of getting their money back if put into tops and yarns." This statement should be borne in mind by the whole of the Yorkshire industry. So many influences are operating against the development of business at home, and export trade is still so unsatisfactory that the time is most inopportune for forcing raw material values.

THE JUTE TRADE.

Dundee, September 16.

Pending the final forecast, due in Calcutta on the 22nd, business in the jute trade is limited. In the first forecast in July last the acreage under cultivation showed that a record crop could be expected. Since then, however, rumours have been abroad, stating

that considerable damage has been done to the crop by insects and bad weather, and more than usual interest is being displayed in the figures to be issued next week. There has been great reluctance to sell, and prices

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LTD.

(INCORPORATED IN NEW SOUTH WALES.)
SEVENTY-EIGHTH ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th JUNE 1926.
Presented to the Shareholders at an Ordinary General Meeting held at the Head Banking House, George Street, Sydney, on Tuesday, 27th July, 1926.

The Directors submit to the Shareholders a Statement of Profit and Loss and a Balance Sheet showing the Liabilities and Assets of the Bank on the 30th June 1926, and present the following Report:—
The balance at credit of Profit and Loss Account, after adding the amount brought forward, and deducting Interim Dividend at the rate of 10 per cent. per annum, paid on 22nd January, 1926, rebate on current bills and accrued interest on fixed deposits, reducing premises rate of 10 per cent. per annum, Income and other taxes, providing for bad and doubtful debts, as well as granting to the Staff a bonus on their salaries, and making an addition to the Officers' Provident Fund, amounts to £100,296 12 1
out of which the Directors recommend the following appropriations:—
To Payment of a Dividend for the past Half-year at the rate of 10 per cent. per annum £175,000 0 0
Transfer to Reserve Fund 170,000 0 0
Balance carried forward 55,296 12 1

During the year branches of the Bank have been established at Kurri Kurri, Mandurama, Tullibigeal, Waverley (Bondi Junction), and Weethalle in New South Wales, and Winton in Queensland.
LIABILITIES AND ASSETS (including London Branch Figures by Cable).
£ s. d.

Capital Paid Up £3,500,000 0 0
Reserve Fund 2,830,000 0 0
Reserve Capital 3,500,000 0 0
£9,830,000 0 0
To Capital Paid Up £3,500,000 0 0
Reserve Fund 2,830,000 0 0
Notes in circulation 8,230 0 0
Bills in circulation 1,821,497 19 4
Deposits and other liabilities 38,539,204 17 8
Profit and Loss Account 400,296 12 1
£47,099,229 9 1

By Coin, Bullion, Australian Commonwealth Notes and Cash at Bankers £7,595,243 4 0
Money at short call 3,435,000 0 0
Short dated British Treasury Bills 1,000,000 0 0
British and Australian Government Stocks and other Securities 3,875,156 6 3
Bills Receivable in London and Remittances in transit 3,941,173 19 2
Notes and bills of other banks 465,319 8 4
20,311,892 17 9

By Bills discounted, and other debts due to the Bank £25,844,831 11 4
Bank premises, furniture, etc. 942,505 0 0
£47,099,229 9 1

PROFIT AND LOSS.
£ s. d.
Cr. To Interim Dividend for the Half-year ended 31st December, 1925, at the rate of 10 per cent. per annum, paid on 22nd January, 1926 £175,000 0 0
Balance proposed to be dealt with as follows:—
To Dividend for past Half-year at the rate of 10 per cent. per annum £175,000 0 0
Reserve Fund 170,000 0 0
Balance carried forward 55,296 12 1
400,296 12 1
£575,296 12 1

Dr. By Amount brought forward from last year £90,227 3 11
Profit for year ended 30th June, 1926 485,069 8 2
£575,296 12 1

RESERVE FUND.
£ s. d.
1926—June 30th £2,830,000 0 0
By Transfer from Profit and Loss Account 170,000 0 0
£3,000,000 0 0

GEORGE J. COHEN, Chairman. J. R. DRYHURST, General Manager.
COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED, and have compared the returns of the Branches, and have found the same as specified in the foregoing Balance Sheet.
Sydney, 12th July, 1926.

The following resolution was carried unanimously:—
That the portrait of the Chairman, Mr. George Judah Cohen, recently painted by Mr. George Lambert, A.R.A., be hung in the Banking Chamber of the Head Office, in recognition of the distinguished service rendered by Mr. Cohen as a Director of the Bank for more than forty years and as Chairman for twenty-five years.

F. W. HIXSON, HARRINGTON B. COWPER, Auditors.

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The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor:

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, SEPTEMBER 25, 1926.

No. 4,335.

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Leathwait and Simmons, 34 Throgmorton street.
Pottle and Son, 15 Cullum street.

Willington and Co., Limited, 50 Copthall avenue, and 123 Moorgate.
Paris: Galinani Library, 224 Rue de Rivoli.

New York: International News Co., 83 and 85 Duane street.

THE MONEY MARKET.

In the early part of the week supplies of floating credits were distinctly scarce, and short loans were in strong demand at rates ranging from 4½ to 5 per cent. on Wednesday, when a small amount was borrowed from the Bank of England, revenue collections apparently being partly responsible for the stringency. More comfortable conditions, however, prevailed on Thursday and

Preliminary Notice.

Applications for Shares will be received by the Bank of Ireland, Dublin and Branches, or they may be lodged with their Agents, the Bank of England (Branch Banks Office), London, E.C.2.

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Directors:

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SIR HENRY JAMES FORDE, The Manor of St. John, Waterford, Director, Great Southern Railway Company (Ireland) (Deputy Chairman).

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HENRY ERNEST GARLE, 11, Portland Place, London, W.1, Barrister-at-Law, late Representative of Great Britain upon, and President of, the Inter-Allied Assessment Commission.

SIR ROBERT LYNN, M.P., Commercial Buildings, Bridge Street, Belfast, Managing Director, Northern Whig, Limited, Belfast.

SIR EDMUND RUSSBOROUGH TURTON, Bart., D.L., J.P., M.P., Russborough, Blessington, Co. Wicklow, and Upsall Castle, Thirsk, Director, Yorkshire Insurance Company, Limited, and Celtic Insurance Company, Limited, Yorkshire Chambers, 3, College Green, Dublin.

MARTIN COLES HARMAN, Salisbury House, London, E.C.2, Chairman, The Rock Investment Company, Limited, and The Gas, Water, and General Investment Trust, Limited (Managing Director).

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yesterday, and short loans were obtainable at 4 per cent. The discount market, though quiet, has remained firm throughout, three months' bills seldom being taken below 4½ per cent. The weaker tendency of the American exchange and the prospect of further gold withdrawals are no doubt primarily responsible for the firmness of discount rates, though the market also fully realises that it is working on a narrow margin of credits. Yesterday's Treasury bills were allotted at an average of 4 21-32 per cent., which was practically the same as last week.

	Sept. 24, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3%	3%	3%	3%	2 (Dec. 3, '25)
Discount, Call	3%	3%	3%	3%	2 (Dec. 3, '25)
Houses' Notice	3½%	3½%	3½%	3½%	2½ (Dec. 3, '25)
Market rate (3 months' bills)	4½%	4½%	4½%	4½%	..

Thursday's bank return showed an increase of £80,200 in the stock of coin and bullion, and a decline of £479,900 in the note circulation, so that the Reserve was £560,100 higher. The Proportion, however, was unchanged at 30.2 per cent. Public deposits rose by £4,105,700, and Other deposits were £2,530,800 lower, Government securities having increased by £1,260,000, while Other securities declined by £237,400. Currency notes for the week were reduced by £2,184,500 to £287,387,800, which includes £1,295,000 for notes called in but not yet cancelled. The fiduciary issue is £229,842,900, or £18,059,600 below the maximum for 1926.

NEW YORK MARKETS.

After an anticipated hardening in the Stock Exchange the call rate has relaxed to about 5 per cent., which is the general rate for other important forms of money. The present feeling is that, with speculation checked, the Federal Reserve authorities may be satisfied with the existing rate structure. Meanwhile the Federal Reserve statements show a large increase in discounts, which partially offsets the big drop in the holdings of Government securities. These post-tax date changes leave total earning assets considerably lower, and the System's reserve ratio is up 1.5. Industry is still maintaining its high activity, while the decline in the Bureau of Labour price index shows an absence of inflationary tendencies. The Florida disaster has had little market effect, a small part of the loss being insured. In connection with the Government estimate of a cotton crop of over 15,800,000 bales, it may be noted that the practice of adding the minimum and maximum estimates is discounted. The renewed reports of the flotation of German railroad securities is considered premature.

THE STOCK MARKETS.

Although there was some slight decline in the activity of the mining sections, general business in the Stock Exchange showed a tendency to expand this week. On Wednesday a rumour of a coal settlement produced a brighter tone all round, but its proved falsity, coupled with hardening money rates and the rather unexpected appearance of a big New South Wales loan, caused some relapse in gilt-edged issues. The foreign market was quiet, while Home Rails improved temporarily on the coal settlement rumour. The rubber share market was decidedly firmer on the rise in price of the raw material, but the oil market attracts little interest. The general industrial markets provided few points of special interest, but tobacco shares were hard, Courtauld's irregular, and Hudson's Bays again in request. In the Kaffir market attention was confined to a small group of companies, while the tin share market suffered a relapse on the fall in the price of the metal. Underwriters of the Portsmouth Corporation £850,000 5 per cent. loan were left with 18 per cent. of the issue, and of the La Guaira Harbour £100,000 6½ per cent. second mortgage stock with 40 per cent.

THE COMMODITY MARKETS.

The commodity markets have been affected by the quickening tendency of business customary at this time of the year, but trade is far from satisfactory in some cases, owing to the absence of a coal settlement. A scarcity of fuel has been reported from several centres this week, and considerable price increases have occurred, America and Westphalian coals fetching 55s a ton at Cardiff for immediate delivery, while supplies for domestic consumption rule as high as 70s. Fresh orders have been received for iron and steel products, but the heavy side of the industry remains out of the picture as far as actual production is concerned. Cotton prices have fallen on the issue of a new official American crop estimate, but wool continues exceedingly firm on heavy Continental buying. The latest jute estimates are the highest on record, but prices have not yet fully responded to this factor. The wheat markets have been quiet, though prices are steady as a result of firmness overseas. Sugar shows a new advance, on heavy requirements for home consumption, but coffee is quiet, and the lower grades of tea show a slight decline. Rubber is dearer, the absorption of off-grades, in particular, having been on a large scale. Among non-ferrous metals, tin has reacted after its recent prolonged rise, and copper and lead are easier.

FOREIGN EXCHANGES.

After a quiet opening the foreign exchange market was rather more active towards the end of the week, but, beyond a further hardening of the yen, a rather unexpected set-back to the Belgian franc, and a further weakness in the Paris rate, there was nothing of an exceptional nature. Sterling was weak for a time against the dollar, but regained strength towards the close; the peseta reflected the varying rumours of events in Spain, and the lira recovered from the decline which affected it during the past ten days. New York opened on the 17th at 4.85½-½, and maintained that level the following day. On Monday there was weakness at 4.85½-½, and this was accentuated next day, when a rate lower than 4.85½ was touched during the day, this level being, however, regained at the close. The 22nd saw a recovery to 4.85½-½, which is attributed to the supposed improvement in the prospects of a coal settlement here. Next day there was a decline to 4.85½-½, and the rate yesterday was back to a little below that figure at 4.85½. Forward rates are ½, 1½, and 3 premium for one, two, and three months. Paris opened at 172-172½, and was fairly steady about these levels at the end of last week. On Monday, however, weakness set in at 173½-½, after touching 174½. On the 21st further weakness was evident, the opening rate being 174 and the closing 176½. Forward rates were also weaker at 10½ discount for three months, as against 9½ on the 17th. The 22nd saw a recovery to 174½-½, after a weak opening of 177½, forward rates remaining as on the previous day. On the 23rd there was more steadiness, and fluctuations were only between narrow margins, probably as a result of a more favourable Banque de France return showing a reduction in advances to the State of 450 million francs and of 406 million francs in the note issue. Yesterday's rate was 175½, with forward rates at 3½, 6½, and 9½ discount for one, two, and three months. The instability shown by the franc during the week was due largely to purely commercial causes, including a falling off of the supply of dollars from the tourist traffic and a simultaneous demand for sterling from French importers, but it is an open secret that the opposition is strong in France itself to many of M. Poincaré's stabilisation proposals, and the immediate prospect for the franc is therefore regarded by many as difficult. Belgian francs, as stated, showed unexpected weakness, apart from their sympathetic movement with Paris, and went out from the opening level of 177½ on the 17th, to 184½ on the 21st; but, after touching 187 on the 22nd, closed on that day at 184½, and improved on the 23rd to 182. Yesterday's rate was 182½, with forward rates 2½, 4½, and 7½ discount for one, two, and three months. Amster-

dam opened very firm at 12.11, but weakened to 12.11½ on the 23rd, and was 12.11½ yesterday, a premium of 1, 1½, and 2½ florins being asked for one, two, and three months. Switzerland is a shade harder at 25.11, against the opening level of 25.11½, and Italy also is firmer at 131½, against the opening rate of 133½. The peseta fluctuated a good deal in response to political rumours, and after opening at 31.90 on the 17th, went to 32.02 on the 20th; it then recovered to 31.92 the next day and to 31.82 on the 22nd, but settled down at the opening level of 31.90 on the 23rd. Berlin, at 20.37½, is back at its opening level, after weakening to 20.38 on the 22nd, on top of a recovery to 20.36 on the 21st. Yesterday's forward rates were 2 marks and 6 marks discount for one and three months. None of the other Continental currencies call for comment. The South American currencies showed little variation during the week. The milreis is fractionally weaker at 7 15-32d, and the peso unchanged at 45½. In the Far East the Japanese yen showed renewed firmness, and after opening at 1s 11 31-32d on the 17th, went to 2s 0 3-32-5-32d on the 20th, but settled down rather lower at 2s to 2s 0½d yesterday. The silver market was heavy in tone, and inclined to weakness. China was a steady seller throughout, and but for the fact that India came in on Tuesday as a buyer and continued to buy on the 22nd and 23rd, prices would probably have gone still lower. The rupee remained steady at 1s. 5½d throughout, but the Chinese exchanges reflected the decline in silver, Hongkong weakening from 2s 2d on the 17th to 2s 1½d, and Shanghai from 2s 9½d to 2s 8½d. Singapore remained unchanged at 2s 3½d-2s 4d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended September 18th:—

EXPENDITURE.		RECEIPTS.	
(000's omitted.)		£	
Supply Services	7,400	From Revenue	18,567
Interest, &c., on Debt	783		
Sinking Fund	313		
Sundries	178		
Increase in Balances	131		
Decrease in debt	9,762		
	18,567		18,567

Revenue amounted to £18,566,800, against £13,825,100 during the corresponding week last year. This increase in revenue is presumably due to contributions from France and Italy, which resulted in receipts from sundry loans yielding £4,003,800, against nothing in the corresponding week last year. Customs yielded £1,559,000, against £1,455,000, and Excise £8,323,000, against £7,636,000. Property and income-tax produced £2,251,000, against £2,271,000, and Super Tax £290,000, against £340,000. The week's operations reduced the National Debt by £9,762,000, and caused the following changes:—

(000's omitted.)		£	
Public Department Advances ..	9,850	Treasury Bills	+ 388
Sundries	30		
	10,150		+ 388

The floating debt was reduced by £9,490,000 to £759,911,000.

FINANCIAL YEAR, 1926-1927 (April 1 to September 18, 1926).

£		£	
Total Expenditure ..	363,975,544	Raised by Revenue ..	306,133,987
		Decrease in Balances ..	3,948,727
		Amount borrowed ..	53,892,830
Total	363,975,544	Total	363,975,544

ESTIMATES for FINANCIAL YEAR 1926-7.

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A fee will be charged (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a review of the results of the 1924 Wage Census in the textile trades of Great Britain.

COAL DEVELOPMENTS.

THERE has been "a certain liveliness" this week in the coal dispute. As we write, however, it all seems to be leading nowhere, except to the certainty that the return to work will be protracted and made with grudging and sullen acquiescence on the owners' terms. The end of October now seems to be an optimistic forecast of the date of final resumption in the exporting districts. While this result may for the moment make the owners "masters in their own house" and "eliminate politics from the industry," it will greatly increase the difficulties arising from uncorrelated wages and conditions in various districts, and will most certainly furnish the miners with powerful inducements to reorganise and fight again. The Government, on their side, will have been ignominiously dismissed by the owners, and, after having spent over £20 millions of public money in order to find a solution in which the interests of the nation would be the first consideration, and having subsequently repealed the Seven Hours Act at the behest of the owners, will in the end not be consulted as to the terms of settlement.

The latest development began with the return of Mr Baldwin, and the despatch last week-end to the miners of a letter in which the Prime Minister informed them that the owners refused a three-party conference, and confessed that it was "not within the power of his Majesty's Government to bring about a conference." He added, however, that a satisfactory settlement should combine district arrangements with national supervision, and that if the miners were ready to restart work on provisional district settlements the Government would legislate to set up a national tribunal; in any district where the provisional settlement involved a departure from the seven-hour day either party could appeal to the tribunal for a review of any matter in such settlement which has hitherto been dealt with in national agreements. The decisions of the tribunal would have the force of law. This plan changed the situation in some important respects. In the first place, it was a definite retreat from the position taken up by Mr Churchill, who had led the miners and the public to believe that he had a plan for carrying into effect his idea of district settlements based upon nationally determined principles. All that is left of this doctrine is the verbal assurance of Mr Evan Williams to the Prime Minister that "the coal owners in all districts are willing to observe the main principles that a national agreement would be designed to secure." This assurance the Prime Minister passed on to the miners; but we may well doubt whether they place much reliance on it, or even on the later announcement that in no district will wage minima be reduced below the 1921 figure, in view of Mr Evan Williams' repeated declaration that he has no longer any authority to speak for the districts. A second point is the limitation of the right of appeal to districts in which working hours are increased. But as the essential question of hours is not one of those on which the tribunal will be empowered to adjudicate, its function would be to see whether fair play in regard to wages had been observed in those cases where the industry took advantage of the legal extension of hours. This provision shows clearly that the Government is nervous about its commitments in connection with an Act which it has so frequently described as permissive only. But this provision does not in any real sense give

effect to those repeated declarations. There is one way, and one way only, by which the Government can carry out this view of the Act in the letter and the spirit, viz., to insist upon a clear option being placed before the men in every district as to the wages they could earn on seven hours or on some longer working day, and to provide for an official ballot in the district to which they refer. This is the only conceivable basis on which the Government's Act could properly be called a permissive one. A third and important point about the proposal itself, however, is that it clearly contemplates the possibility of statutory machinery for the determination of wages in certain cases. In other words, it assumes that the trade board principle may conceivably be applied to the mining industry.

It was inevitable that these proposals, of which the owners at once expressed their disapproval on principle and on the ground that before resuming they must know where they stood, should be rejected by the miners as being an abandonment of the policy the Government had adopted a week before, and as contrary to the views of the Royal Commission. After much heart-searching and discussion, the miners have themselves put forward their own concrete proposals, which are that they are prepared to recommend a return to the 1921 minimum wages as a basis on which there should be an immediate resumption of work, and that the terms of a new national wages agreement shall be referred to an independent tribunal, with instructions to take into account when drawing it up the recommendations of the Royal Commission, which, of course, permit district variations. As these proposals contain no conditions about reorganisation, or even a safeguard of the subsistence minimum rates, they are less favourable to the miners than the Samuel Memorandum or the Government's own proposals put forward in May. The Federation has, perhaps, not said its last word, for it might at this stage be prepared to concede the possibility of longer hours if approved in any district after an official ballot, as an alternative to very low wages. But the miners are hardly likely to throw in their last card since the owners are adamant in insisting upon complete freedom for the districts, and will agree to no settlement which has any semblance of a national character.

In the meantime the business world generally is counting the cost and trying to foresee how this deplorable dispute has affected trade prospects. Assuming that there is a general resumption during October, the loss of production in the whole dispute is likely to work out at from £250 to £300 millions out of a national income which (excluding National Debt interest) was between £3,600 and £3,800 millions in 1925. Such a loss has, no doubt, partly trenching upon savings (which were estimated last year at, say, £450 millions), and for the rest is reducing consuming power, which will show itself in the retail trade of all the most affected districts. These considerations must be taken into account by all who are disposed to think that because we have got on so well during the summer, the coal trade is much less vital to the country than it was thought to be. Such optimists should also disabuse their minds of the idea that this country could somehow readjust its economy on the basis of imported coal. For not only has our importation, as we showed last week, upset our trade balance, but it is only possible in an abnormal condition of the world coal market. The world's coal output is about 25 million tons a week, of which Great Britain produces over five million tons—or 20 per cent. The intake of the world's coal importing countries, plus shipping requirements, is normally about three million tons a week, of which Great Britain supplies $1\frac{1}{2}$ to $1\frac{3}{4}$ million tons. We are to-day rubbing along precariously with an import of a million tons. If imports on this scale—which is obviously quite inadequate for winter needs—were added for any length of time to other country's needs, there would clearly very soon be a world coal famine.

There are, however, grounds for optimism about the trade outlook—as the survey in our monthly supplement shows. World demand undoubtedly seems to be definitely expanding, and even in the "distressed industries" it seems that there should be some expansion this winter if the coal dispute can be cleared out of the way.

ITALY UNDER FASCISM.

In a recent article on "Mussolini and the New Roman Empire" in the *American Review of Reviews*, Mr Frank Symmonds describes Italy as the most dangerous spot in the world from the point of view of the maintenance of peace. Having restored the internal position, and having brought peace and prosperity to Italy, Fascism is out to make a new imperial nation. Expansion is over-due. Why, in justice, should France, with a decreasing population, and England, with a lower rate of increase, possess so many colonies, and Italy, with a population increasing at the rate of half a million a year, so few? Italy is the only European country which is not war-sick. Great Britain, France, Germany, are, for the present generation, at all events, pacifists. In Italy alone is the war psychology dominant. Banners, parades, and inflammatory speeches are the order of the day, and the idea of conquering a place among the great imperial nations is in the ascendant.

This view of present-day Italy (as we have briefly summarised it above), though in many respects a fair enough deduction from externals, is by no means the whole of the story. There are many competent observers who realise the existence of other motives, and see that Fascism considers it necessary every few weeks to seek a new means of giving the nation an impression of activity and energy which public opinion may favourably compare with the ineptitude and feebleness of the old Liberal Governments. The campaigns—we might almost say "stunts"—that have been started and discarded when of no further use are innumerable. The "battle of the lira," the campaigns over wheat prices, over oil, over exports, and the vigorous preaching of the doctrines of liberty of commerce and free initiative, closely followed by proclamations inculcating the omnipotence of the State, have served their turn; and when these internal problems began to bore the public, the Press has been directed to "new phases" of the Fascist revolution.

The suppression of the liberty of the Press, however, has resulted in quite a false impression of unanimity, and while it must always be recognised that playing with fire is a dangerous game, it is probably true to say that only a very small minority takes grandiloquent speeches and sabre-rattling performances very seriously. If the true state of the country were reflected in the Press, it would undoubtedly appear that the population is as war-sick and as pacifist as that of any other part of Europe. Moreover, even the Fascist Press has not been able to keep alive any sustained interest in foreign politics, but since the fall of the lira in June has repeatedly had to return to the questions of domestic interest which are of intimate importance for everybody. On many of these issues the Fascists have very little new to say. In the recent foreign exchange crisis, for instance, their first measure was to prohibit private dealings in exchange, concentrate dealings in a very few banks, refuse foreign currencies unless the request was accompanied by invoices for goods bought, &c.—plans which every Government during and since the war has endeavoured to put into force. And although it is the fashion to decry the efforts of previous Governments as old-fashioned or stupid, Signor Giolitti, in fact, has a much stronger claim than any subsequent Government to be the saviour of Italian finance. For it was he who abolished the bread subsidy at a stroke, and wiped out a budget item of five milliard lire, which, if it had been allowed to grow, would have reduced the Italian currency to the state of that of Germany.

The old régime succumbed because its last leaders were too concerned to win the approbation of the Catholic or Socialist groups, who refused the responsibility of taking office, but vetoed all liberal policies. The Government thus ceased to have any policy of its own, and at the same time failed to gain parliamentary strength. Giolitti in his time had been a dictator who had no hesitation in manipulating the elections to the Lower House, but he was always careful to maintain a respect for liberty and law, and did nothing to impair belief in Parliament and the monarchy.

These traditions, slowly built up over a long period of years, were shattered by the "march on Rome." Italy for centuries has been torn by factions. The chief result of 60 years of a united Italy has been the slow growth of the idea of the State as higher than the factions, and the substitution of peaceful methods for gaining power and office as against civil war. Moreover, as a result of over 60 years of parliamentarianism, Italy developed a Free Press. The most powerful newspapers were not party journals or the instruments of political organisations. They were commercial propositions endeavouring to sell the best journalistic goods—accurate news, non-partisan comments, and useful advertisements—to their customers. Their merits were not appreciated by the class of politicians who are always on the look out for subservient journals, nor were they to the taste of the great financial or trade interests, which found themselves unable to influence their policy. But to the country at large they were a real asset. The new régime has changed all that. To-day the liberty of the Press is gone. Nobody can publish news or comments adverse to Fascism, because the Government can, after two warnings, suppress any obnoxious newspaper. Almost all the old proprietors have been forced to sell their interests to new men, favourable to Fascism, and the few who retain their interests can do so only on condition of keeping silence or making favourable comments.

The political parties have been suppressed equally ruthlessly, with the exception that a certain licence has been allowed to the Socialists and Communists. For this, as far as we can see, there are two motives; firstly, to give to the outside world the impression that there are still political liberties left in Italy; secondly, to give to the public at home the impression that there is one alternative only to Fascism, namely, Bolshevism. There is incidentally much truth in this contention, for the more liberty is suppressed the more certain it becomes that the only alternative to tyranny is a policy of destruction.

It is notorious that under the new régime elections have in no sense been free; but in order to obviate risks the old electoral system has now been wholly abolished, beginning with the smaller municipalities in which the local authorities have been superseded by officials of the Central Government. The policy of suppression has been similarly applied equally to the Civil Service. In the olden days the independence of the Service was secured by a Public Service law, but this was regarded as an intolerable check on the powers of dictatorship. A law was, therefore, duly passed by virtue of which the Government can dismiss, without giving reasons, any public servant who is unfriendly to the present régime. The law expires at the end of the year, but there is no reason to suppose that it will not be renewed. The Magistracy and the Bar are under the same influence. Even the Supreme Court, which under the old régime had declared unconstitutional the method of legislating by decree, has accepted the doctrine that the constitutionality of decrees is a matter for Parliament, not itself, to decide.

It might have been thought that these achievements were enough, and that some liberty would have been left in the realm of business, trade, and enterprise. Even here, however, the new régime has stepped in, and, by the new plan of officially recognised corporations, is spreading the net of Fascism into every activity of life. Only employers and employed who are members of recognised guilds can sue or be sued, though the decisions of the courts and of the arbitration boards apply to members and non-members alike. No one can, however, become a member of the guild without first having been approved by the secretary, an officer nominally elected by the members, but subject to the approval of the Central Government. This officer is the real master of the guild. The inevitable result is that a scramble is in progress to get control of these extremely important organisations, and everyone who wishes to have any say in the fixing of wages and other vital economic matters is making parade of his devotion to Fascism. Employers, however, are becoming nervous that for the sake of popularity these compulsory tribunals will make them pay high wages, and they are beginning to look for compensation in the form of protective duties, large State contracts, and similar privileges.

This control system, however, would not be complete unless it included the professions, and it is, therefore,

being extended to embrace them. The teaching profession is under the menace of dismissal under the Civil Service law; and while it would not be possible to suppress altogether the dissemination of political philosophy except by proscribing all books as well as journals completely, teachers from the elementary schoolmaster up to the university professor are careful to keep silent about present political problems. The theory that silence is golden was never more practised anywhere in the world than it is to-day in Italy. We have seen it stated that at a Philosophers' Congress held at Milan in March last a professor dared to speak, in a very abstract way, in favour of liberty of speech and thought in the universities. At once another professor, who wore the Fascist badge, rose to say that freedom of speech and thought is certainly definitely desirable, but that the words spoken must be the truth; and since anti-national speech and thought is no true thought at all, it therefore must not be tolerated. And on this travesty of the doctrine of free speech the Mayor of Milan, who was also the Rector of the Milan University, dissolved the Congress.

Finally, when all other means fail, Fascism has resorted to outlawry. Italians who, either at home or abroad, speak against the present régime are liable to be deprived of their citizenship. The decision is in the hands not of judges, but of a body of public employees appointed by the Cabinet, who can, without being obliged to hear the accused man, decide that he is no longer an Italian citizen. This "Star Chamber" may temporarily seize his estate, and even confiscate it and reduce him to poverty.

It is deplorable that Fascism has resorted to such methods as we have described, for none of them were needed to achieve the great results which admittedly have been accomplished since the new régime took office. The Budget has been balanced, the railways, post and telegraph are running well and at a profit; great ports like Genoa are efficiently managed; the working-classes are contented and working well; public order has been restored and methods of education improved; efforts are being made to improve the backward regions of South Italy; great advances have been made with public works and roads, and the civic services of cities like Rome and Naples, are being overhauled. But tyranny was not needed to accomplish all this, nor was it necessary to institute a political conception which, it seems likely, will survive Mussolini. If the Prime Minister had been courageous enough to trust the nation he would have won the enthusiastic support of all Italians. Instead he has divided the nation into two parts, the silent section of which must inevitably be asking itself whether life was not as tolerable and the individual more free under the hated Austrian yoke.

THE PROGRESS OF HOUSING.

The most recent figures show that the progress in house-building still continues. In two years the output of houses in England and Wales was doubled, and in the present year the record of last year will be exceeded. The total number of houses completed during the last three full years was as follows:—

Year.	Houses.
1923-4.....	86,210
1924-5.....	136,889
1925-6.....	173,426

When the year 1926-27 commenced (on April 1st) 117,588 houses were under construction. From the end of the war and up to March 31, 1926, close upon 650,000 houses had been built in England and Wales, of which 392,000 were built with State assistance. Of the total of 173,426 houses erected during 1925-6 106,987 received a subsidy, whilst 66,439 were built without State assistance. On April 1st 81,008 State-assisted houses were under construction. Classified according to the schemes under which they were promoted, the number of State-aided houses built up to the end of last year was as follows:—

Addison	173,325
Chamberlain	131,302
Wheatley	19,800
Total	324,427

At the beginning of 1926 the position was as below:—

	Chamberlain (Act of 1923)	Wheatley (Act of 1924)	Total.
Number of houses included in definite arrangements	201,647	76,837	278,484
Number under construction ..	40,008	33,559	73,567
Completed	131,302	19,800	151,102

Of the houses completed under the Chamberlain scheme 93,535, or 71 per cent., had been built by private enterprise; whilst of the Wheatley houses 19,580, or practically all of them, had been built as part of local authorities' schemes. The latest return, showing the position of housing schemes on September 1, 1926, confirms the view that private enterprise is operating under the Chamberlain Act, and that municipal authorities are utilising the Wheatley Act. Though the latter has had a year's less run than the former, more houses have been erected by local authorities under it than under the Chamberlain Act; and there are far more Wheatley houses under construction by localities than Chamberlain houses, as the following table shows:—

LOCAL AUTHORITY SCHEMES (September 1, 1926).

	Act of 1923.	Act of 1924.
Number of houses included in contracts let or in approved direct labour schemes....	56,464	120,768
Under construction	9,945	44,881
Completed	41,627	52,542

On the other hand, only a handful of private enterprise houses are being erected under the Wheatley Act. The general position on September 1st is given in the appended table:—

	Act of 1923.	Act of 1924.	Total.
Number of houses included in definite arrangements	270,392	122,914	393,306
Under construction	53,002	45,547	98,549
Completed	185,030	53,436	238,466

During the first eight months of this year 53,728 Chamberlain houses and 33,636 Wheatley houses—or, in all, 87,364 State-assisted houses—have been built. Some measure of the progress of State-assisted houses may be obtained from the fact that in 1924 52,109 such houses, almost entirely Chamberlain houses, were built. In 1925 79,730 Chamberlain houses and 19,263 Wheatley houses, or 98,993 State-aided houses were built. This year's figure will certainly exceed this. Eight months have yielded 87,364 houses, in addition to which of the 98,549 houses under construction on September 1st 49,252 had reached the stage of being roofed in, whilst about the same number had been begun. It will probably be found that 150,000 State-assisted houses will be completed this year. If only 50,000 houses are built without State assistance, something like 200,000 houses will have been erected this year. This achievement will not have been secured by the extensive application of new methods of building. It is estimated that seven out of every eight houses built under the Acts of 1923 and 1924 are built of brick, by far the greater number of the remainder being of concrete construction.

There is, of course, a considerable bill to foot for this attempt to solve the housing problem. During 1925-26 the Exchequer subsidy amounted to £7,833,861, of which sum £7,280,702 was in respect of the subsidy under the Housing Act of 1919. During the current year provision is made for the payment of subsidy amounting to £8,487,000, an increase of £542,000. Since the end of the war, up to March 31, 1926, the total Exchequer payments of housing subsidies in England and Wales have been as follows:—

Housing, Town Planning, &c., Act, 1919.....	£ 35,460,782
Housing (Additional Powers) Act, 1919	9,493,155
Housing Acts of 1923 and 1924	632,886
Demonstration houses	14,000
Grants towards cottages for tuberculous ex-service men..	16,920
Total	45,617,743

This sum does not represent the total disbursements in aid of new houses out of public funds since the end of the war. To this must be added the contributions made by local authorities under the various assisted housing schemes. Under the Addison scheme the contribution of local authorities amounts in the aggregate to about £850,000 per annum. Varying contributions are made by them in respect of Chamberlain houses, whilst under the Wheatley scheme the maximum contribution required is £4 10s per house per year for 40 years. The aggregate cost of the houses produced under the Acts of 1919 was in the region of £200 million, whilst the Chamberlain and Wheatley houses built up to the beginning of September this year have probably cost about £110 million. So that over £300 million has been expended on houses under the various State-aided schemes.

Although much still remains to be done—and this is particularly the case as regards slum clearances and rural housing—the nation during a difficult period and in face of serious difficulties has made a substantial contribution to the settlement of one of its gravest problems.

THE AUTUMN OUTLOOK IN AMERICA.

(BY OUR NEW YORK CORRESPONDENT.)

WITH Wall Street swinging back into its stride after the holidays, optimism prevails with regard to the business outlook. Views on the share market differ materially, some holding that the prospects of active autumn trade suggest that money will be taken away from the brokers to the detriment of speculative activity in securities. But with regard to business, sentiment is uniformly cheerful. It is pointed out, for one thing, that employment is full and that wages are high; that, in short, public purchasing power is at the highest level attained since the war, and that there is nothing in sight to suggest its impairment. For another thing, it is pointed out that there are no signs of inflation in business. Hand-to-mouth buying still continues to be the rule; inventories are conspicuous by their absence. Commodity prices have tended downward since the end of last year, and at the present time are just about steady. Nor is there any loss of efficiency in business. The railroads are handling a record-breaking traffic without delay, and have on hand a comfortable surplus of good-order cars and locomotives. Meanwhile, although money is hardening, as is usual at this season of the year, there is no prospect of a credit shortage, any more than there are prospects of breeding a new crop of "frozen" credits. The country, in fact, is experiencing a remarkably healthy brand of prosperity, and is doing so with the aid of a first-class central banking system, something that was conspicuously missing before.

Most of these factors have been fairly evident for some time. More recently it has become apparent that the country is to enjoy the benefit this year of good crops. As at September 1st the Department of Agriculture estimates the total wheat crop at 838,000,000 bushels, an outturn which, if realised, will materially exceed last year's crop of 666,000,000 bushels. The average yield for the preceding five years is 802,000,000 bushels. Corn, as at September 1st, is placed at 2,697,000,000 bushels, as compared with 2,905,000,000 last year and a five-year average of 2,849,000,000. The oats crop is estimated at 1,263,000,000 bushels, as against 1,512,000,000 last year and a five-year average of 1,327,000,000. As for cotton, the Department of Agriculture sprang something of a surprise with its September 1st report by estimating a condition of 59.6 and a yield of 15,166,000 bales. The trade had expected the yield to be under 15,000,000 bales. Taken altogether, these estimates indicate that while the year's crops are not likely to be record-breaking, they will average out very well, and should furnish, as far as agriculture can, a basis for a continuance of prosperity. It is true that agricultural prices are in some instances unsatisfactory, and that certain agricultural districts are below par economically and financially. The existence of such a situation cannot, however, be called abnormal, and the indications are that the level of agricultural pur-

chasing power will not be substantially different from what it was last year. Similarly, it probably is true that talk of political unrest among the farmers is exaggerated. Unrest of this kind does exist, but it seems unlikely that with the existing high level of prosperity throughout the country the farmers as a group are likely to rush into the arms of the Radicals. Some swing back of the pendulum from the extreme swing to Coolidge Conservatism of the last big election is only natural; but that the pendulum will swing back all the way to Radicalism in the farming districts is wholly unlikely. The past week has furnished an instance of the way political forces are working in some of the Middle-Western States. In the Wisconsin primary elections the Conservative Republican candidate, Lenroot, was defeated by one of the Radical La Follette men. On the other hand, however, the La Follette candidate for the Governorship was defeated by a more Conservative opponent. Lenroot made a better run than had been anticipated, while the main result of the election is the indication that young La Follette will lose his grip on the Republican organisation, a grip that his father held so long.

Most lines of industry have begun to feel the stimulus of autumn demand. While during the summer some forebodings were heard among steel men that the high rate of operations maintained in what normally are slack months possibly meant that the industry was "borrowing" from the autumn, and that the customary increase in operations toward the end of the year would not take place, indications now point to greater activity. It is true that the unfilled tonnage report of the United States Steel Corporation showed a decrease of 60,187 tons in August, against a slight increase in July, but a decrease in August is not unusual, and shipments during the month were maintained at a high rate. The changed custom of steel consumers of ordering only on a hand-to-mouth basis has, furthermore, given people new ideas as to the significance of unfinished business on steel company books. The fact that the August steel ingot output was 10 per cent. above that of the previous month, and averaged close to that of the preceding seven months, is regarded as more important than the loss in unfilled tonnage.

So far as the remainder of the year is concerned, no considerable increase in ordering may be expected from some of the principal consumers of steel, such as the building industry and the automobile trade; but the railroads and farm implement makers probably will take a larger amount of steel. At any rate, steel men make the point that the use of steel has increased to such an extent that replacement business alone insures a steady and larger demand. Meanwhile prices are being well maintained, and favourable earning statements for the third quarter are anticipated.

Reports from the motor industry also are on the whole favourable. One or two of the smaller companies have omitted dividend payments, and one fairly large producer has cut prices. These events, however, merely call attention to the trend in the trade—namely, that buying is going more and more into a few channels. It would not be surprising if the coming year saw the demise of a number of manufacturers, and also amalgamations, although replacement and export business doubtless will be sufficient to maintain production around the current year's levels. The number of new buyers of motor cars in this country probably is not large, but old owners are constantly changing to better models.

Building is showing some slight contraction. Permits and contracts let in August were below the totals for the same month of last year, but, on the other hand, August of 1925 was a record-breaking month. The loss is coming mainly in construction of a speculative nature, while other classes of construction are holding up well. The building "boom" in this country is, of course, over, but there is no reason to expect any great slump in the industry.

As an offset to the slowing up in some industries, considerable encouragement is being derived from the improvement in cotton textiles. With a plentiful supply of raw material in sight, inventories reduced, and factories better adjusted to changed conditions in the cotton goods trade, cotton consumption is increasing. As autumn orders come in, many New England mills which have

been shut down for several weeks are reopening. The sumption in August, as reported by the Census Bureau, amounted to 500,652 bales of lint, as compared with 460,918 in July and 448,665 in August of last year. Exports during the past month also showed an appreciable increase over the preceding month and a year ago. Textiles have been the sorest spot in the business situation here for several years, and the turning of the corner by this industry will do much toward creating confidence in the future.

THE LEAGUE AND WORLD ECONOMIC PROBLEMS

(BY OUR CORRESPONDENT.)

GENEVA, September 21.

A VARIETY of financial and economic conclusions have been reached in the Council and Assembly of the League of Nations concerning the proposed international economic conference, the Bulgarian refugee loan, the financial situation of Dantzig, and the proposals for a conference on the question of the abolition of import and export prohibitions. With regard to the economic conference, the documentation called for at the first meeting of the Preparatory Committee held last April will be sufficient for the Committee to meet again on November 15th next and to begin the most difficult part of its task. A good deal of discussion has taken place as to the programme and character of the Conference and the general idea of the Assembly is that the utility of the Conference would be lost if a small number of essential questions were not detached and the efforts of the Conference concentrated upon them. It is, however, recognised that it will obviously be necessary to include questions which, while not belonging to the essential problems inserted in the agenda, might at the same time have a certain influence upon them. As to the composition of the Conference, there seem to be two difficulties to be avoided. Some delegations have objections to calling upon experts appointed exclusively for their personal qualifications, as the Conference might run the risk of becoming purely academic. On the other hand, a diplomatic conference is not what is desired, and the members who will be designated by the Governments must not be too closely tied by their official responsibilities. It is anticipated that both these difficulties may be avoided so that the scope of the discussion may be widened and the conclusions of the Conference have practical value and influence upon the economic policy of the Governments. It is suggested that the same procedure for the appointment of delegates might be employed as in the case of the Brussels Financial Conference. As to the date, an effort was made to decide upon some time next spring, but it was wisely decided not to take any definite decision, while at the same time expressing the hope that the Conference would be convened without unnecessary delay as soon as the state of the preparatory work permits and the general conditions appear sufficiently favourable. It is recognised that the meetings of the Preparatory Committee are in themselves an indispensable factor in creating gradually a current of favourable public opinion in the different circles concerned, without which any action organised on an international basis would be difficult. These are the broad lines of the Report adopted by the Assembly to-day. The actual resolution on the subject declares that the general economic situation of the world calls more imperiously than ever for an effort towards international co-operation, and expresses the hope that the Preparatory Committee will actively push forward its work. The Swedish delegate bluntly declared that the real heart of prevailing economic evils was the undue erection of Customs barriers, and the Report should have instructed public opinion on this matter if results were to be obtained; the prestige of the League would be furthered if there were more plain speaking on such points as these.

In close connection with this subject is the decision of the Council to accept the proposal of the League's standing Economic Committee to summon a conference of Government representatives to consider the draft international agreement drawn up by the Committee on the question of the abolition of import and export prohibitions. The Council did not consider that such a conference would overlap with the general economic conference. The latter

would be an advisory conference, whose object would not be to arrive at once at contractual agreements, whereas the conference proposed by the Economic Committee would have the task of carrying out an international agreement. It is left to the Secretary-General, in consultation with the Chairman of the Economic Committee and the Chairman of the Preparatory Committee for the International Economic Conference, to fix an appropriate date.

Another decision of the Council was its approval of the Economic Committee's suggestion that a meeting of jurists should be summoned to assist in drawing up the text of a draft agreement to secure the execution of arbitral awards rendered abroad. In 1923 a protocol was opened for signature for recognising the validity of arbitral agreements in contracts, especially commercial contracts, and has already largely contributed to the spread of commercial arbitration. It does not, however, make provision for the execution of arbitral awards rendered abroad. The fundamental principles of a draft agreement for submission to the jurists have already been outlined by the Economic Committee.

The financial situation of Danzig came before the Council yesterday, when it was noted that the Financial Committee could not recommend the issue of a loan until the Free City had dealt with several points which still remain in suspense, including the situation of Danzig as regards the obligations imposed upon it by the Peace Treaty, the agreement to be concluded with Poland regarding the allocation of Customs duties, and the final arrangements for the establishment of the tobacco monopoly. The Committee's view was that budgetary equilibrium must be re-established, budgetary economies must be effected up to 10 per cent. of the total, and that the Danzig revenue should be increased by the establishment of a tobacco monopoly, with regard to which negotiations with Poland had led to a satisfactory result. If at the next session of the Financial Committee in December the Free City is in a position to show that definite arrangements have been made regarding treaty obligations, the allocation of Customs duties and the final arrangements for the establishment of a tobacco monopoly, the Committee will be prepared to recommend a loan of approximately 30,000,000 gulden, provided the Free City submits a definite and satisfactory scheme of new economies capable of ensuring equilibrium of the Budget.

The conditions of issue and control of the main public loan of £2,250,000 for the settlement of Bulgarian refugees have been approved by the Council. This takes the form of a protocol signed by Bulgaria, by which the application of the loan is under the control of a Commissioner, M. Charron, responsible to the Council. The capital and interest of the loan are to be paid free of all deduction in respect of taxes, dues, or charges for the benefit of the Bulgarian State, and the conditions of the loan are to be submitted for approval to a person appointed to act in the name of the Financial Committee of the League. The securities include revenues from excise duties on salt and alcohol, net receipts of the match monopoly, and all sums received at the end of two years from the appointment of the Commissioner in respect of rent or interest due from persons assisted out of the yield of the settlement loan. The amounts required for the service of the loan are a first charge on these revenues. If at any time the total yield falls below 150 per cent. of the annual sum required to meet the service of the loan, provisions are made for assigning additional revenues. Trustees are to be appointed by the Council to represent the interests of the bondholders, definite provisions are made for the employment of the loan, and the Bulgarian Government is to centralise all its existing services at present dealing with refugees under one authority. The supervisory claims of Bulgaria's three neighbouring States—Greece, Roumania, and Jugoslavia—have been met by the recognition of the right of these States to form a consultative committee which may meet anywhere except in Bulgaria. The three members or any one of them may ask for information from or present observations to either the Council of the League or the Commissioner, and they have the right to appeal to the Council on a subject affecting their interests in the sense of Article 4 of the Covenant, in which case, of course, the State or States

sending the appeal would be present as members of the Council.

Notable results were reported to the Assembly in connection with the Greek Refugee settlement scheme. Of the £10,000,000 League loan, £8,000,000 has been spent, and a considerable part of the rest has been budgeted for. Some 700,000 refugees have been settled or assisted, and 120,000 still need to be dealt with. To complete the installation of those already assisted, and to deal with the remainder the Commission estimates that another £5,000,000 will be required. Greek Macedonia has been completely transformed, and permanent results have been obtained in the strengthening of the economic life of the country as well as in promoting its social stability. Like Austria and Hungary, Greece, with League help and under League auspices, has been able to effect lasting improvements in her national economy. The Assembly resolution expresses the hope that conditions may be such that the money required for the completion of the work may become available in due course.

ELECTRICAL DEVELOPMENT COMPANIES.

To the casual observer obsessed with memories of bad trade it may appear somewhat surprising that companies whose operations are mainly centred upon the manufacture of electrical equipment should have been able, generally speaking, to secure higher net profits in 1925 than in the previous year. Several things have, however, to be remembered; for instance, that many of these concerns are able to secure good overseas contracts; secondly, that a steady tendency has been in progress towards the change over from coal to electrical power among manufacturers who desire to move with the times. At any rate, the showing made by the group of representative undertakings included in this year's analysis is highly satisfactory. In all we have taken the figures of a dozen companies. Of these only four disclosed lower net profits. In some instances the gains were substantial. That prosperous concern, the British Insulated, continued its excellent record and earned nearly twice as much last year as in 1924. Siemens Brothers seem to be getting back once more to a period of stability, there being a substantial increase in profits. The directors prefer to carry forward a larger sum rather than to add more to the reserves. As will be seen from the following table, other companies which did well were Callender's Cable, the General Electric, Johnson and Phillips—whose profits rose from £105,838 to £155,591—and the Brush Electrical. The British Thomson-Houston, the English Electric, the Metropolitan-Vickers, and the Telegraph Construction were not able to do quite so well. The English Electric had a serious setback, profits for 1925 being more than 50 per cent. less than those for 1924. On the whole, the allocations made to reserve were substantial, especially in the case of the British Insulated, Brush Electrical, and the General Electric, and as a rule the amounts carried forward were higher than in the preceding twelve months:—

Name of Company.	Year.	Amount Brought In.	Net Profit After Payment of Dividend Interest.	Preference Dividend.	Ordinary Dividend.	Amount Placed to Reserve, &c.	Carried Forward.
British Insulated	1924	412,873	323,244	30,000	150,000	334,407	221,710
Cables	1925	221,710	624,874	30,000	183,333	408,333	224,918
British Thomson-Houston	1924	210,863	225,433	81,376	93,000	50,000	211,920
1925	211,920	186,655	83,199	95,250	..	..	220,126
Brush Electrical	1924	74,918	63,365	..	45,856	15,000	77,427
1925	74,918	75,945	..	45,856	106,279	..	462,695
Callender's Cable & Construction	1924	315,987	308,208	56,000	75,000	30,500	611,338
1925	462,695	329,643	56,000	85,000	40,000	73,917	74,038
English Electric	1924	69,714	127,698	59,014	64,481	..	214,256
1925	73,917	59,195	59,014	..	..	..	310,624
General Electric	Mar. 31, '25	212,452	791,455	252,000	158,398	379,253	214,256
Mar. 31, '26	214,256	841,185	252,000	160,648	332,169	310,624	480,399
Henley's (W. T.)	Mar. 31, '25	377,925	1272,033	9,000	130,000	30,562	503,779
Mar. 31, '26	477,396	239,148	9,000	130,000	73,765	503,779	20,457
India Rubber, &c.	Aug. 31, '24	10,658	101,317	12,500	37,500	40,000	21,975
Gutta Percha, &c.	Aug. 31, '25	21,975	108,482	12,500	37,500	60,000	20,457
Johnson & Phillips	1924	21,975	108,482	12,500	37,500	60,000	20,457
1925	77,792	105,838	..	50,000	..	..	77,792
Metropolitan-Vickers Electric	1924	85,618	178,808	77,314	69,626	35,000	92,133
1925	92,133	178,167	78,025	78,400	25,000	95,058	195,028
Siemens Bros. & Co.	1924	152,762	187,641	32,875	112,500	..	296,140
1925	196,228	265,237	51,625	112,500	..	..	114,862
Telegraph Construction & Maintenance	1924	183,159	111,343	..	89,640	30,000	105,852
1925	114,862	110,630	..	89,640	30,000	105,852	..

† For 15 months.

With regard to the 1925 figures for Brush Electrical Engineering it should be explained that the £76,190 brought in represents £77,427, less corporation profits tax, 1924, paid in 1925. This amount has been carried to an undivided profits account. We have, therefore, added it to the allocations to reserves in 1925, which explains the blank in the carried forward column at end of 1925, as against £77,427 carried forward at end of 1924. The set-back experienced by the English Electric has already been referred to. Speaking at the annual general meeting, Sir Charles Ellis, the chairman of the company, said that "the profit and loss account was disappointing. The orders secured were less in value than in the previous year owing to a sudden falling off in export orders. But in the latter part of the year the Power and Traction Finance Company obtained a contract in Greece of over £2,000,000, a large part of which represented plant and material to be manufactured by the company. None of these orders came into the books during the past year, and only part of the work would fall into the current year. The unexecuted orders exceeded the whole output of 1925." The directors of the English Electric are to be congratulated upon publishing a consolidated account of all the associated companies.

We now tabulate the principal balance-sheet items, showing how they compare with the preceding balance-sheet:—

Name of Company.	An Analysis of Principal Liabilities and Assets.							
	Share Capital and Reserves.	Debentures and Loans.	Creditors.	Properties, Plant, &c.	Stocks.	Cash.	Investments.	Debtors
British Insulated—	£	£	£	£	£	£	£	£
End 1924	2,171,000	821,582	994,197	1,068,591	985,007	360,821	625,827	1,275,897
End 1925	2,504,333	832,408	1,123,157	1,307,012	1,030,330	71,266	705,274	1,777,139
British Thomson-Houston—	£	£	£	£	£	£	£	£
End 1924	3,720,000	1,608,045	1,361,396	2,511,775	1,686,150	330,535	299,649	1,893,560
End 1925	3,720,000	1,591,445	1,332,333	2,671,428	1,415,544	342,762	364,364	1,907,385
Brush Electrical—	£	£	£	£	£	£	£	£
End 1924	684,736	300,907	110,541	523,293	292,837	70,734	177,876	154,726
End 1925	777,138	295,795	117,325	510,679	250,182	104,025	177,931	193,295
Callender's Cable—	£	£	£	£	£	£	£	£
End 1924	1,425,000	658,782	750,924	748,164	374,498	138,763	458,282	1,533,839
End 1925	1,670,978	621,708	813,409	806,916	345,006	140,781	467,768	1,744,522
English Electric—	£	£	£	£	£	£	£	£
End 1924	2,772,588	1,180,816	1,336,714	1,253,477	1,166,735	..	2,023,003	1,934,543
End 1925	2,793,690	1,173,416	1,354,653	2,355,217	1,353,279	..	498,323	1,755,790
General Electric—	£	£	£	£	£	£	£	£
March 31, '25	6,421,975	3,387,500	1,723,966	4,075,600	2,079,860	306,169	2,260,942	3,183,523
March 31, '26	6,671,975	3,344,500	1,824,853	4,069,883	2,113,554	366,476	2,285,762	3,377,024
Henley's (W. T.)—	£	£	£	£	£	£	£	£
March 31, '25	1,150,000	150,000	881,828	696,418	576,421	396,491	485,507	602,947
March 31, '26	1,200,000	150,000	918,508	730,241	676,146	267,200	491,050	676,954
India Rubber, &c.—	£	£	£	£	£	£	£	£
Aug. 31, '24	1,220,000	400,000	262,473	738,184	325,732	673,359	52,668	182,542
Aug. 31, '25	1,280,000	400,000	256,383	740,842	355,953	653,794	52,696	190,653
Johnson and Phillips—	£	£	£	£	£	£	£	£
End 1924	636,831	332,339	214,888	359,154	418,455	129,333	59,742	342,809
End 1925	910,877	313,470	167,320	410,163	479,812	53,688	164,689	400,096
Metropolitan-Vickers—	£	£	£	£	£	£	£	£
End 1924	2,870,000	1,036,353	1,378,826	1,184,852	1,582,131	349,931	282,007	2,071,311
End 1925	2,895,000	1,036,353	1,525,114	1,208,026	1,903,950	407,396	309,196	1,819,177
Siemens Bros.—	£	£	£	£	£	£	£	£
End 1924	2,286,904	877,300	418,210	930,728	1,252,160	122,748	858,724	609,940
End 1925	2,463,926	849,300	625,477	1,089,686	1,284,261	137,814	863,769	862,343
Telegraph Construction, &c.—	£	£	£	£	£	£	£	£
End 1924	1,136,400	..	1,136,557	408,775	..	119,819	1,237,580	718,874
End 1925	1,166,400	..	1,519,039	1,369,510	..	156,767	1,137,075	725,109

(a) Includes Treasury Bills, which are not shown separately in balance-sheet.

With regard to the balance-sheet of British Insulated Cables, Limited, for 1925 we find the item "Cash in banks and in hand, home and abroad" has disappeared. In the 1924 balance-sheet cash amounted to £337,556 and bills receivable £23,266. On the other hand, property and plant has increased in value from £1,068,592 to £1,307,012. But total assets have increased from £4,320,976 to £4,831,006. Debtors are up from £1,275,897 to £1,777,138, and investments from £566,421 to £650,354. Stocks also have increased from £985,007 to £1,030,330.

As regards changes in capital, the British Insulated capitalised £333,333 of the reserve and distributed it in the form of one new ordinary share for every three held. It also reconstituted its loan capital. Whereas the 1924 accounts showed that there were three classes of debenture stock, namely, £82,897 of 4½ per cent. first mortgage stock, £27,147 5 per cent. second mortgage stock, and £711,539 mortgage debenture stock—making a total of

£821,583—the present balance-sheet shows that there is now only one class of loan capital, namely, £714,000 of 5 per cent. mortgage debenture stock. Callenders also made a bonus distribution from reserves, 200,000 ordinary shares being allotted to the proprietors at the rate of one new share for every three held. The ordinary share capital of the General Electric was increased by £30,000 in order to finance the purchase of shares from its Indian subsidiary. The latest accounts of Johnson and Phillips reflect the capital changes made in 1924 and 1925. The ordinary share capital has gone up from £484,921 to £600,000, and there is now £313,470 of 6 per cent. first mortgage debenture stock, against £332,339 of 8 per cent. stock. Siemens Brothers preference capital has been increased from £135,000 to £550,000, in order to provide funds for the extensions now proceeding at Woolwich. The general trend of properties and plant has been upward, substantial gains being shown by some of the companies, notably the Telegraph Construction and the British Insulated. On the whole stocks figure for more, while the cash item, generally speaking, has advanced. The upward movement in creditors has been accompanied by a similar tendency in debtors, while investments stand at a higher level.

Our concluding table shows the highest and lowest prices of ordinary shares for year 1925, dividends for 1924 and 1925, and prices and yields at the end of August, 1925, and end of August, 1926:—

Name and Amount of Share.	Prices, Year 1925.		End of Aug., 1925.			Sept. 23, 1926.		
	Hgst.	Lwst.	Div. 1924.	Price.	Yield.	Div. 1925.	Price.	Yield.
British Insulated (£1).....	3½	2½	%		£ s d	%	£ s d	
British Thomson-Houston, 7% Cum. Pref. (£1).....	1½	1½	15	3½	4 12 3	15	3½	4 5 3
Brush Electrical (£1).....	18	1	10	18	8 17 9	10	18	7 12 6
Callender's Cable, &c. (£1).....	1½	2½	15	3½	4 8 9	15	3½	4 9 3
English Electric (£1).....	1½	1½	5	1½	5 6 9	nil	1½	nil
General Electric (£1).....	1½	1½	7½	1½	5 6 6	7½	1½	4 16 0
Henley's (W. T.), &c. (£1).....	3½	2½	15	3½	4 12 3	20	4½	4 17 0
India Rubber, &c. (£1).....	1½	1½	15	1½	14 9 0	15	1½	14 6 0
Johnson and Phillips (£1).....	3½	1½	10	2½	4 1 0	17½	3½	5 5 9
Metropolitan-Vickers (£1).....	18	1	8	18	6 11 3	8	18	6 4 9
Siemens Brothers (£1).....	1½	1½	7½	1½	5 0 0	7½	1½	4 16 0
Telegraph Construction, &c. (£12).....	28½	26	110	26½	14 10 6	110	26½	14 2 0

† Free of income-tax.

The Government scheme for the greater intensification of electrical developments in Great Britain, as well as the wider adoption of this means of power supply throughout the world, has led to the belief that these equipment manufacturing companies will be able to increase their profits in the not far distant future. This has resulted in an advance in the prices of the shares and a corresponding decrease in yields. Some of the returns shown are decidedly low, and the only obvious justification for the yield of 4½ per cent. to 5½ per cent. shown on many of the shares is that the proprietors expect to receive substantial distribution in the future.

THE AUSTRIAN BANKING POSITION.

(BY A VIENNA CORRESPONDENT.)

THE Vienna banks have recently published their first balance-sheets on a gold basis, one for the beginning and one for the end of 1925. This makes it possible to form more accurate judgment than could be obtained from their former rather confusing balance-sheets, where paper kronen of different value were taken.

Of the principal banks of Vienna the Länderbank and the Anglo-Austrian Bank have since the war transferred their centre of operations abroad, and the latter was recently fused with the Kreditanstalt. Moreover, the Länderbank now makes up its accounts in French francs. The chief remaining banks are the Kreditanstalt, the Bodencreditanstalt, the Eskomptegesellschaft, and the Bank-Verein. Then come the Union Bank, the Merkur, and the Verkehrsbank. There is also a number of medium-sized and small banks which are not included in the following survey.

The following table shows the position of the seven principal banks. All figures are millions of Austrian schillings (100 schillings corresponding roughly to £3):—

	Dec. 31, 1913.	Dec. 31, 1924.	Dec. 31, 1925.
Capital and reserves	1,307.9	306.0	306.5
Creditors and depositors	3,826.2	1,555.9	1,772.8
Drafts	408.1	5.0	4.7
Total Liabilities.....	6,359.7	1,875.3	2,130.2
Cash and bills.....	1,265.7	174.2	255.7
Securities and participations	467.8	245.0	249.3
Debtors	3,966.7	1,421.0	1,570.5
Mortgages	595.9	1.8	20.9
Premises	63.8	33.4	33.9
Interest and commission.....	188.2	116.1	107.4
Foreign exchange and securities ..	24.8	32.8	19.8
Salaries	40.5	76.0	66.0
Sundry expenses	35.3	11.1	11.7
Taxes	23.8	31.2	21.2
Net profit	110.8	30.5	27.5

A comparison with pre-war figures shows the effects of war and inflation. Of the former share capital and reserves (including increases during inflation calculated in gold) only a small fraction has been saved. (Eskomptegesellschaft, 30 per cent.; Bankverein, 22 per cent.; Kreditanstalt, 15.7 per cent.; Bodencreditanstalt, 14 per cent.) The real capital, however, is certainly much greater, since all banks are laying great stress upon accumulating hidden reserves, and are only showing a part of their strength. Total assets, as compared with 1913, were:—Eskompte, 59 per cent.; Kredit, 36 per cent.; Bodencredit, 30 per cent.; Bankverein, 25 per cent. It must, however, be noted that after the war the Kreditanstalt and the Bankverein sold their branches in the new States and received shares for them. Gross profits showed a smaller shrinkage, but net profits fell in the case of the Kreditanstalt and Bankverein to 22 per cent. and 23 per cent., in the case of the Bodencredit to 29 per cent., and in that of the Eskompte to 40 per cent. of the figure for 1913. The reason is that expenditure is now absorbing a much higher percentage of gross profits than before the war. Salaries, in particular, have risen considerably owing to larger staffs. Banks like the Eskompte and the Bodencredit, which have no branches and are mainly doing big business, are less affected by increased expenses than those with a large number of branches and a big staff. However, all banks have in recent years decreased the number of employees considerably, e.g., the Kreditanstalt, from 2,370 to 1,740; the Bankverein, from 3,200 to 1,500; the Eskompte, from 679 to 523; the Bodencredit, from 530 to 330. The liquidity of the balance-sheet position is enhanced by the fact that among liabilities there are practically no drafts, which played a conspicuous part before the war, and that rediscounting at the Nationalbank is of no importance, or almost non-existent. All the great banks have once again become the centre of a wide network of international relations. They are associated with powerful foreign houses, and have numerous affiliated banks in the new States of Central and Eastern Europe. It is remarkable that at the Kreditanstalt 65 per cent. of all debts and credits are in foreign currency, which is due to the fact that a very great part of the business is done with customers abroad. This shows how the activity of the Vienna banks is extending far beyond Austria. The balance-sheet figures for 1925 were greater than those for 1924. The Kreditanstalt increased its total assets by 29 per cent., the Bodencredit by 16 per cent., Bankverein by 15 per cent., Eskompte by 7 per cent. Net profits, however, were a little less than a year ago, except Bodencredits, which show an increase of 13 per cent. The dividends declared were:—Bodencredit, 14.4 per cent.; Eskompt, 12 per cent.; Kredit, 10 per cent.; Bankverein, 9 per cent.; Union, 7 per cent.

Since publication of its balance-sheet the Kreditanstalt has taken over the Austrian branches of the Anglo-Austrian Bank and has increased its capital by 15 millions. It is now ahead of all other banks. The Bodencredit, too, has recently acquired control over the Verkehrsbank, and other fusions are, apparently, being contemplated.

A serious incident was the recent insolvency of the Centralbank der deutschen Sparkassen, though this bank is only of minor importance. It was founded with the object of utilising the surplus resources of savings banks. The great savings banks of Vienna, of course, did not require the Centralbank, but the smaller provincial institutions entrusted it with part of their deposits. As a result of inflation savings were annihilated, and only after the stabilisation of the currency could the savings banks begin their usual business again. At first they offered very high interest to depositors, and some provincial banks even continued this practice up to about a year ago. At the same time, the former main field of savings banks—the mortgage business—had been closed by the law restricting house rents to almost pre-war amounts in paper kronen. All this induced the Centralbank to seek investments with high profits, which formerly were absolutely out of the question for such institutions. Thus the bank came under the influence of industrial promoters, who induced it to invest large amounts in industries and mines. Moreover, the Centralbank had a certain political tendency; it was in close touch with the governing parties, and, therefore, was forced to come to the rescue in the case of certain banks and concerns in difficulties where party interests were involved. Ultimately this led to absolute immobilisation of the bank. It was unable to repay deposits owed to savings banks from its own means. The bank would have collapsed, and a terrible run on all savings banks was threatening, if the Government had not intervened by lending and guaranteeing a sum of 62.5 million schillings. This action of the Government has, of course, been sharply criticised, and is, indeed, open to grave objections, though the Government pleads that otherwise an incalculable disaster would have been unavoidable. This is true, yet the necessary intervention could have been carried out in a more circumspect way. Parliament passed a Bill granting a moratorium to the bank till October 31st, and putting it under the strict control of trustees elected from all parties. The trustees are now investigating the matter, and will report to Parliament. The assets include valuable industries, which will probably pass into the hands of the big banks. The Government is anxious to recover the amount paid out to the creditors and depositors of the bank by means of a loan, the interest on which is to be met by the banks. Its plans, however, are not yet fixed finally.

The savings banks themselves, especially the great saving institutions of Vienna, are mostly well conducted. Savings are increasing steadily and rapidly, and this is one of the most hopeful symptoms in Austria.

Notes of the Week.

The League and Franco-German Rapprochement.—Our Geneva correspondent writes:—"The election of nine Member States by the Assembly to the non-permanent seats on the League of Nations Council, the departure of Sir Austen Chamberlain, and the Stresemann-Briand interview at Thoiry, followed by the departure of M. Briand, have been considered as the close of the real events of this Assembly. But the truth is that the Assembly only got down to its normal business—which is its real business—after the excitement of Council reorganisation and elections was over. Dr Stresemann was wise enough to see this, and still remains taking his part in the Council, committees, and Assembly. He and the members of his delegation are participating with the greatest prudence, and have maintained the excellent impression created on the day of their entry. Doubtless they will have a fairly tough battle to fight on their return, possibly for not having made the pace quicker, and probably for what has been described as the victory of France and her friends in the elections to the Council. M. Briand, in fact, on his return to Paris, gave an interview, in which he used almost identical words, but it is fair to remember that he, like Dr. Stresemann, has a difficult home public to consider. It is useless to pretend that there is general satisfaction on the composition of the Council, but most people are glad at any rate to get the matter out of the way for the time being. The present arrangement is not likely to remain permanent,

and, for that reason, perhaps, should not be taken too tragically. The presence of Germany outweighs many things which would otherwise be open to much severer criticism, and Germany's membership of the League, and the presence of her Foreign Minister in Geneva, soon showed their value in the Stresemann-Briand interview at Thoiry, which was made much easier through the normal presence of the two ministers in Geneva for League business." In this momentous interview MM. Briand and Stresemann arrived at a provisional understanding (subject to the approval of their respective Governments), which may be regarded as the political complement to the economic negotiations between the French and German heavy industries. These latter negotiations, which seem at last to have been crowned with success after having been attempted repeatedly, are an indispensable step in the economic reconstruction of Europe, and, as such, they should be welcomed (as the *Economist* has often pointed out) in Great Britain. It follows that we have economic as well as political grounds for likewise welcoming a Franco-German political entente, which will not only do more than anything else could do to ensure the maintenance of European peace, but will clear the ground for carrying the Franco-German economic entente to a conclusion. It is in this, perhaps, that the chief importance of the Briand-Stresemann plan lies, for, though the case for Franco-German industrial co-operation is overwhelming on purely economic grounds, that co-operation could never be wholehearted so long as a political situation existed which kept alive a bitter resentment between the two parties. The bargain hit upon by MM. Briand and Stresemann is that France shall extinguish Germany's political grievance by an early and complete evacuation of the occupied territories, and by a restitution of the Saar territory, without a plebiscite, in advance of the treaty period of 15 years, while Germany shall enable France to rehabilitate the franc by speeding up and increasing the financial performance required of Germany under the Dawes scheme. If this bargain could be carried through, it would enable the French and German industrialists to begin their co-operation on a field cleared of the most formidable political and financial obstacles. There are, of course, many difficulties to be overcome before this fruitful but ambitious plan can be realised. Both the French and the German statesman has to reckon with his "die-hards," and the "die-hards" of the opposite camps may co-operate instinctively, as they so often do, to keep alive the feud which gives all of them their reason for existence. The technical financial difficulties are at least as formidable. Can German "transfers" under the Dawes scheme be increased on the vast scale that is apparently contemplated? The international issues raised are some of the greatest that have arisen since the peace-settlement.

The Tension in China Relaxes.—His Majesty's Government have been rewarded for their good sense in making a further attempt to settle the Wanhien incident by negotiation before resorting to a second time to force. As a result of Rear-Admiral Cameron's conversations with the representative of General Yang Sen it has been agreed that the detained British ships shall be brought down the river and handed over to a third party, by whom they are to be consigned to the British authorities. There will evidently be claims and counter-claims for compensation; but although these will doubtless add to the labours of our harassed consular and diplomatic representatives, they will hardly threaten to cause further bloodshed. There is also better news from the South, for the Canton Government are reported to have come to an arrangement with the Strike Committee for bringing the anti-British boycott to an end. The strike is to be called off, and the pickets compensated out of a fund to be created by raising the import duties to the scale contemplated in the Washington Agreement. This solution has certain unsatisfactory features. To begin with, the Washington Agreement contemplated the raising of the import duties by free negotiation between all the parties to those international treaties on which the present scale rests, and this in return for certain concessions on the Chinese side, such as the abolition of *likin* (internal octroi). The Canton Government is now proposing (after the Tariff Conference at Peking has ended in an *impasse*) to raise the import

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duties by a high-handed unilateral act; while, so far from abolishing *likin*, it is proposing to increase the fiscal burdens on foreign trade with China by imposing a special export duty. Nevertheless, we should be ill-advised to haggle over points which, whatever their merits, do not weigh in the balance against the restoration of our trade with Southern China, now that this restoration is at last in sight.

Labour and Wages Policy.—The controversies that have centred round the economies of the mining industry on the one hand, and the attention that has in recent months been directed to the evolution of industrial relations in America on the other, point to the need of a radical overhauling of current ideas about wages. In this matter certain industries, such as the iron and steel trade, in which a combination of payment by results and a sliding scale which affords some automatic means of prosperity sharing have been very successful in maintaining industrial peace, are in striking contrast with some other trades in which very different principles prevail. Ideas on so vital a matter do not change very readily, and only as the result of experience, but it is significant that the problem is one to which the leaders of the Labour movement are directing their thoughts. In this connection a Labour correspondent writes:—"Certain passages in the presidential address of Mr Arthur Pugh, of the Iron and Steel Trades Confederation, at the Trades Union Congress at Bournemouth, convey much more than would appear on the surface. Mr Pugh hinted to British trade unionism that it must reconsider its wages policy. He asked whether it was possible to arrive at basic rates, with strict reference to some index of national production, and having regard to family circumstances, and the cost of living. In this formula he combined elements which have been specially in the minds of most of the trade union leaders in innumerable industrial negotiations within recent times; but the reference to an index of production is important. The public is not generally aware that this has been the subject of anxious consideration by many of the political and industrial Labour leaders, particularly in view of the fact that the movement is committed to the public ownership of large industries. As was indicated in this column recently, Labour has in important spheres taken the line that if industries are to be publicly owned they must be self-supporting; that is, wages must be related to the output of the industry, under which at the same time consumers must be reasonably protected. It is quite frankly feared that if either mines or electricity, or even railways, were publicly owned to-day, large numbers of the workers (almost certainly if a Labour Government were in power) would demand and expect conditions which could only be satisfied, in the absence of the necessary time for reorganisation and greater efficiency in the industry, by higher prices or heavier charges to consumers than are now in force (a development which would seriously endanger progress in public ownership), or by subsidy of some description. Subsidy would be, of course, contrary to the policy which Labour has adopted in the case of the acquisition of land, railways, mines, and electricity. Some of the political and trade union leaders have urged, mainly in private, that especially in the early stages of any transition to public ownership, probably greater sacrifices would be called for by the workers than are now demanded; and that for a time such sacrifices, or alternatively very generous co-operation in the effort of the

industry, would be necessary if the self-supporting or economic basis was to be maintained. Mr Pugh in reality means that trade unionism must give up, with the employers' associations, much of the blind bargaining which at present passes for industrial negotiation. All the facts must be supplied regarding output, the level of prices to consumers, and the disposable surplus. Some of the unions consider that there might be national basis for such a formula; others would like to see a regulated return to capital, labour, and consuming public such as is in effect secured for British railways under the Railways Act, 1921. How far these more important considerations will be studied by the trade unions during the coming year no one knows; the interesting thing is that the abler of the political leaders are urging that the preparation of a definite wages programme of infinitely greater intelligence should be undertaken without delay."

The Italo-Rumanian Pact.—On the Friday of last week (September 17th) a treaty of friendship and arbitration was signed by the Italian and Rumanian Governments. From what is known at present of its scope, this instrument would appear to be framed on the lines originally worked out, on Dr Benesh's initiative, in the "Little Entente" treaties, and afterwards followed, in a somewhat looser form, in the several agreements made by Czechoslovakia and Yugoslavia with France and Italy. The most important feature is that the parties undertake to consult one another in the event of any threat to their common interests, and to accord one another political and diplomatic support in the event of a violent threat to the interests of either from a third party. In type, the recent Italo-Spanish Treaty, on which we commented at the time of its signature, belongs to the same series, but with a significant difference. The ominous thing about the Italo-Spanish Treaty, as we indicated at the time, was that the text contained nothing but harmless and benevolent generalities, with no overt reference to the great and contentious problems of the Western Mediterranean, in which France, as well as Italy and Spain, is concerned. The real relations between Italy and Spain over those questions—which may at any time endanger the peace of the world—were left in the dark. This has not been done, in the present instance, in regard to the equally dangerous problem of Bessarabia—the ex-Russian province which Rumania annexed, with posthumous sanction from the Principal Allied Powers, but which the U.S.S.R. has never ceased to claim as legitimately hers. It will be remembered that the Allied sanction for the Rumanian annexation of Bessarabia was given in a treaty signed at Paris, on October 28, 1920, in part payment to Rumania for evacuating Hungary, whose territory she had unlawfully invaded. Although the Principal Allied Powers signed this treaty, the Russian attitude in regard to Bessarabia made them hesitate to take the final step of ratification; and though the treaty has now, in fact, been ratified by the British and French Governments, two ratifications are not enough to bring it into force. We may, therefore, feel a certain relief in learning that Signor Mussolini—who anticipated Mr MacDonald in attempting to arrive at a friendly settlement with the Soviet Government in 1924, and at that time refrained from ratifying the Bessarabian Treaty rather ostentatiously—has not changed his policy. In a letter of the same date as the Italo-Rumanian Treaty, which he has addressed to the Rumanian Prime Minister, Signor Mussolini has expressly drawn attention to the fact that "no mention is made in the [Italo-Rumanian] Pact of the above-mentioned treaty, the ratification of which on the part of the Italian Government will only take place when this can be done without prejudice to the general interests of Italy."

The Extent of Under-Employment.—The results of the 1924 Inquiry into Earnings and Hours of Labour, which are being published in instalments by the Ministry of Labour, include the first comprehensive statistical survey of the extent of short-time working. Two years have elapsed since the date to which the figures relate, and in many industries there have been appreciable changes in

the position, but the statistics have much significance in that they throw considerable light on the value of the percentages of workers unemployed as a measure of the relative depression in different industries. The methods adopted for the curtailment of production are necessarily dependent on the circumstances under which the various trades are carried on. In some cases, such as the manufacture of pig-iron, it is necessary to close down works entirely as the alternative to full employment. In others, such as the cotton industry, it is possible to provide work for a proportion of the operatives for part of the week. In cases of the first category it is to be expected that the percentage of workers unemployed will be high, and in those of the latter somewhat low, though there may be actually comparatively little difference in the relative depression as measured by the extent to which production is restricted. This feature is illustrated by bringing together, for a few industries, the unemployment percentages and the statistics as to short-time working, which are now available for a week in October, 1924:—

	Percentage Unemployed	Percentage on Short Time	Hours Lost per Week by Those on Short Time
Wool	8.0	18.2	10.6
Railway carriage and wagon building	8.5	7.7	12.9
Chemical	9.0	2.4	8.4
Pottery	10.9	14.8	13.0
Cotton	11.6	17.2	14.0
Bleaching, dyeing, &c.	13.0	39.7	10.0
General engineering	15.2	6.4	8.8
Marine	17.0	2.6	12.8
Pig-iron manufacture	17.3	3.1	20.8
Smelting and rolling of iron and steel	23.4	15.9	13.9
Shipbuilding	30.6	1.1	14.8

On the basis of the above figures it is possible to indicate by a series of index numbers the relative amount of under-employment in the industries specified. Assuming full employment to be represented by 100, the index numbers are as follows:—

Chemical	91	Marine Engineering	82
Railway carriage and wagon	89	Pig-iron manufacture	82
Pottery	88	Bleaching, dyeing, &c.	80
Wool	88	Smelting, &c., of iron and steel	73
Cotton	87	Shipbuilding	69
General Engineering	84		

It will be seen that the relative position of the industries as indicated by the index numbers differs, in some cases appreciably, from that shown by the simple unemployment percentages which have hitherto been the only statistical measure available. The absence of figures in regard to short time has been a serious omission from our industrial statistics, and the illustration given above reveals the necessity for the collection of such figures at frequent intervals.

American Cotton Crop.—Our Manchester correspondent writes:—Late on Thursday evening the Agricultural Bureau of the United States Government created a sensation in Lancashire cotton trade circles when it published a much more favourable report on the cotton crop than was expected. The condition figure was given as 59.5 per cent., against 59.6 per cent. a fortnight earlier, and 53.8 per cent. at the same time last year. The indicated crop was given as 15,810,000 bales, against 15,166,000 bales a fortnight earlier. The important increase in the probable output exceeded all anticipations, as market operators expected an estimate of about 15,300,000 bales. The amount ginned so far this season was given as 2,511,000 bales, as compared with 4,276,000 bales at the same time last year. These smaller ginning figures reflect the lateness of the growth compared with a year ago. The big increase in the crop estimate resulted in an important fall in prices, and the Liverpool market declined nearly $\frac{1}{2}$ d per pound. Unless something extraordinary happens cotton users throughout the world are assured of extensive supplies during the next twelve months, and prices are likely to be on a lower level than for many years back. Buyers of manufactured goods for a long time have held aloof in anticipation of lower values. When prices steady, it is possible that the markets of the world will be prepared to replenish their stocks, and thus provide Lancashire firms with more work.

Cotton Trade Short Time.—Our Manchester correspondent writes:—In Manchester on Tuesday last there was a lengthy meeting of the Short Time Organisation Committee of the Master Cotton Spinners' Federation, and at the close it was stated that consideration had been given to the state of trade and the serious effect which the enhanced price of coal is having on business. After a full discussion it was decided to call a mass meeting of American spinning employers for Tuesday next for the purpose of considering the advisability of further curtailment of production. Since then it has been officially announced that at the meeting next week the committee will recommend the members to work their mills in future one week in three, thus reducing production to 33 per cent. of the full. It may be said that since June 14th last, owing to the coal shortage, the factories have worked about 50 per cent. of full output. It is reported that the Masters' Federation keenly resent the high prices that are now being asked for fuel, and it is likely that employers will be recommended to stop their mills rather than pay the exorbitant rates required in some quarters. If the further curtailment of output is adopted, there is bound to be increased distress amongst the operatives.

Co-operative Trade.—A business that commands a capital of £46,756,470, and supplies goods to retail societies with a membership of 3,854,675, mostly heads of families, should afford some index to the state of trade in industrial areas. Such is presented, writes a correspondent, by the half-yearly report of the Co-operative Wholesale Society, Limited, up to June 26th. The sales were £36,826,524, a decrease of £333,795, or $\frac{1}{2}$ per cent. on the corresponding period of 1925. At the Newcastle branch the decrease amounted to £335,977; but against this it set an increase of £345,259 for the London branch, and one of £52,618 at the Manchester headquarters. The advance in the Metropolitan districts is the most remarkable feature in current co-operative progress, and the sales for that branch have reached £10,404,101 in the six months, as compared with the £9,052,880 turnover of Manchester. The supplies from the society's own works were valued at £12,961,827, a decrease of £600,941. This is largely owing to the position at the society's flour mills, and is the result of lessened prices rather than a smaller output. There has also been a decreased demand from the boot and shoe works, the result of the uncertainty among the buyers of retail societies as to the immediate future in the mining areas. After providing for interest on the capital and depreciation of property, the surplus was £532,548, from which £422,619 is being distributed as dividend to the societies at the rate of 3d in the £ on purchases. While the trading account showed a slight decrease, the deposits and withdrawals for the half-year rose to £314,554,193, an increase of over 8 per cent. Probably the circumstances of the General Strike in May are reflected in this increase, for, through the various co-operative societies, over a million pounds were withdrawn by trade unions in the first few days; and trade unions have had to draw pretty freely since then. The C.W.S. Bank has 20,827 current accounts, half of which are for trade unions, clubs, and friendly societies. The amalgamation of co-operative societies continues to lessen the number of such accounts. Six have just been closed from that cause, and the number of co-operative societies now banking with the institution is 1,005. Foodstuffs are still the principal productions of the C.W.S., and of the supplies of nearly 13 millions the flour mills were responsible for £5,140,412, and the margarine, jam, and biscuit works for over £2,000,000. The production of soap was well over a million pounds, and the opening of the new works near Manchester in July will substantially raise the output for the rest of the year. At the October meetings the directors will recommend the admission to membership of a new society, the Schools Co-operative Society, Limited, which deals exclusively with schools and educational committees—a development of the principle of collective buying and selling in a new direction. Reference will also be made to the question of a pensions scheme for the society's employees. A joint committee of the C.W.S. directors and employees has been preparing a scheme, and this is to have serious discussion during the next few months. At the Southport Congress

last year the provision of pensions for co-operative employees was urged upon societies, and about a hundred distributive societies have adopted schemes. The example of the C.W.S. will give a good lead to the matter throughout the movement.

Hurricane Insurance Losses.—A cable from New York estimates the loss at Miami or in the whole district affected by the hurricane at £20,000,000, and the losses falling on insurance companies and underwriters at £3,000,000. These figures must be guesses, and very rough ones, for it is incredible that anyone can within a day or two have made even an approximate calculation of the damage done in a district that looks like a war-devastated area. It is equally incredible that any reliable opinion can have been formed of what the loss on various insurance policies is, going to work out at. Many different kinds of policies are likely to be affected—policies covering house property against hurricane, policies covering shipping in the harbour, policies covering plantations and orchards, policies covering motor-cars (many of which seem to have been destroyed), and policies covering death and disablement by accident, a form of insurance far more common in America than in England. And if the total of the insurance losses is difficult to guess at, it is still more difficult to say how much of the loss will be borne by American companies and how much in London. The British offices, through their American branches, have accepted hurricane risks as direct business, and some of the offices' managers expect to have fairly heavy claims made on them. Lloyds' underwriters probably have a certain amount of direct business on their books, but they are more concerned with the reinsurance of American companies, which cover their catastrophe risks freely at Lloyds. Excess reinsurance treaties by which the original company rids itself of the catastrophe risk have grown more common in recent years, and this hurricane is just the kind of disaster that these treaties are intended to meet. It must, however, be a long time before the loss under the treaties is ascertained, and very different opinions are expressed by various interested underwriters. Some expect considerable claims, but others are optimistic and do not think that there will be much to pay. The only thing certain is that at this stage nobody knows. One piece of good fortune is that a newly erected bridge in Florida, which was insured in London for a very large sum, has escaped uninjured. Insurance in London of citrus plantations was not renewed this year, and this reduces the scope of possible loss.

Wage Census Results.—Recent issues of the *Ministry of Labour Gazette* have contained the preliminary results of an inquiry into hours and wages during a given week in each of the months of January, April, July, and October, 1924, undertaken last year by the Ministry as a supplementary investigation in connection with the Census of Production. As no previous inquiry had been made since 1906 the greatest possible interest attaches to the figures thus obtained. The industries so far dealt with comprise textiles—which form the subject of a special article in our *Monthly Supplement* this week—pottery, brick, and chemical trades, iron and steel, and engineering. It is hoped to deal fully with the two last-named in future issues of our *Monthly Supplement*, but in the meantime the broad results may be briefly summarised. The following table accordingly sets out certain figures as regards some of the most important branches of the iron and steel, engineering, and other metallurgical trades:—

AVERAGE EARNINGS AND HOURS, 1924.*

Group.	Number of Workers Covered.	Proportion of		Average Weekly Earnings.	Weekly Hours.	
		Males.	Females.		Normal.	Actually Worked.
Pig-iron	28,752	99.8	0.2	s d 63 1	49.9	49.6
Smelting, rolling, &c., of iron and steel	155,730	99.0	1.0	61 5	44.2	44.8
Tinplate	22,507	85.5	14.5	66 5	43.4	45.8
Smelting, rolling & casting of non-ferrous metals	28,954	94.5	5.5	56 7	47.4	48.1
Brass founding & finishing	27,622	80.6	19.4	44 1	47.1	46.2
Sheet metal	45,652	63.8	36.2	43 11	47.1	46.0
Engineering	679,277	92.5	7.5	50 8	47.0	46.6
Shipbuilding	129,277	99.4	0.6	51 9	47.0	46.6

* Based on figures for weeks ended January 19, April 12, July 12, and October 18, 1924. † According to returns received by Ministry of Labour. a Week ended October 18 only. b Four weeks stated above.

The figures are subject to numerous qualifications (the size of the sample, for instance, is not the same throughout, and is markedly less in the case of the figures in the last column than in the rest of the table), and their significance can be realised only by comparison with pre-war results, which are not given by the Ministry of Labour. It is intended, however, to discuss these and other matters in detail in succeeding articles.

Lloyd's Register Report.—The annual report of Lloyd's Register of Shipping opens with a warning as to the serious effect of the coal stoppage on shipbuilding and shipping, but as the report deals with the year which closed on June 30th, the period under review was not itself seriously affected. During the twelve months the committee passed plans for 361 new vessels of 1,089,360 tons gross, and of this projected building no less than 68.3 per cent. is to be built in Great Britain and Ireland. The total is much below that of last year, but the British share is 13.3 per cent. higher. The newly constructed tonnage to which the committee assigned classes during the year amounted to 1,330,507 tons gross, of which 807,627 tons, or over 60 per cent., was built in Great Britain and Ireland; Germany, with 198,172 tons, takes second place, her figure being 140,000 tons larger than a year ago. The figure of 1,330,507 tons for new construction classified compares with 1,315,730 for 1924-25, 885,660 tons for 1923-24, 2,020,185 for 1913-14, and a high-water mark of 4,253,523 for 1919-20. The total world tonnage classed in Lloyd's Register book at June 30th was 29,172,698, of which 13,834,607 was British. The report contains abundant evidence of the progressive change over from coal to oil, although much of the tonnage built for oil can, and does, use coal. Of the tonnage built to Lloyd's class during 1925-26, which was 1,324,789 tons, 418,503 tons were for use of coal only, and 906,286 for oil. This gives a percentage of 31.6 for coal and 68.4 for oil, the percentages for the previous year having been 51.2 for coal and 48.8 for oil. Again, the proviso must be remembered that the oil-burning figure includes a large amount of tonnage adaptable to both types of fuel. But motor ships alone reached nearly half the total, at 602,451 tons. It may be supposed that an event like the long coal stoppage will accentuate the tendency to build vessels fitted with engines capable of running on oil fuel.

The Sugar Position.—There seems to be justification for the recent increase in strength and activity in the sugar market, following the long depression which resulted from the large excess of supplies in the season now ending. Although the Cuban crop was cut down by about 300,000 tons to 4,884,650 tons, the net season's surplus was fully 500,000 tons, which with 2,000,000 and 3,000,000 tons respectively in the two previous seasons, made a total increase in three consecutive years of nearly 6,000,000 tons. The absorbing capacity of the world's markets was certainly severely taxed this year, but the new low record of prices reached since the full weight of the Cuban crop made itself felt has attracted an important demand from the Far East for Cuban sugar, which was sold there on exceptionally low terms, and the large setback in the European takings from Cuba has been to a fair extent made up thereby. The outlook for the commodity has been entirely modified for the better, not only on account of the Cuban surplus being more rapidly absorbed than had been generally expected, but because of reduced crop forecasts for the new season, this applying to various cane-growing countries, such as Java, Australia, Mauritius and Hawaii, and also to European beet sugar. Assuming that Cuba refrains from enforcing another curtailment in her coming crop, it was estimated by an American trade authority that the total world's resources for the season 1926-1927 would show a setback as compared with the previous campaign of about 1,000,000 tons. An early Austrian forecast of the European beet crops circulated recently placed the yield at 7,280,000 tons, as against 7,571,000 tons for the past season, and it is rather significant that the Czechoslovakian crop has been already estimated by Mr F. O. Licht at 230,000 tons less than the last actual yield. European consumption, on the whole, has proved rather disappointing, while the outlet in this

country has been affected by the coal crisis, but all indications now, nevertheless, point to a further steady recovery in sugar prices. Demand is being stimulated by the expectation that the whole of the Cuban surplus may easily be dispersed before the new crop gets under way, inasmuch as it is understood that a definite decision has already been come to by the Cuban Government that grinding will be deferred until January 1st next. When the position was at its worst Cuba was pushing sales of her sugar at 2 cents per lb cost and freight to New York, and selling even at 1½ cents to the Far East; but there has been an active demand lately, and the price has been raised to 2½ cents. Java sugar encountered also an active demand from India and the Far East, and has been generally disposed of at well over European parity. British refiners have repeatedly raised their terms lately, further advances having taken place this week; and, under strong American cable advices, trading in white sugar futures has developed freely, and prices already indicate a recovery of about 1s 9d per cwt for near months from the worst of the depression.

Stock Exchange Advertising.—A Stock Exchange correspondent writes:—Recently the Stock Exchange managers, who exercise control over all the expenditure of the Stock Exchange as an undertaking, voted the Committee an additional sum for the official advertisements of the House, and the result can be seen in the bolder notices that have since appeared in the Press. The Stock Exchange had been previously spending upon advertisements about £800 a year. Many proprietors of Stock Exchange shares complained that this money was wasted because of its inadequacy. The advertisements that the sum permitted were so insignificant as to be valueless for all practical purposes. The extravagance of spending too little was urged again and again, until the Committee recognised the force of the argument, and the managers voted a more liberal sum. The present Stock Exchange advertisement arrests attention, and the House suffers no loss of dignity in the public being plainly told that Stock Exchange business should be transacted through members of the Stock Exchange. Provincial brokers took the lead in this particular matter, and before London moved they were advertising plainly and clearly to the same effect—that business in stocks and shares should be negotiated through members of a Stock Exchange. The necessity for driving this home to the mind of the public may not be obvious to the London stockbroker or jobber, accustomed as he and his immediate circle of friends are to the ways of the bucket shop and the wiles of unscrupulous outsiders. But, singular as it seems, there are still many people in London and its surroundings who make a target easily found by the shaft of the swindler. Such people never read a financial paper, and seldom read a money article, deeming its ordinary City jargon to be outside the scope of their knowledge. If they seek for guidance in regard to making application for new issues, they frequently find a prospectus to be noticed, by their daily paper, in a manner so non-committal as to render the statement of no financial assistance. That any official Stock Exchange advertisement will reach such people is extremely problematical. Their names and addresses lie open, however, in directories, in lists of company shareholders, in the catalogues of popular appeals made by charitable institutions that run various kinds of ballots and the like. The Stock Exchange obviously cannot touch these people with the same ease as can be achieved by, say, underwriters left with large blocks of shares, or by firms which are used for the purpose of peddling out to the public considerable amounts of issues, old as well as new. As for the bucket-shops proper—it might be more appropriate to say improper—they trade with the invaluable assets of public gullibility, the high cost of living, and the reluctance of anyone to admit having been fooled. It may be of service to interpolate here the fact that the most notorious bucket-shops of the day are worth suing for recovery of money by any client with a genuine case of misrepresentation, and a good lawyer. The Stock Exchange advertisement, being of a cautionary character, must perforce be passive. It would confer more public benefit could some way be found whereby the prospective client, not knowing a Stock Exchange broker to apply to, were put

into touch with a member. The Americans are more plagued with bucket-shops than we are, and the New York Stock Exchange has campaigned vigorously against the tribe, though not with complete success. Indeed, it may be doubted whether a civilised society can hope to be ever free from the pests, but the wider use of publicity on the part of the established Stock Exchanges will help towards that protection of the public which is an undoubted obligation upon the shoulders of those who deal honestly in Stock Exchange securities. Withdrawal of the prohibition against Stock Exchange firms' private advertisements to any but the firm's clients might mark a considerable forward step in saving the public money, but this prohibition has been rigorously maintained—up to the present—and the advisability of making a change is a subject that opens up wide fields of discussion.

Prospective Tin Producers.—With the shares of most of the old-established Malayan tin companies standing at high prices there is naturally a disposition to look into the merits of the newer undertakings. Below are summarised some expert calculations relative to a handful of companies due to start dredging in the near or the not very distant future:—

Company.	Estimated Ore Reserves.	Tons per £1,000 Capital.	Estimated Yearly Output.	Tons per £1,000 Capital per Year.
	Tons.		Tons.	
Ampang	9,634	56	700	4.1
Anglo-Burma ..	9,851	65	490	3.2
Eastern Siam ..	8,687	51	572	3.4
Teja Malaya ..	11,750	44	857	2.4
Theindaw	1,750	35	115	2.0

The computations are based upon the prospectus estimates of quantities and value, the tonnage stated representing black tin of 70 per cent.

Swiss-German Commercial Treaty.—Our Geneva correspondent writes:—The Trade Treaty which has recently been concluded with Germany can be viewed with some satisfaction, as it provides for a reduction in Customs duties and puts an end to nearly all import restrictions on the side of Germany, thus affording Switzerland the opportunity of improving her export trade to some extent. Switzerland has obtained certain advantages in regard to her exports of machinery, wood carvings, aluminium, watches and textiles. As regards textiles, Switzerland succeeded in obtaining reductions in Customs duties ranging from 50 to 70 per cent., but this is not likely greatly to improve the situation of her textile industry, which is passing through a serious crisis, aggravated by the very high Customs duties levied on its products in Germany. Some concessions were gained on cotton goods, embroidery, curtains, but none at all on other articles—a fact which is causing some discontent among the industrials of Eastern Switzerland. The greatest success was achieved in connection with the watchmaking industry; the German duties on silver watches have been lowered from 5 marks to 2.75, on ordinary watches from 3 marks to 2, on gold wrist watches from 10 marks to 4, on ladies' gold watches from 20 marks to 14, on men's gold watches from 20 marks to 8. Duties on chocolate have been reduced from 200 marks to 150 marks, on condensed milk from 75 marks to 40 marks, on embroidery from 2,000 marks to 700 marks. Switzerland, on the other hand, agreed to reduce her Customs duties on certain goods on which German duties are lower than the Swiss. Thus duties are lowered on metal working machinery, paper, office equipment, timber, building materials, and copper, and enamelled utensils; duties on toys were reduced from 60 francs to 50, on beer from 12 francs to 9, on cement from 2 francs to 1.50. Moreover, Switzerland pledged herself not to raise her duties as fixed in the general tariff now in operation. The new arrangement is for one year, and is to come into force at the beginning of next year, when it has been ratified by the Parliaments of both countries. It will certainly give an impetus to the Swiss export trade, though certain industries—such as the embroidery and silk industry—will not find them-

selves any better for the change. But the general consequence of the agreement will be to open Switzerland more widely to German trade, which means that Swiss trade and industry will have to meet German competition within their own country, a prospect which is not cheerful. Statistics show that, before the war, Germany's imports into Switzerland represented about ⅓ of the total imports, while in 1925 her share was only 1-5. It is probable that Germany will be able to regain the position she held on the Swiss market before the war, with the probable result that Swiss purchases from other countries such as France, Italy, and Great Britain, will be reduced in proportion of the increase in German imports. Switzerland imported German goods to a rough value of 565.7 million francs in 1910 of 630.8 millions in 1913, and of 471.4 millions in 1925; her exports to Germany totalled 270.1 millions in 1910, 305.6 millions in 1913, and 368.2 millions in 1925. The activity of the German chambers of commerce, commercial agents and commercial travellers in Switzerland clearly shows that Germany is making a big effort to secure a strong position on the Swiss market, and the recent Treaty will undoubtedly help her to achieve that object.

Switzerland's Immigration Problem.—One of the most delicate problems with which Switzerland is faced, writes our Geneva correspondent, is that of foreign immigration. The economic development of Switzerland during the last 50 years, the lack of native labour, low taxes and cheap living every year attract thousands of foreigners who come to the country to earn their living, and who finally settle and sometimes marry in Switzerland. The great majority of these foreigners retain their nationality and form important colonies in the principal towns. They generally do not mix with the Swiss; they have their own corporations, bands, health and old age institutions; they celebrate their national anniversaries exactly as if they were in their own country. This influx of foreigners began after 1870, but it rapidly increased after 1880, when there were 211,035 foreigners out of a total population of 2,831,787; in 1900 there were 383,424 out of a population of 3,315,443; and in 1910, 522,000 out of a population of 3,753,293. The rate of increase was checked by the war, but it soon picked up after 1918, so that in 1920 there were 402,385 foreigners out of a population of 3,880,320, or over 10 per cent. Of these 149,832 were Germans, 134,528 Italians, and 57,196 French. These foreigners are not equally distributed all over Switzerland, while in some agricultural Cantons they only represent a proportion of 2 to 3 per cent; in some frontier Communes of the Cantons Geneva and Ticino they form 20 and even 30 per cent. of the population. Since 1889, Switzerland naturalised nearly 147,000 foreigners, 83,000 of them Germans, 21,000 Italians, and 18,000 French. But this was not considered sufficient, and last year a new regulation was introduced to the effect that a child born in Switzerland is Swiss if his mother is of Swiss birth. This regulation is estimated to bring about an annual increase of 5,000 in the number of Swiss citizens. The possibility of granting Swiss nationality to all children born on the territory is being studied just now by a parliamentary committee. Apart from its political importance, the problem of foreign immigration has certain economic consequences which cannot be overlooked. It is striking to remark that the influx of foreigners was not stopped by the unemployment crisis of 1921-22. At the time when unemployment was at its climax, when 100,000 out of work were on the official registers, 22,300 foreigners came to Switzerland and found some employment. Their number rose to 23,000 in 1922 and to 37,000 in 1923, while, at the same time the number of Swiss emigrants was increasing month after month. From July 1, 1923, to July 1, 1925, 6,000 male foreign workers settled in Switzerland, while 24,000 Swiss asked leave from the military authorities to go and work abroad. These foreigners are employed in certain trades and industries for which native labour can hardly be found. Nearly all the workers in the building and clothing industries are foreigners, mostly Germans and Italians; fruit and foodstuffs retailers, shoemakers, tailors, and navvies are principally foreigners, and a great quantity

of foreign workers are to be found in the textile and wood industry. Emigration statistics show that the number of Swiss emigrants belonging to agriculture, hotel-keeping, artistic and intellectual activities is far greater than that of foreign immigrants applying for work in these professions; on the other hand, the number of Swiss emigrants belonging to the clothing, building, textile, and wood industries is far less than the number of foreign immigrants. This is why some Swiss economists are now urging the authorities to check emigration by training Swiss young men in the trades and industries for which foreign labour is now employed. A better organisation of labour exchanges would help in retaining at home a high proportion of native labour, and, at the same time, check the invasion of foreign workers. If rapid and efficient measures are not adopted the day will come, sooner or later, when the foreign population of Switzerland will equal and even out-number the native population, a fact which may have the most serious political and economic consequences.

British Trade with the Danubian Countries.—In view of the special Supplement which we published last week, the following statistics of British trade with the six Danubian countries may be of some interest to our readers:—

IMPORTS INTO GREAT BRITAIN.
(Thousand £'s Sterling.)

From—	1913.	1923.	1924.	1925.	Half Year.	
					1925.	1926.
Austria-Hungary ..	7,706	..	..	..	..	..
Austria	..	2,093	2,522	2,598	1,563	1,153
Czechoslovakia ..	..	8,300	13,473	10,737	5,971	5,318
Hungary	..	674	544	476	171	188
Roumania	2,037*	2,354	2,209	2,278	991	1,287
Jugoslavia	8*	696	489	369	192	209
Bulgaria	41	42	55	60	33	97
Total	9,792	14,159	19,292	16,518	8,921	8,252

* The pre-war territories of Roumania and Serbia.

Although it must be pointed out that the comparison with 1913 is not strictly accurate, it is nevertheless interesting to see that, expressed in sterling, imports from these countries since 1922 appear to have been considerably in excess of those of pre-war days. This is due, primarily, to the great recovery made by the export trade of Czechoslovakia. When allowance has been made for changes in the general price-level, however, 1924 was the only year in which imports from the Danubian countries reached the 1913 level, this being due mainly to the high price then ruling for sugar. The position of Roumania in our import trade has remained disappointing throughout the post-war period. British exports to this area are summarised in the next table:—

BRITISH EXPORTS.
(Thousand £'s.)

To—	1913.	1923.	1924.	1925.	Half Year.	
					1925.	1926.
Austria-Hungary	4,481	..	..	..	..	..
Austria	..	1,138	2,375	2,212	1,165	864
Czechoslovakia ..	..	994	1,376	1,560	796	691
Hungary	..	154	377	586	287	302
Roumania	1,947*	2,772	2,857	3,071	1,535	1,378
Jugoslavia	38*	914	1,129	1,285	726	436
Bulgaria	472	1,332	1,102	1,332	727	472
Total	6,938	7,304	9,216	10,046	5,236	4,143

* The pre-war territories of Roumania and Serbia.

These totals still remain below the 1913 standard, when allowance is made for changes in the price-level. At the same time, the steady recovery which has been made since 1922—the year of crisis *par excellence* in this part of the world—is most welcome. The set-back this year, however, is only too typical of recent British trade movements. Although the figures themselves are much smaller, the volume of British re-exports to these countries

offers an important indication of their general purchasing power.

RE-EXPORTS.
(Thousand £'s.)

To—	1913.	1923.	1924.	1925.	Half Year.	
					1925.	1926.
Austria-Hungary	1,300	..	..	..	..	..
Austria	..	392	535	531	268	196
Czechoslovakia ..	..	107	156	231	114	80
Hungary	..	12	34	59	26	18
Roumania	71*	71	82	115	39	27
Jugoslavia	1*	18	20	36	13	16
Bulgaria	30	12	10	24	12	5
Total	1,402	612	837	996	472	342

* The pre-war territories of Roumania and Serbia.

The fall in re-exports is even more marked than that in British exports, though, here again, up to the last six months, there has been a steady recovery since 1923.

Argentine Railway Dividends.—The recent strength of Argentine railway stocks was based on anticipations of higher distributions on the ordinary stocks for the year ended June 30th last. Most of the companies have now made known their final dividends, and three of the companies make a higher distribution, as may be seen from the comparative table below:—

Name of Line.	Rate Per Cent. Per Annum Final Dividend.		Whole Year.		Price of Ord. Stocks.		Present Yield.
	1924-25.	1925-26.	1924-25.	1925-26.	End Sep., '25.	Sep. 23, 1926.	
B.A. & Pacific, ord. stk.	8	8	7½	7½	86	90	7 15 6
B.A. Great Southern, ord. stock	8	10	7	8	91	102	7 16 9
B.A. Western, ord. stk.	7	8	6	7	75½	89	7 17 3
Cent. Argentine, ord. stk.	7	7	6	6	76½	77	7 15 9
Entre Rios, ord. stock ..	nil	7	nil	6	38½	68½	8 14 3

It is not surprising that the prices of the ordinary stocks have displayed marked strength, especially those of the companies showing increased dividends. The Entre Rios Railway pays 6 per cent. for the year 1925-26, this being the first dividend since the 1½ per cent. paid for year 1910-11. We hope to deal with the reports of the "big four" Argentine railways in a later issue.

Imperial Airways.—At the meeting of the Imperial Airways, Limited, held in London on Wednesday, Sir Eric Geddes delivered an important speech upon the development of British civil aviation. The meeting did not pass without some criticism from shareholders, which was to be expected in view of the loss of £20,400 last year, following a loss of £15,200 in the first year, and the directors' decision to call up the outstanding liability of 10s per share. The shareholders' disappointment is perfectly natural, but it must be supposed that those who subscribed to this flotation realised that a great deal of pioneer work had to be done before big results could be expected, and also handed over their cash from motives in which patriotism was to some extent involved. Sir Eric's review shows that what he calls the "teething period" is passing, that the Board have adopted a bold forward policy, and that traffic carried is increasing so rapidly that the passenger traffic of the first five months of the present financial year has already exceeded that of the whole of the previous year. The Board believes that the European services will yield a profit this year, and that the profit will in subsequent years be increased by the proposed Cairo-Karachi service. "We now," said Sir Eric, "have a valuable experience based upon the actual operation of a co-ordinated fleet. We now have data and statistics of operation far in advance, I believe, of the data obtaining anywhere else to-day. We have a fleet of aeroplanes conforming to a sound policy which should lead us to success, not only from the point of view of physical transport in safety, but also from the point of view of profits. We have a capable, experienced, and devoted management and staff and the finest pilots in the world. Supreme safety combined with rigid economy is

the keynote of the organisation from top to bottom, and the staff of the company have a firm belief in the ultimate commercial success of an enterprise built on these lines." Sir Eric went on to deal with the "immeasurable potentialities" of air transport, and urged that Government assistance must not be inadequate. The French Government, he pointed out, pay over £400,000 a year in civil aviation subsidies, while the British figure is £137,000. The Cairo to Karachi service, covering 5,500 miles, is to be inaugurated in January. The journey is scheduled to take 3½ days at first, and later on three days.

Burndepth Again.—Floated last year with a most optimistic and encouraging prospectus, Burndepth Wireless, it will be remembered, produced this summer a thoroughly bad profit and loss account, and one of the most deplorable balance-sheets that ever received an auditor's certificate. At the annual meeting there was naturally a good deal of criticism, but the chairman succeeded in getting his way, and the directors managed to escape the open disgrace of an adverse vote from their shareholders. Among the many criticisms at the meeting was one that turned on a mortgage given to the company's bankers, several shareholders wanting to know why a company which was freely supplied with capital in 1925 needed to mortgage its property in 1926. To this criticism the chairman replied rather casually, and led his shareholders to believe that the big mortgage was only a precaution, and that the cash position was not uncomfortable. It now appears that, having arranged this £50,000 mortgage with the bankers, the company is still short of money, and it is proposed to issue, in addition, £50,000 of debentures. They will rank after the bank's mortgage; they carry 7 per cent. interest, and they are redeemable in 1929 at 106. The directors' excuse is bad trade, but no bad trade can excuse results such as these. To raise large sums in preferred and other shares in 1925, fly to the bank for a £50,000 mortgage in the spring of 1926, and come to the public with £50,000 of debentures in the autumn of 1926 is an achievement without parallel, and likely to remain without parallel, in joint-stock finance. Some points about this scandal are not clear, but two things are obvious—(a) that the directors have been singularly unsuccessful, and (b) that the chairman's speeches at the last meeting gave an inadequate picture of the nature and extent of the catastrophe for which he and his colleague are responsible. The shareholders' position seems to be almost, if not quite, hopeless.

Consolidated Main Reef.—Ignoring the gold premium, which in 1924-25 provided £18,100 towards the revenue, this company earned rather more in the twelve months ended June last than previously. A slightly higher recovery of gold was accompanied by a small expansion in costs, the working profit per ton coming out at 3s 6d in place of 3s 9d, the totals being £120,750 and £126,000 respectively. The dividends, however, amounted to only 6½ per cent., as against 8½ per cent. in 1924-25, and 12½ per cent. in respect of 1923-24. The reduction is chiefly accounted for by the increased expenditure on capital account, which last year absorbed £47,300, in place of £27,800 previously. The balance of £190,000 now carried forward is about £8,000 down. On one or two occasions during the past year rumours have been current as to an improvement in developments. Such improvements evidently were of little importance, as the ore reserves at 1,117,200 tons, value 7.6 dwts, show only a trifling expansion, the average remaining as before. Last year the decreased proportion of 43 per cent. of the tonnage milled was taken from the ore reserves. In this connection, the consulting engineer remarks, "It is clear, therefore, that the tonnage in reserve remains inadequate for the present scale of milling operations, and, consequently, the active development programme must be maintained." Work on the Kimberley reef has proved disappointing, and, should it prove to be unpayable on the fourth and fifth levels, which will be opened up in the near future, work will be discontinued. Encouraging results have attended endeavours to prospect the Bird reef, which outcrops on the property. For the current

year capital expenditure to the tune of £60,000 has to be faced. Consequently, with no prospect of any expansion in the earnings, the dividend outlook does not appear hopeful.

A National Free Trade Congress will be held in the Houldsworth Hall, Deansgate, Manchester, on September 29th and 30th. There will be a public demonstration at 7.30 p.m. on September 29th. Further details may be obtained from the North-Western Free Trade Union, 5 Cross street, Manchester.

Obersea Correspondence.

FRANCE.—PUBLIC WORKS REFORM—THE GROWTH IN REVENUE—THE FRANC AND DEBTS—WHEAT CROP AND REQUIREMENTS.

(FROM OUR CORRESPONDENT.)

PARIS, September 22.

THE latest Government department to come under the pruning-knife of administrative reform is the Ministry for Public Works (now headed by M. André Tardieu). This department has been more increased in importance since the war than any other. In addition to railways, canals, and ports, it is now responsible for the restoration of mines, roads, railways, and canals in the devastated regions, "reparation" coal, the Sarre mines, Rhine navigation, hydraulic and electrical power (including the huge scheme for railway electrification which is now in progress of realisation), the solution of the road problem arising from the development of motor traffic, and railway, petroleum, and potash matters in Alsace-Lorraine. The total strength of the department in officials, which in 1920 was 9,274, has already been reduced to 8,243 (as compared with 8,840 in 1914), and is now to be further reduced by 420. The 530 French ports are henceforward to be classified in three categories—namely, national, departmental, and communal ports, of which only the first will continue to be administered by the central Government, the others being handed over to the local authorities, under the charge of State engineers. Extensive reforms are to be introduced into railway administration, including the reorganisation of the Paris suburban lines, which are to be taken out of the hands of the various companies and operated as an independent entity, with a view to getting rid of existing unsatisfactory conditions, and also of the current deficit of some 200,000,000f a year. The note of M. Tardieu's report, which will form the subject of *décret-lois* within the next few days, may be summed up as "increased efficiency at lower cost."

The revenue returns for August show that the total yield from all sources (exclusive of the postal department, which is dealt with in an autonomous Budget) was 3,206,763,500f (as against 1,812,719,700f in August, 1925), of which 3,126,745,000f was from "normal and permanent resources" (as compared with 1,732,782,700f in August last year). These substantial increases are due, of course, to the heavy increases in all kinds of taxation and to the rise in prices of commodities affected by *ad valorem* imposts. The increase is most marked in the yield from the turnover tax, which last month produced 726,118,000f, or practically double the amount yielded in August, 1925. The yield from the turnover tax in August was far and away the largest from any source, the next in order being 391 millions from registrations, while the State monopolies, although 100 millions more than in August last year, figure for only 336½ millions. Income-tax yielded 497,601,000f, as against 372,360,500f in August, 1925. The yield from nearly all categories of taxes was in excess of Budget estimates. State monopolies and indirect taxes during the first eight months of the year yielded 18,634,406,000f, or 4,488,920,000f more than during the corresponding period of 1925 and 1,715,935,600f above Budget estimates. The excess over budgetary expectations from these resources in August alone amounted to 553,932,500f, which seems to indicate that the view of several previous Finance Ministers that

the limit of taxation had been already reached in this country was without serious foundation. Dissection of the various categories of taxation indicates that during the first eight months of the present year they showed the following increased yields respectively, as compared with the corresponding period of 1925:—

	Increase. Francs.
Direct taxes on income	761,254,000
Taxes on private fortunes and stamp duties	1,443,509,000
Luxury taxes	278,062,900
Taxes on various products not indispensable to existence	500,485,000
Taxes on consumption properly so-called	2,013,270,100
State property and various public concerns	37,271,000
Increase in 1926	5,033,852,000

The franc has suffered another setback this week, and closed to-night at 176.50 after touching 177.70 during the day, as compared with 169.50 a week ago, and around 160 at the beginning of the month. Various reasons are given for this comparatively sudden reaction, among them being reports of differences in the Cabinet in regard to the interviews between M. Briand and Herr Stresemann at Thoiry, on the subject of Franco-German rapprochement. Other reasons given are the alarm that has been excited by the reports that Mr Mellon, on his return to Washington, has pronounced against any reopening of the Franco-American debt controversy, and the fear of a recrudescence of party political warfare, when the Chambers meet early next month, in consequence of the dissatisfaction felt in many provincial centres that have been deprived of their sub-prefects, and of law courts, prisons, barracks, and other Government establishments under the operation of the Poincaré economy axe. The only indication that has been vouchsafed as to the Government's present attitude on the British and American debt questions is that so far M. Poincaré has handed over only a part of the dossier concerning the debts to the sub-committee of the Finance Commission of the Chamber, which was appointed to consider the whole question during the recess. It is asserted by M. Dariac, the president of the sub-committee, that no official diplomatic conversation is in progress concerning the debts, and that the sub-committee will begin consideration early next month of the agreements awaiting ratification. Meanwhile, as is known, the French Government last week paid to the British Treasury the sum of £2,000,000, being one-half of the £4,000,000 which, under the as yet unratified Pétet-Churchill agreement of April 22nd, is the total payable during the British financial year 1926-7 in respect of the French debt to Great Britain. In view of all the circumstances, opinion here is puzzled to fix the cause of the franc's recent renewed fall. The problem of the franc, it is generally recognised, has now become a domestic rather than a foreign matter, and no factor on the foreign horizon can now be regarded as directly influencing the success of this country in securing such sound money as it requires. The Morgan fund, it is asserted, has now been practically reconstituted by quiet buying in of sterling and dollars, and this may be one of the causes—if not the chief—of the present somewhat disquieting drop in the franc.

Semi-official statements issued here throw doubts on the recent unofficial reports that the wheat harvest for 1926, which is stated to show a total crop of only 70,000,000 quintals, will necessitate heavy purchases of foreign corn to meet the country's requirements of 90 million quintals. The latter total, it is asserted, includes some 3,000,000 quintals of wheat not required for breadmaking purposes, so that the actual total requirements do not exceed 87 millions. If the 7,000,000 quintals be taken into account, which it is estimated will be economised by the use of 10 per cent. of wheat substitutes in bread (now compulsory under the law), together with a further 1 to 2 millions obtained by the recent increase of 2 per cent. in the percentage of extraction (under the law of July last), and the fact that large imports of foreign wheat have recently reached this country, owing to the improvement in the franc, it is insisted that the real deficit this year will not be more than 2,500,000 quintals, which should prove almost negligible in its effect on the situation. Growers of home supplies of wheat are urged not to allow themselves to be influenced by inaccurate reports, and to offer their crops steadily on the market, month by month.

GERMANY.—POLITICS—FINANCES—REICHSBANK—IRON INDUSTRY—AUGUST FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

BERLIN, September 22.

THE information which has so far been forthcoming concerning the Briand-Stresemann negotiations has made a good impression here. The belated entry into the League of Nations made no such impression: the entry itself was discounted, and the change in the League's constitution was objected to both as being in itself inadvisable from the viewpoint of practical work and as a demonstration that the League is anything but free from rivalries and ambitions. Until this week the enemies of the League were able to object that Germany's entry would merely tie her hands, impose on her material obligations, and deprive her of the potential weapon of co-operation with Russia should such co-operation promise advantage; and such critics got support from recent Soviet-Russian utterances that by entering the League Germany threw away her one chance of regaining authority in international affairs. If an agreement to evacuate the Rhineland and to return the Saar territory before the time foreseen in the Peace Treaty comes into effect, this criticism will become void. Of late little has been heard of grievances resulting from the military occupation, but there is a certain economic pressure, and sentiment on the subject is very strong. The German-Nationals and other opponents of the policy initiated at Locarno have made capital out of this sentiment, adducing the occupation as evidence that in really important questions France and the Allies would never make concessions. An arrangement of the kind reported would greatly weaken German intransigent sentiment, and it would probably strengthen the Marx Cabinet against the attack threatened from the German-National side as soon as the Reichstag meets.

The Finance Ministry's return of the gross yield of taxes for August and for the first five months of the financial year is:—

	(000's omitted.) August.	April. August.	Year's Estimate.
All taxes	651,432 ..	2,814,728 ..	6,465,300
Thereof:			
Direct	461,884 ..	1,911,545 ..	4,506,000
Customs and Excise	189,537 ..	903,018 ..	1,959,300
Thereof:			
Reparations—pledged	186,449 ..	874,680 ..	1,907,000
Yields of the chief taxes were:—			
Income-tax	218,649 ..	935,195 ..	2,100,000
Corporation tax	57,294 ..	177,157 ..	250,000
Sales tax	61,967 ..	362,206 ..	974,000
Property tax	57,436 ..	100,815 ..	400,000
Customs	64,826 ..	343,931 ..	580,000
Tobacco	42,800 ..	233,144 ..	655,000
Sugar	27,895 ..	109,795 ..	265,000
Beer	26,213 ..	115,163 ..	235,000

The yield is very high for a month in which quarterly payments for income and sales taxes did not fall due. In May and June, the last months of this kind, the yield was only 435 million marks. Income-tax deducted from wages, the yield of which directly fluctuates with employment, brought in only about the same sum as in July—93 million marks—but this item had already risen since April from 79½ million marks. The total taxation yield exceeds that of August, 1925, by 130 millions. The taxation yield in the five months April-August was more than five-twelfths of the estimated yield of the whole year. Customs and Excise brought in 46 per cent., and pledged revenues nearly 46 per cent. of the year's estimates.

Money has been again plentiful; day-money, as early in the summer, has been difficult to place. Around September 17th the day-money rate in Berlin was as low as 2½ per cent. Since then there has been a rise in interest rates, but the supply of money remains plentiful. The rates for month-money showed no corresponding decline. A considerable tightening of money is expected before the quarter-end settlements, and this expectation to-day helped to depress security prices. The Reichsbank's return for September 15th showed a decline in discounts of only 15 million marks, to 1,266 million marks, which is considerably higher than the figure (1,108 million marks) of mid-August. The gold reserve shows a new

considerable rise of 22,381,000 marks, to 1,541,043,000 marks, of which 21,050,000 marks was brought to Germany. The reserve of legal-cover exchange fell by 36,754,000 marks, and presumably the Bank has been continuing its policy of paying for gold out of this part of its exchange holding. It is stated that the bank is unwilling to meet the demand made of late from various quarters that it should itemise its returns more minutely—one demand is that the bank's whole holding of foreign exchange should be revealed.

The wholesale prices index number for September 15th was 127.4, which is the same as the average for all July. If only the monthly indexes are counted, and if weekly fluctuations are ignored, wholesale prices have risen every month since March (when they touched a low point of 118.3) except in August, which witnessed a slight drop. Bankruptcies, after declining steadily since the beginning of the year, increased in the third week of this month. The Trades Unions' monthly returns for August show a distinct improvement in employment, but the improvement varies much in different industries, and is nowhere great; a few branches show more unemployment in August than in July. In August in 31 branches 533,690 out of 3,134,373 trade union members were unemployed, against 553,025 out of 3,094,037 in July, and 752,024 out of 3,331,783 in January. The number of workers on short time in August was 450,655, against 491,880 in July, and 740,021 in January. The coal market continues active. On the Ruhr the average daily output in August was 385,076 tons, against 376,813 tons, coke output 59,814 tons, against 56,946 tons. Since the end of July, and as a result almost entirely of the British strike, 19,310 more miners have been taken on, and at present 385,692 are employed. The improvement in the iron and steel industry continues. Output of pig-iron in August reached 850,208 metric tons, against 767,862 tons in July, and 765,901 tons in August, 1925. The delay in concluding the international steel syndicate has caused considerable disappointment. The Pig-iron Syndicate states that it knows nothing about the alleged plan to create an international pig syndicate, which has been discussed everywhere in the Continental Press. The iron ore market is more active, and several closed-down mines in the Siegerland district have been reopened. The leading railway wagon manufacturers are preparing to combine. This branch, like the locomotive branch, has been long depressed, owing to lack of orders from the Railways Corporation, which has more goods rolling stock than it needs; and one of the leading corporations, the Gothaer A.G., has been in financial difficulties. Altogether seven companies, including the Linke-Hofmann, van der Zypen, and Gothaer, are mentioned as members of the combine. The aim of this fusion is "rationalisation" of manufacturing methods, and it probably means the closing of the less efficient workshops. With one exception, all the linoleum manufacturers have decided to combine in a trust.

The August foreign trade balance shows a slight decline in the import supplies:—

	(000's omitted.) August.	July.	Jan.-Aug.
IMPORTS.			
Livestock	12,104	9,013	66,052
Food and drinks	383,610	404,140	2,301,930
Raw & half-manufactured materials	420,553	411,851	2,939,348
Manufactured wares	103,460	103,955	770,006
Wares only	919,727	928,959	6,077,336
Gold and silver	51,544	6,941	199,202
Totals	971,271	935,900	6,276,538
EXPORTS.			
Livestock	477	746	7,162
Food and drinks	26,296	22,875	291,791
Raw & half-manufactured materials	235,350	215,790	1,455,847
Manufactured wares	571,794	581,868	4,668,492
Wares only	833,917	821,279	6,423,292
Gold and silver	2,508	1,907	26,179
Totals	836,425	823,186	6,449,471

Exports of manufactured goods show a decline of 10 million marks. Textiles exports increased by 13 million marks, of which 7 million marks was in wool. Exports

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of machinery declined by 7 million marks, and exports of other iron and steelwares and of heavy iron declined by 8 million marks. The trade balance has now been passive for three successive months, after being active for six successive months. The figures for the year so far (in millions of marks), precious metals being omitted, are:—

	Imports.	Exports.	Balance.
January	707.5	794.6	+ 87
February	661.7	782.8	+121
March	645.2	923.1	+278
April	723.0	779.3	+ 56
May	702.7	729.5	+ 27
June	791.9	758.6	- 33
July	942.0	821.3	-126
August	919.7	833.9	- 85.8

The import surpluses are mainly due to increased imports of raw and half-manufactured materials. After the heavy drop in such imports last winter, an increase was expected, and the passivity, being connected with the general trade improvement, cannot be considered an unfavourable symptom. Discussing recent criticism of the official policy in commercial-treaty negotiations, the Minister of Industry, Dr Curtius, declared that this is no time for experiments, and added that he believes that the most-favoured-nation system—which was one object of the criticism—is the system best suited.

BELGIUM.—MONETARY STABILISATION—RAILWAY LOAN—STOCK EXCHANGE—CONGO COLONY PRODUCTION—COAL.

(FROM OUR CORRESPONDENT.)

Ghent, August 22.

RECENT discussions in the Press have shown that public opinion is still hostile to the definite stabilisation of the franc at its present value. The rate of 150f for sterling is put forward as being more in accordance with the present price level. Supporters of this rate point out that stabilisation at 175f, whilst causing a further rise in prices and inflicting an unnecessary additional loss upon holders of Belgian Government stocks, would only postpone, but not prevent, the industrial crisis which is bound to come as soon as the internal purchasing power of the franc has fallen to the level of its external value.

It remains to be seen whether an attempt to increase the value of the franc by 20 per cent. (supposing it was practicable) would not be too risky an undertaking in the present circumstances. Meantime, the Minister of Finance has preferred to keep to the safer side. Instead of repaying the special advances received from the National Bank after the March breakdown of the Janssen stabilisation plan, he has used the available yield from taxation for repayment of debt in other directions. During the last three months 435 million francs of floating debt have been repaid—7 million dollars abroad and 168 million francs in Belgium.

The following subscriptions to the shares of the National Railway Company are known to have been received up to the present: Switzerland, 220 million francs; Holland, 200 million francs; forced consolidation of Treasury bonds, 4,375 million francs; free Belgian subscriptions in specie, 80 million francs—or altogether 4,875 million francs, this being about half of the total amount of 10,000 millions. The small amount of free subscriptions in Belgium is somewhat disappointing in view of the intense publicity campaign which the Govern-

ment launched with the assistance of the entire Press, and of the attractive conditions offered to investors, which included exemption from income-tax, safeguard against exchange fluctuations, fixed interest of 6 per cent., guaranteed by the Belgian State, and prospects of an additional dividend varying with the net profits of the Belgian railways.

Persistent rumours credit the Government with the intention of creating a new monetary unit based upon gold, the "ducat," which would be worth one-tenth of a dollar (about $\frac{1}{2}$ gold franc, or, at the present rate of exchange, about $3\frac{1}{2}$ paper francs. However, up till now the definite measures the Government intend to take in connection with a return to the gold standard remain in the dark, and will probably continue to do so until France has taken some decision in the same matter.

It is generally expected that, as was the case in Germany, a return to the gold standard, which must come sooner or later, will cause a rise in the value of the shares of sound industrial Belgian undertakings. Quotations of variable-dividend securities on the Brussels Stock Exchange at present average in gold value only about 40 per cent. of pre-war quotations. The Bourse has been more active lately. For the moment, shares of companies connected with the Belgian Congo Colony are special favourites. The preference shares of the Union Minière du Haut Katanga, which could be bought for about £10 at the end of 1922, are now quoted, at the present rate of exchange, more than £30, notwithstanding an increase in capital which has taken place between these two dates. The copper production of the Union Minière has risen from 7,404 metric tons in 1913 to 30,464 tons in 1921 and 90,000 tons in 1925. The gold mines of Kilo Moto produced $3\frac{1}{2}$ tons of gold in 1925, against $1\frac{1}{2}$ tons in 1913. Coal, cotton, and other raw materials also show substantial increases.

As was to be expected, the British coal strike has stimulated the coal output, which amounts to 2,118,000 tons in August. Stocks at the collieries had fallen at the end of August to 178,000 tons, this representing only two days' production.

NORWAY.—HIGH TAXATION—ECONOMIC DEPRESSION—TRADE BALANCE—PRICES—CROPS.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, September 13.

At the recent annual meeting of the Norwegian Bankers' Association, the chairman, Mr Kamstrup Hegge, gave an interesting review of the conditions in Norway during the present year. In the course of his address he mentioned the taxes, which now seem to have reached the limit of what can be expected from the already sorely tried taxpayer. Since 1913 the ratio of taxes in proportion to the computed income has risen from 16 to 25 per cent., and there is at the present nothing to indicate an immediate and appreciable reduction. It is quite obvious that the exorbitant taxes are absolutely detrimental, not only to trade and production, but also to the possibilities of a general restoration of our economic system. In its search for fresh sources of income the Government has now proposed a new telephone tariff, which will come into operation on October 1st. At the increased rates stipulated in this new tariff, the use of the telephone will very likely diminish, and a number of private telephone subscribers have already announced their intention to withdraw if the proposition is carried out.

The strike in the paper industry has now been effective since August 14th, and in spite of serious efforts on the part of the Norges Bank to bring about a reconciliation, the dispute still remains unsettled. Notwithstanding the present situation, which is as seriously depressing as ever, there are certain facts that inspire some confidence as to future developments. The krone at last seems to have found its natural basis (at least the level best adapted to the present conditions), and has been quoted at 22-20 since June 25th last, a fact which to a great extent, however, is due to the regulating influence of the Norges Bank. General satisfaction is felt at the decision of the Norges Bank to lower its rate to 5 per cent. to-day. The rate had been $5\frac{1}{2}$ per cent. since April 19th last. This step has long been expected, and may be regarded as

confirming the impression of ease and stability in the money market.

The latest figures available on the trade balance also reflect the general improvement of business activity during the last month or two, and reveal an unusually favourable proportion between imports and exports. There was thus a decline in the surplus of imports from 10.5 million kroner in June to 5.32 million kroner in July. Compared with the figures for July, 1925, the value of imports has decreased by 57 million kroner, while the value of exports has been reduced by 12 million kroner only, representing a decline of approximately 45 and 15 per cent. respectively. The decline in the value of the krone in the same period amounts to about 19 per cent.

The sharp drop in commodity prices, which occurred in March-April last, now seems to have stopped completely, and during the last two months there has been practically no movement, apart from the usual seasonal fluctuations. The wood pulp and paper markets are unchanged, with a minimum of business being done, but it is believed that the bottom has been touched as far as prices are concerned. Heavy downpours of rain in the western and northern parts of the country have seriously hampered the harvesting, while in the other districts a spell of dry weather has enabled the farmers to gather in a very good crop. As a whole the output of cereals is probably not much below the normal yield. The sixth Norwegian Industries Fair was opened on the 5th inst., and will be closed on Sunday the 12th. It has proved a decided success, the number of participating firms being greater and the volume of business larger than at any of the previous fairs.

ROUMANIA.—GRAIN CROPS AND EXPORTS—TRADE BALANCE—MONETARY SITUATION—OIL.

(FROM OUR CORRESPONDENT.)

BUCHAREST, September 8.

The earlier estimates on the grain crops and the size of the exportable surplus are now undergoing their customary late summer modification. It was estimated in July that the present season's crops would provide a surplus of about 5,000,000 metric tons for sale abroad—including 1,300,000 tons of wheat, 1,000,000 tons of barley, fair amounts of rye and oats, and not less than 2,000,000 tons of maize. It is still likely that Roumania's crop this year will be the largest since the war, but it will certainly not provide an export surplus of 5,000,000 tons. The estimate on the wheat surplus has already been scaled down from 1,300,000 to 600,000 tons, and the quality of this grain—as is also the case with rye and barley—has suffered from excessive moisture during the summer. One authority states that the quality of this year's wheat from most sections of the country is about 40 per cent. below normal, and is so inferior that foreign buyers will have none of it. The situation in regard to rye is not so dismal, since it is expected that Belgium, France, and Italy will purchase Roumanian rye this year for mixing with home-grown wheat; and the greater part of the export surplus of barley, it is expected, will find a market in Germany. Maize is still damp, and not yet harvested, and the prospects of moving out any extensive shipments of this grain before next spring (on the re-opening of the Danube) are by no means encouraging.

In brief, therefore, while the 1926 harvest as to quantity is well above the post-war average, the quality is poor, and the marketing abroad of the exportable surplus will be difficult. The continued unsatisfactory condition of the country's transport services, the recent rise in lei exchange to below 1,000 to the £, and inability to find the money necessary for an extensive crop movement are all factors tending to restrict grain exports; and it is not surprising that almost complete stagnation is reported from the ports. The removal of export taxes, for which there is again a strong agitation, would no doubt help grain to move out more freely, but the Exchequer is still dependent upon export taxes for one of its main sources of revenue.

The stimulation afforded to the export of grain, oil and timber by the May drop in exchange to 1,500 lei to the pound, combined with the contraction in imports resulting from the April 1st increase in tariff rates, has turned a foreign trade deficit of 2,500 million lei for the first

quarter of the year into an "active" balance of approximately 1,000 million lei for the seven months ending July 31st. The outlook for the balance of this year, however, is very uncertain. There will have to be a considerable improvement in the grain export situation before the winter closing of the Danube unless another deficit in international payments has to be faced—particularly as there is not the slightest sign yet that foreign capital is flowing to this country in amounts sufficient to off-set a deficit in international payments. Roumania, in fact, on balance, is understood to have shown a loss in the foreign capital account last year. The recent Italian loan of 200,000,000 lire—of which a first instalment of 60,000,000 lire has just been received—is important more for political reasons than it is for financial or economic. As one journal has recently pointed out, what Roumania needs is a loan of 200,000,000 "English livre"—not Italian lire.

The shortage of circulating currency and bank credit becomes more and more acute. The banks have ceased almost entirely to make new loans, and private lenders now seem to have little difficulty in obtaining as high as 4 per cent. per month with good collateral. The recent rise in lei exchange is understood to be due in large part to the banks unloading some of their reserves of foreign currencies in order to get lei for use in financing the crop movement. Much the same situation prevailed exactly a year ago, and also in 1924, with the late summer rise in the value of the lei serving only to hamper the outward movement of grain. There is no confidence here that the recent rise will be maintained for more than a few months. With the use of cheques in everyday business transactions being almost unknown in this country, the chronic shortage of circulating medium has a very serious effect on trade in Roumania. The peasants, for instance, will sell their grain only for currency, which they then hoard. The Bratianu influence in the present Government has so far effectively blocked all attempts to raise the present legal limit of 21,000 million lei on the ground that any new emission by the National Bank would merely be further inflation of the currency, even if the proposed new emission of 2,000 million lei were "covered" by the foreign drafts entering Roumania for account of grain purchases. Railway rates are to be increased by 50 per cent. on September 15th, and Post Office rates are also to be put on a gold basis very soon, which, of course, means a further rise in the internal price level and an aggravation of the currency shortage.

Crude oil production for the first seven months of 1926 reached the "record" figure of 1,806,102 metric tons, against 1,258,520 and 1,016,714 tons respectively for the corresponding periods of 1925 and 1924. Exports of refined products from January 1st to June 30th of the present year amounted to 588,213 tons, or almost double the 1925 figures. While the export is at present active, however, prices are lower than they have been at any time since 1924. Motor spirit for export, which was quoted at 10d per gallon last January, now fetches only about 6d.

POLAND.—PROFESSOR KEMMERER'S MISSION—ECONOMIC IMPROVEMENT—CIRCULATION—BUDGET.

(FROM OUR CORRESPONDENT.)

WARSAW, September 19.

PROFESSOR KEMMERER, who, with a staff of American experts, has been studying for the past three months the economic and financial conditions of Poland, has presented a report to the Polish Government, and returned to the United States. Before leaving the country Professor Kemmerer delivered a speech, in which he drew attention to the improvement which has taken place since the beginning of the year. He based his conclusions on the following facts:—(1) The Budget is now balanced; the period of the last five months, from April to August, has given a surplus. (2) For two months the zloty has been stabilised. The fluctuations are now no greater than those which may be observed in countries where banknotes are exchangeable against gold. (3) The Polish Bank has repaid the credit of 10 million dollars granted by the Federal Reserve Bank of New York. This enabled the Polish Bank to regain control over the gold deposited

abroad. The reserve of Polish notes increased from 34 per cent. in December to 39 per cent. in August. (4) The quotations of Polish bonds and shares have risen. The value of the shares of the Polish Bank has nearly doubled since May. (5) The number of wagons loaded daily on the Polish railways has increased from 10,642 in January to 15,678 in August. Even after deducting coal transports there was an increase from 6,740 wagons in January to 9,454 wagons in August. (6) The number of unemployed has fallen from 359,000 in January to 245,000 in August, a decrease of 32 per cent. In concluding his remarks, Professor Kemmerer laid emphasis on the fact that though an upward movement may be observed in all fields of economic activity, great and difficult problems remain still to be settled.

The Polish circulation, which amounted to 780.9 million zlotys in January, increased to 980.7 millions in July. The increase is due, in the first instance, to an additional issue of notes by the Polish Bank. The circulation of notes issued by the Government, however, has increased simultaneously, though in a smaller proportion, as may be seen from the figures below:—

(Million Zlotys.)

	Total Circulation.	Bank Notes.	Treasury Notes.	Silver Coin.	Other Coin.
End of January	780.9	361.9	268.9	89.3	60.8
" February	791.7	376.9	271.3	88.4	55.1
" March	815.2	389.4	284.5	88.0	53.3
" April	828.7	392.9	295.9	87.4	52.4
" May	855.2	412.9	304.1	86.0	52.2
" June	907.8	448.0	318.7	87.6	53.4
" July	980.8	511.2	321.3	90.9	57.3

The increase in the amount of Treasury notes from 268.9 millions in January to 321.3 millions in July is a very unsatisfactory phenomenon. But in August no further increase has taken place, and it may be hoped that the issue of Treasury notes has reached its final limit. The proportion of the circulation issued by the Government, which amounted to 469 million zlotys in July (Treasury notes and coins), as compared with the total circulation of 980 millions, is abnormal.

The Budget estimates for the last quarter of the year have been presented to the Diet. The expenditure is estimated at 484.8 million zlotys. The Budget of the Ministry of War, which amounted to 139.7 million zlotys during the third quarter, has been increased to 158.6 millions. The Minister of Finance must resist a very strong pressure which is exercised upon him from different quarters in the direction of increased expenditure. In his endeavour to balance the Budget without resorting to the printing press, he is backed by the Premier. It may be hoped that their joint efforts will be successful. Otherwise the Budget equilibrium, which has been attained through great hardships, would be only of short duration.

CANADA.—THE ELECTIONS AND THE IMPERIAL CONFERENCE BUSINESS CONDITIONS—BETTER CROP PROSPECTS—THE STOCK MARKETS—THE MARITIME RIGHTS COMMISSION—PRICES—MINING DEVELOPMENTS.

(FROM OUR CORRESPONDENT.)

OTTAWA, September 7.

THE general election campaign is now in its penultimate stages. Predictions about the result are now unprofitable, but it cannot fail to have an important bearing upon the course of the approaching Imperial Conference, whose opening has, at the request of the Canadian Government, been postponed to October 19th. The declaration of Premier Hertzog, made on the eve of his sailing for London, that he intends to demand at it a written constitution which will regularise South Africa's national and international status, and establish her complete constitutional equality with Great Britain, makes it clear that at the Conference there will emerge issues which have long been kept in the background, but, once raised, must go forward to solution. The Irish Free State is likely to be in cordial sympathy with the aspirations of South Africa, but the Prime Ministers of Australia and New Zealand will be ranged in opposition. Therefore, when the issue comes up for discussion the balancing vote among the over-

seas Dominions will reside with Canada. It is true, indeed, that since during the campaign both Premier Meighen and Mr Mackenzie King have sedulously avoided any discussion of the problem of Imperial relations, neither can claim any definite mandate for a particular line of policy, but it is reasonably certain that while Imperialist sentiment, always strong in the Conservative party, would compel Mr Meighen to make common cause with Australia and New Zealand, the pressure of nationalist opinion would bring Mr King to the support of Premier Hertzog. The result, therefore, may have a very decisive effect upon the immediate future of the internal relations and constitutional arrangements of the British Empire.

The election campaign has produced much less than the usual disturbance of business which accompanies general elections. With the exception of seasonal declines in one or two lines, industry continues to hold up remarkably well, and throughout the country there is a stronger tone of optimism than has prevailed at any corresponding date since 1920. The carloading figure for the week ending August 28th is placed at 60,967 cars, which is a gain of more than 5,000 over the figure for the corresponding week in 1925, and the aggregate total for the year to date, placed at 1,960,780, shows a gain of 221,849 cars. The employment situation at the beginning of August was remarkably good, 5,864 firms showing 854,604 workers on their pay-roll, as compared with 849,565 on July 1st; and the official employment index number was 104.2, as compared with 96.3 on August 1, 1925. The earnings of both the great railway systems continue to be exceptionally good; for the first seven months of the year the C.P.R. net earnings, placed at \$17,877,723, show an increase of 60 per cent., and the C.N.R.'s net earnings, given as \$17,536,998, record the phenomenal gain of 210 per cent., the parallel figure for 1925 being only \$5,667,287.

One factor in the present optimism is the more encouraging news about the Western wheat crop. Harvesting operations, which were more than half completed by the end of August, have, unfortunately, been delayed by prolonged and torrential downpours of rain which took place during the past week, and there will be in many districts a substantial impairment of the quality of the crop. But timely rainfalls and a spell of fine, cool weather which began in the second week of August helped in a wonderful fashion to repair the ravages wrought by the prolonged drought of July, and many fields of grain which were despaired of have filled quite well and will show average yields. The result is that the crop experts of the West now assert that the Bureau of Statistics' estimate of a wheat crop of 327 million bushels is far too low, and some enthusiasts are now predicting that the volume will be found to be in excess of 400 millions, or even as large as the 1925 yield of 411 million bushels. There is, however, considerable anxiety about the fate of the substantial portion of the crop which is still unharvested, and unless good dry weather comes at once it will soon be in the dangerline of disaster from early frosts. There is, moreover, a serious shortage of labour on the Western farms, and to meet the crisis the C.P.R. have released 4,000 of their employees for harvest work, and from the pulpits in all the Western cities clergymen are appealing to their flocks to abandon their ordinary avocations and give a hand at saving the grain harvest. The harvest in Eastern Canada was much later than usual, but it is now practically finished, and, generally speaking, the yields are above the average. The fruit crop and the minor farming industries have also fared well, and on the whole the agricultural community has no reason to be dissatisfied with its condition and prospects. The grain marketing situation still causes some anxiety, as there is still a rather serious congestion at the port of Montreal and the new crop is beginning to pour down to the Lake ports, but fortunately a better flow of buying orders from Europe has made its appearance and helped the outlook.

Both wholesale and retail merchants in the larger centres report the present volume of business as very satisfactory and prospects for the autumn and winter trade as distinctly encouraging. The sales of dry goods and hardware continue to be excellent, while business in groceries and footwear are reported as normal. The steel equipment and construction industries have a fair volume of business in hand and prospects for additional work during the winter months. The equipment com-

panies are busy with very substantial orders for street cars and railway rolling stocks, and both the railway systems have placed large orders for rails with the steel mills. The farm implement companies are maintaining a steady rate of production and find a good export demand for their wares. A higher market for pig-iron is looked for, as well as an advance of one dollar per ton on the price of steel products. Export trade in most lines is satisfactory, but the curtailment of the buying power of Britain through industrial troubles is still keeping the shipments of flour, butter, cheese, cattle, &c., at a lower level than last year.

The stock markets have been very lively, and last week the volume of transactions on the Montreal Exchange was at the highest level in its history, attaining a total of 318,143 shares, compared with a peak of 300,045 in the previous week. The shares of the pulp and paper companies are still in active demand, and the traction and public utility issues are also popular. There is a steady demand for Canadian bonds in the United States, and the local market is absorbing all good issues which are offered.

The Royal Commission which has been examining the problem of Maritime Rights, after journeying as far West as Winnipeg, where it heard evidence upon the possibility of using Halifax and St. John as outlets for Western grain, has now practically completed its sittings, and is in Ottawa preparing its report. It is unlikely that it will be able to offer any serious solutions of the troubles which are retarding the prosperity of the Maritime Provinces, but it should at least uncover the realities of the situation. Meanwhile secessionist sentiment is reported to be growing apace in Nova Scotia, and one candidate is openly fighting on this platform.

The Bureau of Statistics' index number of wholesale prices fell 2.3 points in August, being 153.9, as compared with 156.2 in July. Thirty-five price quotations were higher, 52 were lower, and 149 were unchanged. Declines in the "vegetable products" group, seasonal in character, bear the chief responsibility for the downward trend.

All the mining fields continue to be the scene of great activity, and in the shares of the better-class mining stocks there has been a miniature boom. At present Manitoba, which has lagged behind Northern Ontario in the development of its minerals, is now coming into prominence as the result of fresh developments which are in progress. There has been established in Winnipeg a Manitoba Chamber of Mines, which will fill a long-felt want, and large quantities of local, British, and American capital are becoming available for the exploitation of the province's resources. The well-known London firm of John Taylor and Sons has now actively entered the Manitoba field, and is reported to be interested in a new corporation called "Central Manitoba Mines, Limited," which is the result of the amalgamation of various promising mining enterprises in Manitoba.

INDIA.—CURRENCY REFORMS—PROPOSED RESERVE BANK—EXCHANGE OUTLOOK—TRADE FIGURES.

(FROM OUR CORRESPONDENT.)

CALCUTTA, August 26.

COMMENT on the important recommendations of the Currency Commission would be less useful here than an attempt, however daring or perilous, to forecast their probable fate. The usurping eighteenpenny rupee, it may be calculated, is now firmly seated on the throne. It commands the powerful and unqualified support of Sir Basil Blackett. Nature has intervened to give it further support in the form of another good monsoon, and the political influences of the moment, by decreeing a postponement of legislation, have ensured its maintenance during another busy season, thereby undoubtedly consolidating its hold, both in an economic and sentimental sense, on the country. In the Assembly the upholders of the old ratio feared to risk a vote, and, in view of the expected eclipse of their Swarajist allies in the approaching elections, are very unlikely to be in a stronger position to revive the contest when the new Assembly meets early in 1927. In respect of the staple Calcutta exports, the new ratio is not regarded as a menace, and effective opposition is therefore confined to Bombay, and chiefly

to the cotton millowners, whose special difficulties certainly call for recognition, but may possibly be met, it is suggested here, by tariff adjustments, without recourse to exchange manipulation, with its varied disadvantages, for the benefit primarily of a single important—and, politically, somewhat too influential—industry. In the predominantly agricultural provinces, articulate opinion, commercial and official, appears to favour the maintenance of the existing ratio. There is a natural reluctance to resort to action which would confront the new legislatures, central and provincial, next year with a series of budget deficits, and this practical consideration will, with many legislators, be decisive, particularly if, as seems possible, stabilisation at the present ratio would facilitate the complete elimination of provincial contributions to central revenues. Finally, Sir Basil Blackett's masterly handling of Indian finance has given him immense personal prestige, and if he brings forward legislation giving effect to the acceptable recommendations of the Currency Commission, avoiding piecemeal measures, present prospects favour the assumption that the Bill will command legislative endorsement.

That the Finance Member is anxious to crown his Indian career by establishing the gold standard, and endowing this country with a real Central Bank, is clear from his speech in the Assembly; and, as far as can be foreseen, on these two points there are no insuperable obstacles to the realisation of his ambition. In common with all articulate opinion on this subject in India, he would have liked to add a gold currency to the other innovations impending, but recognises frankly, though regretfully, the temporary impracticability of this project, while reserving the right of the Government of India to revive the scheme when conditions are more favourable than they are to-day. The Anglo-American veto is accepted as decisive at the moment, but certainly has not convinced Indian opinion that a gold currency, however wasteful, represents a stage of evolution which this country can avoid. Meanwhile, the Finance Member is commending the proposed gold bullion standard to a public somewhat suspicious of its real significance and purpose, as a traditional device on to which, if India so desires, a gold currency may eventually be grafted, albeit the bullion standard offers India, even to-day, "a currency standard in no way inferior and in no essential feature different from the currency standard of great Western countries, particularly England and the United States." It is quite recognised that paper currency is more economical and up-to-date, tested by modern practice and theory. Politically, a democratic form of administration would— analogously—be more in conformity with present-day standards than the present bureaucracy! India, however, has been advised, with no lack of authority or reiteration, that it must progress by "stages" on the political side, and, in practice, the same advice holds good in other fields, including the forms of currency most likely to commend themselves, at this stage, to Indian opinion, and to minister to Indian economic requirements.

Until, however, a gold currency, preferably of Indian mintage, is put into circulation, it is fairly generally held here that it would be extremely impolitic to act on the Commission's recommendation that "The paper currency should cease to be convertible by law into silver coin." Interdicts in India habitually and disconcertingly, in most cases, produce results directly the reverse of those intended. One-rupee notes will, as suggested, be revived, but their circulation outside the towns will be limited, and, in any event, no issue will be made until the Reserve Bank takes charge, and the new designs come into operation. A minor point, nevertheless, meriting notice as of historical interest, is the final abandonment of the auctioning of Council bills, and the perpetuation of the more recently-established practice of meeting the English charges (which, by the way, roughly correspond in amount with the British debt payments to America) by means of sterling purchases in India. As an offset to the demonetisation of the sovereign and half-sovereign, it is urged that Postal Cash Certificates, whose sales average about 7 crores per annum, should be payable in gold mohurs—equivalent to 20 rupees (30 shillings at the 1s 6d exchange)—minted at Bombay, where all the necessary equipment and staff are already available. The alternative proposal, put forward by the Commission, of certificates repayable in

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gold bars would afford too much opportunity for fraud in the form of "sweating" and other abuses, and is therefore not likely to be adopted. Gold in bullion form is easily obtainable at present, and this additional method of acquisition would leave the "hoarding habit" (a very misleading term)—which is the direct product of inadequate banking facilities—totally unaffected. Issued only in payment for Cash Certificates, of not less than three years' maturity, gold mohurs, *per contra*, would not obstruct the operation of the proposed bullion standard, but, in effect, would be linked to, and limited by, the spread of investment in Government securities. At present, Cash Certificates find a sale chiefly in the large cities; it is certainly desirable to give them a wider basis of popularity; and it is urged that their exchangeability for a specially minted gold coin would assist realisation of this aim.

The Reserve Bank scheme is gradually winning public understanding and appreciation. Indigenous banks do not wish to see additional powers and funds transferred to an institution competing on their own level of business; on the other hand, it is beginning to be realised that, in its new incarnation the Imperial Bank, while retaining its supremacy in domestic finance, would be able to make a strong bid for exchange bank business which has hitherto been virtually monopolised by institutions with sterling capital and under London control. No rupee bank has yet secured a strong foothold in the financing of foreign trade, and in this respect it is apparent that the release of the Imperial Bank, with its 160 branches, from its present charter would open a new chapter, and, perchance, lead some of the weaker exchange banks to seek a new source of strength by, say, a close alliance with some of the British "Big Five." The general advantages inherent in the establishment of an Independent Central Bank do not need restatement here, and as a clue to official opinion thereon, it is not necessary to look beyond the Finance Member's confession, in introducing the Currency Bill, that "he would himself have some hesitation in advocating the acceptance of an unlimited statutory obligation to maintain exchange within the upper and lower gold points of any fixed ratio, and still more acceptance of a gold bullion standard, unless he were assured that the control of the currency and credit policy and of banking and currency reserves was to be united in one responsible authority other than the Government." Prolonged negotiations must precede the establishment of the Reserve Bank; it is improbable, therefore, that it will begin functioning before 1928.

As already noted, commercial conditions, notably the crop outlook, are strongly favourable to maintenance of the present exchange ratio, so much so that an apprehension found expression in Bombay that rejection of the Currency Bill might dispose the Government of India to follow the advice tendered at an earlier stage by the India Office and permit exchange to find its own upward limit. India's balance of trade in merchandise and treasure in the four months ending July has fallen to 9 crores, compared with nearly 42 crores in the corresponding months in 1925, but jute and cotton, the two most important exports, remain in good supply, and an ample margin exists, notwithstanding a probable contraction in the total value of exports under these headings. Money remains easy, and the Imperial Bank percentage last week at 51.37 established another high record, while the bond redemption in September of Rs. 12 crores affords a further assurance against a higher bank until well forward into the busy season.

Letters to the Editor.

BRITISH REPRESENTATION IN ARGENTINA.

TO THE EDITOR OF THE ECONOMIST.

SIR.—The large and growing British colony resident in Argentina, in conjunction with the great body of commercial men who do business with that South American State, have for long resented the minor advantages attendant upon the maintenance of a Legation compared with the greater benefits attaching to an Embassy. The status and sanctity of ambassadors have always been recognised, and even a purely democratic country like the United States has found ambassadors, as representatives, more powerful and more profitable than ministers. The general principle of H.M. Government in making such appointments is whether any particular country plays a leading part in international affairs rather than a question of its commercial importance; but in the case of Argentina both of these conditions would appear to prevail.

When, in 1487, Fernando V. of Spain sent to England the first permanent ambassador, he was charged with the highly-important mission of encouraging commercial associations between the two countries quite as much as keeping an eye upon the political intrigues between his deeply-suspected "friends," Henry VII. of England and Charles VIII. of France. "Commercial importance" ranked as high then, at least, in the esteem of the Spanish Government as "international affairs." Assuredly the most efficacious as well as the most legitimate form of diplomacy is that whose principal end is to promote good economic and commercial relations between peoples; to aid in establishing communications, augmenting production, creating outlets and new markets; and, finally, to study all the questions on which depend the exploitation of resources and scientific distribution of a country's treasures. That is the secret of sound economic and political policy—that is the way to build up indestructible foundations for the prosperity and happiness of a people.

In former days diplomatists were generally men of considerable social position in their own country, and were appointed to represent it abroad for the purpose of associating upon the most intimate terms with the chief members of the Court to which they were accredited. But this is decreasingly the case to-day, when commerce stands pre-eminent and the requirements of trade as well as those of the majority of the people are daily becoming more and more of paramount importance. It is to the interests of commerce and trade especially that the diplomatist of to-day is called upon to give his direct attention.

That Brazil, happily represented in London by one of her most distinguished sons pre-eminently and fully qualified for the post of ambassador, should have been considered to come within the circle and Argentina doomed to remain outside must seem incomprehensible and displeasing to the great majority of our people. The Brazilian Legation was raised to the rank of Embassy on September 26, 1918, a few months before the Congress of Nations assembled at Paris to dictate the terms of universal peace, a concourse which, since the historical Congress of Vienna, after the downfall of Napoleon, certainly ranked as the most important. It was difficult to understand, then, as it is now—when British economic interests in Argentina are of greater importance than ever they have been—why the premier South American Republic should not have been granted the same dignity as that conferred upon Brazil, notwithstanding the fact that the latter had entered as a belligerent on the side of the Allies, whereas the former had not.

It may be said that since the war the political position of Argentina vis-à-vis Great Britain has become somewhat modified. But this cannot be cited as any sound reason for the non-inclusion of Argentina in the list of ambassadorial representatives in South America. The Argentine Government did not see fit to take up the same position on the side of right and justice as the majority of important nations had done, preferring to stand apart and allow the matter to be fought out as best it could be. While, however, the Government officially stood aloof, the Argentine people encouraged the Allies in every possible way, not only in enthusiastic street manifestations, but also, through the House of Congress, unanimously declaring that the Executive Power should immediately break off all diplomatic relations with Germany. The then President—Dr Victorino de la Plaza—alone remained adamant; happily, there are few examples in modern political history of such an attitude upon the part of a South American Chief Magistrate, particularly when it has come to the insistence on his own personal opinion overriding that of the undoubted majority of the people whose representative he claimed to be.

It seems to have been forgotten by our rulers that Argentina, since the memorable day when Canning recognised the international status of the new Republic in common with other Provinces of the South forcibly divorced from Spain, has always cast in its lot with that of its oldest friend—Great

Britain. Prominent Argentines have neglected no opportunity of declaring publicly their indebtedness to Great Britain as well as to British capital, industry and genius in administration; while each successive Government has selected the most eminent among its citizens as envoys to the Court of St. James's. Rivadavia, Balcanse, Dominguez, and others—to cite but a few—have represented the while-and-blue ensign in the British Isles, to the undoubted advantage of their own country and ours. Even in the dark days of the tyranny of Rosas, the British Minister was *persona grata*, and it was in the house of H.B.M. Consul Mr Gower, in Calle Bolivar, that Rosas hid himself after the fearful field of Caseros before embarking upon an English vessel *en route* to Southampton.

After the fall of Rosas, successive Argentine Governments, following his lead, appointed as diplomatic representatives men who had proved themselves eminently suitable and worthy of the post—men who had maintained at the highest level the commercial—not merely the international—reputation of the premier State of South America. During the terms of office occupied by Mitre, Roca, Quintana, Sarmiento, Avellaneda, the two Saenz-Peñas, Irigoyen, and the present Executive, Dr Marcelo T. de Alvear, the most cordial relations with the British Government existed; while the Argentine Legation in London, apart from its natural diplomatic importance, has attained a high position as the centre of all the financial negotiations of the Argentine Republic.

Last year would have afforded an ideal opportunity for the raising of the British Legation at Buenos Aires to the quality of an Embassy. Not alone did the Heir-Apparent pay a State visit to the Argentine, but the month of February witnessed the centenary of the Treaty of Amity, Commerce and Navigation signed at Buenos Aires February 2, 1825. That this century-old treaty should still remain to-day a living force is the more remarkable by reason of the fact that it nearly came to an end in 1918 at our own request, because we wished to give our colonies complete autonomy to regulate their commerce as they chose, and to free them for that purpose of the obligations laid upon them by similar treaties. Another occasion equally applicable would have been the visit of the diplomatic mission to South America, headed by Sir Maurice de Bunsen, as Special Ambassador, in the month of May of the self-same year. *Occasio agere offertur, facile omittitur*. But another opportunity will present itself at the forthcoming session at Westminster, when we hope to see the proposal meet with more friendly interest and less official stiffness upon the part of the Government.—I am, Sir, yours, &c.,

PERCY F. MARTIN.

London.

Books and Publications.

DOLLAR DIPLOMACY.

IN a world where there is much talk of ideals and but little practice thereof it is necessary at times to face the facts. An example of bold and refreshing candour in facing facts and in clearing away the nebulous mists of idealism in which American policy is sometimes enveloped in Presidential declarations is given in the book before us.* These two American writers enter the complex realm of American foreign policy, describe with praiseworthy impartiality several episodes which are not altogether consistent with a high-souled ethical standpoint; and generally depict the strange vertiginous movements, if not complete overthrow, of the Monroe doctrine.

At one time the very word Imperialism was supposed to be held in great abhorrence by all good Americans—although it was never easy to take that abhorrence seriously since the days of Jefferson—and Pan-Americanism was the nearest approach permitted in any discussion of foreign policy. But now it is quite impossible to close one's eyes to the very portentous fact that America has developed an imperial policy of a clear and unequivocal type, which not only does not follow the dictates of the original Monroe doctrine, but drags that doctrine, curiously transformed and emasculated, behind it, basing itself mainly on the extension of foreign trade and the protection of American commercial and financial interests in all parts of the American Continent, if not beyond. Its principle is that the flag follows trade, rather than the converse, and the real significance of this distinction is well brought out in the book. The authors give some imposing statistics of American investments abroad since the war, amounting to no less than twenty billion dollars, and add the interesting comment that: "Since economic

* "Dollar Diplomacy: A Study in American Imperialism." By Scott Nearing and Joseph Freeman. Allen and Unwin. 10s 6d net.

activities are reflected sooner or later in politics, it is only a question of time when these foreign investments will produce an equivalent modification in American foreign policy." What exactly is the meaning of this cryptic utterance, and what is its special implication in regard to Canada, where American investment has been particularly heavy of late years? There is no doubt that the type of imperialism adopted by America and its various manifestations will be of extreme practical interest to the world generally during the next decade or so.

It is not easy clearly to define American imperialism, for it seems to have little relation to the old Monroe doctrine. This has long been recognised by American writers. Professor Bushnell Hart, of Harvard, in his book on the Monroe doctrine, said that, from the days of President Polk, this doctrine has been taken to mean that, while European nations might not annex any territory on the American continents, the U.S.A. might annex what it liked. President Wilson, presumably on those high moral grounds on which he always wished to take his stand, extended the doctrine almost beyond recognition, and in future the U.S.A. would not only oppose European territorial acquisition in the Western Hemisphere, but would also oppose concessions to foreign investors. The application of such an interpretation of the Monroe doctrine in the case of oil, as here described, is one of the most interesting parts of the book. The support given by the American Government to the Standard Oil Company in its rivalry with the Cowdray group for the right to develop the oilfields of Colombia and Ecuador, and, in particular, President Wilson's intervention in Mexico in connection with the Tampico oilfields, show unmistakably that American imperialism is a very real thing in world affairs; and that, so far as America is concerned, politics and economic interests are practically the same thing. In this respect transatlantic imperialism appears to differ fundamentally from British imperialism, and it is not perhaps going too far to say that it is more comprehensive, not to say, indeed, more aggressive. Its various manifestations in dealing with the weaker States of the American continent, including Hawaii and the Philippines, and the different forms of intervention, of acquisition, of regulation, and of control are well described; and the whole book may be confidently recommended as a valuable contribution at a time when oil conservation and oil politics are dominant questions of the day.

THE GERMAN NATIONAL INCOME.*

THIS book contains a careful estimate of the German national income before and after the war. Basing his calculations upon the Prussian income-tax statistics, the author reckons that in 1913 the national income lay between 45 and 50½ milliards of marks—probably about half-way between at 48 milliards of marks (£2,400,000,000). This figure differs chiefly in detail from Helfferich's estimate of 43 milliards for 1912, which would correspond to 45 milliards for 1913. Dr Rogowski further estimates that of the income of 1913 some 6 to 7½ milliard marks were saved, and some 39 to 43 milliards consumed.

The author finds that the income of 1913 would have been reduced by 11 per cent. if Germany had had her present frontiers—i.e., to about 42½ milliards. Allowing for price changes, this would correspond with 56½ milliard marks at the level of prices prevailing at the end of 1924.

Dr Rogowski proceeds to estimate the actual income of the year 1924—a task much more difficult to accomplish with a reasonable degree of accuracy than was the case with the income of 1913. Income-tax statistics can only be drawn on in connection with income from employment, which is assessed on returns furnished quarterly; and in part in connection with income from capital. Assessments in respect of profits from trade and industry, &c., were on an entirely artificial basis in 1924, owing to the absence of proper figures for the previous year. In filling up the gaps, the author is necessarily driven to surmise and analogy. He concludes, however, that, on the whole, the German national income in 1924 lay between 42.5 and 45.9 milliards of marks. Allowing for the fact that the

* "Das Deutsche Volkseinkommen." By Dr. Erich Rogowski. (Berlin) Emil Ebering. 1926.

population of the post-war area of Germany increased from about 59,610,000 in 1913 to about 62,000,000 in 1924, Dr Rogowski estimates that the average real income per capital (figures for both years at the level of prices of 1924) fell from 896-995 marks in 1913 to 732-787 marks in 1924. That is to say, there was a decline of between 20 and 30 per cent. The income per head in 1925 would be somewhat higher (perhaps 80 or 85 per cent. of the pre-war real income), but largely, he thinks, owing to the great influx of foreign credits, and to that extent temporary. At first sight it seems surprising that after suffering a great war and a period of the most acute currency inflation, the national real income per head should have been as much in 1924 as 75 per cent. of the pre-war real income. Dr Rogowski points out, however, that a much larger proportion of the population of Germany are of a productive age than was the case before the war. This, of course, tends to increase the real income per head of the aggregate population.

THE WORLD'S CURRENCIES.*

THE League of Nations has just issued a new edition of its "Memorandum on Currency and Central Banks," in which it reviews the more important events which have taken place in the currency conditions of the world during 1925 and the early part of 1926. While this Memorandum is one of a series which began with the meeting of the International Financial Conference in Brussels in 1920, it differs somewhat in substance from its predecessors. The historical and analytical notes concerning the currency systems of different countries, &c., have not been reproduced; on the other hand, the introduction has been made more historical in character, and is now published as a separate volume. The second volume contains statistics of the discount rates, note circulation, gold and foreign assets, reserves, commercial deposits, price indices, &c., and summarised statements of the balance-sheets of all the central banks of the world up to the end of 1925.

Special attention is paid in the first volume to the effect on prices of the return to the gold standard and to the new legislation which has been introduced, not only in those countries which acted together with the United Kingdom in the spring of 1925, but in Finland, Czechoslovakia, Chili, Mexico, Madagascar, Guatemala, and elsewhere. It would appear from the tables given that there are still 19 countries in the world in which definitive currency legislation has not yet been passed, while the gold standard or its equivalent is in force in upwards of 30 countries.

Perhaps the most characteristic feature of 1925 has been the gradual closing of the gap between money market rates in Western and Central Europe and the parallel reduction of the discrepancy which exists in certain countries between the rates for long and short-term loans, and between the rates at which banks borrow and lend money.

BOOKS RECEIVED.

Methods of Amalgamation. By A. E. Cutforth. (London) G. Bell and Sons, Limited, York House, Portugal street. 25s.

A very timely and useful work discussing the advantages and disadvantages of amalgamation, and of various types of merger, while, in addition, the whole question is reviewed from the standpoint of accountancy. The volume breaks new ground in financial literature, and deserves wide attention.

The Scourge of Europe. By Professor L. V. Birck. (London) George Routledge and Sons, Limited, 68-74 Carter lane. 10s 6d net.

The author, who is Professor of Economics at the University of Copenhagen, takes as his sub-title "The public debt described, explained and historically depicted," and takes as his motto a quotation from Napoleon: "National Debt is immoral and destructive; silently undermining the basis of the State, it delivers the present generation to the execration of posterity." The Professor is a supporter of the gold standard, and says:—"If I had not this mortal fear of the lack of judgment of the commercially trained bank leaders, I would resolutely join Keynes in advocating the stabilisation of the price level in preference to that of the rate of exchange; but I prefer an automatic brake to the

* "Memorandum on Currency and Central Banks, 1913-1925." 2 Vols. Geneva, 1926, London agent, Messrs Constable.

presence of mind of a half-witted engine driver." The book is mainly historical and theoretical, and unfortunately is without either an index or a bibliography.

The Free Trade Fall. By Francis Francis. (London) John Murray. 3s 6d net.

This book is in the main a jumble of the customary statements and theories that grace Protectionist propaganda. But it is distinguished by a quite unique collection of more than usually preposterous examples of misstatements of fact and muddled thinking. It also displays a "gift for general invective," rivalling that of the young journalist in the late Lord Morley's favourite story, and Cobden comes in for a good deal of it. The Protectionist who reads the book (which we are not unkind enough to recommend to him or to anyone else) may be excused for exclaiming "save me from my friends." Anyone who may happen to pick up the book we would specially refer to passages on pages 82 and 117-119 on the trade balance as gems of economic topsy-turvydom.

Economy of Human Effort in Relation to Industrial Fatigue. By Lucien A. Legros. (London) Société des Ingénieurs Civils de France, 72 Victoria street.

A reprint of a paper read at the annual meeting of the British section of the Société in London on June 3rd.

South Africa from Within. By Manfred Nathan, K.C. (London) John Murray. 12s net.

The first part of this book is devoted to a historical retrospect from early times up to the establishment of the Union. This covers ground that is more or less familiar, but the most interesting portion of the book is the second, in which Mr Nathan sets out to give a "birdseye view" of life in the Union and its chief problems at the present day. A timely work written in attractive style, and of interest to the general reader.

Principles of Human Geography. By P. Vidal de la Blache. Edited by Emmanuel de Martonne. (London) Constable and Co. 10-12, Orange street. 18s net.

M. de la Blache died in 1918 before completing the present study, but the Editor presented it as closely as possible as he left it, and it was published in 1921 in French. This is the English translation by Mrs Todd Bingham. Following an introduction on the "Meaning and Aim of Human Geography," the book is divided into three parts dealing respectively with (1) distribution of population, (2) elements of civilisation, and (3) transportation and circulation.

Journal of the Royal Statistical Society. July, 1926. (London) Royal Statistical Society, 9 Adelphi terrace. 7s 6d net.

Containing a paper by Mr E. C. Snow on Trade Forecasting and Prices.

Transvaal Chamber of Mines. Thirty-sixth Annual Report. Year 1925. (Johannesburg) Transvaal Chamber of Mines.

BARCLAYS BANK

LIMITED.

Head Office: 54 Lombard Street, London

AUTHORISED CAPITAL . . . £20,000,000
ISSUED CAPITAL . . . £15,858,217
RESERVE FUND . . . £9,250,000
DEPOSITS, etc. (30th June, 1926) . . . £304,247,460

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C.3.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
September 28. September 30.

Business in the Stock Exchange shows a tendency to expand in spite of a slight diminution in the activity amongst mining shares, South African and tin alike. A rumour gained currency on Wednesday night to the effect that the coal stoppage could be regarded as finished, and rises took place in most departments. The event proved that report was at least premature, and, on a stiffening of money rates, prices in the gilt-edged market were inclined to ease off. A new issue of £4,000,000 5 per cent. stock 1945-65 in New South Wales at 97 caused surprise in the Consol market, and led to a little dullness amongst Colonial Government stocks, more especially as this is thought to be the precursor of other loans on similar lines. Sales of Government stock by insurance companies likely to be affected by the hurricane in Florida were said to be responsible for weakness in Conversion 3½ per cent., but this surmise met little credence. Insurance shares are heavy,

the recent improvements having raised prices to a level at which a good many shareholders are tempted to consider the propriety of realising.

Portsmouth secured most of its money for the recent loan from the public. The market price is about ¾ premium.

The foreign Government market is quiet, with comparatively narrow movements in French bonds. Resumption of activity in German international loans served to redeem the group from inanition. In Brazilians there is little going on. The recovery in Chinese made further progress. Paris has been a seller of copper shares.

The home railway market benefited by the circulation of the premature coal stoppage rumour already mentioned. Argentine Railway stocks are irregular, Entre Rios standing out with a substantial rise upon the declaration of a dividend making 6 per cent. for the year, against the market anticipation of 5 per cent., Buenos Aires and Pacific also being a firm spot upon announcement of the expected 4 per cent. dividend, making 7 per cent. for the year. Brazilian Railway stocks are steady.

The rubber market is materially better in consequence of an improvement in the price of the raw produce. Tea share movements have been towards better figures. The oil market continues under the influence of the slump in British Controlled, this serving to scare public interest from the market. Trinidad Leaseholds are prominent, with a rise that is attributed to dividend hopes. Courtaulds' shares dropped to 5½ before a reaction came about on the circulation of the coal rumour. Iron, coal, and steel shares have been very quiet, the poor results published by Pearson and Knowles and one or two other companies having little effect upon shares in other undertakings. Banking shares are inclined to be dull, keeping step with the gilt-edged market and the shipping market has scarcely moved. Marconi shares weakened, and some of the telegraph and electrical equipment varieties showed a tendency to droop owing to the statement that the companies were running short of coal. Morris Motors preference have gone back to the neighbourhood of 1s discount. Hudson's Bays advanced and Sudan Plantations were bought by their own particular supporters. Brazilian Tractions, after being a sagging market, shot suddenly into favour, and this had a sympathetically good influence upon Barcelona Tractions and others in this group. Amongst Illumination issues scarcely a movement has occurred. Tobacco shares are hard, British Americans and Carreras being more particularly wanted. Whiteleys went up to 4, and Aerated Breads strengthened; brick-making shares good.

The Kaffir Circus has attracted languid interest. Cape favourites are the chief speculative media, and public attention revolves around a comparatively small circle of companies. Chartered reverted to the vicinity of 29s. South African copper shares are a shade off colour. Diamonds hold most of their recent rises. The tin share market suffered reaction upon a fall of about £10 per ton in the price of the metal. Southern Peraks, exceptionally, are up. Nigerians made a start towards better things, and retained part of the gains. Broken Hills have been in quiet request from Melbourne.

The Stock Exchange Committee have notified their fellow-members that bookmaking, under the new Act, cannot be allowed in the Stock Exchange. This decision is rather expected to be challenged.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	144,595,916			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to September 18, 1926 Dr 1,750,000				
Net sales week ended September 18, 1926, nil.				
To the Public—				
New South Wales, £4,000,000 5% Insc. Stk. (red. at par, Dec. 1, 1945-65), at 97% (Sept. 24) ..	4,000,000	3,880,000	200,000	3,680,000
Portsmouth Corporation, £850,000 5% Stock (red. at par, May 31, 1942-62), at par (Sept. 20) ..	850,000	850,000	42,500	807,500
London Irish Trust, Ltd., 50,000 £10 Shares at par (Sept. 20) ..	500,000	500,000	25,000	475,000
La Guaira Harbour, Ltd., £100,000 6½% Second Mort. Stock (Series B), Reg. at 92½ (Sept. 20) ..	100,000	92,500	10,000	82,500
Edison Bell, Limited, 150,000 7½% Cum. Pref. £1, at par (Sept. 21) ..	150,000	150,000	18,750	131,250
Total offered to the Public	5,472,500	5,472,500	296,250	5,176,250
To Shareholders only—				
Falcon Mines, 400,000 Shares of £s each, at par	100,000	100,000	20,000	80,000
Val de Travers Asphaltic Pav. ing, 70,682 Shares of £1 each, at 21s per share ..	70,682	74,216	8,835	65,381
Industrial Tea and Rubber Trust, 100,000 Shares of 2s each, at 2s 3d per share ..	10,000	11,250	11,250	—
Total offered to shareholders only ..	180,682	185,466	40,085	145,381

Total offered for subscription to date	Total offered for subscription for whole year—
1926	1925
1926	1925
1926	1925
1926	1925
1926	1925
1926	1925
1926	1925
1926	1925
1926	1925

New South Wales.—This is an issue of £4,000,000 5 per cent. inscribed stock at £97 per cent., redeemable 1945-65. The revenues of New South Wales alone are liable in respect of principal and interest. This loan will be applied to public works, rolling stock for railways, construction of railways, water conservation, &c., the proceeds being used to repay existing temporary loans in London. This is a trustee investment, but the prospectus is singularly free from details.

Portsmouth Corporation.—This is an issue of £850,000 5 per cent. stock at par, redeemable 1942-1962. Principal and interest is secured on the corporation's funds and revenues. Provision has to be made for the redemption of the stock by means of a sinking fund. The population is estimated at 250,100, and the total outstanding debt amounts to £2,664,353, of which £961,446 is in respect of reproductive undertakings. The rateable value is £1,299,907, a penny rate producing £5,100. This is an excellent investment.

London Irish Trust, Limited.—Share capital £1,000,000 divided into 100,000 shares of £10 each. This is an issue of 50,000 shares at par. When fully paid, each £10 share will be divided into £6 of 5 per cent. cumulative preference stock and £4 ordinary stock. The company has been formed in particular to carry on the business of an investment trust, "which could be so conducted as to be very profitable to its members, as well as useful to Irish interests when occasion offered." There are names on the board which indicate that the company should have access to considerable funds.

La Guaira Harbour Corporation, Limited.—Issued share capital £400,000, divided into 400,000 shares of £1 each. There is also an issued loan capital of £1,065,829, consisting of £420,000 5 per cent. 1st mortgage debenture stock and £645,829 5 per cent. 2nd mortgage stock, series "A." This is an issue of £100,000 6½ per cent. 2nd mortgage stock, series "B," at the price of £92 10s per cent., which is authorised under a scheme of arrangement sanctioned in the High Court in July last. The stock (Series B) ranks in point of charge for principal *pari passu* with the authorised issue of 2nd mortgage stock (Series A) for £700,000 but in priority to that stock for interest. The existing 2nd mortgage stock is constituted by trust deeds in favour of trustees which create a charge, subject to the £420,000 1st mortgage debenture stock, upon the undertaking and all the revenues and property of the corporation, present or after acquired, other than uncalled capital, such charge being a floating security except as to permanent works. It is redeemable at any time and from time to time at the option of the corporation by drawings on six calendar months' notice at 110 per cent., and interest is payable only out of the balance of the profits of each year, but one-half of such interest is cumulative. The new 2nd mortgage stock (Series B) will be entitled to the same charge and subject to the same conditions. The interest on the 6½ per cent. 2nd mortgage stock (Series B) is similarly payable, but the full 6½ per cent. interest for each year is payable in priority to the interest on 2nd mortgage stock (Series A). The proceeds of the present issue will be applied to improving the harbour. The corporation was founded in 1885, and owns and works the harbour at La Guaira, in Venezuela. The concession runs for 99 years from 1891. Harbour works include a breakwater, warehouses, railway lines and rolling stock. Net revenue, before charging debenture interest and before providing for British income-tax and corporation profits tax, is stated to have been as follows:—1921, £22,421; 1922, £25,273; 1923, £37,567; 1924, £43,005; and 1925, £54,221. Profit, subject to depreciation and London charges, is given as £54,002 for the first eight months of the current year, in contrast with £44,470 for the same period a year ago. Apparently this issue is well covered as regards interest.

Slough Estates, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued share capital of £420,000, divided into 420,000 ordinary shares of £1 each. The company was incorporated in England in 1920, in particular to acquire from the Government land, buildings, and other property situated near Slough, and known as the Slough Depot. This property, together with surplus mechanical transport and spares, was acquired from the Government by Sir P. L. D. Perry, who acted as vendor to the company, and received as consideration the sum of £25,000 in 1920. The property is being developed as an industrial centre, and the gross rent roll is stated to be £50,000 per annum, apart from the profits on the supply of power, light, water, &c. The value of the freehold land, buildings, equipment, and plant was £501,583 at the date of the last balance-sheet. The profit for the year ended December 31, 1925, is given as £47,295, and a dividend of 10 per cent. was declared. Preliminary expenses amounted to £31,368, all of which has since

been written off. There is due to the Government the sum of £81,438 15s 0d, which is to be secured by a mortgage on the property of the company. This mortgage (free of interest) is repayable by 16 half-yearly instalments, the first of which falls due on December 31, 1926. Prospectusless.

Edison Bell, Limited.—Issued share capital £150,000, divided into 150,000 ordinary shares of £1 each. There are also £40,000 first mortgage debentures and £29,100 second mortgage debentures outstanding. This is an issue of 150,000 7½ per cent. cumulative preference shares of £1 each at par. The company carries on business as manufacturers of gramophones, gramophone records, radio instruments, and electrical appliances. The original business was established in 1896, was acquired by this company in 1909, and was converted into a public company this year. The profits of the company, after making provision for depreciation of leaseholds, plant, &c., but before providing for Government taxation, debenture and other interest charges, insurance premiums, directors' fees, and expenses in connection with the issue of the first mortgage debentures, are certified by the auditors to have been as follows:—1922, £16,922; 1923, £24,169; 1924, £18,666; 1925, £30,305; and 1926, £40,520. Net assets, exclusive of goodwill, are certified to be £167,961. The object of the present issue is to redeem the outstanding debentures and provide additional working capital. A speculative industrial offer.

Taiping Tin Dredging Company, Limited.—In order to comply with the Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £1,200,000, divided into 1,200,000 shares of £1 each. The company was incorporated in the Straits Settlements in 1918, particularly to acquire tin-bearing areas, comprising approximately 837 acres, situated at Taiping, Perak, F.M.S. The company also purchased a dredge. The purchase price paid to these two vendors was £425,000 in each case, a total of £850,000, which was satisfied by the issue of 850,000 shares of £1 each, credited as fully paid. In addition, 150,000 shares of £1 each were issued for cash, and the sum of £1 per share was received by the company. In 1919 the balance of the share capital was issued for cash at 25 cents per share premium for the purpose of acquiring a second dredge, while further areas amounting to 96½ acres have been purchased from time to time. The remaining life of the property is estimated at about 13 years. During seven years' working it is stated the profits earned by the company have amounted to \$1,784,140, out of which \$1,050,000 has been paid in dividends, and \$417,000 has been allocated to capital expenditure. The sum available for 1925 is given as \$430,301. Out of this

CONSOLIDATED MAIN REEF MINES AND ESTATE, LTD.

(Incorporated in the Transvaal.)

Extracted from the Annual Report for the Year ended 30th June, 1926.

Capital, £1,247,602 in 1,247,602 Shares of £1 each (all issued).
Note.—Of the above Issued Capital 35,267 ex-Enemy Shares are held by the Company.

DIRECTORATE.

F. RALEIGH (Chairman).
MAJOR C. S. GOLDMAN. SIR ABE BAILEY, Bart. K.C.M.G.
A. A. AURET. P. DREYFUS.
SIR EVELYN WALLERS, K.B.E. E. G. LUD. M.B.E.
I. L. JORDAN. I. H. L. MANISTY.
J. MUNRO.

	Tonnage Milled, 690,800.	Per ton milled.
Total Working Revenue	£ 930,662 11 10	£ 1 6 11
Total Working Costs	809,913 18 3	1 3 5
Working Profit	£ 120,748 13 7	£ 0 3 6
Total Profit for the year	£ 138,594 1 4	
Balance unappropriated at 30th June, 1925	198,000 7 8	
Unclaimed Dividends Forfeited	184 7 8	
	£ 336,778 16 8	

This amount has been dealt with as follows:—

Expended on Equipment and Property	£ 47,263 8 11
Provision on account of outstanding Liability under Mines' Phthisis Acts Consolidation Act, 1925, as at 31st July, 1925	14,645 0 0
Government and Provincial Taxes	9,127 0 8
	£ 71,035 9 7
Dividends declared during the year:— No. 33 of 2½ per cent. and No. 34 of 3½ per cent. each on 1,212,335 Shares	75,770 18 9
Leaving a balance unappropriated of	£ 189,972 8 4

The Ore Reserve has been re-estimated as at 30th June, 1926, and is as follows:—1,117,191 tons, having an average value of 7.6 dwts. over a stoping width of 49 inches.
The Full Report and Accounts (with Plan of Workings) may be obtained from the London Secretaries, A. MOIR AND CO., No. 1, London Wall Buildings, London, E.C.2.

sum \$69,656 was used in writing down values of dredges, buildings and other wasting assets, \$40,000 was added to reserve (making \$100,000), \$300,000 was distributed in dividends (25 per cent.), leaving \$20,644 to carry forward. It is stated that interim dividends of 5 per cent. and 7½ per cent. have been paid in respect of the current year. Prospectusless.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Price	Week	Latest	Price	Week	Latest
War 4½% 1925-26	98	98	98	India 3½% Stock	68	68	68	68	68
Loans 4½% 1925-26	95	95	95	Do 7½% 1926-31	102	102	102	102	102
4½% 1929-47	101	101	101	Do 5½% 1933	101	101	101	101	101
4½% 1929-42	99	99	99	Do 4½% 1934	91	91	91	91	91
Funding Loan 4½%	85	85	85	N.S.W. 5½% 1922-32	101	101	101	101	101
Victory Bonds 4½%	92	92	92	N. Zealand 3½% 1940	85	85	85	85	85
Conversion Loan 3½%	74	74	74	Nigeria 5½% 1929-79	112	112	112	112	112
Consols 2½%	54	54	54	Queensland 5½% 1940-60	97	97	97	97	97
Irish Land Stock 4½%	57	57	57	U. of S.A. 5½% 1930-40	104	104	104	104	104
Local Loans 3½%	62	62	62	S. Aust. 6½% 1930-40	103	103	103	103	103
Aust. 5½% 1931-41	102	102	102	Victoria 5½% 1924-34	100	100	100	100	100
				W. Aust. 5½% 1930-40	102	102	102	102	102

British Railways.

Great Western, Ord.	89½	89½	89½	Metropolitan District	51½	51½	51½	51½	51½
London & North-Eastern	52½	52½	52½	Southern, Pref. Ord.	78½	78½	78½	78½	78½
5% Pref. Ord.	52½	52½	52½	Do Def. Ord.	45½	45½	45½	45½	45½
Do Def. Ord.	17½	17½	17½	Underground Electric	32	32	32	32	32
London, Mid., and	73½	73½	73½	Do "A" (10)	32	32	32	32	32
Scottish, Ord.	61½	61½	61½	Do Ino. Bd. (100)	100	100	100	100	100
Metropolitan	61½	61½	61½						

Colonial and Foreign Railways.

Antofagasta Cons	78½	78½	78½	Grand Trunk Pacific	57½	57½	57½	57½	57½
B.A. and Pacific	88½	88½	88½	4% Debs.	46	46	46	46	46
B.A. Gt. Southern	102½	102½	102½	Leopoldina	46	46	46	46	46
Buenos Ayres West	89	89	89	Mexican Railway	7	7	7	7	7
Canadian Pacific	172	172	172	Do 1st Pref.	19	19	19	19	19
Central Argentine	172	172	172	San Paulo	1904	1904	1904	1904	1904
Cordoba Central New	36	36	36	United Havana	76	76	76	76	76

American Railroads.

Chesapeake & Ohio	165½	165½	165½	Southern	128½	128½	128½	128½	128½
Erie	34	34	34	Do Non-um Pref.	96½	96½	96½	96½	96½
Do 4½ 1st Pref.	45	45	45						

Foreign Government Securities.

Argentina 5%, 1886-7	100	100	100	Greek 7%, 1924	92	92	92	92	92
Austrian 6% Guar.	1004	1004	1004	Hungarian 7½%, 1924	102	102	102	102	102
Belgian 3%	73	73	73	Japanese 6%, 1924	93	93	93	93	93
Brazil 5% Fund., 1914	85	85	85	Mexican Cons. 1899	47	47	47	47	47
Chilean 4½%, 1895	103	103	103	Peruvian Corp. Pref.	492	492	492	492	492
Do 7½%	103	103	103	P.L.M. 6%	84	84	84	84	84
Chinese 5%, 1913	56	56	56	Portuguese (New)	34	34	34	34	34
Chinese 5%, 1913	56	56	56	Russian 5%, 1906	62	62	62	62	62
Egyptian 4%	83	83	83	Spanish 4%	70	70	70	70	70
French 5%	91	91	91	Spain (Dept.) 7%	93	93	93	93	93
Do 4%	88	88	88	Siam 7%	106	106	106	106	106
German 7%, 1924	105½	105½	105½						

Telegraphs.

Anglo-American "A"	24½	24½	24½	Marconi Canada	24	24	24	24	24
Marconi Wireless	17½	17½	17½	Marconi Marine	24	24	24	24	24

Banks.

Barclays B (11 p.d.)	24½	24½	24½	National Provincial	13	13	13	13	13
Chartered Bk of India	20½	20½	20½	Standard of S. Africa	134	134	134	134	134
Lloyds (15 with 11 p.d.)	34½	34½	34½	Western Bank	18½	18½	18½	18½	18½
Midland (11 p.d.)	34½	34½	34½	(100 with 15 p.d.)	18½	18½	18½	18½	18½
Not. Bank of Egypt	39	39	39						

Miscellaneous.

Allied Newspapers (11)	2½	2½	2½	Hudson's Bay (11)	54	54	54	54	54
Amal. Cottons (11)	4½	4½	4½	Imperial Tobacco (11)	54	54	54	54	54
Anglo Persian Oil (11)	56½	56½	56½	Linggi Plantations (11)	24	24	24	24	24
Armstrong (Sir W.G.)	1	1	1	Liverpool & Lancashire (11)	14	14	14	14	14
Asa. Palm. Cement (11)	1	1	1	Do 8% On A. P. (11)	14	14	14	14	14
Baker, John (11)	34½	34½	34½	Do 6% On P. Ord. (11)	14	14	14	14	14
Birmingham Arms (11)	2	2	2	Lister (11)	14	14	14	14	14
Blackburn (11)	2	2	2	Lobloo Oilfields (11)	74	74	74	74	74
Bradford Dyers (11)	24	24	24	Lyons (J.) & Co. (11)	34	34	34	34	34
Brazil Tobacco (1100)	124	124	124	Mexican Eagle (110)	24	24	24	24	24
British-American	44½	44½	44½	Robt. Industries (11)	14	14	14	14	14
Tobacco (11)	44½	44½	44½	Royal Dutch Petro-	31½	31½	31½	31½	31½
British Control	44½	44½	44½	leum (100 f)	31½	31½	31½	31½	31½
Oil (11)	44½	44½	44½	Rubber Plantations	24	24	24	24	24
Bryant and May (11)	24½	24½	24½	Investment (11)	24	24	24	24	24
Burmah Oil (11)	54	54	54	Shell Transport (11)	44	44	44	44	44
Coca (J. and P.) (11)	34	34	34	Siemens (11)	14	14	14	14	14
Cornfields (11)	54	54	54	Swedish Match "B"	14	14	14	14	14
Cornard (11)	14	14	14	(1100)	14	14	14	14	14
Dorman, Long (11)	14	14	14	Union Cold Storage	14	14	14	14	14
Dunlop Rubber (11)	14	14	14	6% Cum. Pref. (11)	14	14	14	14	14
Fine Cotton Spinners	14	14	14	Do 7% On P. (11)	14	14	14	14	14
(11)	14	14	14	United Dairies (11)	14	14	14	14	14
Forestal Land (11)	14	14	14	United Serdang (11)	44	44	44	44	44
Furness, Withy (11)	14	14	14	United Tobacco (11)	44	44	44	44	44
Highlands and Low-	14	14	14	V.O.C. Holding (11)	34	34	34	34	34
lands Rubber (11)	24½	24½	24½	Vickers (11)	24	24	24	24	24
				Watney Def. Siks.	260	260	260	260	260

Mines.

Ashanti Gold (4)	4	4	4	Modderfontein "B" (5)	14	14	14	14	14
Brakpan (11)	4	4	4	Modderfontein Deep (5)	14	14	14	14	14
Broken Hill Prop. (11)	14	14	14	Mount Lyell (11)	14	14	14	14	14
Burma Corp. (110)	14	14	14	New State Areas (11)	24	24	24	24	24
Corn & Motor (11)	24	24	24	Randfontein Est. (11)	34	34	34	34	34
Central Mining (11)	14	14	14	Rand Mines (11)	34	34	34	34	34
Chartered (11)	14	14	14	Belukwe (26)	14	14	14	14	14
City Deep (11)	14	14	14	Belukwe (11)	14	14	14	14	14
Columbia Fields (11)	14	14	14	Bio Tinto (11)	41	41	41	41	41
Crown Mines (11)	14	14	14	Ropp Tin (11)	41	41	41	41	41
De Beers Def. (11)	20	20	20	San Francisco	14	14	14	14	14
De Beers Prop. (11)	20	20	20	Mexico (10)	14	14	14	14	14
Goldfield (11)	4	4	4	Siamese Tin (5)	14	14	14	14	14
Gov. Gold Areas (11)	4	4	4	Spring Mines (11)	34	34	34	34	34
Johannesburg Cons. (11)	14	14	14	Tanganyika Cons. (11)	24	24	24	24	24
Malayan Tin (11)	14	14	14	Trans. Cons. Ltd (10)	24	24	24	24	24
Modderfontein (11)	6	6	6	Zambesia Expt. (11)	24	24	24	24	24

Orders for the publication in these columns of the reports at Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London, W.C. 2.

COMPANY MEETINGS, &c.

PENA COPPER MINES, LIMITED.

IMPROVED PRODUCTION—CONFIDENCE IN FUTURE.

The twenty-seventh ordinary general meeting of the Peña Copper Mines, Limited, was held, on the 22nd instant, at Winchester House, Old Broad street, London. Mr Ch. Cahen d'Anvers (the chairman) presided.

Mr E. Johnston (the secretary) read the notice convening the meeting and the report of the auditor.

The Chairman, in moving the adoption of the report and accounts, said: The total output of ore from the mine during the year under review was 120,473 tons, which compares with 111,223 tons extracted in the previous year. This output fully confirms our expectations as explained at our last meeting, and you will be pleased to hear that this higher output has been fully maintained so far in the present year.

The production of fine copper in 1925 amounted to 435 tons, as compared with 364 tons in 1924. This is a considerable improvement. On the last occasion I spoke to you of some experimental work we were then carrying out with the object of increasing the copper production. I am glad to inform you that we have since made very good headway, and that on the occasion of our 1926 general meeting, which we hope to hold early in the coming year, we shall be able to give you a satisfactory account of the 1926 production of copper, and of our future expectations in that direction.

The shipments of ore in 1925 amounted to 104,307 tons. This again bears out the expectations we foreshadowed at our last general meeting.

YEAR'S PROFITS.

The profit in 1925 is £12,964, as compared with £1,352 in 1924. As you will remember, I explained to you at our last meeting that the small profit of 1924 should be viewed as the beginning of a new era, and we have every prospect of justifying in the near future all we have already said to you in this respect.

You will notice that, notwithstanding the capital reduction was agreed to by the shareholders at our last general meeting, the balance-sheet for 1925, now under review, still presents the old figures. This is because the final decision of the Court granting such reduction was not obtained until some time in February of this year. It is, therefore, only in the 1926 balance-sheet that the accounts showing the reduction of capital will appear, and these, as aforementioned, we hope to present to you early in 1927.

LARGE MONEY RESERVE.

The large money reserve, mostly in the shape of Treasury bills, which we have carefully accumulated during the last few years, amounted to some £75,000 on December 31, 1925.

We are glad of the confidence which our shareholders have shown us by not questioning overmuch the reason for this accumulation, as it would not have been in the interests of the company to have referred to it at an earlier general meeting. Now, however, we are in a position to place the facts before you.

You will remember that in 1914 we borrowed 4,000,000 of £25,000 from a Paris group in order to construct our branch railway. The lenders were three foreign establishments, of which two were French and one German. During and after the war we were able gradually to pay off the two French creditors in francs and in sterling respectively. We had hoped eventually to pay the German creditor also in the same way; but the Mixed Arbitral Tribunal has decided within the last few weeks that we must pay the whole in sterling. These payments will absorb practically the whole of our above-mentioned cash reserve. As you will see from the balance-sheet, this still leaves us with considerable liabilities, but the company is now so placed that, should nothing happen to retard its progress, the board would be in a position to announce resumption of dividends when we meet next year.

CONFIDENCE IN THE FUTURE.

You will be pleased to hear that several long-pending matters of considerable importance have been satisfactorily settled, and that the position of the company from every point of view is better now than ever before. Although the future outlook of the pyrites market cannot be considered altogether free from clouds, we are, nevertheless, in a position to face it with the utmost confidence.

Here let me mention that we have completed the most important



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parts of our reorganisation scheme, and that before this year is over its last big item, i.e., the electrification of the mine, will be an accomplished fact.

We must express our thanks to the general manager at the mine (Mr E. Mackay Heriot) for his most loyal and efficient co-operation in all matters entrusted to his care, in which he has been ably assisted by his staff.

Mr John Williamson seconded the resolution, which was carried unanimously.

The retiring directors and the auditors having been re-elected the proceedings terminated.

KINTA KELLAS RUBBER ESTATES, LIMITED.

SUCCESSFUL YEAR—RECORD PROFITS.

The sixteenth ordinary general meeting of the Kinta Kellas Rubber Estates, Limited, was held, on the 21st instant, at 2-4, Idol lane, London.

Mr Edward Bedford, C.E. (the chairman), in moving the adoption of the report, said that the crop for the past year was 702,300 lb. They had effected a very satisfactory reduction of .73d per lb in the f.o.b. cost, which amounted to 6.48d, and they had sold the whole of the exportable allowance at a net average price of 2s 6.77d, as compared with 1s 6.2d in the previous year. The increased price, plus the saving in costs, gave a net increase in profit of 1s 1½d per lb. That, plus an addition of 220,000 lb to their crop, accounted for the very satisfactory and record profit for the year of £65,501 after deducting all depreciation and administrative costs and writing off the expenditure upon tin prospecting. The 40 per cent. dividend for the year took £51,562, leaving approximately £14,000 for the additions to reserves and increased carry over. It would thus be seen that the dividend was adequately covered by the year's earnings. Furthermore, the provision which they had made for a rainy day, together with certain transactions in their produce for this and next year assured, so far as human foresight could assure, substantial dividends in the future. The company had a first-class estate, fully equipped in every way, and they were strongly financed both for their rubber production and for tin production.

Dealing with the formation of their subsidiary company, the Kinta Kellas Tin Dredging Company, Limited, he said that they had received proposals from various sources to deal with their timbering area, but had decided to deal with the property themselves. They had subscribed half the capital of the new company, and had an option over the balance, and that company would pay them a royalty of 10 per cent. of the value of the tin raised. The directors believed that the tin company would in a year or two be a large producer. The area already proved was 124 acres, but they had reason to believe that a further area would be available. The property was so situated that the company had every opportunity of negotiating further areas and, indeed, negotiations were now in progress. They believed that the Kinta Kellas Tin Dredging Company would in a year or two be a large producer of tin, while, of course, their company would benefit from the royalty and also from its very substantial shareholding.

The report and accounts were unanimously adopted, and a final dividend of 12½ per cent., less tax, was declared, making, with the interim dividends, 40 per cent. for the year.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Sept. 18, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13
5% Conversion Loan	..	..	266	684	666	709	764	760	760
4% War Stock	..	..	..	..	..	..	..	..	..
4% and 5% War Stock	..	..	..	..	..	..	..	..	..
National War Bonds	..	..	..	..	..	..	..	..	..
4% Victory Bonds	..	..	..	..	..	..	..	..	..
Treasury Bonds	..	..	..	..	..	..	..	..	..
Exchequer Bonds	..	..	..	..	..	..	..	..	..
National Savings Certs.	..	..	..	..	..	..	..	..	..
Other Debt	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French)	..	..	..	..	..	..	..	..	..
Treasury Bills	..	..	..	..	..	..	..	..	..
Temporary Advances	..	..	..	..	..	..	..	..	..
Other Capital Liabilities	..	..	..	..	..	..	..	..	..
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,688

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Sept. 19, '25.	Mar. 31, '26.	Sept. 18, '26.	Week ended Sept. 18, '26.
Outstanding—				
Advances by Bank of England	142,441,000	139,441,000	120,351,000	9,850,000
Advances by Public Deptms.	625,570,000	564,855,000	639,560,000	360,000
Treasury Bills Outstanding	768,011,000	704,236,000	759,911,000	9,490,000
Total Floating Debt	1,535,022,000	1,408,532,000	1,519,822,000	10,700,000

* Includes £10,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Sept. 24, 1926, and the total amount applied for was £68,270,000. For bills at 3 months, dated Monday and Friday, £98 16s 6d, and above in full; Tuesday, Wednesday, Thursday and Saturday, £98 16s 9d, about 83 per cent, and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.				
July 23	35,000,000	46,855,000	4 5 6 42	nil
July 30	40,000,000	48,120,000	4 7 0 29	nil
Aug. 6	40,000,000	50,920,000	4 7 3 16	nil
Aug. 13	40,000,000	53,960,000	4 10 4 04	nil
Aug. 20	40,000,000	49,880,000	4 11 11 62	nil
Aug. 27	45,000,000	55,020,000	4 12 3 39	nil
Sept. 3	40,000,000	52,135,000	4 13 0 4	nil
Sept. 10	40,000,000	54,025,000	4 13 3 25	nil
Sept. 17	40,000,000	53,065,000	4 12 11	nil
Sept. 24	45,000,000	68,270,000	4 12 9 75	nil

Tenders will be received on Oct. 1, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Accounts.	Bank of England Notes.	Ratio of Notes to Bank of England Notes.	Govt. Securities.	Balance at Bank of England.
1923.							
Mar. 28	285,616	12,318	7,000	27,000	17 3	111,294	190
June 27	286,503	12,516	7,000	27,000	17 3	212,446	123
Sept. 27	282,784	12,401	7,000	27,000	17 3	238,595	140
Dec. 26	289,070	12,571	7,000	27,000	16 5	255,032	159
1924.							
Mar. 26	281,539	11,908	7,000	27,000	17 6	236,867	130
June 25	280,316	12,472	7,000	27,000	17 6	246,185	140
Sept. 24	285,592	12,227	7,000	27,000	17 3	241,185	140
Dec. 31	296,261	12,812	7,000	27,000	18 2	248,111	138
1925.							
Mar. 25	284,256	11,882	7,000	27,000	18 9	235,076	112
June 24	292,278	12,265	7,000	27,000	18 5	243,474	119
Sept. 30	293,004	12,555	7,000	27,000	19 1	242,188	121
Dec. 30	296,777	12,561	7,000	27,000	18 9	245,896	122
1926.							
Mar. 31	295,337	12,226	6,550	26,250	19 0	244,585	178
June 30	294,036	12,567	6,550	26,250	19 1	243,667	136
Sept. 15	289,572	12,068	6,550	26,250	18 9	238,668	173
Sept. 22	287,388	11,963	6,550	26,250	19 5	236,385	186

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,800, for 1922 at £308,989,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, September 22, 1926.

ISSUE DEPARTMENT.

Notes issued	£	Government debt	£
174,115,265		11,015,100	
		8,734,900	
		154,365,265	
174,115,265			174,115,265

BANKING DEPARTMENT.

Proprietors' capital	£	Government securities	£
14,553,000		34,290,473	
Rest	3,730,945	Other securities	68,528,023
Public deposits	18,348,124	Notes	35,140,410
Other deposits	102,887,734	Gold and silver coin	1,565,186
Seven-day & other bills	4,289		

139,524,092 139,524,092

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Sept. 22, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	3,730,945	+ 8,186	+ 12,687
Public deposits	18,348,124	+ 4,105,733	+ 1,301,382
Other deposits	102,887,734	+ 2,530,836	+ 11,585,691
Government securities	34,290,473	+ 1,260,000	+ 2,643,349
Other securities	68,528,023	+ 237,446	+ 6,835,583
Notes	36,705,596	+ 560,154	+ 793,639
Reserve	138,974,855	+ 479,910	+ 3,935,985
Note circulation	155,930,451	+ 80,244	+ 4,729,624
Coin and bullion	304	No change	+ 14
% of reserve to liabilities			

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Aug. 4	152,844,144	142,503,470	116,858,561	104,883,885	708,000	30,090,674	25 1/2
11	153,867,721	141,321,420	123,166,249	109,006,118	975,000	32,296,301	26 1/2
18	154,144,128	140,553,290	121,766,643	106,551,007	179,000	33,340,838	27 1/2
25	154,805,454	140,271,005	128,173,220	112,087,444	637,000	34,284,509	26 1/2
Sept. 1	155,498,797	141,288,970	124,312,358	108,624,874	615,000	33,959,827	27 1/2
8	155,393,226	140,303,400	119,166,244	102,598,266	133,000	34,834,826	29 1/2
15	155,850,207	139,454,768	119,660,961	101,795,942	370,000	36,145,442	30 1/2
22	155,945,151	138,974,855	121,235,858	102,818,496	59,000	36,705,596	30 1/2

BANKERS' CLEARING RETURNS (000's omitted.)

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Sept. 8	24,265,792	1,143,673	1,940,666	27,350,131
Sept. 15	671,669	28,039	47,548	749,256
22	629,034	28,170	50,335	707,539
Total to date 1926	25,466,495	1,197,882	2,038,549	28,702,926
Do 1925	25,885,231	1,218,100	2,158,134	29,261,465
Increase or decrease in 1926	- 418,736	- 20,218	- 119,585	- 568,539
%	- 1 1/2	- 1 1/2	- 5 1/2	- 1 1/2
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925	+ 762,659	+ 84,233	+ 57,363	+ 904,255
%	+ 2 1/2	+ 5 1/2	+ 1 1/2	+ 2 1/2

PROVINCIAL CLEARING RETURNS.

Number of Working Days	Month of August.		Aggregate Weekly Totals to Sept. 18.	
	1925.	1926.	1925.	1926.
25				
BIRMINGHAM	9,762,000	8,344,000	- 14 5	94,725,100
BRADFORD	5,112,000	5,506,000	+ 7 0	43,778,000
Bristol	4,902,000	4,556,000	- 7 0	43,101,000
DUBLIN	3,996,000	3,830,000	- 4 1	39,435,900
HULL	3,695,000	3,596,000	- 2 6	37,813,000
LEEDS	2,739,000	2,666,000	- 2 6	30,559,300
LIVERPOOL	34,376,000	29,511,000	- 14 1	337,674,200
MANCHESTER	62,277,000	51,751,000	- 16 9	591,769,200
NEWCASTLE-ON-TYNE	6,584,000	4,256,000	- 35 3	60,170,900
NOTTINGHAM	2,532,000	2,232,000	- 11 8	25,072,600
SHEFFIELD	4,389,000	3,574,000	- 18 5	39,047,500
Total	140,360,000	119,822,000	- 14 6	55,835,700

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the Economist of July 3; Egypt in August 21; Denmark in September 17; Roumania, Russia and Italy in September 18.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted.)

	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Aug. 27, 1926.	Sept. 18, 1926.
RESOURCES.					
Total gold reserves	2,832,660	2,831,470	2,828,310	2,840,610	2,772,680
Total bills discounted	565,540	614,270	626,550	570,640	487,940
Bills bought in open mkt.	252,480	265,980	253,480	254,620	211,960
Total U.S. Govt. securities	1,319,740	1,196,240	1,202,490	1,150,170	1,190,708
Total earning assets	5,306,960	4,948,590	4,915,590	4,874,740	5,062,930
LIABILITIES.					
Federal Reserve notes in actual circulation	1,724,070	1,746,250	1,702,900	1,692,640	1,677,300
Deposits—Member bank—reserve account	2,369,140	2,207,190	2,221,900	2,203,630	2,197,660
Total deposits	2,417,320	2,242,320	2,292,320	2,257,980	2,230,200
Capital paid in and surplus	344,100	344,020	343,300	343,780	334,260
Total liabilities	5,306,960	4,918,590	4,915,590	4,874,740	5,062,930
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	71 1/2	74 3/4	74 1/4	75 1/4	73 7/8

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted.)

	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Aug. 27, 1926.	Sept. 18, 1926.
Total bills discounted	146,400	186,210	176,243	140,060	110,360
Bills bought in open mkt.	37,630	46,030	31,190	43,850	11,960
Total U.S. Govt. securities	186,080	61,420	60,710	62,870	141,860
Total earning assets	370,110	300,050	270,150	244,770	266,210
Deposits—Member bank—reserve account	941,800	841,020	864,940	815,750	833,870
Ratio of total res. to dep. and Federal Res. note liabilities combined	74 1/2	79 1/2	81 1/2	83 1/2	78 1/2

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted.)

	June 30, 1926.	May 31, 1926.	Apr. 30, 1926.	Mar. 31, 1926.	June 30, 1925.
Assets—					
Cash and bank balances.....	403,474	395,179	406,495	393,792	416,769
Bank balances abroad.....	71,710	65,681	72,850	74,801	73,731
Call and short loans.....	386,494	360,171	353,773	375,002	331,463
Securities.....	539,553	544,185	544,828	576,666	574,147
Loans in Canada.....	1,039,151	1,038,094	1,034,221	995,517	994,639
Loans abroad.....	252,773	268,148	273,101	270,325	211,846
Other assets.....	165,775	168,989	168,327	165,640	155,188
LIABILITIES.					
Note circulation.....	166,371	164,335	161,311	163,952	163,146
Deposits—					
Government.....	79,890	79,939	90,180	55,831	78,203
Public in Canada.....	1,860,723	1,874,070	1,877,712	1,897,261	1,749,191
Foreign.....	537,314	522,922	525,985	535,318	376,382
Bank balances—					
Canadian.....	11,976	9,098	10,971	11,373	11,786
Foreign.....	39,157	44,934	45,166	45,361	50,377
Bills payable, &c.....	82,899	85,582	83,757	81,172	70,418
Capital and rest.....	241,606	241,606	241,606	241,606	242,356
Other liabilities.....	2,452	4,314	3,042	2,574	2,175

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	Sept. 15, 1926.	Sept. 8, 1926.	Sept. 1, 1926.	Aug. 25, 1926.	Sept. 16, 1926.	Nov. 22, 1925.
Gold bullion and coins ..	23,616	23,613	23,611	23,606	23,550	19,993
Silver coin ..	2,251	2,152	2,200	2,442	1,327	..
Balance abroad ..	34,214	34,045	35,292	34,931	33,815	22,466
Treas. notes & em. change ..	10,864	9,776	9,335	9,375	9,856	3,085
Short term bills ..	68,005	68,107	67,703	67,717	61,144	6,639
Loans against securities ..	50,577	51,325	51,079	51,089	48,108	2,912
Other assets ..	10,049	8,840	8,883	8,659	8,943	1,359
LIABILITIES.						
Notes in circulation ..	29,913	30,265	30,486	30,049	28,763	4,085
Capital paid up ..	13,447	13,447	13,447	13,447	11,659	8,000
Reserve ..	2,237	2,237	2,237	2,237	1,522	..
Special reserve ..	2,500	2,500	2,500	2,500	1,000	..
Deposits ..	8,903	8,905	8,839	9,133	6,640	61
Current accounts ..	44,659	43,854	44,364	43,676	46,731	16,933
Government accounts ..	80,909	81,617	81,845	79,354	73,063	16,697
Other liabilities ..	17,008	15,093	14,386	17,425	17,365	3,757

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	Sept. 15, 1926.	Aug. 31, 1926.	Aug. 14, 1926.	July 31, 1926.	July 15, 1926.	Sept. 15, 1925.
Coin and bullion ..	2,936	2,675	2,901	2,692	3,158	2,809
Of which gold coin ..	5	5	5	5	5	5
Danzig subsidiary coin ..	2,931	2,670	2,896	2,686	3,153	2,804
Balance, Bk. of Eng., inc. notes ..	20,194	23,372	16,459	18,835	20,129	19,497
Bills of exchange ..	14,432	14,582	15,355	15,090	12,229	18,131
Loans ..	361	341	405	418	565	1,878
Foreign exchange ..	16,803	14,333	17,131	17,400	17,397	12,267
Other balances on demand ..	591	153	338	121	691	1,908
LIABILITIES.						
Capital paid up ..	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation ..	34,170	35,913	32,924	34,535	31,796	30,256
Deposits on demand ..	5,232	4,560	3,315	3,035	4,532	4,676
Deposits at notice ..	nil	nil	nil	nil	nil	nil

BANK OF POLAND.—In zloty (000's omitted).

Assets.	Sept. 15, 1926.	Aug. 31, 1926.	Aug. 20, 1926.	Aug. 10, 1926.	July 31, 1926.	Sept. 15, 1925.
Gold ..	135,885	135,400	135,330	135,252	135,199	135,199
Foreign currencies ..	113,919	107,586	82,763	75,493	91,325	91,325
Silver and bullion ..	4,986	1,145	17,914	2,525	2,448	2,448
Bills discount ..	311,460	368,687	304,025	301,681	304,178	304,178
Loans against securities ..	40,119	40,955	42,062	45,612	49,323	49,323
Short-term discounts ..	24,650	24,612	24,968	25,939	24,351	24,351
Liability of the Treasury ..	50,000	50,000	50,000	50,000	50,000	50,000
LIABILITIES.						
Share capital ..	100,000	100,000	100,000	100,000	100,000	100,000
Reserve funds ..	2,908	2,908	2,908	2,908	2,908	2,908
Notes in circulation ..	542,985	560,240	511,730	499,533	511,166	511,166
Current accounts ..	137,013	98,074	117,959	97,216	86,223	86,223
Liability in for. exchgo ..	21,419	22,425	23,859	27,545	47,289	47,289

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	Sept. 15, 1926.	Sept. 7, 1926.	Aug. 31, 1926.	Aug. 23, 1926.	Sept. 15, 1925.
Metal reserve—					
Gold in coin, etc. ..	45,737	43,419	42,978	41,485	4,830
Foreign bills ..	480,282	490,229	490,533	490,606	497,839
Other foreign bills ..	129,494	129,474	128,589	127,539	80,911
Bills discount ..	62,172	76,930	82,668	66,372	71,300
Advances to Treasury ..	178,455	178,561	178,899	179,667	197,944
LIABILITIES.					
Reserve funds ..	4,552	4,552	4,552	4,552	2,679
Notes in circulation ..	791,170	819,991	858,168	781,632	780,271
Deposits ..	108,854	102,111	68,276	127,150	82,338

Contains such foreign bills and balances as bought from customers against kronen under the agreement that the same amount of foreign currency shall be supplied to the customers at fixed terms on condition of such sums in kronen being returned by them as were paid by the bank for the foreign currency delivered.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).

Assets.	Sept. 15, 1926.	Sept. 7, 1926.	Aug. 31, 1926.	Aug. 23, 1926.	Sept. 15, 1925.
Metal reserve—					
Gold coin and bullion ..	168,596	168,579	168,577	168,445	168,359
Foreign bills ..	78,834	84,146	82,342	75,538	73,047
Silver coin and bullion ..	851	851	851	851	851
Inland bills, warrants, and securities ..	156,298	158,207	159,121	148,831	152,250
Advances to the Treasury ..	150,339	151,440	151,523	151,574	151,600
LIABILITIES.					
Share capital (gold crowns 30,000,000) ..	34,756	34,756	34,756	34,756	34,756
Notes in circulation ..	403,012	413,452	431,529	382,845	398,582
Current accounts, deposits, &c. ..	201,596	199,781	177,556	207,515	184,389

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Sept. 15, 1926.	Sept. 8, 1926.	Aug. 31, 1926.	Aug. 22, 1926.	Sept. 15, 1925.
Gold ..	82,160	81,854	81,646	81,509	73,524
Other coin and notes ..	18,417	18,297	18,296	18,419	20,868
Foreign credits ..	319,468	319,471	297,101	293,398	420,564
Bills ..	1,275,828	1,264,098	1,232,766	1,182,317	974,583
Govt. advances ..	4,469,567	4,469,231	4,469,097	4,468,950	4,519,832
LIABILITIES.					
Notes in circulation ..	5,638,559	5,626,476	5,470,112	5,405,343	6,124,771
State credits ..	361,289	350,553	350,819	350,672	367,109
Deposits ..	660,420	583,155	634,743	599,759	843,234

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Aug. 28, 1926.	Sept. 19, 1925.	Position May 30, 1924.
Gold ..	2,556,516	2,556,507	2,556,502	2,556,391	2,556,391	2,556,391
Silver ..	666,587	667,111	670,072	673,905	654,749	728,600
Loans & discounts ..	2,378,013	2,387,191	2,405,846	2,418,821	2,365,990	800,725
Spanish 4% stock ..	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills ..	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation ..	4,375,098	4,399,484	4,390,679	4,343,316	4,363,245	801,550
Deposits ..	1,029,253	1,030,855	1,026,027	1,037,301	974,040	477,500

BANK OF PORTUGAL.—In escudos (000's omitted).

Assets.	Aug. 4, 1926.	July 28, 1926.	July 21, 1926.	July 14, 1926.	Aug. 5, 1925.
Coin and bullion ..	9,628	9,652	9,770	9,787	9,897
Of which gold ..	8,577	8,577	8,577	8,577	8,577
Balance abroad ..	355,151	345,054	354,353	367,729	193,875
Discounts ..	161,799	157,043	148,772	151,107	197,352
Government loans ..	1,674,411	1,663,590	1,672,971	1,684,650	1,511,760
LIABILITIES.					
Notes in circulation ..	1,872,201	1,844,607	1,838,688	1,855,959	1,629,649
Deposits ..	49,183	54,884	50,761	55,136	57,082

LONDON RATES.

	Sept. 17, 1926.	Sept. 18, 1926.	Sept. 20, 1926.	Sept. 21, 1926.	Sept. 22, 1926.	Sept. 23, 1926.	Sept. 24, 1926.
Bank rate (changed from 4% Dec. 3, 1925) ..	5	5	5	5	5	5	5
Market rates of discount—							
60 days' bankers' drafts ..	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
4 months' do ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount (Treasury Bills)—							
2 months ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
3 months ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Loans—Day to day ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Short ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Deposits allowances: Banks ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount houses at call ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
At notice ..	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

		Short Loans.	Bank Bills.			Trade Bills.		
			3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
	1926.	%	%	%	%	%	%	%
Sept.	3	4	4 1/4	4 1/4	4 1/4	5	5 1/2	5 1/2
	10	4	4 1/4	4 1/4	4 1/4	5	5 1/2	5 1/2
	17	4	4 1/4	4 1/4	4 1/4	5 1/2	5 1/2	5 1/2
	24	4	4 1/4	4 1/4	4 1/4	5 1/2	5 1/2	5 1/2

OVERSEAS BANK RATES.

Changed.			%	Changed.			%
Amsterdam	Oct. 3, 1925	..	3 1/2	Oslo	Sept. 13, 1926	..	5
Athens	Aug. 18, 1925	..	10	Paris	July 31, 1926	..	7 1/2
Belgrade	June 23, 1922	..	7	Prague	Jan. 12, 1926	..	6
Berlin	July 9, 1926	..	6	Reval	July 21, 1925	..	10
Brussels	April 23, 1926	..	7	Riga	Feb. 16, 1924	..	8
Bucharest	Sept. 4, 1920	..	6	Rome	June 18, 1925	..	7
Budapest	Aug. 26, 1926	..	6	Sofia	Aug. 5, 1924	..	10
Calcutta	June 10, 1926	..	4	Stockholm	Oct. 8, 1925	..	4 1/2
Copenhagen	June 24, 1926	..	5	Swiss Bank			
Danzig	July 29, 1926	..	5 1/2	Tacoma	Oct. 22, 1925	..	3 1/2
Helsingfors	Oct. 29, 1925	..	7 1/2	Tokio	April 15, 1925	..	7
Kovno	Feb. 8, 1925	..	7	Vienna	Aug. 6, 1926	..	7
Lisbon	July 28, 1926	..	8	Warsaw	July 7, 1926	..	10
New York Federal Reserve	Aug. 12, 1926	..	4				
Madrid	Mar. 23, 1923	..	5	Irish	Dec. 3, 1925	..	6

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Sept. 25, 1925.	Sept. 17, 1926.	Sept. 24, 1926.
Paris	francs to £1	T.T.	22 25/32	172 1/2	174 1/2
Berlin	marks to £1	T.T.	20 43/64	20 38 39	20 37 38
Vienna	schillings to £1	T.T.	34 58/64	34 40 45	34 40 43
Prague	kroner to £1	T.T.	24 02	163 1/32	163 1/32
Warsaw	zloty to £1	T.T.	25 22 1/2	28 1/2	41 1/4
Reval	Est.mks. to £1	T.T.	..	1810-1800	1800-40
Riga	lats to £1	T.T.	25 22 1/2	24 97 25 22	25 15 35
Kovno	lits to £1	T.T.	48 66	49 09 19	49 1/2
Bukarest	lei to £1	T.T.	25 22 1/2	1000-1095	915 25
Budapest	pengo to £1	T.T.	27 82	345 347 000 b	27 60 80
Constantinople ..	piastres to £1	T.T.	110	875-880	923-933
Sofia	leva to £1	T.T.	25 22 1/2	660-880	668-75
Belgrade	dinars to £1	T.T.	25 22 1/2	270-275	273 1/2
Amsterdam	florin to £1	T.T.	12 107	12 04 05	12 11 1/2
Brussels	francs to £1	T.T.	25 22 1/2	110 95-111	111 1/2
Oslo	kroner to £1	T.T.	18 15 1/2	34 08 13	22 13 14
Stockholm	kronor to £1	T.T.	18 15 1/2	18 03 04	18 15 1/2
Copenhagen	kroner to £1	T.T.	18 15 1/2	20 08 13	18 27 8
Helsingfors	marks to £1	T.T.	193 25	192 1/2	192 70 85
Greece	drachmes to £1	T.T.	25 22 1/2	330-335	410-15
Italy	lire to £1	T.T.	25 22 1/2	120-120 1/2	132 1/2
Switzerland	francs to £1	T.T.	25 22 1/2	25 11 12	25 11 1/2
Madrid	pesetas to £1	T.T.	25 22 1/2	33 69-62	31 91 3
Lisbon	pence to escu.	T.T.	53 1/2	24 1/2	23 1/2
Alexandria	piastres to £1	Sight	97 1/2	97 1/2	97 1/2
New York	dollars to £1	Cable	4 86 1/2	4 84 1/2	4 85 1/2
Montreal	dollars to £1	Cable	4 86 1/2	4 84 1/2	4 84 1/2
Buenos Aires	pence to peso	T.T.	47 62 1/2	45 1/2	45 1/2
Rio de Janeiro	pence to mills.	90 days	16	6 1/2	7 1/2
Montevideo	pence to peso	T.T.	51	49 1/2	49 1/2
Valparaiso	dollars to £1	90 days	40	39 50	39 40
Lima	ling. to Per. £1	90 days	par	21 1/2 prem.	24 1/2 prem.
Calcutta	ster. to rupee	T.T.	10 to	18 6 1/2 1/2	15 1/2 1/2
Bombay	ster. to rupee	T.T.	Gold	18 6 1/2 1/2	15 1/2 1/2
Madras	ster. to rupee	T.T.	Sovn.	18 6 1/2 1/2	15 1/2 1/2
Hong Kong	ster. to dollar	T.T.	..	2 1/2 1/2	2 1/2 1/2
Canton	ster. to tael	T.T.	..	3 1/2 1/2 3 1/2	2 1/2 1/2
Singapore	ster. to dollar	T.T.	..	2 1/2 1/2 3 1/2	2 1/2 1/2
Yokohama	ster. to yen	T.T.	..	8 1/2 1/2 3 1/2	2 1/2 1/2
Manila	ster. to peso	T.T.	..	2 1/2 1/2	2 1/2 1/2
Mexico	pence to dols.	T.T.	24 1/2	24 1/2	24 1/2

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Sep. 17, 1926.	(c) Week ended Sep. 18, 1926.	Miles Open.	Passengers, &c.	Goods, &c.	Total for Week.	Aggregate 36 Weeks, 1926.	Passengers, &c.	Goods, &c.	Total Receipts.
Great Western.....	3,778	279,000	231,300	570,000	9,095,000	9,594,000	18,789,000	22,228,000	22,228,000
Do for 1925.....	3,775	299,000	239,000	576,000	10,212,000	11,986,000	22,228,000	22,228,000	22,228,000
London & N. Eastern (a).....	5,715	449,000	409,000	858,000	14,810,000	14,972,000	33,782,000	33,782,000	33,782,000
Do same period 1925.....	5,714	481,000	456,000	937,000	15,137,000	15,137,000	33,782,000	33,782,000	33,782,000
London Mid. & Scottish.....	6,951	622,000	626,000	1,248,000	20,928,000	20,928,000	45,617,000	45,617,000	45,617,000
Do for 1925.....	6,950	715,000	638,000	1,353,000	24,187,000	24,187,000	55,239,000	55,239,000	55,239,000
Southern.....	2,180	375,000	98,000	473,000	12,153,000	13,055,000	17,394,000	17,394,000	17,394,000
Do 1925.....	2,183	384,000	122,000	506,000	13,077,000	13,317,000	17,394,000	17,394,000	17,394,000
Metropolitan (a).....	59	29,600	2,500	32,100	1,079,000	1,056,000	1,184,600	1,184,600	1,184,600
Do for 1925.....	58	39,900	3,900	43,800	1,255,700	1,384,200	1,394,200	1,394,200	1,394,200
Underground E.R. (a).....	..	..	..	..	..	..	9,193,900	9,193,900	9,193,900
Do for 1925.....	..	..	..	..	..	..	9,346,600	9,346,600	9,346,600
London & Sub. Group (a).....	..	..	..	..	..	..	1,389,500	1,389,500	1,389,500
Do for 1925.....	..	..	..	..	..	..	1,435,300	1,435,300	1,435,300
Belfast & Co. Down (b).....	80	2,613	..	897	5,570	116,358	32,544	148,902	148,902
Do 1925.....	80	2,613	..	897	5,570	116,358	32,544	148,902	148,902
Great Northern.....	562	16,450	16,400	32,850	595,250	582,350	1,177,600	1,177,600	1,177,600
Do 1925.....	562	16,450	16,400	32,850	595,250	582,350	1,177,600	1,177,600	1,177,600
Great Southern.....	2,181	46,942	43,478	90,420	1,436,620	1,553,865	2,990,485	2,990,485	2,990,485

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926.	1926.
				+ or -	+ or -
INDIAN.					
Assam Bengal.....	20 weeks	Aug. 21	1,072	Rs. 3,46,000	Rs. 25,697
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578
Bombay, Bar., & C.I. 24 weeks	21 weeks	Aug. 21	1,349	Rs. 3,79,787	Rs. 2,95,578

(a) Total receipts of all lines.

ARGENTINE (a).

Argentine N.E.	12 weeks	Sept. 18	754	15,400	2,900	147,800	18,600
B. A. and Pacific	12 weeks	Sept. 18	2,652	136,000	7,000	1,534,000	16,000
B. A. Central	12 weeks	Sept. 18	1,939	14,939	782	155,842	4,434
B. A. G. Southern	12 weeks	Sept. 18	4,720	26,000	8,000	2,240,000	23,000
B. A. Western	12 weeks	Sept. 18	1,882	89,000	2,300	954,000	35,000
Central Argentine	12 weeks	Sept. 18	3,305	223,000	15,000	2,450,000	20,000
Cordoba Central	12 weeks	Sept. 18	1,202	75,000	3,000	855,000	44,500
Entre Rios	12 weeks	Sept. 18	728	21,800	7,200	235,000	33,400

CUBAN.

Havana Central	12 weeks	Sept. 18	..	11,880	551	133,294	3,930
United of Havana	12 weeks	Sept. 18	1,301	50,160	8,750	567,671	107,137

URUGUAYAN.

Central Uruguay	12 weeks	Sept. 18	273	22,227	1,880	249,739	8,425
C. Urug. (East, Ext.)	12 weeks	Sept. 18	311	4,182	67	47,468	7,357
C. Urug. (North, Ext.)	12 weeks	Sept. 18	185	2,707	45	25,433	4,932
C. Urug. (West, Ext.)	12 weeks	Sept. 18	211	2,665	300	28,096	1,909

CANADIAN.

Canadian National	36 weeks	Sept. 14	22,065	5,130,105	52,589	175,807,563	196,176,71
Canadian Pacific	36 weeks	Sept. 14	14,122	3,822,000	227,000	125,466,000	125,320,000

BRAZILIAN (b).

Gt. West. of Brazil	38 weeks	Sept. 18	1,018	17,700	4,800	620,000	113,400
Leopoldina	38 weeks	Sept. 18	1,856	55,948	8,777	1,644,003	471,862
Leopoldina Term.	38 weeks	Sept. 18	..	7,784	1,277	287,692	97,115
San Paulo	38 weeks	Sept. 18	1,534	43,755	33,237	1,761,663	128,442

CHILEAN.

Antofagasta	37 weeks	Sept. 19	838	26,910	9,735	1,404,420	148,430
Nitrato (8-monthly)	36 weeks	Sept. 15	398	32,677	11,943	547,044	128,011

OTHER OVERSEAS.

Alooy and Gandia	38 weeks	Sept. 18	33	Ps. 12,000	8,000	986,700	19,200
Egyptian Delta	20 weeks	Aug. 31	600	29,544	63	128,887	9,298
Gt. South. of Spain	36 weeks	Sept. 11	104	Ps. 74,171	20,151	3,144,247	784,048
Maritime Railway	11 weeks	Sept. 14	432	239,900	4,700	2,656,200	96,300
Paraguay Central	12 weeks	Sept. 18	974	24,830	790	65,550	16,360
Salvador	12 weeks	Sept. 18	100	24,656	2,111	52,827	21,080

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.	Total Receipts.
				1926.	1926.
				+ or -	+ or -
Anglo-Argentine.....					
Anglo-Argentine.....	37 weeks	Sept. 19	339	£24,583	2,226
B. Aires Laorose	12 weeks	Sept. 19	16	£12,659	611
Barnley Corporation	1 week	Sept. 18	12	£3,191	141
Calcutta Tramways	1 week	Sept. 18	354	£15,747	19,381
Chatham & District	37 weeks	Sept. 16	15	£1,592	45
Chatham & District	37 weeks	Sept. 16	15	£1,592	45
Chatham & District	37 weeks	Sept. 16	15	£1,592	45
Chatham & District	37 weeks	Sept. 16	15	£1,592	45
Chatham & District	37 weeks	Sept. 16	15	£1,592	45

* Combined revenue.

MONTHLY TRAFFIC RETURNS.

AMERICAN RAILROAD GROSS AND NET RECEIPTS.

This table is extracted from the Commercial and Financial Chronicle of New York

Date.	Miles of Road.		Gross Earnings.		Net Earnings.	
	1924.	1925.	1925.	Increase or Decrease.	1925.	Increase or Decrease.
			\$	\$	\$	\$
July	236,525	236,762	521,538,604	+ 40,595,601	139,606,752	+ 27,819,861
Aug.	236,546	236,750	554,559,318	+ 47,021,764	166,558,666	+ 31,821,451
Sept.	236,587	236,752	564,443,591	+ 24,381,004	177,242,895	+ 18,026,891
Oct.	236,564	236,724	590,161,046	+ 18,585,008	180,695,428	+ 12,054,755
Nov.	236,517	236,726	531,742,071	+ 26,960,296	148,157,616	+ 16,775,765
Dec.	236,057	236,725	523,041,764	+ 18,591,184	134,445,634	+ 10,354,676
	1925.	1926.	1926.		1926.	
Jan.	236,599	236,944	480,062,657	— 3,960,038	102,270,877	+ 946,999
Feb.	236,529	236,839	459,227,310	+ 35,029,256	99,480,650	+ 38,008
Mar.	236,500	236,774	528,905,183	+ 43,668,624	133,642,754	+ 24,561,651
April	236,526	236,518	498,448,309	+ 25,818,489	114,885,151	+ 11,764,296
May	236,858	236,833	516,467,480	+ 28,515,298	128,581,566	+ 15,677,492
June	236,243	236,510	538,758,797	+ 32,654,035	149,492,478	+ 18,571,582
July	236,348	236,885	555,471,276	+ 33,875,085	161,079,612	+ 21,435,011

OVERSEAS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Month.		Total Receipts.	
				1925-26.	+ or -	1925-26.	+ or -

CANADIAN.

Canadian National	7 mths	July 31	Gross \$22,527,786	+ 215,717	143,516,794	+ 176,024,37
Canadian Pacific	7 mths	July 31	Net \$2,680,337	+ 755,396	17,536,938	+ 11,869,11
Canadian Pacific	7 mths	July 31	Gross \$16,598,000	+ 141,000	101,826,000	+ 114,820,00
Canadian Pacific	7 mths	July 31	Net \$3,921,000	+ 532,000	17,878,000	+ 6,691,000
Temiscouata	1 mth	July 31	Gross \$42,777	..	..	..

BRAZILIAN.

State of Bahia	4 mths	Aug. 31	52	£6,036	1,875	24,707	+ 4,513
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CHILE AND PERU.

Ferrovian Corp.	2 mths	Aug. 31	31,066	\$1,894,920	+ 140,820	3,679,370	+ 279,970
Taital	2 mths	Aug. 31	172	£11,465	13,795	24,410	+ 32,155

URUGUAYAN.

Midland Uruguay	2 mths	Aug. 31	319	£2,979	1,064	26,809	+ 851
N.W. Uruguay	2 mths	Aug. 31	113	4,893	126	9,827	+ 406
Uruguay North	2 mths	Aug. 31	73	2,234	160	4,574	+ 159

OTHER OVERSEAS.

URUGUAYAN.											
					£		£		£		
Midland Uruguay	2 mths	Aug. 31	319		12,979	+	1,064		26,809	+	85
N.-W. Uruguay ..	2 mths	31	113		4,893	—	126		9,827	—	40
Uruguay North ..	2 mths	31	73		2,234	—	160		4,574	+	15

TRAMWAY & OTHER RECEIPTS.

Algoma Cent. & Hudson Bay (a)	1	mth	July 1	Gross	\$122,295	+ 28,175	..	..
Beira and Mashonaland	1	mth	31	810	156,858	+ 7,773	..	..
Bilbao	8	mths	Aug. 31	15	971	948	13,634	+ 8.98
Bolivar	8	mths	31	136	7,600	2,580	83,194	+ 24,27
Costa Rica	1	mth	July 31	190	29,303	1,54C	..	..
Dorado Extension	8	mths	Aug. 31	70	31,370	+ 15,370	166,430	+ 26,68
Dorado Rope, Ex.	8	mths	31	45	7,300	1,606	61,980	+ 11,90
International of CentralAm.	18	mths	31	Gross Net	112,171	+ 11,39	989,008	+ 93,87
Le Guay & Car.	7	mths	July 31	222	39,262	3,938	994,182	+ 16,90
Mid. of W. Aust.	1	mth	31	277	12,257	+ 1,920	97,800	+ 8.88
Nasajo Ocasah.	5	mths	May 31	..	9,203	474	51,488	+ 2.98
PuertoCabello, &c.	8	mths	Aug. 31	35	5,500	+ 250	43,000	+ 3.50
Rhodesia Rail'ys.	1	mth	July 3	1,397	196,976	+ 16,030	..	..
Samana & Sant'go	8	mths	Aug. 31	..	3,500	3,20	49,060	+ 11.43
Sante Fe Prov.	1	mth	31	..	448,761	+ 7,376	..	..
Zafra and Huelva	7	mths	July 31	112	13,111	+ 20,638	2,086,720	+ 17.69

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefee.	Ordinary.					
						Amount.	Amount.					Rate
		£	£	£	£	£	%	£	£	£	%
Gas.											
Alliance and Dublin	June 30*	15,370	67,891	83,261	..	48,496	6½	..	34,765	55,202	6½
Continental Union	June 30	2,307	20,384	22,691	11,200	6,400	1	3,000	2,091	29,703	2
Iron, Coal, and Steel.											
Kayser, Ellison, and Co.	June 30	9,607	26,284	35,891	6,000	12,500	5	7,209	10,182	25,546	5
Partington Steel and Iron	June 30	55,933	Dr 141,354	Dr 85,421	..	..	..	..	Dr 85,421	Dr 168,554	..
Pearson and Knowles Coal & Iron	June 30	86,751	Dr 62,893	23,918	..	..	..	..	23,918	21,520	..
Sheepbridge Coal and Iron	June 30	69,409	68,722	138,131	..	37,647	2½	..	100,484	112,444	5
Staveley Coal and Iron	June 30	79,773	78,588	158,361	..	162,798	5½	Dr 80,000	75,563	279,135	7½
Thos. W. Ward	June 30	38,275	71,367	109,642	24,750	57,457	7½†	..	27,435	119,669	10†
Rubber, &c.											
Bernam-Perak	June 30	4,611	21,659	26,270	8,062	8,063	25	6,000	4,145	12,201	10
Padang Jawa	Mar. 31	4,402	29,440	33,842	..	22,500	30	5,000	6,342	6,002	8½
Seaport (Selangor)	June 30	24,782	50,111	74,893	..	37,500	25	17,500	19,893	22,352	12½
Sungei Dangar (Malay)	June 30	3,612	12,636	16,248	..	10,748	12½	2,000	3,500	7,040	nil
Sungei Gettah	June 30	..	23,536	23,536	..	20,250	22½	..	3,286	..	..
Victoria (Malaya)	June 30	12,997	35,630	48,627	..	25,072	50	7,000	16,555	5,507	10
Telegraphs, &c.											
Direct West India Cable	June 30	21,537	19,697	41,234	..	6,000	10†	..	35,235	Dr 489	10†
Halifax and Bermudas Cable	June 30	44,791	22,763	67,554	..	5,000	10†	..	62,554	6,164	10†
Trust.											
Hevea Rubber Trust	June 30	2,980	52,548	55,528	..	26,648	25†	18,000	10,888	..	..
Second Alliance	July 31	5,526	50,587	56,113	11,700	23,400	19½	15,000	6,013	..	..
Staveley Trust	July 31	1,289	13,730	15,019	..	9,519	6	1,000	4,500	6,586	5½
Waterworks.											
Monte Video Water Works	Dec. 31	81,975	142,166	224,141	..	76,500	8	57,000	90,641	116,244	8
Other Companies.											
Anglo-Siam Corporation	Mar. 31	35,211	91,750	126,961	4,550	65,000	32½	19,140	38,271	87,869	30
Associated Prov. Picture Houses	May 31	42,505	63,454	105,959	7,500	40,750	10	12,799	44,910	65,471	10
Beecham Estates and Pills	June 30	..	165,044	165,044	57,600	76,000	10	31,444	..	156,615	10
Clayton Wagons	June 30	..	16,756	16,756	..	..	..	15,237	1,519	728	..
Cropper and Co.	June 30	Dr 11,461	14,714	3,253	..	..	..	..	3,253	2,842	..
Hovis, Limited	Mar. 31	16,695	69,500	86,195	9,000	38,500	12½	25,000	13,695	73,485	10
Theatre Royal, Drury Lane	June 30	6,074	49,009	55,083	..	15,623	12½	28,000	13,460	6,847	5
Valparaiso (Chile) Drainage	Mar. 31	21,619	14,492	36,111	2,000	..	..	16,536	17,575	9,369	..

* Half-year.

† Free of tax.

ceding year. The sum of £18,386 is put to depreciation, against £20,999 in preceding year. The sum of £20,000 is again put to reserve, which makes total reserve £220,000. The ordinary dividend is 10 per cent., while a bonus of 2½ per cent. is paid, making 12½ per cent. for the year, against 10 per cent. for preceding year. The carry forward is £13,694. Balance-sheet shows total assets £1,030,541. Debtors are at £159,539, against £202,973. Stocks stand at £145,283, against £188,152. Cash has risen from £2,445 to £12,621. Investments total £343,819, of which £138,957 is invested in Marriage, Neave, and Co., and £204,862 in War Loan stocks and bonds. In preceding balance-sheet the amount in War Loan stocks and bonds was £154,346. With regard to liabilities, there is no bank overdraft, which was £52,048 in preceding balance-sheet. Creditors stand at £250,147, against £254,095.

MONTÉ VIDEO WATERWORKS.—The results of the working for the year 1925 as compared with the preceding year, are as follows:—

	1924.			1925.			Increase.
	£	s	d	£	s	d	£
Gross receipts	321,661	14	11	346,731	7	2	25,069
Working expenses	148,265	1	0	152,682	14	1	4,417
Net receipts	173,396	13	1	194,048	13	1	20,650

The sum of £40,000 is put to reserve fund, and £17,000 to renewals fund. The ordinary dividend is 8 per cent. for the year. The balance forward is £90,641. The unfavourable rate of exchange has again resulted in a loss during the past year in the remittance of money. The company's business has continued to expand, the number of services being 50,408, an increase of 3,191. The ratio of working expenses has been 44.03, against 46.09 in 1924.

OIL OUTPUTS.

BRITISH CONSOLIDATED OILFIELDS, LIMITED.—For week ending September 15, 1926, production, 35,556 barrels; shipments, 34,292 barrels.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, September 15th, amounted to 946 tons.

VENEZUELAN OIL CONCESSIONS, LIMITED. announce that its production for the week ended September 11, 1926, was as follows:—La Rosa, 32,327 metric tons (previous week ended September 4th, 27,759 metric tons). Maracaibo District, 4,771 metric tons (previous week ended September 4th, 4,755 metric tons). Well R. 88 at La Rosa was brought in on September 11th, producing 250 tons in 24 hours through a ½-inch flow-plug with 600 lbs pressure; specific gravity, 906.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended September 11, 1926, was 147,000 barrels.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Agricultural operations have been favoured by a spell of fine weather, and which has enabled the wheat crop to be safely secured in good condition. General results, however, are somewhat disappointing from a milling point of view, as in many instances the grain lacks strength and colour. Liberal offerings, however, were well absorbed, and prices at a generally firm level. Trade in imported descriptions moved quietly, but tone firm in sympathy with the forward situation. Offers are by no means plentiful, while freight space available has been materially reduced by continued heavy coal chartering from the United States. In the floating and forward section a fair business transpired in parcels, chiefly near positions, at generally steady rates. Feeders, however, remained rather featureless, and although no undue selling pressure arises, the market is well supplied, and slightly lower prices were accepted for most descriptions. Wheat firm to dearer. No. 1 Northern Manitoba quoted 60s, No. 2 ditto 58s 3d, No. 3 ditto 56s, No. 2 hard winter 56s 6d, No. 2 red winter 56s all ex-ship, choice white Karachi landed 57s all per 496 lbs. English new 11s 4d to 15 8d per 112 lbs. Flour steady but quiet. London standard grade 47s 6d, town whites 48s 6d, patents 49s 6d to 50s 6d per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s to 47s 6d, Minneapolis 45s to 47s, Australian 43s to 45s 6d per 280 lbs ex-store. Maize again easier. Plate landed 32s, ditto ex-ship 30s 3d, Hessianian landed 34s 6d per 480 lbs. Barley steady but inactive. Californian 35s to 43s, Chilean Chevalier 52s to 62s, ditto brewing 35s 6d to 40s, Australian Chevalier 46s to 48s ex-store, Smyrna 35s to 48s ex-ship per 448 lbs. No. 3 Canadian Western ex-ship 30s 9d, Persian ex-ship 29s per 400 lbs. English new 8s 9d to 16s 3d per 112 lbs. Oats quiet. La Plata landed old 24s 6d, new 24s, ditto ex-ship 22s 3d, No. 2 Canadian Western landed 30s, No. 2 Canadian feed landed 25s, Chilean tawny landed 24s, American 38 lbs landed 26s, mixed feed landed 21s 6d per 320 lbs. English new 8s 2d to 9s per 112 lbs. Millers' offals fully steady. Broad bran quoted 6s 6d, middlings 7s 6d, fine ditto 9s 3d bags included ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal in fair demand, and prices firmer. London-made flaked 17s 6d, rolled oats 16s 6d, medium also fine cut 16s 6d, coarse also medium pinhead 16s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-27	1925-26	1924-25	1923-24
Estimated sales of home-grown wheat—				
1 week to September 18	Cwts. 291,205	Cwts. 423,256	Cwts. 176,726	Cwts. 4-6 691
3 weeks to September 18	959,008	1,074,456	390,322	1,199,974
Average price of English wheat per cwt.	s d 11 1	s d 11 6	s d 12 0	s d 8 10

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts. 389,336	Cwts. 124,119	Cwts. 71,527	s d 11 2	s d 12 9	s d 8 6
Sept. 11	291,205	164,581	78,960	11 1	12 8	8 3
Sept. 18	959,008	19,893	22,352	11 1	12 8	8 3
1922	353,276	94,568	56,366	8 8	10 4	8 7
1923	486,691	39,844	97,186	8 10	11 5	8 8
1924	176,726	404,737	63,641	12 0	17 7	9 5
1925	429,256	277,845	85,415	11 6	13 7	9 8

AMERICAN WHEAT MARKETS.

Markets have remained under the influence of weather reports from the crop areas. After a bout of selling at the end of last week, news of rains and rumours of snowfall impeding grain movements in Western Canada caused a sharp upward movement in prices, No. 1 Manitoba closing on Thursday a full five points above the lowest of the week:—

	Jan. 2, 1925.	Sept. 24, 1925.	Jan. 7, 1926.	Sept. 16, 1926.	Sept. 23, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.	183	125½	160	139½	140½
Chicago (No. 2 Winter)—Cents per 60 lbs.	177	144	176½	156½	156½
(a) October delivery.					
(b) September delivery.					

COAL.

Our Cardiff correspondent writes:—On the Cardiff coal market this week an acute scarcity of supplies has been reported from practically all consuming centres, but particularly in the bunkering business. For immediate delivery at the South Wales ports American run-of-mine coal has been quoted up to 55s, and Westphalian unscreened also up to 55s, while in some districts it is stated that inland supplies for household consumption are ruling up to 70s per ton. At all the important coaling depots considerable increases in prices have been notified to shipowners. At Havre quotations are ruling up to 43s, and at Antwerp 42s 6d, at Las Palmas there has been a jump in little more than a week from 43s 6d to 57s 6d and 60s per ton; while at some British ports as high as between 65s and 70s has been quoted for immediate shipment. These increases in coal prices, however, have coincided with phenomenal activity in the chartering of tonnage for the conveyance of American coal to the United Kingdom, and within three days the fixtures reported have represented an aggregate deadweight of over half a million tons. The number of miners at work in the South Wales coalfield is slowly increasing from day to day, but the total output is still relatively small.

IRON AND STEEL.

The following is extracted from the weekly report of the London Iron and Steel Exchange:—Rather more active conditions have developed. The negotiations to end the coal dispute, although apparently not very promising at the moment, have had a cheering effect upon the market, and this has resulted in some improvement in buying on the part of merchants and consumers. English works are still operating under great difficulties, although their supplies of coal seem more regular. Costs of production are still high, and manufacturers of steel material have had repeatedly to advance quotations during this month, and their example in this respect has been followed by Continental producers. In fact during the past week some of the Continental works have increased prices by several shillings. Notwithstanding the higher quotations, the British finishing works have been obliged to place large orders for semi-finished steel with Continental makers.

Our Middlesbrough correspondent's report, dated September 23rd, is as follows:—Pig-iron.—The production of Cleveland iron is very limited, and as the output is sold out up to the end of October, there is no iron on the market. Business in No. 3 G.M.B. has been done at 93s 6d per ton, f.o.t. for delivery up to end of October. Hematite stocks are now very much reduced, and East Coast mixed numbers are offered at a minimum of 84s per ton. Manufactured Iron and Steel.—There is no change in the position, and owing to the uncertainty regarding post-strike production, local steelmakers have almost ceased to quote. Quotations are nominal as follows:—Steel ship plates, £8; steel ship angles, £7 10s; iron bars, £11 15s; steel rails, £8 10s. Iron Ore.—There is no business in foreign ore, and best Rubio is purely nominal at 21s 6d per ton c.i.f. Tees.

Our Sheffield correspondent writes:—The local industrial position has undergone no change since last week, except that a couple of open-hearth furnaces have been restarted for the purpose of replenishing the exhausted supplies of certain classes of steel. Nine such furnaces out of 70 in the district are now working on outcrop and foreign coal and coke, which is available at rather easier prices. Makers have not turned away much business as there is but little call for mild steel, no large orders being on the market. There is still plenty of outcrop and foreign coal and coke available at rather easier prices. Work has increased in the lighter and finished branches of the steel trade, and some amount of crucible steel is now being melted with Westphalian coke. This coke is extremely expensive, and not particularly suitable for crucible melting. Foundry men, however, find it satisfactory. Crucible makers are only producing as much as meets their immediate requirements, and are careful not to put any into stock. All classes of steel are being sold at a heavy loss to the makers. For supplies after settlement coal sellers are asking advances of 2s and 3s. per ton on the old prices, and several contracts have been placed on such terms. Business is much brisker than it has been in the cutlery and plate branches, where the Colonies are ordering freely.

Our Glasgow correspondent writes:—The position in the iron and steel trade remains very much as it was. New specifications are scarce, and all makers, especially of heavy steel, have full order books, and only await the resumption of work at the local collieries. Neither the blast furnaces nor the steel works are able to make a start under present conditions. Continental coal is in use at several ironworks and at the works of rollers of foreign semi-raw steel, but it is not of a quality that enables a steady output to be maintained. Local engineers and structural firms are busy, one of the latter having just secured a contract for a large number of derricks for shipment abroad, and several other important contracts are impending, but the difficulties of procuring supplies stand in the way in the meantime. Among contracts placed recently is an order for 14 dumb barges to be built by Messrs Harland and Wolff for Messrs Andrew Weir and Co.

Our Cardiff correspondent writes:—The general position in the iron and steel industry is better. Some of the furnaces at the Cardiff works of Guest, Keen, and Nettlefolds, Limited, have been refired, and an agreement involving wage concessions is likely to lead to the resumption of work at the Mannesmann Tube Works, Landore. In the tinplate trade the position is slightly easier, but prices show no appreciable change. Last week's receipts from the works totalled 27,798 boxes, compared with 26,135 boxes in the corresponding week last year, while stocks in warehouse totalled 45,540 boxes, compared with 161,886 boxes last year.

OTHER METALS.

TIN.—A sharp downward movement was registered in tin, due to heavy realisations, while influenced by irregular and easier advices from America and the East, though at the lower prices offerings were well absorbed. Standard cash sold from £313 down to £305 5s to £306 10s; and three months, £303 to £299 and £299 10s. Sales in the East were reported at £311 to £308 10s, £309 and £307.

COPPER also ruled easier, following lower American cables and a slow consumptive demand, though dealings were attended by slight irregularity. Standard cash sold £58 10s 3d to £58 5s; three months, £59 12s 6d to £58 17s 6d.

LEAD opened steady, but later the market assumed a quieter tone, and values gave way slightly on some pressure to sell. Good soft foreign pig, September, sold £32 3s 9d to £31 15s; November, £32 1s 3d to £31 12s 6d; December, £31 18s 9d to £31 11s 3d; and January £31 17s 6d.

SPELTER quiet, and tendency easier on liberal offerings. September, sold, £34 13s 9d to £34 8s 9d; October £34 15s to £34 8s 9d; November, £34 12s 6d to £34 7s 6d; December, £34 13s 9d to £34 5s; January, £34 12s 6d to £34 11s 3d.

ANTIMONY quiet. English special brands, £74 10s to £75; foreign, £64 per ton, ex warehouse.

ALUMINIUM dull. Home delivery quoted £107; export, £112.

WOLFRAM quiet at 14s to 14s 3d per unit, c.i.f.

QUICKSILVER quieter. Spot, £15 15s to £15 17s 6d per bottle.

THE COTTON TRADE.

LIVERPOOL, September 23, 1926.

There has been a steady demand for cotton all the week mainly for outside growths, and up to the issue of the U.S.A. Agricultural Bureau's report this evening at 5 p.m. prices showed a fall of about 35 points. Weather during the past fortnight in the States has been excellent for the growing crop. Spot sales for the week, 17th to 23rd, inclusive were 44,000 bales. Of these 20,000 were American, 2,150 Brazil, 11,250 Peru, 4,050 Egyptian, 4,300 African, 530 East Indian, and 720 sundries. Imports for the same period were 46,064 bales. These included 20,183 American, 4,606 Brazil, 2,440 Peru, 16,354 Egyptian, 325 African, 1,086 East African, and 1,061 sundries. Quotations today are:—American middling, 9.03d; Egyptian sakel, 18d; uppers, 13.25d; Brazil fair, 9.08d; Peruvian G.F. mod.-rough, 11d; smooth, 10.08d; Tinnively F.G.F., 8.15d; West African mid., 8.78d; and East African G.F., 10.50d. The figures of the

U.S.A. Bureau report, published this evening, gave a condition up to September 16th of 59.5, indicating a production of 15,870,000 bales with 2,511,000 bales ginned. After the issues of these figures the market broke nearly $\frac{1}{2}$ per lb.

MANCHESTER, September 23, 1926.

Business has again been of very limited dimensions. Buyers have not shown any disposition to operate on a freer scale. In cloth India continues to provide a considerable inquiry, and restricted quantities of light fabrics have been sold chiefly for Calcutta and Karachi. The opinion is held that when there is more stability in prices India will provide a bigger turnover. No developments have taken place with regard to China. Buying for the Near East and South America has been confined to odd lots. Fine cloths have again moved off fairly well for the Continent. In some weaving districts there is a tendency to reduce output chiefly owing to the coal situation. In American yarns for home use there has been a little more irregularity in quotations. It is expected that spinners will agree to increased short time. Operations in Egyptian counts have been irregular, trade on the whole being unimportant.

(I.) Comparative Statement of the Cotton Trade.

	Price, Sept. 23, 1926.	Previous weeks in 1926.				
		Sept. 16.	Sept. 9.	Sept. 2.	Aug. 26.	Aug. 19.
Raw Cotton—Mid. American..... per lb	9.03	9.54	10.26	10.14	10.16	9.63
—Sakellaridis Fully Good Fair						
—Egyptian..... per lb	18.00	18.55	18.05	17.65	16.20	15.75
Yarns—32's twist..... per lb	15.4	15.1	16.1	16.1	16.1	15.4
—40's twist..... per lb	16	16.1	16.1	16.1	16.1	16.1
—60's twist (Egyptian)..... per lb	28	28.1	28.1	28	27	27
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	24	25	25	25	25	25
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	29	29	29	29	29
38-in. ditto, 38 yds, 18 by 18, 10 lbs	14	14	14	14	14	14
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	13	13	13	13	13	13

(II.) Compared with Previous Years.

	Price, Sept. 23, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American..... per lb	9.03	12.84	13.51	16.95	12.78	15.71
—Sakellaridis Fully Good Fair						
—Egyptian..... per lb	18.00	28.00	24.75	18.35	17.25	28.25
Yarns—32's twist..... per lb	15.4	20.4	23.4	23	19.4	23
—40's twist..... per lb	16	21	24.1	25	19.4	21.4
—60's twist (Egyptian)..... per lb	28	35	35	31	28	45
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	24	31	34	33	30	37
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29	35	39	36	30	37
38-in. ditto, 38 yds, 18 by 18, 10 lbs	14	17	19	19	17	22
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	13	15	17	17	15	21

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The trend of wool values at the present time affords a remarkable example of the influence of foreign competition in the raw material markets of the world. In this country the wool textile industry is suffering from the effects of the prolonged coal strike, and a recent census taken by a trade organisation revealed the unpleasant fact that 47 per cent. of the looms in Bradford are entirely idle, while 13 per cent. are working only four days a week. In these circumstances both spinners and manufacturers are only prepared to buy tops and yarns for immediate requirements. But there is great activity in the French and Italian textile industries, and notwithstanding the financial uncertainty in France, French wool buyers are exceptionally active in all markets. In South Africa, for example, they have forced up prices to a point at which they are completely out of the reach of Yorkshire operators. Both in the primary markets and in London, wool values are so much above the Bradford parity that many firms are obliged to become passive spectators, for they cannot compete with Continental concerns either in the raw wool markets or in the sale of yarns and cloth. A settlement of the coal strike is expected to bring some relief, but there is not the slightest doubt that Yorkshire users are unable to follow the market at the moment. Recent advances in tops and yarns, made absolutely essential by the rise in wool, have had the effect of curtailing demand, and in all qualities the turnover is disappointing. To-day's quotations are very firm, but in nearly every case where business is offered the price is well below replacement cost. This applies in tops, yarns, and piece goods.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The wool sales this week in London have made excellent progress. The catalogues are somewhat miscellaneous, but the numerous second-hand parcels are meeting with the best reception of any so far this year. All offerings are being readily absorbed. The Continent is making the market in Coleman street as in Australia, home trade buyers being often completely outside. As French buyers appear able to pay the higher prices. All straight merino clips are selling uncommonly well. One has only to note the excellent figures forthcoming for Oakwood (29d), Minnie Downs (26d), Darr River Downs (27d), and the big prices for New Zealand scoured merinos to see that the trade is still

anxious to have the best wools and prepared to pay for them. The home trade is often pence per lb below the limits of Continental buyers. Spinners and manufacturers must have some excellent orders for yarns and pieces, otherwise they would not be able to buy wool so extensively and to pay such big figures. Even South African wools this week have met with a slightly firmer market, and are making a shade better prices. The figures realised are not big, and while the clean scoured cost works out fairly high, the basis for the South African greasy wools in London is no more than the prices ruling in Port Elizabeth and Durban. An outstanding feature of the series is the big weights of New Zealand crossbreds, which are being freely absorbed. These wools are meeting with the best reception so far this year, and the opportunity is being provided of getting rid of old stocks at better prices. We think owners of second-hand parcels are doing wisely to meet the market. Values, if anything, are slightly in sellers' favour. Slipes continue to make excellent prices, for a large weight of these wools is being offered. We are very much surprised at the trade being able to absorb so easily the big quantities of slipe wools catalogued, but as most of the wools are now of carding length, there is considerable competition on the part of home trade topmakers.

THE JUTE TRADE.

DUNDEE, September 23.

The returns of the estimated yield from the jute growing districts for season 1926-27, were issued in Calcutta yesterday, giving a total estimated out-turn of 10,888,600 bales, which is the largest crop ever predicted in the history of the trade. As the acreage figures of 3,605,000 acres, as given in the first forecast in July last, have been increased to 3,630,000 acres now under cultivation, there is every reason to expect that the crop has not been underestimated. The yield of fibre per acre is approximately three bales, but the very favourable conditions under which the crop has been grown would lead to the expectation that this will eventually prove to have been calculated on a very moderate basis. The reserve of Calcutta shippers in offering jute for sale has not been disturbed by the record crop estimate, and there is still great reluctance to send offers to this market, especially of native jute. Bids are being solicited by brokers here at $\frac{1}{4}$ for a good single First Mark, and at $\frac{1}{3}$ for 155 for Lightnings, September shipment. There are secured parcels of Daisee assortment offering at $\frac{1}{2}$ 29, and of Tossa assortment at $\frac{1}{2}$ 32, September-October shipment. Already the yarn market shows signs of weakening on account of the large out-turn forecasted, and 8 lb weaves are being offered by spinners at 3s 4d and 8 lb spoils at 3s 5d. Since the beginning of the present month the respective prices have ruled very firm at 3s 5d and 3s 6d, though the payment of the higher rates was not general. Business in jute cloth has been extremely limited during the past week. An easier tendency in raw jute prices has kept buyers off, but manufacturers are none the less firm in their rates of 4½d for 10½ oz 40 in hessians, and 3½d for 8 oz.

HIDE, LEATHER, AND ALLIED TRADES.

The demand for market hides is keen, and all supplies are taken as offered. Prices remain very steady, with a firm tendency, and at the auctions held in Bermondsey on Thursday last best ox hides sold from 6½d to 9d per lb, seconds making 5½d to 8½d. Best cows sold from 5½d to 5½d. Calfskins were firm, best selection making from 6½d to 11½d per lb. Lambskins sold from 2s 3d to 10s and sheep pelts from 5s 6d to 9s each. The European demand for imported hides is good, and values are again appreciating. Russia is operating freely, and sales have been made of best Argentine ox at 8½d, sellers stating that 8½d has been paid subsequently. There is a good demand for all classes of dry hides, and B.A. Americanos are quoted at 11d. Capes are firm at advanced rates, and West Coasts have been very active of late. The Chicago market is cabled as stronger, with best heavy packers now selling at 1½ cents. The demand for sole leather is moderate, and with small stocks at tanneries, prices are very firm. Bends of 8-10 lbs average are wanted by shoe manufacturers, whilst 10 to 12 lbs and over are taken regularly by the repairing section. The upper leather position is uncertain; coloured glacé kid and willow calf are the best sellers, and black kid is again moving off, large parcels having of late been cleared on export account. Shoe manufacturers are not well employed as a whole; orders are for small deliveries, and so far the demand for Russian boots does not seem to be very definite.

THE TIMBER TRADE.

(FROM OUR OWN CORRESPONDENT.)

The continuance of the coal strike has restricted the call for timber during the past month, and traders again have had to rely principally on the building industry. Building woods arrived last month on a larger scale, but there is still a decrease for the year amounting to over 357,000 loads of 50 cubic feet. Stocks, on the whole, are moderate, even for the present limited demand, and would be regarded as small if business were in full stride. Deal sizes are of much smaller stock on the London market than a year ago, and prices show an advance. For battens and scantlings the stocks in London are a little larger than in September, 1925, but on the other hand the im-

proved consumption this year more than levels that increase, and a better demand should become more pronounced within the next few weeks.

Freights are firmer, and are having the effect of strengthening spot values for timber generally. In the free on board market the Finnish and Swedish wood exporters have made large sales throughout the year at prices that could not have resulted in any large profit, although this season they have not had to meet so much competition with Russian supplies. The latter have been imported more moderately and have sold more quickly than in 1925. Large quantities of wood have been received via Danzig, and being cheap in comparison with other European varieties the Polish wood has been in active request throughout the year. We are of opinion that unsold stocks in shippers' hands at large centres of production are lighter than a year ago; which is all to the good of the free on board market; on the other hand, shippers at those wood-exporting ports which are ice-free throughout the year, or nearly so, seem of late years to show much more activity and enterprise in shipping cargoes and parcels during the close season.

Imports of Canadian woods have shown considerable decrease this year, and while general average prices for the European varieties have decreased, those from Canada have gone the other way. The hardwood section of the trade is moving somewhat slowly on account of the state of the furniture industry, and stocks on the whole are of good volume, although nothing untoward in view of expected demand when the country resumes normal activity. Mahogany, both in log and sawn form, has come in rather more freely this year, and the demand is showing strength for the qualities above inferiors.

VEGETABLE OILS AND OILSEEDS.

Markets generally have again been dull and actual business done of only small dimensions. Linseed oil has lacked buying support, and has declined about 20s on the week to $\frac{1}{2}$ 30 15s per ton naked ex Hull mill for spot, later positions being quoted at a small premium. Business in London has been done down to $\frac{1}{2}$ 30 10s, which though low is not the lowest touched in the course of the present year. Cotton oils after an improved trade have fallen away again, current value of crude Egyptian ex Hull mill being $\frac{1}{2}$ 33 15s and of ordinary refined $\frac{1}{2}$ 36 10s. Other vegetable oils are a poor trade, and prices barely maintained. Very little business is passing in linseed, and Plate is a shade lower in all positions on the week, $\frac{1}{2}$ 15 15s being quoted for October-January shipment and $\frac{1}{2}$ 15 12s 6d for new crop, January-February. Prospects of the growing crop in Argentina continue to be officially reported as "excellent." The balance of the old crop remaining for shipment between now and the end of December is put at 340,000 tons, which with 65,000 tons to come from India gives a total of 405,000 tons against 438,000 tons actually shipped in the same period last year. Egyptian cottonseed is easier, and new crop offers at $\frac{1}{2}$ 10 2s 6d for September loading. Some trade in new soya beans, December-January, has been done to the Continent at $\frac{1}{2}$ 11 8s 9d.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—A buoyant market was again experienced. Prices in all directions disclosed a further advance, with sellers more difficult to deal with, as any slackening in demand on Eastern account was counteracted by home consuming requirements being on an extended scale. Rising rates of freightage from producing countries occasioned by the employment of such a large number of vessels to convey coal from America, causes a marked stringency of tonnage in all other trades. Liberal clearances in British refined and Messrs Tate and Lyle's goods raised 3d per cwt. Cubes now quoted 34s 3d to 34s 9d; crushed, 32s 6d; nibs, 34s 9d; granulated, fine and coarse, 30s 10½d; No. 1, 30s 7½d; No. 2, also London and T.L.S., 30s 4½d; ditto, month forward, 30s 3d; yellow crystals, spot, 27s 4½d; caster, finest, 35s 4½d; A, 34s 10½d; B, 32s 9d; granulated from Empire sugar, ex-refinery, 29s 3d. Crystallised West Indian in limited supply, and quoted 29s to 30s; Czecho and Dutch J granulated, spot, 28s 3d; white Mauritius, 27s 4½d. Forward positions dearer, and Continental parcels sparingly offered, while latest crop accounts from the chief producing countries leave a good deal to be desired as saccharine content is calculated to be affected by prolonged dry weather. Czecho granulated, September, quoted 15s 11½d; October, 15s 10½d; November-December, 15s 7½d, f.o.b., Rotterdam. Dutch J, October-December, 15s 9d. Dintelcord, October, done 15s 9d; November-December, sellers, 15s 9d, f.o.b., Rotterdam. Polish crystals, spot, 27s 10½d; November-December, 15s 3d, f.o.b., Danzig. Belgian nominal. Cuban basis 96 per cent., September-October, 13s 9d; Peruvian, 13s 7½d, c.f. and i., U.K. B.R.B. crystals, October-December, 16s 10½d, c. and f., India; January-March, 17s 1½d. White terminal opened stronger with active dealings, but assumed a quieter tone later. September, sold, 14s 8½d to 14s 6d; October, 14s 9½d to 14s 6½d; December, 15s 3d to 15s 1½d and 14s 11½d; March, 15s 7½d to 15s 8½d and 15s 5½d; May, 16s to 15s 9d; August, 16s 3½d to 16s cwt.

COFFEE.—There is only a quiet movement with regard to spot parcels, but supplies continue small, and this helps to keep prices steady. In auction, Kenya, bold, sold, 131s 6d; Arusha, 121s to 130s; Vera Paz, 160s 6d; peas, 166s Maragogipe, 193s to 201s. Superior Santos, prompt, quoted 97s; and No. 7 Rio, 82s, c. and f. terms. Futures dull and easier.

COCOA.—Only moderate transactions on the spot at late rates. Accra, F/F, November-January, sold, 41s to 42s 3d and 41s 9d, f.o.b.

TEA.—Indian auctions during the week amounted to 61,780 packages. All the finer qualities were readily competed for at full

recent rates, but inferior moved quietly at mostly $\frac{1}{2}$ d per lb down. Pekoe, sold, 1s 2½d to 1s 9d; orange, 1s 6d to 2s 3½d; broken orange, 1s 6d to 2s 5d; finest, 3s 1½d. Ceylon auctions 0 22,920 packages engaged good support, at prices showing no material alteration. Pekoe sold, 1s 3½d to 2s 1d; broken orange, 1s 5½d to 2s 3d. The market for new season's China ruled steady, with moderate inquiries. Keemun, sold, 2s to 2s 4d. Ningchows, showing good liquor in cup, went off at 8d to 8½d per lb. Common Monings in the region of 7½d were again in request. Tea continues to meet quite a good market on balance, considering that there is ample room for expansion in Provincial requirements, and which continue affected by the industrial situation. 5,669 packages Java and Sumatra were brought to auction, and with active and well distributed competition, prices frequently moved in sellers' favour, despite some irregularity. Common and low medium were quite firm, and better invoices marking improved quality sold readily at higher figures. Teas for export were well cleared. Pekoe sold, 1s 2½d to 1s 3½d; broken ditto, 1s 1d to 1s 7d; pekoe souehong, 1s 2d to 1s 2½d; orange pekoe, 1s 3½d to 1s 5½d; broken orange, 1s 1½d to 1s 10½d per lb in bond. New season's China steady, quiet.

RICE.—All Eastern grain quiet on European account, but cables from Burma record steadier markets owing to smallness of available supplies, and jungle "Paddy" is firmly held. Two Stars, spot, 16s 4½d to 16s 6d; forward, 15s 9d. S.Q. to Cuba, 15s 9d. Spanish oil, on spot, 21s 6d; forward, 20s 6d. Beans quiet, unaltered. Peas tend weaker. Japanese September-October, 26s 3d; October-November, 26s; November-December, 25s 9d; December-January, 25s 6d per cwt, c.f. and i., London.

SPICE.—Pepper quiet, b t steady. Singapore, black spot, 9½d; Muntok white, 1s 4½d. Lampung, black, 9½d; Lampung, August-October, sold, 8d; October-December, 7½d to 8d. Munok, August-October, sold, 1s 2½d to 1s 3½d; October-December, 1s 2½d to 1s 3d. Pimento, spot, sold, 6½d. Zanzibar cloves, spot, quoted 9½d; August-October, 8½d per lb. Sago flour, November-December, 15s 3d, c.f. and i., U.K. Singapore flake tapioca, November-December, to Havre, 16s 3d per cwt, c.f. and i. terms. Ginger remains very slow.

FRUIT (Dried).—Currants steady, and new crop Patras, sold, 34s 6d to 35s; Gulf, 35s to 36s; Australian, quoted 35s to 43s, as to quality. Sultanas quiet. Smyrna, new crop medium to good, 65s to 68s; fine, 72s; Cape, 63s to 65s; Australian, 64s to 80s. Raisins quietly steady. Valencia, half-boxes, 43s to 45s; quarters, 46s to 80s. Dates quiet on spot, while business in new crop is restricted by high selling limits. Hallowee, first tide, quoted, 32s to 33s; Khadro-wie, 26s; 1st, 21s, landed terms, London. Figs: New genuine, quoted, 35s; Cretans, 78s cwt. Evaporated fruits sell slowly on about former terms. Apricots: Californian, extra choice, quoted 125s; South African, first grade, 140s. Plums, Californian, 30/40's, 68s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 67s 6d; fancy, 77s 6d; Lake County, fancy, 85s. Apple rings, Californian, September-October shipment, 45s, c.f. and i., per cwt.

CANNED GOODS.

CANNED FISH.—Trade without improvement, and prices somewhat irregular. Sardines, Portuguese, ½s, quoted 4s 3d to 6s per dozen tins. Salmon: Red, tall, 1 lb, quoted 45s to 47s; Sockeye, 75s to 80s; tall pink, 25s to 27s. Lobsters, best ½s, 157s 6d to 160s, and ½s, 90s.

CANNED FRUITS quiet, both for spot and shipment parcels. Californian Bartlett pears, 24-2½s, choice, quoted 12s 6d to 13s 6d. Californian peaches, choice, 11s to 13s; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; seconds, 9s 3d per dozen tins. Singapore pines quiet, and barely steady on spot. Italian tomatoes firm forward.

CANNED MEAT.—Market quietly steady. Corned beef, 6s, quoted 38s to 45s, as to quality. Danish lunch tongues, 122s 6d to 135s; American, 140s, with best, 145s to 150s.

CONDENSED MILK.—Machine-skimmed fully steady, but full cream is obtainable at 20s, duty paid.

HONEY.—Rather more interest is shown, and New Zealand sells steadily at 50s to 85s; Australian, 40s to 50s; Jamaica, 35s to 50s; Haiti, 35s to 48s per cwt.

RUBBER.

Market dearer while influenced by sustained consumptive demand and marked absorption of off-grades during the past few days, chiefly on Continental and American account. Sentiment is also woven round the question of unused coupons. Plantation standard sheet, spot, and October, sold, 1s 8½d to 1s 9½d; November, 1s 9½d to 1s 9½d; October-December, 1s 9½d; December, alone, 1s 9½d; January-March, 1s 10d to 1s 10½d; April-June, 1s 10½d to 1s 10½d. To New York, estate sheet, October, sold, 1s 8½d to 1s 9d; October-December, 1s 9½d; ordinary, 1s 8½d lb., c.f. and i.

GENERAL.

SHELLAC.—Quiet and easier. T.N., spot, 175s to 180s; December, 167s 6d per cwt.

COPRA.—Market quiet, steady, with fair inquiries. Straits F.M.S., September-October, quoted $\frac{1}{2}$ 28 3s 9d; October-November, $\frac{1}{2}$ 28 5s; October-December, $\frac{1}{2}$ 28 7s 6d; Dutch East Indies, October-November, sold, $\frac{1}{2}$ 28, and buyers. Ceylon, September-October, done, $\frac{1}{2}$ 29 6s 3d to $\frac{1}{2}$ 29 7s 6d; South Sea Islands, F.M.S., $\frac{1}{2}$ 26 17s 6d; ditto to Marseilles, $\frac{1}{2}$ 27 12s 6d; smoked, afloat, $\frac{1}{2}$ 27; September-October, $\frac{1}{2}$ 26 15s. Manila, to Rotterdam, $\frac{1}{2}$ 27 7s 6d. Palm kernels, October-December, quoted $\frac{1}{2}$ 20 3s 9d ton.

HEMP.—Manila quiet, though buyers of late were more in evidence, but the arrival of the steamer "Cyclops" is awaited with certain interest in order that the trade may ascertain general run of quality of the new grading now in force. J, new grade, October-December, quoted $\frac{1}{2}$ 44; K, sold, $\frac{1}{2}$ 35, and buyers; L 1, $\frac{1}{2}$ 35 10s; L 2, $\frac{1}{2}$ 33 10s; M 1, $\frac{1}{2}$ 32 10s; M 2, $\frac{1}{2}$ 31 10s. New Zealand H.P.F., October-December, quoted $\frac{1}{2}$ 37; fair, $\frac{1}{2}$ 34. Italian P.C., October-November, $\frac{1}{2}$ 59 10s; S.B., $\frac{1}{2}$ 60. African sisal, No. 1, f.a.q., September-November, $\frac{1}{2}$ 42.10s per ton.

was much easier yesterday. The tendency in the discount market was, if anything, a little easier towards the end of the week, though the quotation for three months' bills remains at $4\frac{1}{8}$ per cent. Yesterday's Treasury bills, although a January maturity, were allotted at an average of $4\frac{1}{8}$ per cent., which is much the same as last week.

	Oct. 1, 1926.	Sept. 24, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	2 (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed a decrease of £97,300 in the stock of coin and bullion and an increase of £1,542,100 in the note circulation. The Reserve was thus reduced by £1,639,400, the Proportion falling by 1.6 to 28.6 per cent. Market borrowing was reflected in an increase of £3,458,100 in Other Securities, but Government Securities were reduced by £649,900. Public Deposits rose by £2,828,900, and there was thus a decline of £1,705,500 in Other Deposits. Currency notes were increased by £469,800 to £287,857,600, which includes £1,294,600 for notes called in but not yet cancelled. Silver coin in the Redemption Account was reduced by £250,000 to £6,300,000. The fiduciary issue is £230,313,000, or £17,589,500 below the maximum for 1926.

NEW YORK MARKETS.

The month-end settlements and big interest and dividend disbursements have caused a flurry in call money, but it is expected that rates will relax somewhat in the coming week, with money remaining generally firm through the rest of the year. The Federal Reserve statements reveal a sizeable increase in discounting for the System, with the ratio down 0.5 per cent. The condition of the New York bank is little changed, and the feeling now is that the authorities here will be content to maintain a passive attitude for the time being in view of the needs of the exchange market and weakness in certain prices, such as cotton and silver. Trade and industry are maintaining their striking activity, but with no inflationary tendencies, and the share market maintains a waiting attitude, with the public little interested.

THE STOCK MARKETS.

Although prices in certain sections of the Stock Exchange have hardened during the past week, business still remains on a small scale. The Government's offer of conversion to holders of 5 per cent. Treasury bonds maturing next February produced a rise in existing Conversion stocks, since it removed apprehensions of a big issue of the latter in the near future. The failure of the New South Wales loan, of which 84 per cent. was left with underwriters, weakened the Colonial market, and the immediate success of the Hamburg 6 per cent. loan at 93 $\frac{1}{2}$ provided a striking contrast. Home Rails spurted on expectations of an early end to the coal stoppage, and Argentine rails remain fairly firm. The rubber market is steady, but oils are irregular. Industrials as a whole are a little more cheerful, and in the mining section diamonds are strong, though tin shares are still the centre of attraction. The Laras (Sumatra) Rubber issue of shares and debentures was over-subscribed.

THE COMMODITY MARKETS.

Home trade is greatly affected by the stringency of the fuel situation. Supplies of foreign coal are below requirements, and prices continue to advance. In the iron and steel trades a disposition is apparent to withhold important commitments until the strike is settled, and the amount of business passing has diminished. A fair demand for raw cotton has been forthcoming, with prices steadier after the break of last week. Yarn quota-

tions are firm, and there is an increased inquiry for cloth, raw material prices being regarded as on an attractive level for freer operations. Wool prices at the London sales have generally maintained recent levels, but in the West Riding the turnover of yarns and piece goods is disappointing, and is causing some uneasiness. Jute prices are steadier after recent fluctuations, but sales have fallen off. Wheat was quiet to dull early in the week, but has shown subsequent firmness. Sugar prices have again showed strength, the position tending to tighten on the supply side. Coffee is steady, and tea slightly dearer than a week ago. The rubber market has been less active. Among non-ferrous metals, tin has not maintained the advance made in the earlier part of the week, but copper and lead are in steady request.

FOREIGN EXCHANGES.

The foreign exchange market was dull during the week. The general tendency of the principal foreign currencies was to improve, and of the gold exchanges at one time to move in sympathy with the dollar against this country. Some surprise was occasioned in the early part of the week by the widening of the forward rate of the lira from $1\frac{1}{2}$ lira for one month to 7 lira discount, at which latter level business was done. This, however, is understood to have been attributable to the necessity to carry forward several heavy positions, which all fell due at the end of the month, and this is confirmed by the subsequent recovery of the forward rates. New York opened on the 24th at 4.85 $\frac{1}{2}$, and was rather weaker next day at 4.85 $\frac{1}{2}$. On Monday and Tuesday further weakness was shown at 4.85 $\frac{1}{2}$, but a recovery took place on the 29th and 30th to 4.85 $\frac{1}{2}$, and yesterday's rate was decidedly firmer at 4.85 $\frac{1}{2}$. Forward rates are 31-32 cent and 1 cent premium for one and three months. Paris opened weak at 175 on the 24th, but recovered to 174 after touching 176, but was weaker next day at 174 $\frac{1}{2}$. On the 27th, after a weak opening at 176, there was a recovery to 173 $\frac{1}{2}$, with a later relapse to 174 $\frac{1}{2}$ at the close. Forward rates were better at 3 $\frac{1}{2}$ f and 9 $\frac{1}{2}$ f discount for one and three months, and improved still more next day to 3 $\frac{1}{2}$ and 9 $\frac{1}{2}$ discount for the same periods. The spot rate improved to 172 on the 29th, and to 171 $\frac{1}{2}$ on the 30th, and was at 171 $\frac{1}{2}$ yesterday. Forward rates showed a similar improvement at 3f and 9f discount for one and three months on the 30th, and the same quotations prevailed yesterday. Belgian francs followed in the wake of Paris and showed the same improving tendency after some weakness in the early part of the period under review. From 181 $\frac{1}{2}$ on the 24th the rate improved to 180 $\frac{1}{2}$ on the 28th, and to 178 $\frac{1}{2}$ on the 30th, but at the moment of writing the rate is rather worse at 178 $\frac{1}{2}$. Forward rates showed the same improvement as in the case of Paris at a discount of 3f and 7 $\frac{1}{2}$ f for one and three months on the 27th, 2 $\frac{1}{2}$ f and 7f on the 28th, 2 $\frac{1}{2}$ f and 6 $\frac{1}{2}$ f on the 29th, 1 $\frac{1}{2}$ f and 5 $\frac{1}{2}$ f on the 30th, and 1 $\frac{1}{2}$ f and 4 $\frac{1}{2}$ f yesterday. The lira also improved, both spot and forward after the somewhat unexpected deterioration in the forward rates in the early part of the week, which we have referred to above. Spot opened at 132 on the 24th, improved steadily to 126 $\frac{1}{2}$ on the 28th, and to 128 $\frac{1}{2}$ on the 29th. On the 30th there was a reaction, probably as a result of profit-taking, to 129 $\frac{1}{2}$, and this supposition is borne out by yesterday's recovery to 129. Forward rates for one month and three months were at a discount as compared with spot on the dates mentioned as follows:—25th, 5 and 8 $\frac{1}{2}$ lira; 27th, 4 $\frac{1}{2}$ and 7 $\frac{1}{2}$ lira; 28th, 3 and 7 lira; 30th, 1 $\frac{1}{2}$ and 5 $\frac{1}{2}$ lira, but there was a slight weakness yesterday in a discount of 2 and 6 lira for delivery in the same periods. The recovery in these three currencies is attributed in the case of France to official support of the market, in the case of Belgium to renewed efforts at stabilisation, and in the case of Italy to a certain measure of success in the remedial specifics applied. The peseta weakened to 31.95-97 on the 29th, as a result probably of a combination of bear raids and uncertain political factors; but it recovered to its opening level of 31.90-92 on the 30th. The rate was rather weaker again yesterday at 31.93. Amsterdam, Berne, Berlin, and Stockholm all moved slightly against this country to 12.11 $\frac{1}{2}$, 25.10, 20.37, and 22.14 from opening levels rather higher, but Warsaw was

a little weaker at 42-45 after opening at 41-44. Budapest weakened from 27.60 to 27.70, Athens from 407 to 408, Bucharest from 920 to 940 between the 24th and 30th. The other European currencies do not call for remark. Of the South American currencies the peso was very firm, and improved from 45 $\frac{1}{2}$ d on the 25th to 46 $\frac{1}{2}$ d on the 30th, where it remained. The milreis was fractionally weaker at 7 $\frac{1}{2}$ d after opening at 7 $\frac{1}{2}$ d. In the Far East the yen showed a temporary weakness at 1s 11 29-32d on the 28th after opening at 2s 0 1-32d, but recovered again to 2s at the end of the week. Japan has been a considerable buyer of cotton and wool recently, which may account for the decline. The rupee has been very firm throughout at about 1s 5 $\frac{1}{2}$ d, after touching 1s 5 61-64d during the early part of this week. The silver market has seen a succession of sharp falls in values following heavy China selling, with very little buying on the part of India to act as a check. As a result the lowest price since December, 1915, was recorded on the 29th, but there was a further fall of $\frac{1}{16}$ d next day. The China exchanges were weaker as a result, especially Shanghai. Hongkong fell from 2s 0 $\frac{1}{2}$ d on the 24th to 2s 0 $\frac{1}{2}$ d on the 30th, and Shanghai from 2s 8d to 2s 7 $\frac{1}{2}$ d during the same period. Singapore remained unchanged at 2s 3 $\frac{1}{2}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the twelve days ended September 30th:—

(000's omitted.)		£
EXPENDITURE.	RECEIPTS.	
Supply Services	From Revenue	16,132
Interest, &c., on Debt	Increase in debt	10,038
Sinking Fund		
Sundries		
Increase in Balances		
		26,170

Total revenue for the twelve days ended September 30th amounted to £16,132,000. Customs yielded £3,736,000 and Excise £1,692,000. Estate, &c., duties produced £2,400,000. Property and Income-tax yielded £4,646,000 and Super Tax £520,000. Receipts from the Post Office amounted to £1,750,000. The week's operations increased the National Debt by £10,038,800, and caused the following changes:—

(000's omitted.)		£
Public Department Advances ..	—18,350	
Treasury Bills		+24,565
National Savings Certificates ..		+250
Sundries		+3,573
	—18,350	+28,388

The floating debt was increased by £6,270,000 to £766,181,000.

FINANCIAL YEAR, 1926-1927 (April 1 to September 30, 1926).

£	£
Total Expenditure .. 383,990,051	Raised by Revenue .. 322,266,041
Increase in Balances 2,207,619	Amount borrowed .. 63,931,629
Total	Total
386,197,670	386,197,670

ESTIMATES for FINANCIAL YEAR 1926-7.

£	£
Expenditure	825,727,000
Revenue	824,750,000
Deficit	£977,000

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Pearson and Knowles Coal and Iron, Anglo-Siam Corporation, Monte Video Waterworks, Clayton Wagons, Hovis and Anglo-Canadian Explorers. The chairman of the Anglo-Siam Corporation referred to the improved financial position of Siam, and was hopeful in regard to the current year's outlook. Sir Peter Rylands, chairman of Pearson and Knowles, dealt with the woes of the steel trade in general and of his company in particular.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A small charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE GOVERNMENT AND THE MINES.

THE drift back to the mines is gathering force, the numbers in coal-producing pits amounting at the time of writing to nearly 160,000. The most important development in this connection is the extension of the movement to the die-hard county of Lancashire. At the Atherton Colliery a secret ballot was held under the supervision of a public official, which, with 60 per cent. of the men voting, showed a majority of 3 to 1 in favour of a return to work. This lead has naturally been taken up by neighbouring collieries.

In the meantime, the prospects of a general settlement are almost extinct. The debates in the House of Commons on Monday and Tuesday produced yet another of those kaleidoscopic changes of the situation which have occurred so many times during the last few weeks. Mr Baldwin added nothing new to the discussion. His was the speech of a man who has thrown up the sponge, and its only points of interest were, first, his generous recognition that the Chancellor of the Exchequer was much more likely to settle the dispute than he was himself; second, the renewed declaration that in passing the Eight Hours Act "there was never any question in our minds of a universal eight-hour day," and, finally, the declaration that in refusing to enter into a tripartite conference the owners had "acted with stupidity" and "with a want of courtesy to the Government. Whether such a conference was likely to lead to anything or not, it was their duty to accept that invitation." Mr Churchill, on the other hand, who has now evidently become the main source of vigour and initiative on the Government benches, gave an interpretation of the Government's position which once more revived the possibility of a general settlement. The Government's offer of a national tribunal, described in our last issue, was apparently intended to be a much wider and more far-reaching proposal than anyone imagined from the text of the suggestion, and he made it much more acceptable to the miners by two very important explanations. The first is that where provisional settlements are referred to the Tribunal—which, it will be remembered, can only be done in the case of districts where hours have been increased—the Tribunal may reconsider the question of hours as well as of wages and other conditions, and presumably it might even propose the submitting of alternative plans to a ballot as suggested in our columns last week. This means that the question of longer hours is not necessarily disposed of finally in every case where the men have to make a provisional agreement on a 7 $\frac{1}{2}$ or 8-hour basis. Secondly, after a miners' member had pointed out the weakness of a proposal which ruled out any possibility of reconsidering provisional agreements in districts where hours remained on the old 7-hour basis, Mr Churchill observed that it was always open to the miners' leaders to suggest modifications of the Government's scheme—the implication being that the Government had not closed its mind to the possibility of revision of terms in every coalfield in the country. Mr Churchill has also indicated that the Government is prepared to discuss with the miners the instructions to be given to the Tribunal, which means, in effect, that they would negotiate forthwith on the problem as to what issues are to be treated nationally. These explanations clearly make the Government proposal very much more substantial from the miners' standpoint than they originally appeared.

The miners' executive, however, could not bring themselves to recommend them, though they are clearly all that can be saved out of their inevitable defeat. When the delegate conference met on Wednesday, therefore, the executive laid the situation before it without any recommendation at all, and the conference being equally divided in opinion, passed the decision on to the districts without comment. The latter are to report to a further conference next week, but as no provision is made for a ballot or any systematic canvassing of opinion, and as, moreover, the Government plan leaves many points in obscurity, it is hard to see how the districts can give an intelligent lead; they are more likely to take the line of least resistance, and, in accordance with what has become a habit, repeat the usual veto.

This last phase has emphasised more perhaps than ever the lamentable failure of leadership on the men's side. At the last meeting of the delegate conference three out of four of the officials, including both Messrs Herbert Smith and Cook, were actually absent, having left the country to attend the Miners' International at Ostend for the purpose of raising more money, urging the futile request for a boycott of coal for Britain and pursuing Mr Cook's personal quarrel with Mr Hodges, the secretary of the International. It would be hard to believe in so astounding a lack of sense of proportion were it not that the miners' leaders, both before and throughout the dispute, have repeatedly acted in a similar manner, and by so doing have thrown away chance after chance of achieving a settlement.

In the unlikely event of the miners accepting something on the lines of the Government scheme, the latter will be faced with the determination of the owners to refuse any plans of the kind, and the Government will be face to face with the problem—which was much discussed in the House last Monday—of imposing its will on the industry. The burden of Mr Baldwin's apology was that he cannot compel the owners to reopen their pits any more than he can compel the men to go down the mines. His functions were inevitably limited to those of conciliation. There is much to be said on the vexed question of whether it is wise for a Government to attempt to impose conditions on any industry, a topic which Sir Ernest Benn has contrived to bring to public attention during the summer season. His case against State interference is not unnaturally supported very strongly on the Government side of the House. But it is profoundly untrue to suggest that the Government is impotent on this matter. As Mr Lloyd George pointed out, the responsibility of the owners would have been promptly dealt with during the war, and Mr Lloyd George did not hesitate to say that, in the last resort, he would be prepared to take the mines over temporarily if the owners were obdurate in refusing what the Government considered to be fair terms. In the Eight Hours Act, however, the Government has a much milder weapon, and, reading between the lines, it is quite evident that in passing that Act the Government felt that they were placing the owners under an obligation which would make them amenable to their views. Indeed, in June last the Government would have introduced additional clauses into their Bill if they had doubted their ability to ensure certain conditions in the final settlement. It is for this reason that Mr Evan Williams' obstinacy has created such soreness in official circles. The problem in regard to the owners is, however, fully met by the fact that the Government's own proposal anticipates setting up a body which shall impose conditions on the industry, just as the conditions of three million work-people in various industries throughout the country are to-day fixed by statutory Trade Boards. To the argument that similar means of pressure are not available in the case of the miners, Mr Lloyd George rightly retorted that in the last resort the bargaining position of the worker does not permit him to stand out against economic pressure. He might have explained in elaboration of this point that the Government may play a very important part in overcoming his resistance, as indeed it is doing with the silent co-operation of the masses of the nation, by importing coal, by economising resources, and by rendering impotent in various ways the miner's effort to paralyse an essential service.

TRUSTS AND COMBINES IN COAL, IRON, AND STEEL.

In view of the conclusion this week of an agreement between the four chief Continental steel-producing countries of Europe, which we deal with in a later column, considerable interest attaches to the views on the question of such agreements which are expressed by a correspondent in the following article. His attitude towards the problem is one which is undoubtedly widespread in British industrial circles, and explains the difficulty which those who have endeavoured to bring about working arrangements with other countries constantly encounter. But the pressure of circumstances and the changing con-

ditions of world trade are undoubtedly tending to weaken this traditional attitude. We shall have further occasion to deal with some of these new conditions.

THERE is much misconception about industrial organisation, especially in such matters as national and international combines in the coal and iron group of trades. We have people advocating the unification of our mining industry in the interests of economy. We are advised by some authorities to form a great iron and steel combine, or trust, on the lines of the United States Steel Corporation, in order to cheapen production and advance our export trade. There is talk of the formation of a huge European iron and steel pool, or pact, or agreement, and we are told that if we do not join in the scheme we may be subjected to more intense competition. In the circumstances, a brief review of the general position may be offered without much apology.

It needs to be noted that the unification or trustification idea can easily be carried too far. It is a fact that gigantic organisations have sometimes defeated their own objects. Mere bigness does not always lead to economy of production or strength of organisation.

Take the case of the mammoth Steel Corporation of America, an organisation we are invited to imitate. Before that great trust was formed the United States produced the cheapest steel in the world, and it seemed to be only a matter of time—only a case of increasing productive capacity sufficiently—when America would become the greatest iron and steel exporting country. She was already the second country in exports. The organisers of the Steel Trust got busy. They felt that by bringing every phase of production and business, from mining ore to selling the finished steel product, under a single management, they would economise costs and develop a mighty export trade. Indeed, they boldly declared that they would "annex the world's trade in steel." The cheap steel of America was to be made still cheaper. From second place in foreign trade America was to leap into such a position that it would be a case of America first and the rest nowhere. It was asserted that British and German steel manufacturers would be practically wiped out of neutral markets by the new American trust. To use an Americanism, the United States Steel Trust was going to "lick creation." America had already the cheapest ore and coal and iron and steel; the most efficient plants and the most pushful business men; and the organisation of the mines and works and sales departments under a single and powerful board of directors would put the finishing touches on American steel trade efficiency and competitive power. The Press articles on the matter, printed 25 and 26 years ago, make funny reading to-day. After a quarter of a century of United States Steel Trust operations, the mighty America, with all her vast natural resources, is a very bad fifth in the export trade competition, and her iron and steel manufacturers are pleading—one might almost say whining—for more protection against British, German, and other foreign irons and steels.

One of the most significant facts of modern commercial history is that under the sway of the huge Steel Trust America has fallen from a highly-promising second position to an inferior and unpromising fifth place in the international steel export trade race. America stands beaten by Britain, by France, and by Germany to the tune, in each case, of about 2½ tons to one in exports. Even tiny Belgium beats America by nearly two tons to one. Excluding the business with the neighbouring Canada, and taking simply overseas exports, American steel hardly counts in the international market. We beat the Americans by at least four tons to one outside the North American Continent. This is the very opposite of what was predicted, and confidently predicted, when the United States Steel Corporation was formed in 1901. The alleged unorganised British steel industry has not been beaten, or seriously challenged, by the highly-organised American industry, and nothing but a high tariff wall stands between the American industry and a severe beating on its own ground.

Productive costs have not been reduced by the Steel Trust. They began to increase from the day the trust was formed. Not only was there over-capitalisation and

a failure to obtain the market monopoly aimed at, but the alleged richness and power of the trust caused serious inflations in mining and manufacturing costs. Before the Steel Trust was formed, United States iron ore carried royalties of only a few cents per ton. The organisation of the trust, accompanied as it was by loud boastings, caused wild speculation in ore lands, and the big combine had to pay as much as a dollar a ton mining royalty. Rail and boat rates were put up. State and local authorities levied extra taxation on the trust properties. Workmen demanded wages and officials demanded salaries from the "billion-dollar trust" which they would not have thought of asking from smaller employers. It is scarcely stretching language to say that costs all along the line, from the pit to the finishing mill and the sales office, jumped up as a direct result of the ambitious organisation scheme which was intended to reduce costs. The international competitive powers of the American steel trade have been very seriously weakened by the mammoth United States Steel Corporation. It is not here contended that British steel-makers, if they formed a huge combine, would make all the mistakes made by the organisers of the American Trust, but it is certain that trade unions and other bodies would make bigger demands, and that some of the special factors which make for economy of production, high quality of product, and foreign trade-getting abilities in our case would be weakened, if not killed, by trustification. Incidentally, in our case the nationalisation movement would be strengthened.

Take coal. We are invited to form a great Coal Trust, on lines of the German Coal Syndicate, in order to restore our export trade. What has the German Syndicate done that we should imitate it? The German coal trade, with all its cheap and docile labour, with all its preferential rail rates and cheap water transport, with all its alleged efficient organisation, has never yet beaten the British coal export trade, save during a British strike. The unorganised British coal trade exported 73,000,000 tons of coal in a year before the war. The syndicated German coal trade did not get beyond 34,000,000 tons. Since the war the British coal trade has done as much as 79,000,000 tons of exports in a year. The German Coal Syndicate has not done 25,000,000 tons in any post-war year. Per man employed and per ton of coal raised, the British coal trade pays wages 50 per cent. higher than the German coal trade affords, and still it beats Germany in the market. The statement made in this country recently that the organisation of the German coal trade has "given satisfaction to all concerned" is flatly and thoroughly contradicted by Consular and other authoritative reports.

The so-called reorganisation, or trustification, or unification, of the British mining industry would be bound to fail. It would mean cumbersome and red-tape methods; it would destroy personal or company initiative and interest; it would penalise the most progressive concerns in order to subsidise the least progressive; and stagnation or retrogression would result. The unification of British railways under the group scheme has not made British traders contented. Unification in a competitive and unsheltered trade like coal would prove far more derisory. The gigantic fleet of American ships under the single control of the United States Shipping Board has been a colossal failure.

Turning to current moves for international steel syndicates, what do we find? Many misconceptions and contradictions. It is stated that if Continental European steel-makers succeed in forming the proposed comprehensive combine, and we neglect to join, we shall be crushed between the upper millstone of American competition and the nether millstone of Continental competition. It has just been noted that American trustified competition is little more than a bogey. If the suggested Franco-German-Belge-Luxemburg, &c., iron pact does really materialise, selling prices will be advanced and competition against our products will be less, and not more, keen. It is stated that the pact is needed because productive capacity has outgrown consumptive requirements. Nothing can be more calculated to curtail demands than an increase of selling prices. In any case, American steel-makers will not come into the combine. If they were so disposed, the law would not permit them. With all the European iron and steel-makers in a ring, regulating output and increasing prices,

American competition might then become a serious proposition, and we on this side might lose heavily. It is contended that we would do better to share trade than compete for it. That means two things. It means artificially high prices and a further reduction in the world's purchases of steel—in other words, more unemployment; and it means that the British industry will become a mere unit of an international combine, which would allocate undue proportions of the available business to foreign nations. We have only to turn to the history of the old International Steel Rail Syndicate for proof of this. Before that combine was formed we exported more rails than all competitors put together. That was proper. We made the best rails, and we had the best shipping facilities. We had the most Colonies requiring rails. We had the most capital invested in foreign railways. We had the greatest economic need of a big trade in manufactured exports to balance food imports. Instead of taking measures to enable ourselves to continue to hold the leading position, we joined the syndicate—a trade-sharing scheme. We very quickly fell from a long-leading first place to a poor third position in steel rail exports. Our people were out-voted. Our peculiar needs and rights were ignored. Voting power, bounties and subsidies, tariffs, and all other possible means were used to dislodge British trade from the premier position. It would be just the same if we joined in a more general steel products syndicate. Foreign industries would claim export shares on the basis of productive capacity, ignoring our claim to abnormal exports of manufactures to pay for abnormal imports of food. They would claim progressively increasing shares of the syndicated trade simply because they have secured, in special circumstances, increasing shares before the formation of the combine. We should find ourselves as effectually beaten in trade generally as we were beaten in the single product of steel rails before the war. What British industry cannot secure by purely British efforts it will never obtain as a unit of an international syndicate or trust.

A QUARTER'S NEW CAPITAL.

The September quarter, covering the holiday season, nearly always produces a smaller volume of new capital issues than any of the other three quarters. This year, with the coal stoppage acting as a restrictive force, the drop has been considerable. The total of public issues in the London market in the past three months has been £34½ millions, as compared with £48 millions in the corresponding period of last year. Last year, however, the British Government contributed largely to the total, whereas this year it has not made net borrowings in long-dated form. Excluding British Government issues in the two periods, the issues of the past quarter have been £35½ millions, as against £17 millions a year ago. How this growth was distributed over various categories of borrowers will be seen from the following table:—

(In Million £'s.)

	Total.	British Government.	Foreign Colonial Govt.	British Colonial and Foreign Corpns.	Foreign Railways.	Mines, & Finance, & Exploration.	Rubber and Oils.	Balance Mainly Home Industry.
Total whole year, 1919..	1,017.4	805.8	1.8	2.9	..	15.3	18.3	160.3
Total whole year, 1920..	367.5	37.6	12.0	46.5	1.1	10.3	18.9	241.1
Total whole year, 1921..	389.0	202.8	79.5	28.7	6.6	2.4	16.9	58.1
Total whole year, 1922..	573.7	369.7	72.9	23.0	14.8	9.4	17.4	69.5
1923—1st quarter	86.7	43.8	18.1	1.5	5	3.2	5.2	13.9
2nd "	95.1	20.0	47.3	1.8	1.4	3.7	1.1	19.8
3rd "	25.4	4.9	1.1	0.3	3.5	1.5	2	13.9
4th "	64.7	9.0	29.3	1.2	..	7.1	1.2	16.9
Total whole year, 1923..	271.4	77.7	95.8	4.8	5.4	15.5	7.7	64.5
1924—1st quarter	36.0	Dr 7.3	19.1	3.5	..	3.4	3	11.0
2nd "	69.6	11.8	22.1	5.6	..	1.4	..	28.7
3rd "	29.0	Dr 9	6.9	1.6	1.0	4.1	1.4	14.9
4th "	74.7	4.1	42.5	8.1	..	3.8	6	15.6
Total whole year, 1924..	209.3	13.7	90.6	18.8	1.0	12.7	2.3	70.2
1925—1st quarter	47.6	4.6	8	5.9	9	4.6	1.5	29.3
2nd "	64.4	2.2	13.0	12.4	..	5.1	2.2	28.5
3rd "	48.4	31.1	5.0	4	..	1.2	1.4	3
4th "	71.8	7.7	11.9	6.6	2.9	7.1	14.0	21.6
Total whole year, 1925..	232.2	45.6	36.7	25.3	3.8	18.0	19.1	89.7
1926—1st quarter	75.0	5.4	16.9	16.1	1.5	3.9	2.0	29.2
2nd "	45.7	2.1	18.7	10.6	1.7	1.6	1.3	9.7
3rd "	34.2	Dr 1.6	9.6	7.5	..	4.3	1.5	12.8

The British Government figure represents an excess by £1.45 millions of encashments over new sales of National Savings Certificates. Our statistics do not include temporary operations, such as Treasury bills and Ways and Means advances, nor, in the case of borrowers (public or private), do they include moneys raised for redemption or replacement or conversion purposes. The figures which we give represent new money. The figures of the third quarter of the first nine months of this year and last are analysed under a number of groups in the following table:—

Description.	Total, First Half-year, 1926.	Third Quarter, 1926.	Total Nine Months to September 30,	
			1925.	1926.
British Government Loans	£ 7,566,800	£ 7,880,000	£ 38,055,000	£ 6,116,800
Colonial Government Loans	22,969,000	7,880,000	18,414,500	30,849,000
Foreign Government Loans	12,700,500	2,692,500	nil	15,391,000
British corporation and county loans	26,341,800	6,940,000	16,673,000	32,221,800
Colonial corporations	389,000	1,225,000	6,500,000	6,050,000
Foreign corporations	nil	1,225,000	1,350,000	1,225,000
British railways	nil	nil	17,214,000	nil
Colonial railways	nil	nil	1,812,000	nil
Foreign railways	3,217,200	nil	875,000	3,217,200
Australasian mines	nil	nil	nil	nil
South African mines	791,100	832,300	60,000	791,100
Other mines	1,355,700	3,450,500	2,201,800	2,168,000
Exploration, financial and invest. trust.	5,804,500	119,500	8,729,000	9,255,000
Breweries and distilleries	20,000	190,000	714,400	210,000
Merchants, importers, &c.	125,500	nil	nil	125,500
Stores and trading	2,410,600	1,696,000	922,500	4,106,600
Estate and land	1,944,000	119,500	2,715,400	1,214,000
Rubber	3,362,200	1,428,000	4,351,700	4,790,200
Oil	nil	93,800	856,600	93,800
Iron, coal, steel, and engineering	4,518,100	nil	4,994,800	4,518,100
Electric lighting, power and telegraph	4,524,000	1,449,700	5,396,000	6,011,000
Tramway, omnibus, &c.	232,500	33,700	33,700	232,500
Motor traction and manufacturing	2,333,400	3,000,000	35,000	5,333,400
Gas and water	244,400	664,000	664,000	244,400
Hotels, theatres, and entertainments	75,000	nil	563,000	75,000
Patents and proprietary articles	75,000	nil	430,000	75,000
Docks, harbours, and shipping	5,367,000	92,500	1,149,000	5,459,500
Banks and insurance	839,600	nil	3,264,500	839,600
Manufacturing and Miscellaneous	14,389,300	5,183,000	28,663,900	19,572,300
	120,765,200	34,205,300	160,393,600	154,970,500

The main feature of the nine months' comparison is the increase over last year in the borrowings by Foreign and Colonial Governments, which is, of course, the result of the lifting last autumn of the unofficial embargo upon such operations. To that topic we will return later. Meanwhile it may be remarked that domestic issues for general trade and industry in the September quarter were rather larger in volume than a year ago, in spite of the coal deadlock. In the following table we show the leading issues during the past quarter:—

Issued Week Ended, 1926.	Name.	Amount of Issue.	Issue Price.	Price Sept. 29, 1926.
July 3	Belfast Corporation, 5% Stock	2,000,000	99	28-28 dis.
July 10	Union of South Africa, 5% Inscribed Stock	4,000,000	par	28-28 dis.
July 10	Province of Westphalia, 7% Bonds	835,000	98½	28-28 pm.
July 10	Anglo-Canadian Pulp and Paper, 6½% Deb. Stock	1,800,000	99	3-½ pm.
July 17	Morris Motors, 7½% Cum. Pref. £1	3,000,000	par	18/6
July 31	Perak River Hydro Electric Power, 7% Dbs.	1,275,000	96	52-44 dis.
July 31	Counties of Hungary, 7½% Sterling Loan	1,250,000	98	98½
Sept. 18	Gordon Selfridge Trust, 6% Cum. Pref.	1,000,000	par	94-34 dis.
Sept. 18	Do Ord. £1	100,000	par	94-34 dis.
Sept. 18	Lewis's, Limited, 6% Cum. Pref.	1,200,000	par	4-1 pr.
Sept. 25	London Irish Trust, Ord. £10	500,000	par	14/6-15/6 dis.
Sept. 30	New South Wales, 5% Inscribed Stock	4,000,000	par	2-1½ dis.
Sept. 30	State of Hamburg, 6% Sterling Bonds	2,000,000	97	

The Hamburg loan, which appeared and was rapidly over-subscribed on the last day of the quarter, is the second important German issue to be floated in the past three months, the Westphalian loan in July being the other. The success of this offer contrasts with the cool reception of the latest New South Wales loan for £4 millions, of which 85 per cent. was left on the underwriters' hands. British local authorities have been unusually busy in the market for the time of year, Belfast, Coventry, Stockton, Reading, Portsmouth, and Swansea borrowing between them over £6 millions in the quarter. In the nine months British corporations have borrowed nearly twice as much as in the corresponding period of 1925.

We have recently shown in the *Economist* how, owing to the effects of the prolonged coal stoppage, the merchandise trade balance is swinging, temporarily but largely, to our disadvantage. This lends peculiar interest to the question of our ability to lend abroad and to the recent statistics of London's activities in this direction. The following table analyses the geographical distribution of London's new capital in the first nine

months of the present and the three preceding years and of the last two pre-war years:—

Destination of New Capital.	First Nine Months.					
	1912.	1913.	1923.	1924.	1925.	1926.
United Kingdom—Government.....	£ nil	£ nil	£ 68,577,000	£ 9,671,500	£ 38,655,000	£ 6,116,800
Other	36,533,400	25,595,200	35,171,700	49,306,700	81,199,400	76,704,100
British Possessions—Government.....	7,714,900	20,003,800	41,021,600	25,231,000	18,814,500	30,849,000
Other	27,786,900	36,944,200	18,547,700	15,857,000	16,714,200	14,950,300
Foreign countries—Government.....	35,501,800	56,948,000	59,569,300	41,088,000	25,228,700	45,799,000
Other	9,534,500	24,021,500	25,561,900	22,979,900	nil	15,391,000
Grand total	151,030,700	150,321,400	206,682,600	134,616,000	60,393,600	154,970,500

Excluding British Government borrowings, about one-half of the total has this year been devoted to home purposes, as compared with one-sixth in 1913 and less than one-quarter in 1912 and about three-quarters in 1925, when the foreign loan embargo was in force. The position regarding London's lendings abroad this year and in previous periods becomes clearer still if we set out the following details:—

	NINE MONTHS (JANUARY 1 to SEPTEMBER 30.)				
	1913.	1923.	1924.	1925.	1926.
Total of new issues	Mln. £. 150.3	Mln. £. 206.7	Mln. £. 134.6	Mln. £. 160.4	Mln. £. 154.9
Destined for domestic use	25.6	103.7	58.9	119.3	82.8
Destined for British possessions	56.9	59.6	41.1	35.5	45.8
Destined for foreign countries	67.8	43.4	34.6	5.6	26.3

In the nine months we have actually lent overseas nearly £31 millions more than in the corresponding period of last year and only slightly less than in the full year 1925. At the same time, even if one assumes that the Board of Trade's official estimate of our real trade balance is very conservatively framed, the large additions made by the coal stoppage to our excess of merchandise imports, must at best have rendered our margin for overseas lending somewhat exiguous. The autumn campaign of foreign borrowing in London has begun, and if the success of the Hamburg loan should too greatly whet the appetite of other would-be borrowers in Europe a position might easily arise which would cause anxiety to those who direct our financial destinies. The strain on the exchange position this autumn is likely to be unusually severe in any case. On principle we have no liking for embargoes, nor do we wish to see an unnecessary rise in Bank rate; but should a heavy campaign of overseas borrowing develop we can see the possibility, if not the probability, of a situation arising in which our monetary rulers would be justified, or even compelled, to use one or other of these weapons, to inculcate a moderation in overseas lending in keeping with the temporary conditions caused by our industrial troubles.

FRANCE AND THE SAAR.

(BY A CORRESPONDENT.)

At every meeting of the League of Nations petitions are presented from political parties in the Saar Territory complaining of the policy of the Governing Commission, which is alleged to be pro-French, and charging France with using the Commission to subordinate the welfare of the people to its aggrandisement. Since the death of Mr Branting no member of the Council has championed the cause of the Saar people, whose appeals are generally ignored. The German member of the Council will in future represent the people of the Saar and see that their interests are fairly considered. It was quite fitting, therefore, that the Council postponed the consideration of Saar questions until the December session.

The last petition from the chief political parties to the League points out that the Commission continues a pro-

French policy to the detriment of local interests. In other words, that France has exploited the Territory, and has treated it more as a colony than a neutral State, being enabled to do so by the composition of the Commission and a close association with the French Government, which, as such, should have no more right in influencing purely Saar affairs than the British Government.

When we examine the economic situation in the Saar we find that the previous state of prosperity has not been maintained. The decline is due to various causes—disruption of former business connections, the heavy expense which falls on the State railways, post office, and other public services in a small country, the burden which a separate Government involves, and a disorganised currency. The existence of a Mines Administration responsible for the welfare of two-thirds of the population—under an alien government—a sort of *Imperium in imperio*—is a source of disaffection, but should not in itself affect production, which depends on efficient management. The German engineers, managers, and foremen were replaced by Frenchmen. There are vast reserves of coal in the Saar, and the French Mines Administration spent large sums out of revenue in opening up new mines and in improvements. In spite of these developments the production is less than in 1913:—

SAAR COAL MINES ANNUAL PRODUCTION.

1913	1919	1920	1921	1922	1923	1924	1925	1926
1913	1919	1920	1921	1922	1923	1924	1925	1926
13,217,000	8,970,000	9,410,000	9,574,000	11,240,000	9,192,000	14,032,000	12,985,000	13,217,000
—	—33.12	—28.80	—27.55	—15.2	—30.44	+6.15	+1.70	—

It should be explained that there was a three months' strike in 1925. Owing to the strike in England, production has increased this year. In 1913 one-third of the Saar coal was sent to Germany and nearly one-third was consumed locally. Last year only 938,000 tons went to Germany, 3,753,000 tons were consumed locally, France and Alsace-Lorraine only took 920,000 tons. The balance was distributed over a number of countries. Industry generally has suffered because of the Customs barrier raised by France between the Saar and Germany. A wedge has been driven in between the Saar and its natural market, and up to now the Territory has not found compensating outlets for its products in France. In fact, the French industrialists in the same line of business regard the Saar as a competitor, who should not be encouraged.

It is now recognised that the Saar people will vote in 1935 in favour of rejoining the Fatherland, and that at the same time Germany will buy back the mines. France, therefore, foresees difficulties ahead. If France develops the coal mines to the utmost capacity, Germany will have to pay more for them at their then value as settled by independent arbitrators, but will have at the same time a great addition to her mineral wealth. French companies have acquired control of two-thirds of the metallurgical and other works in the Saar in the expectation that the people would prefer to continue the existing régime of economic union with France. But it is more than doubtful whether the Saarois, being thoroughly German, would have ever been reconciled to France; French policy and strategy have succeeded not only in alienating them, but in making them dissatisfied.

The cost of living in the Saar is about the highest on the Continent. The Territory is altogether dependent on the outside world for its food supply. The following figures from a French source give the comparative cost of living in the Saar, in Paris, and in Strasbourg for the first three months of this year:—

1926.	Saar.	Paris.	Strasbourg.
January	542	490	501
February	544	495	503
March	551	497	517

An unstable currency and the fact that payments to German pensioners in the Saar are made in francs instead of marks has caused much dissatisfaction. The Saar has experienced a double monetary infliction. It went through

the German inflation crisis, and France sought salvation and stability by introducing French currency, instead of accepting the policy of the local Advisory Council and adopting either a gold mark or gold franc as the basis. And the Saar shares France's misfortune, which is particularly hard in a country consisting as to 90 per cent. of working people.

Taxation is exceptionally heavy, owing to the causes above mentioned, to the losses on public services, and also to the under-taxation of the coal mines. The Saar Statute annexed to the Peace Treaty provided that the mines should contribute taxes in proportion to their value compared with the total wealth of the Territory. On this basis it is estimated that the mines should contribute one-third of the taxes. Last year, while the Budget provided for an expenditure of 224,000,000 (increased this year to 363,000,000), the Mines Administration only contributed 16,800,000.

On the other hand, France maintains at the cost of the Mines Administration a separate system of schools, which is quite unnecessary unless it is part of a policy of French penetration, and France also pays the cost of the military, although the gendarmes—who are armed—and the communal police are quite adequate to maintain order.

Now that Germany has entered the League and taken her place both in the Assembly and the Council, it is certain that more attention will be devoted at Geneva to these problems.

SOUTH AFRICA AND ITS MINERALS.

(BY OUR JOHANNESBURG CORRESPONDENT.)

JOHANNESBURG, September 1.

The mineral statistics of the Union as published by the Department of Mines and Industries for July are of special interest as showing a total of substantially over £5,000,000, which compares with an average of £4,640,000 for the first six months. The increase on the month is £137,000, and although the output of several mines—most prominently Government Areas—shows an increase the major part of the improvement was due to diamonds, which advanced by £85,200 to £884,650. In turn, this is due to the great expansion in alluvial production, which at £281,000 represented nearly a third of the entire diamond production of the Union. The alluvial yield of diamond diggings in the Transvaal was double that of June. As the result of the proclamation of Elandsputte, and more recently of Treasure Trove, the Lichtenburg district in the Western Transvaal is booming. Mr J. L. Van Eyssen, consulting engineer to Messrs Lewis Smith and Crown Diamond Mines in the Orange Free State, considers that this district will prove the most important alluvial diamond field in South Africa. "Ten weeks ago where there were only two farmhouses, there is now a population, white and black, of 35,000, all engaged in recovering diamonds." These vary in size from 30 carats down to a tenth of a carat, the average value being stated as over 80s. The finds registered in respect of Elandsputte amounted to £165,500 in July, an increase of £119,000 compared with June. The authority already quoted expressed the opinion that the monthly production of this farm is likely to reach £300,000 in the near future. The African and European Investment Company owns 10 farms adjoining this discovery, all covered, or partially covered, with alluvial. The system hitherto has been to work alluvial fields with independent diggers, and their chance of finding a big stone adds romance to what is otherwise a somewhat sordid and uncomfortable existence, but where you have a company controlling a large area, as in this case, the question arises whether it should not be tackled on modern lines—that is, with steam excavators, &c. Against this proposal, it must be recognised that the market cannot absorb an unlimited quantity of stones. Both the producing companies and the Government are becoming distinctly perturbed at the immense growth in alluvial production. Had a large portion of the alluvial stones been won at the Premier Mine the Government would have been entitled to 60 per cent. of the profits; but in the case of alluvial they only benefit to the

extent of licences paid by the diggers, a large portion of which revenue is absorbed by expenditure on police, education, and other services at these sporadic camps. The increase in gold in July was only two thirds that in the diamond production.

For the first seven months of this year the mineral production of the Union is returned at £32,848,140, an increase on the corresponding period of last year of £1,378,433, of which the increase in diamonds accounts for just over three-quarters of a million sterling, and that in gold for the balance. The maintenance of an output of £5 millions per month will bring the year's total up to £57,850,000, which would represent the record mineral production with the exception of that of 1920, which benefited to the extent of no less than £10,950,850 from currency premium on gold, the metal being sold at 115s an ounce in September and December, and at 117s 6d in October and November. If this adventitious source of revenue be deducted, it looks as if the current year's mineral production—taking gold that is at standard price—would be at least half a million better than that of 1920.

For the first time, the Department's statistics give particulars of the sales of platinum. Previously only the output has been given—in April, 841 ounces; in May, 1,052 ounces; in June, 1,080 ounces; and in July, 1,139 ounces. In the earlier months the contents of platinum metals has ranged round about 71 per cent., but on this occasion it is stated at 76 per cent. Details of constituent metals will be given at the end of the year in the annual report of the Government mining engineer. The actual sales in July were 897 ounces, valued at £16,261. It will be seen that the average is only £18 per ounce, which is several pounds less than the ruling quotation in London. Does realisation account for the difference of six or seven pounds? Platinum shipped included other metals of the platinum group and some gold. Sales of coal are well on the way to a million and a-quarter tons a month, with a value of £359,000. Coal is remarkably cheap in South Africa, the value at the pit-mouth in the Transvaal being 5s. per ton, and in Natal (whose coal has a higher calorific value) at 7s 3d per ton. Copper, tin, and miscellaneous minerals have a value of under three-quarters of a million. The only important items in the latter category are asbestos and corundum.

The value and production of minerals for the first seven months of this year and last year were as below:—

		Seven Months.		1926.
		1925.	Value.	
	Output.	Value.	Value.	
Gold	5,746.125	23,795,256	24,407,994	
Silver	566.812	101,583	77,225	
Osmiridium	2,728	76,192	53,248	
Platinum	*897	..	*16,261	
Diamonds	1,598.604	4,613,520	5,368,148	
Coal (sales)	7,678.660	2,281,493	2,274,521	
Copper ore	5,809	292,790	298,075	
Tin concentrates	1,025	155,049	173,080	
Other minerals	..	154,820	179,586	
Total value	..	31,470,703	32,848,138	

* July only.

The gold-mining industry also shows some interesting figures, the tonnage crushed in July, 2,562,675, constituting a record. No less than half-a-dozen mining companies crushed over 100,000 tons, led by the Crown Mines with 229,000 and Government Areas with 208,000, while Randfontein crushed exactly 200,000. For the first time working revenue (at standard price) of the 35 gold mines exceeded £3½ millions, the exact figure being £3,535,400. In spite of the increase in tonnage the profit was not quite so large as in June, totalling £1,140,700. For the seven completed months the profit is returned at £7,438,000, compared with £7,229,000 for the corresponding period of last year. The average profit for the January to June period, 1926, is 8s 8d per ton, or within a penny of the average for the corresponding period of last year, revenue being 5d per ton lower, and a saving of 5d per ton having been effected in working costs. Government Areas made nearly £50,000 more profit than it did this time last year. It produced 23,850 ounces more than its great rival, the New Modderfontein, and made a profit of £230,250, compared with £177,600 earned by the prominent "Corner House" mine. Its output represented no less than 11 per cent. of that of

the whole Rand. Its working revenue is certain to attain £400,000 shortly, while there is just a possibility that its output may reach 100,000 ounces in a favourable month, and that a profit of a quarter of a million sterling will also be earned. Such an earning would represent about 20 per cent. of the aggregate Rand profit, a splendid achievement. For the fourth time this year the gold production was higher than that ever previously attained.

Statistics of the capital of the mining industry in the Union, as at December 31, 1925, appear as an appendix to the Mines Departments' Statistics for July. The nominal capital of the gold mines of the Rand is given at £47,810,670, from which falls to be deducted £1,315,000 reserves, uncalled or unpaid, leaving the net sum of £46,495,750. About 60 per cent. of this—namely, £28,068,875—is in receipt of dividends, while £12 millions is invested in mines which, though productive, are not dividend-paying, and about half that sum in dormant mines. The fact that no new mines are being opened up is conclusively shown by the statement that the capital in developing mines is only £380,000. Among mines in this category is the Central West at Roodepoort. Of the issued capital, as shown, of Rand gold mines, £27,879,250 was issued in respect of property, equipment, shafts, development, &c., and for cash the total was £18,616,500. Debentures to the value of nearly £10,000,000 have been issued from time to time, but the net amount redeemable has now been reduced to £3,621,000. Premiums received doubled the cash capital, the amount being returned at £18,858,500, but two-thirds of this has been written off and the amount outstanding is now only £6,716,350. Out of nearly £5 millions net issued capital in respect of gold mines in outside districts of the Transvaal, only a trifle over a million and a half is in receipt of dividends, while 50 per cent. more than that amount has been invested in mines which are at present not working, a distinctly unsatisfactory result. The balance-sheet of the whole gold-mining industry shows a total of just short of £100 millions. Rand mining properties stand in the books at £23½ millions, shafts and mine development over £20½ millions, and equipment £30½ millions. Over £10½ millions is held in cash, and about a million and a half in stores. Investments stand at less than £1,000,000.

Among Transvaal mines, the second largest item is now under the heading of miscellaneous, which is given as £6,024,000, compared with £4,717,350 for coal mines. A year ago the coal-mining capital was double that in the other category. This is entirely due to the platinum industry, whose net issued capital is given (for the first time) at £3,851,450, about half of which was represented by cash. The net issued capital of mines in the Transvaal is now given at £62,443,500. That for the other provinces is naturally much smaller—namely, for the Cape £6,468,900, Orange Free State £3,664,750, diamonds being the principal item in both cases, and Natal (almost wholly coal) £3,553,069, bringing the total for the Union up to £76,130,250, to which may be added £6,435,930 unredeemed debentures.

CANAL COMPANIES' RESULTS.

THE big canal companies in this country are not often prominent in the investor's mind, owing, probably, to the fact that their shares are seldom subject to violent fluctuation. While, in one respect, existing holders of the various securities may find in this circumstance some cause for satisfaction, in another it is to be regretted, in that the merits of the shares for investment purposes may be overlooked. On the whole, four out of the five undertakings whose figures are analysed in this article can show prosperous and consistent records. Some idea of this will be seen from the following table, which shows the gross receipts of these concerns:—

	1913.	1921.	1922.	1923.	1924.	1925.
Birmingham ..	£ 191,345	£ 254,792	£ 236,516	£ 233,956	£ 234,539	£ 216,699
Grand Junction ..	101,680	128,960	144,993	138,735	142,563	144,651
Manch. Ship ..	1,077,018	1,861,132	1,964,813	1,984,476	2,060,906	2,103,170
Regent's	81,275	111,296	113,086	113,264	127,309	123,708
Sharpness	85,308	71,764	89,575	88,810	90,803	70,490

The Manchester Ship Canal, of course, is the largest of the five companies, and shows the most consistent progress in regard to receipts. But, on a relative basis, it has not much advantage in this respect over the Grand Junction or the Regent's, which have done very well over a fairly long period. Our next table shows the expenditure on operations:—

	1913.	1921.	1922.	1923.	1924.	1925.
Birmingham ..	£ 88,061	£ 194,258	£ 149,551	£ 145,929	£ 130,277	£ 125,183
Grand Junction ..	50,275	76,512	84,598	83,329	85,052	86,246
Manch. Ship ..	720,941	1,324,514	1,186,326	1,194,103	1,229,329	1,251,275
Regent's	38,992	71,182	73,415	64,106	69,141	65,178
Sharpness	33,523	53,901	49,435	48,218	49,966	44,999

These figures are not so satisfactory. At the same time, the increase in operating expenditure has not been out of proportion to that in other branches of trade. Indeed, comparing the sums expended on working with those incurred for 1913, the net rise has not been nearly so pronounced as might have been expected, a fact which indicates that economy has been exercised. Our third table gives net profits realised:—

NET PROFIT after PAYMENT OF DEBENTURE INTEREST, &c.

	1913.	1921.	1922.	1923.	1924.	1925.
Birmingham ..	£ 68,532	£ 23,646	£ 46,906	£ 56,130	£ 72,366	£ 59,621
Grand Junction ..	45,405	44,146	51,825	48,818	51,510	52,405
Manch. Ship ..	34,742	203,511	398,134	464,766	432,170	439,786
Regent's	15,495	15,504	20,848	20,057	27,354	30,471
Sharpness	19,573	Dr 8,371	14,067	14,888	15,482	787

So far as 1925 was concerned, bearing all factors in mind, results were very satisfactory, except in the cases of the Sharpness. The Birmingham, it is true, secured lower net profits, but even then the figure of £59,621 was well above the 1923 level, the increase recorded in 1924 having been somewhat exceptional. The Birmingham and the Sharpness are the only two companies whose 1925 figures are below those of 1913. It is to the credit of the Manchester Ship Canal that the greatest measure of progress can be placed, the 1925 net profits of £439,786 comparing with £34,742 in 1913.

The following are the principal items in the balance-sheets at the end of each of the past two years:—

	Capital.		Balance of Capital Account.	Re-serves.	Cash.	Investments.	Debtors & Loans.	Creditors.
	Deben-ture.	Ord. & Pref.						
Birmingham, 1924 ..	£ 797,400	£ 2,439,575	Dr 266,768	..	£ 43,856	..	£ 31,339	£ 34,086
1925 ..	797,400	2,439,575	Dr 266,962	..	28,670	..	28,670	32,668
Grand Junction, 1924 ..	150,000	1,223,700	..	24,217	5,404	24,738	22,193	22,193
1925 ..	150,000	1,223,700	..	24,342	5,505	25,115	22,193	22,193
Manchester Ship, 1924 ..	9,328,385	9,061,230	Dr 64,037	75,761	569,786	123,042	156,402	156,402
1925 ..	9,421,025	9,051,803	Dr 218,333	56,297	213,573	123,082	105,836	105,836
Regent's, 1924 ..	842,284	1,358,100	Dr 4,639	3,167	14,598	15,163	Dr 3,442	Dr 3,442
1925 ..	842,284	1,358,100	Dr 4,639	14,242	15,549	24,946	Dr 3,442	Dr 3,442
Sharpness, 1924 ..	617,158	633,283	..	97,043	16,780	15,524	56,281	56,281
1925 ..	607,358	633,283	..	88,618	3,013	15,524	35,379	35,379

The Manchester Ship Canal, during the year, borrowed £92,640 at 5 per cent., and also sub-divided its £10 ordinary in £1 shares, a decision upon which we have congratulated the directors on a previous occasion. The following is a tabular record of dividends for 1913 and the past six years:—

	1913.	1920.	1921.	1922.	1923.	1924.	1925.
Birm'ham Canal, cons.	% 4	% 4	% 4	% 4	% 4	% 4	% 4
Grand Junction, ord.	3	3½	3½	4	4	4	4
Manchester Ship, ord.	nil	5	1½	4	5	5	5
Do pref.	nil	5	3	5	5	5	5
Regent's, ord. stk....	1½	1½	1½	1½	1½	2	2
Sharpness, ord. stk....	nil	nil	nil	nil	nil	nil	nil
Do 5% "A" pref.	5	5	5	5	5	5	5
Do 5½% "B" pref.	5½	nil	nil	nil	2½	5½	nil
Do 5% "C" pref.	2½	nil	nil	nil	nil	1½	nil

All the companies have maintained their dividends with the exception of the Sharpness New Docks and Gloucester and Birmingham Navigation Company, which has paid no dividend on its ordinary and three classes of preference stocks for 1925.

Our final table will enable the investor to see at a glance

how these securities have fluctuated in value over a period of years, and the yields obtainable to-day:—

	Amount.	Share or Stock.	Price 1898-1922.	Price July 30, 1914.	Price Sept. 17, 1925.	Price Sept. 30, 1926.	Yield.
Birm'ham Canal, cons.	£ 2,439,575	Stock	146½	99	76½	76½	£ s d 5 6 9
Grand Junction, ord.	1,130,000	"	152½	90	75	72	5 11 0
Manchester Ship, ord.	4,000,000	"	7½	1½	8½	8½	6 3 0
Do 5% pref.	4,000,000	1	7½	1½	8½	8½	6 3 0
Regent's Canal, ord.	1,358,100	Stock	72½	25½	40½	32½	6 3 0
Sharpness New Docks, &c.	303,782½	"	24½	8	13	2½	Nil
Do pref. "A," 5%	109,500	"	123½	80	62½	49	Nil
(cum.)	100,000	"	110	58½	53	46½	Nil
Do pref. "B," 5½%	120,000	"	99	37½	129	24½	Nil
Do do "C," 5% ..	..	..	..	..	..	..	..

* £10 Shares.

Sharpness ordinary and preference stocks have fallen considerably during the past year as a result of the poor year experienced by this concern. The shares of the Manchester Ship Canal (as noted above) have been split, and are now £1 shares instead of £10. It will be noted that the £10 ordinary shares, on July 30, 1914, were as low as £1 13-32, and the £10 5 per cent. preference shares were at £1 13-32. It is impossible, of course, to tell how far the companies will be able to maintain the progress made in 1925. The general strike and the coal stoppage will undoubtedly adversely affect results for the current twelve months.

THE LEAGUE ASSEMBLY AND ITS LESSONS.

(BY OUR CORRESPONDENT.)

GENEVA, September 28.

THE Assembly of the League of Nations rushed headlong to its close on Saturday night; the Committees were hurried up, and their reports taken in rapid succession in the full Assembly, a process which led to last-minute protests from the British and other delegations that such speeding-up was neither dignified nor conducive to satisfactory results. This is an important matter, which is entirely in the hands of the Assembly delegates themselves, and the time has arrived when the whole question of the procedure of business in the Assembly should be fully considered.

Although most of the captains and kings of the delegations and the Press had departed, last week was not without its importance and its "incidents." Dr Stresemann had his heart-to-heart talk with the German colony in Geneva, and it is a token of the fundamental change in political conditions that this single departure from the prudence observed by the Germans during the Assembly did not cause more serious consequences. It was, of course, nonsense for Dr Stresemann to pretend that the admission of Germany to the League morally absolved her from war-guilt, but the rest of his observations on colonial questions, on the Saar, and on occupied German territory were only a blunt assertion of what is in the minds of the German people as a whole, and he must be allowed the privilege, as well as M. Briand, of paying attention to home opinion. He realised that some toning down of his private exuberance was necessary, and summoned the representatives of the Press the next day to do so. It is fair to him to remember that he spoke towards the close of a very exacting period in Geneva, that his speech came at the end of two social events on the same evening, and that he was speaking in the obviously congenial, and probably convivial, atmosphere of his compatriots.

Another incident was the abuse of privilege by the strange representative of China, who after informing the President that he would like to make a short declaration of four minutes' length, occupied 20 minutes of Assembly time in a violent attack on Great Britain concerning the events of the Yang-Tse River. No notice whatever had been given either to the President or to the British delegation, and the Assembly clearly disapproved of this light-

headed behaviour, which was rebuked with firmness and dignity by Lord Cecil, and inferentially, on a point of procedure, by the President. Lord Cecil also had a sharp passage-at-arms with M. Barthelemy, one of the French delegates, who went out of his way to indulge in a voluble, ill-placed, and none-too-cordial criticism of the British Memorandum advocating a definition of the limits of League activity. Rarely has Lord Cecil shown so indignant a resentment of what he described as a complete misrepresentation of the British view. This studied effort of M. Barthelemy, coupled with an article in M. Loucheur's local Geneva paper accusing Great Britain and America of endeavouring to sabotage the League's efforts towards disarmament—also alluded to by Lord Cecil in the Assembly—left a disagreeable impression, which other members of the French delegation were not slow to appreciate. If, as is frequently said, the French delegation is much cleverer than the British, it is just as well to remember that there is danger in international as well as other spheres in being too clever.

The actual work during the last week was occupied with arbitration, armaments, budget, and with what are known as the social and humanitarian activities of the League, including the adoption of a slavery convention. The Assembly invited the Council to recommend all States to adopt the Locarno Agreements as guiding principles in their foreign policy, and to offer the good offices of the Council for the conclusion of suitable agreements. As political conditions have improved in those parts of Europe with which the Locarno Agreements are concerned, the Assembly considered that the Disarmament Conference, when summoned, should take into consideration the present conditions of regional and general security. There is recognition of the fact that the problem can only be solved by degrees, and that, apart from the matter of reduction and limitation which this Conference might bring about, it must in any case have the immense advantage of transforming into international agreements the degree of armaments of different States, and of thus putting a stop for a definite period to possible competition. The special problem of the control of private manufacture of arms, on which a draft convention has already been framed, is to be included in the programme of the Disarmament Conference if, as is recommended, this Conference is held before the next Assembly. Should this not be possible, private manufacture will be dealt with separately in a special Conference to be summoned as soon as possible. The full Assembly debate on the subject did not add much, but was notable for M. Paul-Boncour's argument, presented for the first time with any force by an official French delegate, that German disarmament was imposed in order that general disarmament might follow. No one could have doubted the sincerity of Lord Cecil's advocacy, in the name of the British delegation, of the cause of disarmament, and of his resentment of the propaganda effort to suggest that Great Britain is a stumbling-block. It is not so easy, perhaps, to accept his view of the peoples of the world thirsting for disarmament, unless it be for the disarmament of others. There is hardly, for example, a great wave of enthusiasm in England for the reduction of the British Navy, which is the only serious consideration for Britain in the way of national armaments.

This Assembly as a whole gives rise to various considerations. Not only does the entry of Germany mark a new stage in the League's development, but it coincides with a narrower scrutiny by the Powers of the progress of League work. The earlier latitude which was left to delegates has been tightened up. In the first years, when the vital things were carefully kept out of League hands, not much really serious thought was given by the Governments to the Assembly; and there was a curious tendency to regard it as something outside strict Government responsibility. That has been gradually changing, and more noticeably this year. It is just as well that delegations should come with full Government responsibility, and while this has tended a little to diminish Assembly fervour and enthusiasm, it has made up for it by the greater authority given to decisions reached. A sign of this is to be found in the useful British action in drawing attention to the importance of ratifying League agreements and conventions. It is of no use working out agreements unless they are acted upon, and the Council

is asked to prepare half-yearly reports as to how things stand in this respect. The entry of Germany has also coincided with a rather marked assertion of strength by the Great Powers. How far this is accidental or how far deliberate it is not easy yet to say, but the question put by a witty German as to whether Germany should play the part of a big small Power or a small big Power in the League has every appearance of being resolved in favour of the big Power theory—and not the small big Power either. An accentuation of the division between great and small Powers would be unfortunate, but it is doubtful whether there will be a definite alignment of this kind. Anyhow, it will be something gained for peace if the five Great Powers find they are able to act together for what would mean an adjustment of opposing interests. In any case, the assertion of the Great Powers is a fact to be noted, but one persistent Assembly delegate can play the Assembly trump card of forcing discussion into the open. Sir Austen Chamberlain and the whole harsh chorus of Mandatory Powers can do their utmost in the Council to lower the prestige of the Mandates Commission, but one, Dr Nansen, can insist on a full review in the Assembly, even though actual results may not be too glowing.

In many respects the work of the British delegation has been open to criticism. On some matters it has been the victim both of propaganda on the part of some of its supposed friends, and of an uncanny habit of hitting the right nail on the head with the wrong hammer. In any case, it is high time that the British Government gave more attention to the composition of its delegation and to its methods of work if it has any care whatever for British reputation in international affairs. It is neither reasonable nor fair to expect Lord Cecil to bear the whole brunt, and it is not easy to believe that he can have his heart in some of the tasks which he has to perform. However, it has been a good Assembly on the whole, and a memorable one.

Notes of the Week.

The Half-Year's Accounts.—We print in full on another page the Treasury's return of revenue and expenditure in the first six months of the current financial year. It is normal for the figures at the end of six months to show a deficit, for the second half is the time of the heaviest revenue collections. At this time last year the deficit was £36 millions, and two years ago £12 millions. But this year the deficit reaches the formidable figure of £61½ millions, expenditure being £384 millions and revenue £322.3 millions. Although definite conclusions as to the final outcome of the Budget should not be based on six months' results, it cannot be said that the prospect is reassuring. For the full year revenue was estimated by Mr Churchill to yield £12.7 millions more than last year, while in the first half it is actually £21.7 millions less than in the corresponding period of 1925. Expenditure, on the other hand, is £4 millions more than in April-September, 1925, whereas for the full year (allowing for £5½ millions of supplementary estimates passed since the Budget date) expenditure was estimated to be slightly lower than for 1925-26. It is natural at first sight to jump to the conclusion that the coal stoppage is responsible for the big drop in revenue, but an examination of the details suggests that its direct responsibility is strictly limited. As a matter of fact, more than the whole revenue decline as compared with a year ago—in fact, £22.1 millions—is due to the drop in the yield of income-tax and super-tax. Tax under these heads was assessed on earnings and income received before the industrial trouble began, and the coal stoppage can only be responsible in so far as it may have been necessary for the tax-collector to allow more than the usual time for payment to firms or persons temporarily embarrassed by the crisis. Customs and Excise, where the effects of the stoppage should show most clearly, actually exceed last year's yield by £2.6 millions, and all the stoppage can have done here is possibly to prevent a larger increase. It may have done so, because Mr Churchill estimated an increase of £11½ millions for the full year under these

heads. Curiously enough, although the economic damage wrought upon the country by the coal dispute has become more intense as the stoppage proceeded, the revenue for the second quarter makes a better showing than that for the first quarter. It was, in fact, slightly above the yield recorded for the September quarter of 1925. Unfortunately, however, the encouragement that might have been derived from this fact disappears as a result of close scrutiny, for the comparatively good showing of the September quarter revenue is due to increases of £7.3 millions in ordinary miscellaneous receipts and of £1.7 millions under receipts from sundry loans. The main heads of revenue do not show the improvement suggested by the total figure. Before leaving the details of the returns we must point out that, although the year's sinking fund was raised by Mr Churchill from £50 millions to £60 millions, the first half-year has only seen allocations of £15.4 millions, as compared with £20.6 millions in the first half of 1925-26. Actually, therefore, the expenditure position is worse than it appears on paper, and had the first half-year borne its proper proportion of sinking fund allowance the deficit would be even more formidable than is shown in the return. The deficit on the half-year of £61½ millions has been met by the Exchequer (excluding one or two negligible items) by the following means:—Treasury bills outstanding have been increased by £99.3 millions, and £3.5 millions have been received on 4 per cent. Treasury bonds; while on the other hand Ways and Means advances have been reduced by £37.4 millions, National Savings Certificates encashments have exceeded sales by £1.5 millions, and Exchequer balances have increased by £2.2 millions. Mr Churchill is obviously faced with something of a struggle to make both ends meet this year, and the taxpayer has also to remember that the full force of the effects of the coal stoppage will fall upon the income-tax receipts of next financial year.

The International Steel Cartel.—The understanding between the French, German, Belgian, and Luxemburg steel masters, which has been under discussion during the summer, has been achieved and signed this week at Brussels. The agreement provides for the allocation of production between the four countries on an agreed percentage; penalties are imposed if production exceeds the quota for the year, and this restriction of output, together with the charge levied for the pool, is expected to raise prices from their present depressed level. The agreement does not provide for joint sales or for direct price regulation, and is clearly intended to stabilise conditions, in the first instance, at all events, mainly in the European market. The following represent as far as is known the terms of the agreement:—

Potential sales will be fixed yearly, and will vary between 26 and 30 million tons for the four countries.

Quotas will be fixed on a basis which was originally—Germany, 43.18 per cent.; France, 31.19; Belgium, 11.63; Luxemburg, 8.23; and Saar, 5.77. It is now understood, however, that when the production total is fixed at 27 million tons Belgium is to have 12½ per cent.; when total production is less than this Belgium's ratio will fall slightly; when the total rises Belgium's ratio will also rise.

Sales will be ascertained quarterly.

Production by each country in excess of its quota is optional, but is subject to penalty. Each country will pay into a common fund an amount of \$1 per ton of ingot steel produced, and for amounts in excess of the potential amount a sum of \$4 per ton. Should the production of a country be less than the potential amount a compensation of \$2 per ton of production below the potential amount will be made.

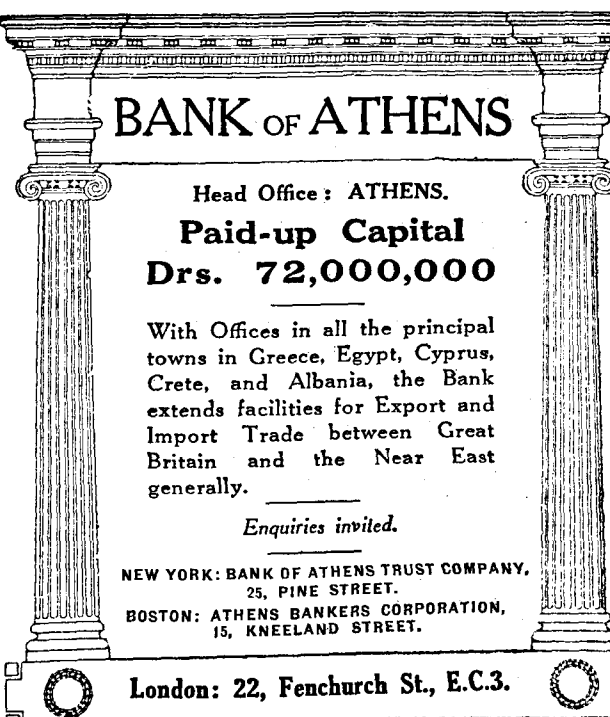
Accounts will be settled yearly, and any amount then remaining in the fund will be distributed to the countries participating in proportion to their quota percentage.

The amount per ton payable to the common fund may be increased by a majority decision.

Each country will respect the home market of the other signatories.

A contingent is fixed which Lorraine and the Saar may send duty-free into Germany.

Regret has been expressed in European iron and steel circles that Great Britain has not come into the agreement, and it is said that the door is still open to her if she wishes to join. It is, however, not clear that the time is yet ripe for this. Even if Great Britain wished to join, the British steel industry is not yet accustomed to co-operative working, and has not developed the internal machinery for limiting production in accordance with such a plan.



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Again, it is by no means certain that the partners in the present agreement are themselves strong enough to do this, and for the moment it may be well to regard the plan as experimental in character. The plan as at present devised is designed to check output and raise prices. It is not the sort of machinery that would be devised if the Continental producers were contemplating a trade war with the British steel industry. Indeed, just as rubber producers, the present agreement might, if pushed far, help rather than hinder British exports. Moreover, neither France nor Belgium, which both export a large proportion of their output, could hope to carry on a prolonged trade war on a "dumping" basis when once the exchanges are stabilised and internal costs normal, for their internal markets are too small in proportion to their total output for such a plan to be practical over any considerable period of time. It is, however, as well to recognise that if the next step were to be in the direction of a joint sales organisation, British trade in its present unorganised condition is as little capable of engaging in a steel war as it is in co-operating in an organised manner with a European combine, and it will not be able to do either one or the other until it has devised some means for concentrating production of different classes of steel in those works best equipped to produce them, and thus reducing costs by running the most efficient works at their full capacity. On the other hand, the steel industry of Europe would undoubtedly much prefer to arrive at an amicable understanding with the British steel industry in regard to exports rather than enter into a prolonged contest. One important reason for this is the strongly established position which British steel holds in Empire markets, which constitute some 40 per cent. of the whole, and from which it would be difficult to dispossess it. British steel-makers will, however, be the first to realise that a new phase in the politics of the industry has opened with this agreement. A wise and far-seeing policy is more than ever needed if our steel trade is to emerge from its long depression.

Monsieur Poincaré in His Old Role.—Monsieur Poincaré is incorrigible. Last week-end he delivered two speeches—one at St. Germain on Sunday, and the other at Bar-le-Duc (in his native Lorraine) on Monday—which breathed the spirit of his weekly utterances during the worst phases of the French occupation of the Ruhr. It is true that Herr Stresemann rashly gave him an opening by a previous reference to the question of "war-guilt." In Germany there is intense feeling on this question, of which every German Government has to take account; and while it is no doubt preposterous for Germans to repudiate all

responsibility for the war, it is equally preposterous to assert, as M. Poincaré does, that the admission of sole responsibility, which Germany was compelled, by *force majeure*, to make in the text of the Versailles Treaty, is the last word on the subject. The last word will not be said till all the public archives of Europe have disclosed their secrets. Meanwhile, it is not at all discreditable to the Germans that they should be extremely sensitive over this question, and if that is nevertheless embarrassing in the present international situation, the Allies have only themselves to blame. It is, therefore, unpardonable that Monsieur Poincaré should once again have rubbed salt into this wound. He not only attributed the whole guilt of the war to "the former empires of Central Europe" (the word "former" may be noted as a small sign of grace). He inflamed the feelings of his Lorraine audience by reminding them of the misdeeds of the Germans during their invasion of French soil. Those German misdeeds rightly shocked, not only the French, who were the immediate sufferers, but the entire civilised world. Yet, during the period between the signature of the Armistice and the delivery of Monsieur Poincaré's speech a week ago, the French themselves have demonstrated that such misdeeds are not confined to wars in which the invaders are Germans. The burning of villages, the cutting down of fruit-trees, the imposition of collective fines, and the wholesale deportation of notables as hostages, have been practised in the mandated territory of Syria, between 1920 and 1926, by the French themselves. When Monsieur Poincaré turned from Franco-German relations in the past to the more relevant question of the present internal condition of France, he displayed the admirable side of his character. He made it clear that his Government intend to carry through their programme of financial economy and administrative reform in the teeth of any number of protests from vested interests. This spirit is essential for the recovery of France, and Monsieur Poincaré may be trusted, more than any other living French statesman, to remain true to it. Yet, indispensable though it is, it is only the negative condition required for the solution of the French financial problem. The Briand-Stresemann scheme brings a new and positive element into the picture; and it would be a tragedy if Monsieur Poincaré's individuality, after securing the negative condition, were to make co-operation in constructive effort, such as that attempted in the Briand-Stresemann scheme, impossible.

Government Conversion Offer.—The Treasury have published this week the terms of an offer of conversion for 110 millions of 5 per cent. five-year Treasury bonds, which are due for payment on February 1st of next year. The offer to the holders is to take up a 4½ per cent. seven-year Treasury bond. The Government is, however, not in a position to make certain of the success of this conversion on to a 4½ per cent. basis, and has to attach to the offer certain important inducements. On conversion holders are to receive £1 in cash, and there is an option attached to the bond of redemption on February 1, 1929, or on any other February 1st until maturity. This option is exercisable either by the Government or by the holder. The offer of £1 in cash may either be regarded as making the issue price 99 with the payment of £100 at maturity, or as a payment of additional interest in advance. In either case it means that the yield is at least 5 per cent. if the bonds are repaid two years hence, but is substantially less if they run for their full term. In the former case the Treasury will, of course, not gain anything in interest, but will gain substantially in the latter event. This device of an option to convert open to both sides means in effect that the Treasury will have to pay on this fraction of the debt a rate of interest depending on the course of interest rates. If the latter rise, the present issue will be presented for repayment, and the Government will have to re-issue at the higher rates. If, on the other hand, the rates fall, the Government will exercise its option and re-issue at lower rates. Compared with other Government short-term securities it is an attractive offer, but the investor cannot count on the present rates for more than a very short time. The year 1926 has been one in which there were very few large maturities of debt, in

comparison with the heavy war bond maturities of the next year or two and the problem of the 5 per cent. War Loan looming ahead in 1929. If conditions had been normal, a start might have been made in dealing with these problems, but the coal dispute has prevented anything being done hitherto. But clearly it would have been unwise to leave the problem of this particular issue unsettled during a winter in which the course of money rates is very difficult to forecast. If rates rise in America or in this country seriously, we might have arrived at the date of maturity in circumstances when rates were very unfavourable. The Treasury had no option but to insure a success now.

Our Index Number.—Our Index Number of wholesale prices as at the end of September shows an increase of 90 points, but, as was the case in August, the rise is due to a further advance in coal prices, quotations for imported coal having again been used. There was also an advance in metals and in certain subsidiary foodstuffs, but these were offset by declines in other directions. The following table shows the changes in each group and in the total:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basic (avg. 1901-5) ..	500	500	500	400	500	2200	100.0
End July, 1914	579	552	616	464	553	2668	118.6
Nov., 1918	1289	782	1848	805	1389	6212	282.6
Mar., 1920	1508	914	2974	1246	1709	8352	379.8
Dec., "	1344	805	1284	1216	1275	5924	269.3
Dec., 1921	921	636	1106	762	931	4357	198.0
Dec., 1922	992	789	1452	815	806	4855	220.7
Dec., 1924	885	704	1234	736	791	4351	197.8
June, 1925	885	679	1120	733	782	4251	193.2
Dec., "	936	694	1117	726	758	4189	190.4
Jan., 1926	894	678	1000	714	766	4053	184.2
Apr., "	885	681	978	718	765	4029	183.1
May, "	893	682	963	735	760	4035	183.4
June, "	910	678	945	763	748	4045	183.9
July, "	914	695	954	849	744	4156	188.9*
Aug., "	893	708	942	963	739	4246	193.0
Sept., "							

* Corrected figures.

In primary foodstuffs movements were mostly downward, but there was a slight increase among other foodstuffs. In the textiles section the feature was the further decline in American cotton as a result of the publication of the official forecast of a bumper yield. Wool prices were a little higher on the month. In the minerals group, apart from the advance in coal, the principal movements were further increases in iron and steel. Stocks of pig-iron are practically non-existent, and steelmakers have almost ceased to quote. Tin is again a little higher, but lead and copper reacted. In the miscellaneous group rubber is a shade higher, but other movements are downward.

The following table shows the changes in each commodity's index number in comparison with the end of August, the figure 50 representing in each case the average price during the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—Fot.	98	-2	Cotton, A	73	-18	Copper	48	-1
English	85	-15	Cotton, B	117	+4	Minerals	93	+114
Flour	90	-9	Yarn	89	-3			
Barley	94	-3	Wool	102	+4	Railway timber	93	..
Oats	66	+6	Do. Aust.	104	+2	Leather	77	..
Potatoes	59	+2	Silk	85	+2	Petroleum	108	..
Rice	121	-4	Flax	87	-3	Oils	74	-4
Beef	67	+3	Hemp	63	-1	Quartz	73	-1
Mutton	87	+15	Jute	108	+5	Tallow	69	-1
Pork	124	+15				Indigo	76	..
Cereals & meat	893	-21	Textiles	942	-11	Crystals	85	+1
Tea	184	+1	Pig-iron	110	+13	Rubber	21	..
Coffee	139	+4	Steel rails	71	+4			
Sugar, cane	98	-4	Iron bars	80	+4	Miscellaneous	739	-4
Sugar, beet	98	-4	Coal, steam	227	+44			
Butter	85	+2	House coal	182	+45	Total	4246	+90
Tobacco	116	..	Lead	133	-4			
			Tin	120	+5			
Other foods	708	+13						

Last month's movements raise the increase in the total index number over the pre-war figure to 65.5 per cent., which compares with 62 per cent. at the end of August and 72.6 per cent. at this time last year, as may be seen

from the following table, which also shows the position of the five groups:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., "	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Dec., "	162	193	182	158	141	165.8
Mar., 1926	152	196	167	156	140	159.4
June, "	154	194	156	158	138	157.3
July, "	157	193	153	164	135	157.7
Aug., "	158	197*	155	183	134*	162.0*
Sept., "	154	201	153	207	134	165.5

* Corrected figures.

The minerals group, which for some time showed the smallest increase over the pre-war level, now shows the largest, while textiles have fallen to the lowest place but one.

Cotton Trade Short Time.—Our Manchester correspondent writes:—As anticipated, the mass meeting of spinners of American cotton held in Manchester last Tuesday adopted the recommendation of the Committee of the Masters' Federation that until further notice yarn production should be cut down to 33 per cent. of the full output by working the mills one week in three. The new scale of operations will come into force on Monday next, and it is expected that spinners will close their factories for the next two weeks, and run the machinery full time in the third week, and then carry on by stopping two weeks and working one. It is understood that at the mass meeting about 200 spinners were present, and the resolution was carried almost unanimously, there being only four votes against. On Monday last in Manchester there was a further meeting of the Joint Committee of spinning employers and trade union officials which was set up some time ago to inquire into the depression and make recommendations for the betterment of trade. It was decided that the representatives should report to their respective organisations on the discussions, and it is not intended to call another meeting of the Joint Committee until an application has been received for this to be done from one of the associations represented.

Canada's New Government.—The automatic sequel to the Liberal victory at the Canadian general election has taken place, Mr Meighen resigning the Premiership, and Mr Mackenzie King succeeding him. The latter has lost little time in forming his Cabinet, and the announcement of its personnel has had a quite unusually favourable reception both in Canada and in Great Britain. Of the members about half served in Mr King's recent Cabinet, and of the remainder half served in previous Administrations. Of the men new to Cabinet rank, the most interesting appointments are those of Mr Forke as Minister of Immigration, and of Mr Euler as Minister of Customs and Excise. The entry of Mr Forke into the Cabinet marks the practical fusion of the Liberals with the Progressives, of which party Mr Forke is the leader. Mr Euler, who goes to the Ministry around which so much political fighting has centred, is a German-Canadian, and thus provides Cabinet representation for the considerable German element in the population of the Dominion. One point about Mr Euler's selection is curious in the eyes of observers, for he is a strong Protectionist, and it seems a strange sequel of the victory of the lower tariff party that a man of his views should be posted to the office primarily concerned with Customs duties. But in general Mr King has apparently chosen his team well, and, as he has been given a large majority, Canada is looking forward to a period of capable and stable government. It was feared that the assembly of a new Parliament would prevent Mr King from visiting London for the Imperial Conference. His absence, in view of Canada's implication in constitutional problems that will come up for discussion, would have been very unfortunate. But, happily, it has been made possible for him to attend, Mr Meighen giving a good example of

public spirit in promising that the Conservatives will agree to an arrangement of business which will not call for the Premier's presence at Ottawa during the period of the Conference. Mr Meighen has sprung a surprise by resigning the leadership of the Conservative party as well as the Premiership. He thus chooses to take on his own shoulders the blame for his party's electoral defeat at the polls. Such acts of self-inflicted discipline are rare in politics, as we have been reminded by the electoral history of the last few years in this country. But there is reason to hope that Mr Meighen will continue to occupy a useful and influential position in Canadian public life.

The Trouble in China.—In the following letter, dated September 3, 1926, our Hongkong correspondent throws light on some recent events in China:—"As was the case in July, trade during the past month has been in a state of suspense, and there has been no general resort to smuggling goods through the boycott barrier, such as was carried on with considerable success during the first half of the year. Woollen piece goods are now arriving here in large quantities for the winter season, and, failing the cessation of the boycott, smuggling is the only means of avoiding a serious accumulation of stocks. The Canton Conference, which adjourned on July 23rd, appears to have been abandoned, as no movement towards a resumption has been made by either side. Moreover, at a public gathering two weeks ago, our Governor roundly denounced the Canton Government for allowing the Strike Committee to usurp its authority and functions. The nature of his remarks precludes any further attempt to bring about a settlement by negotiation with the present Canton administration, and his description of the Strike Committee as a group of pirates and bandits aroused a good deal of feeling amongst those who are profiteering by the boycott. The Canton Government went so far as to ordain a week's campaign for the 'Encouragement of the Strikers,' but there was little response on the part of the public to the special collections for strike funds. The strike pickets have now been re-armed, and have been using their weapons to the danger of innocent passers-by. Every night in Canton there is a fusillade in the neighbourhood of the Hongkong steamer, which lies off the Shameen, and Europeans venturing out are exposed to considerable risk. The object of the pickets is to prevent native boats loading country produce for the Hongkong market. There are always large numbers of these craft, and as they creep up under the cover of darkness to the steamer's side the pickets endeavour to stop them by rifle fire. There are usually two or three foreign gunboats in the neighbourhood, but they are unable to interfere, and their work is confined to picking out of the water the dead and wounded Chinese, whose efforts to carry on their ordinary business in face of the boycott have ended in disaster. Swatow, one of the principal Treaty Ports of the South, is now entirely in the hands of the Strike Committee. Despite the utter chaos that prevails there the Maritime Customs Service still functions, and last week-end successfully forced the strike pickets to surrender a consignment of cigarettes which had been seized through the Customs by a German acting as agent for the British owners, and had actually been placed on board. The pickets, who have their own boarding officer, condemned the shipment as contraband, and sent it ashore. The Commissioner of Customs then stepped in, and threatened to close the port if the goods were not returned to the ship. Within 48 hours the order was complied with, and the goods were duly shipped away. The position of the Customs Service in the rebel ports of China is an illogical one, but its authority is respected, thanks to the firm manner in which any encroachment is resisted. At the time of writing attention has been diverted from the boycott to the Civil War now raging in the neighbourhood of Hankow. The rapid progress made by Chiang Kai Shek and his Cantonese troops has completely changed the internal situation. If, as is reported, Wu Pei Fu is a prisoner, and disappears from the scene, then the struggle for supremacy will be waged between Chang Tso Lin on one side and the Christian

neral Feng, with his ally Chiang Kai Shek, on the her. It is presumed that Chiang will not advance north the Yangtze, but will establish himself in Hankow, nding reinforcements, or perhaps a separate expeditionary force, to the assistance of Feng. The intentions

Sun Chuan Fang, who controls Shanghai and the ighbouring provinces, are not clear, but there are possibilities of his casting his lot with Chiang Kai Shek. The nsolidation of these three big forces, two of which are bsided by Russia, is a most serious menace, and, in e opinion of many, intervention by the Foreign Powers nnot be much longer delayed. The restoration of order China is a matter of world-wide interest, and foreign inion here flatly disagrees with Lord Balfour when he

pronounces that China must work out its own salvation. The infinitesimal percentage of the Chinese who claim to represent the nation have no idea of the direction in which they are going, and they are quite blind to the fact that they are mere pawns in the hands of the directors of the world revolution."

The Situation in Greece.—The political life of Greece continues to be troubled by the malady from which it has been suffering for ten years—an inability to forget the past and to think of politics in terms of the present and the future. Though it is now several years since M. Venizelos, realising that he had become a storm-centre,

patriotically retired from public life, and though the unfortunate King Constantine rests in his grave, "Venizelism" and "Anti-Venizelism" are still the rallying cries in the Greek political arena. After the overthrow of General Pangalos—whose dictatorship might be regarded as an extreme form of anti-Constantinianism (so extreme, indeed, that it had attained that plane on which extremes meet)—General Kondylis has put himself at the head of a popular movement in favour of reconciliation and constitutional government. There is every reason to suppose that this movement faithfully represents the present feelings of the great majority of the Greek people. They are all tired of those interminable political vendettas in the internal life of the country, which have so greatly aggravated the calamities produced by foreign wars; and the Anatolian refugees (who amount to about a quarter of the present population of Greece) are particularly eager to see an end of these personal quarrels between the politicians of Old Greece, which are hindering the vital work of economic reconstruction. Hence, when General Kondylis took office the other day on a programme of immediate elections in strict accordance with the existing constitution, there seemed to be some prospect that Greek politics might at last take a turn for the better. That prospect has not yet vanished from sight, but it has already begun to be overclouded. The Constantinian leaders, evidently hoping for a further swing of the pendulum, have now waited upon the President of the Republic, Admiral Konduriotis, and demanded the appointment of a "Cabinet of Work" and the application, in the forthcoming elections, of the simple majority system of voting instead of the system of proportional representation which is at present the law of the land. This is not the right way to get back to the normal, healthy conditions of political life. The only way to achieve this is to keep to the constitutional path without deviating a hair's-breadth either to the Venizelist or to the Constantinian side of it. It is to be hoped that General Kondylis will insist on this, and that he will receive the necessary public support. The Constantinian leaders may be assured that, even if they succeed now in preventing the weary pendulum from coming to rest at mid-point, it will not remain permanently tilted in their favour.

Trade Barriers in Europe.—A very vivid and instructive representation of the obstructions to European trade which have been created by tariffs has been constructed by Sir Clive Morrison Bell, and was on view this week at the Bank of England. The model shows a wall round each country drawn in proportion to the *ad valorem* height of the various tariffs. The calculation of the height of a country's tariff is by no means a simple task, for it involves estimating the price of commodities in order to calculate the incidence of specific duties. Moreover, it is essential to have regard not merely to the goods which enter the country in question, but also the goods which the tariff wall succeeds in keeping out. Our readers will remember that the Balfour Committee on Trade, in a volume published a year ago, made an elaborate calculation which endeavoured to overcome these difficulties, and Sir Clive Morrison Bell has doubtless taken full advantage of the work done by the Committee, and the figures on which his model is constructed tally generally with those and other calculations which have been made. Thus Great Britain and the Netherlands are lowest with an index number of 6; that for Denmark is 7, for Belgium and Portugal 8; France, Germany, and Scandinavia fall in a group of moderate Protectionists with index numbers between 12 and 15; the Central European countries, starting with Austria at 16, Roumania 18, and Bulgaria, 19, rise to 23 for Poland and 25 for Yugoslavia and 27 for Hungary, while extreme protection is represented by Spain with an index of 35 and Russia of 43. The pictorial effect of the model is very striking, the two outstanding features being, firstly, the falling range of tariffs as one proceeds from East to West, starting with the Himalayan barricades of Russia down to the moderate walls (Spain always excepted) of the maritime countries of Western Europe; and, secondly, the dense crowding of high tariff walls in the central section round comparatively small areas which are obviously quite unsuited to be

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regarded as complete economic units. The model in this respect would show an amazing contrast if placed side by side with a similar model for the United States, with its colossal area surrounded by a single wall and no internal barriers. The model is much the best device we have yet seen for presenting at a glance the problem of European tariffs.

Australian Iron and Steel Duties.—Our Melbourne correspondent writes:—The Commonwealth Government, immediately before the rising of Parliament, introduced on August 11th increased duties on iron and steel goods, and although there was practically no opportunity for debate, these duties become operative at once, pending final ratification by Parliament. This was protested against by some of the country members, but without practical effect, and no real Parliamentary discussion will, therefore, take place for some months. The alterations in duties are in the intermediate and general rates, and the British preferential tariff is not touched for the present, though the Minister for Customs, Mr Pratten (an extreme Protectionist) foreshadowed future alterations in the latter, "to safeguard the Australian industry against British competition."

Developing Palestine.—Some years ago Mr Rutenberg's concessions in Palestine and his plans for electrical development in that country came in for a good deal of public notice. Three years ago the Palestine Electric Corporation, Limited, was incorporated in Palestine for the purpose of carrying out his plans. An announcement has been made this week to the effect that the capital required for carrying out the Jordan Hydro-Electric works has been definitely secured, that the preliminary work on the scheme will be commenced shortly, and that the board of directors is receiving distinguished reinforcements in the persons of Lord Reading, Sir Alfred Mond, Sir Hugo Hirst, and Mr James de Rothschild.

Johannesburg Consolidated.—The report of the Johannesburg Consolidated Investment Company—popularly known as "Johnnies"—for the year ended June 30th last shows practically no change in net profits, and the dividend remains unchanged at 15 per cent. We append a four-year analysis:—

	June 30.			
	1923.	1924.	1925.	1926.
	£	£	£	£
Stocks and shares	3,666,030	4,036,270	4,185,970	4,690,540
Mining properties and advances ..	393,110	272,660	145,600	81,900
Real estate and buildings	388,590	357,410	297,090	293,680
Loans on mortgage	141,230	197,050	226,060	211,640
to S.A. companies	284,340			
at short call	390,280	150,720	194,600	104,080
Sundry debtors and dividends	305,880	358,440	416,640	592,530
Cash	369,560	608,970	548,600	63,020
Sundry creditors	1,079,580	869,630	1,342,500	1,214,540
Net profit	£03,840	746,250	744,670	743,540
Dividend	493,750	592,500	592,500	592,500
Rate per cent., tax free	12½%	15%	15%	15%
To reserve		150,000	150,000	150,000
Carried forward	172,240	175,990	178,160	179,200

THE REVENUE.

I.—An ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM in the undermentioned periods of the Year ending March 31, 1927, as compared with the corresponding periods of the preceding Year.

	Quarter from July 1 to Sept. 30, 1926, compared with the corresponding Quarter of the preceding Year.				Period from April 1 to Sept. 30, 1926, compared with the corresponding Period of the preceding Year.			
	Quarter ending Sept. 30, 1926.	Quarter ending Sept. 30, 1925.	Increase.	Decrease.	Period ending Sept. 30, 1926.	Period ending Sept. 30, 1925.	Increase.	Decrease.
	£	£	£	£	£	£	£	£
Customs	25,300,000	25,896,000	..	596,000	51,377,000	50,077,000	1,300,000	..
Excise	32,708,000	32,378,000	330,000	..	63,210,000	61,905,000	1,305,000	..
Motor Vehicle Duties	2,370,000	2,005,000	365,000	..	5,464,000	4,838,000	626,000	..
Estate, &c., Duties	15,720,000	14,520,000	1,200,000	..	28,920,000	29,970,000	..	1,050,000
Stamps	5,390,000	5,670,000	..	280,000	9,010,000	10,160,000	..	1,150,000
Land Tax, House Duty, and Mineral Rights Duty	20,000	30,000	..	10,000	130,000	170,000	..	40,000
Property and Income Tax	49,943,000	54,692,000	..	4,749,000	79,235,000	94,840,000	..	15,605,000
Super Tax	6,340,000	8,060,000	..	1,720,000	20,200,000	25,730,000	..	5,530,000
Excess Profits Duties, &c.	..	..	..	..	2,300,000	6,040,000	..	3,740,000
Corporation Profits Tax	880,000	2,720,000	..	1,840,000	15,770,000	16,250,000	..	480,000
Postal Service	9,070,000	8,000,000	1,070,000	..	2,980,000	2,600,000	380,000	..
Telegraph Service	1,780,000	1,300,000	480,000	..	8,550,000	7,750,000	800,000	..
Telephone Service	4,450,000	3,950,000	500,000	..	610,000	460,000	150,000	..
Crown Lands	270,000	240,000	30,000	..	10,776,000	8,407,931	2,368,131	..
Receipts from Sundry Loans	6,370,778	4,616,228	1,754,550	..	..	..	..	..
Miscellaneous—								
Ordinary Receipts	10,416,572	3,086,160	7,330,412	..	14,521,184	5,472,619	9,048,565	..
Special Receipts	4,390,997	6,681,237	..	2,290,240	9,327,852	18,264,185	..	8,941,333
	175,419,347	174,747,625	12,159,962	11,488,240	322,266,041	343,934,735	15,867,539	37,536,333
							Net Decrease, £21,658,694	

II.—An ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Period ending September 30, 1926, as compared with the corresponding period of the preceding Year.

RECEIPTS.	Period ending Sept. 30, 1926.		ISSUES.	Period ending Sept. 30, 1926.	
	£	£		£	£
Balances in Exchequer on April 1—			Expenditure—		
Bank of England	5,880,249	5,311,778	National Debt Services—	157,610,076	155,409,406
Bank of Ireland	676,684	1,245,322	Interest, &c.	15,375,466	20,561,534
	6,556,933	6,557,100	Sinking Fund	3,944,014	4,237,244
Revenue, as shown in Account I.	322,266,041	343,934,735	Road Fund	4,445,827	4,452,838
Temporary Advances Repaid—			Payments to Local Taxation Accounts, &c.	2,415,914	2,350,617
Under the Unemployment Insurance Acts, 1921	344,000	1,170,000	Payments to Northern Ireland Exchequer ..	..	238,842
Money Raised by Creation of Debt—			Land Settlement	1,266,387	1,299,663
(a) For Capital Expenditure Issues—			Other Consolidated Fund Services	185,057,514	188,549,944
Under the Telegraph (Money) Acts, 1924 & 1925 ..	5,450,000	5,960,000	Total Consolidated Fund Services	185,057,514	188,549,944
Under the Housing Act, 1914	..	6,000	Supply Services—		
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	Army, Navy, and Air Force	54,400,000	54,650,000
(b) Under the Unemployment Insurance Acts, 1921 ..	9,912,431	1,675,000	Civil Services	115,102,537	108,691,339
(c) For other Issues—			Revenue Departments and Post Office ..	29,430,000	28,015,477
By Treasury Bills	1,277,049,000	1,240,448,000	Total Supply Services	198,932,537	191,356,816
By 3½% Conversion Loan	25,079,560	17,650,000	Total Expenditure chargeable against Revenue	383,990,051	379,906,760
By National Savings Certificates	14,350,000	15	Temporary Advances—		
By National War Bonds	20	..	Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	36,891	36,891
By Treasury Bonds, 1925	3,512,150	235,000	Under the Unemployment Insurance Acts, 1921 ..	9,912,431	1,675,000
By 4 per Cent. Treasury Bonds, 1931-33	363,052,000	368,531,000	Issues to meet Capital Expenditure—		
(d) Ways and Means Advances			Under the Telegraph (Money) Acts, 1924 & 1925 ..	5,450,000	5,960,000
Repayments—			Under the Housing Act, 1914	..	6,000
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	127,350	111,043	Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071
In respect of Issues under Section 59 (4) of the Finance Act, 1920	..	9,901,981	Unemployment Insurance Acts, 1921—		
Interest received under Section 59 (5) of the Finance Act, 1920	..	142,853	Repayment of Amounts borrowed	344,000	1,170,000
			Redemption of Debt—		
	2,092,623,704	2,019,412,368	Treasury Bills	1,177,780,000	1,172,195,000
			Principal of National Savings Certificates ..	15,850,000	14,950,000
			Principal of Exchequer Bonds paid off	..	306,567
			Principal of National War Bonds paid off ..	..	8,44,789
			Principal of Treasury Bonds paid off	..	23,645,865
			Ways and Means Advances Repaid	400,492,000	401,845,000
			Balances in Exchequer—		
			Bank of England	8,485,827	8,655,965
			Bank of Ireland	278,725	704,360
				8,764,552	9,360,325
				2,002,623,704	2,019,412,368

MAY—	£	
	Sept. 30, 1926.	Sept. 30, 1925.
Floating Debt outstanding March 31, 1926	704,296,000	..
Ways and Means Advances outstanding—		
Advances by Bank of England	102,001,000	131,271,000
Advances by Public Departments	664,180,000	643,850,000
Treasury Bills outstanding	766,181,000	775,121,000
Total Floating Debt outstanding	1,530,557,000	1,550,242,000
Net Increase	61,885,000	..

* Includes £85,000 the proceeds of which were not carried to the Exchequer within the period of the account. Treasury, September 30, 1926.

The dividend is now paid half-yearly, $7\frac{1}{2}$ per cent., free of tax, having been paid in December and June last. The latest allocation, to reserve raises it to £700,000. Profits realised on stocks and shares, dividends, and sundry revenue totalled £773,744, against £775,835 a year ago. The report mentions that the financial resources of the company have enabled the directors to acquire "new and promising interests." This is reflected in the increase of over £500,000 in the holding of stocks and shares, which stand in the books at or under the market prices ruling as at June 30th, no credit being taken for such as figure under their market valuation. The report also refers to the "beneficial effect" of the new Diamond Syndicate. The company has acquired a controlling interest in the Potgietertrust Platinums, Limited, which the directors consider "promises to be the most important producer" of platinum. A trial reduction plant is in course of erection, and is expected to be working at an early date.

Oversea Correspondence.

UNITED STATES.—BANK RATE PROSPECTS AND THE SHARE MARKET—STEEL INDUSTRY—CROPS—FLORIDA STORM LOSSES.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 21.

DEVELOPMENTS in the markets during the past week have followed expectations with reasonable closeness. Following the September 15th tax date, the usual ease appeared in the call money market. But this ease, as had been anticipated, proved transient, the call rate on the New York Stock Exchange firming up to $5\frac{1}{2}$ per cent. This firming up occurred, consistent with theory, at the time when the commercial demand for credit on account of autumn business began to develop. It would appear that the argument that the higher bank rate, which went into effect in August, would become effective when the autumn expansion occurred, has been justified. Already there has been much talk of a further advance in the bank rate. Such an event certainly is within the bounds of possibility, as the open market has crept up again to what amounts to a parity with the official charge. For the time being, however, the feeling is that further action at New York will be delayed, and that any fresh initiative in the matter is likely to be taken by one of the other Federal Reserve banks. It is realised that the Federal Reserve authorities probably have little desire for dear money *per se*, and that the speculative appetite has received a pretty definite check. At the same time, it is thought that the authorities are not likely to disregard the lead of the open market as they did last autumn, and that any recrudescence of speculative activity would call forth corrective action.

Meanwhile, the share market has continued irregular, with prices swinging backwards and forwards over a moderate range, and with activity also moderate. Railroad shares have remained consistently firm, being supported by the record-breaking traffic movement and by the high level of earnings. Car loadings broke all records in August. As the loadings are still setting records in September, a continuation of the good earning reports is expected. Industrial shares have been highly irregular. Those of the General Motors Corporation (selling *ex* a 50 per cent. stock dividend) have risen to above 150, a price which corresponds to nearly 240 for the old stock, and a new high record. This advance is a response to the remarkable record-breaking sales during August, which point to a continuance of the great earnings of the first half-year. On the other hand the quarterly earnings statements of some of the other automobile companies reflect the keen competition that prevails in the industry. Hudson profits, for example, shrank from nearly \$7,000,000 in the August 31st quarter last year to less than \$2,000,000 in the corresponding quarter of this year. Taking industrial shares as a whole, the market has made a triple top during the last month or so, bullish enthusiasm has been

chilled, and a considerable inclination to trade on the short side has been built up. Meanwhile, brokers' loans have gone on increasing, a circumstance that in some quarters is interpreted as indicating distribution. In the week ended September 15th the increase amounted to \$57,000,000, the significance of this figure being influenced somewhat by the approach of the tax date. In any event, this increase brings the total as reported to the Federal Reserve Bank up to \$2,820,000,000. This figure is \$412,000,000 above the low touched on May 19th, and is \$321,000,000 below the high recorded on January 6th.

Conditions in the steel industry continue remarkably stable. Prices are steady, and production is holding close to the level of the past month or so. The steel makers are optimistic, but are not inclined to try to forecast very far ahead. Some decline in speculative building is being noted, and this is finding a reflection in the truck business. Some of the more conservative truck manufacturers also feel that credit has been too liberally extended in both the truck and bus businesses, and that a phase of readjustment, which will have a healthy effect on the industry, has been entered on.

Nothing has happened to upset the view that the crops generally will be satisfactory. Cotton prices have worked into new low ground, partly on account of hedge selling against the new crop and partly because recent claims of crop damage do not seem to be borne out. Commodity prices as a whole still reflect the absence of inflationary tendencies. The Bureau of Labour statistics index for August, at 149 per cent. of the 1913 average, was 1 per cent. lower than for July. In August of last year this index stood at 160. The latest decline is due principally to weakness in farm products and food. All of the industrial groups were either unchanged or slightly higher.

Much attention has been attracted by the severe storm in Florida. Although it is too early to secure accurate data, it is safe to say that the insurance losses will be relatively small, as the devastated district was not well covered with tornado insurance. In no respect can the present disaster compare, as far as possible disturbing effects on the securities markets are concerned, with the San Francisco and Galveston disasters. As a matter of fact, the markets have paid little attention to the catastrophe. Doubtless, however, the damage will tend to hasten the liquidation of a collapsed boom.

Stories of the possible flotation in this market of German railroad securities for the benefit of the Allies recently have been revived, but apparently with no better foundation than on the previous occasions when these stories have been circulated. Our bankers regard such projects as premature. They point out certain of the difficulties that stand in the way, such as the fact that the securities are mark securities, the necessity for agreement among all the Allies, and the large potential supply of additional securities of the same kind that might be offered.

FRANCE.—ADMINISTRATION ECONOMIES—BANK OF FRANCE BUYING GOLD—EXPORT PRICES—TELEPHONE CONTROL.

(FROM OUR CORRESPONDENT.)

PARIS, September 29.

FURTHER economies in expenditure for administrative purposes have been decreed this week, and it is now becoming clear that the pressure of financial circumstances is opening the road to departmental reforms of a far more sweeping character than had been anticipated. It has been the dream of many modern French statesmen to find means to institute reforms in the administrative machinery of the country that would render it more suitable to present-day conditions. Hitherto, however, the inertia inseparable from all-powerful local interests has rendered all attempts in this direction hopeless. In many respects, in spite of the extraordinarily able recasting of the administrative system that was carried out by Napoleon I., the average French public servant remains exactly what he was under the *ancien régime*, and is a complete stranger to modern ideas of efficiency, initiative and personal responsibility. The plans which are now being worked out for the industrialisation of the tobacco monopoly will prove, it is hoped, to be the forerunners of others for the complete

modernisation of the various departments of the State, with the triple object of securing economy, efficiency and a higher sense of personal responsibility. M. Poincaré has now announced further proposals involving the suppression of a further 153 local Treasury offices, which, it is assumed, have become unnecessary. The suppression of these 153 "recettes" will enable the number of local Treasury officials throughout the country to be reduced by over 700.

The event of the week has been the resumption of the buying of gold by the Bank of France. The bank is acting under a special decree, which authorises it to purchase coined gold and silver on the basis of 114f 60c per louis d'or or 20f. The object of this step is two-fold; first, to enable the Bank to increase its reserve of precious metal, for the purpose of enabling it more effectively to support the franc, and secondly to entice out of its hiding places the enormous mass of gold which is still being hoarded by the population. It will be remembered that during the war the Government appealed to the population to hand in their gold at the Bank as a patriotic duty, and that those who so acted were handed a certificate testifying to their public spirit. There are now widespread complaints to the effect that people who, at the time of the armistice, refused to fulfil their duty by selling their gold at the rate of 5f 50c to the dollar, should now be receiving 35f to the dollar. Against this it is argued that people who take this view seriously misunderstand the facts. Those who patriotically exchanged their gold at the time of the armistice, as a matter of fact, received for it paper francs that had a purchasing power of 90c each, whereas to-day the franc is worth only 15c. In other words, those who sold a louis representing 20f in 1919 received 360 sous for it, whereas those who are now bringing out their hoardings in response to the offer of 114f for a louis are receiving only 342 sous for them. The notes that are being given in payment for the gold are not to be regarded as forming part of the total note circulation, it will be recalled, as each is covered by gold to its full nominal value. By this means, it is held, the trading public will be furnished with the increased number of notes which it requires, in consequence of the higher commodity prices prevailing, without foundation being given for any allegation of further inflation.

The deadly logic of the foreign trade returns is at last arousing the French trading community to the realisation that the country is being impoverished through the practice that has prevailed, since the depreciation of the franc became serious, of allowing export prices to remain appreciably below those prevailing in sound-money countries. Expressed in francs, the value of French imports during the first eight months of 1926 was 54 per cent. more than during the corresponding period of 1925 (while the total tonnage was less than 1 per cent. more), whereas the total value (in francs) of the exports was only 32 per cent. more, in spite of an increase of 8 per cent. in tonnage. Measured by the monthly quotation for the dollar in Paris, the gold value of exports of manufactured goods, which amounted to 645,577,000 gold francs in January, 1925, fell to 551,368,000f in December, and by the end of June to 452,819,000f. If the value of the exports, as measured by export prices, had increased in the same proportion as those of the imports, the eight months' exchanges should have resulted in a favourable balance of over 5,000,000,000f, instead of a deficit of 2,650,000,000f. The returns show that French exports yielded a total of 9,042,500,000f more during the first eight months of 1926 than in the corresponding period of 1925. As a matter of fact, exporters received less in pounds and dollars for their goods, owing to the fall in the purchasing power of the franc, during the same period from 100 to the pound to about 175, while they had to pay for raw materials of foreign origin at constantly increasing prices in francs. There are now indications that exporters are awakening to the real situation, and are beginning to adjust prices to world parities. In the Toulouse region, for instance, manufacturers and merchants are grouping themselves into syndicates for the purpose of placing prices on a more rational basis. Retail traders are adopting a similar policy for the purpose of bringing domestic prices into line with currency factors. The retail section of the Comité Technique de l'Alimentation, at a meeting held at the Ministry for Commerce, decided to organise a

Bureau of Economic and Price Records, under the direction of Professor Roger Picard, of the Faculty of Law. This Bureau will centralise information of all kinds concerning home and foreign prices and kindred subjects, with a view to the development of a coherent policy of prices.

Progress is reported to have been made recently towards the carrying out of the project of the American concern known as the I.T.T.C. (the International Telegraph and Telephone Corporation) for securing control over the French telephone undertakings. These, as is known, form part of the postal monopoly. It has been rumoured for some time that there is a possibility of the telephone system being handed over to private industry, for a long term of years, with the double object of (1) enabling the Treasury to secure a substantial sum in immediate ready cash, and (2) to ensure a complete reorganisation of the French telephones, which are deplorably unsatisfactory from the practical point of view. The French telephone industry is chiefly in the hands of four leading concerns—the Thomson-Houston Company, the Société Ericsson, the Société Industrielle des Téléphones, and the Société du Matériel Téléphonique. The latter is an offshoot of the American concern, the Western Electric. Towards the end of 1925 the I.T.T.C. (the operation being financed by a loan issued by the Morgan Bank) acquired from the Western Electric the whole of the latter company's plant outside the United States and Canada, and thus secured control of the Société du Matériel Téléphonique. The latter, like the other three French companies named, is one of the tenderers for the supply of 40,000 automatic telephone lines which it is proposed to install in Paris as the first step towards the introduction of the automatic system in the capital. In order to secure this important order the I.T.T.C. is reported to have recently acquired the majority of the shares in the French Thomson-Houston Company, which holds the sole right to manufacture in France the Strowger system of automatic telephone appliances, which is the system for the installation of which the recent tenders stipulated. The effect of these operations, apparently, has been to eliminate the element of competition and largely to ensure American success. The effort of the Americans is significant when taken in connection with the recently cabled statements to the effect that the Morgan group has offered the French Government a substantial loan on condition that the administration, supply of materials, and control of construction and exploitation of the telephones in the Paris area be handed over for a term of years to the I.T.T.C. The same American concern, it is announced here, has already secured control over the telephone system for the whole of Spain, by virtue of a Royal decree conceding the entire monopoly to the Compania Telefonica Nacional de Espana, which is a subsidiary of the I.T.T.C.

GERMANY.—AGREEMENT WITH FRANCE—CREDIT—INDUSTRY—IRON AND STEEL—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, September 29.

ON the financial aspect of the "Peace of Thoiry" opinions differ very much. An objection of principle made in most quarters is that any mobilisation of Dawes securities, whether railway or industrial bonds, would prejudice the definitive settlement of the Reparations question by substituting private foreign creditors for the Reparation Commission. As long as Germany's total indebtedness for Reparations is not fixed, such a substitution is considered inadvisable. The Dawes Plan was tentative and experimental; and although as compared with the original fixed claim made by the Allies the Plan was popularly looked upon as an abatement, this is not formally the case, and Germany's ability to execute it is still in doubt. When the question of definitively fixing the claim is taken up, other views than the present may exist not only as to Germany's payment ability, but also as to the relative advantages and disadvantages of Reparations itself. Were the bonds mobilised and converted into private property nothing could modify that part of the claim upon Germany. On transfer possibilities the former Minister of Industry, Dr Julius Hirsch, writes relatively optimistically. Government circles and most financial experts have always

regarded the coming of the cash transfer period with anxiety. In view of the condition of the finances and of the relatively rapid re-accumulation of capital, the internal burden of a home loan for the Saar and Eupen-Malmedy parts of the proposed transaction could easily be borne, or, at least, the Government could substitute a home loan for the foreign loan for domestic purposes which has been pending since last spring.

The condition of foreign trade and of the foreign-payment balance does not indicate that the interest on two new foreign loans could easily be paid. The Institute for Trade Conditions Inquiry, which is attached to the Federal Statistical Bureau, publishes some material enlightening transfers in general. It shows that in the period January, 1924, to June, 1926, there was a deficit on foreign trade (net, after allowing 813 million marks active for Reparations deliveries in kind) of 3,183 million marks. The Reparations total on the passive side was 1,498 millions. The net receipts for services (shipping freights, &c.) were 423 million marks. Allowing for the movement of precious metals and legal-cover exchange, there was a deficit of 5,585 million marks on the payment balance, which was balanced by the net movement of capital. In this movement the items are: publicly issued long-term loans, 2,544 million marks; other loans, 190 million marks; wares credits, 340 million marks; active balance on sales and resales of German real estate and securities, 170 million marks; return of hoarded bank-notes (all in 1924 or 1925), 1,200 million marks; and other capital movements, foreign credits, and foreign investments in Germany, 1,625 million marks active, against which were 37 million marks paid to abroad for amortisation of long-term loans, and 345 million marks movement of the free (not legal-cover) exchange holdings of the Reichsbank. Most of these figures are estimates. The process of return of German capital holdings abroad is stated to have been practically completed. In the first half of 1926 (with a foreign trade surplus of 1,047 million marks) the payment balance on all items, with the exception of movement of capital, was 559 million marks active.

The mobilisation of the railway bonds would, of course, only be an acceleration of a transaction proposed from the first; and the Trustee in his last report of June, though he thought the moment unfavourable, expressed the view that a good reason for mobilisation lay in the possibility of thereby helping to stabilise European currencies. It is assumed that although the German interest liability to abroad on the partially mobilised bonds—about 1,300 million marks—would not exceed 80 million marks, and therefore would be a small factor in the general passivity of the payment balance, foreigners would not invest in the mobilised bonds unless given a formal priority like that attached to the Dawes 800 million marks loan. Doubt is expressed whether, in the present state of the international capital market, and in view of the high prevailing interest rates, 5 per cent. bonds, even although issued at a heavy discount, would look attractive; and whether mobilisation would not be easier and more profitable some years hence, when there is a prospect that 5 per cent. may be the normal rate for a German investment of this high degree of security.

Money has been very plentiful. Day rates, the drop in which proceeded no further in July and August, fell further last week, and reached 3-5 per cent.; and this week the rate has risen only about 1 per cent., in preparation for the month-end settlements, which will present no difficulties. Month-money rates have slightly risen. There is no appreciable increase of the demand for money by industry or trade. A good deal of the day-money available cannot be placed. The new abundance of money is apparently due in part to the flood of foreign credits, and in part to the increasing cash holdings of public bodies, which still act as chief feeders of the money market. The Reichsbank's deposits on the 23rd stood considerably higher than at the same date of any recent month. The yield of the new Prussian foreign loan, and of the Siemens foreign loan which will come in in October, will probably cause still greater fluidity, and in general no stringency is expected in the next few months. The Reichsbank director, Dr Schacht, has made an important statement concerning Bank policy and borrowing. The considerable increase in Reichsbank

circulation—300 million marks between June 23rd and September 23rd—is mainly, said Dr Schacht, due to the incoming of foreign credit, which has correspondingly shown itself in the gold and exchange reserve. The Reichsbank has continued its policy of converting exchange into gold. The increase in circulation so far has been unobjectionable, but it is undesirable that foreign money should come in at a pace exceeding the development of home business. "The increase in Germany's currency circulation has been, in general, caused not by growing production, but by the too liberal acceptance of foreign credit. This development is the cause why the Reichsbank recently abandoned its practice of maintaining the dollar exchange at a fixed price (parity), and entrusted its exchange to the free market. By this means the Reichsbank acquired the possibility of using its influence against a too copious flood of foreign capital." At the time the Reichsbank's step was attributed to a temporary cause, the excessive offers made to it in a particular week of foreign exchange. Dr Schacht denied rumours that the bank proposes to coin gold. "In this question the Reichsbank shares the view of other important countries that the accumulation of gold in a note bank, with occasional free surrender of gold for foreign payments whenever the rate of exchange so demands, is a more satisfactory form of gold currency than the saturation of business with coined gold." Judged by this and other utterances, the Reichsbank considers a reserve which would merely provide the bare gold cover required by the Bank Law of 1924 to be insufficient, and will continue slowly, and when the market is propitious, to convert its foreign exchange holdings into gold.

Unemployment has further declined. Publicly supported unemployed on September 15th were 1,484,000, against 1,549,000 on September 1st. Bankruptcies continue to increase, being 124 in the fourth week of September, against 119 in the second week, and a minimum of 61 in the first. The textile industries have of late supplied from a quarter to about a third of all bankruptcies. This seems to be due to old credit difficulties. The last weeks have witnessed a further improvement in the textile home market, and exports of finished textiles have been increasing for some months. In the months June to August the values of exports of most kinds of yarn and cloth exceeded the average monthly values of 1913. Woollen cloth exports have, in particular, risen. East Europe, South America, and Asia are showing increasing interest in German cloth. The potash industry reports declining business. On the basis of returns so far the year's total sales will not exceed 1,050,000 metric tons (calculated in pure potash), against 1,224,000 tons in 1925. A renewed attempt is being made to raise potash prices, and a new struggle for control is reported to be proceeding in the leading Wintershall concern. The building record for the first half of 1926 shows a heavy decline in the number of new industrial and commercial constructions, a result of the business depression; whereas the number of new dwellings increased considerably.

The Ingot Steel Syndicate is retaining for October its 30 per cent. reduction of output. The real output of late seems to have exceeded this ration. Since the maximum reduction rate (35 per cent.) was altered, the monthly output has increased very largely. In August crude steel output was 1,141,316 metric tons, against 899,087 tons in August, 1925; and the output of rolling-mill products was 907,510 tons, against 868,900 tons. Both figures are much in excess of those of August, 1925, but they are behind those of March, 1925, when production was highest. Steel output in the first eight months of 1926 was 7,460,417 tons, against 8,763,832 tons in the same months of 1925. The joint American-German Commission which has been considering the German Steel Syndicate "export bounties," which led to a United States threat to impose countervailing duties, has rendered a report, which is not yet published. It is understood that no new facts were unearthed; the "bounty" system consists merely in rebates equal to the difference between the higher German home prices and the lower "world-market" prices being granted by the Steel Syndicate to native consuming manufacturers on steel bought for conversion into export goods. As the "world-market" prices (i.e., prices as determined by France and Belgium)

have of late risen, while German home prices remain unchanged, the bounties have been automatically reduced; and if the international Steel Syndicate comes into being the disparity will entirely disappear. Whether the German rebates, which are a matter of private arrangement between two industrial groups, are really bounties is a question of definition. The Americans object in particular to the extension of the rebates to steel rails, as a result of which an American railway company lately gave a considerable order to Krupps. German exports of rails and other permanent way material have greatly increased, being 88,134 tons in 1924, 404,401 tons in 1925, and 246,787 tons in the first half of 1926.

As a result mainly of cheap money, the Bourse has been firm in the last few days; but only steel-coal stocks have risen considerably. The Deutsche Bank's monthly report describes the dullness and decline in quotations which began in the last week of August as being a "digestion pause," due after the rapid upward movements of the preceding weeks; and there are other indications that despite the low dividend yield at present prices of the leading stocks the public is still willing to buy. This attitude towards stocks in spite of the high yield of fixed-interest securities is characteristic of all Central Europe.

ITALY.—COLLAPSE IN STOCK MARKETS—DEFLATION POLICY: CONFLICTING VIEWS.

(FROM OUR CORRESPONDENT.)

TURIN, September 29.

THE deflationist policy announced at the end of August effected something like a stampede in the Stock Exchange markets. Here is a comparison between the closing prices of August (before the news of the new policy) and September prices:—

	Closing Prices for August.	September 28.	Decrease Between Closing Prices for August & September 28.
5 % Consols	89.50	86.90	2.60
3½ % Consols	67.00	66.85	0.15
Bank of Italy	2,530	1,910	620
Banca Commerciale Italiana	1,360	1,024	336
Credito Italiano	874	705	169
Mediterranean Railways Co.	372	340	32
Meridional Railways Co.	750	660	90
General Navigation Co.	644	560	84
Italian Gas Co.	334	260	74
North of Italy Electricity Co.	298	280	18
Sip (electricity)	188	159	29
Vizzola	1,070	870	200
Terni (iron, steel, & electricity) ..	490	410	80
Fiat (motor-cars)	534	378	156
Monte Amiata (mercury mines) ..	400	325	75
Montecatini (fertilisers and chemicals)	240	215	25
Beni Stabili (real estate)	716	580	136
Bonifiche Ferraresi (agricultural land)	546	430	116
Snia (artificial silk)	276	189	87
Châtillon	190	125	65

It is very difficult to say whether so general a collapse was due more to the technical position of the market or to views of the outlook. The stock markets were in an unsound position; too many securities recently issued (the share capital of joint stock companies having increased from 28,260 million lire at December 31, 1924, to 38,897 million lire at July 31, 1926) were left on the hands of underwriters or Bourse operators, failing to be finally placed with firm holders. These fluctuating securities are easily affected by new facts or fears. The theory, on which the bears acted, was this time the inevitability of an industrial crisis and of credit restriction in consequence of the new official deflationist policy. If the lira is to recover from the present level of 18 gold centimes to 20 or 25 or 50, and some even said 100 centimes, a period of dwindling profits or of losses is in sight. Capital values must contract. Industrial concerns capitalised on a basis of 500 lire per share, when the lira is the equivalent of 20 gold centimes, must be scaled down to 200 lire per share if the lira rises to 50 centimes, and to 100 lire if the lira reaches the 100 centimes parity.

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So runs the bearish theory. The reply of the financial Press is that the aims and effects of the Government deflationist policy are greatly exaggerated. Deflation must come, but will be gradual, and be accomplished with due regard to industrial needs and labour employment. The total (banking and State) circulation, which was 20,428 million lire at July 31, 1926, and diminished to 20,076 millions at August 31, will be further reduced by 1,400 million lire before the end of October; but the public need not fear too great a restriction on account of this reduction, as, for various reasons, the notes to be burned had a more or less sluggish circulation. Moreover, the Government was alive to the industrial necessities, and fixed the normal limit of "commercial" circulation at 7,000 million lire, with a supplementary amount of 1,000 million lire, to be issued subject to a tax equal to the whole official rate of discount, plus one-third of it. If to the 8,000 million lire of "commercial" circulation we add other existing amounts, which remain provisionally authorised (State silver coins 1,700 millions, circulation on State account 4,230 millions, circulation on account of the Morgan fund transferred to the Bank of Italy 2,500 millions, circulation on account of the industrial securities Consortium 3,000 millions, circulation on account of the old Banks of Naples and Sicily reserves 1,500), we reach a grand total of 20,900 million lire. This is a theoretical maximum, which will not in practice be reached, but which demonstrates that in case of emergency the Bank of Italy can come to the rescue of industry and of the financial markets with liberal loans.

Notwithstanding all these demonstrations that deflation will come gently, without undue hurry, financial markets remain in a desponding mood. What they would like to know exactly is the limit of the deflation policy. Will the deflation be indefinitely pushed on until the lira regains the old parity, or will it be stopped before? If so, is the intended limit 20 or 25 or 50 centimes? According to the reply given to the above question Stock Exchange quotations must be regulated. No matter what the number of years during which the deflation takes place, if the lira is to be revalued from the present 19 to future 50 centimes the present 500 lire price of a share should be reduced to 200 lire. The slower the process of deflation, the more drastic should be the reduction of Stock Exchange quotations, as industrial concerns will have before them a vista of many lean years.

This theory of the desirability of announcing at once the limit of deflation is not accepted generally by financial writers, among whom the current doctrine is as follows:—The Treasury and the Bank of Italy are acting very judiciously in not disclosing the limit of revaluation. Even if they have fixed the limit—say 25 centimes—they must publicly state that they aim at an indefinite revaluation. If the public interprets them as aiming at a return to old par, so much the better. Speculative sellers of lire will take fright and cover themselves. Italian industrialists, who in past years sold goods against dollars and sterling, and kept big balances in Zurich or London or New York, will be obliged, as in Germany, by the dearth of money to sell their dollars or sterling with a view to keep their business running. The lira will be improving, and, without sacrifice by the Treasury, will come near to the secretly proposed limit. Once this is reached, the Treasury can publish its plans and its monetary policy. The problem is highly controversial, and, without presuming to solve it, I have merely attempted to describe the conflicting opinions current in financial circles.

DENMARK.—TRADE SITUATION—EXPORT SURPLUS—CROP DISAPPOINTMENT—NOTE CIRCULATION.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, September 11.

THE Danish trade situation has not altered appreciably since the publication of the last semi-annual price-index, which, through the reduction of the wages of labour by 5 per cent., brought about a corresponding reduction of the cost of production. A heavy depression still prevails, and the number of unemployed is considerable—about 49,000, according to the latest report. The autumn sessions of the "Rigsdag," commencing early in October, are looked forward to with some excitement. There is no doubt that trade policy questions will dominate the sessions, and the taxation problem will be a very prominent subject for discussion; but the entire political horizon is otherwise rather obscure, as the tension between the Socialistic Government and its radical supporters has increased. From industrial quarters it is continually maintained that protective Customs measures in the form of a so-called "Kriseværn" (emergency-protection) will be required, and these wishes have met with some support from labour quarters, while as yet the policy of the Government is not quite clear and the political possibilities for "emergency measures" have not been elucidated.

Wholesale prices have shown a rising tendency from July to August, the official figures rising from 158 to 162. However, this is principally due to the group "fuel and lubricants," which showed a rise from 140 to 163 as a consequence of the effects of the coal strike in England. Otherwise only animal food and chemical-technical goods show increased prices. As a consequence of reduced supplies, some scarcity of coal has made itself felt in this country. During July coal imports were still further reduced to 104,471 tons, against 111,234 tons in June. During July last year imports of coals were 306,538 tons, or practically three times as much as this year, which shows the restriction caused by the strike.

From the detailed figures it further appears that the imports from the U.K. have been reduced to a minimum. From Northumberland and Durham the shipments were 100 tons, while the total shipments from all the British districts, usually shipping coals to this country, were about 7,000 tons during June. From Germany the shipments were 34,663 tons, against 35,404 tons during the preceding month.

During July imports of all kinds of goods were at a minimum. The total imports during the said month amounted to 107,000,000 kr only, against exports to the total value of 126,000,000 kr, of which 9,000,000 kr were re-exports. The total result for the month was thus an excess of exports of 19,000,000 kr. For comparison it may be mentioned that during June imports amounted to 134,000,000 kr, against total exports of 128,000,000 kr, the result for the said month being an excess of imports of 6,000,000 kr. Each of the preceding months showed excess of exports (3,000,000 kr for May and 22,000,000 kr for April), while in March the excess of imports was 1,000,000 kr only. Total imports during the first seven months have amounted to 909,000,000 kr, while the exports have aggregated 910,000,000 kr, the net result thus being an excess of exports of 1,000,000 kr, while for the same period of last year there was an excess of imports of about 72,000,000 kr. Even in 1925 some of the months showed a balance of trade in favour of Denmark, but it has not happened for many years that a period of any length has shown an excess of exports.

The harvest of cereals is now practically finished, and the return of grain can be judged on the basis of threshing results. It proves that on good soil the quantity of grain is quite out of proportion to the bulk, and that it fails to such an extent that the crops are estimated to be substantially below the average. On poor soils the crops correspond better to expectations, but even here the estimate is below that last reported. The result of the estimate as at September 1st is that the principal crops on the islands are expected to be, on the average, 5 to 15 per cent. below the normal, while in Jutland the returns are estimated to be about, or just above, the average. The disappointment as regards the crops will be serious to many farmers, who are affected by the pre-

sent depression. Agriculture is also affected by the continued weak butter market, partly consequent upon the coal strike in England, and the position is accordingly rather unfavourable, even though agriculture still shows power of adaptation to the difficult conditions.

The reduction of the note-circulation continued during August, even at an increased rate, and according to the figures supplied by the statistical department of the Landmandsbank, the average for this month was as low as 357,300,000 kr, or 15,500,000 kr below that for July, which was the previous low record. As compared with August, 1925, there has been a decline of 66,200,000 kr, the average note circulation being then 423,500,000 kr, while as far back as August, 1924, the note circulation was 451,300,000 kr, or as much as 94,000,000 kr more than this year.

ARGENTINA.—GENERAL DEPRESSION—LOWER EXPORT VALUES: A CAMPAIGN FOR LOWER FREIGHT RATES—THE OUTLOOK.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, August 29.

THERE are two sides to the situation as it presents itself in Argentina to-day. To take first that one which is forcing most attention on the average business man, there is still no sign of any rift in the clouds which have been hanging over trade and industry for some months past. Everywhere merchants and shopkeepers are pulling long faces and complaining of bad times. What free money may be in circulation is mostly going into securities, and especially the Mortgage Bank cedulas, though the better-class industrial issues have not been without a fair meed of support. The bankruptcy return for July showed a rising number of firms in difficulties, the declared liabilities, \$16,491,348, being the highest figure yet recorded this year, and comparing with \$12,097,005 in June, \$8,863,810 in July, 1925, and \$5,109,022 in July, 1924. These figures of liabilities, which take no cognisance of a large increase in the number of private arrangements, bring the total for the year up to \$95,753,485, as against \$66,859,996 in the corresponding period of 1925.

There is nothing really surprising in this phenomenon of stagnant trade when the circumstances are taken into account. The immediate cause, as previously explained, is the over-importation which continued well into the present year. The general imagination had been so intrigued with the prospect of 1926 as an *annus mirabilis* in the financial history of this country that orders poured out for shiploads of merchandise, which the far too large multitude of traders are now contemplating ruefully in their warehouses and on their shelves. This is not going to be such a disastrous year for Argentina as many concluded when the first unfavourable symptoms came in the nature of a cold douche, but, for all that, there are some sadly disappointing factors. For one thing, the price of grain is far below that of last year. Then wheat is moving forward more slowly, though there have been heavier shipments of maize, linseed, barley, and oats, while the figures relating to the meat industry, both as to exports and prices, also compare unfavourably. The British coal stoppage, moreover, is reducing the tonnage supply and sending up freight rates. Perhaps the clearest idea of the situation can be gathered from the following table compiled by the National Statistical Department, showing the exports from January to June, as against the figures for the corresponding half of last year:—

EXPORT VALUES in \$ GOLD.				
Produce.	First Half, 1925.	First Half, 1926.	Difference.	%
Pastoral	212,591,160	178,047,469	-34,543,691	-16.2
Agricultural ..	267,191,338	251,328,354	-15,862,984	-5.9
Forestral	10,963,633	9,463,834	-1,499,799	-13.7
Other	6,938,353	7,625,558	+ 687,205	+ 9.9
Totals	497,684,484	446,465,215	-51,219,269	-10.3
EXPORT VOLUME in TONS.				
Produce.	First Half, 1925.	First Half, 1926.	Difference.	%
Pastoral	798,951	751,233	-47,718	-6.0
Agricultural ..	4,409,637	5,284,030	+ 874,393	+ 19.8
Forestral	217,914	156,417	-61,497	-28.2
Other	248,278	252,647	+ 4,369	+ 1.8
Totals	5,674,780	6,444,327	+ 769,547	+ 13.6

Letters to the Editor.

BUILDING SOCIETIES AND SUPER TAX.

TO THE EDITOR OF THE ECONOMIST.

SIR,—“Notes of the Week” in your issue of September 11th contain a paragraph which is not, I submit, a fair statement of the position. The overwhelming majority of investors in building societies throughout the country do not get 5 per cent., free of tax, for their money. That rate is advertised by a few societies (chiefly London societies), but many others do not offer so high a rate.

With regard to income-tax, your note seems to convey the wrong impression that no tax at all is paid on building society interest. The present arrangement between the Inland Revenue and building societies is given below:—

“1. The society consents to be directly assessed to income-tax under Schedule D upon the amount credited in the year preceding the year of assessment for, or in respect of, dividends on shares, bonuses, and deposit or loan interest:—

“(a) In respect of any deposit, loan and/or shares of £5,000 or more, in the aggregate, of any depositor, lender, or shareholder.

“(b) In respect of any deposit, loan and/or shares of whatever amount held by, or on account of, or in trust for any limited liability company or other incorporated company or society.

“(c) In respect of any other deposit, loan and/or shares.

“In regard to (a) and (b) on the full amount and at the standard rate of tax, and in regard to (c) on one-half of the full amount, and at one-half of the standard rate of tax.

“In consideration of such direct assessment:—

“2. All property owned by a society, whether let or whether occupied by the society for administrative purposes, and also all property in the society's hands, as mortgages in possession, is to be exempted from income-tax, Schedule A, except as to ground or lease rents, if any.

“3. A borrower who has no taxable income is not to be charged for mortgage interest; if charged, the tax assessed in respect of the mortgage interest is either to be allowed as a double assessment, or repaid by the Commissioners of Inland Revenue.

“4. A borrower who has taxable income is to be relieved from the tax applicable to mortgage interest. Application for relief is to be made to the Inspector of Taxes, and to be supported by a certificate from the secretary of the society as to the amount of mortgage interest paid for the year of assessment. If the application is made before the payment of the tax, relief is to be allowed from the assessment, and if made after payment, relief is to be allowed by way of repayment.

“5. Investors, depositors, and lenders are not to be charged for the dividends or interest they receive; if charged, on proof thereof, they are to be entitled to relief. No repayment of tax is to be made against income derived from investments in, or deposits or loans with, the society, and no certificates of payment of tax in respect of such income are to be issued by the society.”

I would point out that interest paid on shares or deposits over £5,000 is charged at the full rate of tax, as is also all interest paid to corporate bodies, no matter how small their investments may be.

It is contended by building societies that the tax charge they bear in respect of investments of small people not liable to tax is more than adequate compensation to the Inland Revenue for the special tax rate on their larger investments within the agreed limits.

Interest from building societies is, of course, properly returnable for total income purposes and for super-tax assessment. It is, in fact, dealt with exactly in the same way as interest on tax-free 4 per cent. War Loan.—Yours faithfully, September 13th, 1926. BUILDING SOCIETY.

[The position is as stated by our correspondent. But he has somewhat misinterpreted our Note in the issue of September 11th. It did not profess to outline all the varieties of societies and the varieties of strict return to their depositors. It was directed to the narrow point of the suggested evasion of super-tax by the use of this class of investment. We did not mean to suggest that no tax at all was paid on building society investment; the Note referred to the agreement, and assumed that readers of the *Economist* were familiar with its terms. We pointed out in reply to critics that provision had been made to safeguard supertax revenue against two forms of evasion; it was, therefore, entirely in the interests of the building societies, since their excellent work would be prejudiced if any section of the public had grounds for believing that they facilitated tax evasion. The Note, we may add, was based on information drawn from authoritative sources.—Ed. *Econ.*]

Books and Publications.

THE CRIME OF SERAJEVO.*

FOR over twelve years the world has discussed the causes of the war. The bitter debate has gradually softened into a more scholarly inquiry, and, as the passions loosed in 1914 have slowly calmed, closer and more impartial study has won an even truer account from the swelling stream of official and unofficial documents and memoirs.

Dr Seton-Watson's book contains probably the most careful, detailed and objective existing English survey of the murder of the Archduke Francis Ferdinand, and also a most searching examination of the motives and intentions of Austria's and Germany's subsequent policy towards Serbia. It is hard to believe that evidence may still remain undisclosed which will materially alter Dr. Watson's main conclusions. The murder was due to the hatred of Austria which her annexation of Bosnia-Herzegovina in 1908 aroused amongst the Yugoslavs, both in Serbia and in Austria herself, a hatred strengthened by Hungary's policy of repression in Croatia; and the murderers were neurotic Austrian youths of Yugoslav parentage, whose ideas and schemes of assassination sprang from their own brains, although their weapons were partly procured from unofficial Serbian terrorists. Official Serbia neither instigated their crime nor approved it.

To Austria the murder gave a timely excuse for launching the attack on Serbia which was contemplated even during the Archduke's lifetime. Her reckless policy disregarded even the grave risks of general European war, and her duplicity misled Europe until it was too late for mediation. Berlin is depicted by Dr Watson as the aider and abettor of Vienna, petulant and impatient of delay, and apprehensive only at the very last moment lest the help which Germany had promised for the support of Austrian prestige should ultimately suck her into the vortex of aggression.

Dr Seton-Watson possesses a most sympathetic understanding and an intimate first-hand knowledge of South-Eastern Europe. The present volume has grown out of his larger history of Yugoslav nationalism which is now in preparation. This book will undoubtedly illumine the tangled obscurities of problems whose past is generally unknown, whose present troubles Europe, and whose future demands solution. Dr Seton-Watson's account of the crime of Serajevo has contributed to the understanding of the greatest and most pressing question which the world faces to-day: the control of foreign policy in the interests of peace.

* "Serajevo." By R. W. Seton-Watson. (London) Hutchinson and Co., Limited, Paternoster row. 18s net.

BOWLEY ON STATISTICS.*

THE *Elements of Statistics* was first published 25 years ago, and the production of later editions has involved the delicate problem how to keep level with new developments without sacrificing the unity of the original text.

Part II. (Applications of Mathematics to Statistics) was rewritten in 1920, but Part I. (General Elementary Methods) has been allowed to stand substantially the same as in 1901. The present volume is a reprint of the 1920 issue with a few corrections and additions, and practically all the illustrative material relates to the pre-war period.

Obsolescence of material does not necessarily prejudice work whose object is the study of methods rather than the study of facts as such; but it cannot be denied that the value and interest of the book to the public at large would have been much enhanced had the author had time and opportunity to bring his material and his references thoroughly up-to-date. It is disappointing to find that the section on the Census refers to the Census of 1911. The discussion on index numbers ignores the recent revision of the Board of Trade wholesale price index and the review of the whole subject recently undertaken by Professor Irving Fisher, whilst it barely mentions the Ministry of Labour Index of retail prices. The section on Pareto's

* "Elements of Statistics." By Professor A. L. Bowley, Sc.D., F.R.S., Professor of Statistics in the University of London. (London) P. S. King and Son, Limited. Price 18s net.

equation stops short of the interesting verification of the "law" for seven million odd incomes by the Inland Revenue Department, and one would imagine that the science of statistics had nothing whatever to say about national wealth, unemployment insurance, or business forecasting, despite the valuable contributions made by the author himself to these subjects.

The *Elements of Statistics* is not an easy book to read, for the author has an impatient habit of skipping everything he thinks obvious, without waiting to consider whether it will be quite as obvious to his readers. In spite, however, of minor drawbacks, Dr Bowley's book easily keeps first place as the soundest and most comprehensive text-book for the serious student that has yet appeared in this country. Besides being our greatest living authority upon prices and wages, Dr Bowley is our greatest exponent of statistical method in the socio-economic field. It would be hard to find in the whole range of statistical literature any book so closely packed with stimulating thought, and no practitioner who wishes to get beyond the veriest elements of his craft can possibly afford to be without it.

BOOKS RECEIVED.

Encyclopædia Britannica. (London) Encyclopædia Britannica Co., Limited, 125 High Holborn, London.

This consists of the twenty-eight volumes of the standard edition issued in 1911, completed by three new volumes covering the years 1910 to 1926, which have just been prepared under the editorship of Mr. J. L. Garvin. With the addition of an enlarged index volume the whole will form an entirely up-to-date encyclopædia. The three new volumes contain 3,400 pages, with 91 full-page plates, 17 of them in colour, and numerous maps, in addition to several hundred illustrations and diagrams in the text. Bound in cloth, the price is £6 9s 6d a set.

Banking. By Walter Leaf. (London) Williams and Norgate, Limited, 14 Henrietta street. 2s net.

This is the latest addition to the Home University Library of Modern Knowledge. A review of banking, and especially of British banking, from the pen of the chairman of the Westminster Bank, deserves, and will doubtless receive, widespread attention from financial circles and the general public.

To-day and To-morrow. By Henry Ford. In collaboration with Samuel Crowther. (London) William Heinemann, Limited, 20 and 21 Bedford street. 12s 6d net.

This is a continuation of the former volume, "My Life and Work," by the great American industrialist, and we hope to discuss it in a future issue of the *Economist*.

Il Liberismo. By Edoardo Giretti. Tipografia Sociale Editrice, Pinerolo.

A cogent exposition of the subject of Free Trade by a well-known Italian economist.

Health, Wealth, and Population in the Early Days of the Industrial Revolution. By M. C. Buer. (London) George Routledge and Sons, Limited, 68-74 Carter lane. 10s 6d net.

The author is Lecturer in Economics at the University of Reading. A useful addition to economic literature concerning a most important period.

Wage Changes in Various Countries, 1914 to 1925. International Labour Office (League of Nations). P. S. King and Son, Limited. 2s 6d.

A most useful survey of international comparative wage levels. An introductory section, discussing material and methods, is followed by a summary of results, distinguishing skilled and unskilled workers, male and female labour, &c., and an enumeration of wage changes in twenty-nine countries.

Elements of Mathematics. By D. Caradog Jones and G. W. Daniels. (London) Hodder and Stoughton, Limited, Warwick Square. (Liverpool) University Press of Liverpool, Limited. 8s 6d net.

Designed for students whose mathematical training is slender, this book gathers together the elements of mathematics required by the economist and the statistician. Mr Jones is senior lecturer in Social statistics in the University of Liverpool, and Mr Daniels Professor of Commerce and Administration in the University of Manchester.

The Law as to C.I.F. Contracts. By H. Goitein. Second edition. (London) Effingham Wilson, 16 Copthall avenue. 4s net.

A second edition of a book first published two years ago. It is now brought up to date by the incorporation of the results of recent cases.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 12.	October 14.

HOPES of an early settlement, by attrition, to the coal dispute have run high in the Stock Exchange during the past day or two. They served to put a much more cheerful complexion upon Home Railway stocks and upon shares in the iron, coal, and steel list. Business has not been greatly stimulated. It is a general complaint round the House that brokers and jobbers find comparatively little doing, even in those sections where price movements have been so abrupt as to suggest that there must be a lot of trade going on. The Government's offer to holders of short-dated Treasury bonds to exchange these latter into 4½ per cents. of 1934 caused a strengthening of the price of the existing Conversion stocks, because it removed the previous apprehension that there might be a big issue of the latter in the near future. Colonial stocks are weak, in consequence of the underwriters of the latest issued New South Wales 5 per cent. loan being left with 84 per cent. of their obligations. The price of the scrip fell to 1¼ discount. Talk of dearer money, following the developments in the United States, has raised a cautious voice.

In the foreign Government market, one of the features was the prompt closing of the subscription lists on Thursday morning for the new Hamburg Sixes offered at 93½. There continues to be a brisk public demand for foreign bonds yielding anything like 6½ to 7 per cent. The speculative stocks continue to receive attention, Peruvian Corporations being strong, and a gambling demand being noticeable for Russian bonds. Chileans remain heavy, and French issues move within a narrow orbit. Brazilians moved back; Chinese hold their recovery.

The Home Railway market, as already mentioned, enjoyed a spurt, on the expectation of the coal stoppage fizzling out through the process of the men drifting back to work of their own accord. The Argentine railway market was a little disappointed by the declaration of a 2 per cent. dividend on Cordoba Central ordinary stock. Although this came up to the expectations of some of the dealers, it failed to realise the hopes of the optimists, and the price accordingly fell back. Leopoldinas have weakened. The Argentine railway list, apart from Cordobas, holds its ground with tolerable steadiness. A jump in Antofagasta and in Taltals aroused inquiry as to the likelihood of the Chilean Government affording practical assistance to the nitrate industry.

The rubber market is firm. Business begins to look up to some extent, though the manner in which the price of rubber crawls along is not sufficiently exciting to encourage public activity in rubber shares. Laras debenture, offered at 100, rose to 2½ premium. The tea market is better. Not a few of the best-class tea companies are now paying dividends that return rates ranging from 8 to 12 per cent. on the shares at the current quotations, and speculative investors are beginning to recognise this. In the oil market movements are somewhat irregular, with slight recoveries in British Controlled shares. Courtaulds went rather better upon the circulation of the hopes concerning an early termination to the coal dispute, the industrial market as a whole reflecting, with general improvements, the cheerfulness that this inspired. The shipping market is firm, and there has been a recovery amongst insurance shares, upon a little bargain-hunting by those who consider that the fall in prices, produced by the Florida hurricane news, had been overdone. The banking group shows no especial movement.

Tobacco shares went better, though the lively speculation in Godfrey Phillips led to a reaction in the price of the shares, upon announcement of a 10 per cent. interim dividend and the fact that the company is about to take over Abdulla and Co. Carreras have been the most spectacular member of the tobacco market, the price rising very sharply. Sudan Plantations and Hudson's Bays went ahead, Sudans on the expectation of a good final dividend to be declared this month, although the price was ex the interim dividend only last Thursday. Brazilian Tractions turned heavy, after having been up to 126. Distillers' shares are weak, and other brewery issues none too firm, owing to the impression that the brewing industry has reached something like the apex of its prosperity. Advances occurred in newspaper shares, to the accompaniment of a daily increasing crop of rumours. The iron and steel market is better throughout.

Kaffirs have been languid, and the speculation in such shares as Sub Nigels and West Rand Consols is on a lesser scale than it has been recently. De Beers and other diamond shares are strong, in consequence of a promising reference to the outlook just made in the report of the Johannesburg Consolidated Company, whose shares have also gone ahead. The principal business in mines continues to revolve around the tin mines, Malayan shares maintaining their popularity. The carry-over showed that there is a bull account in this department, and each rise in the price of the metal does not appear to produce that vivacity which speculators love to see.

Nigerians are regarded with caution. The Cornish descriptions attract little attention outside their own particular circle of supporters. Some of the Russians are a shade better, but silver shares, Santa Gertrudis especially, went back heavily upon a fall in the price of silver.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital, £	Cash Sub- scription, £	First Payment, £	Further Li- ability, £
ISSUES OF THE WEEK—				
Amount previously recorded				*150,003,682
				* Corrected figure.
NATIONAL SAVINGS CERTIFICATES.				
£				
April 1, 1926, to September 30, 1926 Dr 1,500,000				
Net sales 12 days ended September 30, 1926, £250,000.				
To the Public—				
State of Hamburg, £2,000,000 6% Sterling Bonds, issued at 93½ (Sept. 30)	2,000,000	1,870,000	100,000	1,770,000
Swansea Corporation, £1,000,000 5% Stk. red. at par 1945—April 15, 1952, is used at 99½ (Sept. 29)	1,000,000	995,000	50,000	945,000
Laras (Sumatra) Rubber Estates, 2,000,000 Shares of 2s, at 4s per share (Sept. 27)	200,000	400,000	100,000	300,000
Do £625,000 7% First Mort. Conv. Debts. (red. at 102½, March 31, 1935-46), issued at par (Sept. 27)	625,000	625,000	62,500	562,500
William Shepherd and Sons, Limited, 150,000 7½% Cum. Ptg. Pref. Shares of £1 each, at par (Sept. 28)	150,000	150,000	18,750	131,250
Naraguta Karama Areas, 220,000 Shares of 5s each, at par (Sept. 27)	55,000	55,000	11,000	44,000
Total offered to the Public		4,095,000	342,250	3,752,750
To Shareholders—				
Merchants' Trust, 25,000 Shares of £10, at £12 5s per Share	250,000	306,250	12,500	293,750
Chili Telephone, 30,000 Ord. Shares of £5, at par	150,000	150,000	150,000	..
West London and Provincial Electric and General Trust, 46,646 Ord. Shares of £1, at par	46,646	46,646	5,831	40,815
Ditto, 30,923 6% Cum. Pref. Shares of £1 each, at par	30,923	30,923	3,866	27,057
Rembani Jelut Rubber, 44,000 £1 Shares, at £2 per Share	44,000	88,000	44,000	44,000
Total offered to shareholders only		621,819	216,197	405,622
Total offered for subscription to date		Total offered for subscription for whole		
in—	£	year—	£	
1926	154,970,501	1925	231,914,268	
1925	160,941,475	1924	209,326,100	
1924	134,616,465	1923	271,393,173	
1923	216,807,637	1922	573,675,650	
1922	512,663,137	1921	388,978,203	
1921	206,136,047	1920	367,549,656	

Treasury Bond Conversion Offer.—This is an offer to holders of 5 per cent. Treasury bonds, due February 1, 1927, of £4 10s per cent. Treasury bonds, 1934, at the rate of £100 £4 14s per cent. Treasury bonds, with a cash payment £1 (payable on completion of conversion) for each £100 nominal of £5 per cent. Treasury bonds, 1927, surrendered. The bonds will be repaid at par in 1934 or in any one of the years 1929 to 1933 inclusive, at the option either of the Treasury or the holder of the bonds. The matter is dealt with more fully under "Notes of the Week."

Swansea Corporation.—This is an issue of £1,000,000 5 per cent. stock, redeemable 1945-52, at £99 10s per cent. Principal and interest is secured on all the estates, rates, revenues, &c., of the corporation. The rateable value is £923,904 (a penny rate producing £3,350), the population is 103,000, the total outstanding debt is £4,411,463, of which £2,030,832 is in respect of reproductive undertakings. Provision has to be made for the redemption of the issue by means of a sinking fund. The proceeds of the present issue will be applied for waterworks, electricity works, small dwellings acquisitions, &c., and for paying off existing loans. This is an excellent trustee security.

State of Hamburg.—This is an issue of £2,000,000 6 per cent. sterling bonds at £93 10s per cent. The State reserves the right to redeem the outstanding portion of the loan in 1931 or thereafter at 102 per cent. An accumulative sinking fund sufficient to redeem at least one half of the loan by maturity is to be applied half-yearly. The bonds will be the direct and unconditional obligation of the State of Hamburg. The State of Hamburg comprises 16,033 square miles, including the City of Hamburg, which is the second largest city in Germany. The State owns properties which are for the most part, it is stated, income-producing, these including the ports and harbours, which are valued at RM 750,000,000. The present total funded and floating debt (other than internal paper mark debt) consists of £854,178 6 per cent. bonds and \$5,000,000 one-year Treasury notes. The revenue and expenditure of the State, in RM, for 1925 were as follows:— Ordinary revenue, 164,736,219; ordinary expenditure, 165,066,745; extraordinary revenue, 1,782,126; extraordinary

(a) Tax free

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel Street, Strand, London, W.C. 2.

COMPANY MEETINGS, &c.

PEARSON AND KNOWLES COAL AND IRON COMPANY, LIMITED.

RESULTS OF A DIFFICULT YEAR.

The fifty-third ordinary general meeting of the Pearson and Knowles Coal and Iron Company, Limited, was held at the company's offices, Warrington, on the 29th ultimo. Sir Peter Rylands (chairman of the board of directors) presided, and the other directors present were: Mr Henry Harrison, Mr Frank W. Cooper, Mr James Hawson and Mr T. Gerard (director of the collieries and of the associated collieries).

The secretary (Mr A. Brotherton) read the notice and auditor's certificate.

The Chairman: The annual list of shareholders is on the table. The Chairman: The first resolution which I move is that the audited accounts of the Pearson and Knowles Coal and Iron Company, Limited, for the year ended June 30, 1926, now laid on the table and open for inspection, be formally adopted.

Mr Harrison: I beg to second that resolution. The resolution was carried.

The Chairman said: The next resolution is that the report and incorporated accounts of the Pearson and Knowles Coal and Iron Company, Limited, for the year ended June 30, 1926, now laid on the table and open for inspection, be formally adopted.

Before proposing the resolution, the Chairman referred to the death of Mr Gordon H. Fraser and the resignation of Sir Glyn H. West as chairman.

Hitherto the Pearson and Knowles Coal and Iron Company, Rylands Brothers, Limited, and the Partington Steel and Iron Company have been in the hands of three different managing directors, he continued, and while every effort has been made to co-ordinate their activities through a common board of directors and an executive committee, they have worked as three different companies, and the interest of each not completely subordinated to the interest of the whole.

CO-ORDINATION PLAN.

Under the policy which has now been adopted I will retain my position as managing director of Rylands Bros., Limited. I succeed to the position of managing director of the Pearson and Knowles Coal and Iron Company, and as chairman of the whole, with the loyal support of Mr Frank Cooper, which I know will readily be accorded, I will be in a position to co-ordinate the three companies as three departments of one whole.

At this stage I would not desire to make any forecast of results which may be expected. I only hope that when we meet in twelve months' time it will be possible to give a satisfactory account of my stewardship.

The directors cannot view the accounts which they submit to you to-day with satisfaction, but they would ask the shareholders to remember that the two closing months fell into the strike period, during the whole of which time the Partington Steel and Iron Company and the company's collieries were completely closed down, and the operations of Rylands Brothers and the iron department of our own company were seriously affected.

It is difficult to give you an estimate of the loss incurred during those two closing months, but I do not think it would be an exaggeration to say that it must have amounted at least to £30,000-£40,000.

It is perhaps some small consolation that other companies engaged in the same industry are submitting accounts to their shareholders not very dissimilar in the character of their results.

The only other point of importance in the accounts to which I desire to refer is the figure of investments, and the liability in respect of guarantees given in connection with the business of allied companies.

Both those figures are substantial, but both relate primarily to your interest in the Partington Steel and Iron Company. The interest is so large, and the fortunes of the Pearson and Knowles Coal and Iron Company and the Partington Steel and Iron Company so interwoven, that they cannot be regarded other than as one concern. Your directors feel this so strongly that they contemplate submitting, in addition to individual balance-sheets, a combined balance-sheet in future years combining the Partington Company's figures with those of the Pearson and Knowles Company and Rylands Brothers, and perhaps also including the figures of other associated companies.

There are, however, technical difficulties in submitting a combined balance-sheet covering the whole of your interests which will require consideration, and for the present year the directors

decided to present to each of the shareholders a copy of the Partington figures, which the shareholders can read into the figures of the Pearson and Knowles Company.

HEAVY CAPITAL EXPENDITURE.

During the war the Partington Company were pressed by the Government to extend the plant. During the period of control any profits that were enjoyed by the steel trade were largely taken by the Government in the form of taxation, and when the final settlement had to be made with the Government it was necessary to finance the heavy capital expenditure which had been incurred.

The Pearson and Knowles Company holding all the ordinary shares in the Partington Company, it was impossible to raise that finance without the assistance and guarantees of the Pearson and Knowles Company. Financiers naturally regarded the two companies as indistinguishable, and the finances had to be arranged on the security of the whole.

It is for that reason that the guarantees appearing in the accounts of the Pearson and Knowles Company are so large, the fact being that the finance is secured upon the assets of both companies.

In the opinion, therefore, of the directors it is desirable that the position should be made quite clear to the shareholders, and the figures published together, and so more strictly in accordance with the actual facts.

With regard to the other investments I need say little. Since we last met Rylands Bros. have disposed of their interest in the wire rope trade to British Ropes, Limited, a new combination, comprising most of the leading rope makers in the country. At the same time, Rylands Bros. have sold to British Ropes their interest in the Vancouver Rope Company, and they have also sold their interest in Rylands Bros. (Australia) to the Broken Hill Proprietary Company.

The result of these transactions leaves a reserve in Rylands Bros. account representing a capital profit on investments of a substantial character.

Returning to the question of the Partington Company, the steel trade is now left with an enormous amount of redundant plant standing in their books at prices which look high compared with present-day values, and by reason of the increased competition practically all the steel works in the country are working at far



The Anglo-South American Bank Limited.

Head Office:
117 Old Broad Street, London, E.C. 2

Authorised Capital	£10,000,000
Reserve Fund	£4,000,000
Issued Capital	£3,734,000
Paid-up Capital	£2,367,330

Northern District Office: 60, Market Street, BRADFORD.
Lancashire Branch: 19, Spring Gardens, MANCHESTER.

The Bank has with its
AFFILIATED INSTITUTIONS
THE BRITISH BANK OF SOUTH
AMERICA, Ltd., and
THE COMMERCIAL BANK OF
SPANISH AMERICA, Ltd.

53 offices in the principal countries of

LATIN AMERICA

as well as 7 Branches in

SPAIN

Auxiliaries Abroad:
ANGLO SOUTH AMERICAN TRUST CO.
(Incorporated under the laws of the State of New York).
NEW YORK.
BANQUE ANGLO-SUD AMERICAINE, SOC. ANON.
PARIS.

below their capacity and at a correspondingly increased cost of manufacture and reduction in efficiency.

STEEL TRADE'S INTOLERABLE BURDEN.

To make matters worse, the increase in plant has largely been financed by debentures or other fixed-interest bearing debt, and I do not think it an exaggeration to say that, except in a few instances, the steel trade is staggering under an intolerable burden.

Last month the imports of steel rose to the unprecedented height of 315,000 tons, importations from countries enjoying no advantage whatever in technical efficiency for production.

Many of our plants represent the very last word in technical practice. Free Trade may be justified in allowing the free importation of goods that can be produced with greater efficiency in other countries. There may be much to be said from a world's point of view that goods should be produced where they can be produced more efficiently, but I am at a loss to appreciate an argument which permits an efficient industry to be dumped out of existence by artificially assisted competition from other countries where the conditions for production are in no way more favourable.

SIGNS OF IMPROVEMENT.

I am happy to say that there are slight indications of improvement. The stabilisation of the currency in France and Belgium, if it is in fact achieved, must be accompanied by gradually rising prices in terms of British currency, while there is an indication that the present level of values is far from satisfactory to the Continental makers.

In the meantime the excess of production, unless controlled, must weigh heavily upon the industry.

I would like to see some international arrangement calculated to adjust the capacity to produce more accurately to the capacity of the world to consume.

Looking back upon the past, it may be that if we could set the clock back, and have been able to foresee the future when we were in negotiation with the Government for the extension of the plant, we would have flatly refused to have entertained the Government's proposals. I feel, however, that the directors cannot be fairly blamed for lack of foresight. They were not alone in their confident hope of the future, and in the stability of the industry—a hope which was widely shared throughout the steel trade, and, indeed, in other industries as well, and it only remains for us to struggle with courage with the great depression with which we are at present faced, and trust that the small gleam of promise which I have indicated may develop and reveal brighter days in store.

The adoption of the accounts was seconded by Mr. Harrison, and carried unanimously.

A brief discussion followed, during which several questions affecting the company were asked and answered by the chairman. Messrs F. W. Cooper, J. Hawson and T. Gerard were re-elected directors.

CLAYTON WAGONS, LIMITED.

IMPROVED RESULTS, DESPITE YEAR'S DIFFICULTIES.

The sixth ordinary general meeting of Clayton Wagons, Limited, was held, on the 28th ultimo, at Winchester House, Old Broad Street, London, Mr H. Langham Reed (chairman of the company) presiding.

The secretary (Mr F. G. Williams) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: The important item, and the one that will appeal to you most, is the profit and loss account, which shows a trading profit of £20,722 11s 1d; from this sum must be deducted bank interest amounting to £3,966 7s, leaving £16,756 4s 1d, which compares with a credit balance of £727 19s 4d for the previous year. The board have decided to set aside the sum of £14,177 7s for depreciation, an item that did not appear in the previous year's accounts, as it was included in the amount by which the value of the properties was written down when the reorganisation of the company's capital took place in October, 1925. The depreciation provided for is, in the opinion of the board, ample at the present stage. Further, it has been decided to write off the total cost of the reorganisation of the capital, amounting to £1,059 6s 7d. After providing for these three items, there is a credit balance of £1,519 10s 6d, which it is proposed to carry forward.

From the progress of the business up to May, 1926, the board had every hope of being able to put more satisfactory results before you. Trade generally showed a tendency to revive from the depression that was crippling all branches of the heavy industries. The railway companies drew up extensive programmes for the purchase of new rolling stock, and motor-car manufacturers issued large demands for drop forgings and stampings, and we secured our fair share of the orders. Unfortunately, however, the declaration of the general strike in May brought about a cessation of

SECURITY FIRST

ROYAL INSURANCE COMPANY, LIMITED

6 HEAD OFFICES: LIVERPOOL AND LONDON.

these activities, and the continuance of the coal strike once more plunged industry into a state of uncertainty. This strike especially has thrown a heavy extra expenditure on to the debit side of the accounts. Prior to its outbreak we were paying an average of 21s 6d per ton for suitable English forge coal, whereas since the strike we have been paying from 50s to 60s per ton for Silesian coal of inferior quality. So far we have been able to carry on in these adverse circumstances, but, as the strike continues, new difficulties are continually arising, and we may very shortly be unable to obtain important components of our manufactures, such as steel sections, unless we purchase them abroad. Our stocks of British steel sections are now being exhausted, which we fear may seriously curtail our output in the rolling stock section of our business in the immediate future, unless the coal strike should happily be settled quickly.

FORGE WELL OCCUPIED.

During the year under review we were fairly busy in all departments until the outbreak of the strike. In the forge we have been very well occupied. In specialising in forgings for the motor trade, which is now enjoying increasing prosperity, we have made many new and valuable customers, and we believe that we have established a permanent department of the business that will show satisfactory results in the future.

In addition to the ordinary run of drop forgings, we have secured the manufacture of, and introduced, two specialities in the motor trade that are being very generally adopted. The first is the Rubury front wheel brake, and the second the "Dewandre" Vacuum Servo brake, which has met with immediate and pronounced success. This Servo apparatus has been standardised on several well-known makes of British cars for next year's models, and orders and inquiries are being received in increasing quantities. Both these specialities are becoming a very important side line in the company's business, and have been of material help in keeping our forge and machine shops in full operation.

In the railway rolling stock department we have been fairly busy, but prices have remained on a low level and foreign competition has been severe. We have received substantial orders for carriages and wagons from the home railways and the South African Government, while others which we had a reasonable hope of securing were, in view of the uncertainty of delivery as a result of the strike, placed on the Continent. The situation in the coal-fields has also materially affected the demand for wagons, inquiries for which have been few, and those ordered have been placed at unsatisfactory prices.

CURRENT YEAR'S PROSPECTS.

With regard to the present year it is, of course, impossible to prophesy. The whole situation remains entirely dominated by the coal strike, and I think he would be a rash man who, in the present state of affairs, would be prepared to say how long these intolerable conditions are likely to prevail. We have a fairly full order book, and but for the strike we all feel that the company is making solid and continuous progress, but with the difficulties of operating the works increasing daily it is very inadvisable to forecast the immediate future.

The report and accounts were unanimously adopted.

THE ANGLO-SIAM CORPORATION, LIMITED.

SUCCESSFUL YEAR—INCREASED BONUS.

STRONG AND LIQUID POSITION.

The twenty-ninth annual ordinary general meeting of the Anglo-Siam Corporation, Limited, was held at 5 St Helen's place, London, E.C. 4, on Tuesday, September 28th, Mr J. M. Ryrie, the chairman of the corporation, presiding.

Before dealing with the balance-sheet and profit and loss account, the Chairman referred to the activities of the year under review, and pointed out that, although the profits were slightly higher than those of the previous year, enabling the directors to recommend an increase of 2½ per cent. on the bonus, the corporation had suffered at more than one of its branches owing to the steady decline in various commodity prices, while the unfortunate condition of affairs in China had had a depressing effect on business generally at Bangkok.

IMPROVED PRICES OF TEAK AND RICE.

On the other hand, the corporation had benefited from a moderate rise in the prices of teak and rice, while the increased

shipments of rice to Japan and Java in particular had counter-balanced to some extent the falling off in the demand from China.

Profits from the sales of teak were on the whole satisfactory, and as a matter of interest the Chairman mentioned that a new and up-to-date sawmill was in course of erection at Bangkok.

The results of the Singapore business constituted a record, but it was disappointing that only comparatively poor profits had been derived from the Indian branches.

THE ACCOUNTS.

Referring to the accounts, the Chairman remarked that the balance-sheet indicated a strong and liquid position, particularly in view of the further addition to the reserve for contingencies, although the reduction in the total figures reflected a smaller turnover in some directions.

Mr Ryrie then pointed out that, although the directors were recommending an increase of 2½ per cent. in the bonus, he would like to make it clear that this is not to be taken as an indication that a similar recommendation will be made in future years.

IMPROVED FINANCIAL POSITION OF SIAM.

After paying a tribute to the staff for their devotion to the interests of the corporation, the Chairman referred to the new treaties with Siam, and dealt with the improved financial position of that country as disclosed in the report on the Budget for 1926-7, and which, as a result of economies and without any fresh taxation, promises to result in a surplus.

In Mr Ryrie's opinion the conclusions arrived at by the Royal Commission on Indian Currency and Finance are not only in the best interests of India, but are calculated to assist international trade, whilst, he said, the recommendation to stabilise the rupee at 1s 6d gold on the basis of a gold bullion standard appeared to him sound.

OUTLOOK FOR THE CURRENT YEAR.

Although the outlook for the current year was still uncertain, good deliveries of timber at Bangkok were assured, and with a satisfactory monsoon in India, and in spite of less favourable trading conditions at Singapore, Mr Ryrie said he was hopeful that the results of the year's operations will be satisfactory.

The directors' report and statement of accounts for the year ended March 31, 1926, were adopted, and final dividends of 3½ per cent. on the preference shares and 12½ per cent. together with a bonus of 12½ per cent. on the ordinary shares were declared, making a total distribution of 32½ per cent., less tax, on the ordinary shares for the year.

Mr Henry Bateson was re-elected a director and Messrs Turquand, Youngs and Co. were appointed auditors for the current year.

MONTE VIDEO WATER WORKS COMPANY, LIMITED.

URGENCY OF THE NEW CONTRACT.

The forty-seventh ordinary general meeting of the Monte Video Water Works Company, Limited, was held, on the 28th ultimo, at the offices, 52 Moorgate, London, Mr James Anderson (chairman of the company) presiding.

The secretary (Mr W. A. Waite) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and statement of accounts, said: In the circular of March 31st last, the stockholders were informed that the contract signed between the Uruguayan Minister of Public Works and the company's representative under date of October 7th last, providing for extensive additions to the company's works and plant was then under consideration of the Chamber of Deputies, and it was hoped that a favourable decision would be arrived at shortly. The directors, in the expectation that a decision would not be unduly delayed, considered it desirable to defer convening our general meeting, so that when it was held we should be in a position to give the stockholders full particulars of the contract as passed, and also inform them as to the proposed method of raising the new capital required. Unfortunately, our anticipation of an early decision has not been fulfilled.

Although the contract was the result of an agreement arrived at between the company and a Government Commission after prolonged study, its various clauses have been the subject of protracted debates in the House of Deputies, the ground traversed by the Commission being again gone over step by step by the members of the House of Deputies. This determination on the part of the House to go very fully into the merits of a contract affecting the public interest is, of course, very much to their credit, and it would be quite welcome to us also except in this respect, that the delay involved may result in serious inconvenience to the public through a shortage of water next summer.

The accounts show satisfactory results. The gross receipts show an increase of £25,069, whilst the increase in the working expenses

only amounted to £4,417. The net receipts are £20,651 in excess of those of last year—an increase of about 12 per cent. These improved results are in the main due to the extension of the company's business.

Nearly three years ago, when the services numbered only 45,650, we informed the Government that in the opinion of our engineers the plant was fully loaded, having regard to the margin of safety usually regarded as imperative in works of such vital necessity as waterworks. The authorities were not satisfied that the company's allegations as to the supply capacity of the present plant were well founded, and instructed their own engineer to investigate and report. That official reported that in his opinion the company's plant could supply other 7,300 services, whereupon the Government instructed the company to take on further applications for services up to that figure, the Board of Health remaining with the technical responsibility for such increase. Although this assumption of responsibility by the Board of Health relieves us of responsibility, we cannot but feel considerable anxiety in the matter. Up till now our plant has stood the extra strain very well, and the supply to the city has been maintained without interruption. At the same time, we do not like working with a low margin of safety, and it will be a great relief to us when the new pumping main is laid down and at work.

In this specially good year, after paying our usual dividend of 8 per cent., we are able to appropriate £40,000 to the reserve fund, bringing it up to £370,000, to place £17,000 to the renewals fund, and to add £8,697 to the carry forward, which now reaches the substantial sum of £90,641. These results you will, I hope, find satisfactory. The profits this year, however, cannot be regarded as altogether normal.

The report and accounts were unanimously adopted.

ANGLO-CANADIAN EXPLORERS, LIMITED.

IMPORTANT DEVELOPMENTS IN CANADA.

The fourth ordinary general meeting of the Anglo-Canadian Explorers, Limited, was held, on the 24th ultimo, at 6 Queen street place, London, the Hon. Lionel Holland (chairman of the company) presiding.

The secretary (Mr W. L. Bayley, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that it was proposed to increase the capital to £325,000 by creating 25,000 £1 shares. The subscription of 20,000 shares at par had been guaranteed by two of the largest shareholders, but all shareholders would have an opportunity to subscribe. The purpose was to complete and consolidate the most important of their mining interests in Canada—holdings in valuable properties which had been amalgamated in a company registered in Manitoba, the Central Manitoba Mines, Limited. The year had been marked by developments of great consequence and of favourable augury. It had been the purpose, if developments warranted it, gradually to obtain a still more substantial interest in the Central Manitoba mining area of 560 acres, covering about 7,000 feet along the strike of the Wad lode. Mr Thomas Pryor, in a recent report on the property, wrote: "The great strength of the lode, coupled with the ore shoots already disclosed by trenching across the exposures on surface; make this mine a very promising proposition, warranting vigorous exploration to bring it to a producing stage as soon as possible."

Already down to the 125 feet level well over 100,000 tons of 10 dwt ore had been proved, and this tonnage was being rapidly

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	...	Fmk. 150,000,000
Reserve Fund and Profits	...	" 123,000,000
Total Assets (31/12/25)	...	" 2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

increased as the level continued from the Eclipse shaft. Some 1,600 feet west work from the Growler shaft showed the grade of the ore to be excellent. Of the territories adjoining the Kitchener group the west group of ten claims was chiefly valuable on account of the likelihood of the Wad lode entering it. The Hope or Eastern group had very real importance, and the achievement of the year was the union of these neighbouring properties into one large undertaking. Central Manitoba Mines, Limited, had now a capital of \$4,500,000 of which \$3,310,000 was issued, Anglo-Canadian Explorers holding \$1,500,000—equal at par to their whole nominal capital. Interesting developments during the current year were anticipated.

The company's other holdings and interests were enumerated in the annual report of Mr Arthur D. Miles, issued with the directors' report.

The report and accounts were adopted and the proposed increase of capital was approved.

HOVIS, LIMITED.

GOOD RESULTS—INCREASED PROFITS.

The ordinary general meeting of Hovis, Limited, was held at Caxton Hall, Westminster, London, on the 28th ultimo, Mr A. H. Dence, the chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that at the time of the general strike the milling trade was included as an important part of the scheme for holding up the nation's food supplies. The company's working men at all the town mills left their work, but the remaining staff—managers, sub-managers, mill managers, clerks, travellers, agents—turned to with enthusiasm. The Hovis mills were kept running, the transport was continued, and orders were executed as received. Indeed, at one period during the crisis a record for daily deliveries was set up. The divisible net profits of the year exceeded those of the previous year by £6,700. The debenture interest and preference dividends had been paid, together with 10 per cent. on the ordinary shares, and they proposed to pay a bonus in December; £20,000 had again been placed to reserve account and £5,000 to a benevolent fund; and the carry forward would amount to £13,694, against £16,694 last year.

SATISFACTORY EXPANSION OF BUSINESS.

The business continued to develop and expand in the most healthy manner. They knew that Hovis bread stood pre-eminent in quality, value, and food content, and having that faith themselves, they were able to press its virtues upon the public with enthusiasm and confidence. There was still plenty of scope for the enterprise. In Great Britain alone 95 per cent. of the sales of bread were white, the remaining 5 per cent. being Hovis, brown bread, and other varieties. The year had seen further extension of the properties. Motor and van-building work had been acquired at Nottingham, Catford, and Southend. The mills were well equipped with the most up-to-date machinery, they were all kept spotlessly clean, and they ran in pleasant rivalry one with the other, which made for increased efficiency and economy. At Trafford Park a new 800 h.p. engine had been installed for driving the mill, and in spite of the coal strike it had been kept running. The country mills at Haverhill, Hedingham, Newbury, and Andover had all had a successful year. The Lincoln mill was a very fine property, and since it was taken over Hovis sales had shown a very satisfactory increase.

Mr T. C. Fitton (managing director) seconded the motion, which was unanimously adopted.

GOVERNMENT RETURNS, &c.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Oct. 1, 1926, and the total amount applied for was £55,050,000. For bills at 3 months, dated Monday to Friday, £98 16s 2d, and above in full; Saturday, £98 16s 5d, about 48 per cent. and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
1926.				
July 30.....	40,000,000	48,120,000	4 7 0-29	nil
Aug. 6.....	40,000,000	50,920,000	4 7 3-16	nil
Aug. 13.....	40,000,000	53,960,000	4 10 4-04	nil
Aug. 20.....	40,000,000	49,880,000	4 11 11-62	nil
Aug. 27.....	45,000,000	55,020,000	4 14 3-39	nil
Sept. 3.....	40,000,000	52,135,000	4 13 0-4	nil
Sept. 10.....	40,000,000	54,025,000	4 13 3-25	nil
Sept. 17.....	40,000,000	53,065,000	4 12 1-1	nil
Sept. 24.....	45,000,000	68,270,000	4 12 9-75	nil
Oct. 1.....	45,000,000	55,050,000	4 14 2-63	nil

Tenders will be received on Oct. 8, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	Sept. 30, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13	13	13
3% Conversion Loan	..	..	266	684	666	709	764	760	760	760	760
4% Conversion Loan	..	..	..	..	..	210	210	211	211	211	211
4% War Stock	..	63	63	63	63	63	63	63	63	63	63
4% and 5% War Stock	..	2,047	1,953	2,095	2,166	2,052	2,052	2,052	2,052	2,052	2,052
National War Bonds	..	1,509	1,201	953	820	778	771	706	706	706	706
4% Funding Loan	..	409	401	399	396	394	394	394	394	394	394
4% Victory Bonds	..	360	335	325	314	303	303	292	292	292	292
Treasury Bonds	..	..	453	411	457	499	479	482	482	482	482
Exchequer Bonds	20	323	185	150	150	15	15	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	372	372	372	372	372
Other Debt	..	1,306	1,087	1,157	1,124	1,124	1,124	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	..	51	878	616	588	576	635	655	655	655	655
Treasury Bills	15	1,107	878	616	588	576	635	655	655	655	655
Temporary Advances	1	243	147	194	186	167	181	139	139	139	139
Other Capital Liabilities	654	8,033	7,655	7,742	7,641	7,598	7,803	7,558	7,558	7,558	7,558
Total Liabilities	57	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,633	7,633	7,633

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Sept. 30, '25.	Mar. 31, '26.	Sept. 30, '26.	Movement 12 days' ended Sept. 30, '26.
Outstanding—				
Advances by Bank of England	£ 131,271,000	£ 139,441,000	£ 102,001,000	£ 18,350,000
Advances by Public Debt Office	£ 643,850,000	£ 564,855,000	£ 664,180,000	£ 24,620,000
Treasury Bills Outstanding	£ 775,121,000	£ 704,296,000	£ 765,181,000	£ 6,270,000
Total Floating Debt	£ 1,550,242,000	£ 1,408,592,000	£ 1,531,262,000	£ 22,470,000
* Includes £65,000, the proceeds of which were not carried to the Exchequer within the period of the account.				

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date,	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ties.	Balance at Bank of England.
1923.	£	£	£	£	£	%	£	£
Mar. 28.....	285,616	12,318	7,000	27,000	22,450	17-3	211,294	190
June 27.....	286,593	12,516	7,000	27,000	22,460	17-3	212,446	183
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17-5	238,595	140
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	16-5	255,032	159
1924.								
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17-6	236,867	130
June 25.....	290,316	12,472	7,000	27,000	22,450	17-0	246,198	140
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17-3	241,185	184
Dec. 31.....	296,461	12,812	7,000	27,000	26,950	18-2	248,111	139
1925.								
Mar. 25.....	284,256	11,882	7,000	27,000	26,950	18-9	235,076	118
June 24.....	292,278	12,265	7,000	..	53,950	18-5	243,474	119
Sept. 30.....	293,004	12,555	7,000	..	56,250	19-1	242,188	121
Dec. 30.....	296,777	12,561	7,000	..	56,250	18-9	245,896	192
1926.								
Mar. 31.....	295,337	12,226	6,550	..	56,250	19-0	244,585	178
June 30.....	294,036	12,567	6,550	..	56,250	19-1	243,667	136
Sept. 22.....	287,388	11,983	6,550	..	56,250	19-5	236,385	186
29.....	287,858	12,295	6,300	..	56,250	19-5	237,467	136

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

The OCEAN ACCIDENT AND GUARANTEE CORPORATION, Limited.

ASSETS

CLAIMS PAID

£28,501,591
£37,361,771

Accidents and Illness.
Employers' Liability.
Burglary, Fire, Motor Cars, and Insurance of Boilers, Engines, Electrical Plant and Lifts.
Executorships and Trusteeships.

Head Office: 36-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, September 29, 1926.

ISSUE DEPARTMENT.

Notes issued	174,012,575	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion ..	154,262,575
	174,012,575		174,012,575

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities	33,640,557
Reserve	3,775,950	Other securities	71,986,116
Public deposits	21,177,003	Notes	33,495,640
Other deposits	101,182,191	Gold and silver coin ..	1,570,537
Seven-day & other bills	4,706		
	140,692,850		140,692,850

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

	Amount, Sept. 29, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,775,950	+	£ 45,005
Public deposits	21,777,003	+	2,828,879
Other deposits	101,182,191	+	1,705,543
Government securities	33,640,557	+	649,916
Other securities	71,986,116	+	3,580,195
Reserve	35,066,177	+	1,639,419
Note circulation	140,516,935	+	4,257,630
Coin and bullion	155,833,112	+	4,635,601
% of reserve to liabilities	28%	—	14%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Aug. 11	153,867,721	141,321,420	123,166,249	109,006,118	975,000 in	32,296,301 26%	2 1/2
18	154,144,128	140,553,290	121,766,643	106,551,007	179,000 in	33,540,838 27%	2 1/2
25	154,805,514	140,271,005	128,171,220	112,087,414	637,000 in	34,284,509 28%	2 1/2
Sept. 1	155,498,797	141,288,970	124,312,358	108,624,874	613,000 in	33,959,897 27%	2 1/2
8	155,393,226	140,303,400	119,166,244	102,598,216	133,000 out	34,835,826 29%	2 1/2
15	155,850,207	139,454,765	119,660,961	101,795,942	370,000 in	36,145,442 30%	2 1/2
22	155,914,511	138,974,855	121,235,858	102,818,496	59,000 in	36,705,596 30%	2 1/2
29	155,833,112	140,516,935	122,359,194	105,626,673	102,000 out	35,066,177 28%	2 1/2

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Sept. 15	£ 24,837,461	£ 1,169,712	£ 1,988,214	£ 27,995,387
Sept. 22	629,034	28,170	50,335	707,539
	546,676	26,452	46,268	619,396
Total to date 1926.	26,013,171	1,224,334	2,084,817	29,322,322
Do 1925.	26,558,678	1,246,212	2,216,936	30,011,886
Increase or decrease in 1926	- 545,507	- 21,878	- 131,119	- 688,514
	- 2%	- 1%	- 5%	- 2%
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925	+ 762,659	+ 84,233	+ 57,363	+ 904,255
	+ 2%	+ 5%	+ 1%	+ 2%

PROVINCIAL CLEARING RETURNS.

	Month of August.			Aggregate Weekly Totals to Sept. 25.	
	1925.	1926.	%	1925.	1926.
Number of Working Days	25	25			
BIRMINGHAM	9,762,000	8,344,000	-14%	96,490,000	90,076,100
BRADFORD	1,112,000	5,506,000	+ 7%	44,800,000	141,199,000
BRISTOL	4,304,000	4,556,000	- 7%	44,800,000	141,199,000
DUBLIN	3,996,000	3,830,000	- 4%	198,346,800	183,385,500
LEEDS	3,695,000	3,596,000	- 2%	40,339,700	34,995,800
LEICESTER	2,739,000	2,666,000	- 2%	38,437,200	35,994,400
LIVERPOOL	34,376,000	29,511,000	-14%	345,304,200	295,317,800
MANCHESTER	62,277,000	51,751,000	-16%	604,301,800	505,816,100
NEWCASTLE-ON-TYNE	6,584,000	4,256,000	-35%	61,476,700	49,396,100
NOTTINGHAM	2,532,000	2,232,000	-11%	21,372,800	23,471,100
SHEFFIELD	4,589,000	3,574,000	-18%	39,705,300	36,494,600
Total	140,360,000	119,822,000	-14%		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Egypt appeared in the Economist of August 21; Denmark in September 11; Russia and Italy in September 18; Canada, Lithuania, Danzig, and Czechoslovakia in September 25.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Sept. 24, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Sept. 25, 1925.
Resources.					
Total gold reserves	2,826,000	2,832,600	2,831,470	2,828,310	2,765,550
Total bills discounted	661,640	565,540	614,270	626,350	640,730
Bills bought in open mkt.	270,410	252,480	265,980	265,480	238,490
Total U.S. Gov. securities	305,170	488,020	312,280	318,960	323,170
Total earning assets	1,240,910	1,319,740	1,196,240	1,202,490	1,212,870
Total resources	5,075,320	5,306,960	4,948,590	4,915,590	4,901,070
LIABILITIES.					
Federal Reserve notes in actual circulation	1,716,090	1,724,070	1,746,250	1,702,900	1,670,350
Deposits—Member bank—reserve account	2,230,590	2,369,140	2,207,190	2,223,900	2,207,090
Total deposits	2,332,000	2,417,350	2,242,320	2,292,320	2,267,450
Capital paid in and surplus	344,150	344,100	344,020	343,300	334,270
Total liabilities	5,075,320	5,306,960	4,948,590	4,915,590	4,901,070
Ratio of total resources to deposits and Federal Reserve note liabilities combined	73.1%	71.6%	74.3%	74.4%	72.9%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Sept. 24, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Sept. 25, 1925.
Resources.					
Total bills discounted	188,850	146,400	196,210	176,240	232,770
Bills bought in open mkt.	46,920	37,630	46,030	33,190	87,150
Total U.S. Gov. securities	54,960	186,080	61,420	60,710	60,500
Total earning assets	289,730	370,110	300,050	270,150	322,610
Deposits—Member bank—reserve account	857,980	941,800	811,020	864,940	859,460
Ratio of total res. to dep. and Federal Res. note liabilities combined	79.5%	74.8%	79.2%	81.9%	76.7%

BANK OF JAPAN.—In yen (000's omitted).

	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	Aug. 29, 1925.
Assets.					
Cash and bullion	1,132,088	1,133,521	1,135,218	1,127,351	221,320
Discounts	302,120	237,410	195,402	388,234	41,740
Advances	105,947	101,811	100,801	102,016	138,972
LIABILITIES.					
Gov. deposits	1,233,263	1,172,095	1,134,136	1,171,052	362,270
Other deposits	651,046	650,481	656,309	650,149	87,340
	82,809	78,858	71,919	79,473	11,440

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Sept. 25, 1926.	Aug. 28, 1926.	Aug. 21, 1926.	Aug. 14, 1926.	Aug. 7, 1926.	Aug. 29, 1925.
Assets.						
Gold coin and bullion	7,209	6,969	7,153	7,186	6,833	3,585
Subsidiary coin	48	48	48	49	49	61
Bills discounted	7,391	6,514	6,604	7,084	6,897	6,234
Investments	548	548	548	548	548	549
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	258
Notes in circulation	7,552	7,261	6,792	7,001	7,521	9,519
Bankers' deposits	5,819	5,710	5,792	5,607	5,303	5,234
Ratio of cash reserves to liabilities to public	52.4%	52.2%	54.7%	54.3%	52.0%	63.9%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Sept. 3, 1926.	Aug. 27, 1926.	Aug. 20, 1926.	Aug. 13, 1926.	Aug. 6, 1926.	Sept. 4, 1925.
Assets.						
Total securities	21,84.90	21,15.52	21,21.71	21,28.93	22,07.87	15,20.38
Loans	11,91.14	12,05.25	12,31.13	12,20.40	13,03.70	13,59.01
Cash credits	21,60.44	21,61.5	21,30.99	21,84.11	22,03.01	27,50.84
Inland bills	4,54.49	4,51.93	4,41.22	4,20.84	4,27.14	4,33.37
Foreign bills	14.26	15.25	11.96	11.96	12.79	23.35
Dead stock	2,76.48	2,76.98	2,76.91	2,76.49	2,76.37	2,75.59
Balance with other banks	4.77	9.74	10.25	14.98	4.69	4.20
Cash	56,90.35	59,04.61	57,63.11	56,24.66	55,87.16	39,82.29
LIABILITIES.						
Capital paid up	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve	4,92.50	4,92.50	4,92.50	4,92.50	4,92.50	4,77.50
Total deposits	108,93.40	110,47.50	109,02.51	108,71.00	109,46.78	99,75.42
The above includes—						
Deposits in London	952	990	965	1,005	960	1,128
Advances in London	984	996	1,021	1,058	966	1,157
Cash, &c., at other Banks in London	31	54	66	98	33	26

BANK OF FRANCE.—In francs (000's omitted).

	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 16, 1926.	Oct. 1, 1925.	Position May 28, 1914.
Assets.					
Gold coin and bullion	5,548,737	5,548,720	5,548,714	5,547,230	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	3,730,625
Silver coin and bullion	338,828	338,827	338,825	309,908	632,650
Discounts and advances	8,030,046	7,051,438	6,897,546	6,373,823	2,327,775
Advances to the State	36,650,000	36,400,000	36,400,000	30,350,000	...
LIABILITIES.					
Notes in circulation	55,010,163	54,706,889	54,912,956	46,353,859	5,811,875
Government deposits	37,329	35,748	38,237	23,164	183,700
Private deposits	2,885,013	2,957,990	2,855,852	2,518,561	845,960

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

	Sept. 23, 1926.	Sept. 16, 1926.	Sept. 9, 1926.	Sept. 2, 1926.	Sept. 24, 1925.	Position May 28, 1914.
Assets.						
Coin (gold & silver and bullion)	388,737	388,817	388,946	389,402	388,892	322,650
Securities	1,489,291	1,500,533	1,499,936	1,481,649	1,264,058	697,600
LIABILITIES.						
Notes in circulation	9,234,319	9,253,079	9,274,234	9,237,109	7,581,724	334,150
Current accounts	565,715	573,976	578,877	547,976	246,025	112,125

NETHERLANDS BANK.—In florins (000's omitted).

	Sept. 27, 1926.	Sept. 20, 1926.	Sept. 13, 1926.	Sept. 6, 1926.	Sept. 28, 1925.	Position May 30, 1914.
Assets.						
Gold	419,340	419,473	419,603	419,728	418,315	163,052
Silver	27,381	27,243	27,012	27,018	23,432	8,436
Depts. and advances	403,322	399,807	402,883	401,036	454,078	153,504
LIABILITIES.						
Notes in circulation	823,768	820,479	828,392	841,933	879,764	316,632
Deposits	44,812	53,933	44,074	33,400	33,602	5,018

BANK OF JAVIA.—In florins (000's omitted).

	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Sept. 26, 1925.	Position May 30, 1914.
Assets.						
Gold	229,750	229,500	229,500	230,750	132,086	22,971
Silver	149,080	147,460	139,920	137,610	180,158	77,567
Discounts, advances, and other investments	329,000	332,000	334,000	330,500	323,632	109,499
Notes in circulation	69,000	64,500	55,000	56,000	67,257	11,250

SWISS NATIONAL BANK.—In francs (000's omitted).

	Sept. 23, 1926.	Sept. 15, 1926.	Sept. 7, 1926.	Aug. 31, 1926.	Sept. 23, 1925.	Position May 31, 1914
ASSETS.						
Gold.....	424,778	424,746	424,482	424,485	490,512	171,715
Silver.....	85,917	85,758	85,616	85,943	89,082	18,350
Assets & advance	619,644	317,379	295,120	297,135	299,830	103,000
LIABILITIES.						
Notes in circula ^{tn}	762,993	763,323	779,512	802,845	780,811	275,925
Deposits.....	114,017	118,589	75,822	59,183	136,745	33,750

**EVERY DESCRIPTION OF BRITISH AND FOREIGN
BANKING BUSINESS TRANSACTED.**

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefee.	Ordinary.				
					Amount.	Amount.	Rate.		£	%
Financial, Land, &c.										
Leach's Argentine Estates	Mar. 31	Dr 74,110	Dr 74,100	..	..	..	..	Dr 74,110	118,083	..
Rio Negro (Argentina) Land	June 30	28,216	14,102	42,318	..	30,000	10	..	40,419	10
Roebourne Finance & Investment	Mar. 31	Dr 995	11,597	10,702	..	10,160	20½	..	542	..
Iron, Coal, and Steel										
Parsons Marine Steam Turbine ..	June 30	30,464	11,725	42,189	..	10,564	5	..	31,625	5
Vulcan Foundry	June 30	110,585	92,472	203,057	5,000	84,509	10	..	113,548	8½
Motor and Cycle.										
Karrier Motors	Dec. 31	Dr 377,442	5,771	Dr 371,471	..	..	..	Dr 371,471	2,170	..
Rubber, &c.										
Bajoe Kidoel Rubber and Produce ..	Mar. 31	20,978	110,586	131,564	..	98,172	45	10,000	23,392	25
Beranang (Selangor)	June 30	3,048	22,838	25,886	..	17,433	20	..	5,264	3,189
Caledonian (Ceylon), Tea & Rubber ..	June 30	3,591	41,197	44,788	..	21,000	60	15,250	8,538	23,311
Karmen Rubber	May 31	573	22,332	22,905	..	15,412	20	2,000	5,493	7,798
Layang Plantations	June 30	..	32,788	32,788	..	22,500	12½	6,450	3,838	..
Mambau (F.M.S.)	June 30	979	34,701	35,680	7,000	19,250	35	5,821	3,610	12,447
Permas	June 20	4,788	18,252	23,040	..	15,000	20	3,500	4,540	9,312
Straits Plantations	June 30	10,148	20,647	30,795	..	18,000	15	7,000	5,795	19,371
Sungkai Chumhor	June 30	24,732	43,861	68,593	..	39,942	40	7,500	21,151	16,842
Tanasserim Hevea	May 31	3,984	46,243	50,227	..	43,860	20	..	6,367	31,176
Tebolang	June 30	3,035	22,96	25,995	..	17,820	20	..	8,175	9,002
Other Companies.										
Benson and Hedges	Dec. 31	4,705	7,575	12,280	..	..	..	10,000	2,280	10,423
Fras. Hinde and Hardy	June 30	6,847	28,255	35,102	13,125	15,000	10	..	6,977	41,863
Imperial Airways	Mar. 31	Dr 15,217	20,416	Dr 35,632	..	..	..	Dr 35,632	..	..
J. Hepworth and Son	July 31	16,703	72,321	89,024	10,996	52,000	10	10,000	16,028	72,035
Manchester Hippodrome, &c.	June 30	40,134	16,923	57,057	..	8,100	..	..	48,957	19,090
Sussex Brick and Estates	June 30	13,781	34,987	48,768	..	17,298	15	14,000	17,470	31,354
Woodward, Grosvenor and Co.	June 30	13,194	Dr 7,343	5,846	2,600	2,500	10½	..	746	19,929

† Free of tax.

URUGUAYAN.

Central Uruguay .. 13 weeks	Sept. 25	273	2,158	+	998	271,337	7,427
C. Urug. (East. Ext.) .. 13 weeks	25	311	4,266	+	100	51,734	7,257
C. Urug. (North. Ext.) .. 13 weeks	25	185	2,102	+	892	27,511	5,824
C. Urug. (West. Ext.) .. 13 weeks	25	311	2,973	+	755	31,069	2,664

CANADIAN.

Canadian National .. 37 weeks	Sept. 21	22,065	5,449,992	+	185,696	181,257,555	+1980,3367
Canadian Pacific .. 37 weeks	21	14,229	4,391,000	+	238,000	129,857,000	+12,940,000

BRAZILIAN (b).

G4. West. of Brazil. .. 39 weeks	Sept. 25	1,018	20,100	+	6,000	640,100	+125,400
Leopoldina .. 39 weeks	25	1,856	52,217	+	4,608	1,696,220	+476,470
Leopoldina Terminal .. 39 weeks	25	1,534	7,561	+	1,662	295,255	+98,777
Sao Paulo .. 39 weeks	25	1,534	47,682	+	22,384	1,809,345	+106,058

CHILIAN.

Antofagasta .. 37 weeks	Sept. 19	838	26,910	+	9,735	1,404,420	+148,430
Nitrato (4-monthly) .. 36 weeks	15	398	32,677	+	11,943	547,044	+128,011

OTHER OVERSEAS.

Alcoy and Gandia .. 39 weeks	Sept. 25	33	Ps. 16,000	+	7,500	1,002,700	+11,700
Egyptian Delta .. 21 weeks	10	600	28,287	+	513	137,174	+8,785
Gt. South. of Spain .. 36 weeks	11	104	Ps. 74,171	+	20,151	3,144,247	+781,040
Mexican Railway .. 12 weeks	21	432	\$208,300	+	11,500	2,864,500	+84,800
Paraguay Central .. 11 weeks	25	274	\$1,961	+	940	59,510	+15,270
Salvador .. 13 weeks	25	100	\$5,025	+	2,418	57,832	+23,498

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.	
				1926.	+ or -	1926.	+ or -
Anglo-Argentine ..	38 weeks	Sept. 23	329	£85,320	+	3,171,511	+135,224
B. Aires Lacrosse ..	13 weeks	23	12	£12,659	+	159,937	+6,208
Burnley Corporation ..	1 week	25	12	£3,121	+	..	..
Calcutta Tramways ..	1 week	25	35	Rs. 17,014	+	..	..
Chatham & District ..	1 week	16	15	£1,592	+	51,501	+4,037
Cyprus Tramways ..	38 weeks	23	13	£1,331	+	69,374	+7,415
Edinburgh Corporation ..	36 weeks	18	134½	£46,419	+	1,077,501	+6,161
Isle of Thanet Trams ..	37 weeks	15	..	£4,292	+	66,391	+13,608
Liverpool Corp.	26 weeks	25	124	£27,451	+	735,735	+41,401
L.O.C. Tramways ..	26 weeks	29	164	£80,550	+	240,427	+60,214
Madras Elec. (2 wks) ..	34 weeks	Aug. 31	..	Rs. 99,445	+	..	..
Pernambuco Trams ..	39 weeks	Sept. 26	..	..	473	..	..

* Combined revenue.

MINING OUTPUT STATISTICS FOR AUGUST, 1926.

BROKEN HILL, BLOCK 14.—During the four weeks ended July 31st 3,498 tons of this company's ore were treated at the mill of the Broken Hill Proprietary Company, and produced 693 tons of lead concentrates and 455 tons of zinc concentrates. **MOUNT LYELL.**—During the four-weekly period ended Sept. 13th the mill treated 9,191 tons of ore, producing 2,975 tons of concentrates. **TRANSVAAL (Working Profit).**—The total estimated working profit of the gold mines of the Transvaal for the month of August, 1926, amounted to:—Witwatersrand, £1,084,070; Outside districts, £19,331 total, £1,103,401. The estimated working profit in July, 1926, was:—Witwatersrand, £1,140,718; Outside districts, £17,675—total, £1,158,393. **SUPRIMA CORPORATION, LIMITED.**—During the four weeks ended Sept. 18, 1926, 9,946 tons of Central and Junction Mines ore, together with 1,176 tons of slimes, were milled at the Central Mine, producing 1,851 tons of lead concentrates

(including 142 tons from the delecting plant), which assayed 43 ozs silver, 62 per cent. lead; together with 2,115 tons of zinc concentrate, assaying 9 ozs silver, 6 per cent. lead, 49 per cent. zinc per ton; and 598 tons of special slimes, assaying 10 ozs silver, 17 per cent. lead, and 9 per cent. zinc per ton.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
Gold.						
British Platinum and Gold Corporation (4 weeks to Sept. 18th) ..	302 ozs	platin	um	and 79 ozs gold	..	..
Columbian Proprietary (4 weeks to Sept. 18th) ..	160 ozs	..	..	..	3,950	..
Exploring Land & Minerals Frontino & Bolivia (Sept.) ..	2,570	..	..	..	10, 51	..
Lena ..	..	..	(Sept. 8-15)	10,411	43,739	..
Lena (Sept. 16th to 22nd) ..	4,309	..	..	7,501	31,504	..
London and Rhodesian ..	560	..	..	..	2,533	..
Marmajito (Sept.) ..	..	..	..	..	2,473	..
Mei-an Corporation ..	108,119	..	..	..	\$14,074	..
Oroville Dredging (24 days to Sept. 13th) ..	..	..	..	..	\$37,838	..
Ouro Preto ..	4,100	..	..	..	4,280	..
South American Gold and Platinum ..	1,594	troys ozs	platin	um, and 443 troys ozs gold	\$151,000	..

	Output.	Other Notes in Return.
	Tons.	
Tin.		
Batura Monguna ..	55	..
Naraguta ..	10	..
Naraguta Korot ..	8½	..
Renong (1st half Sept.) ..	..	..
Coal.		
Chinese Engineering ..	69,000	Sold during week ended Sept. 11th.
Witbank ..	41,624	..

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : Y45,000,000
Capital Paid Up : : : Y39,375,000

Head Office - - - - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:
Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tientsin, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government, issues its own notes in Formosa, conducts general banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

Reports and Notices.

The registered offices of the Kensington and Knightsbridge Electric Lighting Co., Limited, is now Pelham street, London, S.W. 7. Telephone, Kensington 7041.

In consequence of the rebuilding of the premises, 1 Gresham buildings, E.C. 2, Mr J. T. Segrue states that his address and that of the City News Agency, Limited, on and after September 27, 1926, will be 9 Queen Victoria street, E.C. 4. Telephones: City, 8470 and 8444.

We are informed that, owing to rebuilding of 1, Gresham buildings, W. H. G. Catherall (late R. A. Knight and Co.), advertising contractor, has removed to 9 Queen Victoria street, E.C. 4. Telephone, City 8470.

RUBBER, &c.

BAJOE KIDOEL RUBBER AND PRODUCE.—The report for year ended March 31, 1926, shows that the rubber harvested was 1,403,023 lbs, against 1,010,070 lbs in preceding year. The average net price realised was 2s 0.66d per lb, against 1s 4.39d per lb. Cost of production was 10.65d per lb, against 10.6 per lb. Profit amounted to £111,836, against £63,414 in preceding year. The dividend is 45 per cent. for the year, against 25 per cent. for preceding year. The sum of £10,000 is again put to reserve. The carry forward is increased from £20,978 to £23,392.

MANBAU (F.M.S.) RUBBER.—The net profit for the year ended June 1926 amounted to £34,701, against £12,447 for 1924-25. The total dividend for the year on the participating preference and on the ordinary shares is 35 per cent., against 15 per cent. After writing off capital expenditure of £1,821, and allowing £1,000 for depreciation, and placing £3,000 to reserve, the balance to be carried forward is £3,610, subject to directors' additional remuneration. The crop was 573,000 lbs, against 300,871 lbs.

STRAITS PLANTATIONS, LIMITED.—The number of coconuts harvested for the year ended June 30, 1926, was 7,338,146, which produced 1,716½ tons of copra, costing £10 6s 3d per ton, f.o.b. port of shipment. The average net price realised for the copra, shipped weight, after deducting freight, insurance, landing and all sale charges, was £23 3s 4d per ton. The net profit was £21,897, against £20,651 in preceding year. The ordinary dividend is again 15 per cent. for the year. The sum of £7,000 is transferred to reserve account, against £1,000. The carry forward is £5,795.

SUNGKAI-CHUMOR ESTATES.—The report for year ended June 30, 1926, reveals a net profit of £44,861, as compared with £17,218 for 1924-25. It is proposed to pay a final dividend of 15 per cent., making 40 per cent. for the year (against 17½ per cent.), and to transfer £7,500 to reserve. After deducting £1,000 for directors' extra remuneration, a balance of £21,152 remains to be carried forward, against £24,732 brought in. The crop of rubber accounted for is 657,851 lbs, against 388,205 lbs. Costs were equal to 7.69d per lb, against 9.72d per lb, and the average net sale price was 1s 11.94d. per lb, against 1s 7.33d.

MISCELLANEOUS.

BEECHAM ESTATES AND PILLS.—The profits for year ended June 30, 1926, amount to £271,141, against £301,489 for period from May 22, 1924, to June 30, 1925. The ordinary dividend is again 10 per cent. The sum of £27,500 is put to a general reserve, and £3,944 is placed to a special reserve fund, making a total special reserve of £27,620. Cash is now at £93,954, against £83,815. Debtors and stocks amount to £215,787, against £107,715. Goodwill, formulae, and trade marks amount to £1,226,344.

GERMAN BONDHOLDERS' PROTECTION ASSOCIATION.—Lt. Col. Ivor M. Rosenbaum has been appointed chairman of an association for the protection of German bondholders, whose offices are c/o Lawson, Son and Co., 3 London Wall buildings, London, E.C. 2. All German bondholders are requested to forward full particulars and face value of their holdings to the chairman at this address.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

A spell of fine weather has enabled farmers to clear the ground and make a good start on ploughing for autumn cultivation. Threshings are proceeding actively, but returns are by no means satisfactory in many districts, as the percentage of sound milling wheat is below expectations. The general tone of the market, however, ruled steady, and all best samples found a ready sale. Imported descriptions were in fair request for spot and near at hand lots at full rates owing to firm c.i.f. offers. In the floating and forward cargo section buyers for the most part continue to hold off, but offers are put forward rather sparingly owing to continued scarcity and dearth of freightage from most exporting countries, consequently rates were fully maintained. A steamer of white Pacific October 1st-15th shipment sold to the Continent at 43s 6d. All feeding stuffs moved off slowly, with values occasionally the turn in buyers' favour. Steamers of Plate maize arrived sold 29s 4½d, January shipment 29s 9d per 480 lbs, and Azoff/Black Sea barley October to Bristol Channel 29s 6d per 400 lbs, all c.i.f. terms. Wheat firm. No. 1 Northern Manitoba quoted 59s 6d, No. 2 ditto 58s 3d, No. 3 56s 9d. No. 2 hard winter 57s 3d, all ex-ship, choice white Karachi landed 58s, all per 400 lbs. English new 11s 4d to 11s 8d per 112 lbs. Flour quiet. London standard grade 47s, town whites 48s, patents 49s to 50s per

sack delivered in the Home Counties, with 6s to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s to 47s 6d, Minneapolis 45s to 47s; Australia 43s to 43s 6d per 280 lbs ex-store. Maize maintained. Plate landed 31s 6d to 31s 9d, ditto ex-ship 30s to 30s 3d, Bessarabian landed 34s 9d per 480 lbs. Barley quiet, but feeding sorts steadier. Californian 34s 6d to 43s, ditto Chevalier 50s, Chilian Chevalier 52s to 62s, ditto brewing 35s 6d to 40s, Australian Chevalier 46s to 48s ex-store, Smyrna 35s to 48s ex-ship per 448 lbs, No. 3 Canadian Western ex-ship 31s 6d, Persian ex-ship 29s, Russian landed 31s 6d per 400 lbs. English new 8s to 17s per 112 lbs. Oats steady, quiet. La Plata landed new 23s 6d, ditto ex-ship 22s. No. 2 Canadian Western landed 30s, No. 3 28s 6d, No. 2 Canadian feed landed 26s, Chilian Tawny landed 24s, American 38 lbs landed 24s 9d, ditto 36 lbs 24s 6d, mixed feed landed 20s 6d per 320 lbs. English new 8s 2d to 9s per 112 lbs. Millers' offals steady. Broad bran 6s 9d, middlings 7s 9d, fine ditto 9s 6d, bags included, ex-mill, feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s per cwt free on rail. Oatmeal in fair demand at easier prices. London-made flake 17s, rolled oats 16s, medium also fine cut 16s, coarse also medium pinhead 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-27	1925-26	1924-25	1923-24
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to September 25	372,154	442,262	259,678	452,342
4 weeks to September 25	1,341,162	1,539,698	650,000	1,652,316
Average price of English wheat per cwt.	s d	s d	s d	s d
1926-27	11 1	11 3	12 1	8 9

IRON AND STEEL.

The following has been extracted from the weekly report of the London Iron and Steel Exchange:—The position is almost unchanged from that which has existed for the past few weeks, excepting that there is a disposition apparent in all directions to withhold important commitments until the coal dispute is settled. The actual amount of business passing has diminished. This is particularly noticeable in the case of Continental steel material, as not only has the advance in the quotations of the Continental steel-makers checked business, but there is little inclination on the part of buyers to purchase at current rates for forward delivery. The production of British pig-iron is still insignificant, and the supplies of Continental iron are by no means large. Continental quotations for semi-finished steel material continue to advance, and the difficulties of doing business have been increased by the wide variation in the prices quoted. Many of the Continental steel works are behindhand with deliveries to this country, and as a consequence production at several of the British finishing works has been hindered.

Our Middlesbrough correspondent's report, dated September 30th, is as follows:—Pig-iron.—Until the coal strike is settled there is not likely to be any change in the iron and steel position in this district. There are no stocks in makers' works, and the production of the few furnaces in blast has already been sold up to the end of October. Small consumers are able to obtain truck loads locally, for which the price is now quoted at 102s 6d per ton for Cleveland No. 3 G.M.B. and 83s 6d for East Coast mixed numbers hematite f.o.t. makers' works. Manufactured Iron and Steel.—One local works are working part of their plant on imported semi-manufactured material, and other works making sheets are still going, but until the fuel supply can be assured, the ordinary output cannot be restarted. Quotations are nominal as follows:—Steel ship plates, £8; steel ship angles, £7 10s; iron bars, £11 15s; steel rails, £8 10. Iron Ore.—There is no business whatever; one cargo of Mediterranean ore is now being discharged under exceptional circumstances.

Our Sheffield correspondent writes:—The new restrictions on the tonnage of fuel supplied to industry are not likely to cause much inconvenience in this district, although they may affect the lighter and finished branches to some extent. In the heavy department the tendency is to curtail operations. The effect is seen in an increase of unemployment this week. The position and outlook of the large concerns producing raw and semi iron and steel is rapidly becoming critical. A good deal of work is still being done in the tool branches, and there is a seasonal spurt in cutlery, plate and household hardware. The building trade continues brisk.

Our Glasgow correspondent writes:—Pig-iron and heavy steel plants are still idle. The imported coal used by re-rollers and sheet makers being unsuitable, both in quality and in price, it will not be possible to do anything at these works until the supplies of local fuel are normal. Pig-iron is very scarce and dear, and foundries are only purchasing from the small available stocks when absolutely compelled. Prices of all cast iron manufactures have been advanced in consequence of the increase in costs. Ship-builders and structural engineers are in many cases practically at a standstill for want of manufactured steel. A certain amount of sectional material is coming in from the Continent, but until local supplies can be obtained many important contracts are hung up. A contract for a new coasting steamer for the Clyde Shipping Company, Limited, has been received by Messrs. D. and W. Henderson and Co., Limited, of Glasgow. Several other important orders are pending, and the outlook generally for all branches of trade, as soon as the strike is ended, is encouraging. Black and galvanised sheets are in steady demand, and makers are fulfilling orders in strict rotation, being in some cases booked up for the remainder of the year.

Our Cardiff correspondent writes:—The fear of a tin famine is causing anxiety to steel and tinplate makers, and another difficulty is the high price of foreign coal. Approximately 50 per cent. of the tin works are operating at present, but the high costs of production are threatening a suspension of work at some of the mills. Current prices of tinplates have been ruling up to 22s 6d to 23s per box for prompt shipment, but for October delivery quotations are from 1s to 1s 3d lower. There has been a slight increase in the tinplate supplies received at the dock warehouses, and at the beginning of the week the stocks totalled 54,307 boxes, as against 60,744 boxes the previous week. Steel bars are unchanged at £86 5s, as compared with £6 per ton for foreign bars. Galvanised sheets are also unaltered at £16 10s to £16 15s per ton.

OTHER METALS.

TIN.—The market developed renewed strength during the early part of the week, due to stimulating advices from America and the East, together with lighter weekly stocks, so that holders for the most part adopted reserved measures. A reaction occurred later, however, under realisations, and most of the advance was lost, but closing again strong and in demand. Standard cash sold at £307 10s-£315 and £308 5s to £315, three months £300-£304 5s and £299 10s. Sales in the East were reported at £307 5s to £311 to £309 and £304.

COPPER.—In fair request and values registered a slight improvement, with dealings chiefly confined to cash and near dates. Standard cash changed hands at £58 5s-£58 11s 3d and £58 6s 3d, three months £59 to £59 5s and £59 2s 6d. LEAD.—Steady and in better demand, but closed easier. Good, soft foreign pig, October, sold £31 12s 6d-£31 13s 9d-£31 8s 9d,

November £31 11s 3d to £31 7s 6d, December £31 12s 6d-£31 15s-£31 6s 3d, January £31 8s 9d-£31 5s per ton. SPLITTER generally quiet. October sold £34 12s 6d-£34 11s 3d, November £34 11s 3d, December £34 7s 6d-£34 11s 3d and £34 10s, January £34 7s 6d-£34 10s and £34 8s 9d ton. ANTIMONY quiet. English special brands £74 10s-£75, foreign spot £63 to £63 10s ton. ALUMINIUM dull. Home delivery £107, export £112 ton. QUICKSILVER maintained. Spot £15 17s 6d per bottle. WOLFRAM quiet at 14s to 14s 3d per unit c.i.f. TIN PLATES firm. I.C. Coke prompt delivery 22s, and forward 20s 9d per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, September 30, 1926.

The demand for spot cotton has been fair during this week, sales of American being about half the total quantity. Prices have been fairly steady since the issue of the Bureau report, but quotations are about some 35 points lower. During the week it was announced that the Federation of Master Spinners had decided to curtail production still further, and that mills using American cotton would work only one week in three. Spot sales for the week 24th to 30th instant inclusive were 37,000 bales. Of these 18,220 were American, 2,250 Brazil, 7,500 Peru, 3,420 Egypt, 3,860 African, 900 East Indian, and 850 sundries. Imports for the same period were 45,186 bales. These include 30,861 American, 142 Brazilian, 10,428 Peruvian, 274 Egyptian, 3,314 African, and 167 sundries. Quotations to-day are:—American middling, 8.09d; Egyptian Sakel, 17.00d; uppers, 12.10d; Brazilian fair, 8.34d; Peruvian G.F. mod-rough, 10.00d; smooth, 9.34d; Tinnivelly F.G.F., 7.55d; East African G.F., 9.75d; West African middling, 8.04d.

MANCHESTER, September 30, 1926.

Owing to continued uncertainty with regard to values the market has again presented an unsettled appearance. The opinion is gaining ground, however, that prices are now on an attractive level for freer operations. Some expansion in cloth inquiry has been experienced. Although trading has not been important, a larger turnover has occurred in light fabrics, especially dhooties for India, with a few more sales in grey shirtings. Unsatisfactory advices have been received from China, the auction sales in Shanghai being still suspended. Fine goods have been purchased in moderate quantities for the Continent and the United States. Quotations in American yarns towards the close of the week have been firmer on the decision to increase short time in the mills, and some spinners have met with an improved demand, especially in the finer counts. Operations in Egyptian yarns remain irregular, and in most quarters there is distrust of current rates.

(I.) Comparative Statement of the Cotton Trade.

	Previous weeks in 1926.					
	Price, Sept. 30, 1926.	Price, Sept. 23, 1926.	Price, Sept. 16, 1926.	Price, Sept. 9, 1926.	Price, Sept. 2, 1926.	Price, Aug. 26, 1926.
Raw Cotton—Mid. American	8.09	8.03	9.54	10.26	10.14	10.16
—Sakellaridis Fully Good Fair	17.00	18.00	18.55	18.05	17.65	16.20
—Egyptian	14.2	15.1	15.1	16.1	16.1	16.1
Yarns—32's twist	15.1	16.1	16.1	16.1	16.1	16.1
—40's twist	27.1	28.1	28.1	28.1	28.1	28.1
—60's twist (Egyptian)	27.1	28.1	28.1	28.1	28.1	28.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	24	24	25	25	25	25
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	28	29	29	29	29	29
38-in. ditto, 58 yds, 16 by 16, 10 lbs	14	14	14	14	14	14
39-in. ditto, 37 yds, 16 by 16, 8 1/2 lbs	13	13	13	13	13	13

(II.) Compared with Previous Years.

	Price, Sept. 30, 1926.	Corresponding dates in				
	1926.	1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	8.09	12.62	14.95	16.99	12.44	14.07
—Sakellaridis Fully Good Fair	17.00	28.20	25.00	18.90	17.15	26.50
—Egyptian	14.2	20.1	25	23	19	22
Yarns—32's twist	15.1	20.1	25.1	23	18.1	22
—40's twist	27.1	35.1	35.1	31.1	28	45
—60's twist (Egyptian)	27.1	35.1	35.1	31.1	28	45
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	24	31	37	33	30	37
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	28	35	41	36	30	37
38-in. ditto, 58 yds, 16 by 16, 10 lbs	14	17	20	19	17	21
39-in. ditto, 37 yds, 16 by 16, 8 1/2 lbs	13	15	18	17	15	21

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THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—There is a general belief that home trade will revive when the coal dispute is settled, but this expectation is not in itself sufficient to induce spinners and manufacturers to look ahead and buy against possible requirements. The whole tendency throughout the industry is to work on hand-to-mouth lines, and not even the strength of the raw material market at the present time encourages anything in the nature of speculative buying. The turnover in both tops and yarns is disappointing, and the lack of new business in piece-goods is causing a good deal of uneasiness in manufacturing circles. The real fact is that wool, both in the primary markets and in London, has been advanced in price purely on account of the keenness of the Continental and Japanese demand, and a level has been reached at which it is impossible for home trade users to compete. There are indications that business could be done at the old level, but it is certain that present-day conditions in the consuming centres of this country do not warrant any higher prices. In these circumstances, the best that can be said of this market is that all quotations are very firm, but prices obtainable are below replacement costs. Increased difficulty is being experienced in keeping machinery employed. There is some demand for crossbred yarns for Germany, and the improved conditions in that country hold out hope of a steady expansion in demand. The piece-goods trade is dull, and competition from imported goods is again becoming acute.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The sales have been continued under favourable conditions. Wool has been in good demand, and the same buying interests have been in evidence as during the first two weeks of the auctions. The selection of wools has also been a very creditable one, some good new clips being catalogued from Queensland and equally acceptable wools from New South Wales and other States. Offerings of New Zealand crossbreds have also been large and various, meeting with a ready response on the part of buyers. It is too much to expect higher prices; in fact, we report prices as steady and firm. Here and there less desirable wools have been picked up at a fraction under the extreme rates of the series, but all good wools showing quality and character have continued to sell at full recent rates. The whole market is encouraging when viewed from a seller's standpoint, and wool is selling in Coleman Street at a higher level than can be made for tops in consuming markets. That France and Germany continue to buy on a large scale shows that extraordinary requirements must exist, and no doubt the Continental buyers are purchasing to tide them over a fairly long interval until supplies from overseas become adequate. We think that the policy of sellers should be to meet the market, and so get rid of all old stock.

Last Monday saw the opening of the new season's sales in Melbourne, where values appear to be on about the same parity as at Sydney. We should say that Adelaide was greatly below the clean costs cabled from Melbourne, but even Adelaide proved to be a very good market, the various marks cabled by Elder, Smith and Co., Limited, providing the trade with some interesting and instructive information. Bradford topmakers purchased fully half the offerings. The clip is spoken of as being better than the majority expected. Good warp 64's are going to cost out of Adelaide 4s 2d, out of Melbourne 4s 3d, and fully that price out of Sydney. Ordinary 64's tops are going to cost about 2d less, and to-day good average 64's tops can be bought in Bradford at 4s to 4s 1d. Cables to hand this week from South Africa show that the market there is inclined to be a little easier. Still, prices in South Africa are distinctly above those ruling in Australia, and why they should be so is difficult to understand. It cannot be long before all selling centres at the Cape must fall into line with those in Australia, Durban being the nearest to-day.

THE JUTE TRADE.

DUNDEE, September 30.

Since the receipt of the forecast figures last week prices of raw jute have fluctuated, but at the moment a steadier tendency is in evidence. The official statement by the Director of Agriculture for Bengal simply confirms the figures of the district returns, estimating a crop of 10,888,600 bales from an area of 3,630,000 acres. No comments are made regarding reported damage to the crop by insects and bad weather. A fair business was done at Dundee on Friday last, but since then only a few small sales have been concluded. The value of first marks actuals, which this season are not very readily offered owing to scarcity of good

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quality arriving from Calcutta, has ranged from £34 to £36, according to mark. Lightnings have shown a decided drop in value this week, buyers being able to purchase at £2 less than the opening rates. Good marks are offered at £30 10s for October shipment, while Daisee is also lower at £28 10s for good marks of assortment, October shipment. There has been extremely little doing in the yarn section, and buyers are not even offering to do business at 3s 4d for common 8 lb cops and 3s 5d for 8 lb spools. Jute cloth business still rules quiet. Manufacturers are quoting 4½d for 10½ oz 40 ins and 3½d for 8 oz, and a buyer with an order has the possibility of placing same at a little less, especially for delivery some time forward. A fair business has been transacted in Calcutta goods on spot here, and up to 30s 3d has been done for 10 oz 40 ins, and 26s for 8 oz. The spot supply is now very limited, and sellers are scarce.

CHEMICALS AND FERTILISERS.

The chemical market shows a distinctly better tone at the close of the month, with a fairly active inquiry on export account. In view of the continued uncertainty, however, business is limited to small orders for immediate requirements. Some small changes in prices are recorded, particularly in the fine chemical group, where reductions have taken place in the case of products likely to be affected by changes in the Safeguarding Act. In the coal-tar products, continued firmness is noted, with many lines only quoted at nominal rates in the absence of supplies; carbolic acid, creosote oil and pitch are much dearer. Of the industrial chemicals, lead nitrate and acetate, arsenic, oxalic acid, lithopone, red lead, sal ammoniac and zinc oxide are all higher in price. Cheaper quotations are noted in acetone, barium chloride, prussiate and permanganate of potash, acetate and nitrite of soda, tartaric acid, and white lead. Fertilisers are a quiet market, with some inquiry for ground rock phosphate and basic slag. Comparative quotations are as follows:—

	1926.			
	Oct. 1.	Sept. 2.	Aug. 5.	July 1.
Ammonium sulphate	£ 8 d	£ 8 d	£ 8 d	£ 8 d
Arsenic, white powdered	11 9 0	11 7 0	13 1 0	13 1 0
Barium chloride	9 10 0	9 12 6	9 25 0	10 10 0
Bleaching powder	8 10 0	8 10 0	8 10 0	8 10 0
Carbolic acid	0 0 5 1/2	0 0 4 1/2	0 0 4 1/2	0 0 4 1/2
Caustic potash	27 10 0	27 10 0	27 5 0	27 10 0
Citric acid	0 1 3 0	0 1 3 0	0 1 3 0	0 1 3 0
Creosote	3 12 6	3 15 6	3 17 0	3 16 0
Formaldehyde	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts	3 11 3	3 11 3	3 12 6	3 13 9
Lead acetate, white	43 5 0	43 0 0	43 10 0	43 10 0
Oxalic acid	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2	0 0 3 1/2
Potassium permanganate	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2	0 0 5 1/2
Potassium prussiate	0 0 6 1/2	0 0 6 1/2	0 0 7 0	0 0 7 0
Sodium nitrate	11 17 6	12 5 0	12 10 0	13 0 0
Sodium hyposulphite	9 0 0	9 0 0	9 2 6	9 2 6

HIDE, LEATHER, AND ALLIED TRADES.

The home hide market remains steady, with supplies rather less, and prices tending to advance. At the auctions held in Bermondsey on Thursday, prices were very steady, best ox selling from 6½d to 9d, and seconds from 6d to 8½d per lb. Best cows sold from 5½d to 5½d, calfskins in best selections again making from 6½d for heavy to 11½d for lights. Lambskins sold from 2s 3d to 10s, and sheep pelts from 5s to 9s 3d each. The imported hide market is rather quiet, as tanners are waiting events at the Shoe and Leather Fair, which opens in London next Monday at the Agricultural Hall. Prices are advancing, and best Argentine regorifics are now quoted at 8½d for ox hides, 9d being asked for Montevideos, with no business reported. The Chicago position is cabled as strong, with heavy native steers selling at 16 cents. Trading in sole leather this week has been rather quiet, but merchants are pressing for deliveries, stocks in warehouses being low. The demand from shoe manufacturers runs mainly on 10-12 lbs bends from dry hides, repairers taking a heavier class in quite good parcels. Prices of both bends and offal are firm, and a settlement of the coal strike will probably mean an advance in price all round, as the demand for stout artisan boots will at once be apparent. The boot and shoe trades are much affected by the prolonged coal strike, and orders are for small parcels only. Much is expected as the result of the fair, as an influx of provisional orders is certain when the coal trouble is out of the way.

VEGETABLE OILS AND OILSEEDS.

Rather a better tone has obtained, and business in the past day or two has been more active than for some time. Linseed oil has now recovered to £31 per ton naked ex Hull mill for "spot" and delivery to December in sympathy with a firmer seed market and on a better demand from consumers. Cotton oils are again easier, Egyptian crude having declined to £33 5s and ordinary refined

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to £36 10s ex Hull mill prompt, but demand is far from good. Palm kernel oil has fallen away to £40 and castor oil (first pressure) is lower at £42 10s. In the oilseed section there has been a revival of interest in linseed. Plate earlier in the week was done at £15 2s 6d on passage, but has since advanced to £15 10s afloat and £15 15s October-November. For new crop £15 10s is now asked, but few transactions appear to have taken place so far. Calcutta to London is firmer at £17. Black Egyptian cottonseed has eased off materially, current value being about £9 12s 6d, October loading. Some business in Soya beans to the Continent is reported at £11 10s, August-September.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market again buoyant on steady consumptive inquiries and rising prices for the raw product, supplies of which gradually become tighter. A stimulating factor in the situation is also to be found in the belief that the European beet crop will come down lighter in quantity than expected owing to prolonged dry climatic conditions. Reports from Czechoslovakia, Belgium, and France are far from satisfactory, but Germany may secure an increased yield. English-grown granulated continues to be well sought after with business in Cantley, Ely, Ipswich, Colwick, Poppleton

Felstead, and Spalding at 29s 9d to 29s 6d; Kidderminster, 30s 6d; Cupar, 29s 9d. British refined in steady supply, and prices again raised 3d per cwt. Messrs Tate and Lyle's cubes, 35s to 35s 6d, as to quality; crushed, 32s 9d to 33s 3d; nibs, 35s 6d; granulated, stoved, 33s 7½d; fine and coarse grain 31s 7½d; No. 1, 31s 4½d; No. 2, also London and T.L.S., 31s 1½d; ditto month forward, 31s; granulated from Empire sugar, ex refinery only, 30s. Yellow crystals, spot, quoted 28s 1½d; caster, finest, 36s 1½d; A, 35s 7½d; B, 33s 6d. Crystallised West Indies, 30s to 31s. Czechoslovak granulated, spot, sold, 28s 7½d, 28s 6d, 28s 6½d; November-December, 16s; April-May, quoted 16s 9d, f.o.b., Hamburg. Dutch J. spot, 28s 7½d; October-December, quoted 16s 3d, f.o.b., Rotterdam. Belgian crystals, November-December, 15s 10½d, f.o.b., Antwerp. Polish ditto, 15s 4½d, f.o.b., Danzig. Cuban basis 96 per cent., October, 14s, c.f. and i., U.K. B.R.B. crystals, October-December, to India, 16s 10½d; January-March, 17s 3d, c. and f. terms. White terminal section active, and prices again higher. October, sold, 15s 9½d to 15s 1½d and 14s 10½d; November, 15s 3½d to 15s 4½d and 15s 3½d; December, 15s 6½d to 15s 7½d and 15s 4½d; March, 16s to 16s 1½d and 16s; May, 16s 4½d to 16s 1½d; August, 16s 6½d to 16s 9d and 16s 5½d cwt. 2,000 tons white Mauritius, October-November, sold, 18s 9d; 1,000 tons B.W.I., 96 per cent., October, 17s, c.f. and i., U.K.

COFFEE.—There was a fair off-take of spot parcels during the week, and general steadiness governed the market. Kenya, bold, sold,

12rs 6d to 143s 6d; peas, 129s 6d to 146s. Arusha, bold, 132s. Kilimanjaro, bold, 133s 6d to 155s 6d. Urumbi-Congo, 130s. Future delivery market dull.

COCOA.—Only moderate transactions in spot goods at late rates. Accra, F/F grade, November-January, sold, 41s to 41s 6d, f.o.b. terms.

TEA.—In auction during the week rather over 61,000 packages Indian were catalogued, and met with good competition for all descriptions at full to slightly dearer rates. Common to medium, 4d to 4d per lb higher. Pekoe, sold, 1s 3½d to 2s 6d; orange, 1s 6½d to 2s 7½d; broken orange, 1s 6½d to 2s 1½d; fine to choice, 3s 1d to 3s 8½d. Ceylon sales of 23,370 packages also aroused brisk support, and with quality continuing to improve, rates were mostly ½d to 1d per lb dearer. Pekoe sold, 1s 3½d to 2s 6½d; orange, 1s 6½d to 2s 7½d; broken orange, 1s 6½d to 2s 1½d; fine to choice, 3s 1d to 3s 8½d. New season's China met with fair patronage. Good to fine Keemun sold, 1s 10d to 2s 2d; Ching-Wo, 1s 8d. Low Monings have been in demand at 7½d to 7½d per lb. In auction, 5,067 packages Java and Sumatra were offered, and with a very strong demand common and medium teas ruled ½d to 1d per lb dearer, and finest kinds 1d to 2d. Leaf grades were well sought after for export. Pekoe sold, 1s 3d to 1s 4½d; broken, 1½d to 1s 9d; pekoe souchong, 1s 2½d; orange, 1s 5d to 1s 8d; broken orange, 1s 1d to 1s 6½d per lb, in bond.

RICE.—No new feature to note, Burma grain steady, but European demand quiet, with moderate interest shown in S.O. to Cuba at 16s. Spanish oiled, spot, 21s 9d; September-October, 20s 9d, c.f. and i., London. Reported damage to Italian crop is negligible according to latest advices. Beans dull. Madagascar butters, on spot, 21s to 23s, as to sample. Peas steady. Japanese, September-October, 25s 9d; October-November, 25s 6d per cwt, c.f. and i., London.

SPICE.—Pepper generally quiet. Black Singapore, f.a.q., August-October, quoted 8½d; Lampung, August-October, sold, 8½d; October-December, 8½d; Muntok, August-October, 1s 3½d; October-December, 1s 3½d. Steady buying orders circulating for Zanzibar cloves, on spot, for fair quality at 9½d, forward positions being comparatively slow. Pimento, spot, 7½d paid per lb. September-October, quoted 62s 6d per cwt. Sago flour, November-December, 15s 3d, c.f. and i., U.K. Tapioca steady. Singapore flake, November-January, to Havre, 17s. Desiccated coconut, spot, halves, sold, 40s 9d per cwt.

FRUIT (Dried).—Currants: There is a fair demand for new fruit, but selection so far is somewhat limited. Old crop, however, moves off slowly. Pyrgos, quoted 32s; Patras, 34s to 35s; Gulf, 35s to 37s; Australian, 35s to 45s, as to quality. Sultanias quiet. Smyrna, new crop, medium to good, 65s to 70s; fine, 72s; Australian, 60s to 76s. Raisins in fair demand at steady rates. Valencia, half-boxes, 45s; quarters, 46s to 84s. Dates in fair request on spot, and firm forward. Hallowee, first tide, quoted, 33s; Khadowie, 23s 6d; Iar, 21s, landed terms, London. Figs: New genuine, quoted, 34s 6d to 40s; layers, 60s to 77s 6d. Evaporated fruits generally quiet. Apricots: Californian, extra choice, quoted 122s 6d; South African, first grade, 140s. Plums, Californian, 30/40s, 68s; 60/70s, 43s; 80/90s, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, September-October shipment, 47s 9d, c.i.f., per cwt.

CANNED GOODS.
CANNED FISH.—Demand slightly better, and prices steady for most descriptions. Sardines, Portuguese, 1½s, quoted 4s 3d to 6s per dozen tins. Salmon: Red, tall, 1 lb, quoted 47s to 48s; Sockeye, 80s to 81s; tall pink, 26s to 27s. Lobsters, best ½s, 157s 6d to 160s, and 1½s, 90s.
CANNED FRUITS in quiet request, and tendency easier in some instances. Californian Bartlett pears, 24-2½s, choice, quoted 12s 6d to 13s 6d. Californian peaches, choice, 11s to 13s; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; seconds, 9s 3d per dozen tins. Singapore pines in better request on spot, while firm for shipment. Italian tomatoes firm and in moderate demand.

CANNED MEAT.—Market quietly steady. Corned beef, 6s, quoted 38s to 45s, as to quality. Danish lunch tongues, 122s 6d to 135s; American, 140s, with best, 145s to 147s 6d.

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Belding-Corticelli, Limited, announces that the COUPONS falling due 1st November, 1926, on the above-mentioned Debentures may be PRESENTED on or after the 18th October, 1926, between the hours of 10 and 2 o'clock (Saturdays excepted) at the Bank of Montreal, 47, Threadneedle Street, E.C.2. Three clear days required for examination. Lists may be obtained on application at the Bank.

CONDENSED MILK.—Machine-skimmed remains steady, but full cream is rather quiet at about 20s, duty paid.

HONEY.—Market steady, with rather more inquiry. New Zealand quoted at 50s to 85s; Australian, 40s to 50s; Jamaica, 35s to 50s; Haiti, 34s to 48s per cwt.

RUBBER.

This market remained quiet, and prices easy, with certain liquidation still in force of the October position. Plantation standard sheet, spot, and October, sold, 1s 9d, 1s 8½d, 1s 9d; November, 1s 9½d, 1s 9d, 1s 9½d; December, 1s 9½d, 1s 9½d, 1s 9½d; January-March, 1s 9½d, 1s 10d, 1s 9½d; April-June, 1s 10½d to 1s 10½d per lb.

GENERAL.

SHELLAC.—Market firm. Fair T.N., spot, 180s; December, sold, 175s to 182s 6d per cwt.

GAMBER.—Market dull. Block, September-October, 29s per cwt, c.f. and i., U.K.

COPRA.—In moderate request, and steady. F.M.S. Straits, September-October, quoted £27 7s 6d; October-November, £27 11s 3d; November-December, £27 16s 3d. Dutch E.I., October-November, sold, £27 7s 6d. Ceylon, ditto, quoted £28 17s 6d; South Sea, £26 5s; Cebu, £26 7s 6d. Palm kernels, afloat, Liverpool, quoted £19 7s 6d; November-January, £19 18s 9d ton.

JUTE.—After closing last week with a decided upward tendency, the market reacted since, mainly due to pressure to sell from Calcutta, and in which Lightning quality figured largely. Some irregularity ensued at times. Firsts, August-September, £32 to £30 10s, and £29 17s 6d; September-October, £31 to £28 5s; October-November and November-December, £30 10s, £28 15s, £29, and £28 2s 6d. Lightnings, August-September, sold, £29 5s to £26 10s, £26 15s, and £25 15s; September-October, £28 to £25 10s. Hessians and twills met a dull market.

HEMP.—Manila not pressed for sale, and steady despite slackness of consuming demand. J. new grade, October-December, quoted £44 10s; K, also L 1, £37, and others at proportionate figures. New Zealand and African sisal dull and unaltered.

TALLOW.—Messrs Colchesters and Woolner write on September 29th as follows:—The tallow market was quiet during the week, and prices are 6d to 1s lower to-day. Several resale parcels, offering at a time when buyers were few, had a depressing effect, but little business resulted. Meanwhile, importers have become less disposed to make further concessions. At auction to-day 531 casks tallow were offered, and 63 were sold. Quotations are:—Australian mutton: Fine, 44s; good to fair, 43s to 42s; dull to dark, 40s 6d to 38s 6d; hard, 43s 6d. Australian beef: Fine, 43s; good to fair, 42s 6d to 40s 6d; dull to dark, 39s 6d to 37s 6d; sweet, 45s. Present shipment from Australasia: Good mixed, 42s 6d. Present shipment from South America, 42s. The market letter is lower, tallow, 6d; stuff 6d. Town tallow, 38s 6d per cwt. Rough fat, per 8 lbs, 2d; melted stuff, 28s per cwt. Quotations are:—Town, 38s, net cash, naked, ex works. Country: Frail casks, 38s; home melted, shipping casks, net, f.o.b., good coloured, 41s; fair to dull, 39s to 37s 6d. Bone fat: white none; pale none; benzine, 33s 6d; melted stuff, 33s 6d, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 22s 6d per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 7d; Java, 2s 4d.

METROPOLITAN CATTLE.—September 30.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone. Owing to foot and mouth disease regulations only 134 sheep were entered for sale at 8/8 to 9/-.

LONDON POTATO MARKETS.—September 30.

	Per Cwt.
English King Edward's	8 0 0
Sharp's Express	6 0 0
Eclipse	4 0 0

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	£ 3,390,378
	£ 9,545,366

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COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.		DYE STUFFS, &c.		METALS—B. Copper	
COCOA—Duty, British grown.		Galls, China	£ s d	Best selected	£ s d
9s 4d, foreign, 14s cwt	6 0 0	Turmeric, Bengal	nom	Sheets (strong)	58/50
Trinidad	6 0 0	Madras, finger	22 0 23	Standard	32/15/0
Grenada	6 0 0	Gambier, block	40 0 0	Lead Eng. pig per ton	32/15/0
Ceylon, plantation	6 0 0	Cutch, ord. to fair	0 0 0	Soft Foreign	31/8/9
Guayaquil	75 0 100			Spelter G.O.B.	34/11/3
Bahia, finest	52 0 58	DYEWOODS—		Tin—English ingots	34/0/0
CORFEE—British grown.		per ton	£ s d	Do do bars	315/0/0
9s 4d, foreign, 14s cwt	6 0 0	Fustia, Jamaica	8 10 0	Standard cash	315/0/0
E. India, fine ord. g.d. mid	122 0 147	Cuba	15 0 0	OILS—Fish, per ton	£ s d
Do good to fine	152 0 162	Lima Wood	9 0 0	Seal, pale	40 0 0
Costa Rica, ord. to mid	120 0 158	Logwood, Campeachy	10 10 0	Rape, refined	48 10 0
Good to fine	162 0 195	Honduras	7 10 0	Crude	46 10 0
Central American, gd. ord.		Jamaica	12 0 0	Cotton-seed, crude	33 10 34
Mid to fine	135 0 145	Red Sanders	12 0 0	Edible, refined	41 10 0
Colombian, ordinary	108 0 114	Sapang Ceylon	nom	Coconut, crude	47 10 0
Do gd. ord. to low mid	116 0 126	FLAX—spot—c.i.f.	£ s d	Deodorised	36/10/0
Do mid to fine	130 0 156	Riga ZK	61 0 60	Palm	36/10/0
CHEMICALS—		Pernau HD	59 0 0	Lard, American	1/2 0/0
Acid, citric	1 3 1 3 1	Slanets U/A Medium	68 0 67	Petroleum—Oil, per 8 lbs.	1/2 0/0
Nitric	0 2 0 4			White	1/2 0/0
Oxalic, net	0 3 0 4			Waxes, Linseed, Eng.	21/10/0
Tartaric, English	0 1 1/2 less 5s	Do Cape	21 0 29	per ton	£ s d
Foreign	0 1 1 1 0	Lemons, Naples	0 0 0	On Seeds—Linseed	£ s d
Cream of Tartar		Do	0 0 0	La Plata, p. ton Oct-Nov.	15 12 6
English	80 0 81 1	Do Sicilian	8 0 40	Bombay, p. ton Oct-Nov.	17 10 0
Foreign	75 0 76 0	Do	9 18 6	Calcutta, p. ton Oct-Nov.	16 17 6
Alum lump	10/10/0	Do Malaga	12 0 18	PORTLAND CEMENT—Best English	
Do ground	11/10/0	Grapes, Lisbon	0 0 18	per ton delivered, London	58/0
Ammonia, carb.	37 0 39 0	Almeria	0 0 26	Rapid hardening "Ferrocrete," 10/	
Muriatic, White	22 0 29 0	Val. Ona	6 0 8	per ton extra	
Sulphate	14 0 15 0	Egyptian Ona	0 0 0	"Lightning" brand Aluminous Cement	
Argenic, lump	65 0 70 0	Apples: American	22 0 40	100/- to 105/- per ton.	
Powder	65 0 70 0			PROVISIONS—	
Ashea, pot	65 0 70 0	HIDES—Wet salted—		Butter—per cwt.—	£ s d
Pearl do	nom	Australian	0 5 0 6 1/2	Irish creamery	nom
Bleaching powder, per ton	9/10/0	West Indian	0 6 0 7	Do factory	nom
Borax, gran.	22 10 0	Cape	0 6 0 7	Australia	122 0 164 0
Do crystals	23 0 0	Lisbon	0 6 0 6 1/2	Argentina	136 0 156 0
Do powder	24 0 0	Oporto	0 4 0 7 1/2	Denmark	176 0 178 0
Calomel	4 2 4 4	Dry & Drysalted Cape	0 8 0 12	New Zealand	146 0 170 0
Iodine, dry	1 0 1 1	Madagascar	0 6 0 7	Danish	184 0 186 0
Nitrate of Soda	13/5/0	Central American	0 7 0 11 1/2	Bacon, engd.—Irish	120 0 132 0
Potash—Chlorate, net	0 3 0 4	Buffaloes, Singapore	0 4 0 10	Danish	112 0 120 0
Prussiate	0 8 0 9	Penang	0 5 0 9 1/2	Canadian	110 0 114 0
Do Foreign	0 7 0 8	E. I.	0 5 1 0	American	nom
Sulphate	11 0 12 0	Market Hides, London	0 7 0 8 1/2	Hams—Irish	134 0 142 0
Sal-Acetos	per lb 1 10 0	Best hy. ox & heifer	0 5 0 6 1/2	Canadian	134 0 142 0
Sal-Ammoniac	per cwt 42 6	Do light do	0 5 0 6 1/2	American	134 0 142 0
Soda Bicarb.	per ton 49/0/0	2nd ox, heavy	0 7 0 7 1/2	Lard—Irish bladders	84 0 100 0
Crystals	per ton 5/0/0	Do light do	0 5 0 6 1/2	American boxes	56 1/2 76 0
Alkali	5/17/6	Best cow	0 4 0 5 1/2	Pork—per 8 lbs	7 4 11 4
Cautic	14/2/6	2nd do	0 4 0 5	Beef—Frozen	6 5 2
Sugar of lead, white	0/0/0	Best calf	0 8 0 11 1/2	Scotch	6 10 8 2
Foreign white	0/4 0 46 0	2nd do	0 6 0 9 1/2	Cheese—cwt—Canadian	80 0 88 0
Sulphate Quinine—		INDIA RUBBER—lb—		New Zealand	80 0 86 0
English Brands	1 9 1 10	Para, fine hard spot	1 8 0 0	Eng. Cheddars	88 0 102 0
Foreign do	1 8 1 9	Plantation sheet	1 9 0 0	Cheshire	88 0 102 0
Sulphate Copper	per ton 24/10/0	INDIGO—per lb—		Dutch	57 0 92 0
Zinc, cut	nom	Bengal, good red violet to		Eggs, per 120—English	18 0 22 0
Sulphur Flour	9/0/0	fine	5 6 6 0	FLLOUR—280 lbs—	
Do Roll	8/0/0	Mid. ord. vio. to good	5 0 5 6	London standard ex mil	45 0 0 0
Vermillion, Chinese, per lb	4 6 4 9	Low to good ord.	4 0 5 0	RICE—per cwt, c.i.f.—	
English	4 6 5 0	Madras, dry leaf, good	2 8 3 8	Rangoon, No. 2	15 9 0 0
Oil Peppermint, E.G.H.	80 0 90 0	Do low to ord.	1 0 2 6	Broken la	15 6 0 0
COPRA—per ton, c.i.f.—		Kurpah, gd. mid. to gd.	3 0 4 0	ROBIN—per ton—	
Malabar, Sept-Oct.	nom	Low to mid.	3 0 4 0	American	30/15/0
Ceylon	29 0 0	HEMP—per ton—		French	31/0/0
FMS Singapore	27 10 0	Italian P.C.	61 0	SAGO—Pearl, per cwt.—	23 6 27 0
FM Straits	26 10 0	Grade	45 0	SHELLAC—per cwt—	
OCHINEAL—per lb	2/9 3/8	N.Z., high point, fair	37 0	Orange, first marks	205 0 310 0
DRUGS—		Oct-Dec.	37 0	Second, fair to fine	190 0 205 0
Aloes, fine E.I.	per cwt 120 0	JUTE—Native first marks Ag-Sp	29/17/6	TN Orange	175 0 180 0
Cape, good to fine	41 0 42 8	" " " Spt. Oct. 28/5/0		Garnet, Lac. AO	170 0 175 0
Balsam Peru	per lb 5 9 6	" " " Oct.-Nov. 28/2/6		Button—Pure	190 0 195 0
Capivi	1 7 0 0	LEATHER—per lb—		Blocky (TN)	165 0 170 0
Camphor		Sole Bends 6/9 lb.	1 3 1 10 1/2	SILK—per lb—	
Japan, refined	2 10 0 0	Do do 10/12	1 3 1 10 1/2	China—Blue Elephant	16 6 0 0
Cardamoms, Ceylon	5 0 0 0	Do do 12/14	1 4 2 6	Canton	19 6 23 0
Cardamoms, China, per lb	3 6 0 0	Do do 14/16	1 5 2 6	Tusash	10 0 12 0

the scarcity of money, and in view of the steady efflux of gold which has occurred this week. It is suggested that recent shipments of gold to the Continent represent the removal of funds previously invested here in bills. If this is so the Continental demand for bills, which has been so prominent a feature for several months, is likely to become smaller. Yesterday's quotation for three months' bills was 4½ per cent., and the Treasury Bills were allotted at an average of 4½ per cent.

	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Sept. 17, 1926.	Previous Rate and Date Changed.
Bank Rate	5 %	5 %	5 %	5 %	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses (Notice	3½	3½	3½	3½	2½ (Dec. 3, '25)
Market rate (3 months' bills)	4½	4½	4½	4½	..

Thursday's Bank return showed a reduction of £967,800 in the stock of coin and bullion and a contraction of £284,100 in the note circulation. The Reserve was thus £683,700 lower, the Proportion falling by 0.6 to 28 per cent. Other securities increased by £692,300, and Government securities were £375,300 lower. Government disbursements are reflected in a decline of £5,379,000 in Public Deposits, and an increase of £5,678,100 in Other deposits. Currency notes were increased by £2,912,800 to £290,770,400, which includes £1,293,900 for notes called in but not yet cancelled. The fiduciary issue is £233,226,500, or £14,676,000 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—A fairly sharp reaction has carried the share market to levels below the worst of the last two months. The volume of selling has been fairly large, and professionals have been active. Apart from the weakness of cotton prices, which is serious for the South, there is little in the news from the business world to account for the reaction. Judge Gary has made an optimistic statement on the prospects for the steel industry, forecasting an increase in the unfilled orders of the Steel Corporation for September. Railway car loadings and general trade are maintained at a high level. The belief grows that the Federal Reserve authorities are satisfied with the credit situation and will not take restrictive measures. The weekly statements reveal a large reduction in discounts. The reserve ratio for the whole system is 1.1 per cent. higher at 73.7 per cent. Our bankers are optimistic regarding the prospects of Belgian currency stabilisation, and expect an announcement about credits soon. The commodity price index numbers of *Dun* and *Bradstreets* both rose slightly in September, their firmness being chiefly due to food products.

THE STOCK MARKETS.

A rather heavy tone pervaded the markets as a whole this week, and business generally was quiet, the miners' ballot results and the short-lived London dock strike being restrictive influences. Home rails in particular were adversely affected. The competition of a heavy new issue campaign was responsible for dulness in British Government stocks. In the foreign market falls in Brazilians were general, some Chinese issues were weak, and Japanese were marked down on the terms of the Tokio loan. Canadian Northern income bonds advanced on the settlement scheme. The rubber share market was quieter, but prices of the best issues remain steady, and in the oil market the tone was generally weak. Speculative sales caused a strong reaction in Courtaulds, while Imperial Tobaccos were heavily bought on bonus expectations. Iron and steel shares weakened towards the end of the week, but London Electricity Supply shares enjoyed an all-round rise. The Kaffir market was dull, with the Cape selling some of its favourites. New issue results were varied. The Tokio loan of £6 millions was speedily over-subscribed, this, following on the success of the Hamburg loan, revealing the taste of the investor for attractive foreign issues, of which more are pending. The Swansea loan, on the other hand, met with a poor reception, 43 per cent. being left with the under-

writers, while, in the absence of official figures, it is believed that only 25 per cent. of the Wolverhampton loan was subscribed by the public.

THE COMMODITY MARKETS.

Business in the majority of markets has been on the quiet side this week. The output of British coal is slowly increasing, but is still far from meeting demand, and prices reflect the general tightness of the position. The limited production of British steel works is readily absorbed, but the formation of the European cartel has caused buyers generally to adopt a waiting attitude. Heavy selling has taken place in cotton futures, and though the yarn and cloth position shows a slight improvement, the breakdown of the extended short-time arrangements of the Master Spinners' Federation has served to enhance the prevailing element of uncertainty. The London wool sales have closed with values steady, but below the best levels of the series. New business in wool textiles, however, is of small dimensions. The wheat market has shown slight firmness, though demand has not markedly widened. Sugar is steady, with a satisfactory demand from the consumer's side, but coffee is quieter, and tea has not maintained the activity shown in the early days of the week. The rubber market has revealed no marked tendency. Among non-ferrous metals, tin has again been firm, but copper and lead have declined owing to the market's inability to absorb the large quantities offered.

FOREIGN EXCHANGES.

The foreign exchange market was quiet during the week, with occasional liveliness for short periods. The general tendency of the principal Continental exchanges was to improve, but the peseta steadily depreciated for reasons which are not at first sight apparent. In the absence of precise information we must presume that this weakness reflects the general uncertainty as to Spain's internal stability and the feeling that a rigid censorship may conceal some elements in the present situation. The milreis also developed considerable weakness, due, it is said, to a demand for sterling by the Banco de Brazil in connection with sterling bills. Otherwise, except for the reactions of the Chinese exchanges to the rise and fall of silver, the market revealed no particular feature. The dollar rate was fairly steady, with an improving tendency at the close, and the narrowing of the forward rates after January shows that the prospects of sterling are regarded favourably in the world's markets. Opening on the 1st at 4.85½-½, there was a slight weakness next day at 4.85½-½, but the opening rate again prevailed on the 4th. A slight improvement to 4.85 5-32-7-32 followed next day, but there was a reaction on the 6th and 7th to 4.85½-½. Yesterday there was a firmer tendency at 4.85½, forward rates being ½ cent and 5-32 cent premium for one and three months. After that they are rather narrower. Paris opened at 172½-½ and weakened to 173½-½ next day. On Monday, however, there was an improvement to 171½-½, and this being continued the franc stood yesterday at 168½. Forward rates showed the same tendency, the discount for one and three months' delivery yesterday being 2½ and 7 francs, as compared with 3½ and 9 francs on the 6th and 3½ and 10 francs on the 4th. The popular response to the appeal to sell gold and silver to the Banque de France no doubt helped the improvement in some degree. Brussels improved similarly from 178½-179 on the 1st to 178½-178 on the 4th. There was a further improvement to 176½-177 on the 6th, and to 175½-½ on the 7th on the pronouncement by the Finance Minister of his further stabilisation proposals, and the news of his proposed visit to London. The rate was very firm yesterday at 174½. Forward rates for one and three months at ½ and 1½ francs discount are very much better than those prevailing earlier in the week, viz., 1 franc and 3 francs on the 6th, and 2½ and 5½ francs on the 4th. The lira continued its recent improvement almost without interruption, and here again the narrowing of the forward rates indicates the increased confidence in the future strength of this currency. Opening at 128½-129½, the rate improved to 128½-½ on the 6th, and to 126-126½ on the 7th. Yesterday's spot rate was 122½, with forward rates for one and

three months at 1½ and 4½ lira discount, as compared with discounts of 2 and 6 lira on the 6th, and 3 and 7 lira on the 4th. The peseta, as stated, depreciated steadily. At the moment of writing, this tendency has become rather aggravated. The rate was 32.03 on the 1st, 32.23 on the 4th, 32.30 on the 6th and the 7th, and was 32-54 yesterday. Amsterdam is weaker at 12.12½, against an opening level of 12.11½, and Switzerland also at 25.11, as compared with 25.09½. Berlin is unchanged at 20.36½, Stockholm a little weaker at 18.15, as is Copenhagen at 18.27½. Oslo and Warsaw remained unmoved throughout at 22.14-22-15 and 42-45 respectively. The drachma improved from 409 to 403, and the leu improved also from 935 to 909 with the opening of the cereal export season. Constantinople was weaker at 940, against the opening level of 935. Of the five American exchanges, the milreis developed weakness on the 6th at 7½d, as compared with the opening rate of 7 13-32d. This weakness continued at 7d on the 7th, and 6 31-32d yesterday. Buenos Aires also showed some weakness at 45½-18 yesterday, after opening at 46 on the 1st. The rupee was firm throughout at 1s 5 29-32d-1s 5½d, and at one time was even better at 1s 5½d-1s 5 31-32d on the 2nd. Yesterday it eased off slightly to 1s 5½d. The yen was fractionally weaker yesterday at 11½d-2s 0½d, after opening 1s 11½d-2s 0½d. The silver market again witnessed several sharp falls in the price of silver, after an opening rise due to buying on Indian account. Later, both India and China came in as heavy sellers, and prices broke ½d and ¾d on successive days. Some buying steadied prices again at the end of the period under review, but the market is weak and the outlook uncertain. Hongkong and Shanghai both reflected the depreciation of silver, the former declining from 2s 0½d on the 5th to 2s on the 7th, and the latter from 2s 7d to 2s 6½d on the same date.

NATIONAL ACCOUNTS.

FINANCIAL YEAR, 1926-1927 (April 1 to September 30, 1926).

Total Expenditure ..	£ 383,990,051	Raised by Revenue ..	£ 322,266,041
Increase in Balances	2,207,619	Amount borrowed ..	63,931,629
Total	386,197,670	Total	386,197,670

ESTIMATES FOR FINANCIAL YEAR 1926-7.†

Expenditure	£ 825,727,000	Revenue	£ 824,750,000
Deficit	£ 977,000		

† Revised in Exchequer Return dated July 26, 1926.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A small charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE INTERNATIONAL STEEL PACT.

THE conclusion of an agreement in the European iron and steel industry for the regulation of production is not only a landmark in the history of a great industry, but it has also brought into prominence the whole question of the conditions which are to govern international competition in the near future. In view of the extreme difficulties which in England beset the older established of our great export trades, these questions are deserving of the most careful consideration both by statesmen and by the responsible heads of British industry. In our last week's issue, in which we gave details of the new cartel, we also printed an article by a correspondent which reflects a widespread attitude of mind in British industrial circles towards the general question of trade combinations or agreements. According to this view, Great Britain has maintained her position in world markets in spite of the activities of either national or international trusts and cartels. It is argued that the United States Steel Trust, though flourishing behind its own tariff wall, completely failed to capture any large share of the world's iron and

steel export business; that in spite of the German coal cartel Great Britain has remained the world's greatest coal exporter, and that, on the other hand, in the cases where we did enter into agreements with Continental producers before the war—as, for example, the Rail Syndicate—our share of trade steadily dwindled. Thus, arguing from experience, it is held that we have the best chance of regaining our former foreign trade predominance if we rely on the doctrine of the survival of the fittest and unregulated competition.

These arguments are, however, far from giving a fair view of the facts. The Steel Corporation was never designed primarily as a device for winning export business, but as a stage in the development of America's enormous internal industry. Since its formation the steel industry of America has expanded in volume far more in proportion than has the British steel industry. Moreover, while it is true that the United States is only fourth or fifth on the list of steel-exporting countries, she imports next to nothing, whereas Great Britain imports to-day, as we imported before the war, a very large total amount. In 1913, in 1924, and in 1925 the tonnage of America's net iron and steel exports (exports minus imports) exceeded those of Great Britain. One of the outstanding facts about our foreign trade is that while we may be maintaining our position in international trade generally, we do a dwindling percentage of the world's commerce in such trades as the iron and steel industry, the textile industry, and to a less extent the coal industry. Our economic progress in recent years does not justify our assuming the complacent attitude that we have nothing to learn from our competitors in the way of organisation.

The steel industry is, perhaps of all others the one in which there is the least ground for satisfaction. A survey of the world's resources shows that with an increasing population world production of cereals, of other food, of textiles, rubber, oilseeds, and even fuel (than's to the development of oil production) have all increased as compared with pre-war output. The production and consumption of the metal industries alone has remained stationary, and in the case of iron and steel is actually less than before the war outside the United States. The main reason for this is the fact that as a result of the impoverishment of Europe there is less saving than there used to be, and consequently less investment of capital in buildings, in railway development at home and overseas, in factory extensions (which were, of course, enormously fostered during the war), while shipping was created so far in excess of normal requirements during the war on account of the submarine campaign that the shipbuilding industry has been the most depressed of all industries for half a decade. This lack of demand for iron and steel can only correct itself slowly.

Looking at the other side of the shield, the iron and steel producing capacity of the world very markedly increased in all countries during the war, in the boom of 1920 in England, and in the inflation boom of subsequent years in Germany. The disproportion between productive capacity and demand would alone tend to produce periods of acute competition, while disturbing elements in European trade, such as the Ruhr occupation and the incalculable results of monetary chaos, have rendered this competition fitful, and intensely disturbing in its effects. The result of these conditions is that iron and steel prices generally are less than 20 per cent. above the pre-war level, as compared with a general price level, say 60 per cent. above, while pronounced variations have taken place in the exports of different countries. None of the steel works of Europe has, therefore, been able to maintain that full and steady output which is the essential condition of economical production.

It is therefore not surprising that opinion in France and Germany, which has for some time been leaning toward the view that in the unsettled state of world commerce some degree of stability might be obtained by international agreements, has been particularly interested in the possibility of an understanding in the steel industry. As between these two countries the case was particularly strong, seeing that the unity of the Rhineland coal and steel area, which had been more or less attained before the war, was abruptly shattered by the Peace Treaty, and both parties had obviously much more to gain by re-establishing

lishing something like the old interchange of coke for ore than by each endeavouring to build up his own industry on a self-sufficing basis. Luxemburg and Belgium are, of course, intrinsically parts of this metallurgical area. Almost from the time of the Peace Treaty onwards, therefore, there have been conversations between the various parties, sometimes private, sometimes more or less official, and occasionally embracing Great Britain. From one point of view, therefore, the present agreement is simply a repairing of one of the fissures in the European economic structure made by the Peace Treaty.

The agreement, however, has much more far-reaching implications than this, seeing that it is an expression of the view now prevalent on the Continent that international agreements, whether made through the industrial organisations concerned or by or with the concurrence of national governments, are an improvement on the method of simply fighting for international trade by unrestricted competition, or alternatively by the device of tariff wars.

The form of the present agreement, however, without doubt raises some suspicions. Economic progress is rarely advanced by checking production and maintaining prices, and the device of giving a monetary inducement to restrict output and of penalising increased production is nothing more or less than our old friend the policy of *ca'canny* which is so severely condemned when practised by workpeople. It must be admitted that there are times when this may be sound policy, just as in the labour world there may be periods when organised short-time may be to the benefit of all concerned. At the same time the plan is one which is properly regarded with the gravest suspicion, and as one which needs to be most carefully watched. Clearly, if carried too far, it is a prejudice to the consumers of the products in question. In the present instance, for example, the future course of steel production will be watched with acute interest not unmixed with anxiety by the finishing industries of the Continent as well as by all countries which depend upon imported steel. An impartial adjudicator would undoubtedly agree that steel prices should be higher than they have been in the recent past; but, clearly, it might be dangerous if the decision as to how far they should rise should, in fact, be entirely in the hands of the producers themselves. A second big objection is that the type of organisation proposed tends to temper the severity of competition, and has the effect of keeping in existence firms, or even districts, which would otherwise go under. It thus slows up the evolution of a more efficient industry.

These arguments are, however, less valid as between nations than as between individual firms within a country, particularly in such cases as the present, where it seems likely that in a few years the world's demand for steel will rapidly expand and give ample employment to the industry of all countries. It, moreover, should not be difficult to prevent abuse in the case of international agreements. The first line of defence against abuse is, of course, that such arrangements should be publicly known. There is no responsible person concerned in the promoting of these agreements who believes that it is possible for arrangements on such a vast scale to be made without their details being revealed, and it is common knowledge that the present discussions have been carried on with the concurrence, and indeed the approval, of the governments concerned. If, later on, there should be any sign of an undue raising of prices, such agreements may have to be submitted to international discussion, in which the case for the consumer may be fully presented, while there are some of their defenders who would submit them for international approval. Clearly the whole problem of control needs the most thorough and careful study. As regards these agreements and the question of efficiency, the point does not really arise directly from the international agreement itself; but it is important that the national organisations, which are an essential condition for the carrying out of such agreements, shall be based, not on a plan which merely distributes production over existing works, but on some method which tends to concentrate production in the most efficient works and puts a high premium on economical costs. This, after all, is the most essential point in the problem of industrial organisation.

This leads us to the question of the attitude of the British steel industry towards the present agreement. There is room for two opinions as to whether it would be wise for Britain to enter into a pact of this kind. In point of fact, however, our abstention is at the moment due to the practical consideration that the British steel industry is not sufficiently organised to be able to regulate British production. For the moment it seems likely that our steel industry will benefit from the new pact on account of the rise of prices and limited output which it involves. If it should appear, however, in the near future that we gain ground at the expense of Continental producers in neutral markets, it is highly probable that some attempt will be made to enlarge the present agreement in order to deal with international trade in steel. When that stage is reached, it will be imperative for our steelmasters to decide whether they are to co-operate with the new organisation or to compete with it.

It happens that the conclusion of this pact is being followed by a meeting this week-end between some representative British and German industrialists who are conferring at an English country house. The British team will include Sir Robert Horne, Mr Evan Williams, Sir Thomas Royden, Mr Goodenough, Sir Hugo Hirst, and the president and past president of the Federation of British Industries, while the German representatives include leaders in the front rank of the coal, steel, textile, dyestuff, and shipping industries. The meeting is not official, though it has been arranged with the knowledge of the two Governments. Nor are the participants authorised to speak officially on behalf of the industries in which they are engaged. It is not, therefore, to be expected that it will evolve any very specific plan of co-operation. It is rather a case of establishing friendly contact. But it is clear that the new agreement and the many questions of industrial politics which it raises will give the conference ample scope for a friendly exchange of views.

BRITISH POLICY IN THE MEDITERRANEAN.

A SUGGESTIVE paper under this title has been contributed by Sir Frederick Maurice to the last issue of the New York quarterly, *Foreign Affairs*. The expert knowledge of the contributor, and the high distinction of the journal in which his paper appears, entitle his thesis to attentive consideration.

Briefly, the thesis is as follows. Every international *mise en scène* must have its bogie, and now that the Russian, German, and Japanese bogies have had the stuffing knocked out of them, the British Press and public are on the look out for a new bogie-hole in the Mediterranean. As evidence, Sir Frederick Maurice adduces the striking fact "that there is to-day a greater display of naval strength in the Mediterranean than there has been in all the varied and adventurous history of the sea"; and he traces the effect of this concentration of armaments, and of anxiety, in the Mediterranean upon British policy in Egypt—the country which commands the south-eastern exit from that land-locked sea. In his view, the Mediterranean bogie has frightened the British Government into a desire to keep a permanent British garrison in Egypt, when a dispassionate consideration of the technical questions involved would show that this garrison is unnecessary. It is unnecessary, first, because Egypt is almost invulnerable to attack by land—especially now that a British mandate has been established over Palestine and Transjordan; secondly, because the Suez Canal, which gives Egypt her place in the scheme of British Imperial communications, would be protected in a naval war from the distant bases of Malta on one side and Aden and Perim on the other, and not by warships anchored in the Canal itself or by batteries planted on its banks; and, thirdly, because, even if the passage through the Canal were to be closed in time of war, the damage to British interests would be slight. Sir Frederick points out that, for modern ocean-going steamers, the Cape route to India, Australasia, and the Far East is hardly slower than the Suez route, and is so much less perilous to merchant shipping in this age of submarines that, in war-time, the balance is definitely in its favour. He demonstrates this

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point by recalling that "from March 7, 1916, the Mediterranean was closed by the British Government to all traffic which could use another route."

If Sir Frederick's thesis is sound, its importance is very great, since it opens the way towards an Anglo-Egyptian settlement. For both Great Britain and Egypt a settlement is highly desirable; but the gulf between the *de facto* situation, in which Great Britain holds all the cards, and the programme of the Egyptian Nationalists, who demand that all the cards shall be transferred to their hand, has hitherto defied repeated attempts to bridge it. If, however, Great Britain can really afford to discard the British garrison in Egypt, there are the makings of a square deal. The essence of the situation is that either party has a vital interest at stake, and that either party has insisted on safeguarding its own vital interest by an arrangement which the other party finds unacceptable. The British interest is security of passage through the Suez Canal, and the British Government has insisted on safeguarding it by the maintenance of British forces at Cairo and Alexandria, which the Egyptians feel to be incompatible with their national independence and sovereignty. The Egyptian interest is security of obtaining an adequate supply of irrigation water from the Nile and its tributaries, and the Egyptian Nationalists demand that this interest shall be safeguarded by the re-establishment of extensive Egyptian political control over the Anglo-Egyptian Sudan—a demand which Great Britain cannot accept because it would be a breach of her moral partnership for the welfare of the Sudanese people. A bargain has hitherto been impossible because neither party has been willing to make a single important concession in exchange for an equivalent concession on the other side. If, however, the British Government felt itself able to offer the withdrawal of the British garrison from Egypt, the Egyptians might perhaps be ready, in return, to accept the *status quo* in the Sudan, which is *de jure* under an Anglo-Egyptian condominium, while *de facto* it is being administered by Englishmen and garrisoned by British and Sudanese units. Each party would then hold the other to a certain extent at its mercy. The British would be in a position to deprive the Egyptians of the Nile waters, the Egyptians to deprive the British of the passage through the canal; but, just because these two potential weapons would be in different hands, either party would be extremely unwilling to bring them into play. Moreover, the practical certainty that neither weapon would in practice be used could be clinched by international guarantees. The allocation of the Nile waters could be entrusted, by treaty, to an international board, while the *régime* of the canal could be assimilated to those of the Black Sea straits or of the European international rivers.

The opening up of this prospect makes it well worth our while to get rid of the war-bogie in the Mediterranean which at present bars the way, and Sir Frederick Maurice carries conviction when he demonstrates that this bogie, when you come to grips with it, turns out to be as unsubstantial as its predecessors. At the same time, it

would be a mistake to infer from Sir Frederick's argument, which refers to war and rumours of war, that in all respects the current estimate of the international importance of the Mediterranean is exaggerated. From a general point of view, it can hardly be disputed that the Mediterranean is more important in 1926 than it was in 1826, and still more important than it was in 1726. For example, an argument in regard to the Suez Canal which is valid in war-time does not necessarily hold good under the normal conditions of peace. Indeed, there are strong indications that, under normal conditions, the economic importance of the short cut through the Mediterranean from Europe and Southern Russia to India, East Africa, Australia, and the Far East is increasing. It is significant that international traffic is no longer content to take this short cut only by water, but has been experimenting in the supplementation of the Suez Canal by air routes, automobile routes, and railways. The German project of the Baghdad Railway was interfered with by the War, but the post-war period has seen the opening of an air route from Egypt to India via Iraq and the Persian Gulf, and of an automobile route from the Mediterranean coast to Baghdad and Tehran via the Syrian desert. This is strong evidence that the importance of the Mediterranean as a zone of transit has not yet reached its maximum, and it is also clear that the Mediterranean is becoming a centre in itself for the radiation of human and material energy. As the oil fields of the Old World are opened up they are found to converge upon the Mediterranean from every quarter; and as the economic, cultural, and political influences of North-Western Europe spread in wider and wider circles from their point of origin, they are re-awakening the Mediterranean peoples to new life. The revival of Italy, Greece, and Turkey on one coast is matched by the revival of the Arabic-speaking peoples on the other. From the Rif to Angora and from Milan to Damascus the Mediterranean countries are astir with new life. Let us hope that Sir Frederick Maurice is justified in his belief that the energies thus released will be able to find a peaceful outlet.

THE POSITION OF HOME RAILWAY STOCKS.

IN view of the complications set up by the general strike and the five months' coal stoppage, holders of the junior stocks of the four British railway companies may well be excused if they are puzzled as to the dividend prospects for the current year. Substantial reductions were made in the interim dividends on the ordinary stocks of the Great Western and London Midland and Scottish companies. In the first half of the year the gross receipts of the companies showed a decrease of nearly £12 millions as compared with the first half of 1926, a sum which cannot possibly have been made good by such savings in expenditure as resulted from reductions of services and staff during and after the general strike. In the past three months gross traffics show a further

decline, and the total reduction to date is in the neighbourhood of £22 millions. Lower dividends for the current year must, therefore, be expected, the extent of the cuts depending, of course, upon the extent to which the directors decide to make further inroads upon their reserves.

While the immediate outlook is thus distinctly uncertain, we are on firmer ground in looking rather farther ahead and examining the prospects of Home Railway ordinary stocks over the next few years. Considerable attention has been directed to this problem by means of a thorough and widely circulated memorandum prepared by Messrs Buckmaster and Moore. This document examines at considerable length the question of the ability of the companies to earn their standard revenue with or without an increase of rates and charges. It may be recalled that the Railway Rates Tribunal, set up under the Railways Act, 1921, is to fix the standard charges at such a level as will produce, for each amalgamated group, such an amount as will yield, with other sources of revenue and with economical and efficient working, an annual net revenue to be called the "standard revenue." It has also to fix an "appointed day" as from which the standard charges are to become effective. The Tribunal has by now determined, *inter alia*, (i.) the proper working expenses of the four groups for "A" year (the first year after the "appointed day"); (ii.) the standard revenue which has to be raised in that year, over and above such expenses. The sum of these two accounts (which may be called the "gross revenue") is thus ascertained. It is now engaged in fixing the standard charges at such a level as to yield this gross revenue. It has not yet fixed the appointed day, but May or July, 1927, may be taken as the earliest date, and January, 1928, as (barring extraordinary accidents) the most remote.

The following table compares the standard revenues as fixed by the tribunal on the principles laid down in the Act of 1921 in comparison with the actual net revenues of each of the four groups in the last two years:—

	Standard Revenue.	1924 Net Revenue.	1925 Net Revenue.
L.N.E.R.	14,602,533	11,718,000	10,129,000
L.M. and S.	19,991,122	18,626,000	18,002,000
G.W.R.	8,132,713	7,453,000	7,108,000
S.R.	6,331,561	6,319,000	6,416,000
Total	49,057,929	44,116,000	41,655,000
+ say	500,000		
	49,557,929		

Thus the standard revenue exceeds the revenue of 1924 by £5,440,071 and that of 1925 by £7,902,929. The addition of £500,000 to standard revenue is an allowance which may possibly have to be made in respect of capital expenditure incurred since 1923. The figures given in the table do not include any sums taken from free or compensation reserves to maintain dividends, or, indeed, any sum not earned.

The all-important question is, however: Can the standard revenues be realised? According to Sir R. Wedgwood, general manager of the London and North-Eastern Railway and chief expert witness for the railways before the Tribunal, the railways cannot in the aggregate realise the standard revenues within £3 millions, whatever they may do with their rates. Of this deficiency, £2½ millions will be borne by the London and North-Eastern, the Southern Railway will realise its "standard" with a little over, and the other two will have a moderate deficiency. Even this result is only secured by making the increases which the railways are proposing. If the charges remain as at present, the revenue in "A" year would be still lower by £4,332,000. Sir R. Wedgwood is asking authority for standard charges from the present 50 per cent. to approximately 60 per cent. over the pre-war level. The writer of the memorandum pertinently asks "what possible advantage the railways can hope to get from such powers if granted? The railways, presumably, charge as much as they dare at present, and that is about 50 per cent. over pre-war. How can they profit by being allowed to charge 60 per cent. over pre-war? Who would pay it? In any case, the railways have been free, so far as the Railways Act goes, to charge 60 per cent. (and, indeed, 100 per cent.) over pre-war any time in the last two or

three years. If people are willing to pay it, why have the railways not charged it? If people are not, of what value can the right to charge it be in future?" As a matter of fact, the right of the railways to raise their rates is challenged by the traders, who have agreed to the reductions made step by step after claims had been submitted to the tribunal. If the doubt as to the companies' power has been a deterrent, and if 50 per cent. has proved bad business, it may be that the power to charge 60 per cent. in "A" year will increase the earnings of the companies materially, but whether to the extent Sir R. Wedgwood suggests seems doubtful. In any case there is likely to be a great outcry in these hard times against an increased handicap on industry in the form of higher freight rates. But the more practical consideration from the standpoint of the value of railway shares is whether higher rates will in fact produce increased revenue. The drift on to the roads in the case of all kinds of lighter traffic is in full swing, and in the case of heavy traffic which cannot leave the railway higher rates may quite well check business. The principle of standard revenue is open to grave objection as a method of railway control, but for the purpose of the present discussion the issue is not so much one of equity as the fact that the principle must in practice give way to the over-riding consideration that in the end revenue is limited to what the traffic will bear.

But there is another powerful factor helping to bridge the gap between standard and present revenues—namely, anticipated savings in working expenses. These may be expected to result, firstly, from the benefits of amalgamation, which are only just beginning to be felt, and, secondly, from the strike and its failure. It is suggested that a permanent reduction of staff to the extent of about 4 per cent. will be rendered possible, and given effect to in consequence of the strike. This should yield a total saving of nearly £4 millions, which is clear gain, with no loss of gross earnings to set against it. The "working expenses" for the four companies were finally fixed by the Tribunal before the strike (and the resulting reductions in expenses) could be taken into account. Nor is there any machinery for revising the "working expenses" figure in the light of the strike until "A" year, a revision in that year not taking effect until "B" year. Even in "B" year the companies would be entitled to an allowance of 33½ per cent. on any economies they may effect after the date when their working expenses were first fixed. The estimated savings from a 4 per cent. cut in personnel (even if the raising of rates and other economies afford no benefit at all) will more than bridge the gap which divides the net revenues of the L.M.S.R. in 1924 from their standard revenue; and would bridge it to the extent of three-quarters in the very much worse year 1925. In the case of the Southern Railway (which has already exceeded its standard revenue) it would enable the company to earn about £500,000 more than its standard revenue in "A" year, 20 per cent. of which would enter into the company's increased standard for "B" year. In the case of the G.W.R. it would bridge the gap between its 1924 net revenue and the standard revenue. The L.N.E.R. alone would continue to fall materially short of its standard revenue. Whether these economies will in fact be realised will be much clearer when the year's accounts have been issued, and it is possible to see how the expenses account of the railways are developing. In and after "A" year the railway shareholder will secure part only of future economies. But apart, therefore, from the savings that are being realised at the present time—which are in the nature of a substantial windfall—the future of British railway stocks depends upon the achieving of steady economies as a result of amalgamation and upon an increase of rail-borne traffic as a result of trade development. Finally, there remains a possible course of benefit to the shareholder in the probability that the railways have, in fact, been extremely conservative in the charging of depreciation, replacement, &c. It may well be that these various influences may enable standard revenue ultimately to be attained.

The standard revenues, if fully distributed, after meeting all prior charges, would give dividends of over 4 per cent. on L.N.E.R. deferred stock, of 7½ per cent. on L.M.S. ordinary stock, of nearly 8 per cent. on Great

Western ordinary, and of 2½ per cent. in Southern deferred. If the "standard" is in practice attained within reasonable time it would appear that, taking the long view, three of the four stocks are at present under-valued. Present quotations are compared below with the highest and lowest since 1923:—

	Highest.	Lowest.	Oct. 8, 1926.
Great Western, ord.	118½	81	87½
L. and N.E., deferred ..	39½	15½	17½
L.M.S., ordinary	118½	69½	72½
Southern, deferred	46½	34	45½

Thus all but Southern deferred are near the bottom of the curve.

THE WHEAT SITUATION.

A LEADING feature of the wheat market at present is the general absence of excitement. This summer's harvests have generally come out along the lines which the trade expected. There have been a few minor disappointments, but no developments of a sensational character. A comfortable surplus of supplies over requirements is anticipated for the current season, and no extensive movement in world prices is looked for at the moment. Europe is expected to call for larger imports than last season, but the North American countries, on which the lion's share of the demand will fall during the next few months, should be in a position to provide them without undue pressure, thanks largely to a considerably increased yield in the United States this year.

The following table is based on figures given in the most recent Report of the International Institute of Agriculture,* and shows the estimated acreage and yield of various countries north of the Equator.

ESTIMATED WHEAT ACREAGE AND PRODUCTION.
(000's omitted.)

	Acreage.			Yield (Centals of 100 Lbs.).		
	Average, 1920-24.	1925.	1926.	Average, 1920-24.	1925.	1926.
England and Wales..	1,820.5	1,499.6	1,592.0	35,199.8	30,464.0	31,606.4
Germany	3,526.8	3,835.3	3,955.7	54,556.1	70,928.8	67,316.4
Italy	11,480.0	11,672.7	11,394.8	106,897.0	144,509.1	123,172.7
Bulgaria	2,316.0	2,537.3	2,536.3	17,463.7	29,786.2	25,280.5
Jugoslavia	3,803.7	4,382.3	4,177.5	30,976.0	47,188.6	46,777.6
Hungary	3,202.5	3,585.6	3,523.4	31,757.8	43,005.5	41,372.8
Romania	6,436.3	8,156.8	7,872.1	48,531.0	62,845.3	65,915.7
Poland	2,471.3	2,702.5	2,738.7	24,410.9	34,749.7	30,143.9
Spain	10,363.6	10,722.5	10,686.5	82,574.6	97,556.4	94,403.0
Czechoslovakia ..	7,533.3	1,526.8	1,545.7	20,055.7	246,825.9	21,401.1
Canada	21,571.6	21,972.7	22,853.0	204,019.7	237,366.0	375,899.2
United States	40,157.0	31,269.0	36,803.0	355,112.2	162,525.0	127,265.4
States. Spring crop	19,676.8	20,931.0	20,884.0	145,941.7	162,525.0	127,265.4
India	29,258.0	31,774.0	30,470.0	198,598.4	194,969.6	22,324.6
Egypt	1,423.9	1,379.7	1,531.6	21,548.8	21,748.8	11,464.1
French Morocco ..	2,146.5	2,620.8	2,651.5	12,332.5	14,330.1	11,464.1
Algeria	3,367.7	3,608.0	3,732.1	14,030.9	19,602.5	14,109.6
Totals (including other countries)	169,911.1	170,049.0	175,389.5	1,467,068.7	1,550,711.9	1,596,125.8

The 1926 figures are provisional, being based on estimates made up to the middle of last month. The figures for France and the Soviet Union were not to hand when the table was compiled, but it is unlikely that they will seriously upset the general conclusions to be drawn. The world's yield, north of the Equator, will in all probability be slightly larger than in 1925, and nearly 10 per cent. above the average for the five years 1920 to 1924. There has been, however, an important change in distribution as compared with a year ago. Europe's bumper harvests of 1925 have not been repeated, though the total yield is very little below that of the "good" year, 1923, and is well above average level. Canadian crops are satisfactory, and not much below last year's, though bad weather has caused the harvest to be seriously protracted, and the crop may not grade as highly as was expected. The United States, however, has greatly improved upon last year's unsatisfactory figures, so far as quantity is concerned. The net result is that while the estimated yield from 23 European countries totals 591.8 million centals, against 634.0 millions last year, and an average of 493.7 millions for 1920-24, Canada and the United States together may account for some 742.6 million centals, as compared with 646.7 millions, and 705.1 millions respectively.

The "deficiency" countries in Europe are, in fact, already importing rather more wheat than at this time last

* "International Crop Report and Agricultural Statistics, September, 1926." (Rome) International Institute of Agriculture.

year. Total shipments to Europe in the first eight weeks of the current season (*i.e.*, from August 1 to September 25, 1926) reached an aggregate of 52.2 million centals, against 49.2 millions in the corresponding weeks of last year. There would appear, however, to be little doubt that a fairly comfortable surplus of supply over all possible demand should eventually be registered, provided the growing crops of countries like Australia and Argentina realise what is expected of them. Broomhall estimates the world's total import requirements during the season August 1, 1926, to July 31, 1927, at the equivalent of 422 million centals, of which Europe will account for 346 millions. The available surplus of the wheat-exporting countries is put by the same authority at 490 million centals, made up as follows:—Canada, 182 millions; United States, 120 millions; Argentina, 72 millions; Australia, 53 millions; India, 10 millions; Russia and the Danube countries, 24 millions each, and other countries about 5 millions. These figures must, of course, be conservatively interpreted, as the season has yet far to go. The Argentine and Australian estimates are naturally tentative, but in view of the generally satisfactory reports from these countries they may be accepted as reasonably near the mark, pending more definite information.

In these circumstances, no wide movements in prices are likely unless unexpected developments occur, as was the case last autumn, when the failure of Russian exports to reach the somewhat optimistic level on which the market had based its calculations, and disappointing Argentine and Australian estimates, produced a sharp upward twist in prices in November. The nigger in the wood-pile this year is the very considerable rise in shipping freights, which is largely due to the protracted British coal strike. A representative rate for a full cargo from Atlantic Coast ports of Canada in mid-September last year would be about 2s 10d a quarter (480 lbs). In the middle of last month the rate was nearer 4s 8d, having risen by over 2s since April last. The resulting tendency to limit purchases to some extent, pending the conclusion of the coal stoppage and the return of more normal conditions in the freight market, has partially set off the increased cost of ocean transport, but the European consumer has not been able entirely to escape the consequences of England's industrial troubles.

ORGANISING THE COPPER TRADE.

(FROM A CORRESPONDENT.)

THERE is a marked disposition in the metals market here to seize upon all rumours from New York tending to show that the proposed Copper Export Trading Association, designed to stabilise prices in the industry, is, after all, coming to naught. Dispatches from New York frequently reflect the view in the copper market there that the numerous postponements of the formal hearings which must be held before the Federal Trade Commission can issue a licence under the Webb Pomerene Act have really been paving the way to a gradual abandonment of the ambitious project. Perhaps a word or two, not too dogmatic, may clarify the situation.

To begin with, while New York is betting that the new "cartel" of copper producers will never materialise, it is significant that Boston—judging from the firmness of copper shares on that market—is very decidedly betting that it will. When it comes to copper, it is Boston that talks, not New York. The whole scheme for combining the world producers into an export sales organisation originated in the bank parlours of Boston, and it is fair to assume that those political difficulties which seem so obvious to New York have been anticipated in Boston. Several "bull markets" have reached their heights and receded in New York without in the least disturbing those copper shares which are so strongly held in Massachusetts and other New England states. This has a certain evidential value.

Secondly, while the croakers in New York have been busy burying the new concern before it was even started, Mr T. Wolfson, chairman of the proposed association, has been moving cheerfully through Europe signing up nearly everybody he has approached. A recent dispatch

from Brussels said that Mr Wolfson had signed up all the subsidiaries of the Union Minière du Haut-Katanga; that means that they have agreed to sell their copper through the new organisation when it gets under way. But it was only in August that a London market letter pointed out that Katanga would never join the new group; it would stand out with Rio Tinto and the Miami, a bulwark against the world "trust"! Frankly, it rather looks as though Mr Wolfson might succeed in signing up, not the modest 90 per cent. of the world's production—as stated a few months ago—but something considerably higher. His offer to the various producers is probably extremely attractive.

It is quite possible that the hearing before the Federal Trade Commission, now scheduled for October, will be postponed until well into November, after the congressional elections. This would be quite in accord with American practice, and would, indeed, be an act of the merest prudence since the Administration would not greatly relish facing the election charge that it was about to license a predatory copper trust. But after the elections were out of the way, it would be only reasonable for the new association to outline its objects and demand a charter under the Act of Congress permitting American companies to combine for export sales. To the inevitable cynical reply that the association is, at bottom, a "trust" which intends to exploit the domestic as well as the foreign consumer, it should not be very hard for the Boston bank parlours to make an effective reply.

For the truth is that from the standpoint of the big American producers it is the foreign market—especially the European market—which needs stimulating. It may surprise most people to know that even in the field of electric light and power copper is being severely crowded in the United States by aluminium wire, which has been found excellent for high tension power transmission lines. Household use of copper in the United States is sharply limited by the refusal of the servantless American housewife to keep it cleaned and polished. (The almost universal adoption of aluminium ware in America is eloquent on this point.) The use of copper for domestic plumbing encounters similar difficulties. But both those fields may profitably be exploited in Europe through the usual methods of extensive advertising, by bringing the middlemen up sharply on their toes, by sales campaigns "scientifically" projected, and so forth, while the ordinary industrial uses of copper can also easily be increased. In the consumption of this and other non-ferrous metals it is Europe that has lagged behind its former pre-war rate of increase, and not the United States.

So, without stretching the facts at all, one may quite reasonably postulate an "export sales" company quite under the terms of the Webb Pomerene Act. It may be argued that that Act never contemplated the issue of an American licence to a group which included Spanish, Chilean, Belgian, and other producers. This is true, but again one may fairly conclude that those responsible for the new enterprise have a suitable answer ready for that. It is quite possible that the licence would be issued only to the Americans, but that would not prevent them from making any practical arrangements they wished with their foreign associates.

In short, by the time another year has rolled by we may find the copper bugaboo of 1926 a mere familiar of the market-place, feared by none except, perhaps, the metal speculators.

THE ECONOMICS OF THE HIRE-PURCHASE SYSTEM.

(BY A CORRESPONDENT.)

THE many-sided effects of the wide extension of the hire-purchase system are more than a merely academic question; the interested student of it may now find in America a complete working out of the plan under all conditions except those of a great industrial depression or a widespread credit stringency. But whether the effects of the plan as they have worked out up to date constitute a situation where an economically favourable verdict can be given is a most difficult question. Those who believe the plan has been a good thing, and who claim that it has

been responsible for a large part of the admittedly great business prosperity of the past three or four years, point to enlarged bank clearings, lack of unemployment, general diffusion of motor cars and other evidences of individual prosperity to support their view that the plan has not been overworked, and has been a sound means of keeping the United States fully engaged in its industries.

But it must be admitted that those who believe the whole business is based on an economically false foundation are the same critics who have generally been proved correct in judging American business tendencies in the past. The tremendous volume of sales on the instalment plan results in the creation of a huge mass of credit that must be handled elsewhere than by the manufacturers and sellers of the goods represented by the chattel mortgages given in return for the motor cars, pianos, clothing, jewellery and the other articles in the long list that may be purchased by this method. This credit is passed on by the sellers of the goods either to banks with which they have established relations or to one of the many "finance" companies which have been established solely to cater to this sort of business.

Those familiar with American banks and their history know that they may be roughly divided into two classes—those always willing to take a chance and those which never take a chance. It is well known that in times of stress—and they have been frequent in the history of the United States—the first group are always found leaning heavily on the shoulders of the second group. The point to be made here is that the banks of the second group avoid all connection with the hire-purchase system as if it were the plague, while the group which is ever ready to take a chance is now engaged in that pastime.

It is impossible to secure any really accurate figures showing the extent to which the hire-purchase system is being used in the United States. All that can be done is to assemble, from representative groups in some of the industries in which the plan is mainly used, statistics that give a reasonably accurate view. In the nature of the case, understatement as to the amount of business done in this manner is more likely than overstatement. In an endeavour to find out just what the facts are, one of the most conservative Trust Companies in New York used its facilities to collect data on this subject. Its figures are for the year 1924, and it is admitted by everyone that the use of the hire-purchase plan was greater in 1925, and so far in 1926, than in 1924. Although practically every commodity can be purchased by this plan, called in America the partial-payment system, it was only feasible for the company's investigators to work on the eight lines of merchandise generally associated with hire-purchase. The summary for 1924 turned out as follows:—

	Retail Value.	%	Value Sold on Time Payments.
1. Automobiles	2,910,082,505	75	2,182,561,878
2. Washing machines ..	88,000,000	75	66,000,000
3. Vacuum cleaners ..	69,000,000	65	44,850,000
4. Gramophones	70,000,000	80	56,000,000
5. Furniture	100,000,000	(Approx.)	765,000,000
6. Pianos	400,000,000	40	160,000,000
7. Jewellery	300,000,000	25	75,000,000
8. Radio	300,000,000	13	39,000,000
	3,937,082,505		3,293,411,878

It is believed that a later investigation would show larger figures in almost every line, and that the total, including important items such as women's fur garments, now very largely sold on time, would be at least a third larger than the figures given.

According to Mr George W. Norris, Governor of the Philadelphia Federal Reserve Bank, instalment-plan credit now constitutes about 25 per cent. of the current credit in the United States. If it were bank credit it would be under the influence and control, rigid when necessary, of the Federal Reserve system. Actually, however, it is absolutely uncontrolled. Great sums of idle capital searching for remunerative investment in the United States have been invested in the finance companies which purchase and undertake the collection of the notes signed by the purchasers of hire-purchase merchandise. These companies are now so numerous that they have a national association organised to look out for their interests and to oppose movements designed to restrict or control their operations. The large profits that have been earned by

many of them render them loath to curtail their business. The size of these profits is undisputed, and will be readily recognised if inquiries are made as to the actual rate of interest which purchasers of merchandise under the hire-purchase plan are required to pay.

The point which is now causing concern to many American bankers, economists, and public men is the fact that if there should be for any reason a widespread business depression, the country would be faced with a larger amount of frozen credit than paralysed the country in the depression of 1920-21. It is estimated roughly that \$5,000,000,000, or £1,000,000,000, worth of goods were bought in 1925 to be paid for in 1926, and an equal amount is being bought this year to be paid for in 1927. On this point Governor Norris says:—"In other words, 1925 has borrowed \$5,000,000,000 worth of business from 1926, and—assuming that it is already 30 per cent. paid for—is going to absorb probably \$3,500,000,000, or 5 per cent., of the national income of 1926 to pay for it. If this performance can be repeated in 1926, all will be well, but it manifestly makes the whole situation less sound. The manufacturers and merchants of the country, instead of knowing that there is either a shortage of goods, or nothing more than a current consumption of goods, know that the people have bought in 1925 all that they could afford to pay for, and nearly \$5,000,000,000 more."

It may be interesting to turn back to the conclusions reached by the institution which assembled the figures for 1924 quoted for the eight industries listed above. This institution made the investigation simply to ascertain so far as possible what the facts are, and not to prove or disprove any of the disputed economic points involved. The final paragraphs of its report are:—

"From our investigation of this subject we do not feel that it is possible to arrive at any definite conclusions which would cover the entire field. Broadly speaking, it seems to us that instalment buying is justified in so far as the purchase of necessities is concerned. While automobiles in many cases do not come within the category of a necessity, yet, nevertheless, in the main they have done so much for the health, enjoyment, and efficiency of the people as a whole that to condemn their sale on the instalment plan would hardly seem to be justified. Due to the tremendous volume of production of automobiles, which has rendered possible drastic reduction in price, there is now on the market a car for almost every purse."

"The dangers in the situation would not seem to be susceptible of any broad or all-embracing corrective measures. The necessary brakes must be applied in individual cases, if not by the dealer or the manufacturer, then by the finance company or the commercial bank. The careful extension of credit by all of the parties concerned will probably do much toward keeping out the evils which are bound to be present in any system so widespread as instalment selling, and if that is not done the disastrous results, which are the inevitable consequence of unwise merchandising, will be experienced to the extent to which such laxity has been allowed to prevail."

In considering the above two paragraphs, it may be well to remember that they are the cautious remarks of a very conservative institution not wishing to disturb anyone unduly in a country where the instalment plan has already reached the most extraordinary volume. Their application to this country is as yet hypothetical. The thinking bankers of America realise that a condition and not a theory confronts them, whereas with us the situation has yet to be moulded either for good or evil.

WELWYN GARDEN CITY.

THE opening this week by the Minister of Health of a main line station on the London and North-Eastern Railway marks an important stage in the evolution of Welwyn Garden City. In spite of having commenced its career at the very moment of the post-war slump, this important social experiment has already attained a very large measure of success, thanks largely to the vigour and enterprise of its managing director. With an ultimate objective of 50,000

inhabitants, it is already a substantial village of 5,000 persons, and is growing at the rate of 1,500 a year. There are near London and other great cities many admirably laid out dormitories but Welwyn is one of two towns in Great Britain designed in accordance with real garden city principles, the fundamental notion of which is that we should not only decentralise the sleeping of our great urban populations, but should decentralise their work also. This principle is urged on many grounds, such as the healthy conditions under which factory work may be carried on, and the possibility that out of hours the worker may enjoy the healthy advantages of the country. It provides for the provision of the town with fresh vegetables from an agricultural belt which can never be built upon, while, on the other hand, it will ultimately provide the amenities of social life which can be attained in a town which is itself of substantial magnitude, and is near a metropolis. But, perhaps, the strongest argument of all for the principle is to save the enormous waste involved for many millions of the population in spending one to two hours in travelling to and from work. Industry gets the benefit of these social advantages in better work, in addition to the opportunities for abundant space, cheap land, and low rates.

Such considerations as these were clearly foremost in the mind of Mr Chamberlain on Tuesday. He laid emphasis on the essential difference between a Garden City and a Garden Suburb. The latter, he pointed out, "must always be an appendage of a great town, and the people who lived in it must be transported, morning and evening, to their work. Transport is one of the insoluble problems of our great cities. But in a garden city we have a self-contained unit in its perfection. If we multiplied Welwyn Garden cities indefinitely they would solve what, for the want of a better name, was called the housing problem. We cannot hope to be able to build, in proximity to existing factories and places of industry, houses such as we should like to see, for the simple physical reason that there is not room. There is only one alternative, and that is to build new factories in proximity to new houses. That was the problem which Welwyn was in process of solving." Mr Chamberlain concluded his speech by pointing out to manufacturers, struggling with the burden of high taxation, the advantages of Welwyn and the low level of rates there in force, and by stating his personal view that the Government should lend its assistance to the development of garden cities on the Welwyn principle.

Welwyn is, however, interesting not merely as embodying the garden city as distinct from the garden suburb principle. The company is making a number of experiments which may one day exercise a great influence on municipal finances. The company is limited in its dividend, and can, therefore, never become a profiteering institution at the expense of the town whose interests, moreover, are further safeguarded by the presence on the board of certain civic directors. The profits of the company in exploiting what is in effect a land monopoly must ultimately go back to the town in increased amenities which will involve a reduction in rates. In the case of Welwyn, however, the land monopoly has been deliberately used in other ways to establish the company's finances on a firm basis. A number of public services, including the establishment of a large and growing general stores run on modern and up-to-date lines, a hotel and restaurant, a building business, a transport company, nursery garden, cinema, and several other undertakings, have been organised as subsidiaries of the parent company itself, and a share of the excess profits of these undertakings over a certain sum goes to the parent company, and, therefore, ultimately back to the town. No leases are granted which will permit competition with these organisations, and the town will itself have ultimately to decide between the advantage to its own finances of the monopolisation of these services and the benefits of competitive services. But for the present the system is likely to establish the finances of the company on a paying basis at a much earlier date than would have been the case in other circumstances. Mr Neville Chamberlain's speech shows that the Government is watching this experiment with great interest. The initiative was one taken entirely by private enterprise, and the concern is a joint stock company of the ordinary type. The experiment should show whether it is possible to combine the offering

of the necessary inducements to private capital with plans permitting the exploitation of monopoly privileges based upon the ownership of land in the communal interests.

The event of this week inclines us to hand bouquets all round—to congratulate Welwyn on passing an important milestone in a short history which is full of promise; to congratulate Mr Chamberlain on his recognition of the value of the Welwyn venture; and, finally, to congratulate the directors of the London and North-Eastern Railway on their acquisition (albeit overdue) of a site which has natural and geographical promise of becoming an important railway junction in the future.

Notes of the Week.

A Counsel of Despair.—The delegate conference of the Miners' Federation has taken a step this week which ensures that the great dispute of 1926 shall fade away into guerilla warfare, and that the mines will resume work in a bewildering confusion of local arrangements. The Government's offer, which would have preserved some semblance of a national settlement, was rejected by the Conference after receiving Mr Baldwin's intimation that the offer would lapse this week. No other conclusion was possible after the adverse expression during the week-end of opinion in the districts which had received no lead from either the executive or the delegates and with the miners who had returned to work either absent or barred from taking part. Officially it is stated that the adverse vote was 737,000 to 42,000, though no intelligible meaning can be attached to figures which are produced on no uniform plan, and represent block membership of lodges or districts. In the only district, however, in which a ballot was taken there was a very large majority against acceptance, and the fact of substantial rejection is not in doubt. But the two hundred delegates went further. Against the advice of Mr Herbert Smith they accepted, by a three to one vote, the proposal of the South Wales delegates to intensify the fight by withdrawing all safety men, endeavouring to secure an embargo on foreign coal, ordering the cessation of work on outcrops, calling on all trade unions to make a special levy, undertaking a national propaganda campaign to bring out the men who had returned, and vesting the further conduct of the dispute in the Federation, who will, if need be, supersede district organisations. For this policy there is obviously much to be said from the point of view of its advocates. There are clearly only two courses now open to the miners—either to make peace on the best terms possible, or to try to win by any available means. The Conference had rejected the only hopeful line of general agreement, and did not apparently consider the only remaining possibility, viz., to instruct the men to return on the best terms they could get locally. But the policy of intensifying the war is clearly a counsel of despair, which, in any case, could only have succeeded at a much earlier stage of the contest. In the first place, it is suicidal. Whatever terms are made, the industry is faced with the need of restriction, and many of the men will never be employed again. If the pits are flooded, it is only another nail in the coffin of the older districts. Secondly, it is certain to fail. The safety men, who mostly do not belong to the Federation, will not come out, with some exceptions, and even if some of the men withdraw, emergency measures will be adopted to save the pits; the hopes of an embargo are almost nil, and the display of divided counsels is not likely to secure any increased support from the trade union movement generally. Indeed, the plan is so obviously futile that on Friday the Conference shirked action by referring it once more for ratification by the districts. This does not mean that the decision is unimportant. It will embitter the last stages of the dispute, lead to violent antagonisms in the coalfields, and delay the restarting of industry by perhaps some weeks and so prolong the hardship that is being suffered not only by the miners, but by large numbers of others who are being kept idle by the dispute. This deplorable conclusion is the final proof of the impotence and futility of the leadership of the miners. The officials have, in fact, virtually confessed their inability to end the matter, and thus left

the field open to the leaders of the minority movement, who eagerly stepped into the breach. Some people still persist in regarding the much-advertised Mr Cook as a sort of modern Pied Piper of Hamelin, who has led the miners off into the mountain playing on his slogan. But his influence on policy has latterly been by no means a decisive one. The events of the last two months have, indeed, revealed the dour and obstinate Mr Smith as a much more serious obstacle to peace than "that impulsive young man" who has made many efforts to open up the way of retreat without having the qualities of courage and statesmanship that are required for this most difficult of tasks. But even Mr Smith, whose policy of negation has proved so disastrous, is now pushed aside by the hot-heads, who can have no hope that a policy of violence can produce any better terms, but are determined to break some crockery before the fight is over.

Parties and Policies.—We have reached the period of the year when, with holidays well over, there is a stirring in the political camps. This year, it is true, the close season has been broken by two short emergency sessions of Parliament and by a flood of oratory (chiefly on the Labour side) aroused by the disastrous prolongation of the coal stoppage. However, between now and the re-assembling of Parliament in November, we shall see the usual autumn campaign of platform speeches by the leaders of the three parties. Mr Baldwin set the ball rolling at Scarborough on Thursday night, when he addressed a demonstration in connection with the annual Conservative Conference held there this week, and Lord Oxford will enter the fray next week with a speech at Greenock on Friday. At the Conservative Conference only two subjects aroused real enthusiasm or heat. The first, which appears to arouse intense feeling within the party, is the minor question of the restriction of hours of sale of intoxicants at clubs. Conservative clubs are the backbone of the Conservative party organisation, and their universal demand for a removal of these restrictions (although the brewers, whose support also means much to the party, cannot be expected to favour it) is one to which the leaders are forced to give some semblance of attention. The other subject is one of first-class political importance, namely, the revision of the law as it affects trade unions. The resolution adopted by the Conference was as follows:—

That in view of the experience afforded by the general strike of May, 1926, this conference is of the opinion that the present state of the law relating to trade unions constitutes a menace to national security, while depriving the individual of political and industrial freedom, and that this conference therefore urges the Government to introduce legislation to amend the law:—(1) To make illegal any strike called without a secret ballot of the members of the trade union affected; (2) to increase the security of the individual worker against victimisation and intimidation on account of his political beliefs; (3) to make mass picketing and the picketing of a man's private residence illegal; (4) to require the national accounts of trade unions to be audited by certified chartered accountants.

The strength of feeling on the subject was so strong that the Conference showed great impatience with Sir Leslie Scott when he pointed out some of the practical difficulties involved. The handling of this problem will impose a severe test upon Mr Baldwin's sagacity. He promised in his speech on Thursday to introduce legislation, his words were carefully weighed, and on the whole unexceptionable, but it remains to be seen, when the promised Bill is drafted, whether he and the hotter heads among his rank and file are within measurable distance in their ideas on what amendments in the law are advisable. The line of Government action on this point may easily play a very big part in influencing the next election. For the rest the Prime Minister's speech was rather dull, consisting mainly of a defence of the Government's action in connection with the general strike, and a catalogue of its achievements since taking office. The credit taken for work in the European sphere of international politics was, perhaps, not greater than the facts justify; but his long exposition of the Government's doings in relation to agriculture was unconvincing; while his silence on the question of the coal dispute may be taken as an eloquent confession of failure. One passage, in which Mr Baldwin developed the theme that the burdens thrown on to the country by industrial disputes put social reform financially out of court for the

present, obviously presents Lord Oxford with a theme for his Greenock speech. That speech is the more important because it will be the first public pronouncement by the Liberal leader since his dramatic excommunication of Mr Lloyd-George after the general strike. Since that startling incident the rank and file of the Liberal party have shown something like a unanimous demand for the restoration of unity in the party and the suppression of sectional quarrels. Lord Oxford received a deputation on the subject from the Candidates' Association this week, and promised to deal with the question at Greenock. Meanwhile he has been publicly urged by Lord Beauchamp, the leader of the party in the House of Lords, to close the Liberal ranks. Lord Oxford's decision whether to adhere to the ex-communication, or to bow to the wishes of the party for conciliation, will have an important bearing on the developments of political party alignments in the near future.

Imperial Conference and Preference.—The advance guard of Dominion and Colonial representatives has arrived in London, and exchanges of opinion are on foot in preparation for the formal opening of the Conference on October 19th, by which time the newly elected Canadian Premier, Mr Mackenzie King, and his colleagues will have reached these shores. The supreme importance of the Conference will lie in the political rather than the economic sphere. Its proceedings are likely to mark an important stage in the constitutional development of the British Commonwealth of Nations, for among the problems to be discussed are those of Governorships, of diplomatic representation in foreign capitals, and of foreign policy generally, including vital questions arising out of the Locarno treaties and the evolution of the League of Nations. On the economic side, too, there are wide fields to be explored, including those of migration and communication. We have no doubt, also, that the occasion of the Conference will again be used by the Protectionist school in this country for a fresh campaign in favour of a widespread extension of Imperial Preference. Existing obstacles to such extensions are familiar to the people of this country, and we do not anticipate that Mr Baldwin, even under the pressure of his strongly Protectionist Colonial Secretary, Mr Amery, will so far forget the lesson of the 1923 election as to play at all seriously with fiscal fire. He is also bound by definite pledges, which preclude any fundamental change in policy. Nevertheless, it is as well that the business men of the country should be alive to the danger of a tariff campaign, such as is likely to arise in certain quarters in connection with the forthcoming Conference. We therefore welcome the issue by the Manchester Association of Importers and Exporters of a Bulletin containing a resolution and a letter sent to members of the Cabinet principally concerned with matters of trade policy. Their object is to lay stress upon the necessity for the greatest possible measure of freedom in the international exchange of goods and services, and they deal especially with the problem of Empire preferences. "Were it possible for Great Britain," they write, "to impose a duty on goods coming from foreign countries and to grant a preference to the Dominions for such goods, still the volume of the Dominion produce sold would be limited to the capacity of our purchasing power. As long as the Dominions continue their policy of enforcing prohibitive duties for the purpose of protecting their own home industries, our purchasing power is correspondingly weakened, and the volume of imports of Dominion produce into this country is automatically curtailed, and any benefit the preference might be designed to promote is practically frustrated. On the other hand, our exports of coal and manufactures to other countries which are now large purchasers would be diminished if we were not able to take a free supply of their raw materials and food in return for the economic production of British manufactures for home and overseas trade." There is nothing new about these arguments, but the moment is timely for the re-statement of such truths as these and the following:—"The enforcement of trade within the Empire by arbitrary and unscientific devices will be, at best, lop-sided; but if left to the natural development along well-tried British

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lines, in due course, with a gradually increasing population derived from British stock in the Dominions, a healthy and well-balanced trade throughout the Empire will grow up and flourish." The concluding sentences of this section of the Bulletin contain an appeal for freer trade within the Empire:—"Inter-Imperial trade implies mutual responsibilities, and as this country must, at all costs, have cheap food and materials, if our manufactures are to be sold against the present keen universal competition and our purchasing ability is to be strengthened, it becomes more important now than ever that Free Trade within the Empire should, as far as possible, prevail, even at the cost of mutual sacrifices. I am, therefore, to express the hope that the deliberations at the Imperial Economic Conference will lead to the removal of all needless barriers against a free and full circulation of goods and services in all parts of the Empire."

Air Progress.—The past week has seen three events which suggest contradictory comments on the progress of man's conquest over the air as a sphere of safe transport. At the end of last week Mr Alan Cobham (now very rightly and deservedly Sir Alan) alighted on the Thames after a 28,000 mile flight to Australia and back. This remarkable achievement, carried through without any breakdown, suggested that great strides had been made in aeronautics, and the suggestion is undoubtedly true. But an ironical reminder of the work still to be accomplished was quickly provided by two subsequent happenings. Twenty-four hours after the triumphal return from Australia a French air liner fell, a mass of burning wreckage, in Kent, passengers and crew all perishing. Moreover, on Thursday Sir Alan himself, taking the comparatively trivial air trip to Manchester to attend a civic reception, was compelled to make a forced descent at Nuneaton, narrowly escaped a fatal accident, and failed to keep his appointment. "Much is done, but much remains to do."

Yet Another Safeguarding Committee.—A few weeks ago a Committee was appointed to investigate the tariff claims of the fancy leather goods trade. Now another claimant has satisfied the Board of Trade that it has a *prima facie* case sufficient to warrant examination by a Committee under the Safeguarding of Industries Act. This time the claimant is the British Pottery Manufacturers' Federation, which asks for the imposition of an import duty on "table-ware of translucent pottery." The Committee which is to hear the claim, the Board of Trade announces, is to consist of Sir Philip Henriques, Lady Askwith, and Mr George Hayhurst. The secretary to the Committee is Mr F. W. Hammond, Board of Trade, Great George street, Westminster, S.W. 1, to whom all communications relating to the work of the Committee should be addressed.

New Capital Issues in the United States.—Through the courtesy of Messrs Dillon, Read and Co., Chicago, who have cabled the preliminary figures for the past nine months, we are able to give the following comparative table of new capital raised in the United States in the first nine months of each of the past three years:—

	(000's omitted.)	1924.	1925.	1926.
Companies	2,411,148	2,959,263	3,379,352	
Foreign Governments	243,945	364,631	289,519	
Farm Loan	154,400	110,797	94,875	
Municipal	1,103,425	1,047,183	1,279,347	
Canadian	126,755	38,658	53,792	
U.S. Possessions....	6,035	4,176	8,288	
	4,045,708	4,524,708	5,105,173	

The high level of trade activity in the United States has brought with it a substantial increase in the raising of new capital. The increase in the total is due to a growth in domestic requirements. The figure for company borrowings alone at well over £600 millions sterling in the past nine months is truly enormous. American municipalities are also increasing their demands in the market. Foreign Governments, on the other hand, have raised less than last year. Canadian borrowings in New York, although ahead of last year, are well behind the 1924 level.

Shipping Freight Index Number.—Whole cargo charter rates rose substantially during September in comparison with August, as will be seen by reference to the table below. For the fifth successive month there was an absence of quotations for outward coal cargoes from the United Kingdom, and it became necessary in consequence to have recourse again to the method, pursued since April, of computing the Index by two separate calculations, which are set out below. The figures in black type show the results obtained by interpolating for each of the coal routes, normally included in the Index, the last available routes—viz., those current in April. The italic figures indicate the results secured on the basis of the available freight quotations—i.e., omitting the usual coal routes. According to these figures, it will be seen that, taking homeward routes alone (the italic figures), the Index Number for September shows a rise of 6.92 per cent. compared with August, while the Index figure, including the April coal routes, is 4.57 per cent. above the figure for the previous month calculated in the same way:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
January, 1926.....	115.92	114.12	116.10	119.58	102.78	135.53	117.00
February, ".....	116.52	97.85	114.86	118.52	95.05	119.29	110.35
March, ".....	115.88	93.37	116.94	114.57	87.92	96.14	104.14
April, ".....	112.40	95.00	116.57	109.16	83.90	97.03	102.34
May, ".....	111.41	102.60	118.71	107.90	78.12	99.70	102.58
June, ".....	110.81	108.04	121.06	120.43	98.33	92.88	108.04
July, ".....	110.91	116.16	134.42	119.80	98.76	124.83	117.45
August, ".....	111.81	127.83	133.66	119.59	100.88	151.34	124.15
September ".....	112.07	141.30	144.29	121.68	104.08	154.90	129.82

The month's changes in the Index of each group and sub-group (coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	124.19	..	S. America—outwards	167.09	+ 21.26
Foreign Governments	117.95	+ 12.70	India—outwards	100.21	+ 4.18
Farm Loan.....	140.30	+ 12.47	Far East, &c.	104.05	+ 3.17
Municipal.....	140.30	+ 12.47	Australia	151.90	+ 3.56

The most noteworthy feature of September was continuance of exceptionally heavy chartering for the conveyance of American coal to Great Britain, rates in this connection rising during the month by more than 30 per

cent. Such a vast amount of tonnage was engaged in this attractive business that other important homeward markets were largely denuded of cargo space, and values jumped in nearly every direction. Particularly was this the case at the Plate, where a good demand was dealt with at rates which, on account of limited available tonnage, advanced rapidly, especially for nearer positions. The movement of grain from the Black Sea and Danube also proceeded at considerably improved figures, while American grain shippers, in competition with coal, had to pay substantially more for space. Other markets, including Mediterranean and Bay of ports, were generally quiet, though higher freights had to be conceded in most cases where actual business was transacted. The relation of the Index to the average for 1913 may be seen from the following table, the italic figures for the past five months being those obtained with coal freights:—

Month.	(1913 = 100.)	1923.	1924.	1925.	1926.
January	114.05	117.11	114.49	100.57	100.57
February	112.73	123.78	115.96	94.85	94.85
March	115.23	122.09	106.63	89.51	89.51
April	115.45	117.22	104.24	87.97	87.97
May	114.55	114.27	98.23	88.17	88.17
June	106.82	108.62	91.74	92.87	92.87
July	103.39	103.75	94.90	89.76	89.76
August	100.16	104.43	95.87	100.95	100.95
September	103.04	110.50	98.19	99.71	99.71
October	107.86	115.55	99.49	106.71	106.71
November	111.21	112.76	102.23	105.53	105.53
December	111.81	111.21	104.67	111.59	111.59
Mean for year	106.69	113.44	102.22	112.53	112.53

Whatever may be the economic ills accompanying the high cost of sea-borne goods attributable to the coal stoppage, the latter unfortunate event has undoubtedly proved an undisguised blessing to owners of "tramp" shipping, who have been enabled not only to increase materially the earnings of tonnage already on active service, but also to provide fairly remunerative employment for vessels which otherwise would have languished at the idle buoys.

Cotton Trade Short Time.—Our Manchester correspondent writes:—The latest recommendation of the Masters' Federation with regard to short-time in the spinning mills using American cotton has not been loyally observed, and on Tuesday last in Manchester the Committee decided to cancel the scale of working the mills one week in three and recommended a return to the former plan of a working week of 24 hours, which is equal to half-time. Some surprise has been expressed at this development. From Monday last all the factories should have closed down for a fortnight, but it was found that in the Oldham area out of about two hundred mills only about eighty had followed the recommendation. It is now realised that the Federation overstepped the mark in recommending so great a reduction in output. Numerous employers cannot afford to limit production on a larger scale, as owing to the fall in prices there is a danger of yarn contracts being cancelled if deliveries are behind time.

Our Consumption of American Cotton.—The annual circular of the Liverpool Cotton Association for the season ended July 30th shows that during the twelve months the average price of middling American cotton in Liverpool was 10.77d per lb, against 13.76d in the previous season. With regard to Egyptian cotton the average price for fully good fair Sakellarides during the twelve months ended July was 20.05d per lb, against 29.82d per lb in 1924-25. The consumption in Great Britain of American cotton during the past season was 1,986,822 bales, against 2,231,910 bales in the previous year. There was a remarkable increase in the consumption of Brazilian cotton, the total being 132,697 bales, against 38,606 bales in the previous year. There is always great interest in the proportional distribution of American cotton. Last season Great Britain took 14.81 per cent., against 14.58 per cent. in the five years 1920-

25. In the period of 1885-90, however, Great Britain used over 41 per cent. Last year the United States consumed 48.63 per cent., against 51.69 per cent. in the five-year period of 1920-25. In the period 1885-90, however, the proportion was less than 33 per cent.

Manchester Textile Exhibition.—Visitors to the Textile Exhibition held in Manchester this week, writes a correspondent, must have been impressed with the display of artificial silk, and with the whole-hearted manner in which the cotton manufacturers of Lancashire are taking up the new fibre and utilising it to embellish their own productions. The trade in cotton and artificial silk mixture fabrics is growing at an exceptional rate, and as one technical manufacturing difficulty after another is put out of the way, the future of the industry promises to become better. Artificial silk in Lancashire is not now treated as a novelty; it is regarded as a very serious proposition, and a conversation with a typical firm of Lancashire cotton manufacturers exhibiting here was most illuminating. The impression gained was that the manufacturers realised that in the future the Lancashire cotton trade would have to concentrate more and more on high-grade and novelty fabrics, and for this there was nothing better known than the embellishment provided by artificial silk used either as a warp or as a weft with cotton or worsted. Whilst it was agreed that the new trade was growing, it was felt that the present unsatisfactory state of the cotton trade was holding artificial silk development back. As a result of this, the full effects of the reduced price of artificial silk yarn had not yet been felt. When, however, the turn comes in the demand for cotton goods, it is believed that a great impetus will be given to the trade in mixture fabrics. In other sections of the exhibition were shown garments made of what, for want of a better name, must be described as pure artificial silk. By this description is meant that the cloths do not contain any textile other than artificial silk. The fabrics produced are really most attractive, and with the initial difficulties of washing and laundering out of the way, there is an ever-increasing demand springing up. A considerable number of the dresses to be submitted to Her Royal Highness the Duchess of York by Manchester firms are composed of artificial silk, and this in some measure indicates the high position in which the fabric now finds itself. Another interesting exhibit was the first piece of artificial silk ever made. This was on the stand of the "Textile Recorder," and bore an inscription showing that the real discoverer of artificial silk was the famous inventor, the late Sir Joseph Swan, and not, as is generally supposed, the Count de Chardonnet. Swan discovered and utilised artificial silk as a result of experiments made with the object of finding a suitable filament for electric lamp bulbs.

Electricity Supply Shares.—The Kensington and Knightsbridge Electric Supply Company convenes meetings of its shareholders for the consideration and passing of resolutions that shall enable the capital to be reconstituted in accordance with the provisions of the new Act. In the notice calling the meeting this important statement occurs:—It is the present intention of the board, if the proposed resolutions are passed, to capitalise £189,000 of the company's reserves and to distribute the same to the ordinary shareholders in the proportion of £9 of new capital in respect of every £5 now held. To facilitate this distribution, it is also proposed to divide the existing ordinary shares of the nominal value of £5 each into five shares of £1 each. Kensington and Knightsbridge shares are amongst the few remaining in this group which are of the nominal value of £5 each. The directors propose that £9 shall be added to each share, and, afterwards, that this should be split into 14 shares of £1 each. The market valuation, on the basis of the dividends whose payment is regulated by the provisions of the Act, is that the new shares will be worth anything from 22s 6d to 25s, and the price, which was £14 before the announcement, immediately rose to £16. Other shares have followed suit. One of the next companies to declare its intentions is thought likely

to be the Westminster Electric, whose reserves are expected to make a pleasant showing to the shareholders. Shares in any of the London electric lighting companies have suddenly become more precious than platinum, and as difficult to acquire. Holders decline to sell. Buyers are insistent in demands which, in most cases, cannot be supplied. Proprietors of shares in all the London companies are cherishing hopes that may not be entirely realised. Experience of the disappointment that waited upon stockholders in certain of the water companies when the undertakings were taken over by the Metropolitan Water Board counsels caution in the erection of anticipations that may prove to be exaggerated in some few of the London electricity supply undertakings.

The Rise in Tin.—For two consecutive weeks the volume of trading in tin has been of very large dimensions, and speculative transactions have played an important part. Buying on the part of consumers has, on the whole, however, been on a considerable scale, with good takings on American account, while the Continental demand has been decidedly more active within the last few weeks. Current supplies have not only been easily taken care of, but home stocks have been again reduced to 1,460 tons. Stocks practically everywhere are at a low ebb, and in view of the continuation of a large world's consumption, it is not surprising that sellers of the metal have become more exacting almost daily on the basis of high c.i.f. prices secured by either Straits or Java shippers up to fully £316 a ton, as reported on Thursday. An appreciation of nearly £9 a ton was recorded for standard cash tin last week to £315 15s, and the price reached £319 on Thursday this week, followed by three months' metal up to £308 5s, from which only a slight reaction has ensued. The two latter high records compare with about £272 and £271 10s respectively at the end of June last. In but little more than three months there has, therefore, been a big appreciation, but the tendency of the market favours the establishment of still higher records not seen since the phenomenal boom in 1920. The fact that the visible supply disclosed the comparatively small increase of 700 tons for last month to about 13,500 tons, was mainly due to better Straits shipments of 6,529 tons, while the total deliveries were more than maintained against the previous month, and on this showing the market was the more quickly influenced by the forecast of a reduction in the Straits shipments this month to about 5,500 tons. The shortage of available supplies thus threatens to become more acute, although more normal shipments might be expected for November and December. Straits shipments in the last quarter of last year were rather heavy, averaging well over 7,000 tons a month, so that allowing for fair average contributions from Java and other sources, together with, say, between 17,000 and 18,000 tons from Malaya for the current quarter, indications are in the direction of unabated stringency in the matter of supply and demand. Producers, with hardly any exception, are obviously making substantial profits, but the fact remains that the progress of the world's production is still disappointing as compared with last year in spite of the inflated price. America cannot afford to remain out of the market for very long at any time as clearly indicated by her large needs from month to month and her reserve stocks, which, with the tin afloat to American ports, do not represent much more than one month's consumption.

Canadian Northern Debenture Scheme.—Holders of the 5 per cent. income charge convertible debenture stock of the Canadian Northern Railway will not, we imagine, show much reluctance in accepting the scheme prepared for dealing with the issue. The proposals may be briefly summarised as follows:—(a) Each stockholder is to receive in exchange for his present holding an equal nominal amount of a new stock, the principal and interest of which would be unconditionally guaranteed by the Canadian Government; (b) interest on the new stock at the rate of 4½ per cent. per annum will accrue as from May 6, 1930, the first payment to be made on November 6, 1930; (c) the new stock will be repayable at par on May 6, 1970, with an option to the company for redemption at par at

any time after May 6, 1940, on three months' notice. While it is true that interest on the new stock will not begin to bear interest until 1930, it must be realised, as the stockholders' committee points out, that prospects of interest payments on the present stock between now and 1930 are negligible. In adopting the scheme at the forthcoming meeting, therefore, stockholders would not be sacrificing anything in the shape of interest rights, while, on the other hand, they would be securing a settlement equal to repayment in 1930, as the committee believes "it is reasonable to assume" that the new stock "will be worth at least par on May 6, 1930." Thus, not only would the present element of uncertainty be removed, but stockholders would be in possession of a first-class Dominion Government security. The fact that holders are asked to forgo rights of redemption in 1930 is perhaps open to criticism, and may prove to be the subject of some discussion. Those who claim that this right should not be withdrawn have some ground for complaint. As things are at present, the terms of the trust deed securing the existing debenture stock preclude the holder of less than £103 of stock voting on a poll. The company, however, expresses a desire that no stockholder, however, small, should be in this position. It has accordingly been decided to alter the voting rights under the trust deed in order to give every holder of stock one vote on a poll in respect of each \$5 or £1 of stock held. The meeting is called for November 4th next.

Harrisons and Crosfields.—There is considerable cause for satisfaction to be found in the report of Harrisons and Crosfield, the well-known rubber company secretaries, for the year ended June 30th last. The figures, which are set out in comparative form below, reflect to some extent, of course, the high rubber prices ruling at the beginning of the year:—

	1913-14.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Net profit.....	£ 134,269	£ 164,466	£ 149,138	£ 192,711	£ 242,475	£ 276,902	£ 339,113
Brought forward	23,879	37,873	44,525	45,114	66,526	70,707	75,736
Preference dividend ..	158,148	202,339	193,663	237,825	309,001	347,609	414,849
Prof. ord. div. (10%) ..	27,500	37,800	37,800	37,800	37,800	37,800	37,800
Management shares ..	30,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves, &c.	35,118	5,941	1,250	2,500	20,998	43,129	69,154
Deferred ord. shares ..	14,073	3,499	18,929	12,000	22,000	30,000	37,000
Carried forward	35,530	44,525	45,114	66,526	70,706	75,736	82,093

The item of freehold and leasehold property as shown in the accounts has declined from £809,642 to £690,924, while loans also have gone down from £109,945 to £57,734. Against this, however, a new item of £237,311 appears in the balance-sheet in respect of shares in associated companies, while the cash holding has advanced from £64,943 to £114,625. Investments figure for £1,493,453, against £1,607,274, while bills receivable have more than doubled at £266,661. The bank overdraft has been reduced from £202,962 to £142,813, and acceptances on behalf of clients are given at £125,349, in contrast with £4,713. The balance-sheet discloses a strong financial position. Reserves amount to £493,000.

Clerical, Medical, and General Life Office.—The accounts of this life assurance society are made up for the year ending June 30th, and those for the year ended June 30th last close the quinquennium. At yesterday's annual meeting the chairman, Mr Francis E. J. Smith, was able to give a record of very satisfactory progress during the past five years. New life assurances have been effected for the net sum of £6,643,895, an increase of £1,063,514 over the figures of the preceding five years. The premium income has risen from £549,784 to £668,011, and the net interest income from £288,220 to £404,573. The life assurance fund has grown from £6,940,603 to £8,991,878, an increase of two million pounds, whereas in no previous quinquennial period has an increase of even one-half of that sum been recorded. The total claims by death were £1,623,915, as compared with £1,593,705 five years ago. They thus remained at a very moderate level and a record mortality profit resulted. The net existing assurances on June 30, 1926, were 25,796 in number and, including bonuses, £20,524,856 in amount. There were also in existence 684 immediate annuities involving the annual

payment of £47,866 and 836 deferred and reversionary annuities securing £71,432 per annum. As regards the valuation, Stock Exchange securities were worth £179,692 in excess of the book values at June 30, 1926. The book values of the remaining assets also provide a large margin of value. On the liability side the actuarial valuations of life and annuity contracts have been conducted throughout on the assumption of 2½ per cent. interest throughout, whereas the average earned in the quinquennium has been £4 12s 9d per cent. The total net liability is calculated at £7,991,662, so that there is a net surplus of £1,000,216. To this amount is added the sum of £65,676 already paid for interim and intermediate bonuses, so that the full profit of the quinquennium is seen to be £1,065,892. Of this sum the directors declare £1,028,630 as the divisible surplus of the quinquennium, and carry forward the balance of £37,262 as undivided profit. The assured are entitled to £925,767, representing nine-tenths of the divisible surplus, and after deducting £40,676 already paid for intermediate bonuses, the amount to be now distributed amongst them is £885,091. This sum is sufficient to provide bonus allotments on a substantially higher scale than any previously declared. The general principle of division in force is to allot the surplus as a percentage of the annual premiums paid during the last five years, together with an additional percentage based upon the total number of premiums in respect of which bonuses have previously been declared. Bonuses are declared in the form of reversionary additions to the sums assured, but in cases where the title is clear the reversionary bonuses may be surrendered for cash or applied to reduce or extinguish the premiums. Such an option may be exercised at any time. The rates of bonus are not uniform, it being a feature of the company's system that a higher rate of premium entitles the assured to a higher scale of bonus. The 1926 allotment is equivalent to an average cash bonus on all whole-life policies of over 45 per cent. In the past year new assurances were 1,751 in number for a total sum of £1,488,516, total premium income being £668,011, a decrease of £4,321 owing to the smaller amount of single premiums received. The gross rate of interest earned was £5 7s 10d per cent., and the net rate £4 13s 9d per cent., against £4 15s 4d per cent. in the preceding year, and £4 12s 9d per cent., the average net rate earned during the quinquennium. The expenses of management represented £14 0s 8d per cent. of the premium income against £14 7s 5d per cent. in the previous year. After transferring £50,000 to the superannuation fund, the life assurance fund was increased by £527,197, the largest annual increase in the society's history. In future the financial year is to end at December 31st in accordance with the general practice of insurance companies.

Renong Tin.—Our mining correspondent writes:—Although the dividend total is 35 per cent., as against 30 per cent., in respect of the year ended June 30, 1925, the results of the past session proved scarcely up to expectations. Delay was experienced in the reconstruction of the No. 3 dredge at Rasa; and while the No. 2 machine, which commenced operations at Rasa in March, 1925, gave a much larger output than before, the total yield showed some reduction. Thanks, however, to the advance in the price of the metal, the revenue was a trifle higher at £105,100, and the balance available became swollen by the inclusion of £7,600, provision for income-tax not required. On the other hand, special appropriations absorbed somewhat less than before. Thus, after payment of the increased dividend, a balance of £17,240 remains to go forward, as against £15,600 brought in—the former amount being subject to directors' special remuneration. It may be recalled that from its original property at Renong the company has paid dividends totalling nearly 200 per cent. The expectation had been entertained that there would still be a year or two's work there for the old No. 1 dredge; but in September the machine had another breakdown, and the directors decided that it was not worth while to resume work. The current year will be, at any rate to some extent, another transition period; but when work is in full swing at Rasa the outputs should be satisfactory and costs lower than of late.

Mount Elliott.—A new financial scheme is put forward on the part of this Australian undertaking. On the present occasion it is proposed to cancel £4 of each £5 ordinary share, of which 243,000 are in issue. After the reduction has been confirmed the capital will be raised again to its present amount of £1,750,000 by the creation of 972,100 ordinary shares of £1 each, of which, presumably it is intended to issue part, although nothing is said on the point. It may be recalled that the company's properties comprise various groups of mines in North Queensland. During last financial year their number was added to by acquisition of the neighbouring Mount Cuthbert mines, on what are described as "most favourable terms." The ore reserves in these properties are estimated at 193,500 tons, averaging 6.84 per cent. copper. No work having been done on the company's original properties, the ore reserves remain as last reported—namely, 1,876,000 tons, averaging 4.63 per cent. A substantial interest is held in the Dobbin and Cloncurry Mines. Some time ago a project was set on foot for an amalgamation, or, at any rate, arrangement, with the Hampton Cloncurry undertaking, which has been in a state of suspended animation for some time, but no agreement resulted. The last dividend paid by the Mount Elliott was 5 per cent. in 1913. Having regard to labour and other conditions in Australia, it is not practicable to take a very rosy view of the future. The Mount Lyell makes its profits chiefly out of fertilisers; the parlous position of the Mount Morgan was referred to a few weeks ago.

Sherwood Starr.—The report to June 30th of this Rhodesian enterprise emphasises the extent to which the current market price of the shares is based upon possibilities. Owing to the change in the character of the ore the profit amounted to no more than £19,600, as against over £49,000 for 1924-25, and of the former sum only about one-half was distributed in a dividend of 10 per cent., the balance being required for expenditure in connection with the additional plant. In respect of 1924-25 a total of 45 per cent. was disbursed. At 74,000 tons the ore reserves show some expansion, albeit still representing not much over two years' supply for the mill; the value of 17.4 dwts indicates a falling off. Recently a wide and rich ore body has been opened up at the fifth level. Much depends upon whether this extends in length and continues at depth. Meantime, the 5s shares are quoted at 22s 6d.

Oversea Correspondence.

UNITED STATES.—COTTON CROP—MONETARY OUTLOOK—SHARE MARKET POSITION—BUSINESS CONDITIONS.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 28.

WITH trade and industry maintaining a steady pace, and with the share market fluctuating irregularly within a narrow trading range that has contained it for nearly eight weeks, attention has been attracted by manifestations of weakness in the cotton and silver markets. A pronounced reaction in cotton, which has carried the October delivery below 14 cents a pound—the lowest price that has prevailed since 1921—is easily attributable to the last Government crop report. It will be recalled that after the early reports had forecast a large crop, southern interests and cotton brokers declared that unfavourable weather would very considerably reduce the yield. The Government report also reflected the poor summer weather, the estimated crop being reduced from the 15,635,000 bales predicted on June 25th to the 15,166,000 forecast on the basis of the September 1st condition. Meanwhile many of the private estimators were talking of as low a yield as 14,500,000 bales, while brokers were encouraging speculative buying on the basis of these bullish claims. A very great improvement in the weather during the first half of September undermined the foundation below this weak bull position, but full realisation of what had happened did not come until the Government announced on September 23rd that on the

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basis of the September 16th condition the crop promised to reach 15,810,000 bales. Incidentally, the Department of Agriculture took advantage of this occasion to announce that it would discontinue the practice, initiated this year at the request of southern politicians, of adding supplementary estimates giving maximum and minimum possibilities on the basis of the experience of the past several years. These supplementary estimates evidently proved something of a boomerang, as they showed the possibility of greater additions than subtractions from the current estimates. In any event, the indication of the bigger crop caused immediate and pronounced weakness in cotton prices, the loss since the report was published amounting to about 2 cents a pound. Much talk now is heard of the price being down to the cost of production, and of the unfavourable influence that this situation will have on business conditions in the cotton-growing areas of the south.

Little probably need be written from this side of the water on the silver situation, with which your markets are amply familiar. However, it is worth noting that the weakness in cotton and silver has called attention afresh to the decline that has occurred during the past nine months in the general level of commodity prices, and served to relate this decline to the question of central banking policy. In some quarters these developments are considered to lend strength to the view that Federal Reserve discount rates are likely to be moved up with considerable reluctance. Certainly the Federal reserve authorities, known to be sympathetic to the restoration of the gold standard throughout the world, would not be enamoured with a hard money policy *per se*. Neither would they, as intelligent persons familiar with economics, be likely to believe in a deflation policy in the world's great creditor country. Accordingly, the argument runs that with speculation in the share market curbed, as it assuredly has been, and with the Congressional elections coming on, the Reserve authorities will be content to run along with the existing situation in the money markets, meanwhile being liberal in meeting the legitimate demands of autumn and holiday trade. Whatever be the validity of this argument, the fact remains that for the moment Wall Street is less inclined to look for an upward revision in the official charge for money.

Certainly the share market has been showing little disposition to break out on either the up or down sides. The trading range in which it has held for nearly two months amounts, on the average, to only three or four points. During this period average prices have come to the same high level three times, and have declined to the same bottom in the same number of instances. At the present writing the market is approaching this top level for the fourth time, and, it must be confessed, with little convincing indication of going through. Volume, meanwhile, has been moderate, and public participation noticeably restricted. Professionals have been experimenting on both sides of the market, but with limited success. On the decline, the market has become oversold without developing much real liquidation. The rallies that have accompanied short covering have failed to carry through. Uncertainty with regard to the Federal Reserve discount rates has been one restraining influence. The even keel on which business has continued to run (indications of marked improvement or diminution being absent) has been another. Brokers' loans, which rose

by some \$57,000,000 in the week ended September 15th, fell by a similar amount in the week ended September 22nd. The call rate on the Stock Exchange has responded to the month-end demands by running up to 5½ per cent. But the speculative public continues to await some clearer indication of what is to come before taking a position.

Railway car loadings for the week ended September 11th, the latest for which statistics are available, fell off because of Labour Day holiday, but still exceeded one million cars, and ran 55,000 cars ahead of the corresponding week of 1925. Activity in the steel industry is being maintained at recent levels, or at about 85 per cent. of capacity, and prices are steady. Prosperity is somewhat unevenly divided among the automobile manufacturers, with General Motors doing a phenomenal business, but the aggregate volume of the business remains very large. August production, as reported to the Department of Commerce, amounted to 424,000 units, of which 379,000 were passenger cars and 45,000 were trucks. These figures compare with a total of 252,000 units in August, 1925, of which 216,000 were passenger cars and 36,000 were trucks. Some expectations continued to be entertained of a decline in the volume of speculative building, partly because of the view that the housing shortage occasioned by the war has been made up, and partly because of signs of redundancy in the building market. The failure of a banking house that floated some \$65,000,000 of real estate mortgage bonds during the past few years has revived scepticism over the methods employed by some of these houses, and may have a cooling influence on speculative enterprise.

Our bankers are interested in the reports of the conversations between Briand and Stresemann, but are not disposed to build inflated hopes on them. They appreciate the practical difficulties in the way of the proposed sale of German railway securities for French account, and consider these proposals premature. Meanwhile they are not losing sight of the importance of European stabilisation, and, bearing in mind Belgian possibilities, are hoping that the French Government will be prepared to take decisive steps along this line. Their attitude in respect to this matter may be described as hopeful rather than optimistic.

FRANCE.—INTER-ALLIED DEBTS—FOREIGN CREDITS —THE BANK'S GOLD PURCHASES—WHEAT PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, October 6.

THE question of the inter-Allied debt settlement has now assumed the position of first importance in the financial restoration of this country, and to-day, so far as can be seen, there is every probability that M. Poincaré will make the ratification of the Mellon-Bérenger agreement the next essential step in his programme. The decrees putting into execution the long list of departmental economies have been promulgated and only await ratification by Parliament, one of whose first duties this will be on the meeting of the Chambers. Deputies and Senators are now expected to be called together either during the last week in October or, more probably, the first week in November, and there is every likelihood the *décrets-lois*, as to which the question of confidence will be posed by the Government, will be duly ratified.

The way will then be clear for the question of the ratification of the Mellon-Bérenger and Churchill-Péret agreements concerning the American and British debt settlements. M. Dariac, the president of the sub-committee of the Chamber Finance Commission which has the duty of reporting to the latter on the question of ratification of the agreements, has had a long interview with M. Poincaré, and has informed him that his sub-committee expects to be able to examine the 700 or more documents forming the dossier to be considered, and to report to the full Finance Commission on or before the end of next week. M. Poincaré is understood to have urged the chairman of the sub-committee on debts to expedite the work as much as possible in view of the fact that until formal ratification of the agreements has been given, it will be difficult, if not impossible, for

the next stage in the programme of financial restoration to be proceeded with. This next stage, of course, is the stabilisation of the franc, which it is now recognised can only be accomplished with the aid of foreign credits. These credits, which will serve as a *masse de stabilisation*, must necessarily be secured from the American bankers, who may thus be regarded as controlling to that extent the whole situation. It may be taken as certain, however, that ratification by the French Chambers, important for the franc as the obtaining of credits is, will in no circumstances take the form of a mere confirmation of the agreements as they now stand. French opinion seems to be determined that no Government shall be allowed to place the country in a similarly subordinate position to American capital, so far as its economic situation is concerned, to that now occupied by Italy. The embodiment of some kind of safeguard and transfer clauses, it may be taken for granted, will be insisted upon by both Chambers unless means are found to induce the American and British Governments, as an alternative, to consent as a condition of ratification forthwith to pledge themselves to further revision of the terms in the near future.

The manner in which the Bank of France has taken the money market in hand (as it was expected to do by those who have followed M. Poincaré's plans closely) was strikingly shown last week, on the occasion of the end-of-the-month settlement, when 11 per cent. and 14 per cent. were the rates exacted for carrying over in the *parquet* and the *coulisse* respectively. Cases were reported in which the rate was as high as 18 per cent. In view of the fact that sterling was simultaneously falling, it was evident some powerful agency was deliberately restricting credits in francs, and it was argued that the Bank had begun to put the brake on the tendency which has existed here for some years for prices to be constantly on the rise, and that this attempt at slowing down is merely an effort to ease in advance the inevitable developments that will follow the effort at stabilisation. Reports that the movement in the exchange and the rise in carry-over rates on the eve of the settlement were due to Government action formed the subject of a communiqué by the Minister of Finance, denying this statement and asserting that no foreign currency descriptions have recently been thrown on the exchange market as the result of official instructions.

Purchases of gold and silver coin from the public by the Bank of France are being made in large quantities, and it is believed the total amount of precious metal that is being drawn from its hiding places by the bank's readiness to pay 19f 75c per gramme for fine gold and 59c per gramme of silver will prove to be even larger than had been anticipated. An official statement shows that during the first three days after purchasing began the amount bought from the public at the head offices and one of the Paris branches of the bank alone totalled 6,769,365f. Since then queues of from 50 to 300 people have been waiting outside the very numerous branches of the bank in Paris and throughout the provinces in order to change their precious metal for paper.

It is semi-officially announced that the pending loan of 3,000 million francs for the consolidation of a portion of the National Defence Bonds, the subscription lists for which will open to-morrow, is already certain to be heavily over-subscribed, and that the lists will be closed long before the date originally announced. A written statement handed by M. Poincaré to the presidents of the Finance Commissions of the Chamber and the Senate respectively indicates that the Government have every reason to be satisfied with the extent to which confidence has already returned. Not only is taxation coming in surprisingly well, but during the six weeks between the beginning of August to the middle of September the public absorbed, on balance, a net total of 1,786,000,000f of fresh Defence Bonds. Since July 22nd the debt due to the bank has been reduced by 1,700,000,000f, and the available legal margin, which had been reduced to the last million in July, is now sufficient to remove anxiety as to the situation of the Treasury. The situation is vastly better, superficially speaking, than it was a very few weeks ago, and for this the Government must be congratulated. At the same time, it is obvious that these results alone will count for little unless the further

steps that are contemplated are speedily taken. It is common knowledge that further inflation was avoided at the end of July only by an exceptional arrangement made with the banks, by which money to meet payments due at the end of the month was secured. At the same time, the floating and short-term debt has been increased by some 3,000 millions, owing to the absorption of 1,700 odd millions of fresh Defence Bonds by the public and the loans taken up from Switzerland and Holland. Even if the outcome of the pending loan, however, is merely to consolidate these 3,000 millions, or their equivalent, it is indisputable that on balance the effect of the recent operations is entirely beneficial.

The fact that the excessive price of wheat, in spite of many recent favourable factors, not only shows no sign of falling, but is actually still rising, is exciting a remarkable amount of attention; but the Government, in view of the preponderance of agriculturists in the Chamber, is apparently unable to find a remedy. M. Binet, who was Minister for Agriculture a few months ago, recently urged that the selling price of wheat should be fixed by law, as it seems impossible to induce the growers to reduce their prices. Last year, at the beginning of the harvest, home-grown wheat was selling at 120f per quintal, but to-day this same grain, produced at the same cost for labour and manure, is quoted at over 235f. M. Victor Boret, another former Minister of Agriculture, recently insisted that this price of the staple food of the nation is due to the greed of the French peasant. M. Binet agrees, and alleges that the growers have deliberately kept their wheat back for the purpose of creating an artificial shortage. He had the courage to warn the local wheat growers at an agricultural association dinner at which he was the guest that unless they amended their ways they would find the price of their product fixed by law on a basis that would give them a return considerably below present prices. The veiled reply of wheat farmers in several parts of the country has taken the form of a threat to reduce appreciably the area laid down under wheat.

Unofficial estimates of the beet sugar crop for 1926-7 indicate that the total yield will be about 625,000 tons, or some 50,000 less than last year. The reports of periodical weekly analyses of the roots by the sugar manufacturers' central committee show that the average yield from the beet is appreciably lower than last year owing to the long period of dry weather this season. As it was found necessary during the past year to import 475,000 tons of foreign-grown sugar to meet the requirements of France and her non-sugar-producing colonies (which may be estimated as totalling 1,150,000 tons, of which 900,000 tons are consumed in France itself), it is probable this country will have this year to purchase 525,000 tons of foreign-grown sugars to meet her needs.

GERMANY.—THOIRY DISCUSSION—INTERNATIONAL STEEL—FINANCES—CREDIT.

(FROM OUR CORRESPONDENT.)

BERLIN, October 6.

THE unfavourable reception so far given in the United States to the plan for mobilising the Reparations Railway Bonds mainly with American capital has not caused any surprise here. German observation of late has been that while America is a good place for private borrowing for productive purposes, the ground for financing of European governmental deals, however sound these deals may be, is not favourable. That seems to be the result of American *ennui* with everything connected with the War and the Peace Treaty. The consideration that French currency reform, an event in itself desired everywhere, could be facilitated by the immediate payment of a large sum by Germany to France could not be expected to win over American sentiment. The United States has not been willing to grant France a direct loan for this purpose except on conditions which France seems unwilling to accept, but indirectly an investment of American money in the mobilised bonds would have the same effect.

The Minister for Industry, Dr. Curtius, has commented not very optimistically on the subject. In a speech at

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Cologne he warned against confusing "the extremely big and complicated question of mobilisation of up to two milliards marks of railway bonds" with the general solution of the Reparations question and with the regulation of international debts. The partial abandonment of the transfer clause protection, which would be necessary once the bonds become private property, raises, said Dr. Curtius, a very grave issue. "Finally, however strong our desire may be for the liberation of the Rhineland, two principles must stand unchangeably firm in the coming negotiations: no new additional burdens and no prejudicing of the definitive solution of the Reparations question." Dr. Curtius also declared that the loss which would be suffered through issue of the 5 per cent. bonds at a discount must be borne by "the creditors." These views hardly seem compatible with successful negotiations. As long as the total Reparations Debt is not fixed, there can be no way of making the Ally creditors bear a loss upon the bonds issue. The bonds issue would certainly to some extent prejudice a "definitive solution." The payments so far made for Reparations are of the nature of annuities, but the mobilisation would mean the irrevocable surrender by Germany of a capital asset. If a German cash payment for acceleration of the return of the Saar mines is not an additional burden, that having been provided for in any case, the repurchase of Eupen-Malmedy cannot be regarded in the same light. German public opinion is not favourable to "prejudicing" the Reparations settlement because it holds, with some reason, that the relative advantages and disadvantages of Reparations to the Allies have never been properly weighed; and out of this it draws with less reason the conclusion that the "definitive solution" may be the abandonment of the whole claim, except in so far as it may have been already met at the date of the solution.

The foundation of the International Steel Cartel has been well received. The abstention of the British steel industry has long been taken for granted, and it cannot be said that it caused either satisfaction or dissatisfaction. Apart from the doubt as to whether this kind of centralised authority would fit British traditions and methods, and from the fact that Great Britain has no centralised home authority, must be noted the obstacle that the now internationally-organised steel works present a geographically compact unit of which Great Britain could form no part. After the political change in the status of Alsace-Lorraine and the Saar, and the entry of Luxembourg into the Belgian Customs system, the new Cartel in part only aims at restoring pre-war conditions. For the present, it seems, the Cartel can do no harm to British heavy metal or metal-consuming industries. The ostensible main reason for the foundation, the adaptation of output to demand, is only a way of expressing the "adaptation of prices to profit-making"; and, in fact, the aim of the Cartel is, *visà* adaptation of output, to raise the low so-called "world-market prices" conditioned by French and Belgium exchange conditions to the higher German home level. To some extent the Cartel may have come too late for this purpose, because the "world-market prices" have been steadily rising, owing to exchange conditions and to the increasing European demand. The German Steel Syndicate's system of supplying raw materials for native export manufactures at the lower "world-market prices" (in fact, at a considerable loss), and its system of directly exporting materials at losing prices, in no way favour British trade; and they have been the subject of American threats of countervailing duties. This system

will soon cease, though it appeared from the agreement now come to between the syndicate and the Association of Iron-Consuming Industries that the disparity is to disappear "gradually." It is possible that later the Cartel may operate against British interests, because the more remunerative prices promised will help the Continental steel industry to carry through comprehensive schemes of "rationalisation" now under way. Indeed, during the course of the negotiations the public was propitiated with promises that the ultimate result would be cheaper steel all around.

The Association of Iron-Consuming Industries, in spite of the bounties given to its members on raw materials purchased for export manufacturing, watched the negotiations with some distrust. It has now come to an agreement covering all matters with the home Steel Syndicate. The agreement provides that the international agreement is not to be exploited for the purpose of further raising the (already high) German home steel prices; but the home steel industry, and with it the steel-consuming industry, reserve their rights to draw "a fair profit" from a possible new trade boom. The South-German industries are to get cheaper materials than the North, in the same price ratio as before the war. The Cartel foundation is not to be allowed to injure the export of German metal manufactures. The association is not to agitate for a reduction of the steel import duties. The sanctioning of the international Cartel by the German Government will be contingent upon the granting by France of import facilities for German metal manufactures. These facilities must be "at least equivalent to *de facto* most-favoured-nation treatment" (formally, France does not grant most-favoured-nation treatment). Simultaneously, the new German Steel Trust (*Vereinigte Stahlwerke A.G.*) has undertaken not to extend its present activities in finishing-manufacturing, and the German steel companies which are not in the Trust will give a similar guarantee. This means the definitive abandonment of the Vertical Trust system. With this every material question concerning interests of the steel producers and manufacturing consumers seems settled. It is, however, characteristic of Continental methods that although all this is practically a public transaction, involving as integral parts "governmental sanction," a particular Customs policy, and a Commercial Treaty, the ultimate home consumers are not consulted. The whole affair is to be a division of spoils with State support. Were this not the motive the necessary putting of the industry on a self-supporting basis and the "adapting" of output to demand could have been attained by free competition, with the resulting elimination of a great many inefficient undertakings.

The Finance Ministry's latest monthly return, which, according to the new system, is displayed in Budget form, shows:—

Millions of Reichsmarks.		
	August.	April-August.
Ordinary Budget—		
Revenue	682.4	2,955.2
Thereof Taxes	651.4	2,817.4
Expenditure	546.3	2,793.8
Thereof Subventions	205.2	962.9
Surplus	136.1	161.4
Monthly shares of 1924-25 Surpluses ..	30.6	153.0
Total Ordinary Surplus	166.7	314.4
Extraordinary Budget—		
Revenue	7.7	1.1
Expenditure	74.7	266.0
Thereof Reparations	20.0	104.1
Deficit, to be covered by Loan	74.7	264.9

The supplementary return for the Budget of 1925-26 shows in August revenue nil, expenditure 38.4 million marks; in April-August revenue 4.58 million marks, expenditure 264.4 million marks. The large August surplus on the Ordinary Budget is due mainly to exceptional yields of income and company income taxes. Provisionally the deficit on the extraordinary account has been met out of Treasury cash holdings, but also 100 million marks has been borrowed from the funds of the Post-Check Department.

Short-term money has been in heavy demand, the maximum rate rising to 7½ per cent., but the market to-day has been easier as the result of the return of money borrowed for stock settlements. There is so far no sign of a permanent stiffening of the money market. The Reichsbank's return for the last week of September shows

a moderate increase in discounts, by 145 million marks to 1,383½ million marks; and the usual large month-end increase in circulation, by 452 million marks to 3,251 million marks. The increase in advances, by 135 million marks to 142 million marks, which is exceptionally large even for a month-end return, is due to the fact that the rate for day money, which is normally considerably below the Reichsbank advances rate, this time reached or exceeded it. The return shows a new considerable increase of 31,315,000 marks in the gold reserve, while slightly more than that sum has been brought from abroad to Berlin. In the first three quarters of 1926 the chief Reichsbank totals have moved (average figures, the month-end fluctuations being ignored):—

	Millions of Marks.	
	Jan.	Sept.
Discounts (without rediscounts)....	985.6	1,292.5
Advances	6.7	42.7
Circulation	2,557.5	3,013.4
Deposits	808.7	687.2
Gold	1,227.8	1,556.1
Exchange (legal cover part).....	392.0	477.0

The percentages of gold cover and gold and exchange cover in September were both higher than in January, but were lower than earlier in the year.

The Prussian Trade Ministry's monthly report for August shows improvement in most industries, and emphasises that gains in certain branches resulted from the British coal strike. Bankruptcies in September numbered 451, against 476 in August, 1,950 in February, and 10,813 in all 1925. The Bourse has been firm, the only reactions being apparently due to profit-taking; but again the important gainers were the speculative favourites, and most of these have not reached their high points of late August.

AUSTRIA.—DR RAMEK'S POSITION—CIVIL SERVICE WAGES — ECONOMIC POSITION — CROPS — CENTRALBANK AFFAIR—STOCK MARKETS.

(FROM OUR CORRESPONDENT.)

VIENNA, October 1.

THE position of the Cabinet of Dr Ramek becomes more and more difficult. Through its awkward attitude before the Parliamentary Committee which is investigating the "Centralbank affair," and through the disagreements between the Viennese and the Styrian groups of the Christian Socialists Party, the present Government has lost all authority not only with the public, but even in its own party. The Social Democrats take advantage of the various abuses which were exposed by the investigations into the "Centralbank affair"; unduly exaggerating these unpleasant facts, they go so far as to accuse their political opponents of corruption, and cast unfounded suspicion upon public institutions controlled by the Government. At the same time, they are directing their efforts towards developing the Vienna Municipal Savings Bank into a powerful Socialistic Bank in order to compete with the other banks. Thus there is an imminent danger that the political conflict may spread to the range of finance and economics. Under these circumstances there is no doubt that the present Cabinet cannot remain in power for long. As regards its successor, the only question is whether Dr Seipel thinks the right moment has come to place himself at the head of a new Government. His first Cabinet's object was to reconstruct the shattered State finances; his second one would have the task of restoring order to the politics of the country and preparing for general elections.

The political differences raised by the "Centralbank affair" have so far prevented the issue of 64 million A.S. Treasury bonds by which the Government intends to reimburse itself for the sums advanced to the "Centralbank"; for the same reason it was also not possible to pass the revision of taxes on beer and wine. The problem of the State officials still causes great difficulties.

Although the Government had declared that the financial position of the country made it impossible to raise salaries and wages, and that, therefore, only a bonus amounting to one half-month's salary will be granted, involving a total expenditure of 25 million A.S., some Radical groups of post officials are not satisfied with this settlement, and intend putting pressure upon the Government by organising a post and telegraph strike.

Though one cannot speak of an improvement, economic conditions have certainly not become worse during the month under review. The number of unemployed decreased by 2,000, this being mainly due to the increased building activity. Also in the iron and steel industry a slight temporary improvement could be noted. Negotiations are now in progress with the Czechoslovakian, Hungarian, and Yugoslav iron industries in preparation for the International Iron Agreement. All industries are suffering from the fact that Austria's foreign trade has been falling off for some time, and that the home market is much too restricted to absorb the national production. The figures of the balance of trade for the first half of this year show that the excess of imports over exports, which was £10,150,000 in the first half of last year, rose to £15,290,000; in the same period the value of exports fell from £26,900,000 to £23,500,000, whilst the value of imports rose from £37,050,000 to £38,800,000. The decline in the exports is mainly due to the great reduction of exports to Germany and Poland. In order to revive foreign trade the formation of an Export Credits Guarantee Institute with a share capital of 5,000,000 Austrian schillings is in preparation, in which the principal Vienna banks and insurance companies and the Vienna Chamber of Commerce will participate.

The cereal crop of this year seems—if the estimates so far published are correct—not to be unfavourable, although it is below that of the good year 1925. The following table shows the figures for 1926 as compared with last year:—

	1925.	1926.
	Tons.	Tons.
Wheat	290,400	268,900
Rye	550,100	457,600
Barley	200,600	197,200
Oats	388,400	435,200

The bad results of shipping business on the Danube during recent years have induced the Austrian and Hungarian Danube navigation companies to come to an agreement, under which from October 1, 1926, the freight service on the river will be run by both companies jointly.

The crash of the "Centralbank der deutschen Sparkassen" still preoccupies public opinion. Owing to the Government guarantee, the depositors will not suffer any loss, but the investigation carried through by a Parliamentary Committee has shown not only that the management of the bank had been very bad, but that also that sometimes its actions had been too much influenced by politicians of the majority parties. Another important feature is the reform of the Post Savings Bank, with which the Government entrusted the president of the National Bank, Mr Reisch. This reform has become necessary partly because the organisation of the Post Savings Bank is still adapted to the conditions of pre-war Austria, and therefore much too cumbersome for the present restricted conditions, and partly because the bank had incurred losses on various occasions when it had been invited by the Government to support banks which had come into difficulties.

The improvement that set in on the Stock Exchange in August has been steadily maintained during September, and the market was firm in most departments, particularly in coal and breweries shares; also fixed-interest pre-war stocks, in which there had been a slump at the beginning of the month, recovered. Conversations are going on with a view to the introduction of forward transactions on the Vienna Stock Exchange. Conditions on the money market, which had been very easy during September, became slightly stiffer at the end of the month, and discount rates rose from 5½ per cent. to 6 per cent., which, however, is still 1 per cent. below the bank rate. The foreign exchange market showed but little fluctuations.

CZECHOSLOVAKIA.—POLITICAL CONDITIONS—TAXATION REFORM—TEXTILE INDUSTRY—SUGAR—COAL.

(FROM OUR CORRESPONDENT.)

PRAGUE, September 23.

SINCE the resignation of the Coalition Government and the appointment of the Ministry of Officials last spring, the internal political situation in Czechoslovakia has been extremely complicated. No party or group of parties seems strong enough to produce a stable majority. The Czechoslovak parties, which divided a few months ago into a *bourgeois bloc* and a Socialist *bloc*, have found it impossible to carry on without the support of the National minorities; but these latter hesitate to take any part in the real work of the Government. The Social Democrats have refused to consider the question of an All-National Party, declaring their determination to consolidate all the Socialistic parties—Communists excepted—of all nationalities, into one party. The Socialists are further so divided among themselves that they cannot be said to constitute a decisive factor at the present moment. Under these circumstances, the continuance in office of the present Ministry of Officials by means of *ad hoc* majorities seems inevitable, though the coming election for the Presidency in March next makes it essential that a real parliamentary Government should be in power.

Despite the uncertainty of the political situation, great efforts are being made by the Ministry of Finance to bring about taxation reforms, which have long been needed. Such reforms imply the unification, codification, and simplification of the various laws now operating in various parts of the republic. Taxes uncollected at the establishment of the republic still remain to be dealt with, while the political administration has yet to work out definitely the degree of autonomy (especially financial) to be granted to the respective territories now forming this State. The whole system of direct taxation needs recodifying, and the position of the various local authorities should be revised. Such changes will not be easy, especially as they must be carried out at a time when many branches of industry are passing through a serious crisis.

The textile industry has been particularly badly hit during the last few months, and this is of great national concern, when it is realised how important a part this industry plays in the national life. It may be seen in the following figures:—

Year.	(In Millions Kc.)			
	Total Imports.	Textile Imports.	Total Exports.	Textile Exports.
1924.....	15,855	5,201	17,053	5,625
1925.....	17,594	6,242	18,799	6,487

Or, put in another way, 35 per cent. of imports and 33 per cent. of exports were represented by textiles in 1924, and in 1925 34.2 per cent. and 34.4 per cent. respectively.

While many reasons applicable to conditions prevalent in the whole world market may be given in the case of this present crisis, there can be no doubt also but that the high tariff walls, built up around each of the States of Central Europe, have much to do with it.

The long-delayed commercial treaty between Czechoslovakia and Hungary may do much to alleviate the position. Czechoslovak textiles and Hungarian cereals, especially, stand to benefit under the most-favoured nation treatment, which is embodied in this temporary arrangement, which came into force on September 1st. In 1925 Czechoslovakia's exports to Hungary were valued at 1,177 millions Kc, and her imports at 1,120 millions. Czechoslovak textiles exported to Hungary amounted to 600 million Kc, while Hungary sent grain and flour to Czechoslovakia to the value of 700 million Kc. In view of the fact that the Hungarian duties upon Czechoslovak textile goods were exceptionally high, amounting in certain cases to between 60 per cent. and 80 per cent. of the value of the goods, the new agreement should be of considerable benefit to this State. The Czechoslovak-German conversations on the question of a commercial treaty between the two States have also just been resumed. The temporary suspension of negotiations, due to the raising of the German duty on malt on August 1st, is not likely to be permanent.

The returns for the period January-July, 1926, show a favourable balance of trade, despite the adverse results of

the earlier quarter of the year:—Imports (in million Kc) were 8,675, exports 9,242, giving an excess of exports of 567. Transport through the Danube-river-ports belonging to Czechoslovakia has greatly increased during the last twelve months (even though one-third less foreign goods have been transported). This traffic increased during 1925 by 34,613 tons, or 30 per cent.

Reports from the sugar beet areas show that the favourable weather of the last few weeks has resulted in a steady increase in the weight and sugar content of the ripening beet. Compared with last year, the weight of the root is less (373, as against 473 grammes); but the sugar content is greater, 15.20 per cent. as against 14.90 per cent. last year. In the eleven months of the present season, Czechoslovakia has exported 1,048,830 tons of sugar, which represents an increase of 66 per cent. over the figure for a similar period last year.

The production of coal in the Ostrava-Karvin coalfield, which is the most important in Czechoslovakia, increased by 30.55 per cent. in August last. In July the production was 707,040 tons, and in August 923,022 tons, the increase being mainly due to the greater demand made by the export trade.

GREECE.—COMMERCIAL TREATIES—ASSIGNED REVENUES—NEW COMPANIES—NATIONAL BANK'S MORTGAGE LOAN—ECONOMIES—POLITICAL SITUATION.

(FROM OUR CORRESPONDENT.)

ATHENS, September 16.

CABLE advices from Paris announce that, as a result of negotiations which had been conducted in Paris for some time lately, a commercial treaty has been concluded between France and Greece. This treaty will replace the provisional commercial agreement entered into between the two countries in February, 1924. Similar agreements have also been signed, some days ago, with Sweden, Yugoslavia, and Belgium, while it is expected that negotiations with Italy will be resumed shortly.

The returns of the International Financial Commission for the first seven months of 1926 show total receipts from assigned revenues of Drs 1,641,739,670. As compared with the corresponding period of last year, these receipts present an increase of Drs 297,921,409. An analysis of these returns shows that, while the yield of monopolies corresponds to the estimates, that from Customs has substantially fallen short of them, as a result of decreased imports due to the economic depression of the country. However, the yield of the assigned revenues, whose surpluses are utilised for the increase of the service of the debt, is ample enough to warrant payment in full of the service of the gold loans (old debt), in view also of the depreciation of the French franc.

From a statement of the Ministry of Commerce, it appears that, during the first half of this year, the constitution of 55 limited liabilities companies has been approved of, as against 42 companies in 1925 and 24 in 1924. The capital of these new companies amounts to Drs 1,278 millions, of which 672 millions have been paid up.

Following a similar loan issued last year, the National Bank of Greece is offering to public subscription a new mortgage loan of 200 million drachmae at 7 per cent. per annum, repayable by half-yearly drawings, and divided in 800,000 bonds of 250 drachmae each. Bonds drawn at par carry a premium of 50 drachmae each. Moreover, 18 bonds will be drawn every half-year, payable with profits of 800,000 drachmae in all, the first-drawn bond winning 400,000 drachmae. As lottery loans are popular in Greece, it is expected that, as was the case last year, this issue will be over-subscribed. The proceeds of the loan will be utilised by the bank for advances against mortgages and loans to various municipalities, port authorities, communities, road funds, &c.

The Government has decided to establish again the Ministry of National Economy, which, though extremely useful, was dissolved by General Pangalos for reasons of economy, though the annual saving from the abolition of that Ministry would be insignificant as compared with the economies which could be effected by reducing the Budgets of the War Ministries. A cutting-down of the expenditure of these Ministries has been repeatedly de-

manded recently by the political leaders and various bodies representative of public opinion, as well as by the Press.

The disappearance of the last mark of the dictatorship—the regiments created for its support—has produced general satisfaction. For these forces were a constant menace to the Government and the internal peace of the country. General elections are expected to be held on October 24th. There is now a controversy between General Kondylis, the Prime Minister, and some of the political leaders and the Press, the latter demanding, if a Coalition Government is impossible, a purely service, non-political, cabinet, and elections with the "majority" as against the "proportional" system, which the Government has decided to adopt. Whatever the importance of this disagreement, and of the possibilities it involves, it is in any case beyond doubt that, under the pressure of public opinion, considerable progress has actually been made towards internal peace and the return to constitutional methods of government.

CANADA.—GENERAL ELECTION—WESTERN GRAIN CROP—MARKETING PROBLEMS—BUSINESS CONDITIONS—MINING INDUSTRY—RAILWAY EARNINGS—STOCK MARKETS.

(FROM OUR CORRESPONDENT.)

OTTAWA, September 20-26.

The general election, which was held on September 14th, resulted in the decisive defeat of the Conservative Government of Mr Arthur Meighen, and it will make way this week for a Ministry which Mr Mackenzie King, the leader of the Liberal party, will be called upon to form. The Liberals, with 118 out of 245 seats, are just short of possessing a moiety of the House of Commons, but they can rely upon the steady support of a dozen Progressives who ran as "Fusionist" candidates and received the imprimatur of local Liberal associations. So a reasonably stable Administration, which will be in possession of a good working majority in the House of Commons is assured, and for a termination of the intrigues and other evils associated with minority Governments the country at large is thankful. But it would be folly to minimise certain very disturbing and ominous aspects of the election. Every effort was made to induce French-Canada to abandon the political solidarity which it has shown since 1917, but all in vain, and the massed effect of the French-Canadian vote gave the Liberals about 80 seats. On the other hand, wherever voters of British stock were predominant, in Nova Scotia, the English counties of New Brunswick, the Southern Counties, and industrial cities of Ontario and British Columbia, the Conservatives prevailed by huge majorities. Manitoba and Alberta went largely Progressive through apprehensions of the higher tariff which the Conservatives threatened to put in force, and in Saskatchewan the Liberals carried most of the seats through the skilful leadership of Mr Dunning and with the aid of the American and foreign vote. The cold fact is that for the moment the French-Canadians have discovered the trick of controlling the government of Canada; they have only to vote in a solid bloc and pick up allies elsewhere through quarrels about the tariff and other issues and their position is secure. But the racial politics which characterised the contest in many parts of Canada are bound to provoke reprisals, and the election has really done little to solve the fundamental problems of Canada. However, Mr Mackenzie King has now another opportunity to prove his mettle as a statesman, and he ought to be able to form a reasonably competent Ministry, if he has the courage to discard some of the weaklings of his old Cabinet.

The Western wheat crop is still experiencing its usual vicissitudes. After being sorely afflicted by drought in July, it made, thanks to timely rains and cool weather, a wonderful recovery in August, and the latest survey of the Bureau of Statistics, based on conditions as September 1st, forecasted a total wheat yield of 399 million bushels, which was an advance of some 72 million bushels over the estimate for August 1st. Harvest operations, despite a certain shortage of labour, proceeded satisfactorily, and by the end of the first week in September the reaping of wheat in Manitoba and Saskatchewan had been

virtually completed and 50 per cent. of the Alberta crop had been cut. But there then descended torrential rains all over the prairies, and there was a severe snowstorm and quite heavy frost on September 15th in Alberta. As a result, reaping and threshing operations were completely halted, and only now has clear, sunny weather arrived to permit their resumption. The uncut wheat in Alberta has suffered very severely, and the grade of what was in stock elsewhere has suffered severely. It is yet too early to estimate exactly what damage has been incurred, but for many farmers there will be a serious impairment of grade, and there is now always danger of further loss from snowstorms and frosts. However, the damage done has given a spurt to grain prices, and they are still rising sharply. In Eastern Canada harvesting was abnormally late, and there too heavy rains have done considerable damage; but the crop yields, on the whole, are well up to the average, and the farming community has no reason to be dissatisfied. The fruit crop happens to be excellent, and the yield of apples is both abundant and of high quality.

The problem of markets for the exportable surplus of farm produce is still causing some anxiety. Through a variety of causes, of which the most important are the industrial troubles in Britain and the currency depression in countries like Italy and France, the buying demands of Europe have been very limited in character, and export shipments of cattle, butter, and cheese have shown a serious falling off compared with last year's figure. During August, also, exports of wheat flour were 230,000 barrels below the corresponding figure in 1925—a decline of 50 per cent.—and prices have dropped sharply, but there are prospects of an improvement in the coming months. European buyers of wheat have been filling their needs from the very abundant crop of Texas and Oklahoma, and although there has been a little relief in the past fortnight, the grain congestion, which was afflicting the port of Montreal at the end of August is likely to be aggravated once the new crop begins to reach the seaboard in substantial quantities. One factor in the situation is the scarcity of shipping, which is attributed partly to the British coal strike; in recent years tramp steamers have been bringing cargoes of British coal to the St Lawrence ports and taking back Canadian grain. This year, however, there has been no British coal to bring, and the tramps have been drawn to American ports to take American coal to Europe and elsewhere. As a result, an even larger proportion of Canada's grain crop than usual will move to American ports *via* Buffalo, which has become the strategic grain-handling centre of North America.

In certain lines there have been seasonal declines, but on the whole business is holding up very well, and the weekly carloading figure continues to be well ahead of the figure for the corresponding date in 1925. Autumn goods are moving in large volume, and merchants are reported to be abandoning their policy of hand-to-mouth buying, and placing substantial orders for future delivery in order to safeguard themselves against delayed shipments. This in turn has resulted in heavier purchases of raw material by manufacturers and increased employment. The steel plants and equipment companies, while not yet working up to capacity, are reasonably active and are benefiting by substantial orders from the railway companies, whose increased earnings justify extensive replacement of rolling stock and plant. The building boom which was a feature of the summer months, is now slackening off, and there are signs that some cities are now overbuilt, both with regard to residences and business accommodation, but a great deal of new construction work is in progress in connection with power dams and hydro-electric enterprises. The great American corporation, the International Pulp and Paper Company, is still extending its Canadian sphere, and the latest rumour is that it is negotiating for the purchase of the E. B. Eddy Company of Ottawa, which, in addition to being the leading manufacturer of matches in Canada, is also a large producer of newsprint. The pulp and paper industry generally continues to flourish and expand, and there seems no difficulty about the disposal of its output.

The mining industry continues to make a very valuable contribution to the country's prosperity. Government returns show that for the first half of 1926 the output of metals and non-metallic minerals, including coal,

gas, and oil, was valued at \$98,395,788, which represents an advance of \$8,048,000, or 8.9 per cent. over the total for the first half of 1925; gains were practically general, but the most substantial advances were recorded in copper, gold, lead, coal asbestos, natural gas, and crude petroleum. The output of gold in Ontario alone for the half-year reached a new high record of \$15,588,991, which is an increase of more than one million dollars over the \$14,506,219 produced in the first half of 1925. Prospecting work and development of mining properties is being vigorously pushed ahead, the market for metals is holding up well, and the labour situation is satisfactory. The high hopes raised by the discoveries at Red Lake near the western boundary of Ontario have not so far been realised, and Dome Mines, a company which has been very successful in the Porcupine field, has given up the options which it held on a large block of claims. But this new goldfield is still the scene of a good deal of activity, and its sponsors will not admit that the results obtained are disappointing.

Railway earnings continue to be exceptionally good. For the first seven months the net earnings of the C.P.R., placed at \$17,877,823, show a gain of 60 per cent., and those of the C.N.R. placed at \$17,536,998, record the phenomenal increase of 210 per cent. If the latter are maintained at the same rate for the rest of the year—which, thanks to the crop movement, is the most profitable period for the railways, they should provide enough to meet all the obligations due to the public.

At the beginning of September there was almost a boom in the stock markets, and the paper and other stocks made striking advances. The election did not cause any serious disturbance, although the textile and steel groups which stood to profit by a Conservative victory experienced a certain reaction. During the last week, however, the market has been sluggish, and inclined to show a reactionary tone, many mining stocks experiencing sharp recessions. The banks, trusts, and insurance companies have plenty of money for loans and investments, and ample local capital seems available for industrial expansion and new enterprises of sound character.

Letters to the Editor.

TRUSTS AND COMBINES IN COAL, IRON, AND STEEL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The writer of the article in your issue of October 2nd is representative of a type of industrialist who believes in the policy of free and glorious independence for individual concerns, and to whom the policy of unity and combination is anathema. The arguments which he puts forward are strongly made and have a convincing air of finality, but they do not all stand the test of analysis.

When he says that "the trustification idea can easily be carried too far" and that "mere bigness does not always lead to economy of production or strength of organisation" I am at once in agreement with him. Without going to America for an example, we have numerous instances in our own islands of industrial groupings which have been quite the reverse of successful, and in the iron and steel industry of Britain to-day there are several examples of this kind. The writer, however, has failed to distinguish between a unity of interests and policies formed by the flotation of a new company or combine, in which the older concerns lose their identity, and the unity obtained by a combination of individual companies who retain their separate existence.

The new International Raw Steel Combine which was formed on September 30th comes under the latter category, and in my opinion is infinitely more formidable on that account. Individual freedom is retained to a very large extent, and only on the broad question of control of output is unity pronounced. Your contributor's analogy of the United States Steel Corporation is a very unhappy one for his argument. It is hardly conceivable that a writer so well informed otherwise could be ignorant of the fact that the United States Steel Corporation does not control the steel industry of the United States, and yet his whole argument rests on that assumption! I have not the latest statistics beside me at the moment, but I am fairly safe in asserting that the United States Steel Corporation does not control more than 60 per cent. of the steel output of America. At any rate, I can give figures for

the years 1919 and 1920, which show the proportion in those years to be less than 50 per cent. Here are the figures:—

	1919.	1920.
	Tons.	Tons.
Steel ingot production, U.S.A.	34,671,232	42,132,934
U.S. Steel Corporation Production	17,200,373	19,277,960

What, then, becomes of the argument that the Steel Corporation of U.S.A. is responsible for the small and decreasing proportion of the export trade of the world which the U.S.A. possesses? The real explanation is to be found elsewhere, chiefly perhaps in the huge internal steel demand in the States, and in the high wages (and consequently high costs) which prevail there.

Unlike your contributor of last week, I strongly hold the opinion that only in a national policy of unification, of control of output, of allocation of orders and of development is there hope for the future of the British steel trade. The creation of a steel Trust on the lines of the Vereinigte Stahlwerke or the United States Steel Corporation is not advocated, rather is it condemned, because we know from experience that the result would most probably be an over-capitalised, top-heavy, uneconomic structure, which would be ill-fitted to stand the stress of world competition. Nor is it urged that the British steelmakers should join the International Raw Steel Combine, and for this reason, among others. The Continental steel trade is based largely on a theory of mass production, and the individual concerns are usually designed as complete units with that end in view. Many of the British works, on the other hand, have developed on specialist lines, and few of them, except perhaps on the North-East Coast, are complete units. Control of the British steel trade as part of a European combine would, therefore, quite conceivably act unfairly towards those firms who specialise in what may be called higher-grade steels, and to whom mere output is of lesser importance than quality.

I submit that the unorganised British steel trade is possibly in grave danger, but that with efficient organisation and wise control it can hold its own with the rest of the world.—I am, Sir, yours, &c.,

CHARLES B. RIGG.

Glasgow, October 5th, 1926.

BANK CONTROL IN ITALY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I beg leave to call your attention to a number of inaccuracies in the article on Bank Control in Italy in your issue of the 11th instant, pages 417-418. On page 418, second column, your correspondent says with reference to the transfer of the proceeds of the Morgan loan to the Bank of Italy: "The gold reserves of the bank will thus be increased by 90 million dollars, of 455 millions gold lire, to a total of 2,400 millions gold lire. The bank will in return cancel 2,500 millions paper lire of their advances to the Treasury." He further says under heading (3): "In the successive State Budgets, beginning with the 1926-27 Budget, a yearly sum of 500 millions lire will be included for the withdrawal and cancellation of a corresponding sum of bank notes issued on State accounts."

It is not true that in either of these cases the amounts of paper lire mentioned will be cancelled. On the contrary, in both cases the paper lire may, and according to official declarations will, be left in circulation. The belief expressed by your correspondent did indeed prevail for a number of days, and was naturally the cause of considerable preoccupation. The total debt of the Treasury to the Bank of Italy for paper issues being about a third of the total circulation, to reduce the circulating medium by one-third even in eight years, as your correspondent says, would provoke a grave disturbance in Italian trade and industry. The only deflationary measures adopted by the Government are the second noticed by your correspondent, that is the cancellation of 400 million lire of 25 lire notes and the replacement of 5 and 10 lire notes by silver coins, and another overlooked by him which consists in the immediate retirement from circulation of 500 million lire in Treasury notes (Buoni Ordinari del Tesoro) or cash, and the retirement of the same sum in Treasury notes or cash at the end of October, 1926. As to how fast and how far the deflation thus begun will be carried on the Minister of the Treasury, Count Volpi, has only said that it will be continued as rapidly and as completely as the public interest shall allow.

The repayment of the Treasury debt to the Bank of Italy will have one beneficial result, which I am somewhat surprised that your correspondent did not mention. In his letter, published in your issue of July 10th, page 70, he very properly observed that the Treasury utilises the best portion of its Budget and cash surpluses in keeping a big deposit at the Bank of Italy, and that this public deposit is the source from which the Bank of Italy draws the means to make larger advances to commerce and industry. The danger lies, as he remarked, not so much in the balance of payments or in the Budget situation as in the risk of an increase in note issue consequent upon an unforeseen obligation causing the

Treasury to withdraw deposits from the Bank of Italy. Obviously, this danger is much lessened by the repayment of the Treasury's debt to the bank.—Yours faithfully,

Milan, September 16th, 1926. H. EDMISTON.
[We have referred Mr Edmiston's criticisms to our Turin correspondent, who makes the following comments upon them:—"The 'numerous inaccuracies' which Mr Edmiston finds in my letter arise either from misinterpretation of my words, or simply from the impossibility of foreseeing facts or statements subsequent to the date of writing. (1) I never said that the transfer of 90 million dollars of the Morgan loan will reduce by 2,500 millions lire the amount of the paper issue, but only that by it the amount of the advances of the Bank of Italy to the Treasury will be reduced by 2,500 lire. Mr Edmiston simply restates what I had said. (2) In my letter dated September 21st I noted that the present reduction of paper issue is limited to 1,400 millions lire (400 millions by cancellation of 25 lire notes and 1,000 millions on the score of the Consortium for industrial securities). As to the further cancellation of notes by yearly instalments of 500 millions lire Budget contributions, I merely stated that by that means in eight years all the note issue on State account 'should' disappear. 'Subsequent' authorised statements made clear that the reduction of State debt to the bank will be followed by a correspondent reduction of the circulation only if the reduction can be carried out without industrial crisis. As soon as these statements were made public I noted them in my letter of September 21st. (3) The Treasury current deposits at the Bank of Italy had already been reduced from 2,630.0 millions lire at April 30th to 938.6 millions August 20th, i.e., to a more normal figure. Obviously, the repayments from the Treasury to the bank consequent upon the end of August monetary decrees cannot result in any big reduction of the figure of the previously reduced public deposits."—Ed. Econ.]

Books and Publications.

MR HENRY FORD AND HIS METHODS.*

WHY are wages so much higher in America than in Europe? And why, in particular, can Mr Henry Ford pay a minimum wage of \$6 a day to 200,000 work-people? These are two of the questions answered in the remarkable book written, or perhaps inspired, by the maker of the Ford car. Mr Ford believes strongly in paying high wages, because he wants a big market for his goods, and thinks that workmen should be able to buy the thing they make. His way of meeting a trade depression is not to cut down wages, but rather to raise them with the aim of increasing purchasing power and thereby filling the channels of trade with goods on the way to the consumer. However, he will not hear of our familiar terms—a "living wage" or a "standard wage"; but he escapes trouble with trade unions because he pays higher wages than other employers. He thinks that our English trade-union leaders are seriously mistaken, especially over their "make-work theory," and he does not allow his workmen to tie themselves to particular jobs on our English principle of demarcation.

Mr Ford holds that a manufacturer's first aim should be to serve the public, not to make profits. At the same time, he regards profits as essential; there must also be a margin so that the business may grow, for if it does not grow it will die. Profits come when the public is served; but the manufacturer must share them with his customers, who in their turn will buy more of his goods and send his profits still higher. Another of Mr Ford's guiding principles is: "Avoid waste of materials or of labour"; many pages are devoted to showing how small savings have been made in one process after another. Mr Ford believes that any method of manufacture can be improved, especially if it is one with ancient traditions like glass-making. His glass-making experience (page 44) is instructive, and so are his new processes of treating flax and making linen cloth. Among other things he took over a railroad, which had an operating ratio of 125 per cent., cleaned it up, raised the rate of wages, and brought down the ratio to 60 per cent.

Cleanliness is another of Mr Ford's hobbies. He does not permit dust, dirt, or smell in any factory, engine-room, or quarry, believing that his men have better health,

* "To-day and To-morrow." By Henry Ford, in collaboration with Samuel Crowther. (London) William Heinemann, Limited. 12s 6d net.

THE MERCANTILE BANK OF INDIA, LTD.

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work which is intended to be historical, but they are sufficient to arouse a suspicion that the author may be weak on questions of detail. Inasmuch as the book possesses real value, this fault is greatly to be regretted.

GERMAN AGRICULTURAL CREDIT.*

THE Rentenbank-Kreditanstalt is a credit institute established in 1925 in order to provide agricultural credit organisations with capital which would have to be obtained from abroad. Agricultural circles in Germany felt that the work of the Rentenbank and the reorganised Reichsbank had been mainly in the interests of trade and industry—the statutes of the Reichsbank stipulating that bills discounted by the bank should be first-class commercial bills. The Government was obliged to pacify the politically influential agriculturists, hence the new credit institute. Dr Proehl's book is a good commentary on the Act establishing the bank, including a description of the most important agricultural banks and other credit organisations.

BOOKS RECEIVED.

Oppenheim's International Law. Vol. II. Disputes, War and Neutrality. Fourth edition. Edited by Arnold D. McNair. (London) Longmans, Green, and Co., Limited, 39 Paternoster row. 42s net.

Recent years have in a unique degree been prolific of changes in International Law, and the task of bringing out a new and up-to-date edition of the late Professor Oppenheim's famous treatise must have been a heavy one. In Dr Arnold McNair the publishers have secured a man pre-eminently qualified to perform it, and the work will retain its place among law "classics."

Volksgesundheit im Krieg. Von Prof. Dr Clemens Pirquet. (London) Oxford University Press, Warwick square. Vols. I. and II.

A new volume in the series "Economic and Social History of the World War," issued by the Carnegie Endowment for International Peace. This work is devoted to a consideration of the effects of the war—both during and since the war—on the health of the people of Austria and Hungary. It includes chapters on the health of the army in the field, the loss of life among children and young people, and the spread of disease in general.

The English Poor in the Eighteenth Century. By Dorothy Marshall. (London) George Routledge and Sons, Limited, 68-74 Carter lane, E.C. 12s 6d net.

Gives an account of the effect of the Poor Laws on the lives of the masses of the poor in the eighteenth and the latter part of the seventeenth century, and also of the contemporary attitude towards poverty. The study has involved laborious research into the works of contemporary writers, into parish papers, county records, and Quarter Sessions minutes. It is attractively illustrated.

Commercial Education. By Sir William Ashley. (London) Williams and Norgate, Limited. 5s net.

This book surveys the scope of commercial education as it exists at present in this country. It describes the remarkable new developments in commercial training in the German and American Universities, and applies the lesson derived therefrom to the British Universities. Sir William was formerly Professor of Commerce in the University of Birmingham.

Business Economics. By Sir William Ashley. (London) Longmans, Green, and Co., Limited, 39 Paternoster row. 2s 6d net.

We have to acknowledge two books this week from the pen of Sir William Ashley. The first, on commercial education, has been noted above. *Business Economics* consists of three lectures delivered last month at the Commercial College of Copenhagen. Sir William explores the subject of overhead charges, and shows how

* "Die Deutsche Rentenbank-Kreditanstalt." Von Dr Jur. Hans Proehl. Verlag für bargeldlosen Zahlungsverkehr. Berlin, 1926.

more self-respect, and work their best amid pleasant surroundings. One great aid to all this is the use of power. In England the man usually goes to his work; Mr Ford brings the work to the man. Transport, again, is an important factor; Mr Ford does not put his car together until the parts have got near the place where it is to be sold, because parts can be packed close and carried far more cheaply than cars. On another point he rejects our English theories, believing that small plants turn out goods more cheaply than large plants; he has found, too, that he need not build his factories near a labour market; indeed, he gets better work in the country. While we talk about allotments, Mr Ford finds that some of his workmen can carry on real farms in their spare time. On the other hand, he wants to treat farming like other forms of production; indeed, he runs his large farm at Dearborn on factory lines—electric milking, clean stalls, and so on.

Although Mr Ford's ideas find their full expression in the United States, he is also applying them, so far as local conditions permit, in his twenty-eight plants in other countries. In Cork his high, regular wages have had extraordinary moral and political effects on men who used to be given to rags, whisky, and revolutions. It is needless to say that Mr Ford has no belief in tariffs or Government help for trade in any form. He thinks that most of our recent social legislation, especially insurance, has been a mistake. Few English will, perhaps, agree with the whole of the book. But all will read it with great interest.

HISTORY OF COMMERCE.*

UNTIL comparatively recent years, commerce and economics alike have been badly served by the historian. In the schools and universities the study of history usually means the study of political history, and even though it has been impossible to exclude economic factors from their purview, such factors have been introduced more as a series of isolated instances than as a connected whole. Yet few students can gain a real grasp of the principles of economics and commerce unless they study the history that lies behind them, and hence all books of this kind are greatly to be welcomed.

The author sets out to deal with the history of commerce from the days of Egypt, Babylon, and the Phœnicians, and to cover every quarter of the world. The task he has set himself is clearly a large one, and though on the whole he has achieved success, the book is inclined occasionally to suffer from a lack of proportion. This was probably inevitable. The demands of space rendered it difficult to enter into detail to any great extent, yet detail was necessary, if only for purposes of illustration and to render the survey interesting and intelligible. Again, the amount of historical data available varies from period to period, and this has hampered the author in his attempt to preserve a due sense of proportion.

The value of the book lies in the way in which the author has shown how many of the questions of the present day find their counterpart in former times. The development of modern power and machinery, and the opening-up of new quarters of the globe, have had an enormous effect, but yet many of the old doctrines and beliefs, greatly modified though they are, still remain, and in perhaps unconsciously revealing this fact, the author has performed a notable service. His treatment of the present-day situation is, however, in one or two respects open to criticism. For example, he suggests that post-war years in England have witnessed a gradual drift away from Free Trade, but he omits to make any mention of the 1923 election. His allusion to the Federal Reserve System in the United States is also misleading. There are not, as he says, 12 Federal Reserve Boards, while the authorities of a Reserve Bank would be slightly surprised to learn that their chief function is to ensure that their district "shall be sufficiently supplied with currency." Also, the Dawes Scheme was not devised for the sole objects of rehabilitating German industry and providing a stable currency. These may be small blemishes in a

* "The History of Commerce." T. G. Williams. (London) Sir Isaac Pitman and Sons. 5s net.

they influence business policy, especially with regard to price, scale, and range of operations, methods of distribution and wage systems.

The Stock Exchange. By Charles Duguid. Completely revised by E. D. Kissan. (London) Methuen and Co., Limited. 3s 6d net.

The late Mr Duguid's well-known book on the Stock Exchange first appeared in 1904, ran through several editions, and was revised shortly before the war. Since then, of course, great changes have taken place, and Mr Kissan, the City editor of the *Daily Mail*, has embodied all these changes in his revised edition, which otherwise retains as much as possible of the original text.

Foreign Exchange and Foreign Debts. By Hubert C. Walter. (London) Methuen and Co., Limited, 36 Essex street. 6s net.

More than half this book deals with the actual and technical aspects of the exchange and currency. The latter part deals with the depreciation and stabilisation of the German mark, the fall of the franc, Britain's resumption of the gold standard. The general question of currency stabilisation is also discussed, and a final chapter deals with international debts. The author, who gives particulars of the Dawes plan, and Anglo-American debt arrangement and other settlements, severely criticises Mr Baldwin for his settlement of the Anglo-American debt in 1922.

Die Welt in Zahlen. Von Wl. Woytinsky. (Berlin) Rudolf Mosse-Buchverlag.

This is the fourth volume of a series entitled "Die Welt in Zahlen," and deals exclusively with industrial statistics from the international standpoint. The earlier chapters treat of industry in the various countries of the world, whilst the latter chapters are concerned with individual industries, coal, oil, metals, textiles, and chemicals. Numerous statistics are given throughout the book, these being further supplemented by graphs.

La Grande-Roumanie. Par C. G. Rommanhoeller. (La Haye) Martinus Nijhoff, 9 Lange Voorhout. 6.50 fl. A French work on Roumanian finance, economics, and social development.

Complete Practical Income-tax. By A. G. McBain. Second edition. (London) Gee and Co., Limited, 6 Kirby street. 7s 6d.

Second edition of a book first published in May, 1925. A special chapter incorporates the provisions of the Finance Act, 1926, and the book has also been brought up to date in accordance with recent case law or Board of Inland Revenue rulings.

Denmark, 1926. (Copenhagen) Ministry of Foreign Affairs.

An official Danish year book, published in English and containing many articles and a mass of information about the country, its people, and its economic activities.

The Empire Cotton-Growing Review. October, 1926. (London) A. and C. Black, Limited, 4 Soho square, W. 1. 1s.

The Annals: Markets of the United States. (Philadelphia) American Academy of Political and Social Science, Woodland avenue. \$2.

Report of the Third International Shipping Conference, 1926. (London) International Shipping Conference, 28 St Mary axe.

A summary of the discussions, resolutions, and business done at the conference which was held in London last April.

A Short Italian Dictionary. By Alfred Hoare. Vol. II. (London) Cambridge University Press, Fetter lane. 10s 6d net.

This is Volume 2 of the dictionary—being English into Italian.

International Crop Report and Agricultural Statistics. September, 1926. (Rome) International Institute of Agriculture.

The World Wheat Situation, April to July, 1926: Wheat Studies of the Food Research Institute. Vol. II. No. 10. (California) Stanford University.

Economic and Political Survey. Vol. II. No. 2. September, 1926. (Paris) The Reference Service on International Affairs of the American Library in Paris, 10 Rue de l'Elysée.

Foreign Affairs. October, 1926. Vol. 5. No. 1. (New York) 25 West 43rd street. \$1.25.

The contents of the October issue are well up to the usual high standard. Among many interesting articles are included "Prospects of Anglo-American Friendship," by A. G. Gardiner, "Are American Loans Abroad Safe?" by Henry M. Robinson, "The Reconstruction of Hungary," by Sir Arthur Salter.

The Banker. October, 1926. (London) Eyre and Spottiswoode (Publications), Limited. 1s.

Containing articles on "The Cost of Industrial Friction," by R. Hon. William Graham, "The Proposed Indian Reserve Bank," by R. Langford James, and "The National Savings Movement," by R. Hon. J. E. B. Seely.

The Empire Review. October, 1926. (London) Macmillan and Co., Limited. St Martin's street. 2s.

State of New York Insurance Report: Part. II. Life Insurance for the year ended December 31, 1925.

A statistical insurance handbook.

League of Nations: Publications of the International Labour Office, Geneva. January, 1926.

Der deutsche Volkswirt. October 1, 1926. (Berlin) Bellevuestrasse 14. Rm. 1.

This is the first number of a new weekly newspaper dealing with economic and political subjects generally. The present number includes the following articles—Politik und Wirtschaft von Gustav Stolper; Stewerkraft und nationale Zukunft von Joseph Schumpeter; Veredelung der Kohle von Dipl.-Ing. F. zur Nedden, &c.

International Labour Office Studies and Reports: Industrial Conditions and Labour Legislation in Japan. By Iwao F. Aynsawa. 2s. **Stabilisation of Employment in the United States.** By J. R. Bellerby. 2s. **Methods of Conducting Family Budget Inquiries.** 1s 6d. **Methods of Compiling Statistics of Industrial Disputes.** 1s. **Methods of Collective Agreements.** 10d. (London) P. S. King and Son, Limited, 14 Great Smith Street, Westminster, S.W. 1.

These volumes contain a mass of information which deserves to be more widely known. The publications of the International Labour Office fall roughly into two classes: Detailed studies of conditions in particular countries, which are usually prepared by experts of the nationals concerned; and expositions of the comparative statistical methods employed in compiling the labour statistics of a large number of countries. The above list includes representative works of both categories published during the present year, and may be recommended to the attention of all concerned with labour questions.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Colonial Reports: No. 1303. St Vincent. 1925. 6d net. **No. 1304.** Turks and Caicos Islands. 1925. 6d net. **No. 1302.** Straits Settlements. 1925. 2s net.

Department of Overseas Trade: Report on the Economic and Financial Conditions in Germany, 1925-1926. 4s 6d net. **Report on the Economic and Financial Situation of Egypt, 1926.** 1s 6d net.

Report by the Hon. W. G. A. Ormsby-Gore, M.P. (Parliamentary Under-Secretary of State for the Colonies), on his visit to West Africa during the year 1926. Cmd. 2744. 3s 6d net.

Includes chapters on Transport and Communications, Public Health, Agriculture, Education, &c., in the West Indies.

The Registrar-General's Statistical Review of England and Wales for the year 1925. (New Annual Series, No. 5.) Tables. Part. I. Medical. 15s net.

The figures given relate to deaths, death-rates, and infant mortality in England and Wales from 1838-1925, and, for the more recent years, are classified according to districts and the cause of death.

Licensing Statistics, 1925. Cmd. 2743. 3s 6d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 12.	October 14.

BUSINESS in the Stock Exchange is running on quiet lines, and the excitement in the tin share market has not been so pronounced this week as it was at the end of September. New issues met with varying success. The subscription list for the £6 millions of Tokyo Five-and-a-Halves closed promptly. A substantial premium is quoted upon the new Laras (Sumatra) 7 per cent. debenture. Underwriters of the new Wolverhampton loan expected to get about 75 per cent. Several other corporations are known to be in the market as borrowers; two or three important foreign loans are also imminent. The trouble which developed and subsided in connection with the dock strike had an unfavourable effect upon home railway stocks.

There is not so much talk as there was about the likelihood of money becoming dearer, but the competition of other securities makes its influence felt upon British Government stocks, the prices of which are inclined to be dull. In the foreign market a long string of falls in Brazilians and a shorter one in Japanese Government issues stand out with prominence. Japanese Government bonds were put down, in consequence of the new Tokyo 5½ per cents., which carry the Japanese Government guarantee, being relatively cheaper than the existing loans. French railway bonds are better, and there has been further buying of the speculative order in Germans.

The home railway market is weak, in consequence of the labour troubles already mentioned. Canadian Northern in-

come bonds and several other Canadian railway stocks have advanced, though Grand Trunk Pacific debenture scarcely moved. The Argentine railway market keeps tolerably good as regards its investment stocks, but the more speculative issues are disposed to droop. A sharp rise occurred in Antofagasta ordinary stock on the maintenance of the same interim dividend as that declared a year ago, 3 per cent., and this announcement had a cheering effect upon shares in the nitrate-producing companies, most of which are better on the week. United of Havana strengthened, and other foreign railways are somewhat neglected.

The rubber share market has slipped back into quietude, though prices are well maintained in the cases of the good stocks. Speculative descriptions have gone back a trifle on sales by disappointed bulls. Tea shares lean to the heavier side, and the oil market shows a series of falls, for which it is difficult to find any sound reason other than that of the market being overhung by the general tone of heaviness which prevailed in the House for the greater part of the week. Brazilian Traction and the "Lowenstein" stocks weakened upon vague reports of an accident to that redoubtable gentleman.

Scarcely a ripple disturbed the shipping section. Insurance shares were barely influenced by the increase, generally expected, in the Commercial Union dividend. Banking shares are steady, and Trust companies' stocks continue in demand. One of the industrial features is an all-round rise in the shares of the London electricity supply companies. This is due to an announcement by the Kensington and Knightsbridge of the manner in which it intends to distribute its reserve funds. Kensington shares rose to £2, and the rest of the list strengthened in proportion. Gas stocks are unchanged. A violent break in Courtaulds followed sales of the shares by the speculative division, who turned their money into Imperial Tobacco shares on the strength of the expected bonus being near at hand. Godfrey Phillips fell back, and other tobacco shares are none too good.

The iron and steel market kept up fairly well until the last day or two, when fears of a drastic reorganisation scheme from the Armstrong Company led to an offering of shares throughout the list. Cable construction and electrical equipment issues are still somewhat dull in consequence of the idea that the coal stoppage must be affecting profits, though it is said that most of the concerns are exceedingly well supplied with orders. No changes of consequence occurred in breweries. A lively jump in Marconis had the effect of bringing in sellers, and the full advance was not held. The textile market is uninteresting. Snia Viscosa fell back in sympathy with the drop in Courtaulds.

Kaffirs have been subdued and dull. The Cape turned a seller of some of its recent favourites. Paris sold Central Mining as freely as, until this week, she had been buying the shares. Gold-producers' shares gave way under the leadership of Meyer and Charlton, which flattened because of the steady decline in the company's profits. Chartered lack support from their usual faithful followers. The Malayan Tin market proved capricious and wayward. Some of the prices have improved considerably; the majority show small declines. West Africans attracted no new attention, but in Cornish tin shares Wheel Kitty became suddenly popular. Shares in the companies connected with silver mining are weak by reason of the slant in the price of the metal. Russians enjoyed spasms of strength. Burma Corporations drooped along with silver shares, in spite of buying orders from the East. Rio Tintos have been very spasmodic in their movement.

The Stock Exchange managers have declared an interim dividend of £3 per share, less tax, being the same as that of a year ago.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		154,970,501		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to September 30, 1926 Dr 1,500,000				
Net sales 12 days ended September 30, 1926, £250,000.				
To the Public—				
City of Tokyo, £6,000,000 5½% Loan for 1926 (Annually red. Dec. 31, 1961), issued at 8½% (Oct. 7)	6,000,000	5,010,000	300,000	4,710,000
Wolverhampton Corp., £1,500,000 7% Stock (red. at par April 20, 1946-56), iss. at 99½% (Oct. 6) 1,500,000 ..	1,500,000	1,492,500	75,000	1,417,500
Clyde Paper Co., £225,000 7½% Cum. Pref. £1. at 21s (Oct. 4) ..	225,000	236,250	28,125	208,125
Caldwell's Paper Mill Co., £125,000 7% Cum. 1st Pref. Shares, £1. at par (Oct. 4) ..	125,000	125,000	15,625	109,375
Verellen, Lim., 100,000 7½% Cum. Pref. Shares of £1 each, at par (Oct. 6) ..	100,000	100,000	25,000	75,000
Total offered to the Public		6,963,750	443,750	6,520,000

To Shareholders—				
Anglo-Canadian Explorers, 25,000 New £1 Shares, at par (Oct. 4) ..	25,000	25,000	6,250	18,750
Bangawan Rubber, £50,000 7½% Conv. Deb. at par (Oct. 4) ..	50,000	50,000	25,000	25,000
Chemical and Metallurgical Corporation, 1,179,531 Ord., 2s. at par (Oct. 4) ..	1,179,531	1,179,531	14,744	1,032,099
Dolcoath Mine, £50,000 8% Deb. Stock, at par ..	50,000	50,000	12,500	37,500

Total offered to shareholders only .. 242,953 .. 58,494 .. 184,459

Total offered for subscription to date	Total offered for subscription for whole year—
1926 .. 162,177,204	1925 .. 231,914,268
1925 .. 165,589,650	1924 .. 209,326,100
1924 .. 138,761,265	1923 .. 271,393,173
1923 .. 226,901,987	1922 .. 573,675,650
1922 .. 513,881,637	1921 .. 388,978,203
1921 .. 216,326,547	1920 .. 367,549,656

City of Tokyo.—This is an issue of £6,000,000 5½ per cent. loan, 1931-61, at 8½ per cent. Principal and interest is unconditionally guaranteed by the Imperial Japanese Government. The City undertakes to establish a fixed cumulative sinking fund, beginning in 1931, and calculated to redeem the entire loan at latest by 1961. The value of city property in 1925 was 383,295,074 yen, and the total debt on July 31st of this year was £8,072,720, 87,303,500f, and 183,240,936 yen. Of these sums, £5,220,300, 87,303,500f, and 121,354,623 yen are in respect of reproductive undertakings. Annual revenue and expenditure for the fiscal years 1918-19 to 1926-27 is given, the estimates for 1925-26 and 1926-27 being revenue 290,064,228 yen and expenditure 274,693,956 yen and revenue 337,683,669 yen and expenditure 333,625,985 yen respectively. The population in 1925 was 1,995,567. The proceeds of this loan will be applied to the repayment of the short-term debts, amounting to £3,000,000, and also towards meeting expenditure in respect of reconstruction work rendered necessary by the earthquake in 1923. The prospectus would serve as a useful model for some of the Overseas Dominions. An excellent foreign issue, which was well received.

Wolverhampton Corporation.—This is an issue of £1,500,000 5 per cent. stock, redeemable 1946-56, at £99 10s per cent. Principal and interest are secured upon all the estates, property, rates and revenues of the Corporation. Provision has to be made for the redemption of the issue by means of a sinking fund. The rateable value of the borough is £606,000—a penny rate producing £2,366; the estimated population is 108,800. As from April 1st next year the borough will be enlarged by the inclusion of adjoining areas, and rateable value and population will be increased. The total outstanding debt is £3,300,705, of which £1,186,363 is in respect of reproductive undertakings. The gross profit upon the trading undertakings for the year ended March 31, 1926, was £175,919. The proceeds of the present issue will be applied for waterworks, electricity works, street improvements, &c., and for paying off existing loans. An excellent issue.

Caldwell's Paper Mill Company, Limited.—Authorised capital £425,000, divided into 7 per cent. cumulative first preference shares of £1 each, 100,000 8 per cent. cumulative second preference shares of £1 each and 150,000 ordinary shares of £1 each. This is an issue of 125,000 7 per cent. cumulative first preference shares of £1 each at par, and 50,000 ordinary shares are being offered to the ordinary shareholders at a premium of 7s 6d per share. The company was formed in 1920 to acquire the business of Caldwell and Co., of Inverkeithing, Fife, which was established in 1893. A controlling interest in the ordinary shares was acquired in the early part of 1925 by the Inveresk Paper Company, Limited. The proceeds of the present issue and of the issue of the ordinary shares will be used in extensions and for general purposes of the company. On the basis of the balance-sheet for 1925, the surplus assets over liabilities exceed £283,000. Profits, after charging all expenses of carrying on the business, including directors' remuneration and depreciation of fixed assets at the rate of £10,000 per annum, but before charging interest and taxation, are certified to have been as follows:—thirteen months ended October 31, 1923, £33,965; twelve months ended October 31, 1924, £17,556; twelve months ended October 31, 1925, £32,498; and for six months ended April 30, 1926, £21,918. To what extent the paper-making industry has become stabilised is a difficult question for the investor to answer.

Clyde Paper Company, Limited.—Share capital £525,000, divided into 300,000 ordinary shares of £1 each and 225,000 7½ per cent. preference shares of £1, while there is a 6 per cent. first mortgage loan of £100,000. This is an issue of 225,000 7½ per cent. cumulative preference shares of £1 each at 21s per share. The company has been formed particularly to acquire the business of the Clyde Paper Company, Limited, papermakers, near Glasgow, which was established seventy years ago. Profits, after charging all management expenses, including remuneration of managing directors, depreciation, and (in 1920) Excess Profits Duty—and crediting (in 1921) Excess Profits Duty recovered—but before charging income-tax, corporation profits tax, directors' fees

and interest, are certified to have been as follows:—1920, £68,879; 1921, £27,432; 1922, £88,532; 1923, £64,188; 1924, £64,706; and eighteen months to June 30, 1926, £70,795. There is an expert valuation of the company's property, plant and machinery at £455,960, and the net assets are stated to be £517,000. The purchase price is £507,500, payable as to £207,500 in cash and/or 7½ per cent. cumulative preference shares of £1 each at 2½ per share credited as fully paid up, and £300,000 in £1 ordinary shares credited as fully paid up. A fair industrial offer.

United States and General Trust Corporation, Limited.—For general information purposes the above company publishes particulars of an issue of £350,000 5 per cent. debenture stock, redeemable at par in 1976. There is an issued capital of £1,050,300, consisting of £630,000 5 per cent. cumulative preferred stock and £420,300 deferred stock. The debenture stock will be secured as a second floating charge upon the whole undertaking and assets of the corporation, present and future, including its uncalled capital, if any, by a trust deed. This floating charge is to be a charge ranking next after the 4½ per cent. debenture stock, of which £700,000 is at present outstanding. The right to issue further 5 per cent. debenture stock is reserved. It is stated that permission to deal in and an official quotation for the stock on the London Stock Exchange will be applied for in due course. Prospectusless.

Verellen, Limited.—Share capital £300,000, divided into 150,000 7½ per cent. cumulative participating preference shares of £1 each and 150,000 ordinary shares of £1 each. The preference shares are entitled to a further non-cumulative dividend of 2½ per cent. after the payment of 7½ per cent. on the ordinary shares, and also to participate to the extent of one-third in the surplus profits for any year. This is an issue of 100,000 7½ per cent. cumulative participating preference shares of £1 each at par. The company has been formed particularly to acquire the business of cigar-makers and cigarette and pipe tobacco manufacturers carried on by Verellen Frères, of Marché Saint Jacques, Antwerp, Belgium, which was founded in 1868. An expert valuation places the value of freehold properties, plant, machinery, fixtures, and stock at £214,752. Profits, before deducting income-tax, depreciation or partners' salaries, are certified to have been as follows:—1925, £32,613; and 1926, £28,955. These figures are converted at the rate of 120f to the £ and 175f to the £ respectively. The purchase consideration is £187,500, payable as to £57,500 in cash and as to the balance of £130,000 in fully-paid ordinary shares; the promotion expenses are satisfied as to £12,800 in cash and by 20,000 fully-paid ordinary shares, together with an option to subscribe for preference shares. Profits when compared with issued capital are not on a generous scale.

Parkinson Stove Company, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £300,000, divided into 100,000 ordinary shares of £1 each and 200,000 7 per cent. cumulative preference shares of £1 each. Dividend on the preference shares and repayment of capital are guaranteed by Parkinson and W. and B. Cowan, Limited (the parent company), subject to the condition that the parent company can terminate on any dividend date the whole of their future liability under such guarantee by offering to purchase the preference shares at a premium of 10 per cent., plus accrued dividend, and completing such purchase in all cases in which the offer is duly accepted. The Stove Company was incorporated as a private company in 1907, and was converted into a public company in August, 1926, its business being the manufacture of and dealing in gas fires, gas cookers, &c. The consolidated balance-sheet of Parkinson and W. and B. Cowan, Limited, and its subsidiary and associated companies as at March 31, 1926, shows surplus of assets, exclusive of goodwill, over liabilities, inclusive of debentures, of £676,992. The combined profits of Parkinson and W. and B. Cowan, Limited, and its subsidiary and associated companies for the last four years (excluding the proportion of the profits of one subsidiary applicable to the holding of outside shareholders), after providing for all charges, including debenture and other interest and depreciation, but before charging income-tax and corporation profits tax, are certified to have been as follows:—1923, £61,527; 1924, £74,086; 1925, £76,952; 1926, £72,220. These figures include profits received from sale and property and investments and income-tax credits. Application is being made to the Birmingham and Edinburgh Stock Exchanges for permission to deal in the preference shares. Prospectusless.

Fletcher and Cartwrights, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £240,000, divided into 240,000 shares of £1 each, and there are £232,100 7½ per cent. first mortgage debentures outstanding. The company owns the amalgamated business formerly known as Fletcher and Co. and as Cartwrights, Limited, of South Africa. The former was established in Cape Town in 1844 as general drapers and dealers in soft goods and the latter in Cape Town in 1836 as grocers, confectionery dealers,

and hardware merchants. Amalgamation was effected in 1922, Cartwrights, Limited, acquiring the assets of Fletcher and Co., free of all encumbrances, for £333,900, of which £100,000 was payable in cash. The amounts available for dividends on the ordinary shares, less the amounts of interest payable on the debentures outstanding, are stated to have been as follows:—1924, £20,549; 1925, £22,809. A dividend of 6 per cent., free of South African tax, has, it is stated, been declared for each of those years. Application is being made to the London Stock Exchange for permission to deal in the ordinary shares. Prospectusless.

United Stone Firms (1926), Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £160,000, divided into 130,000 7½ per cent. cumulative participating preference shares of £1 each, and 600,000 ordinary shares of 15 each. The participating rights of the preference shares entitle them to an extra dividend up to 2½ per cent. when 10 per cent. has been paid on the ordinary. The company was incorporated in September of this year particularly to acquire United Stone Firms, Limited, of Bristol, whose principal business is the production and preparation of stone for building and engineering, &c. The company's properties consist of about 138 acres freehold, about 123 acres leasehold, and the fee simple and mineral rights over about 234 acres, and include eleven equipped quarries now in active production and twenty-one partly-developed quarries. An expert valuation of permanent and temporary buildings, fixed and loose plant, &c., is given at £85,350, while the auditor's certificate places the value of the assets on June 30, 1926, at £247,695. Profits, after charging all expenses except directors' and management remuneration, head office expenses, interest, depreciation, taxation and non-recurring expenses, are certified to have been as follows:—1922, £16,639; 1923, £13,661; 1924, £15,743; 1925, £19,169; and six months to June 30, 1926, £11,177. The purchase price payable by the company to the vendors (United Stone Firms, Limited) for the assets acquired by the company, including the benefit of trading from January 1, 1926, is £150,000, to be satisfied as to £130,000 in cash and as to the balance of £20,000 by the allotment to the vendors or their nominees of 400,000 ordinary shares of 15 each in the capital of the company credited as fully paid up. The preliminary expenses are estimated at £7,800. Prospectusless.

Ordern Coal Mines, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued capital of £100,000, divided into 100,000 shares of £1 each. The company was incorporated in May, 1925, for the purpose of acquiring a coal concession in the Municipality of Alacer do Sol, District of Lisbon, Portugal, and comprises about 27,000 acres of land. A small output of coal is now being obtained, it is stated, and the coal is transported by mule carts to the main line railway, a distance of ten miles. It is now proposed to connect the mines with the main line, and it is further proposed to erect workmen's cottages and colliery plant. The company's manager is stated to have estimated the amount of coal in the visible area in excess of 4,000,000 metric tons. The consideration payable for the transfer of the concession was 35,000 shares credited as fully paid, already issued. Prospectusless.

Kassa Mining Co., Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an authorised capital of £80,000, divided into 320,000 shares of 5s each, those issued numbering 120,474 fully-paid and 13,390 partly paid. The company was incorporated in 1919 particularly to acquire mining property in the North Ropp River Valley in Nigeria, comprising, including an area applied for, 10.94 square miles. The purchase consideration was £60,000, payable as to £30,000 in cash and the balance by the issue of £120,000 5s shares credited as fully-paid. Later 40,000 shares of 5s each were credited as fully paid up in satisfaction of the sum of £10,000 then remaining owing in respect of the £30,000 cash consideration, while 18,025 shares, on which 3s 3d was paid, were credited as fully paid in consideration of services rendered. In June of this year the Court sanctioned the reduction of capital from £80,000 to £32,000 by writing off 3s on each of the 320,000 shares. The resolution authorising this course provided for the issue of further shares, and since then 5,864 shares of 5s each have been credited as fully paid in satisfaction of certain debts. Prospectusless.

Kent (F.M.S.) Tin Dredging, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. The authorised share capital is £105,000, divided into 1,050,000 shares of 2s each, of which 414,400 shares are issued. The company was incorporated in England in August, 1926, particularly to acquire a sub-mining lease of about 610 acres of Kent Estate, Kuala Lumpur, in the State of Selangor, F.M.S., and about 45 acres of mining land, to be held under mining leases direct from the Government. The purchase consideration is £5,800, payable in cash, the allotment of 270,600 shares of 2s each in the company to be

treated as fully-paid, and the right to offer 365,000 shares at par to the shareholders in Jelantoh Tin, Limited. The preliminary expenses are estimated at £1,500. Prospectusless.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
War 4½, 1925-28...	98	..	98½	..	..	..	India 3½ Stock	68½	..
Loans 4½, 1925-46...	94	..	94½	..	..	..	Do 5½, 1933	101½	..
4½, 1929-47...	101½	..	101½	..	..	..	Do 4½, 1933	91½	..
4½, 1929-42...	99½	..	99½	..	..	..	N.S.W. 5½, 1927-31	101	..
Funding Loan 4½...	84½	..	84½	..	..	..	N. Zealand 3½, 1940	85	..
Victory Bonds 4½...	92½	..	92½	..	..	..	Nigeria 6½, 1949-79	112	..
Conversion Loan 3½...	74	..	74	..	..	..	Queensland 5½, 1940-60	96	..
Consols 2½...	54½	..	54½	..	..	..	U. of S.A. 6½, 1930-40	104	..
Irish Land Stock 4½...	57½	..	57½	..	..	..	S. Aust. 6½, 1930-40	103	..
Local Loans 3½...	62½	..	62½	..	..	..	Victoria 5½, 1934-34	100	..
Aust. 6½, 1931-41...	102	..	102	..	..	..	W. Aust. 6½, 1930-40	102	..

British Railways.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Great Western, Ord...	90½	..	87½	..	3½	..	Metropolitan District	53½	..
London & North-Eastern	53½	..	51	..	2½	..	Southern, Pref. Ord...	78½	..
5½ Pref. Ord...	181	..	17½	..	8	..	Do Def. Ord...	46½	..
Do Def. Ord...	74½	..	72½	..	2½	..	Underground Electric	4	..
London, Mid., and	62½	..	60½	..	1½	..	(£10).....	4	..
Scottish, Ord...	74½	..	72½	..	2½	..	Do "A" (11)	101½	..
Metropolitan	62½	..	60½	..	1½	..	Do Inc. Bd. (\$100)	101½	..

Colonial and Foreign Railways.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Amalgamated Cons...	83	..	83½	..	½	..	Grand Trunk Pacific	58	..
P.A. and Pacific	89	..	88½	..	½	..	4½ Debts	43½	..
P.A. G. Southern	102	..	102	..	..	..	Leopoldville	51	..
Buenos Ayres West...	89	..	89	..	..	..	Mexican Railway	63	..
Canadian Pac. (\$100)	171	..	168	..	3	..	Do 1st Pref.	18	..
Central Argentine	76½	..	77	..	½	..	San Paulo	186½	..
Cordoba Central New	36½	..	35½	..	1	..	United Havana	76½	..

American Railroads.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Chesapeake & Ohio	177	..	168	..	9	..	Southern	131	..
Erie	37	..	38	..	1	..	Do Non-cum Pref.	97	..
Do 4½ 1st Pref.	47	..	49	..	2	..			

Foreign Government Securities.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Argentine 5½, 1888-7	100	..	100	..	..	..	Greek 7½, 1924	92	..
Austrian 6½ Guar. 101	101½	..	101½	..	..	..	Hungarian 7½, 1924	102½	..
Belgian 3½	73	..	74	..	1	..	Japanese 5½, 1924	95	..
Brazil 5½ Fund. 1914	84	..	83	..	1	..	Mexican Cons. 1899	51½	..
Chilean 4½, 1898	81½	..	80	..	1	..	Peruvian Corp. Pref.	81½	..
Do 7½, 1912	102	..	102	..	..	..	P.L.M. 6½	34	..
Chinese 5½, 1912	83	..	84	..	1	..	Portuguese (New)	7½	..
Egyptian 4½	93	..	104	..	11	..	Russian 5½, 1906	72½	..
French 5½	83	..	9	..	1	..	Spanish 4½	72½	..
Do 4½	106½	..	106½	..	..	..	Seine (Dept.) 7½	95	..
German 7½, 1924	106½	..	106½	..	..	..	Siam 7½	106	..

Telegraphs.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Anglo-American "A"	243	..	243	..	..	..	Marconi Canada	31	..
Marconi Wireless	31	..	31	..	..	..	Marconi Marine	1	..

Banks.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Barclays B (11, 10d)	243	..	243	..	..	..	National Provincial	12½	..
Chartered Bk of India	203	..	203	..	..	..	(£20, with £4 paid)	13½	..
Lloyds (£5 with £1	34	..	34	..	..	..	Standard of S. Africa	13½	..
paid	34	..	34	..	..	..	(£20, with £5 paid)	13½	..
Midland (£12, with	81½	..	81½	..	..	..	Westminster Bank	18½	..
£2 paid)	81½	..	81½	..	..	..	(£20, with £5 paid)	18½	..
Nat. Bank of Egypt	38½	..	37½	..	1½	..			

Miscellaneous.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Allied Newspapers (£1)	243	..	243	..	..	..	Hudson's Bay (£1)	57	..
Amalg. Cottons (£1)	5	..	5	..	..	..	Imperial Tobacco (£1)	57	..
Anglo Persian Oil (£1)	5	..	5	..	..	..	Linggi Plantations (£1)	243	..
Armstrong (Sir W. G.)	5	..	5	..	..	..	Liver Bre' & Co. (£1)	57	..
and Co. (£1)	5	..	5	..	..	..	Do 5½ Cum Pref (£1)	57	..
Asiatic Cement (£1)	5	..	5	..	..	..	Do 5½ Cum Pref (£1)	57	..
Barker, John (£1)	5	..	5	..	..	..	Lister (£1)	57	..
Pharmaceuticals (£1)	5	..	5	..	..	..	Lochies Oilfields (£1)	57	..
Bleachers (£1)	5	..	5	..	..	..	Lyons (J.) & Co. (£1)	57	..
Bradford Dyers (£1)	5	..	5	..	..	..	Mexican Eagle (£10)	57	..
Brazil Traction (£100)	122½	..	118	..	4½	..	Nobel Industries (£1)	57	..
British-American	5	..	5	..	..	..	Royal Dutch Petro-	57	..
Tobacco (£1)	5	..	5	..	..	..	leum (100 B)	31½	..
British Controlled	5	..	5	..	..	..	Rubber Plantations	57	..
Oil (£5)	5	..	5	..	..	..	Investments (£1)	57	..
Bryant and May (£1)	5	..	5	..	..	..	Shell Transport (£1)	57	..
Burmah Oil (£1)	5	..	5	..	..	..	Siemens (£1)	57	..
Coca (J. and P.) (£1)	5	..	5	..	..	..	Swedish Match "B"	57	..
Courtauld (£1)	5	..	5	..	..	..	(Kriol)	57	..
Cornard (£1)	5	..	5	..	..	..	Union Cold Storage	57	..
Dorman, Long (£1)	5	..	5	..	..	..	6½ Cum. Pref. (£1)	57	..
Dunlop Rubber (£1)	5	..	5	..	..	..	Do 7½ Cum. Pref. (£1)	57	..
Fine Cotton Spinners	5	..	5	..	..	..	United Dairies (£1)	57	..
(£1)	5	..	5	..	..	..	United Berang (£1)	57	..
Forestral Land (£1)	5	..	5	..	..	..	United Tobacco (£1)	57	..
Furness, Withy (£1)	5	..	5	..	..	..	V.O.C. Holding (£1)	57	..
Highlands and Low-	5	..	5	..	..	..	Vickers (£1)	57	..
lands Rubber (£1)	5	..	5	..	..	..	Watney Def. Stk.	57	..

Mining.									
	Price	Week	Latest	Price	Week	Latest		Price	Week
Ashanti Gold (4/)	83	..	82	..	..	..	Modderfontein "B" (5/)	13½	..
Brakpan (£1)	48	..	47	..	1	..	Modderfontein Deep (5/)	14½	..
Broken Hill Prop. (£1)	153	..	173	..	20	..	Mount Lyell (£1)	13½	..
Burns Corp. (Rs.10)	243	..	243	..	..	..	New State Areas (£1)	24	..
Cam & Motor (£1)	243	..	243	..	..	..	Randfontein East (£1)	36	..
Central Mining (£8)	153	..	173	..	20	..	Rand Mines (5/)	36	..
Chartered (15/)	153	..	173	..	20	..	Solukus (2/6)	14	..
City Deep (£1)	153	..	173	..	20	..	Shamva (£1)	14	..
Cons. Gold Fields (£1)	153	..	173	..	20	..	Tio Tinto (45)	40	..
Crown Mines (10/)	36	..	36	..	..	..	Rio Tinto (4/)	36	..
De Beers Def. (£2½)	203	..	203	..	..	..	San Francisco of	14½	..
East Rand Prop. (£1)	48	..	47	..	1	..	Mexico (100)	14½	..
Geduld (£1)	48	..	47	..	1	..	Siamese Tin (5/)	14½	..
Gov. Gold Areas (£1)	48	..	47	..	1	..	Spring Mines (£1)	24	..
Johannesburg Cons.	24	..	24	..	..	..	Transvaal Cons (£1)	24	..
Malayan Tin (5/)	14½	..	14½	..	..	..	Transvaal Cons Ltd (10/)	24	..
Modderfontein (100)	5	..	47	..	1	..	Zambesia Exp. (£1)	24	..

proposed to pay an intermediate bonus, not only on claims but on the surrender of all participating policies. Thirdly, on new assurances no extra premiums would be charged in the case of naval and military officers, or for foreign residence, except in cases of special hazards. He wished to acknowledge the great assistance derived from their alliance with the Employers' Liability Assurance Corporation. In the past quinquennium alone they could trace nearly a million of insurance as directly due to the alliance.

In conclusion, he said that during the long period of prosperity preceding the war the Society had paid a consistently high rate of bonus, but had placed before everything else the building up of immense reserves, and it was upon the sure foundation of "safety first" that they based the confidence with which they spoke of future bonus prospects.

The report and accounts were unanimously adopted.

MANCHESTER HIPPODROME AND ARDWICK EMPIRE, LIMITED.

SATISFACTORY RESULTS DESPITE INDUSTRIAL DEPRESSION.

The twenty-third ordinary meeting of the shareholders of the Manchester Hippodrome and Ardwick Empire, Limited, was held on Tuesday, the 5th inst., at the Stoll offices, Coliseum buildings, London, W.C., Sir Oswald Stoll (the chairman) presiding.

In moving the adoption of the report and accounts, the Chairman said: Our profits for the year are substantially higher than those of the preceding year. They are quite satisfactory for a time of industrial depression.

Many people consider that profits like ours are proof that there is no industrial depression. That idea gains ground because industry does not seem so necessary as it was for providing people with money to spend. Nowadays, many millions of pounds are being distributed under the Government's social obligations. These millions are spending power, and they are distributed for little or no productive effort. Then there is a further distribution exceeding £200,000,000 net, after deduction of income-tax. This is being distributed annually among the holders of war securities. A great deal of this spending money is left at a loose end, because it cannot be invested in industry lest it should be lost and probably a great deal more lost with it. Very few forms of production can be made to pay.

NEED FOR MONEY FROM PRODUCTIVE INDUSTRY.

Much of this money naturally comes the way of theatres. But one would feel much happier about our future if it could come to us through circulation in a round of highly prosperous productive industry, instead of being free to come only by leaving productive industry alone.

This spending money is composed of paper money, promises to pay, and legal obligations to pay. It is nearly all mere paper, and paper is a very poor substitute for prosperous productive industries.

This paper may please the unthinking person just as well as real money, but if it came through a process of producing wealth it would be truly earned, not merely printed. If printed paper itself were real wealth, nobody need ever have worked.

All such paper is safe only when it is engaged in turning the wheels of a full measure of productive industry. But it is not doing that now. It is engaged in consumption far more than in production, and therefore a breakdown more or less severe is certain. It will be observed that the board has written down our investments by close upon £6,000 out of revenue. The value of our assets, however, is well above the balance-sheet figures. Notwithstanding the sacrifice provided for, we are able to maintain our dividend and to increase our carry forward.

THE RESOLUTION.

I beg formally to move: "That the directors' report, balance-sheet, and profit and loss account for the year ended June 30, 1926, be approved and adopted, and that the balance of £52,556 14s 4d at credit of profit and loss account be dealt with as follows:—(1) In paying a dividend for the second half of the year at the rate of 10 per cent. per annum, less income-tax, which will absorb £3,600; and (2) in carrying forward to the current year's account, subject to the managing director's remuneration for the past year, tax on final dividend and liability for excess profits duty, the balance of £48,956 14s 4d."

Mr. George F. Reynolds seconded the motion, which was carried unanimously.

Sir James W. McCraith, J.P., the retiring director, and the auditors having been duly re-elected, the proceedings then terminated.

GOVERNMENT RETURNS, &c.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Oct. 8, 1926, and the total amount applied for was £50,150,000. For bills at 3 months, dated Monday to Friday, £98 15s 8d, about 41 per cent. and above in full; Saturday, £98 16s 0d, and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.	4% Treasury Bonds. Average Price.
Aug. 6, 1926.	40,000,000	50,200,000	4 7 3-16	101 1-16
Aug. 13.	40,000,000	43,900,000	4 10 3-16	101 1-16
Aug. 20.	40,000,000	49,800,000	4 11 1-16	101 1-16
Aug. 27.	45,000,000	55,000,000	4 14 3-16	101 1-16
Sept. 3.	40,000,000	52,135,000	4 13 0-16	101 1-16
Sept. 10.	40,000,000	54,025,000	4 13 3-16	101 1-16
Sept. 17.	40,000,000	53,065,000	4 12 11-16	101 1-16
Sept. 24.	45,000,000	68,270,000	4 12 9-16	101 1-16
Oct. 1.	45,000,000	55,050,000	4 14 2-16	101 1-16
Oct. 8.	45,000,000	50,150,000	4 15 11-16	101 1-16

Tenders will be received on Oct. 15, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

CURRENCY NOTES ACCOUNT.—(000's omitted.)

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.
1923.						
Mar. 28.	285,616	12,318	7,000	27,000	22,460	173
June 27.	286,503	12,516	7,000	27,000	22,460	173
Sept. 27.	287,784	12,401	7,000	27,000	22,460	173
Dec. 26.	293,070	12,571	7,000	27,000	22,460	173
1924.						
Mar. 26.	281,538	11,908	7,000	27,000	22,460	173
June 25.	290,316	12,472	7,000	27,000	22,460	173
Sept. 24.	295,592	12,297	7,000	27,000	22,460	173
Dec. 31.	296,961	12,812	7,000	27,000	22,460	173
1925.						
Mar. 25.	284,256	11,882	7,000	27,000	22,460	173
June 24.	284,278	12,355	7,000	27,000	22,460	173
Sept. 30.	285,000	12,555	7,000	27,000	22,460	173
Dec. 30.	296,777	12,561	7,000	27,000	22,460	173
1926.						
Mar. 31.	295,337	12,226	6,550	25,250	21,900	173
June 30.	294,036	12,567	6,550	25,250	21,900	173
Sept. 29.	287,858	12,295	6,300	25,250	21,900	173
Oct. 6.	290,770	12,427	6,300	25,250	21,900	173

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

NATIONAL DEBT.—(Million £s.)

	Aug. 1, 1914.	Dec. 31, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Mar. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314	314	314	314
Term Annuities	30	30	16	14	14	13	13	13	13	13	13	13	13	13
3% Conversion Loan	..	..	268	684	666	709	764	760	760	760	760	760	760	760
4% Conversion Loan	..	..	63	63	63	63	63	63	63	63	63	63	63	63
4% War Stock	..	13	13	13	13	13	13	13	13	13	13	13	13	13
4% and 5% War Stock	..	2,047	1,963	2,095	2,166	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052
National War Bonds	..	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706
4% Funding Loan	..	409	401	399	396	394	394	390	390	390	390	390	390	390
4% Victory Bonds	..	360	335	325	314	303	303	292	292	292	292	292	292	292
Treasury Bonds	..	453	411	497	499	479	482	486	486	486	486	486	486	486
Exchequer Bonds	..	323	185	150	150	15	15	15	15	15	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	372	375	375	375	375	375	375	375
Other Debt*	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	..	51	878	616	588	576	635	665	665	665	665	665	665	665
Treasury Bills	..	1	243	147	194	186	167	181	139	108	108	108	108	108
Temporary Advances	..	654	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,632	7,632	7,632	7,632	7,632
Other Capital Liabilities	..	57	46	66	70	66	68	84	76	76	76	76	76	76
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,698	7,698	7,698	7,698	7,698	7,698

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Sept. 30, '25.	Mar. 31, '26.	Sept. 30, '26.	Sept. 30, '26.
Advances by Bank of England	£	£	£	£
Advances by Public Deptms.	131,271,000	139,441,000	102,001,000	18,350,000
Treasury Bills Outstanding	£317,850,000	£364,855,000	£364,180,000	£24,620,000
Total Floating Debt	775,121,000	704,296,000	766,181,000	6,270,000
* Includes £65,000, the proceeds of which were not carried to the Exchequer within the period of the accounts.				

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, October 6, 1926.

ISSUE DEPARTMENT.

Notes issued	173,035,935	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion ..	153,285,935
	<u>173,035,935</u>		<u>173,035,935</u>

BANKING DEPARTMENT.

Proprietors' capital	14,553,000	Government securities	33,265,307
Reserve	3,110,682	Other securities	72,678,386
Public deposits	15,798,046	Notes	32,803,090
Other deposits	106,860,338	Gold and silver coin	1,579,352
Seven-day & other bills	4,069		
	140,326,135		140,326,135

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

	Amount, Oct. 6, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£	£	£
Public deposits	3,110,682	655,268	39,220
Other deposits	15,798,046	5,378,957	6,250,579
Government securities	33,265,307	375,250	474,997
Other securities	72,678,386	692,270	3,440,799
Reserve	34,382,442	683,735	676,893
Note circulation	140,232,845	284,090	3,728,195
Coin and bullion	154,865,287	967,825	3,051,402
% of reserve to liabilities	28%	8%	8%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Aug. 18	154,144,128	140,553,290	121,766,643	106,551,007	179,000 in	33,340,838	27 1/2
Sept. 25	154,805,514	140,271,005	128,173,220	112,087,414	637,000 in	34,284,509	26 1/2
Oct. 6	155,498,737	141,288,970	121,312,358	108,624,874	613,000 in	33,959,827	27 1/2
1925.							
Aug. 15	155,393,226	140,303,400	119,166,244	102,586,266	133,000 out	34,834,826	29 1/2
Sept. 15	155,850,207	139,457,765	119,660,961	101,795,942	370,000 in	36,145,442	30 1/2
Oct. 22	155,930,451	138,974,855	121,235,858	102,818,496	59,000 in	36,705,596	30 1/2
Nov. 29	155,833,112	140,518,935	122,359,194	105,626,673	102,000 out	35,066,777	28 1/2
Dec. 6	154,865,287	140,232,845	122,658,381	105,943,693	1,026,000 out	34,382,442	28

BANKERS' CLEARING RETURNS (000's omitted)

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Sept. 22	25,466,495	1,197,882	2,038,549	28,702,926
Sept. 29	546,676	26,452	46,268	619,396
Oct. 6	807,503	37,509	62,842	907,854
Total to date 1926.	26,820,674	1,261,843	2,147,659	30,230,176
Do 1925.	21,265,678	1,284,546	2,274,714	24,824,938
Increase or decrease in 1926	+ 5,554,996	- 22,703	- 127,055	+ 5,405,238
	+ 26%	+ 1%	+ 5%	+ 22%
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925	+ 762,659	+ 84,233	+ 57,363	+ 904,255
	+ 2%	+ 5%	+ 2%	+ 2%

PROVINCIAL CLEARING RETURNS.

Number of Working Days	Month of September.		Aggregate Weekly Totals to Oct. 2.	
	1925.	1926.	1925.	1926.
BIRMINGHAM	10,072,000	8,771,000	99,891,000	92,829,200
BRADFORD	5,149,800	5,586,000	46,177,000	45,383,000
BRISTOL	4,847,000	4,661,000	40,353,000	38,000,000
DUBLIN	4,660,000	3,611,000	41,463,500	35,388,900
LIVERPOOL	3,369,000	3,596,000	39,597,700	37,030,400
LEICESTER	3,090,000	3,047,000	30,307,700	29,919,800
LONDON	35,958,000	34,289,000	4,355,256,400	3,052,256,400
MANCHESTER	5,945,000	5,142,000	44,242,200	50,831,100
NEWCASTLE-ON-TYNE	2,654,000	4,891,000	26,333,100	50,562,800
NOTTINGHAM	2,453,000	2,453,000	26,399,400	24,203,500
SHEFFIELD	4,366,000	3,461,000	37,753,000	37,753,000
Total	140,007,000	125,149,000	1,066,000,000	928,000,000

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Canadian Banks appeared in the Economist of September 25; Estonian, Poland, Bulgaria and Greece in October

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

Assets.	Sept. 30, 1926.	Aug. 31, 1926.	July 31, 1926.	June 30, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold and bullion	209,087	209,112	209,132	209,147	209,389	76,644
Loans and discounts	227,131	228,027	248,086	252,496	236,652	88,494
Debtors abroad	26,453	36,899	36,362	50,516	124,321	24,108
Securities	6,287	6,303	6,622	6,833	7,007	11,983
LIABILITIES.						
Circulation	377,377	378,468	388,681	400,989	430,332	167,366
Deposits	22,357	26,559	26,436	22,308	60,672	6,886

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 22, 1926.	Sept. 15, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold and bullion	147,226	147,226	147,226	147,226	44,224
Balance abroad and foreign bills	69,009	70,069	71,115	66,258	28,533
Norwegian and Foreign Government securities	26,974	25,830	24,710	12,528	8,816
Discounts and loans	395,595	359,539	359,692	309,353	76,911
LIABILITIES.					
Notes in circulation	328,286	320,643	320,505	371,676	113,484
Deposits at notice	295,001	216,939	217,621	93,540	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	Oct. 2, 1926.	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Oct. 3, 1925.	May 31, 1924.
Gold	226,436	226,533	227,535	227,653	231,663	104,918
Balance abroad	137,517	140,753	139,144	136,674	168,932	112,172
Swedish and foreign Gov. securities	46,141	46,485	46,914	46,914	47,345	32,465
Discounts and loans	283,712	209,594	217,594	228,128	286,272	112,668
LIABILITIES.						
Notes in circulation	553,384	477,204	484,153	485,218	544,264	226,555
Deposits at notice	69,405	66,803	71,149	74,256	112,819	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	Sept. 24, 1926.	Sept. 15, 1926.	Sept. 8, 1926.	Sept. 2, 1926.	Position May 30, 1924.
Gold	329,016	329,148	329,354	329,354	43,286
Balance abroad and foreign bills	1,084,926	1,067,571	1,067,991	1,100,972	90,379
Finland and Foreign Government securities	366,417	366,417	366,417	403,296	21,226
Discounts and loans	619,696	615,876	609,416	413,412	106,151
LIABILITIES.					
Notes in circulation	1,281,821	1,299,842	1,302,801	1,342,408	123,941
Deposits at notice	414,623	401,772	383,364	568,646	21,225

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	Sept. 29, 1926.	Sept. 22, 1926.	Sept. 15, 1926.	Sept. 8, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold bullion and coins	23,618	23,617	23,616	23,615	23,551	12,993
Silver coin	2,030	2,193	2,251	2,152	819	...
Balance abroad	34,409	35,159	34,214	34,045	33,967	22,466
Treas. notes & am. change	8,537	9,460	10,864	9,776	8,189	3,085
Short term bills	68,686	68,492	68,005	68,107	61,594	6,639
Loans against securities	50,053	50,204	50,577	51,325	48,479	2,912
Other assets	10,507	10,276	10,049	8,840	9,325	1,369
LIABILITIES.						
Notes in circulation	31,887	30,714	29,913	30,205	29,441	4,085
Capital paid up	13,447	13,447	13,447	13,447	11,569	8,080
Reserve	2,237	2,237	2,237	2,237	1,522	...
Special reserve	2,500	2,500	2,500	2,500	1,000	...
Deposits	9,022	8,913	8,903	8,905	6,725	61
Current accounts	45,266	45,020	44,659	43,854	46,092	16,933
Government accounts	76,320	78,797	80,909	81,617	70,864	16,897
Other liabilities	17,161	17,773	17,008	15,093	18,630	3,757

BANK OF LITHUANIA.—In lt. (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 15, 1926.	Aug. 15, 1926.	July 31, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold	31,050	31,030	30,913	30,569	30,548	33,648
Silver	5,668	5,817	5,970	6,208	6,396	46
State Treasury coins	1,917	1,912	1,920	1,925	1,923	1,965
Foreign currency	22,768	22,388	22,841	22,194	24,148	24,768
Discount and credit	45,905	44,514	42,691	43,170	43,058	41,736
LIABILITIES.						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	860	860	860	860	860	860
Banknotes in circulation	75,818	73,256	73,730	73,708	74,446	81,091
Deposits	20,395	21,597	19,528	18,487	20,006	13,451

BANK OF DANTZIG.—In Dantzig gulden (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 15, 1926.	Aug. 15, 1926.	July 31, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold and bullion	2,787	2,936	2,675	2,901	2,892	2,776
Of which gold coin	5	5	5	6	6	4
Dantzig subsidiary coin	2,782	2,931	2,670	2,895	2,886	2,772
Balance, Bk. of Eng., inc. notes	17,013	20,194	23,372	18,459	18,455	17,704
Bills of exchange	16,175	14,432	14,582	15,365	15,090	17,206
Loans	462	341	405	418	418	1,316
Foreign exchange	14,195	16,843	14,333	17,131	17,400	25,187
Other balances on demand	906	691	153	338	121	1,923
LIABILITIES.						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	36,040	34,170	35,913	32,424	34,535	35,296
Deposits on demand	3,964	5,232	4,560	3,315	3,035	9,343
Deposits at notice	nil	nil	nil	nil	nil	nil

CZECHOSLOVAK NATIONAL BANK.—In Cz. K. (000's omitted).

Assets.	Sept. 23, 1926.	Sept. 15, 1926.	Sept. 8, 1926.	Aug. 31, 1926.	Aug. 23, 1925.	Position May 31, 1924.
Gold and silver holdings	1,033,919	1,033,918	1,033,887	1,033,560	1,033,513	1,033,513
Balance abroad and foreign currency	1,443,713	1,377,779	1,329,608	1,323,522	1,313,824	1,313,824
Discounts and advances	180,965	180,545	188,219	190,503	171,967	171,967
State notes debt balance	4,876,631	4,877,975	4,882,000	4,883,748	4,884,664	4,884,664
Other assets	1,399,400	1,386,364	1,367,380	1,343,742	1,213,563	1,213,563
LIABILITIES.						
State notes in circulation	6,826,179	6,859,247	7,013,810	7,161,203	6,542,914	6,542,914
Check account balances	1,317,708	1,194,359	1,082,345	1,030,195	1,381,705	1,381,705
Other liabilities	313,938	296,275	298,139	286,865	286,112	286,112

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted).

Assets.	Sept. 11, 1926.	Sept. 4, 1926.	Aug. 28, 1926.	Aug. 21, 1926.	May 12, 1926.	Position May 12, 1924.
Gold	570,373	570,335	570,235	570,235	545,275	545,275
Silver, etc.	20,737	19,940	20,638	20,913	775	775
Government loan	11,278,194	11,277,394	11,277,884	11,277,231	12,585,130	12,585,130
Other advances	9,794,011	9,672,047	9,753,282	9,601,730	5,037,432	5,037,432
LIABILITIES.						
Notes in circulation	21,050,000	21,042,368	21,048,710	21,005,240	15,845,426	15,845,426
Deposits	7,860,773	7,860,773	7,860,773	7,860,773	7,860,773	7,860,773

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Sept. 7, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Metal reserve	46,830	46,820	45,737	43,419	14,830	14,830
Gold in coin, etc.	480,759	477,460	480,282	490,229	503,358	503,358
Foreign bills	137,781	129,476	129,494	129,474	72,617	72,617
Other foreign bills	17,173	60,973	62,172	76,930	82,702	82,702
Advances to Treasury	178,421	178,455	178,455	178,561	196,640	196,640
LIABILITIES.						
Share capital	43,200	43,201	43,200	43,200	43,200	43,200
Reserve fund	4,552	4,552	4,552	4,552	4,552	4,552
Notes in circulation	864,551	770,261	791,170	819,991	840,698	840,698
Deposits	69,826	127,033	108,854	102,111	29,537	29,537

† In dollar and sterling only.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Sept. 7, 1926.	Aug. 31, 1926.	Position May 31, 1924.
Metal reserve	168,666	168,636	168,596	168,579	168,571	168,571
Gold coin and bullion	80,694	77,594	78,834	84,146	82,948	82,948
Drafts and notes	789	832	846	851	861	861
Silver coin and bullion	181,840	158,053	156,299	158,207	159,121	159,121
Inland bills, warrants, and securities	150,339	150,339	150,339	151,440	151,534	151,534
Advances to the Treasury	34,756	34,756	34,756	34,756	34,756	34,756
LIABILITIES.						
Share capital (gold crowns 30,000,000)	41,332	393,173	403,012	413,452	431,589	431,589
Notes in circulation	181,521	209,797	201,596	199,781	177,556	177,556
Current accounts, deposits, etc.						

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 22, 1926.	Sept. 15, 1926.	Sept. 8, 1926.	Sept. 30, 1925.	Position May 30, 1924.
Gold	82,594	82,547	82,160	81,854	75,586	75,586
Other coin and notes	18,241	17,876	18,417	18,237	20,275	20,275
Foreign credits	319,245	317,871	319,468	312,471	416,527	416,527
Bills	1,285,250	1,275,554	1,275,828	1,264,058	995,035	995,035
Govt. advances	4,469,830	4,469,668	4,469,567	4,469,231	4,519,851	4,519,851
LIABILITIES.						
Notes in circulation	5,718,670	5,649,154	5,638,559	5,626,476	6,097,108	6,097,108
State credits	311,552	351,389	351,389	350,53	367,128	367,128
Deposits	646,002	684,535	660,420	583,155	770,441	770,441

RUSSIAN STATE BANK.—Note-Issuing Department.

Assets.	Oct. 1, 1926.	Sept. 15, 1926.	Sept. 1, 1926.	Aug. 16, 1926.	Oct. 1, 1925.	Position May 30, 1924.
Gold in coin and bullion	15,334	14,837	14,827	14,787	14,787	14,787
Platinum	3,056	3,056	3,056	3,056	3,056	3,056
Foreign bank notes	5,120	5,118	5,052	5,043	4,676	4,676
Drafts in sterling (less 10% discount)	193	193	193	193	170	170
Bills (less 10% discount)	64,211	60,710	69,786	56,835	62,408	62,408
Securities covering advances on goods (less 10% discount)	86	86	86	86	86	86
LIABILITIES.						
Bank notes	85,677	82,183	80,042	78,581	75,564	75,564
Balance to which notes may still be issued	2,323	1,817	2,958	1,419	3,336	3,336

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Oct. 2, 1926.	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Oct. 3, 1925.	Position May 30, 1924.
Gold	2,556,522	2,556,538	2,556,516	2,556,507	2,536,670	2,536,670
Silver	667,602	669,120	668,587	667,111	652,471	652,471
Loans and discounts	2,487,063	2,410,863	2,378,013	2,387,191	2,474,405	2,474,405

MINING OUTPUT STATISTICS FOR SEPTEMBER, 1926.

LOBITOS OILFIELDS, LIMITED.—The production for September is cabled as 22,311 tons.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Debiture Interest.	Amount Available for Distribution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.	
					Prefce.	Ordinary.						
						Amount.	Amount.					Rate.
		£	£	£	£	£	%	£	£	£	%	
Financial, Land, &c.												
Tecka (Argentina) Land	June 30	20,178	25,733	45,911	..	20,000	10	5,000	20,911	30,510	10	
Trafford Park Estates	June 30	48,045	41,642	89,687	..	32,500	5	19,807	37,380	33,144	5	
Hotels, Restaurants, &c.												
London Restaurants	June 30	5,727	20,946	26,673	20,055	485	(c) 500	10	..	5,633	23,930	
Rubber, &c.												
Abaco (Selangor)	Mar. 31	500	17,106	17,606	..	10,500	35	3,000	4,106	3,250	10	
Agua Santa Coffee	Dec. 31	30,102	25,758	55,860	7,875	10,500	140d. 2,625	525Df.	..	34,860	42,770	
Batu Rata	June 30	3,537	40,001	43,538	..	35,596	27½	..	7,942	14,811	12½	
Burma Rubber Estates	May 31	..	36,986	36,986	..	21,323	10	11,961	3,702	..	10	
Daejan Rubber	Mar. 31	4,479	12,893	17,372	1,891	10,000	20	3,101	2,380	5,315	nil	
Dumont Coffee	Dec. 31	63,689	19,418	44,271	30,000	..	..	..	14,271	104,066	15	
K.M.S. (Malay States)	June 30	2,813	37,963	40,776	..	26,195	20	6,000	8,581	13,067	12½	
North Labis (Johore)	June 30	17,012	31,673	48,685	..	25,982	20	4,630	18,073	18,123	12½	
Patani Para	June 30	1,551	28,651	30,202	..	23,000	25	4,500	2,702	15,302	10	
Uganda Plantations	Feb. 28	Dr 8,796	2,916	Dr 6,880	..	..	..	..	6,880	683	..	
Shipping.												
Manchester Liners	June 30	41,920	60,264	102,184	22,886	44,520	10½	..	34,778	50,695	10½	
Shops and Stores.												
Maynards	June 30	30,974	68,287	99,261	3,390	48,700	12½	25,000	22,171	84,704	(/) 50	
Tea.												
Associated Tea Estates of Ceylon	June 30	2,322	26,362	28,684	..	21,100	35	5,000	2,584	13,738	20	
Hornsey Tea Estates	June 30	1,053	5,449	6,502	600	3,600	30	1,503	799	7,054	30	
Kintyre	June 30	6,522	26,216	32,738	1,000	19,151	40	6,000	6,587	17,401	27½	
New Dimbula Co.	June 30	16,021	69,674	85,695	..	54,283	55	15,000	16,412	54,676	50	
Textiles.												
Robinson and Cleaver	July 31	30,691	48,683	79,374	8,000	15,000	6½	16,000	40,374	39,629	5½	
Other Companies.												
Anglo-Continental Guano Works..	June 30	5,828	20,172	26,000	9,000	..	..	12,250	4,750	..	..	
Brett's Stamping	July 30	2,096	7,340	9,436	960	4,000	10½	2,000	2,476	7,032	10½	
Ferranti, Limited	June 30	33,313	59,766	93,079	9,520	12,000	20½	35,000	36,558	67,644	20½	
Glenboig Union Fire Clay	Aug. 31	6,417	21,736	28,153	..	21,000	17½	3,500	3,653	26,216	20	
Harrisons and Crosfield	June 30	75,736	339,113	414,849	137,800	69,154	Mgmt 40Df.	37,000	82,023	276,902	(Mgt. 30Df.)	
Jabez Johnson, Hodgkinson, and Pearson	July 31	13,885	22,440	36,325	18,000	7,500	6½	15,000	10,825	28,597	10	
Ransome and Marles Bearing	June 30	31,259	39,530	70,789	..	24,000	7½	..	31,789	32,819	5	
Triplex Safety Glass	June 30	6,904	19,832	26,736	..	14,250	15	..	12,486	..	..	

(c) Participation of surplus profits for year ended June 30, 1924. (f) Maynards. The dividend of 12½ per cent. absorbed the same sum as this 50 per cent., i.e., £48,700. † Tax free.

Reports and Notices.

The board of directors of the Madras and Southern Mahratta Railway Company, Limited, have appointed Mr. George Deuchars, C.I.E., M.Inst.C.E., late Government Director for Indian Railways, to the vacancy on the board caused by the death, on August 16th last, of Mr. L. R. Windham Forrest.

Mr. Harry E. Day, late director and managing-director of W. Goodacre and Sons, Limited, has joined the board of Day Brothers and Vincent, Limited.

RAILWAYS.

BUENOS AYRES AND PACIFIC RAILWAY.—The gross receipts for year ended June 30, 1926, amounted to £7,555,746, against £7,876,140 for preceding year. Working expenses were reduced from £5,366,153 to £5,290,591. Net receipts amounted to £2,265,155, against £2,509,987 in preceding year. The difference in exchange remittances amounted to £70,219, against £203,338. The ordinary dividend is again 7 per cent. The carry forward is increased from £295,142 to £352,233.

BUENOS AYRES WESTERN RAILWAY.—Gross receipts for year ended June 30, 1926, amounted to £4,961,273, against £4,753,600 in preceding year. Working expenses amounted to £3,190,937, against £3,091,156. Net receipts were £1,770,336, against £1,662,444. Exchange loss on remittances amounted to £99,409, against £171,158. The ordinary dividend is 7 per cent. for the year, against 6 per cent. for preceding year.

CENTRAL ARGENTINE RAILWAY.—The gross receipts for year ended June 30, 1926, amounted to £11,261,375, against £11,567,907 for preceding year. Working expenses were reduced from £8,063,513 to £7,869,033. Net receipts amounted to £3,392,342, against £3,504,394, less £146,312 for remittance exchange account, leaving £3,246,030. The net receipts for year 1924-25 amounted to £3,504,394, less £322,252 for remittance exchange account, leaving £3,182,142. The dividend on the ordinary stock is 6 per cent. for the year, and 6 per cent. is also paid on the deferred stock. These dividends are the same as for the year 1924-25. The carry forward is £140,797. A special resolution accompanies the report to increase the capital to £46,794,468 by the creation of 500,000 new shares of £10 each in 6 per cent. cumulative convertible preference shares.

RUBBER, &c.

NORTH LABIS (JOHORE) RUBBER AND PRODUCE.—The report for year ended June 30, 1926, shows that by the issue of 20,720 new

shares in October, 1925, the capital of the company was increased to £129,909. The premium of 10s each on these shares has been added to reserve account, bringing that up to £20,369. The crop of rubber was 508,656 lbs, against 308,769 lbs. The average net sale was 1s 10.22d per lb, against 1s 8.38d per lb in previous production was 7.12d per lb, against 7.68d per lb in previous year. The net profit amounted to £32,323, against £18,260. The sum of £4,631 is put to reserve. The ordinary dividend is 20 per cent., against 12½ per cent. The carry forward is £18,073.

BATU RATA (SUMATRA) RUBBER PLANTATIONS, LIMITED.—The following table shows crops and dividends for the past 14 seasons:—

Season.	Crops. Lbs.	Divs. %	Season.	Crops. Lbs.	Divs. %
1912-13	112,045	.. 5	1919-20	556,645	.. nil
1913-14	180,351	.. 5	1920-21	502,977	.. nil
1914-15	252,473	.. 12½	1921-22	397,816	.. nil
1915-16	368,755	.. 20	1922-23	416,503	.. 10
1916-17	496,917	.. 22½	1923-24	415,607	.. 12½
1917-18	466,002	.. 12½	1924-25	472,674	.. 15
1918-19	471,108	.. 10	1925-26	664,785	.. 27½

The net profit for year ended June 30, 1926, is £40,001, against £14,811 in preceding year. Cash has risen from £9,349 to £12,109, and investments from £13,089 to £30,832, of which £30,732 is in British Government securities.

PATANI PARA PLANTATIONS.—The crop for year ended June 30, 1926, amounted to 479,322 lbs, against 345,516 lbs in preceding year. The average price was 2s 0.64d per lb, against 1s 9.19d per lb, and cost of production was 8.4d per lb, against 8.37d per lb. Net profit rose from £15,302 to £28,651, and the dividend from 10 per cent. to 25 per cent. Cash has risen from £5,705 to £12,361. The company has £5,000 in 4½ per cent. Treasury bonds, 1930-32, at cost, £4,996.

TEBOLANG RUBBER ESTATE.—The crop of rubber accounted for during year ended June 30, 1926, is 306,802 lbs, against 284,123 lbs in preceding year. The average net sale price, including the estimated value of the unsold portion of the crop, was 1s 10.60d per lb (equivalent to 2s 0.60 per lb, London landed terms). This price compares with 1s 6.46d per lb in preceding year. The cost of production free on board at port of shipment, including staff commission, depreciation, &c., was 8.54d per lb, against 9.75d in the previous year. Net profit has risen from £9,002 to £23,406, and the ordinary dividend is 20 per cent., against 10 per cent. in preceding year. The carry forward is £8,175.

ANALYSIS OF BALANCE-SHEETS.

HARRISONS AND CROSFIELD, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1925.	Amount.	Compared with June 30, 1925.
Prof. shares	£30,000 ..	Shares in assocd. companies	237,311 .. +237,311
Prof. ord. shares ..	1,000,000 ..	Properties	690,924 .. -118,718
Def. ord. shares ..	222,180 .. + 19,034	Plant	29,159 .. -11,916
Management shrs. ..	25,000 ..	Furniture	11,002 .. -1,085
Reserves	473,000 .. - 10,000	Sundry stocks ..	438,839 .. + 50,997
Staff special reserve ..	20,000 .. + 20,000	Loans to cos.	57,734 .. -133,211
Mortgages	127,500 .. - 500	Bills receivable ..	266,661 .. +153,269
Unclaimed divs.	947 .. + 76	Sundry debtors ..	352,993 .. + 40,394
Sundry depositors ..	84,604 .. + 27,840	Acceptances	125,349 .. -113,821
Bills payable	203,394 .. + 29,080	Investments	1,493,453 .. + 49,683
Acceptances	125,349 .. +120,636	Cash	114,626 .. + 49,683
Sundry creditors ..	462,383 .. + 61,303		
Bank overdrafts ..	1-2,813 .. - 60,149		
Dividends	48,551 .. + 873		
Profit and loss	252,330 .. + 65,336		
Total	3,818,051 .. + 273,529	Total	3,818,051 .. + 273,529

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

A spell of fine weather has enabled farmers to make good progress with field work, but rain is needed to facilitate the preparation of the seed-bed. All cereal crops have been safely secured, and with threshings proceeding on an active scale liberal supplies of native wheat were offering at the principal statute markets. Prices ruled firm, with a hardening tendency for all dry samples. Imported descriptions slightly irregular, while in moderate request. In the floating and forward cargo section only a limited inquiry prevailed, but prices were largely nominal. Steamers of white Pacific afloat sold 53s 9d to 53s 6d to Continent and Mediterranean. Feeders generally dull. Steamers of Plate maize afloat sold 29s 10½d to 29s 3d per 480 lbs, and a cargo of Scotch barley to Antwerp, October shipment, at 200s per ton. Wheat firmer. No. 1 Northern Manitoba quoted 59s 6, No. 2 ditto 57s 9d ex ship, choice white Karachi landed 58s 6d, all per 496 lbs. English new 11s 2d to 11s 6d per 112 lbs. Flour quiet. London standard grade 48s, town whites, 49s, patents 50s to 51s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 45s to 48s, Minneapolis 45s 6d to 47s 6d, Australian 43s 6d to 44s per 280 lbs ex store. Maize steady. Plate landed 31s 9d, ditto ex ship 30s, Bessarabian landed 34s 9d per 480 lbs. Barley quiet, but feeding sorts firm. Californian 34s 6d to 43s, ditto Chevalier 50s, Chilian Chevalier 52s to 62s, ditto brewing 35s 6d to 47s, Australian Chevalier 45s to 48s ex store, Smyrna 35s to 48s ex ship per 448 lbs. No. 3 Canadian Western 32s 6d landed, Persian ex ship 29s, October shipment 28s 3d, Russian landed 32s 6d per 400 lbs, English new 8s to 17s per 112 lbs. Oats firm. La Plata landed new 24s, ditto ex ship 23s, No. 2 Canadian Western landed 30s 3d, No. 3 28s 9d, No. 2 Canadian feed landed 26s, Chilian tawny landed 24s 6d, American 38 lbs landed 25s, ditto 36 lbs 24s 6d, mixed feed landed 21s per 320 lbs, English new 8s 2d to 9s per 112 lbs. Millers' offals firm. Broad bran 7s, middlings 8s, fine ditto 10s, bags included, ex mill; feed oatmeal 7s 9d, light oats 6s 9d, ground oats 12s 3d per cwt. free on rail. Oatmeal in fair demand and fully steady. London made flaked 17s, rolled oats 16s, medium also fine cut 16s, coarse also medium pinhead 16s ex mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—				
1 week to October 2	Cwts. 430,545	Cwts. 401,417	Cwts. 285,005	Cwts. 418,253
5 weeks to October 2	1,771,707	1,941,115	935,005	2,070,569
Average price of English wheat per cwt.	s d 11 1	s d 10 11	s d 12 1	s d 8 9

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Sept. 25	Cwts. 372,154	Cwts. 244,268	Cwts. 111,109	s d 11 1	s d 12 1	s d 8 3
Oct. 2	430,545	391,666	110,786	11 1	12 6	8 1
1922	427,384	243,996	75,462	9 0	10 6	8 11
1923	418,253	460,311	109,768	8 9	10 9	8 9
1924	285,005	559,221	107,122	12 1	17 6	9 9
1925	401,417	366,236	103,951	10 11	12 9	9 6

AMERICAN WHEAT MARKETS.

Prices on the whole have had a downward trend, owing largely to the quietness of export demand. Weather in the wheat areas has also shown some improvement, and the Canadian crop appears to be threshing out better than some people had expected. A

somewhat better export demand, reinforced by the belief that European consumers must draw more largely on overseas supplies in the next few weeks, led to more active conditions later in the week—

	Jan. 2, 1925.	Oct. 8, 1925.	Jan. 7, 1926.	Sept. 30, 1926.	Oct. 7, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 121½	160	(a) 140½	(a) 138½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(c) 137½	176½	(b) 135½	(b) 138½

(a) October delivery. (b) September delivery. (c) December delivery. Visible supplies of wheat in Canada, 22,417,000 bushels, show an increase of 7,252,000 bushels, as compared with the previous figures. Supplies a year ago stood at 22,334,000 bushels.

COAL.

Our Cardiff correspondent writes:—There has been no material change on the Cardiff coal market this week. The supply of fresh-wrought coal is slowly increasing. Though too drifts and levels are being worked, production from these outcrops is very small, and so far has had no appreciable effect on the general supply position. The number of miners who are signing on under the owners' terms is, however, increasing daily, and there are prospects of a resumption of work next week by one or two important collieries. In a letter to the Coal Committee of the Cardiff City Corporation the Mines Department has indicated its unwillingness to institute control over prices, though it is willing to investigate cases where charges appear excessive.

IRON AND STEEL.

The following is extracted from the weekly report issued by the London Iron and Steel Exchange:—Quiet conditions have developed, and these are generally attributed to the formation of the European Steel Cartel and the subsequent upward movement of prices. At the weekly meeting of the Exchange it was reported that while the demand experienced by the British works was more than could be satisfied in the conditions prevailing in the industry as the result of the coal strike, the formation of the European International Steel Combine had caused a hesitating tone to develop. Buyers generally have adopted an attitude of marking time so far as they are able to until the Continental position has become more settled. On the other hand, it is expected that Continental quotations will advance rapidly for a time, but it remains to be seen how far the combine can maintain its quotations if more normal conditions develop in this country. The fuel position has apparently become much easier. In one or two cases steelworks have accepted orders for immediate rolling for the first time since the strike began. In the case of semi-finished materials, however, the British producers are entirely dependent upon the supply

VISIT French MOROCCO

NORTH AFRICAN MOTOR TOURS

TOURS DE LUXE TO AN UNSPOILED WONDERLAND

SEE MARRAKESH (MOROCCO CITY) WITH ITS CYCLOPEAN WALLS, PEERLESS PALACES, GARDENS, ITS DANCERS, FIRE-EATERS, SNAKE CHARMERS, SIP THE MINT TEA UNDER THE VINES AT RABAT. WANDER AND WONDER IN THE TEMPLES, BAZAARS OF FEZ—CITY OF FOUNTAINS, PALACES, MOSQUES. SEE MEKNES—ITS MINARETS AND BOOTHS

Smouldering torches... the sultry lifting of heavy veils from brazen burners... the pattering of bare feet over glorious mosaics... the silently gliding vision of white... clatter of hoofs and glitter of rich caparisons... sunset and the Muezzin... a world of complete fascination awaits you.

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of material from the Continent, and the recent high prices are fully maintained, and it is difficult to obtain steel for reasonably early delivery. In the finished steel department Continental prices have jumped several shillings this week, but buyers are withholding orders until the situation becomes clearer.

Our Middlesbrough correspondent's report, dated October 7th, is as follows:—Pig-iron: Makers are sold out up to the end of the month, and as merchants are in a similar position, there is no prompt iron on the market. For small lots for forward delivery makers are asking 112s 6d per ton, No. 3 Cleveland G.M.B. Hematite is almost as scarce, but the price is not so dear, the minimum being 87s 6d per ton East Coast mixed numbers. Manufactured iron and steel. Restricted operations continue at some of the local steelworks, but are liable to cease at any moment. There are now no official quotations for steel, but iron bars remain at £11 15s per ton. Iron ore: Best Rubio is nominally 21s 6d per ton c.i.f. Tees, but there is no business passing.

Our Sheffield correspondent writes:—The steel trade position continues to worsen, owing to fuel shortage and losses on production. Cases in which makers have been able to secure any advance on finished prices are rare. Sellers of pig-iron and mild steel have ceased to quote for delivery after the settlement, as the future of costs is so uncertain. Some contracts for pig-iron at a considerable advance of prices had previously been fixed. Coal is expected to be 3s per ton higher than the pre-strike prices. The South Yorkshire Bar Iron Association has advanced the minimum quotation for bars from £11 10s to £12 10s, delivered to local works. Unemployment has increased considerably in the Sheffield district during the past two or three weeks, notwithstanding that work has been found for a good many cutlery and plate operatives who had long been idle. These branches are moderately active on seasonal orders, but the tendency to reduce further prices of stainless knives is deplored. Some very cheap varieties of such goods are being made by mass methods. It is claimed by the pioneers of this movement there is a great field of trade at home and abroad for low-priced stainless cutlery as yet untapped.

Our Glasgow correspondent writes:—Steel makers here have found it necessary again to advance their prices for forward delivery. Steel plates are now quoted £8 2s 6d per ton and angles £7 12s 6d per ton delivered Clyde area. Re-rollers' sections are also advanced, the basis price for bars being now £8 15s. These, however, are made from Continental billets, and definite dates of delivery can generally be quoted. Inquiries are fairly numerous, and an exceedingly busy period is ahead when the works are once started. Pig-iron prices are more or less nominal, as stocks are now at a low level and no production is taking place. Several substantial orders have been booked by sheet-

makers, both for black and galvanised varieties, for delivery in two to three months after the return of normal conditions at the pits, and the demand from abroad is steady. Foreign billets and sheet bars are difficult to procure, and prices asked are 15s to 20s higher than those quoted a month or so ago.

Our Cardiff correspondent writes: The output of tinplates is improving. Official returns show that in the week ending October 5th receipts at the docks and warehouses were larger than in any week since June, amounting to 74,107 boxes, as compared with 51,027 boxes in the previous week and 39,659 boxes in the week ended September 21st. Inquiry is moderately active. The Asiatic Petroleum Company has placed a contract for 250,000 boxes for the first three months of 1927. Prices for stock plates are firm at from 22s to 23s 6d, but for November shipment manufacturers are guaranteeing deliveries on the basis of from 21s 6d to 21s 9d. The increasing price of coal, as well as of block tin, are, however, disturbing. Galvanised sheets are unchanged at £16 10s to £16 15s, and tinplate bars at £6 5s.

OTHER METALS.

TIN.—The market again displayed firmer features, sellers being reserved in face of a steady demand, and higher foreign advices, though some irregularity occurred at times due to profit-taking, while closing weaker. Business comprised standard cash at £318 10s, £316, and £318 10s, £315 10s, and three months £306 5s, £303 10s, and £308 5s, finally £303 15s. Sales in the East were reported at £316, £313, and £315 15s.

COPPER opened steadier, but values since declined on heavy realisations, easier American advices, and lack of demand. Standard cash sold from £58 7s 6d to £57 7s 6d, and three months £59 to £58 3s 9d.

LEAD generally lower on selling pressure, though offerings were fairly well absorbed. Good soft foreign pig, October, sold £31 7s 6d to £30 7s 6d, November £31 3s 9d to £30 7s 6d, December £31 3s 9d, £30 10s, January £31 2s 6d to £30 6s 3d.

SPELTER slightly irregular, while barely steady on balance, with moderate sales. October was dealt in at £34 10s, £34 12s 6d, and £33 18s 9d, November £34 10s, £33 17s 6d, December £34 8s 9d to £34 10s, £33 17s 6d, January £34 8s 9d to £33 17s 6d.

ANTIMONY quiet. English special brands quoted £74 10s to £75 and foreign £62 to £62 10s, ex warehouse.

ALUMINIUM dull. Home delivery £107, export £112 ton.

WOLFRAM quiet at 14s to 14s 3d per unit, c.i.f.

QUICKSILVER firmer. Spot quoted £16 10s per bottle.

TIN PLATES steady. I.C. coke prompt quoted 22s to 22s 3d, and forward 21s to 21s 6d per box, f.o.b. Swansea. It was reported that the Asiatic Petroleum Company had placed an order in Wales for 250,000 boxes.

THE COTTON TRADE.

LIVERPOOL, October 7, 1926.

Spot cotton has continued in fair demand, but at lower prices, middling being almost a penny less than a week ago. In the futures market hedge selling has again been in evidence, both here and in New York. Spinners seem to be holding off the market. Early in the week the recommendation of the Federation of Master Spinners that mills using American cotton should work only one week in three was withdrawn. Crop prospects remain favourable. During the week several private estimates of the coming Bureau Report were published, and in many cases showed an advance of 800,000 to 1,000,000 bales on the previous estimate. The average estimate puts the crop at 16,276,000 bales, and the market here has fully discounted this figure. Spot sales for the week 1st to 7th inst. inclusive were 40,000 bales. Of these 20,080 were American, 2,850 Brazilian, 7,750 Peruvian, 2,800 Egyptian, 310 East Indian, 5,520 African, and 690 sundries. Imports for the same period were 43,495 bales, of which 23,510 were American, 564 Brazilian, 9,338 Peruvian, 8,346 Egyptian, 220 East Indian, 1,051 African, and 466 sundries. Quotations to-day are mid-American 7.17d; Egyptian Sakel 15.70d; uppers, 11.38d; Brazil fair, 7.47d; Peru, G.F., moderate-rough, 9.50d; smooth, 8.47d; Tinnivelly, 6.75d; East African G.F., 8.85d; and mid. West African, 7.17d.

MANCHESTER, October 7, 1926.

Trading in yarn and cloth has been very unsettled in view of the falling tendency in raw cotton prices. There is a feeling in many quarters that values are near the bottom, but steadiness will be required to show itself for a certain period before the confidence of merchants can be restored. In cloth for abroad India has provided a considerable inquiry, but only a restricted turnover has taken place, most of the offers being unworkable. There are indications, however, that buyers and sellers are approaching each other more closely. Auctions have been resumed in Shanghai, but only limited quantities have been sold, and fresh business of importance for China is not in sight. Printing and finishing styles have attracted a fair amount of attention for the Continent, with a slightly improved demand in a variety of goods for the Near East, whilst a certain amount of necessary buying has been reported in home-trade fabrics. An irregular tone continues in the yarn market.

(I.) Comparative Statement of the Cotton Trade.

	Price, Oct. 7, 1926.	Previous weeks in 1926.					
		Price, Sept. 30.	Price, Sept. 23.	Price, Sept. 16.	Price, Sept. 9.	Price, Sept. 2.	Price, Sept. 2.
Raw Cotton—Mid. American per lb	7.17	8.09	9.03	9.54	10.26	10.14	
— Sakellaridis Fully Good Fair Egyptian per lb	15.70	17.00	18.00	18.55	18.05	17.65	
Yarns—32's twist per lb	14.1	14.1	15.1	15.1	16.1	16.1	
— 40's twist per lb	14.1	14.1	15.1	15.1	16.1	16.1	
— 60's twist (Egyptian) per lb	26.1	27.1	28.1	28.1	29.1	29.1	
32-in. Printers, 116 yds, 16 by 16, 32's and 50's 24	0	24	0	24	0	24	0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's 28	3	28	3	28	3	28	3
38-in. ditto, 38 yds, 18 by 18, 10 lbs 13	9	14	0	14	6	14	10
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs 13	0	13	3	13	10	14	14

(II.) Compared with Previous Years.

	Price, Oct. 7, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	7.17	12.33	14.17	16.56	13.15	13.64
— Sakellaridis Fully Good Fair Egyptian per lb	15.70	27.75	25.00	18.55	17.40	27.50
Yarns—32's twist per lb	14.1	19.1	24.1	22.1	20.1	22.1
— 40's twist per lb	14.1	20.1	25.1	22.1	19.1	22.1
— 60's twist (Egyptian) per lb	26.1	35.1	35.1	31.1	28.1	45.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's 24	0	30	9	32	6	30
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's 28	3	35	3	41	6	30
38-in. ditto, 38 yds, 18 by 18, 10 lbs 13	9	17	3	20	3	17
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs 13	0	15	9	18	6	17

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Owing mainly to the continued good support of Continental buyers, the Colonial wool sales closed in London yesterday with values steady, though below the best point of the series. The lack of activity in Yorkshire has exercised a restraining influence upon home-trade buyers throughout. Prices of wool are well above the ideas of spinners and manufacturers, and the majority continue to buy only such small weights as are essential for immediate requirements. Wool continues to sell well, and at prices which pay top-makers to sell in the bale or in matchings rather than in tops. The turnover in tops has been on a more restricted scale this week, but quotations are steady at about last week's rates. The demand for yarns is negligible, prices offered being much too low. There is no material change in the general run of spinners' quotations, but there is not sufficient new business to afford a reliable guide to market values. New business in piece goods is also very disappointing, and manufacturers are again finding great difficulty in keeping their looms employed. In most cases new orders are small in quantity, and are for very prompt delivery.

The financial recovery of Germany may be regarded as one of the most remarkable developments since the war, and there are now indications of an improvement in the demand for yarns for

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export to the Continent. This is a really good augury, and if Germany can resume once more the place occupied formerly as a distributor of crossbred yarns to Near Eastern countries, and if, also, crossbred wool itself continues to move on approximately the present basis, there is no reason whatever why all supplies should not be readily absorbed and profitable business done.

The London auctions have been characterised by the offering of large quantities of second-hand wools returned from the United States, Bradford, and the Continent. These wools have included both merinos and crossbreds, and substantially better prices have been realised than were bid at auctions held earlier in the year. This has proved a great help to the importers, and except, perhaps, in the case of the lowest qualities, serious losses have been escaped. There is now a better prospect than at any time this year of further supplies of merinos being successfully handled.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The fifth series of London sales closed last Wednesday with values for practically all descriptions of raw material on a higher level than in July. The outstanding advances are in fine greasy crossbreds, which have improved about 10 per cent.; in greasy merino and fine crossbred lambs, which are fully 10 per cent. dearer; and in good New Zealand crossbred lambs, which also show an improvement of 10 per cent. The only depreciation is in scoured merinos and crossbreds, though these have frequently sold at par, and were no more than 5 per cent. down. The whole course of the London market has been sound and healthy. Bradford topmakers have been compelled to operate carefully, values for their particular styles during the earlier part of the series being distinctly above what could be realised plus combing charges. The London market has again shown its importance as giving a lead to prices, for the original cost of wool there has been above that current in Australia on the same date, and importing firms have bought judiciously there after having sold forward at home.

All classes of wool are in a strong position, and, considering the actual level of prices paid for the wools which have suffered the slight decline named above, even these cannot be regarded as selling really unsatisfactorily. Practically all descriptions are now on a level which should appeal to Colonial growers, and it is unwise to anticipate any definite further upward movement. After the close of the next London series the time will be upon the trade for dealing with another crossbred clip from New Zealand. Crossbred wool is now on a reasonable basis from the users' point of view, and the interest shown therein by Continental firms in the course of their operations in London shows either that they have no little confidence, or that they have definite outlets for wool of lower qualities than those in which they have been accustomed most to operate.

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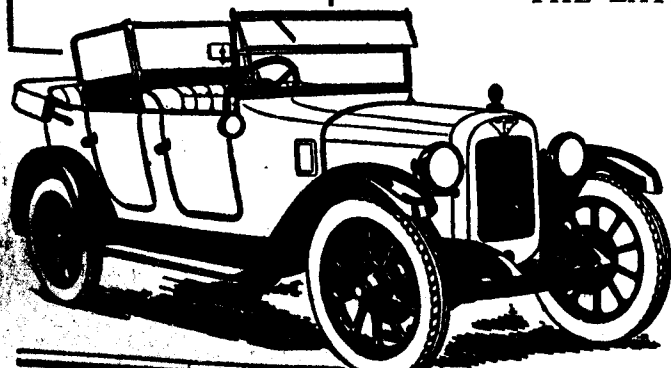
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HIDE, LEATHER, AND ALLIED TRADES.

Domestic hides were steady to a slight advance at the auctions held in Bermondsey this week, all ox and heifer hides, with the exception of best light and second heavy, making last sale figures. The two classes mentioned made more money, as did second light cows, and both classes in bulls. Calf skins were a stronger market, and all firsts and seconds record advances ranging from ½d to ¼d per lb. Wools sold at from 5s 8d to 9s 6d, and hogs at from 2s 3d to 10s 6d per skin. The general tendency all round is strong. The imported hide position is firm, with best Argentine fregorifics quoted at 8½d, Russia and the United States being still in the market. Dry hides are firm, and dry B.A. Americanos have been sold to the Continent at 11d to 11½d. Cables from Chicago report the hide market as firm, best heavy packers now making 16 cents. All leather trade activities have this week been transferred to the Shoe and Leather Fair at the Agricultural Hall, Islington. The attendance has been well up to the average, and visitors have been in evidence from France, Belgium, Germany, Italy and Roumania. It is difficult to gauge exactly what business has transpired, but when the prolonged coal strike is taken in account the results can be accounted good on the whole. With the price of hides steadily rising, and stocks of leather small, tanners were not at all disposed to cut prices, and it was reported that large parcels of bends and offal had been sold, light bends securing a decided advance. Split hides were also quotably dearer, whilst upper leathers were firmly held. Taken altogether, the leather market was a hesitating one; neither merchants or shoe manufacturers felt inclined to commit themselves very far ahead, but the feeling was general that once the coal strike is out of the way, the demand for leather is bound to be brisk, and that in all probability there will be an advance in prices. Inquiries for boots and shoes were frequent from overseas visitors, and as export trade is badly wanted, even the small orders booked were very welcome.

VEGETABLE OILS AND OILSEEDS.

Markets generally are only moderately active. Linseed oil has not maintained last week's advantage, and has again declined to about £30 per ton naked, ex Hull mill, on spot. Demand from consumers is hard to mouth. Cotton oils meet with a poor inquiry, crude Egyptian offering freely at £33, and ordinary refined at £36. Rape oil is easier, and is meeting with increased competition from Oriental rape oil imported in bulk. In the oilseed section, linseed has been in anything but active request from crushers, and in easier Argentine advices Plate has receded to £15 5s afloat, and £15 7s 6d October landing, with new crop offering at £15 2s 6d for January-February shipment. Calcutta linseed to London has been done at £17, October-November. At a lower range of prices cottonseed has been in better request from the trade, latest business in new Egyptian having been done at £9 5s, October, and £9 7s 6d November loading. New Bombay, on passage to Hull, has been done at £7 2s 6d. The Continent is again a buyer of Soya beans at £11 2s 6d, September-October.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—General stability characterised the market, and business on consumptive account proceeded on more active lines. Confirmation was forthcoming that cutting of the Cuban crop will not commence until January 1st next, whereas hitherto it was generally accepted that grinding operations were meant. No change was made in quotations of British refined, and clearances were on an extended scale. English-grown passes into consumption quietly. Cantley, Ely, and Ipswich, 29s 6d; Colwick, Poppleton, Soalding, and Felstead, 29½d; Kidderminster, 30s 3d. Imported descriptions sold more freely. Czecho and Dutch J granulated, 28s 6d. Crystallised West Indian in but retail supply. Forward parcels sparingly offered and firm. Czecho granulated, November-December, 16s; April-May, 16s 8½d, f.o.b., Hamburg. Meyer, October, 16s 7½d, f.o.b., Hamburg. Dutch J, ready, 16s 9d; October, 16s 7½d; November-December, 16s 1½d, f.o.b., Rotterdam. Belgian crystals, November-December, 15s 10½d, f.o.b., Antwerp. Polish crystals, November-December, 15s 4½d, f.o.b., Danzig. White Mauritius, October-November, quoted 18s 9d. Cuban, 95 per cent., October, 14s; Peruvian, 13s 10½d, c.f. and i., U.K. Indian demand still slow. B.R.B. crystals, October-December, 16s 9d; white Java, January-March, 17s 7½d, c. and f. terms, India. White terminal firmer, with sustained buying in force. October, sold, 15s to 15s 10½d and 14s 10½d; December, 15s 6½d to 15s 7½d and 15s 4½d; March, 15s 11½d to 16s 0½d and 16s; May, 16s 3d to 16s 3½d and 16s 1½d; August, 16s 7½d to 16s 8½d and 16s 6d cwt.

COFFEE.—Business proceeds on quiet lines, but recent rates were maintained as available supplies, particularly of the finer qualities, remain on a small scale. In auction, Jamaica mountain-grown sold, bold, 20s to 23s; middling sizes, 19s 6d; peas, 200s; Colombian bold colory, 150s to 155s; Vera Paz Maragogipe, 200s; Mocha nipped long berry, 130s. Future delivery market dull and easier.

COCOA.—Only small spot transactions at about late rates. Accra, F/F, November-January, sold, 41s 6d to 41s, f.o.b.

TEA.—Indian auctions during the week amounted to 57,280 packages. There was a brisk demand in the early part of the week, and common and low medium teas ruled firm to ¾d and frequently ¼d per lb dearer, fine commanding extreme rates. On Wednesday, however, a quieter tone prevailed, and slight weakness was discernible. Pekoe, sold, 1s 3½d to 2s 1d; orange pekoe, 1s 3d to 2s 5½d; broken orange, 1s 5½d to 2s 8d; fine to choice, 2s 10d to 3s 6d. Ceylon sales amounted to 19,400 packages, which evidenced a decidedly quieter demand. Lower qualities were mostly from ¾d to ¼d per lb

lower, but really fine and tippy teas fetched steady rates. Pekoe, sold, 1s 3½d to 2s 1d; orange, 1s 7d to 2s 3d; broken orange, 1s 7½d to 2s 6d. Statistical position has become decidedly heavier. London landings last month approximate to 55½ million lbs, deliveries only 35½, and stocks increased to over 158½ million lbs. New season's China in quiet request, but rates generally steady. Good Keemuns, sold, 1s 7d to 1s 9d; fine, 2s 2d to 2s 4d; Panyongs, 1s 3d to 1s 4d, and Lapsang souchong, 2s 11d to 3s. There was good inquiry for the 5635 packages Java and Sumatra offered in auction, and recent rates were maintained. Pekoe, sold, 1s 2½d to 1s 3½d; broken ditto, 10½d to 1s 9½d; pekoe souchong, 1s 2½d to 1s 3d; orange pekoe, 1s 4½d to 1s 6½d; broken orange, 1s 3½d to 1s 6½d; flowery broken orange, 2s 1d per lb.

RICE.—There is nothing new to record in this market. Shippers ask steady prices, but buyers are reticent. Two Stars, spot, London, 16s 6d; forward, 15s 10½d; S.Q., to Cuba, 16s 3d. Spanish oiled, on spot, 21s 6d; October-November, 20s 3d. Beans slow. Madagascar butters, spot, 20s to 21s 6d, as to quality. Peas very unsettled for Japanese, and September-October, quoted 25s 3d per cwt, c.f. and i., London.

SPICE.—A firm market for pepper, with fair inquiries. Black Singapore, spot, quoted 9½d; Lampong, spot, 9½d; August-October, sold, 8½d to 8½d; October-December, 8½d; January-March, 8½d. Muntok, spot, held for 1s 5d; L.S., August-October, sold, 1s 4d; October-December, 1s 3½d. Pimento, spot, 7½d. Zanzibar cloves, spot, 9½d; August-October, 8½d per lb. Sago flour, November-December, U.K., 15s 4½d. Singapore flake tapioca, November-January, to Havre, 17s per cwt.

FRUIT (Dried).—Currants: There is a fair business passing, and the assortment offering is on a larger scale. Pyrgos, quoted 32s; Patras, 34s to 35s; Gulf, 35s to 37s; Australian, 35s to 45s, as to quality. Sultanias quiet. Smyrna, new crop, medium to good, sold, 64s to 72s; Australian, 60s to 76s. Raisins steady for best samples. Valencia, half-boxes, 42s to 45s; quarters, 46s to 55s. Dates in better demand for shipment, and market firm. Business during the week included Hallowee, first tide, at 30s; Khadrowie, 26s; Siar, 18s 9d; Siar, second tide, 18s 3d; cartons, first tide, 32s, landed terms, London. Figs: New genuine, quoted, 33s to 34s; layers, 60s to 75s. Evaporated fruits quiet. Apricots: Californian, extra choice, quoted 12s 6d; South African, first grade, 140s. Plums, Californian, 30/40's, 68s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake Country, fancy, 80s. Apple rings, Californian, September-October shipment, 47s 9d, c.f. and i., per cwt.

CANNED GOODS.

CANNED FISH.—General tone steady, with moderate inquiries. Sardines, Portuguese clubs, quoted 4s 6d per dozen tins. Salmon: Red, tall, 1 lb, quoted 47s to 48s; Sockeye, 80s to 81s; tall pink, 27s to 28s. Lobsters, best ½'s, 162s 6d, and ¼'s, 95s to 100s. Crayfish, ½'s, 78s; ¼'s, 51s per case. Herrings, 7s per dozen tins.

CANNED FRUITS.—General trade without improvement, but prices about steady. Californian Bartlett pears, 24-2½'s, choice, quoted 12s 6d to 13s 6d. Californian peaches, choice, 11s to 13s; seconds, 9s 6d. Californian apricots, choice, 12s 6d to 13s; seconds, 9s 3d per dozen tins. Singapore pines quiet on spot, but forward position is strong. Italian tomatoes firm but quiet.

CANNED MEAT.—Market quiet. Corned beef, 6's, quoted 38s to 47s, as to quality. Danish lunch tongues, 122s 6d to 135s; American, 140s, with best, 147s 6d.

CONDENSED MILK.—The situation in regard to skimmed is still unsatisfactory to packers, but there is an increased consumptive demand for full cream.

HONEY.—Market steady, but generally quiet. New Zealand, however, sells steadily at 50s to 85s; Australian, quoted 40s to 50s; Jamaica, 34s to 50s; Haiti, 34s to 48s per cwt.

RUB ER.

A quiet state of affairs pervaded the market, with fractional weakness discernible in prices. Plantation standard sheet, spot, and October, sold, 1s 9d to 1s 8½d; November, 1s 9½d; December, 1s 9½d to 1s 8½d; January-March, 1s 10d; April-June, 1s 10½d to 1s 10½d lb.

GENERAL.

SHELLAC.—Market firm. T.N., spot, 180s; December, sold, 177s 6d; November-December, steamer, quoted 172s 6d cwt.

COPRA.—A quieter tone prevailed, and prices tended weaker. F.M.S. Straits, October-November, to Rotterdam, quoted £27 6s 3d; November-December, £27 8s 9d. Dutch E.L., October-November, £27 12s 6d; Ceylon, £28 10s; Cebu, £26 5s; Manila, £25 15s; South Sea, £25 15s. Palm kernels quiet. November-January, to Liverpool, quoted £19 12s 6d ton.

JUTE.—Business proceed on quiet lines, and prices disclosed some irregularity at times, but are firm on balance. Arrivals of new crop

Continued on page 608.

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LIVERPOOL is the foremost cash wheat market in the world. Chicago is the "futures" market. Trading in wheat futures on the Chicago Board of Trade, in 1925, totaled 18,048,510,000 bushels. 87.5 per cent of all the trading in wheat futures in the United States was in the Chicago wheat pit. The total wheat crop of the United States was 3.7 per cent of the volume of futures traded on the Chicago market. Conditions the world over, both present and future, affect the price range. In fact, the prices of wheat futures and of cash wheat show the closest sort of parallelism, day in and day out

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fortable. The discount market has been very quiet, but rates have hardened to $4\frac{1}{2}$ per cent. for three months' bills, the market being influenced by the steady drain of gold to the Continent. The Bank return, however, shows that the gold stock is over £1½ millions higher than at this time last year. Yesterday there were some heavy cash displacements, including the payment of some £4 millions in War Loan and Treasury bond interest.

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses | Notice	3½	3½	3½	3½	2½ (Dec. 3, '25)
Market rate (3 months' bills) |	4½	4½	4½	4½	..

Thursday's Bank return showed reductions of £691,400 in the stock of coin and bullion, and of £888,700 in the note circulation, and the Reserve was thus £197,300 higher. The Proportion, however, was a shade lower at 27.9 per cent., Public Deposits having risen by £3,809,300, while Other declined by £2,896,800. Government securities increased by £2,545,000, but Other securities were reduced by £1,819,400. Currency notes for the week were reduced by £322,200 to £290,448,500, which includes £1,293,600 for notes called in but not yet cancelled. The fiduciary issue is £232,904,600, or £14,997,900 below the maximum for 1926.

The statement of average weekly balances of the London clearing banks for September, which is printed in full on a later page, shows a further contraction in deposits to the lowest point since May, as may be seen from the following comparison of the aggregate figures of the nine English banks:—

	Dec. 1925.	Mar. 1926.	June 1926.	July 1926.	Aug. 1926.	Sept. 1926.
Capital and reserves	121.0	123.6	124.2	124.4	124.1	124.4
Acceptances	108.2	100.6	87.8	85.2	82.4	81.5
Deposits (incl. undiv. profits, &c.)	1,646.6	1,587.6	1,630.1	1,646.7	1,634.1	1,623.3
Total liabilities	1,875.8	1,812.0	1,842.1	1,856.3	1,840.9	1,829.2
Coin, notes, balance at bank, and cheques in course of collection	256.2	236.2	250.9	243.6	240.0	235.0
Money at call	117.8	109.7	131.4	118.7	117.9	113.3
Investments	286.1	272.3	267.9	270.9	271.9	272.6
Discounts	251.0	187.2	210.4	233.0	226.1	218.3
Loans and advances	846.8	876.3	873.2	874.0	871.7	877.4
Cover for accept., premises, &c.	138.1	130.4	118.3	116.1	113.3	112.6
Total assets	1,876.0	1,812.0	1,842.1	1,856.3	1,840.9	1,829.2

The total of loans and advances has again moved up, and is now at the same level as in May last, this increased demand for accommodation having been met by a reduction in discounts. For the fourth month in succession investments show an increase, but cash and money at call are both lower.

NEW YORK MARKETS.

Our New York correspondent cables:—The share markets are steadier after a week of reaction, due in part to an overbought condition, and in part to unfavourable interpretations as to the effect on business likely to be produced by the record-breaking cotton crop. There is less concern in regard to the outlook for credit, and it is now thought unlikely that there will be any immediate change in the New York Reserve Bank's discount rate, since its policy will probably be in favour of easy money conditions. The weekly statements show the effect of preparations for the mid-month dividend and interest payments, Treasury disbursements amounting to \$150 millions. Discounts both for the system and for the local bank are substantially higher, the reserve ratio being 73.1 per cent. for the system and 78.9 for New York. The cotton market is steadier on plans to finance orderly marketing of the staple and to prevent frantic dumping. There is evidence of curtailment in some manufacturing lines, but the steel industry is well maintained.

THE STOCK MARKETS.

The Stock Exchange has passed a rather erratic week. The industrial department has monopolised considerable attention, but the gilt-edged market has kept very steady, there having been a good deal of buying of War Loan, which will be marked ex-dividend fairly soon. Home

rails have not moved very much, and Argentine rails keep steady. Rubbers are quiet, but oil shares revived on the Anglo-Persian dividend and bonus announcement. Shipping issues were depressed by the drop in the Royal Mail dividend. The tobacco groups have kept up fairly well, but the approach of the Olympia Show has failed to stimulate the motor section. Kaffirs are dull, but the further rise in the price of tin has produced further activity in Malayan tin shares. The issue of preference shares by Swears and Wells (1926), Limited was over-subscribed.

THE COMMODITY MARKETS.

Though prospects of an early and general settlement of the coal dispute are still wanting, a certain expansion of business has taken place in some of the commodity markets this week. The limited supplies of home-produced coal which are available continue to bring firm prices, and as imports from abroad are still inadequate to demand, quotations for prompt delivery have been fully maintained. The high prices asked for Continental steel after the formation of the Cartel have not been maintained, but a fair business has been done at the low levels subsequently established. British producers are still largely out of the picture, except in a few branches, such as tinplate, in which about 60 per cent. of the works are in operation. Cotton prices have recovered after a fresh fall, and a slightly better tone characterises the cloth and yarn markets. Lack of demand from consumers is somewhat severely limiting operations in the wool textile trade, but in jute an excess of new orders, coming at a time when stocks were unusually low, has produced markedly active conditions. Wheat continues firm, with a steady volume of inquiry. Demand for sugar has been quiet. Similar conditions have obtained as regards coffee and tea, while the rubber market remains largely featureless. Tin has advanced after a weak opening, and copper and lead have again been actively dealt in.

FOREIGN EXCHANGES.

The Foreign Exchange market was more active during the week, the marked improvement of the Oslo rate being the principal feature. Of interest also were the improvements in the peseta and the lira. The latter was, however, accompanied by some startling fluctuations between 115 and 123, which seems to indicate rather less confidence than has recently been the case, and this is supported by the widening of the forward rates. Paris shows little change on balance, but was inclined to be erratic. Brussels improved gradually on rumours of foreign credits and better prospects of stabilisation. New York opened weakly at 4.85½-1½ on the 8th, and was weaker at 4.85 5-32-7-32 on the 9th, but returned to the opening levels on the 11th. On the 14th a definite improvement set in at 4.85½-1½, and yesterday the rate was firm at 4.85½, with forward rates at 1½c and ¾c premium for one and three months. Paris opened at 168½-8, and improved next day by ½, but fell back again on the 11th to 168½-3, after touching 167½. Further weakness at 168½-169 followed on the 12th, and 171-171½ on the 13th. On the 14th there was a rally on the better return issued by the Banque de France, which showed a reduction of 562 millions in the note issue and of 650 millions in advances to the State. The improvement continued yesterday, with the rate at 168½, but there is a feeling abroad that some of this recent rise is based on sentiment, and perhaps even on successful publicity. Brussels opened at 174½-175½, and improved fractionally day by day to yesterday's level of 172½. Italy, after opening with a marked improvement to 122½-123 on the 8th, as compared with 126-126½ the previous day, improved still further to 120½-126 on the 9th. On Monday this continued to 117½-118, after 115 being touched during the day. A set-back occurred in Tuesday and Wednesday to 121-121½, after touching 123. There was a rally to 119½-120 on Thursday, and yesterday this was carried further to 119½. These changes may be taken to reflect the amount of confidence placed. Oslo opened the week rather less firm at 22.16-22.17, and showed little signs of any violent change at 22.15-22.16 next day, or at 22.13-14 on Monday. After that, however, there was a sudden appreciation to 21.25-21.28 on rumours of a plan for stabilising the krone at 21.00. Once started the movement went forward irresistibly, Copenhagen improving also in sympathy, and

the rate was 20.88-20.92 on the 13th, and 20.28-20.32 on the 14th, when it was stated that the Bank of Norway was a buyer of sterling at 20 only. Yesterday's rate at 20.25 was very firm. Copenhagen improved from 18.26½ to 18.21, Stockholm from 18.15 to 18.13, Geneva from 25.12 to 25.10 during the week, but Amsterdam weakened slightly from 12.12½ to 12.13. Berlin at 20.38½ is also weaker, after opening at 20.37½. The peseta is considerably better on balance at 31.60, after being as low as 31.40 on Thursday, as compared with the opening rate of 32.45. None of the other European currencies call for remark. Of the South American exchanges the milreis at one time recovered to 7d on Monday, after opening the week at 6½d, but it weakened again towards the close to 6 27-32d on Thursday and 6½d yesterday as a result of the prevailing uncertainty as to the President's stabilisation policy. Buenos Aires improved on the opening levels of 45½-1½ to 45 27-32-29-32 on the 14th, but is lower again at 45½. In the Far East the rupee opened rather weaker at 1s 5½d on the 8th, and has weakened further to 1s 5 27-32d yesterday. The yen is unchanged on balance at 1s 11½d, after touching 1s 11 31-32d and 1s 11 29-32d during the week. The silver market established new low levels for silver, spot at 25½d on the 8th being the lowest since November, 1915. India and China were both sellers on a fairly large scale. Some bear covering rallied the market a little next day, and when India came in as a buyer on Monday prices again improved, and markets closed steady but quiet. With China selling and India buying alternatively on the two following days there was on balance no change, but on the Thursday heavy selling of spot by China and of forward by America and the Continent brought prices down again by ½d and ½d to 25½d for spot and at 25½d for forward. The Chinese exchanges were weak with silver, Shanghai falling from 2s 6½d-2s 7d on the 8th to 2s 6½d on the 14th and Hongkong from 2s 0½d-½d to 1s 11½d-2s 0½d during the same period. Singapore also is fractionally weaker at 2s 3 27-32d, as compared with the opening level of 2s 3½d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the nine days ended October 9th:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	13,854	From Revenue	18,775
Interest, &c., on Debt	24, 91	Increase in debt	14,441
Sinking Fund	576	Decrease in Balances	6,344
Sundries	325		
	38,860		38,860

Revenue for the nine days ended October 9, 1926, amounted to £18,074,900, as against £19,161,700 for the ten days ended October 10, 1925. Customs yielded £2,786,000, against £3,204,000, and Excise £1,795,000 against £2,263,000. Estate, &c., Duties produced £2,090,000, against £1,150,000. Property and Income-tax yielded £4,975,000, against £7,316,000, and Super Tax £550,000, against £820,000. Receipts from the Post Office amounted to £950,000, against £1,400,000. Receipts from Sundry Loans brought in £2,272,900, against £271,300. Ordinary receipts yielded £914,000, against £812,900, and Special receipts £660,000, against £944,500. The nine days' operations increased the National Debt by £14,441,200, and caused the following changes:—

(000's omitted.)			
	£		£
Treasury Bills	-11,939	Public Department Advances ..	+27,850
National Savings Certificates ..	- 550		
Sundries	- 920		
	-13,409		+27,850

The floating debt was increased by £15,870,000 to £782,051,000.

FINANCIAL YEAR, 1926-1927 (April 1 to October 9, 1926).

£		£	
Total Expenditure ..	422,850,314	Raised by Revenue ..	340,341,002
		Decrease in Balances ..	4,136,467
		Amount borrowed ..	78,372,845
Total	422,850,314	Total	422,850,314

ESTIMATES FOR FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Buenos Ayres and Pacific Railway, Central Argentine Railway, City of San Paulo Improvements and Freehold Land, Harrisons and Crosfield, and Sungkai Chumor Estates.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE IMPERIAL CONFERENCE.

A LITTLE more than three years have passed since the representatives of the members of the British Commonwealth of Nations gathered in conclave in Downing street. That conference of 1923 was memorable as the first gathering of the kind since the Great War, and it was faced by a host of problems, political, constitutional and economic, raised not merely by the passage of the best part of a decade, but also by the tornado which had swept across the world from 1914 to 1918. Many of the problems of 1923 remain, and the past three years have seen developments of them that call for immediate and statesmanlike handling. In one respect, however, the scene has quite unmistakably changed. Mr Baldwin, who as Prime Minister welcomed the delegates in 1923, and will welcome them again on Tuesday, can hardly fail to have this change imprinted upon his mind. Three years ago the question of Imperial Preference loomed large at the conference, and its proceedings must be supposed to have been the deciding factor in persuading Mr Baldwin that the economic salvation of this country and of the Empire could only be achieved by the imposition by Britain of a general tariff, coupled with a wide extension of preferences within the Empire. On the strength of this conviction, as we all remember, Mr Baldwin plunged into a general election and was submerged. The turn of fortune's wheel, fortuitously accelerated by the Labour Government's mishandling of the Russian question, restored him to power within the year. But the people had spoken, and Mr Baldwin, bowing to their will, bound himself by a pledge to make no radical departure from our present fiscal system. From the Mother Country, therefore, no fiscal proposition of importance is possible at the forthcoming conference. What other member of the Commonwealth will raise the question in acute form? Certainly not India. Mr Bruce, of Australia, interviewed on reaching our shores, reviewed the tasks of the Conference without mentioning the subject. He brings no demand for extended preferences, nor is it possible to believe that Mr Mackenzie King, the newly-elected Premier of Canada, is bringing it with him across the seas. To the great Dominions British prosperity is a vital consideration, and their representatives, anxious at Britain's industrial troubles, must be more interested in measures to get British industry on its legs than in proposals to hamper it by raising production costs. Imperial preference, we believe, will not be a live issue, and the Conference will be the better able to concentrate upon its important work, if the red-herring of tariffs is not, as it was three years ago, drawn across its path.

This does not mean that the Conference has no significance on the economic side. Questions of immigration, of communications, and of Empire marketing afford important fields for constructive discussion, and will, no doubt, receive it. But it is undoubtedly on the political side that the Conference of 1926 will meet with its principal tasks. Here the problem is divided into two clearly defined sections of inter-Imperial relations and of Empire relations with the outside world. In the first section Lord Byng's action in Canada and other recent events in Australia and South Africa have brought to the front in new form the problem of reconciling Dominion autonomy with the Imperial partnership. But from no quarter is revolution-

any change suggested or separation effectively canvassed. Of this aspect of the Imperial problem it may be said that we have, as often before, reached a stage where the unwritten elastic constitution of the Empire requires here and there a judicious stretching or a minor readjustment; nor should such stretchings or readjustments present any difficulties which goodwill and statesmanship cannot easily overcome. Questions of Governor-Generals and their relations to the Home Government, or of the status of the Privy Council as the final Imperial Court of Appeal, may be delicate and bristle with minor difficulties, but they are not of the calibre to create a rift in the lute of Imperial harmony. "There could have been in the past," says Mr Bruce, "and there can be now no form of written constitution suitable to our progressive advancement. Had there been a written Empire Constitution during recent years it would either have been shattered by the circumstances arising out of the war or, alternatively, it would have wrecked the Empire. It is in the elasticity of our relations that safety lies.....On the question of our internal relations within the Empire I anticipate no difficulty or serious divergence of view."

Far more difficult and intricate, it must be admitted, are the problems which the delegates will face when they come to discuss the broader question of the relations and the conduct of the relations of the Commonwealth and its constituent parts with the rest of the outside world. The problem is not new, but it has a new acuteness which may be said to date from the revelation which the Chanak incident provided of the fact that the system of joint Imperial conduct of foreign policy, successful so long as the Imperial War Cabinet was in existence, would not work in days of peace. Chanak revealed in dangerous form the lack of adequate inter-Imperial consultation, and the problem was fully reviewed by the 1923 Conference. But in spite of the resolutions then passed, it cannot be said that the machine is as yet working satisfactorily, and in the meantime the assumption by Great Britain of increased European obligations under the Locarno Treaties has made the improvement of the machine a question of more pressing importance. Other aspects of the problem are the lead which Canada has taken in concluding her own treaties and establishing her own Embassy at Washington and South African pressure for a freer hand. Canada's position in relation to Imperial problems we have recently discussed (*Economist*, September 18th), and we propose in a future issue to say something of the special position of South Africa. Here we may confine ourselves to the general question. Broadly speaking, what is required is merely a development of the present position on the basis that, while each member of the Commonwealth is at liberty to conduct what one may call its local-external affairs without reference to others, neither the Mother Country nor any of the Dominions should enter into any commitments or arrangements seriously affecting the whole or other parts, without giving previous information and opportunity of consultation. To that doctrine, we imagine, all the delegates would in a broad sense subscribe, for the obligation which it suggests is a common and elementary duty in partnership. But the devising of machinery to assure the necessary dissemination of information and the desired liaison work is not so easy. Co-operative work at Geneva reduces the scope of the problem, but does not solve it. Successive British Governments have long been anxious to create a liaison system in London by a transmutation of the present system of High Commissionerships. But suspicion and jealousy of Downing street influence are still very much alive in various quarters, and Mr. Baldwin would naturally prefer to await concrete proposals from the Dominions on the point. But here again there is every reason to hope that the elasticity of the Imperial relationship will vindicate its power of adaptation to new problems. We extend to our distinguished visitors from overseas a welcome that is more hearty because we believe that they all come in a spirit of sincere co-operation, and that, working in that spirit with our own Ministers, they will find no insuperable difficulty in adding one more cog to a machine which, on the whole, has worked with a smoothness which is amazing in view of the tremendous world changes of the past decade.

GREAT BRITAIN AND CHINA.—I

THE profound unrest in China, which came to the surface in the Revolution of 1911, has manifested itself with increasing violence and increasing complexity; and these tendencies have been reflected in the attitude of those foreign nations that have a stake in Chinese trade. The largest stake is still held by Great Britain; and China's malady has called forth a number of contradictory diagnoses and incompatible schemes of treatment from English people concerned, whether in China or at home. Perhaps the only point on which there is general agreement is the urgent necessity for the British Government to put into operation some clear and constructive policy. There is no time to be lost, for China is full of irresponsible but well-equipped military leaders, and at any moment the turmoil of the civil war between the rival factions (not to speak of the deeper disturbance arising from the psychological revolution through which the Chinese people are passing) may incidentally create some irretrievable breach between China and Great Britain. Any British policy that is to have a chance of success must fulfil three conditions. It must be broadly acceptable to British public opinion and to Chinese public opinion, and it must be based on the objective facts of the situation, viewed dispassionately and in perspective.

The best—because the most "matter-of-fact"—starting points are the present position of Chinese securities on the British market and the latest returns of China's foreign trade. Let us begin with four leading Chinese securities: the 5 per cent. loan of 1896, the 4½ per cent. loan of 1898, the 5 per cent. reorganisation loan of 1913, and the 5 per cent. stock of the Shanghai-Nanking Railway. There is a striking divergence between the fortunes of the first two and the last two of these four securities during the past half-dozen years. The 1896 and 1898 loans, which stood at 85 and 70 respectively in 1921, stand at the same figures to-day; and even when allowance is made for the fact that they ought normally to appreciate as they approach maturity, the outstanding fact is their substantial stability. On the other hand, the 1913 loan and the Shanghai-Nanking Railway stock, which stood at 74 and 61½ respectively in 1921, have sunk to-day to 60 and to 50. It is not without interest to remember that even these two stocks are of better standing than appears on the surface. The Shanghai-Nanking Railway has been little interfered with, it is known to have good reserves, and an effective administration, with good foreign assistance, is still maintained. The service of the 1913 loan, in spite of the action of the Tuchuns in withholding much of the pledged salt revenues, has been regularly met from other revenues. This differentiation is not arbitrary, but reflects the investors' experience during the intervening period. The Tuchuns recklessly interfere with the railways in their military operations, and latterly they have been helping themselves to the revenues of the Salt Gabelle, on which the 1913 loan is secured. The earlier loans, however, are secured on the Maritime Customs; and so far the Tuchuns, though perpetually embarrassed for ways and means, have kept their hands off the Customs revenue. Here we strike one of the fundamental facts in the Chinese situation. There is a method, or at least a discrimination, in the Chinese madness (or what appears to be madness when seen through Western eyes). The anarchy, wide-ranging though it is, is bounded at some point by a certain sense of responsibility; and though this boundary is often hidden below the horizon, its existence should never be forgotten.

Indeed, if the structure of Chinese society did not rest on some very solid foundations of common-sense and industry, it would be impossible to explain the most recent statistics of Chinese trade. There is a great deal to be learnt from the Report and Abstract of Statistics for 1925, which was published by the Inspector-General of Chinese Customs a few days ago. In the aggregate foreign trade of China as a whole, from 1916 to 1925 in-

clusive, there has been a steady rise, whether the tendency be measured in terms of customs revenue or of the value of the goods imported and exported. The customs revenue totalled Hk. Tls. 37,764,311 in 1916, and 70,725,667 in 1925. The net value of foreign trade totalled Hk. Tls. 998,204,361 in 1916 and 1,724,217,881 in 1925. A conversion of these figures into gold values might flatten the curve, but would not destroy the steadiness of its upward tendency. The genuineness of this tendency is confirmed by evidence, which comes from practically every part of China, of an increase in the individual family's purchasing power and of a rise in its standard of living; and an increase in the productive power of the country is indicated by the relative increase in the contribution of exports to the total volume, both of trade and of customs receipts. For example, in 1925 the receipts from import duties were less than in the previous year, but the receipts from export duties increased, with the result that the aggregate receipts exhibited an increase of over Hk. Tls. 270,000. Although the customs returns up to date are not yet published, it is understood that the increase is still being maintained.

These figures, however, only tell half the story. In order to learn the other half we must take note of the relative increases and decreases in the shares taken in this trade by different regions of China and by different foreign countries. There has been a marked decline in the trade of Canton and Shanghai, which does not show in the figures for China as a whole, because it has been more than counterbalanced by an increase in the trade of Dairen and Tientsin, two of the north-eastern ports; and there has also been a marked decline in the British share in the China trade, which has been offset by an increase in the Japanese share. The two sets of facts are, of course, related, since the north-east is Japan's sphere of influence, where she is pushing forward the cultivation of valuable crops for export, like the soya bean,* maintaining and expanding a regular railway service for the transport of this agricultural produce to the coast, exploiting mineral resources and developing manufactures, while British trade in the centre and south has been grievously handicapped by boycotts, strikes, and the sterilisation of transport services. For instance, "during the September quarter [of 1925], when the crisis at Shanghai was in its most acute stage, there occurred at Tientsin a sensational increase in the importation of Japanese piece-goods." The collection of customs revenue in 1925 showed at Tientsin an advance of Hk. Tls. 1,535,000 on the previous year, and at the Manchurian ports an advance of 1,850,000, while at Shanghai and Canton it showed respective declines of Hk. Tls. 1,524,000 and 785,000. Again, Great Britain and Hongkong, which had respectively contributed 13.14 per cent. and 28.65 per cent. to the foreign imports of China in 1916, contributed only 9.65 per cent. and 18.27 per cent. in 1925, whereas the Japanese contribution rose from 29.98 per cent. to 31.06 per cent. At Shanghai, in 1925, "the British flag alone was responsible for a drop of some two million tons [of shipping], which was not fully compensated for by an increase of about 469,000 tons under the Japanese flag, of about 181,000 tons under the Chinese flag, and by some minor increases under the flags of other countries."

The economic rise of Manchuria explains itself. Manchuria is a country of vast and gradually developing natural wealth, with an expanding Chinese population, an effective Chinese civil administration, and with Japanese skill and enterprise engaged in making the most of the economic opportunity. Yet this opportunity in Manchuria does not altogether explain the increase in the volume of Japanese trade with China. From 1915 to the Washington Conference her hold over Manchuria was a hindrance rather than a help to Japan in her dealings with China. Japanese experience from 1915 to 1921—like British experience between 1922 and the present time—proves uncontestedly that the governing factor to-day, in any foreign nation's dealings with China, is the Chinese state of mind. If the Chinese people is nursing a grievance—

* In 1925, beans and bean products contributed 18.27 per cent. to the total value of Chinese exports.

whether justly or not—against a particular foreign nation, that nation will not do good business in China, however great its advantages in other respects, until the Chinese sense of grievance has been removed. This fact is certain, and, in view of it, it is interesting to consider how it is that, since the Washington Conference, Great Britain has slipped into Japan's place as "principal foreign bug-bear" on the Chinese stage.

INDUSTRIAL PROFITS.

OUR quarterly statistics of the profits of industrial companies can hardly yet be expected to bear any marked effects of the coal stoppage, since the latter in most cases only covers a small part of the financial years of the various companies, while in not a few instances the accounts under examination were closed before the industrial troubles began. But while an expansion in net profits is shown, the percentage increase is the smallest recorded for two years, and it is significant that the total increase is more than accounted for by one group, namely, rubber plantation companies. During the past three months the profit and loss accounts of 256 industrial joint-stock companies have been analysed in our weekly table, and these show aggregate net profits, after payment of debenture interest, &c., of £24,059,581, an increase of £650,377, or 2.8 per cent. over the profits disclosed by the same companies in their preceding financial year. This increase is considerably smaller than that recorded in any of the four previous quarters as may be seen from the following table:—

NET PROFITS (after PAYMENT OF DEBENTURE INTEREST, &c.).

	Number of Companies.	Reports Published in		Increase.	
		1924-25.	1925-26.		
		£	£	£	%
Third quarter	233	17,772,534	18,626,799	854,265	4.8
Fourth quarter	340	32,012,191	34,074,192	2,062,001	6.4
First quarter	460	48,026,891	51,691,026	3,664,135	7.6
Second quarter	442	55,834,678	60,489,439	4,654,761	8.3
	1,475	153,646,294	161,881,456	8,235,162	7.3
Third quarter	256	23,409,204	24,059,581	650,377	2.8

The third quarter of the calendar year is always the least prolific in its crop of company reports, owing, probably, to the holiday season, and the periods covered by the accounts which do appear are more scattered than is the case with the other quarters. For example, while many of the reports which have come under examination during the last three months refer to the year ended December 31st last, a substantial proportion relates to the financial year ended March 31st last, while during September a considerable batch of reports is published by those companies whose accountants' departments are less dilatory than the average. We cannot, therefore, attempt to draw any conclusions from these figures as to the effect of the general strike, and of the coal stoppage upon the earnings of industry. The average profit per company disclosed in the past quarter works out at £94,000, as compared with £137,000 in the June quarter, which indicates that not only are fewer reports published, but that they include a smaller proportion of the big concerns.

Since the last quarter of 1922 there has been an unbroken series of increases, but even so the declines recorded in the slump of 1920-21 have barely been made good, as may be seen from the appended list of quarterly percentage changes in net profits:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
First quarter	+26.9 ..	+3.5 ..	-43.4 ..	+41.4 ..	+8.7 ..	+9.1 ..	+7.6 ..
Second quarter	+37.8 ..	-8.4 ..	-33.7 ..	+22.1 ..	+3.0 ..	+11.1 ..	+8.3 ..
Third quarter	+41.9 ..	-42.4 ..	-23.5 ..	+65.2 ..	+2.3 ..	+4.8 ..	+2.8 ..
Fourth quarter	+27.1 ..	-52.9 ..	+3.9 ..	+11.4 ..	+13.3 ..	+6.4 ..	..
	+32.6 ..	-20.1 ..	-29.0 ..	+30.6 ..	+6.6 ..	+8.7 ..	..

Thus the heavy consecutive decreases recorded in the third quarters of 1921 and 1922 were followed by a substantial recovery in 1923, but this did not restore the figure to the 1920 level, and in the past three years the increases have been comparatively small.

In the next table the figures for the past quarter are classified into a number of different groups:—

NET PROFITS (after PAYMENT of DEBENTURE INTEREST, &c.).

	Number of Companies	Reports Published in Quarter Ended September 30.		Increase.		Decrease.	
		1925.	1926.	£	%	£	%
Breweries	18	8,446,315	8,446,426	71	..	..	..
Gas	6	154,886	194,894	40,008	25.9	..	..
Hotels, restaurants, &c.	3	136,054	118,921	..	..	17,133	12.6
Iron, coal, and steel	29	1,345,179	1,155,824	..	..	189,355	14.1
Land, mortgage, &c.	20	839,244	512,043	..	..	327,201	38.9
Rubber, &c.	58	1,410,342	3,311,69	1,901,027	134.8	..	..
Shipping	7	12,219	1,328,808	116,609	9.6	..	..
Shops and stores	4	424,532	445,736	..	..	46,896	9.5
Tea	8	484,548	383,969	..	..	100,579	20.8
Telegraphs	3	48,274	113,304	65,030	134.8	..	..
Textiles	9	1,580,163	796,776	..	..	783,387	49.5
Trust companies	8	659,709	506,683	..	..	153,026	23.2
Waterworks	4	129,295	157,561	28,266	21.9	..	..
Miscellaneous	79	6,470,454	6,587,67	116,913	1.8	..	..
	75	23,409,264	24,059,581	650,377	2.8	..	..

The importance of this table lies in the fact that it discloses the explanation of the increase in aggregate net profits. If the rubber and tea companies be eliminated we find that there is a net decrease in profits of £1,150,071, or 5.4 per cent. Of this decrease a large proportion is accounted for by the textile and iron, coal and steel groups, though in the case of the latter the fall is not so large, for it follows a series of declines resulting from the prolonged depression in the iron and steel trades. The decrease in the textiles group is nearly all accounted for by the figures of two companies, the English Sewing Cotton Company, and the Calico Printers' Association, whose net profits fell from £450,129 to £269,002, and from £700,304 to £216,218 respectively. The figures in the land, mortgage group were largely influenced by Leach's Argentine Estates, whose accounts for the year ended March 31st last showed a loss of £74,110, as compared with a net profit of £118,083 in the preceding year. In the tea group the decline is spread fairly evenly over the eight companies, but the increase in the shipping section is largely due to the figures of the Argentine Navigation Company, whose net profits were £213,690, as compared with a loss of £322,081 in the preceding year. The shops and stores group includes Lipton, Limited, whose net profits declined by £57,000.

The next table shows the distribution of profits in each of the past five quarters:—

DISTRIBUTION OF PROFITS.

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
1925.	£	£	£	£
Third quarter	18,676,799	11,930,751	64.0	3,260,519
Fourth quarter	34,074,192	20,292,366	59.5	8,659,707
1926.				
First quarter	51,691,024	30,496,402	58.9	11,896,223
Second quarter	60,489,439	37,052,402	61.2	10,926,867
Third quarter	164,881,456	99,772,421	60.5	31,743,366
Fourth quarter	24,059,581	15,774,324	65.6	4,187,455

It is, perhaps, surprising to find that the dividend policy has been less conservative in the past three months than in the four preceding quarters, for under prevailing conditions directors need offer no excuse for increasing reserves at the expense of dividend payments. Some explanation of the high percentage shown as going to ordinary shareholders in the past quarter, however, is again afforded by the rubber companies, which paid over £3½ millions to ordinary shareholders. But even so the next table does not wholly remove the unfavourable impression created by the last line of the table above, for we find that, with few exceptions, the amounts reserved, which include additions to balances carried forward, are on a scale which appears quite inadequate:—

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
1925.	£	£	£	£
Third quarter	18,676,799	11,930,751	64.0	3,260,519
Fourth quarter	34,074,192	20,292,366	59.5	8,659,707
1926.				
First quarter	51,691,024	30,496,402	58.9	11,896,223
Second quarter	60,489,439	37,052,402	61.2	10,926,867
Third quarter	164,881,456	99,772,421	60.5	31,743,366
Fourth quarter	24,059,581	15,774,324	65.6	4,187,455

The shipping and telegraph groups have adopted a reasonably conservative policy, and the waterworks have reserved a substantial proportion of profits. On the other hand, the textile companies pay out nearly the whole of their net profits to ordinary shareholders, having depleted reserves almost to the extent of the amounts required for preference dividend. It must be borne in mind, of course, that the figures of one or two companies can often upset the percentage figures of any group, and it is, therefore, unfair to suggest that the textile group as a whole has not followed a sound financial policy. In the case of the iron, coal and steel group we find that a few companies whose reports, covering the year to June 30th last, appeared in September are mainly responsible for the reduction in reserves, and in balances carried forward. The three hotel and restaurant companies have repeated the previous year's rate of ordinary dividend, but this has absorbed a considerably larger proportion of net profits. The percentage of profits paid to rubber shareholders is high, but as the aggregate amount of preference capital is small, the resources of the companies are swollen to the extent of 18 per cent. of profits.

In the next table we give the ratio to total ordinary and preference capital of net profits and of amounts reserved in each of the past five quarters:—

	Total Ord. and Pref. Capital.	Net Profits.	Carried to Reserve, &c.
1925.	£	£	£
Third quarter	189,651,020	18,676,799	3,260,519
Fourth quarter	276,290,069	34,074,192	8,659,707
1926.			
First quarter	453,009,241	51,691,024	11,896,223
Second quarter	53,173,126	60,489,439	10,926,867
Third quarter	236,594,126	24,059,581	4,187,455

There is a falling in both these ratios, but in each case the figure is higher than it was 12 months ago.

The average rates paid on the three classes of capital quarter by quarter since the beginning of 1923 are set out below:—

AVERAGE RATES PAID.

	On Debenture Capital.				On Preference Capital.				On Ordinary Capital.			
	1923	1924	1925	1926	1923	1924	1925	1926	1923	1924	1925	1926
1st quarter	4.31	4.82	4.63	4.65	5.7	5.3	5.3	5.4	9.2	9.6	10.5	10.9
2nd "	5.08	5.17	5.40	5.14	5.4	5.5	5.8	5.8	9.9	10.1	9.9	11.7
3rd "	4.90	4.77	4.96	5.02	4.3	4.9	5.0	4.8	9.8	9.0	9.2	10.5
4th "	5.03	4.94	5.30	..	5.4	5.8	5.6	..	9.6	10.0	11.0	..
Year	4.9	4.92	5.11	..	5.3	5.4	5.5	..	9.3	9.8	10.3	..

The average rate of ordinary dividend in the past quarter is the lowest since this time last year, but compares favourably with the average of previous years. Our readers need hardly be reminded that these figures represent rates paid on nominal capital, and do not indicate the yields obtainable on industrial securities.

The final table gives the average rates paid by each of the groups in the past quarter, together with the average rate on ordinary capital shown in our analysis a year ago:—

	Debenture Capital.	Preference Capital.	Ordinary Capital.	Rate of Div. % per year ago.
Breweries	12,415,954	12,279,644	36,291,259	17.5
Gas	712,858	300,000	2,683,670	4.6
Hotels and restaurants	427,722	125,000	1,032,829	10.7
Iron, coal, and steel	4,849,430	6,809,395	19,919,295	5.4
Land, mortgage, &c.	7,221,761	3,306,776	7,432,256	4.8
Rubber, &c.	800,206	503,880	11,131,948	23.4
Shipping	2,179,350	4,147,945	9,594,485	3.2
Shops and stores	1,181,630	3,096,350	2,269,170	8.7
Tea	78,002	133,000	1,115,325	27.4
Telegraphs	..	..	850,000	6.5
Textiles	6,104,680	12,065,551	10,358,909	7.6
Trust Companies	1,222,422	1,492,390	4,352,012	9.0
Waterworks	553,831	9,905	1,117,000	8.0
Miscellaneous	14,211,459	41,615,938	42,650,921	7.1
	52,067,165	85,787,754	150,806,372	10.5

The high rate of dividend shown on the preference capital of rubber companies is due to the fact that some of it is of the participating order. Eight of the fourteen groups show a reduction in the average rate of ordinary dividend, the prominent exception being the rubber group.

BRITISH CARS AND OVERSEAS MARKETS.

NEXT week the 1926 Motor Exhibition, organised by the Society of Motor Manufacturers and Traders, Limited, will open at Olympia. We are told that it will be epoch-making, not only because the day of the £100 car has arrived, but because it will go down to history as the battle-ground of the nations for supremacy in the automobile markets of the world. So far as the home market is concerned British manufacturers appear to be more than holding their own. But what of the overseas markets? Are they devoting any attention to the requirements of motorists in distant parts of the world, where the state of the roads renders the car designed for the smooth surfaces of the roads of this country almost useless? In conversation with visitors from Argentina, Australia and South Africa during the past few days, the uselessness of the ordinary British light car for anything except the main streets of the large towns in these countries has been emphasised, and the question asked: Why are the British manufacturers so slow to appreciate the requirements of overseas motorists? Do they not realise that valuable markets are being lost to the United States?

The reason for America's lead in this respect lies, of course, in the fact that American cars are designed primarily for roads similar to those in South America and the British Dominions, and the car supplied to the American buyer fills the bill equally well overseas. The British manufacturer, on the other hand, owing mainly to the horse-power tax, has concentrated largely upon the lower-powered light car, admirably suited to home conditions, but not fitted for the demands made upon them by users in newer countries.

So far as finished cars are concerned, the trade returns show a distinct falling off in the first nine months of this year in exports of both private and commercial cars, although exports of chassis continue to expand. The numbers are set out below:—

	BRITISH EXPORTS.		
	1924.	1925.	1926.
Touring cars	7,581	12,441	10,415
Commercial vehicles	8,846	13,646	11,300
Chassis	1,828	5,838	10,229

The total value figure for the past nine months was £6,363,300, as £6,787,800 in the first nine months of 1925. The decline in exports has been accompanied by a much heavier decline in imports, the number of touring cars imported in the nine months having fallen from 27,729 to 7,593; last year's figure was, of course, unduly swollen by heavy imports in anticipation of the reimposition of the McKenna duties. It would therefore appear that the British manufacturer has been gaining on foreign competitors in the British market. This is borne out by the following table, which shows the proportion of domestic trade in private cars secured by British manufacturers:—

	New Vehicles Licensed.	British Built.	Imports and Assemblies.	Proportion of Home Trade Secured by Home Factories.
1922 ..	71,759	35,266	35,493	49
1923 ..	99,230	62,122	37,108	62
1924 ..	124,814	89,669	35,145	70
1925 ..	157,223	108,121	49,102	69

It is estimated that there are at present approximately 357,000 commercial vehicles in Great Britain, including taxi-cabs, buses, lorries, &c. This represents an increase of 37 per cent. over the number in 1923, when 45 per cent. were British built, 45 per cent. British assembled, and 10 per cent. of entirely foreign origin. In 1924 the percentage of British-built vehicles had risen to 55 per cent., and of British assemblies had fallen to 35 per cent., while in 1925 British built vehicles represented 56 per cent., and British assemblies 34 per cent. Thus the British manufacturer is securing a reasonably satisfactory proportion of the home market in the realm of both private and commercial cars. But how much farther can the British market be expected to expand? Is it reaching its saturation point? According to the World Automobile Census conducted by the United States Department

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of Commerce, cars in the United Kingdom are owned at the rate of one to every 55 of the population, from which it was calculated that there was an average of one car for each person with an annual income of £420 or more. From that it is deduced by "Commerce Reports" that, taking into account the heavier tax burden in Great Britain, the higher selling price of cars, the greater cost of fuel, &c., along with the narrower distribution of purchasing power, as compared with the United States, it would seem inevitable that the saturation point will soon be reached." The remedy for this suggested by our American friends is the education of the "better financed" British motoring public to a more rapid turnover of cars. "A renewal of their cars every one or two years would make used cars more readily and cheaply available for those of smaller means. In other words, there being no prospect in the near future of reducing operating costs, nor of augmenting British incomes, the extension of motor-car ownership must come through making cars available to persons in the classes whose income is less than £420 a year—say down to £250. This can be done only through a lowering of the initial cost of cars, and one method of attaining this result is to increase the supply of used cars." It is added that this development is handicapped by the fact that the average British owner keeps his car a long time. For example, 50 per cent. of the cars built five years ago are still in use, and statistics show that after a certain period the rate of disappearance decreases—there are on the roads of Great Britain to-day 280,000 horse-power of motor cars which were constructed before 1913. This is a great tribute to the qualities of the British car. But is it not time that these qualities were given a fair test under the conditions that prevail overseas? The finest engine from Coventry may be of no avail when exceptionally bad roads have proved too much for springs and axles not designed for rough work. Surely it is time that our manufacturers devoted some part of their energies to meeting the requirements of overseas customers. They will have to adopt a less independent attitude, but if the American calculations are right, and the home market is approaching saturation point, the financial future of the British motor industry depends upon the ability of our manufacturers to adapt part of their plant to the production of cars which can compete on an equal footing with those of their American competitors.

BREWERY PROFITS.

BEER consumption continues to increase as far as this country is concerned. According to figures supplied to us by the United Kingdom Alliance, the production of beer in Great Britain during recent years has been as follows:—

	Standard Barrels.	Bulk Barrels.
1913	31,705,000	33,960,000
1922	18,766,000	24,216,000
1923	19,486,000	24,989,000
1924	20,731,000	26,437,000
1925	20,863,000	26,600,000

In spite of widespread unemployment, the figures continue to advance, although they are still below the 1913 levels. It is not altogether surprising, therefore, to find that most brewery companies continue to record substantial profits during the past twelve months. The export figures for beer and ale for the year ended June, 1926, show a sale of 289,310 barrels at a price of £1,407,814. This is an increase of 8,903 barrels, and £93,310 over the figures for the similar period in 1924-5.

A number of important undertakings have recently issued their accounts, and we have selected ten representative undertakings, for the purpose of a review of results achieved, whose year in most instances ends on June 30, 1926. Our first table shows the net profits during the past four years, and the amount carried forward:—

Name of Company.	Net Profits, after Payment of Debenture Interest.				Carried Forward.			
	1922-23.	1923-24.	1924-25.	1925-26.	1922-23.	1923-24.	1924-25.	1925-26.
Arthur Guinness, Son, & Co.	2,046,911	2,389,625	3,039,096	2,614,919	594,198	718,822	832,918	731,837
Barclay, Perkins, and Co.	181,139	152,063	198,194	214,266	41,592	44,356	56,390	58,896
Bass, Ratcliff, & Grettton.	389,223	463,058	455,868	464,570	63,571	93,429	6,097	97,473
Hoare and Co.	186,379	207,658	279,932	372,641	5,146	7,541	4,259	7,610
Mitchells & Co.	404,471	414,433	501,221	521,908	220,772	243,808	248,301	271,356
Threlfall's Brew.	288,527	295,269	301,816	317,012	244,563	263,314	288,613	329,127
Watney, Combe, Reid, and Co.	690,718	702,527	1,198,490	1,135,117	215,372	185,203	213,608	245,411
Whitbread & Co.	175,085	164,812	198,034	210,905	319,532	342,489	394,676	437,652
Wm. Hancock and Co.	42,399	58,173	62,413	41,494	16,288	12,510	25,224	26,019

The best results, it will be seen, were achieved by Mitchells and Butler, Hoare and Co., Whitbread and Barclay Perkins, while Bass, Ratcliff and Grettton also secured higher net profits. Arthur Guinness, on the other hand, recorded a decline in net profits, the reason for which is not given in the report. This latter concern, though conducted in the Irish Free State, represents nevertheless one of the keystones of the British brewing industry. In most cases, it will be observed, these brewing undertakings are carrying forward larger amounts to the next accounts.

The following table gives an analysis of principal liabilities and assets during the past two years:—

An Analysis of the Principal Liabilities and Assets.									
Name and Year Ends.	Share Capital and Reserves.	Debentures and Loans.	Creditors.	Properties, &c.	Stocks.	Cash.	Investments.	Debtors.	
Arthur Guinness—									
June 30, '25	11,566,434	..	4,093,658	5,832,725	4,331,768	1,826,756	2,491,234	2,988,562	
June 30, '26	11,722,648	..	3,843,159	5,805,133	4,627,688	2,193,738	2,491,234	2,756,472	
Barclay, Pks. & Co.—									
Mar. 31, '25	1,322,602	1,614,880	245,906	2,509,971	395,461	39,907	287,281	206,435	
Mar. 31, '26	1,347,602	1,851,057	219,338	2,693,013	407,949	58,367	287,070	188,135	
Bass, Ratcliff, & Grettton—									
June 30, '25	4,350,000	1,920,000	1,923,348	2,684,232	1,406,198	585,350	1,823,926	1,308,064	
June 30, '26	4,500,000	1,920,000	1,960,560	2,861,720	1,328,031	594,724	2,004,210	1,185,663	
Hoare & Co.—									
April 18, '25	1,904,062	553,412	554,586	2,474,740	139,045	31,710	204,633	135,671	
April 18, '26	2,103,062	518,972	572,546	2,551,842	132,399	71,520	304,459	119,853	
Mitchells & Co.—									
June 30, '25	4,416,180	787,748	1,288,208	5,010,060	731,955	1,225,877	12,803	100,796	
June 30, '26	4,516,180	746,476	1,177,001	5,283,549	681,927	980,349	15,549	97,067	
Threlfall's Brew.—									
June 30, '25	1,954,365	1,360,049	383,445	5,434,661	279,021	216,379	101,066	97,143	
June 30, '26	1,962,373	1,359,897	375,034	5,495,179	247,684	210,816	101,066	113,719	
Watney, Combe, Reid, & Co.—									
June 30, '25	7,771,071	4,388,703	545,896	11,903,752	528,214	908,597	882,419	608,242	
June 30, '26	8,214,714	4,358,702	578,283	12,064,241	442,638	388,890	1,527,783	624,284	
Whitbread & Co.—									
June 30, '25	1,989,000	1,283,500	219,530	2,191,965	917,762	272,614	645,528	448,122	
June 30, '26	1,989,000	1,283,500	530,517	2,177,131	839,312	265,919	771,867	409,286	
Wm. Hancock & Co.—									
May 31, '25	710,000	329,383	216,324	1,087,778	150,669	15,069	1,703	81,366	
May 31, '26	715,000	431,700	199,932	1,151,782	147,504	36,618	1,703	80,239	

During the year Watney, Combe capitalised £796,351 of reserves, thus restoring the deferred ordinary stock to its original figure of £3,185,410. This must surely be as satisfactory to the directors as to the shareholders. Several of the companies reduced loan capital. In the case of William Hancock, the balance-sheet shows that the £192,454 of 4 per cent. debenture stock has been eliminated, while mortgages have been reduced from £69,275 to £31,700. There is, however, a new item of £400,000 of 6 per cent. debenture stock. On balance creditors are lower, as also are debtors, but properties and plant and cash show an upward tendency, though stocks, generally speaking, are lower. Not much change occurred in the totals of investments, except for Watney, Combe, Reid, which increased its holding of Treasury bills from £197,752 to £791,316, and Whitbread, which put £100,000 more into Government and £23,000 more into trade investments. Our next table shows the available

balance after payment of debenture interest and how it was utilised during the past two years:—

			Available Balance, after Payment of Deb. Int.	Pre-ference Dividend.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
Arthur Guinness, Son, & Co.	June 30, '25	3,752,918	120,000	2,400,000	400,000	832,918	
June 30, '26	3,451,837	120,000	2,400,000	200,000	731,837		
Barclay, Perkins, and Co.	Mar. 31, '25	234,990	72,000	81,600	25,000	56,390	
Mar. 31, '26	262,495	72,000	81,600	50,000	58,696		
Bass, Ratcliff, & Grettton.	June 30, '25	549,297	68,000	265,200	150,000	66,097	
June 30, '26	530,673	68,000	265,200	100,000	97,473		
Hoare and Co.	April 18, '25	287,473	..	125,180	157,434	4,859	
April 18, '26	277,502	..	166,906	203,586	7,010		
Mitchells and Butlers.	June 30, '25	745,029	46,875	349,853	100,000	248,301	
June 30, '26	769,209	48,000	349,853	100,000	271,356		
Threlfall's Brew.	June 30, '25	565,130	26,518	250,000	..	288,612	
June 30, '26	605,645	26,518	250,000	..	329,127		
Watney, Combe, Reid, and Co.	June 30, '25	1,383,692	86,528	533,556	550,000	213,608	
June 30, '26	1,348,725	84,378	668,936	350,000	245,411		
Whitbread & Co.	June 30, '25	540,523	46,257	99,590	..	394,676	
June 30, '26	615,631	46,257	130,322	..	437,052		
William Hancock and Co.	May 31, '25	74,924	20,700	24,000	5,000	25,224	
May 31, '26	66,719	20,700	20,000	..	26,019		

The contraction in the profits of Arthur Guinness is reflected in the reserve allocation, which is halved at £200,000. Neither Threlfalls nor Hancock make any appropriation, but the provisions made by other companies seem to be comparatively generous.

Our final table shows ordinary dividends in past three years, also comparative prices and present yields:—

Name and Amount.	Ordinary Dividends.			Prices.			Present Yield.
	1913-24.	1924-25.	1925-26.	Oct. 31, 1925.	Oct. 29, 1925.	Oct. 14, 1926.	
Arthur Guinness, ord. stk.	% 26 1/2	% 32 1/2	% 32 1/2	493 (m) 5 1/2	730 (m) 5 1/2	670 (m) 5 1/2	15 0 9
Barclay, Perkins, & Co.	% 8 000	% 8 000	% 8 000	5 1/2 (m) 5 1/2	5 1/2 (m) 5 1/2	5 1/2 (m) 5 1/2	6 16 3
Bass, Ratcliff, & Grettton (£1)	13 1/2	13 1/2	13 1/2	2 1/2	2 1/2	2 1/2	15 10 9
Hoare and Co. (£1)	10	10	10	2 1/2	2 1/2	2 1/2	3 9 6
Mitchells & Butlers (£1)	10 1/2	11 1/2	13 1/2	1 1/2	2 1/2	2 1/2	14 14 6
Threlfall's Brewery (£1)	20	20	20	2 1/2	2 1/2	2 1/2	7 9 0
Watney, Combe, Reid, & Co. (£1)	20 (a)	17 (b)	17 (b)	26 1/2 (c)	37 1/2 (d)	26 1/2 (e)	6 10 6
Whitbread & Co. (£1)	10	10	10	13 (k)	64 (k)	64 (k)	6 19 6
William Hancock (£1)	10	12	10	10 (n)	10 (n)	11 (n)	8 0 0

(a) Paid on a larger capital of £2,389,059. (b) Paid on a capital of £1,185,410. (c) £10 shares. (d) Price of 4 1/2 per cent. Cum. Pref., Ord. Stock. (e) Price of 10 p. per cent. Cum. Pref., £4 Shares. (f) On capital of £2,389,059. (g) On capital of £1,185,410.

All the undertakings, with the exception of William Hancock, were able to maintain dividends at the 1924-25 rate, and Whitbreads was able to pay 3 per cent. more. Watney, Combe maintained its former distribution on the capital as increased. The yields on such shares as those of Hoare and Co., and Bass, Ratcliff and Grettton, are on the low side, and the general list of yields suggests confidence among investors that the present prosperity is not ephemeral.

LAND POLICY AND PALM OIL IN WEST AFRICA.

(BY A CORRESPONDENT.)

DURING the past few years the shadow of the Far-Eastern menace, the plantation palm oil of Sumatra, threatening the West African industry, has lengthened, and is viewed with much apprehension in many quarters; although some recent information on the Sumatra plantations, notably an investigation by M. Henry, of the French Colonial Administration, would seem to indicate that the real substance behind the shadow is less formidable than has been commonly supposed. However this may be, it is in any case indisputable that considerable progress has been made in Sumatra on up-to-date scientific lines, and there is no doubt that the West African industry, especially that of Nigeria, is extremely inefficient, wasteful, and primitive, and stands in urgent need of drastic reformation not only at its root, that is to say, in the system of land tenure and control, but also in other respects.

Mr Ormsby-Gore, in the report of his visit to West Africa, just published (Cmd. 2744, H.M. Stationery Office, price 3s 6d), devotes a special chapter to the palm oil industry, mainly Nigerian. It is of considerable interest, but not altogether convincing. In his view native land rights are paramount over every other consideration, and he makes an unnecessarily large bogey of "compulsion." In practically every civilised country to-day it is accepted as a fundamental principle that whoever owns or controls

the land must put it to the best use, and bring it to maximum productivity, or make room for those who can; and another principle of like rank and importance is that every able-bodied man must work. These great and irrefragable principles are morally compulsory, even if not always legally enforceable. Moreover, the compulsory acquisition of land in England in the interests of the State has long been recognised. It is not, of course, possible in one short article to deal fully with the great complex problem of native land rights in Africa, but the approach to that problem would be greatly simplified and facilitated if certain salutary principles accepted in Great Britain and other countries could also be accepted for West Africa. Those who have made a thorough study of the Swaziland case recently decided against Sobhuza II. by the Privy Council, whereby the scandalous expropriation of native land rights, including dispossession of sacred lands and tombs of former kings, has been confirmed, will know what real value is to be attached to the Government's paternal sentiments towards the West African native, and will be nauseated by such an exhibition of hypocritical inconsistency. In Swaziland the natives can be dispossessed by Order in Council, driven from their most sacred domains, and their unfortunate ruler be ruined by legal expenses at the hands of the highest tribunal in this country. In Nigeria they can burn down every year a large proportion of their oil palms with impunity (see Mr Ormsby-Gore's Report, p. 105), whilst British capital and enterprise, perfectly ready without any direct help from the Government to repeat in Nigeria the great work done in the Congo, to the highest and most lasting benefit of the native, stand by impotent. Our harassed and over-taxed industrialists are everywhere surrounded and shackled by compulsion and hydra-headed legislation. The Nigerian native may do what he likes with the land, and work or not as he chooses.

Doubtless there is a great deal to be said for native ownership, especially in Nigeria, and it has many powerful advocates, such as Sir Hugh Clifford, Sir Fredk. Lugard, and others (see article on Native Races and the Land, *Economist*, April 18, 1925, pp. 740-1); but the real point at issue is whether it is wise to limit economic development so very narrowly to one form of activity only, agriculture, and to one particular kind of agricultural organisation, small-holdings; whether it is necessary entirely to exclude European participation and enterprise in its best forms; and whether such entire exclusion is consistent with that far-sighted and statesmanlike policy of African development which has been frequently expounded of late, and which consists in a careful blending of what is best in European civilisation with the best traditions and customs of African life. Such blending seems destined to play the leading part in African social and economic growth. It is well expressed in the great Achimota experiment, and in the recent address of Sir Gordon Guggisberg to the Gold Coast Legislative Council at Accra. If then the best and most enduring features of our civilisation are to be skillfully intermingled with African culture and social life, would not this blending be particularly happy and desirable in regard to the land and its attendant industries? Is it not possible to combine the best and highest forms of European industrialism with native land rights and aspirations, and so save the native from the hardship and monotony of one single form of economic structure represented by small-holding idealism carried to excess? In time the European element might recede; that time is not yet.

It is by no means certain that all the natives, even in Nigeria, would wish to be smallholders. Under present conditions they find it very difficult to compete in the world markets for palm oil and kernels. In the recent speech of the chairman of the Niger Company, he said:

"In Belgian territory the scientific production of palm oil is now, at the end of its fourteenth year, reaching large proportions, and I am glad to say that the pioneer and principal producer is your subsidiary company—the Huileries du Congo Belge. In French Africa every inducement is offered to commercial concerns to erect mills on most favourable terms. In the East your company is persistently invited to use its experience and organisation. In Sierra Leone an enlightened British Colonial Government has taken a decided step in the right direction."

The chairman, Mr Hyslop Bell, went on to say that the new Governor of Nigeria regarded the Sumatran menace as one that cannot be lightly ignored, and that any satisfactory solution must permit the extraction of as large a percentage of oil as is obtained in the Belgian Congo and in the East. The principle simply is that the land and its allied industries shall be worked to optimum efficiency in the interests, not exclusively of despotic concessionaires and private profit, but of the whole community. This principle must be of world-wide application—it has been generally accepted for English agriculture. Can the land in West Africa form an exception?

Concerning the present deplorable waste and inefficiency in the native West African palm-oil industry there is little need to speak. It is well emphasised in the latest despatch from Sir Ransford Slater dealing with the Sierra Leone palm-oil industry, especially in that section of it in which Mr Dawe describes the frightful waste caused by fire, a waste far greater than that caused by the pernicious practice of tapping for palm wine. Contrast this with the valuable work undertaken by the Huileries du Congo Belge, established by the late Lord Leverhulme, and now an associate of the Niger Company. In the face of incredible difficulties this company, some 15 years ago, began its work in the depths of the Congo forests. It established plantations; it built oilmills; it planted nurseries for experimental plant selection work; it evolved new and better varieties of oil palms giving larger yields of better quality oil; it built schools, hospitals, and houses for the natives—veritable garden cities; it built roads and railways, cleared and drained swamps and waged ceaseless war against malaria and the dreaded mosquito and other sinister pests. The natives could still have their own gardens and holdings, with all these inestimable advantages super-added. Why and how should these things necessarily be incompatible with native small-ownership to any extent desired? It should not be beyond the wit of man to reconcile the supposed antagonistic schools, representing European plantations on the one hand and native ownership on the other. If the best elements in European and African life cannot be mingled here, it is difficult to see where a more fitting opportunity can be found.

THE COTTON TRADE.

THE past quarter has been another disappointing period for cotton spinners and manufacturers. One of the chief reasons for the absence of improvement has been the continuance of the coal strike. All employers have been seriously handicapped by the high prices for fuel. It is rather surprising that production has been possible on the scale reported, and it was never anticipated when the dispute began last May that a settlement would not have been reached by this time. It may be said that during the past three months weaving production has been at about 60 per cent. of the full capacity, whilst the output in the mills spinning American cotton has been reduced to 50 per cent., with a production in the Egyptian spinning section of about 75 per cent. Another adverse factor has been the considerable decline in raw material rates, and as is usual in a falling market buyers of yarn and cloth have been cautious, their policy being to purchase from hand to mouth. The reduction in values has been a serious matter for all firms at home and abroad who hold stocks, and the depreciation must mean important losses.

Remarkable developments have taken place with regard to the cotton crop in the United States for this season. Although the growth is later than last year the plants have experienced very favourable conditions, and it is now practically certain that the output will be of record dimensions. The latest Government estimate is for a production of 16,627,000 bales. This compares with the previous biggest crop of 16,100,000 bales. Naturally in trading circles sentiment has been very bearish. On June 30th the quotation for Middling American on the spot in Liverpool was 9.30d. During July there was a tendency for rates to harden, and 10.02d was posted on the 30th. In the early part of August there was a downward movement to 9.35d on the 13th, but this was followed by an

advance to 10.36d on September 8th. Reports as to future supplies then became very promising, and considerable selling took place, with the result that by September 29th the price had fallen to 8.07d. There has been a further fall since the beginning of this month, the quotation on the 13th being 7.11d. Rather varied advices have come through relating to the crop in Egypt, and the position of prices has been complicated by the action of the Government in purchasing from time to time. The latest official estimate of the yield is 6,836,000 cantars, but private firms believe that the output will be larger. The growth for last season in Egypt was a record at 8,009,000 cantars, the previous biggest crop being 7,684,000 cantars in 1913-14. On June 30th the quotation for Fully Good Fair Sakallaris Egyptian cotton on the spot in Liverpool was 16.05d. After a slight decline there was an advance to 16.40d on July 30th. Towards the end of August there was an upward movement, and 18.35d was posted on September 6th, with 18.55d on the 16th. Prices then began to give way, and reached 16d on October 4th, with 15.55d on October 13th.

The trade done during the quarter in piece goods for abroad has been discouraging. There has been an absence of enterprise on the part of merchants, with a tendency in all quarters for only limited quantities to be bought. This attitude of buyers has been largely due to distrust of prices, and the anticipation of more favourable opportunities of purchasing. Manufacturers have been harassed by the coal situation, and many contracts have been missed owing to sellers not being able to promise definite delivery terms. Our customers abroad have not been prepared to agree to a strike clause in contracts. India has provided a persistent inquiry, and now and again fair lines have been booked in the lighter styles, but grey staples have been generally neglected. The decision of dealers in Calcutta not to make forward purchases for several months has been generally effective. Fortunately, another good monsoon has been experienced, and stocks in the bazaars are not particularly heavy. From a business point of view China has been almost a closed market, and it is rather surprising that any trade at all can be done. Owing to the disturbed conditions, it is quite impossible for dealers in Shanghai to send goods to the up-country districts. In the middle of September the auction sales in Shanghai were suspended for three weeks, but they have now been resumed. Merchants complain, however, of the limited clearances and poor prices. Fresh business for the Near East has been within a small compass, and stocks in Egypt continue heavy. Only occasional support has been given by South America, but now and again a fair amount of business has been done for West Africa. During the past month some improvement has shown itself in the sales for the Continent in fine fabrics. The home trade houses have been inclined to keep their stocks as low as possible.

The following table gives the exports of cloth from the United Kingdom for the nine months ended September in the last three years, and the pre-war year of 1913:—

	Yards.	£
1913	5,350,278,900	73,659,119
1924	3,341,388,800	114,899,318
1925	3,359,041,900	115,915,823
1926	3,009,287,700	91,595,369

It may be mentioned that in the first quarter of this year shipments of cloth were 1,125,756,100 square yards, but in the next three months there was a decline to 914,301,500 square yards, whilst the amount for the September quarter is 969,230,100 square yards.

Owing to the coal strike, spinners of American yarns in the middle of June began to work the mills half-time, and this scale of curtailment of production has continued. The state of trade was considered by the Masters' Federation towards the end of September, and it was recommended that members should increase short time by running their mills only one week in three, thus limiting output to 33 per cent. of the full. A mass meeting of spinners was held when this proposal was adopted. In accordance with the scheme, the federation requested the members affected to close their mills for a fortnight from October 4th. It was at once found, however, that the recommendation was not being loyally observed, and the new schedule of working hours had to be abandoned. The

federation, however, urged spinners not to exceed half-time running. An important development has been the establishment by the Masters' Federation of minimum prices for standard counts of American yarns, this scheme coming into operation on August 16th. On the whole this movement has been a success, and has certainly been of considerable benefit to spinners. In many cases, however, the minimum prices are not equal to the cost of production. Trade demand during the quarter has not been at all satisfactory. More companies have had to put forward reconstruction schemes to the shareholders, and the mill share market has been dull and weak. Further progress has been made in the formation of the Cotton Yarn Association, Limited, which is being promoted for the purpose of grading yarns and fixing minimum prices. The company has been registered, and directors are now being elected by ballot. It is rumoured, however, that the promoters are not meeting with the support expected, and there is some doubt as to whether the association will be successfully established. Trade in Egyptian yarns has been very patchy. Now and again quite a substantial business has been done, but there has been a tendency for margins to suffer, and the position of most firms is less satisfactory than three months ago. There has not been any general activity in export yarns, and most of the buying has been in small lots.

The following is a comparative table of yarn shipments from the United Kingdom, the figures being given for the nine months ended September for the last three years, and for the same period in the pre-war year of 1913:—

	Lbs.	£
1913	154,761,700	11,022,055
1924	123,319,700	20,836,107
1925	139,821,500	23,193,162
1926	124,924,400	16,258,525

Since the beginning of this year there has been a tendency for our foreign trade in yarn to fall off, the shipments in the first quarter being 48,477,600 lbs, with 39,458,000 lbs in the June quarter, and 37,018,800 lbs in the September quarter.

The depression in the cotton industry has lasted for five years. During this time there have been several occasions when traders have anticipated a revival of demand, but they have met with disappointment. Latterly important developments in the situation have taken place, and there is now undoubtedly more ground for believing that a definite improvement is in sight. American cotton prices are now cheaper than for over five years back. With regard to manufactured goods there is one difficulty, in that prices are considered dear in relation to raw material rates. This is due to the heavy overhead charges of all producers. Most of the spinning mills and weaving sheds are running very little more than half-time, and this, of course, is very costly. Coal is about three times dearer than in the spring. Numerous concerns, owing to their financial position, have to pay big charges for interest on loans and overdrafts. These factors are important now that Lancashire is meeting with much severer competition from other countries. There is not likely to be any definite trade revival until there is a general settlement of the coal dispute. Uncertainty still exists as to future prices for raw material. There is every likelihood, however, that when in this respect there is greater stability a buying movement of some volume will show itself in manufactured goods.

THE GERMAN STEEL INDUSTRY.

THE recent European Steel Pact, followed by the discussions between English and German industrialists last week-end, has roused renewed interest in the industrial organisation of Germany, and in the economic situation in that country. The annual report* by the British Commercial Secretaries in Berlin on German economic conditions, which is always a most valuable standard work on

* "Report on the Economic and Financial Conditions in January, 1925-26." By Mr. J. W. F. Thelwall, M.C., assisted by Mr. C. J. Kavanagh, Commercial Secretaries in Berlin. H.M. Stationery Office. 4s 6d net.

German progress, is thus particularly timely, and will doubtless be studied in England with more than usual care. Mr Kavanagh's section on the progress and organisation of the iron and steel and allied trades is so pertinent to recent events that we have extracted freely from it in the following article.

The report points out that 1925 was for Germany a year of extreme economic gravity, and that the "purification" crisis, which involved untold bankruptcies and failures, and even took toll of some very important industrial enterprises, was its dominant feature. Nevertheless, the iron and steel industry performed the remarkable feat of producing more than 12 million tons—which is not far short of the pre-war output for present Germany. The amount of steel retained for home consumption was as much as in 1924, and though, owing to the change of boundaries, comparison with 1913 is difficult, it is estimated that present Germany consumed in 1925 from 85 to 90 per cent. of her pre-war requirements. Even in the export markets, which were hard hit by the low level of prices caused by the depreciation of the French franc, Germany nevertheless contrived to export some three million tons, though at prices which were far from profitable.

The only adequate explanation of an activity which, for a deflation crisis, can only be characterised as good, is to be found in the development of the financial situation. The restriction of credit on the part of the Reichsbank was delayed in its influence upon the commerce of the country partly by the influx of foreign loans and partly by the manufacture of credit by means of trade bills, which exceeded all prudent proportions and which ultimately caused a severe reaction, first in merchanting circles and then in industry. A rising price tendency continued over the first six months of the year, after which the continued pressure of credit restriction and the utter collapse of confidence in bills of exchange forced German industry to contract its operations. In the heavy metal trades the reaction followed sooner than in other branches, and the development of the curtailment coefficient of the Ingot Steel Association shows the influence. For January and February it stood at 10 per cent., for March to May 15 per cent., June 20 per cent., July 25 per cent., August onwards 35 per cent.

As regards industrial organisation, the statistics given in the report illustrate the difference in the scale of production in Germany as compared with England. For example, with only 80 furnaces in blast, Germany produced more than the United Kingdom, which had more than double that number in operation.

During the period very great attention has been concentrated on the so-called "rationalisation" of production; that is, the operation of units of a group in such a way as to achieve the maximum efficiency of working. Everywhere in the German metallurgical and engineering trades very serious study is being devoted to the efficiency of production; transport arrangements are being overhauled and brought into line with mass production programmes. The technical re-equipment of the large steel works has been pressed forward, and plant not fitting in with the requirements of modern mass output ideas has been to all intents and purposes discarded or laid idle, so that the present-day steel units in operation are composite examples of the latest technical improvements.

This policy has undoubtedly largely contributed to the comparative stability of the German market under extremely unfavourable circumstances, but it has not been able as yet to put the industry on its financial legs. The balance-sheets of the large firms in the trade show a heavy fall as compared with pre-war profits, and no dividends, though in most cases the firms have been able to add a little to their reserves. Comparison with the pre-war situation is peculiarly difficult in the case of foreign trade, owing to the change of national boundaries, but Mr Kavanagh thinks that exports for present Germany at about three million tons are somewhere near pre-war level.

The most important section of the report is, however, the description of the developing organisation of the iron and steel industry. At the time the report was written the recent pact had hardly advanced at all, but the problem of reduced European requirements and increased capacity was exercising German manufacturers, who felt that unrestricted competition was likely to deal all producing countries a severe blow.

Very serious efforts were therefore made to bring about the understanding which has recently materialised. The problem was complicated by the special difficulties of those parts of the European steel area which had been broken off from the former German Empire. The most difficult of all, perhaps, was the position of the Saar. German industrialists realise that special consideration must be paid to the works there, partly for political

motives and partly for the sake of placating the industries of Southern Germany which formerly drew their sources of material from the Saar. It is true that if Saar products were allowed duty free to Germany it might be regarded as a concession to France, who would otherwise be under the necessity of marketing these products herself. But, on the other hand, German industrialists are anxious to foster the closest economic interests between the Saar and Germany. The situation has already developed by the admission of the Burbacher Huette and Rothe Erde works to the German Ingot Steel Association. The Roechling works, which are purely German, have for some time past been members of the German associations. Again, Luxemburg and Lorraine would be badly hit if they were not allowed to retain some of their long-standing markets in Germany. It was thought when this report was being written that these points would be amicably arranged, provided that any imports into Germany from France and Luxemburg should be distributed through Germany by means of the German iron and steel associations, and that the amount should be based on imports in 1922, 1924, and 1925. This problem of the import quota has now been settled by the International Pact.

The steel-consuming industries of Germany have been kept informed of what is going on, and efforts made to satisfy them that their interests would not be harmed by an international agreement, "the object of which would not be to increase prices on the home market but to bring the present export prices into some relation with costs of production."

The preliminary condition of all these plans is, however, the adequate organisation of the industry internally. The progress made in this connection may be discussed under four heads, namely:—(1) The Ingot Steel Association; (2) various syndicates for regulation of production and prices of semi-finished and finished products, railway materials, &c.; (3) the export rebate system for finishing trades; (4) the Ruhr Steel Trust.

Ingot Steel Association.—Immediately after the war the old and powerful Steel Syndicate was dissolved largely as the result of the loss of Lorraine, Luxemburg, the Saar, and Silesia. Those works that remained to Germany were caught up in the movement for the organisation of vertical combinations such as the Stinnes concern. On the achievement of stabilisation, however, this plan of associating steel works with finishing industries was found to be an inadequate protection against excessive competition and price variations, and there occurred, therefore, a reversion to the old horizontal system of agreements covering all the works in a particular industry. The existence of large groups, however, controlling everything from the raw material to the finished product led German manufacturers to seek a more elastic form of horizontal syndicate than the rigid organisations of pre-war days. The first essential step in the new development was the formation, in November, 1924, of the Ingot Steel Association, which provides for a general control of output. After considerable discussion the association succeeded in assigning participation quotas to the various works, and since that time German steel output has been controlled by the use of the monthly coefficient mentioned above. If a member exceeds his contingent for two consecutive months he is pledged to pay into the management account 25 marks per ton on all excess production. Provision is, however, made to permit members temporarily or permanently to amalgamate their participation with other members, an arrangement which will make possible the concentration of production in the most efficient works.

Other Syndicates.—The organisation of the Ingot Association has been followed by the creation of syndicates and conventions in most other products.

The movement has continued and associations have now been formed for all the more important products. In addition to those already reported, syndicates or conventions have now been formed for wire rod, drawn wire, bar iron, hoop iron, thick plate, dynamo plate, fittings, rivets, welded tubes and flanges. The negotiations for the formation of a wire-rope syndicate have not yet been completed, but, in spite of the difficulties in regard to quotas, it is expected that they will shortly be brought to a satisfactory conclusion. For medium and thin plate, however, all efforts to form a syndicate have proved unsuccessful.

Export Rebates to Finishers.—One of the most interesting features of the whole system is that it permits of

special facilities being given to consumers of steel who are exporters:—

With a view to stimulating export trade in finished materials, negotiations were begun as far back as the end of 1924 for the introduction of an export bounty scheme. After conversations extending over some nine months an agreement was concluded between the iron working-up industry (the so-called AVI) and the Ingot Steel Association concerning the supply to the members of the former at world market prices of steel, semis, bar iron, girders, plates, permanent way material, &c., for finishing and export. The rebate, amounting to the difference between German home prices and world market prices, is made in the form of a claim certificate to the finishers which entitles them to draw supplies free of payment to the extent of the amount of the certificate. Its scale is devised to put the German exporter on an equality with his trading rivals drawing upon Continental supplies.

Export rebates were made retro-active to March, and since the conclusion of the agreement have been fixed monthly. In view of the sharp fall in world market prices and the increase of inland prices consequent upon the formation of associations in the producing industry, considerable increases in the rebates were made in September, in which month the Upper Silesian works, embracing Oberbedarf and the Oberschlesische Eisenindustrie in Gleiwitz, also participated in the agreement.

Negotiations were undertaken with a view to extending the agreement to quality plates, but no settlement could be reached with the Ingot Steel Association. In October, however, the scheme of bounties was applied to supplies to German shipyards.

The extent of the rebate is well exemplified by the following figures, which give the prices per ton for May, 1926, as laid down by the joint committee of producers and consumers:—

	(In Marks per Ton.)		
	Bounty in Mar.-June, 1925.	Export Basic Price in May, 1926.	Bounty in May, 1926.
Ingot steel	5	90	10
Blooms	5	92	15
Billets	6	95	15
Sheet billets	6	98	15
Sections	17	98	24
Bar iron	15	102	24
Universal plate	12	119	20
Hoop iron	7-50	122-50	25
Wire rod	12	115	20
Permanent way material—			
(a) Light	6	106	25
(b) Heavy	12-50	130	18
Gas and water pipes	..	310	55
Thick plate	..	115	24
Boiler plate	..	142	24
Middle plate	7	117-50	12
Thin plate—			
Over 1 mm.	10	135	15
Under 1 mm.	10	155	15
Dynamo plate	25	260	40
Transformer plate	25	680	45

The difference between the first column, showing the bounty paid twelve months previously, and the final column, is an indication of the growing margin between internal German and world export prices.

The Ruhr Steel Trust.—This organisation, which was formed in May, 1926, has come into existence primarily because of the excess capacity of production which had previously led to the formation of the Ingot Steel Association. Under the steel restriction scheme, although all of the great works of the Ruhr were fully equipped for production, none of them was fully employed.

The expansion of the concerns had resulted in an uneconomic situation; the exchange between the associated works of the concerns, often situated at comparatively long distances from each other, of raw and semi-finished materials, the export of materials from works ill-adapted by reason of their geographical position for such trade, the multitude of merchandising organisations, all contributed to increased costs. With a view, therefore, to reducing costs of production by concentration in those works best suited to the requirements by reason of their plant and geographical situation, negotiations were begun in the middle of last year between the five largest of the Rhenish-Westphalian works—namely, the Thyssen, Krupp, Phoenix, Deutsch-Luxemburg, and Rhein Stahl concerns, for some form of amalgamation. The Klockner, Gutehoffnungshütte, Hoersch, Mannesmann, and Stumm concerns were also invited to participate, but decided to remain outside. Krupp also withdrew from the negotiations in view of the family nature of their concern.

The factor governing the whole of the amalgamation, apart from the participation quotas, which question also bristled with difficulties, was that the taxation incident to a fusion of this nature was prohibitive, and for several months negotiations were conducted as to the best form in which such an amalgamation could be effected. In October negotiations had so far progressed that it was decided to form preliminarily an Investigation Company, under the title of the Vereinigte Stahlwerke A.G., with a provisional capital of 50,000 marks, for the purpose of the preparation of the final amalgamation contract and the solution of the taxation

question. Provisional participations were based on the participation quotas of the various companies in the Ingot Steel Association and Rhenish-Westphalian Coal Syndicate and on wages and turnover, the participation quotas of the works in the Ingot Steel Association alone proving an insufficient index in view of the large coal holdings and varying financial strengths of the different concerns. Negotiations extending over several months were, however, necessary before the quota question could be finally settled, as the reconciliation of the various claims proved to be no easy matter. The preliminary investigation company was not finally registered until February, 1926, to enter into activity on April 1st. In March the negotiations which had been conducted with the Government concerning the fusion tax led to a reduction, and the way was cleared of one of the chief obstacles. In May the preliminary investigation company was converted into the final company, the Vereinigte Stahlwerke A.G., with a capital of 800 million marks, distributed over the various founding companies in relation to their participation quotas. These quotas and capital participations are shown in the following table:—

	Percentage Participation	Marks.	Total.
Rhein-Elbe Union—			
Gelsenkirchen Bergwerks A.G., Gelsenkirchen	15-1	120,800,000	
Deutsch-Luxemburgische Bergwerks und Huetten A.G., Bochum	15-1	120,800,000	
Bochumer Verein fuer Bergbau und Gusstahlfabrikation, Bochum	9-3	74,400,000	
Thyssen Werke	39-5		316,000,000
Phoenix—	26-0		208,000,000
Phoenix A.G. fuer Bergbau und Huettenbetrieb, Dueseldorf ..	23-65	189,200,000	
Vereinigte Stahlwerke Van der Zypen und Wissener Huetten, Koeln-Deutz (excluding mines)	2-35	18,800,000	
Rhein Stahl—	26-0		208,000,000
Rheinische Stahlwerk A.G., Duisberg-Melderich (exclud'g mines)	8-5	68,000,000	68,000,000
			800,000,000

The seat of the company has been fixed at Dueseldorf, but, in order to give consideration to the claims of the Ruhr district and to the coal holdings, the administration of the coal mines will operate from Essen. District departments will then be formed for coal and steel, and it is provided that, notwithstanding the closer union in the central administration of the whole technical, commercial, and financial direction, the works themselves shall be left as large a measure of independence as possible.

The merchandising of the iron and steel products is to be undertaken by the large merchandising companies of Thyssen, Rhein Stahl, and Deutsch-Luxemburg, whereas the coal trade will be concentrated in the hands of Messrs Raab, Karcher, and Co., a subsidiary concern of Gelsenkirchen.

Although the trust embraces powerful members, there are a considerable number of important concerns which are not participating. The trust itself controls an output capacity of nearly 6,000,000 tons of ingot steel, or some 44 per cent. of the total participations in the Ingot Steel Association, and nearly 34,000,000 tons of coal.

THE LABOUR PARTY CONFERENCE.

(FROM A CORRESPONDENT.)

THE country has heard the voice of Scarborough and the voice of Margate. At Scarborough the Conservative Conference revealed the mind of the Government's supporters. The two problems which are uppermost in Conservative circles are Trade Unionism and the House of Lords, for of 43 resolutions on the Conference agenda, 12 were devoted to the former and 7 to the latter. At the Labour Party Conference at Margate the question of the House of Lords was never raised, and the threatened attack on existing trade union rights was the subject of only a short debate which left the clear impression that the Labour movement will gladly accept the Government's challenge, and, as the resolution on the subject expressed, it will confidently await the result.

The Labour Party Conference was mainly concerned with the party's agricultural policy and rural propaganda, with the mining situation, and with large questions of international policy.

The chairman's address came as a surprise both to the public and the delegates. With a history of rebellious action against the executive, over which during the past year he presided, Mr Robert Williams opened the Conference with a speech which met with violent opposition from the left wing. On the whole, the Conference approved it. It declared for political as against industrial action, supported Mr Cramp's recent declaration on the general strike, "Never again," and asked for a considered and reasonable policy of advance.

If the Communists received short shrift in the chairman's address, they won even less consideration from the Conference. The only real issues before the delegates were the determination of the party executive not to allow the question of the expulsion of Communists to be reopened, and the action of the executive in disaffiliating local Labour parties which have not carried out the policy of the Liverpool Conference of last year on this question. On both questions the Executive was supported by an overwhelming vote of the Conference. Margate was, indeed, the completion of the rout which began at Bournemouth at the recent Trades Union Congress.

On the discussion dealing with the mining situation attempts were made to commit the party to a levy of the unions, and an embargo on foreign coal. The platform, however, with support from speakers on the floor, refused to take action which would have infringed upon the rights and responsibilities of individual trade unions and the Trades Union Congress. At the same time, the conference showed its practical sympathy with the miners by an extraordinarily handsome collection and by adopting a resolution supporting the proposals for the nationalisation of mines, submitted by the Miners' Federation to the Samuel Commission, with the support of the Labour Party Executive and the Trades Union Congress General Council.

A whole day was devoted to the agricultural policy which had been finally formulated during the past year. New voices were heard in the conference. Delegates from rural constituencies, together with the representatives of the unions primarily concerned, had an unprecedented "field day." Plans were discussed for more active propaganda in the countryside. Repeatedly the point was driven home that a Labour majority was an impossibility until a proportion of the rural constituencies had been captured. After the conference a definite campaign is to be organised.

For the most part the floor supported the platform—in other words, the general body of delegates supported the Executive. There is at Labour Conferences an anti-platform element, which is almost invariably steam-rolled by the votes of the big organisations, which are a steady influence on the conference. Only on one question during the past week was the Executive beaten, and then, curiously enough, on the question of birth control. Last year resolutions on this subject came before the conference, and the Executive therefore excluded those sent in this year by operating the standing order which gives them discretion to bar questions on which decisions have been taken for three years. After a stiff struggle, the Executive won on this question, and therefore the resolutions did not stand part of the agenda. But the enthusiastic advocates of the policy of making the matter a party issue girded up their loins for a further attack, which took place on the section of the Executive's report declaring that the matter was not one of a party political nature, and that therefore it should be left to individual judgment. It was proposed that the section should be referred back, and after a keen debate the motion to refer back was carried by a very narrow majority. The standing orders committee of the conference, however, reported that this did not mean a declaration of policy in favour of the principle. The conference agreed, and instructed the new Executive to consider the question and report to the next conference.

The range of subjects covered by the conference was wide; but the resolutions carried were on the whole modest and moderate. There were moments of excitement, which have received a good deal of publicity in the newspapers. They were, however, but lively interludes in several days of earnest debate. It has been what the

party regards as a good conference. There was sufficient liveliness to avoid dull monotony, and sufficient steadiness to avoid rash decisions. The conference, apart from its gloomy view of the present mining situation, was optimistic. It was not "high falutin'." Several months of office, the general strike, and the mining stoppage have provided food for thought. The old irresponsible spirit which thrives on propaganda has given way to a sense of responsibility. The conference envisaged the next Labour Government, and judged the proposals which came before it with an eye to their practicability.

Notes of the Week.

Lord Oxford's Resignation.—The speculation that has been rife for the last few weeks as to the way in which the differences which arose this summer in the Liberty party would develop, has now been set at rest. Lord Oxford has satisfied himself that unity cannot be effectively maintained under a system of rival authorities with separate organisations and separate funds, and has therefore written to resign after 18 years of leadership. The letter in which this decision is conveyed to the party states that Lord Oxford considers that, in view of the national danger which the general strike involved, the attitude which he took up in May last was justified, and he finds nothing to qualify in his letter to Sir Godfrey Collins on June 1st, in which he expressed his grounds of dissent from the line taken by Mr Lloyd George in the House of Commons. Lord Oxford does not propose to retire from public life, and expresses the hope that he may still be of some service to the State and Liberalism. But he points out that he is now in his seventy-fifth year, and while his health is now fully restored, "the anxieties and responsibilities of leadership ought not to be undertaken or continued by anyone who cannot be reasonably certain that he can stand the strain." This decision thus brings to a close the official political career of one who has for an exceptionally long period played a leading part in English public life. This is not the occasion to estimate the importance of the influence which Lord Oxford has exercised on British politics from the time when, as a rising young barrister, he wrote political leaders for the *Economist*, to the period of his greatest influence when he occupied the position of head of the strongest Liberal Government of modern times, and finally, played the supremely important rôle of bringing the nation as a united whole into the Great War with its finances sound, and its forces in a state of readiness and efficiency. The news of Lord Oxford's resignation will be received with personal regret by men of all parties, among whom he has long since established an enviable reputation for integrity, steadfastness, and great political judgment. His action will not substantially alter the position in the Liberal party, for if precedent is followed no leader will be appointed to succeed him, but the party will carry on as it did after the resignation of Lord Rosebery, with a leader in the Commons and a leader in the Lords. But if the party is to fill the rôle which is awaiting it in the political life of the nation, it is highly important that all concerned should devote their attention in the next few months to solving the problem of competitive organisations.

The Coal Dispute Drags On.—The failure of the Miners' Delegate Conference last week to give any decisive lead to the districts has had two quite natural results. The first is that the drift back to the mines continues, the numbers reported to be working on Thursday being 230,000, out of the 1,100,000 normally employed. The second is that the executive announced on Thursday that the districts have endorsed the policy of withdrawing the safety men and of intensifying the struggle by a vote of 460,150 to 284,336. The farcical method of block voting on which in the absence of a ballot these figures are compiled makes them quite meaningless, the more so since the large numbers of miners who have gone back to work have no say in the matter. But it was not to be

expected that those who did attend the lodge meetings should have turned down the bellicose policy approved last week by the Delegate Conference. Whether the policy will be carried into effect, and if so how, is a very different matter. Clearly the executive will encounter a refusal from the other trade unions to put an embargo on coal or to make a levy in support of the miners, and with so large a minority vote it is not practical to envisage that the policy of intensifying the struggle can really be carried on by a fraction of the miners alone. It must, however, not be assumed that the decision is an unimportant one, for it means that the general resumption will be delayed, and that we may have many misadventures before there is peace. The men who are back are working keenly to make up for lost time, but even in the Midlands there are still 50,000 men out, and these include the extremists, who are likely to cause most trouble when they get back to work. We do not know whether importance is to be attached to the warning which Mr Cook has given from time to time to the effect that men nursing a grievance can in a hundred little ways obstruct the work of the mine by sabotage or by nourishing dissatisfaction. The mine managements may well have to face much more difficult conditions when all have returned to work. Moreover, the problem of the export districts remains practically untouched. The return to work is becoming very pronounced in Lancashire, and is already appreciable in Yorkshire, but there are still very few men working in Northumberland and Durham and in South Wales. We are therefore by no means out of the wood yet, and we shall be fortunate if our forecast of a general resumption by about mid-November is achieved.

The "Broadlands" Meeting.—The *communiqué* issued to the Press in connection with the meeting of German and British industrialists at "Broadlands" last week-end confirms our forecast that this first meeting would not do anything very much more than establish contact between two teams of leading industrialists from the two countries. On neither side were the individuals authorised to make commitments for their respective industries, no specific programme had been drawn up, and the task of the conference was clearly to ascertain by general discussion what were the topics upon which further conversations might usefully be carried on. The *communiqué* states that existing conditions in both countries occupied a considerable part of the time of the conference, and full and frank expositions of the peculiar difficulties with which productive enterprise has to contend were presented by those who spoke for the industries with which they are associated. Existing agreements for international co-operation in several industries were systematically surveyed, the main object of the conference being to examine the prospect of mutual assistance in re-establishing prosperous industries in Europe and in augmenting the opportunities of profitable employment. Emphasis was laid upon the disparity between the productive capacity of industrial nations following upon the war and the reduced purchasing power of most of the communities of the world. The conference decided to form a standing joint committee, composed of an equal number of representatives of both countries, to pursue the investigations of the various subjects discussed, and further meetings of the conference are in contemplation. Even if no concrete arrangements were ever to emerge from such discussions, they are themselves of value. It could not, for example, fail to be helpful to both sides to discuss their respective experiences in trading with Russia, and clearly very specific advantages might one day follow if it led to an agreed credit policy or even ultimately to joint enterprises in that country. It is also clear that each of the groups represented, of which the chief were shipping, iron and steel, coal, chemicals, and textiles, have many common problems, and might in many ways take co-operative action for the development of international trade, and it must necessarily have been the case that most of the discussions must have been carried on in these separate sections. On more general topics the conference doubtless took up and discussed the problem of trade barriers of all kinds, in the course of which the Germans doubtless gave expression to the new

currents of opinion that have been moving in Germany in the last two years on this subject. The important point for the moment, however, is that a new form of contact has been established, and that this exchange of ideas will help to make it clear whether, and if so to what extent, there is a common attitude towards the post-war problems of international trade. This and similar meetings between industrialists of other nations should improve the chance of useful results emerging from the Economic Conference of the League of Nations which is likely to be held next year.

The Hohenzollern Nuisance.—It is a pity—not only for Germany but for Europe—that the Hohenzollerns should have attracted attention again, and this just at a moment when European affairs seem at last to be shaping on constructive lines. We do not take the Hohenzollerns tragically, because we do not believe that, at this stage, their private affairs or personal escapades can seriously interfere with the march of events. Nevertheless, the recovery of Europe is so painfully slow and difficult a business that any impediment to it, however petty, excites just resentment. The first of these Hohenzollern affairs is the passage through the Prussian Diet, during the past week, of a Bill to ratify the agreement regarding the private property of the Hohenzollern family, which has been negotiated by the Prussian Government. The debate has been stormy, but it is far better to finish with this matter, which has dragged on for years, perpetually reviving old controversies and old bitterness. Though the terms of settlement have been attacked as over-generous to the late dynasty, we should judge that the settlement is cheap at the price. On the other hand, an unfortunate effect has been produced by the Prussian Government's announcement that the castle of Homburg has been placed at the disposal of the ex-Kaiser as his residence in case he should return to Germany. It is true that the Minister of Finance added that his return was not imminent, and the Dutch Government has since intimated that the question has not been raised in any form. A more foolish, but also more serious, affair is the escapade of the eldest son of the ex-Crown Prince, who during the September manoeuvres served incognito in the ranks of an ex-Guard Regiment of the Reichswehr, with the collusion of the commanding officer and the knowledge and connivance of General von Seeckt, the then "Chef der Meeresleitung" (Commander-in-Chief). The disquieting feature of this incident was the sequel. The news of the escapade leaked out, whereupon General von Seeckt categorically denied to the Federal Minister of Defence, Herr Gessler, that the incident had occurred, and allowed Herr Gessler to announce this denial in the Reichstag. Afterwards, of course, the fact of the Prince's participation in the manoeuvres was confirmed, and President von Hindenburg accepted General von Seeckt's resignation. The escapade was a futile thing in itself, for crowns lost in the Great War are not to be recovered by such easy methods, and, besides, the whole pre-war position of the House of Hohenzollern was an anachronism which it would hardly be possible to rehabilitate when once the continuity had been catastrophically broken. The disturbing fact is that a Prussian officer in so responsible a position as General von Seeckt should reconcile it with his conscience—from whatever motives of *camaraderie* or *esprit de corps*—so flagrantly to deceive his civilian chief, especially when the matter in question—handled as he had handled it—was calculated to do real damage to the interest of his country. As things have turned out, we do not think the damage will be great. Herr Gessler and President von Hindenburg have both behaved not only correctly, but with vigour and courage. Nevertheless, the incident will not bear repetition.

Nine Months' Overseas Trade.—If the September returns of overseas trade do not realise the worst fears aroused by the August figures they do none the less reveal the blows dealt at our international commerce by the continuation of the coal stoppage. Here is the comparison of the value figures for September, and the nine months with those of the corresponding period of 1925:—

MONTH of SEPTEMBER.				
	1925.	1926.	Increase (+) or Decrease (—) in September, 1926.	
Imports	£ 97,934,748	£ 101,724,341	+ 3,789,593	+ 3.9
British exports	60,734,868	50,680,003	— 10,054,865	— 16.5
Re-exports	10,525,830	8,082,661	— 2,443,169	— 23.2
Total exports	71,260,698	58,762,664	— 12,498,034	— 17.5
Excess of imports over exports	26,674,050	42,961,677	+ 16,287,627	+ 61.1

NINE MONTHS ENDED SEPTEMBER 30TH.

	1925.	1926.	Increase or Decrease in 1926.	
Imports	£ 965,469,132	£ 905,386,984	— 60,082,148	— 6.2
British exports	579,258,406	495,944,800	— 83,313,606	— 14.4
Re-exports	112,850,815	92,702,917	— 20,148,698	— 17.9
Total exports	692,109,221	588,646,917	— 103,462,304	— 14.9
Excess of imports over total exports	273,359,911	316,740,067	+ 43,380,156	+ 15.9

August showed an import surplus £25½ millions greater than in August, 1925; the increase in September, as will be seen above, was £16½ millions. Altogether the past two months have yielded an import excess of £85½ millions, or over £42 millions per month, as compared with a monthly average of about £33 millions for last year and the first half of the current year. Coal itself naturally again played a large part in September, imports having been £7½ millions, and exports negligible, while in September, 1925, exports were £3.6 millions, and imports negligible. Incidentally, it is an illustration of the inelastic character of the trade returns that the normal ten pages are allotted to the 5,225 tons exported, but no information is given regarding the 3,940,900 tons imported. Last month's exports of cotton yarns and manufactures were less in value by £3½ millions than a year ago, while exports of iron and steel manufactures show a drop of £1.7 millions. For the nine months the decrease under these three export heads, coal, cotton, and iron and steel, amounts to £60 millions. In the following table we show how certain leading British exports have fared as regards quantities in comparison with last year, the figures being divided into two periods, namely, the four pre-strike months and the five months that have since elapsed:—

BRITISH EXPORTS.				
	January to April.		May to September.	
	1925.	1926.	1925.	1926.
Coal	17,462,134	17,481,236	20,002,681	1,497,643
Cotton piece goods	1,575,121,000	1,407,533,100	1,783,920,900	1,601,754,600
Cotton yarn	66,339,500	62,884,000	73,482,000	62,040,400
Woolen tissues	47,466,100	40,861,900	56,643,000	51,265,700
Worsted tissues	18,822,800	15,940,200	17,559,900	17,222,800
Machinery	167,257	167,840	213,926	190,841
Motor cars	6,387	6,030	7,259	5,270
Iron and steel (total)	1,233,673	1,396,730	1,465,311	1,072,847
Pig-iron	162,436	176,680	157,896	86,872
Steel	46,905	15,923	30,981	11,559
Railway material	127,818	161,520	172,253	119,577

The list is not unsatisfactory throughout. Worst tissues, for instance, make a comparatively better showing in the past five months than before the strike; while the drop in machinery is not so large as might have been expected. For the nine months the value of re-exports is down by £20 millions, compared with the corresponding period of 1925; but lower prices for raw materials, especially wool, cotton, and rubber, contribute substantially to the decline. September imports of bullion and specie were £4 millions, against exports of £2 millions; for the nine months imports at £36.1 millions exceeded exports at £21.8 millions by £14.3 millions. Import and export value figures under a number of heads are set out in the statistical section of this issue.

Cotton Prices and Supply.—Our Manchester correspondent writes:—At the end of last week users of cotton throughout the world received another shock when the American Government estimated the crop for this season at 16,627,000 bales, against the forecast a fortnight earlier of 15,810,000 bales. The report was much better than expected, and prices in Liverpool fell over ¼d a lb. The plants this season are late, and this is reflected in the smaller ginnings than last year, the total up to date being

5,369,000 bales, against 7,126,000 bales a year ago. Although there is every probability of a record output, the cotton has not yet been secured, and the weather in the belt during the next few weeks is important. Some authorities believe that, given favourable conditions, there is a possibility of a growth of nearly 18,000,000 bales, whereas the previous biggest production has been 16,100,000 bales. If a long view is taken recent developments are favourable to Lancashire trade, but holders of manufactured goods, as a result of the depreciation in values, have been hit rather severely. This week the Egyptian Government has estimated the cotton crop for this season at 6,836,000 cantars, against the record production of last season of just over 8,000,000 cantars. Official forecasts are generally on the low side, and in trade circles it is expected that the crop will not be less than 7,250,000 cantars.

Lloyd's Shipbuilding Returns.—Lloyd's Register shipbuilding returns for the September quarter are decidedly unsatisfactory from two points of view. Tonnage commenced and under construction fell sharply, owing, it must be assumed, to the coal stoppage; and of the growing motor tonnage of the world, the share being built in British yards is disquietingly low. The tonnage under construction in Great Britain and Ireland—774,797 tons—was 66,541 tons less than at the end of June, 1926, and about 234,000 tons less than the tonnage building 12 months ago. The tonnage on which work was suspended at the end of September, 1926, amounts to 107,498 tons, which is about 26,000 tons more than at the end of September, 1925. The present totals are the lowest recorded since June, 1909, and are 1,115,000 tons below the average tonnage building during the 12 months immediately preceding the war, i.e., 1,890,000 tons. An enormous decrease is shown in the tonnage commenced during the quarter, namely:—68,327 tons, as compared with 168,483 tons during the second quarter of 1926. The tonnage launched during the present quarter—207,741 tons—is 36,016 tons higher than that for the previous three months. The total merchant tonnage building in other countries, at 1,075,900 tons, is about 53,000 tons less than at the end of June, 1926. Thus the tonnage under construction abroad exceeds by 301,103 tons the tonnage building in Great Britain and Ireland. The figures for the leading countries abroad are:—Italy, 278,764 tons; Holland, 160,604 tons; France, 134,985 tons; Germany, 127,321 tons; and United States 119,723 tons. Perhaps the most interesting part of the returns is a table showing Britain's position in the world's construction of steamers and motor-ships. The comparison reads as follows:—

	Steamers.		Motor-ships.	
	No.	Gross Tonnage.	No.	Gross Tonnage.
Great Britain and Ireland	123	499,938	46	272,606
Other countries	131	453,261	125	596,903

These figures represent tonnage actually under construction at the end of the September quarter. Britain is holding her position well as regards steamer construction, but has failed to secure a satisfactory share of the world's motor-ship building. In this branch the Italian figure is remarkable. Italian yards are building 27 motor-vessels of 221,681 gross tons, the average size being, as will be seen from a comparison with the British figure, far larger than the average in the British yards.

Iron and Steel in September.—In spite of the continuance of the coal stoppage, the National Federation of Iron and Steel Manufacturers report that there were still five blast furnaces in operation at the end of September, and that the production of pig-iron amounted to 12,500 tons; on the eve of the stoppage there had been 147 furnaces blowing, and the production of pig-iron in April was 539,100 tons. Owing to increased supplies of fuel, either home or imported, the output of steel ingots and castings increased from 52,100 tons in August to 95,700 tons in September; the output in April had been 661,000 tons. It is interesting to compare production during the present stoppage with that during the three months' stoppage in 1921. On that occasion the production of pig-iron for the whole three months was only 75,000 tons;

while in the first three months of the present stoppage nearly twice that amount was produced. In the case of steel only 80,000 tons were produced during the stoppage of 1921, as against 112,000 tons in the first three months of the present stoppage. In 1921 the number of blast furnaces in operation was reduced to one, while, as stated above, five furnaces have managed to continue throughout the present stoppage. Steel production fell to the low level of 3,000 tons in June, 1921, whereas on this occasion production in the fifth month of the stoppage amounted to 95,700 tons. Exports of iron and steel during September fell to 160,200 tons, compared with an average of 361,000 tons in the first quarter of the year. Imports, on the other hand, have increased, and amounted to 445,700 tons compared with an average of 236,200 tons in the first quarter of the year. Naturally a large proportion of the imports were of semi-finished material; the imports of pig-iron amounted to 61,500 tons; billets, blooms and slabs 99,800 tons; and sheet and tinplate bars 89,300 tons. On the other hand, the imports in some lines of finished steel reached substantial proportions, the imports of plates and sheets amounting to 38,400 tons; steel bars, rods, &c., 37,000 tons; and girders, beams and joists to 19,700 tons. The following table compares imports and exports of iron and steel in the months affected by the coal stoppage in 1921 and 1926:—

	Imports.		Exports.	
	1921.	1926.	1921.	1926.
	Tons.	Tons.	Tons.	Tons.
March.....	156,100	258,500	148,900	406,500
April.....	102,100	261,800	160,100	313,000
May.....	81,900	166,600	99,000	273,800
June.....	84,500	233,400	64,700	231,300
July.....	103,600	270,900	64,000	243,900
August.....	141,500	315,100	76,500	163,700
September.....	206,100	445,700	133,300	160,200

It will be seen that Continental countries were not then in a position to take advantage of the English coal stoppage, and that in the third month of the stoppage in 1921 imports were only 84,500 tons, while in 1926 imports reached the record figure of 445,700 tons in September.

Ministry of Labour Report.—Although the Ministry of Labour has existed as an independent Department for some years, the Report of the Ministry for 1925 is only the second annual Report which has been published. Fortunately, we may now look forward to its regular publication. Since it was carved out of the Board of Trade the Ministry of Labour has extended its original activities and added new ones. The Report for 1925 explains the work of the Industrial Relations Branch in the sphere of conciliation, arbitration, and inquiry, outlines the administrative work of the Ministry in connection with the State scheme of Unemployment Insurance and its administration of the Trade Boards Acts, deals with its activities in relation to employment and unemployment and the training of the unemployed, summarises the work of the Statistical Branch, and reports on the Department's International Labour Division. The appendices, which run to over 30 pages, contain in a convenient form valuable labour statistics. The Report indicates a steady growth of the work of the employment exchanges. In 1922 839,633 vacancies were notified, and 697,036 vacancies were filled. Each year since both figures have increased. Last year 1,480,820 vacancies were reported, and 1,279,292 were filled. This increased volume of work, it is admitted, was to some extent due to increased trade activity since the worst days of 1922; but, according to the Report, "substantially also it represents a continuous improvement in the methods of the Department and a growing appreciation of the part that the exchanges can play in industry when properly supported." There has been a development of special placing arrangements to meet special circumstances—e.g., the recruitment of seasonal workers in holiday resorts, fruit and pea picking, &c. Special arrangements are also made for the docks. The work of the Juvenile Employment Committees has grown considerably, but the activity of the Juvenile Unemployment Centres remains on a very restricted scale. In 1925 the average attendance at these centres varied between 6,874 and 9,673. The Central Committee on Women's Training and Employment has continued its work. Since its inception and up to December 31, 1925, 39,899 women have been dealt with. Over 29,000 women have taken the

homecraft course. The total expenditure up to the end of last year was £535,968, of which sum £321,800 was provided by State grants. In addition, the Department has a scholarship scheme for providing professional or semi-professional training for women whose earning capacities have been injuriously affected by conditions arising out of the war. In respect of 4,009 individuals £404,209 has been expended. The industrial training scheme established after the war for ex-service men is now gradually coming to an end, there being 2,929 in training last year, as against 6,810 in 1924. In all nearly 96,000 men have come under the scheme. A new development last year was the opening of four training centres to provide a six months' training for young men who, owing to the war and the subsequent trade depression, have had little or no opportunity of gaining experience in the use of tools. Two of these centres are residential and two non-residential. The former have an eye on training men for rural employment at home or for emigration to the Dominions. Though the work of the Ministry of Labour in relation to unemployment naturally occupies first place in the public mind, a perusal of the Department's second annual Report reveals the varied activities of the Department in the settlement of industrial disputes and the determination of wages in Trade Board trades, as well as in the compilation of industrial statistics.

Home Crops.—The monthly report of the Ministry of Agriculture and Fisheries states that except in some hill districts the corn harvest was completed by the third week of September, and the grain was generally secured in good condition. Wheat is usually of good quality, and, except in a few districts where it was exposed to storms or rather heavy rain, was stacked as a rule in good condition. Barley is variable; the quality is usually good, especially on the lighter soils, but a fair proportion of the grain was weatherbeaten and discoloured in many districts. Oats are usually of good quality, and except where laid by the heavy rains in the summer were generally harvested in very satisfactory condition. Winter oats appear better than the spring varieties. Wheat has not yielded so well as anticipated a month ago, being now estimated at 16.7 cwt per acre, or $\frac{1}{2}$ cwt below the ten years' average. Barley is only slightly lower than last month's estimate, and at 16.3 cwt per acre is still about $\frac{1}{2}$ cwt per acre above the ten years' average. Oats appear to be the best of the three main cereal crops, and the yield per acre over the whole country is now estimated to be slightly over 16 cwt per acre, or about $\frac{1}{2}$ cwt per acre above the ten years' average. Beans are estimated at 14.9 and peas at 14.8 cwt per acre. The former is nearly $\frac{1}{2}$ cwt per acre below average and the latter rather more than 1 cwt per acre above average. The lifting of potatoes was general over the whole of the country by the end of September, and in some south-eastern districts was practically completed. The tubers are often small, and disease is fairly general over the important potato areas in the east of the country, and in these districts yields will be much below average. Over England and Wales the yield is estimated at 5½ tons per acre, or a little more than $\frac{1}{2}$ ton below the ten years' average. Turnips and swedes grew well during the month, but attacks of mildew were fairly common amongst the latter. The yield is forecast at nearly 14½ tons per acre, or just over $\frac{1}{2}$ tons per acre above the ten years' average. Mangolds are generally a very good crop, and over the whole of the country a yield of about 20 tons per acre is expected, as compared with the ten years' average of 19 tons per acre. Sugar beet is healthy and vigorous generally, and has continued to grow well. In spite of a tendency in places to run to seed, it is a very satisfactory crop. Lifting has begun. The revised forecasts of the production of this year's crops are set out in the table below. It is to be borne in mind, however, that these forecasts are based on estimates made at the beginning of October, and are consequently subject to modification.

	1925.		1926.		Forecast.	
	Acres.	Tons.	Acres.	Tons.	Acres.	Tons.
Wheat.....	1,500,000	1,593,000	1,360,000	1,360,000	1,332,000	938,000
Barley.....	1,318,000	1,150,000	1,010,000	1,010,000	1,500,000	1,500,000
Oats.....	1,868,000	1,861,000	1,379,000	1,379,000	2,708,000	2,708,000
Potatoes.....	493,000	499,000	3,214,000	3,214,000	10,902,000	10,902,000
Turnips and swedes.....	806,000	786,000	9,198,000	9,198,000	6,838,000	6,838,000
Mangolds.....	359,000	338,000	7,130,000	7,130,000		

In many districts the dry state of the land prevented the ploughing of leys, but good progress was made with the cleaning of fallows and ploughing of stubbles, which are generally quite as forward as usual. Very little winter corn has yet been sown.

The Week's Dividends.—Of the important dividend announcements made this week, one at least appears to have been unexpected by the market. This was the declaration made on Thursday by the Anglo-Persian Oil Company of a final dividend of $12\frac{1}{2}$ per cent., making $17\frac{1}{2}$ per cent. for the year, as against $12\frac{1}{2}$ per cent. for the previous year, together with a bonus distribution of one new share for every two held. It may be recalled that the British Government holds £5 millions of the ordinary shares. Various reserve funds are credited with £1,800,000, and a balance of £1,955,450 is carried forward, so that the company must have had a highly successful year. Evidence of the market's surprise is afforded by the fact that the price of the shares closed at over 5½, a rise on the day of over 10s. Earlier in the day some disappointment had been caused in the oil market by the Burmah Oil Company's announcement of an interim dividend of 10 per cent., against $12\frac{1}{2}$ per cent. a year ago, it apparently having been expected that the latter rate would be repeated, although the capital has been increased by a share bonus of one share for every three held. The shipping section was rather depressed by the announcement of the directors of the Royal Mail Steam Packet Company that owing to "the depression of trade having been greatly intensified by the Coal Strike" no interim dividend will be paid on the ordinary stock of the company. For the past four years an interim dividend of 2 per cent. has been paid, but the final dividend for 1925 was reduced from 4 to 3 per cent., making 5 per cent. for the year, against 6 per cent. for the four preceding years. The passing of the half-year's dividend on the 4 per cent. cumulative preference shares of Sir W. G. Armstrong Whitworth and Co. caused no surprise after the recommendation of the directors last May that no final dividend be paid on any of the preference shares. The dividend of United Dairies, Limited, for the year to June 30th last is reduced from 14 to 10 per cent., but the past year's profits have to bear the cost of a half-year's dividend on £500,000 of new 6 per cent. preference capital issued in November last. Another electricity supply company—the St. James and Pall Mall Electric Lighting Company—proposes to re-organise its capital by giving shareholders £11 from reserves for each £5 share which they now hold, and that when this is done the £16 shall be divided into 16 shares of £1 each.

Australian Finance.—It is a matter of serious concern to all who realise the importance of developing the economic connections between Britain and the Dominions that on the London market, which plays so important a rôle in the financing of Australia, serious criticisms have been current in recent years of the condition and methods of Australia's finances. The pamphlet published this week by Messrs Cooke and Davenport,* which epitomises the facts and summarises the points of criticism is therefore timely, for though what these gentlemen have to say may not be altogether palatable to our Australian visitors, it is very much to the good that the matter should be brought out into the open and frankly discussed. The pamphlet shows that Government expenditure in Australia has reached the high figure of £33 8s 9d per capita (1924-25). Of the total expenditure of the Commonwealth and the States almost one-fifth is out of loans, and in some States it is more. In 1925-26 total expenditure increased by 12 per cent., that out of revenue rising by 8 per cent., and that out of loans by 35 per cent. In a growing country capital expenditure may be a wise and profitable investment. But when it is on a very heavy scale it needs to be scrutinised with care. In the case of the States, 27 per cent. of expenditure went to pay interest on public debt, and over 30 per cent. in the working

* "Australian Finance." By Sidney Russell Cooke and E. H. Davenport. Pelican Press. 1s.

of the railways, which are not paying their way. Of the States' expenditure out of loans incurred up to June 30, 1925, 47.9 per cent. went to railway and tramway construction, 14.3 per cent. to waterworks, 12.4 per cent. to lands purchased for settlement, 9.1 per cent. to harbours, rivers, roads, &c., the balance including some State trading schemes which have been operated at a loss. In 1924-25 the States' undertakings produced a net revenue of £19,460,080, yet the interest on the States' debts, which are supposed to be raised for "productive" purposes, amounted to £29,380,551. It is true that a large part of Australian borrowing is due to the war but the total public debt of the Commonwealth and the States has increased by 43 per cent. since 1918, while the increase of that of the States since that date is 54 per cent. The total net debt of Australia on June 30, 1925, amounted to £965.4 millions, or £164 per capita. In addition to the question whether this large debt has been wisely spent, Australia has been criticised for not making proper provision for redemption. At June 30, 1925, the States' accumulated sinking funds only amounted to £18,630,951, or 3 per cent. of the gross debt for the States, and the writers point out that none of the sinking funds definitely provide for drawings or purchases of stock in the open market. "When a loan falls due part of the sinking fund may be applied in redemption, but so inadequate are the funds accumulated that a State normally issues a new loan to pay off old subscribers. Not only that, but more than one Australian State has been fairly suspected of raising a new loan in order to pay the interest on the old ones." We have repeatedly called attention in the past to the inadequacy of the sinking fund provisions in many Australian Government issues, as well as to the meagre nature of the information afforded the investor in the prospectuses. We heartily endorse the plea, with which the writers conclude, that in each Australian prospectus there should be given (1) full particulars of the condition of the borrower's finances; (2) proper provision for a sinking fund for repayment within a specified period by means of drawings or purchases; (3) a schedule of the items on which the money will be spent, with the approximate amounts. While it is not denied that Australia needs a large amount of money for development, the public debt has become unwieldy, and its continued growth will constitute a serious danger unless proper provision be made for the redemption of each new loan. Australia, as Mr Keynes has pointed out, has been enabled by the Trustee Acts to borrow money on more favourable terms than have countries outside the Empire. It would be very regrettable if these facilities permitted the growth of a lax standard of finance.

Stock Exchange Commission Rules.—The Stock Exchange Committee, after many weeks of close deliberation of the subject, have altered one of the Rules relating to minimum commissions. A Stock Exchange correspondent writes: The alteration is of minor consequence compared with the importance of an addition, which reads:—

A broker may not share his commission with an agent who advertises for Stock Exchange business in the public Press in Great Britain, Northern Ireland or the Irish Free State. A broker may not share his commission with an agent who issues circulars in Great Britain, Northern Ireland or the Irish Free State respecting Stock Exchange business to other than his own principals.

The new additions will be presented for confirmation at the meeting of the Stock Exchange Committee on Monday week, October 18th, and, if passed, will come into force at the beginning of next January. The Rule is widely drawn, but it is the logical sequel to existing Stock Exchange legislation. In spite of the absence of ambiguity in the language, uncertainty and misapprehension have arisen, more especially amongst those who are in the habit of transacting Stock Exchange business through the agency of bankers. The advertisements of the banks, in the public Press and in circulars available to anyone who cares to ask for them, habitually announce that they, the banks, undertake business in Stock Exchange securities. The proposed Rule prohibits Stock Exchange brokers from making any return of commission upon business introduced by any agent who adopts either of these methods of

publicity. It forbids return of brokerage upon business sent to Stock Exchange brokers by firms like Wheelers, of Leicester, or the Investment Registry, or well-known outside brokers, in the City, who advertise for orders. It drives a shrewd blow at the advertising bucket-shop whose circulars start off with weighty words about the War Loan, and which finish with a fulsome puff of some oil or other ramp. Indeed, there is nothing improbable in the assumption that the addition to the Rule is proposed less in consideration for Stock Exchange ends than in the desire to promote protection for the public. The banks, which, after all, are the best-known agents for Stock Exchange business, have at heart the interest of the public as closely as the Stock Exchange has, and anything which promotes this end can be assured of their ready support. The proposed enlargement of the existing Rule will act as a powerful safeguard to that section of the public which most requires protection—namely, those men and women who fall ready victims to allurements of any swindler's fairy-tales of fortunes awaiting the people who will deal in stocks and shares with the advertiser. It is to be noted that the Stock Exchange Committee do not forbid their members to deal with agents who advertise: what the addition proposes is that no return of commission shall be permitted. And agents are not always altruists.

Northern Ireland Affairs.—Our Belfast correspondent writes:—The North of Ireland Parliament reassembled on Tuesday, when reference was made by Mr Milne Barbour, the Minister of Commerce, to the coal position in Belfast. The shortage of supplies has been acute, and it is stated that at one time stocks in the city amounted to only 1,000 tons. Apparently storms over the week-end delayed the arrival of vessels carrying coal, but the position is now greatly improved. The Motor Vehicle (Traffic and Regulation) Bill and the Marketing of Eggs (Amendment) Bill came up for second reading. The former measure is designed to provide for a more comprehensive and better control of road traffic. The maximum speed limit of 20 miles an hour is withdrawn, and reliance is placed upon the main offence of driving to the public danger, the penalties for which are greatly increased. The prohibition of pillion-riding is also foreshadowed by the issue of an Order under the Act. It is stated that the number of licensed motor vehicles in Northern Ireland has increased from 13,500 in 1921 to 30,000 at the present time. The Marketing of Eggs (Amendment) Bill, which passed its second reading, makes certain administrative improvements in the principal Act, and deals with the sale of eggs by weight and the marketing of stale or dirty eggs. The legislation in connection with the egg trade which has been passed by the Northern Ireland Parliament is a noteworthy attempt to improve the conditions of marketing of Ulster agricultural produce. The abuses to which the marketing of eggs is subject, as brought out in the Report upon egg marketing in England and Wales which was published by the Ministry of Agriculture and Fisheries some time ago, were widespread in Ulster a few years ago. The Committee on the National and Industrial resources of Northern Ireland, which inquired into the position of the Ulster egg trade in 1923, found that the "practice on the part of large numbers in all sections of the trade of holding up eggs with the object of securing higher prices at particular periods of the year and the indifferent and careless methods of packing eggs for export, constitute a menace to the Northern Ireland egg trade." With the object of safeguarding the interests of the trade, the Committee recommended that every wholesaler and exporter of eggs should be required to hold a licence from the Northern Ireland Ministry of Agriculture, and the Marketing of Eggs Act was passed in 1924. Under this Act no wholesale dealer or exporter is allowed to market eggs without holding a licence from the Ministry, and is required to comply with the rules made under the Act which deal with the proper grading, testing, and packing of eggs. It may confidently be claimed that the Act has already, during the period of a little over 18 months since it came into operation, led to a very great improvement in the condition in which Ulster eggs are marketed.

The New Czechoslovak Cabinet.—For the first eight years of its existence the Republic of Czechoslovakia has been ruled by governments composed exclusively of Czechs and Slovaks. The national coalition of the five principal Czech parties—ranging from clericals and agrarians at one end of the scale to Social Democrats at the other—proved unable to maintain itself in the long run in view of acute differences on economic questions, and continuity in general policy only became possible by recourse to cabinets that were virtually colourless and in no real sense representative of the political parties. Government by officials, however, can hardly continue indefinitely in a Parliamentary State, and it has been apparent for some time that the political alignments of the future will be in terms of political and economic ideas rather than on the narrower basis of nationality. The introduction of protection for the agrarian interests early in the present year much hastened this process, and this week a new Cabinet has been formed from the Czech-German majority groups in the Chamber, with the Czech agrarian leader, M. Svehla as Prime Minister. Three other ministers belong to this party, while the portfolio of Posts and Telegraphs falls to a German agrarian. Two Czech Clericals become Ministers for Railways and Public Welfare respectively, and a German Social Christian is the new Minister of Justice. The advent to office of representatives of the German minority is without doubt the most promising feature of the new Cabinet, which should thus be assured of a safe majority in Parliament. This coalition of "bourgeois" groups opens a new chapter in the Parliamentary history of the Republic. Continuity of policy in foreign affairs and finance is, however, guaranteed by the fact that Dr Benes and Dr Englis still retain their places in the Cabinet.

The Economic Situation in Austria.—Confirmation of the view of the position in Austria set forth recently in our Danubian Supplement is afforded by an economic correspondent, who has critically examined the trade and other statistics. He writes as follows:—Since 1924 Austria has been passing through a severe and prolonged crisis. In the past year and in the first half of 1926 the number of unemployed has been particularly high, and pessimism very intense in Austria. When the experts of the League of Nations—Mr Layton and Mr Rist—in the autumn of 1925 came to the conclusion that the increase of unemployment did not signify a decrease of industrial production, but that it was to some extent a result of labour-saving methods, they found little credence. Since that time, however, evidence confirming this view has been forthcoming. For example, though the average number of unemployed in the first six months of 1926 was 21.6 per cent. higher than in the same period of 1925, yet the imports of industrial raw materials in the same periods show an increase of 14 per cent. in weight and of 3.4 per cent. in value. The difference between the figures for weight and value is due to the fact that the wholesale index has decreased by 15.5 per cent., and the industrial price index by 10 per cent. Again, the import of coal has increased a little, though home production and the utilisation of water power have risen. Further symptoms are the increases in the clearing figures in the first half of 1926 as compared with 1925. At the National Bank the turnover on cheque account was higher by 49.5 per cent., at the post saving office by 14.2 per cent., at the Saldierungsverein (the clearing house of the banks) by 34.4 per cent. The settlement of Stock Exchange transactions is done by the Giro- und Kassenverein. There the increase was 80.8 per cent. This increase is particularly remarkable because the share index (based on prices of all industrial shares) was lower in the first half of 1926 than in 1925. However, in recent months the share index has been rising. Since June also the wholesale index, and particularly the index of foodstuffs has risen, though prices are still much lower than a year ago. Curiously enough, the cost-of-living index has not risen at all for two years, in spite of great changes in wholesale prices. Indeed, the cost-of-living index is only 3 per cent. over the pre-war level—a fact which is only partly due to the Rent Restriction Act. This cheapness of living is certainly a main cause of the increase in the number of foreign visitors coming to Austria—an increase which was

very marked in July and August. A remarkable feature of the trade figures for the first half of 1926 as compared with 1925 is the increase of imports of foodstuffs (9.3 per cent.), of cattle (8.3 per cent.), and of manufactured products (14.3 per cent.). All these figures refer to weight, but the value figures for all three items have also increased (by 4 per cent., 0.1 per cent., and 14.5 per cent. respectively). This latter increase, in spite of the lower price level, seems to show that more expensive articles have been imported. In any case, home consumption must have increased, in spite of the great extent of unemployment. It has already been mentioned that the import of raw materials has risen (14 per cent. weight, 3 per cent. value). This can only be explained either by increased home consumption or by the filling up of stocks, for exports were lower. The export of manufactured articles has decreased by 6 per cent. in weight and by 12½ per cent. in value. A matter which has attracted much interest is the question of our balance of payments. The deficit of the trade balance has again increased by almost 50 per cent., and has reached the large amount of 526 million schillings in six months. Austria certainly has a large invisible income in her balance of payments. Yet the excess of imports seems large for a small country. It may, however, be that the real deficit is much smaller. It is a well-known fact that the same goods when passing the frontier are valued higher by the importing country than by the exporting country, because the former has an interest in the import duties. A comparison of Austrian statistics with those of Germany, Czechoslovakia, and Hungary shows a difference of about 21 per cent. in favour of Austrian exports. If this should hold good for the total of exports, the trade deficit would really be only a-half of the official figure.

Austrian Industrial Companies.—A comparison of the gold balance-sheets of 75 Austrian industrial companies shows that the total capital (share capital plus reserves) in 1914 amounted to 793 million Austrian shillings, and in 1925 to 745 million shillings. The present capital is only 6 per cent. lower than the pre-war capital, which shows that the industries have been much more successful in maintaining or restoring their capital than the Austrian banks. Some branches have even increased their capital considerably over the peace level, e.g., paper mills by 52.8 per cent., mines by 57 per cent., electricity works and electrical engineering by 10.9 per cent. On the other hand, the building trades (including building materials) have lost 39.6 per cent., textiles 30.7 per cent., breweries 30.3 per cent., machinery works 12 per cent., iron and metal works 8.8 per cent. A remarkable feature is that in all cases reserves form a much greater part of the total capital than before the war. According to the law on gold balance-sheets, all assets and liabilities had to be revalued on a gold basis, and almost all companies thought it a wise measure to have a small share capital and high reserves which, of course, enables them to pay higher dividends. Thirteen iron and metal works before the war had reserves to the extent of 22.5 per cent. of the share capital, while now the reserves amount to 62 per cent. The individual increases were:—Machinery from 12½ per cent. to 51 per cent., electricity from 11 per cent. to 72 per cent., textiles from 9 per cent. to 57 per cent., breweries from 8 per cent. to 55 per cent., paper from 23 per cent. to 65 per cent., building trades from 22 per cent. to 84 per cent., mines from 1.4 per cent. to 50 per cent., victuals and sugar from 1 per cent. to 45 per cent.

The Pan-European Movement.—A correspondent writes:—In Vienna has just been held the first Pan-European Congress. The largest concert hall of this city was packed; prominent politicians, economists, and intellectuals from all European nations took part, and the impression on public opinion within and outside Austria was a strong one. This favourable result is mainly due to the enthusiasm and energy of Count Coudenhove, the creator of this movement. His idea is that the European States should form a sort of closer union within the League of Nations. His original proposal was that this union should not include Great Britain and Russia because both States had their main interests outside of Europe.

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The definite resolutions of the Congress went still farther, and formulated the aim as a union of all European States who desire to join for economic and political purposes, based on equal rights and peace. Most economists have pointed out that the present state of extreme protectionism and mutual jealousy in Europe is most harmful for all States concerned. The evil demon of Europe is the exaggerated sense of national prestige and economic independence. Behind all the peaceful declarations of certain statesmen there is a good deal of distrust and even insincerity. Big armies are considered absolute necessities, as well as economic preparedness for war. Therefore, high tariffs are maintained, partly for revenue purposes, partly for making the country independent from abroad, and for enabling the governments to make the consumer pay the bill without his noticing it. A Pan-European Union would certainly be the salvation out of this chaos of economic and moral disintegration and confusion. The most complicated questions of Europe could best be settled among the European nations themselves, and very far-distant nations of another continent will hardly possess the necessary intimate knowledge, interest, and authority to be of any great service, except perhaps as arbitrators in certain disputes of international right. But it cannot be decided on principles of international law whether the tariffs or any other internal measure of a State constitute a grave international nuisance. At the Paris Peace Conference it should have been possible to safeguard the common interests of Central Europe by economic clauses, e.g., by fixing a maximum percentage of tariffs, by forbidding import prohibitions, by providing a common currency, by internationalising the big coal basin which has aroused so much strife between Germans, Poles, and Czechoslovaks. Perhaps it would have been sufficient then to make financial help for economic reconstruction dependent on the adoption of such clauses by the States concerned. After the Peace Conference, of course, it was too late. One must be satisfied if only a small part of such a program can be achieved in future by agreements between the nations. This will require extraordinary patience, goodwill, tenacity, and energy. It is to be hoped that the Pan-European movement will be an efficient instrument of international goodwill and co-operation. In his concluding speech, Count Coudenhove set great hopes upon converting the 500 leading politicians of Europe, following in this the example of the philosophers of the eighteenth century, and Robert Owen, who believed that the world could be reformed by winning the mighty of the earth. Yet an enlightened despot of that time was freer in his resolutions than a party-leader of to-day, who very often is a slave of public opinion. The meeting just held at Vienna certainly impressed public opinion very much.

The Outlook in Guatemala.—A correspondent writes:—The death of the President, Dr José María Orellana, who would ordinarily have served until February, 1928, should not seriously disturb political or economic conditions. His legitimate successor, the First Vice-President, General Lazaro Chacón, is not only a thoroughly capable administrator, but one equally determined to maintain the public peace. Following upon the stormy days of Manuel Estrada Cabrera, who died not long ago in captivity after having remained for four years a voluntary prisoner in the Presidential palace, where alone he deemed himself to be safe from his countless enemies, Guatemala has enjoyed an

almost unprecedented period of tranquillity. This interlude allowed the people of a naturally rich and productive country to devote themselves to cultivation and other industries without the continual fear of destruction of their handiwork by invading armies of this or that militarist, ambitious to occupy the chief magistracy. The late Dr Orellana, who overthrew General Carlos Herrera in 1921, and was subsequently elected, by an overwhelming majority of the people, constitutional President, had effected much to promote the economic welfare of the people. So far as present conditions are concerned, the rather poor outlook that had been noted at the beginning, and which continued up to the end, of the second quarter of the year has been reversed to a very considerable extent by economic conditions during the past three months. An improvement, much appreciated but not generally expected, has occurred in the coffee crop. This means much in this country, the coffee harvest, as in other of the neighbouring States and Venezuela, forming the principal article of export. Towards the end of June there were beneficial rains, while during July and August, sunshine, almost uninterrupted, was met with. The consequences have been a strong and full-berried crop, which, taken with a good wheat harvest, has brought about a materially better state of things. The price of coffee has been maintained, notwithstanding the amplitude of the harvest, and the crop has all been contracted for. Unfortunately, however, it has not been possible to overtake completely the heavy damage occasioned by grasshoppers earlier in the year. The spring corn crop was then entirely ruined, a calamity which necessitated temporary importation to the amount of 10,000 tons of corn from neighbouring and the United States. It also meant the impoverishment of many local planters. These latter were unable to find any relief from among the local banks. The fruit trade promises a fairly speedy revival from the depression under which it had laboured, owing partly to smaller crops and partly to a drop in the market value of bananas.

A Copper Exporters' Combine.—A correspondent writes:—Dispatches this week from New York announced that the long-awaited combination of copper producers, to be known as "Copper Exporters, Inc.," had obtained a charter from the State of Delaware and the blessing of the Federal Trade Commission authorising it to function as a combination of copper exporters under the Webb-Pomerene Act. Among the producers associated with it are Rio Tinto, the British Base Metals Corporation, the subsidiaries of the Union Minière du Haut Katanga, as well as "French and German companies." Only the Japanese companies and the Amercian, Miami, hold aloof—the former because they habitually sell their entire monthly output of 6,000 short tons in Japan, and Miami for reasons not disclosed. Of the copper available for world markets, the new group controls probably close to 97 or 98 per cent.; there has never been so complete a cartel as this in the world before. However, that the new organisation is rather a loose one is suggested by the discreet official statement that "an effort will be made to sell direct to consumers, except where conditions make it desirable to sell through distributors." This will be understood to refer to the exception made on behalf of Rio Tinto, which has selling arrangements of its own. Another evidence of discretion not lost upon the apprehensive consumers has been the steady increase in American production since last June, when hue and cry was raised that the companies were deliberately curtailing output. In the seven months to August 1st, primary copper production in the United States amounted to 1,010,924,000 lbs, compared with 996,598,000 in the same period last year, an increase of 14,326,000 lbs, which August and September totals have still further increased, though without touching the somewhat extravagant peak of April and May production. Broadly speaking, American members of the new cartel show a determination to "go good." Nevertheless, the big consumers of copper in the United States are rapidly arming against them. The electrical goods manufacturers, heretofore divided into three different bodies, came together on September 26th in an amalgamation to be known as the National Electrical Manufacturers' Association, with a membership

embracing 270 of the leading companies. The president of the General Electric Company is president of the new association, which, rather pointedly, has established a "division on supplies" with a separate board of governors. This is distinctly serving notice upon one and all that, whatever may happen abroad, the domestic supply must not be trifled with. That, indeed, is the main problem confronting "Copper Exporters, Inc." Under the Webb-Pomerene Act, the association may neither "enhance nor depress" the domestic price of copper. But to stabilise prices abroad without disturbing them at home is not too easy. The combine, one may assume, will walk warily. Manufacturers in Great Britain, Germany, and Italy have already shown a lively interest in the new association, but, even though they obviously do not enjoy as much protection as American consumers of copper do, they should not too hastily assume that they are to be led straightway to the slaughter. For to tell the truth, the metal markets to-day are too speculative for the taste of many manufacturers. Both in the United States and in Europe there is an immense amount of hand-to-mouth buying, and that sort of buying is always accompanied by stories, true or false, of the market being "rigged" this way or that. If the new cartel should lead to a joint organisation, on international lines, of both producers and consumers, then long-time contracts could be made and the present more or less anarchic situation cleared up.

Bolivia and the Tin Boom.—Apart from the evidence of a general revival of economic prosperity in Bolivia, following upon a period of depression occasioned by political unrest, the appreciation in the selling price of tin has beneficially affected several branches of local industry and commerce, writes a correspondent. The unexpectedly good price realised for the white metal has brought, in a greater or less degree, fresh means of expenditure and additional employment to numerous classes of the working community, notwithstanding a temporary suspension of operations at some among the more important mines in the Department of La Paz. At the price level of £200 per ton tin, operations are found profitable; thus, at the present high market value, and with a world's prospective increased demand for a further period, conditions in Bolivia appear to be particularly bright. The greater part of the tin mined, representing between 60 and 75 per cent. of Bolivia's total exports, and therefore forming the source of the greater part of the country's revenue, has been shipped to the United Kingdom; Germany, however, has taken a not inconsiderable quantity of the tin, lead, and silver outputs. The quotations for tin on the London market are watched with the greatest interest at La Paz, and the rise from £270 for July to £313 for September will permit of the expansion of several enterprises in different directions, notably some long overdue railway extensions and road building. Lead remains an unstable market, but in other metals, in silver and its ores, in copper and in bismuth, a pronounced recovery is reported. While many small businesses are still suffering, general conditions of Bolivian trade are satisfactory. The crops have proved better than was at one time expected, and import requirements of flour from the United States and Chile, and of sugar from Peru will decline. The Indian population, largely engaged during the past few weeks upon bringing in the good harvest, are well content; the results of their efforts this year, and their prospects for next season, are the best guarantee for the maintenance of internal peace.

Tin Activity.—Operations in this metal, after having been more subdued towards mid-week, again assumed very large dimensions on Thursday, when prices were run up by £6 7s 6d for cash and near delivery to about £319, despite bear tactics overnight in the New York market, and some little concession in the Eastern markets. Home stocks have remained very low, and the visible supply at the end of this month may easily disclose a renewed small decrease if the very moderate estimates of Straits shipments at 5,500 tons turn out approximately correct. As indicated by the official returns of exports from the Federated Malay States, which amount to 34,194 tons for

the nine months to the end of September, as against 34,986 tons for same period in 1925, production there this year is still disappointing. Sentiment this week was in some degree influenced by the growth of activity in other metals, particularly copper, dealings in which seem like being restored to dimensions more in line with the much larger consumption going on in this metal since the news came to hand on Tuesday this week that the copper producers' scheme, which is to control well over 90 per cent. of the world's production, had received the sanction of the American Federal Trade Commission. Operations by the "American Copper Exporters Incorporated," which is the name of the new concern identified with the control scheme, are expected to be started within the next few days.

Industrial Insurance Premium Arrears.—The Prudential Assurance Company announces that, subject to certain easy conditions, industrial branch policyholders can have the arrears of premiums that have accumulated during unemployment resulting from the coal dispute deducted from the bonus on their industrial branch policies, instead of having to forfeit the benefit of the payments already made, or suffering a reduction in the capital amount of their insurance. The concession will, we imagine, be taken advantage of very widely. Upon re-entering employment the policyholder has his arrears reduced to four weeks, and will only have to meet the regular weekly payments; the outstanding balance will be covered by a suitable deduction to be made when a claim arises. In the case of a with-profit policy this deduction will be made, not from the sum assured, but from the bonus thereon, and as the bulk of the insurances issued by the Prudential are of this description the value of the concession is substantial. The deduction can be cancelled by a suitable payment at any time before a claim arises. Most of those affected by the coal dispute will resume work under a heavy burden of liability, but under this scheme the way has been made easy for them to maintain their policies in force. The company is to be congratulated on this valuable contribution to the solution of the very serious financial problem that will confront so many thousands of miners and others when they once more begin to draw their weekly wage.

Ebbw Vale Notes.—Little surprise has been caused by the announcement of the directors of the Ebbw Vale Steel, Iron and Coal Company to the effect that holders of the company's 8 per cent. seven-year notes, which mature on January 1, 1928, are to be asked to sanction an extension of the maturity date to January 1, 1938. It is further proposed that as from June 30th last interest on the notes shall be payable only to the extent that cash representing net earnings as from April 1, 1926, is available, "net earnings" meaning gross receipts on revenue account after deducting working expenses, cost of maintenance and repairs, allowances for bad and doubtful debts, interest on 6 per cent. mortgage debentures, bank loans and other interest bearing debts, depreciation and debit balances brought forward. The directors point out that the company's iron and steel works and collieries (including those of the subsidiaries) have been standing since May last, "and until the men in the coal trade are back at work and adequate supplies of coal are obtainable there is no prospect of a resumption of profitable operations." In view of the recent condition of the coal and steel trades, the redemption of these notes at maturity was not by any means certain, apart from the coal stoppage, and the noteholders have no option but to accept the situation, which puts them on a footing very different from that foreshadowed in the original prospectus, and which is practically equivalent to that of preference shareholders. That the market did not anticipate redemption of the notes at par at the due date in 15 months' time is indicated by the fact that they have lately been quoted in the neighbourhood of 70.

British Controlled Oilfields.—About a month ago the directors of British Controlled Oilfields issued a very frank statement on the position of the company, which we

discussed in the *Economist* of September 18th. Comment thereon is now offered by the voting trustees of the company in a statement published this week. The two most important points made by the directors were:—(1) That out of \$45 millions of capital, \$30 millions had been lost; (2) that "if it be desired to put this company on to a sound footing, a drastic reduction of capital is essential." The voting trustees take exception to these conclusions. They say: "The necessity for a reconstruction of the company's finances is clearly a matter for the directors to decide, and so far no suggestions have been submitted by them to the trustees for consideration, but on the facts at present available the trustees are unable to agree with the conclusions of the present board or that losses have been incurred as set out in the directors' recent statement." Lord Buckmaster and his colleagues showed, among other things, that in 1919 the company purchased by the issue of \$4,375,000 preferred stock, and \$15,000,000 common stock rights in Ecuador and Costa Rica, which turned out to be wholly invalid. Do the voting trustees deny that statement? Their remark that they are unable to agree with the directors' account of losses sustained by the company needs a good deal of explanation. Between them the two published statements reveal a situation in the constitution of the company which is surely unique in the history of company finance. The shareholders—who are really not shareholders at all, but only "certificate holders"—have no control over the management. Nor, it would appear from their statement, have the voting trustees, for they say that "the management of the company's affairs does not come within the ambit of their powers." This, however, seems to be an overstatement, for under the trust deed they are directed to use their voting power "to the best of their judgment in the interests of the company to the end that its affairs shall be properly managed." It is their function annually to appoint a board of directors, though they were not responsible for the appointment of the first board. Obviously, the whole system is unsatisfactory in the extreme, and the trustees themselves are considering whether the dissolution of the Trust is not desirable. One point of which the voting trustees provide a timely reminder is that the original trustees included important nominees of Ministers, and that the advertised aim was to keep the shares entirely in British hands. This, no doubt carried great weight with the public, who have burnt their fingers in this concern.

Uruguayan Railways.—The report for the year ending June 30, 1926, of the Central Uruguayan Railway, and its extensions, shows that its net receipts have risen by 1 per cent. The year was in many ways unfortunate as the summer was exceptionally dry, and the early winter months have been wet; in the face of this double difficulty the company has done remarkably well, for its increased profit was secured in spite of a rise of 6 per cent. in gross expenditure. Results for the combined system for the past 13 years are summarised in the following table:—

Year.	Gross Receipts.	Expenses.	Profit.	Percentage of Expenses to Receipts.
	£	£	£	%
1913-14	1,103,229	622,727	480,502	56.44
1914-15	946,767	562,684	384,083	59.43
1915-16	1,088,956	669,208	419,748	61.45
1916-17	1,178,602	771,433	407,169	65.45
1917-18	1,542,320	1,010,288	532,041	65.50
1918-19	1,792,804	1,219,680	573,113	68.03
1919-20	1,892,902	1,245,944	646,958	65.82
1920-21	1,879,630	1,504,995	374,635	80.07
1921-22	1,891,302	1,207,917	683,385	63.87
1922-23	1,989,203	1,172,769	816,434	58.96
1923-24	2,102,656	1,252,765	849,891	59.58
1924-25	2,074,710	1,307,709	766,803	63.04
1925-26	2,120,333	1,345,380	774,953	63.45

The rise of 2 per cent. in gross receipts is largely due to increased receipts from goods traffic. Stock products brought in £193,350 (an increase of 10 per cent.), and wool £156,044 (an increase of 20 per cent.). Goods traffic as a whole showed an increase of 2 per cent. at £1,029,761, representing 49 per cent. of the total income. Passenger traffic fell off by 1 per cent., and this is attributed to a

decline in long-distance and first-class passengers; there was a 3 per cent. increase in the number of journeys made; in all it added £460,940 to the income. Live stock traffic totalling £459,648 showed an increase of 7 per cent. Total working expenses were 6 per cent. higher than last year. This increase was evenly spread amongst the permanent ways and works department, repairs to bridges and culverts, running shed staff, wages and rolling stock maintenance. Locomotive expenses were £413,183, an increase of £17,767, but this was reasonable in view of the 6 per cent. increase in train miles. Indeed it represents a rise of only 4.5 per cent., attributable to the lower consumption of fuel and the slight fall in fuel prices. The company now has 106 oil-burning engines, as compared with 89 in 1925, and this left only 11.2 per cent. of the mileage to be covered by coal-burning locomotives. The drought from October to March led to exceptional expenses for water, but this charge should not arise in the future, the company having set about the construction of a reservoir at Nico Perez. Rolling stock maintenance £79,872 shows a decrease of 4.96 per cent. Considerable renewal works were undertaken to cover the arrears of lean post-war years; £324,179 was spent thus, and new capital works were carried out at a cost of £36,503. Separate figures for the main line and the extensions are given below:—

	Gross Receipts.	Working Expenses.	Profit.	Percentage of Expenses to Receipts.
	£	£	£	%
Central Uruguay	1,467,739	1,028,690	439,049	70.09
Eastern Extension ..	329,750	152,011	177,739	46.09
Northern Extension..	171,799	81,604	90,194	47.50
Western Extension ..	151,045	83,075	67,971	55.00

The increase in net profits on the Eastern extension was £7,534, and on the Northern £7,133. On the Western extension there was a decrease of £744. After paying fixed charges and interim dividends on the preference and ordinary shares the main line accounts showed a balance of £148,747. Payment of a final 2½ per cent. on the 5½ per cent. preference shares and of 3½ per cent. on the ordinary shares (making 6½ per cent. in all, as against 6 per cent. last year) absorbs £92,000, and a balance of £56,747 is carried forward. The northern extension paid 6½ per cent., as against 6 per cent. last year, and the Eastern 9 per cent., the same as a year ago.

A Burdett S.O.S.—A correspondent writes: The Burdett Wireless, Limited, to which reference was made in the *Economist* of July 10, 1926, and September 25, 1926, is in a much worse way than the directors have hitherto admitted. Last year, it will be remembered, a large amount of capital was obtained from the public, and the prospectus anticipated profits of at least £60,000 a year. The deferred shares of 1s each rose to over 5s, and then mysteriously began to fall. The reason for the fall was obvious when the first report was issued this summer, for there was no £60,000 profit to record, but, on the contrary, a small loss. At the meeting the chairman did his best to soothe the shareholders, and told them that if only they would behave, if only they would not appoint a committee of investigation, all could yet be well. The shareholders did behave, and their reforming instinct was satisfied by the election to the board of one new director. Last month the directors confessed that they were short of cash, and in spite of a bank mortgage of £50,000 they asked for powers to create a further £50,000 of debentures, powers which the shareholders gave them. But it is one thing for shareholders to agree to debentures being issued, and another thing to subscribe one's own cash for them; and it now appears that the £50,000 has not been provided, the response of the shareholders to the request for subscriptions being "negligible." This is admitted in a most urgent circular sent round this week to the shareholders, who are told that they do not realise the gravity of the position, and that unless another £10,000 is put up by them the company is faced with liquidation. This, then, is the history. In 1925 the company is floated; the public are promised £60,000 a year

in profits; and a very considerable sum of capital is provided. In 1926 all the capital has gone and the company must either scrape together another £10,000 or liquidate. The issuing house responsible for this calamitous flotation is Close Bros. and Co., of Moorgate street, which has retained, and still retains, a more or less intimate connection with the company's management, and cannot dissociate itself from the disaster. Is it too much to suggest that the issuing house which offered this venture to the general public, and the directors whose management has brought the company to the edge of the precipice, have a moral liability which they have not so far discharged? That the shareholders are shy of sending good money after bad is natural enough; but if the directors are as certain of the security offered as they pretend to be, let them, in conjunction with the issuing house, at once back their opinion and do something towards redeeming their failure by taking steps to find the required new capital.

Electrolytic Zinc.—Our mining correspondent writes:—The cabled summary of the report to June 30th shows a further, albeit modest, expansion in the average daily output of zinc, this figuring at 128 tons, as against 126½ tons for 1924-25. But while the zinc production at 46,580 tons represents only a small increase, the yield of lead totalled 8,000 tons, as against 7,030, and silver 1,179,000 ounces, in place of 929,500. After the transfer to reserve of the slightly enhanced sum of £145,000, the net profit figures at £553,000, as compared with £510,100. In respect of 1924-25, 11½ per cent. was paid on the preference and ordinary shares and 6 per cent. on the deferred ordinary shares. For last year 12 per cent. has been disbursed on all classes of capital. Liberal allowances have again been made to reserves and for special outlays, leaving the increased balance of £182,700 to go forward, subject to the final dividends. A satisfactory account is given of the operation of the superphosphate plant and of the company's proceedings generally. On the basis of last year's dividends, the participating preference shares—the ones chiefly dealt in on the London Stock Exchange—show a yield of 6½ per cent.

Transvaal Gold Output.—The gold output of the Transvaal mines during the month of September, 1926, amounted to 839,939 ounces of fine gold, as compared with 843,854 ounces in August. The amount produced during the month of September, 1925, was 797,247 ounces. The following table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
January..	Fine Oza. 670,503	Fine Oza. 661,593	Fine Oza. 639,728	Fine Oza. 764,469	Fine Oza. 796,768	Fine Oza. 823,692	Fine Oza. 796,270
February..	625,330	558,137	639,728	704,970	760,617	753,925	753,324
March ..	707,036	671,123	761,586	761,586	796,671	825,479	834,540
April	686,979	681,362	511,338	743,651	768,923	813,249	803,303
May	699,041	687,776	829,786	786,564	809,003	813,249	852,145
June	715,967	676,490	675,697	755,309	773,053	780,251	860,134
July	736,099	689,555	730,635	754,306	829,437	818,202	843,854
August ..	702,083	711,526	752,490	769,371	805,571	808,218	839,939
September	682,173	691,026	747,089	739,504	799,422	797,247	743,123
9 months..	6,225,201	7,020,608	4,986,763	6,779,730	7,152,465	7,207,782	7,433,123
October..	662,472	707,825	778,159	793,842	827,583	812,832	..
November	633,737	704,926	764,476	780,639	802,313	787,635	..
December	632,215	681,847	790,712	778,849	825,273	791,455	..
Total	8,153,625	8,114,516	7,020,110	8,133,060	9,597,634	9,599,702	..

The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Dec., 1925.	Mar., 1926.	Apr., 1926.	May, 1926.	June, 1926.	July, 1926.	Aug., 1926.	Sept., 1926.
Gold mines	166,385	181,204	183,828	183,905	183,092	182,262	184,032	185,063
Coal mines	16,606	16,190	16,212	16,246	16,448	16,848	16,827	16,782
Diamond mines ..	3,705	5,957	5,834	5,766	6,054	6,099	5,818	5,500
Total	186,696	203,351	205,874	205,917	205,594	205,009	206,677	207,345

The number of natives employed in the gold mines has increased, but there is a further decline in the number employed at the diamond mines.

THE fifteenth annual conference of the British Commercial Gas Association is to be held in Newcastle-upon-Tyne on Monday, Tuesday, and Wednesday, October 25th, 26th, and 27th, under the presidency of Mr John E. Cowen, J.P., who is prominently associated with several important colliery and steel undertakings in the North.

A SERIES of lectures on South African trade will be given at the City of London College, White street, Moorfields, E.C. 2, on alternate Mondays in October and November, commencing on October 18th, at 5.30 p.m. On that date Dr Bruwer, of the South African Delegation to the Imperial Conference, will give a lecture on the "English Market for South African Commodities." Other lecturers are A. Canham, Esq., the late Trade Commissioner; W. Cullen, Esq., LL.D., and E. H. Clifford, Esq.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET BREAK—BUSINESS CONDITIONS—JUDGE GARY—MONEY AND COMMODITY PRICES—FRENCH FINANCE.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 5.

At the moment considerable attention is being given to a break in the share market, more particularly because of the fact that the market has held within a narrow trading range for nearly two months. With the market "making a line" for such a period, traders have been keen to see on which side a new trend would break out. Toward the end of last week the bull party made a fairly pretentious attempt to carry prices through the upper limit of the trading range. Little public participation was, however, attracted, and the effort failed. During the past two days a rather large volume of selling developed, and the market looked weaker than for some time. The weakness was shared by rails and industrials, and transactions to-day reached the two and a-half million share mark. Meanwhile, the statistics on brokers' loans tabulated by the Federal Reserve Bank show that the total increased some \$50,000,000 in the week ended September 29th, a circumstance that was interpreted in some quarters as indicating further distribution from strong to weak hands. At \$2,813,000,000 the brokers' loans were \$404,000,000 above the low of May, and \$328,000,000 below the high of January. Traders still are waiting to see what the trend will be. The reaction is rather more impressive than its predecessors of the past eight weeks, but has not gone far enough yet to really unsettle confidence.

Very little change has become apparent in the industrial and business situations. The steel industry still is operating at approximately 85 per cent. of capacity, and prices remain steady. Judge Gary, of the United States Steel Corporation, granted an interview to the newspaper men to-day in which he declared that prospects for the steel and industry, and for general business, were excellent both for the remainder of this year and for next year. The Judge let the journalists understand that the unfilled orders of the corporation would show a moderate increase for September. It will be recalled that a small decrease occurred during August after July had shown the first increase since the previous December. Asked whether the corporation was likely to increase its dividend, or to declare an extra dividend, the judge said that with a view to meeting severe competition, it would be unwise to put the corporation in a position where it could be overwhelmed. He added that "It won't be so very long before I will be off the board anyway, but while I am connected with the corporation's business I don't want to do anything that might jeopardise the business of the corporation." He declined to enlarge on his reference to his membership on the board other than to say that it "didn't mean anything at the present time." Rumours have been circulated several times during the past year to the effect that the Judge intends to resign, but these rumours have been discredited among his close friends.

The movement of money rates over the month-end has been in line with expectations. The call rate on the Stock

National Bank of Commerce in New York

Chairman of the Board
JAMES S. ALEXANDER

President
STEVENSON E. WARD

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Surplus \$35,000,000
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Exchange firmed up to 6 per cent. on September 30th, the October 1st interest and dividend disbursements amounting to about \$500,000,000. To-day the Stock Exchange rate dropped back to 4½ per cent., which probably is too low. Meanwhile, time money has firmed up to a 5 to 5½ per cent. basis. A moderate firming at this season has been expected, but Wall Street now feels that a further increase in the Federal Reserve Bank's discount rate is not imminent. This belief is based partly on the decline in speculative activity on the Stock Exchange, and partly on the theory that the foreign exchange and domestic commodity price situations favour a passive rather than an actively restrictive attitude on the part of the Federal Reserve authorities. Incidentally, the first of the commodity price indices to reveal the September movement, that of Bradstreet, shows a gain of 0.7 per cent. in the average level, this following a gain of 0.4 per cent. in August that ended a decline that started in the previous December. The September gain was due principally to rallies in breadstuffs and livestock. The movement among industrial commodities was distinctly irregular. Continued weakness in cotton, which carried the December delivery below 13 cents, has caused misgivings with regard to the basis for prosperity in parts of the South. If the present price level prevails many of the growers are likely to suffer a loss on the year's operations. However, it is pointed out that some compensation should be derived from the stimulus that low prices should give to cotton goods consumption. The textile mills have been feeling the need of such a stimulus for several years.

Cables from Paris reporting the French reaction to the Briand-Stresemann conversations, have been examined carefully by our bankers. As there is little prospect that any German railway bonds can be sold in this market at this time our bankers hope that the French Government will not be distracted from the need for prosecuting energetically the programme of financial reform and monetary stabilisation. It is realised that as memories of the last big slump in the franc grow dim Poincaré's task becomes more difficult. It also is noted that some reports suggest

that the French Premier seems inclined to bargain for a large loan on the railway bonds against ratification of the Mellon-Berenger agreement. This brings to mind what seems to Americans a curious French tendency to regard debt ratification and franc stabilisation as measures that in some way constitute a favour to America for which France should have compensation. The matter is, of course, regarded here in quite a different light. Our view is that the French will be by far the chief gainers by ratification and stabilisation, and that they will be the chief sufferers from a failure to ratify. In fact, our bankers fear that unless the French Government makes good progress in putting into effect the report of the committee of experts, it may face another difficult period for the franc.

FRANCE.—POLITICS—ALLIED DEBTS—BUDGET—COAL, IRON, AND STEEL—PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, October 13.

It now appears to be settled that the Chambers will re-assemble on November 4th, and there is some reason to believe that the coming session, which at one time promised to be exceptionally uncertain in its developments, will pursue its normal course in an atmosphere of confidence and persistent serious effort to place the nation's finances on a sound basis. Deputies and Senators have found, while in contact with their constituencies, that public opinion is little disposed to tolerate any attempts to revive the sterile party quarrels that characterised the last and several previous sessions, and that undoubtedly cost the country dear by accelerating the disastrous fall in the franc that may be said to have begun with the victory of the Cartel des Gauches at the last general elections. Fear of the elector undoubtedly prevented the imposition of adequate taxation for a period of over two years, and the general loss of confidence, through threats of confiscatory legislation brought the Treasury to within an ace of bankruptcy last July, as was frankly admitted by M. Painlevé in his remarkable speech last Sunday. The next general elections are now within measurable distance, and fear of the revenge of the electors in the near future is now proving the beginning of wisdom in the minds of a large proportion of the Deputies on whom responsibility for the disastrous results of the Cartellist policy must be laid. The fiasco that has attended the effort of a substantial number of Radical Socialists to intimidate the Government into withdrawing its plans for the reform of the judicial system is significant, and foreshadows that M. Poincaré and his colleagues will have little real difficulty in securing the ratification by Parliament of the work they have already done.

The question of Allied debt settlement still dominates the situation, but here again there is ground for believing that the outlook is now considerably brighter. Exactly what reasons brought about the almost sudden conversion of the Government last week, and induced the Cabinet to decide to support the ratification of the Bérenger-Mellon agreement, is not clear, but it is now apparently practically certain that, with or without "reserves," ratification will be accorded before many weeks have passed. The question will not be formally raised, it is understood, either through diplomatic channels or otherwise, until the American elections are over at the beginning of November, but there is no doubt informal *pourparlers* are already in progress between Paris and Washington, and that a settlement that will, in the result, be more favourable to this country than the agreement suggests will be reached in the near future. The fact that France has already begun to make payments under the Washington agreement (as also under the Péret-Churchill agreement) is suggestive.

M. Poincaré a few days ago communicated his Budget plans for 1927 to the Finance Commission of the Chamber, which has already begun considering them. The draft of the Budget foreshadows a total revenue of 39,960,481,480fr., and expenditure amounting to 39,349,274fr., thus forecasting a surplus of slightly over 700 millions. These totals, as might be expected from M. Poincaré, are based on realised facts as to revenue, and he has been careful not to follow the example

set by more than one of his recent predecessors at the Ministry of Finance, who inflated their revenue estimates by allowing therein for possible increased returns from existing sources that were not always realised. Colossal as M. Poincaré's draft estimates are, they yet do not comprise the whole of the fiscal effort that France will be called on to make during the coming year. The expenditure on and the revenue from the tobacco monopoly and the interest and redemption services connected with the National Defence Bonds, which were formerly included in the Budget estimates, will in future be left out of account and dealt with entirely separately by the new autonomous Caisse d'Amortissement. But for this modification the total estimated expenditure would not be a shade under 40,000 millions, but about 43,000. Another omission concerns the maturity of 3,018,000,000fr. of 6 per cent. 1922 Credit National Bonds, which fall due for redemption or renewal (at the desire of the holders) next February, and of 4,587,000,000fr. of 3 and 5-year 1922 Treasury Bonds, which become due on September 25th next. M. Poincaré has purposely omitted from the expenditure side of his Budget this heavy extra total of over 7,500 millions, on the ground that there is no reason to believe that holders will demand repayment to anything like this sum, and that "anxious as we are to extinguish the public debt in masses, it would not be wise to impose on the national wealth a burden that would be susceptible of compromising its development."

The draft Budget for 1927 provides for debt reduction totalling 8,174,000,000fr., made up as follows:—

	Francs.
Debt redemption inscribed in the Budget	3,132,965,118
Contribution towards redemption of foreign debt maturing in 1927, drawn from receipts from the Dawes Plan	1,542,000,000
Debt redemption by means of the resources delegated to the Caisse d'Amortissement	3,500,000,000
	8,174,965,118

"We have," M. Poincaré states, "the unshakable determination henceforward to put on one side all question of appealing to the Bank of France to meet the needs of the State." He also insists that the Government is determined to pay off as rapidly as possible the debt owing by the State to the Bank.

Coal production figures for August, which are now available, show that the total output during the month (26 working days) was 4,364,831 tons, as compared with 4,381,366 tons during the same number of working days in July. The average daily output was 167,878 tons (with a total of 312,363 miners), as compared with an average of 136,147 tons in 1913 (with a total personnel of 203,208) 121,064 tons in January, 1923, 144,680 tons in January, 1924, 160,445 tons in January, 1925, and 170,048 tons (with a personnel of 315,204) in January, 1926. The total output during the first eight months of 1926 was 34,223,936 tons, corresponding to a total annual output of 51 million tons, against 48 millions in 1925 and 45 millions in 1924. The Nord and Pas de Calais coalfield during August had a total average daily output of 105,979 tons, or 14,682 tons a day more than in 1913. The average daily production from the collieries within the old French frontiers in August was 151,733 tons, or 15,585 tons more than the daily average before the war. The Lorraine collieries brought into France as the result of the war yielded a total of 16,145 tons a day. The total production of metallurgical coke during August was 322,303 tons, or 75,000 tons more than the average monthly output in 1913.

The monthly returns issued by the Comité des Forges show that during August there was an appreciable increase in the output of iron and a similar fall in the production of steel, as compared with the previous month. The total output of iron was 813,503 tons, as compared with 791,542 tons in July, while the output of steel was 704,447 tons, as against 718,109 tons in July. The number of blast furnaces in operation was 153. The total output of iron during the first six months of the year was 4,570,092 tons, as against 4,090,990 tons (equivalent to an increase of 11 per cent.) during the corresponding period of 1925, and of steel 4,060,715 tons, as against 3,567,367 tons (or an increase of 14 per cent.) during the first half of 1925.

The Minister for Agriculture has settled the controversy that has been prevailing for some weeks as to the amount of shortage in this year's wheat harvest by publishing the following official estimates (in quintals) of the 1926 crops:—

	1925.	1926.
Wheat.....	89,904,820 ..	67,659,730
Rye.....	11,090,750 ..	8,461,080
Meslin.....	1,239,320 ..	1,112,980
Barley.....	10,267,810 ..	11,760,450
Oats.....	47,558,070 ..	61,283,150

The Minister states that the flourmills since the beginning of September have been overwhelmed with old wheat, and about 4,000,000 quintals of foreign corn have been imported under the special measures recently taken by the Government. A saving of between 7,000,000 and 8,000,000 quintals of grain will be effected by the compulsory use of 10 per cent. of wheat substitutes in breadmaking flour, and an increase in yield will be effected by the imposition of a rate of extraction equivalent to 77 kilogrammes per hectolitre, as against 75 kilos in the past. The Minister therefore estimates that the total shortage will not be more than about 12,000,000 quintals. It should be mentioned that the area under wheat this year was 5,462,790 hectares, as against 5,613,840 in 1925.

The index figure for wholesale prices at the end of September, which has now been issued by the Statistique Générale, is returned as 804, as compared with 785 in August, 854 in July (which constitutes the record high figure), 646 at the end of December, 1925, and 567 at the end of September last year. The detailed comparative figures (based on 100 as representing the index figure in 1914 for 45 commodities, of which 20 are foodstuffs and 25 industrial materials) are as follows:—

Nature of Articles.	Number of Categories.	Index Figures at End of		
		July.	Aug.	Sept.
General index figure.....	45	854	785	804
Products of French origin	29	733	722	743
Do foreign origin	16	1,074	902	912
Foodstuffs (general figure)	20	703	672	706
Vegetable foodstuffs	8	788	745	801
Animal foodstuffs	8	552	544	554
Sugar, coffee, cocoa	4	861	804	846
Raw materials (general figure)	25	985	885	889
Minerals and metals	7	1,025	919	941
Textiles	6	1,147	940	939
Various	12	863	831	827

The dissection of the 45 commodities into categories, according as they are of native or foreign origin, is a new feature of this return, which is eloquent as to the repercussion of the exchange situation on prices. The index figure of retail prices in Paris at the end of September is returned as 590 (a rise of three points on the month), as compared with 431 in September, 1925, and 408 in January, 1925 (since when it has been steadily rising). The Belgian figure for retail prices at the end of September was 684 (as against 637 in July), and the Italian 660 (as against 654).

GERMANY.—ANGLO-GERMAN TRADE NEGOTIATIONS—TRUSTS—CREDIT—LABOUR—AGRICULTURE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, October 12.

THE unofficial Anglo-German trade conference has excited great interest here, and has tended to increase the prevailing optimistic sentiment about the business future. It causes no surprise, however, that the communiqué issued by the holders of the conference should be couched in very general terms, and should emphasise the desire to improve European trade conditions rather than the possibility of international co-operation by specific industries or groups of industrial concerns. In spite of the formation of the International Steel Cartel, or perhaps because this Cartel, though in a relatively favourable industrial branch, came into existence only after prolonged and difficult negotiations, the German business public has not very much confidence in international agreements for the improvement and protection of particular industries. It is remarked that the German and British dyes industries,

though in both countries practically controlled by single concerns, failed after years to come to a definite agreement; and it is not believed that such diversified and weakly organised branches as textiles, to mention only one domain of Anglo-German competition, could possibly agree upon a common policy. The position with coal is more promising owing to the nature of the commodity, the proved possibility of national organisations, and the fact that only a few countries play in this branch any considerable rôle; but here, as in steel, the lack of a central British organisation, armed with authority, remains the obstacle. The traditional and practical obstacles in Great Britain against national organisations of individual industries are fully appreciated here; they are, indeed, often represented to be factors of strength in British trade. If in Germany such organisation is not so difficult, it is not quite as easy as might be inferred from the existence of the well-advertised coal, steel, and potash syndicates. After the war (as, indeed, before it in the potash branch) the State had to take a hand; and the last renewal of the coal syndicate was made possible only by State compulsion upon outstanding concerns to join. Complete national organisations for all industries were a chief feature of the semi-Socialistic "Plan-Economy" associated with the name of the former Ministry of Industry Wissell; but this comprehensive and symmetrical plan was abandoned.

The prevailing German view is that national industrial organisations can in general only be created by State intervention and compulsion, and nobody expects this from Great Britain after, with certain exceptions, it failed in the more favourable soil of Germany. Without national organisations, it is assumed, there could be no binding international agreements, and without such agreements there could be no co-operation, abstention from competition, division of markets, or regulation of output or prices. While less competition might appeal to single industries and industrial concerns here, as in Great Britain, there would be no general support for the theory that it would conduce towards the amelioration of European industrial and labour conditions. As less competition seems to promise an abatement of the political antagonism associated in the past with the struggle for markets, the "Week-end at Romsey," as it is called here, has had a good sentimental effect on Germans; but it is harder for them to think of non-competitive business than to think of competition dissociated in the public mind from antagonism.

The trade Press here inclines to attribute the conference to reviving British fears of German economical predominance; and figures are published to show that in the industries immediately concerned Germany has of late gone ahead. That is certainly true as regards coal, the metal industries and dyes, and of late the German export of textiles has greatly increased. Germany, however, has at least as strong motives as Great Britain for maintaining cordial relations and for preventing competition, if that is possible, from taking acute demonstrative forms. German industry will soon want more capital, and it does not like being wholly dependent upon the United States. Certain industries have been badly hit by British safeguarding of industry, and these fear an increase of Protection in England. The Reparations question, it is realised, must come up again, even if the present provisional settlement does not break down within its term of years. Industrial and trade conditions must be the basis of any definitive Reparations settlement; and Germany might lose considerably if when the time comes her relations with England, which will probably be governed by trade interests, were bad. Hence any concrete developments of last week's conference would be welcomed here; but it is not clearly seen what the developments would be.

The coal situation continues to be favourable. An actual shortage exists, and coal from the Ruhr sent to the Upper Rhine has been brought back for shipment from Rotterdam. The average output of the last weeks keeps around the high level of August. Coal exports in August totalled 3,973,743 metric tons; in the months January-August 16,683,605 tons, against 13,645,850 tons in all 1925, and 2,795,090 tons in all 1924. Exports of iron and steel and goods thereout (excluding machinery) in January-

August totalled 3,436,880 tons, against 3,548,773 tons in all 1925, and 1,955,110 tons in 1924. Exports of pig-iron, tubes, and wire show considerable rises. Imports of iron and steel and wares thereout (except machinery) totalled 693,383 tons in January-August, against 1,448,577 tons in all 1925, and 1,324,011 tons in 1924. The trade balance in this branch has greatly improved. Exports of dyes this year will show a considerable increase over those of 1925. Figures are:—1926, January-August, 95,896 metric tons; all 1925, 125,358 tons; 1924, 92,684 tons; 1913, 217,697 tons. Exports to Great Britain and the United States are still only a fraction of the pre-war, but those to the Netherlands were 14,659 tons in January-August, 1926, against 8,104 tons in all 1913, and those to Sweden and Russia have also increased. The Dyes and Nitro Trust is negotiating further large sales to Russia. Negotiations are under way for a fusion of the six leading watch and clock concerns. This industry concluded a price-regulation convention in 1918, which has lapsed. A table-glass syndicate is also being considered. About half of the table-glass industry (measured by output) is already organised in a Rhenish-Westphalian syndicate, and two smaller syndicates exist. Reports as to further coming domestic and international trusts or cartels may be taken with reserve. One such report speaks of a Franco-German aluminium cartel, another of an international electrotechnical cartel. The earlier story of a German domestic electrotechnical trust has been denied, although at the last congress of this industry some form of combination was recommended by leading speakers.

Money again became cheap at the beginning of this week. The day money rate fell to $4\frac{1}{2}$ per cent. In general the quarter-end disturbance was overcome more slowly than usual. The private discount rate has been reduced (for 56-90 days) to $4\frac{1}{2}$ per cent., but remains unchanged at 5 per cent. for shorter terms. In this branch of credit very little business is done. The disparity of interest rates inclines the commercial banks to grant current account credits. The Rentenbank's return for September 30th shows circulation of 1,496,854,485 Rentenmarks, against 1,498,521,873 Rentenmarks one month earlier. Since the coming into force of the liquidation law, 583,324,098 Rentenmarks have been withdrawn from circulation. Circulation of all currencies on August 31st was 5,304 million marks, against 5,281 million marks one month earlier. The volume of outstanding credits from the Reichsbank, private note banks, and Rentenbank, on August 31st was 2,040 million marks, against 1,969 million marks one month earlier. Mortgage credits show considerable development, the circulation of mortgage bank bonds having risen by 380 million marks in the first half of 1926. Mortgage money is still, however, relatively hard to get. On city real estate is seldom lent more than 50 per cent. of the present much-shrunken value, and the interest, including various commissions and charges, is 9 per cent. or more. Bourse rumours of fusions among the leading commercial banks circulate. It is believed that these rumours are unfounded, but that negotiations have been going on for some sort of arrangement tending to reduce administration costs, which are stated to be higher than those of similar banks abroad.

The official wholesale prices index, on the 6th, was 128. The lowest monthly index figure of 1926 was 118.3, reached in March. The *Frankfurter Zeitung's* monthly index shows for September 30th (100 in 1913) 127.27 for manufactured goods, against 126.90 on August 30th. This is the first rise after a long drop from 141.07 on December 31, 1925 (high point 143.79 end of April, 1925). Labour Ministry statistics show only 72 strikes in the first quarter of this year, against 332 in the corresponding period of 1925; number of employees affected, 18,448, against 129,033; working days lost 277,529, against 1,095,390. Lock-outs numbered 9, against 50; number of working days lost 282,809, against 432,797. The most numerous strikes were in the wood and building industries. Since the beginning of the industrial revival there have been some signs of Labour unrest. The Hansa Shipping Company has decided to double its capital, from 16 to 32 million marks. This concern, with 250,000 tons shipping, comes third among German shipping companies.

The yield per area of the chief crops, oats excepted, is

reported at considerably less than last year. Yield per hectare in double-centners (1-10th metric ton) of winter-wheat was 19.1, against 21; winter rye, 15.9, against 17.2; spring barley, 17.3, against 17.5; oats, 18.9, against 16.2. The area under the chief crops (in 1,000 hectares) was:—

	Present Area.				
	1913.		1925.		1926.
Winter wheat	33,201	....	29,761	....	27,788
Winter rye	94,534	....	79,650	....	73,985
Spring barley	28,701	....	22,819	....	22,911
Oats	76,803	....	55,845	....	65,696

The total yield of bread cereals is estimated at 732,400 metric tons less than in 1925; that of fodder cereals at 1,006,300 tons more.

Stocks had a moderate rise last week, and yesterday and to-day were very active and firm. The home public has re-entered the market, and yesterday saw considerable foreign buying. The *Frankfurter Zeitung's* stocks index for October 9th (100 at beginning of 1925) shows 120.86, the highest of the year, against 58.31 on January 2nd. The English trade conference had a stimulating effect. Most of the inactive stocks, hitherto neglected by speculators, have had considerable rises. Dyes Trust (Farbenindustrie) to-day reached 315, and some of the other speculative stocks have passed their highest points of August.

GREECE.—THE SALONICA EXHIBITION—ITALO-AMERICAN SYNDICATE—REVENUE RETURNS—MILITARISM—FOREIGN EXCHANGES.

(FROM OUR CORRESPONDENT.)

ATHENS, October 9.

THE first International Exhibition of Salonica was officially opened on October 3rd. Various foreign countries participated, and it is generally considered here that the exhibition constitutes a first step towards better relations among the Balkan States, and, consequently, a contribution to international goodwill and peace.

Cable despatches from Rome recently announced the foundation of an international syndicate by a group of American and Italian banks and industrial companies, and a Greek bank. It is understood that the initiative of this enterprise is due to Mr Gianini, an American banker of Italian descent, who represents the Bank of Italy of San Francisco, and other affiliated institutions, and Mr Loverdos, general manager of the Banque Populaire in Athens. The latter, in a statement to a Press representative, said that the purpose of the syndicate is the carrying out, on a large scale, of public utility works in Greece, such as road construction, drainage, port, railway and other kindred works for the development and exploitation of the national wealth of Greece. The necessary capitals will be furnished by the members of the syndicate which will start with an initial capital of £3,000,000. How far these somewhat pretentious schemes will be realised it remains to be seen. They have met with a cool reception, both for economic and political reasons.

Returns of Government revenue for the first four months of the current financial year give a total of 9,209 million drachmae. Unfortunately, no figures exist for the expenditure of this period. According to the original estimates, the Budget should balance. While, however, revenue is falling short of estimates, there is no indication of a similar reduction in expenditure. Nor could such a decrease be expected, in view of the high level of foreign exchanges, and the increasing cost of living. In the Budget the amount required for the service of the public debt in gold was estimated on the basis of Drs. 370 to the pound sterling, with a reserve of Drs. 150,000,000 against a possible rise of the exchange. However, exchange on London has been fluctuating for several months between 400 and 450 drachmae. On the other hand, the cost of living has continued its upward movement, having risen from 1,673 in January to 1,832 in September, the basis figure being 100 for 1914.

But for the dictatorship of General Pangalos, the economic and financial situation of Greece would have been better. From a comparative statement of the budgets of various countries, published some time ago in the *Economikos Tachydromos*, it is clearly shown that

Greek military and police expenditure is double the average amount spent by other European countries in proportion to their Budget revenue. According to ex-Premier Mihalacopoulos, the administration of the army is suffering from swollen staffs. The Greek army includes over 6,500 officers—that is, about the same number as the Yugoslavian army, though the population of Yugoslavia is nearly twice as large as that of Greece. The navy list includes 47 admirals in retirement, the total number of retired officers being greater than that of those in active service by 50 per cent. There are also 150 generals on the pension list, most of whom are not only capable officers, but also sufficiently strong for active service. Eloquent as these figures are, they show only a small part of the incalculable harm, moral as well as material, thus far done to the country by militarism. It is a general wish of the people that the army should refrain in future from mixing in politics. And it is hoped that the forthcoming elections, by restoring parliamentary government, will put a definite end to a state of things that was pushing the country to the edge of a precipice. The optimism created by this anticipation is reflected in the rates of foreign exchanges, which, as the political horizon is getting more clear, are gradually improving. Exchange on London fell yesterday to Drs. 394, and declined further to-day to Drs. 385.

CANADA.—THE NEW MINISTRY—CROP POSITION—GENERAL BUSINESS CONDITIONS—WHEAT POOLS—THE FISHING INDUSTRY—THE STOCK MARKETS.

(FROM OUR CORRESPONDENT.)

OTTAWA, October 4.

Now that the general election is over and a Ministry which commands a good working majority in the House of Commons is established in power, the country is prepared to give it a fair trial, and looks for skilful and courageous treatment of some pressing problems. For his Cabinet Mr Mackenzie King has relied chiefly upon the personnel of his former Administration, most of whom go back to their old portfolios. From Ontario he has brought in two good recruits—Mr Malcolm, a furniture manufacturer, who becomes Minister of Trade and Commerce, and Mr Euler, an editor, who will undertake the house-cleaning of the Customs Department; both are competent politicians and generally trusted, but both are also avowed high Protectionists, and will strengthen that wing of the Cabinet. If a seat can be found for him, an even better recruit will be brought in as Minister of Defence in the shape of Colonel J. L. Ralston, of Nova Scotia, an able lawyer with a fine war record. But it is not clear from his public record why Mr Heenan, the new Minister of Labour, was selected for this particular post; while in the case of the all-important portfolio of Minister of Immigration it is to be surmised that the appointment of Mr Forke was primarily dictated by the need of ensuring the allegiance of the Liberal-Progressive group. The Department of Finance will once more be in the hands of Mr J. A. Robb, whose skilful exposition of his last Budget's merits played no small part in the Liberal victory; he is popular with all classes, and commands the confidence of the banking and commercial community.

The Government has created some consternation by cancelling a series of contracts into which the Meighen Ministry had entered, including a large new hotel for the Canadian National system at Vancouver. It takes the ground that the Meighen Government had no legitimate status, and was incapable, therefore, of making valid contracts; but it is understood that various parties who have suffered by the cancellations intend to test the question in the courts. This week Premier Mackenzie King and his Minister of Justice, Mr Lapointe, are leaving to represent Canada at the Imperial Conference, and as the Opposition has promised to give every accommodation for the smooth conduct of public business it is now thought that it will not be necessary to call Parliament before December, or perhaps until after Christmas.

There is still considerable anxiety about the fate of the Western grain crop. The weather throughout the greater part of September was very unfavourable for harvesting

and threshing operations, and although it turned fine during the latter half of last week and outdoor work was resumed in many districts, winter is now perilously near, and a very large quantity of grain is still standing in the fields. Moreover, the unthreshed grain has suffered a good deal of damage through sprouting and bleaching, and, although it will be impossible to ascertain the exact amount of loss incurred until the grain is actually threshed, it will run into millions of dollars. Eastern Canada has also been experiencing an excessive rainfall during the past month, and there has been a substantial deterioration in the quality of the yield of many crops. As a result the impression now prevails that while the quantity yield of the field crops of 1926 will be quite satisfactory, the monetary returns to the farming community are likely to be less than in 1925, and as a result there may be some recession of business activity during the winter.

At present, however, both wholesale and retail merchants report a satisfactory volume of business, and most of the major manufacturing industries are operating well up to capacity. The cotton industry has been well provided with orders, and the new price-lists which have just been issued show reductions ranging from 5 to 7½ per cent. The boot and shoe industry, which has been hampered by labour troubles and irregular prices, is reported to be working now on a better basis; hide and leather markets have both become firmer, and some tanners of sole leather have orders in excess of their capacity. The production of motor vehicles, although now showing the usual seasonal decline, established a new high record for the first half of the year. The woollen and worsted goods business is still passing through a difficult period, but wool prices are now firmer, and there has been some improvement in the volume of orders. A renewal of equipment buying by the railroads and the greater activities of the farm implement and motor industries are enabling the iron and steel plants to fare better than they were doing at the parallel date in 1925, and although the building boom has slackened off, there is still a fairly good demand for construction steel.

The problem of export markets for farm produce is still causing some difficulty. The European demand for grain is of a very fluctuating character, but some 60 steamers are under charter to take out grain before the St. Lawrence navigation season closes. There has been some slight betterment in the export and domestic demand for flour, and also in the export movement of cheese, but up to date the shipments of the latter commodity are still 100,000 boxes below the corresponding figure for 1925. However, the pulp and paper industry, whose career of progressive expansion still goes on, is helping to maintain the export trade figures at a very satisfactory level; of newsprint alone the output of Canadian mills for the first seven



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months of 1926 is estimated at 1,056,790 tons, which is a gain of more than 22 per cent. over the figure for the corresponding period of 1925.

The co-operative wheat pools in the prairie provinces are still flourishing, and will this year again control the disposal of at least 60 per cent. of Canada's wheat crop, besides a large quantity of coarse grains. Last year preliminary steps were taken for an extension of the principle of producers' pools when representatives of the Canadian wheat pools met in conference at St Paul, Minn., with delegates from similar organisations in the United States and Australia. Now Mr H. W. Wood, the president of the Alberta wheat pool, is in Australia conferring with the leaders of the pool movement there, and he has given an interview in which he asserts that, if the wheat-growers of Canada, Australia, the United States, and Argentina, controlling as they do the greater part of the world's exportable surplus of wheat, can only organise themselves in an international pool, they can ensure the orderly marketing of their product and achieve great benefits for themselves. A director of the Saskatchewan wheat pool is on a similar mission in Argentina, and announcement has been made that on March 16th of next year there will be held an international conference at Kansas City, at which the whole question of co-operative marketing will be discussed and an exchange of opinions will take place on such subjects as crop reporting, contract renewals with farmer members, elevator systems, &c. It is also the intention of the promoters of this conference to issue invitations to representatives of Russia and India.

The fishing industry plays an important part in the economic life of Canada, and, taken all round, the catch for the year is satisfactory. The annual salmon pack in British Columbia is now far enough advanced to ensure canners a profitable year, and the total pack of all grades may just exceed the total for 1925. On the Atlantic seaboard the bank fishermen have fared well, but the shore fishermen have had to be content with light catches. The lobster catch is about the same as in 1925, and the market in Britain has greatly improved. The Newfoundland fishermen have had in recent weeks large catches of cod, and there is a strong demand in the United States for both refined and common cod oil, prices for which are keeping high. Generally speaking, fishermen regard prices for fish as poor, and are inclined to hold their catches rather than sell at present.

The stock markets have had spells of activity varied by intervals of dullness, but there is still a steady demand for the better class of power and pulp and paper stocks. In the bond market a firmer tendency in the Dominion tax-free issues has been visible.

JAPAN.—BUDGET SURPLUS—EARTHQUAKE RECONSTRUCTION—AUGUST TRADE RETURNS—COMMODITY PRICES.

(FROM OUR CORRESPONDENT.)

TOKIO, September 10.

THE national accounts for the fiscal year closed March 31st, which were published on August 25th, disclosed a surplus of 546,383,000 yen, the revenue amounting to 2,071,371,000 yen, and the expenditure to 1,524,988,000 yen. This shows an increase of 490,909,000 yen in comparison with the original estimate for that year, but a decrease of 56,019,000 yen with that of the previous year. Tax revenue and receipts from Government enterprises reveal a substantial increase; income-tax produced 24.9 million yen more than in the year 1924-25, though it was largely offset by the shortcomings of Customs and Excise, while the receipts of Post Office and State monopolies were respectively 39.8 and 4.7 millions higher. On the expenditure side there was an all-round decline in departmental expenditure, a total decrease of 205,106,000 yen, as compared with the estimates for the year, and of 100,035,000 yen with the previous year. This is mainly accounted for by economy in Civil Services and the retarded progress of the reconstructional works in the earthquake-damaged districts, while the fighting services also have not spent so much as they asked for. Despite the

huge surplus of 546 million yen, however, as 339.5 millions has already gone to the current year, and some 130 millions has been otherwise earmarked, only 70 or 80 millions can be available for the next fiscal year against the new charges of 230 millions asked for by the spending departments.

The third anniversary of the earthquake and fire of 1923 was duly observed on September 1st. But after three full years little progress has been made in the reconstruction works in the damaged districts in Tokio, owing partly to the frequent changes of municipal authorities, and partly to strong objections on the part of landowners and tenants to the requisition of land for the widening of streets and squares. According to the official report, of 53 principal streets to be newly built or repaired, 31 have been under construction, and of 121 byways only 23 are in course of building. Of 481 bridges to be rebuilt, 30 have been completed, 61 are under construction, and the rest remain uncommenced. Only 21 per cent. of the canal repairs have so far been finished. A considerable portion of the money to be appropriated for the reconstruction works approved in 1925-26 Budget has, therefore, been left over unspent, as noticed above. At such a rate of progress as this, it is feared the restoration of the capital will not be completed by the end of 1928, as had been anticipated. The new Mayor is expected to make vigorous efforts to help forward the reconstruction.

The trade returns for August show for the first time in the year a favourable balance of 18,627,000 yen, imports amounting to 158,914,000 yen, and exports to 177,542,000 yen. As compared with the corresponding month of last year, both imports and exports disclose a fairly serious decline, imports decreasing by 32,335,000 yen, and exports by 50,642,000 yen, and the excess of exports over imports being 18,307,000 yen lower. The decline in imports is mainly accounted for by raw cotton and rice, which have decreased in value by 34 and 15.4 million yen respectively. On the export side, raw silk and cotton yarn and manufactures account for the best part of the decline, having fallen off in value by 23.3 and 10 millions respectively. In the case of raw silk the decline is largely a matter of price, while smaller Chinese takings are responsible for the decreased cotton exports. Making full allowance for the advanced value of the yen, there is no room for encouragement in these trade figures. It is now more than doubtful whether the year's adverse balance on the visible trade figures will be reduced far below 300 millions, as had been sanguinely anticipated in some quarters at the beginning of July.

The upward tendency in commodity prices which had developed in June was short-lived. The Bank of Japan's wholesale index number in August recorded a drop of 2.42 points, reducing the total to 236.04, as compared with 236.46 in July, and 264.79 in August, 1925. The gain made in June and July was more than offset by the loss in August. The August figures illustrate the business decline which has shown itself anew in all directions during the summer months.

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Letters to the Editor.

THE ECONOMICS OF THE HIRE PURCHASE SYSTEM.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I was interested in the article in your last week's issue on "The Economics of the Hire Purchase System." I think your correspondent's prejudices are against the system, but the conclusions of the investigators to which he refers, while not so enthusiastic as some American commentators, are certainly not hostile to the system as a whole. In fact, they merely echo what has been the opinion of America generally, viz., that the business must be kept within controllable limits, and the extension of credit carefully scrutinised.

There are few things in the world not subject to abuse, and you will find advocates of Hire Purchase credit who are quite alive to the fact that danger will ensue if the system is operated on unsound lines. A successful Hire Purchase system postulates careful investigation into the credit standing of the applicants—the fixing of a minimum deposit or down payment sufficient to make applicants ponder seriously before committing themselves—and such limitation of the period of credit as to render improbable any violent change in the financial position of the applicant. I do not think that anything further than this can be read into the investigators' conclusions, and with them I am happy to agree.

The division of American Banks into those who take chances and those who do not, or those who finance Hire Purchase and those who do not, is a mere general assertion which requires substantiation before being accepted; so does the statement that instalment selling in America is to-day criticised by critics who, the past has shown, have the gift of prophecy.

I know something of American Banks, and I know a good deal of Hire Purchase financing by American Banks, and unless your correspondent excludes from his list of conservative banks most, if not all, of the really important American Banks, then his statement is frankly untrue. And as such it is calculated to mislead. As I doubt the propriety of mentioning the banks I have in mind by name in this letter, I enclose a list for your personal information. Each one of these banks, to my personal knowledge, is providing, and willingly providing, enormous sums or other credit facilities for the purpose of financing Hire Purchase business in America.

Your correspondent quotes Governor Norris to this effect: "The manufacturers and merchants of the country, instead of knowing that there is either a shortage of goods or nothing more than a current consumption of goods, know that the people have bought in 1925 all that they could afford to pay for, and nearly 5,000,000,000 dollars more."

I think that the reasoning here is utterly fallacious and misleading. It implies that all Americans who purchase on time payment spend their income as they get it. It does not take into consideration that many people in the United States buy on the instalment plan because instalment buying has become a habit. Instalment buyers in the United States do save, as I hope to show immediately, and it is possible that a great number of people in America using the instalment plan do so because they do not want to upset investments, and not because they have not the capital. If the inference of Governor Norris were correct it would be reflected in the figures showing the general saving habit of the American citizen.

Here are some figures for the consideration of your correspondent. In 1900 savings bank deposits in the United States amounted to rather less than 2,500,000,000 dollars. In 1924 these deposits had increased to almost 8,500,000,000 dollars. The number of depositors in 1900 was slightly over 6,000,000, and in 1924 the number was nearly 14,000,000.

In 1900 the number of families owning their own homes was slightly over 7,000,000. In 1920 the number had increased to almost 11,000,000. In 1900 building and loan associations numbered about 5,300, with a membership of nearly 1,500,000. In 1923 these had increased to about 10,700, and the number of members to nearly 7,200,000. In 1900 life insurance in force in the United States was approximately 8,500,000,000 dollars; in 1923 this had increased to more than 53,000,000,000 dollars.

These figures do not indicate that the American has forgotten the virtue of thrift, and I do not think that a people with this record need cause any concern or solicitude on the part of their well-wishers.

I have had considerable experience of financing Hire Purchase business, and in practically every instance the instalments have been paid with comparative ease, and to a great extent the money which settled these monthly instalments would otherwise have vanished on ephemeral enjoyments. The payment of the instalments has impelled the people to save money, and at the end of the period they have found

themselves with so much capital in the form of the merchandise acquired.

Your correspondent thinks that the application of the Hire Purchase system to this country is as yet hypothetical, and that while America is dealing with a condition, we in this country are still in the academic region of theory. That may be true, but conditions are urgently insisting on theory being put into practice. To take the motor-car industry, for example, one of the features of the post-war period has been the large increase in production—especially as regards light cars. I do not think your correspondent will deplore this increased output, and consequently reduced prices. But if the only avenue of distribution is to be that of cash on delivery the outflow of the factory will require to be considerably diminished—diminished to an extent which will not only prevent expansion, but close down some factories, increase unemployment, and raise prices, to say nothing of its effect on export trade.

A great part of Hire Purchase credit in this country is absorbed by commercial people, who use it instead of ordinary open credit. There is no danger in this: the danger rests in extending the credit to the man of insufficient means for the acquisition of luxury articles. But if the business is conducted on the lines which I have already indicated, there seems to be little to fear. In my experience the number of people who apply for Hire Purchase credit who are not justified in asking it is very small indeed, and the number who, having obtained it, default during the currency of the transaction is practically negligible.

Like every other system of credit or merchandise distribution it is open to abuse, but the blunt economic facts must correct its abuse automatically. Merchants cannot go on indefinitely parting with their merchandise to bad credit risks: a very short time of such tactics would send them to the bankruptcy court: banks or banking companies obviously will not provide funds to finance unsound business. Occasional mistakes may be, and doubtless are, made, but that is inevitable in any business.

Hire Purchase is sound both economically and socially. By its means manufacturers and traders may instal new plant: procure cheap and more efficient transport. The wider distribution permitted by the use of Hire Purchase makes it possible to produce at lower and continually lower cost, thus persistently widening the market, both at home and abroad: creating more and more wealth in the shape of goods: bringing all sorts of merchandise more and more within the grasp of people who otherwise would never have owned such merchandise. By its means people purchase homes, furnish them, provide themselves with the means of production, the means of increasing their earning and productive power. As a matter of plain fact, all the ramifications and implications of Hire Purchase are simply not understood by many people who boldly set out to discuss and criticise. After all, the system is merely a system of credit, but it has the advantage of being a secured credit so far as the merchant or bank is concerned. The only thing which determines whether credit is good or not is its justification. Credit cannot be condemned solely on the method of its extension.

And its justification is something which can only be decided by the merchant supplying the goods, with the assistance and the corrective influence of the bank financing the movement of the merchandise. If the merchant and the bank wisely administer the credit it is good: if they do not, then within a certain time they will go out of business, and others may profit by their experience.

The trouble with most people who write on, but without real experience of, Hire Purchase is that they appear to start with the preconceived notion that Hire Purchase is only availed of by those who ought not to purchase the goods concerned. That is sheer nonsense. If it were true, Hire Purchase as a system would have disappeared long ago, because the merchants selling their goods on Hire Purchase and the banks financing them would have been out of existence.

For many years I have taken a great interest in this subject because the banking company of which I am managing director has financed Hire Purchase transactions to the extent of millions sterling, and foreign banking companies with which I am associated have also had a unique experience of Hire Purchase finance. Consequently, I have seen most of what has been written on the subject. And far too much of it, both in America and in this country, has been written by theorists without any practical experience of Hire Purchase, but with very decided prejudices.

We are all concerned that production should be increased and new methods of distribution brought into operation. I regret to think that Hire Purchase as such a method has not received in our commercial community the consideration it deserves. No one wants to follow America slavishly, but we will not do ourselves justice if we resolutely close our eyes to the commercial hints she may give us.—I am, &c.,

J. GIBSON JARVIE,

Managing Director.

United Dominions Trust, Limited, Bankers, King's House, King-street, London, E.C. October 14, 1926.

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DR LEAF ON BANKING.*

A BOOK on banking by a great banker is a rare and important addition to financial literature, and Dr Leaf's contribution to the Home University series is worthy of the high reputation, as a scholar, an artistic producer of apt phrases, and a lucid exponent of difficult subjects, of the chairman of the Westminster Bank. Simple, clear, and comprehensive, it is just the book for the large class of readers whose horizon has been so effectively widened by the publication of this excellent series. Starting with the earliest developments of banking, it proceeds through central banking, as illustrated by the Bank of England and the Federal Reserve system, to a luminous survey of the London money market and its chief components—the banks, accepting houses, and discount firms and companies—ending with an interesting chapter on bank organisation, which includes a few valuable sentences on banking as a career.

Into this mass of closely compressed information Dr Leaf has succeeded in introducing the always brightening element of controversy. In his preface he strikes the argumentative note, saying that the past century has seen the "transfer from banks of deposit of the power of the 'creation of credit' as expressed in the expansion or contraction of the currency, and its concentration in the hands of the State, delegated wholly or partially to State Central Banks." By those who regard bank deposits as potential currency and cheques as currency, Dr Leaf's view will hardly be accepted, and his argument on the subject is most unlikely to convince them. "It has indeed been argued," he says on p. 102, "that every loan by the banks creates a deposit," and he thinks that he has demolished this contention when he shows that during a certain period an increase of nearly 30 millions in the loans and advances of the Big Five banks was accompanied by a large decrease in their deposits. But the loans of the banks which create deposits are not merely those contained in the "loans and advances," but include also those expressed in their discounts and investments. During the period under consideration the banks' discounts were reduced by 37 millions, and their investments by 26 millions. The banks thus cancelled a large amount of credit on balance, and this cancellation was reflected in the decrease in their deposits. Dr Leaf maintains that "the creation of credit in one direction is only made possible by a corresponding cancellation of credit in another." But is this necessarily so? If the Big Five, when these extra advances were required by their customers, had made them without reducing their discounts and investments, all that would have happened would have been that they would have shown an abnormally low proportion of cash to deposits. It might not have been prudent to do so, but there was no impossibility about it, and the noisy school which contends that "the trader has a right to loans from his bankers on terms practically dictated by themselves" would probably have applauded the proceeding. Nobody contends that the banks' power to create credit is unlimited; but that they have the power, subject to the dictates of prudence and experience, seems to be admitted in another passage in the book. In discussing the great growth of Treasury bills during the period of inflation, Dr Leaf relates that "in the earlier stages of the process the banks used to wonder whether the market was not being flooded with Treasury bills beyond its power of absorption. But it soon became apparent that the money thus borrowed was only a creation of credit; the sums borrowed were at once disbursed to the public, and came back to the banks in the form of additions to their customers' deposits, and so the circle went on continually expanding." And this is exactly what happens when, instead of taking up Treasury bills, the banks lend to their customers, or discount bills for them, or buy investments from them—the sums come "back to the banks in the form of additions to their customers' deposits."

* "Banking." By Walter Leaf, Litt.D., D.Litt. Williams and Norgate.

THE ENCYCLOPAEDIA BRITANNICA.*

THE appearance of three new volumes of the *Encyclopædia Britannica* is the event of the publishing year. Shortly after the Armistice three fresh volumes appeared. These are now withdrawn from sale, and replaced by three new ones. This course has involved much cost and labour, but it is obviously the right one. For the past five years have created a new perspective, and written a hundred and one new chapters in every phase of life. It does not require a fertile brain to picture the magnitude of the task which confronted Mr J. L. Garvin in the production of the new volumes. The most recent decades have seen in every direction changes unparalleled in any period of similar length. The world has been shaken by the greatest war in history. The whole map of Europe has changed. The Hohenzollerns and Hapsburgs have fallen. The economic and financial balance between the old world and the new has been re-tilted. Think of the changes in China, Russia, India, Italy, Egypt, and test the development outside the political sphere by remembering that aeronautics and wireless have come, and come to stay.

Obviously the task was immense. But as one turns over the leaves of the three new volumes one becomes more and more impressed with the success with which Mr Garvin has performed it. The old *Encyclopædia Britannica* standard, high as it was, has at least been amply maintained. The great public turn to this work for the authoritative word on every subject. To judge whether they will get it from the new volumes it is only necessary to mention a few contributors and their subjects:—Dr Stresemann on the Locarno Pact; Mr Ramsay MacDonald on the British Labour Party; Colonel House on the Paris Peace Conference; M. Caillaux on world recovery; Dr Benes on the Little Entente; Viscount Haldane on British Education; Mr Henry Ford on mass production; Senator Marconi on wireless; Einstein on time and space; Sir J. J. Thomson on the electron; and, not to omit the lighter subjects, Mr P. F. Warner on cricket and Mlle. Suzanne Lenglen on lawn tennis. The extension of the list would merely show that first-rate authority has everywhere been mobilised, and the result is three volumes that are invaluable, nay, indispensable, not merely as works of reference for the writer and reader, but to every thinking man and woman.

BOOKS RECEIVED.

The First Year of the Gold Standard. By T. E. Gregory. (London) Ernest Benn, Limited, 154 Fleet street. 3s 6d net and 5s net.

An important book, in which the Sir E. Cassel Professor of Banking and Currency in the University of London reviews Britain's return to the gold standard, the world situation in which it took place, and its world effects. This volume was the basis of an address given by the author to the British Association in August.

Railway Rates. By Philip Burt. (London) Sir Isaac Pitman and Sons, Limited. 6s net.

The author was formerly deputy general manager of the North-Eastern Railway, and his book is an expert examination of railway rate problems, with special reference to the Railway Rates Tribunal and the changes arising out of the "revolutionary" Act of 1921.

Discriminating Duties and the American Merchant Marine. By Lloyd W. Maxwell. (New York) H. W. Witson Company. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway.

A historical study of the use of discriminating duties in American commercial policy, leading to the following conclusion:—"She used the duties only as a temporary expedient to assist in developing a status of amicable accord among the commercial nations with whom she had intercourse, and as soon as the desired status seemed assured she discarded the weapons with which the struggle had been won."

Unemployment. By Geo. W. Mullins. (London) Longmans, Green and Co., 39 Paternoster row. 6s 6d net.

Literature on unemployment is so voluminous that a new addition requires special merit to justify itself. Mr Mullins' greatest merit is a very obvious sincerity. His analysis of causes is frequently unorthodox, though interesting. But on the question of remedies he is weak, the proposals which he puts forward being over-tinged both with protectionism and idealism.

* "Encyclopædia Britannica." (London) Encyclopædia Britannica Co., Limited, 125 High Holborn, London. Three new volumes. Price 26s 6d

Modern Industrial Tendencies. By Sir Chas. W. Macara.

(Manchester) Sherratt and Hughes, 34 Cross street.

This volume consists mainly of reprinted newspaper articles, and is primarily concerned with the problems of the cotton trade, in which Sir Charles has so long been a prominent figure. But the author has much to say on other phases of the industrial problem, and in his preface makes a brief incursion into the subject of Europe's debts to America.

Industrial Conflict. By F. W. Ogilvie. (London) Oxford University Press. 1s 6d net.

An essay on the problem of industrial strife, examining the relations now existing between the State and industry, and pleading that a remedy should be found for the absence of organisation by which industry as a whole can deal with industrial affairs.

Labour Migration in England, 1800-50. By Arthur Redford. (London) Longmans, Green and Co., Limited. (Manchester) University Press. 15s net.

A studious survey of movements of population during the period of the "industrial revolution." The author is the Sir Ernest Cassel Lecturer in Commerce in the University of London.

The Bankers' Republic. By J. L. Chastenot. Translated from the French by C. H. Douglas. (London) Cecil Palmer, 49 Chandos street, Covent Garden. 6s.

Those who are acquainted with Major Douglas's credit theories will expect to find in the book, which he has thought it worth while to translate from the French, a virulent attack on the banking system and the evils of international finance, and they will not be disappointed.

George Unwin. A Memorial Lecture. By G. W. Daniels. (London) Longmans, Green and Co., Limited. (Manchester) University Press. 2s 6d net.

An intimate appreciation of a notable economic historian.

Twenty-five Years of International Trade Unionism. By J. Sassenbach. (London) Labour Joint Publications Department, 33 Eccleston square. 1s 6d.

This book has been written in accordance with the instructions of the I.F.T.U., Amsterdam, for the occasion of the celebration of its 25th anniversary.

Le Mezzogiorno Caratteristiche Dei Vasti Mercati. By Ugo Caprara. (Milan) Soc. An. Istituto Editoriale Scientifico.

Statistical Abstract for British India from 1915-16 to 1924-25. (Calcutta) Government of India Central Publication Branch. 3s 9d.

Includes statistics relating to area and population, finance, education, emigration, foreign trade, &c.

Republic of Poland: Annual of Statistics of the Ministry of Finance, 1924. Warsaw.

The Rand's 40 Years: Special Commemoration Number of the South African Mining Review. (Johannesburg) 70-71 Permanent Buildings. 1s.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Report of the Chief Registrar of Friendly Societies for the Year 1925. Part 1. General. 9d net.

Statement showing the Number of Persons in receipt of Poor-Law Relief in England and Wales in the quarter ending June, 1926: Ministry of Health. 3d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 26.	October 28.

Stock Exchange business has been proceeding on spasmodic lines, and markets have moved in erratic fashion. The industrial department monopolises a good deal of attention, but gilt-edged stocks are better as a whole, on the removal temporarily of fears which profess to look for an early rise in the Bank rate. The recent failure of the New South Wales 5 per cent. four million sterling loan and the very tepid welcome accorded to several corporation issues have apparently laid a restraint upon the aspirations of other borrowers, although new foreign issues are taken readily, their prices commanding a premium in nearly every case when the market starts.

People are buying the War Loan on account of the inclusion of the half-yearly interest, due on December 1st, that will be taken from the price in about ten days' time. Australian Colonial loans have been heavy, on account of the criticism levelled against the manner in which most of the Colonies have been borrowing. But recovery ensued, and on the week no particular changes are left. Home railway prior-charge stocks are steady, and in the corporation list the recently issued stocks can be purchased at small discounts.

Brazilian bonds gave way, owing to another decline in the value of the milreis. Chinese bonds continue flat by reason of

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the sporadic fighting reported from the country. Peruvian Corporations, after a sharp drop, picked up again on the anticipation that the report now about to appear will show a dividend on the preference stock. The new Tokio 5½ per cents. opened at 1½ths premium and rose to 1 premium, and the latest Hamburg scrip has mounted to 2½ premium. German bonds have been exceptionally active, the internal issues being in continual request on behalf, it is said, of the German Government for cancellation purposes. This is one of the market rumours to account for the strength of these stocks.

The home railway market benefited from the extremely straight talk indulged in by Mr J. H. Thomas, Mr Ben Tillett, and some of the other Labour leaders at the conference meetings held this week, in which the leaders demonstrated the futility of the Miners' Federation hope for getting financial assistance from other unions that are themselves hard up. The Argentine Railway stocks are steady, and United of Havana, after an abrupt fall, recovered quite as rapidly on the announcement of the expected 3 per cent. dividend, which makes 5 per cent. for the year. Nitrate railways and nitrate producing shares are very languid.

The rubber share market keeps tolerably steady, it being argued that, in order to maintain the present standard of output for the quarter which begins on November 1st, the consumers will have to put up the price of the product to the neighbourhood of a florin per lb during the next fortnight. Tea shares are inclined to be dull, and in the oil market the declaration of a reduced dividend on Burmah Oil, in spite of this being on a larger capital, led to a fall in the price of the shares. This decline was stayed by the announcement of an unexpected bonus share issue by the Anglo-Persian Oil. Anglo-Persians rose 15s in a breathless jump.

United Dairies dropped several shillings on the decline in the final dividend, which made 10 per cent. for the year, against 14 per cent. in respect of the previous twelve months. Electric lighting shares have been good, turning slightly dull, however, in the middle of the week as shareholders came in willing to take advantage of the rises which have occurred rather than to wait for the reorganisation of their companies' finances. The St James' and Pall Mall proposes to give £11 to every £5 share out of reserves. Royal Mail ordinary fell back several points on the passing of the interim dividend, and this had an unfavourable effect upon other shipping issues. Ebby Vale notes and shares fell heavily on the announcement that repayment of the notes will be postponed.

The tobacco market kept up fairly well, and amongst textiles Courtaulds, after a drop to 5—they were 7½ at one time earlier this year—made a mild recovery. Nueras have gone up hand-over-fist on reports that the company is going to be taken over by one of the bigger brethren. In the brewery market, Glasgow and Edinburgh joined in a sudden demand for distillers' shares, though when the buyers were satisfied the price quietly reacted. Motor shares have moved but little, in spite of the expectation that the forthcoming Show at Olympia will be one of the most interesting of its series. Banking, insurance and trust companies' stocks are holding their prices.

The Kaffir market is dull, in consequence of lack of business. Chartered keep good and show a rise on the week. The dividend is expected to be 1s 9d per share when announced next year. Diamond shares are rather spasmodic in their movements. Rio Tintos enjoyed a sharp spurt on the increase in the dividend; the full extent of the rise was not maintained. Malayan tin shares are still the most active in the mining departments, though speculative interest in this market has fallen away to a great extent. The shares of several new companies have recently been introduced. Tin has achieved a record high price since the war. A little activity developed amongst Russians. Some of the copper shares went ahead, and prices in the lists of silver-producing shares are disposed to recover, after the fall which took place in sympathy with that of the metal itself.

The death of Mr William Edward MacLagan last Sunday, at the age of 68, has robbed the Stock Exchange of a very popular broker, and the sporting world of a Rugby footballer who captained Scotland eighteen times in international matches.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel Street, Strand, London, W.C. 2.

COMPANY MEETINGS, &c.

CITY OF SAN PAULO IMPROVEMENTS AND FREEHOLD LAND COMPANY, LIMITED.

FINANCE FOR DEVELOPMENT.

The fourteenth ordinary general meeting of the City of San Paulo Improvements and Freehold Land Company, Limited, was held, on the 12th instant, at Winchester House, Old Broad Street, London, Mr Herbert Guedalla, F.C.A., chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the valuation reserve account showed a decrease of £42,173, and stood at £1,276,623. When land was sold the difference between the old book figure, and what he might term the new valuation, was transferred from valuation reserve account to land sales account, which latter contained the surplus realised on land sales after deduction of all expenses. The net surplus realised in Brazil during the year under review was £34,567. A further £3,000 on account of development expenses had been written off. Adding the balance brought forward of £147,492, there was a total of £182,060, and, after deducting £4,488 for London office expenses and directors' remuneration, there was left a net credit on land sales account of £177,571, representing slightly more than 10 per cent. of the issued capital of the company. The valuation reserve account was a very real and actual reserve.

At the date of the balance-sheet there was left unsold of what was termed their saleable lands 1,123 acres, and they held a further 664 acres upon which a very small value was put. Pacaembu, consisting of 165 acres, represented their most valuable property, upon which they had been spending a great deal of money in development. The next most important property at the moment was Lapa, consisting of 346 acres, where much money had been expended with a view to development for factory sites and a moderate class of house. Negotiations with the Sorocabana Railway for the construction of a station on their Lapa property had been satisfactorily concluded, and this should greatly assist an earlier realisation of the property. With reference to their Bexiga property, they hoped at any time that the negotiations for the construction of a new and important avenue would be satisfactorily concluded, the result of which would assist greatly the valorisation of the estate, which consisted of 17 acres, and was their nearest property to the centre of the town.

FINANCE.

They were looking further ahead and legislating for the development of the large Pinheiros and Butantan properties. With this object in view they had been carefully examining the question of finance, and the result of their deliberations was the recommendation, which had been approved by some of the principal shareholders who had been consulted, of the creation of a first mortgage debenture issue for an amount not to exceed £500,000. When the capital of the company was reorganised the directors agreed that, without the shareholders' permission, no mortgage on the land should be created, and during the intervening period from the receipts on account of land sales the company had been enabled gradually to develop some of its estates. To facilitate the land sales, however, it had been necessary to make loans for house construction, and for this purpose the San Paulo Mortgage and Finance Company was formed with an ordinary capital of £100,000 nominal (all held by the San Paulo Improvements Company), and an authorised debenture issue of £200,000. These debentures had been sold from time to time and the proceeds invested in house construction loans on the company's property in San Paulo.

DEBENTURE ISSUE.

At the present moment the San Paulo Mortgage and Finance Company debenture holders had not only the specific security of the house construction loans, but also the security of the assets represented by £100,000 ordinary capital of the company. Those assets consisted of book debts in San Paulo for land sold amounting to about £100,000, and in addition, as the house construction loans were made, the San Paulo Mortgage Company were also creditors of their company. To expedite sales and to increase the funds available for house construction they had in view at least another £150,000, and the directors had come to the conclusion that the simplest course was to create a direct debenture issue for £500,000, out of the proceeds of which their indebtedness of about £200,000 to the Finance Company would be discharged, and the

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balance utilised for house construction loans and the development of the property. Subject to the shareholders' approval, they were negotiating at present for a syndicate to purchase the whole issue, which would carry 7½ per cent. interest, and should any shareholder desire to participate in the issue he was asked to communicate with the secretary.

He thought that if this period of financial stress in San Paulo had not intervened, realisations would have shown more satisfactory results during the past twelve months. Their company held a high reputation, and, without being unduly optimistic, it was not too much to anticipate improvement and sustained increase in sales, with a result representing a first return on the capital of the company.

The report and accounts were unanimously adopted, and the directors were empowered to create a mortgage on the fixed assets up to a sum not exceeding £500,000.

BUENOS AYRES AND PACIFIC RAILWAY COMPANY, LIMITED.

SATISFACTORY YEAR DESPITE BAD WHEAT CROP.

The ordinary general meeting of the Buenos Ayres and Pacific Railway Company, Limited, was held, on the 15th instant, at Winchester House, Old Broad Street, London.

The Viscount St Davids, who presided, said that with regard to the results of the past year, the wheat crop had been a failure, so that they had had little over a half the normal crop for export. On the other hand, the result from wine was a record one, so that on balance they had a fairly satisfactory year. The total receipts from wheat, maize, oats, linseed, and all other kinds of grain and empty bags were only 11½ per cent. of the whole, and that in a year when they were able to pay the stockholders 7 per cent. As regarded the work on the line during the past year, they had been going steadily on with their policy of putting 100-lb rails in the important sections of the line. That work was always going on. Also they had been going on with stone ballasting. For the last 20 years they had been doing as much stone ballasting as possible, with the result that no other line in the Argentine Republic, as regarded road bed, could be compared with theirs. In the past year they had entirely stone-ballasted 142 miles, and, in addition, they had covered with stone against dust a further 23 miles. He thought that to do that without interfering with the general traffic on the line was pretty nearly a record.

With regard to their oil company, which had been started as a speculative venture in conjunction with the Southern and Western Railways, that now looked as if it was going to turn out very well indeed. As regarded fuel, they had of late been using coal, but it was perfectly clear that with the development of oil in the Argentine Republic, and of their own oil in particular, the time must come when all the railways would be thinking of giving up coal and taking to oil fuel. When they did so, it would be a very bad day for the miners in England and Wales in the exporting districts, and he would especially call the attention of the exporting districts of Great Britain to the fact that, if they were not careful, oil would replace coal permanently in South America.

With regard to the Argentine Transandine Railway, which at one time they had worked, but which had now been taken away from them, and was working on its own account, it had been supposed of late years that the large sum of money expended on that line by the Argentine Government had made the line good in almost every variety of weather, but during the last two years they had had heavy snowstorms and avalanches, and the line had had to be closed possibly more during those two years than ever before. He was convinced that if there was a reasonable prospect of the line being open the tourist traffic was capable of considerable development, and if the people in charge of the Argentine Transandine line could not provide a proper route, somebody else sooner or later—and not very late—would have to do it for them. It was the business of the B.A. and Pacific Co.

With regard to the prospects for the current year, he could only see one doubtful point, and that was that during the current year wages would undoubtedly be considerably higher than they had been during the past year. On the other hand, they had had a bad wheat crop, and it was only reasonable to suppose that they would have a better one, and he would be disappointed if the results of the current year were not at least as good as those for the past year. The report and accounts were unanimously adopted.

HARRISONS AND CROSFIELD, LIMITED.

ANOTHER SUCCESSFUL YEAR.

SOUND DEVELOPMENT ON CONSERVATIVE LINES.

Mr H. Eric Miller, the chairman of Harrisons and Crosfield, Limited, opened his speech at the annual meeting of the company, on the 14th instant, by paying a tribute to the memory of Mr Charles Heath Clark, whose wise leadership in the past had paved the way for the excellent results now submitted.

Mr Miller then referred at some length to the general position of the company. He showed that the previous record profit figure had been exceeded by over £80,000 this year, and observed that the improvement in profits should not be attributed altogether to the prosperity enjoyed by rubber-growers during the year. "I must point out," he said, "that our business covers a wide field, and that we are not by any means dependent for our results on the fortunes of one industry only. The financial position of the company is a strong one, and this facilitates sound development, which it is the policy of the board to continue on conservative lines. As regards the investments of the company, which, in addition to Government securities, consist mainly of shares and debentures in tea, rubber, and other companies of which we are agents, they are, as usual, entered at or under cost, and their aggregate market value was at June 30th, and still is, largely in excess of the figure at which they stand in the accounts."

POSITION OF RUBBER INDUSTRY.

Reviewing the rubber industry, Mr Miller estimated that total exports from producing countries would not exceed 600,000 tons during 1926 (about 100,000 tons more than the 1925 figure), and that something like 565,000 tons of this would be absorbed by manufacturers. "World stocks of crude rubber," he said, "have increased by 30,000 tons since the beginning of the year, and the steadiness of the market is an indication that their augmentation is welcomed by the trade. As, however, there is reason to believe that during this year a considerable number of spare tyres have been put on the road and not replaced, whilst a large number of cheap tyres containing reclaimed rubber have gone into use in the U.S.A., the present stocks of crude rubber are none too high." Mr Miller referred to the continued increase in the output of motor-buses and in the proportion of balloon tyres and of closed cars as compared with other types; further, he gave some figures of automobile production, and anticipated that the United States alone would turn out four million new cars this year, and that the total world registration would be 27 millions. "In view of the fact that no material increase in production can be looked for until new areas come into bearing, any possible addition to world stocks of crude rubber during 1927 should be nursed to provide for the further expansion in the use of rubber-shod vehicles, which can be confidently foreseen."

TEA INDUSTRY.

Mr Miller then dealt at length with the position of the tea industry, and again laid stress on the question of quality and the higher proportionate value of better-grade teas. "For reasons of climate," he said, "elevation, and soil, the quality produced in different tea-growing districts is very wide in range, whilst the quality from individual estates varies during the year according to seasonal weather changes, rapid growth increasing quantity at the expense of quality, and vice-versa. Hence arises the necessity for large stocks from which to select the ingredients for blends of uniform character. Tea producers have learnt that careful manufacture pays, and the general standard of preparation is good, except during the period of heaviest production, when plucking labour and factory accommodation are apt to be over-taxed."

VALUE FOR MONEY ONLY SOUND PRINCIPLE.

"During the last quarter of a century we have seen a retrograde change in the standard by which values of most consumable articles are judged. Nowadays the test seems to be lowest possible retail price, regardless of consequential reduction in quality. The sooner we get back to the only sound principle of insisting on value for money, whether the value be expressed in quality of material or quality of labour, the better for all. I am thankful to say that in our own business we are on this footing, with results which are satisfactory to all concerned."

Mr. Miller, with a plea for a raising of the level of efficiency throughout the nation, concluded by saying Harrisons and Crosfield might claim that in a modest way they were making a real contribution to the welfare of the country and the Empire.

The report was unanimously adopted, and a final dividend of 30 per cent. was declared on the deferred ordinary shares, making 40 per cent. for the year.

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CENTRAL ARGENTINE RAILWAY, LIMITED.

INCREASE OF CAPITAL APPROVED.

The ordinary general meeting of the Central Argentine Railway, Limited, was held, on the 14th instant, at River Plate House, London.

The Chairman (Lord Forbes, P.C.) said that the outstanding features of the year under review had been the sudden and unexpected disaster to the wheat crop, the large maize and linseed crops, the reduction of traffic in livestock, the increase of wages, and the improvement of exchange. On the whole, they had good reason to be satisfied that, in a year when the wheat crop was so short as to cause a decrease in freights amounting to £749,000, they were still able to show a balance of net revenue slightly exceeding that of the previous year. The transfer from profits of £200,000 to the credit of renewals fund account was supplementary to the 2½ per cent. credited to that fund under the Mitre Law, which they found in practice was not altogether sufficient. Every effort had been made to curtail working expenses, and they were less by £130,000. The improvement in the rate of exchange had resulted in a loss of only £146,000, compared with £322,000 and £517,000 in the two preceding years.

With regard to the prospect of the railways for the ensuing year, on August 17th the general manager informed the directors that there were some 2,400,000 tons of grain stored at or in the vicinity of the company's stations, which was 650,000 tons more than the estimated quantity on hand 12 months previously. He therefore anticipated that traffic receipts would be maintained satisfactorily until the end of 1926, when they would commence carrying the new crops. The prospects for next crops so far were good, but one hesitated to say assured, in view of the disaster caused by rust which overtook the wheat crop at the end of October last year. If, however, normal weather conditions prevailed, the prospect was good.

The report and accounts were unanimously adopted. Resolutions were also submitted for the creation of £5,000,000 of new capital in the form of 6 per cent. cumulative convertible preference shares.

The Chairman said that if the resolutions met with the approval of the stockholders, it did not follow that the board had the intention of making an issue on the present occasion to the full extent authorised. That would be a matter for consideration to be dealt with according to the circumstances. Apart from the debit balance of capital account, they had the prospect of requiring capital for extensions of lines, new stations, and marshalling yards, and an obligation falling due on February 1st of \$15,000,000 of notes issued in America during the war.

The resolutions submitted were duly approved.

SUNGKAI-CHUMOR ESTATES, LIMITED.

SUCCESSFUL YEAR—INCREASED PROFIT.

The twentieth ordinary general meeting of the shareholders of the Sungkai-Chumor Estates, Limited, was held, on the 11th instant, in the Council Room of the Rubber Growers' Association, 2 Idol Lane, London, Mr H. Eric Miller presiding.

The Chairman said: It is with pleasure that your directors put before you a statement which again shows a gratifying increase in the profits earned by the company, the result for the year 1925-26 being £27,643 better than for the preceding year. It is now proposed to pay a final dividend of 15 per cent., less income-tax, making 40 per cent. for the year, absorbing £39,941 16s 10d. The addition remuneration due to the directors under the articles of association is £1,000. These appropriations dispose of all but about £4,000 of the year's profits, and the directors propose to transfer to the reserve account this amount, and to encroach on the carry-forward to the extent necessary to make up a total transfer of £7,500. The carry-forward will then amount to £21,151 14s 1d, or over 20 per cent. of the company's capital.

"With the automatic relaxation of restriction, the past year's crop shows a large increase, and the cost of production is considerably lower at 7.67d per pound. The average sale price was 2s 2.01d, London landed terms, or 1s 11.94d net.

"For the increased crop additional smoking accommodation was needed, and the total expenditure for the year on buildings and machinery amounted to £2,213 13s 5d, besides £1,528 15s 4d on

development of the land. The amount written off the value of buildings and machinery for depreciation was £691 13s 7d.

"The shortage of labour anticipated in my speech to you a year ago was felt throughout the country, and for a time neither of our estates had as many coolies as the managers would have been willing to employ, but both had enough labour to keep all essential works up to date. Both properties continue to be upkept in excellent order, and the visiting agent's reports show that they are in good condition.

"Tapping is still being done on conservative lines, and the directors have no intention of departing from this principle.

"With regard to sales, you will be interested to know that we have sold forward, of the 1926-27 crop, 145,600 lbs at an average net price of 2s 2.36d per lb, equivalent to 2s 4.35d per lb, London landed terms. Of the 1927-28 crop 35,840 lbs have been sold forward at an average net price of 2s 4.25d per lb, equivalent to 2s 6.31d per lb, London landed terms. The general outlook for our industry is healthy, and you may rest assured that we have a loyal staff, who, under the sound guidance of our visiting agent and agents in the East, will maintain the high standard of efficiency which we set ourselves."

Mr J. McNeile Miller seconded the motion, which was carried.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1913.	Mar. 31, 1912.	Mar. 31, 1911.	Mar. 31, 1910.	Mar. 31, 1909.	Mar. 31, 1908.	Mar. 31, 1907.	Mar. 31, 1906.	Mar. 31, 1905.	Mar. 31, 1904.	Mar. 31, 1903.	Mar. 31, 1902.	Mar. 31, 1901.	Mar. 31, 1900.	Oct. 9, 1898.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13	13	13	13	13	13	13	13
4 1/2 % Conversion Loan	..	..	866	684	666	709	764	760	760	760	760	760	760	760	760	760
4 % Conversion Loan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 1/2 % War Stock	..	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63
4 % War Stock	..	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
4 % and 5 % War Stock	2,047	1,963	2,095	2,166	2,052	2,052	2,052	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109
National War Bonds	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706	706	706	706
4 % Funding Loan	409	401	399	396	394	394	394	394	394	394	394	394	394	394	394	394
4 % Victory Bonds	360	335	325	314	303	303	292	292	292	292	292	292	292	292	292	292
Treasury Bonds	..	30	33	35	35	35	35	35	35	35	35	35	35	35	35	35
Exchequer Bonds	20	323	185	152	147	149	149	149	149	149	149	149	149	149	149	149
National Savings Certs... ..	267	342	354	368	368	368	368	368	368	368	368	368	368	368	368	368
Other Debt	1,306	1,087	1,157	1,128	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
American Loan (Anglo-French)	..	51	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Treasury Bills	15	1,107	878	616	588	578	581	565	565	565	565	565	565	565	565	565
Temporary Advances ..	1	943	147	194	188	167	167	167	167	167	167	167	167	167	167	167
Other Capital Liabilities	664	8,033	7,655	7,742	7,641	7,598	7,403	7,558	7,558	7,558	7,558	7,558	7,558	7,558	7,558	7,558
	57	466	66	70	66	68	73	75	75	75	75	75	75	75	75	75
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,633	7,633	7,633	7,633	7,633	7,633	7,633	7,633

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

Average Weekly Balances. SEPTEMBER, 1926.	Bank of Liverpool & Martins, Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	West- minster Bank, Limited.	Willm's Deacons Bank, Limited.	Total.
ASSETS.											
Coln. bank and currency notes, and balances with the Bank of England ..	5,778	33,699	1,340	2,408	38,476	49,468	3,739	27,391	27,650	3,707	193,654
Balances with and cheques in course of collection on other banks in the United Kingdom	1,740	7,169	493	750	6,773	12,246	123	7,260	7,775	892	45,221
Items in transit	3,949	23,487	1,639	3,144	20,175	18,620	3,755	16,350	23,847	2,108	117,074
Money at call and short notice	2,412	39,177	1,324	1,014	49,100	46,324	2,461	34,518	42,621	1,763	220,714
Bills discounted	9,385	52,651	4,253	7,462	46,372	38,781	15,693	38,417	45,829	4,762	263,604
Investments	34,796	158,653	8,552	9,077	185,709	196,458	16,395	135,502	129,010	19,598	893,751
Advances to customers and other accounts Liabilities of customers for acceptances, endorsements, &c.	3,653	9,336	..	1,327	14,656	33,272	104	8,552	9,613	1,066	81,574
Bank premises account	1,560	5,270	346	695	6,409	6,804	753	4,867	4,246	913	31,863
Investments in affiliated banks	..	6,060	..	..	6,583	6,377	..	2,754	2,992	..	24,764
Ratio of cash to current, deposit, and other accounts	63,273	335,502	17,947	25,877	374,253	408,350	43,023	275,611	293,583	34,809	1,872,221
LIABILITIES.											
Capital paid up	2,349	15,858	800	1,060	15,810	12,666	1,500	9,479	9,320	1,875	70,714
Reserve fund	1,850	9,250	800	530	10,000	12,666	1,320	9,479	9,320	1,300	56,514
Current, deposit, and other accounts	55,421	301,068	16,347	22,779	333,786	349,746	37,007	248,100	265,320	30,568	1,660,132
Acceptances, endorsements, &c.	3,653	9,336	..	1,327	14,657	33,272	104	8,553	9,612	1,066	81,584
Notes in circulation	..	..	..	181	..	..	..	..	11	..	3,103
Reduction of bank premises account	..	..	..	..	..	..	..	..	..	..	181
	63,273	335,502	17,947	25,877	374,253	408,350	43,023	275,611	293,583	34,809	1,872,221

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

ASSETS.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Aug. 27, 1926.	Aug. 20, 1926.	Sept. 18, 1926.
Total securities ..	21,546.4	21,687.3	21,640.9	21,115.2	21,247.1	15,718.8
Loans ..	11,761.5	11,860.8	11,914.4	12,055.2	12,311.3	14,199.4
Cash credits ..	21,102.1	21,810.1	21,644.4	21,611.5	21,309.9	27,603.3
Inland bills ..	4,587.7	4,568.4	4,549.9	4,513.5	4,485.5	4,485.5
Foreign bills ..	21.12	17.42	14.26	15.25	11.36	25.25
Dead stock ..	2,770.7	2,764.8	2,764.8	2,764.8	2,764.8	2,764.8
Real with other banks ..	4.34	5.11	4.77	9.74	10.25	10.99
Cash ..	48,519.9	52,014.9	56,903.5	59,041.1	57,631.1	35,701.9
LIABILITIES.						
Capital paid up ..	5,695.0	5,625.0	5,625.0	5,625.0	5,625.0	5,625.0
Reserve ..	4,925.0	4,925.0	4,925.0	4,925.0	4,925.0	4,925.0
Total deposits ..	99,618.1	103,799.1	108,534.0	110,475.0	109,025.1	90,419.1
These include:						
Deposits in Lond'n ..	889	927	952	990	965	1,148
Advances in Lond'n ..	949	961	984	996	1,021	1,103
Cash, &c., at other banks in London ..	18	35	34	54	66	71

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Oct. 11, 1926.	Oct. 4, 1926.	Sept. 27, 1926.	Sept. 20, 1926.	Oct. 5, 1926.	Position May 31, 1924.
Gold ..	418,941	419,127	419,340	419,473	418,315	163,092
Silver ..	26,357	26,511	27,381	27,343	25,745	8,436
Notes and advances ..	430,561	436,372	405,332	399,807	471,514	153,504
LIABILITIES.						
Notes in circulation ..	851,601	867,441	823,768	820,479	909,472	316,332
Deposits ..	55,558	45,079	44,812	53,933	24,880	5,016

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Oct. 9, 1926.	Oct. 2, 1926.	Sept. 25, 1926.	Sept. 18, 1926.	Oct. 10, 1926.	Position May 31, 1924.
Gold ..	229,000	229,250	229,750	229,500	14,627	22,971
Silver ..	..	..	..	..	43,385	29,785
Discounts, advances, and other investments ..	156,830	157,440	149,080	147,460	185,355	77,567
LIABILITIES.						
Notes in circulation ..	331,500	330,000	329,000	332,000	331,154	109,499
Deposits and bills payable ..	73,000	76,500	69,000	64,500	69,867	11,250

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Oct. 7, 1926.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Oct. 7, 1926.	Position May 31, 1924.
Gold ..	437,250	437,114	424,778	424,746	480,431	171,175
Silver ..	76,821	80,227	85,917	85,758	88,337	18,350
Assets & advances ..	328,649	345,055	319,644	317,379	286,088	103,000
LIABILITIES.						
Notes in circulation ..	797,944	831,915	762,993	763,323	812,051	275,925
Deposits ..	98,519	86,011	114,017	118,589	101,085	33,750

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Oct. 7, 1926.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Oct. 7, 1926.
Reichsbank shares not yet issued ..	177,212	177,212	177,212	177,212	177,212
Gold and bullion ..	1,616,308	1,594,111	1,594,111	1,594,111	1,594,111
Of which deposited abroad ..	182,904	182,904	182,904	182,904	182,904
Reserve in foreign currencies ..	510,971	521,871	521,871	521,871	521,871
Bills of exchange and cheques ..	3,778,000	3,778,000	3,778,000	3,778,000	3,778,000
Notes of other German banks ..	110,913	110,913	110,913	110,913	110,913
Advances ..	13,155	13,155	13,155	13,155	13,155
Investments ..	91,151	91,151	91,151	91,151	91,151
Other assets ..	611,698	611,698	611,698	611,698	611,698
LIABILITIES.					
Reduced capital ..	122,788	122,788	122,788	122,788	122,788
Reserve ..	177,212	177,212	177,212	177,212	177,212
Notes in circulation ..	237,585	237,585	237,585	237,585	237,585
Other daily maturing obligations ..	3,139,324	3,139,324	3,139,324	3,139,324	3,139,324
Other liabilities ..	635,072	635,072	635,072	635,072	635,072

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription
and one pound of fine gold equals 1,500 Reichsmarks.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Oct. 7, 1926.	Sept. 30, 1926.	Sept. 23, 1926.	Oct. 7, 1926.	Position May 31, 1924.
Gold and bullion—Gold ..	147,226	147,226	147,226	147,226	44,224
Balance abroad and foreign bills ..	68,279	69,009	70,069	65,345	28,533
Norwegian and Foreign Govern- ment securities ..	27,597	26,974	25,830	12,587	8,816
Discounts and loans ..	397,933	395,595	355,539	307,144	76,911
LIABILITIES.					
Notes in circulation ..	327,032	328,286	320,643	369,937	113,484
Deposits at notice ..	249,158	245,001	216,939	91,865	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Oct. 9, 1926.	Oct. 2, 1926.	Sept. 25, 1926.	Sept. 18, 1926.	Oct. 10, 1926.	Position May 31, 1924.
Gold ..	226,306	226,436	226,535	227,535	231,127	104,918
Balance abroad and foreign bills ..	129,974	137,517	140,753	139,144	169,216	112,172
Swedish and for Gov. securities ..	43,813	46,141	46,485	46,914	47,265	32,465
Discounts & loans ..	253,287	283,712	209,594	217,594	259,716	112,668
LIABILITIES.						
Notes in circulation ..	499,148	553,384	477,204	484,153	501,079	226,555
Deposits at notice ..	79,642	69,405	66,803	71,149	129,118	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

ASSETS.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Sept. 30, 1926.	Position May 31, 1924.
Gold ..	328,807	329,016	329,148	43,286	35,091
Balance abroad and foreign bills ..	1,061,554	1,084,928	1,067,571	1,156,780	90,379
Finnish and Foreign Govern- ment securities ..	366,417	366,417	366,417	403,296	21,826
Discounts and loans ..	602,713	619,696	615,876	377,541	105,151
LIABILITIES.					
Notes in circulation ..	1,334,524	1,281,821	1,299,842	1,279,458	123,941
Deposits at notice ..	357,595	414,623	401,772	562,992	21,225

BANK OF ESTHONIA.—In Est. marks (000's omitted).

ASSETS.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Aug. 31, 1926.	Sept. 30, 1926.
Gold ..	502,758	501,860	501,799	501,453	500,565
Balance abroad and foreign bills ..	149,959	153,900	144,310	129,219	205,804
Est. notes & sm. change ..	136,202	123,595	143,749	144,587	241,946
Discounts ..	1,751,228	1,725,691	1,740,188	1,731,166	1,735,157
Advances and sundry out- standings ..	4,664,792	4,604,378	4,567,565	4,673,795	4,076,278
LIABILITIES.					
Capital paid up ..	250,000	250,000	250,000	250,000	250,000
Reserve funds ..	256,801	256,801	256,801	256,801	212,273
Notes in circulation ..	1,844,046	1,879,583	1,841,362	1,867,065	1,816,103
Deposits ..	4,509,708	4,432,868	4,571,956	4,547,989	4,258,066
Commercial credits ..	541,674	555,211	565,219	562,777	446,605

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

ASSETS.	Oct. 6, 1926.	Sept. 29, 1926.	Sept. 22, 1926.	Sept. 15, 1926.	Oct. 7, 1926.	Nov. 24, 1926.
Gold and bullion ..	23,618	23,618	23,617	23,616	23,552	23,552
Balance abroad ..	2,002	2,030	2,193	2,251	2,656	2,656
Silver coin ..	34,715	34,409	35,159	34,214	34,060	22,466
Trans. notes & sm. change ..	8,965	8,537	9,460	10,864	8,698	3,085
Discounts ..	69,000	68,686	68,492	68,005	61,684	6,639
Advances ..	49,827	50,053	50,204	50,507	48,149	2,912
Other assets ..	10,939	10,507	10,276	10,049	10,466	1,369
LIABILITIES.						
Notes in circulation ..	31,571	31,887	30,714	29,913	28,979	4,085
Capital paid up ..	13,147	13,447	13,447	13,447	11,659	8,000
Reserve ..	2,237	2,237	2,237	2,237	1,522	..
Special reserve ..	2,500	2,500	2,500	2,500	1,000	..
Deposits ..	9,040	9,022	8,913	8,903	6,606	61
Current accounts ..	46,135	45,266	45,020	44,619	47,392	16,233
Government accounts ..	76,513	76,320	78,797	80,909	71,638	16,697
Other liabilities ..	17,414	17,161	17,773	17,008	20,470	3,757

BANK OF POLAND.—In zloty (000's omitted).

ASSETS.	Sept. 30, 1926.	Sept. 23, 1926.	Sept. 15, 1926.	Aug. 31, 1926.	Aug.
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We are informed that Mr A. A. Roberts, director of Heppells, Limited, the London chemists, has contracted to purchase nearly all the share capital of the S.A. des Drogueries d'Egypte (established 1887), and further contracted to purchase the United Drug Stores of Egypt, comprising the businesses of Gannage et Fils (established 1886) and the New British Drug Company. The

combined net assets are said to be about £312,000, the average annual net profits since 1915 £31,100, and the combine will own six wholesale drug houses, four wholesale depots, and 27 large drug stores, constituting a monopoly of wholesale drug trade and large drug stores of Egypt and Palestine.

RAILWAYS.

BUENOS AYRES GREAT SOUTHERN RAILWAY.—The report for year ended June 30, 1926, shows that gross receipts amounted to £12,749,097, as compared with £11,577,595 in preceding year. Working expenses amounted to £8,190,206, against £7,752,294. Net receipts amounted to £4,558,891, against £3,825,301. The exchange loss on remittances was £197,446, against £375,786, leaving an available balance of £4,361,446, as against £3,449,515. The ordinary dividend and bonus is 8 per cent., against 7 per cent. for preceding year. The carry-forward is £178,634.

ENTRE RIOS RAILWAYS.—The gross receipts for the year ended June 30, 1926, amounted to £1,425,087, against £1,326,883 in preceding year, an increase of 7.4 per cent. Working expenses and net receipts also increased by 7.4 per cent. Working expenses amounted to £867,375, against £807,461, and net receipts being £557,713, against £519,423. The ordinary stockholders receive a dividend of 6 per cent. for the whole year. The company had paid nothing on its ordinary stock since the 1½ per cent. paid for the year 1910-11. The sum of £100,000 has been transferred to general reserve, and a balance of £51,147 carried forward.

BANKS.

ANGLO-SOUTH AMERICAN BANK.—The net profit for year ended June 30, 1926, amounts to £471,714, as compared with £431,022. The sum of £414,025 is brought forward from previous year, making a total of £886,639 available. The dividend for the year is again 10 per cent., less tax, absorbing £349,386. The sum of £25,000 is added to the staff pension fund, and £125,000 is applied in reduction of cost of capital employed in South America and other countries, and £12,228 is placed to legal reserve in Chile. A balance of £375,025 is carried forward. The balance-sheet has been drawn up to show the assets and liabilities at branches in local currencies converted to sterling at the rates of the day on London ruling on June 30, 1926, instead of at par rates of exchange as hitherto. Total assets amount to £61,967,918. Cash is at £5,081,525. British Government securities stand in balance-sheet at £7,366,342. Foreign Government, railway, and other securities are at £2,383,542. Bills receivable amount to £8,869,970. Holdings in other banks total £5,465,670. Advances amount to £19,520,899. Deposits amount to £34,824,312.

BANK OF NEW ZEALAND.—The board of directors have passed a resolution creating 1,406,250 new shares of £1 each with no further liability. Holders of the ordinary shares are entitled to subscribe for 937,500 new shares, carrying a fixed dividend of 7½ per cent. per annum, and the Crown is entitled to subscribe for the remaining 468,750 shares, carrying a fixed dividend of 6 per cent. per annum. All the new capital in respect of dividend and repayment of capital ranks next after the preference "A" shares. The transfer books of the bank will be closed from October 8th to 24th, both inclusive, to permit of the issue to ordinary shareholders of 468,750 of the new shares in the proportion as near as may be of one new share to eight existing ordinary shares. Payment is to be made by four instalments of 5s each per share on December 31, 1926, June 30, 1927, December 31, 1927, and June 30, 1928, respectively. Interest at the rate of 5 per cent. per annum will be allowed on instalments paid in advance.

RUBBER, &c.

HOSCOTE (MALAYA).—The report of the year ended June 30, 1926, shows a profit of £38,978. This is the company's first year, and it paid a dividend of 12½ per cent. subject to income-tax. Preliminary expenses were written off, general reserve was credited £2,500, taxation reserve £2,000, cash and investments stand at £74,974. Of this £11,814 is cash in hand or at banks, £30,000 is in Treasury bonds, and £30,000 in 5 per cent. War Loan. Sales for the period reached £72,168.

LEWA.—The report of the year ended June 30, 1926, shows a profit of £5,449 as against £2,148 in 1925. The preferred shareholders again received a 10 per cent. dividend. The balance-sheet discloses cash at £139 against £896, an increase of £1,900 in sundry debtors, that amount now standing at £3,945, and investments steadfast at £19,134. These are in Amboni Estates, Limited, but 8,000 of the 19,800 shares are held by Rowe, White, and Co. as collateral against advances.

MISCELLANEOUS.

BRITISH TANKER COMPANY, LIMITED.—The profit and loss account for year ended March 31, 1926, reveals a net profit of £393,385, to which is added £88,459 brought in, making £481,844 available. The ordinary dividend of 10 per cent., free of income-tax, absorbed £400,000, leaving £81,844 to be carried forward, subject to corporation profits tax. Since the last report the company has been made a public company, and the capital has been increased to £4,000,000 by the creation of 1,000,000 new shares of £1 each, and these were all subscribed by Anglo-Persian Oil Company, Limited, at par. In December last an issue was made of £4,000,000 5½ per cent. 10-year first debentures at 97 per cent., proceeds being applied in repaying advances previously made by Anglo-Persian Oil Company, Limited, towards the cost of building the company's fleet. The whole of the discount on the debentures and the expenses in connection with the issue have been written off against the profits for the year. Total assets are £9,018,000. Cash stands at £405,392.

WENTWORTH HOTELS.—The report of the year ended June 30, 1926, shows a net profit, after payment of debenture interest, of £68,185, as against £67,473 in 1925. This profit, together with £45,179

carried forward from 1925, leaves an available amount of £110,364; this has been utilised to pay a dividend of 15 per cent. on the ordinary shares. The sum of £5,000 has been put to reserve fund. Cash has fallen from £57,245 in 1925 to £50,023. Stocks and debtor balances have decreased from £68,619 to £51,168, and investments of £10,506 (£14,374 at cost) in the company's 4 per cent. first mortgage debenture stock have been made. The total reserve fund is now £130,000.

MANCHESTER LINERS, LIMITED.—After providing for all charges (including preference dividend), and including the balance brought forward from last year, the amount available for year ended June 30, 1926, is £79,298. The ordinary dividend is again 10 per cent., free of income-tax, absorbing £44,520, leaving a balance of £34,778 to carry forward. Balance-sheet shows cash at £35,786, against £80,212 in preceding balance-sheet. Sundry debtors are at £73,113, against £57,942. General reserve remains at £500,000.

S. INSTONE AND CO.—The report for the year ending June 30, 1926, shows a profit of £1,019, as against £28,564 in 1925. The balance brought forward being £23,188, there is an available balance of £24,206; in 1925 this stood at £74,363. Cash has fallen from £12,390 to £7,094, and stocks on hand have been entirely used up; in 1925 they were valued at £3,202. Investments (less depreciation) stand at £30,142, against £30,860.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 8, 1926.	(c) Week ended Oct. 9, 1926.	Miles Open.	Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total for Week.	Aggregate 39 Weeks, 1926.
Great Western.....	3,778	238,000	227,300	465,000	9,945,000	10,180,000	20,225,000	20,225,000	
Do for 1925.....	3,775	238,000	227,300	465,000	9,945,000	10,180,000	20,225,000	20,225,000	
London & N. Eastern (a).....	5,715	387,000	460,000	847,000	16,145,000	16,950,000	33,095,000	33,095,000	
Do same period 1925.....	5,714	387,000	460,000	847,000	16,145,000	16,950,000	33,095,000	33,095,000	
London, Mid. & Southern.....	6,951	4,800,000	674,000	5,474,000	11,020,000	11,640,000	22,660,000	22,660,000	
Do for 1925.....	6,951	4,800,000	674,000	5,474,000	11,020,000	11,640,000	22,660,000	22,660,000	
Southern.....	2,180	308,000	97,000	405,000	1,113,800	1,365,000	2,478,800	2,478,800	
Do for 1925.....	2,183	318,000	120,000	438,000	1,409,000	1,687,000	2,816,000	2,816,000	
Metropolitan (a).....	58	29,800	2,400	32,200	1,168,500	1,112,900	2,281,400	2,281,400	
Do for 1925.....	58	29,800	2,400	32,200	1,168,500	1,112,900	2,281,400	2,281,400	
Underground E.R. (a).....	..	..	..	..	..	..	..	..	
Do for 1925.....	..	..	..	..	..	..	..	..	
Lon. & Sub. Group (a).....	..	..	..	..	..	..	..	..	
Do for 1925.....	..	..	..	..	..	..	..	..	
Belmont & Co. Down (b).....	80	2,148	1,034	3,182	123,376	35,707	159,083	159,083	
Great Northern.....(b).....	553	14,150	14,200	28,350	641,750	633,850	1,275,600	1,275,600	
Great Southern.....(b).....	2,181	40,046	48,815	88,861	1,560,803	1,697,642	3,258,445	3,258,445	

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
Assam Bengal	23 weeks	Sept. 11	1,072	Rs. 3,53,000	- 27,050	Rs. 75,10,191	+ 2,55,330
Bam. Lt. Ry.	24 weeks	18	118	5,73,700	- 4,700	8,67,700	+ 97,200
Bengal & N. Western	24 weeks	18	2,076	5,01,310	- 22,767	1,61,28,112	+ 14,46,231
Bombay, Bar., & C.I. 27 weeks	11	2,881	1,73,000	- 1,32,000	3,56,85,038	+ 1,15,848	
Bombay, Bar., & C.I. 27 weeks	9	3,033	20,21,000	- 72,000	5,69,10,000	- 26,41,000	
Burma	23 weeks	Sept. 11	1,349	6,01,737	- 98,990	1,68,89,388	- 12,97,398
Madras & S. Mahr.	24 weeks	18	3,048	13,30,000	- 1,10,495	4,93,17,254	+ 8,46,046
Nizam's Guaranteed (a) 24 weeks	18	993	2,71,318	- 8,791	88,21,158	+ 7,84,670	
Rohilk'd & Kumaon 23 weeks	11	259	40,418	- 1,6	8, 4,943	+ 17,303	
Do Lucknow-Breilly 23 weeks	11	259	37,375	- 4,641	14,35,598	+ 17,199	
South Indian	24 weeks	18	1,876	9,21,525	- 77,732	2,44,61,538	- 5,68,273

(a) Total receipts of all lines.

ARGENTINE (a).					
Argentine N.R.	15 weeks	Oct. 9	754	12,000 - 2,500	189,100 - 25,400
B. A. and Pacific.....	15 weeks	9	2,652	140,000 + 10,000	1,97,000 + 35,000
B. A. Central.....	15 weeks	10	1,343	13,431 + 158	1,97,101 + 2,361
B. A. Gt. Southern.....	15 weeks	9	4,720	203,000 + 7,000	2,83,400 + 52,000
B. A. Western.....	15 weeks	9	1,882	94,000 + 9,000	1,232,000 + 61,000
Central Argentine.....	15 weeks	9	3,306	236,000 + 17,000	3,147,000 + 38,000
Cordoba Central.....	15 weeks	9	1,202	76,000 - 1,000	1,047,500 - 38,500
Entre Rios.....	15 weeks	9	728	21,800 - 2,500	335,100 - 33,800

CUBAN.

Havana Central.....	14 weeks	Oct. 2	..	11,365 - 237	155,896 - 4,690
United of Havana.....	15 weeks	9	1,301	46,071 - 7,098	706,033 - 137,082

URUGUAYAN.

Central Uruguay.....	15 weeks	Oct. 9	273	21,984 + 2,687	322,970 - 3,153
C. Urug. (East. Ext.).....	15 weeks	9	311	4,690 + 659	60,989 - 6,501
C. Urug. (North. Ext.).....	15 weeks	9	185	2,850 + 444	32,918 - 6,589
C. Urug. (West. Ext.).....	15 weeks	9	311	2,751 + 38	35,749 + 3,266

CANADIAN.

Canadian National.....	39 weeks	Oct. 7	22,065	5,899,744 + 101,131	195,386,013 + 20,329,163
Canadian Pacific.....	39 weeks	7	14,373	4,660,000 - 117,000	141,408,000 + 11,957,000

BRAZILIAN (b).

Gt. West. of Brazil.....	41 weeks	Oct. 9	1,018	20,800 + 4,100	683,230 + 133,500
Leopoldina.....	41 weeks	9	1,856	50,000 + 3,784	1,804,961 + 493,187
Leopoldina Terminals.....	41 weeks	9	1,856	7,971 + 1,246	311,691 + 102,042
San Paulo.....	41 weeks	10	1,533	47,197 - 20,145	1,900,261 + 61,500

CHILEAN.					
Antofagasta.....	40 weeks	Oct. 10	838	32,285 + 23,295	1,507,885 - 132,825
Nitrato (\$-monthly) 38 weeks	Sept. 30	398	21,291 - 22,177	568,335 - 150,188	
OTHER OVERSEAS.					
Alcoy and Gandia.....	41 weeks	Oct. 9	33	Pa. 15,500 - 7,500	1,033,300 + 1,270
Egyptian Delta.....	23 weeks	Sept. 30	600	£3,638 - 1,776	155,346 + 6,290
Gt. Southn. of Spain.....	39 weeks	Oct. 2	104	Pa. 85,321 + 8,380	3,409,411 - 79,237
Mexican Railway.....	13 weeks	7	432	\$268,000 + 38,100	3,461,400 + 10,400
Paraguay Central.....	15 weeks	9	274	£1,210 - 1,020	68,650 - 16,900
Salvador.....	15 weeks	9	100	£2,949 - 112	63,771 + 23,514

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.	Total Receipts.
				1926. + or -	1926. + or -
Anglo-Argentine.....	40 weeks	Oct. 7	329	\$89,577 - 657	3,346,961 - 132,499
B. Aires Lauroze.....	15 weeks	10	12	\$12,746 - 1,659	185,342 - 8,303
Burnley Corporation.....	1 week	9	12	£3,12 - 176	..
Calcutta Tramways.....	1 week	9	354	Rs. 215,538 + 14,148	..
Chatham & District.....	13 weeks	Sept. 30	15	£1,453 - 78	54,610 - 3,976
Egyptian Markets.....	40 weeks	Oct. 7	15	£1,530 - 449	72,697 - 10,429
Glasgow Corporation.....	37 weeks	9	134	\$47,103 - 9	828,717 - 6,799
Ile de Thanet Trams.....	53 weeks	Sept. 29	9	\$2,905 + 546	114,435 + 7,453
Liverpool Corp.....	28 weeks	Oct. 9	124	\$26,962 - 1,578	723,722 - 1,346
L.C.C. Tramways.....	28 weeks	Oct. 13	164	\$82,831 + 2,204	2,145,863 - 97,607
Pernambuco Trams.....	41 weeks	10	10	\$6,387 - 131	253,226 + 60,343

* Combined revenue.

Commercial Reports.

THE CORN TRADE.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24 :-

	1926-27	1925-26	1924-25	1923-24
Estimated sales of home-grown wheat—				
1 week to October 9.....	Cwts. 418,959	Cwts. 316,275	Cwts. 300,308	Cwts. 487,436
6 weeks to October 9.....	2,192,666	2,257,390	1,220,010	2,558,005
Average price of English wheat per cwt.....	s d 11 2	s d 10 4	s d 12 3	s d 8 11

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925 :-

Austin

OLYMPIA, October 22nd—30th, STAND No. 70

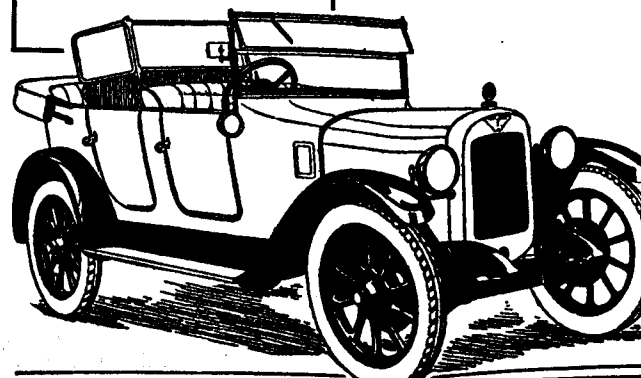
PRICES REDUCED! QUALITY BETTER THAN EVER!

These are two facts which unite to make an Austin, more than ever, the wisest motoring choice. Since their introduction twenty-one years ago these cars have maintained a constant lead in point of value, but never has it been more conspicuous than in the current models. Send now for details of them: then, when the Show opens on the 22nd, see them on Stand 70.

THE LATEST MODELS are to be seen in the Showrooms of our principal Distributors throughout the country, as well as at our own spacious London premises.

479-483, OXFORD STREET, W.1.
(near Marble Arch.)

THE AUSTIN MOTOR CO. LTD.,
LONGBRIDGE, BIRMINGHAM.



SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefce.	Ordinary.	Rate			
					Amount.	Amount.				Dividend.
Banks.										
Anglo-South American.....	June 30	£ 414,925	£ 471,714	£ 886,639	..	349,386	10	162,228	£ 375,025	£ 431,022
Northern Banking Co.	Oct. 28	47,066	136,970	184,036	..	87,500	17½A	45,386	51,150	121,779
Breweries and Distilleries.										
Highland Distilleries.....	Aug. 31	32,450	66,468	98,918	..	51,000	50	9,471	38,447	96,273
Electric Lighting and Power.										
Bromley (Kent) Electric Light ..	Dec. 31	639	19,468	20,107	..	8,999	10½	..	11,108	12,355
Financial, Land, & Investment.										
British New Guinea Development ..	Jan. 31	8,765	27,982	36,747	..	23,927	5	500	12,320	8,085
Caledonian Property Investment ..	July 31	..	2,646	2,646	..	1,446	4½	..	1,200	2,481
Goldsbrough, Mort, and Co.....	Mar. 31	97,143	331,326	428,469	..	250,000	15	67,500	110,969	320,207
Hotels, Restaurants, &c.										
Frederick	June 30	45,179	68,185	113,364	27,500	30,938	15	5,000	49,926	67,473
Hans Crescent Hotel.....	June 30	16,090	10,264	26,354	7,282	4,390	5/ p.s.	..	14,682	11,540
Queen Anne Residential Mansions and Hotel.....	June 24	20,714	37,910	58,624	8,750	22,499	20	..	27,375	37,765
Iron, Coal, and Steel.										
Bengal Iron	Mar. 31	6,060	79,647	85,707	..	..	..	31,285	96,722	51,110
Lambert Bros.	June 30	165,609	102,936	268,545	13,750	112,500	15	..	142,295	124,359
S. Instone and Co.	June 30	23,188	1,019	24,207	..	..	..	..	24,207	28,564
Oil.										
British Tanker Co.	Mar. 31	88,459	393,385	481,844	..	400,000	10½	..	81,844	..
Rubber, &c.										
Batu Matang	June 30	978	17,525	18,503	..	13,315	12½	3,598	1,590	5,528
Duff Development Co.	Mar. 31	9,318	64,851	74,170	..	61,911	25	..	12,259	7,847
Hoscote (Malaya) (First year)....	June 30	..	38,734	38,734	..	24,375	12½	6,292	8,067	..
Insulinde (Sumatra).....	June 30	3,092	30,104	33,196	..	14,237	20	2,223	6,736	13,037
Jong-Landor	June 30	13,284	55,492	68,776	..	53,700	60	..	15,076	18,757
Kamuning (Perak)	June 30	9,927	81,505	91,432	..	60,300	30	10,000	21,132	31,020
Kuala Krau	June 30	..	2,872	2,872	..	1,365	24	..	507	..
Lawa	June 30	432	5,017	5,449	1,717	..	..	..	3,732	1,849
Nyassa Plantations	June 30	..	452	452	..	..	..	..	452	..
Tangoel Rubber Estates	June 30	7	11,372	11,379	..	8,426	11	1,900	1,053	3,485
Shipping.										
Danube Navigation Company.....	July 31	3,613	23,104	26,717	..	..	..	20,000	6,717	25,598
Tea.										
Carolina Tea of Ceylon.....	June 30	9,152	55,059	64,211	3,456	37,125	45	12,875	10,755	..
Ceylon and Indian Planters	June 30	4,342	47,500	51,848	1,500	26,400	60	14,209	9,739	32,684
Trust.										
British Canadian	Aug. 31	7,441	18,268	25,709	4,641	8,250	8	5,000	7,818	16,900
Other Companies.										
Burt, Boulton, and Haywood	June 30	14,420	90,857	105,277	10,500	46,600	10	31,519	16,658	81,133
Goode, Durrant, and Co.	July 20	12,365	47,007	59,372	11,550	25,125	10	10,000	12,697	51,377
Handley Page	Dec. 31	Dr 556,194	38,982	Dr 517,202	..	..	..	..	Dr 517,202	Dr 222,010
Henry Bucknall and Son	May 31	683	9,180	9,863	..	..	..	9,000	863	4,578
Lawes Chemical Manure	June 30	3,176	166	3,342	..	..	..	..	3,342	3,676
London United Laundries	June 26	3,889	13,103	16,992	..	7,260	12	6,000	3,732	13,062
Salter and Salter	June 30	Dr 627	Dr 6,471	Dr 7,098	..	..	..	14,077	Dr 21,175	448
Serck Radiators	July 31	3,504	18,193	21,697	..	9,600	10	7,500	4,597	19,363

† Free of tax. n Also distribution of 10 per cent., being realised proceeds of capital accretions.

per 112 lbs. Millers' offals firmer. Broad bran 7s, middlings 8s 3d, fine ditto 10s 3d, bags included, ex-mill, feed oatmeal 8s 9d, light oats 7s 3d, ground oats 12s 9d per cwt, free on rail. Oatmeal tends firmer. London-made flaked 17s, rolled oats 16s; medium, also fine cut, 16s; coarse, also medium pinhead, 16s ex-mill per cwt.

AMERICAN WHEAT MARKETS.

Fluctuations have been confined within narrower limits this week. A bearish American official report was offset by information reflecting on the quality of the Canadian crop, and the advent of unfavourable weather in the belt tended to prevent any sagging of prices. Much the most important factor, however, was enhanced buying pressure from overseas, the impact of which will fall chiefly on America and Canada for some weeks to come.

	Jan. 2, 1925.	Oct. 15, 1925.	Jan. 7, 1926.	Oct. 7, 1926.	Oct. 14, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.	183	(a) 126½	160	(a) 138½	(a) 139½
Chicago (No. 2 Winter)—Cents per 60 lbs.	177	(a) 143½	176½	(a) 138½	(a) 139½

(a) October delivery. (c) December delivery.

Visible supplies of wheat in Canada, 29,284,000 bushels, show an increase of 6,867,000 bushels as compared with the previous figures. Supplies a year ago stood at 27,570,000 bushels.

OTHER METALS.

Tin.—The market opened weaker, due to easier foreign advices and freer offerings. Later prices advanced sharply on stronger foreign cables, while buyers were more in evidence. Standard cash sold £315 to £311 15s and £321, and three months £304 to £301 and £308 10s. Sales in the East were reported at £314 5s to £315 10s, £314 10s, and £318.

Copper.—A firmer market, the tone being influenced by the report of Government sanction in America for co-operative action in establishing the price of domestic copper on foreign

markets. Dealings here were on a larger scale, particularly forward positions. Standard cash changed hands at £57 10s to £59 8s 9d, near dates £58 11s 3d to £59 15s, and three months £58 2s 6d to £60 6s 3d.

SPIRIT firmer, with improved inquiries. October, also November and December, sold £34 2s 6d to £34 12s 6d, January £33 18s 9d to £34 10s, February £34 to £34 10s.

LEAD dealer on increased buying orders in view of larger fuel supplied available. Good soft foreign pig, October, sold £30 10s to £31 16s 3d, December £30 7s 6d to £31 13s 9d, January £30 7s 6d to £31 11s 3d ton.

ANTIMONY steady. English brands quoted £74 10s to £75; China crude, November-December, nominally £36, regulus £50 ton.

ALUMINIUM quiet. Home delivery £107, export £112 ton. **WOLFRAM** steady, and affloat quoted 14s 9d per unit. **QUICKSILVER** firm. Spot quoted £16 10s per bottle.

IRON AND STEEL.

The following is extracted from the weekly report issued by the London Iron and Steel Exchange. Markets are still disturbed by the industrial conditions in this country, and by the fact that the Continental steel trade has not yet settled down to the operations of the newly formed cartel. The position of British manufacturers has become increasingly difficult. The recent advance in the price of Continental fuel has made its use almost prohibitive to the manufacture of many classes of steel, and has placed those firms which were under contract to deliver such material in an awkward position, as the use of foreign coal would result in a serious loss. On the Continent the high prices which were quoted immediately after the formation of the cartel merely drove buyers out of the market, and practically no business was done for some days. As a consequence quoted prices for Continental steel fell sharply, and this week further reductions have been made. At the ruling prices

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended September 30.		Nine Months Ended September 30.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	9,932,943	9,079,392	81,172,829	75,909,759
B. Feeding stuffs for animals	681,567	520,698	6,621,919	4,956,478
C. Meat	9,995,555	9,453,316	92,283,200	86,786,004
D. Animals, living, for food	2,023,538	1,711,655	11,675,552	11,358,913
E. Other food and drink, non-dutiable ..	15,326,644	12,940,166	129,315,755	124,696,225
F. " " dutiable ..	9,488,657	10,101,657	82,728,876	76,855,458
G. Tobacco	994,833	1,068,074	9,511,191	11,387,092
Total, Class I.	46,443,737	44,881,958	413,307,322	391,949,909
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	585	7,749,101	13,531	20,416,839
B. Other non-metallic mining and quarry products and the like ..	441,540	496,014	4,390,991	4,252,210
C. Iron ore and scrap ..	402,760	62,613	3,933,571	2,641,516
D. Non-ferrous metalliferous ores and scrap ..	1,087,837	873,508	12,411,266	11,566,499
E. Wood and timber ..	5,312,558	4,137,040	33,867,305	27,219,354
F. Raw cotton and cotton waste ..	5,331,200	4,061,510	32,617,304	57,815,568
G. Wool, raw and waste, and woollen rags ..	2,574,105	2,052,659	16,420,145	53,316,225
H. Silk, raw, waste, and waste ..	42,454	178,475	1,342,890	1,425,974
I. Other textile materials ..	523,749	334,401	11,469,839	10,399,045
J. Oil seeds, nuts, oils, fats, & resins ..	4,849,551	3,667,616	42,427,504	35,637,595
K. Hides and skins, undressed ..	1,760,315	1,638,782	16,452,979	14,448,665
L. Paper-making materials ..	1,120,318	1,154,934	7,946,010	8,917,642
M. Rubber ..	3,663,301	2,470,273	16,518,983	26,146,418
N. Miscellaneous raw materials and articles mainly unmanufactured ..	1,164,426	1,119,754	8,547,959	7,586,259
Total, Class II.	28,274,699	30,006,683	303,360,268	281,789,773
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	641	270,089	3,537	541,215
B. Earthenware, glass, abrasives, &c. ..	877,779	1,008,008	7,195,403	8,144,049
C. Iron and steel and manufactures thereof ..	1,718,539	3,327,812	18,046,872	19,394,153
D. Non-ferrous metals and manufactures thereof ..	2,639,796	2,582,634	28,294,692	27,150,029
E. Cutlery, hardware, implements, and instruments ..	437,273	534,856	7,461,485	4,731,216
F. Electrical goods and apparatus ..	336,091	335,340	2,983,555	2,565,893
G. Machinery ..	857,570	891,391	8,941,784	9,435,616
H. Manufactures of wood and timber ..	503,535	567,282	4,534,428	5,025,009
I. Cotton yarns and manufactures ..	779,577	756,681	7,608,122	6,424,102
J. Woollen and worsted yarns and manufactures ..	1,148,530	1,373,019	10,705,157	11,287,060
K. Silk and silk manufactures ..	816,983	1,463,916	19,271,194	12,925,250
L. Manufactures of other textile materials ..	1,046,836	1,135,367	14,680,987	11,302,742
M. Apparel ..	1,473,881	1,678,846	16,796,612	13,094,468
N. Chemicals, drugs, dyes, & colours ..	958,402	1,232,636	10,638,462	11,235,525
O. Oils, fats, and resins, manufactured ..	3,243,724	3,297,242	28,659,604	31,594,758
P. Leather and manufactures thereof ..	1,139,021	1,134,549	10,978,583	10,372,267
Q. Paper and cardboard ..	1,119,915	1,144,578	10,787,051	11,355,185
R. Vehicles (including locomotives, ships, and aircraft) ..	734,221	504,226	9,977,281	5,721,360
S. Rubber manufactures ..	566,086	643,470	4,780,003	5,729,011
T. Miscellaneous articles, mainly or wholly manufactured ..	2,273,809	2,421,891	21,258,836	19,703,982
Total, Class III.	22,676,395	26,306,893	243,713,648	228,270,910
IV.—Animals, not for food	305,790	343,981	1,744,852	1,578,213
V.—Parcel post, non-dutiable articles ..	234,127	184,826	3,343,042	1,798,179
Total	97,934,748	101,724,341	955,469,132	905,386,984

a fair amount of business has been done, as buyers seem to regard the present quotations as being on a reasonable basis.

Our Middlesbrough correspondent's report, dated October 14th, is as follows:—Pig-iron: Famine conditions prevail so far as Cleveland foundry iron is concerned. The small production is all sold for this month, and merchants and foundries are having great difficulty in securing even small parcels for November. No. 3 G.M.B. is now quoted 17s 6d per ton f.o.t. With regard to hematite, nominally mixed numbers are about 8s 6d per ton, but there is very little available, stocks having been greatly reduced. Manufactured iron and steel: At one or two local steel works a limited output is being maintained, and the demand is so strong that substantial premiums are being paid. The following are approximate quotations:—Steel ship plates and angles, about £8 12s 6d; steel rails, about £8 5s; iron bars, about £11 15s. Iron ore: This is an idle market, and best Rubio remains nominally at 21s 6d per ton c.i.f. Tees.

Our Glasgow correspondent writes:—The situation remains unchanged. Advances which were intimated by steel and iron manufacturers recently are being firmly maintained owing to the certainty of dearer fuel. Coal being produced in the district is not yet available for industrial purposes, and there is no encouragement to operate the steel and iron plants which have now been idle nearly six months. Continental material has advanced in price, and, as early delivery of this is now practically impossible, consumers are experiencing the greatest difficulty in carrying on. Inquiries have been more numerous, probably in view of the hopes of an early cessation of the coal troubles. Among recent contracts obtained locally is one for twenty locomotives for the Antofagasta Railway, South America, placed with the North British Locomotive Company, Limited. It is also reported that Messrs Orr, Watt, and Co., Limited, Motherwell, have secured the contract for the erection of a bridge over the L.N.E.R. main line at East Linton, the value of the contract being fully £12,000.

Our Sheffield correspondent writes:—The tendency in the local trades towards curtailment of activity continues. Fuel supplies

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM. (Value F.O.B.)

	Month Ended September 30.		Nine Months Ended September 30.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	£ 641,183	£ 438,623	£ 7,457,943	£ 4,246,148
B. Feeding stuffs for animals	187,335	173,277	2,476,212	1,783,825
C. Meat	138,825	123,131	1,169,656	1,152,247
D. Animals living, for food	16,839	9,727	117,621	102,329
E. and F. Other food and drink	2,956,568	2,906,805	23,903,704	23,688,889
G. Tobacco	589,904	686,015	4,961,458	6,133,735
Total, Class I.	4,570,695	4,337,116	40,086,594	36,517,773
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	3,659,844	4,120	38,197,224	17,244,456
B. Other non-metallic mining and quarry products and the like	168,547	164,711	1,444,186	1,499,958
C. Iron ore and scrap	20,230	10,806	328,188	209,589
D. Non-ferrous metalliferous ores and scrap	86,255	132,815	1,054,080	891,262
E. Wood and timber	70,455	36,612	583,799	509,741
F. Raw cotton and cotton waste	105,017	101,671	1,332,057	761,904
G. Wool, raw and waste, and woollen rags	769,559	659,892	8,630,328	5,561,732
H. Silk, raw, knubs and noils	4,811	2,837	51,945	12,294
I. Other textile materials	62,639	30,167	451,960	243,412
J. Oil seeds, nuts, oils, fats, resins, and gums	590,879	339,022	4,912,421	4,940,997
K. Hides and skins, undressed	115,709	145,091	2,265,511	1,892,998
L. Paper-making materials	138,300	93,995	1,439,384	1,128,087
M. Rubber	40,717	18,725	192,362	123,484
N. Miscellaneous raw materials and articles mainly unmanufactured ..	202,495	156,769	2,612,616	2,500,004
Total, Class II.	6,035,457	1,917,221	63,499,461	37,648,428
III.—Articles Wholly or Mainly Manu- factured—				
A. Coke and manufactured fuel	285,958	328	2,677,724	1,333,119
B. Earthenware, glass, abrasives, &c.	1,005,371	732,538	9,666,602	8,915,608
C. Iron and steel and manufactures thereof	5,043,975	3,398,337	50,102,256	43,597,337
D. Non-ferrous metals and manufac- tures thereof	1,494,213	1,765,072	12,262,562	14,234,094
E. Cutlery, hardware, implements and instruments	736,067	692,288	7,027,569	6,577,337
F. Electrical goods and apparatus	1,159,974	1,638,598	8,943,999	8,884,649
G. Machinery	3,959,151	3,445,979	36,412,113	37,748,087
H. Manufactures of wood and timber ..	156,216	199,978	1,631,295	1,232,751
I. Cotton yarns and manufactures	15,593,980	12,098,982	152,964,251	120,414,416
J. Woollen and worsted yarns and manufactures	4,215,360	4,109,707	45,922,117	39,161,241
K. Silk and silk manufactures	128,757	189,650	1,371,636	1,380,505
L. Manufactures of other textile materials	2,179,343	2,269,566	21,107,640	20,135,453
M. Apparel	2,670,561	2,677,336	21,988,094	20,274,538
N. Chemicals, drugs, dyes, & colours ..	1,813,368	1,647,114	17,945,670	16,816,638
O. Oils, fats, & resins, manufactured ..	759,736	840,473	7,358,031	7,180,005
P. Leather and manufactures thereof ..	585,235	577,174	5,200,441	4,822,717
Q. Paper and cardboard	808,361	911,424	7,175,313	7,275,207
R. Vehicles (including locomotives, ships, and aircrafts)	2,463,698	2,186,602	22,270,202	23,799,761
S. Rubber manufactures	644,749	621,577	5,641,741	5,933,639
T. Miscellaneous articles mainly or wholly manufactured	3,066,786	3,169,468	24,915,769	24,606,316
Total, Class III.	48,775,062	43,182,012	462,627,009	410,612,141
IV.—Animals, not for food				
	159,710	148,093	1,608,478	1,194,404
V.—Parcel Post				
	1,233,944	1,095,550	11,436,864	9,972,054
Total	60,734,868	50,680,003	579,258,406	495,944,800

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vailed with regard to Manila. J. October-December, changed hands £46 10s; K and L 1, £40 10s to £41 10s; L 2, £37 to £37 10s; M 1, £36 to £37; M 2, £33 to £33 10s; D.M., £27 to £27 10s. New Zealand, fair, October-December, quoted £35. African sisal, No. 1, f.a.q., £43.

SHELLAC.—Market firm. T.N., spot, 180s; December, 172s to 175s; March, sold, 171s to 175s; November-December, steamer, quoted 170s per cwt., c.f. and i. terms.

COPRA.—Market quiet, and trend of prices weak. F.M.S. Straits, October-November, to Rotterdam, quoted £26 15s; November-December, £27; December-January, £27 5s. Dutch East Indies, October-November, £26 8s 6d; Ceylon, ditto, £28 5s; South Sea, £25; Cebu, £25 17s 6d. Palm kernels steady. November-January, quoted £19 15s; December-February, £20 per ton.

TALLOW.—Messrs Colchesters and Woolner write on October 13th as follows:—The tallow market was quiet during the week, and prices are barely steady to-day. Although there were occasional private sales there were not sufficient buyers to render it advisable to offer by auction. Quotations are:—Australian mutton: Fine, 44s; good to fair, 43s to 42s; dull to dark, 39s 6d to 37s 6d; hard, 43s 6d. Australian beef: Fine, 43s; good to fair, 42s 6d to 40s 6d; dull to dark, 38s 6d to 37s; sweet, 45s. Present shipment from Australasia: Good mixed, 41s. Present shipment from South America, 41s 3d. The market letter is unchanged. Town tallow, 38s 6d per cwt. Rough fat, per 8 lbs, 2d; melted stuff, 28s per cwt. Quotations are:

—Town, 38s, net cash, naked, ex works. Country: Frail casks, 38s home melted, shipping casks, net, f.o.b., good coloured, 40s 6d; fair to dull, 38s 6d to 37s 6d. Bone fat: white none; pale none; benzine, 32s 6d; melted stuff, 33s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 22s per 100. Coir yarn, Ceylon, £21 10s to £37; Cochin, £24 10s to £49; Ceylon bristle, £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 7d; Java, 2s 4d.

METROPOLITAN CATTLE.—October 14

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	5	10	6	4	Sheep—Downs (clipped)	8	0	8	6
Short Horns	6	4	6	8	Ewes	5	0	5	4
Herefords	6	4	6	8	Crossbred	..	..	..	..
Devons	6	4	6	8	Scottish	..	..	..	..
					Lamb—Downs	9	4	10	0

LONDON POTATO MARKETS.—October 14.

English King Edwards	Per Cwt.	s	d	s	d
British Queens	7	0	8	0	0
Belipse	6	0	6	6	6
Majestic	6	0	6	6	6

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.				
COCOA —Duty, British grown, 9s 4d, foreign, 14s cwt				
Trinidad	57	0	73	0
Grenada	57	0	63	0
Ceylon, plantation	57	0	80	0
Guayaquil	75	0	100	0
Bahia, finest	52	0	58	0
COFFEE —British grown, 9s 4d, foreign, 14s cwt				
India, fine ord. g.d. mid 122	0	147	0	
Do good to fine	152	0	152	0
Costa Rica, ord. to mid. 120	0	168	0	
Good to fine	162	0	195	0
Central American, g.d. ord.	115	0	130	0
to mid	135	0	145	0
Mid to fine	145	0	155	0
Colombian, ordinary	108	0	114	0
Do g.d. ord. to low mid. 116	0	126	0	
Do mid to fine	130	0	156	0
CHEMICALS				
Acid, citric	1	3	0	0
Nitric	0	24	0	4
Oxalic, net	0	34	0	4
Tartaric, English	1	0	1	0
Foreign	0	11	1	0
CREAM OF TARTAR				
English	80	0	81	0
Foreign	99	0	75	0
Alum lump	10	10	10	0
Do ground	11	10	12	0
Ammonia, carb.	37	0	39	0
Muriate, White	32	0	29	0
Sulphate	0	15	0	0
Argento, lump	14	0	15	0
Powder	14	0	15	0
Ashes, pot	65	0	70	0
Pearl ash	65	0	70	0
Bleaching powder	9	10	9	0
Borax, gran.	22	0	10	0
Do crystals	23	0	0	0
Do powder	24	0	0	0
Calomel	4	2	4	0
Iodine, dry	1	0	1	0
Nitrate of Soda	13	5	13	7
Potash—Chlorate, net	0	31	0	4
Prussiate	0	8	0	9
Do Foreign	0	7	0	8
Sulphate	11	0	12	0
Sal-Acetos	1	10	2	0
Sal-Ammoniac	1	10	2	0
Soda Bicarb.	10	10	10	0
Crystals	5	0	5	0
Alkali	5	17	6	15
Caustic	14	2	16	10
Sugar of lead, white	0	10	0	0
Foreign white	44	0	46	0
Sulphate Quinine	1	9	1	10
English Brands	1	8	1	9
Foreign	1	8	1	9
Sulphate Copper	10	10	10	0
Zinc, pure	8	0	9	10
Sulphur Flour	8	0	8	10
Do Boil	8	0	8	10
Vermillion, Chinese, per lb	4	6	4	9
English	4	6	5	0
Oil Peppermint, H.G.H.	65	0	70	0
COPRA —per ton, c.f. & i.				
Malabar, Nov-Dec	28	7	6	
Ceylon	27	2	6	
F.M.S. Singapore	26	2	6	
F.M. Straits	26	2	6	
COCHINEAL —per lb				
Alone, fine B.L.	0	140	0	
Cape, good to fine	41	0	42	0
Balsam Peru	1	9	8	0
Capivi	1	7	0	0
Camphor	2	10	0	0
Japan, refined	5	0	8	0
Cardamom, Ceylon	5	0	8	0
Cardamom, China, per lb	3	6	0	0
Castor oil	85	0	95	0
Sum. Benzoin, Siam, per lb	5	0	10	0
Oil Camellia, drops, fair to good	0	100	0	
Good	10	0	100	0
Japan	14	0	0	0
Frankincense	2	0	0	0
Oil Cassia	67	6	70	0
Andean	3	6	8	0
Peppermint, Wayne Co.	3	6	8	0
Neem, India, 100 lb	5	0	5	0

The Economist

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THE MONEY MARKET.

THE money market opened the week under fairly comfortable conditions, but the easier tendency did not last long, the calling in of fairly large amounts by the joint-stock banks producing some stringency in mid-week, when the rate for short loans ranged from 4½ up to 5 per cent. Thereafter, however, there was some relaxation, and loans over the night were obtainable down to 4 per cent.

The discount market, though still quiet, has been affected by the decline in the American exchange and the further loss of gold, and rates have been firm throughout the week, in spite of a Continental demand for bills, which continue in short supply. Yesterday's quotation for three months' bills was $4\frac{1}{2}$ per cent., and the Treasury bills were allotted at an average over 4 27-32 per cent. against $4\frac{1}{8}$ per cent. last week. While apprehensions of a rise in Bank rate have been lessened by the easing of the credit position in New York, the possibility of a change in an upward direction depends upon gold movements during the next few weeks. The condition of the exchanges at the moment points to further withdrawals.

	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

The Bank return showed a decline of £78,100 in the gold stock, and a reduction of £631,900 in the note circulation, so that the Reserve was £553,800 higher. With a small expansion in liabilities, the Proportion was unchanged at 27.9 per cent. Government securities were reduced by £484,9000, Other securities rose by £1,913,000, and Public Deposits by £595,000, so that Other Deposits expanded by £1,380,200. Currency notes were reduced by £1,742,832 to £288,705,300, which includes £1,293,100 for notes called in but not yet cancelled. The fiduciary issue is £231,162,200, or £16,740,300 below the maximum for 1926.

NEW YORK MARKETS.

Weakness in the share markets continues, with rallies as an oversold condition develops. There are some signs of slowing down in industry, much of which is seasonal. The steel trade reports fewer new orders, and motor manufacturers are working on reduced programmes. Railroad traffics, however, are maintained at record levels, and retail trade is good. The liquidation in the share markets lessens the demand for funds, and thus offsets the approach to the highest level of industrial demand for accommodation. It is not now expected that the Federal Reserve bank will increase its discount rate. The weekly statement shows a heavy reduction in discounts, an increase in gold reserves, and a decrease in circulation. The reserve ratio is 85.4 per cent. for New York, and 74.1 per cent. for the whole system. A mild interest is taken in the European Tariff Manifesto. Wall Street opinion favours it as likely to assist European trade, and commentators point to the advantages of the free inter-State trade in this country. Belgian financing is expected early next week.

THE STOCK MARKETS.

The general tendency of the stock markets has been dull, mainly owing to the continuance of the coal dispute, but partly on vague fears of dearer money. The gilt-edged market has inclined to dullness, and home rails are heavy, but there has been a fair amount of business in the foreign market, Turkish bonds being prominent. There were a few bright features in industrials. Marconis rose sharply on the success of the beam system, and Ever-Ready shares were strong on dividend anticipations. Nobels were in demand on rumours of the chemical fusion which was announced yesterday. Tobaccos and electricity shares were lower, but motor shares attracted some attention on account of the Motor Show. Rubber shares have eased a little in sympathy with the commodity and tea shares are mostly lower, but oils have improved. Kaffirs have weakened, and the tin group has suffered a reaction. The Sunderland Corporation loan for £1,000,000 and the issue of preference and ordinary shares by Phillips Rubber Soles, Limited, were over-subscribed.

THE COMMODITY MARKETS.

A scarcity of foreign coals has developed at importing centres this week. The exhaustion of Continental stocks is increasing the demand for American coal, freights have again risen, and for the first time in the history of South Wales Spanish coals have been received at Cardiff. British iron and steel is difficult to obtain, and 120s per ton has been paid for small lots of Cleveland pig-iron. Continental manufacturers decline to quote for near delivery, and home consumers are unwilling to buy forward. With American cotton selling at less than 7d a pound, buyers of yarn and cloth have been reluctant to place orders, pending greater price stability. Raw wool quotations have not been fully maintained at overseas centres, and with home trade showing considerable dullness, British prices have declined over the week. Wheat prices are firmer, the rise in freight charges having persisted as regards shipments from America and Canada. The sugar market is quiet, and the same remark applies to coffee, but fine teas continue in good demand. Rubber is dull and featureless. Among non-ferrous metals, tin has declined on realisations; copper and lead are also lower.

FOREIGN EXCHANGES.

There was a good deal of activity in the foreign exchange market during the week, the feature being the recovery of the French franc, the movements of which at times were sensational. Belgian francs also improved materially, as did the lira, the fluctuations of the latter being only less striking than those of Paris. All these currencies fell away slightly yesterday, but the sharp appreciation of the franc has already elicited protests from the French exporter, who has, of course, up to now benefited by depreciation. The hard lesson that stability is the only condition which can benefit the community as a whole has apparently yet to be learnt in France as it has been already elsewhere. The dollar rate was weaker, probably from seasonal causes, and not, as is stated, French buying of dollars, a theory which is hardly supported by the strength of the franc. The peseta, though better, is hesitant. The steady improvement of Oslo has continued. The dollar rate opened at 4.85 $\frac{1}{2}$ on the 15th, and remained there on Saturday and Monday. On Tuesday a rather sharp decline to 4.84 $\frac{1}{8}$ -4.85 $\frac{1}{16}$ followed, and further weakness was shown next day and on Thursday at 4.84 $\frac{1}{8}$ - $\frac{1}{4}$. Yesterday there was a better tendency at 4.84 $\frac{1}{8}$ middle, forward rates for one and three months being either side of par. This is explained by the fact that the considerable sale of forward dollars at the immediately previous rate was sufficient to neutralise the natural tendency towards a premium on forward delivery. The franc opened rather better at 168 $\frac{3}{4}$, but fell $\frac{1}{2}$ next day. On Monday there was a better tendency with an opening rate of 168 $\frac{1}{2}$, and a closing rate of 167 $\frac{1}{2}$. On Tuesday this continued, Paris opening at 165 $\frac{1}{2}$ and closing at 166 $\frac{1}{2}$. On Wednesday there was a sensational improvement of 5 francs, and the rate closed at best at 161 $\frac{1}{2}$. Thursday was equally sensational, 157 $\frac{1}{2}$ being touched after the market opening at 159 $\frac{1}{2}$, but there was a reaction and the closing rate was 161 $\frac{1}{2}$. Yesterday some weakness betrayed itself at 162 $\frac{1}{2}$, but forward rates were strong at 1 $\frac{1}{4}$ and 3 $\frac{1}{4}$ francs discount for one and three months. Brussels moved on parallel, though less sensational, lines at 173 $\frac{3}{4}$ on the 15th and 173 on Saturday and Monday, following the visit of the Belgian representatives to London in connection with credit arrangements. Belief in the imminence of stabilisation improved matters still further to 171 $\frac{1}{2}$ on Tuesday and 170 $\frac{1}{2}$ on Wednesday. A reaction set in on Thursday, and yesterday the rate was back to 173 $\frac{1}{4}$, forward rates being, however, strong at $\frac{1}{2}$ and 1 $\frac{1}{4}$ francs discount. The lira opened firm at 119 $\frac{1}{2}$ on the 15th, and was better at 118 $\frac{1}{2}$ on Saturday and 116 on Monday. On Tuesday 113 $\frac{1}{2}$ was touched before closing at 114 $\frac{1}{2}$. Next day there was a sharp jump to 111 $\frac{1}{2}$, and this was maintained on Thursday, a tendency to react being evident here also at 111 $\frac{1}{2}$ yesterday. Forward rates are, however, strong at 2 $\frac{1}{2}$ and 5 $\frac{1}{2}$ lire discount. It is generally believed that the movement of these three currencies has been rather overhastened, and an attitude of reserve is therefore indicated. Oslo improved steadily from 20.27 to 19.50, Stockholm from 18.14 to 18.13, and

Copenhagen from 18.24 to 18.22. Berlin, after moving against us to 20.36 on Wednesday, on the announcement of the increase by £2,000,000 in the gold holding of the Reichsbank, closed weaker on balance at 20.38, as did Geneva at 25.13. The peseta opened weakly at 31.95, and went to 32.15 on Saturday, and to 32.00 on Wednesday, after some improvement on Monday and Tuesday. Though stronger at 31.90 yesterday, it is hesitating and uncertain, in reflection of internal political conditions. The drachma fell away to 400 on Monday and Tuesday, and was weaker by 2 points yesterday than the opening rate of 397. Bucharest was better at 905, against an opening of 915. Other European currencies call for no remark. In South America the weakness of the milreis is reacting on the coffee market, 6 $\frac{1}{2}$ d being touched on Saturday, the lowest level for some time. At 6 $\frac{1}{2}$ d yesterday there are no signs of strength, and Buenos Aires is fractionally weaker at 45 $\frac{1}{2}$ d. In the Far East the rupee remained very firm at 1s 5 $\frac{3}{4}$ d throughout, whilst the yen was even firmer at 2s 0 $\frac{3}{4}$ d yesterday, against the opening level of 2s 0d. The silver market was very weak, prices falling daily from the opening until Thursday, when there was a slight recovery. China was a heavy seller, as was at one time the Continent, and prices were on Monday lower than at any time since November, 1915. The Chinese exchanges followed silver, Hongkong receding from 1s 11 $\frac{3}{4}$ d to 1s 9 $\frac{1}{4}$ d, Shanghai from 2s 5 $\frac{1}{2}$ d to 2s 3 $\frac{1}{2}$ d, Singapore also depreciated by $\frac{1}{16}$ d to 2s 3 $\frac{1}{16}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended October 16th:—

EXPENDITURE.		(000's omitted.)		RECEIPTS.	
Supply Services	5,715	£	From Revenue ..	10,573	£
Interest, &c., on Debt	5,692		Increase in debt ..	2,644	
Sinking Fund	422				
Sundries	1,140				
Increase in Balances	248				
	13,217			13,217	

Revenue for the week amounted to £10,573,200, against £17,469,400. Customs produced £1,681,000, against £1,441,000, and Excise £2,480,000, against £6,935,000. Estate, &c., duties yielded £2,180,000, against £940,000. Property and income-tax brought in £1,820,000, against £2,454,000. Special Receipts yielded £150,000, as compared with £3,000,000 in the corresponding period. The week's operations increased the National Debt by £2,644,100, and caused the following changes:—

(000's omitted.)		£	
Public Department Advances ..	4,400	National Savings Certificates	+ 50
Sundries	493	Treasury Bills	+ 7,487
	4,893		+ 7,537

The floating debt was increased by £3,085,000 to £785,136,000.

FINANCIAL YEAR, 1926-1927 (April 1 to October 16, 1926).

£		£	
Total Expenditure ..	435,820,096	Raised by Revenue ..	350,914,224
		Decrease in Balances ..	3,888,918
		Amount borrowed ..	81,016,954
Total	435,820,096	Total	435,820,096

ESTIMATES for FINANCIAL YEAR 1926-7 †

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Anglo-South American Bank, Buenos Ayres Great Southern Railway, Buenos Ayres Western Railway, Central Uruguay Railway Company of Monte Video, Inveresk Paper, Goode, Durrant and Co., and Frederick Hotels. At the meeting of the Inveresk Paper Company the chairman gave a full and interesting review of the company's activities, including the acquisition of several illustrated papers and periodicals. Mr R. J. Hose, at the meeting of the Anglo-South American Bank, surveyed the position in the bank's principal field of operations.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a review of the results of the 1924 Wage Census in the iron, steel and engineering trades of Great Britain.

EUROPE'S TRADE SHACKLES—A PLEA FOR FREEDOM.

"TRADE is not war, but a process of exchange.....in time of peace our neighbours are our customers.....and their prosperity is a condition of our well-being." We need hardly say that the *Economist*, which throughout its long career has in and out of season endeavoured to insist that economic policy should be based upon this simple truth, wholeheartedly welcomes the weighty and brilliant "Plea for the removal of the restrictions on European Trade" which was issued on Wednesday last. This document, which we print in full on a later page, would in any case command attention for the conciseness and clarity with which it sets out the fundamental issues of international trade. It is bound to exercise considerable influence on the Government of Europe because of the very great weight and authority of the men who have put their signatures to it. But it will assuredly rank as one of the great economic documents of history, chiefly because there has never been any declaration of economic policy—outside the decisions of official conferences—which has had so powerful an international backing.

The document is signed by over 200 persons representing some 16 countries. In the first place, there are the heads of a dozen Central Banks, including those of Great Britain, Germany, and Italy, the chief neutral States of Europe, with the notable omission of Spain, and certain countries of Central Europe. These signatures are of special importance, for the heads of Central Banks, though not usually Government officials, are, nevertheless, in charge of institutions the primary purpose of which is not to make profits for their bank, but to look after in the public interest the monetary basis on which the economic life of each country depends. Being free from direct political influences and unattached to the interests of particular groups or industries, the Central Banks are in a peculiarly favourable position for judging what is needed for the public well-being. Moreover, in present circumstances these Banks, which are entrusted with the difficult problem of securing monetary stability, have good reason to know how much they are hampered in carrying out their primary function by the existence of trade barriers. The signatories include a very strong representation of other banks and other financial houses in every country. The idea, however, that while bankers and people in commerce may appreciate the case for Free Trade, industrialists invariably see the need for Protection, is not borne out by the list of signatories. In the case of Great Britain there are the signatures not only of the chairman of Lloyds and three leading shipowners, but three men connected with the coal industry, seven from the metallurgical group of industries, including the chairman of Vickers, the chairman of Wm. Beardmore, and Sir Glynn West recently chairman of Armstrongs. There are two railway magnates, and, of course, an important representation of the Lancashire and Yorkshire textile industries. Clearly the British list could have been almost indefinitely extended. But a more im-

important point for English readers to appreciate is that the list includes the heads of the chemical, electric, and steel trusts in Germany, two important steel manufacturers of Austria, the heads of the largest steel-producing concern in Belgium, the leading representatives of the textile, sugar and steel industries of Czechoslovakia, the leaders of the chemical, silk, cotton, and coal industries of France, the chief officers of the Fascist organisations of Italian industry, together with the presidents of the Fiat and Snia Viscosa companies, and a representative of the Association of Mining Industries in Upper Silesia. There is naturally a strong representation in all quarters of the shipping interests. Such a list of names could not possibly have been got together on a matter of mere academic interest. The "Plea" is conclusive evidence that this problem of trade barriers is regarded as a real and urgent problem. The force of this contention is not weakened in any way by the reservations made by the French and Italian signatories, who point out that monetary difficulties and other obstacles to free commerce, such as subsidies and barriers to the movement of emigrants, &c., are also hindrances to the recovery of trade.

The Plea has been endorsed at a meeting of the Council of the International Chamber of Commerce, which met this week in Paris, and its arguments supported by facts which the Chamber has been collecting. In an important statement by the acting president, Sir Alan Anderson, which included a summary of the economic conditions in the countries which are members of the Chamber, Sir Alan prefaced his remarks by declaring that "To move goods, men, and ideas is to civilise. We claim for the trade between nations that it is the sovereign agent to improve the lot of mankind, and that it does not deserve to be barred out as it is to-day. We say that the first of trade barriers is the lack of a stable token with which to trade, and the next the rivalry of one State against another, which bars trade and so damages everyone. Our national committees report facts as they see them. They state no policy, but together they prove, or seem to me to prove, that we are right when we urge that nations must pull down their barriers before trade can revive." Sir Alan then proceeded to illustrate his thesis from the reports on the effect of trade barriers of various countries, which will later be laid before the International Economic Conference of the League of Nations by Sir Arthur Balfour.

We are not simple enough to suppose that the tariff walls of Europe will fall down at the blast of the trumpet, even when blown by such competent instrumentalists as the two hundred distinguished signatories of the present plea. It was in 1820 that the merchants of London presented to Parliament their famous petition for the abolition of the restrictive system; but it was not until 1860 that the last protective duties of one tariff were finally swept away. Moreover, the pages of the *Economist*, from its formation in 1843 to the present day, show how unremitting are the efforts of those interested in particular industries to seek opportunities of sheltering themselves from the winds of competition by protective measures imposed at the expense of the public. The present plea—representing though it does a widespread recognition of the folly of Europe's present practices—cannot be expected to do more than change the trend of international trade policy. Nevertheless, it is more than a small mercy that the beginnings of a change are manifested. The next step is with the International Economic Conference, which is expected to meet at Geneva next year, and is, by the issue of this manifesto and all that it means, invested with a far greater importance than it might otherwise have possessed.

SOUTH AFRICA AND THE BRITISH COMMONWEALTH OF NATIONS.

At the opening meeting of the Imperial Conference last Tuesday, the spokesmen of the United Kingdom, the Dominions, and India set forth, in a general way, their respective points of view. All the speeches were carefully and moderately phrased—as, indeed, was to be expected from statesmen of such experience, holding such responsible positions—and all but one of these speeches

have been accepted by the Press and public in Great Britain as authoritative expressions of views which are more or less common to all parties concerned. The one speech which has excited comment is General Hertzog's, and there has been a tendency to contrast it, somewhat unfavourably, with the pronouncements of the other Dominion Prime Ministers—for example, Mr Bruce. A contrast there certainly was, yet perhaps not precisely of the nature which at first sight would appear. The first impression may be that General Hertzog has diverged from the line taken, for example, by Mr Bruce, by raising more awkward and delicate questions; yet this judgment will hardly bear examination. Mr Bruce eschewed questions of political status and concentrated on economic relations; and we submit that, in the present situation of the Commonwealth, economic relations are the more dangerous ground of the two. We do not at all criticise Mr Bruce for entering on this ground. The Commonwealth would not long endure if its members shrank from a frank exchange of opinions concerning the most difficult problems that lie ahead of us. We merely suggest that the contrast between Mr Bruce's and General Hertzog's attitudes as reflected in their speeches was not a contrast between tact and its opposite or between an attitude of solidarity and an attitude of particularism, but rather a contrast between a forward-looking and a backward-looking standpoint. The problem of inter-Imperial economic relations, with its bearing upon the traditional economic policy of the United Kingdom, is, we believe, one of the difficult questions of the future. On the other hand, we believe that the problem of South African nationalism is essentially a question of the past, which will rapidly be crowded out of the minds of the South Africans themselves by problems more urgent and more vitally affecting their national welfare.

"The corner-stone of the Empire," said General Hertzog, "is the goodwill of those who compose it..... South Africa is anxious to possess that will equally with every other member of the Commonwealth; but that will can be assured for the future only if she can be made to feel implicit faith in her full and free nationhood on the basis of equality with every other member of the Commonwealth. That implicit faith she does not possess to-day, but she will possess it the moment her independent national status has ceased to be a matter in dispute and has become internationally recognised."

We respectfully suggest that several of the statements made by the South African Prime Minister in this passage reflect past controversies and feuds rather than present conditions or future problems and dangers. In what respect is the present status of the South African Union inferior to that of other members of the Commonwealth? Like every other State represented at the Imperial Conference (with the exception of the Irish Free State, which did not exist on January 10, 1920), South Africa obtained international recognition of her independent national status when she was enrolled as an original member of the League of Nations. She had the advantage of Canada in having a mandate assigned to her; and she had the advantage of the United Kingdom inasmuch as her mandate for South-West Africa was placed in the "C" class, in which the Mandatory Power has greater freedom of action than in mandates of the "A" and "B" classes, such as were assigned to the United Kingdom and to France. But this mention of mandates at once raises the very pertinent consideration that an "independent national status" involves not only advantages and privileges, but burdens and responsibilities, for nations who boldly launch their ship of State upon the high seas of international relations. Take the South African mandate for South-West Africa, which has been not only difficult and costly to administer, but has on certain occasions placed South Africa in an unenviable position, when she has had to account for her stewardship to the League of Nations. Had the responsibility for South-West Africa, like that for Swaziland, Bechuanaland and Basutoland, been assigned to the United Kingdom, the South Africans would have been spared at least one bad quarter of an hour. We do not for a moment suggest that, on a long view, this would have been a preferable

arrangement. We believe that the art of independent nationhood can only be acquired by practice, and we sympathise with the desire of the South Africans to obtain opportunities for this practice. We simply point out that independence means responsibility.

Looking to the future, one can easily discern that the responsibilities and anxieties of the South African Union are destined to be serious. To test this, it is only necessary to glance at an up-to-date and competent account of the country and its problems—for example, Mr Manfred Nathan's "South Africa from Within," which was published the other day.* Mr Nathan significantly divides his book into two parts: a "historical retrospect," coinciding with General Hertzog's field of vision, as we see it, and a description of "South Africa as it is." As we read this latter part we again have the feeling that the problems here brought to light were unaccountably absent from General Hertzog's mind while he was making his speech in Downing street last Tuesday.

What, after all, is the position of "South Africa as it is"? It is surely a position of such difficulty, and even danger, that South Africans simply cannot afford to aggravate the problems of the present and the future by sentimentally keeping alive the problems of the past.

The Dutch-descended and British-descended citizens of the Union, between whom the old nationalism still maintains a barrier, number between them little more than one million and a half, and this tiny handful of discordant white men is "up against" nearly five million black men in the territories of the Union alone. This figure does not include the three-quarters of a million of "coloured" (i.e., cross-bred) persons and Asiatics, or the black population in the enclaves still directly administered by the Colonial Office (a population which, by itself, outnumbers the white population of the Union). The "colour problem" in South Africa is infinitely more serious than it is in the United States. In the United States the coloured population (including the cross-breeds) amounts to less than one-eighth of the total population; it is not being reinforced by immigration, and it is separated from the main body of the black race by the Atlantic Ocean. On the other hand, the South African whites not only constitute less than a quarter of the total population in their own country. The black population, which outnumbers them at home, extends across tropical Africa in a solid, unbroken mass, from the territories of the Union to the southern edge of the Sahara. In this situation, can the English and Dutch South Africans possibly afford to go on indulging in national controversies among themselves?

Again, would the South Africans be well-advised to push to logical extremes their undoubted rights as citizens of a Dominion? It is a commonplace that no country with Dominion status is now held within the empire by any other band than its own free will. In this respect, South Africa is on precisely the same footing as Canada. Yet the Canadians, who "live in a fire-proof house," would run much less danger than the South Africans if they relinquished their Imperial insurance policy. As regards both Europe and the Pacific, Canada has interests which are identical with those of her mighty neighbour the United States; and a Canada which had severed all connection with the British Commonwealth might still rest secure that these interests would be protected. On the other hand, a completely independent South Africa would have to rely entirely on her own resources, and she would then become acutely aware that, besides clinging uneasily to the tip of Black Africa, she had an open flank towards the Indian Ocean. The political questions raised by Indian immigration into South Africa are just as dangerous as those raised by Japanese immigration into Canada and the United States. Could South Africa deal with such problems alone? Is it not to her permanent advantage to remain a member of a great Commonwealth of nations which contains not only white peoples of the same racial stock as the South African whites, but also India and a chain of Tropical African dependencies? Within the Commonwealth both the native problem and the Asiatic problem which beset South Africa, can be handled by free and friendly negotiation, on terms honourable to all parties. Once break this link, and South Africa's horizon, towards

tropical Africa, and towards the Indian Ocean, becomes as deeply overcast as the American and Canadian horizon towards the Pacific. Canada, with the United States at her side, could probably brave the storm without having Great Britain behind her. Could South Africa do the same? We should like to learn General Hertzog's views on this important matter.

ASQUITH.

THE last sentence of the letter in which Lord Oxford announced his resignation of the leadership of the Liberal Party was the one that aroused a general welcome, for in it he stated his intention to continue to take part in the public life of the country. It is easy to understand that one who has borne the burdens which, for so long a period, Lord Oxford has carried on his shoulders should feel at the age of 75 that the time had come to lay aside such a burden as that of the leadership of a divided and embarrassed Party. Having laid it down he will, however, remain for many years, we trust, a leader among our active Elder Statesmen. To attempt anything in the nature of a political obituary is therefore, happily, out of place. Nevertheless, the surrender of Party Leadership, held for eighteen years by one who was Prime Minister through the greatest crisis in our history, is a milestone by which the contemporary chronicler must pause and meditate.

What place among England's Statesmen history will accord Lord Oxford as present observer, with the dust of recent battles still in his eyes, can pretend to foresee. But on three points we may venture with some confidence to anticipate future judgments, if only because upon these points there is no difference of opinion to-day even among political partisans of the fiercest antagonisms. The first is that he achieved what probably no other man could have done when he brought Britain into the war as a united country; the second, that he is incomparably the greatest Parliamentarian of our times; the third, that by his integrity, honour, high purpose, unselfish loyalty to colleagues, and scrupulous fairness in party conflict, he sensibly raised the tone of public life in this country.

These claims are so widely accepted that few words are needed to support them. Had a Conservative Government been in power in 1914, would there not, without question, have been a strong anti-war party through the early days of the struggle? Had not a man of Mr Asquith's peculiar gifts held the Premiership, would not the Liberal Cabinet, and with it the whole rank and file of the Party, have split in twain? We have yet to meet any inside observer of the politics of those days who would venture a negative to either question. Through those perilous days, almost up to the eve of the *coup d'état* of 1916, it was a commonplace in all political camps that "Asquith is the only possible Premier to unite the Parties and the country." On the second point that we have made above dissent is scarcely to be feared. There is, indeed, only one name that the memory can suggest as even a distant rival of Mr Asquith's as a "House of Commons man." In using this phrase we have in mind not merely oratory and personal prestige, but a constant and a conscious support and vindication of the Parliamentary system. The third point, that he raised the tone of public life, has been freely testified to in the past few days by political friend and foe alike, and by none more emphatically than by that most bitter of political foes, Lord Carson.

Of many statesmen it is easy to say that it is for one or two definite acts, decisions, or pronouncements, or for the espousal of one definite cause that their names will be remembered. With what in particular, we wonder, will posterity inseparably link the name of Asquith. It may be with his unshakably constant championship of Free Trade, or with his dauntless fight for Irish Home Rule, a policy consummated at last by a Government consisting entirely of those who in this matter had been his irreconcilable opponents. It may be with the programme of social reform initiated by the powerful Liberal Government of 1906 onwards. It may be with

* John Murray. 12s net.

his vital decision that if Germany invaded Belgium, Britain would at once plunge in to support both her and France. It may be for the Parliament Act which, by curtailing the veto of the House of Lords, made Liberal legislation effective and a Labour Administration a possibility. For his contemporaries the choice is difficult, for it is embarrassed by intimate memories and partisan predilections. But let us apply this test. Let us take as the qualities that are most generally associated with the name of Asquith, courage, dignity, probity, sagacity, eloquence. Three occasions on which these qualities were most strikingly displayed leap at once to the mind. First, the great speech in the House of Commons on the August Bank Holiday of 1914; second, the decision (and its announcement to Parliament) at the height of the Irish crisis to meet the Curragh threat by personal assumption of the post of Minister for War; third, and to the minds of many the greatest of all, the silence—more eloquent than volumes of speech—with which he accepted his supersession in 1916.

When Mr Asquith followed Mr Balfour into the House of Lords the House of Commons lost the second of the last two survivors of the scholarly tradition of political orators. Both, happily, will figure prominently in the classic debates in the Upper Chamber which in the next year or so are expected to range around the problem of constitutional reform. It is ironical, perhaps, but fitting, that the author of the Parliament Act should make his voice heard in the assembly whose reform he initiated but did not consummate. In these impending debates Lord Oxford will have one more opportunity of enunciating the faith in Parliamentary institutions which from his earliest political days up to the General Strike of this year has been so constantly a guiding star of his public career. Let us remember, too, those of us especially who are critical of his actions which have led up to his retirement, that it was this very faith (coupled, perhaps, with undue reliance on the judgment of biased councillors) which caused his last Party decision, which was also one of the comparatively few miscalculations made in an exceptionally long and exacting life of political responsibility. Our hope, shared, we believe, by the whole country, is that Lord Oxford, freed from the burden of leadership and the rough and tumble of electoral strife, will find himself able the more generously to contribute to the counsels of the nation the practical wisdom that can only be the fruit of such a ripe experience and so full a service as his. As for the Party whose leadership he lays down, it is to be hoped that it will devote its energies to the pursuit of unity, in the attempt to promote which Lord Oxford has met with his greatest political failure. The world has never been in greater need than it is to-day of real Liberalism; and in the affairs of our own country there is abundant room for a strong and united Party pursuing a true Liberal policy.

ECONOMIC PROSPERITY AND THE MOTOR INDUSTRY.

THE Motor Show which opened at Olympia this week seems likely to herald in a year of still further expansion in the British motor industry. Our economic difficulties may possibly have the effect of curtailing the expected development of the home market, but it is evident that manufacturers are making a big effort to make fresh headway in export markets. The growing importance of the motor in the economic life of every nation lends increasing importance to the factors influencing this industry. There are still some who regard motoring mainly as a luxury, in which the nation in present circumstances can ill afford to indulge, while others are worried about the question of whether we are near to "saturation point" and must expect to see a setback in the near future.

Such themes will no doubt be the topic of conversation in interested circles for a long time to come, and it is interesting to look at them in the light of American experience. Mr Henry Ford, for example, in his latest

book,* asserts that America does not possess its 20 million motor-cars because it is prosperous, but is prosperous because it has been. "The general prosperity of the country, in spite of bad farm years, is in direct proportion to the number of automobiles.... That is inevitable, for you cannot introduce such a vast amount of developed power into a country without the effects being felt in every direction. What the motor-car does, among other things, quite apart from its own usefulness, is to familiarise people generally with the use of developed power—to teach what power is, and to get them about and out of the shells in which they have been living." Again, "I am convinced that the remarkable prosperity of the United States is in a large part due to this added horse-power, which, by freeing the movements of men, also frees and awakens their thoughts."

Mr Ford tells us that up to December 1, 1925, his factories had, through cars and tractors, added to the world nearly 300 million mobile horse-power, or about 97 times the potential horse-power of Niagara Falls. The whole world uses only 23 million stationary horse-power, of which the United States uses more than 9 million. These are stupendous figures, and make those claimed with justifiable pride by our largest car manufacturers appear very small. At present there is one motor-car in this country to every 48 persons; in America there is one to every 5.98 persons. None but an unreasonable optimist would suggest that the proportion of cars to population in this country can be increased to that of the United States. But we are inclined to think, and no doubt Mr Ford would agree, that were this country passing through a state of industrial prosperity the motor-car owning population in Britain would be considerably larger than it is. And perhaps, as Mr Ford claims, our prosperity would then be enhanced by the growth in the use of motor-cars. But it is difficult to accept the contention that an increase in domestic transport, of itself, can bring prosperity, especially to a country that is struggling along a rough road in the valley of industrial depression. A view very different from that of Mr Ford is set out in a letter from a correspondent printed on page 682. But it is possibly somewhat unfair to take the general argument and apply it to our present particular case. No one will deny the benefits to civilisation brought by the introduction of the railways, and although the part played by the motor-car in commercial transport is relatively small in comparison with the revolution brought about by the steam locomotive, it has supplemented the transport services of the railways on a very substantial scale. To this extent, therefore, and taking the long view, Mr Ford's argument has much to be said for it.

In comparing England with America, however, we have to bear in mind that the greater density of population in these islands makes the road problem a more difficult one for us than for America, which has still enormous scope for road building. At present, however, even with its enormous area, America has only 500,000 miles of first and second-class road for its 20 million cars, or 40 to the mile. Other "passable" roads amount to 2½ million miles—giving a ratio of 6½ cars per mile of road of all kinds. In Great Britain we have a million cars for 40,000 miles of classified road, or 25 cars to the mile (40 vehicles to the mile if we include motor-cycles), but if we take account of our 180,000 miles of road of all kinds the ratio is about 5½ cars per mile (or 8½ vehicles, including motor-cycles). If, however, the figures were analysed by districts they would doubtless show that America has a much greater car density in its more densely peopled areas than has Great Britain. Whether these figures indicate any difficulty in the near future on the ground of insufficient road space we cannot here discuss; but in this connection Mr Ford makes the interesting point that his output, colossal though it is, would only suffice to meet the requirements of existing Ford owners on the assumption that every Ford car is replaced in six years. Clearly the American industry must continue on an enormous scale even to meet the need of "replacements."

The American industry is, however, clearly undergoing some very instructive developments. According to an article on the motor trade, published by "Moody's Invest-

* "To-day and To-morrow." Reviewed in the *Economist* 6 October 9th, p. 590.

tors' Service," of New York, conditions in the American automobile industry just now are irregular, varying from record-breaking prosperity for some companies to actual depression for others. "Besides this, there is uneasiness felt in many quarters over the extension of instalment buying. Ford competition is being felt less than formerly by other low-priced cars; automobile prices are being reduced; exports are gaining, registrations are exceeding the supposed saturation points of the past." For the first eight months of 1926 the car output in the United States was 2,893,779, against 2,529,981 in the corresponding period of last year; the "truck" output was 366,059, against 319,439; and the total 3,259,838, against 2,849,420. Some interesting figures are given of the outputs of the two greatest producers. Ford production during the first half of this year was 858,972 cars and trucks, as compared with 943,535 for the first half of 1925, the share in the total output of the industry being put at 35.1 per cent., as compared with 42.8 per cent. for the year 1925 and 51.1 per cent. for 1924. Moody's adds, however, that it is not improbable, "in view of Ford's price-cutting habit, and of some small improvements which are being made in the car, that his proportion of the total may again rise to 38 or 40 per cent." The share of General Motors in the aggregate output has substantially increased this year. For the first eight months this concern's sales to dealers were 857,961 cars and trucks, and the American output 3,259,838, so that its share in the total business was about 26.3 per cent., against 19.2 per cent. in 1925 and 16.2 per cent. in 1924. However, the General Motors' share in 1909 was 22.3 per cent., from which it gradually fell to 9.4 per cent. in 1916, then recovered to 21.3 per cent. in 1918, fell to 12.8 per cent. in 1921, and recovered to 19.5 per cent. in 1923. Thus there have been violent fluctuations in this company's share of the aggregate business, and past experience does not warrant the assumption that its share is hereafter going to show permanent stability or consistent growth.

The battle between these two giants of the American motor trade forms the subject of an enlightening article in a recent issue of the *New Republic*, of New York (September 15th). Here it is pointed out that General Motors is in many respects in accord with the Ford policy. It makes good articles cheaply, seeks large sales volume rather than large profit margins, invokes standardisation and mass production, pays wages probably as high as Ford's. In 1919 the 85,980 employees of General Motors turned out 391,738 cars. In 1925 the number of employees had shrunk to 83,278, while the output had more than doubled. The future may be precarious for either Mr Ford or General Motors, or both, as the approach to the saturation point intensifies competition. But what is more likely is that a depression in the industry would drive out the weaker competitors, and while causing temporary loss to the large concerns would leave them in a stronger position than ever. But the writer points out that in important respects General Motors differs radically from the Ford Motor Company. "It was not originated, and is not now owned and controlled, by a genius of production. Its formation and history are intimately connected with financial reorganisations and stock market speculations. Its principal owners are not now supremely interested in nothing else than the manufacture of motor cars. It distributes a large share of its earnings to those not active in the business. Its board of directors and finance committee smack strongly of banker control.... This does not mean that General Motors has acquired its strength through methods partaking of monopoly, as have many of the country's great corporations. It has no control of raw materials, it owns no crucial basic patents, it partakes in no agreements or understandings for the limitation of production, it has not arisen on the foundation of a protective tariff. The manufacture of automobiles is quite obviously a keenly competitive business. This Wall Street merger has, in a free field, become a successful rival of Ford through the use of Ford's own technical methods. That is not saying that if it eventually competes its way to a monopolistic position it may not fall back on the easier way. But so far it has not been able to do so."

The struggle for supremacy between these two great concerns is not purely a matter of domestic interest, and

developments will be keenly watched by industrialists in all parts of the world. Manufacturers here are, of course, vitally concerned in America's export business in cars, but it is a matter of less concern to the American manufacturer, amounting to little over 10 per cent. of total output. In the first six months of this year General Motors exported 10.03 per cent. of the cars produced, as compared with 12.07 per cent. for the whole of 1925 and 11.04 per cent. in 1924 and 4.79 per cent. in 1922. Moody's remark that "as an outlet for any large expansion, or as a basis for hoping that our own industry will escape the effects of the next general business depression, wherever this occurs, this export business is not sufficient, and is not likely to become so."

Of the twelve American motor companies which have published profit figures for the half-year, six show increases and six decreases, and without the General Motors figures a decrease in net earnings in comparison with 1925's is shown, amounting to 7.6 per cent. Including General Motors, the increase is 13.9 per cent.

GREAT BRITAIN AND CHINA.—II.

WHY, since the Washington Conference, has Japan ceased to be the "principal foreign bugbear" in the eyes of the Chinese, and why has Great Britain been cast for this unenviable rôle?

Japan—to consider her first—has profited by an unpleasant experience, retrieved a false step, and deliberately paid a stiff price for an object which she had made up her mind to secure. Japan's unpleasant experience was the dismal failure of the policy of the mailed fist, which she tried in 1915, when the European Powers were preoccupied with their own war, and when China seemed to offer a free field for Japanese ambition. Long before the European Powers and the United States were at leisure to turn their attention to the Far East again, the Chinese had substantially checkmated the Japanese by their own characteristic, and most effective, methods of passive resistance. The Washington Conference registered Japan's defeat, and gave her the occasion for making a more or less dignified withdrawal; but Japan only retreated in order to make a better leap in a less clumsy style. Ever since the Washington Conference she has borne the pin-pricks of the now somewhat exultant and exuberant Chinese with studied impassivity; and the combined virtues of Buddhism and Christianity have seldom been practised with such perseverance or with such success in the pursuit of enlightened self-interest. During these troubled years in China, Japanese as well as British ships have been shot at and commandeered, and Japanese nationals have suffered all those losses, inconveniences, and indignities which have been inflicted on British subjects, but the Japanese Government has steadfastly looked the other way, and its policy has been rewarded by a steady increase in Japanese trade.

This is how Japan has retrieved her position in China, but how has Great Britain lost hers? Certainly it is not the Japanese who have blackened our faces. They may have looked on with a certain complacency while we have been getting into trouble and their own trade returns have been increasing; they may have made up their minds that if any foreign nation again attempts to use the "big stick," it shall not be Japan this time, but Great Britain. Fundamentally, however, Japan and Great Britain have a common interest as the two principal foreign nations that trade with China, and the Japanese realise this fact, and act upon it, as well as we.

Does Great Britain, then, owe her present unpopularity in China to the malicious propaganda of some other Power—for example, Soviet Russia? There is no doubt that, ever since Ambassador Karakhan arrived in China in 1922, the Soviet Government has been deliberately striving to undermine Great Britain's position there; but the British, like other European nations, often flatter Soviet Russia by attributing greater success to her endeavours than she actually achieves. It is true that in China, at this moment, Russian influence makes a brave show. In the north-west the

Nationalist Dictator Fêng, and in the south the Nationalist Government at Canton, have taken Russian money and availed themselves of the services of Russian experts and organisers. Yet there is no evidence that these momentary protégés of the Soviet Government have become converts to Bolshevism, or even that they intend to work in concert with the Russians for any long period. Living, as all these Chinese dictators and provisional Governments do, from hand to mouth, they take what they can get from any quarter and give as little as possible in return. Russian influence over the Nationalists is a very flimsy façade, and it is safe to prophesy that it would collapse if the civil war were to result in the supremacy and security of the Nationalist Party. This Russian influence cannot be compared for a moment with the material hold which Japan possesses in Manchuria, any more than the assistance received from Russia by Fêng and by the army of Canton can be compared with the assistance which the Northerners received recently from Japan, in those operations in which they compelled Fêng's army to retreat north-westwards over the passes. The true test of Russia's present strength or weakness in China is her position in Manchuria, where she is "up against" Japan, and here her recent record is one of continual discomfiture. While Japan pushes her control of railways farther and farther into the Russian zone, the Russian management of the Chinese Eastern Railway has to submit to arbitrary, humiliating, and ruinous treatment at the hands of the Manchurian administration, with its effective Japanese backing. Japan is fast winning from Russia the political and material ascendancy over what is still nominally the Russian zone in Manchuria, and the China Maritime Customs Report for 1925 shows that the foreign trade of Manchuria is rapidly being diverted from the Russian frontier stations to the Japanese port of Dairen.

Thus we should be flattering Soviet Russia if we attributed our present unpopularity in China entirely to her machinations; and, what is more dangerous, we should be flattering ourselves. We must face the fact that the principal cause of our unpopularity is our own traditional position, and that, if Russian influence were to be eliminated from China to-morrow, we could not recover popularity or our trade without revising our own point of view. This is not to assert that our behaviour has been unreasonable, but rather that our policies have not kept pace with the times, and that Russian propagandists have seen how to take advantage of our inelasticity.

British public opinion about China, so far as it exists, is inevitably coloured by the views and feelings of the British communities in China, and those communities are still unduly dominated by what may be called "the Treaty Port state of mind." It is not exactly the fault of the British communities that this state of mind prevails among them. It is the natural effect of the isolated and transitory environment in which they have grown up; but though it would be unjust, unchivalrous and unprofitable to blame them in their present difficult position, it is right to suggest to them that their position will go from bad to worse unless they make an effort to readjust their outlook upon China and the Chinese to the facts as they are to-day. In China this "treaty-port system" (which is inevitably taken for granted by those who have grown up under it) is really a hot-house plant. It was imported, less than a century ago, ready-made from the Levant, after China had been compelled to open her doors to foreign trade by the application of force. Even in the Levant, where it is at home, this system, with its extra-territorial jurisdiction and its treaty-made tariff maxima, is now in its last agonies. The capitulations are contrary to the spirit of the age, and it is not reasonable to suppose that they can be maintained in China when the victorious Allied Powers have been deprived of them in Turkey, and when the defeated Powers—Soviet Russia as well as Germany—have forfeited them everywhere, China included. The British communities in China are bound sooner or later to face the fact that the sheltered and privileged position from which they have hitherto done business with the Chinese is doomed; and at the same time they may draw fresh hope from the great probability that an unavoidable loss of security will be more than compensated by an increase of opportunity for any Westerners in China who can adapt themselves to doing business with the Chinese

on an equal footing, out in the open. The "treaty-port system" stands for a limited amount of business on privileged terms—a mediæval way of doing business which is an anachronism in the modern world, with its wholesale industrial methods and its notions of nationalism and democracy.

The capitulations are like a *cap-à-pie* suit of fifteenth-century plate armour—all very well, so long as the Chinese were armed with the primitive bow and arrow, but an encumbrance, and no protection, now that they have possessed themselves of machine-guns, field-guns, aeroplanes and wireless communications. Yet the "treaty-port habit of mind" inclines the Englishman in China, when he describes the machine-gun in the hands of the Chinese, and the Chinese taking aim, to pull down his vizor, clasp on an extra breastplate, and stuff the joints in his armour with strips of chain-mail—without reflecting that all this extra armour is quite useless against bullets that could pierce it as if it were so many layers of brown paper. The extra armour simply immobilises the Don Quixote who puts it on, and so makes him an easier target for the marksman. The safer, as well as the bolder, method of defence is to throw the armour off before the other man has time to fire, come forward to meet him, man to man in the open, and see if you cannot come to terms with him before you have given him time to make war on you.

What, then, should be the British policy in China in concrete terms? Our first aim should be to persuade the other non-Chinese parties to the Washington Treaties to join us in an active attempt to restore peace between the warring factions in China, and to re-create from among the real leaders in the country a new Central Government which will thus combine responsibility with power. It would be useless to wait for one faction to restore the unity of China by defeating all the rest. The balance appears to be too even for any military decision. It would be not only useless but disastrous to back some single faction, for experience has shown that any Chinese leader who has once made himself the instrument of foreigners can never hope to retain the support of the Chinese people. The civil war must be ended by negotiation, since it cannot be ended by force, and in a Chinese "peace by negotiation" Great Britain and the other foreign Powers interested in China have a part to play which may be honourable and profitable to all concerned. They can act as honest brokers between the rival Chinese leaders; they can enlist Chinese public opinion in the cause of peace by holding out as the prize of attaining peace the abolition of foreign privileges and the provision of credit for purposes of reconstruction; and in this they will find their own reward. When peace is restored in China, and when the resentment of the Chinese people against the foreigner—a resentment which now lights upon each foreign nation in turn—has been extinguished by the abolition of unwelcome conditions, the foreign trade of China, which is making headway even now, may be confidently expected to increase by leaps and bounds.

ARGENTINE RAILWAYS.

At the beginning of the financial year 1925-26 conditions in Argentina appeared favourable. There was still a large quantity of grain awaiting transport, and the exchange position was more stable. Good weather gave rise to hopes of an abundant harvest in 1926, and at the beginning of this year considerable optimism prevailed in business circles. But before many weeks had passed estimates of some of the crop yields were amended in a downward direction, and there was a pronounced swing towards pessimism. Recent figures, however, show some improvement. It is true that during the six months ended June 30th last exports of wheat compared with the corresponding period of 1925, declined by 22 per cent., and meat by 38 per cent. Against this, however, maize shipments rose by 54 per cent., linseed by 142 per cent., wool by 53 per cent., and barley by 124 per cent. This recovery in the second half of the year naturally benefited the great railway companies. The outlook for the current

year, too, is regarded as good. The area sown with cereals is estimated at some 8 per cent. over last year, and as weather conditions have proved favourable up to the present, a better yield than last year is expected. Our first table gives a record of dividend distributions by the four principal railway companies operating in Argentina:—

Company.	1913-14.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
	%	%	%	%	%	%	%
B.A. and Pacific, ord. ...	nil	nil	nil	7	7	7	5
Do 5% 2nd non-cum. pref.	5	nil	5	5	5	5	5
B.A. Great Southern ...	5	4	4	7	7	6	7
B.A. Western ...	5	4	4	7	6	6	7
Central Argentine, ord. ...	5	4	4	6	5	6	6
Do deferred ...	5	nil	nil	6	6	6	6

There is nothing startling in this list of dividends, but it is an excellent one none the less, both the Great Southern and the Western having each been able to distribute 1 per cent. more, and all the others to maintain payments. In the next table the results for 1925-26 are set out, together with comparative figures for some years past:—

	Pacific.	Southern.	Western.	Central.
	£	£	£	£
Gross receipts 1925-26 ...	7,555,746	12,749,097	4,961,273	11,261,375
[Ditto for 1924-25] ...	7,876,140	11,577,596	4,753,600	11,567,907
[Ditto for 1923-24] ...	9,130,939	10,859,175	4,935,470	11,360,047
Working exp's 1925-26 ...	5,290,591	8,190,206	3,190,937	7,869,033
[Ditto for 1924-25] ...	(5,366,153)	(7,752,295)	(3,091,156)	(8,063,515)
[Ditto for 1923-24] ...	(5,869,682)	(6,562,843)	(3,090,758)	(7,520,674)
[Ditto for 1922-23] ...	(5,485,808)	(5,942,967)	(3,072,917)	(7,210,763)
[Ditto for 1921-22] ...	(5,318,508)	(6,259,563)	(3,226,063)	(7,389,951)
Net receipts 1925-26 ...	2,265,155	4,558,891	1,770,336	3,392,342
[Ditto for 1924-25] ...	(2,509,987)	(3,825,301)	(1,662,444)	(3,504,394)
[Ditto for 1923-24] ...	(3,261,257)	(4,296,331)	(1,844,712)	(3,839,373)
[Ditto for 1922-23] ...	(3,186,426)	(3,643,913)	(1,570,265)	(3,445,056)
[Ditto for 1921-22] ...	(2,146,604)	(2,160,273)	(871,967)	(2,052,611)
[Ditto for 1920-21] ...	(981,397)	(1,368,254)	(377,884)	(1,966,865)
[Ditto for 1919-20] ...	(2,487,990)	(2,938,813)	(1,603,196)	(3,164,809)
Other income (less charges*) ...	52,124	1,167	167,006	Dr 70,099
Net income ...	2,317,279	4,560,058	1,937,342	3,322,243
Fixed charges ...	1,450,188	1,298,084	483,774	946,175
Balances ...	867,091	3,261,974	1,453,568	2,376,068
Preference dividends ...	110,000	488,516	129,855	436,306
Ordinary dividends ...	700,000	2,319,715	1,214,336	1,739,926
Reserves ...	7 %	(8 %)	(7 %)	(6% ord & df)
Inc. (+) or dec. (—) in carry-forward ...	+ 57,091	— 3,743	+ 9,377	— 164

* Including losses on exchange.

Both the Pacific and the Central secured lower gross receipts than in 1924-25, although the Southern and Western companies were able to record increases under this heading. In the case of the Pacific it must be remembered that, owing to the transfer to the Southern of the Bahia Blanca line, four months' figures of the latter were included in the Pacific's accounts for 1924-25, and these, of course, are not incorporated in the current accounts. The experience of the Southern, indeed, was particularly satisfactory, the rise, as will be seen above, having been from £11,577,596 to £12,749,097. As regards working expenses, we find that the two companies whose gross receipts were lower were able to effect economies, while the increase in the gross receipts of the other two was accompanied by a similar movement in expenses. Thus we find that, with the exception of the Central, whose expansion in expenses was larger than its gain in receipts, the figures of net receipts are better than in the previous year. As regards losses on exchange, it is pleasing to note a general scaling down of the figures. In the case of the Western, the exchange loss on remittances was reduced from £171,157 to £99,409; in the case of the Southern from £375,786 to £197,446; of the Pacific from £203,338 to £70,220; of the Central Argentine from £322,252 to £146,312. The Southern took advantage of the opportunity to create a special reserve of £250,000 for any contingencies which may arise in connection with the Bahia Blanca and North-Western Railway, which it now controls, and to transfer £200,000 to the general reserve, which, on the last occasion received no appropriation.

The next table distinguishes the receipts for passenger train traffic and goods traffic, giving a comparison with the figures for 1924-25:—

	Passenger Train Traffic.			Goods, Merchandise, and Live Stock.			Total (Including Miscellaneous).		
	1925-26.	Inc. or Dec.	%	1925-26.	Inc. or Dec.	%	1925-26.	Inc. or Dec.	%
B.A. Pacific ...	1,809,167	— 575	— 0.03	5,604,11	236,492	4.0	7,555,746	320,394	4.1
B.A. Gr. Sthn. ...	4,140,911	+ 187,490	4.5	7,652,754	+ 783,178	10.4	12,749,097	+ 1,171,502	10.1
B.A. Western ...	1,460,496	+ 26,176	1.8	3,349,890	— 185,383	5.9	4,961,273	+ 207,673	4.4
Central Arg. ...	3,567,025	+ 101,835	2.9	7,238,700	+ 397,042	5.2	11,251,375	+ 306,532	2.6

As will have already been gathered, the B.A. Great Southern and Western companies were the only undertakings whose total traffics increased. The Pacific was exceptional in that both its passenger and goods traffic showed a falling off. The Southern shows the largest increase, the percentage being 10.1.

The changes in total receipts are compared in the table below with those of recent years:—

	1913-14.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
	%	%	%	%	%	%	%	%
B.A. Pacific ...	— 12.7	+ 30.8	— 16.4	+ 8.9	+ 16.1	+ 5.29	— 13.7	— 4.1
B.A. Great Sthn. ...	— 16.8	+ 30.1	— 8.4	+ 3.6	+ 13.9	+ 13.3	+ 6.6	+ 10.1
B.A. Western ...	— 13.0	+ 41.0	— 21.1	+ 1.1	+ 13.3	+ 6.3	— 3.7	+ 4.4
Central Arg. ...	— 6.6	+ 41.1	— 0.2	— 3.1	+ 12.8	+ 6.6	+ 1.8	— 2.6

	1913-14.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
	%	%	%	%	%	%	%	%
B.A. and Pacific ...	62.63	69.69	85.68	71.24	63.26	64.28	68.13	70.02
B.A. Great Sthn. ...	58.56	69.19	81.33	74.34	61.99	60.44	66.96	64.24
B.A. Western ...	58.82	69.48	90.88	78.72	66.18	62.62	65.03	61.32
Central Arg. ...	58.54	67.66	79.82	78.26	67.66	66.20	69.71	69.88

The best record in the matter of receipts over the past four years is that of the Great Southern, and this company, it will be observed, can now show the lowest ratio of expenses to receipts at 64.24 per cent.

The next table shows a classification of expenditure:—
(00's omitted.)

	Running Expenses.		Maintenance.		General and Miscellaneous.	
	1924-25.	% of Revenue.	1924-25.	% of Revenue.	1924-25.	% of Revenue.
Pacific ...	£ 2,890.3	36.7	£ 2,819.8	37.3	£ 1,961.8	24.9
Great Southern ...	3,744.5	32.3	3,984.6	31.3	2,887.9	24.9
Western ...	1,636.9	34.4	1,629.9	32.8	1,030.9	21.5
Central ...	4,003.2	34.6	4,022.9	35.7	3,032.5	26.2

With its substantial traffic increase the Great Southern has been able to reduce its ratios of running and maintenance expenses, while for the Pacific these figures are higher in both cases.

Our final table shows the gross receipts for the first 14 weeks of the year 1925-26, together with prices of ordinary stocks compared with a year ago and the present yield:—

	Gross Receipts, 14 Weeks to Oct. 13, 1926.	Increase or Decrease.	Prices of Ord. Stocks.			Present Yield.
	£	%	End of Oct., 1924.	End of Oct., 1925.	Sept. 30, 1926.	%
B.A. and Pacific ...	1,807,000	+ 25,000	82½d	84½d	89	7 15 9
B.A. Great Southern ...	2,631,000	+ 45,000	88½d	90½d	101½	7 17 9
B.A. Western ...	1,138,000	+ 52,000	82½d	79½d	89	7 17 3
Central Argentine ...	2,911,000	+ 21,000	76½d	74½d	77	7 17 0

The favourable outlook in Argentina, and the recent increase in traffic receipts, as shown above, are reflected in prices of the stocks, which are higher now than they have been for some time past. Yields, however, are still on the generous side, and it is reasonable to assume that if recent progress is maintained they will show a further narrowing tendency.

Although neither the Cordoba Central nor the Entre Rios companies are included in this group, the achievements of these undertakings for the past year are worthy of reference. In November last the Cordoba Central was reconstructed, the capital being reduced by £813,724 to enable certain debit balances to be written off. Apparently this operation was effected at a propitious moment, for the report for the year to June 30th last shows an increase in gross receipts of 3.77 per cent. This increase was accompanied by an improvement in exchange, resulting in the balance available showing a considerable increase.

Gross receipts totalled £3,490,762, compared with £3,363,848. Expenses took £2,458,237, against £2,335,887, the net receipts being £1,032,525 compared with £1,027,961. Interest, &c., received was £35,608, against £22,263. Loss on exchange absorbed £45,244, compared with £119,010. After meeting debenture interest, &c., there remains £387,433, as against £248,284 last year, the latter going to reduce the debit balance. The ordinary income stock receives 2 per cent., less tax, leaving £8,321 to be carried forward. No payment has been made on the ordinary stock since December, 1913.

The Entre Rios report for 1925-26 also showed an improvement. Gross receipts rose by 7.4 per cent., and as working expenses advanced by a similar percentage, the net receipts were higher by 7.4 per cent. The loss on exchange was reduced from £38,584 to £18,682, and the reserve received £100,000, against nothing in the previous year. The ordinary shareholders received a total payment of 6 per cent., which is the first distribution since 1910-11, when only 1½ per cent. was disbursed by the company.

As usual, the directors of the Buenos Ayres Great Southern, Pacific, and Western companies have to record satisfactory progress in the exploitation of Argentina's oil resources, an enterprise in which most of the railway companies are interested. The production of oil by the Ferrocarrilera Company, in which the three concerns are jointly interested, amounted to 137,400 tons for the year, compared with 70,435 tons for the previous 12 months. Viscount St Davids, at last week's meeting of the Great Southern, stated that prospects for the petroleum undertaking are excellent. "As regards fuel," he continued, "we on our line have of late been using not oil but coal, but it is perfectly clear that with the development of oil in the Argentine Republic, and with the development of our oil in particular, the time must come when all of us will be thinking more or less of giving up coal and taking to oil. Well, when we do it will be a very bad day for the miners in England and in Wales who live and work in the exporting districts, and I would especially call the attention of the exporting districts of Great Britain to the fact that if they are not careful oil will replace coal, and will do so permanently in South America."

THE PLIGHT OF NEW ENGLAND'S TEXTILE INDUSTRIES.—I.

(BY A CORRESPONDENT.)

PEOPLE who cherish the idea that the United States presents an unbroken sea of prosperity from Cape Cod to San Diego might revise their opinions after a study of the conditions in the area known as New England, which comprises the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Connecticut. After the primary stage of pioneer settlement had passed, New England attained wealth and prosperity through her ships, her fishing industry and her lumber trade, and when these declined she became the chief seat of manufacturing industry in the Republic. For many years the bases of her economic life have been the boot and shoe and cotton and woollen industries, and for one hundred years in each of these she was the dominant factor. The boot and shoe industry of New England, although nowadays it only produces one-half of the footwear made in the United States, is still in a reasonably prosperous condition, but her two great textile industries are faring less fortunately.

She still produces one-half of the output of woollen goods of America, and possesses one-third of the country's cotton mills, but neither industry is in a satisfactory condition, although both are protected by high tariffs against foreign competition. Undoubtedly the cotton industry is in the worse plight. Every week there is recorded the failure of one or two mills, or the bankruptcies of several houses engaged in some correlative line of enterprise either as carders, converters, jobbers, or wholesalers. Others that have escaped bankruptcy show very serious decreases in their profits; for instance, one of the largest mill groups declared in its recent financial report that it had incurred a loss of \$520,819 in 1925, and an additional loss of \$202,709 in the first half of 1926. As a result, the banks

have been very chary about lending support to cotton firms, and the weaker mills are in constant financial difficulties. Investors, following the lead of the banks, are fighting shy of purchasing textile stocks whose prices have been falling sharply; stocks of one mill which had a market value of \$165 a few years ago are now appraised only at \$2 each. Very few of the mills are paying dividends out of their earnings, and corporations which a few years back at the height of the war-time boom were distributing stock dividends of 100 per cent. are now paying 1 per cent., or scraping up low dividends from their accumulated surpluses.

Fall River and New Bedford have between them 7,440,000 spindles, almost one-fifth of all the spindles in the United States, and the Boston *Herald* recently carried the following item:—

"A survey of the cotton mills in New Bedford indicates that the plants were operating approximately 70 to 75 per cent. of their normal capacity in the weaving departments, with the spinning departments falling 20 to 25 per cent. below this level; mill authorities in Fall River placed production at slightly more than 50 per cent. of the normal."

Cotton, a trade publication, reports that in Fall River, in 1925, only .68 per cent. was paid by 14 out of 37 corporations, the lowest average since 1912, and last June the Boston *Globe* reported that for the New Bedford mills the "average yield per share for the quarter on a capitalisation of \$70,028,100 is approximately \$1.18, or less than \$5 for the year. Returns for the half-year are the smallest in more than ten years."

A census of Fall River taken last June revealed a loss of 2,000 in population, and an increase in empty tenements of over 900. In Lawrence, another cotton textile centre, a local paper on July 3rd printed an assessor's survey, which showed that of the 36,000 people normally employed in local textile industries there were at that time 9,000 totally unemployed and 4,000 more on part time. But yet the fact remains that, despite this serious depression in New England's cotton industry, there has been no real decrease of spinning activity in the United States for the simple reason that there has been an enormous expansion of the cotton industry in the Southern States.

The *American Wool and Cotton Reporter* of April 15th last tells something of the story in the following passage:—"In 1897 there were less than 4,000,000 cotton spindles in the South, with an investment of approximately \$100,000,000, and giving employment to 50,000 people. To-day there are more than 1,200 mills in that section, with 17,180,302 spindles, representing an investment of more than \$1,000,000,000, and giving employment to over 300,000 operatives. Within the past quarter of a century the Southern industry has increased 318 per cent., as compared to only 40 per cent. in the older New England industry. And this growth has been continuous, for approximately 530,000 spindles were installed in Southern mills in 1925, as compared to 400,000 in 1924."

In competition with New England the South has many advantages. The average tax levied in Alabama is only \$1.55 per \$100, against \$2.54 for Massachusetts, \$2.51 for New Hampshire, and \$2.13 for Rhode Island, and Alabama points the moral with an advertisement headed, "Move that mill down South to Alabama, then pay your dividends from taxes saved."

In addition, the South offers a much lower scale of wages and labour laws, which place no obstacles to continuous operation of factories night and day. Massachusetts, on the other hand, has a law which restricts women and minors to a 48-hour week, and absolutely forbids the employment of a woman after 6 p.m., whether or not she has worked at all during the day.

It happens, however, that New England has to a certain extent been the architect of her own decline, for she has been exporting capital in large quantities to build up the mills of the South. To-day most of the great New England textile corporations have Southern branches, and the Alabama Power Company recently carried the following full-page advertisement in a textile paper. It was headed, "What a relief," and said:—

"Now that the ———— Manufacturing Company has started operations in Alabama, what a relief they must find it to be able to experiment freely with economic methods of

production. What a relief to be confident of workmen amenable to any proposed changes, and eager to co-operate in any measures, whether this means operating 20 looms or 40 to the operative."

Labour in the Southern mills is mainly drawn from the black or poor white population, and it is largely unorganised. On the other hand, in most of the New England textile towns the trades union spirit is strong, and time and again the workers have struck when mill-owners attempted to meet the lower Southern prices by making each operative tend more machines. When one such strike took place recently, the mill-owners promptly announced that they intended to rush work on a new factory in Alabama which they were constructing and fill their orders there.

But other factors beside Southern competition are responsible for the slump in the New England cotton industry. During the war and post-war boom the cotton manufacturers allowed their industry to undergo an extravagant expansion, and they failed to equip their organisations to meet changed demands and styles after the war. The over-expansion was the result of a mad race for production supremacy among cotton manufacturers which began about 1912, and only the artificial prosperity created by the war prevented the present depression from making itself felt sooner. The high wages which prevailed in every American industry, even remotely connected with the war from 1914 onwards generated a huge purchasing power, and many manufacturers were misled into the belief that the tremendous market which was thereby created would be permanent. This abnormal market took up the surplus of over-production, and encouraged further expansion, but when the post-war adjustments had to be made, wages returned to a more normal level, and the abnormal purchasing power disappeared, with the result that the market, for which provision had been made in the way of production, could not absorb the quantity of goods offered it.

At the same time, there was a radical change in the class of goods demanded. Women, for instance, instead of fulfilling hopes that they would return to the use of longer skirts, and increase the consumption of cotton, practically abandoned cotton for clothing purposes, and turned to silk or artificial silk because it was more luxurious and not much more expensive. Manufacturers did not sufficiently appreciate the effect of these changes in fashion, and mills found themselves carrying heavy stocks. Wholesalers and jobbers were also confronted with a retail market which had been upset by these changes, and retailers, loaded up with stocks for which there was no longer a brisk demand, were uncertain what the consuming public would next order. So they began a policy of hand-to-mouth buying, and this, of course, retarded the consumption of the excess stock held in the mills. Orders for new types of goods came in, but they were mostly in small lots, and production costs were accordingly increased. This practice of small lot manufacturing had the effect of raising retail prices, and now the cotton men are disposed to allocate part of the blame for their distress upon the retail merchants who, they assert, have kept the prices of cotton goods at so high a level that the public has found it profitable to use silks.

THE GERMAN STEEL INDUSTRY AND ITS CUSTOMERS.

INTERESTING light is thrown on the relations between the German signatories of the New International Steel Pact and the steel-using industrialists of Germany by a joint statement contained in a recent number of "Stahl und Eisen," the substance of which is as follows:—

The negotiations for an international steel understanding have led to an agreement between the steel-producing industries of Germany, France, the Saar, and Luxemburg for the purpose of forming an international Steel Syndicate. In addition, an agreement has been concluded with the steel producers of France, the Saar, and Luxemburg, which provides for the import of certain quantities of pig-iron, steel, and rolled products from these countries into Germany. Details of this latter agreement have not yet been reported. The conclusion of these agreements permits the hope that the European steel market, which in recent years has experienced extreme

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dislocation, will become more stable, to the advantage of both producers and consumers. It is further expected that the economic and political relations between the participating countries will be thereby improved. Since the German steel-consuming industries fear that international co-operation between the steel-producing industries might result in unintentional reactions and grievous harm to the German steel-consuming industries, numerous conversations have been held between leaders of the two parties before the conclusion of the International Agreement was reached on the following questions, which take account of the economic needs of both sides:—

(1) The aim of the International Steel Association shall be the adjustment of production to consumption and the control of export prices for iron. The association shall under no circumstances confine itself merely to the regulation of the reciprocal deliveries in the home markets of the countries participating in the Pact, but shall primarily endeavour to avoid mutual under-bidding in the export markets for steel, which has often led to special profits for the consuming industries of foreign countries as compared with the steel-consuming industries at home.

(2) The association shall not cause a rise in home prices of the German syndicates or trading combines, although the steel-producing industries as well as the steel-consuming industries do not debar themselves from benefiting by a change in the general situation. Concurrently with the raising of export prices the difference between export and home effective prices shall be reduced, and as soon as possible completely eliminated. In order to meet the needs of South German conditions the steel import contingent taken by Germany from Lorraine, Luxemburg, and the Saar will be supplied to the German selling syndicates, but sold through the existing normal supply channels. Further, the price policy for steel in South Germany shall be so arranged that the pre-war relation between South German and North German prices, which has in the past been responsible for the creation of the local industry, shall be maintained. The export of the German steel-consuming industries shall not be prejudiced by the international agreement.

(3) In order to establish the necessary connection between the International Steel Pact and the official commercial treaties, the two industries concur in the understanding that the approval by the German Government of the private steel negotiations is contingent upon securing in the Franco-German official commercial treaty within a reasonable time such tariff treatment on the French side for the exports of the German iron-consuming industry (including at least *de facto* most-favoured-nation treatment) that favourable export possibilities to France will be secured. For the same reason in the special negotiations with the French and the Belgian-Luxemburg industries the right shall be provided to give notice at any time to terminate the agreement relating to the contingents to be taken by the German steel trade from these countries in the event of the Franco-German or Belgo-German treaties expiring or not coming into force.

(4) The Ruhr Steel Trust realises that the restriction of the steel-producing and the steel-consuming industries each to its own region of production is in the interests of healthy economic development and of desirable co-operation and understanding between the groups of industries, and in a special agreement with the association of the steel-consuming industries has already declared its intention of not expanding beyond its present share in the consuming industries. Since the consuming industries consider any further interference of the steel-producing industries into the finishing trades would be adverse to their interests, the representatives of the steel-consuming industries express the hope that all other concerns in the steel-producing industries will associate themselves with the declaration of the Ruhr Steel Trust.

(5) In view of the importance of the international steel negotiations for the steel-producing industry, the steel-consuming industry declares itself ready, despite the previously mentioned fears, to place no difficulties in the way of these international associations so long, as in accordance with the terms and in the spirit of this agreement, no harmful results follow for the steel-finishing industries. In this connection the steel-consuming industries will not seek to promote any alteration of the present German steel tariff rates so long as these tariff rates are indispensable for the steel-producing industry as a foundation of its international negotiations. In case of any difference of opinion which may arise in the interpretation by either side of these agreements, a mutual understanding shall be arrived at by negotiation.

A PLEA FOR THE REMOVAL OF RESTRICTIONS UPON EUROPEAN TRADE.

The following is the text of the manifesto issued under the above title on Wednesday last by leading bankers, merchants, and manufacturers of Europe and the United States.

We desire, as business men, to draw attention to certain grave and disquieting conditions which, in our judgment, are retarding the return to prosperity.

It is difficult to view without dismay the extent to which tariff barriers, special licences and prohibitions since the war have been allowed to interfere with international trade and to prevent it from flowing in its natural channels. At no period in recent history has freedom from such restrictions been more needed to enable traders to adapt themselves to new and difficult conditions; and at no period have impediments to trading been more perilously multiplied without a true appreciation of the economic consequences involved.

The break-up of great political units in Europe dealt a heavy blow to international trade. Across large areas, in which the inhabitants had been allowed to exchange their products freely, a number of new frontiers were erected and jealously guarded by Customs barriers. Old markets disappeared. Racial animosities were permitted to divide communities whose interests were inseparably connected. The situation is not unlike that which would be created if a confederation of States were to dissolve the ties which bind them, and to proceed to penalise and hamper, instead of encouraging, each other's trade. Few will doubt that under such conditions the prosperity of such a country would rapidly decline.

To mark and defend these new frontiers in Europe, licences, tariffs and prohibitions were imposed, with results which experience shows already to have been unfortunate for all concerned. One State lost its supplies of cheap food, another its supplies of cheap manufactures. Industries suffered for want of coal, factories for want of raw materials. Behind the Customs barriers new local industries were started, with no real economic foundation, which could only be kept alive in the face of competition by raising the barriers higher still. Railway rates, dictated by political considerations, have made transit and freights difficult and costly. Prices have risen, artificial dearness has been created. Production as a whole has been diminished. Credit has contracted and currencies have depreciated. Too many States, in pursuit of false ideals of national interest, have imperilled their own welfare and lost sight of the common interests of the world by basing their commercial relations on the economic folly which treats all trading as a form of war.

There can be no recovery in Europe till politicians in all territories, old and new, realise that trade is not war but a process of exchange, that in time of peace our neighbours are our customers, and that their prosperity is a condition of our own well-being. If we check their dealings, their power to pay their debts diminishes and their power to purchase our goods is reduced. Restricted imports involve restricted exports, and no nation can afford to lose its export trade. Dependent as we all are upon imports and exports, and upon the processes of international exchange, we cannot view without grave concern a policy which means the impoverishment of Europe.

Happily there are signs that opinion in all countries is awaking at last to the dangers ahead. The League of Nations and the International Chamber of Commerce have been labouring to reduce to a minimum all formalities, prohibitions and restrictions, to remove inequalities of treatment in other matters than tariffs, to facilitate the transport of passengers and goods. In some countries powerful voices are pleading for the suspension of tariffs altogether. Others have suggested the conclusion for long periods of commercial agreements embodying in every case the most-favoured-nation clause. Some States have recognised in recent treaties the necessity of freeing trade from the restrictions which depress it. And experience is slowly teaching others that the breaking down of the economic barriers between them may prove the surest remedy for the stagnation which exists. On the valuable political results which might flow from such a policy, from the substitution of goodwill for ill-will, of co-operation for exclusiveness, we will not dwell. But we

wish to place on record our conviction that the establishment of economic freedom is the best hope of restoring the commerce and the credit of the world.

DESCRIPTION AND BUSINESS STANDING OF THE SIGNATORIES.

AUSTRIA.	
OSCAR BERL	Merchant.
DR OTTO BOHLER	Steel Manufacturer.
DR SIEGMUND BROSCHE	Chemical Manufacturer.
DR PAUL HAMMERSCHLAG	Oesterreichische Credit-Anstalt für Handel und Gewerbe.
ALFRED HEINSHEIMER	Managing Director Vienna Bank-Verein.
MAXIME KRASSNY-KRASSIEN	Chairman Niederösterreichische Escompte-Gesellschaft.
DR ARTHUR KRUPP	Berndorfer Metallwaren-Fabrik.
JULIUS MEINL	Manufacturer.
LUDWIG NEURATH	Oesterreichische Credit-Anstalt für Handel und Gewerbe.
DR REDLICH	Ex-Minister.
DR RICHARD REISCH	President Austrian National Bank.
BARON LOUIS ROTHSCHILD	Messrs S. M. von Rothschild, Vienna.
RICHARD SCHOELLER	Steelworks Schoeller Blackmann.
RUDOLF SIEGHART	President All. Ost. Boden-Credit-Anstalt.
FRITZ TILGNER	President Austrian Chamber of Commerce.
LUDWIG URBAN	President des Hauptverbandes der Industrie Österreichs.
BELGIUM.	
J. CARLIER	Vice-President Council of Industry and Commerce.
HECTOR CARLIER	Adm. Del. Banque d'Anvers.
M. DESPRET	President Banque de Bruxelles.
CHARLES FABRI	Managing Director Banque d'Outremer.
E. FRANQUI	Vice-Governor Société Générale de Belgique.
F. HAUTAIN	Governor Banque Nationale de Belgique.
J. VAN HOEGAERDEN	Director General S.A. d'Ougrée Marihay.
J. JADOT	Governor Société Générale de Belgique.
O. LEPREUX	Vice-Governor Banque National de Belgique.
F. M. PHILIPPSON	Banker.
R. TILMONT	Director Banque Nationale de Belgique.
P. TRASENSTER	President S.A. d'Ougrée Marihay.
T. WIKNER	Vice-President Crédit Générale Liegeois.
PAUL VAN ZEELAND	Director Banque Nationale de Belgique.

CZECHOSLOVAKIA.

DR JOSEF BARTON	President of the Czechoslovak Textile Manufacturers' Association.
DR O. FEILCHENFELD	Managing Director of the Böhmische Escompt Bank.
DR HANUS KARLIK	President of the Central Association of Czechoslovak Sugar Industry.
DR BOHUSLAV MARIK	Chairman of the Ceskomoravská-Koblen A. G.
IAN NOVOTNY	General Director of the Prámyslova Bank.
DR VILEM POSPISIL	Governor of the Czechoslovak National Bank.
DR JAROSLAV PREISS	General Manager of the Zinnostenská Bank.
DR VACLAV SCHUSTER	President of the Allgemeiner Böhmischer Bankverein.
DR ADOLF SONNENSCHNEIN	Director Vitkovice Iron Works.
DR EDUARD STUTZ	Vice-Chairman of the Böhmische Union Bank.

DENMARK.

A. O. ANDERSEN	Chairman of the Danish Steamship Owners' Association.
C. C. CLAUSEN	Manager Privatbanken of Copenhagen.
EMIL HERTZ	Manager Danske Landmanskbank.
ERNST MEYER	Chairman of the Merchants' Guild.
ETATSRAAD FR. NØRGAARD	General Manager Copenhagen Handelsbank.
P. P. PINSTRUP	Chairman of the Council of Agriculture.
LENSBARON ROSENKRANTZ	Managing Director National Bank of Copenhagen.

FRANCE.

"Les soussignés, craignant que des passages du plaidoyer puissent donner lieu à certaines divergences d'interprétation, tiennent à préciser les points sur les lesquels ils sont d'accord."

"Ils estiment que l'état d'instabilité et de désordre économique dans lequel se débattent à l'heure actuelle les pays Européens a son origine dans les conséquences de la guerre et, en particulier, dans les crises monétaires qui en sont résultées. Ils croient que, pour éviter l'aggravation d'une situation inquiétante, il convient, avant tout que les pays où la monnaie n'est pas encore stabilisée s'acheminent le plus rapidement possible vers une monnaie saine: ces pays le pourront d'autant plus aisément que les relations économiques entre les peuples seront rétablies sur des bases normales favorisant les échanges commerciaux."

"Ils pensent, à cet égard, que l'élévation ou la rigidité excessives

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de certains systèmes tarifaires, les exagérations directes ou indirectes de protectionnisme, de discrimination ou de préférence, les obstacles apportés aux transactions internationales par des réglementations abusives des transports, doivent être condamnés. Ils se déclarent en conséquence favorables à toutes mesures qui tendraient à la suppression de telles barrières artificielles, qui s'opposent à la libre reprise des relations économiques d'avant guerre entre les nations.

Ils ne sauraient, en effet, oublier qu'il est impossible à aucun Etat moderne de vivre et de prospérer sans entretenir avec les autres Etats des rapports commerciaux et que, par suite de l'étroite interdépendance entre les peuples, ce n'est que par un échange mutuel de services de crédits et de marchandises que l'équilibre économique mondial peut être finalement obtenu."

R. P. DUCHEMIN	Président de la Confédération Générale de la Production Française; Président de l'Union des Industries Chimiques.
HORACE FINALY	Directeur Générale de la Banque de Paris et des Pays Bas.
E. FOUGERE	Président de l'Association Nationale d'Expansion Economique; Président de la Fédération de la Soie.
R. LAEDERICH	Régent de la Banque de France; Président du Syndicat Générale de l'Industrie Cotonnière.
M. LEWANDOWSKI	Administrateur-Directeur du Comptoir National d'Escompte de Paris.
R. MASSON	Directeur Générale du Crédit Lyonnais.
H. DE PEYERIMHOFF	Président du Comité Central des Houillères de France.
P. RICHEMOND	Administrateur de la Banque Nationale de Crédit; Président de l'Union des Industries Métallurgiques et Minières.
CH. SERGENT	Ancien Sous-Secrétaire d'Etat aux Finances; Président de la Banque de l'Union Parisienne.

GERMANY.

GEH. KOMMERZIENRAT DR. BOSCH	Chairman Chemical Trust, Heidelberg.
GEHEIMRAT FELIX	
DR CARL MELCHIOR	Chairman General Electric, Berlin.
FRANZ VON MENDELSSOHN	M. M. Warburg and Co., Hamburg.
DR SCHACHT	Banker, Berlin.
KARL FRIEDRICH VON SIEMENS	President of the German-Reichsbank.
FRANZ URBIG	Chairman Siemens Bros., Berlin.
GENERALDIREKTOR VOGLER	Disconto Gesellschaft, Berlin.
F. H. WITTHOEFF	Steel Trust Dortmund.
	Senior Partner Arnold Otto Meyer, India Merchants, Hamburg.

GREAT BRITAIN.

SIR ARTHUR BALFOUR	Chairman Arthur Balfour and Co., Ltd., Sheffield.
HENRY BELL	Director Lloyds Bank, Ltd.
SIR HUGH BELL, BART.	Ironmaster.
LORD BRADBURY	Director Williams Deacons Bank, Ltd.
WILLIAM CARNEGIE	General Manager National Bank of Scotland, Ltd.
W. H. COATS	Chairman J. and P. Coats, Ltd.
SIR JOHN COWAN	Chairman Redpath, Brown, and Co., Ltd.
LAURENCE CURRIE	Glyn, Mills, and Co.
F. C. GOODENOUGH	Chairman Barclays Bank, Ltd.
NORMAN L. HIRD	General Manager and Director Union Bank of Scotland, Ltd.
ROBERT M. HOLLAND	Chairman Bank of Liverpool and Martin's, Ltd.
WILLIAM HOWARTH	President Textile Institute.
LORD INCHCAPE	Chairman Peninsular and Oriental Steam Navigation Co., Ltd.
LORD INVERNAIRN	Chairman W. Beardmore and Co., Ltd., Glasgow.
WALTER LEAF, D.LITT.	Chairman Westminster Bank, Ltd.
KENNETH LEE, LL.D.	Chairman Tootal Broadhurst Lee and Co., Ltd.
SIR FREDERICK LEWIS	Chairman Furness, Withy, and Co., Ltd.
LORD MACLAY OF GLASGOW	Shipowner.
ANDREW MCCOSH	Chairman William Baird and Co., Ltd.
RIGHT HON. REGINALD MCKENNA	Chairman Midland Bank, Ltd.
SIR ADAM NIMMO	Chairman of the Scottish Coal Owners' Association.
RIGHT HON. MONTAGU COLLET NORMAN	Governor Bank of England.
RIGHT HON. VISCOUNT NOVAR, K.T., P.C., D.S.O.	Director Union Bank of Scotland, Ltd.
A. A. PATON	Chairman Liverpool Cotton Association.
J. W. BEAUMONT PEASE	Chairman Lloyds Bank, Ltd.
EUSTACE R. PULBROOK	Chairman of Lloyds.
LORD REVELSTOKE	Baring Bros. and Co., Ltd.
ALEXANDER ROBB	General Manager Commercial Bank of Scotland.

LIONEL N. DE ROTH-SCHILD	N. M. Rothschild and Sons.
SIR FELIX SCHUSTER, BART.	Director of the National Provincial Bank, Ltd.
GEORGE J. SCOTT	Treasurer and General Manager Bank of Scotland.
SIR JOSIAH STAMP	President of the Executive of the London Midland and Scottish Railway.
SIR D. M. STEVENSON, BART.	Ex-Chairman British Coal Exporters' Federation.
REES GRIFFITH THOMAS	General Manager British Linen Bank.
DOUGLAS VICKERS	Chairman Vickers, Ltd.
LORD WEIR	Weir and Co., Glasgow.
SIR GLYNN H. WEST	Chairman Rylands Bros., Ltd.
WILLIAM WHITELAW	Chairman London and North Eastern Railway.
COL. F. VERNON WILLEY	Francis Willey and Co., Ltd., Bradford.
SIR PERCY WOODHOUSE	President Manchester Chamber of Commerce.
SIR ALEXANDER KEMP WRIGHT, K.B.E.	General Manager Royal Bank of Scotland.
D. YOUNG	General Manager The Clydesdale Bank, Ltd.
HOLLAND.	
DR C. J. K. VAN AALST	President Nederlandsche Handel Maatschappij, Amsterdam.
S. P. VAN EEGHEN	Merchant Banker, Amsterdam.
F. H. FENTENER VAN VLISSINGEN	Manufacturer, Utrecht.
E. HELDRING	President Chamber of Commerce, Amsterdam.
DR A. J. VAN HENGEL	Director Rotterdamsche Bankvereeniging, Amsterdam.
DR P. HOFSTEDDE DE GROOT	Managing Director Amsterdamsche Bank.
PAUL MAY	Lippmann, Rosenthal, and Co., Bankers.
DR W. A. MEES	R. Mees and Zoonen, Bankers, Rotterdam.
A. F. PHILIPS	Managing Director "Philips Gloeilampenfabrieken," Eindhoven.
D. W. STORK	Stork Bros., Inc., Hengelo.
C. E. TER MEULEN	Hope and Co., Bankers.
DR Q. J. TERPSTRA	Shipbuilder, Rotterdam.
PROFESSOR DR M. W. F. TREUB	Ex-Minister of Finance, The Hague.
DR F. G. WALLER	Managing Director Nederlandsche Gist and Spiritusfabriek, Delft.
TH. VAN WELDEREN	Agricultural Economist, Oenkerk, Friesland.
BARON RENGERS	land.
DR G. VISSERING	President Nederlandsche Bank, Amsterdam.
HUNGARY.	
ANTHONY EBER	General Manager Hungarian Italian Bank.
CHARLES DE ERNEY	General Manager First National Savings Bank.
HENRY FELLNER	Chairman First Hungarian Steam Milling Co. of Budapest.
EXC. GUSTAVUS GRATZ	Ex-Minister of Foreign Affairs.
COUNT JOHN HADIK	Ex-Minister of the Crown.
BARON JOHN HARKANYI	Ex-Minister of Commerce.
BARON MAURICE KORN-FELD	Director National Bank of Hungary.
BARON PAUL KORNFIELD	Director Hungarian General Credit Bank.
BARON MARCEL MADARASSY-BECK	President Hungarian Discount and Exchange Bank.
EMIL MUTSCHENBACKER	Managing Director Hungarian Agricultural Union.
COUNT LADISLAS SOMSIK	President Agricultural Union.
EXC. JOHN TELESKY	Ex-Minister of Finance.

ITALY.

"The undersigned, whilst signifying their agreement with the spirit which has dictated the above manifesto, wish to place on record that had it been possible for them to co-operate in the framing of the document they would have preferred to give a different and more precise form to some of its passages. Above

Notes of the Week.

all, they would have liked that criticism should have been exercised not only as regards the excessive height of Customs tariff and the rigidity of Customs regulations in force in some countries, but also in respect of all the numerous forms of direct or indirect protection, discriminations or preferences, artificial subsidies and restrictions on emigration.

"With such reservations they willingly subscribe to the manifesto."

G. AGNELLI	President "Fiat" Co.
ANTONIO STEFANO BENNI	President of the General Fascist Confederation of Italian Industries.
BIAGIO BORRIELLO	Vice-President Union of Chambers of Commerce.
ETTORE CONTI	Senator and Industrialist.
RICCARDO GUALINO	President "Snia Viscosa."
FELICE GUARNERI	Director General Association of Italian Corporations.
GINO OLIVETTI	Chief Secretary General Fascist Confederation of Italian Industries.
NICOLA PAVONCELLI	President of the Board of the Bank of Italy.
ALBERTO PIRELLI	President Association of Italian Corporations.
L. TOEPLITZ	Administrator Banca Commerciale Italiana.

NORWAY.

CÆSAR BANG	President Federation Norwegian Industries.
E. G. BORCH	President of the Royal Agricultural Society of Norway.
SIR THOMAS FEARNLEY	Shipowner.
KAMSTRUP HEGGE	Managing Director Nan Norske Creditbank and President of Association of Norwegian Private Banks.
HIERONYMUS HEYERDAHL	Chairman Christiania Bank of Kredit-kasse.
A. F. KLAVERNESS	Shipowner.
N. RYGG	President of the Bank of Norway.
H. WESTFAL-LARSEN	President Norwegian Shipowners' Association.
WILH. WILHELMSSEN	Shipowner.

POLAND.

DR. HENRY ASCHKENOWI	Managing Director Banque d'Es compte de Varsovie.
STANISLAW KARPINSKI	President Banku Polskiego.
EXC. MARJAN SZYDŁOWSKI	Representative of Association of Mining Industries of Upper Silesia.
A. DE WIENIAWSKI	Vice-President Banque de Commerce.

ROUMANIA.

MAURICE BLANK	Vice-President Banque Marmoresch, Blank and Co., Bucharest.
M. OROMULU	Governor Banque Nationale de Roumanie.

SWEDEN.

GANNAR DILLNER	Managing Director Trafikaktiebolaget Grängesberg-Oxelösund, Stockholm.
J. S. EDSTROM	Managing Director Almänna Svenska Elektriska Aktiebolaget, Stockholm.
GUST EKMAN	General Manager Aktiebolaget Göteborgs Bank.
IVAR KREUGER	Managing Director Svenska Tandstick-saktiebolaget, Stockholm.
VICTOR MOLL	Governor Bank of Sweden.
O. RYDBECK	General Manager Skandinaviska Kreditaktiebolaget.
HELMER STEN	General Manager Aktiebolaget Svenska Handelsbanken.
K. A. WALLENBERG	Chairman Stockholms Enskilda Bank.
MARC WALLENBERG	Chairman Swedish Bank Association.

SWITZERLAND.

G. BACHMANN	President Banque National Suisse, Zurich.
FREDERICK DOMINICE	Adm. Union Financiere de Geneve.
LEOPOLD DUBOIS	Chairman Société de Banque Suisse.
ALBERT LOMBARD	Vice-President Swiss Association of Bankers.
RUDOLF SARASIN	President Chamber of Commerce, Basle.
CARL SULZER SCHMID	President Gebrüder Sulzer Aktien-gesellschaft, Winterthur.

UNITED STATES.

GATES W. MCGARRAH	Banker, New York.
J. J. MITCHELL	President Illinois Merchants' Trust Co., Chicago.
J. P. MORGAN	Messrs. J. P. Morgan and Co., New York.
THOMAS N. PERKINS	Delegation of the Citizens of the U.S.A., Member of the Reparation Commission.
MELVIN A. TRAILOR	President First National Bank, Chicago.
ALBERT H. WIGGIN	President Chase National Bank, New York.

The Imperial Conference Opens.—On Tuesday the Imperial Conference opened at 10 Downing street, the first day's proceedings consisting of a speech of welcome by Mr Baldwin and replies by the overseas Premiers. The former reviewed the problems for discussion, to which we devoted an article last week, and gave the Conference a motto in the words attributed to St Augustine: "In essentials, unity; in non-essentials, liberty; in all things, charity." The Dominion replies followed a general line of harmony, the only discordant note being struck by General Hertzog, whose statement of South Africa's position we discuss in an article in this issue. Wednesday was devoted entirely to a comprehensive survey of foreign affairs by Sir Austen Chamberlain. The session was held in secret, as will be that of Monday next, when the Conference will discuss Sir Austen's statement. On Thursday the Conference turned to questions of inter-Imperial trade. Sir Philip Cunliffe-Lister, the President of the Board of Trade, and Mr Amery, Secretary of State for Dominion Affairs, both made lengthy statements. The former gave figures of inter-Imperial trade and made claims for the results of the new preferences which require careful examination. But the main feature of the speeches of both Ministers was the insistence on methods, other than preference, for increasing Empire trade. Questions of shipping, marketing, publicity, and research were the main themes. Yesterday the economic discussion was continued, but the official reports are not available at the time of going to press. So far one point which stands out clearly, not only in the Conference proceedings but in the numerous speeches made by the Dominion Premiers at a series of banquets whose frequency promises to embarrass our visitors, has been that tariff and preference problems are kept conspicuously in the background. Indeed, the remarks of the President of the Board of Trade in defence of past action are so far the only direct reference to the question, and no overseas delegate has thrust it forward. This conforms with our expectations, but it marks a very important change from 1923, and is a good augury for solid and successful work by the Conference on other and more practical lines. The work on trade problems will now mainly be delegated to committee. As for the main Conference, next week should bring it face to face with its principal tasks, for on Monday the overseas delegates will outline their position regarding issues of foreign policy, especially those which arise out of the Locarno Treaty.

Coal Deadlock Persists.—Another week has passed and practically no progress has been made in the coal dispute. Mr Cook and his fellow-officials have spent the week in a campaign to stem the tide of the return to work and to bring miners out again. These efforts have had varying results in different districts. Here more men have gone back, and there men who were working have come out. He has, at any rate, been more successful than King Canute, for the figure of those at work is now only 234,000, against 230,000 a week ago. In the chief export districts the net return to work is trivial; Scotland stands as firm as ever; in Lancashire and North Wales there are 1,300 fewer men at work than a week ago. Moreover, the Leicestershire miners' officials, who had recently led a return to the pits, have now agreed to support the policy of the Miners' Federation, and Leicestershire is to be the scene of an intensive effort over the week-end by the Federation leaders. Rumours of a new move by the Government were current in mid-week, but have been officially denied. Thus, while the economic loss to the country piles up apace, the end of the dispute seems as far off as ever. The owners' vision of the drift back to the mines growing rapidly into an avalanche, and even our own expectation that normal resumption of work might take place by mid-November, are fading away, and unless something tangible emerges from the conference between the miners' leaders and the General Council of the Trade Union Congress, which is proceeding as we write, the outlook remains as black as ever. In these circumstances, importance attaches to a letter appearing in the *Times* of

yesterday from Mr Arthur Pugh, whose year of office as chairman of the Trade Union Congress has just ended. The voice of Mr Pugh commands attention, not merely because of the part he has played in the industrial troubles of the past six months, but from the fact that the Iron and Steel Trades Federation, of which he has long been secretary, owes in no small measure to his conciliatory powers a remarkable absence of strikes or lock-outs in the great industry with which he is concerned. Mr Pugh makes an appeal to reason and common sense. He describes the losses imposed upon the country already by the coal dispute and pleads for an effort to avoid the more desperate effects of the "fight to a finish" with which we are now faced. Mr Pugh's cry is "Back to the Report." "Given the opportunity," he says, "there is no responsible representative of the Trade Unions but will willingly co-operate in an endeavour to effect a temporary arrangement that will enable the mines to resume production pending a permanent national agreement being worked out on the basis of the Coal Commission's Report." The appeal comes late, very late. Again and again inept leadership has robbed the miners of a chance to obtain a settlement on such a basis as Mr Pugh advocates. Will they listen to reason now? Nevertheless, the alternative is still so deplorable that we cannot but re-echo the first words of Mr Pugh's letter. "Is it too late?" Even at this late hour, if the miners' leaders would go back to the Report, as constantly through these months we have urged them to do, the Government could hardly evade the responsibility of implementing their original acceptance of the Report, and the owners, with their visionary time-table of a rapid return to work going obviously and seriously wrong, may be the more disposed than of late to choose wisely between a real settlement and all the immeasurable consequences of a very prolonged and bitter war of exhaustion. In which direction the interests of the country lie, whether on a short or a long view, there can be no shade of doubt. May we not at long last hope for some glimmerings of leadership and consideration for the nation's well-being?

The Crisis in Soviet Russia.—It is as difficult as ever to obtain clear and trustworthy information regarding internal affairs of the U.S.S.R., and, in commenting upon the present crisis (which is obviously of first-class importance), it is therefore safest to confine attention to certain general features which have emerged through the mist. The crisis seems to have been brought about by the coincidence of three distinct controversies—the controversy over the internal organisation and discipline of the Russian Communist Party, which has been the mainspring both of the Soviet Government and of the Third International; the controversy over the question whether the resources of the U.S.S.R. are to be exploited in the interests of Communist propaganda abroad, or whether the Third International is to be made to serve the interests of Russian foreign policy; and the controversy over a question of internal Russian politics, that is, whether the interests of the tiny industrial proletariat or those of the vast mass of the peasantry are to receive first consideration. Stalin, who dominates the party in power, and who appears to be winning in his contest with a heterogeneous opposition led by Zinoviev and Trotsky, is reported to be an autocrat and a realist. As an autocrat, he stands for maintaining that rigidly solid party formation which imposed itself upon the Bolsheviks half a dozen years ago, when they were struggling for existence against a world of enemies, but which is no longer a necessity of existence for them to-day. As a realist, he is in favour of directing Russian foreign policy in accordance with Russia's material interests as a State and a country, instead of sacrificing Russian interests for the sake of propagating Communism beyond the frontiers. And, again, as a realist, he is opposed to any further measures for promoting the material interests of the Russian industrial proletariat at the expense of the peasantry, who vastly outweigh the urban minority both in numbers and in productivity. The crux of the situation is that the urban proletariat, though from the economic point of view it is an almost parasitical excrescence upon agricultural Russia, is the political element from which the

phalanx of the Russian Communist Party is recruited; and if the Party were to come down on the side of the opposition leaders, it would make little immediate difference what the political sympathies of the peasantry might be. On this point, therefore, Stalin may be expected to compromise by maintaining the proletarian minority in their present position of privilege, though without attempting to increase their privileges or to stem the tide which is setting irresistibly towards a predominance of the country over the town. He will probably compromise, again, on the question of party discipline, which becomes harder to maintain as foreign pressure relaxes, and as the internal balance of political power shifts to the country from the town. If Stalin wins definitely, we may see Russia revert to a tempered and undoctinaire, but none the less effective, autocracy, which may differ little in essence from the autocracy of Peter the Great or Nicholas the First.

The Return of Dr Seipel.—The fall of the Ramek Ministry in Vienna has been followed by the return of Dr. Seipel to office. His Cabinet includes four members of the late Cabinet, and, in addition, Dr. Dinghofer, a member of the Pan-German party, who was prominently associated with the movement for re-union with Germany, Dr. Kienböck, who was Dr. Seipel's former Minister of Finance, and Herr Schmitze, who was also a member of the last Seipel Cabinet. Politics in Vienna have lately been getting into somewhat troubled waters, and Dr. Seipel will at once have to turn his attention to the difficult question of dealing with the Civil Servants, whose renewed agitation for increased salaries, if acceded to, would make very much harder the task of maintaining Budget equilibrium. In his statement of policy, Dr Seipel referred to "the great need to extirpate root and branch the unsavoury and corrupt practices that of late had been tainting public life in Austria"; he declared his intention in dealing with State servants "to remain mindful of his country's agreement with the League of Nations in regard to the preservation of Budget equilibrium"; he commented with favour on the demand that was being raised for the removal of restrictions upon European trade, and agreed that such a step was necessary, and, finally, declared that he would promote the social legislation sponsored by the Opposition. If he failed in his programme he would seek an early general election. Socialist speakers, however, expressed a lack of confidence in Dr. Seipel's promises in view of the personnel of his Cabinet. Dr. Seipel has no easy task in front of him, but the knowledge that Austria has once more at the helm her strongest and most experienced politician, who steered her successfully through the much more critical and difficult reconstruction crisis, will undoubtedly do much to create confidence abroad that she will overcome her present difficulties.

A Great Journalist.—We offer our congratulations to Mr C. P. Scott, proprietor and editor of the *Manchester Guardian*, on the attainment of his 80th birthday and on the completion of 55 years' work in the editorial chair. The occasion was marked by the presentation of his bust by Epstein to the City of Manchester, and by a series of tributes from public men of this and other countries, which, while remarkable for their warmth and diversity, are merely an adequate expression of gratitude for a great public work performed by a man of outstanding vision, courage, and charm.

Employment in September.—There was a further small improvement in employment during September, although as a whole it continued to be seriously affected by the stoppage in the coal mines. According to the *Ministry of Labour Gazette*, among the 11.9 million workpeople insured under the Unemployment Insurance Acts in Great Britain and Northern Ireland, the percentage unemployed at September 20th was 13.9*. This compares with 14.2* at August 23rd, and 12.0 a year ago. The total number of registered unemployed at the end of September was approximately 1,582,000*, as compared with 1,606,000* at the end of August, and 1,401,000 at the end of September 1925. Among the members of trade unions, the per-

centage unemployed at the end of the month was 13.6*, as against 13.3* per cent. at the end of August, and 11.4 per cent. a year ago. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.

	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9*
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	13.2*
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	13.3*
September ..	2.3	2.2	14.8	14.6	11.3	8.6	11.4	13.6*
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	..
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	..
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

* Excluding workpeople in the coal-mining industry who ceased work owing to the dispute.

Employment remained bad in the iron mining, pig-iron, iron and steel, tin plate, heavy engineering, shipbuilding, cotton, lace, jute, linen, pottery and glass bottle industries. It was on the whole good with skilled workers in the building trades and in agriculture. Most improvement, however, was shown in the pottery and wool textile industries.

Cost of Living.—At October 1st the index number of the Ministry of Labour stood at 74 per cent. above the level of July, 1914. This shows a rise of 2 per cent. as compared with the figure for September 1st, and a fall of 2 per cent. as compared with the corresponding figure last year. The following table shows the monthly movements of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items. (Food, Rent, Clothing, Fuel, and Light, &c.)

1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan.....	85.90	125	165	92	78	77	80	75
Feb.....	90	130	151	88	77	79	79	73
March....	90	130	141	86	76	78	79	72
April....	90.95	132	133	82	74	73	75	68
May.....	95.100	141	128	81	70	71	73	67
June.....	100	150	119	80	69	69	72	68
July.....	100.105	152	119	84	69	70	73	70
Aug.....	110	155	122	81	71	71	73	70
Sept.....	110	161	120	79	73	72	74	72
Oct.....	115.120	164	110	78	75	76	76	74
Nov.....	120.125	176	103	80	75	80	76	..
Dec.....	120	169	99	80	77	81	77	..

For food alone the index stood at 63 per cent. This compares with 62 per cent. at the beginning of September, and 72 per cent. a year ago. The rise in the index number was chiefly due to advances in the prices of coal, gas, eggs and milk.

A Chemical Trust.—It is announced that negotiations are in progress for the formation of a new company for the purpose of acquiring by exchange the shares of Brunner, Mond, and Co., Limited, Nobel Industries, Limited, British Dyestuffs Corporation, Limited, and the United Alkali Company, Limited, and co-ordinating and developing their businesses and resources "on broad Imperial lines." The boards of the respective companies have passed resolutions agreeing in principle to a scheme, the details of which will shortly be settled. This is one of the largest industrial amalgamations ever arranged in this country. The paid-up capital of Nobel Industries, Limited, itself a combination of about 30 companies, is nearly £16 millions, that of Brunner, Mond, and Co. nearly £14 millions, that of British Dyestuffs £4½ millions, and that of the United Alkali £3½ millions. Nobel Industries, it may be mentioned, owns a substantial shareholding in the General Motors Corporation of America. In the past week or two the shares of the four companies have been active on fusion rumours, but in their official announcement the directors advise their shareholders "not to be influenced by market rumours, but to await the recommendations that are about to be put before them by their respective boards."

The Copper Combine.—A correspondent writes:—Copies of the formal statement announcing the formation of the new combine, Copper Exporters, Inc., have now arrived in this country. They reveal the complete membership of the company to be as follows:—Members: American Metal Co., American Smelting and Refining Co., Anaconda Copper Mining Co., Calumet and Arizona Mining Co., Calumet and Hecla Consolidated Copper Co., Copper Range Co., Inspiration Consolidated Copper Co., International Minerals and Metals Co., Kennecott Copper Corp., Mother Lode Coalition Mines Co., Nevada Consolidated Copper Co., New Cornelia Copper Co., Nichols Copper Co., Old Dominion Co., Phelps Dodge Corp., Quincy Mining Co., Utah Copper Co., and United Verde Copper Co. Foreign associates: Aaron Hirsh and Sohn, British Metals Corp., Cerro de Pasco Copper Corp., Chile Copper Co., Gransby Consolidated Mining, Smelting and Power Co., Greene-Canea Copper Co., Mansfeldscher Metallhandel A.G., Manfeld A.G. fur Berghau und Huttonbetriebe, Metallgesellschaft, Rio Tinto Co., Societe General Metallurgique de Hoboken, Societe General de Minerais, South American Products Co., and Union Miniere du Haut-Katanga. As forecasted by the writer a fortnight ago, the licence is issued solely to the American members, hence the officers and directors of the combine are all Americans.

Silk Duties and British Exports.—On July 21st, in the House of Commons, Sir Robert Horne stated that "we have an enormously increased export trade" in manufactured silk goods. The silk section of the London Chamber of Commerce have investigated this statement, and reported thereon to the Chamber, which this week issues a statement containing the following figures:—

EXPORT OF PURE SILK PIECE GOODS for the YEARS ENDING MARCH 31, 1925 and 1926.

	Quantities (Sq. Yards.)	Value. £
1925	2,920,031	684,826
1926	2,755,014	627,579

RE-EXPORT OF PURE SILK PIECE GOODS for the YEARS ENDING MARCH 31, 1925 and 1926.

	Quantities (Sq. Yards.)	Value. £
1925	11,656,774	2,318,301
1926	5,638,552	1,124,624

EXPORT OF MIXED SILK PIECE GOODS for the YEARS ENDING MARCH 31, 1925 and 1926.

	Quantities (Sq. Yards.)	Value. £
1925	2,292,960	613,759
1926	1,688,384	392,815

RE-EXPORT OF MIXED SILK PIECE GOODS for the YEARS ENDING MARCH 31, 1925 and 1926.

	Quantities (Sq. Yards.)	Value. £
1925	2,595,253	556,022
1926	1,668,291	341,362

The figures speak for themselves. So far from supporting Sir Robert Horne's assertion, they show that a very formidable blow at our export trade has been dealt by the duties which Mr Churchill imposed in his first Budget.

Cotton Yarn Minimum Prices.—In the middle of August the Master Cotton Spinners' Federation put into operation their scheme of basic minimum prices for American yarns. At the meeting of the committee, this week, writes our Manchester correspondent, it was decided to revise the scheme. In the original figures the basis for cotton futures was 9.50d per lb, but owing to the decline in values this has been altered to 7.50d. No change has been made in the working costs. With regard to the minimum selling prices, there has been a reduction of 1.75d per lb. This means that the margin for spinners has been widened by ½d per lb. The action of the committee confirms the reports of the last week or two that spinners have improved their position, and it is understood that the sales and deliveries recently have been larger than the limited output.

The Shipping Freight Boom.—With no immediate prospect of a general resumption of work in the British coal fields, and with rapidly diminishing stocks available for export from Continental coal-producing countries, there has developed during the past week renewed demand for tonnage on an enormous scale to load coal from United States ports. On Tuesday alone 40 steamers, represent-

ing approximately 300,000 tons, are known to have been chartered for loading dates ranging as far forward as Christmas. This burst of chartering, which brought the total tonnage absorbed for carriage of American coal during the past four months up to a figure not far short of 10 million tons, found the market in a state of acute shortage of tonnage, and quotations for the voyage to Europe ranged as high as 36s per ton for prompt despatch, while from 25s to 32s was paid for December loading, these figures contrasting with an average rate of 14s to 19s per ton during August, and 15s to 27s in September. As a result of this phenomenal situation—which has so dislocated the world's cargo shipping trade that not only are grain exporters everywhere confronted with increasingly short supply of vessels, but high prices are actually being offered for tonnage to transport Australian coals to South America—the freight market as a whole is experiencing an artificial boom bearing some resemblance to war-time prosperity. How marked has been the rise in values may be appreciated from the following list of representative routes, in which current rates are contrasted with those ruling (a) immediately before the coal stoppage, (b) in the corresponding month of last year:—

Route.	October, 1925.	April, 1926.	Current Rate.
Canada-U.K. (grain per qr.)	3 4 ..	2 9 ..	6 6
Plate-U.K./Cont. (grain per ton) ..	16 6 ..	18 6 ..	42 6
Black Sea-U.K. (grain per ton) ..	12 6 ..	12 9 ..	26 0
Australia-U.K. (grain per ton)	41 9 ..	26 3 ..	50 0
U.S.A.-Italy (coal per ton)	\$2.70 ..	\$2.45 ..	\$7.10

Other recent fixtures include United States (grain) to Italy at 32 cents per 100 lbs, against 13 cents last April; Egyptian cottonseed to England, 21s, against 11s two months ago, while even in the case of the Indian market, where trade is deplorably small in volume so far as whole cargoes are concerned, quotations are substantially above their recent level. Generally speaking, it may be said that the most important charter rates are 100 to 150 per cent. higher than last spring, and given the probably heavy requirements of grain shippers during the next few months, the cost of ocean transport, should the coal stoppage be much further protracted, is likely to rise to a point substantially affecting commodity prices. From the point of view of the shipping industry, it must, of course, be remembered that coal bunker prices have increased by anything up to 200 per cent., and the liner companies, engaged in regular sailings with passengers and general cargo, are being adversely affected by the present position, except in so far as a proportion of their cargo liners can be diverted from their usual business to take advantage of the favourable charters available in the open market. For the "tramp" owner, when all allowance is made for the loss of round voyage revenue under present conditions of abnormal "one-way" business, the situation to-day represents a welcome, if temporary, period of profitable employment for vessels, following on so many lean years.

Taxation and Revenue in the United States.—A correspondent writes:—The revenues of the United States, as the result of the continuance of widely diffused business prosperity, are showing an extraordinary buoyancy which Mr Winston Churchill must envy. Preliminary estimates now being sent out from Washington indicate that, despite the very substantial reductions of the income-tax rates made by the last Budget, the income-tax collections for the first quarter of the current financial year, ending September 30th, will be in the neighbourhood of 535 million dollars, which is a gain of about 100 million dollars over the returns for the parallel quarter of 1925. On September 16th alone no less than 140 million dollars of income-tax payments were received, the highest total for any single day since 1920, when income taxation was at its peak. The increase in income-tax receipts is easily offsetting the declines in other sources of revenue, due to reductions made by Congress in miscellaneous rates, and the repeal of most of what were known as "the nuisance taxes." Moreover, other sources of taxation show expanding yields; in August, for example, the Treasury collected 22 million dollars in cigarette taxes, which is a gain of 3 million dollars over the sum realised in August, 1925. Yet the September and December quarters are in-

variably less fruitful in tax returns than the March and June quarters, and as a result the Secretary of the Treasury, who in the spring had uttered gloomy forebodings about a possible deficit, can look forward to a substantial surplus. When the last Budget was framed Mr Mellon proposed taxation cuts which would entail a sacrifice of 300 million dollars of revenue, and when the Democrats, anxious to outbid the Republicans as tax-reducers, produced a scheme for reductions totalling 500 million dollars, he rejected it, and when he eventually agreed to raise the aggregate of the cuts to 365 millions, he entered a caveat that this scale might destroy the possibility of a surplus for the year 1926-27. Now that a surplus is assured, the Democrats are trying to make party capital out of the situation, and are pointing out that if their plan had been accepted, there could have been a greater alleviation of the taxpayers' burdens. But although the Treasury is now prepared to forecast, instead of a deficit, a surplus of some 185 million dollars, both President Coolidge and Mr Mellon have issued statements to the effect that no further cuts will be contemplated in the next Budget, and that such surplus as is available will be used for an additional liquidation of the public debt.

Norway Repeals Prohibition.—At the outbreak of the great war in 1914 total prohibition was introduced in Norway by a temporary decree. In 1919 a general referendum was held, resulting in a vote of 489,017 for the retention of the measure, and 304,673 against it. Prohibition was accordingly made permanent. In the past seven years, however, experience of the working of the prohibition law in Norway has been anything but satisfactory. It first of all led her into commercial difficulties with wine-exporting countries. Then a great smuggling campaign developed, much contraband liquor being "run" into the country from Germany. Vigorous measures taken by the Norwegian authorities have slowly and steadily reduced the volume of the smuggling trade, but at the same time a substantial increase took place in the home production of spirits. It is estimated by the Oslo correspondent of the *Times*, for instance, that there are 1,000 illicit stills in operation all over Norway. The failure to enforce the law was so glaring as to suggest a very formidable public opinion against prohibition, and the suggestion has been proved to be true by the new referendum taken this week. The result of this popular vote has been a large anti-prohibition majority. According to the latest available figures, 504,000 votes were cast against prohibition, and 393,000 in favour. Thus the verdict of 1919 is emphatically reversed as the result of seven years' experience of an unsuccessful experiment, and the Prime Minister of Norway has announced that he will prepare for introduction in the Storting of a Bill for the abolition of the restrictions.

International Telegraph Press Tariffs.—At the International Telegraph Conference, which was held in Paris in the autumn of 1925, a concession was made to the Press which may have important results upon the transmission of market reports and of commercial news generally. The concession comes into force on November 1, 1926. Hitherto Press telegrams have been accepted for international transmission at half the ordinary rates, but only after 6 p.m. and before 9 a.m. By special arrangements between certain European countries the hours were extended to 12 noon. The reason for the restriction was that Press telegrams could only be conveyed at the cheaper rates when the lines and cables had finished the work of the day. Recent developments of increased speeds of working and of adding to the number of co-incident routes on one wire have added enormously to the capacity of the communications and the Administrations considered that the time had arrived for removing the restrictions. It will now be possible to send Press telegrams during the course of the Continental bourses, and we may expect a development to follow which will result in the distribution of information by means of which a wider public will be kept in closer touch with market movements. It may also mean, in days when newspapers go to press earlier than they used to do, that we shall be able to obtain fuller information with better opportunities

for commenting on that information than under the restricted service which has obtained since the beginning of international telegraphy.

Swiss Trade Depression.—Our Geneva correspondent writes:—The Swiss foreign trade returns for the third quarter of the present year are not very gratifying, though exports were somewhat higher owing to a slight improvement during the month of September. During the quarter ending September 30th the value of imports reached £23,890,241, compared with £25,895,316 during the corresponding period of 1925, and exports totalled £17,989,621, as against £19,497,250 in 1925. The figures of foreign trade (converted into sterling) were as follows for the first three quarters of the year:—

	Imports.	Exports.
First quarter.....	24,389,440	17,154,440
Second ".....	22,968,339	17,638,683
Third ".....	23,890,241	17,989,621

Compared with the corresponding period of 1925, the results of the first nine months of 1926 show a drop of £3,720,000 in imports and of £9,480,000 in exports. A disquieting sign is that the drop in imports mainly concerns raw materials, fuel and oil, which shows that there is some slackness in industry. On the other hand, while there was a reduction of £9,480,000 in exports—nearly 15 per cent.—the quantity of goods exported only dropped by 10 per cent., owing to a decrease in sale prices; that is, a reduction from 631,770 tons in 1925 to 568,065 tons in 1926. For that same period the monthly average of exports is £5,864,651, while it was £6,795,811 in 1925—a record month on account of the boom which preceded the application of the McKenna duties in England—but it is even inferior to the average of 1922 and 1923—the lowest record years since 1920—when it was respectively £5,871,913 and £5,867,270. The unsatisfactory economic situation is further shown by a fresh increase in the number of bankruptcies, which totalled 470 up to the end of September, as against 589 for the whole of 1925. Unemployment is also on the increase. At the end of August there were 11,818 applications for work and 1,969 offers of employment. In September applications rose by 7 per cent., while offers of employment decreased by 3 per cent. In normal years there is a drop in the number of unemployed in this season, so that the present increase can only be ascribed to a general depression. The situation in the metal industry has become very critical during the last four weeks; exports are generally on the decrease, and, in the country itself, that industry has to face foreign competition, which is greatly helped by the low rate of exchange; this is in particular the case for French, Belgian, Italian and Czechoslovakian products. It is very much feared that several Swiss metal works will be compelled to close down two days a week if new orders are not more abundant within a short period. The situation is growing worse and worse in the embroidery industry, which has not been saved by the grant of a Government subsidy. That industry employed 71,000 hands in 1920, and exported to a value of £16,440,000, while it now employs 35,000 workers and exports to a value of £5,280,000. There is now a plan for establishing a special bureau at St Gallen—the embroidery industry centre—to attempt to create or promote new industries. The general outlook is very gloomy, and much concern is felt in all industrial circles, as the prospects for the coming winter are by no means hopeful, though it is expected that export trade will benefit from the application of the new trade agreement with Germany, which comes into force in January next.

United Dairies.—Although the United Dairies, Limited, secured lower net profits during the year to June 30th last than in the previous twelve months, the fall was not of serious extent, and on the whole the company may be considered to have done very well. The directors attribute the decline in earnings to the bad state of trade generally and the increased costs consequent upon the prolonged coal strike. Another adverse factor—although of a different character—was the conversion of the retail milk trade during the year from cans to bottles. This, it is reported, has added considerably to the expenses,

which increase has not been passed on to the consumer." In the following table will be found a comparative record of the position of the undertaking over a number of years:—

Year Ended June 30.	1921.	1922.	1923.	1924.	1925.	1926.
Prof. capital...	£1,652,564	£1,881,674	£1,893,243	£2,059,339	£2,243,272	£2,753,918
Ord. do.	1,798,677	2,027,125	2,038,403	2,121,397	2,221,380	2,223,926
Paid share cap.	3,451,241	3,908,799	3,931,646	4,180,736	4,464,652	4,977,844
Calls in advance	..	..	..	41,539	..	..
Net profit	356,186	452,692	468,623	506,542	509,146	459,469
Div. on ord shs.	12½%	12½%	12½%	14%	14%	10%

The reduction in the ordinary dividend from 14 to 10 per cent. seems to be more a matter of prudence than of essential retrenchment. The policy seems to us to be a wise one, for the directors have preferred to write off the expenses of the issue of preference shares amounting to £22,313 and to carry a larger balance forward. Further evidence of the desire of the board to consolidate the position of the company is apparent from the fact that during the period under review debentures of subsidiary companies totalling £113,600 have been paid off. Another pleasing feature is the modification of the form of the balance-sheet, a reform the desirability of which we have urged on several occasions in the past. What actually has been done is to separate the loans to subsidiary companies from the investments. Similarly, amounts owing to subsidiary companies are shown under a separate heading. No allocation is made this time to the reserve fund, the appropriation of £79,446 to which last year brought the total up to £500,000. There has recently been heard a number of complaints from shareholders in the larger joint-stock undertakings that the facilities for attending annual meetings or of obtaining adequate reports of the proceedings are insufficient. This question, apparently, has received the consideration of the board of United Dairies, at the foot of whose present report is a statement to the effect that "the proceedings at the general meeting will be reported in the *Times* (financial section) on October 30th."

United Steel Companies.—The latest report of the United Steel Companies, covering the year to June 30th last, shows that the position of this undertaking is becoming steadily weaker. The main figures of the accounts are compared below, and show the extent of the fall in profits:—

	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Gross revenue.....	711,146	388,034	504,633	530,301	201,837	20,618
Administration expenses and income-tax.....	81,485	148,026	156,501	159,792	160,125	163,221
Interest.....	146,254	..	..	..	..	..
Net profit.....	483,407	240,008	348,032	370,509	41,712	Dr 149,603
Brought forward.....	80,381	308,293	440,743	666,149	903,082	823,913
Reserve and written off preference dividend.....	563,788	548,301	788,775	1,036,658	944,794	844,530
Ordinary dividend.....	32,021	79,890	122,626	133,577	120,881	160,400
Carried forward.....	308,290	440,473	666,149	903,081	823,913	520,909

Prospects of the company getting back to the dividend-paying stage seem farther off than ever. According to the profit-and loss account—which is not shown separately—gross revenue has fallen from £201,837 to £20,618. The latter item has charged against it debenture and obligation interest of £163,221, which is only met with the aid of the sum of £823,912 brought in from 1925. Actually, however, even this showing, poor as it is, does not reveal the full extent of the decline as the 1925 figure was arrived at after providing £81,656 for depreciation. The latter fund receives no allocation this year, the directors stating that "consideration of this question has been adjourned until the works are again in operation and industry is in a normal condition." At the same time, a special appropriation is this time made in respect of a reserve equivalent to the losses for the year of subsidiary companies whose capital is owned by the company. This absorbs £37,306. In addition, payments made under the guarantee of the preference dividend of the United Strip and Bar Mills requires £95,212,

against £93,000. The board reports that the iron and steel trades have experienced during the year even worse conditions than prevailed during the previous twelve months. Nor can we see much hope during the current period, for the accounts under review only reflect the effects of the first two months of the coal stoppage, during which time, it is reasonable to suppose, the company had the benefit of stocks of fuel. The dividend on the 6 per cent. cumulative preference shares is in arrear from January 1, 1922.

The Drapery Trust.—In December last the Drapery and General Investment Trust, Limited, was formed to acquire holdings in various drapery stores, including Plummer Roddis, Limited, Marshalls, Limited, Pettigrew and Stephens, H. C. Russell, Limited, and also Selincourts. The authorised capital is £3,600,000, and £2,000,000 was offered for subscription in December last, of which £600,000 was in 6 per cent. debenture stock, £600,000 in 7 per cent. cumulative preference shares, and £800,000 in ordinary shares. Meetings of the debenture stockholders and preference and ordinary shareholders have now been convened, at which resolutions will be submitted for repaying the debenture stock and simplifying the capital. It is proposed to redeem the debenture stock at 103, and holders of a considerable amount of debenture stock having agreed to subscribe at par for an equal amount of preference shares, the authorised preference capital is to be increased from £1,500,000 to £2,500,000, to which participating rights up to 8 per cent. are to be given. In their circular letter the directors mention that the company's business continues to expand on the lines originally contemplated and that they anticipate shortly requiring to issue further share capital to finance certain purchases. We imagine that the existing preference shareholders will raise no objection to the proposals which improve their position, since the prior charge of 6 per cent. on the debenture stock, together with a further 1 per cent. for sinking fund, will be removed. It is stated that the holders of "a large block of ordinary shares have expressed their willingness to give to the preference shareholders the further participation in profits." A further proposal to be submitted for sanction relates to the shortening of the title to Drapery Trust, Limited, "it being the policy of the board to employ the company's funds solely in the acquisition and development of interests in drapery stores and kindred businesses." It was stated yesterday that negotiations are in progress for the acquisition of a controlling interest in Bobby and Co., Limited.

British General Insurance Fusion.—The directors of the British General Insurance Company announce that a provisional agreement has now been entered into between this company and the Commercial Union Assurance Company, Limited. The agreement provides for the purchase by the Commercial Union of British General shares, payment to be partly in 5 per cent. debenture stock, and partly in cash on the basis of £2 debenture stock and a cash payment of 15s 6d for each British General share transferred. The principal will be redeemed at the end of 30 years at par, subject to the right of the Commercial Union, at any time on giving six calendar months' previous written notice, to redeem the stock in whole or in part at 105 per cent. Interest will be payable half-yearly on April 1st and October 1st, the first half-yearly payment being due on April 1, 1927. The dividend on 100 British General shares at the present rate of 30 per cent. is, after deduction of income-tax, £6, whilst the interest on £200 debenture stock and £77 10s cash calculated at 5 per cent., less income-tax, is £11 2s, or an increase of 85 per cent. Apart from obtaining debenture stock, shareholders will be relieved of their present uncalled liability of 15s per share. The British General will continue to operate as a separate company under its present board, chief officers and staff. The offer is conditional on its acceptance by the holders of 85 per cent. of the shares, or such less proportion as the Commercial Union may consider sufficient. The directors have unanimously decided to accept the offer on their own behalf, and they strongly recommend its acceptance.

Ebbw Vale Notes.—At the meeting of the holders of the 8 per cent. seven-year notes of the Ebbw Vale Steel, Coal and Iron Company, held on Thursday, the resolutions agreeing to modification of the rights of the holders were passed in an amended form by a large majority. It had already been made clear that the interest, if not paid, should be cumulative, and on Wednesday, by an arrangement in a noteholders committee, the following additions to the resolution had been made:—"That no dividend shall be paid on any part of the share capital of the company unless there shall have been first set aside out of the profits of the company and carried to a fund for the redemption of notes by purchase or drawings a sum at the rate of £100,000 for each financial year of the company then completed from and including the financial year commencing on April 1, 1927; that any of the notes not redeemed prior to January 1, 1928, shall be redeemed at a premium which shall be calculated at the rate of 1 per cent. for each year or part of a year expired between January 1, 1928, and the date of redemption; that one duly qualified person to be nominated by a majority (reckoned according to their holdings of notes) of the insurance and trust companies holding notes to the nominal value of £5,000 or more shall be co-opted to the board of the company by the directors." The number of votes recorded against the amended proposals was 951, against 76,855 in favour, or 23,780 without the votes of subsidiary companies.

United Havana.—The accounts of the United Railways of the Havana and Regla Warehouses (for the year ended June 30, 1926) show a decrease in net revenue of £821,828. This poor showing was the result of the severe crisis affecting the sugar industry, and, through it, the whole island. In the hope of relieving the situation, the Government passed two measures, one of which, the reduction in railway tariffs, had a further marked effect on the earnings. Dividends of 5 per cent. were paid, but at the expense of reserves, £100,000 being borrowed from the equalisation of dividends account. £222,842 were carried forward. The following table gives comparative figures:—

	1922-23.	1923-24.	1924-25.	1925-26.
	£	£	£	£
Railway receipts	3,765,534	4,296,094	4,969,617	3,950,106
Railway expenses.....	2,463,264	2,688,548	3,059,235	2,981,345
Ratio	(65.42%)	(62.58%)	(61.56%)	(75.48%)
Other receipts (less charges)	1,302,270	1,607,546	1,910,382	968,761
	71,893	217,540	64,386	24,993
Fixed charges, &c. (less sundry inc.)	1,374,163	1,825,086	1,974,768	993,754
To reserve	793,061	820,928	850,091	602,802
Dividends	350,000	425,000	425,000	Dr 100,000
Ordinary rate	571,123	636,691	702,250	504,555
	6%	7%	8%	15%

It will be seen that railway receipts fell by £1,019,511, while expenses fell by but £77,890, the ratio of expenses to receipts thus rising from 61.56 per cent. in 1925 to 75.48 per cent. Total passenger receipts dropped £254,439, or 18.58 per cent.; parcels, luggage, and mails showed a decrease of £22,281, or 11.17 per cent., and goods and livestock produced £2,257,165, as against £2,858,555. This drop is entirely due to the falling off in the goods, livestock having brought in £10,981 more than in 1924. The decrease in goods traffic was very general; sugar declined 26 per cent., but building materials, 21.76 per cent., coal and oil, 21.84 per cent., general merchandise, 18.88 per cent., were not far behind. Apart from the rise in livestock traffic, forest products showed the smallest reduction, falling no more than 8.4 per cent. The expenditure for the year, as mentioned earlier, decreased by £77,890; this was partially accounted for by genuine reductions resulting from the decreased business, but some £41,000 came from reduced maintenance charges, the general manager claiming that these were justified, and that "the stock and equipment has been maintained in good working order." Increased expenses of £28,500 in locomotive running are accounted for by the rise in the cost of oil-fuel. The general manager points out that the present

amounted to 31,375,000f, or 2½ millions more than a year ago. Income-tax yielded 454,830,500f in September, or 338,027,000f more than in September last year, from which it may be inferred that this tax, which it has always been found difficult to acclimatise in France, is at last finding its proper rhythm.

The foreign trade returns for September show that the balance continues to be increasingly favourable. Exports had a total value of 5,196,684f (as compared with 5,543,483f in August, and 5,244,187f in July), while imports amounted to 4,625,367f (as against 5,235,332f in August and 5,016,083f in July). Although both exports and imports fell off appreciably in September (the drop in exports being 347 millions and in imports 610 millions), the balance in favour of this country was over 571 millions, as compared with 308 millions in August and 228 millions in July. Exports in September had a total tonnage of 2,628,995 tons (or 230,872 tons less than in August and 71,173 tons less than in September, 1925), while imports were 3,648,848 tons (or 234,059 tons less than in the previous month and 555,040 tons less than in September, 1925). The detailed figures for the first nine months of the year are as follows:—

	First Nine Months of		Difference in 1926.
	1925.	1926.	
	Francs.	Francs.	Francs.
Imports—			
Foodstuffs	6,540,342,000	8,405,519,000	+ 1,865,187,000
Raw materials	19,166,348,000	29,996,243,000	+ 10,829,895,000
Manufactured goods ..	3,842,234,000	5,889,336,000	+ 2,047,102,000
Totals	29,548,924,000	44,291,098,000	+ 14,742,174,000
Exports—			
Foodstuffs	2,563,812,000	3,498,359,000	+ 934,547,000
Raw materials	8,897,929,000	11,790,733,000	+ 2,892,804,000
Manufactured goods ..	20,858,571,000	27,418,163,000	+ 6,559,592,000
Totals	32,320,312,000	42,707,255,000	+ 10,386,943,000

The figures show that while exports have increased by 32 per cent. during the nine months, imports have increased by about 50 per cent. The "visible" balance of French foreign trade during the nine months resulted in a surplus of imports to the value of 1,583,843f, compared with a surplus of exports amounting to 2,771,388,000f during the corresponding period of 1925.

GERMANY.—ECONOMIC MANIFESTO—CURRENCY AND CREDIT—STEEL INDUSTRY—RAILWAYS CORPORATION—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, October 20.

THE manifesto of financiers and business men in favour of freer international trade has been well received here in quarters which already favoured Free Trade or lower duties, but in industrial and agricultural quarters not much interest is shown, and naturally no alarm. In Germany these interests are too strongly entrenched to feel any necessity to defend Protection and trade restriction in general. They are active only when concrete questions of international trade policy come up for immediate decision. It might, however, be claimed that the views expressed in the manifesto are German official or majority views, because the Federal Economical Council, representing all classes and interests, twice last year expressed itself almost in the same words. Here, as in the disarmament question, there is always a majority for on condition that the other side begins or reciprocates. Since the war Germany has certainly lost more than she gained from European and American Protection and trade restriction. But though the Economical Council, with much public support, was very emphatic, and although its views were expressed in direct connection with the provisional Tariff Bill then pending, the Council duly found, when the concrete questions came up, that new duties and increases of old duties were necessary. While certain of the increases of specific duties did no more than restore the *ad valorem* incidence of the pre-war (1902) tariff, others, such as those on motor-cars, were adopted as new "educational Protection," and the reimposition of the food duties was an emphatically Protectionist measure, which had behind it only the usual Protectionist argument that important

industries must be kept alive. The Government is now preparing a general tariff, which will not be ready until 1928. This tariff, it is assumed, will also bring an increase of duties at least sufficient to counterbalance the price rise, but apart from that the revision will take into account changes in the international distribution of production, and will provide protection against foreign industries which have increased their competitive power since the old tariff was framed. While Germany is not a high-Protectionist country, there is no sign that she will take any initiative in the direction of the new manifesto. The circumstance that most other important countries have higher duties than hers will be regarded as sufficient reason for inviting these others to begin.

The Manifesto is represented in some quarters here as primarily a British move. Great Britain, it is proclaimed, as a country which is still in principle Free Trade, is making a last effort to avoid abandoning her old policy; if the present European obstacles to trade freedom are maintained, she will go over to all-round Protection. This opinion is supported by references to the Imperial Conference. It is ignored that the imputed British view that Free Trade for a particular country is practicable only when it is everywhere in force would itself be a reversal of the traditional British standpoint. Although heads of the three greatest German industrial undertakings are among the signatories to the Manifesto, it is emphasised that most of the signatories are financial experts and practitioners, and it is seen that therein lies the weakness of the Manifesto as a means of determining policy. German banks have large interests in, and considerable control over, industry; but tariff policy is determined by the immediate industrial and agricultural interests, and tariffs are framed or modified, without regard to questions of principle or for the general international advantage, on the basis of often very doubtful facts and figures presented by expert industrial organisations to inept politicians.

Germany is no exception to the Continental rule that fiscal interests actively or passively oppose freer trade. The good state of the finances is largely due to big yields by import duties. Since the currency stabilisation these yields have largely exceeded estimates:—

	(000's omitted.)	
	Estimated.	Received.
	Marks.	Marks.
1924-5	160,000	356,568
1925-6	500,000	590,462
1926 (April-September)	290,000	414,031

In the current financial year the excess receipts from Customs will make up for deficits from certain other taxes. At present the sugar interests are agitating for the doubling of the import duty, with the ostensible aim of raising the prices for sugar-beet, and so increasing the sown area, which has declined in those areas where farming is conducted on a large scale. Given higher home prices, it is argued, the big pre-war sugar export might be restored on a dumping basis.

Gross receipts from taxes in September were 544,881,951 marks. Figures for the first half of the financial year are:—

	(000's omitted.)	
	Half-Year.	Estimated
	Marks.	Marks.
All taxes	3,359,610	6,465,300
Thereof direct	2,235,334	4,506,000
Customs and Excise	1,124,100	1,959,300
Reparations pledged	1,092,128	1,907,000

The yield of direct taxes fell a little short of half the year's estimate, the yield of indirect taxes considerably exceeded it. This is mainly due to Customs, although all Reparations taxes, except tobacco, and most of the other indirect taxes yielded more than half the year's estimate. The yields of the chief taxes were:—

	(000's omitted.)	
	Half-Year.	Estimated
	Marks.	Marks.
Income	1,093,044	2,100,000
Corporation income	197,784	250,000
Property	116,268	400,000
Sales	430,669	982,000
Traffic—Passenger	91,626	170,000
Goods	67,635	155,000

The two wines taxes, the most important of the non-Reparations indirect taxes, yielded 18,379,985 marks out

of 24,000,000 marks estimated for the year. Yields of the Reparations-pledged taxes were:—

	(000's omitted.)	
	Half-Year.	Estimated
	Marks.	Marks.
Customs	414,054	580,000
Tobacco	301,095	655,000
Sugar	142,168	265,000
Beer	142,307	235,000
Spirits monopoly	92,554	172,000

The Reichsbank's weekly return for October 15th shows a larger decline in note circulation than is usual in this part of the month. Circulation dropped by 167½ million marks to 2,972 million marks. The gold reserve increased by the relatively large sum of 36,309,000 marks; the reserve of legal-cover exchange declined by 64,839,000 marks. The money market, in contrast to that of New York and London, has been extremely fluid. The supply of day money yesterday were so large that good borrowers were offered it at any interest rate they cared to pay. The two private discount rates have remained unchanged at 4½ and 4¼ per cent. The preparation of new export credits for Russia is under way, one being to facilitate agricultural exports and livestock for breeding. Numerous Russian orders are reported, and it is estimated that 200 millions out of the 300 millions export credit will be taken up by the end of the year. Deals under this credit scheme already sanctioned include machine tools for 17,800,000 marks, mining equipment for 19,300,000 marks, and smelting and rolling-mill equipment for 8,400,000 marks. The money market shows no sign of being affected by the industrial revival, which continues to progress.

The industrial concentration movement continues, particularly in the metal industries. A mid-German steel trust is being prepared by the Linke-Hofmann-Lauchhammer concern. The Rhenish-Westphalian fine-steel producers have formed a "study corporation," with the aim of preparing for a formal fusion. Closer combination is being negotiated between the locomotive manufacturers, who, since March, have been loosely associated in a union. The railway-car trust negotiations are making progress. The chief aim of all these combinations is the now popular "rationalisation" of production methods. When necessary the less efficient works are closed down. Negotiations for a potash trust are being conducted with the Ministry of Industry. Trustification of this branch would involve abolition of or modification of the existing potash syndicate, a compulsory organisation, and would, therefore, require legislative sanction. The "rationalisation" of the iron and steel industries had made considerable progress even before the recent foundation of the Western Steel Trust. This is particularly the case in the pig-iron and steel branches. The production per furnace and per employee has very rapidly risen. Since September, 1925, pig-iron production per workman is stated to have risen 37 per cent., steel production 44 per cent. The number of blast furnaces in operation declined from some 138 in 1924 to 96 at present, but the average monthly production has increased. Pig-iron production in September was 880,015 metric tons, against 850,208 tons in August and 734,935 tons in September, 1925. The output for the first three-quarters of 1926 was 6,660,059 tons, which is 1,300,000 tons behind that of the same period of 1925. The Ingot Steel Syndicate works are producing considerably more than Germany's quota under the new International Steel Cartel, and it is believed that they will not reduce production, but will pay the fine of \$4 a ton, part of which will, however, be returned at the half-yearly liquidations of the Cartel's funds. Shipbuilding activity has somewhat improved, owing mainly to foreign orders, and to repair work resulting from the recent storms.

The Bourse has been continuously active and firm. Trading has assumed a pronounced boom character. On some days last week the turnover of stocks (for which, however, no figures are compiled) was believed to exceed that of the inflation years. Yesterday the favourite stocks rose violently. The new upward movement has lasted, with only slight reactions, since early September. The bi-monthly returns of the leading seven banks for August 31st shows prolongation credits totalling 472,600,000 marks, against 82,100,000 marks a year before, and 53,700,000 marks on February 28, 1925. The

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JAMES STEUART, Chief Manager.

Reichsbank is understood to have given the commercial banks an unofficial hint as to the need for caution in this matter. Foreigners continue to buy stocks.

NORWAY.—MONETARY CONDITIONS—THE RISE IN THE KRONE—PROHIBITION.

(FROM OUR CORRESPONDENT.)

OSLO, October 14.

THE accounts of the Norwegian State Railways for the financial year 1925-26 have recently been published, and disclose a deficit in the estimated surplus of about 7 million kroner, which is chiefly due to reduced earnings, expenditures showing a reduction of about 4 millions as compared with the original estimate.

Figures of the Joint Stock Banks for August (published by the Statistical Bureau) reveal an increase of cash and deposits with the Norges Bank of 4.3 million kroner, while loans show a decrease of nearly 28 millions. In spite of the recent reduction of bank rate, deposits are increasing slowly but steadily, and now amount to about 1,900 million kroner. These easy money conditions, which are illustrated further by recent conversions of old loans at more favourable rates, have rightly been ascribed to the stability which has hitherto—under the regulating influence of the Norges Bank—characterised the exchange situation. It was, therefore, rather a surprise that the bank, on the 12th inst., announced its intention of discontinuing the purchase of foreign exchange at the rates hitherto maintained. This step was taken in full understanding with the Ministry of Finance, and the reason must be sought in the fact that unexpected and rather heavy selling orders have lately been forthcoming from inland holders of sterling and dollars, and, at the same time, renewed activity in foreign speculative quarters has been perceptible. Sterling yesterday was quoted 21, and to-days' rate was fixed by the Norges Bank at 20. The general feeling is that the krone will reach par value very soon, but, of course, a reaction may set in at any time.

It is obvious that this sudden rise of the krone will quite seriously affect shipping trade and industry, although it is believed that, as far as our exporters are concerned, most of them had already disposed of their sterling and dollars by forward sales. On the produce exchange the krone rise occasioned an immediate decline of prices for nearly every commodity.

After nearly seven weeks' stoppage the paper mills are again working, the mill-owners and the workers having agreed to submit all general claims to a court of arbitration. A number of particular claims have been settled after nine days' negotiations, but it is likely that the altered exchange situation will influence and impede the ultimate solution of the conflict. However, transactions in pulp and paper are scarce, and will continue so as long as the British coal strike is still unsettled.

Much interest is being taken in a plebiscite which will take place on October 18th next with reference to prohibition on spirits. There has been a partial or complete prohibition on spirits and certain kinds of wine during the last decade or so, and a plebiscite on this question has also been taken previously (1919), the result of which was a majority of 16 per cent. for prohibition. Since then public feeling has certainly undergone a change, chiefly on account of disappointment as to the efficiency of the

prohibition; but still there are many devout adherents to prohibition, and as both the Communist and the Socialist Parties have joined the prohibitionists, it is difficult to form any opinion as to the result of this plebiscite.

JUGOSLAVIA.—HARVEST—FOREIGN TRADE—STATE FINANCE—BANKING.

(FROM OUR CORRESPONDENT.)

BELGRADE, October 11.

FINE weather during August and September, together with abundant moisture in the parts not damaged by floods and storms, have combined to make the 1926 harvest in Yugoslavia the fourth improvement in succession. There has been an all-round increase in the yield of corn, official figures giving barley at 4,021,000 quintals, as compared with 3,950,000 in 1925; rye at 2,100,000 quintals, as against 1,997,000; and oats at 3,739,000, as against 3,450,000 last year. Wheat alone shows a decrease, the yield being 21,217,910 quintals, as compared with last year's 21,404,300, a difference of 200,000 quintals. Maize, however, promises to give nearly 40,000,000 quintals, which is even more than last year's bumper crop of 37,900,000 quintals. In general, thanks to constantly improving cultivation, corn yields may be said to be on the increase. Thus, wheat harvest for the years 1922-1924 read:—1922, 12.1 million quintals; 1923, 16.6 millions; and 1924, 15.7 millions; while 1925 and 1926 record over 21 millions. Similarly, giving 100 as the figure for 1922 for other cereals, rye has increased to 182.8, barley to 166.8, oats to 141.1, maslin to 190, and spelt to 151.7.

The export surplus for the season is estimated at 25,000 trucks of wheat, 80,000 of maize 5,000 of other cereals, 5,000 of haricot beans, 3,000 of bran, 2,000 of potatoes, 5,000 of prunes, and 4,000 of other fruit. Of other exports, cattle are expected to yield 730 million dinars (horned beasts 350 millions), eggs 600 millions, meat 350 millions, and timber 720 millions, the total of all available exports being estimated at 8,200 million dinars.

In spite of this, trade still stagnates, as the export figures for July and August show:—

	1925.		1926.	
	Tons.	Mill. Gold Dinars.	Tons.	Mill. Gold Dinars.
July.....	291,494	51.4	347,410	41.2
August	371,180	70.5	330,340	49.3

Although trade seems to have been better in September, it is still far from satisfactory. The import figures for the first half of 1926 show that the trade balance is slightly favourable, imports being 345.1 million gold dinars, as against 359.4 million of exports. The volume of trade, however, is lower than during the same time in 1925, when imports amounted to 388.3 million gold dinars.

While it is true that relief from this stagnation is being obtained from foreign credits, of which an influx has again been noticeable this autumn, and from the fall of agricultural prices, from an average index figure of 1,861 in 1925 to 1,466 in August, 1926 (index figures of *Priredni Pregled*, Belgrade), no great improvement can be expected until impetus is given by a new and comprehensive economic policy on the part of the Government. Here, too, the constant atmosphere of impending changes and possible crises is no small hindrance.

The only real reform hitherto has been the cutting of expenses below the Budgetary estimates. This the Minister of Finance has been obliged to do in view of the decrease of revenue. Total receipts for the months January to April, 1926, have amounted to 3,177 million dinars, as compared with 3,379 millions during the same month last year, or 6 per cent. less. The decrease was even greater in May, namely, 437 millions, as against 529 millions last year, a difference of 16 per cent. The same tendency is likely to persist also during June, July, and August, the months of floods and storms, and their first after-effects. It is obvious, therefore, that the Government must turn its attention from purely political to economic difficulties if it wishes to survive. It is noteworthy in this connection that rumours of an impending enlargement of the Radical-Raditchist coalition, in order to obtain a strong working majority in Parliament, are constantly current.

The influx of credits should also be assisted by the formation of the new Anglo-International Bank, which has its headquarters at Belgrade. Banking business as a whole tends to increase in spite of a difficult year. The number of banks has increased from 651 in 1924 to 666 in 1925, while the total turnover for 1925 was 16,000 million dinars, as against 13,000 millions in 1924 and 11,500 millions in 1923. Capital has increased from 1070.1 million dinars to 1322.5 millions, while the total net profit was 294.5 million dinars.

INDIA.—MONETARY CONDITIONS—JUTE PRICES—COTTON TARIFF—TAXATION PROBLEMS—RESERVE BANK SCHEME.

(FROM OUR CORRESPONDENT.)

CALCUTTA, September 30.

MONETARY conditions, as now envisaged, offer the prospect of comparatively cheap money throughout the busy season. Jute will be plentiful; it will be relatively cheap compared with last year; and it will be extremely slow in coming forward. In consequence, there should be a reduction of approximately 25 to 30 crores in the finance required for this crop alone. Raw materials of Indian origin promise, indeed, to reveal an all-round fall in value. In the five months April-August the total visible balance of trade has declined to 13½ crores, compared with 48½ crores in the corresponding period last year.

A deflation of seven crores has been effected in the past two weeks, making, with the eight crores retired in April, a total of 15 crores this year. The Secretary of State has thus been able to replenish his balances without disturbing conditions here, and it is understood that further remittances will be effected in the same fashion as the need arises. Bombay has registered the usual protest, with the usual lack of any solid basis for complaint, and with the usual result of leaving official policy totally unaffected. In extenuation of the querulous pessimism of the western capital, it may be observed that Fate has lately played its enterprises some scurvy tricks. An inquiry in the nature of a Coroner's inquest is in progress relative to the expensive and ill-conceived Back Bay project; a special Tariff Board has been constituted to decide whether its cotton manufacturing industry is suffering from internal weakness or external violence, and, in face of the vigorous competition of Karachi, even the port is losing trade, necessitating drastic administrative economies in order to avoid losing still more. Bombay, therefore, looks out upon the commercial world to-day almost without hope. Its sky is clouded, without the smallest patch of blue. At the moment it conveys the impression of being a city of lost causes. It has lost the battle of the ratios—unless it snatches a last-moment victory in the new Legislative Assembly. The evidence in the Cotton Tariff Board inquiry does not flatter its hope of a higher tariff. It is also fighting a losing battle in opposing the establishment of the projected Reserve Bank.

Although the dying Legislative Assembly refused to discuss the recommendations of the Taxation Inquiry Committee (members preferring to avoid so dangerous a topic until after the impending General Election), the point of view expressed by the spokesmen of the Finance Department evoked quiet approbation, and emphasised anew the satisfactory position in which central finances are now entrenched. The Finance Member declared that he looks forward to the day when—with the early extinction of the whole of the provincial contributions, and with some improvements introduced into the Meston Settlement which will give greater elasticity to provincial revenues—the provinces will be able, without extra taxation, to carry out many of the plans on which progressive Ministers have set their heart for ameliorating the lot of their peoples, and the Central Government may be able to assist them in the best way open to it by carrying further the relief of the burden of the central taxpayer, already happily begun in the reduction of the salt tax and the abolition of the cotton Excise duty, not to mention the reduction of railway tariffs, all of which

have been secured in the life-time of the present Assembly. The report, as the same authority went on to remark, brings out in a striking way the changes which the last ten or twelve years have introduced into the taxation system of India. In the year 1913-14, of the total tax revenue (including land revenue) of India, 35.42 per cent. came from land revenue, only 12.99 per cent. came from Customs, and 3.52 per cent. from taxes on income. Owing to the introduction of the reforms, exact comparisons between 1913-14 and to-day are a little difficult, but approximately the figures for 1923-24, the latest year for which accurate data can be given, are: from land revenue 20.75 per cent., from Customs 24.30 per cent., from taxes on income 12.30 per cent. Concerning the incidence of taxation, in 1902-3 the cultivator paid Rs.2.10 and the non-cultivator Rs.1.8. In 1913-14 the cultivator paid Rs. 3.1 and the non-cultivator Rs. 2.5. In 1922-23 the cultivator paid Rs. 4.12, and the non-cultivator Rs. 6.5. As the index number of wholesale prices in Calcutta rose from 100 in 1914 to 180 in 1922, it will be seen that the increase in total taxation per head at the end of 1922-23 was largely accounted for by the fall in the value of money, and it is doubtful whether the real burden on the cultivator was any higher in 1922-23 than in 1913-14.

Endeavouring to forecast the story of taxation in India in the years before us, the Finance Member reiterated that for the Central Government the first task is to complete the process of extinguishing the provincial contributions and to make such minor modifications in the Meston Settlement as, without any serious inroad on the resources of the Central Government, will add some additional flexibility to those of the Provinces. During this period the Central Government can hope to do little in regard to taxation beyond effecting some minor adjustments here and there and taking some steps not so much to increase as to prevent the falling off of the yield from direct taxation. Thereafter, the Central Government will direct its policy to reducing the proportion of indirect taxation to the whole, with its eye on the one hand on the necessity for a margin in the event of an emergency, and on the other hand upon the needs of the Provinces, which it would try to meet by so adjusting the burden imposed by central taxes as to increase taxable capacity in relation to provincial needs. The Provinces meanwhile will have the advantage to start with of relief from provincial contributions, and, perhaps even more, of the fact that with the extinction of those contributions they will be less subject to the error of looking to encroachment on Central resources as a means of meeting their provincial needs. They will turn to their own wide powers of taxation for the sinews of their war on disease and ignorance, and will be helped in the development of their resources by the concurrent progressive reduction of the level of central taxation.

In non-official circles it is hoped, and indeed expected, that the next Budget will yield not only a further substantial reduction in provincial contributions, but, on the commercial side, a 10 per cent. reduction in the import duty on motor-cars, and the allocation of the whole yield of the motor import duties (now yielding about a crore of rupees per annum) to a Road Board, working in alliance with provincial road authorities, in a manner approximating roughly to the relations of the County Councils and the Road Board in Great Britain. If any variation occurs in the import duties on cotton manufactures, it can only be in the form of preferential duties, since denunciation of the Indo-Japanese Trade Convention is totally out of the question, and would involve repercussions utterly disproportionate to the relatively minor economic adjustments the Government of India is invited to effect. The Currency Bill will be laid before the new Legislative Assembly early in 1927, and will doubtless precede the Budget statement, which will be affected materially by the decision taken. Little doubt is entertained in well-informed quarters that the 1s 6d ratio will be placed on a statutory basis. A Bill to establish a Reserve Bank, and to give effect to certain other recommendations of the Currency Commission, may also be looked for. It is fairly clear that the Imperial Bank is not indisposed to fall into line with the scheme—subject, of course, to generous recognition of the genuine sacrifice it is invited to make and of the heavy responsibilities it will still be expected to shoulder when the new bank comes into operation.

ARGENTINA.—BUSINESS CONDITIONS—FOREIGN TRADE—CROPS—PENSIONS LAW REPEALED—DEBT CONSOLIDATION—TRAMWAYS.

(FROM OUR CORRESPONDENT.)

BUENOS AYRES, September 26.

BUSINESS in general remains stagnant, for the simple reason that the market has for months been overstocked with imports which could only be cleared off quickly under conditions of abnormal prosperity, and with the present dearth of money there are more sellers than buyers. The root difficulty, of course, is that Argentine produce is not commanding anything like the same prices which were forthcoming last year in the world markets, and although there is no logical reason why it should the reaction on our financial position is none the less disconcerting. It is, at any rate, satisfactory to note that the Government is alive to the necessity of meeting the changed conditions. As already advised, the executive not long ago recommended Congress to adopt the 1926 Budget as applying also to 1927, the object being to prevent the waste of valuable time. More recently, however, the Finance Ministry has forwarded to the Budget Committee of the Chamber of Deputies an estimate of the revenue for the forthcoming year to serve as a basis for fixing the expenditure, which estimate takes into account an average reduction of \$3,000,000 per month in the Treasury receipts to date, as compared with last year, and President Alvear and his Ministers are now engaged in studying the possibilities of economies.

The export statistics for the first seven months of the year are:—

	Value (Gold Pesos).		Difference.
	1925.	1926.	
Livestock	224,086,670	203,501,798	— 20,584,872
Agricultural	310,739,160	282,197,812	— 28,541,348
Forestral	12,454,520	11,310,222	— 1,144,298
Others	9,719,650	8,828,887	— 890,763
Totals	557,000,000	505,838,719	— 51,161,281

	Volume (Tons).		Difference.
	1925.	1926.	
Livestock	885,810	868,441	— 17,369
Agricultural	5,017,247	6,075,551	+ 1,058,304
Forestral	236,156	182,456	— 53,700
Others	275,608	273,292	— 2,316
Totals	6,414,821	7,399,740	+ 984,919

The figures for the period January-June showed a drop of \$51,219,269, and a rise of 769,547 tons.

Shipments of cereals and linseed are higher than during the same period to date last year, although wheat is still lagging behind, and but for the import price factor there would be a different tale to tell. In this connection the latest estimate of the Agricultural Department showing the area (in hectares) under grain cultivation this year will be of interest:—

	1925-26.	1926-27.	Average.
	1925-26.	1926-27.	1921-26.
Wheat	7,768,990	7,740,000	6,813,800
Linseed	2,509,450	2,640,000	2,114,410
Oats	1,292,530	1,270,000	1,077,331
Barley	364,200	387,000	293,678
Rye	202,590	210,000	153,718
Birdseed	34,600	28,800	20,091
Total	12,172,360	12,275,000	10,473,028

The increase in area since the year 1912-13 is given as 2,098,300 hectares, or 20.6 per cent.

There is another return by the same department which is worthy of mention. This relates to sugar, for the most part grown in the Tucuman district. The crop for the year 1925-26 was the largest in the history of the republic, being 145,006,556 kilos more than in the preceding year, and 206,955,000 above the average of the past ten years. That is to say, the refineries crushed 5,592,458,252 kilos of cane which yielded 393,693,024 kilos of sugar, or 1.62 per cent. of the world production, as against 1.09 per cent. in 1924-25.

A sensible step taken by the Chamber of Deputies this month was to wipe the National Pensions Act of 1923 off the Statute Book. That highly unpopular and ill-advised measure was long overdue for extinction, and, in fact, it is now more than a year ago since the Senate wisely de-

cided to wash its hands of a legislative freak which had so little to recommend it, and had been so roundly condemned by public opinion. The monthly contributions, although technically compulsory, had dropped from \$1,600,700 in January of last year to \$52,500 in December, and to a mere \$24,000 last month, but for all that one was never quite sure what might happen so long as this sword of Damocles was still threatening. Meanwhile the repealing law, which provides that the contributions must be returned within a period of six months, has raised rather an awkward problem for the Government. The accumulated contributions are said to amount to \$26,781,376, while \$27,998,678 is in hand, but of this figure no less than \$27,547,596 appears as the present value of bonds in which the funds have been invested as provided by the law, and the objections to their realisation within the next half-year are obvious. The executive, however, is engaged in studying ways and means of regulating the Chamber's decision so as to cause the least possible prejudice to the interests of the Treasury, and one way out of the difficulty is suggested by the reported willingness of a considerable number of the industrial and business concerns affected to accept repayment in bonds in lieu of actual cash.

The Budget Commission of the Chamber has just decided to recommend a Bill authorising the Executive to issue bonds up to \$350 millions paper for the purpose of consolidating the debt owing to the Banco de la Nación. These are to be entitled the Internal Consolidation bonds of 1926, and will bear 5½ per cent. interest and 4 per cent. cumulative amortisation. The bank will receive the issue direct from the Government at a provisional rate of 95 per cent., and any difference between this and the rate at which they are placed, which must not be less than 93 per cent., will be debited or credited to the account of the Executive Power. Consolidation schemes are at present in the air, as yet another is being submitted by the Executive of the Buenos Ayres Province, in a Bill under which that body would be authorised to contract one or more loans, external or internal, up to a nominal amount of \$95½ millions paper. In the case of internal loans the price of issue to the bankers would be not below 85 per cent., while not less than 87 per cent. is stipulated for any foreign issue. In the former case the interest would be 6 per cent. and amortisation 1 per cent., and in the latter 7 per cent. and 2 per cent. respectively.

A new and somewhat startling development in the controversy between the Anglo-Argentine Tramways Company and the Buenos Ayres Municipality has been introduced by the presentation of preliminary proposals on behalf of a British syndicate, headed by Lord Amptill, for the construction of an underground tramway system in the city and suburbs on the basis of a 10 cents fare, as against the 15 cents rate which the Anglo-Argentine Company has been insisting on before proceeding with its provisional concession. This new proposal asks for a 90 years' concession, and undertakes to deposit a guarantee of £50,000, and to complete four sections stipulated within periods ranging from three to six years. Pending the receipt of further details from London by mail, it is too early to say what effect this is likely to have on the Anglo-Argentine Company's position, but whatever may be the outcome it is to be feared, judging from past experience, that considerable further delay will occur before steps are taken to satisfy the crying need for a solution of the traffic problems of this city.

Letters to the Editor.

BRITISH CARS AND OVERSEAS MARKETS.

TO THE EDITOR OF THE ECONOMIST.

SIR.—The article "British Cars and Overseas Markets" in your issue of October 16, 1926, gives certain impressions which it is very desirable to correct at a time when public attention is focussed upon the motor industry in this country. It is now certain that much of the talk of the "unsuitability" of British cars for overseas markets is due to unconscious distortion of hostile propaganda which has no basis in fact. A proof of this is to be found in the fact that British motor vehicle exports in 1924 were double those of 1923, and in 1925 were double those of 1924. The merits of British cars are, in fact, being increasingly recognised in many important markets

to an extent which has even begun to embarrass our American competitors.

It is, of course, true that in total volume our car exports are still only a fraction of those of the United States, but a start must be made somewhere, and the fact remains that our annual rate of increase has been latterly greater than that of the United States. It would seem that your correspondent himself has been indirectly prejudiced by his conversation with our visitors from overseas. Surely the statistics of exports for the nine months ended September for 1924, 1925 and 1926 quoted by him cannot be accepted without any qualification. Has he overlooked the fact that more than half the 1926 period has been overshadowed by, firstly, the General Strike, and then the coal strike, which have made it impossible for many concerns to complete existing orders? From the following table it will be seen that in the first quarter of 1926 the export position was much stronger than in the corresponding period of the two previous years. Even since the General Strike motor exports have held up better than those of most British industries.

NUMBER OF UNITS EXPORTED FROM GREAT BRITAIN.

		Cars.	Commercial Vehicles.	Chassis.	Total.
1924—First quarter	..	629	102	168	899
Second "	..	844	102	194	1,142
Third "	..	1,053	216	247	1,517
Fourth "	..	1,126	155	359	1,640
1925—First "	..	1,497	146	494	2,137
Second "	..	1,362	149	617	2,129
Third "	..	1,287	106	841	2,235
Fourth "	..	1,777	113	1,299	3,189
1926—First "	..	1,551	117	1,384	3,053
Second "	..	968	77	884	1,929
Third "	..	952	100	1,141	2,193

Nor is it true that no attention is being paid to requirements of overseas conditions. The average modern British car of standard track has a ground clearance and springing equal to that of the average American vehicle, statements to the contrary notwithstanding. As far as power is concerned, it must be remembered that the great bulk of cars used even in overseas markets are used in towns where the light high-efficiency British engine is as suitable as it is in this country. In any case, it would be impossible for every British manufacturer to run a special overseas model. Mr Ford himself, in his latest book, says that even his plant is not large enough to make two cars.

Space does not permit me to go at length into the justification for the prophecy of impending saturation of the British home market made by the United States Department of Commerce. It will be sufficient to say that there are as good reasons for differing from that opinion as for holding it. But whether there is a considerable expansion yet to be expected in the home market or not, British manufacturers should not, and in fact do not, neglect overseas markets.—I am, dear Sir, yours faithfully,

B. H. GLADSTONE, Secretary.
The Association of British Motor Manufacturers, Limited,
London, S.W. 1, October 18th, 1926.

ECONOMIC CONSEQUENCES OF THE CAR.

TO THE EDITOR OF THE ECONOMIST.

SIR.—The visitor to the Motor Show at Olympia, if he can detach himself from the contemplation of machinery and upholstery as he pushes his way up and down the aisles of that wonderful exhibition opened yesterday, can find a good deal of cause for reflection, apart from comparison of one car with another, this year's models with those of 1925. Each successive show is hailed by motor makers and by the Press as marking a new high-water mark in value, a new plimsoll-line of price. The crowds who come from all parts of the country to the Motor Show are composed of people who, in the majority of cases, take a direct, personal interest as motorists, receptive of new ideas that lead to the purchase of some car of later pattern than that already owned. These willing buyers are ready to spend money on cars all of which have one quality in common—that of rapid and considerable depreciation. Savings which in pre-war years would have gone as a matter of course into the purchase of securities and property, put by against old age, ill fortune or the rainy day, are to-day exchanged without a qualm for what is now regarded as a necessity rather than a luxury. Were further excuse needed to disguise and extravagance, the buyer would declare that his action is good for trade, and, quoting him, that it thereby acquires merit. Good for trade in many ways beyond the engineering, coachbuilding and accessory industries; good for the trades connected with petrol, rubber, inn-keeping, road making, and the multitude of minor businesses which cluster around the larger branches of trade. If railways suffer by the competition thus provoked, this is but the effect of resistless progress. If new habits are formed and new outlets afforded for energy and pleasure, these also are but indications of the unceasing march of evolution. Motoring, even in its most modest manner, means the expenditure of money. The initial price of a car may prove a comparatively small proportion of its cost for running over several years. Leaving to others the discussion of the un-

questioned benefits, usefulness and saving of time, strain and labour which motoring brings, it is not entirely beside the point to observe the sub-conscious influence which motoring exercises upon the nation through its effect upon the individual citizen. Were one quarter of the money now expended upon private cars, with all its sequelæ of bills for hotels, restaurants, tyres, oil, petrol and the like, to be saved and invested in British Government stocks, the demand would cause a corresponding rise in the values of the securities, and a consequent advance in the credit of the country. The argument, and the retort to it, could be pushed to limits of logical absurdity, but, without either pedantry or pessimism, the observant economist will be led to recognise that the cult of the car has a direct bearing upon practical finance and investment. It increases the cost of a man's living, and so renders that man anxious to buy stocks and shares which will return higher yields than are compatible, he is well aware, with safety. Motor-cars call for insurance and licence charges; these add to the burden of taxation to meet which the spirit of speculation is constantly stirred. The car increases the speed of life as it does that of traffic and transport, and it begets in even a contented mind the wish, if not the desire, to keep abreast of modernity by exchanging last year's model for the latest exhibit on the stands of Olympia. The war, and its mismanagement by the spending departments of the nation, sowed seeds of extravagance in the individual as well as in Whitehall, and the economic consequences of the car may be suggested as the theme of a book which would vie in interest with the pleasure and the enjoyment to be derived from the ownership of a motor.—Yours, &c., L. W.
London, E.C., October 22nd, 1926.

Books and Publications.

CREDIT RATIONING IN GERMANY.

DR RUDOLPH DALBERG, who has been the official in charge of currency and credit questions in the Ministry of Public Economy in Berlin since 1922, has recently published a collection* of selected articles written and lectures delivered during the last four years. This book cannot, of course, be said to give by any means a complete history of the period with which it deals—the final stages of German inflation and stabilisation—but it reveals the ideas which inspired an influential official and the observations are based on first-hand experience. Moreover, Dr Dalberg has considerable theoretical interests, and endeavours to expose underlying economic principles.

Why was it that stabilisation succeeded in Germany in the late autumn of 1923, in spite of the fact that 1,200 million rentenmarks were utilised to pay officials, i.e., for covering a deficit in the Budget, and no foreign credits had been obtained as in the case of Austria? Dr Dalberg replies that the whole German people and all public bodies backed the rentenmark, and that thus confidence was created. It is true that the question of confidence is of outstanding importance, but Dr Dalberg's reply does not throw much new light on the problem. It would be interesting indeed if Dr Dalberg, with his great experience, would make a special study of the central problem of German stabilisation. An outsider can only presume that the attitude of the leading industrialists who, incidentally, owned the greater part of the Press, played a decisive rôle.

One of the most interesting articles in Dr. Dalberg's book deals with the question of discount policy and credit rationing. His main argument is that if the Central Bank were to rely only on the rate of discount for the restriction of note circulation, a rate of interest of, say, 20 per cent. would be necessary. But such a high rate would probably lead to a violent economic crisis which would involve the downfall of just and unjust alike. Given all the difficulties of the transitional period, there was no guarantee that the best firms would be able to surmount the crisis.

This is no doubt a very strong argument, especially as it might be expected that after a certain time the money market would be easier, and the rate, which was at first maintained by means of a rationing policy, would become the natural rate on the market. That is, moreover, what actually happened. The Reichsbank rationed the amount of credit (Kreditkontingent) to be

granted to each of the commercial banks, and the commercial banks distributed that amount of credit amongst their customers. In that way the rate of interest was kept low in expectation of an increase in the volume of credit made possible by an increase in note circulation, the influx of foreign credits and the resumption of savings.

The rationing policy has, however, certain drawbacks which are not so clearly pointed out by Dr Dalberg. The rationing of capital among existing firms has unfortunately had the effect of prolonging the lives of many weak enterprises that ought to disappear as soon as possible. Capital given to such firms may be considered as wasted, and to waste capital in a period of acute scarcity appears to be mere stupidity. But no policy is an unmixed blessing.

Dr. Dalberg says in the introduction to his book that the German experience may be of value to other countries that have not yet stabilised. Certainly it may; but there is a great danger of neglecting to ascertain whether conditions are the same. Would it, for instance, be possible to carry out in France a rationing policy similar to that adopted in Germany? In order to reply to that question, we must first consider what were the conditions that made such a policy possible in Germany. Put briefly, one might say that the success of the German policy was due to inflation, which had wiped out the deposits in banks and the public debt, and thus made the Reichsbank the only source of credits in Germany. Rationing of credits means that an individual firm cannot obtain as much credit as it could employ with profit. It will then seek other means of obtaining funds. If there are sources of credits other than the banks, the rationing system will break down. In France, for instance, holders of Treasury bills and National Defence bonds may demand cash when the bills and bonds fall due. Deposits in banks may be withdrawn. The Central Bank would not secure such complete control of the market as would be necessary for a successful rationing policy. In Germany the supply of foreign credits at one time made rationing by the Reichsbank more difficult, for any German who had obtained foreign *valuta* could sell the foreign drafts to the Reichsbank against German marks. When the foreign *valuta* increased, the Reichsbank had to restrict the credits granted to the Commercial banks.

As in France it would no doubt prove impossible to carry out a policy of credit rationing, the Bank of France would have to utilise the discount rate for the restriction of credits. A relatively high bank rate must be accompanied by a corresponding rate on the floating debt of the State. It would probably be in the interest of France to pursue a resolute policy; the supply of floating capital has not been so much reduced in France as it was in Germany after inflation, and stabilisation in France would, therefore, be a much simpler affair than in Germany.

IS CIVILIZATION SATURATED?*

THE author's thesis is hardly a new one, though he treats it in a new way. He is attempting to uphold the old doctrine that social and material progress is inevitably discontinuous, and that at the present moment the time is growing ripe for the advances made during the past 150 years to be succeeded by a period of stagnation, if not of actual regression. In his introduction he calls attention to a surfeit of material progress and indulgences, of wealth and credit, of reform and education, and so on, and argues that this must end in subsidence and decline. Whether or not he is right in his forecast time alone can show. His arguments and evidence, however, are in several respects open to doubt.

Much of the book is based upon the growth in the power of labour, and he attempts to show that this growth will soon entail a decline in national and world productivity, simply because the labouring classes will not be content to devote their whole energies to production in the future as they were in the past. He acknowledges the economy in labour effected by the increased use of machinery, but

* "Deutsche Währungs- und Kreditpolitik, 1923-1926." Verlag von Reimar Hobbing. Berlin.

* "Saturated Civilization." Sigmund Mendelsohn. (New York) The Macmillan Company. 7s 6d net.

here, again, he leaves the impression that he thinks that machines have reached their limit of development. In any case, he seems inclined to lay upon organised labour a larger share of the blame than is deserved. It is not necessary to have overmuch faith in human nature to reject the view that universal suffrage, universal education, and labour's establishment of its claim to a voice in the conduct of affairs are no more than signs that the world has reached saturation point.

The book is disappointing in that it has no constructive element. It does not, for example, emphasise sufficiently the great gain to humanity arising from the wider diffusion of wealth. It does not recognise that what is needed is a still wider diffusion, coupled with a greater degree of equilibrium between the various grades of Society. It makes no suggestions as to how these objects could be attained. In short, the author seems obsessed with his one idea of saturation, and is inclined to welcome it and prove its truth in an almost fatalistic spirit.

BOOKS RECEIVED.

The Islanders. By Archibald Hurd. (London) Cassell and Co., Limited, La Belle Sauvage. 3s 6d net.

In all respects a most excellent little book. In the short span of 91 pages Mr Hurd reviews all the economic implication of our island position; and does so with a charm of style and a clearness of exposition that will commend the book even to those to whom problems of the trade balance or sea-power are alarmingly mysterious. Neither tariffs nor Free Trade are mentioned, but the volume as a whole is a valuable and concise presentation of the fundamental requirements of our trade policy. It should be widely read, and we commend it to headmasters as the handiest medium for conveying to the youthful mind a clear picture of how Britain lives. Our only criticism, a very minor one, is that on page 26 Mr Hurd takes a too unfavourable view of the trade balance.

Contracts in the Local Courts of Medieval England. By Robert L. Henry. (London) Longmans, Green and Co., 39 Paternoster row. 16s net.

An erudite study in legal history. The author is Judge in the Mixed Courts at Alexandria, and was formerly Professor of Law at the Universities at Louisiana, Illinois, Dakota, and Iowa.

The Mind of the Millionaire. By Albert W. Atwood. (London) Harper Brothers, 35 Gt. Russell street. 7s 6d net.

In this book a prominent American journalist examines the psychology of the rich man. "What," he asks, "keeps millionaires at work after they have amassed a fortune?" He answers the question in very readable style, and with voluminous references to personal examples. Good light reading, with flashes of real insight into human nature and economic truth.

The Third British Empire. By Alfred Zimmern. (London) Oxford University Press, Warwick square, E.C. 4. 6s net.

Why has the British Empire survived in an age which has witnessed the disruption of so many Empires? In what form has it survived? How has it been transformed, constitutionally and psychologically, by the events of the last twelve years? What are the real ties which bind it together to-day? These are the main questions to which the author seeks an answer in this volume. He gives reasons for believing that the new relationship between the nations of the Commonwealth, so far from weakening the unity of the Empire, has greatly strengthened it, setting it forth on a new lease of life with its constitution and activities adapted to the changed conditions of the post-war world.

This book of great topical and historical interest is composed of a course of lectures delivered at Columbia University, New York.

The Motor Industry of Great Britain. 1926. Published by the Society of Motor Manufacturers and Traders.

This booklet is a valuable collection of the principal statistics which concern the British motor industry, including numbers in the chief countries of the world, productions, consumption of rubber and tyres and motor spirit, road mileage, and overseas trade. It is to be produced annually in future in an improved and extended form.

The Brotherhood World. October-December, 1926. (London) Brotherhood World, 1 Charing Cross. 6d.

An excellent publication, containing an interesting contribution from the pen of Sir Josiah Stamp.

Report of the Preliminary Survey of the Mazaruni and Puruni Diamond Fields, British Guiana. March-December, 1925. Part I. By H. J. C. Conolly. (London) Crown Agents for the Colonies, 4 Millbank.

Rapport au Ministre des Finances: Opérations de 1919 à 1923. (Paris) Imprimerie Nationale.

League of Nations: Memorandum on Balance of Payments and Foreign Trade Balances. 1911-1925, Vol. I. *Balance of Payments and Review of World Trade.* (London) Constable and Co., Orange street. 5s.

The Edinburgh Review. October, 1926. (London) Longmans, Green and Co., Limited, 39 Paternoster row. 7s 6d net.

Contains articles by Mr Harold Cox on the Imperial Conference, by Sir A. D. Hall on Food and Population, and Air Problems of the Empire, by Major-General Sir F. H. Sykes.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Irish Free State: Compensation: Report of Committee presided over by Lord Dunedin. Cmd. 2748. 3d net.

Department of Overseas Trade: Report on the Commercial, Economic and Financial Conditions in Japan to June 30, 1926.

Colonial Reports: No. 1305, Federated Malay States. 1925. 2s net. No. 1307, Swaziland. 1925. 6d net. No. 1312, Zanzibar Protectorate. 1925. 6d net.

League of Nations: International Labour Conference—Authentic Texts of Draft Conventions and Recommendations. May-June, 1926. Cmd. 2745. 1s net.

Report on the Marketing of Pigs in England and Wales. 1926. 6d net.

Includes sections on Home Supplies in Relation to Market Requirements; Assembly and Grading; Transportation; Distribution, &c.

Report by the Food Council to the President of the Board of Trade on Wholesale Tea Prices. 1926. 1s net.

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STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
October 26. October 28.

THE weekly graph of Stock Exchange prices shows vivid deflections both above and below the line. The general tendency of the House has been dull, for which the root reasons are the fear of dearer money and the continuance of the coal dispute. On the other hand, there are bright exceptions, more particularly in the industrial market. Business is quiet on the whole, although here, as with prices, the volume of orders has been very erratic; some firms spent an active week, while others did no more than a bread-and-butter business. Paris has been a persistent and a pressing seller of inter-bourse issues.

The meeting of the Imperial Conference is hardly a factor, nor did the issue of the Bankers' Manifesto arouse any particular interest in the markets, where the latter was regarded as being too academic for it to exercise any direct influence over current quotations. There is some little talk of a possible rise in the Bank rate, which served to depress the prices of Conversion, War Fives, Consols and other British Government, corporation and gilt-edged stocks. The market in Australian securities has recovered to some extent from the flurry occasioned by the recent criticism of Commonwealth finance. The Sunderland subscription lists closed in advance of their full time. Home railway prior-charge stocks show a heavy tendency, in sympathy with the dullness in the companies' ordinary and deferred stocks.

A good deal of trade is doing amongst foreign bonds, where Peruvian Corporations, the new Tokyo and Hamburg loans, Brazilians and Germans have attracted their own particular circles of interested followers. Brazilians have given way. Peruvian Corporations went flat, on fresh selling by holders who wanted to take their profits before the report appears, but the stocks were absorbed without difficulty. Turkish Unified have been strong and active, on the statement that the Turkish delegates are on their way to Paris to settle the terms over which so much negotiation has taken place. Mid-European bonds are easier and Mexican show falls. Unconfirmed reports stated that another earthquake shock had occurred in Japan.

The home railway market is dull, in consequence of the deplorable traffics that continue to be published week by week,

and which render the dividend outlook for the second half of 1926 anything but cheerful. Exceptionally, Districts are better. Canadian Railway stocks are somewhat lower. Argentine Railways improved, on the cheerful speech at the Buenos Ayres Great Southern meeting on Wednesday. Brazilians have been disposed to droop, and Nitrate Railways, together with nitrate producing shares, show a tendency to decline for want of supporting interest.

The rubber market is a little easier, in sympathy with the dullish tendency in Mincing Lane due to piling up of the stocks of the raw article. An announcement is expected to be made almost immediately by the Colonial Office in regard to what is called the "coupon" rubber, and the bullish party maintain that such a statement would probably be favourable to the industry. Tea shares are lower. The oil market enjoyed a spurt as a reflection of the strength shown by Anglo-Persians after the bonus announcement. It is asked in the various markets whether the severe shrinkage in the price of silver, the metal, may not affect the earnings of some of the companies that trade largely with the East. This last reason is responsible for further declines in the prices of certain of the Eastern banking shares.

Marconis enjoyed a spectacular jump, upon the news that the beam system has proved a great success in connection with the Bodmin station of the Canadian Marconi Company to be opened for traffic on Sunday next. Ever-Ready shares provided another feature of strength, thanks to dividend expectations. British Generals were strong in advance of the announcement that the Commercial Union has made an offer to acquire the shares. The price fell back upon official publication of the proposals. Brazilian Traction slumped on sales from Brussels, but recovered from the worst. The tobacco market exhibited heaviness as the advent of contango-day brought in selling from holders who do not like the industrial outlook. The land section has been heavy, Hudsons Bays and Sudan Plantations leading a fall. Westminster Electric lost 8s before there was a mild recovery, the drop being due to the directors' proposal to capitalise reserves in such a manner as will give two new shares for every three shares now held. The rest of the London electric lighting list is sympathetically lower. Duff Developments have held most of their rise. Motor shares attracted attention because of the opening of the annual show, and Morris preference advanced.

The Kafir market shows a string of uninteresting movements, most of them being in the downward direction. Paris has pressed for sale De Beers and other diamond shares; Chartered and Rand Mines. The tin group underwent an all-round reaction as the end of the account drew on, but late on Thursday afternoon a recovery set in, and the shake-out appeared to have done the market good. In the West African market Kaduna Syndicates have been a feature of strength, with other shares doing little more than mark time. San Francisco Mines have been weak, and apart from a rise in Colombian Mining the tendency of miscellaneous mining shares has been dull. Some interest revived in lower-priced West Australians. Rio Tintos have fluctuated as violently as ever, a brisk recovery following upon a previous drop. Nothing of consequence has happened in the shares of other base metal companies.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital, £	Cash Subscription, £	First Payment, £	Further Liability, £
ISSUES OF THE WEEK—				
Amount previously recorded		162,828,454		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to October 16, 1926. Dr 2,000,000				
Net sales week ended October 16, 1926, £200,000.				
To the Public—				
City of Leicester, £1,500,000 5% Red. Sto k (red. at par Oct. 15, 1947-57), issued at 99% (Oct. 20) ..	1,500,000	1,492,500	75,000	1,417,500
Sunderland Corporation, £1,000,000 5% Red. Stock (red. at par Oct. 1, 1946-56), issued at 99% (Oct. 20) ..	1,000,000	990,000	50,000	940,000
Phillips Rubber Soles, Limited, 240,000 7% Cum. Pref. Shares of £1 each, at par ..	240,000	240,000	30,000	210,000
Do 360,000 Ord. Shares of £1 each, at par (Oct. 18) ..	360,000	360,000	45,000	315,000
United Diamond Fields of British Guiana, 480,000 Shares of £1 each, at par (Oct. 19) ..	480,000	480,000	24,000	456,000
Federation Tin Mines, 110,000 Shares of £1 each, at par (Oct. 19) ..	110,000	110,000	13,750	96,250
Total offered to the Public		3,672,500	237,750	3,434,750
To Shareholders—				
Edinburgh and Dundee Investment, 25,000 £10 Shares, at £12 5s per Share	250,000	306,250	56,250	250,000

Hill (W.) and Sons, 20,000 7½% Cum. Pref. Shares of £1, at par ..	20,000	20,000	5,000	15,000
Do 100,000 Ord. Shares of £1 each, at par ..	100,000	100,000	25,000	75,000
Kuala Lumpur Rubber, £50,000 7½% Conv. Deb. Stock, at par ..	50,000	50,000	25,000	25,000
Parit Bruas (Malay) Rubber, 5,216 £1 Shares, at £2 per Share ..	5,216	10,432	2,608	7,824
Uganda Co., 30,000 Ord. Shares of £1, at 22s per Share	30,000	33,000	28,000	15,000
Total offered to shareholders		519,682	131,858	387,824
Total offered for subscription to date ..				
in—	£	year—	£	year—
1926	167,070,636	1925	231,914,268	
1925	179,469,718	1924	209,526,100	
1924	255,107,509	1923	271,393,173	
1923	258,596,047	1922	573,675,650	
1922	539,516,499	1921	388,978,203	
1921	230,784,913	1920	367,549,666	

To complete our record of new issues and summary of profit and loss accounts, company secretaries are requested to furnish us with copies of new prospectuses and reports and accounts. Our readers can also assist by forwarding copies of prospectuses and company reports and accounts which may fall into their hands.

City of Leicester.—This is an issue of £1,500,000 5 per cent. stock at £99 10s per cent., redeemable 1947-1957. The principal and interest is secured upon all the estates, property, rates and revenues of the Corporation, and a sinking fund will be established. The rateable value of the city is £1,452,800, a penny rate producing £5,550; the estimated population is 242,100. The total net outstanding debt is £6,849,000, of which £5,075,000 is in respect of reproductive undertakings. The gross (or trading) profit of the trading undertakings of the Corporation for the last financial year was £318,126. The proceeds of the present issue will be applied for electricity works, waterworks, sewerage, sewerage disposal works, &c., This is an excellent trustee investment.

Sunderland Corporation.—This is an issue of £1,000,000 5 per cent. stock at 99, redeemable 1946-1956. Principal and interest will be secured on the borough fund and rate and a sinking fund will be established. The rateable value of the borough is £785,224, a penny rate producing £3,016; the population is estimated at 167,000. The total outstanding debt of the Corporation, including £1,255,626 relating to reproductive undertakings (after deducting redemption funds available), is £1,891,531. The proceeds of the present issue are required to meet expenditure in connection with the electricity undertaking, street improvements, bridges, paying off existing loans, &c. This is a good trustee investment. Oversubscribed.

Phillips Rubber Soles, Limited.—Capital £600,000, divided into 240,000 7½ per cent. cumulative preference shares of £1 each and 360,000 ordinary shares of £1 each. This is an issue of all the above at par. The company has been formed to take over the business of Phillips Rubbers, Limited, together with the issued shares in Phillips Patents, Limited, Premier Waterproof and Rubber Company and Guide Bridge Rubber Company. Combined profits, after charging all expenses of the businesses, including advertising, depreciation, and directors' remuneration, but before deducting income-tax and corporation profits tax and excluding inter-company dividends, are certified to have been as follows:—1922, £110,708; 1923, £116,016; 1924, £134,288; and 1925, £106,425. Total net assets, excluding goodwill, patents, trade marks, &c., are given as £300,484. The purchase consideration is £600,000, payable in cash. A fairly good industrial speculation.

P. C. T. Construction Company, Limited.—Issued share capital £249,439, divided into 35,000 7 per cent. cumulative guaranteed preference shares of £1 each and 214,439 ordinary shares of £1 each. This is an issue of 715,000 7 per cent. cumulative guaranteed preference shares of £1 each, which are unconditionally guaranteed as to both capital and dividend by Provincial Cinematograph Theatres, Limited. The surplus assets of the latter company are given as £2,500,000, while net profits, before providing for depreciation, are certified to have been as follows:—1924, £146,433; 1925, £231,496; and 1926, £248,117. The P.C.T. Construction Company was incorporated in 1919 under the name of Picture Playhouses, Limited. In August of this year Provincial Cinematograph Theatres, Limited, acquired practically the whole of the issued ordinary shares, and now hold 35,000 preference shares, and the name was changed to its present form. It is not intended that the company shall acquire or operate cinema theatres, but that the proceeds of the present issue shall be advanced at interest from time to time as required by Provincial Cinematograph Theatres, Limited. In referring to the guaranteeing company, Provincial Cinematograph Theatres, Limited, the prospectus states, "the previous history of the company does not serve as a useful guide in estimating the security of this issue."

Illustrated Newspapers, Limited.—Share capital £3,200,000, divided into 1,800,000 7 per cent. cumulative preference shares of £1 each and 1,400,000 ordinary shares of £1 each. This is an issue of the above at par, applicants for preference shares having the right to apply for one ordinary share for each six preference shares allotted. The company has been formed to acquire the *Graphic*, the *Drapers' Record*,

The Sphere, The Tailor, Men's Wear, The Bystander, Eve, a part interest in the *Illustrated London News and Sketch*, and the whole of the issued share capital of Horton Kirby Paper Mills, Limited. The Inveresk Paper Company, Limited, is selling to the company the foregoing properties and shares in their entirety for £3,167,079, without any intermediate profit, but has reserved the right for itself and associated companies to apply for 1,100,000 ordinary shares of the company in cash at par, which they have exercised. The company has agreed to make an offer for the outstanding balance of the preference and ordinary shares in the *Illustrated London News and Sketch*, Limited, and the purchase price required will be provided out of the issue of £340,000 6 per cent. first mortgage debenture stock. Aggregate net profits, before charging income-tax and corporation profits tax, are certified to have been as follows:—1923, £293,180; 1924, £286,702; and 1925, £299,103. The capitalisation of modern newspapers based on profits of the past three years is a problem meriting careful consideration before the shrewd investor takes up shares.

United Diamond Fields of British Guiana, Limited.—Capital, £500,000, divided into 500,000 shares of £1 each. This is an issue of 480,000 shares at par. The company has been formed to acquire and develop five diamond areas, of a total of over 20,000 acres, situated in the Mazaruni, Puruni, Potaro, and Cuyuni districts in British Guiana. An agreement has been concluded by which the company's entire output will be purchased for cash; the agreement also provides that the company shall participate in the profits from the resale of all diamonds. The present issue is estimated to provide approximately £67,000 in cash for development and working capital. The purchase consideration is £362,000, payable in cash. The prospectus is one that will not tempt shrewd investors.

Federation Tin Mines, Limited.—Capital £200,000 divided into 200,000 shares of £1 each. This is an issue of 170,000 shares of £1 each at par. The company has been formed particularly to acquire the Federation Tin Mines, situated at South Heemskirk, Tasmania. The mining leases comprise a total area of 428 acres, and the assets include a crushing battery, with buildings, plant and machinery. The present issue will provide approximately £60,000 for capital expenditure and working capital. The purchase consideration is £125,000—payable as to £35,000 in cash and as to the remaining £90,000 by the allotment of shares credited as fully paid. Optimistic estimates and voluminous information are given. A speculation.

The Kellner-Partington Paper Pulp Company, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued capital of £1,510,305, divided into 600,000 5 per cent. cumulative preference shares of £1 each and 910,305 ordinary shares of £1 each. There is also a debenture capital of £1,230,000 6 per cent. guaranteed mortgage debenture stock, which is being issued in conversion of the balance of the £1,500,000 7½ per cent. guaranteed first mortgage debenture stock. The stock will be secured by a specific charge on company's land, buildings, plant, &c., and a floating charge on the remaining assets, present and future. Payment of interest, sinking fund and principal in the event of the stock becoming payable will be unconditionally guaranteed by Aktieselskapet Borregaard, which holds the entire ordinary capital and practically the whole of the preference shares. The stock will be redeemable by sinking fund, by which redemption will be completed in 1956. The Kellner-Partington Company was formed in 1889, and owns forests, paper and pulp mills in Norway and Austria. The company's audited net profits, before charging debenture interest, income-tax, depreciation, and the expenses of the 7½ per cent. stock, are stated to have been as follows:—1923, £248,710; 1924, £250,347; and 1925, £269,142; and those of the guaranteeing company, but not including the dividends received from this company, as follows:—1923 (fifteen months), £345,884; 1924, £292,920; and 1925, £311,566. Prospectusless.

Hyde's Bird Seeds (R. Hyde & Co., Limited)—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued share capital of £150,000, divided into 75,000 8 per cent. cumulative preference shares of £1 each and 75,000 ordinary shares of £1 each. The company was incorporated in 1920, and acquired the business of a former company, known as R. Hyde and Co. (1918), Limited. The purchase consideration was £150,000, which was satisfied by the allotment of 74,993 preference shares and 75,000 ordinary shares. Under the above agreement the company also paid the debts of the former company, amounting to £16,349. Profits, after making adjustment for interest in suspense, but before providing for depreciation of investments, income-tax, or corporation profits tax, are certified to have been as follows:—1923, £21,486; 1924, £23,248; 1925, £19,986; and 1926, £20,624. Dividends on the ordinary shares have been 15 per cent. for 1923, 10.75 per cent. for 1924, 15 per cent. for 1925, and for 1926 15 per cent. and a bonus of 15 per cent., each dividend less tax. Prospectusless, but with more information than usual for this type of flotation.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Rise or
				Fall.
War 3½% 1925-28	98½	98½	98½	—
Loans 4½% 1925-46	94½	94½	94½	—
4½% 1925-47	101½	101½	101½	—
4½% 1925-48	100	101½	101½	—
Funding Loan 4½% 1925-48	84½	84½	84½	—
Victory Bonds 4½% 1925-48	92½	92½	92½	—
Conversion Loan 3½% 1925-48	94½	94½	94½	—
Consols 2½% 1925-48	54½	54½	54½	—
Irish Land Stock 2½% 1925-48	57	56½	56½	—
Local Loans 3½% 1925-48	62½	62½	62½	—
Aust. 6½% 1931-41	102	102	102	—

British Railways.

	Price	Week	Latest	Rise or
				Fall.
Great Western, Ord.	87½	87½	87½	—
London & North-Eastern	504	497	497	—
6½% Pref. Ord.	18	17½	17½	—
Do Def. Ord.	18	17½	17½	—
London, Mid., and	72½	72½	72½	—
Scottish, Ord.	72½	72½	72½	—
Metropolitan	60½	60½	60½	—

Colonial and Foreign Railways.

	Price	Week	Latest	Rise or
				Fall.
Asiatic Petroleum	83½	82½	82½	—
B.A. and Pacific	89	89½	89½	—
B.A. & Southern	103	103½	103½	—
Buenos Ayres Water	90½	90½	90½	—
Canadian Pac. (\$100)	168	168	168	—
Central Argentine	77½	77½	77½	—
Cordoba Central New	35½	34½	34½	—

American Railroads.

	Price	Week	Latest	Rise or
				Fall.
Chesapeake & Ohio	178	175	175	—
Erie	39	40	40	—
Do 4½% 1st Pref.	51	50	50	—

Foreign Government Securities.

	Price	Week	Latest	Rise or
				Fall.
Argentine 5½% 1888-7	100	100	100	—
Argentine 5½% Guar.	101½	101½	101½	—
Austrian 5½% 1914	74	74	74	—
Belgian 5½% 1914	82	81	81	—
Brazil 5½% 1889	79	79	79	—
China 4½% 1895	102	102	102	—
Do 7½% 1913	50	50	50	—
Chinese 5½% 1913	83½	83½	83½	—
Egyptian 4½% 1907	101	101	101	—
French 5½% 1907	97	97	97	—
Do 4½% 1907	97	97	97	—
German 7½% 1924	103½	103½	103½	—

Telegraphs.

	Price	Week	Latest	Rise or
				Fall.
Anglo-American "A"	24½	24½	24½	—
Marconi Wireless	8½	8½	8½	—

Banks.

	Price	Week	Latest	Rise or
				Fall.
Barclays B. (£1, f.p.d.)	24½	24½	24½	—
Chartered Bk of India	20	20	20	—
Lloyds (£5 with £1 paid)	3½	3½	3½	—
Midland (£12, with £4 paid)	8½	8½	8½	—
Nat. Bank of Egypt (£10)	38	36½	36½	—

Miscellaneous.

	Price	Week	Latest	Rise or
				Fall.
Allied Newspapers (£1)	2½	2½	2½	—
Amal. Oils (£1)	5½	5½	5½	—
Anglo Persian Oil (£1)	5½	5½	5½	—
Armstrongs (£1)	3½	3½	3½	—
Asa. Palm. Cement (£1)	3½	3½	3½	—
Barker, John (£1)	3½	3½	3½	—
B'ham Small Arms (£1)	2½	2½	2½	—
Bleachers (£1)	2½	2½	2½	—
Bradford Dyers (£1)	2½	2½	2½	—
Brazil Troncon (£100)	110	110	110	—
British-American Tobacco (£1)	42	42	42	—
British Controlled Oil (£5)	2½	2½	2½	—
Bryant and May (£1)	5½	5½	5½	—
Burnham Oil (£1)	3	3	3	—
Coats (J. and F.) (£1)	5½	5½	5½	—
Courtaulds (£1)	5½	5½	5½	—
Cornard (£1)	5½	5½	5½	—
Corman, Long (£1)	1½	1½	1½	—
Dunlop Rubber (£5)	2½	2½	2½	—
Fine Cotton Spins (£1)	3½	3½	3½	—
Gramophone (£1)	1½	1½	1½	—
Guinness Land (£1)	18½	18½	18½	—
Purness, Withy (£1)	3½	3½	3½	—
Highlands and Lowlands Rubber (£1)	3½	3½	3½	—

Mines.

	Price	Week	Latest	Rise or
				Fall.
Ashanti Gold (£1)	84	84	84	—
Broken Hill Prop. (£1)	1½	1½	1½	—
Burns Corp. (R. 10)	2½	2½	2½	—
Cam & Mokur (£1)	17½	16½	16½	—
Central Mining (£8)	17½	16½	16½	—
Chartered (15)	17½	16½	16½	—
City Deep (£1)	17½	16½	16½	—
Cons. Gold Fields (£1)	17½	16½	16½	—
Crown Mines (10)	3½	3½	3½	—
De Beers Del. (£2½)	20½	19½	19½	—
East Rand Prop. (£1)	4½	4½	4½	—
Goldfield (£1)	8½	8½	8½	—
Gov. Gold Areas (£1)	2½	2½	2½	—
Johannesburg Cons. (£1)	17½	16½	16½	—
Malayan Tin (£5)	4½	4½	4½	—
Modderfontein (10)	4½	4½	4½	—

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel Street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

INVERESK PAPER COMPANY, LIMITED.

FURTHER DEVELOPMENTS.

NEW CAPITAL PROPOSALS.

FLOTATION OF ILLUSTRATED NEWSPAPERS, LIMITED.

REVIEW OF SUBSIDIARY UNDERTAKINGS.

MR WILLIAM HARRISON'S SPEECH.

An extra-ordinary general meeting of the members of the Inveresk Paper Company, Limited, was held on Friday, the 15th instant, at the North British Hotel, Edinburgh, Mr William Harrison, L.L.B. (chairman of the company), presiding.

The secretary read the notice convening the meeting and the resolutions to be proposed, which were as follows:—

RESOLUTIONS.

1. That the capital of the company be increased to £1,200,000 by the creation of 300,000 additional preference shares of £1 each ranking for dividend as from the respective dates of the calls and payments in respect thereof, and upon the dissolution of the company and in all other respects *pari passu* with the existing shares of the company, and 350,000 additional ordinary shares of £1 each ranking for dividend from the respective dates of the calls or payments in respect thereof, and in all other respects *pari passu* with the existing ordinary shares of the company.

2. That the said additional preference shares of £1 each be offered in the first instance at par to the members of the company holding preference shares registered on October 15, 1926, in the proportion of one new share for each preference share held by them, and upon the footing that the full amount of each preference share taken up shall be paid to the company by instalments as follows:—

2s 6d per share on application.
7s 6d per share on allotment.
10s per share on December 31, 1926.

And that such offer be made by an offer specifying the number of preference shares to which the member is entitled and limiting the time (not being less than ten days) within which the offer, if not accepted by payment of the sum payable on application, will be deemed to be declined, with power to the board to have the issue of the preference shares underwritten by any parties with whom they may make arrangements for an underwriting commission not exceeding 1 per cent.

3. (a) That of the said additional 350,000 ordinary shares the directors be authorised to allot 50,000 to the Graphic and Bystander, Limited, at a premium of £1 5s per share, and 50,000 shares to Mr William Harrison, the chairman of the company, at a like premium, such shares to be paid for in cash, and at the same times and by the same instalments as the ordinary shares mentioned in sub-clause (b) hereof.

(b) That the balance of the said additional ordinary shares—that is, 250,000 ordinary shares—be offered in the first instance at a premium of £1 5s per share to the members of the company holding ordinary shares registered on October 15, 1926, so that each ordinary shareholder shall be entitled to an allotment of one new share for each share held by him and upon the footing that the full amount of each ordinary share taken up, plus the premium (making together £2 5s per share), shall be paid to the company by instalments as follows:—

10s (including 7s 6d on account of premium) on application.
£1 (including 17s 6d on account of premium) on allotment.
15s on December 31, 1926.

And that such offer be made by an offer specifying the number of ordinary shares to which the member is entitled, and limiting the time (not being less than ten days) within which the offer, if not accepted by payment of the sum payable on application will be deemed to be declined, and that the board be empowered to dispose of the ordinary shares not taken in response to such offer as they consider expedient in the interests of the company.

4. That pursuant to article 113 (e) of the company's articles of association this general meeting hereby ratifies and confirms the action of the directors in entering into the following contracts:—

(a) Dated September 23, 1926, between the Sphere and Tatler, Limited, and the company.

(b) Dated September 23, 1926, between the Amalgamated Trade Publications and the company.

(c) Dated September 23, 1926, between Sir John Reeves Ellerman, Bart., C.H., and the company.

(d) Dated September 28, 1926, between the Graphic and Bystander, Limited, and the company.

THE CHAIRMAN'S SPEECH.

The Chairman (who was received with applause) said: As one of the resolutions to be submitted to you at this meeting contains a reference to an allotment to myself of 50,000 new ordinary shares of £1 each at the price of 45s per share, for reasons stated in the circular dated September 6th already sent to you, I do not think it proper for me to propose the resolutions, and I will therefore leave this formality to one of my colleagues in due course.

In view of the fact that we are to-day asking you to agree to the company's capital being increased by £650,000, you will naturally expect me to give you an account of our stewardship, and to review the present position of the company and its subsidiaries, and in particular to give you our reasons for the step which we have recently taken in purchasing the world-renowned illustrated papers and other periodicals already disclosed to you, which has necessitated this proposed increase in our capital.

I will first give you in chronological order the steps which we have taken during recent years to build up what is undoubtedly to-day one of the largest and most successful concerns in the paper trade, not only of this country, but also abroad.

CARRONGROVE PAPER COMPANY, LIMITED.

In the early part of 1924 we acquired a controlling interest on favourable terms in the well-known Carrongrove mills. Since then we have considerably extended these mills under the able direction of Mr William Wallace, by the erection of a large new coating factory, and we are now busily engaged on further extensions. We estimate that the value of our investment in ordinary shares to-day in this particular mill is at least £100,000 in excess of the cost price to us, and we look forward to an increasing revenue from this concern.

THE NEW NORTHFLEET PAPER MILLS, LIMITED.

In the spring of 1924 we purchased this five-machine mill, situate on the Thames, from the receiver of the Northfleet Paper Mills, Limited, for the sum of approximately £100,000 for the mill buildings and plant. This represented one-fourth the amount at which the assets purchased stood in the books of our predecessors. We are now concentrating on remodelling this mill under the direction of Mr Wallace and installing new steam boilers of the latest type, and two large new turbines. We are also installing two new wide machines, 174 and 120 inches in width respectively. When this work is completed, the output of this mill should amount to 400 tons of fine papers per week, and we look to turning this concern into a valuable subsidiary with a net earning capacity of £80,000 per annum.

We expect to find an assured market for 150 tons per week of our output from this mill by supplying another of our subsidiaries, the British Vegetable Parchment Mills, with the body paper which they will require for parchmentising.

BRITISH VEGETABLE PARCHMENT, LIMITED.

After very careful consideration we decided at the beginning of this year to proceed with the erection of a large new factory, 600 ft long by 150 ft wide, alongside the Northfleet mills, for the manufacture of vegetable parchment paper. This country and the colonies have been large consumers of this special paper for many years, but the whole of this trade has hitherto been left entirely to foreign manufacturers. It is hoped to complete this new factory early in the New Year.

Through the International Pulp and Chemical Company, Limited (of which I shall have something to say presently), we are already owners of a factory producing parchment papers in Germany, and this has given us the advantage of enabling us to send our own practical paper-makers out to be trained on the most modern lines. We therefore anticipate no difficulty in making our new undertaking a success from the commencement of our working

operations. This new factory will be capable of supplying not only the whole British market, but also a large part of our Colonial market.

CALDWELL'S PAPER MILL COMPANY, LIMITED.

In the spring of 1924 we acquired a controlling interest in this company, which had suffered in 1921 and 1922 severely by reason of the slump in heavy stocks of raw materials which they held. Since we acquired control we have financially assisted this company, thereby enabling it to spend very large sums of money in the installation of new machinery and plant, with the result that our investment has more than doubled in value. Taking full advantage of the unique position of this mill, which is situated at Inverkeithing Harbour, we are now negotiating with the Admiralty for the purchase of additional land, which will enable us to erect a pier at deep water, and thus to bring in ocean-going steamers with our raw materials and ship our manufactured goods. This scheme will effect very large savings in freight. The Caldwell board has just placed, with our full approval, an order with one of the leading British firms of paper machine makers for what will be the largest esparto machine in existence. To provide the necessary funds to carry out the large new extensions which we have in hand at this mill a new preference share issue was made last week, which was promptly over-subscribed. Having seen most of the best paper-mill sites in Europe and the United States and Canada, I am of opinion that our site at Inverkeithing is second to none. If the Government accede, as I believe they will, to the sale of the necessary sea frontage, Caldwell's should in the near future become the largest paper-making centre for fine papers in Great Britain, and one of our most profitable undertakings.

ANNANDALE AND SON, LIMITED.

In June, 1925, we acquired about 98 per cent. of the ordinary share capital of this company, famed for its high-grade linen papers. Since its association with us this company has made considerable progress, and I think it is not an overstatement to say that to-day the net liquid assets of this company are nearly sufficient to cover the cost of our holding without placing any value on the mill plant and machinery.

HENRY BRUCE AND SONS, LIMITED.

In August, 1925, in conjunction with the Carrongrove Company, we acquired the share capital of this mill, which occupies a leading position in the trade for featherweight paper, a quality which is used in the publishing trade for printing books. During the present year we have settled certain claims for overpaid taxation amounting to approximately £45,000, and this amount, taken into account with the favourable terms of purchase, reduces the total cost of this mill to us to the extremely low figure of about £140,000.

BACKHOUSE AND COPPOCK, LIMITED.

Towards the end of 1925 we acquired this Macclesfield business, which is well known for the quality of its specialities in coated papers and pasted boards, and in the spring of 1926 we formed a new private company with a capital of £130,000, divided into 8,000 7½ per cent. cumulative preference shares and 50,000 ordinary shares. Of this capital we subscribed for the whole of the 50,000 ordinary shares at par. The net profits of this business have been very consistent, averaging about £25,000 per annum.

INTERNATIONAL PULP AND CHEMICAL COMPANY, LIMITED.

In January, 1926, we negotiated the purchase for the sum of £781,430 of 21,000 out of a total of 22,000 shares of 800 gold marks each in the Koholyt A.G., owning five large freehold factories in Germany, engaged in the manufacture of high-grade chemical pulp, paper, chlorine and other products used largely in the manufacture of paper. In February, 1926, we formed the International Pulp and Chemical Company, Limited, with a capital of £1,000,000, consisting of 600,000 8 per cent. cumulative participating preference shares and 400,000 ordinary shares, the latter of which we and our associates subscribed for in cash at par. The International Company is, therefore, through its holding of the share capital of Koholyt A.G. above referred to, entitled to practically the entire property of that German company. We regard this purchase as one of our most valuable investments. The Koholyt Company, of which we did not assume active management until March 1st last, had been run from an administrative point of view by our predecessors on lines which, in my opinion, left room for substantial improvement. In addition, the company's net earning capacity was adversely affected by trade loans at exorbitant rates of interest, which were then prevalent in Germany by reason of the financial crisis through which that country had just passed.

On taking over control we immediately took the necessary steps to crystallise that company's floating trade indebtedness into two hands at about 6 per cent. interest, and thus effected a large saving in interest, and we are concentrating on other important internal economies of a most drastic nature which will be reflected

in our net future earnings. The fruits of our labours, however, will only be apparent in the current year of the Koholyt Company—that is to say, from July 1, 1926—and as our products are well sold over the financial year ending June 30, 1927, we look forward with every confidence to reaping a handsome return on our investment, which will eventually find its way into the treasury of the Inveresk Company, and thus materially increase our profits for 1927 and in the future.

This year I have paid numerous visits to Germany in connection with the Koholyt works there, and have had many opportunities of observing at first hand the economic situation in that country. With reference to conditions in Germany, I have on more than one occasion recently told you of the gigantic strides which that great nation has made subsequent to the stabilisation of its currency. Since the insane and tragic state of affairs created in our country by the coal strike during the past six months, Germany, from my own observations, has made still greater progress, which has been certainly accelerated by the suicidal policy pursued by the extreme section of the miners' leaders in Great Britain. Cheap coal is the very lifeblood not only of our industry, but also of every other industry in Great Britain, and it is only right that I should disclose to you the grave and intolerable burdens which we have been forced to carry since May 1st, and are still carrying. Anticipating trouble in the coal industry, we laid up at our mills ample stocks to provide against any strike of normal duration, and therefore our actual loss is less than it would otherwise have been. It is sufficiently serious, however, when I tell you that from actual figures compiled I find that the general strike and the coal strike have cost us and our associated companies £80,000 up to date. I think it my duty to inform you and the preference shareholders in your associated company, the International Pulp and Chemical Company, Limited, that on a conservative estimate which my colleagues and I have personally made we value the net assets of the Koholyt Company at not less than £3,000,000.

NEW MERTON BOARD MILLS, LIMITED.

This mill, after being completed in 1925 at a cost of over £300,000, came to grief for want of working capital. It was purchased by us from mortgagees for the sum of £37,500 in July last. It is at present being entirely remodelled at an estimated cost of £50,000 under the direction of my colleague, Mr Wm. Wallace. It is expected that this mill will be ready to start up in January next, and, as our shareholders are aware, we have formed a public company to run it with a paid-up capital of £120,000, of which there are 80,000 7 per cent. preference shares and 40,000 ordinary shares. The whole of the latter we hold, having subscribed for them in cash at par. The production of this mill will be dealt with by our subsidiary company, Backhouse and Coppeck, Limited, who are large consumers of paper boards such as are produced at the Merton works. Mr Wallace values this mill when remodelled at £200,000.

MORRIS AND CO. (GLASGOW), LIMITED.

Some months ago it came to my knowledge that an attempt was being made to corner or secure a monopoly of raw esparto grass. If this attempt had succeeded, it would have had a very serious effect on the output of our group, which consumes nearly two-thirds of the esparto grass produced. I had always been alive to this danger, and it was absolutely essential to safeguard our supplies of raw material. With this object in view some months ago we agreed to acquire for ourselves and our associated companies a three-fifths interest in the share capital of this well-known and long-established firm of esparto growers. This company holds to-day leases for a period of years of over 1,400,000 acres of esparto fields in Algeria. We are entitled to take the whole crop from these fields at what is practically cost price. Mr Morris and Mr Miller have been appointed joint managing directors of this company for a period of years, and two of my colleagues and myself are joining the board of Morris and Co. (Glasgow), Limited.

ILLUSTRATED NEWSPAPERS, LIMITED.

As you will have gathered from what I have already stated, it has been our settled policy to acquire on advantageous terms a group of leading paper mills, and to safeguard their position with assured supplies of raw materials produced under our own control. Similarly, it was always in my mind that an indispensable adjunct to this policy was an assured market for a large output for our manufactured goods, also under our control. I therefore came to the conclusion some months ago that it would be a great advantage to your company and its associated mills if I could acquire for them a group of leading British illustrated papers and periodicals. This, as you know, has now been accomplished. In the spring of the year negotiations were opened with Sir John Ellerman for the purchase of a controlling interest in the *Illustrated London News* and the *Sketch*, the acquisition of the *Sphere* and the *Tailor, Men's Wear, Eve, the Drapers' Record*, and other papers controlled by him. Before proceeding further

with the negotiations I visited the United States and studied conditions there. I returned convinced that if these papers could be acquired on reasonable terms it was good policy on our part to proceed with the purchase. These negotiations were successfully concluded some three weeks ago.

After these terms had been arranged, an opportunity arose of purchasing the *Graphic* and *Bystander* on terms subject to a condition by Sir Edward Iliffe on behalf of the *Graphic* and *Bystander*, Limited, that the Inveresk Company, Limited, should give an option to apply for 50,000 of the new ordinary shares of your company at the same bonus terms at which they are now being offered to you—namely, 45s per share. This option has already been exercised, so you will be asked to pass a resolution confirming that transaction.

The combined profits of the papers just purchased for the past three years average about £300,000 per annum, but with economies in contemplation I think we can safely expect a net profit from them of at least £350,000. We are forming immediately a new company under the style of *Illustrated Newspapers, Limited*, and an opportunity will be offered you shortly of subscribing to this new undertaking. It is agreed that the Inveresk Company shall apply for and get allotted in full 1,100,000 of these ordinary shares at par. The preference shares of the new company will be offered to the public shortly through the Charterhouse Investment Trust, Limited, which has agreed to underwrite the preference shares. Applicants for preference shares will have the right of allotment of one ordinary share for every six preference shares applied for by them, and we have stipulated that there shall be no underwriting of these 300,000 ordinary shares, and that the Inveresk Company and its associated companies and friends shall take up all ordinary shares (if any) not applied for.

Addressing you as shareholders of the Inveresk Company, I should once more like to emphasise the great advantages which will accrue to your company and its associated companies from the regular and large market assured for its manufactured paper through close association with the papers purchased.

AN ESTIMATE OF PROFITS.

With the assistance of my colleagues, I have carefully investigated the results which should accrue from now on to your company through its own manufacturing profits and those of its subsidiaries. We estimate our gross revenue on a full normal year's running at approximately one million pounds, and after deducting therefrom depreciation, debenture interest, and preference dividends, &c., and creating reserves in all our subsidiary companies, we estimate that there should be approximately available for dividends in the Inveresk Company a balance of £400,000, subject to creation of reserves in our company, which, I may point out, will stand at the end of this year at nearly £600,000—that is to say, almost equal to the 600,000 ordinary shares of your company. Included in these 600,000 shares are the 350,000 new ordinary shares which it is now proposed to issue.

OLIVE AND PARTINGTON, LIMITED.

But the time has not yet come for making final estimates in connection with the Inveresk Company, and you will perhaps understand why I say this, and what is in my mind, when I inform you that late last night, within an hour or two of starting for Edinburgh, I concluded negotiations which have been in progress for some considerable time for the purchase of the ordinary share capital of what is, perhaps, one of the most famous names in British paper-making—Olive and Partington, Limited. Ladies and gentlemen, I am not in a position to disclose any figures at this meeting, but two things I do want to say about this latest acquisition—the first is that, compared with the magnitude of the business, the amount of money we shall be called on to provide is very small indeed; and the second is that my colleagues and I are confident that we can reorganise this company's plant so as to show greatly improved results. I might add that this acquisition will involve no issue of share capital to the public, as the owners are quite content to leave the bulk of their money in the company in preference shares. I think that may be regarded as a signal tribute to the confidence which those who really know the trade place in Inveresk management.

In conclusion, I think it is incumbent upon me to tell you that the general strike, in which our workers were at the time involved, has left us all feeling better men, and I must state that to-day we are proud of the loyalty and esteem which exist in our mills and the whole-hearted manner in which all our workers are putting their backs into their work, and it only remains for me to tell you that when we come to discuss with you the distribution of future profits (not including, of course, this year of strikes) you will give me and my colleagues your support in the creation and maintenance of a workers' welfare fund, so that it can be truly said that our workers receive in addition to their fixed wages some share of the profits they help to create. I will now ask Mr. Pike formally to move the resolutions which have been read to you.

MR PIKE'S SPEECH.

Mr George A. Pike said: It is the usual practice for the chairman at the close of his speech to move the adoption of the resolutions, but having regard to the fact, as already stated by Mr Harrison that resolution 3 (a) proposes to allot to him as chairman of our company 50,000 new ordinary shares at a premium of 25s per share, Mr Harrison has requested me to put the resolutions to this meeting, which, after I have made a few remarks, I shall have much pleasure in doing.

We have all, I am quite sure, listened with the greatest pleasure, interest and satisfaction to the very able and lucid speech which our esteemed chairman has made, and we are convinced by the facts that have been placed before us that our company stands in a unique and prosperous position, which, I am sure we all agree, is mainly due to the enterprising foresight and ability of our chairman.

I do not think that Mr Harrison will object to me stating that in respect to some of the most important acquisitions of our company, particularly the International Pulp and Chemical Company, and the *Illustrated Newspapers*, I have been closely associated with him in investigating the value of such acquisitions. I say this merely because it enables me to confirm to you what he has stated as to the facts and figures of these investments.

CAPITALISATION OF ILLUSTRATED NEWSPAPERS, LIMITED.

With regard to the latest purchase—namely, the *Illustrated Newspapers*—which you will be asked at this meeting to confirm, I have no hesitation in saying that as a financial transaction alone the deal is undoubtedly a profitable one for our company. Consider for one moment the facts: Our chairman has stated that the net profits of the whole of the periodicals acquired amount to about £300,000 per annum, which may probably be increased by economies now under consideration. The share capital of the new company will be 1,800,000 £1 7 per cent. preference shares, and 1,400,000 £1 ordinary shares, of which our company will hold 1,100,000 of the ordinary. The preference dividend will amount to £126,000, leaving a balance of at least £174,000. Assuming that a dividend of 10 per cent. was paid on the ordinary shares, this would absorb £140,000, and there would still remain a considerable amount to carry forward; but that is not all; a further most important factor, so far as our company is concerned, is the increase of the output of paper of our own and associated mills to supply the requirements of these periodicals.

With regard to our company's holding in the International Pulp and Chemical Company, a substantial dividend on the ordinary shares for the short period ended June 30th last has been received this week. Mr Harrison, together with Mr Condie Sandeman and myself, have just returned from a visit to the Koholyt works in Germany, and from the figures we have carefully investigated we are confident that the profits for the current year will be considerably augmented, and which, if maintained, will enable the International Company to increase its future dividends.

I feel certain that it will afford you the greatest pleasure to pass the proposed resolutions, and especially the resolution No. 3 (a) allotting to Mr Harrison the 50,000 new ordinary shares at the same price as they are offered to you, as a mark of your sincere appreciation and thanks to him for the most valuable services he has rendered to our company.

With regard to the allotment of 50,000 new ordinary shares to the *Graphic* and *Bystander*, Limited, at the issue price of 45s per share, I realise that this amounts to a very considerable sum which will be obtained by Sir Edward Iliffe. This, of course, really means that he valued his papers at a higher price than the figure of £400,000, and looks to obtain the difference in the value of the shares he acquires above their issued price. In any case, it shows Sir Edward Iliffe's confidence in the future of our undertaking.

I now have the pleasure to propose the adoption of the resolutions Nos. 1 to 4, which have been read to you.

Mr T. D. M. Burnside seconded the resolutions, which were carried unanimously.

Mr Galloway proposed a vote of thanks to the chairman, which was carried unanimously with enthusiasm.

WORKERS' WELFARE.

The Chairman said: The subject of workers' welfare is a matter which touches me very deeply indeed, and it is one I intend to concentrate on so far as our mills are concerned. I am a great believer in participation by workers in the profits of a successful undertaking. Only on Monday in Berlin we started a welfare fund for our German workers. We are putting on one side for them next year £10,000, and we intend in 1927 to put into operation a workers' welfare fund at every mill we possess. If, after a very large dividend is paid to shareholders, you give some interest to the workers, I am convinced you are going to get it back many times.

Now I thank you for your confidence. Might I say this? I have often wondered, as chairman of the Inveresk Company and all those mills that are associated with it, what a shareholder thinks. He gets a big dividend, and I suppose he thinks: "Well, these directors have only got to turn the handle and the dividend warrants flow out at the end of the year!" Would you just bear this in mind—the extraordinary difficulties we have had to face this year; coal, which we get in the form of duff at about 6s a ton, cannot now be invoiced under that category at all. We receive it, I think, invoiced as silt (and the proper name for silt is dirt) at 22s to 24s a ton. It has no calorific value, and the men I pity to-day are our stokers at our various mills trying to get up steam with this extraordinary stuff. They work like Trojans, and it is for that reason I say that the British workman is sound at heart.

DIVIDEND ESTIMATE.

We are getting very near the end of our financial year. It may be we shall change it to November 30th instead of October 31st. As we have now become a really big holding company, we will probably fix the financial year of every subsidiary company, including the Illustrated Newspapers, so that their financial year shall end at October 31st. We shall get, in the future, a month intervening, and get our dividends from our large number of holding companies into our future accounts, but, notwithstanding the coal strike and the fact that our profits are diminished by £80,000 in consequence, so sound is the Inveresk Company and the subsidiaries it possesses to-day, I anticipate we will be able for this year of strikes to considerably increase the ordinary dividend of 15 per cent. paid last year. I am not going to commit myself at the moment, but I should say that we will pay you 25 per cent. and then have substantial reserves over next year. With all these things coming into operation, the success of the Inveresk Company should be far greater than it has ever been.

The proceedings then terminated.

ANGLO-SOUTH AMERICAN BANK, LIMITED.

SATISFACTORY RESULTS OF A DIFFICULT YEAR.

POSITION AND PROSPECTS OF SOUTH AMERICA.

The thirty-eighth annual general meeting of the Anglo-South American Bank, Limited, was held, on the 19th instant, at Winchester House, Old Broad street, London, Mr Robert John Hose (the chairman) presiding.

The secretary (Mr C. J. Shea) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: It is a significant and disquieting sign of the times that, at meetings of this nature, increasing attention has perforce to be devoted to the effects of politico-labour developments, however much business men may desire to confine their deliberations to their own particular activities. Thus, on this occasion I have to say that the whole commercial situation in this country during the past months has been overshadowed by the general strike and the stoppage in the coal industry, and there can be no question that the present state of affairs is very grave. The prolongation of the coal stoppage has necessarily deferred a general revival in trade, while the necessity of importing foreign supplies of coal at high prices has enhanced in a dual manner the adverse balance of our international payments.

ARGENTINA.

With regard to South America the past year has not, generally speaking, been marked by increased commercial prosperity, markets having been still adversely affected by the continued unsettlement in Europe, particularly in regard to the exchange position of several of the leading currencies. On the other hand, definite advancement has been made in the modernisation of financial machinery, such as the adoption of centralised banking systems in certain Latin-American countries. The unfavourable effect upon business of the continued unsettlement in Europe has been nowhere more in evidence than in Argentina. In general, however, there can be no question that the economic and financial situation of Argentina is sound. The following cable just received from our Buenos Aires branch summarises present conditions in the Republic:—

"General trade is beginning to show signs of recovery, and the harvest outlook is promising. Pasturage is excellent, and cattle are in good condition, although prices are low. The hide market displays a firm tendency. The wool outlook is favourable. Exports of cotton are at the highest level ever recorded, although prices are declining. Shipments of dairy produce are maintained, with values lower. The exchange market is firm. Monetary conditions are easy, and for some time past Stock Exchange quotations have shown an advancing tendency, although at the moment

the tone is dull. Labour conditions continue tranquil, the building trades are still active, and railway traffics are well maintained."

CHILE.

In Chile the period covered by the bank's financial year has been one of sustained interest in all spheres of activity. A consistent growth in the commerce of Chile continued to characterise the foreign trade of the country during 1925. Labour conditions have been quiet, and for many months there seemed prospects of better trade, based on the settled political conditions and the monetary and financial reforms which came into operation at the beginning of the year. The brighter outlook, however, has been somewhat obscured owing to the shrinkage of sales effected in the all-important nitrate industry. The fact must be faced that Chilean nitrate has now no longer its former monopoly in the fertiliser markets of the world, and that modern methods must be adopted in all branches of the industry in order to meet the growing competition from synthetic nitrogenous fertilisers. Reports from leading scientific authorities give every reason for believing that the world demand for all kinds of fertilisers will show great and consistent expansion in years to come, owing to the universal impoverishment of the soil. Provided, therefore, that the Chilean industry is, by the adoption of up-to-date methods, placed on a basis enabling it to resist existing competition, there is no reason why it should not share in the future increased sales of nitrogenous fertilisers. It is encouraging to note the development which is taking place in the sources of national wealth other than nitrate. This is particularly observable in the consistent expansion of the copper mining industry, and Chile now occupies second place among the copper producing countries of the world.

With regard to the fiscal position of the country, the present Government has recently taken drastic steps to effect economies, and, in order to adjust the Budget position and to pay off outstanding deficits, as well as partly to consolidate existing indebtedness, they contracted about a week ago with United States bankers for the issue in New York of long-term loans for the equivalent of about £13,000,000, and their expectation is that in the year 1927 the Budget will be balanced. The past year has witnessed a turning point in the monetary history of the Republic. The new central bank of issue, the Banco Central de Chile, commenced operations in January last, and has proved entirely successful. In addition, there came into effect at the beginning of this year the General Banking Law, regulating the operations of banks under strict Government supervision, and there is no doubt

that the administration of this new measure will have beneficial results on the whole conduct of banking in the Republic.

The following cable, just received from our Santiago branch, summarises present conditions in the Republic:—"The establishment of the Banco Central de Chile and the stabilisation of exchange continue to operate to place business conditions on a more stable basis, and are leading to the adoption of sounder commercial methods. It is confidently anticipated that the joint efforts of the executive and the Legislative Chambers towards balancing the Budget will achieve favourable results. There is less pessimism prevalent regarding the future of the nitrate industry. Business in general is very quiet, and money is inclined to be more plentiful at easier rates. The bond and share markets are quiet, but good-class securities are buoyant in tone. Agricultural prospects are favourable. The labour situation is quiet, although the figures of unemployment tend to increase."

PERU AND MEXICO.

General economic conditions in Peru have been adversely affected by the low prices ruling for its principal exports, namely, sugar and cotton. Mexico is at present suffering from severe business depression, but it is a country of rapid changes, and there can be little doubt that it needs only two or three years of freedom from political and labour troubles and repressive legislation, with due protection for individual enterprise, to regain that measure of prosperity to which it is entitled by reason of its great natural resources.

Spain is undergoing a transitional period of development, and the termination of the Moroccan campaign should result in a very great reduction in national expenditure. The Spanish Government has recently decreed increased duties on certain imports, including iron and steel goods, and it is sincerely to be hoped that some arrangement may be come to shortly to avoid this further handicap to British industry, especially in view of the fact that Great Britain remains by far the most important customer for Spanish products.

Although the compilation of the balance-sheet by the new method naturally affects the sterling totals, the adoption thereof makes little difference to the ratio of any one item to another. The change in system, however, makes it very difficult to compare figures in the present balance-sheet with those of the previous year. Thus, although there is an apparent decrease in the figure of current, deposit, and other accounts, there is in reality a moderate increase. Acceptances on account of customers show this year an expansion, and, as this item represents the movement of commodities, any growth therein is naturally always a source of satisfaction to us.

There is a certain decrease in the total of cash and of bills receivable, but these items are naturally affected by the new system of rendering accounts in the same way as other items in the balance-sheet, and it will be found that we hold in these liquid assets about 43 per cent. of our liabilities to the public by way of current, deposit, and other accounts. Advances are in reality higher than the corresponding figure a year ago, and I may tell you that these are well distributed over the various countries in which the bank operates. Both gross profits and charges show an increase. The expansion in gross profits, however, is greater than that in charges, so that we show an increase in net earnings of just over £40,000.

ASSOCIATED COMPANIES' RESULTS.

With regard to the position of our associated institutions, the dividend of the British Bank of South America, Limited, for the year 1925 was maintained at 10 per cent. The board of the Commercial Bank of Spanish America, Limited, has again deemed it advisable to place the working profits for the year ended June, 1926, to contingent account rather than to declare a dividend. Since the date of our balance-sheet branches of our bank have been opened at certain places in Colombia, Nicaragua, Ecuador, Guatemala, Venezuela, and Salvador, where the Commercial Bank of Spanish America formerly had offices. This decision was taken after consideration by the boards of directors of both banks, and is a normal development in the policy of consolidation of the bank's interests, which the directors are consistently pursuing. The Banque Anglo-Sud Americaine, Société Anonyme, Paris, has again declared a dividend of 7½ per cent. for 1925, while the amount carried forward into the current year's accounts has been substantially increased. The Anglo-South American Trust Company, New York, records satisfactory results in the second year of its operations, and the profit realised has again been added to its resources.

The dividend of the Banco de A. Edwards y Cia for the year ended June last has been maintained at 16 per cent., and a further allocation has been made to reserves.

The Banque Generale Belge again records an expansion in

profits, which enabled the directors further to increase the dividend to 15 per cent., as against 14 per cent. in 1924, and 12 per cent. in 1923.

The reports and accounts were adopted.

CENTRAL URUGUAY RAILWAY COMPANY OF MONTE VIDEO, LIMITED.

SUCCESSFUL RESULTS—INCREASED PROFITS.

The ordinary general meeting of the Central Uruguay Railway Company of Monte Video, Limited, was held, on the 19th instant, at River Plate House, London.

Mr Frank Henderson (the Chairman) said that the gross receipts, £1,467,739, showed an increase of £19,570 over those of the previous year, and were only some £3,400 short of the company's record year of 1924. The total expenditure had increased by £25,342, leaving the net profit lower by £5,772, or 1.30 per cent. The net result, after taking into account exchange losses—which were only £1,858, compared with £84,476 in the previous year—was a balance of £437,191, compared with £360,346.

The company had during the year been subjected to a severe Press campaign against the ruling railway tariffs, and had been accused of exploiting the public and burdening the industries of the country with transport rates that they could not bear. The directors, upon careful examination, considered none of these charges substantiated, and had published very accurately reasoned articles refuting them. In looking back over the company's record, no one could dispute the statement that their enterprise had been the greatest factor of development in enabling the Uruguayan Republic to attain the enviable position which it occupied among the nations of the world to-day—a service which had been rendered for an average return on its ordinary stock of only 4 per cent.

With regard to the outlook, the general manager was of the opinion that, in spite of the traffic during the two opening months of the current year having been adversely affected by heavy and continuous rains, there was no reason why the final results should be less favourable than those now submitted. Referring to Press comments with regard to the dividend on the ordinary stock of 6½ per cent. for the year, the Chairman said it would have been quite easy to make a larger distribution, but most unwise in view of the expenditure to which they were committed in the way of renewals.

The report was unanimously adopted.

GOODE, DURRANT AND COMPANY, LIMITED.

RESULTS OF A DIFFICULT YEAR.

TRADING CONDITIONS IN AUSTRALIA.

The twenty-eighth ordinary general meeting of Goode, Durrant, and Co., Limited, was held, on the 19th instant, at the registered office of the company, 27 Milton street, London.

Mr J. Albion Williams, chairman of the company, presided.

The secretary (Mr D. M. Jackson, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: I am sure you will all have read with deep regret of the losses we have sustained during the past year by the death of our two colleagues, Mr William Lowe and Mr Wilfrid Stow. These gentlemen were associated with us for many years in the management of the company's business in Australia, and were highly esteemed by their colleagues and in Australian commercial circles generally. Following the custom which has done so much to build up our business, we are bringing forward younger men who have been trained by us, and we consider satisfactory arrangements have been made for the future management, thereby ensuring, as far as possible, the prosperity of the company.

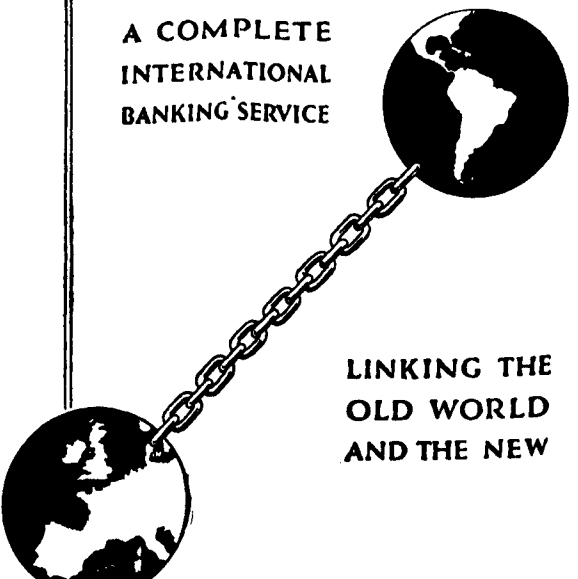
YEAR'S PROFIT, £47,000.

Turning to the balance-sheet, we regret a further falling-off in the amount to the credit of the profit and loss account. Many influences have operated against profitable trading, particularly in the Eastern States of Australia, but we have been successful in reducing the stocks carried in the Commonwealth to the extent of £77,500 as compared with last year. This reduction has entailed a certain sacrifice of profit, and, in view of all the circumstances, we feel that the profit for the year, amounting to £47,006 17s 6d, is satisfactory.

You will note that we have paid off the mortgage item of £15,500, and that cash creditors have been reduced by £11,000. Slight additions have been made to freehold properties, and fixtures, fittings, plant, and motors. The item in respect of

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motor-cars has been added to fixtures and plant at the request of the company's auditors, it having previously been included in sundry debit balances. Bills receivable held are £16,000 more, and the cash in hand is £39,000 more than last year, and we consider our liquid position good.

I now propose:—"That the directors' report and the audited balance-sheet for the financial year ended July 20, 1926, be received and adopted."

Mr W. E. Pennick seconded the resolution, which was carried unanimously.

DIVIDEND RESOLUTION.

The Chairman proposed:—"That dividends at the rate of 7 per cent. per annum and 10 per cent. per annum be declared and paid on the preference and ordinary shares respectively, including the interim dividends paid in April last, that the sum of £10,000 be placed to the general reserve fund, and that the sum of £12,696 7s 8d be carried forward to next year."

The resolution was seconded by Mr F. Simonett, and unanimously agreed to.

On the motion of Mr S. G. Durrant, seconded by Mr J. C. Gait, the re-election of Mr James Albion Williams and Mr William E. Pennick as directors of the company was unanimously agreed to.

The Chairman proposed:—"That Mr William Swinstead Rose be elected a director of the company."

Mr W. E. Pennick seconded the resolution, which was carried unanimously.

Messrs Newman Ogle, Ashworth, and Co. were reappointed auditors for the ensuing year, and a cordial vote of thanks to the chairman and to the staffs in London and Australia terminated the proceedings.

FREDERICK HOTELS, LIMITED

SATISFACTORY RESULTS OF A DIFFICULT YEAR.

The annual general meeting of the Frederick Hotels, Limited, was held, on the 22nd instant, at the Hotel Great Central, London, Mr Ronald Peake (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—"The results of the year's trading are not quite so good as they were in the previous year, but this is due to the general strike, the coal strike, and their after effects.

The net profit for the year, after paying the debenture interest, amounted to £65,184 5s 11d, which, with the amount brought forward from the previous year, gives an available sum of £110,363 12s 6d. The preference dividend for the year, amounting to £27,500, has been paid. An interim dividend of 5 per cent. on the ordinary shares, paid in March, absorbed £10,312 10s, and we now recommend the transfer of £5,000 to reserve (making it £130,000) the payment of a final dividend of 10 per cent. on the ordinary shares, making 15 per cent. for the year, and to carry forward to the current year the balance of £46,926 2s 6d.

With regard to the balance-sheet, you will note that the properties account has been reduced by £3,072 6s 7d. This sum represents the proceeds of the sale of part of the furniture from the Hotel Burlington, Dover. The hotel itself has not yet been sold, but we hope to sell it at an early date.

You will notice, no doubt, that the amount we recommend should be carried to reserve is less than in former years. Your directors consider that having regard to the large sums of money that have been spent in recent years, and are still being spent, in keeping the hotels in good repair and well up to date; also seeing that the debenture debt has been reduced by £150,000, there is no longer the necessity to increase the reserve fund at the same rate as formerly.

With regard to the current year, we have now completed nearly four months' trading, and our seaside hotels have, so far, done their normal business. The Hotel Majestic, at Harrogate, has also had a satisfactory season. The coal strike, however, still has an adverse effect on the business of the London hotels. There is no doubt that England was left out of the itinerary of many American visitors to Europe this year because of their fear that conditions in this country would be abnormal. We draw our clientele not only from tourists and holiday-makers, but from business men engaged in coal, iron, ship-building, and the textile industries, and our prosperity is to some extent dependent on theirs. I can assure you, however, that we shall get our fair share of whatever business is going, as the reputation of our hotels has never stood higher in the estimation of the public than it does to-day.

The resolution was carried unanimously.

BUENOS AYRES GREAT SOUTHERN RAILWAY COMPANY, LIMITED.

SUCCESSFUL YEAR—GOOD PROSPECTS.

The ordinary general meeting of the Buenos Ayres Great Southern Railway Company, Limited, was held, on the 20th instant at River Plate House, London.

The Chairman (Mr H. C. Allen) said that the gross receipts, at £12,749,096, showed an increase over last year's record of £1,171,501. The expense ratio was slightly lower, so that the net operating profit, after allowing for loss on exchange, was £911,930 better than for the previous year. The sum of £250,000 was being set aside out of the year's revenue to create a special fund as a reserve for any future contingencies in connection with the Bahia Blanca and North-Western Railway and its subsidiary companies. They were also transferring £200,000 to the credit of the general reserve fund, which would then stand at £1,164,000, and they recommended a balance dividend of 4 per cent., with a bonus of 1 per cent., on the ordinary stock. Ample allocations had been made to the various funds for renewals, insurance, &c., the total amount to the credit of these funds being £6,964,000, as compared with £6,057,000. They had in London cash and bills aggregating £3,359,000, as against £1,050,000.

The coal stoppage in this country did not find them altogether unprepared. For some months they had been accumulating supplies in the Argentine, which were obtained at very advantageous prices, and, when contract shipments ceased, had more than six months' requirements on hand or in transit. In the past few weeks they had had to purchase some half-a-dozen cargoes of North American coal, which were obtained at fair prices.

The harvest results were not up to expectations owing to various adverse conditions in different districts, but the results with regard to this company had been so good that they had had a record year. One new type of wheat showed so much promise that there was good reason to hope its cultivation might be of enormous importance to the zone on the company's system served by the Bahia Blanca and North-Western Railway. Taking all things into consideration, he thought they might reasonably look forward to equally satisfactory results for the current year.

The report was unanimously adopted.

BUENOS AYRES WESTERN RAILWAY, LIMITED.

GOOD RESULTS DESPITE BAD CROPS.

The thirty-seventh ordinary general meeting of the Buenos Ayres Western Railway, Limited, was held, on the 19th instant, at River Plate House, London.

Sir Henry Bell, Bart., who presided, said he was sure that after studying the figures and statements submitted relating to the year's working the stockholders would come to the conclusion that the results were satisfactory. They suffered disappointment because the wheat harvest, which, until the last moment, promised to give splendid results was attacked by rust, and consequently the yield both in quality and quantity was not up to expectations. Maize did not yield the harvest anticipated, and its transport was delayed by a spell of damp, warm weather, which necessarily affected the grain. In spite of these drawbacks and the drop in the receipts from the cattle traffic, due to the abnormal activity during the previous year on account of drought, the gross receipts had increased by £207,673, of which amount they retained £99,781. The available balance of £860,336 had enabled the directors to place £100,000 to the general reserve fund, to recommend a final dividend of 4 per cent. on the ordinary stock, making 7 per cent. for the year—an increase of 1 per cent. on the twelve months—and to carry forward £66,429 as compared with £57,053. Particularly gratifying features in the improved showing had been the more favourable results of working the Buenos Ayres Midland Railway and the decreasing exchange loss on remittances.

Summarising his impressions of his recent visit to the Argentine, the Chairman said that they had in the Western Railway an exceedingly valuable property, which was situated in some of the finest agricultural zones in the Republic. The railway was in good condition and was efficiently managed. Argentina was a great and progressive country with vast tracts of fertile territory as yet untouched awaiting further development; she was gradually working her way through the troubles which were the aftermath of the Great War, and not only were all sinking fund and interest payments on foreign loans met without difficulty, but floating indebtedness had been considerably reduced during the past twelve months. With regard to the prospects for the coming year, a cablegram received on Saturday stated that the crops, camps, and livestock were in excellent condition, and prospects were favourable for the coming season.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Oct. 16, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13	13
3% Conversion Loan	..	..	266	684	666	709	764	760	760	760
4% Conversion Loan	..	..	..	..	..	210	211	211	211	211
3% War Stock	..	63	63	63	63	63	63	63	63	63
4% War Stock	..	13	13	13	13	13	13	13	13	13
4% and 5% War Stock	2,047	1,953	2,095	2,166	2,062	2,052	2,109	2,109	2,109	2,109
National War Bonds	1,509	1,201	953	820	778	771	706	706	706	706
4% Funding Loan	409	401	399	396	394	394	390	390	390	390
4% Victory Bonds	360	335	325	314	303	303	292	292	292	292
Treasury Bonds	..	453	411	457	499	479	482	482	482	482
Exchequer Bonds	20	323	185	150	150	15	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	372	375	375	375
Other Debt	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	..	51	..	..	..	..	..	..	..	..
Treasury Bills	15	107	878	616	585	576	635	565	565	565
Temporary Advances	1	243	147	194	186	181	181	139	139	125
Other Capital Liabilities	654	8,033	7,656	7,742	7,641	7,598	7,703	7,558	7,641	7,641
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,716	7,716

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Oct. 17, '25.	Mar. 31, '26.	Oct. 16, '26.	Oct. 16, '26.
Ways and Means Advances Outstanding	£	£	£	£
Advances by Bank of England	141,621,000	139,441,000	125,451,000	4,400,000
Advances by Public Deposits	636,345,000	564,855,000	659,685,000	7,485,000
Treasury Bills Outstanding	777,966,000	704,296,000	785,136,000	3,085,000
Total Floating Debt	1,555,932,000	1,408,592,000	1,570,272,000	14,970,000

* Includes £22,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Apr. 1, 1926, to Oct. 16, 1926.	Receipts. (Week Ended Oct. 16, 1926.)	Week Ended Oct. 17, 1926.
Balances in Exchequer on 1st Apr.	£	£	£	£
Bank of England	5,880,249	5,341,778	..	..
Bank of Ireland	676,684	1,215,322	..	..
REVENUE	6,556,933	6,557,100	..	..
Customs	108,450,000	55,844,000	54,722,000	1,681,000
Excise	141,300,000	67,485,000	71,103,000	2,480,000
Motor Vehicle Duties	21,670,000	5,972,000	5,292,000	306,000
Stamp	66,000,000	33,190,000	32,066,000	2,180,000
Stamps	25,000,000	10,130,000	11,380,000	340,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	140,000	186,000	10,000
Property & Income Tax	254,800,000	86,030,000	104,610,000	1,820,000
Super-Tax	64,570,000	21,130,000	27,860,000	380,000
Excess Profits Duties, &c.	2,000,000	..	..	..
Corporation Profits Tax	6,300,000	2,470,000	6,520,000	30,000
Post Office	59,400,000	29,250,000	29,000,000	1,000,000
Crown Lands	950,000	510,000	460,000	..
Receipts from Sundry Loans	21,650,000	13,073,847	8,679,220	24,842
Miscellaneous	25,600,000	15,556,517	6,491,012	121,372
Ordinary Receipts	26,000,000	10,132,860	22,208,674	150,000
Special Receipts	..	..	..	3,000,000
Revenue	824,750,000	350,914,224	380,565,906	10,573,222
Total, Inc. Balance	..	357,471,157	387,125,006	..
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Under the Unemployment Insurance Acts, 1921	388,000	1,200,000	44,000	30,000
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues Under the Telegraph (Money) Acts, 1924 and 1925	5,450,000	5,950,000	..	..
Under the Housing Act, 1914	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	777,200	..	777,200	..
(b) Under the Unemployment Insurance Acts, 1921	9,912,431	1,675,000	..	..
(c) For other Issues:				
By Treasury Bills	1,397,697,000	1,367,366,000	51,127,000	44,039,000
By 3% Conversion Loan	30,754,560	19,200,000	650,000	700,000
By National Savings Certificates	..	20	..	..
By National War Bonds	..	15	..	..
By Treasury Bonds, 1925	3,512,150	3,847,388	..	2,668,388
By 4% Treasury Bonds, 1931-33	..	..	..	..
(d) Ways and Means Advances	393,952,000	402,581,000	1,000,000	5,000,000
Repayments—				
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	137,566	116,243	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920	..	9,901,981	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	256,778	..	..
Total	2,185,051,303	2,229,998,062	64,171,422	72,581,303

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1926, to Oct. 16, 1926.	Apr. 1, 1925, to Oct. 17, 1925.	Week Ended Oct. 16, 1926.	Week Ended Oct. 17, 1926.
EXPENDITURE.	£	£	£	£	£
National Debt Services—	304,000,000	187,396,761	185,218,490	5,632,106	5,280,367
Interest, &c.	60,000,000	16,374,564	21,649,037	422,414	379,645
Sinking Fund	17,500,000	4,376,044	4,691,044	432,000	454,000
Road Fund	..	..	..	..	..
Payments to Local Taxation & Accounts, &c.	14,100,000	5,205,627	5,163,474	500,000	480,000
Payments to Northern Ireland Exchequer ..	5,200,000	2,490,914	2,425,617	..	..
Land Settlement	..	..	257,312	..	..
Other Consolidated Fund Services	2,600,000	1,474,649	1,526,398	208,262	..
Supply Services	422,327,000	218,501,537	213,780,555	5,715,000	8,140,000
Expenditure	825,727,000	435,820,096	434,711,957	12,969,782	14,734,012
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	36,891	36,891
Under the Unemployment Insurance Acts, 1921	10,942,431	1,715,000	500,000	..	..
Issues to Meet Capital Expenditure—					
Under the Telegraph (Money) Acts, 1924 and 1925	5,850,000	6,350,000	..	..	..
Under the Housing Act, 1914	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
Under the Capital Expenditure (Money) Act, 1904—Exchequer Bonds paid off by the National Debt Commissioners, £77c. 100	777,200	..	777,200	..	..
Unemployment Insurance Acts, 1921—					
Repayment of amounts borrowed ..	344,000	1,170,000	..	..	..
Redemption of Debt—					
Treasury Bills	1,302,880,000	1,306,620,000	43,640,000	43,480,000	..
Principal of National Savings Certificates	17,750,000	16,500,000	600,000	550,000	..
Principal of Exchequer Bonds paid off	..	306,667	..	..	..
Principal of National War Bonds paid off	..	8,344,789	..	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..	..
Ways and Means Advances Repaid ..	407,942,000	427,545,000	5,400,000	13,800,000	..
Balances in Exchequer—					
Bank of England	2,153,497	2,030,006	142,819	23,566	..
Bank of Ireland	514,518	958,915	104,739	137,534	..
Total	2,668,015	2,988,921	247,549	160,900	..

Note.—Budget Estimate as in H.C. 69 of 1926. Treasury, October 18, 1926.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.				
			Silver Coin.	Gold and Bullion.	Bank of England Notes.	Ratio to Notes.	Balance at Bank of England.
1923.	£	£	£	£	£	%	£
Mar. 28	285,616	12,318	7,000	27,000	22,450	17-3	21,294
June 27	285,503	12,516	7,000	27,000	22,460	17-3	21,244
Sept. 27	282,784	12,401	7,000	27,000	22,450	17-5	21,596
Dec. 26	299,070	12,571	7,000	27,000	22,450	16-5	25,032
1924.							
Mar. 25	281,538	11,908	7,000	27,000	22,450	17-6	2

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, October 20, 1926.

ISSUE DEPARTMENT.

£	£
Notes issued	172,248,130
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	152,498,130
172,248,130	172,248,130

BANKING DEPARTMENT.

£	£
Proprietors' capital ..	14,553,000
Reserve	3,128,539
Public deposits	20,202,300
Other deposits	105,343,753
Seven-day & other bills ..	3,302
Government securities ..	35,325,435
Other securities	72,771,941
Gold and silver coin ..	1,597,693
143,230,894	143,230,894

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

	Amount, Oct. 20, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Reserve	3,128,539	+ 7,264	+ 45,853
Public deposits	20,202,300	+ 590,004	+ 10,583,832
Other deposits	105,343,753	+ 1,903,003	+ 2,946,791
Seven-day & other bills ..	3,302	+ 563,772	+ 5,183,357
Government securities ..	35,325,435	+ 631,875	+ 3,828,390
Other securities	72,771,941	+ 78,103	+ 1,355,067
Gold and silver coin ..	152,498,130	No change	+ 2%
% of reserve to liabilities ..	28%		

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.
1926.						
Sept. 1	155,498,797	141,288,970	124,312,358	108,634,874	673,000 in	33,965,877 27.4%
15	155,393,226	140,303,400	119,166,244	102,598,266	133,000 out	34,835,428 22.4%
22	155,850,207	139,454,765	119,660,961	101,795,942	370,000 in	36,145,442 23.2%
29	155,930,451	138,974,855	121,236,858	102,818,496	69,000 in	36,706,598 23.4%
Oct. 6	155,833,112	140,516,935	122,359,194	105,626,673	102,000 out	35,066,177 22.8%
13	154,865,387	140,232,845	122,658,384	105,943,931	1,026,000 out	34,382,442 22.8%
20	154,173,908	139,344,180	123,508,865	106,669,246	745,000 out	34,579,746 22.8%
27	154,795,423	138,712,305	125,546,053	108,977,376	138,000 out	35,133,518 22.8%

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Oct. 6	26,820,674	1,261,843	2,147,659	30,230,176
Oct. 13	628,399	31,973	54,949	715,314
20	704,318	34,153	60,468	798,939
Total to date 1926	28,153,191	1,327,969	2,263,069	31,744,429
Do 1925	28,635,718	1,350,465	2,390,981	32,377,164
Increase or decrease in 1926 ..	- 482,527	- 22,496	- 127,912	- 632,935
%	- 1.6%	- 1.6%	- 5.3%	- 1.7%
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 ..	+ 762,659	+ 84,233	+ 57,363	+ 904,255
%	+ 2.1%	+ 5.2%	+ 1.9%	+ 2.2%

PROVINCIAL CLEARING RETURNS.

	Month of September.			Aggregate Weekly Totals to Oct. 16.	
	1925.	1926.	%	1925.	1926.
Number of Working Days ..	26	26			
BIRMINGHAM	10,072,000	8,771,000	- 12.9	104,612,000	97,349,200
BRISTOL	5,149,800	5,236,000	+ 1.7	48,574,000	47,718,000
BURTON	4,447,000	4,661,000	+ 4.9	213,568,000	197,867,100
DUBLIN	4,660,000	3,611,000	- 22.5	43,391,500	37,075,500
LEEDS	3,369,000	3,596,000	+ 6.7	41,356,000	39,042,800
LIVERPOOL	3,069,000	3,047,000	- 0.7	32,562,200	31,474,500
LONDON	35,958,000	34,289,000	- 4.6	373,988,000	332,023,200
MANCHESTER	69,927,000	61,342,000	- 11.9	682,676,000	547,125,000
NEWCASTLE-ON-TYNE ..	5,945,000	4,893,000	- 18.1	65,848,400	52,644,000
NOTTINGHAM	2,654,000	2,453,000	- 7.5	27,782,900	25,476,900
SHREWSBURY	4,366,000	3,461,000	- 20.7	43,390,800	39,448,700
Total	140,007,000	125,149,000	- 10.6		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Canadian Banks appeared in the *Economist* of September 25; Bulgaria in October 2; Denmark, Lithuania and Egypt in October 9; Roumania and Greece in October 16.

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 16, 1926.
Assets	204,070	151,850	197,643	188,860	214,880
Gold	63,540	37,020	61,170	45,990	30,620
U.S. Govt. securities ..	56,020	54,580	56,060	54,960	70,320
Deposits	313,850	241,470	304,870	289,710	317,650
Reserve	883,510	812,630	862,530	867,980	838,390
Ratio of total res. to circ. and Fed. res. notes ..	79.9%	82.6%	79.7%	79.9%	78.4%

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 16, 1926.
Assets	2,818,920	2,811,380	2,807,140	2,826,000	2,766,060
Gold	703,900	623,590	716,630	661,640	687,010
U.S. Govt. securities ..	291,310	273,260	275,620	270,410	305,170
Deposits	308,170	306,340	302,040	305,170	317,650
Total	1,307,080	1,206,890	1,293,990	1,249,910	1,275,880
Ratio of total res. to circ. and Fed. res. notes ..	73.1%	73.7%	72.6%	73.1%	71.7%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Aug. 28, 1926.	Sept. 2, 1926.
Assets	7,624	7,488	7,305	7,209	6,969	5,092
Gold	7,624	7,488	7,305	7,209	6,969	5,092
U.S. Govt. securities ..	7,216	7,199	7,206	7,391	6,514	5,092
Deposits	649	648	648	648	648	648
Total	1,000	1,000	1,000	1,000	1,000	1,000
Ratio of total res. to circ. and Fed. res. notes ..	52.1%	52.5%	53.1%	52.4%	52.2%	66.9%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Sept. 25, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Aug. 27, 1926.	Sept. 2, 1926.
Assets	20,529	21,546	21,637	21,840	21,112	16,184
Gold	11,839	11,765	11,868	11,914	12,025	13,567
U.S. Govt. securities ..	21,091	21,102	21,611	21,601	21,611	28,147
Deposits	4,652	4,587	4,368	4,549	4,513	29,70
Total	27,739	27,707	27,651	27,648	27,648	27,648
Ratio of total res. to circ. and Fed. res. notes ..	52.1%	52.5%	53.1%	52.4%	52.2%	66.9%

BANK OF JAPAN.—In yen (000's omitted).

	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Aug. 28, 1926.	Sept. 2, 1926.	Position May 30, 1924.
Assets	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075
Gold	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075
U.S. Govt. securities ..	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075
Deposits	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075
Total	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075	1,132,075

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 21, 1926.	Oct. 14, 1926.	Oct. 7, 1926.	Oct. 22, 1926.	Position May 28, 1924.
Assets	5,648,789	5,648,789	5,648,789	5,648,789	5,648,789
Gold	5,648,789	5,648,789	5,648,789	5,648,789	5,648,789
U.S. Govt. securities ..	5,648,789	5,648,789	5,648,789	5,648,789	5,648,789
Deposits	5,648,789	5,648,789	5,648,789	5,648,789	5,648,789
Total	5,648,789	5,648,789	5,648,789	5,648,789	5,648,789

NATIONAL BANK OF BELGIUM.—In francs (000's omitted).

	Oct. 14, 1926.	Oct. 7, 1926.	Sept. 30, 1926.	Sept. 23, 1926.	Oct. 15, 1926.	Position May 24, 1924.
Assets	388,245	388,245	388,245	388,245	388,245	388,245
Gold	388,245	388,245	388,245	388,245	388,245	388,245
U.S. Govt. securities ..	388,245	388,245	388,245	388,245	388,245	388,245
Deposits	388,245	388,245	388,245	388,245	388,245	388,245
Total	388,245	388,245	388,245	388,245	388,245	388,245

NETHERLANDS BANK.—In florins (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 16, 1926.
Assets	418,843	418,843	418,843	418,843	418,843
Gold	418,843	418,843	418,843	418,843	418,843
U.S. Govt. securities ..	418,843	418,843	418,843	418,843	418,843
Deposits	418,843	418,843	418,843	418,843	418,843
Total	418,843	418,843	418,843	418,843	418,843

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 16, 1926.
Assets	177,212	177,212	177,212	177,212	177,212
Gold	177,212	177,212	177,212	177,212	177,212
U.S. Govt. securities ..	177,212	177,212	177,212	177,212	177,212
Deposits	177,212	177,212	177,212	177,212	177,212
Total	177,212	177,212	177,212	177,212	177,212

* Equal to one billion paper marks or one Rentenmark.

The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,360 Reichsmarks.

BANK OF JAYA.—In florins (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 17, 1926.	Position May 30, 1924.
Assets	228,000	229,000	229,250	229,750	229,750	229,750
Gold	228,000	229,000	229,250	229,750	229,750	229,750
U.S. Govt. securities ..	228,000	229,000	229,250	229,750	229,750	229,750
Deposits	228,000	229,000	229,250	229,750	229,750	229,750
Total	228,000	229,000	229,250	229,750	229,750	229,750

SWISS NATIONAL BANK.—In francs (000's omitted).

	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 17, 1926.	Position May 30, 1924.
Assets	437,445	437,250	437,114	424,778	470,462	171,715
Gold	437,445	437,250	437,114	424,778	470,462	171,715
U.S. Govt. securities ..	437,445	437,250	437,114	424,778	470,462	171,715
Deposits	437,445	437,250	437,114	424,778	470,462	171,715
Total	437,445	437,250	437,114	424,778	470,462	171,715

BANK OF NORWAY.—In kroner (000's omitted).

	Oct. 15, 1926.	Oct. 7, 1926.	Sept. 3, 1926.	Oct. 15, 1925.	Position May 30 191
ASSETS.					
Coin and bullion—Gold.....	147,226	147,226	147,226	147,226	44,224
Balance abroad and foreign bills.....	66,719	68,279	69,009	65,090	28,533
Norwegian and Foreign Gov- ernment securities.....	27,584	27,597	26,974	12,596	8,816
Discounts and loans.....	422,378	397,963	398,595	308,798	76,911
LIABILITIES.					
Notes in circulation.....	323,091	327,032	328,285	365,168	113,484
			22,001	97,481	7,188

LONDON RATES.

	Oct. 15, 1926.	Oct. 16, 1926.	Oct. 18, 1926.	Oct. 19, 1926.	Oct. 20, 1926.	Oct. 21, 1926.	Oct. 22, 1926.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5	5
Market rates of discount—							
60 days' bankers' drafts	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Discount (Treasury Bills)—							
2 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Loans—Day to day	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Deposits—							
Short	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Discount allowances: Banks	3	3	3	3	3	3	3
Discount houses at call	3	3	3	3	3	3	3
At notice	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

Oct. 1926.	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1926.							
Oct. 1	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
8	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
15	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
22	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

OVERSEAS BANK RATES.

Changed.	%	Changed.	%
Amsterdam .. Oct. 5, 1925	11	Oslo .. Sept. 13, 1925	7 1/2
Athens .. July 7, 1925	11	Paris .. July 31, 1925	7 1/2
Belgrade .. June 23, 1925	7	Prague .. Jan. 12, 1926	7 1/2
Berlin .. July 9, 1925	6	Reval .. July 21, 1925	10
Brussels .. April 23, 1925	7	Riga .. Feb. 16, 1924	8
Bucharest .. Sept. 4, 1920	6	Rome .. June 18, 1925	7
Budapest .. Aug. 26, 1925	6	Sofia .. Aug. 5, 1924	10
Calcutta .. June 10, 1925	4	Stockholm .. Oct. 8, 1925	4 1/2
Copenhagen .. June 24, 1925	5	Swiss Bank	
Danish .. July 23, 1925	5 1/2	places .. Oct. 22, 1925	3 1/2
Helsingfors .. Oct. 29, 1925	7 1/2	Tokio .. Oct. 4, 1925	6 1/2
Kobe .. Feb. 8, 1925	7	Vienna .. Aug. 6, 1925	7
Lisbon .. July 28, 1925	8	Warsaw .. July 7, 1925	10
New York Fed- .. Aug. 12, 1925	4		
ral Reserve .. Mar. 23, 1923	5	Irish .. Dec. 3, 1925	6
Madrid ..			

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Oct. 23, 1925.	Oct. 15, 1926.	Oct. 22, 1926.
Paris .. francs to £1	T.T.	22.25	114.75-85	168 1/2	162 1/2
Berlin .. marks to £1	T.T.	20.43	20.33-35	20.38-39	34.35-40
Vienna .. schillings to £1	T.T.	34.58	34.35-40	34.37-42	34.35-40
Prague .. kronas to £1	T.T.	24.02	153 1/2	153 1/2	153 1/2
Warsaw .. zlotys to £1	T.T.	25.22 1/2	180-40	180-40	180-40
Est. bank to £1	T.T.	180-40	180-40	180-40	180-40
Riga .. lats to £1	T.T.	25.22 1/2	24.94-25.19	25.10-30	25.10-30
Kovno .. lats to £1	T.T.	48.56	48.89-99	49 1/2	49 1/2
Bukarest .. lei to £1	T.T.	25.22 1/2	1015-20	915-20	895-900
Budapest .. pengos to £1	T.T.	27.82	345/347.000	27.70-85	27.65-81
Constantinople .. piastres to £1	T.T.	110	853-863	930-40	945-950
Sofia .. leva to £1	T.T.	25.22 1/2	610-680	665-75	665-80
Belgrade .. dinars to £1	T.T.	25.22 1/2	270-275	273-5	273-5
Amsterdam .. florins to £1	T.T.	12.10 1/2	12.04 1/2	12.13 1/2	12.12 1/2
Brussels .. francs to £1	T.T.	25.22 1/2	106-40-30	173 1/2	172 1/2
Oslo .. kroner to £1	T.T.	18.15 1/2	25.73-74	19.35-40	19.35-40
Stockholm .. kronor to £1	T.T.	18.15 1/2	18.08-10	18.14-14 1/2	18.14-14 1/2
Copenhagen .. kronor to £1	T.T.	18.15 1/2	19.52-57	18.21-21 1/2	18.21-21 1/2
Helsingfors .. F. marks to £1	T.T.	193.23	192 1/2	192 1/2	192 1/2
Greece .. drachmas to £1	T.T.	25.22 1/2	362-367	397-402	403-406
Italy .. lire to £1	T.T.	25.22 1/2	123-123 1/2	119 1/2	112 1/2
Switzerland .. francs to £1	T.T.	25.22 1/2	25.14-16	25.10-11 1/2	25.13-14
Madrid .. pesetas to £1	T.T.	25.22 1/2	33.81-84	31.68-73	32.00-03
Lisbon .. escudos to £1	T.T.	25.22 1/2	20.48	20.48	20.48
Alexandria .. piastres to £1	T.T.	25.22 1/2	9.75-97 1/2	97 1/2	97 1/2
New York .. dollars to £1	Cable	4.86 1/2	4.86 1/2	4.86 1/2	4.86 1/2
Montreal .. dollars to £1	Cable	4.86 1/2	4.86 1/2	4.86 1/2	4.86 1/2
Buenos Aires .. pesos to £1	T.T.	47.62 1/2	46 1/2	45 1/2	45 1/2
Rio de Janeiro .. pesos to £1	T.T.	16	7 1/2	6 1/2	6 1/2
Montevideo .. pesos to £1	T.T.	51	50 1/2	49 1/2	49 1/2
Valparaiso .. dollars to £1	T.T.	40	39-50	39-37	39-42
Edna .. Eng. to Per. £1	90 days	par	2 1/2% prem.	35% prem.	33 1/2% prem.
Calcutta .. ster. to rupees	T.T.	10 to 1	1s 6d-6 1/2d	1s 5 1/2d-5 3/4d	1s 5 1/2d-5 3/4d
Bombay .. ster. to rupees	T.T.	10 to 1	1s 6d-6 1/2d	1s 5 1/2d-5 3/4d	1s 5 1/2d-5 3/4d
Madras .. ster. to rupees	T.T.	10 to 1	1s 6d-6 1/2d	1s 5 1/2d-5 3/4d	1s 5 1/2d-5 3/4d
Hong Kong .. ster. to dollar	T.T.	2s 6d-3d	2s 6d-3d	2s 6d-3d	2s 6d-3d
Shanghai .. ster. to dollar	T.T.	2s 6d-3d	2s 6d-3d	2s 6d-3d	2s 6d-3d
Singapore .. ster. to dollar	T.T.	2s 6d-3d	2s 6d-3d	2s 6d-3d	2s 6d-3d
Yokohama .. ster. to yen	T.T.	24.58d	1s 8 1/2d-1 1/4d	1s 8 1/2d-1 1/4d	2s 0d-2s 0d
Manila .. ster. to peso	T.T.	24.58d	1s 8 1/2d-1 1/4d	1s 8 1/2d-1 1/4d	2s 0d-2s 0d
Mexico .. pesos to £1	T.T.	24.58d	24 1/2-24 1/2	24 1/2	24 1/2

† Rate for previous day. (b) Represents krona to £1 at a par value of 24.02 to £1.

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Oct. 22, 1925.	Sept. 23, 1925.	Sept. 30, 1925.	Oct. 7, 1925.	Oct. 14, 1925.	Oct. 21, 1925.
Call money .. %	4 1/2	5	5	5	5	5
Time money (90 days' mixed coll) .. %	4 1/2	5	5	5	5	5
Bank acceptances—						
Members—eligible 90 days .. %	4 1/2	5	5	5	5	5
Non-members—eligible 90 days .. %	4 1/2	5	5	5	5	5
Intelligible 90 days .. %	4 1/2	5	5	5	5	5
Commercial accept. 90 days .. %	4 1/2	5	5	5	5	5

Rates of Exchange.	Par Level.	Oct. 22, 1925.	Oct. 7, 1926.	Oct. 14, 1926.	Oct. 21, 1926.
New York on—					
London—					
60 days ..	Dollars for £1	4.8656	4.8037	4.8075	4.80
Cable ..		4.8443	4.8575	4.85	4.84 1/2
Cheques ..		4.8418	4.84	4.84 1/2	4.8450
Paris .. cheques	Cents for 1 franc	19.30	4.29-0	2.87	2.88
Brussels ..	Cents for 1 franc	19.30	4.5550	2.76	2.82
Switzerland ..	Cents for 1 franc	19.30	19.27	19.315	19.285
Italy ..	Cents for 1 lire	23.81	3.9550	3.88	4.05
Berlin ..	Cents for 1 mark	23.81	14.15	14.125	14.125
Vienna ..	Cts. for Austr. shlg.	14.07	14.15	14.125	14.125
Madrid ..	Cents for 1 peseta	19.30	14.31	14.97	15.50
Amsterdam ..	Cents for 1 guilder	40.195	40.20	40.00	39.975
Copenhagen ..		24.75	26.55	26.595	26.595
Oslo ..	Cents for 1 kroner	26.80	20.36	21.905	23.92
Stockholm ..		26.77	26.72	26.72	26.7225
Athens ..	Cents for 1 drachma	19.30	13.250	1.21	1.2175
Montreal ..	Can. Cents for \$1	100	5 1/2 pm.	100 1/2	100 1/2
Hong Kong ..	Cents for 1 yen	49.85	41.00	48.40	48.70
Yokohama ..	Cents for H. Kong \$	59.80	49.25	48.50	47.00
Shanghai ..	Cents for 1 Shng. tael	..	78.25	62.00	60.75
Calcutta ..	Cents for 1 rupee	..	36.65	36.18	36.15
Buenos Aires ..	Gold pesos for \$100	103.65	107.20	108.30	108.40
Rio de Janeiro ..	Cents for 1 milreis	33.42	15.15	14.08	13.85
Valparaiso ..	Cents for 1 peso	12.66	12.25	12.125	12.125

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From Close of Mail, February 19, 1926.		From February 22, 1926.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	1 1/2 %	1 1/2 %	par to 1 1/2 %	1 1/2 %
Demand	1 1/2 %	1 1/2 %	1 1/2 %	1 1/2 %
30 days	1 1/2 %	1 1/2 %	1 1/2 %	1 1/2 %
60 days	1 1/2 %	1 1/2 %	1 1/2 %	1 1/2 %
90 days	1 1/2 %	1 1/2 %	1 1/2 %	1 1/2 %
120 days	1 1/2 %	1 1/2 %	1 1/2 %	1 1/2 %

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador ..	Bueros to £	1000	Sight London	Oct. 16 24.15
Venezuela ..	Bolivares to £	25.25	"	Oct. 14 25.65
Colombia (Bogota) ..	Pesos to £	100	"	Oct. 4 99.63
Nicaragua ..	Colonos to £	4.8655	"	Sept. 25 4.80
San Salvador ..	Colonos to £	9.73	"	Oct. 16 9.90
Guatemala ..	Pesos to £	90.25	"	Sept. 25 292
Costa Rica ..	Colonos to £	10.45	"	July 29 19.50
Bolivia ..	Pencos to Boliviano	19.20	"	Sept. 13 178

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus- tralia.	New Zealand.	Aus- tralia.	New Zealand.	Aus- tralia.	New Zealand.	Aus- tralia.	New Zealand.
T.T.	..	..	100½	100½	..	..	100½	100½
Demand	99	99	99½	100	99½	99	99½	99½
30 days	98½	98½	..	..	98½	98½	99½	99½
60 days	97½	97½	..	..	98½	98	99	99
90 days	97½	97½	..	..	97½	97½	..	98½

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals 941 1/2-944 1/2 tchervontzi.
\$1,000 .. " 194
1 tchervonetz = 10 gold roubles. £1 sterling = 9.45 gold roubles.

BULLION.

The following statistics of imports and exports of gold for week ended October 20, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
British South Africa ..	Spain ..
Other countries ..	Netherlands ..
	France ..
	Switzerland ..
	Germany ..
	Austria ..
	Algeria ..
	Egypt ..
	Gibraltar ..
	Kenya ..
	British India ..
	Straits Settlements ..
	Other countries ..
Total declared value of imports ..	Total declared value of exports ..

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.	£	WITHDRAWALS.	£
Oct. 16 ..	nil	Oct. 16—Bars sold ..	141,000
" 18—S. Africa ..	500,000	" 18—Switzerland ..	8,600
" 19 ..	nil	" 19—Bars sold ..	23,000
" 20 ..	nil	" 19—Holland ..	6,000
" 21 ..	nil	" 20—Bars sold ..	367,000
" 22 ..	nil	" 21—India ..	16,000
Total ..	500,000	" 21—Bars sold ..	35,000
		" 22—Bars sold ..	139,000
		Total ..	764,000
		Net withdrawals, £264,000.	

Messrs Samuel Montagu and Co. write on October 20th as follows:—

GOLD.

India and the trade took only a small portion of the £945,000 bar gold available this week in the open market, the remainder being bought on account of the Continent. The fall in the German exchange to below parity has resulted in considerable quantities of gold being exported to that country, though naturally the margin of profit is a small one. At the moment of writing the exchange with New York is close to the export point. The net withdrawal from the Bank of England during the week under review was £138,000, thus decreasing the net influx since January 1, 1926, to £8,991,000, and increasing the net efflux since the resumption of an effective gold standard to £2,604,000. Advice from New York states that a shipment of \$2,000,000 gold is reported to be on the way there from Japan.

SILVER.

During the week prices have fallen with rapidity. The weakness of the China exchanges has been very marked, and silver was sold on China account every day. The amount would have been larger had not the price dropped below limits imposed upon unexecuted selling orders. Some Indian bear operators seized the opportunity of closing contracts, but the main portion of Indian bear sales remains open in expectation of still lower quotations. Bears, therefore, failing some important fresh factors such as an unexpected coinage demand, are favourably placed. In other words, if the world's production is sold in advance by bears, producers must keep pace with the fall, or sit on their output, which, with world markets depressed by the Indian Currency Commission's report, can hardly hatch a profit. The fact that there is a premium of 1s 4d on cash silver—a larger difference than has obtained for a long time—shows how the support of the market is mostly wing to the bear position.

When the *Wall Street Journal* refers to a possibility of the "release of the huge hoards stored away in India privately or centuries back, and which is estimated to total at least 1,000,000,000 ounces," it is a sign that America is seriously perturbed at the silver situation, although the private holdings of the Indian people are by no means likely to be affected. A succeeding paragraph states: "The matter of placing the uppee on a gold basis in India was to come before the Parliament of both nations in the early part of next year

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

b) Week ended Oct. 15, 1926.	Miles Open.	Week ended Oct. 17, 1926.			Aggregate 40 Weeks, 1926.		
		Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Receipts.
Great Western.....	3,778	224,000	233,300	457,000	1,069,300	1,061,300	2,068,000
Do for 1925.....	3,775	249,000	228,000	477,000	1,129,000	1,327,000	2,456,000
London & N. Eastern (a).....	6,715	361,000	489,000	850,000	1,645,000	2,081,000	3,726,000
Do same period 1925.....	6,714	403,000	702,000	1,105,000	1,856,000	2,708,000	4,564,000
London, Mid., & Scottish.....	6,951	515,000	756,000	1,271,000	2,315,000	2,753,000	5,068,000
Do for 1925.....	6,950	580,000	876,000	1,456,000	2,651,000	3,451,000	6,102,000
Southern.....	2,180	85,000	105,000	190,000	1,342,000	1,070,000	2,412,000
Do 1925.....	2,183	305,000	121,000	426,000	1,439,000	1,068,000	2,507,000
Metropolitan (a).....	59	29,500	2,400	31,900	1,197,800	115,300	1,313,100
Do for 1925.....	58	38,000	3,700	41,700	1,411,800	153,500	1,565,300
Underground E.R. (a).....	1	..	..	..	256,100	..	256,100
Do for 1925.....	..	..	..	..	258,500	..	258,500
London & Sub. Group (a).....	..	..	..	..	38,200	..	38,200
Do for 1925.....	..	..	..	..	37,700	..	37,700
Great Northern (b).....	80	2,079	968	3,047	125,465	36,675	162,140
Do 1925.....	81	12,400	16,550	28,950	653,150	650,400	1,303,550
Great Southern.....	2,182	32,120	48,305	80,425	1,592,929	1,745,947	3,338,876

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926.	1926.
				+ or -	+ or -

INDIAN.

				Ra.	Ra.	Ra.	Ra.
Assam Bengal	24 weeks	Sept. 18	1,072	3,599,000	- 15,620	79,774,700	+ 3,488,009
Barcl. L. Ry.	24 weeks	18	118	15,700	- 4,300	87,601,400	+ 37,200
Bengal & N. Western	24 weeks	18	1,876	5,011,000	- 29,767	1,656,818	+ 14,220,000
Bombay-Nagpur ..	24 weeks	18	1,261	1,370,000	- 1,370,000	3,568,000	+ 1,158,848
Bombay, Bar., & C.I.	24 weeks	Oct. 16	1,033	19,610,000	- 1,330,000	5,834,000	- 32,925,000
Burma	24 weeks	Sept. 18	3,498	6,288,825	- 72,102	1,75,81,183	- 13,639,500
Madras & S. Mahr.	24 weeks	18	1,048	13,300,000	- 10,496	93,17,264	+ 8,464,000
Nizam's Guarant. (N)	25 weeks	25	993	4,37,034	- 66,404	92,58,192	+ 7,18,266
Rohilk'd & Kumaon	24 weeks	18	269	40,363	- 3,131	13,02,993	- 62,635
Do Lucknow-Brelly	24 weeks	18	290	35,040	- 4,785	18,42,408	- 12,311
South Indian	24 weeks	18	1,876	9,21,525	- 77,732	2,44,63,698	- 5,66,270

(a) Total receipts of all lines.

ARGENTINE (a).							
				£	£	£	£
Argentine N.E.	16 weeks	Oct. 16	754	15,100	2,100	203,200	+ 27,500
B.A. and Pacific	16 weeks	16	2,652	140,000	13,000	2,087,000	+ 48,000
B.A. Central	16 weeks	17	1,429	9,429	49	214,030	+ 2,410
B.A. St. Southern	16 weeks	16	4,720	210,000	14,000	3,044,000	+ 66,000
B.A. Western	16 weeks	16	1,882	98,000	11,000	1,333,000	+ 72,000
Central Argentine	16 weeks	16	3,305	220,000	7,000	3,367,000	+ 45,000
Corrientes Central	16 weeks	16	1,202	71,000	2,000	1,158,500	+ 40,500
Entre Rios	16 weeks	16	728	25,200	2,400	330,300	+ 42,200

CUBAN.

				£	£	£	£
Havana Central	16 weeks	Oct. 16	..	11,238	— 420	178,843	— 5,306
United of Havana ..	16 weeks	16	1,301	44,621	— 14,988	750,674	— 152,070

URUGUAYAN.

				\$	\$	\$		\$
Central Uruguay ..	16 weeks	Oct. 16	273	24,515	+	925	347,485	— 2,228
C. Urug. (East. Ext.) ..	16 weeks	16	311	4,691	—	87	65,680	+ 6,528
C. Urug. (North. Ext.) ..	16 weeks	16	185	2,347	—	77	35,265	+ 6,066
C. Urug. (West. Ext.) ..	16 weeks	16	311	2,725	+	196	39,514	+ 3,404

CANADIAN.

				\$	\$	\$	\$
Canadian National ..	40 weeks	Oct. 14	22,065	6,064,521	— 153,568	201,450,557	+ 201,755,959
Canadian Pacific ..	40 weeks	14	14,379	4,644,000	+ 249,000	146,052,000	+ 122,606,000

BRAZILIAN (b).

				\$	\$	\$	\$
St. West. of Brasil...	42 weeks	Oct. 16	1,018	20,800	+	2,300	704,000
Leopoldina	42 weeks	16	1,856	48,448	+	3,547	1,854,411
Leopoldina Termnal	42 weeks	16		6,730	+	56	318,421
San Paulo	42 weeks	17	153	33,879	-	20,184	1,934,130

CHILEAN.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.		
				1926.	1926.		
				+ or -	+ or -		
Antofagasta	41 weeks	Oct. 17	838	31,585	19,565	1,532,470	+ 113,260
Nitrato (4-monthly)	40 weeks	15	398	26,457	16,909	594,792	+ 167,097

OTHER OVERSEAS.

Alcoy and Gaudia	42weeks	Oct. 16	33	Ps. 15,000	—	5,000	1,048,200	—	3,800
Egyptian Delta	23weeks	Sept. 30	600	29,608	—	1,576	155,346	+	6,290
St. South. of Spain	40weeks	Oct. 9	104	Ps. 67,361	—	5,338	3,476,402	+	797,565
Mexican Railway	14weeks	14	432	\$270,400	+	86,500	3,753,800	+	96,800
Peruvian Central	16weeks	16	874	\$1,930	—	590	735,931	+	17,490
Salvador	16weeks	16	100	\$4,643	+	1,956	68,414	+	25,470

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending	Present Mileage.	Receipts for Week.		Total Receipts.	
				1926.	+ or -	1926.	+ or -
Anglo-Argentine	41 weeks	Oct. 14	329	285,040	2,239	3,433,001	+ 135,268
St. Louis	16 weeks	17	113	113,095	175	198,437	+ 8,478
Chimney Corporation ..	1 week	16	12	43,240 +	162	..	..
Chimney Corporation ..	1 week	16	254	108,766	81	..	..
Chimney & District ..	40 weeks	7	15	21,530	..	56,140	+ 3,987
Chimney & District ..	40 weeks	7	15	21,530	449	72,697	+ 10,429
Chimney Corporation ..	37 weeks	9	134	249,103	..	828,717	+ 7,648
Chimney Corporation ..	40 weeks	6	134	227,464 +	192	715,206	+ 14,644
Chimney Corp.	29 weeks	16	124	227,444 +	722	751,206	+ 14,644
Chimney Corp.	29 weeks	20	164	282,890	262	2,223,239	+ 76,000
Chimney Corp.	40 weeks	17	..	86,271	174	259,497 +	80,000

* Combined revenue.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim Div.	Final Div.	Method of Payment.	Lat. Pre-Year.	Pre-Year.
Railways.						
Bengal Doonars.....	4%+	(bonus of 2%)	..	..	10	10
Assam "B" Stock.....	5%+	..	..	..	10	10
Bengal Nagpur.....	..	..	..	..	5	5
Taitai.....	..	..	..	..	6	6
Banks.						
Bank of Montreal.....	3%+	(bonus of 1%)	Quarterly	..	15	10
Canadian Bank of Commerce.....	3%+	(bonus of 1%)	Quarterly	..	15	10
Italo-Belgian.....	10%+	..	..	..	16	17
National of Australasia.....	15%+	..	..	..	..	..
Western Australian.....	15%+	..	..	..	..	..
Insurance.						
Motor Union.....	4/10 p.a.	Nov. 8	Less tax	..	2/10 p.a.	2/10 p.a.
North British.....	8/10 p.a.	Nov. 11	Less tax	..	..	..
South British.....	1/10 p.a.	..	..	..	..	..
Mining.						
Aramayo of Bolivia.....	5%+	Nov. 2	Less tax	..	..	..
Broken Hill Proprietary Block 14.....	6 p.a.	Nov. 24	Less tax	..	200	300
Premier Diamond, Def.....	6 p.a.	Oct. 30	Less tax	..	..	..
Tekka-Talping.....	..	..	..	..	..	..
Tea and Rubber.						
Batu Lintang Rubber.....	10%+	..	..	..	15	..
Brickwall (F.M.S.) Rubber.....	10%+	..	..	..	22 1/2	12 1/2
Brieh Rubber.....	15%+	..	..	..	..	..
British Rubber.....	15%+	..	..	..	40	20
Brooklands Selangor Rubber.....	7 1/2%+	Nov. 10	Less tax at 4/	..	..	..
Cluny Rubber.....	12 1/2%+	Nov. 2	Less tax	..	12 1/2	..
F.M.S. Rubber Planters.....	7 1/2%+	..	..	..	..	..
Galang Besar.....	4 p.a.	Nov. 11	Less tax	..	20	10
Hawwood Tin and Rubber.....	12 1/2%+	..	..	..	..	..
Kuala Kubu Rubber.....	12 1/2%+	..	..	..	..	..
Kuala Perlant.....	10%+	Nov. 5	Less tax	..	..	..
Kurau Rubber.....	5%+	Nov. 10	Less tax	..	..	..
Lanadon Rubber.....	15%+	Nov. 10	Less tax at 4/	..	..	..
Ledbury Rubber.....	15%+	Nov. 9	Less tax	..	..	..
Lok Kawi Rubber.....	12 1/2%+	Nov. 30	Less tax at 4/	..	..	..
London Asiatic Rubber.....	12 1/2%+	Nov. 9	Less tax at 4/	..	..	..
Malaysia Rubber.....	10%+	Oct. 29	Less tax	..	..	..
Mayfield (Dumula) Tea.....	10%+	Oct. 30	Less tax	..	..	..
Merton Rubber Syndicate.....	10%+	Nov. 20	Less tax at 4/	..	..	..
Mendaris (Sumatra) Rubber.....	20%+	..	..	..	..	..
Monserrate Rubber.....	7 1/2%+	..	..	..	..	..
Noyapara Tea.....	4%+	Nov. 3	Less tax at 4/	..	..	..
Oriental Rubber.....	4%+	Nov. 11	Less tax at 4/	..	..	..
Pernambuco Rubber.....	1 p.a.	Nov. 11	Less tax	..	..	..
Petoong Java Rubber.....	5%+	..	..	..	..	..
Rassak (F.M.S.) Rubber.....	10%+	Nov. 11	Less tax	..	..	..
Rint (Java) Rubber.....	7 1/2%+	Oct. 30	..	..	..	..
Sabang.....	5%+	Oct. 28	..	..	..	..
Selangor River Rubber.....	10%+	..	..	..	..	..
Selangor Rubber.....	10%+	..	..	..	..	..
Sonocekar Planting.....	20%+	..	..	..	..	..
Standard Tea of Ceylon.....	37 1/2%+	..	..	..	..	..
St. Ives Rubber.....	4%+	..	..	..	..	..
Strathisla Rubber.....	..	Oct. 30	..	..	..	..
Sumatra Planting Syndicate.....	17 1/2%+	..	..	..	..	..
Sungei Kar.....	5%+	Nov. 1	Less tax	..	..	..
Sungei Keliling Rubber.....	10%+	..	..	..	..	..
Taiwakelle Estates.....	..	..	..	..	..	..
Tanjong Rubber.....	5%+	..	..	..	..	..
Tangga Batu Rubber.....	5%+	..	..	..	..	..
Tel goredjo United Plantations.....	7 1/2%+	Nov. 16	Less tax at 4/	..	..	..
Third Mile Rubber.....	100%+	..	..	..	..	..
Ukwele Estates.....	..	..	..	..	..	..
Other Companies.						
Aberdeen Trust.....	10%+	Oct. 30	Less tax	..	8	7
African Steamship.....	24%+	Oct. 29	Less tax	..	16	16
Agar Cross.....	6%+	(bonus of 5%)	Tax free	..	4	..
Anglo-French Amalgamated.....	..	..	..	..	..	..
Anglo-French Amalgamated.....	..	..	..	..	..	..
Argentine Light and Power.....	..	..	..	..	..	..
Associated Fire Alarms.....	..	..	..	..	..	..
Barlow's, Limited.....	7 1/2 p.a.	..	..	..	10	10
Brampton Bros.....	..	..	..	..	10	10
British Tanker.....	2 p.a.	..	..	..	15	15
Butler's Wharf.....	5%+	Nov. 5	Less tax	..	..	

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	August, 1926.			September, 1926.		
	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Aurora W. United (10s shares) ..	13,300	12,714	853	13,000	12,379	803
Brakpan ..	85,100	136,170	54,528	84,500	130,998	50,164
City Deep ..	101,000	146,988	30,379	100,000	142,460	30,537
Consolidated Main Reef ..	47,200	57,541	27,012	46,000	56,100	26,464
Crown Mines (10s shares) ..	224,000	298,373	91,136	215,000	302,028	91,227
Durban Roadport Deep ..	37,600	54,164	213	38,200	52,848	217
East Rand Proprietary ..	137,000	147,654	7,040	130,500	139,832	3,050
Ferreira Deep ..	33,900	34,482	4,413	34,300	33,899	4,611
Geduld Proprietary ..	83,000	120,201	48,351	80,500	115,768	47,119
Goldenhuis Deep ..	67,500	62,856	4,889	66,300	62,792	4,908
Glyn's Lydenburg ..	5,500	8,698	247	5,200	7,373	9 4
Government Areas ..	200,000	386,758	225,162	200,000	385,057	225,250
Kleinfontein, New ..	53,700	48,607	613	53,000	48,869	262
Langlaagte Estate ..	79,500	100,050	19,473	80,000	100,014	20,096
Meyer and Charlton ..	14,600	23,093	5,543	14,600	22,721	5,027
Modderfontein B. ..	68,000	103,871	48,452	68,000	108,433	47,513
Modderfontein Deep Levels ..	44,200	99,527	65,604	44,200	99,582	65,835
Modderfontein East ..	53,000	70,203	18,113	53,000	69,483	9,546
Modderfontein, New (24 shs.) ..	132,300	288,563	170,057	129,300	287,2 8	170,157
New State Areas ..	76,000	131,669	54,485	76,000	131,124	54,132
Nourse Mines ..	67,000	64,889	675	59,800	64,182	265
Pratmore, New ..	20,300	18,382	1,964	20,200	18,547	2,020
Randfontein Estates ..	195,000	207,607	34,156	187,000	206,665	32,125
Robinson Deep ..	76,100	97,589	29,502	76,000	97,687	28,890
Rose Deep ..	58,800	52,911	7,780	57,300	51,2 5	6,878
Simmer and Jack ..	78,600	75,778	10,877	74,700	75,181	10,582
Spring Mines ..	66,400	124,684	60,063	68,500	128,261	62,309
Sub-Nigel ..	11,200	41,553	15,967	11,000	42,492	17,326
Transvaal Gold Mining Estates ..	16,590	24,664	3,118	15,950	26,009	5,127
Van Ryn ..	38,400	40,448	6,261	38,000	40,428	6,187
Van Ryn Deep ..	70,300	106,970	50,661	69,500	104,475	50,121
Village Deep ..	57,000	66,243	4,004	56,000	64,123	3,450
West Rand Consolidated ..	40,000	38,882	3,019	38,700	38,151	3,008
West Springs ..	51,300	79,522	33,421	50,300	78,000	31,8 2
Witwatersrand Deep ..	47,500	56,141	14,045	46,500	55,188	13,800
Witwatersrand (Knights) ..	51,000	45,375	6,135	51,900	46,060	6,589
Wolhuter ..	28,400	29,639	563	29,100	29,380	580

* Loss. (b) Loss due to stoppage of hoisting at No. 3 shaft owing to breakdown of rock hoist on August 12th. Hoisting was resumed on August 26th.

MINING OUTPUT STATISTICS FOR SEPTEMBER, 1926.

Tin.	Output.	Other Notes in Return.	
		Tons.	
Anglo-Nigerian ..	16	Tin concentrates.	
Aramayo ..	253	and 63,000 ozs silver.	
Beniguel ..	32	Black tin concentrates.	
Briseis ..	12	Black tin clean-up.	
Ex-Lands Nigeria ..	60	Tin concentrates.	
Filani ..	59	Concentrates.	
Kaduna Prospectors ..	204	Tin concentrates.	
Kaduna Syndicate ..	394	Tin concentrates.	
Kalari ..	4		
Karre ..	7		
Kwapa ..	2		
Lower Bishoi ..	79		
Madube ..	34		
Mawchi ..	1362	Concentrates.	
Naraguta Korot ..	10		
Naraguta (Nigeria) ..	55		
Nigerian Consolidated ..	10		
Benong ..	229		
Rukuba ..	69		
Tavoy ..	809	Valued at £16,800; gross profit, £13,610.	
Tin Fields of Northern Nigeria ..	3		
United Tin Areas ..	17	Tin concentrates.	
Zenebi ..	1		
Copper.			
Bwana M'Kubwa ..	243	Copper oxide, 80% copper.	
Mesina ..	1,300	Tons concentrates, containing 490 tons copper	
Namaqua ..	275		
Podoceros ..	500	(Metric tons). Assaying 21 per cent copper.	
Union Miniere ..	7,000		
Coal.			
Chinese Engineering ..	78,000	Sales of coal during week ended Oct. 16th.	
Witbank ..	42,913		
Miscellaneous.			
Kesley Silver ..	..	124,904 ozs silver.	

BURMA CORPORATION, LIMITED (Incorporated in India).—During the month of September 29,822 tons of ore were mined, including 1,334 tons of high-grade ore. 26,000 tons of ore were milled in the treatment plant, producing 9,401 tons of lead concentrates. 9,165 tons of lead-bearing material, including 1,313 tons of high-grade ore, were melted in the blast furnaces, producing 4,206 tons hard lead for treatment in the refinery. Refinery products were 4,273 tons refined lead and 365,606 ounces refined silver. Of silver production 44,867 ounces were recovered from the treatment of copper matte. Experimental zinc plant produced 4,298 tons zinc concentrates, assaying 13.5 per cent silver, 71 per cent lead, and 45 per cent zinc. In addition to the above 900 tons copper matte were produced from the treatment of accumulated smelter by-products, and 4,225 tons copper ore. 90 tons of elemental lead were also produced. Included in the tonnage of refined lead is 316 tons recovered from the smelting of copper ore.

MOUNT LYNELL.—During the four-weekly period ended Oct. 13th the mill treated 3,333 tons of ore, producing 2,818 tons of concentrates.

San Francisco Mines of Mexico, Limited.—For September: Ore treated 13,480 tons, residues treated 9,890 tons, lead concentrates produced 2,160 tons, and zinc concentrates produced 4,382 tons. Estimated net smelter return on lead concentrates £184,633 (U.S. currency), and on zinc concentrates £152,662—total £337,295. Operating expenses, £113,471. Estimating operating profit, £223,824. Estimated expenditure, £29,023. (Office note.—This return includes £14,030, being amount of valuations of products over valuations in respect of previous months.)

Zinc Concentration.—Sept.—Lead concentrator treated 22,419 tons of ore, producing 4,291 tons of lead concentrates and 3,908 tons of zinc concentrates. Estimated gross profit with lead at £24 and zinc at £26 10s per ton, £12,448. In zinc (or silver) for each £1 fluctuation in price of lead, £2,974; in the price of zinc, 872s.

Gold.	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cy. Works.	Mill.	Cy. Works.		
Abbotshill ..	8,450	..	..	..	16,556	3,541
Ashanti ..	8,484	..	..	..	32,865	11,861
Blackwater ..	3,212	..	..	..	4,862	504
Boulder Perseverance ..	5,168	..	..	..	23,116	6,071
El Oro ..	13,240	..	..	..	\$38,200	*\$12,803
Gabait Tributary ..	863	504	689	97	2,900	7,283
Globe and Phoenix ..	6,001	..	..	..	4,936	6,560
Gold Coast Explorers ..	..	..	..	..	..	17,469
Great Boulder Proprietary ..	8,032	..	..	..	..	45
Hohonu ..	1,999	1,999	133	218	351	..
Junbo ..	12,811	..	..	..	20,954	603
Lake View and Star ..	6,468	..	..	..	\$60,015	\$1,318
La Noria ..	..	..	..	..	22,117	..
Lens (Oct. 1st to 7th) ..	..	..	..	..	7,178	30,148
Lonely Reef ..	5,220	..	..	..	2,770	2,274
Nus River ..	..	..	(Clean-up)	..	302	..
Orient Consolidated (Aug) ..	20,376	..	..	..	..	\$18,720
Oroville Dredging (Gross returns for 14 days to Oct. 15th) ..	..	..	..	..	\$17,491	..
Oroya Links ..	3,821	..	..	..	11,364	..
Ouro Preto ..	3,700	..	..	1,013	4,300	..
Shamva ..	52,600	..	..	..	28,480	4,423
South American Gold and Platinum ..	1,902 ozs crude platinum, & 49 ozs crude gold	..	..	..	16,294	2,665
South Kalguli ..	8,090	..	..	..	16,134	..
Taqua and Abosso ..	9,710	..	..	..	\$54,000	..
Tomboy ..	18,800	..	..	..	\$61,500	..
Vipond ..	8,503	..	..	..	..	..

* Loss.

Reports and Notices.

Mr E. V. Reid, general manager of Dalgety and Co., Limited, has been offered, and has accepted, a seat on the board of that company with the position of managing director.

The offices of the Rand Water Board are now established at its new headquarter offices building, 74 Commissioner street (adjoining Exploration Buildings), Johannesburg. The telephone numbers will remain as at present, i.e., Nos. 5436/5439, Central.

Chalmers and Guthrie (Merchants), Limited, announce that they have returned to 9 Idol lane, E.C.3, where their merchant business has been conducted since 1793.

Mr Henry Frederic Tiarks, of the firm of Messrs J. Henry Schroder and Co., has been elected a director of the Antofagasta (Chili) and Bolivia Railway Company, Limited, and the Chilean Northern Railway Co., Limited, in the place of Sir Robert Harvey.

BANKS.

THE BANK OF TAIWAN, LIMITED.—The following is the balance-sheet as at June 30, 1926:—

LIABILITIES.		ASSETS.	
Capital subscribed ..	Yen. 45,000,000	Cash in hand ..	Yen. 9,892,908
Reserve funds ..	1,626,404	Cash at bank ..	8,890,400
Notes in circulation ..	45,166,886	Bullion and foreign money ..	18,764,410
Current accounts, fixed deposits, &c. ..	232,136,786	Bills discounted, &c. ..	505,704,840
Bills payable ..	233,698,582	Interest, bills, &c. ..	74,597,377
Bills rediscounted ..	177,082,532	Customers' liabilities ..	84,621,261
Exchange sold ..	74,997,378	Government bonds, &c. ..	2,562,212
Acceptances ..	4,104,010	Correspondents' dr. ..	2,659,277
Correspondents' cr. ..	5,430,870	Suspense accounts ..	10,464,410
Suspense accounts ..	1,208,877	Bank premises, &c. ..	5,625,000
Net profit ..	56,568	Capital uncalled ..	..
Dividend unclaimed ..	..		
	821,096,870		821,096,870

RAILWAYS.

CORDOBA CENTRAL RAILWAY.—Converting Argentine currency into sterling at par, the results of the year ended June 30, 1926, as compared with those of the previous year, were as under:—

	1924-25.	1925-26.
Gross traffic receipts ..	£ 3,363,848	£ 3,490,762
Working expenses ..	2,335,887	2,458,237
Net receipts ..	1,027,960	1,032,525
Percentage of working expenses ..	69.44 %	70.42 %

The sum of £80,000 is transferred to general reserve, and £5,000 to London staff pension fund. The dividend on the ordinary income stock is 2 per cent. The carry forward is £8,321. The average rate of exchange received for remittances was 45.85d to the peso, as compared with 43.68d in the previous year, the par rate being 47.62d. The realised loss on exchange during the year was £45,244, as compared with £119,010 in the previous year.

TALTAL RAILWAY COMPANY, LIMITED.—Gross receipts for year ended June 30, 1926, amounted to £248,509, against £323,364 for preceding year. Expenses were reduced from £156,520 to £142,325, leaving a profit on working of £106,184, against £166,844 in 1924-25. The sum of £18,948 is put to income-tax

suspense account. The ordinary dividend is 6 per cent., free of income-tax, against 9 per cent., free of income-tax, for 1924-25. The carry forward is increased from £18,965 to £47,038, the board explaining this increase in carry forward is due to their having had regard to the uncertainty of the immediate future of the nitrate industry, and to the serious reduction in gross receipts since the close of the financial year.

RUBBER, &c.

CENTRAL SUMATRA RUBBER ESTATES.—The crop of rubber accounted for during the year ended June 30, 1926, amounted to 420,082 lbs. The average net sale price was 2s 1.70d per lb, as compared with 1s 10.94d per lb for the previous year. The cost of production was 11.78d per lb, as compared with 11.94d per lb for the previous year. In consequence of conversions the issued capital of the company is now as follows:—3,311 cumulative preference shares of £1 each fully paid, £3,311; 16,689 ordinary shares of £1 each fully paid, £16,689; 800,880 ordinary shares of 2s each fully paid, £80,088—£100,088. In order that all the ordinary shares of the company may be of the same denomination, it is proposed to split each of the 16,689 ordinary shares of £1 each into 10 ordinary shares of 2s each. The profit secured is £21,307, against £11,619. The ordinary dividend is 20 per cent., against 10 per cent. Cash and British Government securities stand at £48,102, against £35,965 in preceding balance-sheet.

GELANG BESAR RUBBER PLANTATIONS.—The profits for year ended June 30, 1926, amounted to £26,055, against £12,607. In preceding year preference shareholders received 49 per cent., less tax. In the latest report they receive 1½ per cent., less tax. The ordinary shareholders receive 12½ per cent., against nothing in preceding year. The sum of £4,000 has been put to reserve. Cash has risen from £2,742 to £7,308, while the company has £42,832 in British Government securities, against £28,215 in preceding balance-sheet.

INSULIND (SUMATRA).—The report for the year ended June 30, 1926, shows a profit of £30,104, which together with the £3,092 brought forward makes £33,195, comparing favourably with £20,606 of 1925 (of which only £13,037 was annual profit). Cash has increased from £8,944 in 1925 to £15,258. Investments £5,022 remain stationary, being wholly in Treasury bonds. Produce on hand has doubled, and now stands at £17,630.

KAMUNING (PERAK) RUBBER AND TIN.—The report for the year ended June 30, 1926, shows a profit of £81,506, against £31,020 in 1925. When to this sum has been added £9,927 brought forward from 1925, the available balance stands at £91,433, against £40,289 in 1925. Of this profit £10,000 has been appropriated to general reserve. The ordinary dividend is 30 per cent., as against 12½ per cent. in 1925. Cash has risen from £9,577 to £19,510. Investments are now £69,226, of which £67,147 are in British Government securities. This compares favourably with 1925 when investments stood at £53,285, of which British Government securities claimed £47,199.

LAWAS (SARAWAK) RUBBER ESTATES.—The net profit for year ended June 30, 1926, is £34,807, against £22,893. The ordinary dividend is 50 per cent., against 35 per cent. for preceding year. The carry forward is £4,322. During the past season a crop of 580,909 lbs of rubber was secured, as against 471,434 lbs for previous period. The gross average price realised for the portion sold was 2s 2.33d, which compares with 1s 9.11d per lb for previous year.

SENGAT RUBBER ESTATE.—The report for the year ended June 30, 1926, shows a profit of £39,137, as against £14,844 in 1925. Dividends of 18½ per cent. (as against 11½ per cent.) were paid. Cash stands at £17,501. In 1925 it was £14,133. Investments are valued at £5,288, an increase of £5,050; £5,038 is in 5 per cent. War Loan, the remaining £250 being in preferred and deferred ordinary shares in Vultex, Limited. Sundry debit balances have increased by £50 and produce unsold valued at £18,191, compares with £7,031 for the same item in 1925.

STRATHISLA (PERAK) RUBBER ESTATES.—Crop of rubber for year ended June 30, 1926, amounted to 627,932 lbs, as against 330,776 lbs in preceding year. Sale price was 1s 9.66d per lb, against 9.13d per lb. Net profit rose from £12,062 to £38,152. The sum of £8,000 is put to reserve account. The ordinary dividend is 40 per cent., against 15 per cent. Carry-forward is £7,216. Cash and British Government securities stand at £20,161, against £11,318.

SUMATRA PEARA RUBBER PLANTATIONS.—The report for year ended June 30, 1926, reveals a net profit of £88,680, as compared with £52,380 for preceding year. The ordinary dividend is 37½ per cent. for the year, against 25 per cent. for preceding year. The sum of £7,039 has been put to reserve against nothing a year ago. The carry forward is £10,189, subject to directors' extra remuneration. Total crop was 1,457,561 lbs, against 1,136,595 lbs in preceding year. The crop cost 6½d per lb f.o.b.

and realised a net average price of 2s 0½d per lb, as compared with 7.12d per lb and 1s 9.44d per lb respectively for 1924-25, the cost in both cases including estate staff commissions. The total reserve fund is now £44,000. Rubber in stock is at £44,075, against £40,102. Investments are shown separately and total £67,949, against £38,587. Of the total of £67,949 the sum of £65,899 is in British Government securities. Cash is at £19,397, against £28,930 in preceding balance-sheet.

SUNGEI BAHRU RUBBER ESTATE.—The report for year ended June 30, 1926, resulted in a profit of £32,997, against £17,320 in preceding year. The sum of £2,000 is written off buildings and machinery account, and £1,000 added to general reserve. The ordinary dividend and participating preference dividend is 20 per cent., against 10 per cent. The carry-forward is £2,640, against £596 brought in.

SUNGEI KARI (SUMATRA) RUBBER ESTATE.—Net profit for year ended June 30, 1926, is £32,742, against £15,068 for preceding year. The ordinary dividend is 30 per cent., against 20 per cent., and the carry forward is £7,237. Cash has risen from £8,566 to £15,847.

MISCELLANEOUS.

ANGLO-SCOTTISH AMALGAMATED CORPORATION, LIMITED.—The directors' report for the period ended December 30th states that the net profits, after deducting expenses, administration, taxation, and directors' fees, amount to £57,491. This the directors recommend should be appropriated as follows:—The placing to reserve of £10,765, raising that account to £50,000; the payment of a dividend on the ordinary shares of 5 per cent., less tax, absorbing £27,317; and the carrying forward of the balance, £10,408. The report states that the liquidation of the assets taken over from the Anglo-Scottish Trust, Limited, the Atlantic Trust, Limited, the Status Investment Trust, Limited, and the Egyptian

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefer.	Ordinary.	Rate				
		£	£	£	Amount.	Amount.	%	£	£	£	%
Breweries.											
Hodgsons' Kingston	Sept. 30	19,561	32,774	52,335	..	26,880	12	5,000	20,455	29,978	11
Longmore-Glenlivet Distilleries..	July 31	15,744	1,223	16,967	750	900	6½	..	15,317	16,845	20½
William Longmore and Co.	Sept. 30	7,046	6,246	13,292	..	7,000	20½	..	6,292	12,006	20½
Electric Lighting and Power.											
Argentine Light and Power.	Mar. 31	15,133	136,522	151,655	52,243	29,607	4	55,277	14,528	108,305	2½
Financial, Land, &c.											
Clydesdale Investment.	Sept. 30	13,470	54,088	67,558	16,200	28,800	12	..	22,558	37,926	11
Moor Park	June 30	..	Dr 10,907	Dr 10,907	..	Dr 10,907	..	..	..	5,805	..
Iron, Coal, and Steel											
Denaby & Cadeby Main Collieries	June 30	26,608	48,483	75,091	12,000	..	..	..	63,091	83,621	6
United Steel Companies	June 30	823,912	Dr 142,603	681,309	..	..	..	160,400	520,909	4,171	..
Motor and Cycle.											
Brampton Bros.	July 31	13,202	14,443	25,845	3,600	8,940	10	..	13,305	15,029	10
Enfield Cycle	Aug. 31	38,729	51,436	90,165	1,400	20,000	10½	21,000	47,765	34,904	10½
Rubber, &c.											
Bukit Lintang	June 30	1,429	28,521	29,950	..	16,000	50	6,400	7,550	7,366	15
Central Sumatra	June 30	6,349	21,307	27,656	618	14,364	20	..	12,674	11,619	10
Galang Besar	June 30	4,122	26,055	30,177	3,900	18,708	12½	4,000	3,569	12,608	nil
Inch Kenneth	June 30	2,078	22,644	24,722	..	12,000	50	5,200	7,522	8,942	25
Johore Para	June 30	504	19,274	19,778	..	16,875	22½	..	2,903	..	..
Kuala Kubu	June 30	2,082	12,755	14,837	..	8,400	20	4,000	2,437	4,004	10
Lawas (Sarawak)	June 30	1,752	34,807	36,559	..	32,237	50	..	4,322	22,893	35
Santa Cruz Coffee	Dec. 31	14,064	52,979	67,039	..	24,000	8	20,850	22,189	..	..
Sengat	June 30	2,197	39,137	41,334	..	31,875	18½	5,000	4,459	14,844	11½
Strathisla (Perak)	June 30	9,030	36,902	45,932	..	30,716	40	8,000	7,216	12,062	15
Sumatra Para	June 30	3,523	88,680	92,203	..	74,975	37½	7,039	10,189	52,380	25
Sungei Baha	June 30	596	32,997	33,593	1,313	26,640	20	3,000	2,640	17,320	10
Sungei Kari (Sumatra)	June 30	584	30,053	30,637	..	23,400	30	..	7,237	11,925	20
Shipping											
West Hartlepool Steam Navigation	Mar. 31	20,759	62,739	83,498	11,000	15,675	15½	20,000	36,823	48,619	15½
Tea											
Kadur Tea and Produce	May 31	217	11	228	..	..	..	..	228	1,472	..
Telegraphs and Telephones.											
Montevideo Telephone	July 31	14,583	37,886	52,469	..	17,370	8	20,000	15,099	32,831	7
Trust.											
Anglo-Scottish Amalgam. Corp. ..	Sept. 30	..	57,491	57,491	..	27,318	5	19,765	10,408	..	..
Other Companies.											
Anglo-British Columbia Packing..	June 30	6,829	46,688	53,517	4,000	20,000	10	17,500	12,017	26,374	6
Associated Fire Alarms	June 30	2,057	3,008	5,065	..	2,746	6	1,000	1,319	3,972	6
D. and W. Murray, Limited	July 19	20,664	117,429	138,093	70,000	45,000	10½	..	23,093	120,821	10½
Drake and Gorbham	June 30	186	8,920	9,106	..	6,250	5	1,000	1,856	..	..
Gramophone Company	June 30	195,962	309,649	505,611	5,000	218,000	20	28,611	266,087	..	20
Herbert Morris	July 31	33,141	72,848	105,989	12,300	25,000	10½	29,805	38,884	76,486	10½
Herrburger Brooks	June 30	59,520	59,371	118,891	..	34,640	15½	17,500	66,751	..	..
Lake Copias Company, Limited ..	Dec. 31, 25	..	7,811	7,811	..	..	..	..	31,910	..	..
Raphael Tuck and Sons	April 30	7,195	36,420	43,615	13,750	20,000	8	3,390	6,475	37,613	8
Rosario Drainage	June 30	36,045	64,582	100,627	7,200	25,844	7½	22,456	45,127	38,525	6½
Smithfield and Argentine Meat ..	Dec. 31	99,568	132,016	231,584	..	..	..	..	231,584	99,568	..
Thomas Smith's Stamping Works ..	July 31	17,631	25,044	42,675	..	20,000	10	5,000	17,675	22,007	10
Times Publishing Company	June 30	51,767	213,103	264,870	25,855	80,625	12½	100,000	58,390	176,271	12½
United Dairies	June 30	57,964	459,469	517,433	149,659	222,392	10	22,313	123,069	509,146	14

† Free of tax.

£58,215 as against £80,150. The company has increased its lands and buildings, &c., from £758,838 to £781,867, and paid 15 per cent. on its ordinary shares. Investments total £1,069,067, against £1,044,709. They are all in British Government securities. Creditors are at £503,323, against £603,813. Reserve account remains at £450,000.

MONTEVIDEO TELEPHONE COMPANY.—The report for the year ended July 31, 1926, shows a profit of £37,886, as against £32,831 in the preceding year. This, when added to the £14,583 brought forward from last year, leaves an available balance of £52,469. A dividend of 8 per cent. was paid (against 7 per cent.), £20,000 was carried to reserve, and £15,000 carried forward. Cash stands at £7,182, and investments £187,784.

RAFAEL TUCK AND SONS.—The report for year ended April 30, 1926, shows a net profit of £36,420, against £37,613 for preceding year. The dividend on the ordinary shares is again 8 per cent. The sum of £800 is transferred to special dividend reserve fund, and £2,500 to staff pension fund. The reserve accounts now are:—Capital reserve, £8,845; special dividend reserve, £65,919; general reserve, £40,042. Cash is at £40,473, against £31,009. Debtors are at £84,735, against £77,927. Creditors are at £60,397, against £55,009. Investments in Government, Colonial, and other stocks are at £43,675, against £73,865. Stock stands at £68,970, against £59,610.

SMITHFIELD AND ARGENTINE MEAT COMPANY, LIMITED.—The report for 1925 shows a profit balance of £132,016, against £99,468 for 1924. This increases the credit balance carried forward to £231,584. The reorganisation at Zárate is completed, and the works are now equipped with all the latest up-to-date machinery. The revaluation of the company's works in Argentina has been made, and results are now incorporated in the balance-sheet. The long outstanding taxation questions with the authorities have all been satisfactorily settled. The directors regret that the unfortunate differences among the companies interested in the Argentine overseas meat trade still continue. Cash has risen from £48,762 to £77,673.

S. SMITH AND SONS (MOTOR ACCESSORIES), LIMITED.—A meeting of the debenture holders of the above company has been called for the purpose of passing a resolution postponing drawings and sinking fund contributions until October, 1927, and January, 1928, respectively, and substituting 1939 for 1938 as the final redemption date. The directors explain that whilst the business has made steady progress during the past twelve months, it is not yet in a position to set aside such a large sum as is necessary for the sinking fund provided by the trust deed, as all present resources are required for the development of the business. The debentures are chiefly held by the company's bankers, only a small part having been subscribed by shareholders. The banks have been consulted and agree to the proposals.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Climatic conditions were favourable, and good progress was made with ploughing and sowing operations. Supplies of native wheat were fairly large at most of the principal Statute markets, while general quality showed improvement. A very firm tone governed the market during the week, values responding to a sharp advance in forward quotations, while offers were sparingly made. Buyers, however, were reluctant to follow the upward trend, and business was of a restricted character. In the floating and forward cargo market shippers were obliged to raise their limits in sympathy with higher American and Argentine advances occasioned by the scarcity of and enhanced rates ruling for

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Business conditions in the iron and steel trades are still unsettled, and very little material is available for near delivery. The uncertainty regarding the costs of production when work is resumed by the steel works and the difficulty of obtaining delivery of foreign steel, together with the high price demanded, are, however, causing buyers to withhold orders. Many of the British manufacturers are refusing to accept business for delivery after the coal strike. Continental manufacturers are either unable or unwilling to quote for near delivery, but, on the other hand, consumers in this country are reluctant to buy forward. As a result, there is a strong tendency in all directions to mark time. The high prices quoted by Continental makers after the formation of the cartel have weakened, but are above those ruling in the middle of last month.

Our Middlesbrough correspondent's report, dated October 21, 1926, is as follows:—Pig-iron.—Makers of Cleveland pig-iron have sold the present small output for some weeks ahead. Merchants who have any iron to dispose of have been placing small lots of No. 3 G.M.B. at 120s per ton, f.o.t. A fair business is being done in Continental iron. The ordinary standard grades of East Coast Hematite are unobtainable, but there are a few off-grades at 85s to 87s 6d per ton. Manufactured Iron and Steel.—A certain amount of work is being carried out by local steelmakers, but until the strike is settled there can be no improvement. There are no definite steel quotations, but iron bars are put at £11 5s per ton. Iron Ore.—No change has occurred in the position, and best Rubio is purely nominal at 21s 6d per ton, c.i.f., Tees.

Our Sheffield correspondent writes:—While the volume of work in the local industries does not fall off greatly, the scarcity of steel material and the financial aspect have become more acute. Costs are steadily rising, while any considerable advance on selling rates is quite out of the question. Cleveland foundry pig has gone up to £6 per ton, and is now dearer than the superior hematite pig. In the lighter branches the execution of a good many orders has been brought to a standstill by the exhaustion of stocks of hard basic and acid billets, file steel billets, and various alloy steels. The motor industry has obtained the various steel parts it consumes so far, but several of the suppliers are no longer able to execute orders. The local trade is working on outcrop coal and Westphalian coke, no British coal having come into the district. A little coke is, however, being made in Derbyshire and Lancashire. Contracts for Durham foundry coke for delivery after the settlement have been negotiated

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—				
1 week to October 16	Cwts. 416,071	Cwts. 331,973	Cwts. 371,114	Cwts. 416,910
7 weeks to October 16	2,636,737	2,589,363	1,591,124	2,974,915
Average price of English wheat per cwt.	s d 11 3	s d 10 3	s d 12 8	s d 9 0

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Oct. 9	Cwts. 418,959	Cwts. 435,335	Cwts. 99,743	s d 11 2	s d 12 4	s d 8 1
Oct. 16	416,071	584,315	111,378	11 3	12 4	8 0
1925.						
Oct. 9	526,007	381,575	84,421	9 3	11 2	9 2
Oct. 16	416,910	622,613	96,015	9 0	10 6	8 7
1924.						
Oct. 9	371,114	672,796	173,907	12 8	17 2	10 4
Oct. 16	331,973	541,510	88,762	10 3	12 4	9 2

AMERICAN WHEAT MARKETS.

The advent of colder weather has had a stimulating effect on prices this week, frosts being reported from various parts, whilst snow has interrupted threshing. Towards the end of the week, however, absence of export business, bearish Australian crop advices, and selling by professionals owing to the scarcity of ocean freight room, and the dearth of freight rates caused a slight setback.

	Jan. 2, 1925.	Oct. 22, 1925.	Jan. 7, 1926.	Oct. 14, 1926.	Oct. 21, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.	183	(a) 127½	160	(a) 139½	(a) 146½
Chicago (No. 2 Winter)—Cents per 60 lbs.	177	(c) 141½	176½	(c) 140½	(c) 142½

(a) October delivery. (c) December delivery.

Visible supplies of wheat in Canada, 29,883,000 bushels, show an increase of 599,000 bushels as compared with the previous figures. Supplies a year ago stood at 27,153,000 bushels.

COAL.

Our Cardiff correspondent writes:—There has been an acute scarcity of foreign coal supplies, particularly for prompt deliveries on the Cardiff market this week. The result has been a further stiffening of prices. Silesian and German coals have been quoted up to 65s c.i.f. South Wales ports, and American run-of-mine up to 57s 6d. Owing to the exhaustion of stocks on the Continent and the increase in inland consumption steps are being taken to restrict exports, and British consumers are consequently being compelled to increase their demands for American coals as well as to search for new sources of overseas supplies. For the first time in the history of South Wales Spanish coals are being imported. Advances from Hampton Roads report phenomenal pressure on the shipment facilities, and there are detentions to shipping extending up to two and three weeks. Moreover, both the f.o.b. prices of American coals and the cost of freights to the United Kingdom have advanced appreciably. The local scarcity, however, is being slightly eased by the increasing outputs of the levels and collieries that are at work in South Wales, and these are reported to be more numerous than at any other period since the strike began.



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at 35s per ton at ovens, which compares with 29s down to April. Demand for German coke is now falling off, and users are buying all kinds of fuel with extreme caution. The lighter trades are not ill-supplied with orders, and seasonal demand is keeping the cutlery and plate factories fairly busy.

Our Glasgow correspondent writes:—It now appears unlikely that any of the larger steel plants will be able to resume operations before the end of the year, even if the coal stoppage comes to an end at an early date. Some firms, when on full production, require several thousand tons of coal per week, and arrangements for supplies will occupy a considerable period after the miners resume work. Meantime business is at a low ebb. Deliveries of Continental material are unsatisfactory, and most of the structural firms have orders in hand on which work has been completely suspended through lack of sections. The amount of pig-iron left in store for disposal is negligible. A small output of wrought iron is being maintained at several works, and is easily disposed of. Re-rollers and sheet makers are working spasmodically owing to fuel difficulties, both as regards quantity and quality. Inquiries for all classes of iron and steel are numerous, and prospects generally for post-strike business are better. Recent contracts reported include an order for three steamers for the Irish Channel service, which have been placed with Messrs. William Denny and Brothers, Limited, by the London, Midland and Scottish Railway Company.

Our Cardiff correspondent reports:—In the tinplate industry production is improving, and is now approaching normal proportions. The volume of business is accordingly expanding, but owing to the high prices of tin and of foreign fuel manufacturers have been compelled to intimate to the workmen the withdrawal of the bonus of 7½ per cent. which they have been paid since 1921. For prompt positions tinplate prices are ruling up to 23s 6d per basic box and up to 21s 9d for forward positions. The price of steel bars has been raised from £6 5s to £6 15s. A fair quantity of tinplates has been shipped during the past few weeks, but the stocks in warehouses amount to 49,652 boxes, compared with 123,422 boxes in the corresponding week of last year.

OTHER METALS.

TIN.—Tin market slightly irregular, but values pursued a downward course owing to persistent realisations, though offerings were fairly well absorbed. Lower American and Eastern cable advices also exercised a depressing influence. Dealings were recorded in standard cash at £316-£317 to £310, and three months £305-£303-£306 and £304 15s. Sales in the East were reported at £314 10s-£311 10s and £312 10s ton.

COPPER.—Copper weaker on liberal selling orders, though at the lower range of prices a fairly large turnover resulted. American markets quiet and easier, which was duly reflected on this side. Standard cash sold at £58 17s 6d to £58 10s, three months £60 2s 6d to £59 6s 3d ton.

LEAD.—Values were lower as offerings continue in excess of requirements. Good, soft foreign pig, October, sold £31 5s to £30 17s 6d, November £31 5s-£30 12s 6d, December £31 5s to £30 10s, and January £31 5s to £30 7s 6d and £30 12s 6d ton.

SPELTER.—Irregular but easier on balance, with moderate dealings. October sold £34 10s to £34 5s, November £34 7s 6d-£34 5s, December £34 7s 6d to £34 1s 3d, January £34 8s 9d to £34 2s 6d, February £34 7s 6d to £33 18s 9d per ton.

ANTIMONY.—Steady quiet. English specials £74 10s to £75, foreign spot £62 to £63 per ton.

ALUMINIUM.—Dull. Home delivery £107, export £112 per ton.

WOLFRAM.—Easier, forward quoted 13s 6d to 14s per unit, c.i.f.

QUICKSILVER.—Firmly held. Spot £16 15s to £16 17s 6d per bottle.

TIN PLATES.—Firm. I.C. coke prompt quoted 23s 3d to 23s 6d, and forward 21s 9d to 22s per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, October 21, 1926.

Spot sales for the period 15th to 21st (inclusive) were 47,000 bales. Of these 24,480 were American, 2,300 Brazilian, 7,000 Peru, 8,000 Egyptian, 4,200 African, and 1,020 sundries. Imports for the same period were 83,000 bales. These were composed of 66,357 American, 1,154 Brazil, 9,148 Peru, 3,131 African, 3,561 East Indian, and 449 sundries. Quotations to-day are:—Middling American, 6.83d; Egyptian F.G.F. Sakel, 14.80d; uppers, 10.70d; Brazil fair, 7.18d; Peru G.F. mod-rough, 9.00d; smooth, 8.18d; Tinnivelly, 6.45; East African G.F., 8.60d; and West African middling, 6.88d.

MANCHESTER, October 21, 1926.

Trade developments continue to be checked by the falling tendency of prices, and until there is more stability buyers are afraid to place orders of any weight in yarn or cloth. The undercurrent of inquiry indicates, however, that a considerable business is being done when conditions are safer. Scattered sales are being made for India in piece goods, with rather more offers than for China. Operations for China remain very restricted. The demand for Egypt is being maintained, although the price has been firmer in quotation. Some spinners have sold more yarn, and there is less stock about than two or three weeks ago. There has not been much activity in Egyptian spinnings.

(I.) Comparative Statement of the Cotton Trade.

		Previous weeks in 1926.					
		Price, Oct. 21, 1926.	Price, Oct. 14, 1926.	Price, Oct. 7, 1926.	Price, Sept. 30, 1926.	Price, Sept. 23, 1926.	Price, Sept. 16, 1926.
Raw Cotton	Mid. American per lb	6.83	7.15	7.17	8.09	9.03	9.54
	Sakellaridis Fully Good Fair	14.80	15.50	15.70	17.00	18.00	18.55
	Egyptian per lb	13.2	14	14.4	14.2	15.4	15.7
Yarns—32's twist	 per lb	14.2	14.4	14.3	15.4	16	16.2
	40's twist per lb	25.2	26	26.2	27.2	28	28.2
	60's twist (Egyptian) per lb	12.6	12.9	13	13.3	13.9	14.7
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	.....	24	24	24	24	24	25
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	.....	28	28	28	28	29	29
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	.....	13	13	13	13	14	14
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	.....	12	12	12	13	13	13

(II.) Compared with Previous Years.

		Price, Oct. 21, 1926.	Corresponding dates in				
		1926.	1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	 per lb	6.83	11.37	13.62	17.72	14.34	12.55
	Sakellaridis Fully Good Fair	14.80	23.35	24.70	18.60	17.75	23.00
	Egyptian per lb	13.2	18.2	24.2	23.2	20	21.2
Yarns—32's twist	 per lb	14.2	19.2	25.2	23.2	20.2	21.2
	40's twist per lb	25.2	34	35.2	31	28.2	40
	60's twist (Egyptian) per lb	12.6	15	16	18	18	20
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	.....	24	29	36	31	30	35
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	.....	28	34	41	37	31	35
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	.....	13	17	20	19	18	21
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	.....	12	16	18	18	18	20

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The Trade generally remains under a cloud, and so far as the home market is concerned matters will doubtless tend to go worse so long as the coal dispute continues. Reports from all parts of the country reveal a depressing state of affairs in the clothing trade, and it is recognised that it will be a very long time before the disastrous effects of the strike are overcome. The spending power of the public is being reduced, and textiles are always among the first of the ordinary commodities of life to suffer from the draw-in of purse strings. Demand for cloth is limited to very small lots for immediate or early delivery, and the only section of the industry in which there is any activity is that devoted to the production of fancies. This is exemplified in the relatively good demand for such goods as tweeds, and it is noteworthy that the mills in the Scottish Border centres are comparatively well employed. In the ordinary trade, however, wholesale fabric buyers are indifferent. A slight ease in wool values in Australia this week has weakened the position of topmakers, and all quotations are easier, notwithstanding the fact that prices in Bradford are below the replacement level. But even lower values do not stimulate demand, and it is obvious that no buying movement of any magnitude will develop under existing conditions. Spinners are experiencing great difficulty in running their machinery, and there is very keen competition for the comparatively small amount of business on offer.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The outstanding feature of the wool trade this week is the cable information indicating lower values at all selling centres in Australia and South Africa, though prices at Port Elizabeth and East London have been higher than those ruling for the same class of wool even in Sydney. France has been responsible for the extraordinary figures paid for 70-80's Cape wools. It would seem that those who are able to offer their clips early in the season will fare the best. Everything seems to be shaping for a repetition of the course of events during the past two years—very satisfactory prices during the first two months of the season, followed by a gradual decline. So far as home trade buying is concerned, it would seem as if Bradford topmakers have been out of the picture both at the Cape and Australia, particularly the former. Durban has been a cheaper market than either East London or Port Elizabeth, and it would now seem that Australia has taken a turn for the worse, a 10 per cent. decline being reported at Perth last Tuesday compared with the previous sale on September 21. An irregular and easier market is also reported from Melbourne and Sydney. We consider that the slight decline can be taken as evidence that French buyers are less eager to operate, and that Germany and the home trade are determined to have cheaper wool or leave the market entirely to France. No doubt by this time the more urgent requirements of the trade have been covered, and with a big weight of wool still to be catalogued we are not surprised at the slight ease of prices. Bradford is freely discussing whether wool will be purchased in Australia to bring in good 64's tops at 3s 9d. We cannot hear of that price being taken as yet, although it is commonly reported that average 64's have been sold for January-February delivery at 1d more. We have reason for saying that good broken fleece and shaffy pieces and bellies have already been bought to bring in 64's at that price, and there are those who entertain the view that the lowest point has not yet been touched. If so, it would induce home topmakers to cable out to Australia big buying orders, for would be a good thing for growers and the trade generally, for everybody wishes to see a general development of trade. We should say that half the machinery in the West Riding is either standing entirely or running short time, and the outlook from a manufacturing standpoint is anything but satisfactory.

HIDE, LEATHER, AND ALLIED TRADES.

Steadiness continues in the market for domestic hides, and at the auctions held in Bermondsey on Thursday the whole of the offering was cleared at the following figures:—Ox and heifers: best 6½d to 9d, seconds 6d to 8½d; cows, 5½d to 5¾d; bulls, 5½d to 4½d. Calfskins were a firmer market, best selling at from 6½d to 12½d, showing an advance of from ¾d to 1½d per lb. Woolskins made from 5s 8d to 9s 6d, and hogs from 2s 3d to 10s 6d each. The demand for foreign hides from this country appears to lack life, and tanners will not attempt to increase their input in view of the uncertainty of finding a market for the finished leather. Prices for frigorifics, however, remain firm, slightly higher prices being recorded for Argentine ox, which are now quoted at 8½d. Saladero hides are of little interest at the moment, business for shipment being restricted until the new season's goods come forward. Purchases of sole leather are conducted with a great deal of caution. The main difficulty seems to be to supply the right goods at the right price, shoe manufacturers all the time being on the look-out for light weight bends at a low figure. Bellies and shoulders are a fairly satisfactory market, with stocks low. The market for upper leathers is improving slightly, the feature of the week being a much better call for patent leathers for the shoe trade. The Russian boot is accounting for a fair amount of business in the cheaper grades of calf leathers, as also in the case of coloured glacé kid. The boot and shoe trades find business a little better, and certain districts have done tolerably well since the Shoe and Leather Fair.

THE TIMBER TRADE.

FROM OUR OWN CORRESPONDENT.

Since our notes in the *Economist* last month the timber market has still further favoured spot holders of North of Europe building woods. The imports were again much lighter last month, the total decline from January-September amounting to 373,128 loads (of 50 cubic feet), compared with the corresponding period of last year. The demands from the building trade have continued very satisfactory, colliery troubles considered, whilst the ever-rising freight rates have had the effect of enhancing spot values, and at the same time restricting forward buying. With stocks of the above descriptions on the United Kingdom market moderate under present trade conditions, it is not unreasonable to anticipate a still further firmness in values for timber which, up to a few weeks ago, could not be described in any way as high.

The building trade seems to progress despite industrial unrest in the coal industry, and that the spirit of confidence is still maintained in the country is exemplified by the fact that last month plans were passed for buildings outside the L.C.C. area of an estimated cost of £5,666,100, as compared with £3,343,700 in August, 1926, and £5,056,500 in September, 1925, and for the third quarter of the year are of about the same value as for the corresponding period of 1925. This speaks volumes for the promising outlook in the building industry, and, when general trade is restored, for the possibilities of a much larger consumption of wood.

As regards the free on board market for timber from the North of Europe, the higher values of building woods on the spot have not favoured shippers. The latter are under the impression that they have been forestalled by the shipowners with their higher transport charges, as the United Kingdom market especially cannot stand increases on a large scale in both freights and timber. In the Canadian woods section of the market the demand on the whole is not satisfactory, although prices are firm. Imports of spruce have declined considerably this year, the European varieties being in close competition, and no doubt that to no small extent has had the effect of reducing imports of spruce from Canada during the troublesome months through which the country has been passing. The hardwood markets have also shown a stronger tendency on the spot. Mahogany logs of good grade and condition have increased in value, whilst imports were much lighter in September. The lower grades, however, continue to be neglected, although it would not surprise us to see some activity as soon as labour troubles are once more in the background. Other hardwood logs have declined in import volume this year, which has had the effect of keeping the markets firm. In sawn hardwoods the enormous quantities usually to hand from the U.S.A. have suffered a severe decline, which is all to the good of spot sellers. Smaller supplies are also to hand from Canada. All fresh parcels are coming over at increased freight rates, thereby automatically stiffening spot values.

VEGETABLE OILS AND OILSEEDS.

Markets have been more active this week. Linseed oil has been in better demand from the consuming trades, and values have advanced sharply in sympathy with seed, a rise of 40s per ton being recorded. Closing prices on Thursday are £32 5s per ton naked ex Hull mill for spot and all positions to January-April. Cotton oils have met with a good trade, and crude Egyptian is firmer at £32 10s, with ordinary refined at £35 10s. Other seed oils are about unchanged, and palm kernel oil a trifle dearer. In the oilseed section Plate linseed has advanced 10s to 15s per ton owing to the marked rise in freight rates from Argentina and on reports of unfavourable weather. A fair business has been

recorded, up to £16 being paid by Antwerp, Hamburg, and Rotterdam for October-November shipment. English combers are not following the market, nominal value here being £16 to November-December, with new crop quoted £15 12s 6d January-February. South Russian linseed to Hull has been done at £15 5s, October-November, and Riga at £14 7s 6d, same position. Egyptian cottonseed is steady and dearer at £9 10s spot and October loading, a good business having transpired below this figure.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—There was little or no change in the position of actual parcels. Consumptive demand at the moment is quiet, but prices hold together fairly well, as no undue pressure of supplies is felt. Definite news as to crop damage by hurricane *sawit* from Cuba. Indian markets remain quietly steady. There is a steady movement with regard to English-grown granulated, and previous quotations were repeated by most factories. Ely, Ipswich, and Cantley, also Wittington, 29s; Colwick, Poppleton, Spalding, Felstead, and Peterborough, 29s 3d; Kidderminster, 29s 9d; Kidderminster, January-March, 30s; Colwick, &c., January-March, 29s 6d, all ex factory. Ely and Ipswich, 28s 9d, ex store, London. Of British refined, Messrs Tate and Lyle's quotations remained unaltered. Imported kinds steady. Czecho and Dutch J granulated, spot, 28s 3d; white Mauritius, 28s. Forward positions quiet but held for full rates. Czecho granulated, ready for shipment, 16s 1½d; November-December, 15s 6d to 15s 7½d, f.o.b. Hamburg. Dutch J, ready, 16s 3d, f.o.b. Rotterdam. Belgium and Polish crystals firm but quiet. Cuban basis, 96 per cent., October-November, 13s 6d; Peruvian ditto, 13s 4½d, c.f. and i., U.K. White terminal opened quieter, but subsequently ruled steady. A fair amount of business resulted, November, sold, 14s 9½d to 14s 10½d; December, 15s 0½d to 15s 3d; March, 15s 6d to 15s 8½d; May, 15s 9d to 16s; August, 16s 4½d per cwt.

COFFEE.—The market is generally quiet, partly owing to the limited quantity of fine qualities on offer. These realise full prices. Common and medium slow, as export requirements do not extend. Small supplies of mountain-grown Jamaica sold at 20s 9d for bold, and 18s 2s medium; peas, 192s; Kenya, bold, 135s to 145s; peas, 128s to 153s; Santos, on quay terms, 107s to 110s 6d. Futures dull and easier.

COCOA.—Spot market quiet, unaltered. Accra, F/F, November-January, sold, 42s 6d to 42s cwt, f.o.b.

TEA.—Some 65,800 packages Indian were auctioned during the week, and met with fair competition. Good to fine parcels cleared readily at recent rates to a fractional advance, but medium and common ruled ¾d to 1½d lower in most instances. Included were some high-grown Travancore teas, and these realised rather firmer rates. Pekoe, sold, 1s 2d to 1s 11½d; orange, 1s 6½d to 2s 8d;



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TO: DIRECTOR, FBI

ABRIDGED PROSPECTUS.

A copy of the Prospectus has been filed with the Registrar of Joint Stock Companies. The Subscription List will close on or before Wednesday, the 27th day of October, 1926.

P.C.T. CONSTRUCTION COMPANY LIMITED.

(Incorporated under the Companies Acts, 1908-1917.)

SHARE CAPITAL		ISSUED
AUTHORISED.		(including the shares now offered)
750,000	7 per Cent. Cumulative Guaranteed Preference Shares of £1 each	£750,000
250,000	Ordinary Shares of £1 each	£214,439
1,000,000		£964,439

715,000 Seven per cent. Cumulative Guaranteed Preference Shares of £1 each

UNCONDITIONALLY GUARANTEED AS TO BOTH CAPITAL AND DIVIDEND

BY
Provincial Cinematograph Theatres Limited.

PAYABLE AS FOLLOWS:—

An Application	2s. 6d. per share
On Allotment	2s. 6d. per share
On the 14th December, 1926	5s. 0d. per share
On the 14th February, 1927	5s. 0d. per share
On the 31st March, 1927	5s. 0d. per share

The dividends on the Preference Shares will be payable half-yearly on the 31st March and the 30th September. Three pence half-penny per share, representing interest at the rate of 7 per cent. per annum on the amounts payable on application and allotment from the date on which the amount payable on allotment is due, and upon the instalments from their due dates of payment until the 31st March, 1927, inclusive, will be paid on that date. The Preference Shares will rank for dividend as from the 1st April, 1927, and the first full half-yearly dividend will be paid on the 30th September, 1927.

The Preference Shares carry the right to a fixed Cumulative Preferential Dividend at the rate of 7 per cent. per annum on the amounts for the time being paid up thereon. On a winding-up the holders of the Preference Shares are entitled to be paid all arrears of Preferential Dividend down to the commencement of the winding-up, and also to be repaid in priority to the holders of the Ordinary Shares the amount paid up on the Preference Shares, with interest at the rate of 7 per cent. per annum from the commencement of such winding-up until actual payment. They are not entitled to any other rights in the profits or assets of the Company.

The Articles of Association reserve to the Company the right of issuing further shares, ranking *pari passu* in all respects with the Preference Shares now being issued, but Provincial Cinematograph Theatres, Limited, has agreed that it will not without the consent of an Extraordinary Resolution of the holders of the 7 per cent. Cumulative Guaranteed Preference Shares of the Company guarantee either such further Preference Shares or shares of other companies, unless the net profits (before providing for depreciation) of Provincial Cinematograph Theatres, Limited, for its financial year next preceding the issue of such shares as certified by its auditors shall have amounted to at least four times the annual dividend on the shares of this and any other company then guaranteed by Provincial Cinematograph Theatres, Limited, together with the further shares intended to be so issued and guaranteed.

MIDLAND BANK LIMITED are authorised, as Bankers of the Company, to receive at their Head Office, 5, Threadneedle Street, London, and Branches, applications for the above-mentioned 715,000 7 per cent. Cumulative Guaranteed Preference Shares of £1 each at the price of £1 per share, payable on the dates and by the instalments above mentioned.

Applications from existing Shareholders of the Company and of Provincial Cinematograph Theatres, Limited, and associated companies will receive special consideration.

Directors:

THE RT. HON. LORD ASHFIELD, P.C. (Chairman), 43, South Street, Park Lane, London.
WILLIAM EVANS, 123, Regent Street, London.
SIR WILLIAM FREDERICK JURY, Sherwood House, Reading.
FREDERICK SCARF, J.P., 44, Augustus Road, Edgbaston, Birmingham.
THOMAS GILBERT SCOTT, 6, Austin Friars, London.
ANDREW PATON HOLT, 7, Gracechurch Street, London.

Solicitors:

SLAUGHTER & MAY, 18, Austin Friars, London.

Brokers:

LAING & CRICKSHANK, 6, Austin Friars, London.
WRIGHTON, RIDDIFORD & CO., Birmingham.
MACGREGOR, WALKER & CO., Edinburgh.
E. A. & R. M. BAKER, Bristol.
BEEBY & AINSWORTH, Nottingham.
SELBY & CO., Sheffield.

Auditors:

GEORGE A. TOUCHE & CO., Basilston House, Moorgate, London.
Secretary and Registered Office:
E. A. CRISP, New Gallery House, 123, Regent Street, London.

Trustees for the Holders of the 7 per cent. Cumulative Guaranteed Preference Shares:
ROYAL EXCHANGE ASSURANCE, The Royal Exchange, London.

By a Deed, dated the 22nd day of October, 1926, Provincial Cinematograph Theatres, Limited, unconditionally guarantees to the holders of the Preference Shares of P.C.T. Construction Company, Limited, the payment of the Preferential Dividend payable thereon and the repayment on a winding-up of the capital paid up thereon with interest at 7 per cent. per annum to the date of repayment. This guarantee constitutes an obligation ranking in priority to the whole of the share capital of Provincial Cinematograph Theatres, Limited.

The following certificate has been received from the Auditors of the Guaranteeing Company:—

"To the Directors,
P.C.T. CONSTRUCTION COMPANY, LIMITED,
New Gallery House, 123, Regent Street, London, W.1.
Atlantic House,
48, Holborn Viaduct, London, E.C.1.
22nd October, 1926.

Gentlemen,
As Auditors to Provincial Cinematograph Theatres, Limited, we hereby certify that the net profits (before providing for depreciation) of that Company for the past three years were as follows:—

Year ended 31st January, 1924	£146,432 11 8
Year ended 31st January, 1925	£231,496 1 10
Year ended 31st January, 1926	£248,116 19 4
or an average of	£208,681 17s. 7d.

Yours faithfully,

(Signed) HUBBART, DUROSE & PAIN,
Chartered Accountants."

The average net profits of the Guaranteeing Company for the past three years is therefore sufficient to cover the dividend on the whole of the Preference Shares (amounting to £52,500 per annum) approximately four times. In spite of unfavourable trade and labour conditions, the net profits for the first seven months of the current financial year to the 31st August, 1926, exceed those for the corresponding period of the previous year.

A further increase in profits may be expected as a result of the additional facilities provided to Provincial Cinematograph Theatres, Limited, by the present issue.

Provincial Cinematograph Theatres, Limited, has no Debentures outstanding. Its surplus assets, after deducting all liabilities (including mortgages amounting to £634,164), as disclosed in the Balance Sheet as at 31st January, 1926, amounted approximately to £2,500,000.

Prospectuses and Forms of Application may be obtained from the registered office of the Company and of Provincial Cinematograph Theatres, Limited, or from the Company's Brokers or Bankers, or from any of the Theatres owned or controlled by Provincial Cinematograph Theatres, Limited.

The Economist

WEEKLY COMMERCIAL TIMES,
Bankers' Gazette and Railway Monitor:
A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, OCTOBER 30, 1926.

No. 4,340.

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THE MONEY MARKET.

CONDITIONS in the money market at the beginning of the week were not comfortable, and with some calling in of funds by the joint-stock banks short loans commanded from 4½ up to 5 per cent. The enormous applications for the Belgian loan on Wednesday, however, had the effect of increasing the supply of loanable funds, and short loan

rates fell to $3\frac{1}{2}$ per cent., while weekly fixtures, which cover the turn of the month, went on at 4 per cent. The discount market has remained fairly firm, with $4\frac{1}{2}$ per cent. the general minimum for three months' bills, though towards the end of the week there were signs of a slight tendency to weaken on a recrudescence of Continental demand for bills. The steady drain of gold has continued, the net efflux since the readoption of the gold standard now amounting to £4,111,000. Yesterday's Treasury Bills were allotted at an average of $4\frac{1}{2}$ per cent., which compares with 4.27-32 per cent. a week ago.

	Oct. 29, 1926.	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses | Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed a reduction of £1,280,900 in the stock of coin and bullion and an increase of £357,100 in the note circulation. The Reserve was thus £1,638,000 lower, the Proportion falling by 0.6 to 27.3 per cent. Government securities increased by £1,390,000, but Other securities were £2,678,200 lower, and as Public Deposits declined by £2,446,300, there was a decline of £493,700 in Other Deposits. Currency notes were reduced by £1,089,900 to £287,615,400, which includes £1,292,500 for notes called in but not yet cancelled. The fiduciary issue is £230,073,000, or £17,829,000 below the maximum for 1926.

The Bank of Norway reduced its rate of discount on Tuesday from 5 to $4\frac{1}{2}$ per cent. The Czechoslovak National Bank also made a reduction—from 6 to $5\frac{1}{2}$ per cent.—on the same day.

NEW YORK MARKETS.

Our New York correspondent cables:—The share markets are showing a steadier tone on favourable developments, such as the record earning statements of the United States Steel Corporation, General Motors, and the leading railroads covering nine months, the higher dividends just declared or in prospect, the unprecedented movement of railroad traffic, and easier money tendencies. The recovery is restrained, however, by the imminence of Congressional elections and some further decline in the steel and motor industries. Credit conditions are easy, following the passing of mid-month operations, but the approach of the end of the month settlements is beginning to make itself felt. The week's statements of the Reserve System and of the local bank show a moderate increase in discounting on this account, and the ratio for the System fell to 73.6 and for New York to 83.5 per cent. The Belgian stabilisation plans were well received, and the investment market eagerly snapped up the bond issue. Bankers are hopeful that early action will be taken by France and Italy in regard to currency stabilisation.

THE STOCK MARKETS.

The outstanding event of the week has been the issue and heavy over-subscription of the Belgian loan for £7½ millions in 7 per cents. at 94. Dealings in the scrip are expected to open on Tuesday. The gilt-edged market is inclined to be a little better, and the deduction of the interest from the price of 5 per cent. War Loan brought in a little business. The rise in the value of the franc produced an improvement in French bonds, but other foreign Government securities are mostly lower. Home rails took a favourable turn on brighter coal prospects, and Argentine railway stocks have held up well, but United of Havana remain weak. The Colonial Office statement as to output for the next quarter had little effect upon rubber shares, which remain dull. Oil shares, on the other hand, have been good under the lead of Anglo-Persians. Shipping shares have risen on the boom in freight rates, and the iron and steel market is better, but Marconis have reacted and electricity shares are easier. Nobels have shown conspicuous strength. Tin shares have given way

on the fall in the price of the metal. Kaffirs have been under the influence of Paris, which has alternated between buying and selling.

THE COMMODITY MARKETS.

Conditions continue to show little change as a whole, slight increases of activity in some markets having to be set off against declines in others. Coal prices have again had an upward trend, though arrivals at Cardiff of tonnage with American cargoes have been more numerous. A brisk demand exists for iron and steel, but the difficulty of obtaining delivery is restricting business. The low price of cotton is now attracting buyers, while in the cloth market a considerable demand has been met with from India. Wool is slightly easier in overseas centres, but British textile manufacturers are still finding it necessary to restrict their output as a result of high working costs and the unsatisfactory state of order books. Jute quotations maintain higher levels than were expected. Wheat prices are firm owing to increasing freights rather than any upward tendency in producing countries. Steady support has been forthcoming for sugar, but coffee and tea have moved quietly. Rubber has attracted little attention in the last week of the current "restriction" quarter, and prices show slight change. Among non-ferrous metals, tin opened firm, but later developed irregularity, while copper reacted on a revival of speculative interest after an easy opening. Lead has been dealt in on a fair scale.

FOREIGN EXCHANGES.

There has been slightly less activity this week in the foreign exchange market. Interest has, of course, centred on the Belgian stabilisation, and general satisfaction is expressed that Belgium should have taken this step, not only for her own sake, but as a definite movement towards the restoration of normal conditions on the Continent. The return to a gold exchange standard is achieved by means of a new unit of account, the "belga," for foreign exchange transactions only, which has a gold content of .209211 grains fine gold and is fixed by law as the equivalent of 5 paper francs. In Belgium itself the franc remains the sole legal currency, but the convertibility of the note issue is restored. The new parity of exchange is 35 belgas (i.e., 175 francs) to the £ sterling. The secret of the new parity had been well preserved, and it would seem as if the market had anticipated a slightly lower rate since the quotation fell from an opening figure of 173½ on the 22nd to 171½ at one time on Saturday. On Monday, however, as the stabilisation details became known, the rate moved up to 174½. On Tuesday the stabilisation decree came into force, and the belga was quoted for the first time, the rate being 34.83½. The belga, therefore, stood at a slight premium over sterling, which is, of course, slightly depreciated in terms of gold at the moment. Sentiment also played its part, as was shown on the following day, when the rate rose to 34.86½, in spite of the success of the Belgian loan. On Thursday the rate was unchanged, but yesterday morning it fell again to 34.85½. In Paris the downward movement continues, assisted by the reported declaration of M. Poincaré that a lower rate was necessary before stabilisation could be undertaken. As a result there has been a large demand for francs in Paris duc, in part, it is believed, to the return of much of the capital exported earlier in the year when confidence in the franc was at its lowest. It is understood that advantage has been taken of this opportunity to strengthen the official reserves of foreign currency. From 161½ on the 22nd, the rate fell to 158½ by Monday, and, after a slight reaction to 158½ on Wednesday, to 154½ at Thursday's opening. Forward rates have narrowed to a discount of 50 centimes for one month and 2½ francs for three months. In Italy the rate fell further over the week-end, from 111 on the 22nd to 106½ at one time on Tuesday. How far this movement was artificial it is difficult to say, but a reaction occurred at this low level, and the rate rose to 113½ on Wednesday. A good Bank of Italy statement, however, showing a reduction in advances to the State and an increase in reserves brought the rate down to 110½ again

on Thursday. New York, after a slight fall over the week-end, has been remarkably firm, with a demand for sterling on any sign of weakness, which is attributed in part to the transfer of the proceeds of the New York portion of the Belgian loan to Brussels via London. From 4.84½ on the 22nd the rate fell to 4.84½ on Saturday and to 4.84½ on Monday, since when it has remained steady at that figure. Forward rates show little change at par to 1½ cent premium, both for one and for three months. Amsterdam has been steady around 12.12½, but Switzerland has risen on balance from 25.13½ to 25.14, and Stockholm from 18.14 to 18.14½. Madrid has fluctuated somewhat, rising as high as 32.21 on Saturday, and then, after touching 31.92 on Monday, rising slowly again to 32.09. Berlin is fairly steady around 20.38½, and gold shipments to Germany, like that made on Thursday to Canada, are believed to be special operations rather than ordinary market transactions. Of the other European exchanges there is little of interest to be said, except in Oslo, where the rate has risen from 19.36½ to 19.45. In the East, the rupee has weakened fractionally from 1s 5 29-32d to 1s 5½d, while the yen has improved from 2s ¾d to 2s ¼d. The silver market has witnessed a rise in prices on speculative buying from China. Shanghai, after rising from 2s 4½d to 2s 5½d by Wednesday, relapsed again to 2s 4½d on Thursday morning, but Singapore has been steady around 2s 3½d. In South America, Rio showed a firmer tendency over the week-end, but reports of political disturbances, though discounted, led eventually to a slight set-back from 6½d to 6¾d. Buenos Aires also fell fractionally from 45½d to 45¼d, and Monte Video from 49½d to 49¼d. Valparaiso has depreciated from 39.42 to 39.56 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended October 23rd:—

(000's omitted.)		
EXPENDITURE.	£	RECEIPTS.
Supply Services	8,200	From Revenue 15,904
Interest, &c., on Debt	1,071	
Sinking Fund	417	
Sundries	442	
Increase in Balances	19	
Decrease in debt	5,755	
	15,904	15,904

The Revenue for the week amounted to £15,903,700, as compared with £12,686,700 in the corresponding week last year. Customs were higher at £3,207,000, against £3,168,000, while Excise amounted to £7,375,000, against £3,684,000. Property and Income-tax brought in £1,621,000, against £1,080,000, and Super Tax £340,000, against £570,000. Ordinary Receipts were only £600, as compared with £274,700, and Special receipts £87, as against £200,000. The week's operations reduced the National Debt by £5,755,000, and caused the following changes:—

(000's omitted.)		
£		£
Public Department Advances ..	7,000	Treasury Bills + 1,795
National Savings Certificates ..	50	
Sundries	500	
	7,550	+ 1,795

The floating debt was reduced by £5,210,000 to £779,926,000.

FINANCIAL YEAR, 1926-1927 (April 1 to October 23, 1926).

£		£	
Total Expenditure ..	445,949,440	Raised by Revenue ..	366,817,896
		Decrease in Balances ..	3,895,950
		Amount borrowed ..	75,261,954
Total	445,949,440	Total	445,949,440

ESTIMATES FOR FINANCIAL YEAR 1926-7.

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		
† Revised in Exchequer Return dated July 26, 1926.			

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Entre Rios Railways, United Railways of the Havana and Regla Warehouses, Assam Railways and Trading, Argentine Great Western Railway, United Steel Companies, Drapery and General Investment Trust, Argentine Light and Power, Lanka Plantations, Sungei Kari (Sumatra) Rubber Estates, Sumatra Para Rubber Plantations, Sengat Rubber Estate, United Dairies, Raphael Tuck, and Herrburger Brooks. At the meeting of the United Steel Companies Mr A. O. Peech gave an interesting review of conditions in the iron and steel industry, and was hopeful in regard to the outlook.

COAL POLICY AND DISLOCATION.

THE periodic re-assemblies of Parliament for the purpose of prolonging the Emergency Powers Regulations, of which the third has taken place this week, have each in turn been looked forward to as possible occasions for a successful peace move in the coal dispute. Each, including the latest, has been disappointing and abortive. Indeed, one would have to search many volumes of *Hansard* to discover a debate more sterile than that which took place on the coal dispute in the House of Commons last Monday. Mr Clynes led the attack on the Government, in a speech that did nothing more original than accuse Mr Baldwin of siding with the owners, and urge him to make a new effort to bring the parties together. He was followed by Mr Lloyd George, who devoted most of his speech to the familiar ground of the loss to the nation and the futility of a peace by surrender; and, in reply, the Prime Minister, while defending himself against charges of partiality, revealed a complete bankruptcy of policy and ideas, and merely reiterated the Government's refusal to take any new step. "It is not for the Government," he said, "to advise the contending parties how they should settle what is, and must remain, an industrial dispute of the first magnitude. It is for them to do it." On the lips of a Premier who had always preached and practised non-interference by Government with industry such a statement would at least have the merit of consistency. But it is surely a wretched confession of failure and despair when made by a Government which has given £23 millions to the industry, appointed a Royal Commission whose report it accepted, and repeatedly intervened without success in the struggle from which it thus apparently determined to stand completely aloof. Mr Baldwin is on safe ground when he attributes the failure to reach a settlement to the ineptitude of the leaders on both sides. Nor, until there is a change in the trend of leadership, is there any hopeful line for the Government to pursue. But it is one thing to say that no opportunity for intervention exists at the moment, and quite another thing to say, as Mr Baldwin most explicitly said (if words mean anything), that the Government stand out of the struggle, and would remain spectators to the bitter end. We suggested last week that Mr Pugh's letter to the *Times* advocating a policy of "back to the Report," might even at this late hour open the door to negotiations. Such a prospect might have been advanced if Mr Baldwin had included in his speech even the lightest phrase suggesting that if the miners would follow Mr Pugh's lead the Government would implement its acceptance of the Report. Instead, the speech was utterly devoid of hope in any direction, and left the country to face the prospect of complete certainty of a slow and intensely costly progress through the remaining stages of a war of attrition to a peace which could possess no element of satisfaction or durability.

Subsequent events, however, suggest that Mr Baldwin either did not mean his words to bear a bald literal interpretation, or else that he has changed his mind. For since the debate in question he has so far concerned himself with the dispute as to interview the members of the T.U.C. Council, and to promise to see them again, if and when they can show that they are in a position to speak for the miners. The T.U.C. Council are seeking to obtain the necessary authority to negotiate, and to this

end arranged to meet the miners' delegates yesterday. At the time of writing the upshot of the meeting is not known, but upon it depends what would seem to be the last chance of avoiding a fight to a finish. Mr Churchill, too, in a speech at Loughton on Monday night, gave the lie direct to Mr Baldwin's statement, and said: "The Government are ready to use their good offices to bring together both parties.....We are even ready to legislate if one or other of the parties makes demands which are outrageously unfair." Who speaks for the Cabinet? Mr Baldwin or Mr Churchill? The Premier throws well-merited stones of condemnation at the leadership of the owners and miners; but is he not himself living in a glass house?

Meanwhile, the economic loss to the nation swells steadily. Our Trade Supplement last week and the reports which we publish regularly from commercial and industrial centres reveal cumulative effect and diverse ramifications of the fuel trouble. Indeed, it is clear that there will be widespread disturbance if the stoppage is very much prolonged. Well over 100 million tons of output have been lost—which is roughly 26.5 per cent. of Europe's annual production. Britain, which in 1925 supplied some 36.3 million tons to Europe, is becoming an important importer on a very large scale. Naturally the dislocation is no longer confined to British industry. It may be said to be world-wide. Ocean freight rates have for the time being been put completely out of gear. Heavy charterings for the carriage of American coal have left grain exporters everywhere short of tonnage at their busy season. The freight rate for grain from Canada to Britain has jumped up to 6s 6d per quarter, against 3s 4d a year ago, while the rate from the River Plate to Britain shows an even greater advance at 42s 6d per ton, against 16s 6d in October, 1925. These are only two illustrative examples of a general dislocation of international shipping. On the Continent of Europe the visible effects of Britain's coal stoppage are spreading, and in many places there is developing a shortage of fuel supply more serious than our own. In Denmark stocks are so short that rationing has begun in Copenhagen. In Austria the supply has sunk so low that the Government has called a conference to consider measures to prevent severe hardship in the winter. From Warsaw the *Times* correspondent reports as follows:—"The increased export of coal from Poland has adversely affected the home market, which during the past week has been inadequately supplied, and gas works in Galicia were about to import coal from Czechoslovakia. The matter was taken up yesterday by the Cabinet, who decided to order the Polish Railway to serve exclusively the Polish coal market during the forthcoming week, and not a single train will carry coal for export abroad." These few random instances are of themselves sufficient to show that interest in the curtailment of the mining struggle is not confined to one industry or one country, but to many activities in many parts of Europe and the world. There are, it is true, coal producing areas abroad which are reaping a rich harvest from our difficulties. But, just as the basic difficulties of our own coal industry were not only not removed but were ultimately enhanced by the boom which followed the occupation of the Ruhr, so to-day the Ruhr and other areas which are momentarily benefiting may realise that the aftermath which they will have to face will more than counterbalance the temporary help derived from an artificial demand.

What are the prospects that the end is in sight? The pace of the drift back to the pits has of late been somewhat accelerated. Last week we could only record an increase of 4,000 in the total number of miners at work. This week has seen an addition of nearly 28,000. Of a total of 1,107,000 employed before the dispute, about 266,000, or nearly one-quarter, have now resumed, including the safety men who were never withdrawn. The acceleration is most pronounced, as in recent weeks, in Notts, Derby and Leicester, where over 86,000 out of a normal total of 131,500 are now at work. The Yorkshire figures are a little better, but in Scotland and in the great export districts of South Wales and Northumberland and Durham progress is still exceedingly slow. In these three areas together there are still less than 60,000 men at work out

of a normal total of some 560,000. The fact of the matter is that in the districts where the best terms were offered, and where unionism was weakest, the men have substantially given way; but that elsewhere the owners' confident belief that if any appreciable number resumed the men's resistance would collapse, has been completely falsified. If the rest of the men dribble back as slowly as the first quarter of a million it will be next August before the mines are fully at work again. This is the hard fact with which the Government is faced at the end of six months.

In the face of this situation, it is impossible for the Government to continue indefinitely to adopt a policy of drift. In a matter of vital importance to the whole nation a point must come where the Government must decide for itself what are the right and fair terms on which the mines should open, and use all the manifold resources at its disposal to enforce them. *Salus populi suprema lex.*

FINANCIAL RECONSTRUCTION IN BELGIUM.

By a Royal decree dated Monday, October 25th, the Belgian National Bank was required forthwith to redeem its notes in gold or gold exchange at the rate of 5 Belgian francs to 0.209211 grammes of pure gold. The means for enabling it to do this were assured by the grant to the National Bank of a credit of 35 million dollars by a group of other Central banks and by the stabilisation loan of 100 million dollars issued on behalf of the Belgian Government on Wednesday, the proceeds of which are to be handed by the Belgian Government to the Bank in part repayment of its debt. By thus tying the franc to gold Belgium joins the growing group of "hard-money" countries in Europe, and retrieves the failure of the attempt to stabilise her currency which she made last spring.

This latest effort at financial reconstruction is of considerable international interest, for while it has been necessary for Belgium to seek the co-operative assistance of other countries, she has been able to obtain this assistance without any formal control over her internal finances. This is an important departure from the schemes adopted in Central Europe which involved a League of Nations control and from the rehabilitation of Germany under the Dawes control scheme. A further point of interest is that it involves for the first time the co-operative action of the Central and Reserve banks of Europe and New York, a form of collaboration which, it will be remembered, was foreshadowed by the Genoa Conference. In the League schemes great importance has quite rightly been attached to the fact that the Finance Committee of the League consisted of people acting not in their business capacity, but as trustees of Europe's welfare, and it is difficult to believe that such large measures of control as the League exercised could have been entrusted to any body that was not completely disinterested. The need of a temporary surrender of sovereign rights does not arise in the case of Belgium, but it is perhaps worth pointing out that the consortium of Central banks which has played so important a part in the present scheme also consists, not of a mere group of creditors, but of men whose primary function is to safeguard the stability of their national currencies and to keep them in their fixed and proper relations to one another. They are, in fact, the permanent guardians of Europe's currency system. The issue of the stabilisation loan through leading financial houses has also interested a wider circle of the banking community in the success of the scheme.

The present stabilisation plan is not one which has been evolved by any outside body, but is essentially a Belgian product, built up in the light of the very full and varied experiences through which European countries have passed in the last few years. At the same time, the National Bank of Belgium has had to satisfy the other Central banks that in its charter and in the arrangements it had made with its Government it has full powers and adequate resources for carrying out the plan of currency stabilisation entrusted to it. The Belgian Government, on its side, has also had to satisfy the financiers responsible for raising the loan that appropriate measures have been taken for balancing the Budget and maintaining equilibrium. The Government's assurances are contained in the letter to the bankers printed in the prospectus.

Having received these various assurances, and having satisfied themselves of Belgium's ability to carry out her intentions, the bankers have no further responsibility in the matter except perhaps the moral obligation to make the task of the Bank of Belgium as easy as possible whenever opportunity offers. With the monetary resources now placed at her disposal, Belgium shoulders full responsibility for maintaining a sound and stable currency, and for preserving her public finances in a solvent condition. In this task she has the good wishes of the world at large. We look with confidence to see it successfully carried through by a nation which has faced much greater crises without flinching, and shown not many years ago that it was possessed of unusual qualities of patience and determination.

The chief features of the plan are the provisions which have been made for balancing the Budget, the redemption of the State's debt to the bank, and the institution of the new currency standard. As regards the first of these, the letter in the loan prospectus which is signed by the Minister of Finance and by M. Francqui rehearses:—That the internal floating debt has already been reduced from 6,300 million francs to 2,153 million francs under the plan for conversion into the preference shares of the Belgian National Railway Company, inaugurated at the end of July last; that full provision has been made to meet the external floating debt of Belgium out of funds already in hand; that an autonomous institution has been set up to undertake the amortisation of Government debt from special taxes voted for the purpose, from the proceeds of the sale of the remainder of the preference shares of the railway and from the sale of Government property; that steps have already been taken to put the railway on a paying basis by raising rates and fares; that the Government is confident that the expenditure of 1926 will be met from current income, and that debt repayments to the extent of 600 million francs will be possible (after taking credit for the proceeds of floating reparation bonds to the extent of 512 millions); and that the Government undertakes to present to the House a balanced Budget for the year 1927, including under the heading of expenditure sinking fund payments sufficient to reduce the public debt by 1,350 million francs.

As regards the position of the National Bank, our Belgian correspondent, writing on October 25th, points out that it will be in a much stronger position than was possible under the plan of the early spring. He writes:—

The National Bank will have a better control over the money market; it now definitely disposes of a foreign loan of 100 million dollars; the bulk of the floating debt has been consolidated, and the State is assured of abundant sources of income, thanks to the substantially increased taxes of all kinds.

The present metallic reserve of the bank, which up till now had been reckoned in pre-war francs, will now be indicated in terms of present francs, and the nominal increase of about 1,900 million francs resulting from this re-valuation will be abandoned to the State, after deduction of 600 million francs, which will serve to repay the balance of the external floating debt still existing. As the State will further be credited with 3,400 million francs, being the proceeds of the stabilisation loan which it hands over to the bank, the present debt of the State to the bank will be reduced from 6,700 to 2,000 million francs. This balance of 2,000 millions will be paid off as soon as possible, and may not be increased in future.

The National Bank is bound to maintain a gold and gold exchange reserve equal to at least 40 per cent. of its liabilities at sight, of which a minimum of 30 per cent. must consist of gold.

This percentage will probably be much exceeded, seeing that against an amount of slightly over 10 million francs of notes and deposits the bank disposes of the following reserves: stabilisation loan, 3,400 million francs; gold, 2,000 millions; foreign exchange (after deducting 600 millions for repayment of foreign floating debt), 600 millions, making together 6,000 million francs, or a reserve ratio of 60 per cent.

The third feature of the plan is the introduction of the new currency unit to be called a Belga, which is equal to five francs. It is fixed at about 35 to the £, and will henceforth appear exclusively in the official exchange quotations. If and when the Bank issues new Belga notes the holders of francs will be entitled at any time to obtain them at the rate of five francs to one Belga. The notes will be convertible at sight in metal (but not in gold coin) or in foreign exchange at the option of the Bank. It is unfortunate that this plan should add yet another to the many monetary units of Europe, and that the exchange rates should be fixed at such points that it is difficult to see any likelihood of converting them all in

a simple and readily understood way into a common unit such as that which prevailed in the Latin monetary union. The Belga at 35 to the £ is very close to but not quite equal to the new Austrian schilling, whose parity is about 34½. The stabilised Hungarian pengo is at about 27.82 to the £, and the rates at which the currencies of other countries with pegged exchanges have settled down are at the most inconvenient ratios to one another. This complication adds another difficulty to international trade, but it is, after all, a matter of secondary importance compared with the need for stabilisation.

The success of the Belgian loan in London has been phenomenal, the over-subscription being probably the largest of any loan issued since the war. This is, of course, no indication whatever of the amount of money available for investment in Belgium or anywhere else, but is a ludicrous result of the growing practice of putting in excessive applications for a loan which is likely to be over-subscribed and will perhaps go to a premium. One large broker is said to have applied for an amount as large as three times the amount of the whole loan, while applications for ten times the amount which it was desired to take up were a fairly common rule. The over-subscription is therefore an indication of nothing more than the conviction that, in view of the auspices under which the loan was floated and of the conditions of the stabilisation scheme, the loan was certain to succeed, and was being issued on terms very favourable to lenders. Indeed, these terms have already been criticised as too severe; but in this connection two points have to be borne in mind. The first is that, in view of the failure of the attempt to stabilise the Belgian currency last spring and of the doubts expressed in many quarters whether it would be possible to stabilise the Belgian franc while the French franc remains still unstabilised, it was essential to run no risk of failure. Indeed, on the previous occasion there was some disposition in Belgium itself to question the necessity of the measures proposed to her for putting her finances in order. On the other hand, the experience of the summer quite changed the outlook of the Belgian people. Belgium, like Great Britain, but unlike France, is a country essentially dependent upon the importation of foreign food supplies, which she pays for by unusually large exports per head. She is an industrial country whose whole economic existence is bound up in international trade, and the drawbacks of a fluctuating currency are very quickly brought home in such circumstances. The public support for the stringent measures taken by the Government this year have been ample evidence of this change of opinion, and the Government was itself quite clearly of opinion that it was worth paying a very considerable price to ensure the success of this second effort. The other consideration is that after Belgium settled her debt with America she borrowed in that country, and the rate at which she could borrow on the present occasion was primarily governed by the price at which these bonds are selling in the American market, seeing that 50 million dollars of the present stabilisation loan has had to be floated in that country (the balance is made up of £7½ millions in England, £1½ millions in Holland, 32 million francs in Switzerland, and 9 million kroner in Sweden). It would appear from the success of the loan in London that England rates Belgian credit a little higher than does the American market. The amount of the loan floated this week is a large one for a small country like Belgium, but, fortunately for her, she is not overburdened by colossal war debts. The present issue, which amounts to nearly £3 per head, brings her external debt up to £22 per head, while her internal debt is £24 per head, making a total of £46 per head, a capital sum which is a little more than one year's purchase of her national income, which has recently been estimated at about £40 per head per annum. This is not unduly heavy in comparison with the debt burden of Great Britain, which is £175 per head, against a national income of about £93 per annum. The fact, however, must not be overlooked that although our total burden is much heavier, only £20 per head of it is a foreign debt. Belgium may, however, still expect to get substantial receipts from Reparations, which will enable her to meet her obligations.

There remains one feature of the scheme to which,

perhaps, attention should be drawn. Among the list of Central and Reserve banks co-operating in the plan, which includes in addition to the Federal Reserve Bank of New York the Central banks of Austria, England, Germany, Holland, Hungary, Japan and Sweden, there appears also the name of the Bank of France. This fact clearly shows that the central institution in France realises the necessity of stabilisation by returning to a gold or gold exchange standard, and it may reasonably be assumed that its influence will now be exerted in favour of a similar plan for France. Moreover, it would not, perhaps, be altogether a rash deduction that its co-operation would hardly have been given unless the bank had satisfied itself that its action was agreeable to the French Government.

THE IMPERIAL CONFERENCE AND THE ECONOMIC PROBLEM.

ANYONE who will take the trouble to turn over the pages of the record of proceedings at the Imperial Economic Conference of 1923, and will then compare the opening speeches made on that occasion with those delivered last week by the President of the Board of Trade and the Dominion Premiers, will be struck at once by one decided difference. The problems discussed, the general ground covered, are very much the same as in 1923. The difference is one of emphasis. Three years ago, out of all the devices for the increase of inter-Imperial trade that were discussed, outstanding emphasis was laid on the device of preferential duties. This year preferences have been mentioned, as indeed they must be in any Imperial trade discussion, but they do not loom large in the picture, and the tone of the remarks concerning them has changed.

Let us test this change by the manner in which it is exhibited in the speeches of two protagonists who were present at both conferences. In 1923 Sir Philip Cunliffe-Lister (then Lloyd-Graeme) said: "We have definitely established the principle of Imperial Preference in our own more limited fiscal system. We wish to apply that principle within the scope that is practicable for us, so as to stimulate still further the development of Imperial products and Imperial resources.....On our part we shall certainly approach the question of preference with a strong desire to increase our mutual trade, ready and willing to take what action is possible for us....." These phrases were the tiny cloud on the horizon which rapidly overcast the political sky; for within a few weeks of their utterance Mr Baldwin had plunged for a wide scheme of tariffs and preferences and had been rejected at the polls. Last week Sir Philip contented himself with a defence of preferences already accorded, but made not the slightest hint of extension. The emphasis was placed elsewhere. Speaking of the development of inter-Imperial trade, Sir Philip said: "If I were asked to name in a sentence the most important factors in securing this development, I think I should be inclined to say migration, transport, sanitation." The change is as welcome and helpful as it is clearly marked.

The second test is supplied by the comparison of the opening speeches made by Mr Stanley Bruce, Prime Minister of Australia, in 1923 and 1926. In 1923 Mr Bruce covered page after page of the official report with a discussion of tariffs, which amounted, in the public view at any rate, almost to a request for a widely extended preference system. In discussing possible measures he went so far as to say: "I must give my first choice to a tariff on foodstuffs and raw materials with preference to the Dominions." To Mr Bruce was popularly attributed the influence which drove Mr Baldwin to his disastrous tariff plunge. He has since unequivocally repudiated the idea that he came here to try to change Britain's fiscal system. We accept his disavowal; but the fact remains that his public speeches in London in 1923 gave the general impression of a demand for preference. In 1926 the change is very clearly marked. In the lucid and constructive speech delivered at the Conference last week only minor and narrative reference was made to tariffs, and the emphasis of his statement was placed in quite a

different direction, namely, in the argument that the greatest economic interest of the Dominions was to see Britain climb out of her industrial troubles on to the firm ground of prosperity. We do not wish to misinterpret Mr Bruce, but we are almost disposed to read between the lines of his speech the realisation that the imposition of tariffs with a consequent increase of production costs is not the best means to achieve this end. Here are his words: "What we are trying to see to-day is where are the markets for Britain in the future, since the development and progress of the Dominions, certainly of Australia, absolutely depend upon the purchasing power of Britain, and that purchasing power can only be ensured if Britain is maintaining her commercial position, if her people are in employment, and if her purchasing power is increasing in relation to the increase of the production that we have to dispose of."

We have insisted at some length upon these two examples of changed attitude because we believe them to be not unrepresentative of the movement of opinion. In this connection we may call attention to a long article in the *Economic Record* of Melbourne, the journal of the Economic Society of Australia and New Zealand, in which Professor F. C. Benham, of the University of Sydney, investigates the Australian tariff and its effects in Australia, and reaches definitely free-trade conclusions. But, to return to the Conference, it is impossible even for a tariff enthusiast to base upon the Imperial delegates' speeches the slightest claim that any demand for preference is being made by the Dominions. The proceedings in 1923 and at previous conferences did lend colour, at least, to such a claim.

We are glad, therefore, to think that effective work by the present Conference on important problems such as migration, settlement, transport, communications, marketing, sanitation, research, the dissemination of information regarding market requirements, will not be impeded by the diversion of attention to controversial fiscal doctrines. Before we pass from the subject, however, we must revert to the speech of the President of the Board of Trade. This contained some figures relative to the growth of inter-Imperial trade, which require a good deal of annotation. Sir Philip's statement was as follows:—"In the first half of 1926 one-third of our imports came from the Empire. In the same period nearly half of our exports went to the Empire. Both these figures include trade to and from the Irish Free State. To obtain a fair comparison with the pre-war period that trade must be excluded. But even so, the figures are hopeful and suggestive. In 1913 the Empire proportion of our imports had risen to 31 per cent. In the last 12 months the proportion was 24.87 per cent. In 1913 the Empire took about 37 per cent. of our exports; in the last 12 months the Empire took about 42 per cent. This volume of trade is enormous in itself; but when we consider the relative population of the Empire and the rest of the world the proportion and the growth are still more remarkable. And when we visualise the further possibilities of development we must find hope and encouragement in a difficult time." The picture painted by Sir Philip, unfortunately, owes some of its brightness to the statistical method adopted. He is not guilty of mis-statement, but is open to a charge of *suppressio veri*. He has based his comparison too narrowly, selecting for his purpose one pre-war year (1913) and one post-war year (1925-26). In order to obtain a proper perspective it is necessary to spread the comparison over longer periods. For this purpose we append a table showing the Empire's share in Britain's import and export trades over various periods:—

EMPIRE'S SHARE OF BRITISH TRADE.			
	Empire's Share of Imports.	Empire's Share of Exports.	%
Average, 1903-13.....	23.6	35.2	
1913.....	24.9	37.2	
Average, 1919-21.....	31.7	35.5	
1922.....	31.7	39.7	
†1923.....	27.6	37.2	
†1924.....	27.0	37.8	
†1925.....	29.8	39.3	
†Year ended June 30, 1926.....	30.4	41.5	
† Excluding trade with Irish Free State.			

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If the 1903-13 average, or the 1919-21 average, be compared with the average of the last three calendar years, 1923-25, the result is by no means so encouraging as that produced by Sir Philip's method of selecting individual years. In 1923-25 the rest of the Empire supplied 28.5 per cent. of Britain's imports, as compared with 31.7 per cent. in 1919-21 and 23.6 per cent. in the pre-war decade. Similarly, the Empire's share in Britain's export trade rose from 35.2 per cent. in 1903-13 to 35.5 per cent. in 1919-21 and to 38.7 per cent. in 1923-25. The figures are not such good material for satisfaction as those of Sir Philip. There is, moreover, another side to the question, which Sir Philip mentioned, but did not illustrate with statistics. It is that during the period covered by these comparisons the total trade transacted by the Dominions has grown very largely. Of that increase in total Dominion trade Britain has not maintained her share. Here are some figures bearing on the point, which we have compiled from the League of Nations Memorandum on Balance of Payments and Foreign Trade Balances, 1911-1925* :—

Imports Into	Per Cent. from Great Britain.			Per Cent. from Other Countries.		
	1913.	1924.	1925.	1913.	1924.	1925.
Canada	21.3	19.0	17.7	78.7	81.0	82.3
South Africa ..	56.8	51.5	50.0	43.2	48.5	50.0
New Zealand...	59.7	51.1	52.0	40.3	48.9	48.0
India	64.2	54.4	52.3	35.8	45.6	47.7
Australia	51.8	45.2	43.9	48.2	54.8	56.1

Exports From	Per Cent. to Great Britain.			Per Cent. to Other Countries.		
	1913.	1924.	1925.	1913.	1924.	1925.
Canada	49.9	37.0	38.6	50.1	63.0	61.4
South Africa ..	88.7	61.4	56.2	11.3	38.6	43.8
New Zealand...	78.9	79.9	79.8	21.1	20.1	20.2
India	23.5	25.5	22.2	76.5	74.5	77.8
Australia	44.3	38.1	42.7	55.7	61.9	57.3

Precise deductions from these figures should be cautiously made, because they are open to the same objection as those of Sir Philip, in that they deal with single years. They are, nevertheless, indicative of a definite, and in many cases a formidable, downward trend in the share of the total trade of the Dominions enjoyed by the Mother Country. This fact lends emphasis to, if it has not inspired, the strong insistence with which both Mr Bruce and Mr Coates, the Premier of New Zealand, have pleaded with British manufacturers to make a closer study of the individual requirements of Dominion markets. Both have directed their plea to the motor industry in particular, but it is applicable in some, if lesser, degree to a wide range of British export industries.

* Obtainable from Constable and Co., London. Price 5s.

GREAT BRITAIN AND CHINA.—III.

WHAT is the future of China, and what is the future of British trade with her? As things are, these two questions can only be answered in the form of very tentative speculations. Yet speculations, of a sober and rational kind, are the presupposition of policy, and, as has been suggested in a previous article in this series, a definite British policy in China, and towards China, is a crying need. Therefore some speculation is unavoidable; and our first question—the future of China—evidently comes before our second—the future of British trade. In attempting to peer into the future of China we may obtain valuable guidance from her past. The recorded history of China dates back at least 3,000 years, and the last 2,000 out of the three seem to shape themselves, when we look at them in perspective, into something like a regular rhythm. Since the warring States of the ancient Chinese universe coalesced into one Chinese universal empire in the third century B.C., Chinese society has never again permanently fallen apart into its constituent elements. There have been bouts—almost regular pulsations—of disintegration and anarchy. Sometimes these bouts have lasted for several centuries; for China, like Nature, lives her life in the grand manner, and is prodigal of time and energy. So far, however, each bout, however long drawn out, has ended in the rebirth of a United China—a rebirth in which the foregoing period of storm and stress has found its explanation and its reward. Through this cycle of dissolution and rebirth China perpetually renews her vitality. Once upon a time the sorceress Medea possessed a magic cauldron, and if you allowed her to chop you up and boil you, she could bring you out of the cauldron—if she chose—a new man. China is a Medea who periodically performs this terrifying operation upon herself—hitherto with unflinching success. What is her secret? Sometimes, at any rate, she appears to season her witch's cauldron, when it is on the boil, with secretions from the thyroid glands of a foreign devil. For example, after the China of the Han had cast herself into the seething pot there emerged in due course the China of the T'ang, fortified by a life-giving tincture of exotic Buddhism. And ever since we "barbarians of the South Seas" first landed on the Chinese coast, modern China seems to have been ruminating as to whether a tincture of our life force might serve her purpose in her next rejuvenation. Under the Mings and Manchus she very nearly decided to take the Western tincture in the form which the Jesuits offered. As it is, she appears to be taking it, a century or so later, in the alternative form of the industrial revolution. In 1911, after mature deliberation, she made her habitual plunge into the revolutionary cauldron, and how soon she will emerge this time only China knows. She may take months or years or generations, but it is safe to reckon that, sooner or later, she will triumphantly emerge with an infusion of our industrial civilisation in her blood and with her physique reinvigorated. At present

China presents, to the uninitiated Western observer, a spectacle of mere distraction. There is not only war between province and province, tuchun and tuchun, faction and faction, there is a rift between class and class. The mass of the Chinese people to-day belongs to the peasant class—the vegetative element in the Chinese soul which, through each successive rejuvenation, continues to sow and reap and somehow miraculously keeps alive. Then there are the educated classes—among whom the unresolved discord between the old life and the new is visible at this moment in the contrast between the Western-educated students and the Confucian literati. Finally, there are the Chinese of the Treaty Ports, whose interests are largely bound up with the transitory privileges of the resident alien. The age-long safeguards of the Chinese system (drastic remedies for shocking evils) do not apply to them. The tuchun who has made himself too odious hurries to the shelter of the Treaty Ports with his ill-gotten gains. The political agitator seeks refuge there. The merchant hugs his money and property there, against the insistent demands and blandishments of his family and his town or province—which have their own methods of providing for the redistribution of wealth. But these divisions will ultimately be overcome, China will re-emerge with a new unity, and at the same time with a new harmony between the latest elements assimilated from the West, and those diverse but delicately adjusted elements from other cultures which she has assimilated at earlier stages in the long history of her civilisation. The attainment of this inner harmony is China's own affair, and she has proved time and again that in this matter she is well able to look after herself. A question which is more speculative, but in which British interests are more closely concerned, is whether the new China, when she emerges in her own good time, will live on harmonious terms with foreigners, particularly with ourselves. In plain language, what is the future of British trade with China when China settles down?

It is already clear that the future of business in China lies with the Chinese. They want to do it, and they are competent to do it. They know that the foreigner can assist them for the present by his experience of foreign markets, credits, banking facilities and modern business organisation. They will learn from him, and use him, so long as he will work with them. They may even be ready to lean on him—realising, perhaps, that he has something strong and stable in his personality—and they may even be led by him along the road of reason; but they will not be driven by him nor work with him if he insists on domination. The experienced foreigner has a great opportunity during the next few years. By respecting Chinese susceptibilities he can to a great extent determine, in his own favour, the nationality of the foreign goods purchased by the four hundred millions. This wisdom of the dove is the new-found wisdom of the Japanese. But the foreigner's future in China, on a larger view, lies in teaching the Chinese how to trade; and for this, even more emphatically, mutual goodwill and mutual forbearance are essential. The Chinese, like other people, will do part of their learning by the inconvenient method of trial and error. In this way they will learn, for example, that their paramount need is to develop their production, their means of communication and their exports, and that cheap capital and low tariffs are likely to be their best safeguard against exploitation. Ultimately (and perhaps before very long) the Chinese will do their own trade direct with foreign countries, and will dispense with the help of the present instructor-middleman. Fortunately such a development happens to be also in the ultimate interest of British trade—as distinct from the trader living in China. It is not for us to hurry the pace—the Chinese will barely be induced not to force it. What we have to do is to recognise the facts and be ready to meet them—preferably half-way.

In this voyage of exploration along a new line of thought and a new line of policy, the British communities in China are the natural pioneers. This is so for two reasons. They have more experience to contribute towards a successful solution of the problem, and more assets to lose in case of failure, than the mass of the British nation living at home. In prognosticating that the trader will disappear, we do not mean that, inexorably, the British

communities in China will be ruined or rooted out. Far from it. They can not merely hold their ground under the new conditions, but can prosper under them more than they have ever prospered before, if only they pass from the defensive to the offensive by keeping abreast or ahead of the times.

If, however, it is true that the initiative in striking out a new line of policy in China should come from the British communities in China, it is no less true that Great Britain, and the British people at home, have a very important stake in the issue. In order to realise this we have only to remind ourselves of our general position, at this moment, in the world. What has been the basis of our long-enjoyed and now gravely menaced national prosperity? It is that we invented the industrial system and reaped the inventor's profit in gaining a century's start while the new technique was being learnt laboriously by the rest of the world. The profits of that century have been princely; but from a single economic achievement, however great, we cannot expect to draw an assured income in perpetuity. Recurrent effort, recurrent re-adaptation, is always and everywhere the price of immortality; and—short of rejuvenating ourselves in Chinese fashion—the time has arrived for us to renew our vitality and retrieve our fortunes by the less sensational methods which are native to our character. We have now lost that particular start which we gained a century ago. The rest of the world has now learnt to follow where we showed them the way; and the industrial system, in its pristine form, is no longer our monopoly. Therefore, it is time for us to gain a second start by so improving our methods of production and our methods of trade as once again to leave the rest of the world behind us. We must specialise upon producing goods and providing services in the forms which the world demands, but which the rest of the world has not yet mastered. In this direction, assuredly, lies our economic future; but such specialisation is only profitable on one condition. For those goods and services in which we specialise we must have a wider market than that which we have hitherto regarded as ample for our needs, and this market must be secure. Where are great new markets to be found in a world whose resources have so rapidly been developed? The great virgin market of the future is China, from the moment when her peace and unity are restored and her life is renewed by a prudent and temperate infusion of Western life-force. With insight and courage on both sides, Great Britain and China may yet have a great future in partnership with each other.

THE BRITISH CHEMICAL TRADE.

While the market is waiting for the announcement of the terms of amalgamation of the new Chemical Combine, considerable interest is being shown in the industrial position and prospects of the British Chemical Trade as a whole. These are briefly reviewed by a correspondent in the following article.

THANKS in no small measure to the energy and foresight of its leaders, the chemical trade and industry of this country finds itself to-day in a comparatively favourable position. Affected, in common with every other industry, by the depression resulting from the coal strike, it has been able to maintain a high rate of output, and thus keep down the level of unemployment within it. Of the workpeople engaged, approximately 12 per cent. are not working at the present time, compared with 9 per cent. a year ago. Despite the general increase in manufacturing costs, it is interesting to note that market prices have experienced very little fluctuation on the whole, while the average level has advanced only by a narrow margin. This policy has considerably assisted the home industries that are most nearly allied to the chemical industry, namely, the soap, oil, explosives, paint and paper industries. In all of these, with the exception of the explosives industry, the progress of which is so closely bound up with the mining industry, conditions are fairly satisfactory. In contending with the many adverse factors in overseas markets during the past year, exporters also have been aided by the

general stability in manufacturers' quotations. The continued uncertainty prevailing in various Continental countries, coupled with the unrest in the Far East, has not, therefore, exerted so oppressive an effect; while other important markets like the Colonies and South America have proved very loyal. The trade figures for the nine months to September 30th show British exports of chemicals, dyestuffs, and allied products to have fallen in value from £17,946,000 in 1925 to £16,817,000 in the current year. But this decline is principally due to the reduced exports of ammonium sulphate—a coal distillation by-product—the production of which has diminished very considerably in past months. On the other hand, there is an appreciable increase in the value of chemical products imported into this country, which is a not unexpected development.

One section—the fine chemical industry—still requires State assistance, having been unable to establish itself sufficiently firmly during the past five years of "safeguarding." In spite of considerable opposition, the expiring Safeguarding of Industries Act (Part I.), 1921, was renewed in August last, and the 33½ per cent. import duty imposed on over 5,000 "key" chemicals for a further ten years. Certain proposed modifications caused some uneasiness among consumers here, and in consequence the market in several products has displayed much uncertainty. In the first place, the Board of Trade was expected to issue a supplementary list of new chemicals the manufacture of which has commenced in this country since the passing of the Act, but it appears that determined efforts are being made to introduce other products of a very controversial character, and even to re-introduce those products which were struck out of the original list after appeal. Naturally, the appearance of this list is awaited with keen interest, and the continued delay gives support to the belief that a large number of not necessarily new products is concerned. The second and more important aspect of the case relates to the issue of Treasury Orders exempting products not made in the United Kingdom from liability to duty. Under the relevant section many applications for such exemption have been made, since the onus lies upon the user, but not a single Order has yet been published. One outstanding instance is that of oxalic acid, which is not made in this country, and, although the Government is quite well aware of this fact, the duty has not yet been removed. There is no apparent reason why exemption orders in this and similar cases could not have been granted two or three months ago. Merchants, therefore, are refusing to import and pay duty on such products, and, on the other hand, consumers refrain from taking up existing stocks unless absolutely necessary. The present position is extremely unsatisfactory, and, although more than two months have elapsed since the renewal of this part of the Act, the Board of Trade has given no indication of what action it intends to take.

In industrial chemicals, while output has been well maintained, consumption has fallen somewhat owing to the depression in many using industries. The alkali products have changed very little in price in the home market, and the constant presence of cheaper imported material has a further steadying influence. Potash chemicals are mainly imported, and recent events in the Continental industry lead to expectations of higher prices in the near future. In the bichromates domestic manufacturers are feeling the effects of American competition, business conditions being very keen. On turning to the sulphuric acid industry, and those which it serves, the situation is rather depressing. Production in 1925 was already declining, and this year shows a further shrinkage in spite of lower prices. The chief outlet for acid is in the manufacture of ammonium sulphate and superphosphate for use as fertilisers. For the reason already mentioned the output of the former has fallen, but a growing proportion is now being made synthetically at Billingham by a process which dispenses entirely with the use of sulphuric acid. As to superphosphate it is interesting to observe that the output has not fallen to anything like the extent prophesied at the Safeguarding Inquiry some 18 months ago. For the 12 months ended June 30th last the production of superphosphate in home factories, at 518,000 tons, declined only by 4 per cent. on the previous year. Nitrate of soda appears to be losing ground steadily in the United Kingdom, both for use as a fer-

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tiliser and as a raw material for nitric acid manufacture. Here, again, new processes are influencing the position, and a large plant is being erected by the United Alkali Co. for the manufacture of nitric acid from atmospheric nitrogen. In other directions also, notably the iron and steel industry, the consumption of sulphuric acid has fallen—temporarily, no doubt, but inevitably. For some months now coal-tar products have been scarce and at high prices, but the volume of exports of crudes has kept up well to 1925 levels, and values are even higher for the whole group. In the home market there is some disinclination to buy at the current quotations, but it is only fair to point out that previous to the general strike coal-tar residuals were for some time sold at a loss.

During recent months indications have been unmistakable that the large chemical manufacturing interests were leaning more and more towards the idea of co-operation on the lines followed on the Continent and in the United States, where fusions involving the equivalent of many millions sterling have been effected in the chemical industry. In the United Kingdom this movement has culminated within the last few days in the merger of Messrs Brunner, Mond and Co., Limited, the United Alkali Company, Limited, Nobel Industries, Limited, and the British Dyestuffs Corporation, Limited. It is not without significance that the fine chemical industry is not included in the combine, as in the parallel case of the German I. G. Farbenindustrie, though industrial chemicals, fertilisers, explosives and dyestuffs are all covered. But the inclusion of the Dyestuffs Corporation may be the prelude to an adjustment which will eventually bring pharmaceutical and fine chemicals within the ambit of its operations. Primarily, this movement is designed to ensure the preservation of the export market, and in its representative capacity the new company will have much greater facilities for securing this end. There are, however, new markets for chemical products constantly emerging within the United Kingdom. Two such expanding markets are artificial silk and beet sugar manufacture. Another outlet is the cellulose-lacquer industry, which is rapidly establishing itself in this country. There is, indeed, every indication that when normal conditions are restored a period of great prosperity awaits the chemical industry.

THE "BEAM"—A TASK FOR THE EMPIRE CONFERENCE.

OF all the achievements of modern science the annihilation of distance is that which more than any other distinguishes the civilisation of the present day from that of any previous epoch in the world's history. The process is becoming so familiar that we cease to marvel at it, and allow great changes to be introduced almost without comment. We can hardly fail, however, to note that this week is a landmark in the evolution of long-distance communication by reason of the introduction on Monday last of the "beam" system of wireless communication between England and Canada. This new device is the result of another great contribution by Mr Marconi to the science of wireless, which makes it possible to control the direction of wireless waves and by means of a "reflector" to despatch from a comparatively low-powered

plant a "beam" of waves in a given direction which can be picked up in, say, Canada within an area of some thirty miles only from the spot on which the beam is directed. The new system will take the place of high-powered stations in the Imperial wireless chain the development of which has had so chequered a career. Before Christmas it is expected that the system will be working from England to South Africa, to India and to Australia, and ultimately between these Dominions also. The new development is of great scientific interest; but we are here primarily concerned to note its economic and political consequences. The Post Office, who are operating the scheme at the English end, have announced that the price to be charged for the new service is not to exceed more than two-thirds of the cable rates in force in 1924 in the cases of South Africa, Australia and India; but that the rate to Canada will be the present cable rate. This statement at once brings out the important point that the new plan has great economic advantages over the existing cable system, and introduces a form of competition which may become of the first importance to the cable companies. In this connection a very significant remark was made last week by the Post Office representative, who, in speaking of the rate to Canada, observed:—

The reason for the different condition in the case of Canada is that the rate from Great Britain to Canada has recently been reduced from 1s to 9d a word, and it was not considered that a further reduction of the rate would be justified.

The matter was discussed some months ago between the Post Office and the Canadian Marconi Company, and a proposal was made by the Post Office for some reduction in the wireless rates between Great Britain and Canada; but the company could not secure the co-operation of the companies which conducted the inland telegraph services in Canada, and the proposal has had to be dropped. The existing cable and wireless rates for all classes of traffic—full rate, deferred, night letter telegrams, weekend letter telegrams, and Press—will, accordingly, be adopted on the "Beam" service to Canada.

The telegraphic arrangements to Canada involve, on the one hand, the cable companies, which compete keenly in service but not in rates, and on the other the two great Canadian railway systems along whose lines the telegraph system of Canada is worked, and the land part of the new telegraph system must clearly use these same overland lines. It would appear that the attempt of the Post Office to cheapen prices has run up against obstruction at some point in the existing system. The cheapening of these rates is, however, so enormously important in developing contact within the Empire, and, indeed, with all distant countries, that it would be disastrous if any monopolistic influences were to check progress in this direction. The Imperial Conference is pre-eminently the body to give its attention to this important matter.

The significance of the new development is, however, only fully revealed by the fact that the Post Office is offering to send to Canada wireless letters (i.e., letters handled through the ordinary postal machinery on land, but dispatched by wireless across the ocean) at the surprisingly low rate of 1½d a word. Within reasonable range of the wireless station at Montreal this will mean that messages will be transmitted in one or two days instead of ten. This is much the lowest rate ever charged for telegraphic communication to Canada, and will unquestionably increase very greatly the volume of business and journalistic messages sent by a rapid route. The importance of this method of communication will be of even greater significance when the method is applied to Australia, and the time may soon arrive when the printing of matter received by mail from the Antipodes will be as obsolete as the hansom cab. We would add that our periodical analyses of the balance-sheets of cable companies show that they are in a strong position to embark upon a period of keen competition, for in many cases their cables have been written down to nothing. On the other hand, new up-to-date cables that are being laid are capable of carrying an enormously increased number of messages. We look confidently forward, therefore, to considerable reduction in the cost of long-distance communication by all methods, and do not doubt that with enterprise on the part of the cable companies they will be able successfully to meet this new competition. Just as the gas companies are today stronger, and not weaker through having to meet the

competition of electricity, so the cable companies will be able to adapt themselves to the new conditions. They will doubtless even find ways of enlisting the new force in the improvement of their own services. Indeed, as we go to press we learn that the Eastern Telegraph Company has entered into an agreement with the Marconi Company for the erection of a wireless station in Greece.

THE PLIGHT OF NEW ENGLAND'S TEXTILE INDUSTRIES.—II.

(FROM A CORRESPONDENT.)

THERE has been in New England a strange conservatism about business methods, which is in striking contrast to the policy pursued by the textile leaders in the Southern States. There a strong spirit of co-operation prevails in the cotton industry, and through different organisations the manufacturers have been studying the market and creating new fields for cotton sales. One proof of this is to be found in the streets of Southern cities, where a new cotton hot-weather suit has virtually displaced the old type of linen clothing. There are also plans afoot for starting fashion shows all over the South to persuade women to return to the use of cotton, and the possibilities of every foreign market have been carefully explored. In New England it has been suggested as a remedy for the local industries that the cotton mills should join in purchasing the plants of the textile machinery companies, and put an end to further expansion of the industry in the South by curtailing machinery sales.

The tariff issue also enters into the situation, and most cotton manufacturers, while desiring to maintain or increase their own schedules, are now anxious for a reduction of the tariff on everything but cotton products. They are inspired to this attitude by the belief that a lower tariff would decrease the living expense of workers and make labour cheaper; but it is doubtful if this hope will be realised, for the average wages of a cotton textile worker are, if anything, lower than in other industries. The tariff certainly has had the effect of keeping back an inflow of imported goods which would probably have completely wrecked the New England cotton industry, but to-day most of the cotton goods imported into the United States are of a class not manufactured in the Republic, and even their volume is decreasing, for there was a drop of 50 per cent. in cotton imports into the United States during the first half of 1926.

Involved as it is in these difficulties, the cotton industry now looks for succour to an organisation known as the Cotton Textile Institute, which has recently been formed by a group of textile men representing all branches of the industry in both the North and the South. It is a co-operative organisation, framed on the model of the Steel Institute, and has for the main object of its existence the scientific study of the textile market and the dissemination of useful trade information among its members. It was formed at the suggestion of Mr Hoover, the Secretary of Commerce, and is enrolling members in the expectation that it will bring under its ægis half of the 38,000,000 spindles in the cotton industry. Each spindle will be assessed at 1 cent, which would give the association a working capital of at least \$180,000. For its president and director there will be chosen some outstanding figure who is not connected with the cotton trade, and he will be endowed with almost autocratic powers.

The position was offered to Secretary Hoover himself, but he declined, and now the founders of the institute are contemplating an offer either to Mr Owen D. Young, of the General Electric Company, or to Mr J. A. Perkins, of the Farmers' Loan and Trust Company, of New York. There are some cotton men in New England who scoff at the idea of the institute, and assert that the problem of improving the cotton industry is for the individual mills to solve. There are other manufacturers in the South who look upon the organisation as an attempt to enlist the South for the salvation of the North, and they contend that the New England cotton industry is on its last legs, and might as well be allowed to languish to complete ruin. At present the South has its own cotton institute, which

is doing on a small scale what the new textile institute hopes to accomplish with a more elaborate programme, and it is apparent that many Southern spinners will await results before they join the larger institution. But all the portents point to great difficulties in reviving the cotton industry of New England, and it is freely prophesied that within a few years cotton manufacture will be largely controlled in the Southern States, which already have 45 per cent. of the looms in the industry, and are producing about 65 per cent. of the nation's cotton goods.

The plight of the woollen industry in New England, although by no means so serious, is far from satisfactory, and many of the causes which have brought difficulties to the cotton industry are responsible for its condition. Its production experienced an abnormal expansion during the war, and enormous profits were reaped. Then soon after the arrival of peace it discovered that not only was it seriously overgrown, but that a substantial proportion of its normal pre-war market had disappeared through the gradual abandonment of the use of wool for wearing apparel. Various factors contributed to this change. Artificial silk grew rapidly in favour with women, and fur manufacturers managed to cheapen their products and popularise them. Furthermore, the increasing use of central heating plants in offices and private residences tended to diminish the use of heavy woollen clothing as being too uncomfortable. Generally speaking, also, American people began to spend less money on clothes and more on motors, radio sets, and other luxuries. There was a time when the social status of an individual was rated by the quality of his clothes, but nowadays in the United States it is determined by the quality of his motor-car, and many men and women are content to wear old clothes as long as they will hold together, provided they can get an up-to-date motor-car every second year.

However, some authorities contend that although there has been a general decrease in the profits of New England's woollen mills, a considerable number of them are still making money, and that the pessimism which prevails among manufacturers is due to their reluctance, after becoming accustomed to high profits during the war years, to accept normal returns. The woollen workers at Passaic, New Jersey, who went on strike against a 10 per cent. wage decrease, declared necessary by the employers on account of depression in the trade, employed Mr Jett Lauck, a well-known radical economist, to investigate the situation of the industry, and last summer he laid a very vigorous indictment against the woollen manufacturers before the Senate Committee on Education and Labour.

He contended that they were using a tariff averaging 73 per cent., which now exists on woollen goods, for their own profit, and that the workers got no benefits for it, and he estimated that while the millowners were making from 50 per cent. to 97 per cent. on their investments, and at the same time paying starvation wages. He also charged that the woollen mills were demanding absurdly high prices from the consumer, and stifling consumption, but the manufacturers, while they admit that prices are high, lay the blame upon other shoulders. They maintain that the chief factor in the high level of prices is the tariff on raw wool. Unlike the duty on the finished commodity, which varies according to the value of the product, the tariff on raw wool is a flat 35 cents per pound regardless of the fact that its selling price may range between 25 cents and \$1.50 per lb, according to the quality. The rate does not seem extravagant until it is realised that when wool is washed and cleaned it frequently shrinks 50 per cent., and sometimes as much as 80 per cent., and the result is that by the time the wool is ready for treatment in the mills the tariff levy has brought the price of the raw material up 100 per cent. in many cases. Now the United States only grows one-third of the wool which it consumes, and the protectionist tariff is therefore bound to play a large part in enhancing prices for the consumer. Under these circumstances many woollen manufacturers are anxious that the tariff on wool should be revised, so that the duty would be levied not at a flat standard rate, but according to the actual value of the cleansed wool, and there seems little doubt that such a change would lead to lower prices for the finished products, and a better demand for them. But one serious obstacle to any such

change lies in the fact that the chairman of the Finance Committee of the Senate is Senator Reed Smoot, of Utah, a State which is one of the chief producers of wool, and is profiting greatly by the present scale of duties on the raw product, and he is a past master in blocking legislation which does not suit the interests of his constituents. The woollen manufacturers of New England ought to have a powerful spokesman at Washington in Senator W. M. Butler, of Massachusetts, who is a close confidant of President Coolidge, and managed the last Republican campaign. A very rich man, he has extensive interests in the woollen industry, but he happens to be exceedingly unpopular with his colleagues in the Senate, and also to be a hidebound high protectionist, who can think of no other form of relief for the woollen industry but a further increase in the duties on the finished products. Such a proposal would be strenuously opposed both by the Democrats and the Republicans from many middle-western States, and it would be unpalatable to many woollen manufacturers. Among the richer classes in the United States there is what almost amounts to a craze for British woollens, and clothing of indigenous origin is despised as unfashionable. Not a few manufacturers, therefore, cater to this sentiment by exporting their goods to Britain, and then re-importing them so that they can put the brand "imported" upon them, and these enterprising people would be hurt by an increase in the tariff. Accordingly there is little likelihood that it will be attempted, although Senator Butler, who is running for re-election in Massachusetts in November, is reported to be holding out hopes that it may be consummated. But the sum of the matter is that at present the cotton and woollen manufacturers of Britain have no serious cause to envy the fortunes of their brethren and competitors in New England.

THE HONOUR OF PARLIAMENT.

ON Tuesday last the British House of Commons, under the skilled guidance of Sir A. Holbrook, successfully vindicated its own honour and by a substantial majority decided publicly and emphatically that it is an assembly of invariably sober men. This is a result that will give satisfaction to every person of goodwill, and the warm congratulations of all admirers of the House of Commons are due to those members who forced the matter on to the attention of the public at home and abroad.

The facts themselves are simple. It appears that at some obscure temperance meeting Dr Salter, Labour Member for Bermondsey, had been making a speech on the history of the temperance movement in England, and finished his survey with a statement that though England is more sober than she was, she is not yet completely sober, and that he had actually seen different members of all parties in the House of Commons on the very premises of Parliament under (as the saying goes) the influence. This disgraceful slander on what is admittedly the finest collection of legislators in the world might, and probably would, have passed unnoticed; but by the special intervention of Providence there was a gentleman of the Press in the room when the statement was made, and he reported it in the *Daily Express*. Thanks to this chance and to the watchfulness of Sir A. Holbrook, whose tact and discretion in the matter are beyond praise, an outraged House of Commons was able to give full publicity to the speech, and to nail by a substantial majority the lie to the counter. By a good working majority the House of Commons has broadcast to the listening Earth the story of its own respectability.

Except for the contumacy of Dr Salter, who against all tradition refused obstinately to qualify in Westminster what he had said in Bermondsey, the debate was on a very high level. True there were signs of nervousness here and there when some member unnecessarily challenged Dr Salter to mention a few names, but the episode passed off, and the right note was struck again in the Prime Minister's frank and manly speech. "We all know about it," he declared, "but we don't talk about it. We draw a veil of reserve over it. (Cheers)," and as a natural corollary he announced his intention of voting

with Sir A. Holbrook, whose resolution took the following form:—

That the speech of the member for West Bermondsey is a gross libel on the members of this House, and a grave breach of its privileges.

Out of a total membership of 615, 247 M.P.s voted against Dr Salter and 95 for him, so we get a result that is statistically rather interesting. We are to infer that 95 M.P.s think they have seen their fellow-members intoxicated; 247 think they have not; while the balance of 273 non-voters are doubtful what standard of sobriety to apply.

It is one of the qualities of a great debate to stimulate the imagination, and this debate was no exception to the rule. As an experiment in self-vindication by resolution, it opens up vistas of possibilities. In our mind's eye we see Dean Inge at some secular gathering, or the former rector of St Martin's at a wireless service, declaring that they have known clergymen who were smug and unctuous in their manner. We see the whole body of clergymen stirred by the slander. We see the Bishop of London moving a resolution in Convocation that the charge of unctuousness brought against some members of the clergy is a gross libel; and after the demand for names has been suppressed, we see Convocation by a handsome majority adopting the motion that no clergyman has ever been known to be unctuous.

And the thing does not stop with the legislators and the clerics. Self-approbation by resolution is open to every profession, and our imagination toys with a few of the motions that may and, probably will, be passed by various bodies now that the fashion has once been set. Here are a few resolutions that spring to the mind at once:—

The Bar Council:—That no barrister ever has accepted a fee without being present in Court to earn it.

The British Medical Association:—That no medical man has ever attempted to advertise himself by indirect methods.

The Bookmakers' League:—That no bookmaker has ever been known to welch.

The Bricklayers' Union:—That no bricklayer has ever laid less than the largest possible number of bricks in a day.

The Institute of Journalists:—That no journalist has ever been known to split an infinitive.

The list can be indefinitely lengthened, and opens wide fields of inexpensive and convincing propaganda.

This unfortunate article shows how dangerous it is to start a theme without seeing the end of it. It opened, in a mood of admiration and respect, as an attempt to uphold the authority, dignity, and sobriety of the House of Commons and to justify the ways of Parliament to man. But as the argument has developed the objective has receded, and we close with the miserable feeling that on Tuesday last the British House of Commons, under the skilled guidance of Sir A. Holbrook, made itself supremely ridiculous.

Notes of the Week.

The Week's Work of the Imperial Conference.—The most important sessions of the Imperial Conference this week have been held in camera. On Monday a discussion took place on Foreign Affairs, the Dominion delegates giving their views on the statement made last week by Sir Austen Chamberlain. A published statement announced the establishment of a Prime Minister's Committee to examine problems of Imperial foreign relations. On Tuesday, also in secret, problems of Imperial defence were considered, and yesterday the individual question of naval defence was discussed in a meeting held at the Admiralty. Thus the Conference has settled down to its chief business. There has also been a considerable volume of work by sub-committees concerning forestry, research work, overseas settlement, mandates, and economic policy. Apart from the Prime Minister's Committee, referred to above, separate committees have been established to deal with the following subjects:—Overseas Settlement, Nationality and Passports, British Policy in the Antarctic, Anglo-French Condominium in the New

Hebrides, Economics, Workmen's Compensation, Imperial Air Communications, Research, Forestry. The one Plenary Session held in public was devoted to the question of Imperial Air Communications. The session opened with a long statement by Sir Samuel Hoare, the Secretary of State for Air. In his interesting review of immediate plans for extending Empire air routes he did not add very much to the information given recently by Sir Eric Geddes at the annual meeting of Imperial Air Ways, Limited, and discussed in the *Economist* of September 25th. But his statement developed a new interest when he threw out the suggestion of a chain of air services all round the Empire to which the various Dominions should for themselves add fresh links in co-operation with a central plan. This important proposal, of what Sir Samuel called the "mosaic" system of building up services, it is understood was well received by the Dominion Premiers, whose full speeches, however, have not at the moment of writing been published. On three other points Sir Samuel's statement is of general interest. He proposed that an Imperial Air Conference should be held between now and the date of the next Imperial Conference at some "central" point in the Empire. In a matter where development is so rapid the suggestion is a wise one. Secondly, the Minister's estimate of immediate possibilities in shortening the time taken by journeys deserves attention. "There is to-day no technical or operational reason," he said, "why, by aeroplane or airship, London should not be brought within a fortnight of the farthest cities and territories of the Empire. There is no technical reason why the journey to Canada should not be reduced to 2½ days, the journey to India five days, to Cape Town six days, to Australia 11 days, to New Zealand 13 days." On these claims the Conference was invited to cross-examine the experts. The third point to which we refer is the emphasis placed by Sir Samuel on the degree of safety achieved in aeronautics. British services, he said, had flown 5,000,000 miles for four fatal accidents, while freight insurance rates for air transport are less than half those charged for surface transport. Contrasting this record of what are still the early days of flying with the early days of railways, Sir Samuel said: "Let me remind you, in comparison with this record, that the Press in 1845 commented with grim irony that the 'largest item in railway returns bids fair to be the list of the killed,' and even seven years later, in 1852, declared that 'railway accidents are the staple of our newspaper reading.'" From one aspect this was the most important passage in Sir Samuel Hoare's statement, for the use of air passenger transport will only develop in proportion to the confidence of the general public in its safety; and as yet the man in the street has not reached the frame of mind enjoyed by Mr Bruce, who regards a 500-mile flight as no more serious a matter "than the hiring of a taxi-cab."

A Fiscal Object Lesson.—Full justification is given this week to the protest made by sugar refiners against the bounty of £26 10s per ton on white sugar produced from home-grown sugar beet, for Messrs Tate and Lyle, the leaders of the British refining industry, have announced that their Plaistow works, employing 3,600 men, has been closed down, and that a similar fate threatens their factories at Silvertown and Liverpool. In a statement to the Press Sir Leonard Lyle, chief managing director of the company, while complaining of the "dumping" of foreign sugar, laid the chief blame for these occurrences on the subsidy granted by the British Government to home beet sugar factories. It is not long since Mr Churchill proudly pointed to the home industry as "a growing child." The description is correct. Last year 50,000 tons of white sugar was produced from home-grown beet; for this year the estimated production, according to Sir Leonard, is 150,000 tons. "We do not oppose," says Sir Leonard, "the subsidising of the new industry, but we do think it unfair to bolster up what may prove to be an inefficient industry and neglect an industry which has, under the fiercest competition, proved its ability to hold its own against the world." This week's event confirms our view as to the indefensibility of the home beet sugar bounty; but it also teaches a wider lesson. It illustrates

the general and unassailable truth that any artificial interference with trade, whether by tariff, preference, or subsidy, produces ramifications of effect which will do serious damage somewhere. The advocates of this particular subsidy, which has had such disastrous effects, always pleaded as one of its principal aims increase of employment at home. If it has created work in one direction, it is sending 3,500 men, and probably another 4,000 in the near future, from one firm alone into idleness. Here, indeed, is an object lesson in the inevitable results of un-economic fiscal experiments.

Northern Ireland and the Imperial Conference.—Our Belfast correspondent writes:—At the beginning of last week a statement was issued by the Government of Northern Ireland explaining the constitutional position of the Province with regard to the Imperial Conference. Under the Government of Ireland Act, 1920, matters relating to the succession to the Crown, the making of peace and war, the Navy, Army and Air Force, treaties or relations with foreign States or with other parts of the Empire, trade with any place outside Northern Ireland, &c., were reserved to the Imperial Parliament, and therefore the Province does not enjoy separate representation at the Conference which is now being held. As regards the constitutional problems with which the Conference has to deal, Northern Ireland is not directly concerned, and her interests are the same as those of the mother country. With the economic questions which are being considered by the Conference, however, she is very deeply interested. For as an important supplier of foodstuffs to the British market, her interests are threatened by any development which places colonial produce in a favoured position to compete with home produce in Great Britain. The assurance that the annual grant of £1,000,000 which is being administered by the Empire Marketing Board will be used for the encouragement of the marketing of home produce equally with that of the Dominions is therefore regarded with special interest. Mr Amery remarked, when dealing with the work of the Empire Marketing Board, that "the producer in this, the oldest of all the Dominions, should be included as well as the producer in other dominions. Indeed, the position would be an absurd one if the newest Dominion, the Irish Free State, were specially helped in the markets of this country and Northern Ireland and Great Britain did not receive a parallel measure of encouragement." Agricultural produce from Ireland, North and South, is still indiscriminately marketed as Irish. If the part of that produce exported from the Free State were alone to receive marketing assistance the Northern farmer would have a legitimate cause for complaint. But the recommendation of the Imperial Economic Committee, made in their first report, was that precedence should be given in the British market for foodstuffs in the following order:—First, home produce; second, Dominion and Colonial produce; and, third, foreign produce. The Ulster farmer may thus claim that, along with his fellow-agriculturists in Great Britain, he has a first call upon the Empire Marketing Board. The importance of this fact is apparent when it is remembered that in the years ended May 31, 1924 and 1925, the net exports of cattle to Great Britain amounted respectively to 108,000 and 162,000. During 1924 1,355,000 great hundreds of surplus eggs were sent to Great Britain, and poultry, dead and alive, to the value of nearly £500,000, while the average quantity of potatoes shipped across the Irish Channel from Ulster amounts to approximately 150,000 tons annually. There is also a smaller but not insignificant trade in other classes of agricultural produce—bacon and hams, oatmeal, butter, and grass seeds.

American Cotton Crop.—Official and private reports relating to the American cotton crop for this season continue very favourable, and there is no doubt whatever but that the yield will be the largest ever known. At the beginning of this week the Department of Agriculture of the United States Government published its eighth report on the growth, which indicated a production, exclusive of lint, of 17,454,000 bales. The forecast was rather

better than expected, the general idea in trade circles being 17,200,000 bales. Owing to the crop this season being late, considerable interest was taken in the ginning return, which showed 8,722,000 bales up to October 17, as compared with 9,519,000 bales at the same time last year. This report was scarcely equal to expectations. On the whole the statistics were interpreted as being bearish, but on the reopening of the New York and Liverpool markets after the figures became known there was practically no change in prices. The markets were undoubtedly supported by extensive buying orders. Traders throughout the world are still confused by the situation, and many people believe that lower values will be experienced. It is recognised, however, that cotton at 13 cents in New York is much below the cost of production. The American Government has appointed a special committee to deal with the position, and an attempt is being made to finance stocks to the extent of 4,000,000 bales. Farmers are also being urged by the Government officials and bankers to cut the acreage for next season by 25 per cent. In Lancashire trade circles there is a confident feeling that a larger business is about to be done in manufactured goods, and certainly the low prices ruling will enable dealers and merchants to replenish stocks on a favourable basis. Spinners and manufacturers, however, are seriously hampered by the coal situation, and this week there have been increasing complaints of the scarcity of fuel.

The Chemical Combine.—The terms of amalgamation of the new chemical combine have not yet been published, and in the meantime the market hardly knows what to do with the shares. The fluctuations of the last few days have reflected this state of uncertainty, as the following table shows:—

	End August	Oct. 15.	Oct. 22.	Oct. 25.	Oct. 27.	Oct. 29.
Brunner Mond Ord.	38/9	36/-	40/1½	40/9	41/-	40/8
Do 7½ % Cum. Prf.	27/6	28/-	28/-	28/3	28/-	27/9
Nobels Ord.	30/-	29/9	34/-	35/3	35/3	36/-
Do 6 % Cum. Prf.	21/3	21/-	21/-	21/6	22/-	23/-
Do Def.	13/9	13/6	17/-	18/-	19/3	19/6
Alkali Ord.	33/9	30/-	36/3	36/10½	36/3	36/-
Do 7 % Cum. Prf.	20/7½	21/-	22/-	22/6	22/3	22/3
Dyestuffs Ord.	12/-	14/6	17/-	17/6	17/-	17/-

The announcement that negotiations were in progress was made on October 22nd, and any rise prior to that date must be attributed to "intelligent anticipation." The market evidently expects the amalgamation to affect prospects favourably, but it is evident that it considers British dyestuffs will get the greatest assistance in coming under a big umbrella. The market valuation of the whole combine is shown in the following table:—

	Issued Capital.	Price Oct. 25, 1926.	Present Market Value.
Brunner Mond—	£		£
Ordinary	9,787,000	40/9	19,942,844
7½ % cum. pref.	4,000,000	28/3	5,650,000
	13,787,000	..	25,592,844
Nobels—			
Ordinary	8,039,129	35/3	14,168,964
6 % cum. pref.	6,480,407	21/6	6,968,587
Deferred ord.	1,455,642	18/-	1,310,062
5 % 1st debenture stock	1,750,000	103½	1,811,250
	17,727,160	..	24,258,363
United Alkali—			
Ordinary	900,000	36/10½	1,743,750
7 % cum. pref.	2,825,240	22/6	3,178,395
5 % debenture	2,723,810	92½	2,519,515
	6,449,050	..	7,441,660
British Dyestuffs	4,775,580	17/6	4,178,629
Grand total	42,739,690	..	61,471,496

The capitalisation of the new company may, of course, be on quite a different nominal basis, but on the above figures the issued capital is still below the total of the largest British industrial concern—viz., Lever Bros., whose issued capital is £64 millions.

The Artificial Silk Industry.—A correspondent writes:—On October 22nd there was opened at Aintree, near to Liverpool, the important artificial silk factory erected by the British Enka Artificial Silk Co., a subsidiary of the Dutch Enka Co. This event marks an important step in the history of the industry in this country. In the first place this is the first, and for some time at least will be the only, foreign firm to build here, despite the forecasts made after the imposition of the Customs Duties. In Holland it is understood that production costs are about the same as in England, and it is therefore worth while manufacturing here. In the case of other countries, however, notably Italy, costs of production are less than in this country, and as all production in England is subject to the excise duty, the establishment of an English factory is not an economic proposition at present. The British Enka Co. have been largely financed by the Union Corporation, and as a result British investors are very closely interested in the venture at Liverpool. The company enjoy the advantages of the experience of the parent company, who have been producing artificial silk since before the war, and who have an enviable reputation both for quality of product and for financial success. The Dutch company have a fully equipped sales organisation in this country, which has been handed over to the new concern, and have further advantage in the fact that their yarns are already known and appreciated by a wide circle of buyers. The factory at Aintree will eventually be capable of producing some 20,000 lbs of silk per day, and will thus produce very nearly as much in one day as the majority of the newer companies hope to do in a week. For these reasons they will prove formidable competitors to our English producers, though the additional employment provided for English workers is very welcome.

Rubber Restriction.—At the beginning of this week the Colonial Office issued the expected statement as to the regulations affecting the export of rubber from Malaya and Ceylon, to come into force as from November 1st. According to this statement it is not contemplated that any change shall be made in the new regulations for at least twelve months, but if it is decided at the end of that time to continue the temporary policy of restriction for a further period, any changes then considered desirable may be made. The new regulations are as follows:—

(1) If the average price of rubber in London is less than 1s 9d a pound, but not less than 1s 3d a pound, during any quarter, the percentage of standard production which may be exported at the minimum rate of duty for the ensuing quarter will be reduced by 10.

If, however, the reduction to be effected under this regulation is a reduction from a figure of 100 per cent., the reduced percentage for the ensuing quarter will be 80.

(2) If such average price for any quarter is not less than 1s 9d a pound, but less than 2s a pound, there will be no change in the percentage for the ensuing quarter.

If, however, in each of three consecutive quarters such average price is not less than 1s 9d a pound, the percentage for the ensuing quarter will be increased by 10.

(3) If such average price for any quarter is 2s a pound or over, the percentage will be increased by 10 for the ensuing quarter.

If, however, the increase to be effected under this regulation is an increase from a figure of 80 per cent., the increased percentage for the ensuing quarter will be 100.

(4) If such average price is below 1s 3d a pound in any quarter, the percentage will be reduced to 60 for the ensuing quarter.

(5) If such average price is over 2s a pound in any quarter, the percentage will be increased to 100 for the ensuing quarter.

(6) In no case will the percentage be increased above a figure of 100 or decreased below a figure of 60.

We have all along condemned the restriction policy as economically unsound, and the decision to keep the maximum percentage at 100 is particularly open to criticism. The objective of the new regulation is apparently to keep the price of rubber between 1s 9d and 2s per lb, but it remains to be seen whether this will be achieved. The announcement had little effect on the share market, disappointment apparently being felt that the official statement included no provision for dealing with the surplus of export coupons. Some discussion has been aroused by messages from Singapore, which state that the new standard production has been fixed at 300 lb per acre, instead of the existing 400 lb. Such an alteration would have an important bearing on the future working of the scheme.

British Steel Trade Prospects.—In his interesting and lucid speech to the shareholders of the United Steel Company, of which a full report will be found in a later column, the chairman struck a note which, in view of the present standstill in the industry, was a comparatively optimistic one. The United Steel Company—a war creation which constitutes one of the largest combines in the trade—has had to establish its position in the worst possible conditions. But Mr Peech was able to show that there is some merit in bigness, for while the Workington end of the combine has been in the depths, the Lincolnshire end has helped the concern to tide over the depression. In both cases plant developments are in full progress, and Mr Peech was able to announce that the great steel plant at Appleby is expected to come into operation next year. The chief interest of the speech was, however, the comments made on future prospects. Mr Peech briefly referred to the great war expansion of plant, the shrinkage in demand through world impoverishment, and the dislocation of the steel market through inflation first in Germany and later in France and Belgium. But world demand is definitely reviving, Germany has had stable money since 1924, and with Belgium following the same road there is reason to believe that steel prices will soon be adjusted once more on a more normal basis than in recent years. The speaker then went on briefly to refer to the recent International Steel Pact, and observed in carefully chosen words that “the movement which has been initiated abroad is one with which we in this country must have considerable sympathy, and one which in conditions which we could regard as adequate and appropriate we should feel inclined actively to support.” Clearly there are some, at all events, of our steelmasters who are willing to consider the possibility of coming to an arrangement with Continental producers. Mr Peech added that if the world's steel consumption had increased at a normal rate there would have been not overproduction, but an insufficiency of plant capacity. The speaker made the interesting announcement that in connection with their South Yorkshire collieries his firm have entered into an arrangement with some of their neighbours to form a joint selling agency.

The Actuary in Commerce and Industry.—The Chancellor of the Exchequer was the principal guest at the annual dinner of the Institute of Actuaries held on Thursday last, October 21st, and in the course of his speech in proposing the toast of the institute he paid a well-deserved tribute to the services of distinguished members of the institute rendered to the State in connection with the social legislation of the last twenty years, and emphasised the ever-increasing importance to the Government of actuarial knowledge and research. This observation led Mr Churchill to speak of the glimpse which the actuarial science gives us into the vital statistics, and to give a picture of the British population in 1970. Another interesting feature of the evening was the suggestion made by the president, Sir Joseph Burn, that the services of actuaries can be employed with advantage by the larger commercial and industrial firms. The successful organisation of a business to-day largely depends on the knowledge derived from statistics and the suggestion that the actuary can help the industrialist in the collection of his statistics, and, even more important, the correct interpretation of them, was also urged by Mr Geoffrey Marks, a past president of the institute, in proposing the toast of “Trade and Commerce.” The work of the actuary, once largely restricted to life insurance policies, is undoubtedly widening in its scope. The friendly societies providing sickness benefits look to him for guidance, and a great many employees' superannuation funds have been established during recent years and are being successfully administered under actuarial advice. The social problems of to-day are being attacked with the aid of actuarial science, and there is a fruitful field for further work here, and there is little doubt that the solution of many of the difficult industrial and economic problems of to-day can also be aided by the actuary. The thought is, at any rate, a stimulating one, and we agree with Sir Max Muspratt, the president of the Federation of British Industries, who, replying for Trade and Commerce, spoke of the value he as an industrialist

had experienced from co-operation with the accountant and the actuary, and commended the proposal to business men.

Stock Exchange Membership.—The Stock Exchange rule which comes into force next New Year's Day, prohibiting return of commission by members of the London Stock Exchange to any agents that advertise for Stock Exchange business, may have wide-reaching effects in the future. At present, writes a Stock Exchange correspondent, these have been hardly discussed, because the matters that arouse Stock Exchange attention are usually of import more immediate than this far-sighted legislation implies. Outside agencies bring a good deal of business into the House by advertising for it. They claim, as a matter of course, half the commission charged by the broker, whose ratio of expenditure to his takings may equal, in dull times, as much as the half commission is worth. If, as a result of the rule quoted above, a larger volume of orders is diverted direct to the Stock Exchange instead of passing through agents, this should make for the popularising of a broker's business, because of its increased capacity for remuneration. The total membership of the Stock Exchange is less than 4,000 men, comparing with 5,550, the maximum membership reached some years before the war. For the financial year to March, 1927, there have been so far about 105 new candidates for membership. A good many deaths have occurred during the seven months of the Stock Exchange year that ends to-day. Two notable Stock Exchange figures, Mr Alfred J. Baker and Mr. Francis A. Govett, passed away this week—the first a greatly respected Father of the House; the second, a broker closely identified with West Australian and other company work. Probably the number of new entrants to the House is at least double that of the losses sustained by members' death or retirement. Stock Exchange shares, with £25 paid, have attained the comparatively high price of 138, ex the dividend of £3, less tax, payable next Tuesday. Membership can be obtained at half entrance fees if an apprenticeship of four years has been served as a clerk in the House. This has led in the past to some members entering their sons or relations as Stock Exchange clerks as soon as the boys left school and were ready to go on to the Universities. By the time that the 'Varsity course was completed, the prospective Stock Exchange member had already done a good part, nominally, of his four years' service in the House, although he might have scarcely set foot within the markets. A recent ruling by the Stock Exchange Committee will probably restore to the rule its original intention, which becomes the more valuable in view of the probable expansion of orders under the alteration of the rules, and the prohibition against the return of brokerage to agents who advertise for Stock Exchange business.

Our Plywood Imports.—Plywood is the youngest child of the timber trade. As our readers probably well know, it consists of thin wood veneers glued top and bottom to, and at right angles to the grain of, a centre piece or core—thus three-ply, five-ply, seven-ply, and so on, the crossing of the grains adding enormously to its strength in comparison with thicker solid wood. It is used extensively, *inter alia*, in the building of aeroplanes. The plywood industry of the United Kingdom during its childhood, writes a correspondent, has been floundering on its way to success, but since those engaged in the trade here have formed themselves into an association, the youngest of the many sections of the Timber Trade Federation of the United Kingdom, the trade has developed greatly, and is progressing on safer lines. One of the many problems that has confronted the plywood trade from its inception has been that of keeping supplies from abroad and demand in close connection, and hitherto it has been no easy one to solve, owing to the lack of statistical information available between manufacturers, distributors, and consumers. As an example, the Board of Trade returns include plywood under the vague heading of “wood manufactures,” which naturally contains many articles made of wood that have no relation to plywood, the strong qualities of which are supplemented by the additional advantage that it can be supplied in long lengths

BANCO ALEMAN-ANTIOQUENO

Head Office:
Medellin, Republic of Columbia, South America.
Established 1912.

On June 30th, 1926:

Capital Paid up \$2,000,000
Reserves and Undivided Profits \$1,015,700

Branches: Armenia C., Barranquilla, Bogota, Bucaramanga, Cali, Honda.

European Office: Bremen (Germany), Domshof 17/18.
GENERAL BANKING BUSINESS.

and widths that are unobtainable with the solid wood. Lack of statistics in the plywood industry is now being overcome to a large extent, for we understand that the Plywood Section of the Timber Trade Federation has arranged with H.M. Customs and Excise Statistical Office to receive monthly returns of the registered imports of plywood into Great Britain and Ireland from the several wood countries of consignment. Quantities and values to the end of August this year were as follows:—

	Quantity. Sq. Ft.	Value. £
January	21,502,025	143,165
February	13,811,871	101,589
March	16,479,024	110,142
April	29,104,751	221,355
May	17,146,189	110,715
June	21,325,738	137,066
July	20,462,356	144,709
August	15,955,624	106,660
	155,787,578	1,075,401

The movement to throw more light on the plywood trade is also finding active supporters amongst manufacturers abroad, who have hitherto produced large quantities with little regard to whether the material was in large stock in the distributors' and/or consumers' hands. The manufacturers of plywood in Finland are acting in concert, as, we believe, are also those of Sweden, so that very shortly our Custom House statistics of imports will be supplemented by official returns of quantities of plywood exports by at least two of the principal plywood manufacturing countries, to be followed, it is hoped, by others in Europe and the American Continent. In this way the state of the plywood trade in the United Kingdom (the largest consumer of plywood on this side of the world) and Europe will be gauged much more easily, as is the case with the trade in ordinary imported timber, although here, again, there is room for great improvement.

Oilseed-Crushing Industry.—The oilseed-crushing and vegetable-oil industry has been enabled to continue operations with imported coal and oil fuel, but trade is far from satisfactory and a period of depression is being experienced. This has become more marked in recent weeks, during which there has been a steady falling off in demand for the industry's products, both at home and abroad. Imports of oilseeds, &c., in the past two months were only 228,000 tons, as against 286,500 tons in August and September last year, and while imports of oils have shown a tendency to increase, exports in September exhibited a substantial decrease. Prices also have continued in a downward direction through lack of demand. Taking the nine months January-September, however, the position on the whole is less unsatisfactory than it might have been, though it seems out of the question that imports of oilseeds, &c., this year can now reach the level of 1925. To date the gross imports of oilseeds, nuts and kernels into the United Kingdom are 1,148,283 tons, as against 1,346,281 tons in the corresponding period of last year, the decline of 197,998 tons being equal to 14.7 per cent. Arrivals of linseed at 290,000 tons are nearly 34,000 tons better than a year ago, but against this there are decreases under every head, some comparatively small, others very large, notably soya beans and nuts and kernels. Prices of Plate linseed have dropped to the region of £15 per ton c.i.f., notwithstanding an advance in freight rates equal to about 20s, as compared with what might reasonably have been expected had outward

coal cargoes been obtainable; but, even so, demand is very poor. The Argentine surplus available for export on October 1st is officially returned at 378,000 tons, which is larger than anticipated, and this and 60,000 tons to come from India before the end of the year suggests that supplies will be ample to meet world requirements. Another important factor influencing the market is the encouraging prospects for the new Argentine crop to commence shipment in January. The area is even larger than last season, and should the harvest justify the recent reports of "excellent," it appears quite possible that we shall see another yield of around two million tons—a second "record." The new Egyptian cottonseed is now moving off and a lower level of prices is causing it to be taken up fairly well. The new American crop is estimated to produce over five and a-half million tons of seed, or about 200,000 more than last season, whereas a few weeks ago it would be at least that amount less. This, of course, has not been without influence on values in America and elsewhere. Exports of vegetable oils from the United Kingdom in the nine months consisted of 18,851 tons refined and 82,991 tons unrefined, as against 17,198 tons and 74,710 tons respectively. A feature has been the large shipments of refined cotton oil and of palm kernel oil, the latter especially, America being a large buyer. There have also been larger exports of soya oil, but linseed oil is about 1,100 tons down, and at 18,200 tons is only 6,200 tons in excess of the imports of this commodity from abroad. Generally, imports of vegetable oils have been larger, consisting of 16,330 tons refined and 153,327 tons unrefined, as against 12,923 tons and 131,780 tons. As usual, fully 50 per cent. of the aggregate is coconut and palm oils and the rest mainly seed oils, which can be produced in the mills in this country. Soya oil at 39,200 tons shows to what extent shipments of oil in bulk from the Far East are taking the place of shipments of beans—to this country at any rate. Our exports of oilcake in the nine months at 809,300 tons show a substantial advance, but imports of foreign-made oilcake are very heavy, and at 366,260 tons are 21,500 tons higher than a year ago.

Anglo-Persian Oil Report.—At £438,232 the net profits of the Anglo-Persian Oil Company for the year ended March 31, 1926, exceeded those of 1924-25 by £811,265. This is an increase of 22 per cent. following upon an increase of 42 per cent. in the previous year, and is equivalent to 39 per cent. on the then ordinary capital of £8,950,000. The ordinary share dividend for the year is increased from 12½ per cent. to 17½ per cent. The sum of £1,500,000 is applied to general reserve, £100,000 to amortisation reserve, £228,100 to extra depreciation, and £200,000 to debenture stock redemption reserve. The sum of £3,663,128 previously standing in the balance-sheet under the heading of share premium account has been placed to general reserve, which, together with the appropriation of £1,500,000, now stands at £5,163,128. Of this total general reserve, £4,475,000 is to be capitalised in the form of bonus ordinary shares, and distributed fully paid among ordinary shareholders in the proportion of one in two. The trading results and distributions over the last seven years are shown in the following table:—

March 31.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Profit.....	£ 5,577,607	£ 5,777,637	£ 3,988,164	£ 3,266,289	£ 3,069,636	£ 4,608,357	£ 5,766,390
Fees and legal expenses	10,626	16,176	11,310	13,820	19,746	19,386	19,232
Deb and other interest	152,500	245,312	242,187	235,937	240,521	351,455	337,251
Income-tax	430,387	500,633	181,935	9,699	118,744	173,120	292,319
Royalty to Persian Gov.	322,479	461,484	432,351	317,670	172,759	493,439	734,356
New issue expenses, &c.	233,502	135,543					
Special appropriations.	80,000	25,000					
Net profit.....	2,378,313	3,892,479	3,130,381	2,689,143	2,507,886	3,571,967	4,383,232
Dividends forward.....	276,588	56,113	1,648,792	1,739,173	1,777,738	1,746,643	2,072,799
Net Profit.....	2,654,901	3,848,366	1,481,589	1,050,000	830,148	1,825,324	2,310,433
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periods of the company's history. In respect of 1923-24 the rate relapsed to 5 per cent., but rallied the succeeding year to 7½ per cent. To what the increase in last year's profits is due cannot be stated; they figure at £142,300, as against £115,500. After payment of the final dividend for 1925-26, the increased balance of £17,900 will remain to go forward. The company's more important holdings are in the Loangwa Concessions, Rhodesian and General Asbestos, Shamva Mines and South American Gold and Platinum. In the former speculative interest has just revived. The Asbestos Company goes from strength to strength. The output of the S.A. Gold and Platinum Company continues to expand, but the Shamva has fallen upon less prosperous times. Smaller interests are in the Bwana M'Kubwa and the Falcon. The outstanding feature of last year's operations was the acquisition of an eighteen months' option on the Wanderer mine in Selukwe district. After having produced gold to the value of about £1,500,000, this property was abandoned. In 1922 the claims were taken up again, and the Gold Fields' consulting engineer describes as "promising" their prospects of turning into a large mine of medium grade. On last year's dividends the shares yield nearly 10 per cent., and they appear a very reasonable speculative holding.

A PAPER ON "The Report of the Indian Currency and Finance Commission, 1926," will be read by Sir James Brunyate, K.C.S.I., C.I.E., before the Royal Society of Arts on Friday, November 12th. Sir James Brunyate was Secretary to the Government of India Finance Department from 1913-17, and a Member of the Council of India from 1917-24. Mr F. C. Goodenough, Member of the Council of India and chairman of Barclay's Bank, Limited, will preside at the meeting, which will begin at 4.30 p.m. Applications for tickets to attend the meeting may be made to the Secretary, Indian Section, Royal Society of Arts, John street, Adelphi, W.C. 2.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET BREAK CONTINUES—THE OUTLOOK—AMERICA'S DEBTS TO EUROPE—BANKERS' TESTIMONY—BANKERS AND EUROPE'S TRADE BARRIERS.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 19.

THE past week has seen a further development of the break in the share market. The volume has remained moderate rather than of the first magnitude, but the leading shares have been depressed five or ten points more and the rallies have been insubstantial. United States Steel common, for example, which sold at a high of 159 this summer, and which, when I last wrote, had gone slightly below 142, sold below 135 to-day. General Motors common, whose top this year was 173½, to-day sold off to 142½, which is about 6 points below the low level of a week ago. Railroad shares have been showing better resistance during the past week, but industrials generally have shown a tendency to slip off gradually in response to the weakness among the market leaders. In short, the reaction has developed in a typical manner, and the question that now interests traders is its probable depth and duration. So far the bears have made fairly easy progress, and the movement doubtless has gathered a certain momentum that suggests further weakness. On the other hand, business news is not at all bad, while the money situation does not seem to be disturbing.

The latest report on brokers' loans in this district, for one thing, shows that in the week ended October 13th this form of accommodation dropped \$82,000,000. This brought the total down to \$2,727,000,000, which is some \$400,000,000 below the January high, and \$319,000,000 above the lowest recorded in May. Meanwhile the report on the condition of member banks throughout the country showed that total loans on stocks and bonds were \$34,000,000 lower on the week. Accordingly it would appear that the liquidation in the share market is having

its logical effect on the banking and money positions. At the same time it seems perfectly clear that speculative initiative, except on the short side, has been pretty well killed. Under these circumstances there seems no reason whatever for assuming that the speculative situation is such as to suggest further restrictive measures by the Federal Reserve authorities. Meanwhile the weakness in cotton and silver, two commodities on which important districts of this country are more or less dependent, has continued. For that matter a softening tendency is observable among commodity prices generally. Oil and gasoline prices have been weakish, and it is understood that a cut of 25 cents a barrel in mid-continent crude is on the way. Here again the picture does not suggest the need of restrictive measures with respect to credit. If precedent were to be followed, in fact, the Federal Reserve authorities might be relied on to give prices the support of liberal supplies of credit. These observations should not be interpreted as suggesting that a lower discount rate is on the way; there is nothing to suggest that that is on the cards now. They do suggest, however, that the Reserve banks are likely to take a liberal attitude with regard to the use of their discounting facilities, and that any further hardening in the money market is likely to be moderate.

With further progress in European stabilisation apparently near at hand, our bankers have been interested in the remarks of Mr R. C. Leffingwell, formerly Assistant Secretary of the Treasury in charge of fiscal affairs, and now a partner in J. P. Morgan and Co., that were contained in an address delivered to the Investment Bankers' Association at Quebec on October 14th. Discussing the "flight of capital" from Europe, Mr Leffingwell, said:—"While, then, there has been a steady flow, during and since the war, of capital from America to Europe, there has been an important return flow of capital from Europe to America. Our banks are heavily indebted to the banks and private depositors of paper money countries, for deposits are debts, a fact which some people forget. There are large European investments in American securities and purchases for European account of European securities issued here. While Americans are glad to have these deposits and transfers of capital to the United States, and we profit by them, and a good part of our prosperity has been attributed to easy money resulting from them, we must not overlook the fact that European deposits represent a debt from America to Europe, and paradoxically, as I have said, from banks and corporations of America to banks and individuals of the most poverty-stricken countries of Europe, those who have not yet, or only recently, been able to put their currencies on a gold basis." After pointing out the difficulty of estimating the value of these debts, Mr. Leffingwell observed that "Neither the trade balance nor the direct paper money inflation to meet deficits and debts measurably account for the foreign exchange depreciation that has taken place." Therefore, he concludes that there exists a very important factor of safety for the future in the foreign balances created in favour of the nationals of paper money countries during the period of inflation. "Though I cannot hazard an estimate of the amount of these balances," he added, "I suppose that they greatly exceed in the more important instances the amount of the loans floated in our markets since the war."

Plainly this experienced observer believes that the large balances now here will be important reserves to support the restoration of the gold standard in such countries as Belgium, Italy, and France.

Support for this point of view also was furnished by the testimony of Mr Dwight W. Morrow, also of J. P. Morgan and Co., before the Senate Committee on Finance last June. Asked whether France did not owe a great deal here on open account, and asked if he would try to guess at the total, Mr Morrow replied: "No, and it is very hard to do, but if I were guessing I would guess that just the reverse is true to-day. I would guess that the current-credit balance was very heavily in their favour." Asked whether this was due to the attempt to transfer capital in this direction, Mr. Morrow replied: "Because of the depreciating franc strong pressure is exerted upon them to keep their bank balances out of the country. That is what happened in Germany when the Dawes plan was put

into operation, the thing that gave it its best chance of success in the first year was that in addition to the public foreign loans there was a rush of German capital back into Germany, because for the first time in several years it was safe to take it there. If a German sold anything here he kept his balance here until he absolutely had to have it, because he knew its value here, and he did not know its value at home. I think something of the same situation exists to-day with reference to France."

Our bankers are much interested also in the free trade manifesto just published in Europe. They point out that in this respect Europe now is worse off than before the war, and say that part of our extraordinary prosperity is due to the fact that we have here in the United States one of the largest free trade areas in the world. As to this country's modifying its tariff policy, no great expectations are entertained. The tariff has become something of an article of faith here, and further economic experience probably will have to accumulate before the country is prepared for a change.

FRANCE.—POLITICS AND DEBTS—STABILISATION—SHRINKING TRADE—EXPORT PROHIBITIONS.

(FROM OUR CORRESPONDENT.)

PARIS, October 27.

THE date of the reassembly of the Chambers is to be fixed, according to report, at Friday's meeting of the Cabinet, and it is probable that either the first or the second Tuesday in November will be decided upon, more likely the latter. There are fresh signs of a revival of party warfare by Radicals, who are discontented with the resolutions passed at the Bordeaux Congress for a truce pending the righting of the financial situation, and by the Socialists, who are this week holding a congress, at which their attitude to the Poincaré Government is being considered. The discontented Radicals, led by M. Malvy, are apparently endeavouring to force a discussion of the debt ratification question at the earliest possible date, in the hope that this will prove embarrassing to the Cabinet. M. Poincaré, on the other hand, appears to be carefully marking time, in view of the pending elections in America and of developments that are occurring here in the direction of definitely solidifying opinion on the question. So far as can be seen, opposition to ratification of the agreements in their present form is by no means diminishing in strength, and there is a possibility that the debate in the Chamber on this question may be postponed until after the New Year.

Meanwhile, both politicians and the business world are closely watching the Belgian effort to stabilise the currency, the outcome of which cannot but have a considerable influence on French plans. M. Poincaré remains enigmatic as to his exact intentions, and no hint has yet been given as to whether he will opt for stabilisation somewhat on Belgian lines, or for revalorisation of the franc on a similar basis to the plan on which Italy is working for the gradual revalorisation of the lira. It is possible that the Premier and Finance Minister is waiting to gauge the respective success of the two neighbouring Governments before committing himself. In which case the question arises: what will be his policy if both experiments should prove unsatisfactory? So far the Belgian effort has been received here with distinct sympathy, but there is a good deal of speculation as to whether the plan will survive the economic reaction which is the inevitable consequence of any kind of stabilisation. The violence of this reaction, it is held, will depend largely on currency tendencies here; for if French production costs, based on stabilisation at 150, are found to have fallen below those of Belgian industry (based on 175) the danger to the latter would be serious.

The Bank of France last week began to buy foreign currency, and thus commenced the constitution of the *masse de stabilisation* that is expected to give such solid support to the effort the country is making to emerge from financial anarchy. The purchase of gold currency is continuing satisfactorily, the total acquired having now exceeded 900,000,000f. Last week's Bank statement disclosed that the State's debt to the Bank had been further reduced to 150,000,000f, while the note circulation was returned as 443½ millions less. The figure returned as

the total of the note issue, however, does not include the 900,000,000f of paper which the Bank has paid out for its gold coin purchases, this being excluded from the conventional total on the ground that the whole of these extra notes are fully covered by bullion.

Speaking generally, the outlook continues increasingly satisfactory. Confidence is steadily growing, and proof of this is afforded by the fact that a large proportion of the capital (estimated at not less than 30,000,000,000f) which was sent or kept out of the country by investors or exporters who had been rendered nervous by the predatory policy of the Cartel, has already been repatriated and transformed into francs. This return of capital into France is given as one of the reasons for the recent substantial improvement in the franc. Against this must be placed what many people regard as the first symptoms of an economic crisis, as revealed by the shrinkage in the volume of foreign trade, as recorded in the Customs returns for last month. The total tonnage of the imports for September was 234,000 tons less than in August and 550,000 tons less than in September, 1925, while exports were 230,000 tons less than in August and 71,178 tons less than in September, 1925. The significance of these figures lies in the fact that they mainly concern raw materials, the essentials of future activity. Imports of raw materials last month were 463,147 tons less than in September, 1925. The policy of restricting credits appears to have had the direct result of forcing the country to live on its stocks, thus paving the way for future crises, which can only complicate the task of financial restoration.

In view of the paradoxical fact that although the purchasing power of the franc is steadily rising the cost of living continues to soar, drastic action has been taken by the Government with a view to bringing down the prices of common necessities. During the past few weeks the retail sale prices of potatoes, eggs, milk, butter, meat, fruits and vegetables have been constantly on the upward grade. The reason at first given by the authorities and the Press was that producers, middlemen, wholesalers and retailers were all exacting monstrous rates of profits, and a large number of prosecutions were initiated throughout the country with a view to check this form of illegality. As a result, however, of evidence put forward by traders which showed that high domestic selling prices were largely due to shortage of available domestic supplies consequent on very largely increased exports, the Government has now taken action to prevent many categories of food supplies from leaving the country. Export statistics show that enormously increased quantities of farm produce have crossed the Channel from Normandy during the past few months. At yesterday's sitting of the Cabinet it was decided to prohibit by decree the further exportation of potatoes (except seed potatoes, in regard to which the exporter must import double the quantity of ordinary potatoes in compensation for the limited quantity he is permitted to export), live cattle, fresh meat, butter, fresh milk and cream, and bread-making cereals. Live and dead poultry are excepted from prohibition.

GERMANY.—INTERNATIONAL TRADE RELATIONS—REICHSBANK POLICY—STEEL DEVELOPMENTS—INDUSTRY—SEPTEMBER FOREIGN TRADE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, October 27.

INTEREST in the international manifesto in favour of freer trade has fallen into the background, but the foundation of the British chemicals trust and the proposed British steel fusion attract general attention. The Steel Cartel's creation has shown that international co-operation in important branches is a practicable aim, and British combinations are necessary for the extension of that. The prospect of adoption of freer trade by Germany is smaller than it was last year before the reimposition of the Food Duties. After years of struggle the public has got the notion that agriculture and industry are naturally opposing interests, and that protection of one finds a necessary corrective in protection of the other. In the discussion of last year's "Minor Tariff," by which the Food Duties

were reintroduced, this conviction played a considerable rôle; even the Socialists were weakened in their opposition to the Food Duties by their ambiguous attitude towards industrial duties. There is very little chance of the Food Duties being revoked. The official theory is that free food would depopulate the country; and the argument that this would be prevented by land reform and by a gradual change in the kinds of agriculture carried on is, though advanced by very competent authorities, usually ignored. The reimposition of the Food Duties has probably done more than anything else to rivet protection generally on Germany, whose interest in industrial duties is limited to certain articles, on most of which moderate duties suffice. This condition tends to favour international co-operation in particular branches. The International Steel Cartel presupposed protection for steel, and, in fact, could not be operated on its present basis without protection. The same seems to be true of chemicals and dyes, in which German-British agreement would, in addition to technical co-operation, presumably provide for regulation of output. The Protectionists here have nothing at all against such agreements which, they believe, would in the end operate against the principles laid down in the Free Trade manifesto.

The President of the Reichsbank has made a long statement as to the Bank's policy, and as to credit generally. He declared strongly in favour of increased acceptance credits by the commercial banks, in so far as genuine commercial transactions lie behind them. The Reichsbank discounts these without limit. The commercial banks' August balance-sheets show acceptances totalling only 314 millions marks, as against 2,000 millions in August, 1913. The Reichsbank desires the reintroduction of German acceptances into the international credit circulation. Dr. Schacht strongly defended his gold accumulation policy. The Bank, he said, must be ready to export gold for maintenance of the reichsmark exchange. "The fact that we attribute importance to gold instead of exchange is based on the conviction that gold in the Reichsbank's vaults is always somewhat better than dollar balances in American banks." The export of gold when necessary for exchange correction attracts attention internationally, which is not the case with transfers of exchange. The redistribution of America's gold is in the interest of the world generally, not merely in America's. Dr. Schacht severely criticised the independent credit-giving policy pursued with the accumulated funds of the Posts, Railways Corporation, and social insurance authorities. These authorities act as their own bank directors, and they do their own banking instead of directing their funds to the central credit institute. The chief complaint is against the Railways Corporation, and its bank, the Verkehrskreditbank. The Railways Corporation replies that the Reichsbank president in 1925 consented to the present system of handling railway funds separately; and that its suggestion that the Reichsbank should maintain a representative in the Verkehrskreditbank with a veto right where Reichsbank policy is involved was rejected. Dr. Schacht proceeded to criticise excessive borrowing from abroad. This borrowing threatens to turn the Reichsbank into a mere "conversion bureau" for handing out notes without limit against the foreign exchange, the proceeds of these foreign loans handed in. The Reichsbank has more foreign exchange than it needs. It lately answered affirmatively the question of the Reparations agent whether it could supply exchange for transfers; but this abundance is illusory, because as a result of the heavy borrowing abroad, a shortage in the exchange necessary to meet the increasing interest burden will later be felt. In this connection the Finance Ministry has issued a warning against the practice of municipalities in raising foreign short-term credits without permission and in selling abroad parts of their internal mark loans. Foreign creditors here risk loss because both long and short-term foreign loans by public authorities are invalid without State sanction.

The industrial revival develops slowly. The number of publicly supported unemployed fell in the second half of September from 1,483,018 to 1,395,333. The percentage rate of decline in unemployment has risen in all of the last half-monthly report terms. The number of bankruptcies, after rising in the second week of October,

fell again in the third. Nearly half of all bankruptcies are in the textile and leather branches. Steel output in September totalled 1,144,182 metric tons, against 875,933 tons in September, 1925. The Steel Syndicate has raised the production ration for November to 80 per cent. of capacity (70 per cent. in October). The entry of the smaller Central European countries into the International Cartel is expected. The original members of the Cartel are already negotiating for alterations of the total output ration and of the respective national quotas. The ultimate output figure of 29,278,000 tons is, it is understood, to be applied to the current quarter year instead of the original figure of 25,278,000 tons, which was based on actual production in the first quarter of the year. If this is done, Germany's share will increase automatically from the original 40.46 per cent. to 43.18 per cent. The home steel market shows little change; the export market continues to improve.

The foreign trade balance for September was passive owing to very large gold imports; omitting precious metals on both sides, there was a small export surplus, which was due to a heavy decline in foodstuffs imports, as against which total exports were practically the same as in the preceding month:—

Marks (000's omitted.)

	Sept.	August.	Jan.-Sept.
IMPORTS.			
Livestock.....	14,435	12,104	80,487
Foodstuffs and drinks.....	255,889	383,610	2,557,819
Raw & half-manufactured materials.....	438,304	420,552	3,377,661
Finished goods.....	114,791	103,460	884,797
Wares only.....	823,419	919,726	6,900,754
Gold and silver.....	107,019	51,544	306,221
Totals.....	930,438	971,270	7,206,975
EXPORTS.			
Livestock.....	802	477	7,931
Foodstuffs and drinks.....	28,946	26,296	320,737
Raw & half-manufactured materials.....	224,175	235,350	1,680,022
Finished goods.....	582,447	571,776	5,250,860
Wares only.....	836,370	833,899	7,259,560
Gold and silver.....	3,512	2,508	29,691
Totals.....	839,882	836,407	7,289,241

Wheat imports declined by 54 million marks, coal exports declined by 10 million marks, but coke exports increased by seven million marks. Exports of finished textiles declined by six million marks, of iron and steel other than machinery by three million marks. Machinery exports increased by eight million marks. Exports of toys have increased in the last two months.

The Bourse continues active and, on the whole, firm, though the general quotation level rose only slightly last week. There is a continuing demand for steel, coal, shipping, and banking securities. Shipping stocks have been kept firm by the fusion of the German-Australian-Kosmos group with the Hamburg-America, for which purpose Hamburg-America will increase its capital by 55 million marks. By this fusion the Hamburg-America's tonnage will be increased to 879,000. The Deutsche Bank's index for all stocks in the different groups quoted in Berlin shows that between the beginning of the year and October 9th bank stocks rose on an average 80.8 per cent., and industrial and shipping stocks 117.78 per cent.

POLAND.—FOREIGN TRADE—PRICES—COAL EXPORTS—BUDGET ESTIMATES FOR 1927-28—CIRCULATION—THE TRADE BARRIER MANIFESTO.

(FROM OUR CORRESPONDENT.)

WARSAW, October 23.

THE trade statistics for the last two months seem to indicate that Poland's favourable trade balance has passed its peak, as may be seen from the figures below:—

	(Million Gold Zlotys).		Excess of
	Imports.	Exports.	Imports.
June.....	63.5	102.9	39.4
July.....	65.8	120.9	55.1
August.....	92.1	128.6	36.5
September.....	85.4	114.7	29.3

A further accentuation of this movement is very probable. The great excess of exports since September of last year has been mainly due to the relatively low price level which was the result of the decline of the zloty. Foreign exchanges rose more rapidly than prices, so that the export trade was stimulated by a special premium resulting from the high foreign exchanges, while the same phenomenon acted as a barrier against foreign competition on the home market. The margin from which Polish trade drew its advantages is slowly disappearing. The price level is increasing, while the dollar exchange is maintained on a relatively stable level of 9 zlotys. The following table shows recent changes in the index numbers of wholesale and retail prices:—

	Wholesale Prices.	Retail Prices.
April.....	166.6	227.6
May.....	181.2	246.6
June.....	174.6	243.7
July.....	166.6	232.8
August.....	173.2	237.4
September.....	177.2	246.4

Retail prices of articles of food have increased since September of last year by more than 30 per cent. The working population is everywhere asking for an increase of wages, and it is impossible for the employers to resist this movement.

During recent months the Polish export trade has benefited greatly by the English coal strike. The export of coal, which amounted to 734,000 tons monthly during the first half-year, increased to 1,835,000 tons in July, and to 1,925,000 tons in August. In September exports fell to 1,811,000 tons. This decline is due to transport difficulties which made it impossible to cope with the great coal freight demand. The autumn is the most difficult period for the railways, as great quantities of wagons are needed for the transport of potatoes and of cereals. This makes it impossible to put at the disposal of the mines the emergency rolling stock which they require. In consequence, though foreign orders for coal are not smaller than during the previous months, the export of coal is decreasing.

The Government has presented to the Diet the budgetary estimates for 1927-28 (from April 1st to March 31st). The expenditure is put at 1,899 million zlotys, as compared with 1,631 million zlotys actually expended in 1924 and with 1,880 millions in 1925. Taking into account the great rise in prices which has taken place during the past year, the estimated expenditure figure for 1927-28 may be regarded as 20 per cent. smaller than the amount which was at the disposal of the Government in 1925-26.

The principal revenues are distributed in the budgetary estimates as follows (million zlotys):—Administrative revenues, 1,207.6; net revenues from Government undertakings, 95.0; alcohol monopoly, 275.0; tobacco monopoly, 270.0; salt monopoly, 32.0; matches monopoly, 8.7; State lottery, 8.6. Amongst the expenditure items the Ministry of War, with 622.8 million zlotys, ranks first. The next in importance are:—Ministry of Education (292.6 millions), Ministry of the Interior (179.0), Public Debts (145.0), Ministry of Finance (100.0), War Pensions (101.4), Ministry of Justice (89.0), Ministry of Labour (56.3), &c. It may be questioned if the estimates of revenues are not too optimistic, if they take sufficiently into account the difficult economic situation of the country. The lack of any cash reserves makes the balancing of the budget especially difficult. I have several times drawn attention to the fact that the great quantity of Treasury notes and of silver and other coins which are in circulation (now 460 millions) is too great compared with the amount of notes issued by the Polish Bank (573 millions). A new law which has been promulgated is intended to mollify the abnormal situation. The maximum limit of Treasury notes has been fixed at 460 millions, so that new issues are rendered impossible. Every six months no less than 5½ million zlotys are to be withdrawn from circulation until the total amount of Treasury notes and small coins reaches the level of 12 zlotys per head of population. The old Treasury notes of 2 and 5 zlotys are to be exchanged for a new issue of 5 and 25 zloty notes, which will be called State notes, and which will be legal tender to the amount of 1,000 zlotys. Hitherto the limit has been 100 zlotys.

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Chairman of the Board
JAMES S. ALEXANDER

President
STEVENSON E. WARD

Capital Paid up \$25,000,000
Surplus \$35,000,000
Undivided Profits \$6,000,000

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LONDON REPRESENTATIVE
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The Bankers' Manifesto, which was published this week, did not meet with a favourable reception in Poland. The Federation of Polish Industries, Commerce and Finance, in a proclamation, lays special emphasis on the fact that Polish industry is not a new creation which originated after the war without any local foundations. According to the opinions of the Federation, the home market of 30 millions affords a sufficient basis for the development of local industrial undertakings. The proclamation agrees with the thesis of the manifesto that freedom of exchange is the surest guarantee of a development of world trade and credit. It adds, however, that international exchange is composed of four factors: Labour, capital, raw material and manufactured goods. According to the opinion of the Federation freedom of exchange cannot be restored in one domain alone, but must be extended to other domains.

ROUMANIA.—OPENING OF PARLIAMENT—RETURN TO TWO-PARTY SYSTEM—CROP YIELDS AND GRAIN EXPORTS—EXCHANGE AND TRADE BALANCE.

(FROM OUR CORRESPONDENT.)

BUCHAREST, October 16.

THE autumn opening of the legislative houses, which had been fixed for yesterday, has been postponed until November 14th. In the absence of any official explanation regarding the reason for suspending the opening of Parliament, the Press assumes that, in the first place, General Averescu has not yet come to a decision regarding the reorganisation of his Cabinet, and, secondly, that the Premier has not yet been able to draw up a legislative programme for submission to the Chamber. No one ever imagined that the present Government was in any sense a strong one, but that it is not strong enough after being in office for more than six months even to draw up and submit to Parliament a list of measures has caused something of a shock. With the recent fusion of the Transylvania Nationalists and the Peasants (the parties

of the Left), the political situation has been greatly clarified, and it is generally expected that Roumania's return to the two-party system will be brought about upon the retirement of the present Government by the absorption of General Averescu's People's Party (the Governmental party) into the Bratianu-Liberal group. Since it is generally assumed that Premier Averescu holds his present office only by grace of the Bratianu group, and since the People's Party has never had a definite policy nor a Parliamentary programme, a fusion of the People's with the so-called Liberal Party (the party of the Right) would seem to be entirely logical. While the re-alignment of political groups will cause unsettlement, and possibly disorders, during the next few months, the political life of the new kingdom will ultimately stand to benefit greatly by the restoration of the two-party system, with two parties having positive—and widely differing—legislative programmes. The new National Peasant group is understood to be in favour of a second expropriation of the land, the post-war agrarian reform laws not yet having satisfied the appetite of the peasants.

As at October 7th, the Ministry of Agriculture estimates the present year's crop out-turn—shown here in comparison with the 1925 yields—to have been as follows:—

Grain.	Area Planted.		Yield in 1925.	Estimated Yield for 1926.
	1925.	1926.		
	Hectares.	Hectares.	Metric Quintals.	Metric Quintals.
Wheat	3,300,887	3,327,487	28,506,047	30,444,810
Rye	270,481	295,623	2,031,477	2,909,567
Barley	1,704,064	1,551,567	10,193,278	16,632,936
Oats	1,184,847	1,078,149	7,400,625	11,603,649
Maize	3,930,780	4,075,432	41,591,467	51,657,155

While the latest estimates on the yield of the principal grains for the present year show a substantial scaling down of the Ministry of Agriculture's earlier figures (5,000,000 quintals in the case of wheat, 3,000,000 of barley, and about 1,000,000 of oats), grain merchants and exporters seem to be overwhelmingly of the opinion that the October 7th estimates are still too high. One authority, in fact, states that, instead of this year's wheat crop yielding a surplus available for export of some 1,300,000 metric tons—as was at first estimated—Roumania will have little more than enough wheat for meeting domestic requirements until the 1927 harvest. Maize, however, will provide a substantial export surplus—probably not less than 2,000,000 tons—but very little of this will be moved out before the reopening of the Danube next spring. In addition to higher railway freight rates and poor transport conditions in general, the scarcity of shipping and greatly increased ocean freight rates resulting from the coal strike in Great Britain are causing serious embarrassment to Roumanian grain exporters. With steadily declining grain prices a disorganised transport service, an acute scarcity of money, and other unfavourable factors to contend with, it is not surprising that the outward movement of grain this autumn is much below what had been hoped for.

Thanks in large part to the exchange collapse earlier in the year, when the £ rose to 1,500 lei (the present quotation is around 900), exports of grain and oil during the first eight months of 1926 show a substantial increase over the corresponding period of 1925. The official figures are as follows:—

Exports of—	(Metric Tons.)	
	January 1st to August 31st.	1925. 1926.
Grain	502,221	915,026
Oil products	491,271	878,796
Timber	1,526,359	1,400,214
Cattle (head)	249,703	180,131

This increase in exports, combined with a contraction in imports resulting from tariff increases and the diminished purchasing power of the internal market, has helped to turn a foreign trade deficit of 1,867 million lei in the first eight months of 1925 into an "active" balance of 1,817 millions for the same period of 1926. This is the main reason for the rise in lei exchange during recent weeks. An "active" commercial balance of 1,817 million lei, however, is less than one-half what Roumania needs for the services of her foreign debt charges in one year, so

that, unless the outward movement of grain increases considerably before the closing of the Danube—or unless foreign loans are obtained in the near future—it is hardly to be expected that lei exchange will maintain its present high level through the winter—particularly as foreign debt payments are understood to reach their peak towards the end of the year, when, under normal conditions, autumn grain exports have built up a good reserve of foreign credits.

TURKEY.—FOREIGN EXCHANGE—FREE ZONE—SMYRNA FRUIT CROP.

(FROM OUR CORRESPONDENT.)

CONSTANTINOPLE, October 16.

NOTWITHSTANDING the threat of drastic Treasury measures lately foreshadowed by the leading Government organs, no effective remedy has yet been devised for bringing the Turkish lira back to the point around which it should normally be fluctuating by no more than a few piastres a day at this time of year. Recourse was had by the "Bourse" in the early days of September, as outlined in my last letter, to the official "pegging" of the pound sterling at 910, but after a week's trial it was manifest that this measure was merely making matters worse by keeping sellers off an uncovered market. The embargo was, therefore, removed and sterling at once started rising, reaching 970 in two days. The four-figure limit would undoubtedly have been attained and probably passed had not the Government at last decided to take the only practical step which could retrieve a situation which was rapidly becoming critical—and that was considerably to curtail the Treasury's demand for sound exchange, which the market was not in a position to supply without seriously affecting the rates to the detriment of the national currency. At the time of writing, sterling is back to about 945 and the market is calm. All hope would, however, appear to have vanished, for the time being, of seeing it down to approximately 850, round about which figure the pound should normally be ruling at this season of the year.

A special Commission has been sitting in Constantinople for some weeks past for the purpose of inquiring into and reporting to the Government on the feasibility of creating a "Free Zone" in the Port of Constantinople. But few years have elapsed since the old Turkish capital was an important transit-repository for sea-borne trade converging on it from several quarters of the globe for eventual distribution to adjacent land-locked countries and also to Roumania and Southern Russia. How this pre-eminent position came to be lost—how every effort is now apparently to be made to regain it—affords an apt illustration of the good man who carefully barred his stable gate after his horse had taken to the fields. Among the numerous motives which have impelled the Government to appoint this Commission, the principal one must unquestionably be sought in the manner in which Turkey herself has handled and has tried to grapple with economic and maritime problems which have apparently been beyond her. The law respecting coast-wise trade, for instance, although the outcome of a very natural desire to see the national flag predominant in territorial waters, had the unfortunate effect of almost driving the foreign flag off the local seas before the Turkish mercantile marine was in a position to fill the gap and cope with domestic traffic. Level-headed, moderate Turks themselves now recognise that the step taken by the Government in this matter was premature and ill-timed—but the damage has now been done, and this year, at all events, Turkish shippers of Turkish produce in Turkish ports have been appealing for Turkish shipping facilities in vain. Time will no doubt bring its own remedy in the shape of increased Turkish tonnage, but Constantinople, in the meanwhile, has suffered as much by the change as Trebizonde, Samsoun, Mersina, Adalia, and Smyrna.

The exclusive centralisation in the hands of the "Port of Constantinople Monopoly" of all shipping operations involving towage, watering, bunkering, pilotage, lighterage, stevedoring, labour, and the whole host of attendant formalities which must be carried out before a ship can finally be turned round, has had the undesirable

effect—an inevitable one whenever competition is suddenly eliminated—of sending up charges to such a degree that Constantinople is now one of the most expensive harbours in the world in which freighters can operate. Neighbouring ports within a practicable radius have not been slow to take advantage of the golden opportunity thus afforded to them, and the loss in foreign tonnage incurred by Constantinople has been turned into gain by the Piræus, Salonica, even Port Said, Genoa, and Trieste. This is the situation which it is now hoped to remedy by the creation of a "free zone" with all that this term implies, the building of quays, docks, warehouses, decauvilles, &c. The scheme would necessarily involve considerable capital outlay, and, in default of Turkish capital, the money must obviously come from abroad. Here, therefore—apart from all other considerations, of which there are many—lies the crux of the whole problem. Will foreign markets or capitalists feel sufficiently attracted to Turkey as a possible field for sound investment, until she herself has proved her soundness, her good faith, and her will to respect her moral obligations by coming to some reasonable arrangement with her old, pre-war foreign creditors? Time alone will show.

Those interesting articles of food so freely drawn upon by the British housewife round about Christmastide—the raisin, the sultana, and the fig—have for many decades formed one of the staple products of the Western Anatolian soil. Shipments of sun-dried fruit from Smyrna to the Continent of Europe, the United Kingdom, and the States, have at times exceeded an annual value of as much as 8 million pounds sterling. Although the abundance of the raw fruit is attributable in the main to the bounty of nature, the curing, manipulating, and packing of the finished article call for a display of some skill and technical knowledge on the part of man.

The sale of this year's crop is reported to be encountering serious difficulties. So far as the raw fruit is concerned, the harvest has been abundant, but the quality only middling to fair. Foreign importers are holding back, and the Turkish producer is left wondering why the world markets will not come up to the price-level at which he means to sell. So far as the U.K. is concerned, the Turk has not yet had it sufficiently brought home to him that British-grown dried fruit—the produce of the Dominions and Colonies—has, with the possible exception of the fig, seriously displaced the Turkish article on the home market, and that Empire fruit enjoys certain tariff advantages which the Turkish raisin and the sultana do not. So far as America is concerned, the Turkish trade has received a severe blow by a Federal bye-law subjecting Turkish fruit to inspection by the Agricultural Department before it can be passed as fit for human consumption. American importing houses, therefore, hesitate to open, as they formerly did, irrevocable bankers' credits in favour of Smyrna shippers for produce which may be refused admittance unless it can pass a severe test.

The probable truth of the matter is that, with the exodus of practically the whole Christian element from the Smyrna region as a result of the Greco-Turkish Exchange of Populations Scheme, the best growers, the deftest manipulators, and the most experienced packers have been swept away, to be replaced by an element of the population which has still considerable ground to cover before it can attain to their standard of proficiency.

AUSTRALIA.—BANK BALANCE-SHEETS — THE INSURANCE YEAR—CROP OUTLOOK.

(FROM OUR CORRESPONDENT.)

MELBOURNE, September 23.

THE balance-sheets of the fifteen ordinary banks in Australia and New Zealand (exclusive of the Commonwealth Bank of Australia) for various dates ranging up to June 30, 1926, show a further increase since last year in the shareholders' funds, resulting partly from the usual additions to reserves out of profits and partly from fresh issues of capital. The total paid-up capital of the fifteen banks is now £41,083,732, and reserve funds and undivided profits £32,337,822, together £73,421,554, against £70,920,243 a year ago and £42,035,016 in 1919. The latest total thus shows an increase of over £31 millions as compared with

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seven years ago, while during the same period the liabilities to the public have increased by about £79½ millions, namely, from £299,165,279 to £378,538,376. The ratio of liabilities to shareholders' funds has declined during the seven years from about 7 to 1 in 1919 to about 5½ to 1 in 1926. During the last year discounts, advances, &c., have increased by about £12½ millions, the latest total being £260,756,273, against £248,196,825.

A compilation of the accounts of life assurance offices with head offices in Australia and New Zealand (inclusive of business done in England and some other parts of the Empire) shows that the new business in the ordinary department for 1925 was approximately £47 millions and in the industrial department about £14½ millions, these figures comparing with approximately £45 millions ordinary and £14½ millions industrial for 1924, and about £42 millions ordinary and £14 millions industrial for 1923. These figures show considerable increase since 1919, when the new ordinary business was about £29½ millions and the new industrial business about £7½ millions. While the older offices continue to receive the greatest following of new policyholders, there has been a great increase in the number of new proprietary offices, most of which have acquired large figures by means of extravagant expenditure. The formation and proceedings of these institutions are almost unregulated, as most of them are registered in New South Wales, where there is no law dealing with life assurance companies such as was enacted in England in 1870, and where the ordinary Companies Act is little if anything in advance of the English 1862 Act. Other States have legislated on life assurance after the model of the English 1870 Act, but the want of a Commonwealth Act applicable to the whole of Australia is badly felt. The Commonwealth Government has so far done nothing in the way of legislation on this point, though the Federal Constitution over a quarter of a century ago gave it power to do so. Apprehension has been felt in life assurance circles lest the unrestricted formation and heavy expenditure of new life offices should lead to results which would be followed by extreme legislation of a merely political character that would burden and cramp the conduct of the business by the sound concerns.

The total premium income in the ordinary department or 1925 (or the nearest dates available to represent the year) was £11,869,874, against £10,939,798 for the previous year, and interest £6,119,014, against £5,734,061, the net interest yield being nearly 5½ per cent., after deducting all taxes. The gross assets in respect of ordinary and industrial and some minor departments amount to £137,526,805, against £128,978,684 for the previous year, about 58½ per cent. of the assets being invested in Government and municipal securities and about 20½ per cent. in loans on mortgage. These proportions compare with pre-war proportions of 32 1-10 per cent. of securities and 43 1-10 per cent. of mortgages for 1914. Included in the assets are establishment accounts, goodwill, premium paid on share purchases as a means of virtual amalgamation, and other intangible assets for an aggregate of about a million sterling in the case of a number of the younger offices. Notwithstanding this growth in the number of the proprietary offices, the lion's share of the business continues to be conducted by five purely mutual offices, which in 1925 received about £31½ millions of new ordinary business, or nearly two-thirds of the total, and held assets amounting to about £105½ millions, or over three-fourths of the total assets.

The weather during the last few days has taken an unfavourable turn, and the rather sudden change from cold to warm and dry weather has raised the question of the crop outlook. No immediate anxiety is felt, but a fair amount of showery weather in September and October is essential to a good result, even after allowing for the excellent progress made during autumn and winter.

Letters to the Editor.

BRITAIN'S SHARE IN WORLD TRADE.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In the August number of the "Monthly Review" issued by the Westminster Bank, there was an interesting article on present economic conditions, entitled "Can Britain Retain Her Trade?" The writer suggested "that certain recent utterances have been inspired by an unduly sombre view of British trade prospects. Given," he said, "the necessary spirit of goodwill and honest endeavour on the part of those concerned, we believe that Great Britain can retain her due share of the world's trade, though the rise of powerful competitors with large natural resources and an extremely efficient industrial organisation will render the task anything but easy. It will certainly call for the abandonment of such hindrances to free development as obsolete trade methods, arbitrary standards of life having no relation to economic facts, and the fatal tradition of bitterness between the several partners in production."

These conditions are, of course, essential, and without them recovery would be difficult, if not impossible. With them, as the writer of the article pointed out, the task is anything but easy. He put the United States, Germany, France and Japan, in that order, at the head of his list of our commercial rivals, and, adding figures compiled by a Dutch inquirer, Mr J. Penink van Oudeland (and already published in the *Economist*) to those issued by the League of Nations, he gave a table showing the percentage of the world's trade obtained by the countries named.

Proceeding to comment on the figures, he remarked that, while the share of this country is stationary at about 15 or 16 per cent., the United States has practically doubled her share in the last fifty years, Germany and France have lost part of theirs, and Japan has considerably increased hers. Space will not permit the reproduction of the arguments given for concluding that "America is bound to grow in economic stature for many years to come," but, with your permission, the following observations bearing on this conclusion may be made.

The interpretation of trade statistics must always be difficult, there being so many causes which influence international trade, its ultimate direction being the resultant of all these causes. Amongst them, however, war must be held to be one of the most important. The late Sir Robert Giffen laid down the sound rule that statistics must be studied historically. In the period of half-a-century covered by the table referred to above we see the importance of this rule. In 1875, for instance, the effect of the Franco-German War was still evident in the high share which England had of the world's trade, and the effect of the American Civil War in the low figure shown for the U.S.A., in which country there had been in 1873 a financial panic followed by a severe depression. The Russo-Turkish War of 1877-8 gave an impetus to American agriculture which reacted on trade and fulfilled the prediction of the *Times* correspondent at Philadelphia, writing in April, 1877, that "the whole fabric of American commercial prosperity will be given renewed vigour by the firing of a gun on the Danube and the most serious protracted and widespread depression that has yet visited the United States removed." From 1895 to 1913, while British trade slightly declined, the war in South Africa being no doubt in some degree responsible, a steady rise occurred in the share of the United States and of Germany. To a great extent the trade of each of these countries reacts on the trade of the other. Preparations for future conflict undoubtedly had an influence in increasing German trade in the years prior to 1913, and this is shown, too, in the American figures. As the writer of the article remarks, "to regard 1913 as a typical pre-war year would be misleading." The 1924 figures show America to have gained almost the first place, and Germany to have dropped back from the second to the fourth.

During the Great War production, principally in America, was stimulated to an absolutely unprecedented extent. The "shift of economic preponderance," by which "one became the new rich and the other the new poor," is a permanent shift if Europe only remains at the level of 1913. Lord Liverpool, in a debate on the means of extending the foreign trade of the country, said: "During the war, as the principal neutral State and during part of

it the only neutral State, had increased in wealth, in commerce, in arts, in population, in strength, more rapidly than any other nation ever before increased. But now the world was at peace, and America must retrograde to a certain extent. He stated those facts to show that the distress which had fallen not upon one or two countries, but upon the whole world, was the result of political convulsions, and to show the nature of the distress existing. It could be removed by time alone, and any rash measures adopted to satisfy a popular clamour would only continue, if not perpetuate, this evil." That passage is just as applicable to-day as it was a century ago. There is only one way in which the ravages of war can possibly be made good and the economic balance readjusted, and that is by increased industry and economy on the part of individuals in the countries which the war has impoverished. Those which it has enriched have also their part to play, but it is scarcely adequate to suggest, as according to one of your contemporaries it is suggested, that "the only thing they can offer as a cure for the economic subordination of Europe and the unhappy psychology that accompanies it," is "a lofty and urbane statesmanship which in deed as well as words shall constantly give evidence of kindness and tolerance towards us."—I am, Sir, yours faithfully, S. A. PLAYNE.

MORE ECONOMIC CONSEQUENCES OF THE CAR.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Possibly a more serious consequence of the car than those of a purely economic nature, as pointed out by a correspondent in your columns, lies in the restriction of the marriage and birth rates that so often is adopted to finance it. The number of cars in the United Kingdom is in the neighbourhood of a million, and that is about the number of income-tax payers of £400-£500 a year and over.

As the use of even a cheap car, including depreciation, must be about £50 a year, but is generally about £100, it is clear that to the owner of £500 to £1,000 a year the easiest methods of "economising" are the reduction in savings to the unmarried (or avoidance of marriage), and in additions to the family of the married.

As this reduction will be effected so largely in the ranks of the professional classes, a further decrease must occur in that and similar stocks, in addition to the fall already produced by taxation on behalf of the working (and striking) classes. That these stocks are of great value to the race and State seems unquestionable.—Yours, &c., G. S. P.

Books and Publications.

AMERICA AND THE WAR.

MR ALEXANDER NOYES, well known on both sides of the Atlantic as one of America's most sane and clear-sighted financial writers, has been induced, by many urgent requests from those to whom his "Forty Years of American Finance" is familiar, to continue it in a book covering the war period. The result is a narrative describing, with all Mr Noyes's calm detachment and penetrating observation, the series of events which culminated in the extraordinary change in the relations of the United States to the rest of the world. As everyone knows, this change was the emergence of America from the condition of a borrowing country, largely dependent on Europe for capital for the development of its industry, into the position of world creditor, with enormous debts owing to it from the chief Governments of Europe, and with a holding of gold "which," as Mr Noyes says, "notwithstanding repurchase of Europe's holding of our own securities, had brought into our bank vaults before the end of 1924 half of the world's available stock of gold." This "reversal of the old economic order" is common knowledge, but the steps by which it happened, and the devices by which American production and finance adapted itself to this revolution as it happened, make a story that is highly important to America's debtors, and is extremely interesting as handled by Mr Noyes. He writes clearly and quietly, without a trace of the flamboyant exultation which would have been only natural, of the insatiable demand from the belligerents, and from other countries which the belligerents had formerly supplied, for goods from America at any price, and for money from American investors to pay for them with; and of the eager activity with which American industry faced the task of supplying the goods

"The War Period of American Finance, 1908-1925." By Alexander D. Noyes. Putnam.

and America's newly devised monetary system—constructed by a happy accident just in time to do the work—arranged the financing first of the gigantic export trade to all parts of the world, and then of America's own participation in the war. It was, from every point of view, a wonderful performance, which loses nothing by being described in unsensational terms, and with due attention to such mishaps as inevitably accompanied it—such as chaos of conflicting government "priority orders," which reduced railroad deliveries to such confusion that hopelessly side-tracked cars had to be lifted out of the blockaded inland yards by cranes, while "the congestion of ocean terminals compelled the unloading of freight in open fields 20 or 30 miles back."

Most interesting of all, however, we find Mr Noyes's account of American after-war conditions, and of the amazing miscalculations that led to the boom of 1919-20, and its consequent collapse and cancellation of contracts. The same things, of course, on a smaller scale, were happening all over the world, but the gigantic stage on which the farcical tragedy was played in America makes its story there particularly thrilling. How the banking system there or anywhere else stood up against the enormous losses through which it had to nurse its customers during the reaction is one of the marvels of financial history, and Mr Noyes lays due stress on America's good fortune in having provided herself, just in time, with an elastic banking machinery. With their keen advertising instinct, the Americans organised their "consumers' strike" with spectacular effect. There were "country-wide organisations known as overall clubs and old clothes clubs, whose membership was pledged to buy no more new wearing apparel until prices should come down." In April New Yorkers watched an economy parade up Broadway, in May the city government of New Orleans undertook to proclaim a special holiday which it called Old Clothes Day, on which speeches should be delivered to urge suspension of buying." It is a thrilling story of the behaviour of a great people taking the greatest economic opportunity that fortune ever granted to any nation. Let us hope that Mr Noyes's next instalment will describe an equally interesting use of the gigantic power that the United States have now secured.

SOME LEAGUE PROBLEMS.

PUBLISHED annually since the conclusion of the war—this is the seventh issue—the British Year Book of International Law* provides summaries of the decisions of tribunals and of events of international significance; it also contains reviews of books and a bibliography, but, preceding the pages devoted to these matters, and occupying two-thirds of the volume, is a series of essays dealing with questions mostly of current interest. Written by publicists of established reputation, these comments on some of the international problems now engaging attention are a valuable feature. For the full understanding of questions of everyday practical and business importance inquiry in the region of international affairs is now not infrequently necessary, and publications of this kind should appeal to an increasingly large circle of readers.

Varied in subject as are the essays, many of them naturally resemble each other in that they discuss developments connected with the League of Nations. Thus Dr Arnold McNair examines the question whether the Council of the League can, by a majority, request the Permanent Court to give an advisory opinion, pointing out that, if unanimity is not needed, there is already in existence a degree of obligatory jurisdiction which will be effective in the majority of cases. Upon this point divergent views have been expressed. Sir John Fischer Williams' subject (arising out of the question of Mosul) is "Sovereignty, Seisin, and the League," while Mr Norman Bentwich comments on the new nationality systems which have been created in relation to mandated territories detached from Turkey. Sir Frederick Pollock, writing on the Permanent Court of International Justice, records the impression that its method and temper have been judicial and impartial, and it has firmly resisted attempts to tie its hands by captious exceptions or pettifogging arguments on minor points. A number of other contributions, including Pro-

* "The British Year Book of International Law, 1926." Humphrey Milford. Oxford University Press. 16s net.

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fessor Pearce Higgins' paper on visit, search, and detention of merchant ships during war, do not refer to the League. Professor J. L. Brierly, in his article on the draft code of American international law, appears to be unsympathetic to American activities, and strangely so also to the codification movement in general. The importance of further steps being taken by the League towards the codification of international law was, it will be recalled, much emphasised at the recent meeting of the Assembly of the League.

One article which discusses in a striking manner a number of questions arising in connection with the League system has not yet been mentioned. This is "International Administration," by Mr C. Delisle Burns. "Not only," he points out, "does administration arise out of laws, but laws (rules, regulations) arise out of administration." Referring to the number of new Governmental offices or Ministries set up in recent years, the article points out that "the new administrative offices and methods are not generally an extension of State power, but of State services, and similarly, in the international sphere, the new international organisations, such as the League, are in the main extensions of State services, not of State power." The work done, it is remarked, is not, however, like that of some older bodies, defined beforehand, and administration in the League system has led to new steps in international law. Working out point after point, Mr Burns reaches his conclusions. Without attempting to summarise his article, the last sentence or two may be quoted. "The League," Mr Burns considers, "is not a super-State; it is the necessary extension of each State in the formation of a world system of government. The Secretariat is the national and inevitable outcome of the increasing extent and complexity of modern government. And as administration within the State is a source of new law and of new types of law, so international administration may affect the extent and character of international law."

BOOKS RECEIVED.

Fifty Years of Parliament. By the Earl of Oxford and Asquith, K.G. In two volumes. (London) Cassell and Co., Limited. £2 10s.

A review of half-a-century of Parliament by an ex-Prime Minister, an Elder Statesman, and the greatest Parliamentarian of our times, is more than a publishing event—it is a historical event. We hope to discuss these volumes in a future issue.

Prime Ministers of the Nineteenth Century. By F. J. C. Hearnshaw. (London) Macmillan and Co., St Martin's street, 12s 6d net.

A symposium to which studies of eight Premiers, from Canning to Salisbury, are contributed by well-known authorities, including Professor Hearnshaw (who edits the volume), Sir Charles Oman, Mr H. W. V. Temperley, and Mr Ramsay Muir. The studies in this volume were originally delivered in the spring of this year as lectures at King's College, London.

The Vanished Empire. By B. L. Putnam Weale. (London) Macmillan and Co., Limited. 15s net.

A timely and interesting book, in which the author discusses the historical reasons for the collapse of Chinese civilisation, and also gives a detailed record of very recent events.

The Meaning of Democracy. By Ivor Brown. (London) R. Cobden-Sanderson, 17 Thavies Inn, Holborn. 6s net.

A revised edition of a book which first appeared in 1920. Few words are more loosely used than "Democracy." Mr Brown's object is to clarify confused issues and analyse the real meaning of this term and of such other terms as Liberty and Equality. A thoughtful study, not the least useful part of which is the concluding paragraph insisting that the real work of democratic

government is carried out by a handful of people, and appealing for a larger number to share the burden of active participation.

The Economic Revolution in British West Africa. By Allan McPhee. (London) George Routledge and Sons, Limited, 68-74, Carter lane. 12s 6d net.

This study fills a gap in the economic literature of the Empire development, and deals with trade, transport, finance, land, currency, natives, and health, to each of which subjects a chapter is devoted. The author concludes with the verdict that "candid investigation of the history of the economic development of British West Africa in the last 30 or 40 years proves beyond doubt that England has passed through supreme trials with flying colours." Future dangers are frankly examined, and the publication of the book to coincide with the session of the Imperial Conference is timely.

A View of Sierra Leone. By F. W. H. Migeod. (London) Kegan Paul, Trench, Trubner and Co., Limited, 68-74 Carter lane. 31s 6d net.

Mr Migeod is an extensive traveller in Africa, on which he has written several books. In this volume he gives an account of the Mende people as he saw them. Appendices give specimens of the languages of the various tribes which the author met. Twenty-four illustrations and a map are included.

The Chronicles of a Contractor, being the Autobiography of the late George Pauling. Edited by David Buchan, with an Introduction by J. O. P. Bland. (London) Constable, 10-12 Orange street. 10s 6d net.

The story of a battle through life, from complete obscurity and poverty to achievement and wealth, always possesses human interest. This volume adds to this interest a wealth of anecdote and travel experience, ranging almost literally from China to Peru. A frank and very human book.

Depreciation, Reserves, and Reserve Funds. By Lawrence R. Dicksee. (London) Gee and Co., Limited, Kirby street. 6s net.

A valuable addition to "The Accountant's Library" by a recognised authority, dealing with a very important branch of company finance.

The Canada Year-Book, 1925. (London) Canada House, Trafalgar square.

The Canadian Ministry of Trade and Commerce official statistical annual of the resources, history, institutions, and social and economic conditions of the Dominion. Indispensable to the student of Canadian affairs.

Poland's Economic Development. By Prof. Francis Bujak. (London) George Allen and Unwin. 3s net.

A brochure of an historical nature tracing various aspects of Poland's development from early historical times up to the present day, with a chapter on the current situation. A map is included.

English Composition and Banking Correspondence. By L. E. W. O. Fullbrook-Leggatt. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 5s net.

Primarily a text-book for use by candidates for the examinations of the Institute of Bankers. The latter part of the book would repay study of those more advanced in the banking world, and also of journalists whose style needs correction.

Die Regelung der Volksernährung im Kriege. Von Dr Hans Loewenfeld-Russ. (London) Oxford University Press, 11 Warwick square, E.C.4. M. 15.60.

This volume is the latest addition to the series entitled "Economic and Social History of the War," issued by the Carnegie Endowment for International Peace. It deals with the means of subsistence, e.g., grain, flour, sugar, vegetables, meat, &c., in Austria in pre-war days, how these were affected during the war period, the subsequent trend of development, and the extent to which the needs of consumption are satisfied. The arguments are, in many cases, supported by statistical tables.

Grundriss der Theoretischen Ökonomik: Teil I., Einführung in der Theoretische Ökonomik. M. 3.50. Teil II., *Grundsätze der Theoretischen Nationalökonomik.* M. 5.00. Von Franz Oppenheimer. (Jena) Gustav Fischer.

Part I. is an introduction to the theory of economics, and is chiefly concerned with the problems of production. Part II., intended for more advanced students, discusses the problems of distribution.

International Labour Review, October, 1926. (London) George Allen and Unwin, Limited, 40 Museum street. 2s 6d net.

International Crop Report and Agricultural Statistics. October, 1926. (Rome) International Institute of Agriculture.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

The Registrar-General's Statistical Review of England and Wales for the Year 1925. New Annual Series, No. 5.) Tables. Part II., Civil. 5s net.

Colonial Reports: No. 1308. British Honduras. 1925. 1s net. No. 1310. *Grenada.* 1925. 6d net. No. 1314. *Gibraltar.* 1925. 6d net

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FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C. 3.

Return Showing the Number of Persons in Receipt of Poor Law Relief in England and Wales on the Night of the 1st Day of January, 1926. 1s 3d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
November 9. November 10.

THE outstanding feature of the week has been the remarkable reception accorded by the public to the Belgian 7 per cent. loan of 7½ million pounds offered at 94. There was a tremendous scramble for the bonds, and rough estimates put the over-subscription at thirty to forty times. Dealings will probably start on Tuesday, and the Stock Exchange looks for a premium of about 4 points at the outset.

Deduction of the interest from the price of the 5 per cent. War Loan brought in a little extra business, and, with the monetary outlook clearer, prices in the Consol market are inclined to be better on balance. There is still a good deal of undigested stock in the market for home Corporations, though this will no doubt disappear as investment absorbs the floating supplies, although other borrowers of similar calibre are expected to make their appearance in the near future.

French National bonds have risen considerably, owing, of course, to the improvement in the value of the franc, but various other foreign Government securities show unfavourable changes on the week. Chinese bonds have gone back, owing to the continued condition of unrest in the country. Brazilians are generally easier, and, in the Mid-European group, there was some little selling by holders said to be wanting the money in order to reinvest it in the new Belgian Sevens.

Home Railway stocks developed strength during the latter part of the week, on renewed talk of the coal dispute reaching an early termination. Argentine Railway stocks have held their levels. United of Havana remains weak by reason of the unsatisfactory conditions that obtain in the sugar trade. Paraguay Central "D" is a better market, on the assumption that the company will be shortly declaring its full £6 5s per cent. dividend on this stock. Nitrates are not expected to show any particular movement during the next few months.

In the rubber market a weakening of Rubber Trusts was associated with the interim dividend announcement of 5 per cent. The rest of the rubber share market is tepid and uninteresting. The Colonial Office statement in regard to output is considered likely to leave the price tolerably stable for some time to come. The tea market is uniformly heavy. Oil shares have been good, under the leadership of Anglo-Persian and the other giants in the group, while Phoenix, of the speculative shares, further advanced.

The shipping market shows pronounced strength. It is said that the companies are getting high freight rates for coal, &c., imported into this country. The iron and steel market is a little better, owing to the expectation of a settlement being arrived at in the coal dispute, and this latter consideration has played some part in assisting recovery in other popular industrial shares. Ever Ready enjoyed a somewhat dramatic jump, on talk of a possible bonus issue, and the hopes of a similar melon in the case of the Imperial Tobacco Company served to maintain the prices of the shares, but Godfrey Phillips weakened. Dennis Motors declined, in spite of the directors' decision to return 10s per share of the capital, in addition to paying 20 per cent. dividend, making 25 per cent. for the year.

Marconis came back after their somewhat sensational soaring, and cable stocks, which underwent a sharp decline, recovered to a slight extent. The electricity supply market is easier, in consequence of disappointment felt with the reserves distribution proposed by the Brompton and Kensington Company. Lively dealings in Employers' Liability arose around rumours of the company being coveted by one or two of its bigger brethren. The motor list has been little affected by the success of this week's show at Olympia. Brewery and kindred stocks are disposed to sag for want of support. Amongst new shares, Phillips Rubber Soles, which were marketed this week

for the first time, rose from 2s premium to about 5s 3d. There has been a good deal of activity, without much net change in prices, amongst newspaper shares. In the shares concerned with the big chemical merger Nobels showed conspicuous strength. Tate and Lyle went back on the closing of the company's refinery at Plaistow.

The South African market has been under the domination of Paris, whose offering of and bidding for De Beers provided the tune with which most of the other shares in the list kept in time. A mild slump was followed by recovery, in which some of the gold-mining shares joined, though net movements in the latter are comparatively slight. The tin share market has given way, tin itself falling to the near neighbourhood of £300 per ton, and disappointing the expectations of those who had looked for an immediate rise to £320. West Africans managed to maintain a fairly firm front, and there has been no particular development amongst the Cornish varieties. Rio Tintos followed the call of Paris. Canadian silver shares were allowed to droop, the Dominion paying no particular attention to the list, and other base-metal shares have been neglected.

The Stock Exchange will be closed next Monday, November 1st, in accordance with a usage the authentic origin of which is veiled in a century-old mist. Kindly cynics recall that the date is All Saints' Day.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

ISSUES OF THE WEEK—

Amount previously recorded 167,070,636

NATIONAL SAVINGS CERTIFICATES.

April 1, 1926, to October 23, 1926, Dr £2,050,000.
Net sales week ended October 23, 1926, Dr £50,000.

To the Public—	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Kingdom of Belgium £7,250,000				
Stabilisation Loan, 1926, 7½%				
Sterling Bonds, red. finally Nov. 1, 1926, at par, at 94½ (Oct. 27)	7,250,000	6,815,000	362,500	6,452,500
5% Local Bonds for Housing issued by the London County Council. Cash subscriptions apart from renewals Bonds maturing Sept. 30, 1931		89,090	89,090	
Debenhams Securities, Limited, £1,500,000 6% Cum. Pref. Shares of £1 each, at 22s 6d per share (Oct. 19)	1,500,000	1,687,500	187,500	1,500,000
Illustrated Newspapers, Ltd., 1,800,000 7% Cum. Pref. Shares of £1 each, at par (Oct. 25)	1,800,000	1,800,000	180,000	1,620,000
Do 300,000 Ord. Shares of £1 each at par (Oct. 25)	300,000	300,000	30,000	270,000
P.C.T. Construction Co., 715,000 7% Cum. Guar. Pref. Shares of £1 each, at par (Oct. 25)	715,000	715,000	89,375	625,625
Rotherham Corporation, £750,000 5% Red. 8½% (red. at par Nov. 1, 1948-58), issued at 99%	750,000	742,500	37,500	705,000
City of Auckland, £500,000 5½% Deb. to Bearer (rep. at par, Dec. 1, 1929), issued at 99% (Oct. 25)	500,000	495,000	25,000	470,000
Port Alfred Pulp & Paper Corporation £2,000,000 7% Cum. Red. Pref. Shares of £100 each, at 98½% (sterling equivalent of £100 at par, £20 10s 11½d. Payment at 98½% at par of exchange, £20 4s 9d) (Oct. 27)	410,963	404,750	40,000	364,750
Carriock's (Caterers), 280,000 Ord. 10s, at par (Oct. 26)	140,000	140,000	17,500	122,500
Do 280,000 7½% Cum. Pref. £1, at par (Oct. 26)	280,000	280,000	35,000	245,000
Total offered to the Public	13,845,190	14,649,815	1,237,375	
To Shareholders only—				
Kidderminster and District Electric Lighting, 1,050 5% Cum. Pref. £10, at par	10,500	10,500	1,050	9,450
United River Plate Telephone, 152,000 Shares £5, at par	760,000	760,000	760,000	
Total offered to shareholders		770,500	761,050	9,450
Total offered for subscription to date in—				
1926	181,636,386			231,914,268
1925	183,230,147			209,326,100
1924	163,257,309			177,393,173
1923	245,928,421			573,675,656
1922	543,593,574			388,978,203
1921	255,17,936			367,549,656

Total offered for subscription to date in—	Total offered for subscription for whole year—
1926	231,914,268
1925	209,326,100
1924	177,393,173
1923	573,675,656
1922	388,978,203
1921	367,549,656

Belgium Stabilisation Loan.—This is an issue of £7,250,000 7 per cent. sterling bonds at £94 per cent., redeemable 1936-56. Principal and interest are the direct obligation of the Belgian Government, payable without deduction for Belgian taxes, present or future. The bonds are redeemable by means of an accumulative sinking fund of 1 per cent. per annum. The proceeds of the loan will be paid directly to the National Bank of Belgium, thus reducing by an equivalent amount of francs the debt of the Government to the Bank. These funds received by the Bank will be devoted by it to the immediate stabilisation of the currency. Other parts of the stabilisation loan are being issued in U.S.A., Holland, Switzerland, and Sweden, while credits have

been arranged by the central and reserve banks of a number of countries. The external debt of Belgium, inclusive of the stabilisation loan and of inter-governmental debt, is given as the equivalent of approximately \$833,872,000, and the internal debt of the Government, including all guaranteed debt, as 32,645,421,741f. On the basis of the actual receipts and expenditures of the State in the first eight months of the current year, it is stated that the Government will be able to meet 1926 current expenditure by means of current income, and the Government undertake to present to the House of Representatives Budgets for the year 1927, the aggregate expenditures and receipts of which are in balance. The issue, which was subscribed many times over, is discussed in a leading article in this issue.

Rotherham Corporation.—This is an issue of £750,000 5 per cent. stock at £99 per cent., redeemable 1948-1958. Principal and interest is secured upon all the properties, rates, and revenues of the Corporation, and there will be provision for the redemption of the issue by means of a sinking fund. The rateable value of the borough is £360,014, a penny rate producing £1,375. The outstanding debt is £2,817,984, of which £2,135,831 is in respect of reproductive undertakings; the gross (or trading) profit upon the trading undertakings for the year ended March 31, 1926, was £214,590. The population is estimated at 70,600. The proceeds of the present issue will be applied for waterworks, electricity works, street improvements, housing, sewerage, &c., and for paying off existing loans. This is a good trustee investment.

City of Auckland.—This is an issue of £500,000 5½ per cent. debentures at 99 per cent., redeemable 1959. The whole of the issue is a direct obligation of the city, and is also secured, as to £200,000, by a special rate of 7½d in the £ on the annual rateable value of all the rateable property in the city, and as to £300,000 by a similar special rate of 4½d in the £. A sinking fund of 1 per cent. per annum will be provided. The annual rateable value for 1926 was £2,130,178, and the revenues £1,415,690, while in addition there are assets valued at £7,318,644. The public debt of the city is £5,965,276, of which £3,590,470 is revenue-producing; the estimated population of the city and suburbs is 191,000. Of this issue £200,000 is a second instalment of a street improvements loan, 1924, of £710,000, and the remaining £300,000 is a first instalment of the Consolidated Loan of 1926 for £500,000, authorised for waterworks extension and tram tracks improvements. Although not without attraction, the rate offered does not err on the side of generosity.

Portsmouth Gas Company.—Particulars are advertised for general information purposes of the above company. There is an issued share capital of £651,232, together with an issued loan capital of £323,806. The latter figure includes £170,000 5 per cent. debenture stock, repayable at par in 1951, which the company has sold, it is stated, at 95 per cent., less ¼ per cent. commission, to Messrs Cohen, Laming, Hoare, Prospectusless.

Debenhams Securities, Limited.—Capital £3,500,000, divided into 1,500,000 6 per cent. cumulative participating preference shares of £1 each and 2,000,000 ordinary shares of £1 each. This is an offer for sale of all the preference shares at 22s 6d per share; 500,000 shares, however, have already been applied for by the vendors. The shares carry the right to a further dividend at the rate of 1 per cent. per annum for each 1 per cent. per annum distributed to the ordinary shareholders, with a maximum of 10 per cent. The company has been formed for the purpose of acquiring the whole of the issued ordinary shares of Debenhams, Limited, "with the object of securing continuity of management." Debenhams, Limited, was formed in 1905 to acquire the business of Debenham and Freebody, and has since acquired the businesses of Marshall and Snelgrove, Harvey, Nichols, and Co., Limited, and J. and E. Bumpus, Limited. The company's issued share capital, together with the £771,302 5½ per cent. outstanding debenture stock, amounts to £5,490,427. £500,000 being in "A" 10 per cent. ordinary shares and £500,000 in "B" ordinary shares; these are now being acquired by Debenhams, Limited. Profits, after making all necessary adjustments, are stated to have been as follows:—1923, £618,244; 1924, £624,649; 1925, £689,783; and 1926, £706,256. The articles of association at present provide for a payment of 30 per cent. of the profits, after paying the preferred ordinary dividend, to the credit of a participation fund for the benefit of those engaged in the management or conduct of the business. This percentage in future will be reduced to 15 per cent. The purchase price payable for the "A" and "B" ordinary shares is given as the whole of the preference shares and 1,999,993 of the ordinary shares, but the vendors have agreed to pay to the company £75,000 in cash to cover preliminary expenses. The offer has paid £1,637,500 for the preference shares, besides paying the expenses of the offer, including underwriting. The practice of offering preference shares to the public secured on ordinary shares in an associated undertaking is a development which should be watched closely by conservative investors.

UNITED STEEL COMPANIES, LIMITED.

RESULTS OF A DIFFICULT YEAR.

STEEL INDUSTRY—POSITION AND PROSPECTS.

The ninth ordinary general meeting of shareholders of the United Steel Companies, Limited, was held on the 25th instant, at the Royal Victoria Hotel, Sheffield, under the chairmanship of Mr A. O. Peech.

The notice convening the meeting and the auditors' report were read by Mr A. Blackmore, the routine director and secretary.

The Chairman, in moving the adoption of the report and balance-sheet, after dealing with items in the balance-sheet and profit and loss account, said: We have come through a year much worse in many ways than the previous one, and having regard to the conditions under which we had to work, in common with other undertakings engaged in the heavy steel and coal trades, we consider the result not unsatisfactory. It will, of course, be in your minds that these conditions include the cost of the general strike and the coal stoppage during May and June.

I will now comment briefly upon the operations during the year at our various works and upon their present position. It must be remembered that operations were almost completely at a standstill throughout May and June, owing to the general strike and the coal stoppage. The Coal Inquiry and the resulting negotiations during the months leading up to the present stoppage seriously handicapped the normal course of general trade and materially affected the business of all our branches. With regard to steel, our total production for the year was in the neighbourhood of only 700,000 tons, a total figure large in itself and satisfactory from the point of view of its proportion to the total output of the country, but a tonnage which is disappointing from the point of view of its relation to our total productive capacity of more than one and a-quarter million tons.

Taking first our Sheffield works of Steel Peech and Tozer, Limited, and Samuel Fox and Co., Limited, the trade in special quality steels of these two companies has been maintained throughout the year at a rather higher tonnage level than was the case in 1925, while Templeborough works were able to operate during most of the ten working months of the year on a basis of roughly 60 per cent. of full capacity. With regard to both the special quality steel and the bulk tonnage of ordinary billet steel, prices during the year were very low. It is a matter of common knowledge that the price of steel in this country is to-day only some 17 per cent. higher than the price ruling pre-war, as against a corresponding increase of at least 50 per cent. in the case of other commodities.

LINCOLNSHIRE WORKS.

With regard to our Lincolnshire works, I am glad to say that the Frodingham Company has been able to operate during the ten months to the end of April at full capacity, and, under the circumstances, with satisfactory results. In this case again, however, prices throughout the year declined steadily, and notwithstanding the most economical production profits did not nearly reach the level which should reasonably be expected in normal conditions.

The old portion of the plant of the Appleby Iron Company has again been operated on the basis of two blast-furnaces out of four, providing a sufficient supply of pig-iron to meet the requirements of our Sheffield steel works and the very restricted demand from outside customers. I mentioned to you in October of last year that the board had at that time practically completed arrangements for funds to finish the large new steel work extensions at Appleby. These arrangements were carried through on satisfactory terms shortly after that statement was made, and the work has proceeded steadily since that time, and we expect that the new plant will come into operation progressively throughout 1927. You are aware of the great natural advantages which are controlled by the Appleby Company in connection with these new steel works, and I feel sure you will appreciate the importance of our holding such a strong position in the North Lincolnshire district, which is regarded by many authorities as the district likely to take an increasingly prominent place in the iron and steel production of this country.

At the Butlin works the foundry department only has operated during the year, with results showing a small loss.

I now come to the Cumberland properties; and in regard to these the position has given the board and the local management considerable anxiety for some time. The iron and steel works, collieries, coking plants, and ore mines are interdependent. The trade on which these properties rely is chiefly export, of which up to a few years ago Workington had a considerable tonnage. It is

common knowledge that owing to the reduction in purchasing power since the war our foreign customers have been compelled greatly to reduce their railway developments. Their indents have been comparatively small, and the Continental competition for this business, owing to depreciating currencies, brought about prices which were impossible to the manufacturers in this country. The amount of export business, therefore, which it was possible for Workington to obtain has been small, and such as it was it has had to carry the disadvantage of the cost of shipment elsewhere than at Workington in consequence of insufficient shipping accommodation at Workington. Home business also for iron and steel has been on a very restricted scale.

LABOUR CONDITIONS IN WEST CUMBERLAND.

In addition to lack of trade, the labour situation at the collieries in West Cumberland had been difficult for some considerable time. These difficulties came to a head in July of last year in a strike which completely dislocated the coal, coke, and ore production of the area and lasted for six weeks. After this trouble was composed, production proceeded until May 1st this year, when work at the collieries and mines came to a complete standstill, in common with the others throughout the country. The iron and steel works ceased operations at the same time.

The future prosperity of West Cumberland depends entirely on a permanent and economic arrangement for the regulation of colliery wages in that district. Given such an arrangement, I am glad to be able to say that there is a brighter side at Workington, from which the board are expecting improvement in many ways. During the past two years considerable modifications and improvements have been made in the blast-furnace plant, and when they start up again we believe it will be on better economic conditions than have existed hitherto. The construction of the new dock, to which we are looking for considerable relief in cost upon export material, as well as upon incoming material for iron making, has advanced rapidly during the present summer, and there is every prospect of its being available for use in the early part of next year.

MORE HOPEFUL OUTLOOK.

There are signs of increase in the volume of railway development abroad, and therefore signs of more work, signs that competition is lessening, and therefore signs of better prices. These indications of more work on better terms, taken in conjunction with lower operating cost, more settled conditions in the collieries and mines, and the use of the facilities of our own dock (with which the works are directly connected over our own land) instead of conducting our export trade through other ports at considerable expense, are encouraging. We are therefore looking forward, when work is resumed, to much more satisfactory times at Workington.

In referring to our collieries and coking works at Rothervale, it is necessary to have regard to the general position in South Yorkshire. It is not fully realised that the difficulties which have existed over the year in connection with the South Yorkshire coal trade have been greater than in any other district in the country. In the export market, on which its newer collieries are largely dependent, it has had to meet the same competition as the districts which in the mind of the public are more commonly connected with the export of coal.

At the same time, the average distance which the coal has to be carried, both for export and for inland consumption, is greater than is the case in any other coalfield, and it will be readily appreciated that for this reason the increase in railway rates over those charged in 1914 constitutes a larger addition per ton of coal sold than has to be borne by its competitors. In spite of these handicaps, which have the effect of depressing the prices realised from the sale of coal at the collieries, it has had the additional handicap of paying wages and receiving a Government subsidy regulated by the prosperity of its more fortunate neighbours in what was known as the Eastern Federated Area.

It is of vital importance to the South Yorkshire coalfield that in the settlement of the present dispute the future method of regulating wages should have regard only to its own conditions. Under the circumstances which have prevailed in the district, the results from the Rothervale Collieries and Coking Works, taken as a whole, may be regarded as satisfactory. I should perhaps mention one other matter in connection with the Rothervale branch: We have decided, in conjunction with some of our neighbours, to form a joint organisation for the sale of the coal which it produces. The organisation, which will commence to operate on November 1st, will be known as the Rotherham and District Collieries Association, Limited. Our partners in this association will be John Brown and Co., Limited, and the Dalton Main Collieries, Limited, and the annual output of coal of all the parties will be rather more than 4,000,000 tons.

GENERAL TRADE POSITION.

Turning now to the position of trade generally, I should like to give you an appreciation of the situation as I see it now. Ever since the collapse of the boom period in 1920 the coal, iron, and heavy steel trades have experienced the deepest depression, relieved temporarily by the improvement which occurred after the occupation of the Ruhr by the French in 1924. It is, I think, necessary to take your minds back to the commencement of those times in order to obtain a clear view of the situation to-day, as, however important such temporary improvements or more acute depressions may be in the day-to-day business of a large concern such as ours engaged in the heavy industries, it is possible to observe the real trend of trade and of the conditions under which our trade is carried on only by reference to a fairly long period.

The governing factor in the iron and steel trades in these past five years has, I think, definitely been the large increase in manufacturing capacity which occurred during the war years, not only in this country, but throughout Europe generally, and which was occasioned by the need for rapid and intense production of steel for armament purposes. The increase in productive capacity was, I think, proportionately greatest in this country, although in Germany, France, and Belgium very considerable additions were also made to the pre-war steel-making plant. In the case of all these countries it has been necessary to turn from the manufacture of war materials to output for purely commercial purposes, and the difficulty in making this change in the direction of the output of these plants has been magnified enormously by the concurrent reduction in the purchasing power of those countries upon which we depended largely in pre-war days for the consumption of our exported output.

While at first glance it might be thought that this reduction in purchasing power must have been confined to those countries which were actively engaged in the European war, the financial structure upon which the trade of the world is maintained is so complex that the reduction in wealth of the belligerent nations has undoubtedly affected even those neutral nations from whom large quantities of supplies were purchased during the war.

SOUTH AMERICAN RAILWAYS.

We find, for instance, that the great South American Republics such as Brazil and the Argentine, who were large buyers of railway materials and of steel for general development purposes, have been unable during the past five years to maintain development on anything like the normal progressive lines which characterised their history in the ten years before 1914. As regards the Far East, which also in pre-war days used to absorb large quantities of finished steel, the reduction in demand which has been evident during the past three or four years must perhaps be assigned to other causes—mainly the disturbed political position in China. As regards our colonies and dependencies, there has been since the war a very well-marked tendency in Canada, South Africa, India, and Australia to foster the development of the steel and iron trades in their own countries, and much has been done by way of bounties and tariffs to protect these local industries and to reduce the importation of steel both from this country and from other European competitors.

While these factors have been operating against us in regard to our export trade, the home trade in this country has been literally devastated by the dumping of enormous quantities of steel from the Continent, which has been rendered easy by the increasing depreciation of European currencies in terms of sterling. Up to 1924 our steel trade suffered mainly in this respect from the depreciation of the German mark, while the competition of France and Belgium was not so acute. The stabilisation in 1924 of German currency may almost be said, however, to have synchronised with the beginning of serious depreciation in French and Belgian currencies, which has more or less continued without material interruption.

FRENCH AND BELGIAN COMPETITION.

During the past two years our main competitors in our home markets have been France and Belgium, and the conditions of trade produced by this competition have resulted in price movements in this country which have been almost fantastic. For many years prior to the war it was possible to forecast within comparatively narrow limits price movements in the iron and steel trades over a period running certainly into months, and one might almost say into years, and the changes which occurred were restricted to those which followed purely from temporary alterations in the normal course of supply and demand. So far are we removed from these conditions that the normal working of the laws of supply and demand may be said to have been almost suspended during the past five years—that is to say, the fluctuations

in prices caused by circumstances extraneous to these economic laws have completely swamped the effect of any temporary reduction in demand or increase in supply.

We have suffered enormously from the competition of these countries, the dominating factor of which has been the rate of exchange.

These remarks, I think, give you a fair *résumé* of the conditions which have governed our trade during the past five years, and I have felt impelled to place them before you to-day, particularly because the incidence of the coal stoppage is so prominent in the public mind that it is apt to obscure all other considerations. While I do not wish in any way to minimise the effect of this stoppage in regard either to our own position or to the trade of the country generally, I think that it must be brought into proper relation to the larger question of the position of world trade as it affects the production and sales of coal, pig-iron, and steel.

Viewed from this angle, while it is true that very heavy losses have resulted from the lamentably prolonged dispute in the British coal trade, there is no reason to believe that the dispute is more than a temporary setback to these great basic industries in this country, and a setback which may, in large measure, ultimately be overcome by greatly increased production, and by the cultivation of more harmonious relations between those engaged in all these industries.

SUPPLY EXCEEDS DEMAND.

The fundamental difficulty to which I have referred still, however, confronts our trade—that is to say, the problem of relating the enlarged productive capacity of this country, and of Europe generally, to the diminished effective demand which exists to-day. The recent developments on the Continent which have been given such prominence in the Press during the last few weeks, and which are aimed at the close regulation of the output of France, Luxembourg, Belgium, and Germany will certainly tend to remove from the market for steel much of the unrestricted competition which has characterised the past two or three years. How far these developments may go it is, I am afraid, quite impossible to predict to-day. Their course is being watched very carefully by ourselves and by other large producers in this country, and the possibility of the British steel trade taking an active part in them is a matter of serious concern to those of us who control the more important productive plants in this country.

For obvious reasons it is impossible for me to do more than touch upon this subject at this meeting, but I think it proper to say that the movement which has been initiated abroad is one with which we in this country must have considerable sympathy, and one which in conditions which we could regard as adequate and appropriate we should feel inclined actively to support. Had the normal rate of increase in consumption which obtained in pre-war years continued up to the present, the output capacity of all available plants would have been inadequate to meet the world's needs. It is not unjustifiable optimism to believe that the loss which makers have experienced in their output in recent years can be and will be made up before many years have passed by an increase in the rate of demand, which is bound to arise if the needs of the world are to be met.

VAST RESOURCES.

Now, in regard to our own position in these matters which I have discussed, the report states clearly the results of the year's working and the outgoings which have had to be met, and we are considerably poorer than we were a year ago. The diminution in reserves, after providing for debenture and obligation interest, sinking funds, payment in respect of United Strip and Bar Mills, and the reserve against losses of subsidiary companies, is practically £300,000. I really do consider, however, that the results of the past year are far from being unsatisfactory when due consideration is given to all the exceptional conditions with which we have had to contend.

The output capacity which we control, amounting to some 1,250,000 tons of steel and correspondingly large tonnages of pig-iron, coal, coke, ore, and other products, requires for the successful operation of our plants a large and steady demand. I would remind you that few other companies control such vast resources, both in raw materials and in manufacturing plant, as we do, and, furthermore, that our plant includes much of the most modern type to be found in operation in any country. It is our firm conviction that large and modern plants will yet enjoy considerable prosperity, and we look forward, despite the losses of the coal strike and the intense disappointment of seeing shattered, owing to the coal stoppage, those hopes with which our trading year opened, to steady improvement in the prosperity of the company.

During these months of inactivity orders have continued to come in, and when it is again possible to reopen our works, with adequate supplies of fuel at reasonable prices, we shall commence operations with a much larger tonnage of work than has been in hand for a long time.

Mr W. Benton Jones seconded the resolution, which was adopted.

ENTRE RIOS RAILWAYS COMPANY, LIMITED.**RECORD YEAR—FAVOURABLE PROSPECTS.**

The ordinary general meeting of the Entre Rios Railways Company, Limited, was held, on the 25th instant, at River Plate House, Finsbury Circus, London, Mr Follett Holt, M.Inst.C.E. (the chairman), presiding.

The secretary (Mr W. J. George) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: This is the first meeting at which your directors have been able to place before the ordinary stockholders a satisfactory result. The net earnings for 1924 were £451,000, for 1925 £519,000, and for 1926 £557,000, showing progressive, but not extraordinary, increments. During 1924 and 1925, however, the debt to the first preference stockholders, incurred in a time when we were working with a ruinous tariff, had to be paid off, but the past year, being free from this incubus, the balance of revenue enables the ordinary stockholders to be rewarded for their long patience.

The year, indeed, proved a record one. The railway carried more passengers, cereals and general goods traffic than ever before, earning a net revenue which has enabled the directors, after making a substantial allocation to reserve, to recommend a dividend of 6 per cent. on the ordinary stock. We must continue to follow a policy of strengthening the financial position, for we shall always have river competition to face, and, in order to obtain a fair share of business, it will remain necessary for the railway to provide for all time not only good, but cheap, transport. It was the short haul to and from the many port towns which made the working of the railway so difficult in the old days, the long and remunerative haul having been won solely through our train ferry enterprise. It is, therefore, most satisfactory to find that we carried in our trains on these ferries last year no less than 554,000 tons of paying traffic, including 82,000 passengers and 876,000 animals, all long-distance haul.

LOW CAPITALISATION.

I think it may be said that our railway is exposed to more competition than any other in Argentina, but, fortunately, salvation is found in the low capitalisation per mile of line. Our capital works out at approximately £11,400 per mile, so we have in this respect an obvious advantage when comparisons are made with companies capitalised at 50 per cent. at least over this figure.

This brings me to the physical condition of the railway. We started with 379 miles of very weak track, the average weight of rail being 47½ lbs to the yard; no part of the line was ballasted or fenced, and the rolling stock was scarce and of small hauling or carrying capacity. Now the length of our system is 728 miles; the average weight of rail has been raised to 64½ lbs; we have 422 miles ballasted; the line is fenced, and the rolling stock is well up to modern standard. We are planning to carry out during the next five years a substantial programme of stone ballasting and relaying in order to meet the ever-increasing requirements, and to secure permanent improvement in running conditions.

If we want to obtain the best results for Argentina and for its railways, we must all pull together. Amongst other directions where I think the closest co-operation is called for is in the problem of immigration. Senor Ramos Mexia, while in Europe, explored this subject in Italy and elsewhere, and we believe that a practical plan will be evolved which should have far-reaching effects.

PROSPECTS.

As to our immediate prospects, even allowing for the loss of traffic caused by the dislocation of the train ferry service, higher fuel costs and the higher scale of wages now in force, they appear to be favourable at the present time. Last year, Entre Rios, losing a great part of the wheat, secured a heavy linseed crop; but our railway, in addition to its own large internal trade, carried, among other items, 98,000 tons of timber, 20,000 tons of yerba, and the rather amazing total of 59,000 tons of oranges, all coming not from our own system but from the railways with which we now connect through our extensions north and south. We must bear in mind that the outcome of the crops is still an important factor in our receipts, and especially this year, in view of the fact that up to the present we are behind in earnings, due to the loss of one of our train ferries. In our opinion, the company having attained financial stability and serving directly and indirectly, as it now does, large areas of land with ample room for profitable development, there is little risk of the advent of any prolonged setback. We may have seasons of bad crops, but, given ordinary and peaceful conditions in the Argentine and Paraguay, we believe that we can look forward with confidence to an operating and

financial future which will be entirely satisfactory to all concerned in the welfare of the railway and of the company.

The following cable has been received from the general manager:—"Harvest prospects very favourable; area sown approximately equal that last year; linseed especially gives promise good crop; camps in excellent condition for livestock."

The report and accounts were unanimously adopted.

UNITED RAILWAYS OF THE HAVANA AND REGLA WAREHOUSES, LIMITED.**EFFECTS OF THE CYCLONE.**

The twenty-ninth ordinary general meeting of the United Railways of the Havana and Regla Warehouses, Limited, was held, on the 28th instant, at Winchester House, Old Broad street, London, the Rt. Hon. Lord Ashfield, P.C. (the chairman) presiding. The London manager and secretary (Mr W. J. Maslen), having read the notice convening the meeting and the report of the auditors,

The Chairman said, in the course of moving the adoption of the report and accounts: I am sure it will be your wish that I should refer to the disastrous cyclone which visited Cuba during the past week. The damage which it caused was confined to the districts served by your railways, and I feel sure you will desire to associate yourselves with your directors and officers in an expression of deep sympathy with the Government and the people of Cuba in the loss of life and injuries which they have suffered as a result of this unfortunate and lamentable event.

The gross receipts of the railways amounted to only £3,950,000, or less by £1,019,500 than those for the previous year, while expenses amounted to £2,981,000, a decrease of only £78,000. Putting these results in another way, gross receipts decreased by 20 per cent., and expenses by only 2½ per cent. The ratio of expenditure to receipts for the year was 75.48 per cent., and for the previous year 61.56 per cent.

The net revenue for the year, without making any provision for reserves, is only equal to 3½ per cent. on the ordinary stock. This result would not justify your directors in recommending the payment of any further dividend for the year under review. But fortunately the conservative policy which the board have pursued in past years has provided a fund which can properly be used to augment the sum available for this purpose in an exceptionally lean year, such as the one through which we have just passed, and your directors are therefore able to recommend the payment of a further dividend of 3 per cent. This will make the rate of dividend for the year 5 per cent., compared with 8 per cent. in the previous year, when our fortunes were at a much higher level. To pay this further dividend of 3 per cent. it is necessary to transfer £100,000 from the equalisation of dividends account to the available balance in the profit and loss account, and to reduce the amount carried forward into the next year's account by £14,600, when compared with the amount brought into the accounts for the year under review.

LOW PRICES FOR SUGAR.

The cause which has operated to the disadvantage of your undertaking, and which affords a true explanation of the impaired financial results for the year under review, may be summarised in one sentence: the very low prices ruling in the sugar market for the last two years. It is estimated that the value of the crop last year was roundly \$230,000,000, compared with an estimated value of about \$300,000,000 for the crop of 1924-25, and of \$400,000,000 for the crop of 1923-24. These figures disclose a very severe decline in the value of the crops for the last two years, and amount in money to no less than \$270,000,000, a sum quite large enough to affect the economic equilibrium of a State much larger than the Republic of Cuba.

It may not be of much consolation to you when I tell you that we are not alone in our misfortune. In October, 1925, the position of the sugar industry was such that President Machado invited the railway companies in the Island to lend assistance to the industry by reducing railroad rates, and after several conferences certain reductions in our rates were agreed to. These new rates came into force in January, 1926. At that time the market price of sugar stood lower than it does to-day by nearly half a cent a pound, and we felt that this compelled us to respond to the President's wishes. These provisional rates were in force for nearly one-half of the year under review, and have entailed a very heavy loss for our company, and I might add that so far in the current year they have hit us even more severely still. On the other hand, a fresh situation will arise a few days hence, when we are due to submit to the Government our proposals for definite new tariffs, which are to rule for the next year ahead.

When I attempt to review the prospects for the immediate future, I find myself confronted with a task of exceptional diffi-

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culty. The position was sufficiently obscure before the cyclone. We have, of course, been in constant communication with our general manager regarding the position, and our latest advices show that, so far as this company is concerned, the principal damage is confined to buildings and their contents, and to the telegraph system, the damage to track and rolling-stock having been comparatively slight. So far as it can be estimated at present, our general manager places the cost of repairing the damage on your company's system at something in the neighbourhood of £100,000.

The report and accounts were unanimously adopted.

ARGENTINE GREAT WESTERN RAILWAY COMPANY, LIMITED.**INCREASE OF CAPITAL APPROVED.**

The ordinary general meeting of the Argentine Great Western Railway Company, Limited, was held, on the 26th instant, at Winchester House, Old Broad street, London, to receive and consider the accounts and balance-sheet to June 30, 1926, and for the ordinary business of the meeting, and also for the purpose of considering, and if thought fit passing, resolutions increasing the capital of the company and amending their articles of association.

The Rt. Hon. Viscount St Davids (chairman of the company) presided.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen, the Buenos Ayres and Pacific Company has paid its shareholders 7 per cent. as usual, and, therefore, we pay our shareholders 6 per cent.—also as usual. During the past year we have been proceeding with the development of the property. We have opened two small branches—together making 42 miles of line—and we have two other small branches, which total 43 miles, almost completed.

As regards further developments we have been going on with our new workshops and running sheds at Mendoza, and with the doubling of the line between Alto Verde and Palmira. You will notice that we have set out in the report proposals for a fresh issue of capital. Somebody has suggested that this has come rather soon after the last issue. But you will doubtless have noticed that we still have a debt owing to the "Pacific" company from whom we have been borrowing, and I would point out to you that between 1910 and 1925—that is 15 years—we made no fresh issues of capital at all. You will, accordingly, understand that our capital account really needed some replenishing.

As regards the prospects, these, up to the present time, are satisfactory.

On the "Pacific" line we are at the present time using coal; we are using coal not only on the "Pacific" but also on the Argentine Great Western, naturally, as our system is included in the "Pacific." At the meeting of the "Pacific" the other day I warned people in England that the management of the "Pacific" would very shortly have to consider the question of changing permanently from coal to oil because of the coal troubles in England and because of oil developments in the Argentine. If the people in the coal trade on both sides here who spend their time in wrangling cannot learn the lesson in this, it is a great misfortune to the country.

The report and accounts were unanimously adopted.

The resolution increasing the capital of the company and amending the articles of association were carried unanimously.

**ASSAM RAILWAYS AND TRADING COMPANY, LIMITED.
ANOTHER RECORD YEAR.**

The forty-sixth ordinary general meeting of the Assam Railways and Trading Company, Limited, was held, on the 27th instant, at Winchester House, Old Broad street, London.

Sir Walter R. Lawrence, Bt., G.C.I.E., G.C.V.O., C.B., presided, in the absence, through indisposition, of Mr George Turner, M.E. (the chairman of the company), and read the speech which had been prepared by that gentleman, in the course of which he said that the board had again the pleasant duty of congratulating the shareholders on a very satisfactory account. It showed a profit even larger than last year's, which was a record year, and in this result all the departments of the company had borne their share. The railway profit was considerably greater than any they had published before. Operating expenses had come down to 53.50 per cent. of the receipts, as against 64.33 per cent. in the previous year and 74.49 per cent. in 1923-24. The management in India were of opinion that they could look forward to a steady increase in the earnings for some time.

The company's collieries had not had such a good year as the railway. The new collieries were ready to produce coal and were only waiting for the approach lines, which should be completed and joined up during the coming cold weather. There seemed every prospect that the Namdang Tea Company, in which they held a five-sevenths interest, would do well this season.

The net revenue account showed that after bringing in the balance carried forward last year, paying all the debenture interest and preference dividends, and providing for fire insurance, and a sum for renewals and replacements, they had £101,661 to deal with, as compared with £90,603 last year. The dividends on the "A" stock absorbed £50,400 of this, and the board recommended that another £10,000 should be written off the discount on debentures. They had already paid an interim dividend of 4 per cent. on the "B" stock, and recommended a final dividend of 6 per cent., making 10 per cent. in all, as compared with 9 per cent. last year.

The report and accounts were adopted, and the dividends recommended were approved.

**HERRBURGER, BROOKS, LIMITED.
GOOD RESULTS—STRONG POSITION.**

The sixth annual general meeting of Herrburger, Brooks, Limited, was held, on the 27th instant, at the Midland Grand Hotel, London.

Mr F. B. Allen, who presided in the absence of the chairman, through illness, said he thought it would be agreed that the result of the past year's working was quite satisfactory. In spite of strikes during the last three months of the financial year, the company had made 4,341 more actions than in the previous year, although the turnover was down to the extent of £2,400. That was accounted for by the policy the board had adopted of always meeting the trade wherever possible in the reduction of prices. The balance-sheet disclosed a strong financial position. The investments, all of which were in Government securities, had increased by £23,982, and brought in between £7,000 and £8,000 per annum, equivalent to over 3½ per cent. on the share capital. If the suggestions embodied in the report were approved, the balance of trade marks, secret processes, &c., account would be extinguished, and goodwill would appear as £25,000. This carry-forward of profit and loss would then be £66,750, and it would be seen that this item of goodwill, which was considerably below what might be taken as its true value, was not only fully covered, but, even were it written off, the balance of profit and loss would still appear as £41,750. Since the inception of the company the item of trade marks and goodwill had been reduced by £91,582, while mortgages and loans which had been paid off amounted to £21,235, or a total of over £112,000. In addition, during that period the price of the actions sold by the company had been reduced by 44 per cent., which he thought was a very satisfactory aspect. The quality and reputation of the British piano had never been better than at the present moment, and as practically all the makers were exclusive users of the company's actions, they felt they could take some little credit for this position of affairs. Comments had appeared in the Press that wireless might have some detrimental effect upon the piano trade. His view was that, as with the gramophone industry, it was more an assistance than a hindrance. They had received quite a number of letters from educational and professional people with regard to the article manufactured by the company, and in all cases educational authorities, in their specification, always included Herrburger, Brooks actions. The prolonged coal strike had a considerable retarding effect on trade generally, and the piano trade in common therewith, but not to the extent that would be expected in a trade usually designated as a luxury trade.

The report and accounts were unanimously adopted.

LANKA PLANTATIONS COMPANY, LIMITED.

CONTINUED PROGRESS AND PROSPERITY.

The forty-sixth ordinary annual general meeting of the Lanka Plantations Company, Limited, was held, on the 27th instant, at the offices of the company, 12 Fenchurch street, London, Sir Stanley Bois (chairman of the company) presiding.

Mr C. G. Bois, the representative of the secretaries (Messrs. Robertson, Bois and Co.), having read the notice convening the meeting and the report of the auditors,

The Chairman said: I have again the pleasure to move the adoption of a report and accounts which register, as I think you will agree, a continuance of progress and prosperity, although it will be seen that our main product—tea—has not done quite so well for us as was at one time expected, the crop showing a falling off of 50,561 lbs as compared with last season, due, as I mentioned in my remarks about a year ago, to a period of droughty and unfavourable weather. Furthermore, the net average price shows a drop of a trifle over ½d per lb as compared with last year, the decrease, as explained in the body of the report, being fully accounted for by the fall in the market during the latter half of the period under review. In addition to this, the average rate of exchange has been ½d in the rupee higher than in season 1924-25, so that our all-in cost per lb has also increased, and correspondingly lessened our margin of profit.

During the past season we were able to obtain the remunerative price of 15 11d per lb for our tea during the first half thereof under the contract reported when last I addressed you, but this came to an end on December 31, 1925, and no further forward contracts were or could be advantageously entered into in view of the uncertainty of the market. As regards rubber, you will observe that our report indicates a very big increase in our proceeds from this product—namely, £23,011 9s, as against £7,850 16s 5d. The crop obtained, 163,743 lbs, was nearly double that for the previous year, and the handsome average price of 28 9.73d per lb was attained, mainly from our having been so fortunate as to sell forward three tons a month from January-June at 4s 3½d per lb. The expenditure on rubber was slightly higher, owing to the necessity for bringing our Arnhall rubber once more into the tapping round. If we can look forward to realising the present average price for our output (even although for the time being it will only be 80 per cent. of our full assessment), we may regard our rubber holding as a valuable potential addition to our profits, although we cannot, of course, look forward to another "bumper" season such as we have had in the period under review. Our cocoa crop was less than that obtained last season, which mainly accounts for the reduction in the proceeds; the average price also showed a reduction from 72s 10d to 66s 2d per cwt.

THE DIVIDEND.

Turning to the accounts, after providing for the dividend of 6 per cent. on the preference shares and an interim dividend of 10 per cent. on the ordinary shares, already paid, there remains at credit of profit and loss account the sum of £33,070 16s 9d, and the board recommend the payment of a final dividend of 20 per cent. on the ordinary shares, making 30 per cent. for the year. In view of the reserve account standing at the figure of £45,000 and of our liquid cash position, it has not been thought necessary to recommend any addition thereto. I may mention that the expenditure in Ceylon includes the payment of a bonus to the retiring manager of Thotulagalla estate, who had been with the company for over 20 years, and the directors propose, as heretofore, to meet out of their additional remuneration the bonuses to superintendents for the past season.

CURRENT YEAR'S OUTLOOK.

As regards the outlook for the current season, our tea crop for the first three months shows an increase of some 26,000 lbs as against the same period in the previous season, while rubber is about the same. It is somewhat early to judge whether this improvement in the tea crop will be maintained or exceeded, but, with anything like normal weather, there is reason to hope that it may be. As regards cocoa, which is produced on our Yattawatte estate, the estimate is for some 900 cwt, as against only 715 cwt harvested in the season under review, the falling off of 185 cwt having been due chiefly to the dry weather experienced during January and February, so that in regard to this crop we are obviously very dependent upon the weather.

There has recently appeared a report by the Food Council to the President of the Board of Trade on wholesale tea prices, and it is interesting to note that the Council can find no material grounds for criticism of the producers beyond the suggestion that fine plucking "has been used for the purpose of artificially restricting supplies." So far as Ceylon in general is concerned, and this

company in particular, our plucking policy has invariably been directed to obtaining such leaf as can be manufactured into the best tea that that estate is capable of producing, having regard to its elevation and condition.

I think we may reasonably look forward to a continuance of remunerative prices, although, as I have remarked in previous years, the steadily growing cost of production automatically restricts our margin of profit.

Dr Peter Chalmers Mitchell, C.B.E., seconded the resolution, which was carried unanimously.

THE ARGENTINE LIGHT AND POWER COMPANY, LIMITED.

PROGRESS OF COMBINED BUSINESSES.

The eighteenth annual general meeting of the Argentine Light and Power Company, Limited, was held, on the 29th instant, at Winchester House, Old Broad street, London, Sir George Alexander Touche, Bt., C.B. (chairman) presiding.

The Chairman said that the economic and financial conditions in Argentina during the year covered by the report were favourable, although the volume of business was restricted.

Referring to the Cordoba Electric Supply business, he said they derived the motive power for their two hydraulic stations in Cordoba from the waters impounded by the San Roque Irrigation dam. From April, 1925, to the beginning of July in the same year, the level of the water in the San Roque Irrigation dam was lower than during the same period of the previous year, and the water supply was restricted from May 12th to August 24th. From October, however, heavy rain-falls raised the levels of water in the San Roque Lake, and they had obtained a sufficient supply. The number of units sold, including those used by the tramways, totalled 21,741,467, as compared with 20,361,101 in the previous year, an increase of 6.78 per cent. They had record receipts, both gross and net. The number of their customers for electric light at the end of the year totalled 13,711, as against 12,200 at the end of the previous year, and 6,892 at March 31, 1918. As to the Cordoba Tramways, taking the system as a whole, they again had record figures in both the gross and net receipts.

Alluding to the results of the business of the subsidiary companies, he said the gross receipts of the combined businesses in Cordoba and Santa Fe for the year to March 31st last were £573,724, the expenses £272,623, and the net receipts £301,101. These figures were before allowing for depreciation, loss on exchange, and certain other charges. It was satisfactory to report that during the first five months of the current financial year the results showed a further satisfactory advance. After making provision for wear and tear on a fairly liberal scale, and providing £9,317 for loss on exchange, charged in the accounts of the subsidiary companies, the revenue derived from these companies, and other sources, totalled £215,076.

No loss on exchange fell to be charged in the accounts of the holding company. In the previous year loss on exchange totalled £29,499, and £5,367 of this was applicable to the holding company's profit and loss account, the credit to which was £192,545. The figure of £215,076, therefore, properly compared with £187,177 a year ago. Deducting interest on the debenture stock, £58,451, and London expenses and taxation, including the small expense of the issue of preference shares, they had a balance of £136,521, compared with £108,306 in the previous year. To that balance of £136,521 there was to be added £15,133 brought forward at April 1, 1925, making a total of £151,654. Against that was charged the debenture stock sinking fund, £12,777, in accordance with the terms of the trust deed, and the dividend, less tax, on the preference shares for the year, £52,242, while there was transferred to share capital redemption fund £7,500, and to general reserve £35,000.

The balance left after various transfers was £44,135, out of which they proposed to apply £29,606 to the payment of a dividend at the rate of 4 per cent. (subject to deduction of tax) on the ordinary shares of the company, in respect of the year to March 31st last, leaving £14,528 to be carried forward. In regard to the proposed change of the name of the company, at present he could only say that negotiations were in progress, which, if concluded in the way they anticipated, would give the company an opportunity of enlarging the scope and basis of its business, and extending its operations outside Argentina. The maturity of these proposals would lead to further negotiations with public authorities, which made it advisable that the company should not be limited by its name and title to operations, however important, in one country only. He moved the adoption of the report and accounts.

The resolution was unanimously carried.

A resolution changing the name of the company to the Atlas Light and Power Company, Limited, was carried.

UNITED DAIRIES, LIMITED.

QUALITY AND CLEANLINESS THE FIRST CONSIDERATION.

The annual meeting of the United Dairies, Limited, was held, on the 29th instant, at Connaught Rooms, Gt. Queen street, London, Mr J. H. Maggs presiding.

The Chairman, in the course of his speech, said: The net profit after eleven years' continuous increases shows a falling off of £49,676. Whilst we must all regret this decline, it will probably not have come as a surprise to those of you, and they are probably the majority, who are in close touch with the milk trade. Had I made a prophecy at this time last year I should have had little hesitation in forecasting a fair increase in profits, and considering the increased business done, we might legitimately have expected even more; in fact, our monthly figures for the trading companies right up to February were ahead of the previous year.

IMPROVED METHODS OF DELIVERY.

In the conversion of our retail deliveries from cans to bottles we necessarily incur increased expenses. For one thing, the whole system of delivery changes; not only is the pasteurising and bottling plant entirely new, but distribution is concentrated, and in place of a large number of small yards with a few rounds going out from each, distribution depôts are provided at which up to as many as 70 rounds are centred. Until the change-over is completed we are for a time carrying two sets of premises and depreciations, but as the old yards are vacated we are rapidly letting them on advantageous terms.

The fallacy of low-priced milk being the same thing as cheap milk cannot be emphasised too often. Unsafe milk is dear at any price. There is no article of food to which considerations of purity, quality, and measure apply more strongly than to milk. Forgive me if I emphasise the importance of the disc bearing the word "Pasteurised," because it is important to remember that not all bottled milk bears this hall-mark of the Ministry of Health's approval.

Another factor in the reduction of our profits was the increased production of milk as compared with the liquid milk sales. From Christmas onwards we had mild weather, which stimulated production and depressed consumption. The loss on converting milk bought at winter prices into cheese or condensed milk, to be sold at prices which are fixed in competition with the Colonies and foreign countries, is always serious.

PRUDENT POLICY.

Now, previous to deciding on the rate of dividend to be recommended, we received a good deal of gratuitous advice to the effect that whatever the prospects for the current year, we ought to maintain the same rate as before. The board did not share that opinion, and, in my view, rightly so. In times like the present, prudence, I maintain, should be our watchword, and in spite of the fact that our profits would have enabled us to distribute nearly the same dividend as before, we felt it would not be in the real interest of the shareholders to do so.

Our business is, I believe, fundamentally sounder than ever. Never has the quality of the goods we manufacture and sell been higher, and the service we are giving, both in the wholesale and retail milk trades, is far above anything that has hitherto been attempted on a large scale in this country.

MILK PRICES AND COSTS.

I should like on this occasion to deal in my speech with the recent activities of the Food Council respecting the increase in the price of milk in September. First let me say that we have good ground for believing that the Food Council's investigation of the costs of milk distribution has not yet been completed or even begun. In these circumstances it is surely a departure from all judicial precedent to deliver judgment before evidence has been heard or even sought.

Now I must take you back to September, 1925. After protracted negotiations which at one time reached a deadlock, it was clear that the producers would not accept a price for their milk that would allow the trade to distribute milk at prices of 7d and 6d per quart for winter and summer respectively, and finally an agreement was arrived at based on milk being retailed at 7d for eight months and 6d for four months—the alternative was to charge 8d for part of the winter. It was considered to be in the interest of all parties, not least the consumers, that the winter price should at no time exceed 7d, and that the balance should be spread over the summer, with the intention that the producers should recoup their winter losses during the ensuing summer. Whether this was equitable or not I leave the public to judge, but on September 1st, when we raised the retail price by 1d per quart, the farmers' milk price to us was raised by that self-same amount. The Food Council's argument seems to be this: because you consented to lose 4d a gallon in April, you should, therefore, be equally willing to lose 4d a gallon in September.

The report was adopted.

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HEAD OFFICES: LIVERPOOL AND LONDON.

RAPHAEL TUCK AND SONS, LIMITED.

SUCCESSFUL RESULTS—NEW FEATURES.

The annual general meeting of Raphael Tuck and Sons, Limited, was held, on the 27th instant, at Winchester House, London, Mr Gustave Tuck (chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, after paying a tribute to the late Sir Adolph Tuck, said: They were this year celebrating the twenty-fifth year of the company, and it was the sixtieth year of the existence of the business. He doubted if the original founder of the firm—his late father, Raphael Tuck—could have anticipated its remarkable growth. In this connection it was impossible to emphasise too strongly the importance of the gift of imagination and the power of foresight in business enterprise.

POPULARITY OF COMPANY'S PRODUCTIONS.

Christmas and greeting cards again stood in the forefront of their publications. They showed the same quality and beauty of production that had distinguished them hitherto, and they sustained the high traditions of the past. They continued to increase in popularity with every section of the public.

Their book department was making satisfactory progress. "Father Tuck's Annual" was now in its twenty-ninth year, and preserved in the vigour of manhood all the charm and interest that endeared it to its readers in its youth. A notable publication this year was "The Book for Boys," a foreword to which had been kindly contributed by Dr Cyril Norwood, the new headmaster of Harrow; "Face your life with a stout heart and a smile, boys of our country; great is your inheritance; make it greater and nobler yet."

As to calendars, these beautiful and necessary missives of good will and friendship had increased in popularity to a large extent during the past year and were again increasing this year.

Picture postcards had taken on a new lease of life, and they were issuing some very beautiful designs, which had captivated the public. The pity, however, was that the Government had not yet seen its way to restore the halfpenny postcard postage. Were this done it would, he felt confident, send up the sale of postcards by their millions. We had a very farseeing Postmaster-General, and he would do well to take his courage in both hands and accede to the popular demand.

Referring to the picture department, the Chairman said that the old-established firm of Lefevre had recently disposed by auction of their stock of etchings and photogravures. Among these were the whole of the works by the late Dendy Sadler. The company had been fortunate in acquiring about 60 of the original plates and copyrights of this famous artist's works. They had also been able to purchase a very large number—practically all that were offered—of the copyrights owned by Messrs Lefevre of world-renowned etchings and engravings, including those of Sir Alma Tadema's beautiful paintings and of the wonderful works of Rosa Bonheur, the most famous of animal artists.

STAFF PENSION FUND.

When his late brother, Sir Adolph, celebrated his seventieth birthday two years ago he presented £5,000 of Raphael Tuck and Sons ordinary shares to form the nucleus of a staff pension fund. He died before the pension scheme was settled, but the directors proposed now to bring the scheme into operation, using his £5,000 and the accumulated interest as the nucleus of the fund. As Sir Adolph had this so dearly at heart, they intended, with the permission of the shareholders, to increase his gift by £2,500 out of this year's profits as a tribute to his memory. The scheme would be a contributory one, and the details were now being worked out by experts. He hoped to be able a year hence to inform the shareholders that the fund was in full working order, and that the members of the staff would receive a substantial benefit by participating therein.

In conclusion, the Chairman said that, when all allowances had been made for the trying times through which the commercial world was passing, they might congratulate themselves on the fact that they had been able to rise above difficulties and steer their ship safely through troubled waters.

Sir Arthur Conan Doyle seconded the resolution, which was carried unanimously.

SENGAT RUBBER ESTATE, LIMITED.**IMPROVED RESULTS.**

The sixteenth annual general meeting of the Sengat Rubber Estate, Limited, was held, on the 26th instant, at 24 Rood Lane, London, Mr Eric Maxwell (chairman of the company) presided.

The Chairman said: Last year we were allowed to export 378,916 lbs, which cost us, including allowance for depreciation and London charges, 10.46d and netted 18.22d. This year our allowance has been 633,178 lbs, which, including all charges, cost us 8.78d, and has netted 18.19d, and with the increased crop which resulted in a cheaper production and the higher price we have the substantial profit of £39,137 5s 5d, against £14,843 19s 9d last year. For next year we have an estimate before us of 746,725 lbs, which we do not expect to be allowed to export, but we now know what restrictive measures are to be exercised for the next 12 months. These measures were published in full in yesterday's papers, and I would refer you to them.

The latest reports we have on the property are very satisfactory. We learn that improved cultivation is being carried out, and tapping is being carefully done, and the bark renewal gives entire satisfaction, that weeding is in first-class condition, the planted area being free from lallang and coarse growth, that pests and diseases are carefully watched and the present condition is due to the very effective work against diseases carried out during the last few years. Our total acreage stands as it did in our last report, though the area of 91 acres described then as "not yet tapped" has now become mature.

We have a forward contract running from January-December, 1926, of 13 tons per month at an average of about 15 9d c.i.f. New York, and we have another contract of 5 tons per month from January-December, 1927, at 2s 9d on the same terms. This latter contract will pay all the estate costs and leave us with a large balance of rubber as profit.

I now beg to move the adoption of the report and accounts as presented, and to propose that a final dividend of 3d per share, less income-tax, be paid on October 28, 1926, making, with the interim dividend of 1½d per share paid on April 23rd, a total of 18½d per cent. for the year.

Mr J. L. Loudoun-Shand seconded the resolution, and it was carried unanimously without question or comment.

SONGEI KARI (SUMATRA) RUBBER ESTATE, LIMITED.**INCREASED PROFITS—STRONG POSITION.**

The seventeenth annual general meeting of the shareholders of the Songei Kari (Sumatra) Rubber Estate, Limited, was held, on the 27th instant, at the registered offices, 7 Martin's Lane, Cannon Street, London, Mr W. Arthur Addinsell (chairman of the company) presiding.

Mr J. Lewis, on behalf of the secretaries (Messrs Bright and Galbraith, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: It is gratifying to be in a position to record the fact that the net profit for the past year, after providing for depreciation, amounts to £32,741, being an increase over the previous year of £17,673.

The average sale price realised was 2s 2½d per pound, and the rubber harvested advanced from 268,687 lb to 404,550 lb.

You are doubtless aware that the restriction year closes with the end of this month. On Monday last the Colonial Office announced new regulations for governing the rate of export for the ensuing year, which I think all branches of the industry can consider favourable, and, in spite of the newspaper paragraphs to-day, I have it on excellent authority that the manufacturers in America are equally satisfied. In my opinion, these new regulations should tend towards greater stability in market prices. The more important announcement dealing with the reassessment of standard productions, which is known to be under consideration, is still to be made, and I can therefore only say now that the directors will give any new scheme which is brought into operation full consideration before deciding this company's future policy.

The board are pleased to recommend the payment of a final dividend, which will result in 30 per cent. being distributed, as compared with 20 per cent. last year. The results accrued fully justify this recommendation, and you will note that this will absorb only £43,300 out of a total profit of £32,741 earned during the year. After meeting the usual reservations, including £2,436 for income-tax payable in Sumatra, there will remain a net carry-forward of £4,532, as compared with £584 brought in.

The book cost of our property and buildings, plus the cost of acquiring our investment in Tanah Datar, amounts to £69,981, against our issued capital of £78,000. The intrinsic value of the

estate alone is, of course, considerably above the book value. It is abundantly clear, therefore, that the financial position of the company is on a sound basis. Before leaving the accounts, I should like to draw attention to the amount of dividend received from our investment which shows a very handsome return, apart from the capital appreciation for which no credit in the accounts is taken.

The whole of the planted area available in the company's concession having been planted up for some years, there is no change to record. The company is, however, indirectly, the owner of additional land, by reason of its investment in shares of Tanah Datar Rubber Estate, Limited.

Dealing with the year now current, although it appears that we may not secure such a high average net price for our rubber, we should normally harvest an increased crop. On the other hand, assuming the company continues to follow the restriction regulations and that these provide for a reduction in the rate of export during the ensuing quarters, this must have some effect, not necessarily adverse, to our year's working. Provided there is no severe break in the market price of rubber, I see no reason why the company should not maintain its dividend record.

Mr Thomas A. Gallie seconded the motion, which was unanimously adopted.

SUMATRA PARA RUBBER PLANTATIONS, LIMITED.**RECORD YEAR'S EARNINGS.**

The nineteenth annual ordinary general meeting of the Sumatra Para Rubber Plantations, Limited, was held on the 29th inst., in the Council Room of the Rubber Growers' Association (Inc.), 2-4 Idol Lane, London, Mr H. A. Barrett (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the earnings of the year easily constituted a record for the company, being £36,300 more than in the preceding year—their previous best—and enabled the directors to recommend a total dividend distribution of 9d per share, or 37½ per cent., as compared with last year's distribution of 25 per cent. He had heard expressions of disappointment that a larger share of the profits was not being devoted to dividend purposes, but the directors' decision had been taken with full knowledge of the company's circumstances.

They had harvested a total quantity of 1,427,561 lbs of rubber at a cost of 6½d per lb f.o.b., as compared with last year's cost of 7.12d. An improvement had also to be recorded in the disposal of their produce, which had realised a net average price of 2s. 0½d. per lb, as compared with 1s. 9.4½d. Viewing the variable and difficult rubber market experienced during the year under review, he considered that their net average of 2s 0½d was commendable. The net profit was £88,680, and after paying the final dividend of 5d per share, they were carrying forward £6,665, making, with the balance brought forward from the previous year, a total undivided profit of £10,188. The balance-sheet showed invested funds of £67,948, as compared with £38,586 at the close of the previous year. Those investments were not out of proportion to their future requirements, as they had an extensive planting programme in hand.

Following a visit by Mr Hadow, a development programme had been drawn up, designed to increase the planted area to roughly 6,500 acres, and a good start had been made. As to the current year, they were budgeting for a crop of 1,600,000 lbs, but the

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital Fmk. 150,000,000
Reserve Fund and Profits 123,000,000
Total Assets (31/12/25) 2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.
FIRE. LIFE. ACCIDENT. MARINE.
Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

quantity exported would be governed by the regulations of the Stevenson Scheme. Given anything like a range of prices stabilised at between 15 9d and 2s per lb, they could, with the high-yielding capacity of their estate and economical working, look forward with confidence to the future.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.**PUBLIC INCOME AND EXPENDITURE.****RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.**

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from	Receipts—	Week Ended	Week Ended
		Apr. 1, 1926, to Oct. 23, 1926.	Apr. 1, 1925, to Oct. 24, 1925.	Oct. 23, 1926.	Oct. 24, 1925.
Balances in Exchequer on 1st April:—					
Bank of England...	£	5,880,249	5,341,778	..	..
Bank of Ireland...	£	676,584	1,215,322	..	..
REVENUE.		6,556,833	6,557,100	..	..
Customs...	108,450,000	59,051,000	57,890,000	3,207,000	3,158,800
Excise...	141,300,000	74,880,000	74,787,000	7,375,000	7,354,000
Motor Vehicle Duties...	21,600,000	5,972,000	5,292,000	..	..
Estate, &c., Duties...	66,000,000	34,780,000	33,666,000	1,590,000	1,600,000
Stamps...	25,000,000	10,310,000	11,730,000	180,000	350,000
Land Tax, House Duty & Mineral Rights Duty...	1,000,000	140,000	180,000	..	..
Property & Income Tax...	254,800,000	87,651,000	105,690,000	1,621,000	1,080,000
Super-Tax...	64,500,000	21,470,000	340,000	..	570,000
Excise Profits Duties, &c.	2,000,000	6,500,000	6,740,000	40,000	220,000
Corporation Profits Tax...	59,400,000	30,650,000	30,400,000	1,400,000	1,400,000
Post Office...	950,000	600,000	600,000	150,000	140,000
Own Lands...	..	..	..	..	..
Receipts from Sundry Loans...	21,650,000	13,073,847	8,679,220	..	..
Miscellaneous...	..	..	..	..	..
Ordinary Receipts...	25,600,000	15,557,102	6,765,664	585	274,652
Special Receipts...	26,000,000	10,132,947	22,408,674	87	200,000
Revenue...	824,750,000	366,817,896	393,252,558	15,903,672	12,586,652
Total, Inc. Balance...	..	373,374,829	399,809,558	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Under the Unemployment Insurance Act, 1921...	..	388,000	1,240,000	..	40,000
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues					
Under the Telegraph (Money) Act, 1924 and 1925...	..	5,450,000	5,950,000	..	..
Under the Housing Act, 1914...	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	..	3,779	20,071	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904...	..	777,200	..	..	..
(b) Under the Unemployment Insurance Act, 1921...	..	9,912,431	1,675,000	..	..
(c) For other Issues:					
By Treasury Bills...	1,444,892,000	1,411,332,000	47,195,000	43,966,000	2,635,000
By 3½% Conversion Loan...	..	33,389,560	..	700,000	..
By National Savings Certificates...	16,400,000	19,900,000	650,000	..	..
By National War Bonds...	..	20	15	..	..
By Treasury Bonds, 1925...	..	..	..	..	..
By 4% Treasury Bonds, 1931-33...	..	3,512,150	3,847,388	..	..
(d) Ways and Means Advances...	..	393,952,000	404,581,000	..	2,000,000
Repayments—					
In respect of Issues under Land Settlement (Facilities) Act, 1919 and 1921...	..	137,566	116,243	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920...	..	..	9,901,981	..	..
Interest received under Section 59 (5) of the Finance Act, 1920...	..	..	256,778	..	..
Total...	..	2,248,799,975	2,292,025,704	63,748,672	62,027,652

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from	Issues—	Week Ended	Week Ended
		Apr. 1, 1926, to Oct. 23, 1926.	Apr. 1, 1925, to Oct. 24, 1925.	Oct. 23, 1926.	Oct. 24, 1925.
EXPENDITURE.					
National Debt Services—					
Interest, &c.	304,000,000	188,467,334	186,090,539	1,070,573	872,049
Sinking Fund	60,000,000	16,791,864	21,923,380	417,000	274,343
Road Fund	17,500,000	4,376,044	4,691,044	..	..
Payments to Local Taxation Authorities, &c.	14,100,000	5,205,627	5,163,474	..	..
Payments to Northern Ireland Exchequer ..	5,200,000	2,932,685	2,600,465	441,771	174,848
Land Settlement	..	..	262,378	..	5,036
Other Consolidated Fund Services	2,600,000	1,474,649	1,543,311	..	16,913
Supply Services	422,127,000	226,701,537	221,130,555	8,200,000	7,350,000
Expenditure	825,727,000	445,949,440	443,406,144	10,129,344	8,683,189

	Total Issues out of the Exchequer to meet Payments from	Issues—	Week Ended	Week Ended
	Apr. 1, 1926, to Oct. 23, 1926.	Apr. 1, 1925, to Oct. 24, 1925.	Oct. 23, 1926.	Oct. 24, 1925.
OTHER ISSUES.				
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904...	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921...	11,442,431	1,715,000	500,000	..
Issues to meet Capital Expenditure—				
Under the Telegraph (Money) Act, 1924 and 1925...	5,850,000	6,350,000	..	..
Under the Housing Act, 1914...	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924...	3,779	20,071	..	..
Under the Capital Expenditure (Money) Act, 1904:—				
Exchequer Bonds paid off, £1,533,000; less paid off by the National Debt Commissioners, £776,100	777,200	..	..	..
Unemployment Insurance Act, 1921—				
Repayment of amounts borrowed ..	344,000	1,170,000	..	..
Redemption of Debt—				
Treasury Bills	1,348,280,000	1,350,255,000	45,400,000	43,635,000
Principal of National Savings Certificates	18,450,000	17,050,000	700,000	550,000
Principal of Exchequer Bonds paid off	..	306,667	..	..
Principal of National War Bonds paid off	..	8,344,789	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..
Ways and Means Advances Repaid ..	414,942,000	436,776,000	7,000,000	9,231,000
	2,246,112,632	2,289,118,330	63,729,344	62,109,189
Balances in Exchequer—				
Bank of England	2,062,825	2,023,317	90,572	74,887
Bank of Ireland	64,518	884,167	110,000	..
Total	2,687,343	2,907,384	19,328	81,537

NOTE.—Budget Estimate as in H.C. 69 of 1926.

Treasury, October 25, 1926.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1918.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Dec. 31, 1925.	Mar. 31, 1926.	Oct. 23, 1926.
Funded Debt	588	315	315	318	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13
3½% Conversion Loan	..	..	266	684	666	709	764	760
4½% Conversion Loan	..	..	..	..	..	210	210	211
4½% War Stock	..	63	63	63	63	63	63	63
4½% War Stock	..	13	13	13	13	13	13	13
4½% and 5% War Stock	2,047	1,953	2,095	2,156	2,052	2,052	2,109	2,109
National War Bonds	1,509	1,201	953	778	771	771	706	706
4½% Funding Loan	..	409	401	399	396	394	390	390
4½% Victory Bonds	..	360	453	411	457	499	479	482
Treasury Bonds	..	323	185	150	15	15	15	15
Exchequer Bonds	..	267	342	354	366	373	375	373
National Savings Certificates	..	1,306	1,087	1,157	1,128	1,124	1,111	1,111
Other Debt*	..	..	..	..	..	..	..	..
American Loan (Anglo-French)	15	51	878	616	588	635	665	662
Treasury Bills	1	1,107	147	194	186	181	139	118
Temporary Advances ..	654	8,033	7,655	7,742	7,598	7,703	7,558	7,636
Other Capital Liabilities ..	57	46	66	70	66	64	75	74
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,710

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Oct. 24, '25.	Mar. 31, '26.	Oct. 23, '26.	Week ended Oct. 23, '26.
Ways and Means Advances ..	£	£	£	£
Outstanding—				
Advances by Bank of England ..	139,441,000	118,451,000	..	7,000,000
Advances by Public Debt Office ..	134,390,000	564,855,000	661,475,000	1,790,000
Treasury Bills Outstanding ..	636,700,000	..	..	..
Total Floating Debt	771,090,000	704,296,000	779,926,000	5,210,000

* Includes £17,000, the proceeds of which were not carried to the Exchequer within the period of the account.

CURRENCY NOTES ACCOUNT—(000's omitted).

CURRENCY NOTES ACCOUNT.									
Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.						
			Silver Coin.	Gold and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ities.	Balance of Bank of England.	
1923.									
Mar. 28	285,616	12,318	7,000	27,000	22,450	173	211,294	190	
June 27	286,503	12,516	7,000	27,000	22,460	173	212,446	183	
Sept. 27	288,784	12,401	7,000	27,000	22,450	175	238,595	140	
Dec. 26	289,070	12,571	7,000	27,000	22,450	165	255,039	159	
1924.									
Mar. 26	281,538	11,908	7,000	27,000	22,458	176	236,867	130	
June 25	290,316	12,472	7,000	27,000	22,450	170	246,198	140	
Sept. 24	285,592	12,227	7,000	27,000	22,450	173	241,185	184	
Dec. 31	296,261	12,812	7,000	27,000	22,960	182	248,112	133	
1925.									
Mar. 25	284,256	11,882	7,000	27,000	26,950	189	235,076	119	
June 24	292,278	12,265	7,000	..	53,950	185	243,474	119	
Sept. 30	333,004	12,556	7,000	..	56,250	191	242,188	121	
Dec. 30	396,777	12,561	7,000	..	56,250	189	245,896	192	
1926.									
Mar. 31	295,337	12,226	6,550	..	56,250	190	244,585	178	
June 30	294,036	12,567	6,550	..	56,250	191	243,667	136	
Sept. 29	287,858	12,295	6,300	..	56,250	195	237,467	136	
Oct. 20	288,705	11,918	6,300	..	55,250	194	237,934	139	
Oct. 27	287,615	11,944	6,300	..	56,250	195	238,020	189	

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Oct. 29, 1926, and the total amount applied for was £49,635,000. For bills at 3 months, dated Monday to Friday, £98 15s 5d, about 92 per cent. and above in full; Saturday, £98 15s 9d, and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.	4% Treasury Bonds Average Price.
Aug. 27, 1926.	45,000,000	55,020,000	4 14 3.39	101
Sept. 3.	40,000,000	52,135,000	4 13 0.4	101
Sept. 10.	40,000,000	54,025,000	4 13 3.25	101
Sept. 17.	40,000,000	53,065,000	4 12 11	101
Sept. 24.	40,000,000	58,270,000	4 12 9.75	101
Oct. 1.	40,000,000	55,050,000	4 14 2.63	101
Oct. 8.	40,000,000	50,150,000	4 15 11.13	101
Oct. 15.	40,000,000	43,945,000	4 16 3.46	101
Oct. 22.	40,000,000	43,805,000	4 16 11.12	101
Oct. 29.	45,000,000	49,635,000	4 17 1.06	101

Tenders will be received on Nov. 5, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, October 27, 1926.

ISSUE DEPARTMENT.

£	£
Notes issued	170,982,850
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	151,232,850
170,982,850	170,982,850

BANKING DEPARTMENT.

£	£
Proprietors' capital ..	14,553,000
Reserve	3,142,432
Public deposits	17,756,002
Other deposits	104,850,009
Seven-day & other bills ..	3,263
140,304,706	140,304,706

* Including Exchange, Savings Banks, Commissioners of National Debt and Dividend Accounts.

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.
1926.	£	£	£	£	£	%
Sept. 8	155,333,226	140,303,400	119,166,244	102,598,266	133,000,000	34,839,826
15	155,850,207	139,454,785	119,660,961	101,795,942	370,000,000	36,145,442
22	155,930,451	138,974,855	121,316,858	102,818,436	59,000,000	36,705,596
29	155,833,112	140,516,936	122,359,194	106,626,673	102,000,000	35,066,177
Oct. 6	154,865,287	140,232,845	122,658,384	105,943,931	102,000,000	34,382,442
13	154,173,906	139,344,180	123,5,065	106,669,215	745,000,000	34,579,746
20	154,095,423	138,712,305	125,546,065	108,097,376	138,000,000	35,133,518
27	152,814,940	139,069,400	122,606,011	106,809,136	1,260,000,000	33,495,570

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.	£	£	£	£
January 1 to Oct. 13	37,449,073	1,931,816	2,802,801	30,945,490
Oct. 20	704,318	34,153	60,468	798,939
27	662,780	31,064	50,554	744,398
Total to date 1926	38,816,171	1,997,033	2,913,821	33,727,025
Do 1925	29,349,137	1,362,816	2,130,679	22,842,632
Increase or decrease in 1926	+ 543,137	+ 634,217	+ 783,142	+ 1,960,555
Total for year 1926	35,801,244	1,678,347	2,367,508	40,437,119
Total for year 1925	28,038,805	1,294,114	1,957,521	31,290,440
Increase or decrease in 1926	+ 7,762,439	+ 384,233	+ 409,987	+ 8,556,666

PROVINCIAL CLEARING RETURNS.

	Month of September.			Aggregate Weekly Totals to Oct. 23.	
	1925.	1926.	%	1925.	1926.
Number of Working Days:	26	26			
BIRMINGHAM	10,072,000	8,771,000	-12.9	105,867,500	99,354,600
BRADFORD	5,149,800	5,226,000	+ 7.3	49,995,000	48,727,000
BRISTOL	4,847,000	4,661,000	-3.8	44,417,900	42,778,500
DUBLIN	4,660,000	3,611,000	-22.5	33,218,500	32,086,100
LEEDS	3,569,000	3,555,000	+ 0.3	38,187,600	37,321,800
LEICESTER	3,059,000	3,047,000	-0.4	28,091,400	27,331,200
LIVERPOOL	35,958,000	34,289,000	-4.6	367,047,000	359,886,100
MANCHESTER	59,927,000	51,342,000	-14.3	667,047,000	569,886,100
NEWCASTLE-ON-TYNE	5,945,000	4,893,000	-26.1	67,189,800	57,112,300
NOTTINGHAM	2,654,000	2,453,000	-7.5	28,364,400	26,030,500
SHEFFIELD	4,366,000	3,461,000	-20.7	44,215,800	40,336,300
Total	140,007,000	125,149,000	-10.6		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the *Economist* of October 2; Denmark and Egypt in October 9; Roumania in October 16; Norway, Estonia, Danzig, Poland and Russia in October 23.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Oct. 25, 1925.
RISERVICES.	2,825,880	2,818,920	2,811,380	2,807,140	2,778,380
Total gold reserves	586,620	586,620	586,620	586,620	586,620
Total bills discounted	292,820	291,310	273,600	275,620	293,260
Total U.S. Govt. securities	306,960	308,170	306,340	302,400	323,810
Total earning assets	1,188,910	1,197,080	1,206,890	1,291,990	1,239,550
Total resources	5,080,560	5,121,420	5,001,910	5,035,360	5,035,190
LIABILITIES.					
Federal Reserve notes in actual circulation	1,729,830	1,756,300	1,730,970	1,716,470	1,694,960
Deposits—Member bank—reserve account	2,213,490	2,217,090	2,211,910	2,248,880	2,265,350
Total deposits	2,257,550	2,274,230	2,259,850	2,330,990	2,283,950
Capital paid in and surplus	344,310	344,210	344,170	344,110	334,470
Total liabilities	5,080,560	5,121,420	5,004,910	5,035,360	5,035,190
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	74.1%	73.1%	73.7%	72.6%	72.8%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Oct. 25, 1925.
Total bills discounted	109,090	204,270	151,860	197,640	161,790
Bills bought in open mkt.	42,400	53,550	37,020	51,170	43,000
Total U.S. Govt. securities	54,080	56,020	54,580	56,660	55,500
Total earning assets	205,570	313,850	243,470	304,870	242,180
Deposits—Member bank—reserve account	825,680	883,510	812,630	862,530	824,280
Ratio of total res. to dep. and Federal Res. note liabilities combined	85.4%	78.9%	82.5%	79.7%	81.9%

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

	July 31, 1926.	June 30, 1926.	May 31, 1926.	Apr. 30, 1926.	July 31, 1925.
Assets.					
Cash and bank balances	401,380	401,474	395,179	405,495	403,409
Bank balances abroad	73,691	71,710	65,681	72,850	61,737
Call and short loans	378,211	386,494	360,171	354,185	330,520
Securities	530,192	539,555	544,185	54,828	575,333
Loans in Canada	1,077,691	1,039,151	1,038,094	1,034,221	970,871
Loans abroad	255,778	252,773	268,144	273,101	219,018
Other assets	166,072	165,775	168,989	164,327	157,780
LIABILITIES.					
Note circulation	171,515	166,371	164,335	161,311	167,700
Deposits	80,173	79,890	79,939	90,180	84,827
Government	1,888,986	1,880,723	1,874,070	1,877,712	1,735,221
Public in Canada	323,945	337,314	332,922	335,985	364,280
Foreign	10,282	11,976	9,098	10,971	9,300
Bank balances—Canadian	39,303	39,157	44,934	45,166	43,521
Foreign	84,949	82,889	85,542	83,757	79,398
Bills payable, &c.	242,435	241,606	241,606	241,606	241,606
Capital and rest	3,090	2,452	4,314	3,042	2,853
Other liabilities					

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Oct. 2, 1926.	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Oct. 2, 1925.
Assets.						
Gold coin and bullion	7,815	7,624	7,488	7,305	7,209	7,209
Subsidiary coin	178	178	178	178	178	178
Bills discounted	7,521	7,216	7,199	7,205	7,391	7,391
Investments	649	649	648	648	648	648
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	339
Notes in circulation	7,963	6,862	6,748	6,931	7,552	7,552
Bankers' deposits	6,345	6,924	6,931	5,931	5,819	5,819
Ratio of cash reserves to liabilities in public	53.1%	52.1%	52.5%	53.1%	52.4%	60.2%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Oct. 1, 1926.	Sept. 24, 1926.	Sept. 17, 1926.	Sept. 10, 1926.	Sept. 3, 1926.	Oct. 1, 1925.
Assets.						
Total securities	20,515.70	20,522.29	21,544.64	21,633.73	21,840.90	21,840.90
Loans	11,701.18	11,833.69	11,761.15	11,608.08	11,911.14	11,911.14
Cash credits	21,493.93	21,092.21	21,102.21	21,101.01	21,604.44	21,604.44
Inland bills	4,429.98	4,682.84	4,887.4	4,608	4,426	4,426
Foreign bills	29,45	28,69	21,12	17,42	2,76,48	2,76,48
Dead stock	2,76,94	2,77,39	2,77,07	2,76,51	2,76,48	2,76,48
Bal. with other banks	8,82	10,43	4,34	5,11	5,11	5,11
Capital	50,87,49	50,39,43	48,59,19	52,01,4	56,90,35	56,90,35
LIABILITIES.						
Capital paid up	6,82,50	6,82,50	6,82,50	6,82,50	6,82,50	6,82,50
Reserve	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50
Total deposits	101,23,83	100,68,49	99,69,18	103,79,81	108,93,40	108,93,40
These above include—						
Deposits in Lond'n	922	922	889	927	953	953
Deposits in Lond'n	919	929	949	921	984	984
Cash, &c., at other Banks in London	58	65	18	35	34	34

BANK OF JAPAN.—In yen (000's omitted).

	Sept. 25, 1926.	Sept. 18, 1926.	Sept. 11, 1926.	Sept. 4, 1926.	Sept. 20, 1925.	Position Jan 30, 1914.
Assets.						
Cash and bullion	1,132,211	1,132,198	1,132,075	1,132,321	1,127,970	221,300
Discounts	164,895	153,375	177,611	242,187	201,768	41,740
Advances	104,217	97,462	112,055	104,646	161,342	70,540
LIABILITIES.						
Notes	1,124,653	1,072,415	1,079,910	1,158,892	1,227,066	362,270
Govt. deposits	619,250	658,360	652,292	646,031	675,631	87,340
Other deposits	67,502	79,372	99,076	95,309	76,442	11,440

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 28, 1926.	Oct. 21, 1926.	Oct. 14, 1926.	Oct. 29, 1925.	Position May 28, 1914.
ASSETS.					
Gold coin and bullion	5,548,789	5,548,789	5,548,785	5,547,558	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	
Silver coin and bullion	339,048	339,025	338,992	310,179	632,650
Discounts and advances	7,494,726	6,887,115	7,250,715	6,189,026	2,327,775
Advances to the State	35,750,000	36,150,000	36,300,000	29,500,000	
LIABILITIES.					
Notes	54,578,187	54,288,355	55,431,835	46,678,543	5,811,875
Government deposits	36,481	32,951	9,483	37,119	183,700
Private deposits	3,943,511	3,251,479	2,548,524	2,479,830	845,950

NATIONAL BANK OF GREECE.—In drachmas (000's omitted).

Assets.	Sept. 15, 1926.	Aug. 31, 1926.	Aug. 14, 1926.	July 31, 1926.	Sept. 15, 1925.
Gold and balances abroad	1,820,284	1,793,828	1,725,705	1,674,594	2,592,083
Government loans and securities	3,781,733	3,780,471	3,811,319	3,813,930	3,793,565
Discounts and loans	3,251,327	3,217,020	3,195,547	3,219,473	3,314,243
LIABILITIES.					
Notes in circulation	4,802,775	4,550,210	4,565,161	4,527,603	5,399,501
Government deposits	682,778	646,760	660,697	636,811	481,909
Private sight deposits	2,193,335	2,214,640	2,211,842	2,203,003	1,995,643
Private deposits at fixed dates	1,191,921	1,195,117	1,198,938	1,200,158	1,000,021

BANK OF PORTUGAL.—In escudos (000's omitted).

Assets.	Sept. 29, 1926.	Sept. 22, 1926.	Sept. 15, 1926.	Sept. 8, 1926.	Sept. 30, 1925.
Gold and bullion	9,380	9,383	9,372	9,487	10,361
Of which gold	8,577	8,577	8,577	8,577	8,577
Balances abroad	258,087	259,236	278,474	283,252	240,039
Discounts	202,971	199,842	200,933	201,713	194,822
Government loans	1,702,020	1,703,915	1,699,557	1,705,079	1,557,249
LIABILITIES.					
Notes in circulation	1,879,358	1,857,258	1,867,775	1,876,145	1,664,683
Deposits	71,275	85,334	95,886	128,275	67,265

LONDON RATES.

	Oct. 21, 1926.	Oct. 14, 1926.	Oct. 7, 1926.	Oct. 25, 1926.	Oct. 18, 1926.	Oct. 11, 1926.	Oct. 4, 1926.	Oct. 28, 1925.	Oct. 21, 1925.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5	5	5	5
Market rates of discount—									
60 days' bankers' drafts	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
4 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discounts (Treasury Bills)—									
3 months	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Loans—Day to day	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Short	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Deposit allowances: Banks	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount houses at call	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
At notice	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

† Additional to those offered by tender in the preceding week.
Comparison with previous weeks:—

		Short Loans.	Bank Bills.			Trade Bills.		
			3 Months.	4 Months.	5 Months.	3 Months.	4 Months.	5 Months.
1926.		%	%	%	%	%	%	%
Oct.	8	4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
	15	4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
	22	4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
	29	4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Oct. 29, 1926.	Sept. 30, 1926.	Oct. 7, 1926.	Oct. 14, 1926.	Oct. 21, 1926.	Oct. 28, 1925.
Call money	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Time money (90 days' mixed coll)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Bank acceptances:—						
Members—eligible 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Non-mem.—eligible 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Ineligible, 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept. 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Rates of Exchange.	Par Level.	Oct. 29, 1926.	Oct. 14, 1926.	Oct. 21, 1926.	Oct. 28, 1925.
New York on—					
London—					
60 days	4/8	4/8	4/8	4/8	4/8
Cable	4/8	4/8	4/8	4/8	4/8
Cheques	4/8	4/8	4/8	4/8	4/8
Paris—					
Cheques	19/30	19/30	19/30	19/30	19/30
Brussels—					
Cheques	19/30	19/30	19/30	19/30	19/30
Switzerland—					
Cheques	19/30	19/30	19/30	19/30	19/30
Italy—					
Cheques	19/30	19/30	19/30	19/30	19/30
Berlin—					
Cheques	19/30	19/30	19/30	19/30	19/30
Vienna—					
Cheques	19/30	19/30	19/30	19/30	19/30
Madrid—					
Cheques	19/30	19/30	19/30	19/30	19/30
Amsterdam—					
Cheques	19/30	19/30	19/30	19/30	19/30
Copenhagen—					
Cheques	19/30	19/30	19/30	19/30	19/30
Oslo—					
Cheques	19/30	19/30	19/30	19/30	19/30
Stockholm—					
Cheques	19/30	19/30	19/30	19/30	19/30
Athens—					
Cheques	19/30	19/30	19/30	19/30	19/30
Montreal—					
Cheques	19/30	19/30	19/30	19/30	19/30
Yokohama—					
Cheques	19/30	19/30	19/30	19/30	19/30
Hong Kong—					
Cheques	19/30	19/30	19/30	19/30	19/30
Shanghai—					
Cheques	19/30	19/30	19/30	19/30	19/30
Calcutta—					
Cheques	19/30	19/30	19/30	19/30	19/30
Suva—					
Cheques	19/30	19/30	19/30	19/30	19/30
Rio de Janeiro—					
Cheques	19/30	19/30	19/30	19/30	19/30
Valparaiso—					
Cheques	19/30	19/30	19/30	19/30	19/30

OVERSEAS BANK RATES.

Changed.	%	Changed.	%
Amsterdam	Oct. 3, 1926	Oct. 26, 1926	.. 4 1/2
Athens	July 7, 1926	Oct. 31, 1926	.. 7 1/2
Belgrade	June 23, 1926	July 21, 1926	.. 5 1/2
Berlin	July 9, 1926	Oct. 18, 1926	.. 10
Bombay	Aug. 11, 1926	Oct. 18, 1926	.. 10
Bucharest	Sept. 4, 1926	Oct. 18, 1926	.. 7
Budapest	Sept. 4, 1926	Oct. 18, 1926	.. 7
Calcutta	Aug. 26, 1926	Oct. 18, 1926	.. 6
Canton	June 24, 1926	Oct. 18, 1926	.. 5 1/2
Copenhagen	July 22, 1926	Oct. 18, 1926	.. 5
Danish	Oct. 28, 1926	Oct. 18, 1926	.. 7 1/2
Helsingfors	Oct. 28, 1926	Oct. 18, 1926	.. 7 1/2
Kobe	Feb. 8, 1926	Oct. 18, 1926	.. 8
London	July 28, 1926	Oct. 18, 1926	.. 8
Lyons	Aug. 12, 1926	Oct. 18, 1926	.. 4
Madrid	Mar. 23, 1926	Oct. 18, 1926	.. 5
Manila	Oct. 12, 1926	Oct. 18, 1926	.. 6
Paris	Oct. 12, 1926	Oct. 18, 1926	.. 6
Reval	Oct. 12, 1926	Oct. 18, 1926	.. 6
Riga	Oct. 12, 1926	Oct. 18, 1926	.. 6
Rome	Oct. 12, 1926	Oct. 18, 1926	.. 6
Stockholm	Oct. 12, 1926	Oct. 18, 1926	.. 6
Swiss Bank	Oct. 12, 1926	Oct. 18, 1926	.. 6
Tokyo	Oct. 12, 1926	Oct. 18, 1926	.. 6
Vienna	Oct. 12, 1926	Oct. 18, 1926	.. 6
Warsaw	Oct. 12, 1926	Oct. 18, 1926	.. 6

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Oct. 30, 1926.	Oct. 22, 1926.	Oct. 28, 1925.
Paris	francs to £1	T.T.	25/22 1/2	115/20 30	162 1/2
Berlin	marks to £1	T.T.	20/43	20/30 36	20/38 39
Vienna	schillings to £1	T.T.	34/58 1/2	34/35 40	34/35 40
Prague	krone to £1	T.T.	24/02	163 1/2	163 1/2
Warsaw	zloty to £1	T.T.	25/22 1/2	28 1/2	28 1/2
Reval	Rub. to £1	T.T.	1800	1840	1800
Riga	Rub. to £1	T.T.	25/22 1/2	24/98 25 23	25/10 30
Kovno	Rub. to £1	T.T.	25/22 1/2	48/85 95	49 1/2
Bukarest	lei to £1	T.T.	25/22 1/2	1020-1025	895 900
Budapest	pengo to £1	T.T.	27/82	345/347,000 b	27/65 80
Constantinople	piastres to £1	T.T.	110	855-862	945-950
Sofia	leva to £1	T.T.	25/22 1/2	660-680	665-80
Belgrade	dinars to £1	T.T.	25/22 1/2	270-275	273-5
Amsterdam	florin to £1	T.T.	12/107	12/04 1/2	12/12 1/2
Brussels	belga to £1	T.T.	35/00	106/20-53 (b)	172 1/2-3 (b)
Oslo	kroner to £1	T.T.	18/159	23/73 74	18/15 14
Stockholm	kroner to £1	T.T.	18/159	18/15 14	18/15 14
Copenhagen	kroner to £1	T.T.	18/159	18/15 14	18/15 14
Helsingfors	marks to £1	T.T.	18/159	18/15 14	18/15 14
Greece	drachmas to £1	T.T.	25/22 1/2	370/375	403/406
Italy	lire to £1	T.T.	25/22 1/2	122 1/2-122 1/2	112 1/2
Switzerland	francs to £1	T.T.	25/22 1/2	25/12 14	25/13 14
Madrid	pesetas to £1	T.T.	25/22 1/2	33/80 83	32/00 03
Lisbon	escudos to £1	T.T.	53 1/2	24/24 1/2	23 1/2
Alexandria	piastres to £1	Sight	97 1/2	97 1/2	97 1/2
New York	dollars to £1	Cable	4/8 1/2	4/8 1/2	4/8 1/2
Montreal	dollars to £1	Cable	4/8 1/2	4/8 1/2	4/8 1/2
Buenos Aires	pesos to £1	T.T.	47/62	46 1/2	45 1/2
Rio de Janeiro	pesos to £1	T.T.	15	7 1/2	7 1/2
Montevideo	pesos to £1	T.T.	15	7 1/2	7 1/2
Valparaiso	dollars to £1	T.T.	40	39/40	39/40
Lima	soles to £1	T.T.	10 to 12	10 to 12	10 to 12
Calcutta	rupees to £1	T.T.	10 to 12	10 to 12	10 to 12
Bombay	rupees to £1	T.T.	10 to 12	10 to 12	10 to 12
Madras	rupees to £1	T.T.	10 to 12	10 to 12	10 to 12
Hong Kong	dollars to £1	T.T.	10 to 12	10 to 12	10 to 12
Shanghai	dollars to £1	T.T.	10 to 12	10 to 12	10 to 12
Singapore	dollars to £1	T.T.	10 to 12	10 to 12	10 to 12
Yokohama	dollars to £1	T.T.	10 to 12	10 to 12	10 to 12
Manila	dollars to £1	T.T.	10 to 12	10 to 12	10 to 12
Mexico	pesos to £1	T.T.	10 to 12	10 to 12	10 to 12

† Rate for previous day. (b) Represents krone to £1 at a par value of 24/02 to £1.
1 belga = 5 francs. (c) Francs to £1.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals	941-944 tchervonetz.
\$1,000	194
1 tchervonetz	= 10 gold roubles.
£1 sterling	= 9.46 gold roubles.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

Bankers to the Government of the Union of South Africa; to the Imperial Government in South Africa; and to the Governments of Northern Rhodesia, Southern Rhodesia, Nyassaland and Tanganyika.

AUTHORISED CAPITAL	£10,000,000
SUBSCRIBED CAPITAL	£8,916,660
PAID-UP CAPITAL	£2,229,166
RESERVE FUND	£2,893,335
UNCALLED CAPITAL	£6,687,495
	£11,809,995

Board of Directors.
William Robertson Arbuthnot, Esq., Chairman.
Sir David M. Barclay, Esq., K.C., J.P.
Edwin Clifton Brown, Esq.
Stanley Christopherson, Esq.
Robert E. Dickinson, Esq.
James Fairbairn Finlay, Esq., O.S.I.
Solomon B. Joel, Esq., J.P.
Horace Peel, Esq.
The Hon. the Earl of Selborne, K.G.
William Smart, Esq.
The Hon. Lord Sydenham, O.S.I.
F.R.S.

Senior General Manager in South Africa—J. P. Gibson.
Joint General Managers in South Africa—John Jeffrey.
Asst. Gen. Managers in South Africa—G. F. La Suer, W. K. Robertson.
London Manager—Bertram Lowndes.

Head Office: 10, CLEMENTS LANE, LOMBARD STREET, and 77, KING WILLIAM STREET, LONDON, E.C.4.
London Wall Branch: 63, LONDON WALL, E.C.2.
West End Branch: 9, NORTHUMBERLAND AVENUE, W.C.B.
New York Agency: 67, WALL STREET.
HAMBURG AGENCY: Bank of British West Africa, Ltd., 49-53, SCHAUENBURGER-STRASSE.
Over 330 Branches, Sub-Branches and Agencies in SOUTH AND EAST AFRICA.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.
INCOME TAX—Claims for recovery of Income Tax undertaken.

COMMERCIAL SERVICE
The Bank has over 380 Branches in Africa, and Agents and Correspondents throughout the World. The closest touch with Trade and Industrial conditions is maintained with special attention to Commercial and Credit Intelligence. This service is available to Exporters, Importers and others wishing to develop trade between South and East Africa, the United

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 22, 1926.	Miles Open.	Week ended Oct. 24, 1926.			Aggregate 41 Weeks, 1926.		
		Passengers, &c.	Goods, &c.	Total for Week.	Passengers, &c.	Goods, &c.	Total Receipts.
Great Western.....	3,778	209,000	242,300	451,000	1,027,800	1,085,500	2,113,300
Do for 1925.....	3,775	289,000	326,000	615,000	1,152,300	1,213,300	2,365,600
Do for 1924.....	3,775	353,000	507,000	860,000	1,675,800	2,132,300	3,808,100
London & N. Eastern (a).....	6,715	378,000	704,000	1,082,000	1,894,500	2,778,500	4,673,000
Do same period 1925.....	6,714	510,000	779,000	1,289,000	2,366,400	2,831,600	5,198,000
Do for 1924.....	6,953	539,000	884,000	1,423,000	2,723,000	3,545,000	6,268,000
Southern.....	2,183	274,000	111,000	385,000	1,369,700	1,481,000	2,850,700
Do 1925.....	2,183	289,000	118,000	407,000	1,468,400	1,592,000	3,060,400
Do for 1924.....	2,183	299,000	125,000	424,000	1,517,000	1,640,000	3,157,000
Metropolitan (c).....	59	29,900	2,500	32,400	1,227,000	117,900	1,344,900
Do for 1925.....	58	36,000	3,700	39,700	1,447,800	157,200	1,605,000
Underground E.R. (c).....	253,600	253,600	253,600	760,800	2,536,000	2,536,000	5,072,000
Do for 1925.....	253,600	253,600	253,600	760,800	2,536,000	2,536,000	5,072,000
Do for 1924.....	253,600	253,600	253,600	760,800	2,536,000	2,536,000	5,072,000
London & Sub. Group (c).....	80	2,029	1,142	3,171	127,494	37,817	165,311
Do for 1925.....	80	2,029	1,142	3,171	127,494	37,817	165,311
Do for 1924.....	80	2,029	1,142	3,171	127,494	37,817	165,311
Belfast & Co. Down (b).....	562	12,800	17,600	30,400	665,960	668,000	1,333,960
Do for 1925.....	562	12,800	17,600	30,400	665,960	668,000	1,333,960
Do for 1924.....	562	12,800	17,600	30,400	665,960	668,000	1,333,960
Great Southern (b).....	2,181	37,538	48,487	86,025	1,630,467	1,794,434	3,424,901

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
INDIAN.					
Assam Bengal.....	25 weeks	Sept. 25	1,073	Rs. 3,80,000 - 18,769	Rs. 8,35,747 + 3,29,240
Barelly R.R.	26 weeks	30	118	30,300 - 4,500	8,98,000 + 1,01,700
Bombay & N. Western.....	26 weeks	30	1,076	8,74,010 - 52,159	1,72,02,222 + 1,54,972
Bombay & N. Western.....	26 weeks	30	2,861	23,96,000 - 1,55,000	3,96,75,177 + 885
Bombay, Bar., & C.I.	29 weeks	Oct. 23	3,033	19,60,000 - 1,33,000	6,03,09,000 - 34,28,000
Bombay, Bar., & C.I.	29 weeks	Oct. 23	1,349	6,28,625 - 72,102	1,75,18,613 - 13,69,500
Madras & S. Mahr.	26 weeks	30	3,048	23,50,000 - 1,45,178	4,16,67,264 + 7,03,868
Madras & S. Mahr.	26 weeks	30	993	3,26,524 - 49,589	96,84,754 + 7,57,855
Madras & S. Mahr.	26 weeks	30	859	40,353 - 3,131	13,02,954 - 62,653
Do Lucknow-Brailey.....	24 weeks	18	290	36,040 - 4,785	14,82,408 - 12,31,4
Do Lucknow-Brailey.....	24 weeks	18	1,876	9,21,525 - 77,732	2,44,63,698 - 5,66,273

(a) Total receipts of all lines.

ARGENTINE (a).

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Argentine N.E.	17 weeks	Oct. 23	754	14,100 - 800	217,300 - 28,300
B.A. and Pacific.....	17 weeks	23	2,652	141,000 - 11,000	2,228,000 + 59,000
B.A. Central.....	17 weeks	24	14	14,317 + 826	228,347 - 1,584
B.A. Gt. Southern.....	17 weeks	23	4,720	212,000 + 7,000	3,256,000 + 73,000
B.A. Western.....	17 weeks	23	1,883	100,000 + 10,000	1,430,000 + 82,000
Central Argentine.....	17 weeks	23	3,305	221,000 + 11,000	3,588,000 + 56,000
Cordoba Central.....	17 weeks	23	1,202	71,000 - 1,500	1,229,500 - 42,000
Entre Rios.....	17 weeks	23	728	23,900	354,200 - 42,200

CUBAN.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Havana Central.....	17 weeks	Oct. 23	1,754	26,735 - 30,394	777,409 - 182,464
United of Havana.....	16 weeks	16	1,301	44,621 - 14,998	750,674 - 152,070

URUGUAYAN.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Central Uruguay.....	17 weeks	Oct. 23	273	29,293 + 1,394	376,783 - 834
C. Urug. (East. Ext.).....	17 weeks	23	311	5,925 + 821	71,605 - 5,767
C. Urug. (North. Ext.).....	17 weeks	23	185	3,190 - 513	36,455 - 6,579
C. Urug. (West. Ext.).....	17 weeks	23	311	2,895 - 89	42,400 + 3,573

CANADIAN.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Canadian National.....	41 weeks	Oct. 21	22,065	6,299,542 + 248,759	207,750,999 + 204,24,354
Canadian Pacific.....	41 weeks	21	14,379	5,084,000 + 576,000	151,136,000 + 127,82,000

BRAZILIAN (b).

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Gt. West. of Brazil.....	43 weeks	Oct. 23	1,018	25,400 + 5,000	789,400 + 139,800
Leopoldina.....	43 weeks	23	1,856	41,698 - 2,203	1,895,109 + 494,471
Leopoldina Terminals.....	43 weeks	23	153	6,585 + 372	325,008 + 102,470
San Paulo.....	43 weeks	24	153	45,377 - 19,382	1,966,213 + 18,929

CHILEAN.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Antofagasta.....	42 weeks	Oct. 21	838	34,825 + 2,445	1,567,295 - 110,815
Nitrato (4-monthly).....	40 weeks	15	398	26,457 - 16,909	594,792 - 167,097

OTHER OVERSEAS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
Alejo and Gandia.....	43 weeks	Oct. 23	33	Ps. 16,000 - 4,000	1,064,200 - 7,800
Egyptian Delta.....	27 weeks	10	800	110,253 - 2,454	1,665,999 + 3,825
Gt. Southern of Spain.....	41 weeks	16	104	Ps. 58,918 + 2,517	3,545,300 - 795,048
Madras Railway.....	21 weeks	21	432	Rs. 268,700 - 90,200	4,000,500 + 487,100
Paraguay Central.....	17 weeks	23	35	44,250 - 490	77,843 - 17,980
Salvador.....	23 weeks	23	100	63,959 + 1,232	72,373 + 26,762

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.	Total Receipts.
				1926. + or -	1926. + or -
Argentine Light and Power (a).....	42 weeks	Oct. 21	389	£27,515 + 286	3,520,519 - 134,582
B.A. and Pacific.....	17 weeks	24	21	£13,095 - 116	211,532 - 8,478
Canadian National.....	1 week	23	13	£3,023	116
Canadian Pacific.....	1 week	23	13	£9,960 - 25,947	..
Chilean Tramways.....	41 weeks	14	15	£1,425 + 33	57,565 - 3,954
Cordoba Central.....	41 weeks	14	15	£1,632 - 463	74,329 - 10,882
Madras Tramways.....	41 weeks	14	15	£1,632 - 463	74,329 - 10,882
Paraguay Central.....	17 weeks	23	35	£2,527 + 133	13,831 + 7,771
Salvador.....	23 weeks	23	104	£29,570 + 2,336	70,777 - 12,807
San Paulo.....	43 weeks	24	154	£80,700 + 2,096	3,310,435 - 78,873
Tramway Trunk.....	43 weeks	24	154	£80,700 + 2,096	3,310,435 - 78,873

* Combined revenue.

MONTHLY TRAFFIC RETURNS.

AMERICAN RAILROAD GROSS AND NET RECEIPTS.

This table is extracted from the Commercial and Financial Chronicle of New York.

Date.	Miles of Road.		Gross Earnings.		Net Earnings.	
	1924.	1925.	1925.	Increase or Decrease.	1925.	Increase or Decrease.
Aug.	236,546	236,750	554,559,318	+ 47,021,764	166,558,666	+ 31,821,455
Sept.	236,587	236,762	564,443,591	+ 24,381,004	177,242,895	+ 18,026,891
Oct.	236,564	236,724	590,161,046	+ 18,585,008	180,636,428	+ 12,054,757
Nov.	236,917	236,726	531,742,071	+ 26,950,299	148,157,616	+ 16,775,769
Dec.	236,057	236,959	523,041,764	+ 18,591,184	134,445,634	+ 10,354,676
1925.	236,599	236,944	480,062,657	- 3,960,038	102,270,877	- 946,594
Jan.	236,529	236,839	459,227,310	+ 35,029,255	99,480,650	+ 39,008
Feb.	236,500	236,774	528,905,183	+ 43,668,624	133,642,754	+ 24,561,252
Mar.	236,506	236,518	498,448,309	+ 25,818,489	114,685,151	+ 11,764,296
April	236,458	236,833	516,467,480	+ 28,515,298	128,581,566	+ 15,677,492
May	236,243	236,510	538,758,797	+ 32,634,035	149,492,418	+ 18,371,582
June	236,348	236,885	555,471,276	+ 33,875,085	161,079,612	+ 21,435,011
July	236,092	236,759	577,791,746	+ 23,857,842	179,916,017	+ 12,989,753

OVERSEAS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Month.	Total Receipts.
				1925-26. + or -	1925-26. + or -
INDIAN.					
Southern Punjab.....	3 mths	June 30	842	Rs. 11,38,925 + 66,403	Rs. 30,67,714 + 2,15,067
CANADIAN.					
Canadian National.....	9 mths	Sept. 30	30	Gross \$2,712,951 + 1,066,688	189,496,292 + 202,280,139
Canadian Pacific.....	9 mths	30	30	Net \$1,940,070 + 975,188	12,325,762 + 1,341,757
Temiscouata.....	1 mth	31	31	Gross \$18,875,000 - 34,000	137,331,000 + 1,265,700
				Net \$6,449,000 + 181,000	28,632,000 + 6,996,000

CHILEAN.

Name.	Period.	Ending.	Present Mileage.	Receipts for Month.	Total Receipts.
				1925-26. + or -	1925-26. + or -
State of Bahia.....	5 mths	Sept. 30	52	\$5,877 - 2,482	30,584 + 2,031
URUGUAYAN.					
Uruguay Corp.	3 mths	Sept. 30	31	\$1,757,690 + 84,290	5,437,060 + 364,260
Taltal.....	3 mths	30	172	\$9,535 - 11,915	33,945 - 44,070

OTHER OVERSEAS.

State of Bahia ..	5	mths	Sept. 30	52	£5,877—	2,482	30,584+	2,003
CHILE AND PERU.								
Peruvian Corp. ..	3	mths	Sept. 30	31,066	81,757,690+	84,290	5,437,060+	364,268
Talcal	3	mths	30	172	£9,535—	11,915	33,945—	44,070
URUGUAYAN.								
Midland Uruguay	3	mths	Sept. 30	319	£15,106+	£2,659	£41,915+	£358
N.-W. Uruguay ..	3	mths	30	113	4,787—	513	14,647—	98
Norway North ..	3	mths	30	73	2,340+	106	6,914+	26

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.	
					Prefce.	Ordinary.	Rate					
												Amount.	Amount.	Rate
		£	£	£	£	£	%	£	£	£	%	
Breweries.												
Boardman's United	Sept. 30	5,114	12,219	17,333	10,668	1,800	1 1/2	..	4,865	11,895	1 1/2	
Empress Brewery	Aug. 31	30,593	27,749	58,342	4,800	4,560	7 1/2	12,803	36,179	24,597	7 1/2	
Financial, Land, &c.												
International Financial Society..	Sept. 30	22,933	27,473	50,406	..	12,000	8	..	38,406	20,945	8	
London and Colonial Investment ..	Sept. 30	1,775	16,771	18,546	4,864	8,520	7 1/2	3,000	2,162	15,318	7 1/2	
Hotels, Restaurants, &c.												
Carlton Hotel	Aug. 31	15,143	63,620	78,763	11,000	24,000	12	26,521	17,242	62,364	12	
Iron, Coal, and Steel.												
Bolckow, Vaughan, and Co.	June 30	..	Dr 178,083	Dr 178,083	..	..	..	Dr 178,083	..	Dr 249,279	..	
Motor and Cycle.												
Joseph Lucas	Aug. 31	98,548	179,120	277,668	11,080	130,482	25	40,000	96,106	164,850	25	
Oil.												
Anglo-Persian	Mar. 31	2,041,568	4,383,232	6,424,800	875,000	1,566,250	17 1/2	2,028,100	1,955,450	3,571,967	12 1/2	
Rubber, &c.												
Bakap	June 30	1,934	16,885	18,819	..	7,500	12 1/2	9,500	1,819	4,017	nil	
Bandar Sumatra	July 31	3,004	39,813	42,817	..	29,954	30	7,000	5,863	..	..	
Glen Rubber and Tea	June 30	38	5,900	5,938	..	4,200	15	1,369	369	1,534	4	
Kuala Pergau	Feb. 28	Dr 8,746	18,382	9,636	..	8,641	10	..	9.5	Dr 5,425	..	
Morib Plantations	June 30	1,601	13,482	15,083	..	8,750	12 1/2	4,000	2,333	7,451	10	
New Hayoe Rubber	June 30	4,089	20,913	25,002	..	19,499	10	1,275	4,229	12,400	5	
Rassak (F.M.S.)	June 30	Dr 5,773	5,275	Dr 462	..	1,311	5	Dr 2,000	227	..	6	
Bablas-North Borneo	April 30	621	28,667	29,288	..	24,093	10	..	5,195	12,985	..	
Tandjong	June 30	27,354	137,183	164,537	..	100,000	40	25,000	39,537	68,459	22 1/2	
Tanjong Malim	June 30	6,586	144,152	150,738	..	100,000	20 1/2	30,000	20,738	50,253	10 1/2	
Shipping.												
Adelaide Steamship	June 30	1,470	179,600	181,070	..	180,193	7 1/2	..	877	..	..	
Tea.												
Central Province Ceylon	June 30	4,514	30,053	34,567	3,000	10,000	20	17,000	4,567	16,125	12	
Korale Estates	June 30	1,090	22,896	23,986	2,873	10,404	50	9,744	965	20,970	20	
Tramways.												
Lisbon Electric	Dec. 31	9,630	166,625	176,255	25,533	..	..	141,600	9,122	80,397	..	
United Electric Tramways of Caracas	June 30	22,797	27,512	50,309	..	17,000	10	..	33,309	23,011	10	
Trusts.												
East of Scotland	Sept. 30	3,055	11,693	14,748	4,880	4,556	7	2,000	3,312	9,589	6	
Second Edinburgh Investment ..	Sept. 30	39,053	60,310	99,363	14,400	30,000	15	..	54,963	50,540	15	
Other Companies.												
Agar, Cross and Co.	June 30	36,370	305,340	341,710	21,000	135,000	16 1/2	115,133	70,577	311,951	16 1/2	
Bryant and Langford Quarries ..	June 30	..	22,358	22,358	9,562	7,747	10	4,262	787	..	..	
E. Rich and Co.	June 30	2,487	12,321	14,808	..	10,902	5	..	3,906	..	..	
Erinoid	Aug. 31	5,512	30,335	35,847	..	19,305	10	10,500	6,042	48,748	12 1/2	
Lewis, Berger, and Sons	July 31	35,316	60,100	95,416	28,000	41,781	10	..	25,635	..	..	
London Express Newspaper	June 30	274	27,616	27,890	8,875	1,980	2	17,000	35	8,492	nil	
North of Scotland Milling	Sept. 30	404	2,477	2,881	999	1,468	10	..	414	3,202	15	

† Free of tax.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Cold and unsettled weather has prevailed over the United Kingdom during the past week, but rains proved favourable for ploughing and preparing seed-beds. Supplies of English wheat have been sufficient for requirements, and prices tended in growers' favour. Imported descriptions, however, were somewhat irregular in value, and except for best Canadian grades recent top rates were not maintained. In the floating and forward cargo section dull conditions continued. Near positions remained steady, but distant loadings were the turn easier in anticipation of an early settlement of the coal strike. Steamers of No. 1 Northern Manitoba November sold 62s to 62s 3d, and No. 2 ditto 60s 9d to 61s, white Pacific afloat 57s 6d, South Russian loading 60s to 62s as to sample, and South Australian January-February 15th sold to North Africa at 59s 3d. Maize firmer, and cargoes of La Plata September-October sold 32s to 32s 9d per 480 lbs c.i.f. terms. Wheat quiet and slightly irregular. No. 1 Northern Manitoba quoted 68s, No. 2 ditto 66s 6d, No. 3 64s 3d, No. 2 red winter 61s 6d, No. 2 mixed Durum 60s, choice white Karachi 62s 6d ex-ship, all per 496 lbs. English 12s-12s 8d per 112 lbs. Flour quietly steady. London standard grade 52s, town whites 53s, patents 54s-55s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 48s-50s 6d, Minneapolis 48s 6d-51s, Australian 45s-46s 6d per 280 lbs ex-store. Maize closed easier. Plate landed 34s 6d, ditto ex-ship 32s 9d, Bessarabian landed 37s 3d per 480 lbs. Barley firm. Californian 38s 6d-46s, ditto Chevalier 50s, Chilian Chevalier 42s-62s, ditto brewing 38s-48s, Australian Chevalier 48s-50s ex-store. Smyrna 35s-48s ex-ship per 448 lbs. No. 4 Canadian Western 33s ex-ship, Persian ex-ship 39s 9d, landed 31s 6d, Californian grinding 34s 6d per 400 lbs. English malting 30s-17s 6d, with choice up to 20s, feed 9s-9s 6d per 112 lbs. Oats sparingly offered. La Plata landed 28s, ditto ex-ship 25s 6d, Chilian tawny landed 28s 6d-30s, mixed feed landed 25s per 320

HARRISONS & CROSFIELD, LTD.

1-4, GREAT TOWER STREET, LONDON, E.C.3.
EASTERN AND GENERAL MERCHANTS.
BUYING AND SELLING AGENTS IN LONDON AND ABROAD.
DEALERS IN ALL CLASSES OF EASTERN PRODUCE.

lbs. English new 8s 4d-9s 4d per 112 lbs. Millers' offals maintained. Broad bran quoted 7s 9d, middlings 9s 3d, fine ditto 10s 9d, bags included, ex-mill. Feed oatmeal 9s 3d, light oats 8s 3d, ground oats 13s 3d per cwt, free on rail. Oatmeal firm, while in fair demand. London maize flaked 18s 6d, rolled oats 17s 6d, medium also fine cut 17s 6d, coarse also medium pinhead 17s 6d ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24 :—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—				
1 week to October 23	Cwts. 349,114	Cwts. 308,463	Cwts. 324,559	Cwts. 430,038
8 weeks to October 23	2,955,851	2,897,826	1,915,683	3,404,953
Average price of English wheat per cwt.	11 5	10 3	13 0	9 1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925 :—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
Oct. 16	416,071	584,315	111,378	11 3	12 4	8 0
Oct. 23	3,914	606,816	95,522	11 5	11 9	8 0
1922	596,961	483,107	90,934	9 8	11 6	9 6
1923	430,038	626,921	87,628	9 1	10 7	8 8
1924	324,559	631,742	149,256	13 0	17 5	10 7
1925	308,463	611,629	75,572	10 3	12 1	9 1

AMERICAN WHEAT MARKETS.

Conditions in the American wheat markets show little change. Prices have fluctuated slightly, but remain at much the same level as a week ago. Export demand is poor, due chiefly to the scarcity and dearth of ocean freights. A report from the Prairie Provinces stating that little damage has resulted from the recent bad weather has had a distinctly bearish influence. Weather conditions are now generally favourable.

	Jan. 2, 1925.	Oct. 29, 1925.	Jan. 7, 1926.	Oct. 21, 1926.	Oct. 28, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 127 1/2	160	(a) 146 1/2	(a) 145 1/2
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(c) 141 1/2	176 1/2	(c) 142	(c) 142 1/2

(a) October delivery. (c) December delivery.

Visible supplies of wheat in Canada, 32,668,000 bushels, show an increase of 2,785,000 bushels as compared with the previous figures. Supplies a year ago stood at 27,634,000 bushels.

COAL.

Our Cardiff correspondent writes :—There has again been a very serious shortage in the supply of coal and prices have been further increased. For spot position there is practically little free coal, foreign or native, available, but during the past few days purchases of American coal have been taking place for shipment in December and January at prices ranging from 8 to 8 1/2 dollars per ton f.o.b., and for fuel cargoes for November shipment at between 7s and 7s 8d per ton c.i.f. Bristol Channel ports. Owing to the scarcity of small coals, practically all the patent fuel works at Cardiff have ceased operations, but in the Swansea district one or two factories are still operating. The arrivals of tonnage with American cargoes are becoming more numerous, imports at Cardiff now amounting to about 70,000 tons per week. The outputs of the levels and collieries at work in South Wales are slowly increasing, but for this the pit-head prices are ruling by arrangement with the local authorities from 50s for through coals to 55s 60s for large coal.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange :—Trading conditions have become more difficult, and although there is a brisk demand, especially for pig-iron and semi-finished materials, the volume of business passing has become restricted owing to the difficulty of obtaining delivery. It was reported that prices showed a wide variation, and that for prompt delivery consumers were willing to pay substantial premiums. Serious inconvenience is being occasioned by the delays in shipping material from Antwerp and other Continental ports. Irregular working is the rule at practically all the British steel works which are now producing. The Continental steel works have again advanced their prices for forward delivery, the uncertainty regarding fuel supplies making steel manufacturers reluctant to sell forward.

Our Middlesbrough correspondent's letter, dated October 28, 1926, is as follows :—Pig-iron : There is no increase in the production of Cleveland foundry pig-iron, but while merchants are able easily to dispose of any parcels of No. 3, which they are in a position to offer at 120s per ton f.o.t., some customers are less inclined to pay this figure, under the impression that prices have touched the top. There is no quotation for ordinary mixed numbers East Coast hematite iron; only small parcels of off-grades are obtainable at varying prices. Manufactured iron and steel : There are now no fixed prices for manufactured iron and steel, and only one or two works have been able, with difficulty, to maintain operations on imported material. Iron ore : There is no change in the position, and best rubio is nominal at 21s 6d per ton c.i.f. Tees.

Our Sheffield correspondent writes :—A further depletion of supplies of raw material have occurred. No basic steel is being produced, and one of the few acid furnaces operating has been stopped for want of coal. Difficulty has arisen in the prices of foreign crucible steel sections owing to a sharp rise in the prices of foreign coke. A good deal of work is awaiting execution at the billet makers; the failure of supplies of high-grade special steels is causing much inconvenience at some engineering works, and is hindering the execution of important orders. Users would be prepared to pay high prices for supplies. Numerous orders for ordinary steel are being rejected because of the low limit of prices which the buyers are prepared to pay. No English coal or coke is coming into the district. Iron and steel workers have now abandoned hope of a resumption of normal activities during the present year, even should there be a sudden settlement of the dispute. The season demand for cutlery and plate has fallen off very considerably, and some firms are short of work. The demand for stainless steel continues to be on a large scale. More electric steel melting furnaces are working to-day than at any time during the last four or five years. There is a slump in the ferro-alloy market, and nothing is passing in heavy steel scrap. Odd lots have been bought by steelmakers at the low figure of 5s, and is being put in stock in readiness of the restarting of open-hearth furnaces.

Our Glasgow correspondent writes :—The market remains quiet, but the coal situation being slightly more hopeful a better feeling

prevails. Stocks of all classes of materials are practically exhausted. Imported materials are difficult to procure on account of congestion at Continental ports, and very high prices are paid for any steel or iron procurable from stock. Malleable iron works are turning out small tonnages of bars, which are immediately secured by engineers and wagon builders, who have good orders under execution. The makers of steel sheets are unable to meet the demands of consumers owing to restricted output resulting from inferior fuel. Steel makers have intimated an increase of 5s per ton for post-strike delivery of ship plates, sections, and joists, the new prices for delivery in the Clyde area being :—Ship plates, 8 2s 6d and sections and joists 7 12s 6d. Recent contracts received in this district include an important order for large planing machines and other machine tools which has been placed by the New Zealand Government Railways with Messrs. Loudon Bros., Limited, of Johnstone. The plant is required in connection with new workshop extensions.

Our Cardiff correspondent writes :—Owing to increasing costs of production, largely due to the prices of tin and fuel, there has been a slight decrease in the number of mills operating in the South Wales tinplate industry. For prompt shipment the prices of tinplates have been increased to 24s 6d per box, galvanised sheets to 17 1/2 17 10s per ton, and tinplate bars to 7 1/2. There has been a slight increase in the volume of the export trade, and stocks, at 59,990 boxes, are over 10,000 boxes greater than a week ago. The manufacturers have intimated to the workmen the withdrawal of the bonus wage of 7 1/2 per cent. which has been in force since 1921.

CUMBERLAND IRON.

There is at last some business being done in the hematite pig-iron market, the feeling that the coal stoppage must shortly come to an end being largely responsible for the concern among consumers that they can no longer delay the covering of the needs that will arise during the first two or three months after restarting. Makers are not averse from entering into contracts for delivery spread over a period not extending beyond the first quarter of next year, and they are so well off for orders that they can look forward to relighting all the furnaces that were in blast in April last, and probably three or four more. A further rush of buying is regarded as certain directly the furnaces are put in draught, but it looks as if it may be the middle of December at earliest before output can be restored to the level at which it stood before the coal trouble began. Prices are, of course, higher, as a rise in costs is almost sure to take place at first, and Bessemer mixed numbers are quoted at 4 1/2 16s per ton delivered at Glasgow, 4 1/2 15s 10d per ton delivered at Sheffield, 5 1/2 7s 6d to 5 1/2 15s per ton delivered at Birmingham. For low phosphorus iron to analysis 5s per ton has to be added to these figures. Values are even bigger for any iron that can be spared out of the little stocks that remain. A few thousand tons are still lying in workyards in the district. Ferro-manganese is in more active request, and 2,000 tons of ferro and spiegel have recently been sold. Ferro-manganese is quoted at 15 10s per ton. As to the steel trade, all that can be said is that the orders on the books represent a tonnage that will take three months to roll, and the plant at Workington will be kept continuously employed until the end of March. Rails are 8 10s per ton, sleepers 10 10s per ton, fish-plates 12 10s per ton. Very little native ore is being raised in either South or West Cumberland. The coal trade is idle, the three pits that are working having so small an output that there is no coal to spare for the industries or for the coking plants.

OTHER METALS.

TIN.—The market for tin opened with a firm tone on higher Eastern cables, combined with a steady demand, but later a good deal of irregularity was noticeable, and a sharp decline was registered, due to liquidations. Standard cash sold at 311-306, 306 10s-296, three months 305 10s to 294. Sales in the East were reported at 313 to 318 10s.

COPPER commenced easier on lack of support, but later re-acted on buyers becoming more prominent and a revival of speculative interest, closing weak however. Standard cash changed



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hands at £58 10s-£58 3s 9d, £58 12s 6d, and £58, three months £59 8s 9d-£59 2s 6d, £59 7s 6d, and £58 13s 9d.

LEAD somewhat unsettled, with dealings on a fair scale. Good soft foreign pig, October, sold £30 5s, November £30 11s 3d, £30 5s, and £30 7s 6d; December, £30 11s 3d to £30 3s 9d, and £30 12s 6d; January, £30 12s 6d to £30 3s 9d; February, £30 10s to £30 5s, and £30 2s 6d.

SPELTER.—Moderate sales were recorded, but prices were subject to slight irregularity. October sold £34 2s 6d, £34 1s 3d; November, £34 2s 6d-£33 17s 6d, and £34 2s 6d; December, £34 2s 6d-£33 15s and £34 1s 3d; January, £34 1s 3d-£33 13s 9d and £34; February, £33 15s to £33 18s 9d ton.

ANTIMONY dull. English special brands quoted £74 10s to £75, and foreign spot £59 to £60. November-December sellers £52 ton c.i.f.

ALUMINIUM slow. Home delivery £107, export £112 ton.

QUICKSILVER firm. Spot quoted £17 per bottle.

WOLFRAM.—Forward 13s 6d to 14s per unit.

TIN PLATES firm. I.C. coke spot 25s-25s 6d, forward 23s-23s 6d per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, October 28, 1926.

Cotton has been in good demand during the week, and prices show very little change. The Bureau report estimate issued on Monday last gave a crop of 17,454,000 bales, with 8,722,000 bales ginned. An increased estimate was generally expected, and buying orders from those anticipating a decline prevented any shrinking in prices. The trade has bought forward contracts very freely, and outside investment buying has been attracted by the low value of cotton, which is now at a price which will not pay the grower. The U.S.A. Government's offer of a loan to farmers, banks, &c., will probably be taken advantage of, but the lack of suitable storage room is likely to be felt. Prices of Egyptian cotton have also fallen, and arrangements have been made by the Egyptian Government and the banks for loans to cotton growers on very easy terms. Quite a fair demand has sprung up for Egyptian cotton, but this is being met by hedge selling. Spot sales for the week 22nd to 28th (inclusive) were 48,000 bales. Of these, 27,400 were American, 4,150 Brazil, 7,000 Peru, 3,800 Egyptian, 5,100 African, 60 East Indian, and 400 sundries. Imports for the same period were 90,604 bales, divided as follows:—64,246 American, 9,277 Peru, 15,427 Egyptian, 668 African, and 986 East Indian. Quotations to-day are:—American middling, 6.71d; Egyptian Sakel, 14.40d; uppers, 10.50d; Brazil fair, 7.01d; Peru G.F., moderate rough, 9.00d; smooth, 8.01d; Tinnivelly, 6.20d; East African G.F., 8.40d; and West African middling, 6.66d.

MANCHESTER, October 28, 1926.

A larger inquiry continues to be experienced in the market, and in some quarters there has been an increase in the amount of business done. Numerous buyers, however, are not convinced that bottom prices have been reached, and there are certainly no indications of any definite rise in raw material rates. In the cloth section a considerable demand has been met with for India, with more activity in light fabrics for Calcutta, some of the buying being speculative on the part of local merchants. Offers in sized shirtings have tended to improve, but not much trade has been done. The outlook for China business is no better, and orders have been confined to small lots in fancy. There are complaints from some weaving districts of the coal position becoming worse. American yarn quotations have been firmer, and a larger business has been put through, especially in medium counts. Stocks are distinctly smaller than for some time back. Slightly more activity has also shown itself in Egyptian spinnings.

(I.) Comparative Statement of the Cotton Trade.

	Price, Oct. 28, 1926.	Previous weeks in 1926.				
		Oct. 21.	Oct. 14.	Oct. 7.	Sept. 30.	Sept. 23.
Raw Cotton—Mid. American	6.71	6.83	7.15	7.17	8.09	9.03
—Sakelaidis Fully Good Fair	14.40	14.80	15.50	15.70	17.00	18.00
Yarns—32's twist	13.5	13.8	14	14.1	14.2	15.2
—40's twist	14	14.1	14.1	14.1	14.1	16
—60's twist (Egyptian)	25.4	25.5	26	26.1	27.1	28
32-in. Printers, 11s yds, 16 by 16, 32's and 50's	23.9	24	24	24	24	24.9
36-in. Shirtings, 7s yds, 19 by 19, 32's and 40's	27.9	28	28	28	28	29
38-in. ditto, 3s yds, 16 by 16, 10 lbs	13.3	13.3	13.3	13.3	13.3	14.6
38-in. ditto, 3s yds, 16 by 16, 10 lbs	17.6	17.6	17.6	17.6	17.6	19

(II.) Compared with Previous Years.

	Price, Oct. 28, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	6.71	10.68	13.76	17.78	14.54	12.77
—Sakelaidis Fully Good Fair	14.40	22.85	25.85	18.65	17.75	23.75
Yarns—32's twist	13.5	18	24	23.1	21	21
—40's twist	14	19	25.1	23.4	20.1	20.1
—60's twist (Egyptian)	25.4	34	36.1	31	28	38
32-in. Printers, 11s yds, 16 by 16, 32's and 50's	23.9	29.3	36.9	34	31	33.6
36-in. Shirtings, 7s yds, 19 by 19, 32's and 40's	27.9	33.9	41.6	37.6	32	33.6
38-in. ditto, 3s yds, 16 by 16, 10 lbs	13.3	16	19.6	20	18	20
38-in. ditto, 3s yds, 16 by 16, 10 lbs	17.6	24	28	18	16	19

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The market is inactive, and it seems improbable that anything short of a settlement in the coal dispute will bring relief. Wool is certainly cheaper in the primary markets, especially in the ordinary topmaking sorts usually described as Bradford-style wools, but this is insufficient to stimulate interest under existing conditions. Mills are being run with difficulty owing to lack of orders, and with short-time working and excessively high coal prices overhead charges are abnormally heavy. Most qualities of merino tops are about 1d cheaper on the week. A good warp 64's can now be bought at about 4s, and an average top at 1d to 2d less, according to quality. A buying movement might possibly develop if users could be assured of more settled industrial conditions, but no one will cover more than immediate requirements at present, and the usual forward commitments which are a feature of the trade at this season of the year are conspicuous by their absence. Crossbred tops are also easier, and for actual business concession could doubtless be obtained on quoted prices. Spinners continue to complain of the lack of new business, and competition from imported yarns is being very keenly felt in the hosiery districts. Quotations for yarns have eased in sympathy with tops, but even so manufacturers do not seem disposed to order any weight. The only section in which there is any activity is that engaged on mixtures, for which there is a steady demand. A small amount of business is being done in crossbred yarns for Germany, but prices are cut very fine. There is no improvement in the demand for piece goods, though fancy worsted continues to sell fairly well where quick delivery can be given.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The sales have been continued in Australia and South Africa under fairly good conditions, although easier prices are reported from all selling centres. We are not surprised, as the present state of the wool textile industry in England and America leaves very much to be desired. True, things have improved somewhat across the Atlantic, but quieter markets and declining values in Yorkshire are bound to have some effect upon Boston, and we understand that during the week cables have been received in Bradford and London reducing limits on the orders in hand to buy clothing wool, noils, and wastes. This is clear evidence that Boston dealers do not intend this season to be left with large stocks of dear raw material. Very few cables have been received from Australia mentioning American buying, though we expect that now Geelong has opened America will buy fairly considerable quantities of favoured wools. Like everyone else, she wishes to be in at the bottom, particularly as she did not do particularly well out of last season's purchases, some of which, in fact, are still for sale as second-hand parcels.

The news from Sydney this week is that values are the turn in buyers' favour, although there is nothing very serious by way of a decline. Still, business is being done only at lower limits, and judging from the cables Bradford importing topmakers must be able to cover their cheaper sales. It is as yet too early to talk about the next London sales, but there will have to be a very different temper in the market if anything approaching last sales prices are forthcoming for either merinos or crossbreds. We have still the significant fact that wool markets everywhere are dominated by active Continental competition, and everybody would have preferred to see the home trade buying more extensively. The amazing feature is that wool is dearer in South Africa. The clip is spoken of as an excellent one. South African prices are apparently fully 2d. clean, above those ruling in Australia, which must evidently be due to the very fine spinning character of the clip.

THE JUTE TRADE.

DUNDEE, October 28, 1926.

The future course of prices of raw jute is still obscure, and values are maintaining a level quite contrary to all expectations. Irregularity in quotations is the main feature, sellers of certain qualities being firmer one day and easier the next. The imports of the fibre into Calcutta are keeping up to normal, but the quality is reported to be poor. Prices are showing no signs of coming down to a point when spinning and weaving could be carried on at a profitable level. First marks are still in the vicinity of £35 to £36, and lightnings at from £29 10s. to £30, October-November shipment. Daisee assortment is quoted at from £29 to £29 10s, Daisee-2 at £31, and Daisee-3 at £27 15s, while Tossa-2-3 is from £32 10s to £33, Tossa-2 at £34, and Tossa-3 at £32 for good marks, all October-November. There is little passing in yarns.

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Spinners are finding it difficult to secure the payment of 3s 4d for common 8 lb crops and 3s 5d for 8 lb spools, but they are fairly well employed, and can afford to wait. Twist is from 5½d for 3-ply 7 lb, sacking 24 lb weft at 4½d, and 8 lb chains at 5½d. Rove is being sold in only small lots at £33 10s to £36 for 48 lbs, and £23 10s to £25 for 200 lbs. A fair inquiry is being made for all kinds of jute cloth, but business on the whole is slow. Quick delivery is mostly desired, and this manufacturers cannot give very easily, owing to the large business which was done, especially in light weights, a few weeks ago. Manufacturers are quoting 4½d for 10½ oz 40 in, and 3½d for 8 oz, which are the lowest limits possible. Calcutta goods have fallen off in demand, but the market has ruled firm. On spot 32s is quoted for 10 oz 40 in, and 8 oz is only obtainable in trifling lots at 27s 6d.

HIDE, LEATHER, AND ALLIED TRADES.

Ox and heifer hides made last sale figures at the auctions held in Bermondsey last Thursday, best selling at from 6½d to 9d per lb, and seconds at from 6d to 8½d per lb. Cows were ½d per lb dearer for firsts, seconds, together with bulls, making last prices. Calf skins were steady at recent figures, while wools made from 5s 10d to 10s, and hogs from 2s 3d to 10s 6d per skin.

The market for foreign hides has assumed a very quiet aspect. The tendency is for lower values, but the increase in the cost of freightage keeps values on about the same level. African hides are firm in price, with sales taking place in common dries. The slight improvement in the demand for sole leather continues, and in certain quarters a further appreciation in turnover has been noted this week. Demand continues for light and medium-weight bends in the commoner grades. Bellies and shoulders are quite a good selling line, and all supplies coming forward are readily disposed of. Offers of considerable quantities are being received on this market, but the figures mentioned are considered too high. The upper leather demand is chiefly centred around coloured kid and willow in the cheaper grades suitable for the Russian boot trade, and in this direction a fair amount of business is being done. Black glaced kid and patent accounts for a moderate amount of business, while lining leather are in request all the time at prices which show advances all along the line. In boot and shoe manufacturing trade conditions are better than for some weeks back. Orders are coming to hand more frequently and for larger

VEGETABLE OILS AND OILSEEDS.

The advance in sea freights has affected practically all branches of the oil and seed markets. Linseed oil has followed the trend of seed, and has been erratic, values ranging around £32 per ton naked ex-Hull mill, for prompt and this year's delivery, with actual business done both above and below that figure. Consumers, however, are only tardy buyers. Cotton oils have been in good request, and are firmer. Crude Egyptian is offering at £33 10s (old) and £34 10s (new), and technical refined at £37. In the oilseed section linseed is scarce and dearer in near positions, up to £16 5s having been paid for Plate, October-November shipment, while new crop for January-February loading has advanced to £15 17s 6d. High freight rates are largely responsible for the present level of prices, since there is a big unsold balance of old crop still awaiting shipment—more than ample for world needs. More attention has been paid to Indian linseed, Calcutta having been done to London at £17 16s 3d, and to the Continent at £17 15s October-November. Cottonseed is scarce on spot, and commands a substantial premium over seed for shipment, the latter now quoting £9 15s for Egyptian, November. Soya beans have been done to the Continent at £11 10s, November-December.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—There was no fresh development in this market. Steady support was accorded both British refined and English-grown granulated at previous quotations. Ely and Ipswich, ex store, London, 29s 3d. Imported kinds slightly weaker for continental granulated, and Czecho, also Dutch J, sold, 28s 4½d. Forward positions met a quiet market. Czecho granulated, ready, 16s 1½d; November-December, 15s 9d to 15s 10½d, as 10 mark f.o.b. Hamburg. Dutch J, ready, 16s 3d; November-December, 16s f.o.b., Rotterdam. Belgian crystals, November-December, 15s 6d, f.o.b., Antwerp. Polish crystals November-December, 15s 3d, f.o.b., Danzig. The market generally quiet and easy. November, sold, 14s 9½d to 14s 10½d; December, 15s 1½d to 15s 4½d; January-March, 15s 6d; March, 15s 8½d. May, 15s 11½d; August, 16s 3d to 1s 4½d per cwt.

COFFEE.—Business moves quietly, partly owing the fact that supplies of really attractive qualities are limited and which hampers the home trade. On export account there is no improvement in demand. Costa Rica, new crop, bold, sold, 16s 6d; Kenya, bold, went at 13s 6d to 15s 6d; Arusha, bold, 13s 6d to 43s; Kilimanjaro, bold, 12s 4d to 14s 6d. Futures after advancing sharply sufficed a setback. Meantime business is reduced to a minimum.

COCOA.—Only small sales in spot lots at previous rates. Accra dearer forward, and November-January F/F sold, 42s 6d to 48s, f.o.b. TEA.—During the week 60,750 packages Indian were offered in auction, and experi need a quiet demand, with the exception of some really attractive tinny Assams. These sold firmly, but otherwise the market was 1½d to 1d per lb lower. Pekoe, sold, 1s 2d to 2s 1d; orange pekoe, 1s 3½d to 2s 5½d; broken orange, 1s 3½d to 2s 8½d; finest to choice, 3s 0½d to 4s 0½d. Ceylon: auctions of 18,000 packages came to a slow market, and prices in most instances were ½d

to 1d lower. Pekoe, sold, 1s 2d to 2s 1d; orange, 1s 4½d to 2s; broken orange, 1s 5d to 2s 5½d. Business in China teas very quiet, but sellers adhered to steady asking prices. Some Keemums, sold, 1s 4d to 1s 6d; and finer qualities, at 2s 4d to 2s 6d. Panyongs made 1s 4d to 1s 6d; fine souchongs, 2s 10d to 3s. Java and Sumatra auctions totalled 5,930 packages, which met a very irregular and quiet market, at mostly ½d to 1d per lb decline. Pekoe, sold, 1s 1½d to 1s 2½d; broken ditto, 1d to 1s 9½d; pekoe souchong, 1s to 1s 1½d; orange pekoe, 1s 0½d to 1s 4½d; broken orange, 1½d to 1s 4½d; flowery broken orange, 2s 0½d per lb, in bond.

RICE.—Complete stagnation continues in this market, due in a great measure to the high rates of freightage now ruling. Two Stars, spot, London, 16s 6d; Spanish oil, 21s 3d. Beans quiet but steady. Japanese peas, September-October, 25s 9d; October-November, 25s 4½d per cwt c.i.f. and i., London.

SPICE.—Pepper in demand, and market again dearer. Black Sinapore, spot, 50d, 10½d to 11½d; Lampong, spot, 11½d; ditto, August-October, 15 0½d; October-December, 11½d to 15 0½d. January-March, 15 0½d. Muntok, spot, 1s 8d; August-October, sold, 1s 6½d to 1s 7½d; October-December, 1s 7½d; January-March, 1s 7½d lb. Tellicherry, January-March, quoted 11s; Aleppy, 110s per cwt, c.i.f. and i. terms. Cloves dull, unaltered. Zanzibar, spot, 9½d to 10d; November-January, 9d. Pimento, spot, 7½d per lb; September-October, 70s per cwt. Sago flour, January-February, to U.K., 16s 6d. Singapore flake tapioca, November-January, sellers, 17s 6d. Desiccated coconut spot, 41s per cwt.

FRUIT (Dried).—Currants continue in demand, and market firm. Pyrgo, quoted 32s 6d to 33s; Patras, 35s to 36s; Gulf, 35s to 40s; Vostizza, 50s to 60s; Australian, 38s to 45s, as to quality. Sultanias quietly steady. Smyrna, medium to good, 66s to 72s; fine Cretan, 75s to 85s; Australian, 60s to 76s. Raisins fairly steady. Valencia, half-boxes sold, 42s; quarters, 43s to 57s, as to quality. Dates firm, with a good demand. Hallowee, first tide, 31s; Khadrowie, 21s; jar, 18s 6d; carions, 34s to 40s. Figs steady. Lacouns, 100s to 130s; layers, 62s to 75s. Evaporated fruits meet with good support. Apricots: Californian, extra choice, quoted 122s 6d; South African first grade, 140s. Plums, Californian, 30/40's, 66s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, September-October shipment, 47s 9d, c.i.f. per cwt. Almonds sell freely at full rates.

CANNED GOODS.

CANNED FISH.—Market generally quiet, but late rates were maintained. Portuguese clubs quoted 4s 6d per dozen tins. Salmon quiet. Red, tall, 1 lb, quoted 47s; tall pink, 27s to 28s. Lobsters in small supply. Best ½'s, 160s to 162s 6d; and ¾'s, 9s to 95s. Crayfish, ½'s, 76s to 77s; ¾'s, 49s to 50s per case. Japanese crab steady. Herrings, 7s per dozen tins.

CANNED FRUIT.—Market quiet and uninteresting, with prices tending in buyers' favour. Bartlett pears, 24-2½'s, choice, quoted 12s to 12s 6d. Californian peaches, choice, 11s 6d to 12s 3d; seconds, 8s 9d. Californian apricots, choice, 12s 6d; seconds, 9s 3d per dozen tins. Singapore pines firm, but quiet, while forward quotations are well held. Italian tomatoes firm.

CANNED MEATS sell steadily. Corned beef, 6's, quoted 38s to 45s, as to quality. Danish lunch tongues, 120s to 152s 6d; American, 142s 6d, with best, 147s 6d.

CONDENSED MILK.—Machine-skimmed firmer, with full-cream unaltered, while there is a good inquiry for the best brands of evaporated milk.

HONEY.—Market dull, with ample supplies on offer. New Zealand, however, moves off steadily at 50s to 85s; Australian, quoted 40s to 50s; Jamaica, good set light ambers, 46s, and manufacturing kinds, 40s; San Domingo, 34s to 46s.

RUBBER.

Business again carried on quietly, with but little alteration in prices. Plantation standard sheet, spot, sold, 1s 9d; November, 1s 9½d to 1s 9d; December, 1s 9½d to 1s 9½d; January-March, 1s 9½d; April-June, 1s 10d per lb.

GENERAL.

JUTE.—The market opened quiet and easier, but rallied soon afterwards on stimulating cables from Calcutta. Spinning demand, however, was confined to pressing needs, and weakness set in. Firsts, September-October, to Continent, sold, £29 5s to £29 15s, and £29 12s 6d; October-November, £28 10s to £29 5s, and £28 15s; November-December, £28 5s to £28 15s and £28 10s. Lightnings, September-October, sold £25; October-November, £24 10s, £25, and £24 15s. Market very quiet for both hessians and twills. 10 oz hessian, spot, 1s 1d, 32s 3d; 8 oz, 27s 6d.

HEMP.—Manila stronger on increased buying orders and reserved sellers. J, October-December, quoted, £46 10s; K, sold, £40 15s to £42; L, £40 15s to £42; L2, £38, paid for November-January;

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M 1, November-January, quoted, £38; M 2, ditto, sold, £34. Of afloat parcels, K sold, £41 per ton. New Zealand and African sisal steady, unaltered.

SHELLAC.—Market firm. T.N., spot, fair quality, 185s; December, sold, 182s 6d; March, 182s to 181s per cwt.

COPRA.—Steady, but general demand rather quiet. F.M.S. Straits, November-December, to Rotterdam, quoted £28; December-January, £28. Dutch East Indies, November-December, £27 13s 9d; Ceylon, £27 9s 6d; South Sea F.M.S. £25 ss; Cebu, £27. South S. plantation, November-December, to Marseilles, £27 7s 6d; F.M.S., £26 12s 6d; smoked, £26 7s 6d. Palm kernels, November-January, Liverpool, quoted £20 7s 6d per ton.

TALLOW.—Messrs Colchester and Woolner write as follows on October 27th:—The tallow market was steady during the week, and prices were fully maintained to-day. Inferior kinds have received more attention than good coloured sorts. At auction to-day 1,139 casks tallow were offered, and 440 were sold. Quotations are:—Australian mutton: Fine, 44s; good to fair, 43s to 42s; dull to dark, 39s 6d to 37s 6d; hard, 43s 6d. Australian beef: Fine, 43s; good to fair, 42s 6d to 40s 6d; dull to dark 38s 6d to 37s; sweet, 45s. Present shipment from Australasia: Good m.x.d., 2s. Present shipment from South America, 42s 6d. The market letter is unchanged. Town tallow, 38s 6d per cwt. Rough fat per 8 lbs, 2d; melted stuff, 28s per cwt. Quotations are:—Town, 38s 6d, net cash,

naked, ex works. Country: Frail casks, 38s; home melted, shipping casks, net, f.o.b., wood coloured, 41s; fair to dull, 39s to 38s. Bone fat: white none; pale none; benzene, 33s; melted stuff, 33s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 22s 6d per 100. Coir yarn, Ceylon, £22 to £30; Cochin, £24 10s to £47; Ceylon bristle £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 6d; Java, 2s 4d.

METROPOLITAN CATTLE.—October 28.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.			
	s	d	s
Beasts—Norfolk	6	0	6
Irish	6	0	6
Cambridge	6	0	6
Short Horns	6	0	6
Herefords	6	0	6
Devons	6	0	6
Beasts—Heavy Bulls	8	0	8
Canadian	8	0	8
Sheep—Downs (folliped)	5	0	5
Ewes	5	0	5
Crossbred	5	0	5
Scottish	9	4	10
Lamb—Downs	9	4	10

LONDON POTATO MARKETS.—October 28

	Per Cwt.
English King Edwards	7 0 8 0
British Queens	7 0 8 0
Pelipse	7 0 8 0
Majestic	7 0 8 0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.			
COCOA —Duty British grown, 5s 4d, foreign, 14s cwt	s	d	s
Trinidad, per cwt	68	0	73
Grenada, per cwt	57	0	63
Ceylon, plantation	70	0	83
Guayaquil	80	0	110
Bahia, finest	62	0	58
COFFEE —British grown, 5s 4d, foreign, 14s cwt	s	d	s
India, fine ord. g.d. mid 132	0	157	0
Do good to fine	162	0	168
Costa Rica, ord. to mid. 120	0	158	0
Good to fine	162	0	165
Central American, g.d. ord.	115	0	130
Do mid to fine	135	0	145
Colombian, ordinary	108	0	114
Do g.d. ord. to low mid. 116	0	126	0
Do mid to fine	130	0	156
CHEMICALS —per lb	s	d	s
Acid, citric	0	34	0
Nitric	0	34	0
Oxalic, net	0	34	0
Tartaric, English	1	05	less 5%
Foreign	0	11	1
Cream of Tartar —per cwt	80	0	81
English	99	0	100
Foreign	99	0	100
Alum lump, per ton	110	0	110
Do ground	111	0	110
Ammonia, carb.	37	0	39
Muriate, White	22	0	29
Sulphate	14	0	15
Argenti, lump	65	0	70
Powder	65	0	70
Acetic, per cwt	65	0	70
Pearl do	65	0	70
Bleaching powder, per ton	90	0	91
Borax, gran.	22	0	22
Do crystals	23	0	23
Do powder	24	0	24
Calomel	4	2	4
Iodine, dry	1	0	1
Nitrate of Soda	13	0	13
Potash—Chlorate, net	0	32	0
Do Foreign	0	8	0
Sulphate	11	0	12
Sal-Acetone	1	10	2
Sal-Ammoniac	42	0	45
Soda Bicarb.	10	0	10
Crystals	5	0	5
Alkali	5	0	5
Canstic	14	0	15
Sugar of lead, white	0	0	0
Foreign white	44	0	46
Sulphate Quina	1	9	1
English Brands	1	9	1
Foreign	1	8	1
Sulphate Copper	24	0	25
Zinc, cut	9	0	9
Sulphur Flour	9	0	9
Do Roll	4	0	4
Vermilion, Chinese, per lb	4	0	4
English	4	0	4
Oil Peppermint, H.G.H.	50	0	55
COPRA —per ton, c.i.f.	s	d	s
Malabar, Nov.-Dec.	29	7	6
Ceylon	28	0	28
FM S Singapore	28	0	28
FM Straits	25	0	25
COCHINEAL —per lb	2/9	3/6	
DRUGS —s	d	s	d
Alone, fine E.L.	120	0	140
Cape, good to fine	41	0	42
Balsam Peru	5	0	6
Capivi	1	0	1
Camphor	1	0	1
Japan, refined	2	10	0
Cardamoms, Ceylon	5	0	8
Cantharides, China, per lb	3	0	0
Castor oil	85	0	85
Gum Benjamin	50	0	50
Oil Nutmeg	50	0	50
Good	80	0	100
Ipecacuanha	14	0	0
Jalap.	6	0	0
Musk pod, China	6	0	0
Oil, Cassia	8	0	8
Aniseed	3	0	0
Peppermint Wayne Co	32	0	35
Rhubarb, China root	2	0	2

METALS—B. Copper			
Best selected	64	10	65
Sheet (strong)	92	0	0
Standard	57	15	57
Lead Eng. Pig per ton	31	15	30
Soft Foreign	30	6	30
Spelter G.O.B.	3	13	3
Tin—English ingots	23	10	23
Do do bars	29	10	29
Standard cash	29	10	29
OILS—Fish, per ton	s	d	s
Seal, pale	40	0	0
Linseed, p. ton net, naked	32	5	0
Rape, refined	46	0	0
Crude	44	0	0
Cotton-seed, crude	33	0	34
Edible, refined	40	0	0
Coconut, crude	47	0	0
Deodorised	36	0	37
Palm	70	0	78
Lard, American	70	0	78
Petroleum—Oil, per 8 lbs	1/1	0	0
Water White	1/2	0	0
Oil Cakes, Linseed, Eng.	11	15	0
per ton	11	15	0
Oil Seeds—Linseed	s	d	s
La Plata, p. ton Oct. Nov.	15	2	6
Bombay, p. ton Oct. Nov.	17	15	0
Calcutta, p. ton Oct. Nov.	17	15	0
PORTLAND CEMENT —Best English	58	0	63
per ton delivered, London	58	0	63
Rapid hardening "Ferrocement"	10	0	0
per ton extra	10	0	0
"Lightning" brand Aluminous Cement	100	0	105
per ton	100	0	105
PROVISIONS —s	d	s	d
Butter—per cwt.	148	0	160
Irish creamery	100	0	115
Do factory	112	0	168
Australian	130	0	150
Argentine	166	0	168
Dutch	134	0	172
New Zealand	180	0	182
Danish	110	0	124
Bacon, engd.—Irish	110	0	112
Danish	110	0	112
Canadian	98	0	108
American	nom	nom	nom
Hams—Irish	nom	nom	nom
Canadian	105	0	158
American	84	0	100
Lard—Irish bladders	6	7	9
American boxes	6	7	9
Pork—per 8 lbs	6	0	10
Beef—Frozen	2	10	4
Beef—calf	6	4	7
Do do	6	0	9
Do do	6	0	9
INDIA RUBBER —lb	s	d	s
Para, fine hard spot	1	8	0
Plantation sheet	1	9	0
INDIGO —per lb	s	d	s
Bengal, good red violet to	5	6	6
Mid. ord. vio. to good	5	0	5
Low to good ord.	4	0	5
Madras, dry leaf, good	2	6	3
Do low to ord.	1	0	2
Kurpah, g.d. mid. to g.d.	4	0	4
Low to mid.	3	0	4
HEMP —per ton	s	d	s
Italian P.C.	55	0	55
Manila, Nov.-Jan. "J"	46	10	46
N.Z. high point, fair	37	10	37
JUTE —Native first mks. Spt.-Oct. 29 15/2	s	d	s
Oct. Nov. 29/0	29	0	29
Nov.-Dec. 28/10	28	0	28
LEATHER —per lb	s	d	s
Sole Bends 6/8 lb.	1	4	1
Do do 10/12	1	5	1
Do do 13/14	1	5	1
Do do 14/16	1	6	1
Do do 17 lb and up	1	5	1
Bark Tanned Sole	2	8	4
Shoulders fm 1/8 Hides	0	9	11
Do Eng. or W8 do	0	11	8
Bellies from D8 do	0	7	8
Do Rnz. or W8 do	0	8	1
Dressing Hides	1	8	1
Ro. Eng. Cal 20/30 lb.	3	8	5
Ass. Hides (nominal)	2	2	1

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Vol. CIII.

SATURDAY, NOVEMBER 6, 1926.

No. 4,341.

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and credits were obtainable down to $3\frac{1}{2}$ per cent. The discount market has been quiet throughout, but mostly firm in tone under the influence of the persistent efflux of gold and of the weakness of the New York exchange. The general minimum for three months' bills has remained at $4\frac{1}{2}$ per cent.

	Nov. 5, 1926.	Oct. 29, 1926.	Oct. 22, 1926.	Oct. 15, 1926.	Previous Rate and Date Changed.
Bank Rate	5	5	5	5	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	$\frac{1}{2}$ (Dec. 3, '25)
Discount Call	3	3	3	3	$\frac{1}{2}$ (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

The Bank return showed a decline of £7,900 in the gold stock and an increase of £468,000 in the Note Circulation. The Reserve was thus £475,900 lower, and the Proportion dropped by 0.3 to 27 per cent. Government securities were reduced by £1,280,000, while Other securities rose by £1,372,400, and as Public deposits were £1,402,200 higher Other deposits fell by £1,781,400. Currency notes were increased by £1,821,800 to £289,437,200, which includes £1,292,000 for notes called in but not yet cancelled. The fiduciary issue is £231,895,200, or £16,007,300 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—The election results show a swing away from the Republicans, which leaves the Administration with nominal but not working control in the Senate, and with actual control in the House. The issues are not clearly defined, and the new Congress will not be more friendly to Europe. However, the old Congress has provided the necessary positive legislation, and will last until March. The French debt settlement probably could pass the old Senate, but would have less chance in the new. Markets have disregarded the election, and the speculative forces are now puzzled as to whether to be bullish on the easing in money or bearish on the slackening in industry. Meanwhile the Federal Reserve statements reveal a rebound from the previous week's contraction, with the System's discounts and bill purchases up considerably, and the Reserve ratio 0.8 lower at 72.8 per cent. There was a large flow of funds from New York, where most of the expansion occurred, and the ratio declined by 3.4 per cent.

THE STOCK MARKETS.

Monday having been the All Saints' Day holiday the Stock Exchange has had a short week, which has also, on the whole, been quiet. The chief interest has centred in the dealings in the new Belgian Loan and the terms of the chemical fusion, both of which subjects are discussed in "Notes of the Week" on later pages. The gilt-edged market has been quiet, but firmed up a little on the failure of Bank rate fears to materialise. French Government bonds improved with the franc, and Turkish bonds were animated on Paris purchases. Home Railway stocks improved a little on hopes of a coal settlement. Home industrials, on the whole, were irregular, with a heavy tendency. Courtaulds went as low as £5. Elsewhere a feature was a substantial decline in rubber shares, only partially recovered by a late rally led by Rubber Trust shares. The Kaffir market has been without interest. Among tin shares there has been a little activity. The issue of £4 millions 6 per cent. cumulative preference stock by the Central Argentine Railway was over-subscribed, but the underwriters of the Wakefield Corporation issue of £750,000 in 5 per cent. stock had to take up 18 per cent.

THE COMMODITY MARKETS.

With a few exceptions, markets have been quieter this week. Domestic production of coal continues slowly to increase, and has now passed the million-tons-per-week level; but with the winter demand in evidence it has been found necessary to regulate industrial deliveries more closely, and prices still show an upward tendency. Iron

and steel business remains quiet, British makers having little to sell, while their Continental competitors cannot promise delivery before the last week or two of the year. Large purchases of raw cotton are being made at the present low range of prices, and as customers abroad show less disposition to anticipate a further drop, an encouraging inquiry for textiles has been met with, yarn sales having exceeded production. Wool values are less stable in overseas centres—a movement welcomed, for the most part, by British manufacturers as likely to make their position easier after the settlement of the coal dispute. The wheat position shows no marked change over the week. Sugar has been in improved demand, coffee and tea also firmer. Rubber has been stronger after an early fall, owing to disappointment with the "unused coupons" announcement. Among non-ferrous metals tin has improved after a dull opening, while copper and lead have been irregular.

FOREIGN EXCHANGES.

The foreign exchange market has been somewhat more active during the past week, largely owing to the continuation in the recovery of the franc. A fall in the rate of exchange to 150 had been anticipated by the market; there was, therefore, little surprise when the rate moved from 153½ on the 29th to 152½ on Monday. But when on Wednesday it closed at 148½ and reached 144 on Thursday, it was thought that speculative influences were at work, since the French authorities were known to have been taking advantage for some time of the improvement to build up their reserve of foreign currencies. An opening rate, however, of 146 yesterday morning would seem to indicate the setting in of a reaction. It is probable that the downward movement was due in part to increased confidence in France, unaffected even by an increase of 800 millions in advances from the bank to the State and of over 1 milliard in the note issue, in part to the transfer of dollars to Paris and in part to the speculative influence. In any case, some anxiety is felt that the market should have escaped control even for a short period, in view of the possibility of "bear" attacks later. Forward rates show little change from last week at 50 centimes discount for one month and 2½ for three months. Italy has fluctuated between 111 and 113, with, on the whole, a weaker tendency, while Madrid, after falling from 32.07 to 31.90, reacted to 32.00 on the reports of a frustrated plot in France aimed at the Directory. New York has sagged slightly, but has maintained itself above the gold export point. Indeed, the export of gold from this country during the past week has been due to demands from Continental central banks for special purposes rather than to any natural exchange movement. From 4.84 23-32 on the 29th, New York fell to 4.84 21-32 on Saturday, and 4.84 19-32 on Monday. On Tuesday it recovered to 4.84 1½, but weakened on Thursday to 4.84 15-32. Yesterday morning, however, it recovered to 4.84 17-32. Forward rates have narrowed to par for one and three months. Of the other stable currency countries, Amsterdam moved against us over the week-end from 12.12½ to 12.11½, but subsequently reacted to 12.12½, while Switzerland moved in our favour from 25.13 to 25.13½. Brussels, whose new currency has not yet quite found its natural level, fell from 34.85½ to 34.82. Berlin rose from 20.37½ to 20.38½, while Vienna, Prague, and Warsaw all depreciated slightly in terms of sterling. In Scandinavia, Stockholm, after falling from 18.15½ to 18.14½, recovered again to 18.16, and Oslo followed a similar movement from 19.45 to 19.26 and up to 19.33 again. Copenhagen has shown only small variations from 18.23. In the East the rupee has been steady at 1s 5½d, while the yen is slightly stronger at 2s 5½d. The silver market improved early in the week owing to a sudden demand from India. After the departure of the steamer, lower prices ruled, but they in turn called forth a renewed demand from India. Shanghai, after rising from 2s 5d to 2s 5½d, fell again to the lower level, while Singapore has been steady around 2s 3½d. In South America, Rio has improved from 6½d to 6½d. Buenos Aires fell from 45½d to 45½d, but recovered yesterday morning to 45½d, while Monte Video followed a similar movement from 49½d to 49d, and then to 49½d. Valparaiso improved from 39.56 to 39.45 and then fell again to 39.58 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended October 30th:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	8,637	From Revenue	12,043
Interest, &c., on Debt	1,224	Increase in debt	326
Sinking Fund	1,256		
Sundries	730		
Increase in Balances	129		
	12,369		12,369

Total revenue amounted to £12,043,300, against £9,006,000 for the corresponding period. Customs yielded £2,117,000, against £2,036,000, and Excise £1,432,000, against £1,426,000. Property and Income-tax yielded £1,307,000, against £1,682,000, and Super-tax £280,000, against £400,000. Ordinary receipts under miscellaneous yielded £2,202,300, against nothing in the preceding year. Special receipts produced £1,250,000. The week's operations increased the National Debt by £326,000, and caused the following changes:—

(000's omitted.)			
	£		£
Public Department Advances ..	— 400	Treasury Bills	+ 1,716
National Savings Certificates ..	— 100		
Sundries	— 890		
	— 1,390		+ 1,716

The floating debt was increased by £1,315,000 to £781,241,000.

FINANCIAL YEAR, 1926-1927 (April 1 to October 30, 1926).

£		£	
Total Expenditure ..	458,189,920	Raised by Revenue ..	378,861,238
		Decrease in Balances ..	3,740,728
		Amount borrowed ..	75,587,954
Total	458,189,920	Total	458,189,920

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE THIRD BRITISH EMPIRE.

FERVENT believers in Britain's imperial mission find many grounds for anxious misgiving in the history of the British Empire in recent years. We have abandoned the attempt to "govern" Ireland, we are endeavouring to administer even India in accordance with the wishes of the people, while in Egypt—in spite of Roosevelt's advice—we have "pulled out" almost altogether, and are confining ourselves merely to minding our own business. This is not the result of the unobserved manoeuvrings of some "Little England" Government, for British public opinion has backed these changes as unmistakably as it has shown its unwillingness to approve expensive extensions of our imperial responsibilities in new regions of the world. There is certainly no sign of any desire to absorb the mandated territories into the British Empire in the pre-war sense of the word. On the other hand, the position of the Dominions seems uncertain. Canada is inevitably coming more and more under the influence of the United States in the economic sphere, and to some extent also in cultural affairs, while South Africa and Ireland are claiming a degree of "independence," which revives in the minds of our nervous Imperialists the fear that these demands must end in an attempt to "cut the painter" altogether. Are all these symptoms to be regarded as evidence that the Empire is crumbling, and that the same dissolution which overtook the defeated Romanovs, Hapsburgs, and Hohenzollerns in the late war and in the Peace Settlement is overtaking the British Empire—less suddenly and less catastrophically, but not less surely—in the post-war period?

An answer to this question is attempted in a brilliant little book which Mr Milford is publishing very appropriately while the Imperial Conference is sitting in London, entitled "The Third British Empire," by Mr Alfred Zimmern.* Its thesis, which is implicit in the title, is that the war of 1914-18 has opened a new epoch in the history of the Empire, the change being comparable in magnitude to that which the Empire underwent in consequence of the American War of Independence. According to Mr. Zimmern, the British Empire is not threatened with the fate of the European empires which came to grief in the war, but is preparing, like the Phoenix, to arise from its ashes—a "Third British Empire" arising now by the transmutation from the second, as the second arose from the ashes of the first after 1783.

As Mr Zimmern sees it, the characteristic new feature in the post-war British Empire is twofold. In the first place, "Dominion status," which had been developing empirically and unselfconsciously in certain parts of the Empire between 1783 and 1914, has grown up into something hardly distinguishable—in substance, though not in name—from sovereign independent Statehood. In the second place, this status, in this mature form, has become the recognised goal towards which all communities in the Empire are on the move—though at different rates of progress and along different roads, in accordance with their almost infinitely diverse environments and traditions. But is not this "procession"—as Mr Zimmern felicitously calls it—really a parade which must end in loss of formation and in the withdrawal of every man to his own tent? Not so, Mr Zimmern replies, and for this good reason: The British Empire is marching with the times, and is changing in harmony with a changing world. Certainly "the Third British Empire" could not survive in a world which was still exposed, like the world that went on the rocks in 1914, to the double anarchy of war military and war economic. Probably (as the Chanak incident foreshadowed) it would break up the first time that the United Kingdom was again involved in a private war over European or Near Eastern affairs; or it might survive one or two such crises only to break up over deep divergences of economic interest like that which underlies the question of Imperial Preference. The post-war world, however, is actively engaged in eliminating war by building up the organisation of the League of Nations; while on the economic plane the technique of production and distribution is tending towards an increase in the scale of operations which will mean, sooner or later, that there can be no profitable unit of economic co-operation short of the whole utilisable surface of the earth and the whole of mankind. "The Third British Empire" will survive because it will live and move and have its being within the framework of a world-order from which the chief modern dangers to civilised social life have been banished by general concerted action.

Mr. Zimmern, however, goes further than this. "The Third British Empire," he argues, is not merely moving in accord with the general movement of the post-war world. The British have been the pioneers; and the world is now setting out to do, in a conscious, collective, responsible way, what the British were already doing, haphazard and unconsciously, as "volunteers," in certain spheres of activity in certain regions. There is a kind of "pre-established harmony" between the post-war world and "the Third British Empire" in their common debt to the pioneering work of "the Second British Empire"; and Mr Zimmern, with reasoned optimism, suggests that the British Empire has still some of its most important pioneering work to do. The British Empire, in fact, is in itself a complete sample of the new world order. Geographically, it is represented in every continent and ocean. Racially, it holds white peoples in association with peoples of other colour. Economically it embraces industrial, agricultural and pastoral regions and communities at every stage of every form of economic development—ranging from the manufacturing population of Lancashire to the Caribou-hunting tribes of Labrador. It is

* A course of lectures delivered at Columbia University, New York, by Alfred Zimmern. (Milford) 1926. 6s net.

thus an experimental laboratory for working out all the major problems—political, economic, and cultural—of the contemporary world; and, in the first instance, these problems, many of which are extremely complicated and extremely dangerous, can be worked out more boldly and at the same time more safely in the Empire than in the League, because the League is a young organisation whose roots have not yet had time to strike deep, whereas the Empire has that toughness and vitality which are conferred by sentiment rooted in long tradition.

Mr Zimmern's analysis of the Empire, in its present transitional stage, is acute. There is the Commonwealth, which is an entente; there is the Empire, which in *esse*, though no longer in *posse*, is a colonial empire of the old-fashioned type to which the French or Dutch colonial empires still belong; and there are countries and communities which at this moment are moving up in a "procession" from the Empire towards the Commonwealth. Mr Zimmern calls the Commonwealth an entente because it is maintained by a will to co-operate, and not by constitutional machinery. Indeed, he points out that "the Little Entente" between Czechoslovakia, Yugoslavia, and Roumania is more closely knit by common political interests, and that conferences between its statesmen occur at more frequent intervals than those between the Prime Ministers of Great Britain and the Dominions. From the economic point of view he might have added that there are other independent European States, like Latvia and Estonia, which are more closely knit by common interests in the economic field than the members of the British Commonwealth, and which, so far from tentatively discussing preference, have gone to the length of forming a *zollverein*.

What is there, then, in the Commonwealth relationship which is lacking in the League of Nations? All the self-governing Dominions—as well as India, whose present position, as Mr Zimmern agrees, is transitional and anomalous—are members of the League. Newfoundland and Southern Rhodesia, which, unlike India, are already fully self-governing, might become members of the League for the asking. What is the meaning, or the value, of the Commonwealth to these States and to the world? Perhaps the true answer is that the League is an artificially cultivated and, therefore, in the first stages of its growth, a delicate plant, whereas the British Commonwealth, as has been suggested already, has the toughness and vitality of an older and more spontaneous growth. Within the Commonwealth, therefore, pioneering experimental work can be done of which the League can afterwards reap the advantage.

Mr Zimmern lays his finger on two great problems: the contact of races and the relation between democracy and nationality. He points out that the contact of races is causing tension to-day both within the British Commonwealth, for example, between India and South Africa, and also between members of the League, who are not also linked by the Commonwealth relationship, for example, between Australia and Japan. In every case the tension is dangerous, but within the Commonwealth resort to war is ruled out, whereas there is still a loophole for war between Japan and Australia, and a more dangerous possibility of war between Japan and the United States, who is not even a member of the League. Mr Zimmern suggests that the conditions for a general solution of the race problem are more likely to be worked out successfully in the inter-Commonwealth controversy between India and South Africa than in the controversy between the United States and Japan.

As regards the problem of democracy and nationality, Mr Zimmern claims that the British Commonwealth has already found the true solution in divorcing the two conceptions, instead of identifying them as has been done on the Continent of Europe. Three of the self-governing Dominions are officially bilingual, while, within the United Kingdom, the Scottish have preserved an intense national life of their own on the cultural plane (where nationality properly belongs) without the prop of a national State or even of a national language.

If Mr Zimmern's thesis is substantially correct, as we believe it to be, "the Third British Empire," so far from breaking up, may live longer and go farther than its predecessors.

THE AMERICAN ELECTIONS.

THE elections held last Tuesday in the United States appear to have given the Republican party a clear majority in the House of Representatives, in spite of a number of losses to their opponents; but in the Senate the gains made by the Democratic party have produced a tie between the 48 Republican Senators and the opposition, consisting of 47 Democrats and one Farmer Labour Senator. The situation is, however, worse for the official Republican party than these figures suggest, for their total includes eight insurgent Republicans, as well as some four or five others who cannot be relied on to give consistent support to the Administration. In other words, the insurgents from the West hold the balance of power. This means that a curse of inertia has been placed on political progress in America for two years to come. New policies and accomplishments, either at home or abroad, are quite improbable under such conditions. Particularly in foreign affairs it is impossible to foresee any change from what already is known of American predilections. France can no longer hope for modification of the Berenger-Mellon draft agreement. There will be no deviation from American debt policy. Adherence to the World Court will hardly be ventured. The President and Congress now enter a two years' siege, a tiresome, unfruitful trial of strength, which cannot be decided until the next election. America now stands before the longest of the several periods of tedium and stagnation imposed by her unwieldy electoral system. Of its four years of office the first two years of any new Administration are usually devoted to "feeling the way," the last two to preparing for the next election. Only if an Administration is re-elected for a second and final term has it two years of comparative freedom from election worries in which to push through any substantial programme whatever, and then comes the nearly inevitable reaction of an interim election, and almost complete paralysis for two years. Two out of eight years in office can be constructively used. Coolidge, having come to the Presidency through Harding's death, has had two such years out of six—not brilliant ones at that, with tax reduction as the only popular achievement. If the next elections should put a Democrat or some other Republican than Coolidge into White House the political stoppage cannot end until March 4, 1929—28 months hence—and even then it will take a year or more before anything of importance can be awaited.

But the election is not without other implications. The re-election of Mr Al. Smith as Governor of New York, although it represents an overwhelming Democratic victory, must be greeted by Republicans with jubilation. For it makes Smith's claims on his party's nomination for the Presidency in 1928 almost unanswerable, and there is no Democrat whom the Republicans would prefer in the field against them. Governor Smith is a "wet" and a Roman Catholic. The seat of Democratic strength lies traditionally in the South, which is both "dry" and militantly Protestant. The attempt to nominate Smith three years ago nearly split the Democratic party, and the animus against Tammany, which stands sponsor for the governor, has not diminished. The Republican losses in the election are thus offset by the apparent hopelessness of uniting the Democratic party. If Smith were either "dry" or a Protestant, his chances of election as President would appear bright. He might be personally popular enough to overcome one handicap. But the two together seem insuperable.

The defeat of Senator Butler, of Massachusetts, the only candidate specially endorsed by President Coolidge, points to the gradual decline of the President's personal influence, and this introduces a new element in Republican party politics. The President has never been wholly acceptable to the Republican machine. It was gratified that he proved to be no second Roosevelt, coming accidentally into office and using that accident to incapacitate the machine for a decade. But Coolidge would never have been the machine's choice, and Senator Butler, the President's personal friend and creation as national party

chairman, has made many enemies. The Massachusetts result will widen the breach between the President and the machine. Will he play for an approach to the insurgents? His unfaltering cordiality toward Senator Borah shows that he consciously tried to keep this door open. But he would have difficulty in convincing the public that he was not a narrow Conservative. A more mercurial temperament, an American Lloyd George or a Churchill (they do not exist), would be capable of the spring to the opposition. A Coolidge with such agility is difficult to imagine.

The third result of the election is the least easy to gauge accurately, the drift toward relaxing the enforcement of Prohibition. In the East and in the some Western States the vote for the modification of the Volstead Act would appear quite conclusive. But there has never been any doubt that New York and Illinois were wet. In these States "dry" leaders instructed their followers not to take part in the referendum, so the result is akin to a "Spanish plebiscite." Missouri, despite the brewery traditions of St Louis, went "dry," which is hard to reconcile with the excited predictions that prohibition in America is already doomed. The results, however, are distinct enough to give the liquor issue more substance than it has yet had, and to foreshadow an even greater importance for it in the national conventions two years hence and in the next Presidential election.

JAPAN'S ECONOMIC PROGRESS.

IT is two years or more since the Department of Overseas Trade issued a report on economic, commercial, and financial conditions in Japan. That recently published,* from the pen of Mr R. Boulter, C.M.G., British Commercial Secretary at Tokyo, is therefore of more than usual interest since it covers the two years ended June 30th last, an important period in Japan's economic history.

After the earthquake disaster of September, 1923, it may be recalled, the temporary suspension of the import duties upon certain articles and the demand for and speculation in materials for purposes of reconstruction and replacement caused a tremendous influx of imports during the first part of 1924, the excess over exports amounting to no less than 664 million yen for the first half-year. The second half, or export season, of 1924 produced some improvement, exports being slightly in excess of imports, with the result that the final balance showed a visible surplus of imports of 646 million yen, although exports reached the high figure of 1,807 millions. In spite of this, the exchange fell from 1s 11d to 1s 7½d in the second half of the year. This collapse was due largely to the settlement of exchange which began in September for goods such as raw cotton, wheat, wool, &c., to arrive in the following year. Government support was not forthcoming, and the decline received an impetus from speculative selling of yen by operators in Shanghai. At the end of November the Finance Minister announced that the Government had decided to relieve the situation by making use of their reserves of specie at home and abroad in order to stabilise the yen, and that they were prepared, if necessary, to export specie for this purpose. This declaration had the desired effect, although no specie was shipped until some months later.

The first half of 1925 showed no improvement, the yen remaining at a heavy discount, and constant fluctuations made trading difficult. By the end of June the excess of imports amounted to 521 million yen, and though this figure was some 144 millions smaller than in the first half of the previous year, it was considerably in excess of what had been estimated six months previously. The second half of 1925 witnessed an exceptionally good rice crop, a large production of cocoons, for which high prices were paid, and unusually large exports of raw silk and cotton goods, while other exports showed good results. The final balance for the year showed a visible excess of imports of 267 million yen. Both imports and exports reached higher totals than had ever been recorded before—

2,572 and 2,305 millions respectively—and the total trade showed a gain of 618 millions, of which 498 millions was accounted for by exports. For this favourable trade development the state of the exchange was largely responsible, the export trade being favoured by an exchange between 22 and 16 per cent. below par, while imports suffered a corresponding handicap. Conditions in America had, moreover, been very favourable, since that country was enjoying a wave of prosperity which caused a large demand and high prices for raw silk, the most valuable of Japan's exports.

In these circumstances a feeling of optimism was entertained at the end of last year. Unfortunately, the subsequent course of events has belied the forecasts made, and business remains definitely dull. There is evidence of a reaction from the improvement witnessed between the autumn of 1925 and the early spring of 1926. The factors which aided the tendency in Japan's favour, namely, the proceeds of debenture issues floated abroad, the good harvest of rice and cocoons, the low exchange rate, the active export trade, the reduction of Government deposits and the payments from specie holdings abroad were all of a temporary nature. They have either ceased to exist or have exhausted their effect. Trade has been impeded by the rapid appreciation of the yen and by violent fluctuations in the principal Japanese commodities. Raw silk, for instance, which was quoted at 2,000 yen a bale in January, was down to 1,450 yen in April, though it has since made some recovery. Shares, rice, and cotton yarn have all suffered in a similar way. There are continual reports of minimum price agreements for, or restriction of output of, a number of articles, such as sugar, cement, fertilisers, galvanised iron, and flour. But prices, as a whole, have not fallen sufficiently to keep pace with the rising exchange. Moreover, there has lately been an upward tendency in rates of interest and cost of labour, though prices of commodities continue to decline. Apprehension is entertained lest the next few months should witness increased imports and decreased exports caused by the yen maintaining its present high quotation. Consequently the opinion is being expressed in some quarters that a new measure must be devised to arrest this adverse tendency. The one readiest to hand is the lifting of the gold embargo, and its adoption would be followed by the stabilisation of the exchange, contraction of the currency, and a fall in wages and prices. But it is regarded as improbable that such a course will be adopted, since it would incur the risk of an outflow of specie sufficient to reduce the country's reserves to an undesirable extent. Indeed, the Finance Minister has made it clear in public utterances that the artificial restoration of the yen to parity will not be followed by a lifting of the embargo.

The reserve of specie which the Government maintains abroad is earmarked in the first place for the service of foreign loans, the expenses of missions in foreign countries, and payment for Government purchases abroad. Since September, 1925, periodical shipments of gold have been made to America to replenish this reserve, with a view to reducing the loss on exchange arising from payments made with a currency at a discount and, by increasing the surplus available for disposal to the banks, to assisting in the regulation of foreign exchange. Japan's specie holdings abroad at the end of April last amounted to 231 million yen, as compared with 258 millions at the end of December, 1925, and 615 millions at the end of 1922. Total specie holdings at the end of April were 1,374 millions, as compared with 1,413 millions at the end of 1925 and 1,830 millions at the end of 1922. Efforts have been made to cut down the amount of Government purchases abroad, but a rough estimate of the expenditure out of the specie reserve abroad places the total for the financial year 1925-26 at between 150 and 160 million yen. The expenditure for the current year can scarcely be reduced below 130 million yen, so that the reserve will not last another two years at this rate without further replenishment. The gold sent abroad has been taken from a fund entirely distinct from that maintained as a reserve against the note issue, but the possibility of using the latter becomes evident when it is mentioned that the note issue during May, 1926, fell to a point below the gold reserve, an occurrence which has not been seen for some years.

* H.M. Stationery Office, 2s 6d net.

On the subject of Japan's inroads into British markets in the Far East and India, the report contains some interesting figures, though the subject is not dealt with at any length. The following table shows the growth of exports to some of the principal countries:—

	(Million Yen.)		
	1923.	1924.	1925.
U.S.A.....	605.6	744.9	1,006.3
China.....	272.2	348.4	468.4
British India.....	99.6	135.4	173.4
Dutch Indies.....	40.6	59.3	85.6
Straits Settlements..	20.9	22.7	44.9

In 1925 the largest item among exports was raw silk, with a total of 880.7 million yen, and the second cotton tissues, 432.9 millions. China remains the chief market for the latter, but the value absorbed by India shows a conspicuous increase from 33.6 million yen in 1922 to 70.4 millions in 1925. With reference to this increase in export of cotton goods to India, Mr Boulter writes that the subject has been discussed as much in the Japanese as in the United Kingdom Press, and the charges of unfair competition have been vigorously denied.

"The Japanese industry has been placed in an advantageous position through non-ratification of the Washington Convention regarding hours of labour, favourable yen-rupee exchange, good organisation and management, relatively efficient labour, cheap electric power, and the easy financial position of the large mills, which manufacture chiefly for export."

A perusal of Mr Boulter's report leaves no doubt as to the improvement which has taken place in Japan's financial and economic position in 1924 and 1925. How serious is the setback which occurred in the first half of this year can hardly yet be judged, but there seems to be no reason to anticipate that the adverse tendency will develop any further.

THE CHEMICAL COMBINE.

PRELIMINARY details of the new chemical trust, to which reference was made in our last issue, were made public on Monday. A new company, under the title of Imperial Chemical Industries, Limited, will be formed, and so far as the existing shareholders in the merging companies consent to the scheme their shares in those companies will be taken over by the new company, which will issue in exchange its own fully-paid shares on the following terms:—

Existing Shares.	Shares of New Company.
Brunner, Mond, & Co., Limited	Four 7½% Cum. Pref. £1 Two Ord. £1 One 6% Cum. Pref. £1
Nobel Industries, Limited	Two Ord. £1 Four Def. £1 One 7% Cum. Pref. £1
United Alkali Co., Limited	Two Ord. £1 Three Ord. £1 One Def. 10s
British Dyestuffs Corp., Limited	Forty Ord. £1 Sixteen 7% Cum. Pref. £1 Sixteen Ord. £1 One Def. 10s
	Five 7% Cum. Pref. £1. Three Ord. £1 & Two Def. 10s One 7% Cum. Pref. £1 Three Ord. £1 & Two Def. 10s One 7% Cum. Pref. £1 Three Ord. £1 One Def. 10s Sixteen 7% Cum. Pref. £1 Sixteen Ord. £1 One Def. 10s

It will be observed that the terms of exchange for the ordinary shares of both Brunner, Mond, and Nobel Industries are identical, namely, three ordinary and two deferred shares in the new company for every two shares now held. Yet we have the anomalous position, shown in the table below, of a considerable difference in the present market quotations of Brunner, Mond, and Nobel Industries ordinary shares. The apparently inadequate explanation put forward is that open speculative accounts are still influencing the prices. It will be observed that the Brunner, Mond ordinary shares are quoted ex the interim dividend, which makes the difference in price even more unaccountable. The margin, however, is narrowing:—

	Oct. 15.	Oct. 25.	Oct. 29.	Nov. 2.	Nov. 3.	Nov. 5.
Brunner, Mond, Ord.	36/-	40/9	40/8	37/9	37/-	36/3
Nobels, Ord.	29/9	35/3	36/-	36/9	36/3	35/6
Do Def.	13/6	18/-	19/6	18/4	18/-	17/6
Alkali Ord.	30/-	36/10½	36/-	37/6	35/-	33/9
Dyestuffs Ord.	14/6	17/6	17/-	16/9	16/9	16/6

In the past week prices have mostly declined, and there is much speculation as to what will be the market value of the new shares. Speculative possibilities attach to the new deferred shares, but on the assumption of a 7 per cent. dividend on the new ordinary shares, to which they are entitled before any distribution is made on the deferred, a price of about 23s for the ordinary shares seems likely. This, on the present market valuation of the existing shares, would give a figure of about 3s for the new deferred shares, though a higher quotation is not at all unlikely.

On the assumption that all the shareholders of the merging companies consent to exchange their holdings, the issued capital of the new company on the basis of exchange will be £56,802,996, divided as follows:—

16,219,306 7% Cumulative Preference Shares of £1 each (preferential both as to capital and dividends)	£16,219,306
31,095,555 Ordinary Shares of £1 each	31,095,555
18,976,270 Deferred Shares of 10s each	9,488,135
	56,802,996

The profits of the company to be distributed will be applied:—(1) in paying a cumulative dividend at the rate of 7 per cent. per annum upon the preference shares; (2) in paying a dividend at the rate of 7 per cent. per annum on the ordinary shares; and (3) in distributing the balance between the holders of the ordinary and deferred shares in the ratio of two-thirds to the ordinary shareholders, and one-third to the deferred shareholders. On the basis of the earnings of the four merging companies and their subsidiaries for their respective last completed financial years, it is estimated that, after providing for reserves, the future earnings of the new company should exceed £4 millions, or sufficient to cover the preference dividend three and a half times.

It is claimed that the new company has been capitalised on a conservative basis, and that there are no promotion profits. The four companies will maintain their separate entity and the management will remain as heretofore. The chairman of the new company is Sir Alfred Mond, and the board includes Lord Reading, Lord Ashfield, Sir Harry McGowan, Sir John Brunner, Sir Max Muspratt, and Sir Josiah Stamp.

In explanation of the objects of the proposed fusion, Sir Alfred Mond has stated that strong as the units of the combination undoubtedly are, and capable of operating in the future, as in the past, with profit to their shareholders and with benefit to the country, it was still felt that by union still greater efficiency, both commercially and technically, could be obtained for the development of existing, and the creation of new, chemical industries, with advantages of saving any unnecessary expenditure of capital by duplication and overlapping. "Operating as they are, not merely in this country, but throughout the Empire and the markets of the world, related as they are not merely as producers, but also consumers of each other's products, the advantages of as close and intimate a relationship as it was possible to create was felt by all concerned." Among the obvious advantages and economies which may be achieved apart from the saving in administration which should naturally result from an arrangement such as this, are the economy in research and the elimination of overlapping in this respect, and the provision of a source of supply of materials upon which the various units will be able to draw more easily than hitherto, without being subject to fluctuations in markets and prices. Again, the new concern will be in a much better position to compete with similar groups of an equal size in certain other countries, such as the German I.G. Farbenindustrie, the Allied Chemical Company of New York, Du Ponts, and other great combinations in America. As was pointed out by a correspondent in our last issue, the fine chemical industry is not included in the new combine, though industrial chemicals, fertilisers, explosives, and dyestuffs are all covered.

It may be recalled that some 12 months ago the shareholders of the British Dyestuffs Corporation sanctioned a scheme of reconstruction, under which £600,000 was

paid in cash to the British Government for its surrender of a holding of £1,700,000 preference and preferred ordinary shares, a figure which approximated to the market value of the shares at the time. The paid-up capital was reduced from £9,197,100 to £4,775,600, and the company became entirely free from Government control. No accounts have since been issued, but it seems obvious that the fusion proposals will prove particularly acceptable to the Dyestuffs shareholders. The shares have, in fact, risen substantially since August, when they stood at 12s.

NATIVES AND LAND.

(BY A CAPE TOWN CORRESPONDENT.)

A WEEK or two ago there was held on the banks of the Zambesi a conference of a highly significant kind. It was a conference representative of what may come to be a new African Dominion, for it included representatives of each member of the unbroken line of colonies which now stretches from the borders of the Union to the southern edge of the Eastern Soudan. True, it was labelled unofficial, but Governments were friendly and representatives were influential. Southern and Northern Rhodesia, Nyassaland, Tanganyika, Kenya—all were there.

The questions discussed were, in essence, just the same as those which the early Dutch Government at the Cape had to face 250 years ago. They were the essential and inevitable two—land and labour. It must be so in all new countries, where the land is the chief source of wealth, and where the land is already in occupation by insouciant and uncommercial "natives." The same process which brings the land into the occupation of the European provides him with at least a potential source of labour in the dispossessed natives (if "dispossessed" is the right term to use where original occupation has been economically so ineffective). The problem, then, is to convert this potential supply into an actual supply. So the familiar process of mingled pressure and inducement begins. Effective utilisation of the land is the impelling motive of the European, and he brings his labour-recruiting devices to bear with, as a rule, very little regard for their more distant consequences. Tribal custom breaks up, primitive barbarian economy disappears, and all the familiar effects follow. If, as is often the case, the effects turn out to be harmful to the European, the policy which has generated them may already have gone too far to be reversed. Hence the newer colonies may profit much from a study of the economic history of the Union. For here these effects may be studied over a period of two and a-half centuries, a very long time in African economic history. Now that the Union is adding manufacturing industry to mining and agriculture, and so entering upon a fresh phase of economic development, the occasion is most suitable for such a study. Nowhere south of the Equator has economic development reached such comparative maturity as it has attained here. The lessons of it should not be lost on pioneers passing through the initial stages elsewhere in Africa.

At the Zambesi Conference Lord Delamere, from Kenya, spoke strongly against the West African policy of leaving the land in native occupation, in the hope of raising up a prosperous community of native producers. From the point of view of sheer economic return from the land there can be no question that he is right. But planter-Government is not notoriously long-sighted, and it may be that speedy returns from the land may be very dearly bought in the long run at the expense of more remote economic and social consequences that might have been avoided had they been foreseen.

It is on just this vital matter that the present pickle of the Union offers such a salutary study for the vigorous pioneers elsewhere. Generations of trek and expropriation have brought more and more of the land into European occupation. Native reserves have shrunk and shrunk till they have to support in some cases 70 or 80 to a square mile—a dense population for such a country. They are unable to support it. The population overflows

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and settles permanently or intermittently in the towns, drawn by the lure of industrial employment. Town conditions become difficult, the white worker grows alarmed and restive, new social troubles arise, and, in a word, the bill of costs of past dispossession is presented with interest. To-day the Union is faced with the problem of replacing on the land at least a substantial part of the native population, which, in the course of generations, has been steadily pushed off it. There is no necessity to speak of "segregation." The problem is rather one of restoring a disturbed economic balance. For if natives can be placed on the land in considerable numbers and encouraged to become productive, the strain will be taken off the towns, wages, and no doubt efficiency, of town labourers will go up, the white labourer will be better placed to compete with the native, and both town and country natives will constitute a better market for the products of labour. Opinions differ most acutely in the Union on the uses of low-paid native labour in town industries (one of the lines of cleavage of a coming new party system lies there). But, whatever views may be held on this point, opinion is practically unanimous that access to the land for the native must be facilitated in every possible way, and that speedily. The unanimity on that point is at least as great in the Union as the unanimity farther North that the European, for the most part, should hold the land.

But to hold the opinion is one thing: to give effect to it after all these years is quite another thing. One of the four Bills that General Hertzog (as Minister for Native Affairs) has drafted and published is designed to do as much as can be done in existing circumstances.

Some account of the objects and provisions of his draft Land Bill may be of interest as illustrating the difficulty of reversing a process which has gone too far before its consequences have been fully appreciated.

At least one half of the Bantu people in the Union live in reserves, and it has long been recognised that the reserves are far too small for the population they have to carry. It is true that native methods of using the land do not get the best out of it. But by no improvement of methods that seems at all feasible could the present meagre allocation be made adequate. And unless it is made more adequate, poverty must continue, surplus population must move towards the towns, and native workers subsidised by other resources in the reserves will continue to offer themselves for labour at rates low enough to render competition of white labour impossible.

The Native Land Act of 1913 set out to define, on the one hand, areas where no native might hold land, and, on the other hand, areas where none but natives might do so. Under the latter heading certain areas were definitely scheduled. A Commission proceeded in 1916 to demarcate further areas for native occupation, and the work was carried on by a series of local Commissions afterwards.

The present Bill aims at steering a middle course between the two extremes of: (1) Confining natives to existing scheduled areas and areas already in native occupation. (2) Scheduling all the additional areas which have been demarcated by the local Commissions. The main method is to treat all these additional areas as "released" areas, where land may be owned either by natives (of specified tribes) or by Europeans. Powers are given to the Governor-General to release further areas, and this may be necessary in order to fulfil the condition

that in no case, as far as possible, shall there be "islands" of ownership, native holdings completely surrounded by European holdings, or European by native. Preference is given to natives in respect of all Crown land adjoining scheduled reserves, and facilities for exchange are provided so that native holdings may lie together and the native may have some protection against encroachment.

Certain obligations in regard to fencing are imposed upon both classes of owner. To assist the native, a Native Land Purchase and Advances Fund is to be instituted, into which will be paid certain revenues accruing under the proposed legislation, as well as grants made by Parliament for the purpose. Advances may be made from this fund for purchase, for fencing, and for development and improvements generally. Addressing a representative gathering of farmers called expressly to consider the proposals, General Hertzog made it clear that he would support the making of very liberal provision under this head.

The "released" areas constitute about one-twelfth of the Union. Even if land is largely taken up in them by natives, such lands and the reserves will still leave large numbers of natives unprovided for, though we exclude from consideration those working in the towns, or as paid labourers on the farms of Europeans. Since natives may not actually own land outside of the reserves and the released areas, their presence on European-owned land must be regularised somehow. Hence the Bill takes occasion to clarify the law of squatting, now in a somewhat confused state, especially since a decision of the courts has held that a squatter is not a "servant" under the Masters and Servants Act, and therefore not liable to criminal prosecution for breach of a labour contract. According to the Bill, the native on European land must be either a squatter, a labour tenant, or a servant. The squatter must be licensed, and in respect of him a substantial fee must be paid, higher if he is on land not effectively occupied by the owner. He has, under the arrangement, a solid degree of security. Labour tenants are what the name implies. Their number is to be limited strictly to the genuine labour needs on the farm. Licence fees must also be paid in respect of them, and the fees are graded up after a certain point in proportion to the number of such tenants on any one farm. Licence fees are to be paid into the purchases and advances fund.

The period of labour to be rendered by a labour tenant in order to rank as such is fixed at 180 days. Critics should not be too ready to cry "Serfdom" at this. The idea of a labour rent is not unfamiliar in South Africa (the land of the white "bywoner"), and the labour tenant is not bound to the soil. But he is bound by the terms of his contract, and is to be regarded as a servant for the purpose of the Masters and Servants Act as in force in any province. That is, breach of contract may become the occasion for criminal action.

The Bill is by no means revolutionary, and there are critics who will argue that its favourable reception by the conference of farmers mentioned above is sufficient proof that it does not go far enough. But "going into reverse" is a ticklish operation in such a country as this, and General Hertzog, who knows his farmers, probably understands how far he can go, and how much concession he must make to existing practice in order to go so far. If the Bill becomes law in anything like its present form two far-reaching principles will have been laid down—(1) Definite State provision for the extension of areas available for native ownership, (2) the institution of a State fund for the purpose of making advances to native owners.

This is very far from constituting a wholesale measure of segregation. And it may do but little to ease the present strain. Nevertheless, if the step is taken at all it will be a step of far-reaching importance. If it helps to plant firmly in the South African mind the conviction that the prosperity of the native is an essential condition of the well-being of the rest of us, and to extirpate the pestilential notion (offspring of ignorant fear) that poverty-stricken natives are essential to the wealth of the whites, it will have done a great service indeed. For there is no lesson we need to learn more than this: that the native, whatever his colour, his religion, his dress (or lack of it), or the number of his wives, is for social-economic purposes just a producer, and a man like the rest of us.

INTERNATIONAL ELECTRICAL DEVELOPMENT.

THE development of electricity in this country and the technical, administrative, and other problems which arise in connection therewith will certainly be one of the chief industrial issues of the near future. It is, therefore, very pertinent to inquire how we stand in this matter in relation to other countries. Some figures given by Dr W. H. Eccles in his Presidential Address to the Institution of Electrical Engineers, with some supplementary information from other sources, make it possible to set out in tabular form some instructive comparisons. The first of these relates to the output of electricity per head.

The OUTPUT of ELECTRICITY per HEAD of POPULATION (1925).

Country.	Population. (Millions.)	Total Output of Electricity. (Millions of Units.)	Output per Head of Population. (Units.)
Canada	8.8	10,490	1,190
Switzerland	3.9	4,170	1,070
United States ..	105.7	65,801	623
Sweden	6.0	3,200	533
Belgium	7.6	2,250	296
France	39.2	9,700	248
Italy	38.5	7,600	197
Great Britain ..	42.8	8,125	190
Germany	62.5	11,521	185
Holland	7.1	1,896	126
Denmark	3.3	1,231	70

Total 325.4 123,984 380
* Including railway, tramway, and non-statutory undertakings.
† 1924.

The results given in the third column are remarkable: Great Britain with Germany comes last in the list of great industrial nations, and, if allowance is made for the fact that two great power producing areas of Germany, namely, Lorraine and Upper Silesia, have been ceded to other countries, definitely last. The British output is only half of the average for eleven countries, one-sixth of the Canadian, and less than one-third of the American. The high Canadian, Swiss, and Swedish figures are due to the important electro-chemical, electro-metallurgical, and paper industries active in those countries, while private industrial plant, not included in the returns, may form a higher percentage of the national power consumption in Britain than elsewhere. It may be assumed, however, with some degree of accuracy that France, Belgium, Germany, and Britain show the same percentage, and that the statistics of output are directly comparative. As such, they prove that the position of Britain is unsatisfactory.

The reasons for such a low degree of progress may be found in a number of factors, illustrated quite clearly in Tables II-IV. In the first place, as Table II. shows, the number of hours of effective utilisation of generating plant per annum is lower in Britain than in almost any other important industrial country.

The OUTPUT of ELECTRICITY in TEN COUNTRIES (1925).

Country.	Capacity of Generating Plant Installed. (Kilowatts.)	Output of Electricity. (Millions of Units.)	Output per Kilowatt of Generating Plant. (Units.)
Canada	2,590,000	10,490	4.050
United States ..	22,000,000	65,801	3.000
Italy	2,480,000	7,600	3.060
Switzerland	1,380,000	4,190	3.020
France	4,519,236	9,700	2.150
Belgium	1,100,000	2,250	2.000
Germany	5,938,400	11,521	1.950
Holland	508,000	1,896	1.760
Great Britain ..	3,880,000	8,125	1.670
Denmark	170,000	1,231	1.360

Total 44,565,636 119,359 2.660
* Excluding railway, tramway, and non-statutory undertakings.
† 1924.

We can attribute this to the constant state of industrial depression, which has ruled in this country since the end of 1920, and brought demand from industry to a minimum, to the existence of excessive reserve plant, to lack of centralisation of electricity production in large power stations, to the inability also to attract a widely diversified range of industries, or to create new power industries such as electro-chemistry and electro-metallurgy. In Canada the generating plant is operating

at full load at least twelve hours in every twenty-four, but in Britain the corresponding figure is only 4.6 hours. Even allowing for reserve plant, the total for Britain is only seven hours. In view of the fact that industry, with few exceptions, is working with difficulty up to an eight-hour day in this country, this figure would appear to be inevitable. If, however, we remember that a diversified demand, for lighting, commercial display, heating, and domestic purposes, should raise the average duration of supply to at least fourteen hours, the British figure is not satisfactory, and indicates an amount of waste which scientific co-ordination of large power stations would largely eliminate.

The electricity supply industry is not alone in this, and can, in fact, show better figures than the industries consuming power. In the great industrial areas of Britain, investigation has shown that, for every kilowatt of power-consuming machinery attached to the electricity supply network, an annual consumption of only 900-1,000 units can be recorded. This means that out of a theoretically possible 8,760 units per kilowatt, only 10 per cent. to 12 per cent. was actually consumed. This return throws a strange light on efficiency of production in modern industry.

OUTPUT of ELECTRICITY of PRINCIPAL UNDERTAKINGS in SIX COUNTRIES (1925).

Country.	Number of Companies.	Capacity of Generating Plant. (Millions of Units.)	Output of Electricity (Millions of Units.)	Output per Kilowatt of Plant Installed (Units.)
Canada	3 companies	1,289,000	5,828	4,500
Italy	Edison Group	530,000	1,722	3,250
United States ..	14 companies	5,595,092	17,064	3,060
Germany	9 companies	1,764,300	4,593	2,600
Gt. Britain	14 undertakings	1,363,800	2,881	2,110
France	14 Companies	1,640,000	2,987	1,820
Total		12,182,192	35,075	2,880

Even after selection of the most important power supply undertakings in six countries, the British figure, although higher than the national average, does not compare with corresponding figures for Canada, Italy, America, and Germany. The French companies selected show a lower result than France as a whole, owing to the exclusion from the former of large hydro-electric, electro-chemical, and electro-metallurgical undertakings with a high constant demand. Allowing for reserve plant, the British percentage of effective utilisation in efficient undertakings lies now between 30 and 35 per cent., when it should be at least 60-65 per cent.—a serious loss in earning power and a heavy overhead expenditure per unit of output. Generating plant is not being operated at a high standard of activity throughout the year, largely on account of the industrial situation (industry accounting for 70 per cent. of the demand for electricity), and the inability to form large power pools with central reserve stations for equalisation of load. The effect of uneconomic utilisation on the price of electricity in Britain is illustrated in Table IV.:

The PRICE of ELECTRICITY in FIVE COUNTRIES (Pence per Unit Sold) (1925).

Country.	Total Sales of Electricity. (Millions of Units.)	Total Receipts (Millions of National Currency).	Average Revenue per Unit Sold.
United States	47,997	\$1,470	1.53d
Britain	5,550	£44	*1.90d
Switzerland	2,030	83 Frs	.40d
Italy	2,070	426 Lire	.40d
France	1,662	285 Frs	.33d

* Estimated.
NOTE.—The total sales recorded here do not correspond to the total national production as given in Table I., but represent sales by undertakings regarding which information is available.

The average price per unit sold in Britain is 24 per cent. higher than in the United States (a difference due exclusively to uneconomic utilisation and not to engineering deficiencies), almost four times the Swiss and Italian prices, and over four times the French. Depreciation of the franc and the lire has made the French and Italian averages unreal, but the Swiss remains. A combination of all four tables gives the clue to the low state of electrical development in Britain and, through it, to the relatively low standard of manufacturing efficiency obtaining in industry. The lack of demand has reduced the earning capacity of

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the generating plant, raised the price of electricity, imposed restrictions through high prices on electrical development, and thus kept the national production of electricity unnaturally low. It is a vicious circle which seems proof against all efforts made to break it. Only a return to normal trading conditions in the country generally can effect a change.

LONDON PROPERTY COMPANIES.

If there was not during the past twelve months such a heavy demand for housing and office accommodation as in previous years, it was still sufficiently good to enable the London property-owning companies to make satisfactory progress. The group of undertakings which we have selected for purposes of analysis all seem to have done remarkably well. The word "remarkably" perhaps hardly applies to the cases of the two smallest concerns—the Metropolitan Association and the Wembley Park Estate. Even these two, however, cannot justly be said to have fared badly. The measure of progress achieved during recent years can be seen from the following table, which shows gross receipts and net profits, after payment of debenture interest, in the past four years:

Name of Company.	Gross Receipts.				Net Profit After Payment of Debenture Interest.			
	1922.	1923.	1924.	1925.	1922.	1923.	1924.	1925.
Artisans', &c.	£345,989	£338,014	£336,164	£337,771	£128,954	£145,870	£146,148	£150,373
City Offices	80,622	80,688	84,942	86,699	15,890	20,382	26,650	29,518
City of London	520,243	574,743	647,689	644,484	450,083	484,792	544,429	550,379
Cons. London	136,219	147,141	153,229	156,894	40,785	50,527	56,244	61,841
Law Land	198,624	202,041	206,132	212,271	43,559	47,895	52,436	58,542
Metropol. Association	39,856	38,294	38,258	38,314	7,706	8,853	8,548	8,387
Met. Indus. Dwellings	51,420	51,614	51,967	55,557	15,452	15,896	20,341	23,290
Pinners Hall	21,198	21,225	24,152	26,658	11,784	11,829	14,194	16,204
Warner Estate	172,569	170,335	170,486	167,750	39,919	43,112	46,650	49,385
Wembley Park Estate	5,478	6,562	8,644	9,390	3,156	4,718	6,522	6,576

In only two instances—the Warner Estate and the City of London—were gross receipts lower, and in neither case was the fall sufficient to cause a decline in net profits. The advance in net profits is, indeed, general with the single exception of the Metropolitan Association, where there was a slight reduction, due, presumably, to variations in rents in accordance with the alterations of the rates and to increased expenditure on repairs and renewals. Our next table shows the total available balance after payment of debenture interest, and how it was utilised:

Name of Company.	Available Balance, After Pay- ment of Deb't're Interest.	Distribution of Available Balance.			
		Prefer- ence Dividend.	Ordinary Dividend	To Reserve, &c.	Carried Forward.
Artisans', &c.	£165,526	£41,172	£81,778	£20,000	£22,576
Dwellings	172,946	42,168	83,756	20,000	27,222
City Offices	26,466	298	17,595	5,000	2,573
City of London	32,091	1,298	21,115	5,000	4,678
Consolidated, (April 12, '25)	665,119	37,439	341,040	150,000	136,680
Consolidated, (March 31, '25)	687,060	37,439	352,000	150,000	147,621
London (March 31, '26)	61,761	..	24,200	24,068	13,493
Law Land	75,334	..	26,400	23.0	19,604
Metropol. Association, &c. (Mar. 31, '25)	63,113	12,596	(d) 17,299	19,931	13,284
Metropol. Association, &c. (Mar. 31, '26)	71,825	12,708	(e) 25,655	22,800	10,922
Metropol. Industrial (Sept. 30, '24)	8,990	..	7,447	1,000	545
Pinners Hall	8,929	..	7,688	1,000	241
Warner Estate	47,405	2,862	4,888	..	39,655
Wembley Park	59,961	2,862	5,014	35,763	16,322
Wembley Park	19,642	..	9,333	3,500	6,789
Warner Estate	22,712	..	10,669	4,500	7,543
Wembley Park	49,323	12,500	22,500	12,000	2,323
Wembley Park	51,708	12,500	24,375	12,000	2,835
Wembley Park	6,522	..	7,462	Dr 3,500	1,560
Wembley Park	6,576	..	7,461	Dr 3,500	1,614

(d) Also 4 ordinary shares for every 100 held. (e) Also 4 preference shares, 4½% cumulative for every 100 Ordinary shares.

The increase in the payment of its ordinary dividend by the Law Land is explained by the allotment to the proprietors of four $\frac{1}{2}$ per cent. preference shares for every one hundred ordinary by way of bonus. The Metropolitan Industrial made no appropriation to reserve in 1924. On the present occasion, however, the sum of £34,086 has been set aside to provide for contingencies. This has been added to the balance at the credit of the suspense account, which, together with contingency allocation, is utilised in the formation of a general reserve fund of £40,000. This company has also carried £1,677 to the special repairs fund. In order to be able to pay a dividend on its ordinary shares, the Wembley Park was again obliged to withdraw £2,500 from the realisations suspense account. The latter has thereby been reduced to £11,558, and it is to be hoped that the directors will strain every nerve to put the company on to a dividend-earning basis before this amount is exhausted. Reserve allocations elsewhere were fairly generous. The following table shows the principal liabilities and assets:—

Name	Share Capital and Reserves	Debentures and Loans	Creditors	Properties	Debtors	Cash	Investments
Artisans' Dwellings (1925)	£ 3,351,763	£ ..	£ 35,695	£ 3,291,909	£ 5,259	£ 29,070	£ 139,243
City Offices (1924)	248,000	355,235	30,581	3,287,040	1,817	36,987	161,474
City of London Real Property (1925)	233,000	344,004	29,489	624,552	..	12,628	500
Cons. Lond. Don Prop. (1924)	353,054	237,230	70,925	450,069	45,544	19,504	158,298
Law Land Co. (1924)	362,232	233,662	80,709	446,501	45,389	21,099	207,298
Metropoli- tan Asso. (1924)	873,259	501,752	53,338	1,414,106	20,442	1,763	3,406
Met. Indus. (1925)	246,667	63,845	48,336	1,414,108	21,942	26,871	3,406
Pinners' Hall (1925)	247,905	63,845	..	310,266	..	5,839	1,255
Warner Estate (1925)	229,834	65,354	6,223	310,000	2,677	13,227	1,250
Wembley Park Est. (1925)	267,178	69,693	6,413	348,529	5,888	6,585	..
Pinners' Hall (1925)	182,029	126,563	5,691	252,000	20,155	11,581	38,000
Warner Estate (1925)	185,831	126,563	5,946	251,500	19,028	19,558	38,000
Wembley Park Est. (1925)	651,000	211,159	21,782	880,638	66	13,635	3,500
Pinners' Hall (1925)	663,000	200,212	20,191	887,678	245	7,842	..
Wembley Park Est. (1925)	89,679	..	12,917	45,827	632	2,851	60,905
Pinners' Hall (1925)	87,179	..	16,650	48,399	1,222	2,401	60,905

As regards capital changes, the Law Land issued 13,260 preference shares to ordinary proprietors in the form of a bonus, and 35,244 ordinary shares, raising the total issued capital up from £568,246 to £619,907. This is the only alteration to record. The balance-sheet of this company is an exceptionally strong one for the class of undertaking. As must, of course, be expected, the items of properties show some variation. Creditors, generally speaking, figure for more, as also do debtors, and, with a few exceptions, cash. There has not been much change in investments. The Metropolitan Industrial, however, has now eliminated this item from its accounts, the Vale Estate, in which it held a £1,250 share interest, having been wound up. Our concluding table shows the dividends for the past four years, with comparative prices of ordinary shares and stocks and present yields:—

Name	Dividends Last Four Complete Years				Prices of Shares or Stock End of October				Present Yield
	1923	1924	1925	1926	1923	1924	1925	1926	%
Artisans' Dwellings Ord. Stock	5	5	6	6	72½	73½	85½	87½	6 17 3
City Offices (12 shares)	15	18	21	24	8½	11½	15	17	7 0 0
Cons. Lond. Prop. (12 shares)	2½	3½	4½	5½	1½	1½	1½	1½	5 15 0
Law Land Co. (12 shares)	5½	6	6	8	1	1½	1½	1½	6 14 0
Metropoli- tan Asso. Ord. Stk.	5	5	5	5	66½	68	69	73½	6 16 0
Met. Indus. Dwings. (25)	5	5	6	6	3	2½	3½	3½	7 14 9
Pinners' Hall (12 shares)	6	7	8	9	1	1	1	1	9 0 0
Wembley Park Est. (12 shares)	12½	12½	10	10	1½	1½	1½	1½	8 17 0

* Mean price between highest and lowest.

† Free of income tax.

The yields on the shares of most of the dividend-paying companies are still on the generous side. Probably this is a heritage of the days when dealing in property was considered as being highly speculative and uncertain. The shares of the Law Land Company, for instance, one of the soundest and most progressive of the concerns, offer a return of £6 4s 6d per cent., which, in view of recent bonuses, can be regarded as a high return. Probably, however, this yield is not actually obtainable, as although it is based on the current market price of the shares, dealings in the latter are not very frequent, the shares being firmly held for investment purposes.

CONTROLLING THE OUTPUT OF GOLD.

The actual or imminent return to the gold standard by the commercial nations of the world as an essential step in the restoration of monetary stability makes it pertinent to inquire how gold is likely to fulfil the rôle of a stable standard under post-war conditions, and what steps, if any, can be taken to ensure its comparative stability. The following articles by Professor R. A. Lehfeldt, who in virtue of his position as Professor of Economics in the University of the Witwatersrand, Johannesburg, is particularly well qualified to speak of the production side of the gold question, raises the issue in a manner calculated to challenge attention.

INTRODUCTORY NOTE.—There may be a scramble for gold, raising its value and depressing the general level of prices, or there may be a plethora of gold, leading to inflation of credit, with its consequent rise in prices. The present writer considers the latter risk to be the more serious in the years immediately ahead, and it is with the risk of inflation in mind that these articles have been written. But even if both departures from monetary stability are avoided for the next few years, a longer view of the world's monetary policy must be taken; money should not be exposed to the vagaries of goldmining, and the supply of the standard money-metal should not be dependent on private profit.

I.—DEFECTS OF THE GOLD STANDARD.

THE world has now expressed itself unequivocally in favour of the gold standard, but even before the war that standard was criticised, and the copious discussion that has accompanied the monetary difficulties of the period of recovery has made the world more conscious of the need for a good system of money, so that the question of what the next step should be is already present in the minds of inquirers. A few years ago the monetary systems of the world had been reduced to chaos, and the immediate problem was to get back to something stable enough for ordinary business. Some experts—Mr Keynes especially—regarded the opportunity as a good one for introducing a more scientific system of money, not based upon gold, but whether such an innovation would have been wise or not, the commercial public would have none of it. The existing situation was so deplorable compared with that which had been familiarly known before the war, that the ordinary man's one aim was to struggle back to the firm ground he knew.

The monetary question, then, is already settled to that extent. Not only the United States and Great Britain, but most of the smaller Powers, have restored the gold standard. France and Italy, which have not done so, are not holding back because of any theoretical doubts, but because they are not yet financially strong enough to accomplish what all the business world desires.

Granted, then, that the gold standard will soon prevail through nearly all the world, the question arises whether it is enough to have restored it, or if not, what further steps are needed. Even before the war the defects of the system had become so obvious that plans for reform were actively discussed. At present the tendency is to restore the old legal and customary forms, but they will not necessarily work in quite the same way, so there is all the more need to consider the possibility of improving on them.

A monetary system should aim at stability both of internal price level and of exchange. The effect of adoption of the gold standard throughout the world is to produce permanent stability of exchange; if, then, the alternative of a currency not based on gold is ruled out, only the problem of stable prices remains, but that becomes an international one. It is true that a few writers have argued in favour of continuously rising prices, but the suggestion need hardly detain us. Rising prices are commonly associated with prosperity, but that is because they afford exceptional profits to business men, and so stimulate the controllers of business to enhanced activity. It is a confusion of thought to suppose that this state of affairs can be made permanent; the exceptional profits are due to the rise in prices being unforeseen. If monetary policy were chosen in such a way that everyone knew prices would rise, the other shares in the product of industry would adjust their claims accordingly, and the stimulation

of business would not occur. We may, therefore, accept as the ideal, in common with most writers on economic theory, that the level of prices should remain constant.

The gold standard falls short of this ideal in two distinct ways. There are the rapid changes in price level associated with the cycle of good and bad trade; this cycle, according to English experience of the nineteenth century, had a duration of eight to ten years, but recent American observations appear to show a cyclical change occupying about three years. In either case, rising prices usually mean good trade, and falling prices the reverse, and changes amounting to 5 per cent. or more may occur within a brief period.

The other kind of price change is much slower, and is due to fluctuation of the supply of the money metal relatively to the demand for it. This movement usually continues for a long time in the same direction, so that its effects, though less violent than those of the trade cycle, are more far-reaching.

The trade cycle has attracted a great deal of attention of late years. Its causes are complicated and obscure, and consequently any proposal for avoiding or minimising its injurious effects is exposed to much uncertainty. The most important suggestion is that the central banks should control credit, during the expanding phase, in such a way as to check the rise in prices. Mr Hawtrey and some other writers appear to regard the origin of the cycle as purely monetary, and accordingly are satisfied that a monetary policy could control it; but the bulk of economic opinion holds that other than monetary causes play a large part in producing the cyclic movement. If this is correct, the discount policy of the banks, while important, cannot be relied on to do away entirely with the alternation of good and bad trade.

The use of monetary policy as a remedy is, of course, not new. The authorities, headed by the Bank of England, have long exerted themselves to control trade fluctuation, and not without effect, for the cyclic movement became less violent in the decades preceding the war than it had been in the middle of the nineteenth century. With the changed conditions now prevailing, and the greater influence of Government finance, the duty of the regulating authority is undoubtedly more difficult; it has to learn new lessons from experience, and endeavour steadily to improve its methods of handling the monetary situation. If the suggestion of a national currency of inconvertible paper had been adopted, it is possible that the policy of managing it might have been so perfected as to solve simultaneously the problem of maintaining steady prices, whether for a short or long period. It is not worth while to discuss this, however, since Britain has decided against inconvertible paper. Whilst gold is used control of credit is not enough, because the value of gold must ultimately depend on the cost of mining it; the larger and slower changes in value cannot be prevented through credit policy alone.

Something else is needed, therefore, and two proposals have been made. One of these is the well-known scheme of Professor Irving Fisher, according to which the monetary unit would no longer be defined by a fixed weight of gold, but by a weight adjustable from time to time so as to retain a fixed purchasing power. We do not intend to discuss this scheme here; it has many merits, but it would involve a great strain on the imagination of political and commercial men who are devoted to the gold standard. Our object is to seek for a method of regulation that would more readily meet with acceptance.

The other plan is to control the output of gold with a view to stabilising its value. The output could, of course, be controlled by a sufficiently powerful financial organisation, just as the output of rubber and diamonds has been. The organisation should not be a private syndicate, operating for profits as in the latter case, but a public authority aiming at the best monetary policy in the general interest. Before discussing the possibility of such an organisation, however, it will be well to consider what influence control would have on the value of gold.

Notes of the Week.

Hopes of Coal Peace.—Once again hope has arisen that a settlement of the coal dispute may take place by negotiation, and that the country may be saved from the disastrous effects of a long fight to a finish, which at best could hardly have ended much before Christmas, and would bring with it little hope of a stable future in the industry. The miners' delegate conference met in London on Thursday, and while not committing itself to definite terms, sanctioned a peace move through the mediation of the General Council of the Trade Union Congress. The mediatory committee of the latter body had a long session conjointly with the miners' leaders yesterday morning. Subsequently they visited Downing Street. Their visit was so far satisfactory that the miners' leaders followed them a few hours later. The precise stage to which the move by the miners towards peace has reached is not clear at the moment of going to press. But clearly a new leaf has been turned, and for things to have gone as far as they have the T.U.C. must have obtained from the miners and given to the Government some definite assurances of a satisfactory nature. There is no definite indication as yet that anything has occurred to change the uncompromising attitude of the owners. But if, as it appears, the miners have made a real advance on practical lines, it is the Government's clear duty to live up to the promise made by Mr. Churchill last week, when he said: "The Government are ready to use their good offices to bring together both parties.....We are even ready to legislate if one or other of the parties makes demands which are outrageously unfair." Meanwhile, the drift back to work continues, the increase in the number of miners at the pits being about 28,000 in the past week, the total having now reached over 294,000, as compared with a normal 1,107,128. The drift in the chief export districts continues to be very slow indeed. No statistics are available to show exactly how the return to work has proceeded since the stoppage began, and it is only comparatively recently that trustworthy figures have been issued. For the first three months, from May 1st to the end of July, the drift was a quite insignificant trickle, and on July 30th the *Times* said: "A few thousand men may be producing coal; but more than a million men and boys are refusing to work." In August the trickle turned into a stream in the Notts and Derby fields, and at one or two individual points. But it was not until September, the fifth month of the stoppage, that the drift set in in striking fashion. By September 15th the owners reported 56,000 at work in five districts, and by September 21st 76,000 in eight districts. By September 29th more comprehensive figures were available covering all districts, and giving the total then at work as 137,000, excluding safety men. This figure jumped next day to 149,000, making with safety men a rough total of 200,000. October brought an addition of about 68,000, and by the end of the month the total included 24,700 for Scotland, 27,000 for Yorkshire, and 19,000 for South Wales. Next week, peace or no peace, it appears likely that 300,000 men will be at work, but even if we accept the most favourable estimates of the current rate of output per head we could hardly put the coal production likely next week above 1½ million tons; and although this is sufficient to ease the domestic position considerably, the chief export districts remain largely out of action. We trust, however, that all such estimates will be rendered nugatory by the success of the negotiations to which the door was yesterday reopened, and that we may quickly come to the end of the most futile and costly disturbance in the history of British industry.

Mussolini's Latest Escape.—Signor Mussolini has a charmed life. On Sunday last he once more had a very narrow escape from assassination, the bullet this time being fired by an apparently demented boy. The strong criticisms which from time to time we have passed upon his régime and his policy in no way qualify the congratulations which we offer him upon his repeated escapes and the pluck which he displays. The circumstances under which the last attempt on his life took place made it

certain that popular manifestations of Fascist indignation should be of a pronounced character; for the attempted murder took place on the occasion of huge organised Fascist demonstrations at Bologna to celebrate the anniversary of the march on Rome. The prompt lynching of the miserable assailant, although repulsive to English ideas, was an event that might have taken place under parallel circumstances in any Latin country. The search for accomplices and attempts to unveil a widespread conspiracy appear to have failed altogether; but all opposition newspapers have been indefinitely suspended, and a fatal riot at Genoa and the arrest and release of an English lady, are illustrative of excited activities on a small scale by the boisterous followers of the Duce. Action, too, has been promised in response to the demand for stern measures against the enemies of Fascism. For a moment, too, it looked as though international complications might arise out of the event. Following a Fascist indignation meeting at Ventimiglia, on the French frontier, several Frenchmen were assaulted and the French Consulate was invaded by Fascists, one of whom addressed the crowd from the Consulate balcony. Fortunately, however, this incident, which might have had ugly consequences, was quickly followed by repudiation and apology by responsible Italian Government officials, which seem to have been sufficiently full and prompt to avert the development of any serious degree of Franco-Italian friction. The incident is, however, just sufficient to remind us of the dangers of bodies of armed, undisciplined, and fanatical Fascists, and to ask once more, with a slightly accentuated anxiety, what repercussions the Mussolini régime may yet have in Europe. After Mussolini, what next?

Our Index Number.—Although the general tendency of commodity prices in the past month was in an upward direction, the net movement in our Index Number is a decline of 9 points, thanks to the further fall in textile prices, and particularly in raw cotton. The total is now 4,237, as against 4,246 a month ago and 4,053 six months ago, when the coal stoppage began. The following table gives comparative figures for the five groups and the total:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.)	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.)	Total.	%
Basic (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	879	352	616	464	553	2865	118.6
" Nov., 1918	1289	782	1848	903	1389	6211	282.6
" Mar., 1920	1508	914	2974	1248	1709	8352	379.6
" Dec., "	1344	805	1284	1216	1275	5924	269.3
" Dec., 1921	921	636	1106	762	931	4357	198.0
" Dec., 1924	992	789	1452	815	806	4855	220.7
" June, 1925	885	704	1234	736	791	4351	197.8
" Dec., "	936	679	1120	733	782	4251	193.2
" Jan., 1926	892	694	1117	726	758	4189	190.4
" Apl., "	894	678	1000	714	766	4053	184.2
" May, "	885	681	978	718	765	4029	183.1
" June, "	893	682	963	735	760	4035	183.4
" July, "	910	678	945	763	748	4045	183.9
" Aug., "	914	695	954	849	744	4156	188.9
" Sept., "	893	708	942	963	739	4246	193.0
" Oct., "	920	721	880	976	738	4237	192.6

* Corrected figures.

Wheat and flour have risen and potatoes advanced sharply, but these movements were partly offset by declines in meat prices. In subsidiary foods an increase in sugar and coffee was partly counterbalanced by a reduction in tea. In the textile group the bumper yield of American cotton and favourable reports of the Egyptian crop have produced a further fall in raw cotton prices, wool has weakened, and flax and jute are lower, with the result that there is a decline of 62 points in the textile section. Pig-iron is at scarcity prices, and there are now no fixed quotations for manufactured iron and steel, but one or two works have been able, with difficulty, to maintain operations on imported material. Substantial premiums, it is reported, are being freely paid for any early deliveries obtainable. Prices for imported coal are unchanged, and the non-ferrous metals are slightly

lower. In the miscellaneous section changes were few and unimportant. In the table below we give the changes in each commodity's index number as compared with the end of September, the figure 50 representing in each case the average for the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For.	113½	+ 15	Cotton, A	61	- 12½	Copper	48	- 1½
English	90½	+ 5	Cotton, B	99½	- 17½	Minerals	976½	+ 13½
Flour	100	+ 10	Yarn	82	- 7			
Barley	91	- 3	Cloth	96	- 6			
Potatoes	66	- 3	Wool, Eng.	108	- 5	Baltic timber	85	..
Rice	78	+ 19	Do Aust.	102	- 2½	Amer. timber	77½	..
Beef	123	+ 2	Silk	85	- 5½	Leather	61½	+ 1
Mutton	61½	- 6	Flax	81½	- 5½	Petroleum	108	..
Pork	85½	- 1½	Hemp	66½	+ 3½	Oils	73½	..
	111	- 13½	Jute	99	- 9	Oilseed	69	..
Cereals & meat ..	920	+ 27	Textiles	880½	- 62	Tallow	76½	..
Tea	152	- 16½	Pig-iron	129	+ 19	Crystals	85½	..
Coffee	145	+ 5½	Steel rails	77	+ 6	Rubber	21	..
Sugar, cane	112½	+ 13	Iron bars	90½	..	Miscellaneous	738½	- 1
Sugar, beet	111½	+ 13	Coal, steam	227½	..			
Butter	84	- 1½	House coal	162	..	Total	4,237	- 9
Tobacco	116½	..	Lead	127	- 6½			
Other foods	721½	+ 13½	Tin	115½	- 4½			

As a result of these changes the increase over the pre-war level is now 65.2 per cent., as against 65.5 per cent. a month ago and 68.7 per cent. at this time last year. The following table shows the relative position of each of the groups in comparison with July, 1914:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., "	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Dec., "	162	193	182	158	141	165.8
Mar., 1926	152	196	167	156	140	159.4
June, "	154	194	156	158	138	157.7
July, "	157	193	153	164	135	157.7
Aug., "	158	197	155	183	134	162.0
Sept., "	154	201	153	207	134	165.6
Oct., "	159	205	143	210	134	165.2

* Corrected figures.

At the end of April, just before the general strike and the coal stoppage, cereals and meat stood at 154, other food at 193, textiles at 162, minerals at 154, and miscellaneous at 139.

Belgian Loan and the Stags.—The principal excitement of the present week has been that aroused by the issue of allotment letters in respect of the Kingdom of Belgium 7 per cent. Stabilisation Loan, of which £7½ millions sterling were offered at 94. The tempting price aroused remark on all sides, writes a Stock Exchange correspondent. When the prospectuses came out queues stretched outside the offices of the three issuing houses, one queue being a measured mile long, half an hour before the bank started to hand out the documents. Forms of application were being sold for a shilling each by office boys, who managed to get hold of a few on their own account. The underwriting commission of 1½ per cent., involving something over a hundred thousand pounds, became characterised as money for nothing, although, of course, it was essential that success should be secured. The subscription lists remained open for about a quarter of an hour. It is understood that the amount was written for some 40 times over, and it would be interesting to know what proportion of the £290 millions was subscribed by the stags. Everybody had to pay the trifling application money of 5 per cent. The issuing houses, the Westminster Bank, Messrs Baring Brothers and Morgan Grenfell and Co., got through the work of allotment from an expedition that must have aroused enormous interest in the Bank of England itself. On Tuesday morning in this week, the day when the Stock Exchange returned to town after its All Saints' holiday, the market opened before ten o'clock in the morning. The first price quoted was 4½ premium. As the New York portion of the loan had already become negotiable in Wall Street on the basis of 4 premium, the bid of 4½ aroused surprise. It tempted the stags to hold back, rather than to sell. More than the

total of the loan must have been negotiated during the first day of dealings, the net result being a rise to 5½ premium, while on Wednesday this was improved upon to the extent of another ½, the premium rising to 6, making the fully-paid stock 100, less 6s for the discount allowed for paying up in full on that day, Wednesday. No such issue could be made without arousing a good deal of criticism and dissatisfaction. The genuine investor complains, justifiably enough, that his desire to obtain a sound bond at a low price was frustrated by the eagerness on the part of the stags to snatch a premium of several points which he, the genuine investor, would have to pay if he desired to increase his stake beyond the extremely modest amount of allotment that he may have secured. The stags had their own private cause for complaint through the throwing out of all applications up to £1,000, though, as the stag generally indulges in operations on a scale of greater magnitude than this, he had little cause for grumbling, particularly in view of the premium that developed. It is obvious that the trifling amount of application money, namely, 5 per cent., had a great deal to do with the enormous volume of subscriptions. If it had been fixed at 25 per cent., this would have cut down the applications in a very substantial manner, and it might also have had the effect of enabling the genuine investor, who was applying with money that he wished to use in the purchase of the stock, to obtain a larger proportion of his subscription. It is known that more than one application was received for the full amount of the loan, namely, £7,250,000, the application money on which amounted to £362,500. A payment of 25 per cent. on application, which would have involved £1,812,500, might have given such applicants pause. It would undoubtedly have curtailed the activities of the many stags. If the latter are to be held in anything like check when there is a big popular loan afoot, with the prospect of a respectable premium directly dealings start in the Stock Exchange, a larger application than 5 per cent. will be needed to give the real investor an opportunity for getting any reasonable proportion of his requirements.

Labour and Industrial Ownership.—A Labour correspondent writes:—Recent events in the political and industrial fields suggest that in the near future British Labour may modify to some extent the Socialist basis hitherto recommended as a solution of the economic problem. Several broad features in the domestic controversy are discernible. State Socialism of the old school is clearly in a bad way; emphasis is everywhere laid on the importance of industry being run, in the public interest, by the people who are strictly familiar with it. In the evidence tendered to the Royal Commission on the Coal Industry, and endorsed by the Miners' Federation, the Labour party urged the desirability of such reorganisation as steered clear of political interference. Some years ago the guild Socialists made considerable running; to-day their appeal is negligible. The Syndicalists have only a handful of supporters. On the other hand, the theory of the public corporation has made a marked advance. The recent Report of the Broadcasting Committee, recommending the establishment of a broadcasting public corporation, responsible to the Postmaster-General, but given great freedom in the development of this public service, has been widely quoted on Labour platforms of the more constructive order as an example of principle which should be applied to other industries, especially where they are monopolistic or quasi-monopolistic in character. Many believe that that must ultimately be the form of ownership for the coal industry; and they also consider that the Railways Act, 1921, and the formation of the four large railway amalgamations paved the way for it in that sphere. In political controversy many of the Labour members regard such a development as the only logical deduction from Mr Keynes' pamphlet on the passing of *laissez-faire*. This tendency is strengthened by some of the candid lessons of the prolonged coal stoppage of the present summer and the boom in American industrial policy. The first has revealed to industrial and political labour that the large unions, after a month or two of conflict, are practically helpless. Very speedily the Miners' Federation came to the end of its resources; other trade unions, especially in the railway world, have considerably mortgaged

their future. Without financial backing there can be no effective contest with a body of employers who achieve substantial agreement among themselves. The second recalls the fact that American trade unions have pursued the policy of steadily increasing their investment in industrial and other stocks, together with the interesting development of labour banks. Efforts to the same end have been made in many of the schemes of industrial co-partnership in Great Britain, but recently it has been shown that individual trade unionists were able to subscribe to only a limited extent, and that purchase on the scale necessary could probably only be undertaken by the unions themselves. Mortgaged as they are to-day, this suggestion is of merely academic interest; but there are many who believe that after the coal stoppage is over and industry begins to recover, the trade unions should analyse this problem in a much more determined and constructive manner. Political and industrial leaders think it should be possible to reconcile such a tendency with the wider movement towards public corporation, which they feel will make a far stronger appeal to the masses of the electorate than a Socialism which has been fastened on to the Labour movement, but whose implications have never been brought home to the rank and file.

France and the Eight Hours Day.—Our Paris correspondent writes:—The economic prejudice caused by the rigid application of the eight hours law is again, under pressure of present circumstances, attracting a good deal of attention. In France the law covers all trades and industries, whether private or public, but the exact method of its application is left to each trade to settle, in accordance with its own special circumstances. The law itself stipulates that "the effective labour of any employee shall not exceed eight hours per day, or 48 hours per week, or an equivalent limitation spread over a period other than that of a week." In many trades advantage was taken of the latter part of the clause to compensate for the loss of working time caused by public holidays, stock-taking periods, &c., by lengthening to an equivalent extent the normal legal hours of labour during the weeks in which these non-working periods fell. Since the advent of the Herriot Government in 1924, however, the trade unions have succeeded in securing the suppression of several of these permissive "make-weight" arrangements, while the practice of according "permanent" or "temporary" extra time has been suppressed by decree. These modifications are proving onerous to both employers and employed now that the country is anxious to increase production to the utmost. An instance of this was seen recently when a manufacturer was distraised upon for the non-payment of fines for exceeding the eight-hour limit. The sale opened amid loud protests from the firm's employees, and not a single bid was offered for the goods distraised on. Eventually the employer caused the distress warrant itself to be offered for auction, and it was knocked down amid cheers for 1,000f, which satisfied the distress. On the other hand, the premises of a Paris cabinet-maker have been sacked by unemployed workmen, owing to alleged infringements of the eight hour law, and several thousand francs' worth of material destroyed.

National Bank of Belgium Charter.—Our Belgian correspondent writes:—In connection with the latest measures for currency stabilisation, the regulations introduced by the previous Minister of Finance, Mr Janssen (see *Economist*, December 12, 1925, page 996), have been amended in certain directions, and the present position of the National Bank can be summarised as follows:—The share capital of the National Bank is to be increased from 50 million to 200 million francs (40 million belgas). The conversion of notes at sight will be made by the National Bank, either in gold, silver (at gold value), or foreign exchange, at the choice of the bank, and under conditions which the bank will determine after approval of the Minister of Finance. If the National Bank does not execute its obligations in connection with the monetary stabilisation, it will have to refund to the Treasury the equivalent in gold of the product from the stabilisation loan (about 90 million dollars) which has been handed

over to the bank in deduction of the State debt to the bank. The notes and deposits will now have as a counterpart the following assets of the bank:—(1) The gold and gold exchange reserve, which must be maintained at not less than 40 per cent. of the liabilities at sight, of which a minimum of 30 per cent. must be in gold. (2) Discounts and loans. (3) Government securities. These may only be acquired by the bank after authorisation by the Minister of Finance, and their total may not exceed the aggregate amount of the bank's capital and reserve fund. This is to prevent the bank from making indirect advances to the State through the purchase of Government stock. (4) Balance of the State debt to the bank (about 400 million belgas). This debt is to be paid off as soon as possible by means of the resources from the fund for amortisation of public debt, and may never be increased beyond the present amount. As to profits, the bank is to credit the State with (1) the income yielded by the foreign securities held by the bank, after deduction of a commission of 0.1 per cent. per half-year upon the average amount of these foreign holdings; (2) the profits derived from the use of the foreign credits which have been obtained in connection with the stabilisation, after deduction of 0.1 per cent. per half-year upon the amount of these operations; (3) the profits made by the bank above a discount rate of $3\frac{1}{2}$ per cent.; (4) 2.25 per cent. upon any reduction in the amount of the foreign securities, derived from the stabilisation loan, which is not compensated by a corresponding increase in the gold reserve or by a corresponding decrease in the liabilities at sight of the bank. The State is to pay to the bank 0.25 per cent. on that part of the circulation corresponding to the advances of the bank to the State. The net profits are to be divided as follows:—(1) Preference dividend of 6 per cent. to shareholders; (2) of the balance 10 per cent. to reserve fund and 6 per cent. to the staff, &c.; (3) of the remainder three-fifths to the State and two-fifths to shareholders or to a special reserve fund. After the expiration of the charter of the bank (December 31, 1952) the three-fifths of the reserve fund will belong to the State. Provisions for administration are as follows:—The bank is to be administered by (1) a "Comité de direction," consisting of the governor and three directors, of which one will act as deputy-governor; (2) a "Conseil de Régence," consisting of the above board of directors and of nine "Régents"; (3) there is, further, a "conseil des censeurs," consisting of ten censors. The governor is appointed for five years by the King; directors, régents, and censors are elected by the general meeting of shareholders. Neither the governor nor any of the directors may be a member of the board of any commercial or industrial undertaking, with the exception of the Bank of Issue of the Colony. A "commissaire du Gouvernement" (Government delegate) inspects the operations of the bank. The Government has the right to control all operations of the bank and to oppose any measure which is contrary to the regulations of the bank, to the law, or to the interests of the State.

Greek Finance.—Our Athens correspondent writes:—By a contract entered into in May, 1925, between the Greek Government and the National Bank of Greece, and modified by a new agreement concluded in April last, the National Bank has undertaken the management and liquidation of the real estate property left in Greece by the Turks exchanged against Greeks from Turkey, in accordance with the agreement of Lausanne for the exchange of populations and properties between Greece and Turkey. This agreement provides for the constitution of an international commission, whose task is to value the properties thus left in each country. The difference resulting from these valuations will be finally paid by one State to the other. Each State undertakes to indemnify its nationals for the property they left in the other when they migrated, from the proceeds of the property abandoned in it. As, however, this valuation will be completed very slowly, and the Greek refugees are in urgent need of assistance, the Greek Government is proceeding to an independent appraisal of the property left in Greece, for the purpose of liquidating it and paying out the proceeds to its nationals, who are entitled to indemnity and who have not received

settlement from the Government. The value of the property these refugees have left in Turkey, and for which they are entitled to indemnity, is being fixed by special committees created *ad hoc* by the Greek Government. Until now the National Bank has received land valued at 4 milliards drachmae. Pending the sale of this property, and in view of the bad financial conditions of the refugees, it has been decided to mobilise part of the value of the property to be liquidated, by the issue of bonds to be distributed to the beneficiaries in lieu of cash. The National Bank is, therefore, issuing a first series of bonds of a nominal value of Drs 2,500,000,000. These bonds bear interest at 8 per cent. per annum, and are guaranteed by the Greek State and secured by a first mortgage on the property. With a view of maintaining, as far as possible, the nominal value of these bonds, special guarantees have been given as regards the regular payment of the coupons due and the redemption of the capital. The latter will be effected in two ways—(1) by receiving the bonds at their face value in payment of rents and in settlement of the value of properties sold, and (2) from the proceeds of properties sold in cash. A special clause of the relative agreement between the Government and the National Bank provides for the raising, at a later date, of a loan in pounds sterling or dollars for the total redemption of the bonds. In pursuance of pressure exercised upon the Government and the political parties by a representative committee of the refugees, it has been decided that the National Bank will advance in cash to the beneficiaries one-fourth of the value of the above bonds, say, 625 million drachmae, retaining an equal amount of bonds at their nominal value. Payment of these advances and distribution of the bonds will begin on November 1st, and should be completed in four months. The Council of the League of Nations will discuss, at its December meeting, the application of Greece for the issue of a supplementary loan for the settlement of the refugees. Meanwhile, the Government has thought it advisable to solve the pending question of the funding of the War Debt of Greece to England. It finds that the present moment is favourable for coming to an agreement as to the terms of funding, which, once effected, should pave the way for the issue on the London market of the refugee loan, and for the carrying out of other financial operations relating to the improvement of the finances of the country and to its economic development. M. Venizelos has agreed to represent Greece in the necessary negotiations with the British Treasury. Though nothing official is known as to the proposals to be made by Greece, it is understood that the terms of funding of the Italian War debt will be taken as a basis. However, on the strength of the agreement of 1918, between the British Treasury and the Greek Government, and in view of the economic and financial difficulties of Greece, a reduction of the nominal amount of the debt will be requested.

The Turkish Budget for 1927.—Our Constantinople correspondent writes:—The estimates for 1927, which have just been published, do not disclose any substantial variations on the figures for the current financial year, which is now drawing to a close. Expenditure for 1927 is estimated at £T188,141,708, as against £T189,407,764 for 1926, and £T166,953,127 for 1925, a considerable economy being thus effected in favour of 1927. A budgetary provision of £T240,000 is made for the new "Council of State," which department is to be restored by the Republican Government, after having been suppressed when the Sultanate was overthrown. Expenditure on the fighting services and on military equipment, although showing a slight decrease upon last year, still accounts for close upon half of the total budgetary appropriation of 188 million liras, the exact proportions being 43.50 per cent. for 1927, as against 47.25 per cent. for 1926. The provision for the service of the public debt at £T10 millions or, say, £1,000,000, remains approximately the same as last year. This sum is totally inadequate to meet Turkey's commitments to her foreign bondholders even on her present substantially reduced capital liability. So far as the other side of the Budget is concerned, it is anticipated that, with the new taxes lately

introduced, and the revenues from the newly created monopolies, the revenue will just be about sufficient to provide the requisite equilibrium.

German Shipping Rationalisation.—The fusion, ratification of which was announced last week, between the Hamburg-American Line and the Deutsch-Austral, Kosmos, Stinnes group, marks an important step in the process of concentrating and "rationalising" German shipping. Here, as in other branches of German industry, the policy of forming "vertical" trusts, connecting the business of shipowning with producing organisations on land, has long been discarded. The objective of the leading concerns has been to achieve the combination into large, completely fused groups of all the enterprises whose interests would benefit by removal of overlapping and wasteful competition, or by the economies in administration realisable under single control. A little less than a year ago, it will be recalled, the North German Lloyd of Bremen absorbed, through exchange of shares, the Hamburg-Bremen African Line, together with the three-score vessels of the Roland Line, and the tonnage operated by the Horn Shipping Company. The effect of this amalgamation was to bring the tonnage directly owned by the N.G.L. to over 600,000 gross tons, and greatly to strengthen the Combine's position as a cargo-carrier, both in the African and South American trades, and also in European waters. The next move was made in January of this year, when the amalgamated Deutsch-Austral and Kosmos Company bought up the Hugo Stinnes Lines, thus uniting nearly 320,000 tons of shipping under one control, and constituting itself a serious potential competitor to "Hapag" and the N.G.L. in the matter of cargo-carrying services. The present fusion restores to "Hapag" its old position as Germany's largest group in respect to tonnage owned—the combined Hamburg-America fleet being now nearly 800,000 gross tons, or 80 per cent. of the tonnage owned by it before the war. In sum, "Hapag" and the N.G.L. now hold the unchallengeable place of "Big Two" in the German shipping world, possessing between them (when account is taken of the Woermann and East African Lines' tonnage which they jointly control) almost 50 per cent. of the whole German mercantile marine. (Outside these two concerns there are now only seven firms whose individual tonnage exceeds 30,000 tons gross, and several of these own exclusively small vessels whose operation does not extend overseas.) Whether further absorptions will follow is a matter of speculation. The N.G.L. has this week announced that it will increase its capital, but there are limits to the extent to which shipping management can be economically concentrated, and since the "Hapag" and N.G.L. Combines are understood to have reached a friendly understanding on lines of mutual co-operation, and are now each in a position of considerable strength *vis à vis* international "conferences," it seems unlikely that either concern would care at present to merge its identity in a single comprehensive trust. The process of absorbing further tonnage into the "Big Two" will probably continue, though this also may await the gathering of the fruits of internal administrative reorganisation foreshadowed in the fusions already effected.

Conditions in Costa Rica.—A correspondent writes: The national finances of Costa Rica have shown little improvement of late years, nor does the current period seem destined to show any sensible amelioration. Notwithstanding these conditions, an unquestionable advance has occurred in the general economic position of the country, particularly in regard to foreign trade. Again this year—so far as it has gone—there has been an excess of expenditure over receipts, thus repeating the experiences of last year, when revenue amounted to 542,450,389 paper pesos and 179,550,281 gold pesos, against an expenditure of 635,252,447 paper and 169,834,126 gold pesos, leaving a deficiency (after reducing the gold balance to paper) of 63,653,593 paper pesos. Unfortunately, this adverse balance came as a supplementary charge to the accumulated deficit upon previous years, the shortage, amounting to 34,155,000 paper pesos, and the "uncollectable debts" due to the Treasury of 49,283,960 paper

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pesos, forming together a deficit of no less than 144,586,754 paper pesos. Yet even this sum does not fully represent the unfavourable position of Costa Rica. With a foreign debt of £26,083,092 and \$25,037,578, the country has to provide for an internal debt of 4,220,000 gold and 263,787,031 paper pesos. These are the figures officially presented up to the end of last year, at which period the gold guarantee of the nation stood at 406,078,572 pesos, and the paper guarantee at 42,358,000 pesos. Costa Rica, notwithstanding its attractive name, is rather less wealthy than some of its immediate neighbours, and the State's heavy national indebtedness forms a severe handicap upon its people, estimated at little over half a million. In regard to the country's foreign trade, conditions, as has been noted, have improved of late years. For 1924, for example, the exports (£3,697,596) showed upon comparison with those of the previous year (£2,640,321) an improvement of over £1,000,000. There was a further improvement in 1925, which has been continued well into the present year. In terms of currency the foreign trade of the 1925 period reached 120,948,158 colones, representing \$58.06 gold *per capita*. Costa Rica to-day ranks fifth among the Latin-American States as regards *per capita* in foreign trade, the others being Argentina, Uruguay, Chile, and Cuba in the order given.

Retail Co-operative Trade.—In the *Economist* of May 29th we gave the estimate of the Co-operative Union as to the position of the retail societies as submitted to the Belfast Co-operative Congress. The statistics have now been completed, and confirm the previous calculation. So far as the final returns are concerned, a correspondent writes:—There are now 1,420 societies of all kinds, and the membership of all types of co-operative organisations is now 4,960,883, with a capital at the end of 1925 of £97,793,229, an increase of £5,867,026. Their total turnover was £295,828,010, an increase of £14,237,109. Of this amount, £183,584,049 was done by the retail societies, the remainder being the trade of the wholesale and the productive societies with these distributive societies. The movement employed 204,366 people in its factories and shops, of which 45.94 per cent. were engaged in production, the respective wages bills being £12,339,847 and £13,987,267. There are now 1,289 retail societies, as compared with 1,452 20 years ago. The tendency is towards amalgamation in many districts, and the average number of members per society is now 3,810, as compared with only 1,483 in 1925. There are ten societies with a membership of over 50,000, these being London, Woolwich, Leeds, Birmingham, Liverpool, Barnsley, Plymouth, Edinburgh, Newcastle-on-Tyne, and Bolton. There are 612 distributive societies with a membership of under 1,000. As compared with 1924 the southern societies had the greatest rate of increase, an advance of 61,027 members carrying the total to 773,354, this comparing with the 1,079,324 in the Manchester district, where the increase was 47,767. The average shareholding of the individual shareholders is now £17.42, an increase of £.36 per member, while the loan capital is now £3.08 per member. Reserve funds have increased by over half a million to £6,027,578, this being equivalent to 5.99 per cent. of the share and loan capital. The stocks in the retail stores were only

increased £10,884 in the twelvemonth to £18,917,920, and the last three years have shown a quicker rate of turning these over. In 1925 they were turned over 9.7 times, in 1924 9.26 times, and in 1923 8.42 times—a very satisfactory tendency from the trading point of view. The debts owing for goods supplied to members rose to £3,159,388, being highest in the South Wales section, where they were £3.06 per member. In Scotland the average indebtedness was £1.12, and it fell to as little as £0.27 per member in the Midland counties. The total trade of the retail societies averaged £37.38 per member, a slight increase on the previous years. It rose to £52.94 per member in Scotland, but in the Southern and the South-Western counties fell to £29.13 and £27.45 respectively. In Lancashire and Yorkshire it was on the level for the whole of the country. The surplus for 1925, after paying £3,617,886 as share interest, was £16,861,894. The gross surplus represented 19.71 per cent. of the share capital and 9.18 per cent. on the retail sales. Thus the distributive movement recovered completely from the slump years, which caught it with heavy stocks and falling markets. But whether the turn-over for 1926 will reach that for 1925 is dependent on the phenomenal progress of the societies in the Metropolitan area producing trade enough to compensate for the heavy decreases that have been noted on the north-east coast and in some of the mining areas. At the moment it would seem that the movement will just about hold its own during an industrial depression which affects the customers of co-operative stores more than any other class of consumer.

The Pitch Export Prohibition.—The recent prohibition of exports of coal-tar pitch—a restriction which is now recognised as unnecessary—supplies another instance, writes a correspondent, of the apparently haphazard methods adopted by the Board of Trade when any suggestion of protection is advanced. Patent fuel makers in South Wales, who require pitch as a binder in the manufacture of briquettes, complained that owing to the shortage of this product consequent upon the coal stoppage, supplies were insufficient for home requirements. Exports, therefore, were to be prohibited in order to safeguard this British industry. The Board of Trade, attracted no doubt by the nature of the application, obligingly complied with the fuel makers' request without, it would appear, reviewing all the evidence. Spirited protests from other quarters speedily disillusioned the Department, and it is doubtful whether many, or indeed any, shipments to overseas customers have been held up. The reason for the failure of the prohibition is not far to seek, and reveals it to be another attempt to use a pre-disposed Department in evading the ordinary laws of supply and demand. The market for pitch is notoriously subject to fluctuation, and a glance at the events leading up to the present position is illuminating. For some three or four years now British production of pitch has been falling in volume—677,000 tons in 1923, 625,000 tons in the following year, 520,000 tons in 1925, and again less this year. A large export trade takes place in this commodity, amounting in 1923 to 414,000 tons, but falling to 315,500 tons in 1924—a decline accompanied by a steady reduction in prices. Last year the large stocks forced producers to reduce prices still further; indeed, sales proved unremunerative at the 40s per ton ruling. Larger exports (nearly 400,000 tons) coupled with the drop in output improved the statistical position towards the end of 1925, and at the beginning of 1926 57s 6d was demanded. At the beginning of the coal strike the price had risen to £4 5s, and has since moved up steadily, until at the present time the quotation holds at £9 to £10 per ton. Foreign consumers have been quite willing to pay these enhanced rates, and this is confirmed by the increased exports during the current year, while forward contracts are still being booked for the supplies available. Hence the proposal that exports should be stopped, and prices forced down by the accumulation of stocks that would ensue; for one point overlooked by the Board of Trade was that small coal, from which briquettes are made, is practically as scarce as pitch, and for the same reason. Though it is hardly to be expected that the

"prohibition" will be lifted until the termination of the coal dispute, there is every reason to believe that it will continue a nominal restriction.

Copper Fluctuations and Export Control.—Some stimulus was recently imparted to the market for standard copper by the initiation of operations by the Export Combine. The price was quickly lifted about £2 per ton, and touched £60 10s for three months delivery. Covering operations played some part in this rise, but it was not long sustained owing to unsettling Wall Street influences and lack of support by dealers here. The market early this week saw the forward price down again to £58 10s. A clear reflex of the export control at work in fine copper is that the value of electrolytic has been fully retained at the same level since the control was enforced. So far as can be gathered liberal European buying of American copper took place immediately after the stabilisation of the price at 14.40c c.i.f. Europe, according to port, but demand has since slackened off distinctly. There has been a good deal of adverse criticism in merchant circles on this side about the working of the new organisation, which is now being found detrimental to the European manufacturing trades. The latter, before the combine came into force, had the advantage of free open competition by producers and dealers, and were generally able to secure copper more cheaply than their American competitors. This has now been entirely reversed, although it may be attributed in some degree to the much higher freights now exacted to European ports. As the American price to domestic users is free from control, and has been reduced lately a little, they are better able to compete in the export markets, especially South America, at the expense of the European manufacturers. It may be mentioned that American copper sheets and other descriptions of manufactured copper have been sold to South America on terms very considerably below those quoted by British manufacturers. Reports from America suggest that Brussels is to be the headquarters of the Copper Exporters Inc. in Europe, and that when its offices are opened with a competent staff it will receive by cable the daily official selling price from New York. According to the official returns issued this week by the London Metal Exchange, the total U.K. warehouse stocks of copper amounted on October 30th to 38,007 tons, made up of 33,982 tons of rough bar standard, and 4,025 tons of refined copper. These figures compare with 39,029 tons, 36,346 tons, and 2,683 tons respectively on September 30th. Therefore, while the total indicates a decrease of 1,022 tons, there was an increase in the holdings of refined copper of 1,342 tons, against which another considerable reduction of 2,364 tons was noted in the stock of rough standard material. Since the beginning of this year there has thus been a shrinkage of roughly 20,000 tons in the 33,982 tons in rough bars, and further reductions are likely over the remainder of the year.

The Anglo-Persian Meeting.—In last week's issue we discussed the prosperous results shown by the Anglo-Persian Oil Company's report, and on later pages of this issue will be found a full report of the chairman's review of the company's position, delivered at the annual meeting on Tuesday. The public interest taken in this concern is something more than the natural interest taken in British industrial ventures of this magnitude. It is enhanced by the fact that the British taxpayer is a shareholder, and to him it is comforting to find that this Government investment, in sharp contrast with some others, has proved decidedly profitable. Sir Chas. Greenway concluded his comprehensive and decidedly satisfactory survey of the position by announcing his retirement from the chairmanship, and well-deserved tributes were paid to his work by Lord Bradbury and Sir Hugh Barnes. In his successor, Sir John Cadman, the company will have another able chairman.

Dalgety and Co.—The well-known Australasian pastoral undertaking of Dalgety and Co., Limited, continued its career of prosperity during the twelve months to June 30th last. As will be seen from the following table, profits were lower than in 1924-25; but, taking all the factors into consideration, the concern can be held to have done very well:—

Year Ended June 30.	Profits.	Expenses and Taxes.	Debt-Interest.	Pref. Div.	Ord. Div.	Rate.	Reserve, &c.	Carried Forward.
1906 ..	£ 371,591	£ 148,171	£ 114,439	£ ..	£ 70,000	% 7	£ 40,000	£ 55,381
1910 ..	542,534	198,362	122,364	25,000	80,000	8	110,000	77,579
1914 ..	570,510	245,434	105,593	25,000	80,000	8	10,000	197,015
1915 ..	582,097	258,048	107,377	25,000	80,000	8	100,000	208,687
1916 ..	643,931	322,210	107,864	25,000	100,000	10	100,000	197,544
1917 ..	861,793	484,448	107,119	25,000	130,000	13	210,000	102,771
1918 ..	875,369	510,304	104,065	25,000	140,000	14	85,000	113,770
1919 ..	857,773	494,475	101,141	25,000	140,000	14	90,000	120,928
1920 ..	957,298	566,470	98,251	25,000	150,000	15	110,000	128,506
1921 ..	689,168	445,176	103,386	25,000	100,000	10	60,000	84,112
1922 ..	775,660	408,280	114,591	25,000	150,000	15	60,000	101,901
1923 ..	920,977	552,587	114,228	25,000	150,000	15	65,000	116,063
1924 ..	986,979	551,039	111,952	25,000	170,000	17	75,000	170,052
1925 ..	1,039,221	568,698	109,210	25,000	170,000	17	100,000	236,365
1926 ..	951,648	532,694	123,904	25,000	170,000	17	75,000	211,412

A slight reduction in expenditure was secured owing to a smaller liability to income-tax, but against this debenture interest was higher. A reduction to £25,000 was made in the allocation to reserve, but this amount, together with a further £25,000, was appropriated for the payment of a bonus on the salaries of the overseas staff. The balance-sheet shows that the cash holding has risen from £133,227 to £471,982. Investments, however, are lower, the total being £23,893, compared with £286,847. This decline is apparently due to the realisation of £239,200 5 per cent. National War Bonds and a smaller amount of 3½ per cent. conversion loan. In addition the reserve fund stands at £1,000,000, and is invested in sound securities, of which a detailed list is given in the balance-sheet. Advances are also lower, the present figure totalling £4,883,404, against £5,241,627. The directors state that the early part of the season caused grave anxiety in some States, but since then copious rains have fallen, and in Victoria, New South Wales, and South Australia the season is excellent. Wool prices have been steady, on a payable basis, and the incoming clip is likely to be less than last season. The outlook for the wheat crop is regarded as particularly favourable.

Snia Viscosa.—Much interest, writes a textile correspondent, has been shown in the forthcoming meeting of the Snia Viscosa to take place in Turin on November 11th, and in view of the nature of the proposals on the agenda the investors in this concern are naturally somewhat perturbed. It is understood that a proposal will be put forward that the capital of one milliard lire be reduced to L. 750,000,000, and that the amount set free be transferred to reserve. A further proposal is that the capital of the company be increased, and that a debenture issue be made in London. It is said that a sum of £1,400,000 will be asked for, but no terms have been mentioned. Proposals such as these require some explanation, and it is to be hoped that at the meeting full details will be made available as to the position of the company. Meanwhile, the London agents have issued a statement, which shows that the company are selling more yarn now than on any previous occasion, and that the proposed financial readjustment is in a large measure due to the present currency position in Italy. In the absence of complete details, it is impossible to ascertain the exact state of the finances of the company, but as English firms have audited the books and valued the assets, there is little doubt that, subject to the adjustment of the capital now proposed, these are in order. Certain facts relating to the Italian industry as a whole are, however, known, and are worthy of the closest attention of the shareholder or of the investor who may be approached with a view to future investment. The Snia Company state that sales of yarn up to October 20th amounted to 7,449,000 kilos, and that this amount was in excess of last year by about 1½ million kilos. This is all to the good and quite up to expectations. It is further said that over 75 per cent. of

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this amount was exported. The crux of the matter, however, really lies in the price obtained for the yarn. The Snia exports constitute a very large proportion of the total Italian exports, probably over 75 per cent., and the average price obtained by the Italian exporter during 1926 has been L. 20 per kilo less than in 1925. It may, therefore, be safely inferred that the prices obtained by Snia have been from 20 to 30 per cent., or possibly more, less than last year, and that profits have been quite insufficient to allow of any approach to last year's dividend rate. Further, the former dividend was paid on a capital of L. 600,000,000, whilst now the full amount of a milliard lire is paid up. In regard to the debentures proposed, it is true that the present position in Italian finance does not allow of the continuance of bank loans, and renders the raising of debentures abroad imperative; but the amount of L. 33,526,280 for interests, allowances, and bank commissions appears to show that these transactions were on a large scale even in the better times of 1925.

Joshua Hoyle.—The depressed conditions prevailing in the Lancashire cotton industry during the past year are reflected in the latest accounts of the well-known textile firm of Joshua Hoyle and Sons, Limited, which cover the 12 months to September 30th last. The principal figures are analysed below and compared with those for previous years:—

Year Ended Sept. 30.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Profit	£ 110,697	£ 193,167	£ 194,118	£ 274,609	£ 173,348
Brought forward	48,486	15,652	18,183	22,355	23,710
Debiture interest	159,183	208,819	212,301	296,964	197,058
Preference dividend	52,531	79,371	79,696	79,879	80,024
Ordinary dividend	52,500	53,375	54,250	54,250	56,000
Renewals & reserves, &c.	18,499	30,500	31,000	62,000	32,000
Carried forward	(2½ %)* 20,000	(5 %) 27,390	(5 %) 25,000	(10 %) 75,000	(5 %) 10,000
	15,653	18,183	22,355	23,710	19,034

*Free of tax.

The directors state that the general strike and the difficulties in the coal trade "have had a serious effect upon the company's trading, and, in addition, there was a heavy fall in cotton values at the date of the company's stocktaking." It has, therefore, been found necessary to reduce the appropriation to renewals and reserves from £75,000 to £10,000, while the ordinary dividend is also halved at 5 per cent., leaving a smaller balance to be carried forward. Stocks figure for £895,429, against £1,003,709, and accounts owing and cash at bank and in hand (which are lumped together under one heading) have declined from £736,663 to £698,482. Against this accounts owing by the company have gone up from £111,722 to £181,788.

Hudson's Bay Land Sales.—The statement of Land sales for the quarter ended October 31st last of the Hudson's Bay Company shows total gross receipts of £85,379, as compared with £88,920 in the corresponding period of 1925. Sales of farm lands, however, payment for which is made by instalment, amounted to 52,604 acres for £129,352, as against 27,576 acres for £72,600 in the same period a year ago. Sales of town lots were £1,260, as against £2,540. For the nine months to date total gross receipts are £335,754, as

against £254,704 for the corresponding period of 1925, sales of farm lands being 191,726 acres for £469,908, as against 98,873 acres for £250,118. These figures seem to reflect greater prosperity in Canada and a growth of confidence.

The President of the Institute of Bankers, Sir John Ferguson, K.B.E., will deliver his inaugural address at the Hall of the Drapers' Company, Throgmorton street, E.C., on Wednesday, November 10th, at 5.30 p.m.

At a meeting of the Royal Society of Arts, John street, Adelphi, W.C. 2, on Wednesday, November 10th, at 8 p.m., an address will be given by the chairman of the council, Sir Thomas H. Holland, K.C.S.I., on "International Interests in Raw Materials."

Oversea Correspondence.

UNITED STATES.—STEADIER MARKETS—MONEY OUTLOOK—INDUSTRIAL CONDITIONS—COTTON POSITION—BELGIUM AND GOLD.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 26.

A STEADIER tone developed in the markets during the past week. Shares rallied a few points on a diminishing turnover, and even cotton withstood well the Government's estimate of a record-breaking crop of 17,454,000 bales. At the moment speculative initiative is at a low ebb, total sales on the Stock Exchange having fallen back to about one million shares a day, the market being the quietest since last July. Traders have been waiting, for one thing, to see what action would be taken at the quarterly meeting of the directors of the United States Steel Corporation this afternoon. An excellent third quarter earning statement has been expected, but it has not been anticipated, except in habitually bullish circles, that any unusual action would be taken with regard to the dividend. Actual events bore out expectations. Only the regular dividends were declared, while the net earnings for the quarter proved to be \$52,626,826, as against \$47,814,105 for the preceding quarter and \$42,400,412 for the third quarter of 1925. The per share earnings amounted to \$4.90, as compared with \$4.19 in the previous quarter and \$3.44 in the third quarter of last year. The nine months' earnings amount to \$13.07 a share, as against \$9.43 for the comparable period in 1925. The latest earnings are the best for any quarter since the war.

Meanwhile the money market has eased off appreciably, with some time money being loaned at slightly less than 5 per cent. This relaxation has come as a surprise, and has been attended by certain noteworthy changes in the banking position. Brokers' loans in this centre, for example, declined another \$72,000,000 in the week ended October 20th. This makes the reduction in two weeks amount to \$154,000,000. The recent liquidation in the share market has wiped out approximately 40 per cent. of the increase in brokers' loans that occurred subsequent to May's low level. At the latest total of \$2,655,000,000, these loans are \$247,000,000 above the lowest of May and \$487,000,000 below the highest of January. Meanwhile the report on the condition of the member banks in the leading cities of the country shows a decrease during the week ended October 20 in the total loans on stocks and bonds amounting to \$68,000,000, this result confirming the indication given by the statistics on brokers' loans in this district. And the Federal Reserve figures themselves show a remarkable reduction in the volume of credit that the member banks have been taking from the system and from the New York bank. Thus during the week ended October 20 the discounts of the system fell \$117,000,000 to \$586,000,000, and at that figure were \$16,000,000 below the corresponding total for a year ago. Total holdings of interest-bearing paper fell \$118,000,000 in the week to \$1,188,000,000, and were some \$40,000,000 smaller than at this time last year.

At the New York bank the contraction was even more marked. Discounts fell \$95,000,000 to \$109,000,000, the latter figure comparing with \$162,000,000 a year ago. Total bills and securities diminished \$118,000,000, and at \$205,000,000 were \$37,000,000 less than at this time last year. With reserves increasing by \$61,000,000, the bank's reserve ratio jumped 6.5 per cent. to 85.4 per cent., this comparing with last year's figure of 81.9 per cent. For the whole system the ratio was 74.1, as against 72.6 last year. Plainly these changes are not such as to suggest higher official discount rates; rather they stir thoughts that a continuation of the latest tendency might lead to a lowering of the official charge.

One factor that helps to explain this reduction in the demand for credit is the decline in commodity prices that has occurred this year. While this decline has been limited chiefly to farm products, it has been fairly extensive among those commodities, and no doubt has lessened the amount of credit that is necessary to carry them. The increased yields have been more than offset by the drop in prices. Another factor that differentiates the banking position of this autumn from that of last undoubtedly arises from the difference in the policies pursued by the Federal Reserve authorities. Last autumn, it will be recalled, discount rates were left down while the share market boomed. Not until November were restrictive measures taken, and then the increases in rates were instituted by certain of the out-of-town Reserve banks. The New York rate was not advanced until after the turn of the year. This autumn the New York bank advanced its rate in August, and by so doing appears to have checked speculative operations for the rise. Instead of a booming share market, we have had a liquidating one. In connection with the diminished demand for credit, it may be noted that bank clearings showed a loss in September as compared with the preceding year, this being the first time such a change has been shown for some time. However, it would appear that the smaller clearings were due to the lower commodity prices and the absence of Stock Exchange speculation rather than to a decline in industrial activity, as railway car-loadings have continued to make a favourable showing in comparison with a year ago.

Just at present there are signs of a recession in industrial activity, but these are nothing unusual at this season of the year. The steel industry, which has been holding operations close to 85 per cent. of capacity in remarkable fashion, is beginning to curtail here and there in response to decreases in consumption in certain consuming industries. The decline so far is slight, but is enough to have established a tendency. Behind this curtailment is a slowing down in operations in the building and automobile industries. The September production of passenger motor-cars in the United States and Canada amounted to 350,000 units, and while this output set a record for the month, it was 43,000 units smaller than the output for August. Further declines undoubtedly will be shown when the October and November figures are published. With oil production continuing to gain, and with crude oil and gasoline prices reduced in a number of localities, the steel trade also notes diminished buying of oil country goods.

Publication of the Government cotton report brought the price of the December delivery down close to the 12 cent. level. A fair rally followed, which suggested that the huge crop forecast had been pretty well discounted. Meanwhile, some consolation is taken from the ginning figures, which show 8,722,000 bales ginned to October 18th, as against 9,518,000 bales to that date last year. There is some talk to the effect that a good deal of cotton will be left unpicked while the Administration is trying to encourage the growers to hold back their cotton by intimating that the intermediate credit banks will be prepared to lend \$200,000,000 on the staple. The Census Bureau statistics indicate that the cotton textile mills were more busy in September than last year, and cheap cotton certainly should stimulate consumption.

Belgium's decision to return to the gold standard has occasioned much favourable comment hereabouts. Our bankers appreciate the progress that has been made since the previous effort at stabilisation broke down, and are gratified that the Belgian authorities have picked a natural level this time. Great confidence is shown in the success

of the plan. Balancing of the Budget and consolidation of the floating debt are held to have prepared the way for the return to gold, while it is thought that large balances are likely to be repatriated now that confidence may be felt in the currency. It is hoped that Belgium's example will prove a stimulus to Italy and France, and that the gold standard soon will prevail throughout the entirety of Western Europe.

FRANCE.—POLITICS—THE FRANC'S RECOVERY—THE TREASURY'S POSITION—ARGENTINE DEBT—BUDGET ECONOMIES.

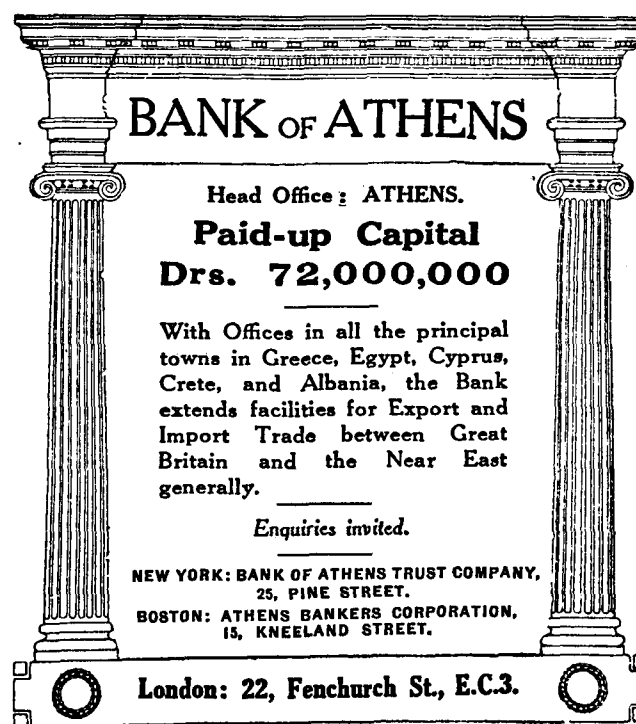
(FROM OUR CORRESPONDENT.)

PARIS, November 3.

POLITICALLY, the situation has substantially improved during the past week, and it is now fairly certain that the Poincaré Government of National Unity will be able to face the reassembly of the Chambers without much fear that any recrudescence of party warfare will be allowed to interfere with the work of financial restoration that was so satisfactorily begun three months ago. The policy of non-interference that was adopted at the recent Congress of the combined Radical and Socialistic-Radical parties has now been for all practical purposes also adopted by the Socialists. These, at their Congress a few days ago, held what amounted to a funeral service over the defunct Cartel des Gauches, and more or less declared war against their former allies, the Radicals, although reserving the right to renew their alliance with them—or with the Communists, as circumstances may direct—at the pending Senatorial elections, but only so far as second ballots are concerned. It appears to be realised by both discontented Radicals and Socialists that public opinion has ranged itself behind the Poincaré Government to such an extent that anything like organised opposition to the Cabinet, as long as the present plans for financial restoration remain uncompleted, would be both inadvisable and dangerous.

It has now become evident that M. Poincaré, although he has so far studiously refrained from disclosing whether he intends to adopt a policy of stabilisation or one of revalorisation, is proceeding steadily with the systematic application of a definite and pre-ordained plan. His success, down to the present, amounts almost to a triumph, and this has been recognised by a remarkable revival of confidence. As may be expected, the effect of business of the strenuous effort that is being made to right the situation is appreciable, and manufacturers and traders generally are largely marking time until the outlook is clarified. The recent substantial revival of the franc has had a serious repercussion, particularly on manufacturers and others who three months ago, when sterling was quoted at over 200, rushed to buy foreign exchange ahead. Fears were expressed last week that the end-of-the-month settlement would prove difficult in many quarters, but relief was afforded by the fact that business on the Bourse was totally suspended from Friday night until this morning, and this evening's reports show that settling was carried through fairly satisfactorily. The franc firmed up another four points during the four days' suspension of business, and at one period to-day was marked up to within a shade of 150. Carry-over money was abundant for the settlement at 3½ per cent. (for 11 days) in the Parquet, and 10½ per cent. in the coulisse.

The new Caisse d'Amortissement has now begun operations in earnest. Of the 1,300,000,000 of Treasury bonds of which it took charge a few weeks ago 600,000,000 (or nearly 50 per cent.) have already been extinguished by consolidation. The new "Tobacco Loan" resulted in a total subscription of about 3,020,000,000, of which 2,500,000,000 was subscribed in National Defence bonds. By the consolidation of this 2,500 millions the total of National Defence bonds now in existence has been reduced to 45,695,000,000, of which 35,000,000,000 (or over 75 per cent.) consists of 12 months' bonds, while less than 5,000,000,000 (or less than 10 per cent.) are in bonds of one month. The danger that formerly existed in connection with these descriptions, therefore, has been reduced to an almost negligible point. The situation from other aspects, too, has been completely transformed.



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At one period in July the Treasury had a margin of only 81,000,000 available, and the position was such that the State was in serious danger of not being able to meet its end-of-the-month payments. The first weekly statement issued by the Bank of France (on July 22nd), after the Poincaré Ministry took office, revealed that the debt owing to the Bank had risen to 38,350,000,000, or within 150,000,000 of the authorised legal limit. The statement dated October 28th showed that this total had been reduced to 35,750,000,000, this reduction of 2,600 millions having been achieved at the rate of 1,000 millions in August, 700 millions in September, and 900 millions in October.

A similarly satisfactory improvement has been effected in regard to the foreign debt payments that have fallen due. Although on July 24th there existed insufficient resources to meet the service of the foreign debt and no reserve, \$10,000,000 have since been paid of interest on the cost of the American war stocks, as well as £7,000,000 to Great Britain, 650,000 florins to Holland, and a further \$6,000,000 due to America on another account, while a large amount of Treasury bonds in the hands of the Bank of England, the liquidation of which was optional, has also been paid off. On Monday the loan recently taken up in Holland was utilised to repay, in advance of their due date in April next, credits granted by the Dutch Government, this step having been taken in order to avoid overburdening the total maturities of the always difficult earlier months of the year. The "Morgan Fund," at the same time, has been reconstituted, thanks to purchases by the Ministry of Finance and by the Bank of France, and this without detrimental effects on the continued improvement of the franc. In addition to the dollars of the Morgan Fund, the Treasury now has available a further mass of over \$50,000,000 of sound money, which it can utilise in case of need. To all this must be added the fact that taxation is again coming in satisfactorily. The revenue, which on July 31st was only 3,640 millions (or 23 per cent.) in excess of the corresponding period of 1925, showed an increase at the end of September of 6,301,000,000, or 33 per cent.

By agreement between the French and Argentine Governments, the repayment of the debt of 18,500,000 gold pesos owing to the latter, which was due for reimbursement on January 1st next, has been postponed indefinitely, "until such time as is convenient to the debtor." The Argentine Government, further, leaves it to the French Government to fix the rate of interest to be paid. Several fixed periods of postponement have been previously offered by the Argentine Government and successively accepted by this country. In view of the debt redemption policy recently begun by the French Government, it is probable that this Argentine debt will be liquidated by a series

of annual instalments, the amount of which will be fixed by M. Poincaré, for approval by Parliament.

In a letter addressed to the Finance Commission of the Chamber, M. Poincaré, in his capacity as Finance Minister, sets forth the reduction of expenditure in the various Government departments resulting from the recent administrative reforms as follows:—

Government Depts. and Public Services.	Budget Estimates of Expenditure. Francs.	Reduced by Francs.
Ministry of Finance.....	24,787,396,819	7,298,880
Judicial services	137,059,133	1,113,600
Prison services	72,518,855	1,493,701
War Office and Army	5,299,619,645	210,825,970
Navy	1,915,432,377	6,726,397
Education	2,056,514,080	2,644,137
Fine Arts	79,490,514	714,546
Public Works Dept.	1,274,892,000	11,209,950
Pensions	612,055,150	18,662,500
Devastated Regions	412,580,000	5,018,530
		265,708,329
Ministry for Interior	438,346,387	—155,824,820

Net results of "Economy Axe," a saving of.... 109,883,509

M. Poincaré also tabulates the following economies effected in connection with the three "Annexed Budgets," which are treated independently of the "General Budget":—

	Francs.	Francs.
National Printing Department.....	40,431,900	39,500
Posts, Telegraphs and Telephones	2,662,429,011	6,304,722
National Savings Bank Department ..	193,032,444	150,000
		6,494,222

But as these reductions of estimated expenditure have been compensated for by other increases in expenditure in these three departments, the total estimated expenditure in these three instances remains as set forth in the first of the two columns. The Minister for the Interior, in an official *communiqué* published a few hours after the above figures were made public, states that the announcement that the administrative reforms effected by him involve increased expenditure this year by his department of 155,824,820f is "completely unfounded." He insists that these reforms involve this year a non-renewable supplementary expenditure of 555,850f, and next year an increase of 689,950f. The effective economy, when his reforms are completely realised, will total 3,957,500f, while the value of the suppressed subprefectures, which will be taken over by the departments, totals over 24,000,000f.

GERMANY.—POLITICS—CREDIT—PRICES—INDUSTRIES—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, November 2.

THE Reichstag reassembles this week without any extension of the party basis of the Marx Cabinet. The "Great Coalition," which was to be formed by inclusion of the Social-Democrats, has not been formed. The German Nationals keep to their design, which seems impracticable, of enforcing a "citizens' bloc" in opposition to the Socialists. On several questions, mainly social-economic, the Socialists have serious objections to present Cabinet policy; but they will not help the Nationals by opposing the Cabinet on principle, and they promise to treat Government proposals and policies on their merits. The new financial compromise (the *Ausgleich*) between the Republic and the States and Municipalities will come up. The statistical material necessary for a definite regulation of this question is still lacking, but negotiations for the prolongation of the present provincial arrangement are under way. The Government seems resolved to stand fast to the arrangement that not more than 75 per cent. of the income and corporation income taxes yield should go to the local governments, but these demand 90 per cent., as was granted by the third taxation decree. The Cabinet is also opposed to the States' demand that the Republic should continue to guarantee a minimum yield to them of their share in the sales tax. A Bill creating a definitive Federal Economical Council will be submitted. The present Council is provisional in constitution. The number of members in the new Council will be 116. The Council will continue to have only advisory powers, but all

important economic and social-political Bills will be submitted to it before presentation to the Legislature, and its views will be communicated to the Reichsrat and Reichstag. The Reichstag will have power to be represented at meetings of the Council, and to put questions to its members and experts. The Council will be organised in three groups representing employers, employed, and various economic, social, and professional interests. In the employers' group of 39 members will be 12 representatives of agriculture, 10 of industry, four of handwork, five of trade, three of banking and insurance, and five of communications. The employee group also contains 39 members, to be chosen by the trades unions and other labour organisations. The third group contains representatives of the municipalities, social insurance, co-operatives, the Press, and officialdom; also eight members, to be appointed by the Reichsrat, who are specially familiar with local economic conditions, and eight persons who have rendered special services to the national economy. The working-hours' question is likely to cause trouble. The trades unions have issued a demand for unqualified enforcement of the Eight Hours' Day and for prevention of overtime work, declaring that this is one desirable way of reducing unemployment, and that it should be put through by an immediate emergency law. The Employers' Association, the Federation of Industries, and various organisations representing trade and banking have issued a counterblast, declaring that the measure demanded would not result in any considerable number of unemployed being taken on to work, and that ultimately it would increase unemployment.

The money market continues fluid, and the month-end Bourse settlements are causing no trouble. The private discount rates are 4½ per cent. for short terms, 4½ per cent. for long. Business in this credit branch is dull. The liquidation of the Stinnes bank credits, which will result from the transfer of the remaining Stinnes family properties to two American holding companies, will be a factor making for easy money in November. The stamp duties returns show that the circulation of bills of exchange has changed little in the last three months. There has been a heavy decline since the summer of last year. The yield of the capital transaction taxes is increasing rapidly, being 12,980,480 marks in September, against 7,480,740 marks in June. Most of the increase comes from the Bourse transfers tax, which yielded 7,005,960 marks, against 2,718,520 marks. The companies tax yield rose from 3,408,490 marks to 4,045,620 marks. For company foundations in September accounted for 35,680,000 marks nominal; for capital increases 545,090,000 marks, mostly accounted for by the capital increase of the Dyes Trust. The savings banks return for September 30th shows deposits on savings account of 2,712 million marks, against 1,629 million marks at the end of 1925. The banks have arranged for the financing of a further 110 million marks of export credits to Russia under the 300 million mark scheme. The total arranged to date is 230 million marks. Russia is further to be brought within the general export-credit insurance scheme, from which she was excluded, owing to the unwillingness of the private insurance companies to bear any part of such risks. The special terms for Russian business are that the exporter shall bear 50 per cent. of the risk, the Republic and the States 15 per cent. each and the insurance companies 20 per cent.

The official cost-of-living index was 142.2 for October, against 142 in September. The index is now at exactly the same level as in December, 1923, immediately after the currency stabilisation. The lowest point reached was 119.9 in February, 1924, the highest 145 in August, 1925. The official wholesale prices index for September 27th is 132.4, against 130.9 one week earlier.

The number of publicly supported unemployed fell by a further 54,000 in the first half of October. The trade union returns for September show a decline in unemployment in all important branches, in the textiles branch from 16.5 per cent. in September to 14.4 per cent., the partly unemployed in this branch dropping from 36.9 to 28 per cent. In April 20 per cent. of textile employees were unemployed and 52.2 per cent. partly unemployed. The best employment, judged by the figures of fully employed, is in the wool branch, next in the silk. In the

cotton branch only 47.8 per cent. are fully employed. Bankruptcies in October numbered 476, against 451 in September, and monthly average of 901 in 1925. Coal production in September (Saar district omitted) was 12,875,000 metric tons. Total coal and coal fuel production in the first three-quarters of the year, without the Saar, as compared with production in the same area in 1913 was:—

	Coal.	Lignite.	Coke.	Coal Briquets.	Lignite Briquets.
1913	106,571	64,132	22,074	4,174	15,993
1926	104,575	100,826	18,492	3,941	25,109

The daily output on the Ruhr has of late exceeded the pre-war average. The number of miners engaged has reached 402,000, or some 42,000 more than before the British coal strike. Iron and steel export prices are rising, and the bounties or rebates granted to exporter manufacturers by the Steel Syndicate have been correspondingly reduced. Scrap-iron prices have risen considerably, and there is a big demand as a result of increased smelting activity, and of rising freights for overseas ores. The production of rolled goods in September was 954,484 metric tons, as against 912,328 tons in August. The International Steel Cartel has raised the total production figure for the last quarter of 1926 to the highest figure provided for in the agreement, with the result of raising Germany's percentage share as well as her absolute quota. Germany's 43.176 per cent. means production by her in the present quarter at the rate of 13,820,000 tons a year, against 9,980,000 tons by France, 1,850,000 tons by the Saar, 2,650,000 tons by Luxemburg and 3,700,000 tons by Belgium. The home Steel Syndicate has fixed the production ration of its own members for November at 80 per cent. of capacity, as against 70 per cent. in October. Home prices of iron and steel remain unchanged. Dusseldorf authorities express the view that international prices have reached their highest point for the present. German export business is brisk, especially in bars. The Solingen cutlery industry reports an improvement. Since August 7th the number of unemployed has fallen from 7,800 to 5,800. The improvement is due to larger home sales. Orders from Great Britain, America, and British India have declined.

The Sugar Industries Association publishes the following figures: The number of sugar mills operated in the new business year 1926-27 is 253, against 261 last year. The consumption of sugar beet in the new business year is estimated at 10,299,480 metric tons, against 10,248,154 tons in 1925-26. Raw sugar production is estimated at 1,578,585 tons, against 1,605,959 tons in 1925-26, the percentage sugar yield from beet being 15.13 per cent., against 15.48 per cent. A private authority estimates all Europe's sugar production in the new business year at 7,211,000 tons, against 7,603,000 tons in 1925-26.

The Bourse upward movement has continued, and for certain stocks taken violent forms. The speculative favourites, all of which are stocks of important companies, continue to rise, coal-steel, shipping, electrical, chemicals, and banking being on top, but also the less active stocks have risen considerably. Dyes Trust to-day reached a new high record of 354.50, and Mannesmann Tubes, which was around 50 at the beginning of the year, and 126 two months ago, has reached 198. The chief buyers of late have been Rhenish citizens. The commercial banks continue to declare that the extremely high quotations, which are mostly in non-dividend payers, have more than discounted earning possibilities.

HUNGARY.—POLITICAL SITUATION—PUBLIC FINANCE—COMMERCIAL TREATY WITH CZECHOSLOVAKIA—BOURSE.

(FROM OUR CORRESPONDENT.)

BUDAPEST, October 31.

THE National Assembly reassembled on October 18th. Count Bethlen presented his reconstructed Cabinet, including two new members, and briefly outlined his future policy. The Government has a good working majority in

the House, which is now discussing the reform of the Upper Chamber. Legislation concerning social welfare will shortly follow. General elections will be held next year, but nobody knows the exact date when they will take place. There are signs of improvement in Hungary's relation with the neighbouring States. The recent speech of Governor Horthy, expressing the wish to see the old friendship re-established with the Serbs, has been favourably commented on in Yugoslavia, and Mr Nuisic, the Foreign Minister of the Triune kingdom, welcomed it in similar friendly terms. Business men in both countries are realising that they could not but gain by the improved political situation, and it seems that the Central European States are entering on a new phase which will lead to closer economic co-operation.

The Finance Minister's monthly report shows marked improvements in the State finances. The first quarter of the financial year (July-September) is somewhat more favourable than was anticipated; revenues exceeded estimates by 10 million gold crowns, and are higher than in the previous year, despite the reduction in taxes. Mr Bud, the Finance Minister, recently declared that he is fully alive to the difficulties of the economic life of the country, and to alleviate the situation promised a general reform of taxation, but warned the country that the equilibrium of the Budget could not be endangered. He appealed to the banks to allow cheap credits to their customers. Municipal borrowing will be controlled by the Finance Minister and the President of the National Bank. Without their consent no foreign credit is to be contracted. The House of Speyer and Co. (New York) has recently lent \$6 millions to the cities and boroughs. The loan will be used for drainage and electricity schemes. It is an indication of the improvement in credit conditions that the terms on which municipalities are now borrowing are 7 per cent. at 89, as compared with 7½ per cent. at 82 last year.

The negotiations to arrive at a definite tariff treaty with Czechoslovakia are making good progress. Out of 1,300 items, 800 articles have been settled, and the Hungarian delegation is now awaiting the answer of the Czechoslovaks for its proposals for the remaining 500. The temporary agreement which came into force on September 1st terminates at the end of this year, but there is every reason to believe that the long-delayed commercial treaty will shortly come into operation on the most-favoured-nation basis. Hungarian agricultural products and Czechoslovak industry will both greatly benefit by it.

The money market is easy. The policy of the National Bank in reducing its discount rate to 6 per cent. has proved very satisfactory, and was followed by a general decline in the discount market. For fine three-months bills 7½-9 per cent. has been the usual quotation, compared with 11-12 per cent. in the corresponding period last year. Deposits are increasing; they totalled 567 million gold crowns against 377.5 millions last year.

The industrial situation tends to improve slowly, but only the coal and building branches show any marked increase of activity. The following are the summary import and export figures for the first eight months of the year (in million gold crowns):—

	1925.	1926.
Export	394.3	416.8
Import	449.3	499.4

The number of unemployed fell to 21,332 in September, which is the lowest point of the year, and 20 per cent. less than in September, 1925. Bankruptcies in September fell to 103, as against 359 in January, and are now about one-third of the highest point of the year. The cost of living and wholesale index number do not show any important changes in September. The wholesale index remained unaltered at 122, the cost of living at 101, or, excluding rent, at 116. The Bourse has been active, with rising quotations and with only moderate and brief reactions. In the upward movement of recent weeks the chief gainers were the leaders of coal and iron and steel shares. Most of the inactive stocks continue to lag behind.

CANADA.—WESTERN CROP DISASTER—EASTERN CROP CONDITIONS—GENERAL BUSINESS—FEDERAL REVENUES: PRICES—C.N.R. BONDS AGREEMENT—BATTLE OF RIVAL POWER INTERESTS.

(FROM OUR CORRESPONDENT.)

OTTAWA, October 19.

THERE are grave reasons for the apprehension that the weather has dealt the Canadian West one of the worst blows in its history, and that what six weeks ago promised to be a very satisfactory crop will now yield very inadequate returns to the farmers. Since the beginning of September frequent and abnormal rains have hampered harvest operations, and at the time of writing Manitoba is covered with a blanket of snow. Thousands of acres of stooked grain are hopelessly waterlogged, and the evil of sprouting is widespread. Of what has already been threshed the percentage graded "tough" or "ungraded" is unusually high, and as a very large quantity of the Western grain will be unable to stand the export transport charges and will be fit only for feed, the rise in prices which is now proceeding will bring little benefit to the growers. Confirmation of this unfortunate situation comes from many quarters; one large farmer in the Dauphin district of Manitoba reports that on resuming threshing operations in a field of grain, which before the weather broke was yielding No. 1 wheat, the grade was found to have fallen to "No. 4 tough," involving a loss of 40 cents per bushel and eliminating all the profits of the crop. Indeed, so general is the disaster in some areas that officials of the Grain Commission were recently in Ottawa advising the Minister of Agriculture to purchase quantities of seed grain on the ground that in certain districts no seed of reasonable quality would be available for the 1927 crop unless this precaution was taken. The late and unsatisfactory condition of the Western harvest is reflected in the wheat export figures, for whereas in August and September, 1925, Canada exported 31,212,156 bushels of wheat, valued at \$46,797,967, in the same two months of this year her exports were only 20,116,230 bushels, valued at \$30,310,080. But the full damage cannot be estimated for some time, as about 50 per cent. of the crop in Manitoba and Alberta and 20 per cent. in Saskatchewan is still unthreshed.

In Eastern Canada, likewise, bad weather has retarded threshing work and occasioned substantial loss, both in yield and quality of grain. But the average Eastern farmer has more irons in the fire, and will not fare so badly as his Western brother. Potatoes are a decent crop, although there is some danger of rot, and the yield of alfalfa is excellent. Aftergrass and pastures are abundant, and stock generally through the East is in good condition. Below is given the report of the Bureau of Statistics upon the chief grain, root, and fodder crops, expressed in percentages of the decennial averages, 1916-25, and based on their condition at September 30th, last year's figures being given in brackets for comparison:—Autumn wheat, 94 (102); spring wheat, 96 (101); oats, 90 (101); barley, 95 (98); rye, 96 (97); beans, 89 (95); buckwheat, 95 (95); flax, 93 (97); maize, 86 (92); potatoes, 97 (93); turnips, 93 (98); alfalfa, 100 (101); sugar-beets, 98 (99).

As a result of the setback in crop prospects, the purchasing power of the farming community, which constitutes almost half the total population, cannot fail to be smaller than a year ago, and intelligent business men are looking for a curtailment of trade during the winter and are preparing to shorten sail. However, the effect of the crop situation has not yet made itself felt in general business, and the movement of merchandise continues on a satisfactory scale. For the week ending October 2nd carloadings reached a new high record for the year with a total of 77,249 cars, as compared with 75,937 in the previous week and 74,872 in the corresponding week of 1925. The unfavourable weather has affected sales in certain seasonal lines, but wholesalers report a satisfactory flow of orders, and retailers are showing a tendency to buy on a larger scale. Many retailers want quick delivery, and, as both mills and wholesale houses have acquired the habit of carrying light stocks, some difficulty has been experienced in filling orders on time—a condition almost unknown since the war boom. For groceries, hardware, drygoods, and clothing of all kinds

there is an active demand; the textile mills are doing better, and find some difficulty in securing raw material. The autumn buying of iron and steel is quite satisfactory, and the tonnages of finished products bought for delivery in the last quarter of 1926 is substantially the same as the figure for the previous quarter. The pulp and paper industry continues to flourish, but the publication of rather pessimistic reports about business prospects in the United States for the coming winter is causing some anxiety, because a slump south of the border would mean a diminished consumption of newsprint, and would force a reduction in prices, which would go hard with the weaker Canadian mills. Within the next fortnight the price of newsprint for 1927 contracts will be fixed, and manufacturers are hoping that they can maintain it at a level of \$65 per ton. On the other hand, the silver-mining industry has been very hard hit by the decline in the price of silver bullion, and there has been a sharp depression of most of the silver stocks. In general, the stock markets have shown a decidedly reactionary tendency in sympathy with the swift downward movement in New York, and popular stocks like Brazilian Traction have dropped as much as 15 points within the week.

The published figures of the Federal revenues for the first four months of the current fiscal year are quite satisfactory, for, placed at \$145,538,889, they show a gain of almost \$4 millions over the corresponding figure for the previous year. The gain is wholly derived from an increase in the yield of Customs duties, for there has been a substantial decline in the income-tax returns, due to the cuts sanctioned by the last Budget. On July 31st the net debt of the Dominion stood at \$2,348,479,444, as compared with \$2,375,249,395 on July 31, 1925.

The price index number of the Dominion Bureau of Statistics fell 1.4 points in September, being 152.5, as compared with 153.9 in August. Thirty price quotations were higher, 46 lower, and 160 unchanged. Four of the main groups moved downward, the largest decline being in "Vegetables and their products," which fell from 168.6 to 160.9, two moved upward and two were stationary.

There is considerable mystery and uncertainty about the fate of the agreement which was supposed to have been entered into with the holders of an issue of Canadian National income bonds on which no interest has been paid for some years. Apparently Sir Henry Thornton concluded the bargain with the sanction of Sir Henry Drayton, who was acting-Premier during the recent election campaign, and there was no opportunity of getting the agreement ratified by the whole Conservative Cabinet before its authority was destroyed by the election. Mr Mackenzie King has taken the ground that the late Conservative Ministry had an illegitimate status which rendered it incapable of making any valid contracts, and he has cancelled a number of contracts which it entered into. But it is very doubtful if he can sustain this position, for, obviously, if the Meighen Ministry was incompetent to make valid contracts, it was equally incompetent to pass the orders-in-council which set the election machinery in motion, and the new Parliament has no right to exist. If the King Government persists in disregarding the bargain with the C.N.R. bondholders, a nice legal point will arise.

There have lately been interesting developments in a fierce contest for control of immensely valuable water-powers on the Ottawa River, the most important being at the famous Carillon Falls, which has been proceeding between two rival groups of power interests. The chief protagonists in the struggle have been Sir Herbert Holt, the well-known Montreal financier, who is deeply interested in the Shawinigan and the Montreal Light, Heat, and Power Corporations on the one hand, and, on the other, Sir Clifford Sifton, formerly Minister of the Interior in the Laurier Government, with whom certain American power magnates are closely associated. The latter group has got possession of the charter for the Georgian Bay Canal, which was long held by Sir Robert Perks, and as they had many friends in the Liberal party they were within an ace of securing the concessions which they desired when the King Ministry fell. The Conservative Government was favourably disposed to Sir H. Holt and his associates, and granted them a lease of the water-powers at Carillon on generous terms, but it was promptly

cancelled by the Liberals as soon as they returned to office. Now, however, the Holt group have apparently stolen a march upon their rivals. The provincial Governments of Ontario and Quebec have always contended that, although the Ottawa was a navigable river, and therefore for certain purposes under Federal jurisdiction, the fact that it constituted the boundary between the two provinces gave them the rights to its water-power, and, acting on this assumption, the Premiers of Ontario and Quebec have recently signed agreement whereby the water-powers at Carillon will be developed under an annual rental charge by a corporation called the National Hydro Company, and of the 300,000 odd h.p. which will be produced, one-half will be available for distribution by companies like the Shawinigan Company in Quebec and the other half will be allocated to the Hydro-Electric Commission of Ontario. Undoubtedly, the Federal Government has the basis of a claim to some share in these power rights; but it has been presented with a *fait accompli*, and may hesitate to embark on a long legal struggle about the respective jurisdictions of the Federal and provincial authorities.

UNION OF SOUTH AFRICA.—JOHANNESBURG'S 40th BIRTHDAY: ITS PROSPECTS—INDUSTRIAL AND AGRICULTURAL CENSUS—MINERAL OUTPUT.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, October 5.

THE outstanding recent event has been the celebration by the people of Johannesburg of the 40th anniversary of the proclamation of the Rand goldfields. Mr Arthur French, president of the Chamber of Mines, at the meeting held a few days after remarked: "Many people have asked, without receiving any satisfactory reply, 'Why the fortieth?—the fiftieth we could understand.' I incline to think that the true answer, which naturally no one is anxious to give, is an unconfessed uneasiness as to whether, when the fiftieth anniversary arrives, there will be anything like so much left to celebrate. I realise that I shall probably be dubbed as a gloomy pessimist, but in face of the prospect of a declining gold mining industry, is it not time that we should take stock of the position?"

While acknowledging that the Government was moving in the direction of expanding the industry by the sale or leasing of additional mining ground, the sale to the Crown Mines of the Mooifontein area, and the leasing of Geduld East to the Union Corporation, this was not in itself enough to save the position. Mr French was rather critical of Sir William Hoy, General Manager of Railways (now with the Union Delegation to the Imperial Conference), for his simple faith, and wanted something more convincing than "other things," which, Sir William had suggested, would develop as the mines disappeared. He urged that the creation and expansion of Johannesburg had been built upon the foundation of the gold mines, and upon nothing else whatsoever, the only "other things" had been industrial and commercial activities supplying the needs of the gold mines and those directly and indirectly dependent upon them. It would be a great relief to be able to share the optimism of Sir William, but he could not see any solid foundation for it.

Preliminary figures of the tenth Industrial Census of the Union of South Africa dealing with the period 1924-25 have just been issued by the Department. In that year the gross value of output of nearly fifty selected industries (exclusive of mining) totalled £63,847,500, an increase of about £2,000,000. This figure was made up as to £1,267,500 of material used and of £674,500 increase in the value added of the process of manufacture. The respective bulk figures are very similar—namely, £32,262,650 for materials used and £31,585,000 for value added by manufacture. The most important ordinary industry, both absolutely and relatively, is the grain milling industry, the value of the output being £9,337,350, as against £8,189,500 in the previous year. This deals very largely with mealie meal, and the mines alone consume about £410,000 worth a year for feeding their natives. The second largest industry is building and contracting, its gross value being just under £5½ millions, as against somewhat under £5½ millions in the previous year. Building of Central offices and residential property in Johannesburg especially has lately reached the dimensions almost of a boom. There are at least half a

dozen new office blocks being erected in Johannesburg, including a very important one for the African City Properties Trust in Commissioner street, and one for the North British and Merchantile Insurance Company, which has been content to lease premises for a number of years. Bettlheim buildings, one of the oldest office blocks in Johannesburg, is being rebuilt, and the portion to be leased to the Netherlands Bank will in the course of a few months be ready for occupation. There is much discussion as to whether this policy is a wise one, in view of the possible shrinkage in the mining industry in the next few years, but between gold mines on the one hand, in the shares of which due allowance has to be made for amortization of capital, and Government and municipal stocks which only yield 5 per cent., there are few opportunities for investment. Hence the substantial funds being invested in new buildings. In fact, almost the only important industries which are on a joint-stock basis of any considerable importance, and whose shares are freely dealt in, are the Pretoria and Cape Cement Companies. The shares of such important undertakings as the United Tobacco Companies (South) and the South African Breweries are very seldom dealt in locally, as they are British companies, and therefore heavy income-tax has to be deducted from the dividend warrants. The gross value of the output of mine workshops is £4½ millions sterling. The production value of quite a number of industries range about three and three-quarter millions—namely, bakeries, printing and publishing, and sugar mills and refineries. The total value of independent engineering works and foundries is, at £3,100,000, about £1,125,000 less than that of the mine workshops alone, but in the previous year the disparity was even more marked. In the two million range we have tailoring and clothing, tobacco, candles and soap, explosives and matches. Boots and shoes, a very highly protected industry, returned a value of just under £1½ millions. The output of the brewery and malt industry is returned at £1,400,000. Numerous industries return a productive value of about a million—namely, bricks and tiles, cement factories, galvanised iron works and plumbing and sweets.

The principal figures of agricultural products are 10½ million lbs of butter, 5½ million lbs of cheese, 95,000 tons of flour, 160,000 tons of Boer meal, 450,000 tons of maize meal, 16 million lbs of jams and marmalade, of sweets practically 24 millions lbs, and nearly 4½ million lbs of canned and bottled fruit. The production of leather is estimated at 9,537,500 lbs, of skins 150,000 lbs. The production of butter at 3,650,000 lbs constituted a record for the second quarter, while that of cheese at a million and three-quarter lbs was also a record, as was the production of bacon and ham at 2,115,000 lbs.

The mineral output for the Union for the completed eight months of the year is given at £37,834,200, an increase of rather more than a million and three-quarters sterling over that for the corresponding period. Of this increase diamonds account for £975,500 and gold for £771,775. There has been a very marked advance in the production of precious stones from the alluvial fields of the Transvaal. The total above given includes only £18,250 in respect of platinum, but this is clearly inaccurate, as the Onverwacht Company alone announces a net realisation of £35,200. Another proof of inaccuracy is in the August return, which is given at only 119 ounces, whereas, similarly, the production of Onverwacht alone was 530 ounces. No reference is made of figures of output in the abstract, though classed under that general heading, but reference to the details indicates that the figures quoted refer only to actual sales. Surely it would be preferable to include in the summary the total production, and this would be merely consistent with the statement of gold, the figures of which are production figures, which do not necessarily coincide with shipments, although these are regularly made week by week. It appears rather unfortunate that the Mines Department should understate the figures of a new industry which everyone hopes will become an important one, and the matter is certainly deserving of reconsideration. Allowing for some slight increase in the final four months of the year, it seems probable that the total mineral output for the complete period will reach about fifty-eight millions sterling.

HONGKONG.—THE BOYCOTT TO END?—CHAOTIC CONDITIONS—SHARE MARKET RISE.

(FROM OUR CORRESPONDENT.)

HONGKONG, October 5.

THE many startling incidents that have occurred in China during the past month appear to have had sufficient news value to attract the attention of the rest of the world. The consequence may be a more intelligent appreciation of the bankrupt state of Chinese politics and the realisation that a nation lacking stability, security, and integrity is hardly in a position to work out its own salvation. There is a natural reluctance on the part of the Powers to intervene in the internal affairs of such a vast country, but foreign opinion on the spot is becoming more and more convinced that here is a case for the League of Nations, of which China is a vociferous, though defaulting, member. The ever-spreading area of turmoil is beyond the control of any native authority, and unless assistance from outside sources is forthcoming in the very near future, the fate of the Republic will be far worse than that of Russia.

In the meantime, the British Government is pursuing a half-hearted course of its own. It has abandoned the fatuous policy of shutting its eyes to all that goes on in China, and the despatch of a flotilla of destroyers is a welcome sign that something is being done to support the authority of the harassed Consular officials. Moreover, the change in the Legation suggests that a more vigorous line of action is contemplated, although there is considerable doubt as to the wisdom of retaining a Minister in a defunct capital. These considerations apart, there appears to be an inclination to avoid any extreme measures, and if this develops into a return to the old policy of conciliation at all costs, which Chinese opinion interprets as weakness, then there is little prospect of any improvement in the position of Treaty Rights. In Canton the landing of a small party of naval ratings to clear the British wharf had a most wholesome effect, and for some days the river was rid of the pestering strike pickets. A whining request for the withdrawal of the sailors was acceded to, and although for a short time the promise to carry out an efficient patrol was fulfilled, it was not long before matters were very much the same as they were before. The news of an increase in the British Fleet also made an impression, and seems to have led to Mr Eugene Chen's announcement that arrangements would be made to terminate the boycott by the end of September. It is rather curious that this offer has not required a *quid pro quo*, nor is it consistent with the Canton Government's professed inability to interfere with what has been described as a natural manifestation of public indignation. However, if the new policy can be put into effect, there is no wish to remind the Canton authorities of their past errors or to taunt them with their unfulfilled boast that they would bring Hongkong to the dust. The end of September having passed, there has been some anxiety as to the sincerity of Mr Chen's intentions. He now declares that by October 10th the boycott will be definitely ended, not only in Canton, but throughout the Southern provinces. Authoritative opinion here is inclined to accept this assurance. There seems to be no doubt that General Chiang Kai Shek and his followers now realise what a boomerang the boycott has been, and the steady decline in revenue has brought them to their senses. Mr Chen is most anxious for a resumption of relations with Hongkong, as he has in mind development schemes which cannot be financed without help from this quarter.

The Civil War in the neighbourhood of the Yangtze still goes on, but little further progress has been made on either side. Armies continue to be bought and sold, and highly coloured despatches arrive from the front claiming victories to suit the tastes of each correspondent's readers. There are persistent reports that Chang Kai Shek is in retreat, owing possibly to threatening movements by Sun Chuan Fang's troops. Sun, however, is more concerned with keeping his provinces clear of hostilities, and if he succeeds it will mean that one portion of China is saved from the welter of Oriental warfare.

In Hongkong we have experienced our periodical wave of optimism which, as usual, is steadily receding to leave us in the familiar trough of despair. With the promise

of an early termination of the boycott, the share market became extremely buoyant, and prices rose substantially. It was, of course, difficult to obtain shares in such a strong market, and encouragement was derived by holders from the report that several high officials of the Canton Government were buying on a big scale. The reaction has now set in, and although prices have not fallen there is little business being transacted, and quotations are nominal.

The rapid decline in bar silver to 26½d has led to a fall in exchange, and the official T.T. rate has been as low as 1s 11½d. There has been a slight rise since, but the tendency is downward, in view of the absence of support to the silver market. This low level of exchange will be a handicap whenever import business is possible once more, and piece goods dealers especially are very slow in adjusting their ideas to a new parity. It is some consolation that the values of stocks have been sensibly appreciated, and are, in most cases, considerably above replacement cost.

Books and Publications.

A JURIST ON WORLD AFFAIRS.*

ALL students of international affairs will be grateful to Dr Arnold McNair for preparing a fourth edition of the well-known treatise of the late Professor Oppenheim on International Law. The editor has ably discharged a difficult task. At least this may be said of the second volume, which has now been issued, with an intimation in the preface that the fourth edition of the first volume will appear in due course.

The volume now published in a revised form covers the subjects of disputes, war, and neutrality. Extending to 750 pages, it is larger than its predecessor, though the editor has compressed parts of the former text. The new matter introduced therefore covers more than the 72 pages by which this volume has grown. Insertions and revision extend throughout the work, and there is evidence that the editor has examined and considered a great mass of material and authorities with much care. In a book of this kind quite a considerable amount of work may be necessary for the addition of a few lines to a footnote. The materials which have become available during the five years which have elapsed since the third edition was published have been very judiciously incorporated, and the fourth edition should maintain the reputation of the work as one of high authority, and a storehouse of references to other writings on the subjects with which it deals.

As the editor of the third edition had already incorporated new matter without distinguishing it by brackets from the author's original work Dr McNair has necessarily followed the same course. While he may indicate his own view on some points of doubt—as on the question whether the Council of the League of Nations, in requesting an advisory opinion by the Permanent Court of International Justice, need be unanimous—the added matter does not, for the most part, develop points of controversy. Thus, in dealing with the Permanent Court—one of the longest insertions—the editor merely records that the proposal that the Court's jurisdiction should be compulsory was deleted "mainly owing to the opposition of some of the great Powers."

An instance where the editor explicitly points out that he has left an original passage unaltered occurs in the reference to the confiscation of enemy private property by the State. Oppenheim held the old rule, allowing confiscation, to be obsolete. Some authorities support, while others are opposed to this view. The two groups of references are given in a footnote, and the editor goes on to indicate the course of events followed during and after the world war, when the interference by States with private property, though nominally stopping short of confiscation, "inflicted great loss and injury." The wisdom or unwisdom of what, in substance if not in form, was a sweeping innovation, does not appear to be the subject of any expression of opinion. The division between what

* "International Law." By I. Oppenheim. Vol. II. "Disputes, War, and Neutrality." Fourth edition. Edited by Arnold D. McNair, LL.D. (London) Longmans, Green, and Co., Limited. 1926. 425 net.

may suitably be discussed by the jurist, and what by the statesman, is often, of course, indefinite. Perhaps this problem is beyond the jurist's sphere, but light upon it would be none the less welcome.

Steps bearing upon the problem of disarmament taken since the world war are set out. Here again the editor has limited himself to a statement of facts, though there is significance perhaps in his quotation (upon the old saying, *si vis pacem, para bellum*) of the modern comment, "What you prepare for you get." Here, as elsewhere, the book has been brought very closely up to date, and its value for current reference is thus enhanced. A list of the principal insertions is given in the preface, but, as already indicated, the revision of the whole volume, page by page, appears to have been very thorough and complete.

BOOKS RECEIVED.

Monetary Reconstruction. By R. G. Hawtrey. Second Edition. (London) Longmans, Green, and Co., Limited, 39 Paternoster row. 10s 6d net.

The first edition was published in 1922. Since then, as the author remarks, much monetary reconstruction has taken place, and a new chapter on "The Return to Gold" is added in the new edition. This chapter should be read by all who are interested in currency questions.

The Industrial Dilemma. By Philip Kerr. (London) The Daily News, Limited, Bouverie street. 6d.

Inheritance and Inequality. By H. D. Henderson. (London) The Daily News, Limited. 6d.

These are the 14th and 15th brochures in the "New Way" series, which is being issued under the auspices of the Council of the Liberal Summer School. Mr Kerr's essay, which is prefaced by a foreword by Mr Lloyd George, is an impartial survey of what is right and wrong in Labour's demands and Capital's claims. Mr Henderson pleads for a graduated inheritance tax, the proceeds to be ear-marked for debt redemption.

Slavery or "Sacred Trust"? By John H. Harris, with a Preface by Professor Gilbert Murray. (London) Williams and Norgate, Limited, 14 Henrietta street, Covent garden. 5s net.

In a preface Mr Harris states that his object is to assert "that even when the estimated three million slaves are set free and slavery in all its forms has been completely abolished, civilisation must press on until the colonising powers accept and apply to all subject races the principles of the Covenant of the League of Nations, enshrined in the Covenant phrase, 'Sacred Trust.'" In an appendix to the book are given Article 22 of the Covenant of the League and the texts of "A," "B," and "C" Mandates.

League of Nations: Report on the Reform of the Calendar. (London) Constable and Co., Orange street. 3s 3d.

This report of the special committee appointed by the League to investigate this much-discussed international problem is of interest to business men.

Moody's Manual of Railroads. 1926 edition. (London) Moody's Investors Service, Limited, 70 Cornhill, E.C. 3. £5 5s post free.

Deals in its 1,895 pages with the railways of the world and their securities. Balance-sheets and income accounts for each American company are given over a period of years, with tables showing tonnage, mileage, equipment, and other operating figures. Each security is described fully and "rated" by the publishers according to its investment standing. The book is still predominantly American, but an effort has been made to place it upon an international plane by the inclusion of British home railways, South American roads, &c., not treated quite so fully, it is true, as are the American companies. To this extent the volume falls short of the ideal of the British investor, but is, nevertheless, the most complete of its kind, and an indispensable reference book for the railway student. Subscribers are furnished with monthly "supplements," bringing the figures up to date from time to time.

Zeitungs Katalog, 1926. Annonsen-Expedition. (London) Rudolf Mosse, 125-130 Strand, W.C. 2.

A useful guide to the newspaper publications of the world, arranged, firstly, according to countries, and, secondly, according to subject matter. Details are given as to the price, size and the frequency of publication as well as the address of the publishing offices.

Pitman's Business Man's Encyclopædia. Part I. (London) Sir Isaac Pitman and Son, Limited. 1s 3d net.

The first of 30 fortnightly parts. Part II. will be ready on November 13th.

The Bankers' Magazine. November, 1926. (London) Waterlow and Sons, Limited, London Wall. Annual subscription, 30s.

Containing articles on the progress of banking in Great Britain and Ireland during 1925, dealing with the proportion of capital and reserves to deposits.

The Banker. November, 1926. (London) Eyre and Spottiswoode (Publications), Limited. Goldsmith street, E.C. 4.

Contains an article by Mr. Philip Snowden on the "Manifesto of Big Business."

Bulletin Mensuel. Octobre, 1926. Institut International de Statistique. (La Haye) W. P. Van Stockum et Fils. 1.50 florins.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Colonial Reports: No. 1311. *Trinidad and Tobago.* 1925. 1s 6d net. No. 1313. *Cyprus.* 1925. 1s 9d net. No. 1315. *Nigeria.* 1925. 1s net

Report on the Commercial, Industrial, and Economic Situation in China. June, 1926. 2s net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
November 9.	November 11.

Stock Exchange markets have pursued an uneven tenor during the past short week. The House was closed on Monday, November 1st, and reassembled to plunge into a volume of business brought about by the allotment of the Belgian 7 per cent. Loan. Later there were apprehensions of a possible rise in the Bank rate, which, failing to mature this week, are not entertained with regard to next week. The gilt-edged market has been quiet. There is still a fair amount of newly-issued Colonial and Corporation stock that awaits more permanent hands than hold it now.

The main feature in the foreign market has been excitement over the Belgian loan. In addition to the Belgian activity a marked degree of animation sprang up in Turkish Unified, the French being persistent buyers. It was pointed out, however, that, as French Government bonds still receive interest payments and that nothing is being distributed on Turkish Unified, there may be something to be said in favour of the very much more moderately priced French issues, with the consequence that many people effected a straddle, selling the Turkish and buying the French bonds. The movement in the latter was assisted by the further recovery in the value of the franc. Brazilian bonds are easier, and, in a few of the European reconstruction loans, holders have been selling in order to exchange into the Belgian, although, on the other hand, the premium to which the latter has attained is held to throw into more attractive contrast the quotations that rule for European Reconstruction bonds. Peruvians have given way.

Home Railway stocks went a trifle better, on the revived hope that the end of the coal dispute is at hand. Canadians have strengthened; Argentine railways are somewhat dull, overhung by a bull account. In Brazilian railway stocks there is little doing.

The rubber market weakened on the disappointment felt with the arrangements for dealing with rubber companies' "coupons." A sharp recovery occurred in Rubber Trusts on Thursday morning, and this sufficed to give the list a firmer aspect as a whole. The tea market continues flat; nobody has a good word to say for the shares at present. The Anglo-Persian Oil meeting, as satisfactory as everybody expected, was followed by profit-taking sales, which in their turn reacted upon the rest of the oil list, the market turning dull. Court-audits have been down to £5 a share, and the textile market as a whole is reactionary, on account of the heavy falling-off in the profits disclosed by the J. and P. Coats accounts.

The shipping market is a little easier than it was; various insurance shares weakened on sales from Liverpool said to be due to the necessity for money to be found in order to meet losses incurred in cotton speculation. This is, of course, simply guesswork. The iron and steel market was steady, but, on the news of the suicide of Mr Roscoe Brunner, the shares of the Chemical combine gave way. The tendency amongst industrials has been undecided, with a heavy inclination. A number of new issues came to market this week for the first time, and it is extraordinary with what ease new shares and debentures are placed. In the tobacco group, Carreras stood out with further improvement on bonus expectations. Wireless shares are uninteresting. The cable group made a further mild recovery.

The Kaffir market is dull and inert. Not even in Sub Nigels, West Rand Consols, or other recent popular favourites is there any activity worth the name. The fluctuations in the franc led to corresponding movements in diamond shares, and amongst Rhodesians, Chartered are maintained in the hope of an increased dividend being declared next spring.

City of London Electric Lighting Company, Limited.
—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £1,500,000, divided into 800,000 ordinary shares of £1 each, 400,000 6 per cent. first cumulative preference shares of £1 each and 300,000 8 per cent. second cumulative preference shares of £1 each. There is also issued debenture stock totalling £800,000, consisting of £400,000 5 per cent. debenture stock and £400,000 4½ per cent. second debenture stock. There has now been created £600,000 5 per cent. consolidated debenture stock ranking as a floating charge.

N'Changa Copper Mines, Limited.—Share capital £600,000, divided into 600,000 shares of £1 each. This is an issue of 300,000 shares of £1 each at par, the issue being offered only to the shareholders of the Rhodesian Congo Border Concession, Limited, or their nominees. The company has been formed in particular to acquire from the Rhodesian Congo Border Concession, Limited, the rights held by that company under a concession from the British South African Company of prospecting for minerals and marking out mining claims. The area over which rights are to be acquired is described as the N'Changa Dambo main lode area, and consists of a rectangular area three miles in length by $1\frac{1}{2}$ miles in width. Of the present issue, states the prospectus, £210,000 will be available for the purposes of the company. It is stated that the purchase consideration is £65,000 in cash and the allotment of 225,000 fully-paid shares of the company. The expert reports sound a note of cautious optimism, one stating that "the Dambo-N'Changa area has an indicated, if speculative, value which fully warrants the formation of a development company and the expenditure of a large sum of money for the vigorous exploitation of the deposit."

Johannesburg Cons..	282..	282..	Tanganyika Cons..	282..	282..
Malayan Tin (5)	17½	18½ + ½	Trans. Cons. Lind(10)	2½	2½
Modderfontein (10)/..	4½	4½	Zambesia Expl. (21).	2½	2½

* Combined revenue.

COMPANY MEETINGS, &c.

ANGLO-PERSIAN OIL COMPANY, LIMITED.
RECORD OF CONTINUED PROGRESS AND SUCCESS.
BONUS FOR ORDINARY SHAREHOLDERS.

The seventeenth ordinary general meeting of the Anglo-Persian Oil Company, Limited, was held, on the 2nd inst., at Winchester House, Old Broad street, London, Sir Charles Greenway, Bart. (the chairman), presiding.

The secretary (Mr John Clark) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen,—The report and accounts which we have submitted to you this year are again, I am pleased to say, of a very satisfactory nature, and more than confirm the forecasts I have given you in previous years.

If you will turn to the profit and loss account you will see that the profit for the year is £4,383,232, as against £3,571,966 in the previous year, being an increase of over £800,000, and that after allocating £2,028,100 to reserve funds and extra depreciation, as against £1,193,000 in the previous year, the amount carried to the profit and loss account in the balance-sheet shows an increase of about £330,000. Before arriving at the trading profit of £5,711,039 shown on the credit side of the profit and loss account, we have written off our main and subsidiary concerns a total of nearly £4,000,000 in respect of depreciation and special reserves, making, with the £2,028,100 dealt with in the profit and loss account, a grand total of about £6,000,000, which has been appropriated out of the year's earnings for depreciation and reserves.

The balance at credit of profit and loss account, after making these allocations, was £4,396,699, out of which we have already paid preference dividends and an ordinary interim dividend of 5 per cent., absorbing a total of £1,322,500, and out of the balance we now propose the payment of a final dividend of 12½ per cent. on the ordinary shares, absorbing a further £1,118,750, and leaving a balance of £1,955,449 to carry forward, subject to excess profits duty, if any, for the year ended March 31, 1921.

BONUS.

In addition to the dividend to which I have referred, it is also proposed to give the ordinary shareholders a more tangible interest in the prosperity of the company by capitalising the main portion of our general reserve fund and making a bonus issue of one ordinary share for each two ordinary shares held by ordinary shareholders on the register on November 20th next.

You will see from the balance-sheet that we have now transferred the amount which formerly stood at the credit of share premium account to the general reserve account, to which it properly belongs, bringing the total of the latter to £5,163,128. The proposed issue of bonus ordinary shares will absorb £4,475,000 of this amount, leaving a balance of £688,128 at credit of the general reserve fund, which we propose to build up again from time to time as opportunities occur.

BALANCE-SHEET.

I will now deal with the items calling for attention in the balance-sheet. The first one on the debit side is the 5 per cent. debenture stock, which has been reduced by £125,000, being the amount falling due for redemption during the year. The second is the 6½ per cent. five-year secured notes. These have been reduced by purchase and cancellation to the extent of £144,500, and we have now given notice of our intention to repay a further £1,000,000 of these notes on January 1, 1927. This operation, which is rendered practicable by the great strength of our financial position, will result in a substantial saving in interest. The third is the employees' provident pension and insurance fund. This has been added to the extent of about £380,000, which, although most satisfactory from one point of view, is, on the other hand, undesirable, inasmuch as the large amount now standing at the credit of this fund is at times somewhat embarrassing to us. To overcome this difficulty we are considering the advisability of revising the rules of the fund in such a way as will secure greater benefits to the employees, and at the same time provide for the control and custody of its moneys by trustees.

Coming now to the assets side of the balance-sheet, the first item calling for remark is the one under the heading of "Purchase price of concessions, &c.," which has been reduced by the substantial amount of over £4,500,000. This reduction is largely due to the issue of £4,000,000 debentures of British Tanker Company, Limited, last December, which enabled that company to pay off its indebtedness to our company to the extent of over £3,000,000. A further cause of the reduction is the alteration in the system of operation of our subsidiary refinery company, the National Oil Refineries, Limited. Formerly crude oil was sold to this company,

and stocks of crude and refined products in this country appeared in its balance-sheet, and stood in the Anglo-Persian books as an advance to the company. Now we have adopted the system, which is a more convenient one for us, of consigning the crude to the National Oil Refineries, Limited, and letting that company refine on our account at an agreed charge. This accounts for a transference from the stocks account of the one company to that of the other of over £2,000,000. On the other hand, there has been an increase by a transfer from the next heading, "Refineries, &c.," owing to the formation of some further subsidiary companies. In connection with this item, I would remind you that, although the book value is only £21,880,439, the actual value is enormously in excess of this figure. To take one example only, the value taken for the shares we hold in our principal producing company—the First Exploitation Company—is only 13s per £1 share, although this company paid a dividend of 45 per cent. per annum in 1924-25 and 50 per cent. per annum in the year under review, and will no doubt pay still larger dividends in the future. Many of our other important assets in Persia and elsewhere similarly stand in our books at far less than their real value.

The next item is refineries, tank installations, &c., which, as I have just mentioned, has been diminished by a transfer to the preceding account, while the depreciation written off is in excess of the capital expenditure during the year. The next is stocks of crude oil products, &c., the amount of which is much greater than in the previous year owing to the different method of treating the crude oil shipped to our refinery at Llandarcy, to which I have just referred. The next is debtors and debit balances, in which there is an increase of about £600,000, which is accounted for by the expansion of our business. The next two are British Government securities and cash, the total of which amounts to £5,865,191, as against £1,852,148 in the previous year, or an increase of over £4,000,000 in the liquid resources of the Anglo-Persian Company, apart from substantial sums held by our subsidiary concerns. To-day the position is, I may say, even more satisfactory.

NEED FOR MAINTAINING LARGE LIQUID RESERVES.

In a constantly expanding concern such as ours, one of the essentials of successful working is the possession of ample funds with which to meet any capital outlay which it may be advisable to incur, whether in the direction of extending our present organisations, or in the acquisition of new oilfields or properties. Last year I told you that we did not during the year under review contemplate increasing our production of crude oil materially, because some breathing space was required in order to enable us to secure the best possible results in every direction from the production already available. This work of stabilisation is, however, now sufficiently forward to enable us again to turn our attention to larger production, and to enable us to secure this a very large amount of further capital outlay will be incurred within the next year or two in the provision of additions to our pipelines, refineries, tankers and distributing organisations. This being the case, I am sure you will appreciate the necessity for conserving our liquid reserves as much as possible until we have more nearly approached the maximum production of which we think our fields are capable. What that maximum may be it is impossible to say, but the underground stores of crude which we have already proved in our concessions are so great that we can look forward with confidence to a continuance of the progress which has so far characterised our operations—at any rate, for some years ahead.

CONSERVATIVE POLICY JUSTIFIED.

The report and balance-sheet now before you, together with the explanations I have given you, fully justify, I venture to assert, the conservative policy which we have been following ever since the company first came into existence. The history of the company ever since its formation has been one of continual progress and success. Profits, it is true, had some setback following the period of war and post-war inflation, but this was common to practically all industrial concerns. From that time onwards, however, our profits have shown year by year steady and substantial increases, due partly to increased production and partly to reductions in costs, and I see no reason for not anticipating similar progress in the years to come.

As to the prospects for the current year, all that I can say now is that, subject to there being no radical change in the prices of petroleum products between now and the end of our financial year, there will be a continuance of the augmentation of profits which has been shown in recent years.

MARKET.

As regards the market for petroleum products, it is always difficult to prophesy. At present, judged by past consumption figures, there would seem to be an excessive production of crude oil, but the daily increase in consumption all over the world is so constant—and there are still so many countries in which there is room for large expansion—that it is not at all certain that the present production is in excess of the increased needs

of consumers, in which case there would seem to be little probability of any substantial reduction in prices. In any case, as I have pointed out before, Persian Oil stands in a very favourable position for meeting any competition that may arise.

FIELDS.

The marginal drilling on our main fields in Persia which we have been carrying on for some time past with a view to ascertaining the full extent of the productive area in these fields is proceeding steadily, and numerous wells drilled in during the year not only materially advance the proved area into new ground, but also further demonstrate the remarkable richness of these fields, both quantitatively and qualitatively. To the main line of the productive area in the Maidan-i-Napthun, Maidan-i-Naftek, and Maidan-i-Bibian fields further drilling has now added another large area of proved territory, bringing the total area so far proved up to about 30 square miles. We have hitherto described this productive area as three fields, because each of these maidans, or plains, has borne a separate name from Biblical times, but drilling has now proved beyond doubt that they all form one vast field, in any part of which we can drill with the certainty of finding flowing wells of large capacity. This constitutes a field which it is now beyond doubt is without its like in any part of the world—either for size or productiveness.

The marginal test drilling which we are conducting on this field has also, I may add, recently revealed the existence of an important bifurcation of the main anticline to the north-west. It is too early yet to indulge in prophecy as to the commercial significance of this discovery, but our geologists are optimistic.

The production from our main field during the year under review does not show, for the reasons I have already referred to, any very large increase. The production last year was 4,556,157 tons, against 4,333,933 tons in the previous year, and as against my last year's estimate of 4½ million tons. The current year, like the last, is partly one of stabilisation and partly one of preparation—throughout all the organisations complementary to the fields proper—for larger production in the future, and consequently it is not our intention to draw on our underground store of oil to the extent of more than about 4½ million tons.

A great deal has been done on the main fields during the year to improve yet further the high efficiency of their equipment. The water supply has been immensely improved by a new line northward to the Karun river, and water—once an occasional source of anxiety—is now amply ensured for all purposes. The plant for recovery of gasoline from the fields' "wet" gas will very shortly be in commission, much to the advantage of the company, and steps have been, or are being taken, to extend the use of the "dry" gas for heat and power purposes wherever practicable. Our chemical research department, of which a section is located on the fields, is busily engaged on the elucidation of this problem, as well as of the many others which present themselves in the course of our development work.

NO OIL LOST.

No oil whatever has been lost, and old well-head valves and flowheads have been changed for new ones capable of standing higher pressures than were originally anticipated, also without accident or loss. As we have nothing but flowing wells of high pressure and big volume, all of which are fitted with these well-head valves and flowheads, all that has to be done now to secure the production of crude which we require for our refinery at Abadan, or for export, is to open the necessary number of valves by means of which the production of crude can from day to day or from hour to hour be regulated to our requirements to a nicety, just as readily, and as accurately, as when one turns on the water for one's bath. A highly capable British and Persian drilling staff has been trained on our fields, and our field conditions are now so satisfactory that we can afford to detach drilling crews from our main fields to new test areas without any detriment whatever to the production side of our operations. Testing operations are well advanced in the six new areas referred to at the last general meeting, but no wells have yet reached the presumed oil rock, though gas has been met with in two of them. On the other hand, nothing has come to light to discredit the assumption which led to the selection of the areas for test drilling.

Six wells are now drilling in the Naft Khana area, to which I referred by name for the first time at our last meeting. I had previously recorded the fact that one well—with an initial daily capacity of 1,000 barrels—had been drilled. During the year now under review another well—situated nearly one mile from its predecessor—also came in at an estimated daily rate well in excess of 5,000 barrels. Drilling in this area is particularly difficult, and the greatest care has to be taken owing to the very high gas pressures encountered; hence progress is slow. The wells now drilling in this field extend over a length of 5½ miles, the object being to determine whether the oil deposits in this region are so

extensive as to justify the large expenditure that would be involved in the provision of a pipe-line to the seaboard. In the meantime, however, since a considerable degree of production is already assured, a small refinery is being erected in the transferred territories—near Khaniqin—with the object of supplying the markets of Iraq and Northern Persia with oil won in those territories. This refinery should be ready to operate early in 1927.

With the approval of the Turkish Petroleum Company, in which we have, as you know, a very substantial interest, a geological examination has been concluded by them over 24,000 square miles in Iraq, and an active testing programme by the drill in approved areas will shortly commence.

TEST OPERATIONS IN ALBANIA.

In Albania test operations are now proceeding in three separate zones of our concessions. One particular well recently struck a good show of very heavy asphaltic oil at a relatively shallow depth; but as oil of the quality found could not, unfortunately, be regarded as a commercial proposition, the well is now being deepened in the hope of striking a higher grade oil at a lower level. The geological conditions of the country, so far as they relate to the possible discovery of oil, are by no means easy of interpretation, and success in one zone by no means postulates the existence of favourable and attainable structure in any other—even though it may be adjacent. I mention this since a certain syndicate openly tells its shareholders that the future value of its shares is dependent upon our drilling operations, and many of these shareholders have taken the unusual course of writing to us for confirmation.

In the Argentine the production from our modest concession area has considerably increased, partly as a result of our being forced to embark on an abnormal drilling programme in order to maintain our position against a very determined offsetting policy on the part of our neighbours. The total production from the beginning of 1922 up to the end of 1924-25 was approximately 48,000 tons. In 1925-26 it was 106,600 tons. It will probably amount to 120,000 tons during the current year, and, as this figure could be increased had we a sufficiently remunerative outlet for a larger production, we have recently concluded arrangements for extending the refining and marketing side of our local organisation, in order that we may be able to deal satisfactorily with a larger output.

REFINERIES.

The general refining situation throughout the year has been quite satisfactory, and the programme laid down has been carried out in every respect. Everything necessary has been, or is being, done to ensure that our refineries keep abreast of the most modern practice, and large economies have been, and will continue to be, realised by the strict attention which is being given to this side of our operations.

The throughput at Abadan, our refinery in Persia, was approximately 2,950,000 tons. Working costs continue to show improvement, and we have various schemes in hand and in view, particularly with respect to the elimination of certain of the older benches, which should tend to yet further working economies. Continuing my remarks of last year on the subject of health conditions at this centre, I am pleased to report that the measures taken by the company, costly though they were, have been amply justified. The health of the general community of Europeans, Persians, &c., has never been better.

The aggregate throughput at our principal home refineries was practically the same as last year; they continue to operate in a highly successful manner, and costs show substantial decreases. Progress continues to be recorded by our associated company in Australia—the Commonwealth Oil Refineries, Limited—and the year's throughput showed a gratifying increase over previous years.

No special comment is called for respecting the refineries of our other associated companies, other than that they have operated satisfactorily and generally in accordance with programme. I might, however, mention that our French company has acquired a refinery at Douai, which has been treating Persian crude for several years past, and that the products therefrom now form an important part of our French requirements.

TANKER FLEET.

The vessels of the British Tanker Company were fully employed during the period under review, and they were again immune from any serious accidents. This company, at the end of last year, issued a further £1,000,000 of ordinary shares, bringing the total capital up to £4,000,000, and at the same time issued £4,000,000 of 5½ per cent. debentures at 97 per cent., all of which were readily subscribed. The company made satisfactory profits for the year under review, and after writing off £200,000 for extra depreciation, and the whole of the discount on the debentures and the expenses of the issue—a total of a further £259,535—declared a dividend of 10 per cent. per annum on its ordinary shares, the whole of which are held by the Anglo-Persian Com-

pany. Unfortunately, our fleet of tankers was very short of our requirements, and we had to supplement it by a number of outside charters. To bring it more into line with our needs we have placed orders for a further seven vessels—five of which will be Diesel-engined—which will bring our tanker fleet up to a total of 76 vessels of an aggregate deadweight tonnage of 650,000 tons, all of them built in this country by British labour. We also control through our subsidiary companies, or manage, a number of other tankers, thus considerably adding to our available tonnage. In addition, we own, as you know, a large number of other vessels of various descriptions.

THE SHALE INDUSTRY.

While the business carried on by Scottish Oils, Limited, in the refining of Persian oils is highly satisfactory, I am sorry that I cannot say the same of the portion dealing with shale, the working of which on the basis of the present values of products still continues unremunerative. To make matters worse, a dispute concerning wages necessitated a stoppage of the shale operations in November of last year. After that stoppage it was not found possible to restart the whole of the industry, and since then certain places have had unfortunately to be permanently closed down. The works and mines left idle are being maintained in the hope of an early improvement in conditions, but this is expensive, and cannot be continued indefinitely. The position, which was very unsatisfactory before the coal strike, has since been further aggravated by the high price of fuel. Every effort has been made to carry on this old-established industry, and the unemployment which has resulted from its partial closing down is greatly to be regretted.

DISTRIBUTION.

As regards the distributing side of our business, I am again pleased to be able to report satisfactory progress. Sales of our various products have shown a satisfactory increase during the year under review, and our success in finding further outlets for our production encourages us to continue our policy of expansion.

In certain countries where we are established business has been somewhat impeded by high duties and exchange fluctuations, but with a gradual return to normal conditions we look forward to steady progress in these as in other areas.

In the extension of our markets our most important move since I last addressed you has been in Germany, where we have associated ourselves with two leading German petroleum companies, and we have now begun to make large deliveries of our oils to that country.

Our Empire markets have been extended by the introduction of B.P. spirit and kerosene into East Africa.

The unfortunate dispute in the coalmining industry in Great Britain has led to largely increased demands on us for fuel oil, and by making special efforts we have so far been able materially to increase our deliveries of this product.

We have now commenced to market lubricating oils, and though our operations in this product are still on a small scale, we are confident that before long it will constitute an important section of our business.

I would again remind our many share and debenture holders of the valuable help which they can give the company in both its home and foreign markets by asking for B.P. products and by insisting on being supplied with them. Our B.P. motor spirit still maintains its high reputation as being one of the best qualities, if not the best, on the market—a convincing proof of this being the wonderful headway that it continues to make in the public esteem.

DEPUTY-CHAIRMAN'S VISIT TO PERSIA.

As many of you are aware, Sir John Cadman paid one of his customary inspection visits to Persia this year, and on this occasion he not only, as usual, dealt with a large number of important questions connected with the development of our fields and the working of our refinery at Abadan, but also took the opportunity of paying a visit to Teheran in order to discuss various outstanding matters with the Persian Government, and at the same time of representing the company at the coronation ceremonies of that most remarkable and eminent personage who now controls the destinies of Persia—His Majesty Riza Shah Pahlevi.

He was honoured by a personal interview with His Majesty, at which the latter expressed the utmost friendliness towards the company and great appreciation of the services which had been rendered by it to Persia in the direction of the wealth that it had brought to the country, the large amount of employment it had provided for its people, and in the extensive medical and educational services it is providing, to non-employees as well as to employees, in Khuzistan and elsewhere in Persia. Sir John also had the opportunity during his visit of clearing up several misunderstandings with the Persian Government.

You will be interested to learn that the estimated amount of royalty payable by our companies to the Persian Government in

respect of the last year's profits amounts to £974,823, and that in addition to this large revenue Persia benefited in that year to the extent of about £3,000,000 by the moneys we expended in the country for labour and other services.

EDUCATION.

We have for some years past founded and maintained technical training schools for Persians at our principal centres of operations, and the results have been very gratifying. Several hundred youths have already passed through our training shops to date and have been absorbed in our various technical departments.

With the expansion of our work in Persia we have decided on an extended programme of educational facilities for Persians, in accordance with the curriculum laid down by the Persian Ministry of Education. This will include both primary and secondary education. We have also instituted a scheme by which all our British employees will be compelled to learn Persian during the period of their first agreement.

By providing these educational facilities, both for Persian and British employees, we hope to stimulate the spirit of mutual understanding which is so essential both for Persia and for the company.

I am glad to be able to inform you that Sir John Cargill, our esteemed Burmah Oil colleague, has decided to visit the seat of our principal operations in Persia shortly. I am sure you will join with me in expressing our appreciation of the sacrifice he is making in undertaking this journey in the interests of the company, notwithstanding his many other important engagements.

THE CHAIRMANSHIP.

I will now, with your indulgence, finish on a more personal note. I told you last year that I did not contemplate immediate retirement, but I feel that the moment has now arrived when I can, without prejudice to the interests of the company, withdraw from my more active duties, and I therefore propose to take this step on my return from a visit which I hope to pay to our Persian fields early next year. It is naturally most gratifying to me that I can make this change at a time when the company, to the development of which I have unremittently devoted myself for many years, is in so sound and healthy a condition, and I am confident that under the care of my colleagues, to whose high ability and loyalty I should like to pay a warm tribute, it will continue to expand and flourish.

My successor, Sir John Cadman, happily needs no introduction to you, and I will only ask you to extend to him the unfailing consideration and support which you have been good enough to accord to me, and for which I thank you most sincerely. I need only add that while I shall be laying down the reins as chairman, I shall still take a keen interest in the company's welfare, and that my assistance and advice will always be at my colleagues and the company's disposal.

The report and accounts were unanimously adopted.

Sir John T. Cargill, Bt., said that on the retirement of Sir Charles Greenway from the chair, his colleagues proposed to ask him to accept the title of president of the company, thereby enabling him to enjoy the leisure which he desired, and at the same time keeping him in touch with the affairs of the company.

The Rt. Hon. the Lord Bradbury of Winsford, G.C.B. Mr Chairman, ladies and gentlemen,—As the representative on the board of the Anglo-Persian Oil Company of His Majesty's Government, I think it is not inappropriate, perhaps, that I should add just two words to the tribute which Sir John Cargill has paid to our retiring chairman. I think it must be of the greatest satisfaction, not only to the Government, but also to the taxpayers of this country, that the affairs of this company in which the Government is so largely interested have, from its very inception, been in such able hands.

At the time when the Government originally took an interest in this company I was serving the State in another capacity. I was then Secretary to the Treasury, and it fell to my lot to conduct on behalf of the Government some of the preliminary negotiations with those members of the company who were anxious that the Government should take an interest in its concerns. I very well remember the pleasant associations which I then had with Sir Charles Greenway, and the impression which I formed of his ability in the business world; that impression has ever since been confirmed. After all, the opinions of individuals on these matters are fallible and unimportant. We have the standing success of this great company as the real tribute to the genius of Sir Charles Greenway.

Sir Hugh S. Barnes, K.C.S.I., K.C.V.O., also paid a warm tribute to Sir Charles Greenway for his past services, and the chairman expressed his willingness to accept the presidency of the company.

Resolutions were passed authorising an increase of the capital to £24,000,000, capitalising £4,475,000 of the general reserve, to be distributed as ordinary shares among the holders of the issued ordinary shares, and authorising that issue.

STATE OF BAHIA SOUTH WESTERN RAILWAY COMPANY, LIMITED.

REVENUE EXPANSION—INCREASED TONNAGE.

The seventeenth annual general meeting of the State of Bahia South-Western Railway Company, Limited, was held, on the 2nd instant, at the offices of the company, 8 Arthur street, London, Sir Frank M. Crisp (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The year ended April 30, 1926, proved a good one, gross receipts at £73,302 11s 3d showing an increase of £16,429 0s 6d, whilst net receipts, at £34,651 6s 1d, were £11,235 7s 4d above those for the previous year. The total working expenses amounted to £38,651 5s 2d, or an increase of £5,193 13s 2d over those for 1924-25. This increase was due to the heavier traffic, the ratio of expenses to receipts showing a reduction of 6.1 per cent., the rate last year being 52.73 per cent. of receipts.

Notwithstanding the rise in the value of the milreis, which, under our sliding scale of tariffs, reduced the percentage increase, the currency earnings for the year showed an increase of about 10 per cent. over those for the previous year.

There was an expansion in all sources of revenue, due principally to the large cocoa crop and the general improvement in business conditions in the district consequent thereon. If you will turn to page 4 of the directors' report, where the figures for the cocoa crop for the last nine seasons are given, you will see that the crop for 1925-26 totalled 690,005 bags, of which the company carried 88 per cent., or 611,083 bags. These figures show an increase in the crop of 24,000 bags, and in the number of bags carried by the company of 45,000 bags over the previous best year.

The tonnage of cocoa carried over the railway was 36,686 tons, and of general merchandise 16,638 tons, making a total of 53,324 tons, an increase of about 7,500 tons over last year.

The harbour works at the port of Ilheus were completed early in 1926, and the bulk of the present season's crop is being shipped direct to New York and other overseas ports, thus saving the expense of handling and transhipment at Bahia, to which port the cocoa has hitherto been sent by coasting steamers. Plans are in course of preparation for the construction of a projected extension in a northerly direction to connect the railway to the fertile valley of the Rio de Contas, for which a concession has been obtained.

The cocoa crop for the current year is not expected to be so large as the last one, and weather conditions have been unfavourable

for the collection and drying of cocoa. The upkeep of the company's properties has been fully maintained during the past year. The report and accounts were unanimously adopted.

MONERAKELLE RUBBER ESTATES, LIMITED.

RECORD PROFIT AND DIVIDENDS.

The 21st annual general meeting of the Monerakelle Rubber Estates, Limited, was held, on the 3rd instant, at the company's offices, 12 Fenchurch street, London.

Mr Charles Gordon Bois (chairman of the company) presided, and in moving the adoption of the report and accounts said he was pleased to be able to say that these showed a record profit for the company, in addition to which the board recommended a record dividend of 30 per cent. It was perhaps a source of satisfaction that the all-in cost of production was 9.84d per lb, as compared with 10.35d in the previous year, in spite of the fact that the average rate of exchange for the rupee was appreciably higher than last season. During his (the chairman's) visit to the East last January he took the opportunity of having several interviews with their visiting agent, Mr Scott, and discussing various estate matters with him, with satisfactory results. One remarkable feature was that they were obtaining their maximum standard of production of 100 per cent., although only one-third of their trees were being tapped every third day. Mr Scott expressed a very high opinion of the work being done by their superintendent, Mr H. J. D. Stokes, and the board proposed to recognise this in a practical manner by voting him a bonus of £150. They had opened up a new clearing of 21 acres, and it was proposed to open up a further 30 to 40 acres at a suitable opportunity. Those two clearings would be situated at the bottom of the estate near the factory, but when they had been completed he did not think there would be much land left suitable for opening up, as their remaining areas were very high up on the estate, and he did not think that it would be a practical proposition to open them up. During the season they invited Mr A. C. Matthew, their late visiting agent, to join the board of the company, and he was very pleased to say that the offer had been accepted. Mr Matthew doubtless knew the estates better than any other member of the board, and his advice and experience would be of the greatest value to them.

Sir Stanley Bois seconded the motion, which was unanimously agreed to.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1918.	Mar. 31, 1922.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Dec. 31, 1926.	Mar. 31, 1927.	Oct. 30, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13
3% Conversion Loan ..	..	..	..	684	666	709	764	760	760
4% Conversion Loan ..	..	..	..	..	..	210	210	211	211
3% War Stock	..	63	63	63	63	63	63	63	63
4% War Stock	..	13	13	13	13	13	13	13	13
4% and 5% War Stock ..	2,047	1,953	2,095	2,166	2,052	2,052	2,102	2,102	2,102
National War Bonds ..	..	1,509	1,201	953	820	778	771	706	706
4% Funding Loan	..	409	401	399	396	394	394	390	390
4% Victory Bonds	..	360	335	335	314	303	303	292	292
Treasury Bonds	..	323	185	150	150	15	15	15	15
Exchequer Bonds	..	267	342	354	366	369	372	375	373
National Savings Certs.	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111
Other Debt*	..	..	..	..	..	..	..	..	..
French	..	51	..	..	..	..	..	..	..
Treasury Bills	15	1,107	878	616	588	576	635	565	663
Temporary Advances ..	1	243	147	194	186	167	181	139	118
Other Capital Liabilities	654	8,033	7,655	7,742	7,641	7,598	7,705	7,558	7,637
Total Liabilities	57	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Oct. 31, '25.	Mar. 31, '26.	Oct. 30, '26.	Oct. 30, '26.
Outstanding—				
Advances by Bank of England	134,390,000	139,441,000	118,051,000	—
Advances by Public Deposits	637,430,000	564,855,000	663,190,000	400,000
Treasury Bills Outstanding	..	..	..	1,715,000
Total Floating Debt	771,820,000	704,296,000	781,241,000	1,315,000

* Includes £16,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Nov. 5, 1926, and the total amount applied for was £49,490,000. For bills at 3 months, dated Monday to Friday, £98 15s 3d, about 65 per cent, and above in full; Saturday, £98 15s 7d, and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

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Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.	4% Treasury Bonds Average Price.
1926.				
Sept. 3.....	40,000,000	52,135,000	4 13 0-4	nil
Sept. 10.....	40,000,000	54,025,000	4 13 3-25	nil
Sept. 17.....	40,000,000	53,065,000	4 12 11	nil
Sept. 24.....	45,000,000	68,270,000	4 12 9-75	nil
Oct. 1.....	45,000,000	55,050,000	4 14 2-63	nil
Oct. 8.....	45,000,000	50,150,000	4 15 11-13	nil
Oct. 15.....	40,000,000	49,945,000	4 16 3-46	nil
Oct. 22.....	40,000,000	45,805,000	4 16 11-12	nil
Oct. 29.....	45,000,000	49,635,000	4 17 1-06	nil
Nov. 7.....	45,000,000	49,490,000	4 17 7-69	nil

Tenders will be received on Nov. 12, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments in Foreign Currency.	Redemption Accounts.	Ratio to Notes.	Government Securities.	Balance at Bank of England.
1923.						
Mar. 31.....	285,516	12,318	7,000	27,000	22,450	190
June 30.....	285,503	12,516	7,000	27,000	22,450	123
Sept. 30.....	282,784	12,401	7,000	27,000	22,450	140
Dec. 31.....	289,070	12,571	7,000	27,000	22,450	159
1924.						
Mar. 31.....	281,538	11,908	7,000	27,000	22,450	130
June 30.....	290,316	12,472	7,000	27,000	22,450	140
Sept. 30.....	285,592	12,227	7,000	27,000	22,450	184
Dec. 31.....	296,261	12,812	7,000	27,000	22,450	133
1925.						
Mar. 31.....	284,256	11,882	7,000	27,000	22,450	119
June 30.....	292,278	12,265	7,000	27,000	22,450	119
Sept. 30.....	293,004	12,556	7,000	27,000	22,450	121
Dec. 31.....	296,777	12,561	7,000	27,000	22,450	192
1926.						
Mar. 31.....	295,337	12,226	6,550	27,000	22,450	178
June 30.....	294,036	12,567	6,550	27,000	22,450	136
Sept. 29.....	287,858	12,295	6,300	27,000	22,450	136
Oct. 27.....	287,515	11,944	6,300	27,000	22,450	189
Nov. 3.....	289,437	11,769	6,300	27,000	22,450	151

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1926 was fixed at £320,500,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Apr. 1, 1926, to Oct. 31, 1926.	Total Receipts into the Exchequer from Apr. 1, 1926, to Oct. 31, 1925.	RECEIPTS. Week Ended Oct. 30, 1926.	Week Ended Oct. 31, 1925.
Balances in Exchequer on 1st April—					
Bank of England.....	5,880,449	5,341,778	5,341,778	..	..
Bank of Ireland.....	676,684	1,215,322	1,215,322	..	..
REVENUE.					
Customs.....	108,450,000	61,168,000	59,926,000	2,117,000	2,036,000
Excise.....	141,300,000	76,292,000	76,213,000	1,432,000	1,422,000
Motor Vehicle Duties ..	21,600,000	6,227,000	5,424,000	255,000	132,000
Stamp Duties.....	66,000,000	35,460,000	34,460,000	680,000	800,000
Stamps.....	25,000,000	11,060,000	12,520,000	750,000	790,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	140,000	180,000	..	..
Property & Income Tax	254,800,000	88,958,000	107,372,000	1,307,000	1,682,000
Super-Tax.....	64,500,000	21,750,000	28,830,000	280,000	400,000
Excess Profits Duties, &c.	6,000,000	2,530,000	6,880,000	20,000	140,000
Corporation Profits Tax	59,400,000	32,400,000	32,000,000	1,750,000	1,600,000
Post Office.....	950,000	600,000	600,000	..	..
Crown Lands.....	21,650,000	13,073,847	8,679,220	..	..
Receipts from Sundry Loans.....	25,600,000	17,759,444	6,765,664	2,202,342	..
Miscellaneous—	26,000,000	11,382,947	22,408,710	1,250,000	..
Ordinary Receipts.....	824,750,000	378,861,238	402,258,594	12,043,342	9,006,036
Special Receipts.....	..	385,418,171	408,815,694	..	..
Revenue.....	..	..	..	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Under the Unemployment Insurance Acts, 1921.....	388,000	1,270,000	..	..	30,000
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues—					
Under the Telegraph (Money) Act, 1924 and 1925.....	5,450,000	5,950,000	..	..	..
Under the Housing Act, 1914 ..	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1924.....	777,200	..	..	..	..
(b) Under the Unemployment Insurance Act, 1921.....	9,912,431	1,715,000	..	..	40,000
(c) For other issues—					
By Treasury Bills.....	1,491,423,000	1,458,337,000	46,531,000	47,005,000	..
By 5% Conversion Loan ..	34,900,000	20,500,000	650,000	1,580,000	..
By National Savings Certificates	17,050,000	20	..	..	..
By National War Bonds.....	20	15	..	..	..
By Treasury Bonds, 1925 ..	..	10	..	..	..
By 4% Treasury Bonds, 1931-33	3,512,150	4,649,787	..	802,399	..
(d) Ways and Means Advances ..	394,252,000	408,181,000	300,000	3,600,000	..
Repayments—					
In respect of issues under Land Settlement (Facilities) Act, 1919	137,566	116,243	..	..	..
In respect of issues under Section 59 (4) of the Finance Act, 1920 ..	..	9,901,981	..	..	..
Interest received under Section 59 (5) of the Finance Act, 1920 ..	..	256,778	..	..	..
Total.....	2,308,324,317	2,364,689,139	59,524,342	62,663,435	..

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1926, to Oct. 31, 1926.	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1925, to Oct. 31, 1925.	Week Ended Oct. 30, 1926.	Week Ended Oct. 31, 1925.
EXPENDITURE.					
National Debt Services—					
Interest, &c.....	304,000,000	190,091,882	187,202,320	1,624,518	1,111,781
Sinking Fund.....	60,000,000	18,047,732	23,692,192	1,256,168	1,768,812
Road Fund.....	17,500,000	4,376,044	4,691,044	..	..
Payments to Local Taxation Accounts, &c.....	14,100,000	5,905,627	5,933,474	700,000	770,000
Payments to Northern Ireland Exchequer ..	5,200,000	2,932,685	2,612,465	..	12,000
Land Settlement ..	..	..	281,088	..	18,710
Other Consolidated Fund Services.....	2,600,000	1,504,693	1,552,546	30,044	9,235
Supply Services.....	422,327,000	235,331,557	228,866,555	8,629,720	7,736,000
Expenditure.....	825,727,000	458,189,920	454,831,684	12,240,480	11,426,538
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1924.....	..	73,782	73,782	..	..
Under the Unemployment Insurance Acts, 1921.....	11,932,431	1,715,000	490,000	..	..
Issues to meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1924 and 1925.....	6,250,000	6,900,000	400,000	550,000	..
Under the Housing Act, 1914 ..	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	3,779	20,071	..	..	..
Under the Capital Expenditure (Money) Act, 1924—					
Exchequer Bonds paid off, £1,553,300; less paid off by the National Debt Commissioners, £770,100 ..	777,200	..	..	..	..
Unemployment Insurance Acts, 1921—					
Repayment of amounts borrowed ..	344,000	1,270,000	..	100,000	..
Redemption of Debt—					
Treasury Bills.....	1,393,095,000	1,396,515,000	44,815,000	46,260,000	..
Principal of National Savings Certificates.....	19,200,000	17,650,000	750,000	600,000	..
Principal of Exchequer Bonds paid off ..	..	306,667	..	..	..
Principal of National War Bonds paid off.....	..	8,344,789	..	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..	..
Ways and Means Advances Repaid	415,642,000	440,376,000	700,000	3,600,000	..
Balances in Exchequer—					
Bank of England.....	2,305,508,112	2,351,654,858	59,395,480	62,536,538	..
Bank of Ireland.....	2,101,687	2,082,214	38,862	58,897	..
Bank of Scotland.....	714,518	932,671	90,000	68,000	..
Total.....	2,816,205	3,534,281	128,862	126,897	..

NOTE.—Budget Estimate as in H.C. 69 of 1926.

Treasury, November 1, 1926.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS £28,501,591
CLAIMS PAID £27,361,771

Accidents and illness.
Employers' Liability. Fidelity Guarantees.
Burglary. Fire. Motor Cars. Public Liability.
Inspection and Insurance of Boilers, Engines,
Electrical Plant and Lifts.
Executors and Trusteeships.

Head Office: 38-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, November 3, 1926.

ISSUE DEPARTMENT.

Notes issued	170,969,930	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion	151,219,930
	170,969,930		170,969,930

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	35,435,435
Reserve	3,138,020	Other securities	71,466,127
Public deposits	19,158,212	Notes	31,432,565
Other deposits	103,068,630	Gold and silver coin ..	1,587,152
Seven-day & other bills ..	5,417		
	139,921,279		139,921,279

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

	Amount, Nov. 3, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,138,020	—	£ 4,412
Public deposits	19,158,212	—	4,945,373
Other deposits	103,068,630	—	2,732,196
Government securities ..	35,435,435	—	225,494
Other securities	71,466,127	—	3,681,987
Reserve	3,019,717	—	5,665,691
Note circulation	139,537,365	—	1,905,465
Coin and bullion	152,807,082	—	3,760,226
of reserve to liabilities ..	27%	—	41%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bids).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Sept. 15.....	155,850,207	139,454,765	119,660,961	101,795,942	370,000 in	36,145,442	30 1/2
22.....	155,930,451	138,974,855	121,235,858	102,818,496	59,000 in	36,705,596	30 1/2
29.....	155,833,112	140,516,935	122,359,194	105,626,673	102,000 out	35,066,177	28 1/2
Oct. 6.....	154,865,287	140,232,845	122,558,384	105,943,693	1,026,000 out	34,382,442	28 1/2
13.....	154,173,906	139,344,180	123,510,365	106,669,245	745,000 out	34,519,746	28 1/2
20.....	154,095,823	138,712,305	125,546,053	108,097,376	138,000 out	35,133,518	28 1/2
27.....	152,814,910	139,069,400	122,506,011	108,809,136	1,266,000 out	33,435,570	27 1/2
Nov. 3.....	152,807,082	139,537,365	122,226,842	106,901,562	28,000 out	33,019,717	27 1/2

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.	£	£	£	£
January 1 to Oct. 20	28,153,391	1,327,969	2,263,069	31,744,429
Oct. 27.....	662,780	31,054	50,554	744,388
Nov. 3.....	788,187	34,709	54,145	877,041
Total to date 1926.....	29,504,358	1,393,742	2,367,768	33,265,868
Do 1925.....	30,123,435	1,416,322	2,499,491	34,039,248
Increase or decrease in 1926 {	— 519,077	— 22,580	— 131,723	— 673,380
	= 1 7/8 %	= 1 5/8 %	= 5 1/2 %	= 1 9/10 %
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 {	+ 762,659	+ 84,233	+ 57,363	+ 904,255
	= 2 1/8 %	+ 5 1/2 %	+ 1 9/10 %	= 2 2 %

SWISS NATIONAL BANK.—In francs (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Oct. 31, 1925.	Position May 31, 1914.
Gold.....	442,478	437,277	437,145	437,250	465,465	171,175
Silver.....	72,182	72,808	77,150	76,821	88,499	18,850
Assets & advances.....	327,377	314,369	311,811	328,649	232,738	103,000
LIABILITIES.						
Notes in circulation.....	824,314	767,446	777,778	797,944	841,491	275,925
Deposits.....	73,815	108,513	105,649	98,559	77,253	33,750

THE REICHSBANK.—In Reichsmarks* (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Oct. 31, 1925.	Position May 31, 1914.
Reichsbank shares not yet issued.....	177,212	177,212	177,212	177,212	177,212	177,212
Gold and bullion.....	1,716,055	1,679,241	1,652,617	1,626,866	1,626,866	1,206,866
Of which deposited abroad.....	179,993	179,293	185,557	126,484	126,484	126,484
Reserve in foreign currencies.....	412,593	411,284	446,133	344,321	344,321	344,321
Bills of exchange and cheques.....	1,415,016	1,373,104	1,293,306	1,630,076	1,630,076	1,630,076
Silver and other coin.....	114,724	121,356	114,037	64,579	64,579	64,579
Notes of other German banks.....	6,148	19,997	16,370	8,356	8,356	8,356
Advances.....	42,806	11,239	34,954	22,196	22,196	22,196
Investments.....	91,326	91,350	91,350	219,508	219,508	219,508
Other assets.....	631,339	712,738	655,838	682,074	682,074	682,074
LIABILITIES.						
Reduced capital.....	122,788	122,788	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued).....	177,212	177,212	177,212	177,212	177,212	177,212
Reserve.....	237,085	237,085	237,085	185,807	185,807	185,807
Notes in circulation.....	3,355,834	2,834,529	2,971,733	2,802,884	2,802,884	2,802,884
Other daily maturing obligations.....	532,606	872,099	737,765	617,792	617,792	617,792
Other liabilities.....	211,694	263,806	235,188	452,793	452,793	452,793

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Oct. 31, 1925.	Position May 31, 1914.
Coin and bullion—Gold.....	147,226	147,226	147,226	147,226	147,226	44,224
Balance abroad and foreign bills.....	66,203	66,722	66,719	65,955	28,533	28,533
Norwegian and Foreign Government securities.....	28,137	27,577	27,584	12,596	8,816	8,816
Discounts and loans.....	429,956	428,558	422,378	310,485	76,911	76,911
LIABILITIES.						
Notes in circulation.....	327,513	322,358	323,091	365,525	113,484	113,484
Deposits at notice.....	277,953	281,851	275,277	99,183	7,138	7,138

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 31, 1925.	May 31, 1914.
Gold.....	226,059	226,116	226,176	226,306	230,858	104,918
Balance abroad and foreign bills.....	125,328	129,961	129,689	129,974	166,147	112,172
Swedish and Foreign Government securities.....	45,649	45,649	45,665	45,813	47,265	32,465
Discounts & loans.....	239,317	227,879	243,602	253,587	245,738	112,668
LIABILITIES.						
Notes in circulation.....	516,021	466,139	485,234	499,148	523,479	226,555
Deposits at notice.....	64,307	87,902	81,803	79,642	102,409	369,660

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 23, 1925.	Position, May 31, 1914.
Gold.....	328,507	328,616	328,696	43,286	35,091
Balance abroad and foreign bills.....	1,015,125	1,097,708	1,156,272	1,307,084	90,379
Finland and Foreign Government securities.....	428,490	364,333	368,632	405,107	21,826
Discounts and loans.....	634,456	610,207	622,804	398,177	105,151
LIABILITIES.					
Notes in circulation.....	1,296,028	1,324,998	1,346,143	1,338,964	123,941
Deposits at notice.....	474,539	448,293	432,355	654,407	21,225

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	Oct. 27, 1926.	Oct. 20, 1926.	Oct. 13, 1926.	Oct. 6, 1926.	Oct. 28, 1925.	Nov. 22, 1925.
Gold bullion and coins.....	23,621	23,622	23,619	23,618	23,550	12,993
Silver coin.....	1,984	1,982	1,964	2,002	2,358	2,466
Balance abroad.....	33,190	32,621	33,539	34,715	33,535	22,466
Treas. notes & sm. change.....	9,513	10,281	9,890	9,890	7,444	3,085
Short term bills.....	70,454	69,786	69,569	69,000	63,130	6,639
Loans against securities.....	51,410	51,443	50,348	49,827	49,749	2,912
Other assets.....	10,529	10,281	10,730	10,939	9,890	1,359
LIABILITIES.						
Notes in circulation.....	30,799	30,799	30,974	31,571	29,539	4,085
Capital paid up.....	13,447	13,447	13,447	13,447	11,659	8,000
Reserve.....	2,237	2,237	2,237	2,237	1,522	...
Special reserve.....	2,500	2,500	2,500	2,500	1,000	...
Deposits.....	9,100	9,054	9,043	9,040	6,706	61
Current accounts.....	46,413	46,879	47,858	46,335	48,112	16,933
Government accounts.....	75,815	76,118	75,857	76,533	70,701	16,697
Other liabilities.....	20,391	18,964	18,133	17,414	20,617	3,757

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Oct. 31, 1925.	Oct. 31, 1924.
Coin and bullion.....	2,745	2,979	2,787	2,936	2,675	2,652
Of which gold coin.....	5	5	5	5	5	5
Danzig subsidiary coin.....	2,740	2,974	2,782	2,931	2,670	2,647
Balances, Bk. of Eng., Inc. notes.....	19,082	19,564	21,013	21,194	23,372	16,346
Bills of exchange.....	16,489	15,272	16,175	14,432	14,582	16,952
Loans.....	430	325	462	361	341	1,161
Foreign exchange.....	16,992	15,555	14,195	16,803	14,333	16,698
Other balances on demand.....	63	149	906	591	153	1,790
LIABILITIES.						
Capital paid up.....	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation.....	36,424	33,738	36,040	34,170	35,913	34,043
Deposits on demand.....	4,160	5,332	3,994	5,232	4,560	5,664

BANK OF POLAND.—In zloty (000's omitted).

Assets.	Oct. 20, 1926.	Oct. 10, 1926.	Sept. 30, 1926.	Sept. 30, 1925.	Sept. 30, 1924.
Gold.....	135,750	135,689	135,627	135,818	135,885
Foreign currencies.....	103,357	104,085	109,096	115,242	113,919
Silver and bullion.....	27,469	28,582	28,758	27,146	4,986
Bills discounted.....	317,796	320,051	315,730	306,939	311,460
Loans against securities.....	43,496	43,411	41,999	40,116	40,119
Short-term discounts.....	25,160	24,907	24,495	24,679	24,650
Liability of the Treasury.....	50,000	50,000	50,000	50,000	50,000
LIABILITIES.					
Share capital.....	100,000	100,000	100,000	100,000	100,000
Reserve funds.....	2,908	2,908	2,908	2,908	2,908
Notes in circulation.....	352,849	352,810	351,447	344,693	342,985
Current accounts.....	141,869	123,840	117,500	151,694	137,013
Liability in for. exchge.....	22,142	21,744	21,303	23,724	21,419

CZECHOSLOVAK NATIONAL BANK.—In Cz. K. (000's omitted).

Assets.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Sept. 30, 1926.	Sept. 30, 1925.
Gold and silver holdings.....	1,026,746	1,026,750	1,029,288	1,029,169	1,033,919
Balance abroad and foreign currency.....	1,570,683	1,550,572	1,522,219	1,491,235	1,443,713
Discounts and advances.....	193,800	193,416	205,574	199,815	180,856
State notes debt balance.....	4,860,342	4,865,394	4,868,755	4,876,029	4,876,631
Other assets.....	1,437,940	1,420,352	1,443,652	1,527,586	1,329,400
LIABILITIES.					
Bank notes in circulation.....	6,866,153	7,003,480	7,255,975	7,510,291	6,826,172
Check account balances.....	1,497,286	1,329,359	1,092,760	901,680	1,317,708
Other liabilities.....	319,332	318,464	313,953	305,063	313,938

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 7, 1926.	Sept. 30, 1926.	Oct. 23, 1925.
Metal reserve.....	1926.	1926.	1926.	1926.	1925.
Gold in coin, etc.	46,942	46,932	46,920	46,830	14,830
Foreign bills.....	477,424	477,384	477,010	480,759	492,890
Other foreign bills.....	134,951	134,057	134,260	137,781	62,555
Bills discounted.....	74,515	85,286	93,950	87,173	79,654
Advances to Treasury.....	178,346	178,346	178,346	178,421	195,358
LIABILITIES.					
Share capital.....	43,200	43,200	43,200	43,200	43,200
Reserve fund.....	4,552	4,552	4,552	4,552	2,673
Notes in circulation.....	792,985	817,985	840,745	864,551	762,290
Deposits.....	93,181	82,241	59,541	69,826	83,091

† In dollar and sterling only.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Sept. 30, 1926.	Oct. 22, 1925.
Gold.....	83,203	83,062	82,874	82,594	74,180
Other coin and notes.....	18,210	17,781	17,970	18,241	20,825
Foreign credits.....	347,725	335,212	335,310	319,245	417,111
Bills.....	1,261,422	1,283,471	1,294,136	1,285,250	1,043,736
Govt. advances.....	4,470,601	4,470,336	4,470,146	4,469,830	4,520,504
LIABILITIES.					
Notes in circulation.....	5,769,959	5,801,504	5,897,524	5,718,670	6,088,588
State credits.....	352,322	352,057	351,867	351,552	367,782
Deposits.....	835,645	735,476	668,262	646,502	776,383

RUSSIAN STATE BANK.—Note-issuing Department.

(In Tchervonets—000's omitted.) (Note: 1 Tchervonets = 10 gold roubles.)

Assets.	Nov. 1, 1926.	Oct. 15, 1926.	Oct. 1, 1926.	Sept. 16, 1926.	Nov. 1, 1925.
Gold in coin and bullion.....	16,162	16,161	15,334	14,837	18,484
Platinum.....	3,056	3,056	3,056	3,056	3,183
Foreign bank notes.....	5,446	5,155	5,155	5,118	4,675
Drafts in sterling (less 10%).....	192	192	193	193	171
Bills (less 10% discount).....	66,056	66,357	64,211	60,710	52,400
Securities covering advances on goods (less 10%).....	85	85	86	86	86
LIABILITIES.					
Bank notes.....	89,305	89,052	85,677	82,183	76,569
Balance to which notes may still be issued.....	1,694	1,947	2,323	1,817	2,431

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 31, 1925.	Position May 30, 1919.
Gold.....	2,556,567	2,556,542	2,556,542	2,556,545	2,536,669	521,775
Silver.....	667,392	694,721	661,329	66,154	650,133	728,600
Loans & discounts.....	2,389,481	2,355,122	2,409,640	2,456,727	2,496,784	800,776
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,392,816	4,401,399	4,440,180	4,442,791	4,458,597	801,550
Deposits.....	1,026,378	1,040,370	1,043,280	1,039,986	969,169	477,500

CURRENCY.

According to the Baghdad correspondent of the *Times* the Government of Iraq intends to submit proposals to the Chamber of Deputies for the establishment of a national Iraqi currency and note issue to take the place of the rupee currency now in use. The standard unit of the new currency will be the gold dinar, equivalent in value to half of the pound sterling, and the issue will be made by a Currency Board established by Act of the Iraqi Parliament. It is further stated that in order to prevent any depreciation of the new notes by their over-issue, they will be issued only in exchange for rupees withdrawn from circulation, and the necessary purchases of sterling will be made with the money thus withdrawn.

SILVER.

The market has been sustained by the demand for shipment by this week's steamer for the Bombay November settlement. The stringency was reflected by the discount of 3d for forward delivery, which is larger than has obtained for some time. Indian bazaar orders were mostly not to buy outright, but to sell two months' silver against spot purchases. The slenderness of the support was revealed to-day by a sharp setback caused by China selling for forward delivery, and the impracticability of shipping more prompt silver by this week's steamer, owing to insufficiency of supplies. America has been dealing again both ways—rather more as a buyer than a seller. The tone is still uneasy, but a certain amount of bear covering is likely to arise at falling rates. United Kingdom imports and exports of silver during the week ending the 27th ultimo were:—

	Imports.	Exports.
France	58,590	109,370
U.S.A.	72,596	7,261
Other countries	53,780	
	184,966	116,631

No fresh Indian currency returns have come to hand since our last issue. The stock in Shanghai on the 30th ultimo consisted of about 71,300,000 ounces in sycee, 73,300,000 dollars, and 5,800 silver bars, as compared with about 70,800,000 ounces in sycee, 73,900,000 dollars, and 5,340 silver bars on the 23rd idem. On October 31, 1925, the stock was returned as about 56,600,000 ounces in sycee, 67,500,000 dollars, and 5,560 silver bars; it will be seen, therefore, that the present stock is about 16 per cent. more than that held a year ago, but, as the price of silver has fallen, the sterling value of the stock is about 10 per cent. less than that at the date mentioned. Statistics for the month of October, 1926, are appended:—

	—Bar Silver, per Oz. Std.—	Bar Gold.
	Cash Two Months' Delivery.	per Ounce, Fine.
Highest price	26½	84 11½
Lowest "	24½	84 9½
Average "	25.290	84 11.4

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce. Cash. Forward.	Date.	Silver. Cash.
1926.	s d	d		d
Oct. 30....	84 11½	24½	Nov. 12, 1920	53½
Nov. 1....	84 11½	24½	11, 1921..	38½
2....	84 11½	24½	10, 1922..	33
3....	84 11½	24½	9, 1923..	32½
4....	84 11½	24½	7, 1924..	32½
5....	84 11½	24½	6, 1925..	32½

NOTICES.

Arrangements have been made for the transfer to the National Bank of Egypt (as from December 1, 1926) of the banking business in Egypt carried on by Lloyds Bank, Limited, since 1923, and previously by Messrs Cox and Co., at Alexandria and Cairo, with agencies at Benha, Beni Suef, Fayoum, Mansourah, Mehalla, Kebir, Minieh, Tanta, Zagazig.

Barclays Bank, Limited, announce the opening of a new branch at 17 Church street, Flint, under the management of Mr David Williams, who is also manager of Holywell branch.

A branch of the Bank of Adelaide was opened at Gouger street, Adelaide, on September 28, 1926.

A branch of the National Bank of India, Limited, has been opened at Eldoret, Kenya Colony, East Africa.

The Commercial Bank of Australia, Limited, announce that branches of their bank have been opened at Nullawill (Victoria) and Griffith (N.S.W.).

Mr T. J. Finnie, one of the London managers of the Bank of London and South America, Limited, after completing 38 years' service, will be retiring on December 31st.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim div. * or Final div.	Method of Payment.	Dividend for Whole Years.	Lat'st Year.	Pre-vious.
Railways.						
Pennsylvania	1½%	Nov. 30	Quarterly	%	%	
Banks.						
Royal of Scotland	16½	Dec.	Less tax	16	15½	
Mining.						
Jantar Nigeria	2½ p.s.	(& bonus of 2½ p.s.)	Less tax	15	15	
North Broken Hill	3½ p.s.	Jan. 3	Less tax			
Tea and Rubber.						
Amalgamated Rubber	6½%	Nov. 16	Less tax			
Asahan Rubber	15½%			22½	20	
Baracora (Sylhet) Tea	5½%	Nov. 29	Less tax			
Blantyre and East Africa	5½%	Nov. 11	Less tax			
Bukit Tambun Estates	5½%		Tax free	4	3	
Ceylon (Para) Rubber	30½%	Nov. 12	Less tax			
Chubwa Tea	2½ p.s.	Nov. 30	Less tax			
Dekhari Tea	10½%	Nov. 17	Less tax			
Djember Rubber	10½%	Nov. 25	Less tax			
Glenshiel Rubber	7½%	Nov. 18	Less tax			
Gordon (Malaya) Rubber	5½%	Nov. 23	Less tax			
Hewagum Rubber	7½%	Nov. 24	Less tax			
Java Para Rubber	2½%	Dec. 7	Less tax	30	12½	
Kelantan Rubber	10½%	Nov. 8	Less tax at 4½			
Malacca Rubber	10½%		Less tax			
Nuwara Eliya Tea	10½%		Less tax			
Peacock and Nilambe (Ceylon) Tea and Rubber	5½%	(second interim)	Less tax	12½	12½	
Rubber Estates of Johore	5½%	Nov. 24	Less tax			
Sungei Matang	10½%	Nov. 17	Less tax			
Sunnyside Company	25½%	Nov. 10	Less tax			
Teking Rubber	6½%	Nov. 8	Less tax			
Other Companies.						
A. J. Stevens	5½%	Dec. 1	Less tax			
Albert Baker	5½%	Nov. 29	Less tax			
Allied Newspapers	3½%	Nov. 15	Less tax			
Anglo-Portuguese Telephone	6½%	Nov. 1	Less tax			
Barlows	5½%	(also bonus of 5 p.s.)	Tax free			
Birmingham Rowton Houses	7½%	Nov. 25	Less tax	10	10	
Coventry Chain, "Old" Ord.	5½%	Nov. 25	Less tax	6½	6½	
Do "New" Ord.	5½%	(& bonus of 7 p.s.)	Tax free	17	17	
Dalgety and Co.	10½%	Nov. 30	Less tax	7	6	
East of Scotland Trust	7½%					
Ever Ready	5½%	Dec. 17	Tax free			
Gartside (Brookside Brewery)	5½%			4½	6	
Guest, Keen, and Nettlefolds	1 p.s.	Nov. 22	Less tax	25	25	
Hotel Cecil	6½%		Tax free	10	8	
Hovis	12½%			15	15	
Hyderabad (Deccan)	1 p.s.	Nov. 10	Less tax	8	8	
Jennings Bros.	1 p.s.		Tax free	20	20	
Kenward and Court	10½%			5	5	
Lancashire Wagon	1 p.s.		Tax free	5	5	
London Maritime Investment	4½%			9	9	
Malmesbury Dairies	10½%			9	9	
Meters, Limited	4½%			15	15	
Metropolitan Fare Register	7½%			15	11	
Nautilus Steam Shipping	7½%			15	11	
Pan de Azucar Nitrate	10½%			15	11	
Price Line	10½%			15	11	
Rubber & Industrial Trust, Def. S. and W. Beristford	7½%			15	11	
Savoy Hydro (Blackpool)	12½%			15	11	
Second Scottish Investment	12½%			15	11	
Securities Trust of Scotland	12½%			15	11	
South American Stores, Ord.	12½%			15	11	
Do Def.	12½%			15	11	
South Blackpool Jetty	7½%			15	11	
Stuttford	7½%			15	11	
Thompson Steamshipping	7½%			15	11	
United African Explorations	7½%			15	11	
Weavers and Co.	5½%	Nov. 13	Less tax	10		
Wm. Cory	5½%	Dec. 1	Less tax			

ANALYSIS OF BALANCE-SHEETS.

DALGETY AND CO.			
June 30, 1926.			
LIABILITIES.	Amount.	ASSETS.	Amount.
Ord. shares	1,000,000	Cash	471,982
Prof. shares	500,000	Bills receivable	445,830
Reserve fund	1,000,000	Advances on land	4,883,404
Staff fund	2,600	Merchandise	504,779
Irrad. deb. stock	2,475,454	Stock in trade	1,221,607
Debentures	503,992	Balances in transit	153,086
Int. accrued	34,868	Premises, plant, &c.	392,082
Prof. dividend	12,500	Reserve invest-ments	1,000,000
Bills payable	51,270	Gov. stock, &c.	23,893
Sundry creditors	2,857,381		
Produce realised	8,785		
Bal'nce in transit	130,471		
Profit and loss	436,413		
Total	9,096,663	Total	9,096,663

JOSHUA HOYLE AND SONS.			
September 30, 1926.			
LIABILITIES.	Amount.	ASSETS.	Amount.
7½% pref. shares	1,000,000	Land, buildings, &c.	2,248,693
Ordinary shares	8,000	Stock-in-trade & sundry stores	895,429
7½% deb. stock	1,423,753	Accounts owing by company	698,482
Interest accrued	19,932	Investments	25,293
Reserve fund	310,000		
Ordinary loans	139,456		
Accounts owing by company	111,722		
Profit and loss	63,034		
Total	3,867,897	Total	3,867,897

MINING OUTPUT STATISTICS FOR OCTOBER, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Oz.	Mill.	Oz.		
Gold.						
Balaghat	3,550	2,533	103	2,636	48,526	22,638
Cam and Motor	21,000	7,515	25,165	3,937	4,771	
Champion	6,500				yen 92,400	*\$4,693
Chosen Syndicate	1,800				1,261	1,720
Gem (Rhodesia)					22,622	95,012
Mysore	19,852	32,674	9,683	1,068	10,751	
Nandydroog	10,500	21,605	4,721	1,045	5,769	
Ooregum	12,000	14,000	7,311	746	8,057	
Oroville Dredging (20 days to Nov. 2nd)					\$15,904	
Rezeende	6,300	4,170			3,265	14,086
Sherwood Star	2,400				5,107	1,576
Waihi	17,167				5,768 gold & 32,595 ozs silver	

* Loss.

	Output.	Other Notes in Return.	
		Tons.	Value.
Tin.			
Bisichi	45		
Chenderiang	30	Est. value, £5,308.	
Deebok	134		
Flani	2	Concentrates.	
Geor	50	Black tin; amount realised, £8,804.	
Idrie Hydraulic	413	Est. value, £7,000; est. costs, £2,160.	
Kamunting	119	Est. value, £21,280.	
Keffi	135	Shipped, 100 tons.	
Kinta	30	Value, £5,308; costs, £1,575.	
Kramat Pulai	334	Est. value, £5,553; est. costs, £1,563.	
Lahat	194	Est. value, £5,568; cost, £2,986.	
Malayan	149	Value, £28,028; cost, £10,102.	
North Ropp	20	Black tin; alluvial, 8 tons.	
Pahang Consolidated	203	Est. value, £472; cost, £245.	
Pari	324		
Rahman Hydraulic	107		
Ropp	294	Est. value, £5,280; cost, £1,971.	
Southern Perak	42	Est. value, £7,484; est. costs, £4,255.	
Sungei Besi	30	Est. value, £5,075; est. costs, £1,810.	
Tekka	284	Est. value, £5,208; cost, £3,781.	
Tronoh	12		
Yarde Kerri	28		
Coal.			
Chinese Engineering	75,000	Sold during the week ended Oct. 30th.	
Dundee	51,903		
Natal Navigation	134,971		
South African	75,459		
Wankie	56,836	Coal sales, 10,330 tons coke sales.	
Miscellaneous.			
Crown Diamond	1,961	Carats.	
New Vaal River Diamond	659	Carats, realising £6,118.	

BROKEN HILL PROPRIETARY BLOCK 14 COMPANY, LIMITED.—During the six weeks ended September 11th 5,708 tons of this company's ore were treated at the mill of the Broken Hill Proprietary Company, and produced 1,195 tons of lead concentrates and 765 tons of zinc concentrates.

BROKEN HILL SOUTH, LIMITED.—For the four weeks ended October 30, 1926, 25,330 tons of crude ore and 13,320 tons of de-leaded siliceous residues were treated, and produced 4,417 tons of lead concentrates, assaying 66 per cent. lead and 25 ounces silver per ton; also 7,523 tons of zinc concentrates, assaying 47 per cent. zinc.

ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA, LIMITED.—Production during four-weekly period ended October 20th, 3,663 tons zinc; silver lead product for shipment to Port Pirie for realisation containing 620 tons lead, 90,000 ounces silver. The above production includes 100 tons zinc used at company's works at Risdon. Rhodesia Broken Hill Development Company, LIMITED.—September output, 649 tons of 2,240 lbs. lead; October output, 566 tons of 2,240 lbs. lead. 33 tons of lead sold and delivered during October at the average price of £32 10s 10d.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	September, 1926.			October, 1926.		
	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Aurora W. United (10s shares) ..	13,000	12,379	803	12,550	12,618	£ 1,006
Brakpan	84,500	130,998	50,164	85,000	133,885	53,008
City Deep	96,500	142,360	30,537	96,500	143,563	29,096
Consolidated Main Reef	60,100	76,464	10,001	55,000	77,933	8,001
Crown Mines (10s shares)	215,000	302,028	91,227	222,000	314,442	99,582
Durban Roodepoort Deep	38,200	52,848	2,176	39,300	54,797	2,163
East Rand Proprietary	130,500	139,832	3,050	130,500	139,832	3,050
Ferreira Deep	34,300	49,899	4,611	33,900	48,527	4,257
Geduld Proprietary	80,500	115,768	47,119	83,000	119,709	49,140
Geldenhuis Deep	66,500	62,792	4,908	68,700	64,527	5,207
Glyn's Lydenburg	5,200	7,373	9.4	5,400	8,212	208
Government Areas	200,000	385,057	225,250	200,000	386,150	226,194
Kleinfontein, New	53,000	48,869	262	53,600	50,125	183
Langlaagte Estate	80,000	100,014	20,096	79,000	101,459	20,096
Meyer and Charlton	22,721	22,721	5,027	16,100	24,399	6,139
Modderfontein B.	68,000	108,533	45,513	68,500	111,015	50,195
Modderfontein Deep Levels	44,200	59,882	65,335	44,300	99,788	65,782
Modderfontein East	53,000	69,583	9,546	52,500	69,070	12,000
Modderfontein, New (24 shs.) ..	129,300	287,218	170,157	131,000	297,222	175,574
New State Areas	76,000	131,124	54,132	73,000	130,597	54,167
Nourse Mines	59,800	64,182	265	61,400	61,550	1,20

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount	Amount.					Rate
		£	£	£	£	£	%	£	£	£	%
Breweries.											
Ansells Brewery.....	Sept. 30	114,519	187,247	301,766	17,500	90,000	15½	50,000	144,266	181,434	15½
Backus and Johnston's	June 30	5,033	15,942	20,975	..	6,160	7	9,500	5,315	16,422	..
Joseph Stocks and Co.....	Sept. 30	8,362	13,769	22,131	4,000	8,000	10	..	10,131	9,012	10
Kenward and Court	Sept. 30	2,854	14,252	17,106	..	15,000	15	..	2,106	14,544	15
Rochdale and Manor	Sept. 30	40,864	12,249	53,113	2,688	8,400	10	..	42,025	11,845	10
Electric Lighting and Power.											
Electric Supply Co. of Victoria ..	Mar. 31	44,613	43,996	88,609	10,500	12,500	10	18,757	46,852	37,507	10
Financial, Land, &c.											
Australian Mercantile Land and Finance	June 30	47,142	298,167	345,309	..	180,000	15½	50,000	115,309	328,766	15½
Dalgety and Co.	June 30	236,365	245,048	481,413	25,000	170,000	17½	75,000	211,413	361,313	17½
Realisation and Debenture Cor- poration of Scotland.....	Aug. 31	5,389	68,269	73,658	13,594	44,800	28	..	15,264	62,007	28
Hotels, Restaurants, &c.											
Hotel Cecil	Aug. 31	27,910	45,694	73,604	25,000	18,000	4½	..	30,604	51,493	6
Motor and Cycle.											
A. J. Stevens and Co. (1914).....	Aug. 31	26,523	44,891	71,414	7,515	25,763	12½	10,000	28,136	42,117	12½
Rubber, &c.											
Brooklands Selangor	June 30	12,618	73,606	86,224	..	50,000	40	9,000	17,224	46,437	20
Buntar	June 30	..	7,609	7,609	..	6,840	6	..	769	..	..
Eastern Sumatra	June 30	2,161	38,545	40,706	..	22,780	17½	12,000	5,926	25,760	15
Hevea (Johore)	June 30	Dr 5,508	16,262	10,754	2,007	..	..	8,000	747	3,681	..
Shipping.											
Liverpool & N. Wales Steamship	Oct. 2	7,565	9,786	17,351	..	6,370	10	5,000	5,981	..	..
Prince Line	June 30	109,739	115,769	225,508	..	60,150	5½	100,000	65,358	98,815	5½
Textiles.											
Joshua Hoyle and Sons.....	Sept. 30	23,710	93,323	117,033	54,750	33,250	5	10,000	19,033	194,730	10
Trusts.											
London Maritime Investment....	Sept. 30	5,359	61,415	66,774	20,000	32,000	8	9,192	5,582	59,206	8
Scottish National	Sept. 30	351	28,553	28,904	12,000	9,600	6	5,000	2,304	19,996	5
Second Scottish Investment	Oct. 1	19,354	72,771	92,125	25,800	32,000	20	20,000	14,325	63,808	30
Second Scottish National Trust..	Sept. 30	..	20,830	20,830	11,000	7,333	5	..	2,497	..	..
Other Companies.											
Blackpool Pier	Oct. 31	9,993	10,353	20,346	700	6,500	13½	3,000	10,146	9,396	13½
Burberrys.....	Mar. 31	115,735	138,644	254,379	225,000	..	..	20,000	9,379	171,689	..
Eastern Chemical	Mar. 31	Dr 13,127	Dr 3,587	Dr 16,714	..	..	..	..	Dr 16,714	Dr 5,304	..
Stoll Picture Productions	Dec. 31	Dr 53,715	Dr 45,745	Dr 99,460	..	..	..	4,825	Dr 101,285	Dr 54,592	..

† Free of tax.

a Including arrears.

buildings, &c. The carry-forward is increased from £12,618 to £17,225. Cash stands at £40,816, out of total assets £278,844.

BUNTAR RUBBER ESTATES.—The company was formed in March, 1925, with an authorised capital of £60,000, and 57,000 shares were issued for the purpose of acquiring a group of estates, now known as the Buntar Estate. On May 25, 1925, the authorised capital was increased to £120,000, and a further 57,000 shares were issued for the purpose of acquiring the property now known as the Nagalelai Estate. Report for year ended June 30, 1926, reveals a trading profit of £9,014. A dividend of 6 per cent. is paid. The carry-forward is £760. The crop harvested from the two estates was 259,453 lbs. Cash is at £7,245. Treasury bills at cost stand at £4,947.

TANDJONG RUBBER.—The net profit for year ended June 30, 1926, amounted to £138,183, against £69,459 in preceding year. The ordinary dividend is 40 per cent., less tax at 4s in the £. This compares with a dividend of 22½ per cent., less tax at 4s 4d in the £ for preceding year. The sum of £20,000 is put to reserve, and £5,000 to taxation reserve. The carry forward is £39,538. Cash stands at £17,129, against £14,644. Investments total £119,414, against £53,074. The investments are shown separately.

MISCELLANEOUS.

A. J. STEVENS AND CO.—The profit for the year ended August 31, 1926, shows a profit of £44,891, against £42,117 in preceding year. The ordinary dividend is unchanged at 12½ per cent. The sum of £10,000 is put to general reserve fund against £15,000 in previous year. The carry-forward is £28,136, against £26,523 brought in. Cash and bills stand at £101,514, against £38,401. Debtors are at £92,033, against £84,298. Stocks are at £245,327, against £211,439. Total reserves amount to £90,005, against £69,449. Creditors are at £74,868, against £130,473.

ANSSELLS BREWERY, LIMITED.—The net profit for year ended September 30, 1926, after making full provision for depreciation and bad and doubtful debts, is £207,496, against £204,684. The ordinary dividend is again 15 per cent., free of income-tax. The sum of £50,000 is put to reserve, making total reserve £330,000. The carry-forward is £144,266. Cash is at £260,837, against £335,578. Investments are at £9,089, against £52,689. Stocks are at £289,708, against £296,152. Debtors amount to £119,374, against £124,516. Creditors are at £694,261, against £737,858.

AUSTRALIAN MERCANTILE LAND AND FINANCE.—The net profit for the year ended June 30, 1926, was £298,168, less transferred to reserve fund, £50,000—£248,168. Out of this sum an interim dividend of 5 per cent., together with a bonus of 2½ per cent., was paid on May 4th last, £90,000, leaving £158,168; and the directors now recommend a final dividend of 5 per cent., together with a bonus of 2½ per cent. (making 15 per cent. for the year,

free of income-tax), £90,000, leaving a balance of undivided profit of £68,168; to which must be added the balance from previous year, £47,141. Balance to be carried forward, subject to provision for income-tax (estimated to cost £68,000), £115,309. The report adds that drought conditions have prevailed for a large portion of the year ended June 30, 1926, over the Central West and Northern areas of Queensland. In September this year these areas were partially relieved by rain, but more is needed. In the remainder of Queensland and in New South Wales and Victoria, seasonal conditions have been, generally speaking, favourable. The wool market has ruled at a steady and satisfactory level, and excellent realisations have been effected.

BURBERRYS, LIMITED.—Profit for year ended March 31, 1926, amounted to £138,644, against £171,690 in preceding year. The sum of £115,735 was brought in from preceding year, which makes £254,379 available. Preference dividend, including all arrears, absorbed £225,000. The sum of £20,000 is transferred to contingencies and general reserve account. The carry-forward is £9,379. Assets total £2,565,366. Goodwill of Burberrys and S. and J. Prestwich stands at £465,533. Preliminary expenses stand at £69,642. Cash is at £28,299, against £30,276. Debtors are at £311,886, against £332,546. Stocks are at £636,651, against £730,569. Overdrafts from bankers are at £228,384, against £306,360. Creditors amount to £298,915, against £322,122. Contingencies and general reserve account stands at £120,000.

CARLTON HOTEL, LIMITED.—The net profit for year ended August 31, 1926, was £63,620, against £62,364. The ordinary dividend and bonus is maintained at 12 per cent. The carry forward is increased from £15,143 to £17,242. The sum of £20,000 has been put to reserve, and £6,521 has been transferred to reserve for amortisation of leases of Carlton Hotel. The company has £75,000 in 4 per cent. National War Bonds, 1927, and £56,726 in its own debentures and in associated and other companies. Cash is at £76,365, against £62,076. Stocks are £83,517, against £81,454.

ERINOID, LIMITED.—The report for year ended August 31, 1926, shows a net profit of £30,335, against £48,748 in preceding year. The ordinary dividend is 10 per cent. for the year, against 12½ per cent. for 1924-25. The sum of £5,000 is put to general reserve, while £5,000 is put to taxation reserve and £500 to staff fund. The carry forward is £6,042. Cash is at £25,116, against £30,804. Stocks are at £99,924, against £94,722. Debtors are at £44,874, against £51,194. Total reserves are £88,150, against £62,807.

HOTEL CECIL, LIMITED.—Profit from trading accounts for year ended August 31, 1926, amounted to £77,473, against £72,528 in preceding year. The ordinary dividend is 4½ per cent., against 6 per cent. The sum of £30,604 is carried forward, against £27,910 brought in. Cash is at £25,958, against £34,353. Stocks are at £39,628, against £42,717. Loan from bankers is at £8,000.

LISBON ELECTRIC TRAMWAYS.—The result of the company's operations for 1925, after deducting interest and amortisation due on the debentures of the "Companhia Carris de Ferro de Lisboa," and the payment of £24,615 interest on and redemption of the debentures of this company, shows a net profit of £166,624. To this sum is added the credit balance of £9,630 of profit and loss brought forward from last year, which gives a balance of £176,254. From this amount the sum of £50,000 has been transferred to the credit of general reserve, leaving an available balance of £126,254, out of which the preference dividend for the year to December 31, 1925, was set aside, together with the further sum of £76,599 on account of the preference dividend arrears, also £5,000 has been transferred to the staff benefit fund, and £10,000 to exchange reserve. This leaves a balance of £9,122 to be carried forward.

LONDON AND COLONIAL INVESTMENT CORPORATION.—The net revenue for year ended September 30, 1926, is £16,771, to which is added £1,775 brought in, making £18,546 available. The sum of £3,000 is put to reserve. The preferred stock dividend is 5 per cent., and the deferred stock dividend 7½ per cent. The carry forward is £2,162. The directors ask for authority to increase the issued capital. Upon the authority being granted the board propose to issue forthwith to existing stockholders (both preferred and deferred) 52,000 shares of £1 each at par, in the proportion of one new share for each complete £5 of stock now held. When fully paid, the new £1 shares will be sub-divided and converted into 10s pref. stock and 10s def stock, which will rank in all respects *pari passu* with the existing issued preferred and deferred stock.

LONDON MARITIME INVESTMENTS.—This company has an issued capital of £1,000,000, in ordinary stock £500,000 and 5 per cent. cumulative preference stock £500,000. It has a reserve fund of £220,000, which is all invested in British Government securities. This is shown fully on the assets side of the balance-sheet under the heading reserve fund investments. Total assets are £1,251,582. Cash is at £23,000. Investments at cost amount to £1,008,982. They are shown under eight headings. Shares in shipping companies amount to £466,895 of the total investments. The net profit for year ended September 30, 1926, is £61,415, against £59,206. The ordinary shareholders again receive a dividend of 8 per cent.

PROVINCE OF BUENOS AYRES WATERWORKS COMPANY, LIMITED.—The directors announce that the rate revisions, referred to by the chairman at the last annual general meeting, have now become effective in the company's most important districts, although the complete programme of revisions is not yet in force. The new rates will be greatly to the company's advantage, but at present it is impossible to estimate the actual result owing to pending appeals, &c. The directors have, therefore, decided to defer consideration of a dividend on the ordinary shares until the final accounts for 1926 are before them. The usual half-yearly preference dividend has been declared.

32s per 400 lbs. English malting 10s to 17s 6d, with choice up to 20s, feed 9s to 9s 6d per 112 lbs. Oats quiet, though reservedly offered. La Plata landed 28s, ditto ex-ship 25s 9d, Chilean Tawny landed 28s 6d to 30s per 320 lbs. English new 8s 4d to 9s 4d per 112 lbs. Millers' offals firm. Broad bran quoted 8s 9d, middlings 9s 3d, fine ditto 10s 9d, bags included ex-mill, feed oatmeal 9s 9d, light oats 8s 3d, ground oats 13s 3d per cwt free on rail. Oatmeal firm. London-made flaked 19s, rolled oats 18s, medium also fine cut 18s, coarse also medium pinhead and whole groats 17s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24 :—

	1926-1927.	1925-1926	1924-1925	1923-1924.
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to October 30	377,168	319,341	290,357	348,875
9 weeks to October 30	3,333,019	3,217,167	2,266,040	3,753,828
Average price of English wheat per cwt.....	s d 11 9	s d 10 7	s d 13 0	s d 9 1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925 :—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts.	Cwts.	Cwts.	s d	s d	s d
Oct. 25	319,114	606,816	95,522	11 5	11 9	8 0
Oct. 30	377,168	626,815	101,639	11 9	11 8	8 3
1922	571,689	578,057	95,965	9 9	11 10	9 6
1923	348,875	702,498	75,504	9 1	10 8	8 8
1924	290,357	590,543	126,823	13 0	17 0	10 6
1925	319,341	609,584	64,098	10 7	11 11	9 0

AMERICAN WHEAT MARKETS.

The early part of the week witnessed a steady decline in prices, general trading being quiet, and favourable crop news from Argentina exercising a bearish influence. Subsequently, however, a rally took place, owing to the delay in new crop seeding operations, occasioned by dryness in the Western winter wheat belt, and to improved export inquiry.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Seeding operations have been completed under favourable climatic conditions, and the young wheat plant now above ground presents a healthy appearance. Prices of native wheat remained firm with a hardening tendency, particularly for the commoner grades, offerings being well absorbed. Imported descriptions, however, were obtainable on easier terms, due to a reduction in forward values. In the floating and forward cargo market business continues restricted, and prices tended in a downward direction owing to the better outlook for an early settlement of the coal dispute and an easier freight position, while offers of new crop Plates were on a more liberal scale. World's shipments, though equal to present requirements, should be larger in order to provide some reserve for the near future, when supplies will be curtailed at the closing of navigation on the St Lawrence, in addition to which chartering of new crop wheat from the Southern Hemisphere has been retarded owing to the scarcity of tonnage offers and high rates ruling for freightage. Feeding stuffs are also weaker in sympathy, particularly distant positions. Wheat tends easier. No. 1 Northern Manitoba quoted 65s 6d, No. 2 ditto 63s 9d, No. 3 62s 9d, No. 2 mixed Durum 59s 9d, choice white Karachi 61s 6d ex-ship, all per 496 lbs. English 12s 4d to 12s 8d per 112 lbs. Flour quiet, but spot supplies of imported sparingly offered. London standard grade 52s, town whites 53s, patents 54s to 55s per sack delivered in the home counties, with 6d-1s per sack less for deliveries in the London districts. Of imported Manitoba patents range from 48s to 50s, Minneapolis 48s to 50s 6d, Australian 45s per 280 lbs ex-store. Maize easier. Plate landed 34s, ditto ex-ship 32s 3d, Bessarabian landed 37s 3d per 480 lbs. Barley steady. Californian 40s to 47s, ditto Chevalier 50s, Chilean Chevalier 52s to 62s, ditto brewing 40s to 48s, Australian Chevalier 48s to 50s, ex-store. Smyrna 39s to 55s ex-ship per 448 lbs. No. 3 Canadian Western December 35s ex-ship. Persian ex-ship 30s 6d, landed

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LONDON

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	Jan. 2, 1925.	Nov. 5, 1925.	Jan. 7, 1926.	Oct. 28, 1926.	Nov. 4, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(b) 135½	160	(a) 145½	(b) 143
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(c) 150½	176½	(c) 142½	(c) 140½

(a) October delivery. (b) November delivery. (c) December delivery.

Visible supplies of wheat in Canada, 39,028,000 bushels, show an increase of 6,360,000 bushels as compared with the previous figures. Supplies a year ago stood at 30,250,000 bushels.

COAL.

Our Cardiff correspondent writes:—The increased winter demand for coal has led to the introduction on more restrictive regulations in the South Wales coalfield. For the moment permits for the release of fresh wrought coal for industrial consumption are being withheld so far as may be necessary to secure the prior claims of essential services, and prices have been increased. An arrangement has been reached by which merchants are to receive fresh wrought coal at a pithead price of 55s per ton for large coal and 50s for through coal. This represents an advance of about 5s in the pithead price, and in the delivered price to the householder of about 3d per ton. The chartering of tonnage for the shipment of American coal has continued active, and for December deliveries quotations are ruling round 80s, c.i.f. The congestion of tonnage at Hampton Roads and Continental ports continues, and advises report that loading berths are not available within less than a fortnight of time of arrival. The price of pitch has advanced to £10 per ton for patent fuel manufacture, and partly owing to this increase and to the acute scarcity of small coals only a small minority of the works are now in operation. There is a probability of a sharp rise in patent fuel prices next week.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The rather confused conditions which ruled in the market last week still exist, and although there is a good deal of inquiry, the volume of actual business appears to decrease. With a few exceptions, British steelmakers have no material to sell except for delivery at some indefinite date after the strike, and owing to the recent active demand Continental makers of pig-iron and steel can now only offer for delivery towards the end of the year. There is still a great scarcity of pig-iron, British pig-iron being practically unobtainable, and supplies of Continental pig-iron insufficient to meet the demand. The buying of semi-finished materials is less active than it was, owing to the difficulty of obtaining delivery before December, and a similar situation obtains in the finished steel department. In the absence of buying Continental prices have shown a slight weakness.

Our Middlesbrough correspondent's report, dated November 4, 1926, is as follows:—Pig iron: A fair quantity of foreign pig-iron is being brought into this district, becoming more difficult to secure for early delivery. In the meantime, makers here have no difficulty in disposing of the very small production of Cleveland pig-iron. No. 3 G.M.B. is at 120s f.o.t., but it is difficult to secure early delivery. There is still no quotation for ordinary mixed numbers East Coast hematite iron, but small scales of off grades are reported at prices ranging from 87s 6d to 90s. Manufactured iron and steel: Supplies are difficult to secure, as there are only one or two works in a position to produce, and higher prices are having to be paid for moderately prompt delivery. Iron ore: No business is being done, and best rubio is nominal at 21s 6d per ton c.i.f. Tees.

Our Sheffield correspondent writes:—The main problem is still the shortage of material. There are no billets available such as are used for making files, and production in that trade has been severely curtailed. The motor trade is still able to obtain the steel it requires, and makers hope to continue supplies for several further weeks. The mills have raised their prices on hire work by from 25s to £3 per ton. In the majority of cases users are paying the additional charges. The position is serious for firms having an export connection. All export orders are being executed at a considerable loss. Several of the heavy firms are prepared to start an open-hearth furnace, but cannot obtain coal. Members of the crucible steel trade are being called upon to pay an advance of 10s. or more per ton for the Westphalian coke which has enabled them to continue melting in the past. There was a disposition to cease operations rather than accede to the demand, but eventually the makers decided to buy at the new quotation, and have concluded contracts for considerable quantities at the unprecedented figure of 79s 6d per ton. No hematite pig-iron used for making acid steel is now procurable. Continental iron and steel is dearer and deliveries in arrears. The hand-tool branches continue working regularly, and can get raw materials required for the majority of the products. Cutlery and plate makers are quiet for the time of year.

Our Glasgow correspondent writes as follows:—There is no new feature in the iron and steel trade this week. Although a large

number of miners have returned to work in this district, there is practically no coal available for industrial purposes, and what is offered is quoted at quite prohibitive prices so far as iron and steel-making are concerned. Pig-iron is being bought by consumers ex-stock only to cover urgent needs and in very small quantities, the prices realised being very high. Very slender hopes are entertained now of a general resumption at the steel works this side of the New Year, but some of the smaller ironworks and the sheet-makers are operating on a small scale, using mostly Continental "semi" steel. Prices have advanced both for bars and sheets, the latter being now £13 per ton at works for 24-gauge annealed. Galvanised corrugated sheets now command £17 5s. upwards f.o.b. Glasgow, and angles £9 5s per ton.

Our Cardiff correspondent writes:—In the tinplate industry it is feared that the restrictions on the supply of coal for industrial purposes will lead to the closing down of a number of mills and finishing departments. Inquiries are fairly active, but supplies are scarce, and for prompt delivery manufacturers have been able to realise 26s per basis box, and from 24s to 24s 6d for boxes of odd sizes. Stocks have been reduced since last week from 59,990 to 52,391 boxes. Galvanised sheets remain firm at £17 10s per ton, and bars at £6 15s, although imported bars are offering at lower prices.

OTHER METALS.

TIN.—The market commenced the week with a dull tone, and prices declined on heavy liquidations and lower Eastern advices. Later, however, values rapidly improved on buyers becoming more prominent, especially for near positions, while holders adopted reserved measures. The close, however, was weaker. Standard cash changed hands at £296 to £302 to £301 and £298 15s, and three months £294 10s-£295 10s-£291 and £293 15s, finally £291 10s. Sales in the East were reported at £301 7s 6d, £299 15s, £292 and £300.

COPPER displayed slight irregularity and weakness due to realisations, though offerings were fairly well absorbed. Standard cash sold £57 13s 9d to £57 17s 6d-£57 5s, three months £58 10s to £58 15s and £58 1s 3d.

LEAD in good support, and market, after being firmer, failed to maintain top points. Good soft foreign pig, November, sold £29 5s to £29 15s, and £29, December £29 6s 3d to £29 12s 6d to £29 1s 3d, January £29 6s 3d to £29 12s 6d to £29 2s 6d, February £29 5s to £29 10s 3d to £29 5s.

SPELTER irregular, while easier on balance due to realisations. November sold £33 15s-£32 17s 6d, December £33 13s 9d-£33 15s-£32 17s 6d, January £33 12s 6d to £33, February £33 15s to £33, March £33 10s ton.

ANTIMONY dull. English special brands quoted £74 10s to £75; China crude November-December sellers £32, regulus ditto £47 ton.

ALUMINIUM quiet. Home delivery £107, export £112 ton. WOLFRAM quiet, and November-December quoted 14s 3d, antimony ore ditto 5s 6d per unit c.i.f.

QUICKSILVER firm, and spot quoted £17 per bottle.

TIN PLATES firmly held. I.C. coke prompt 26s, and forward nominally 24s per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, November 4, 1926.

Spot sales have again been large, and prices show practically no change. Markets were generally quiet and steady until Wednesday, when a little more hedge-selling, accompanied by straddle reversing, caused a small setback of about 15 points. A great deal of the recent buying has come on the October position, much of it from spinners who think present prices low enough to warrant their securing their cotton requirements for the next year or two.

Spot sales for the week October 29th to November 4th were 43,000 bales. Of these 21,430 were American, 3,300 Brazil, 8,250 Peru, 4,150 Egyptian, 4,700 African, 760 East Indian, and 410 sundries. Imports for the same period were 125,418 bales, of which 111,094 were American, 3,576 Brazil, 8,983 Peru, 1,149 Egyptian, 357 African, 255 East Indian, and four sundries. Quotations to-day are: American middling, 6.88d; Egyptian sakel,

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55.30d; uppers, 10.65d; Brazil fair, 7.18d; Peruvian G.F. mod.-rough, 8.50d; smooth, 8.18d; Tinnivelly, 6.40d; East African G.F., 8.50d; and West African middling, 6.83d.

MANCHESTER, November 4, 1926.

Conditions have shown further improvement. Customers abroad are gradually regaining confidence in current prices, and during the past week an extensive inquiry in piece goods has been met with. There is rather less disposition to anticipate lower American cotton prices. There has been good inquiry in piece goods for India, and some fairly large buying has taken place in dhooties for Calcutta. There has also been an improvement in the turnover in jaconets and nainsooks. Most of the offers for grey shirtings have had to be turned down. More business has been mentioned in prints and fancies for Karachi and Madras. There has been rather more activity in staple cloths for Egypt, whilst buyers for South America have not been altogether idle. Only sorting up lines have changed hands for China, but advices from Shanghai have read rather more cheerfully. American spinners continue to maintain their improved position. The mills, of course, should only be working 50 per cent. of production, but it is known that the output is larger. Sales have again exceeded production, probably due to speculative buying. Business in Egyptian yarns is on the small side, buying being of a hand-to-mouth character. The outlook regarding future trade continues better. It would appear that India is leading the way to a larger business.

(I.) Comparative Statement of the Cotton Trade.

	Price, Nov. 4, 1926.	Previous weeks in 1926.				
		Price, Oct. 25.	Price, Oct. 21.	Price, Oct. 14.	Price, Oct. 7.	Price, Sept. 30.
Raw Cotton—Mid. American per lb	6.88	6.71	6.83	7.15	7.17	8.09
— Sakellaridis Fully Good Fair	15.00	14.40	14.80	15.50	15.70	17.00
— Egyptian per lb	13½	13½	13½	14	14½	14½
Yarns—32's twist per lb	14	14	14½	14½	14½	15½
— 40's twist per lb	25½	25½	25½	26	26½	27½
— 60's twist (Egyptian) per lb	25½	25½	25½	26	26½	27½
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23 9	23 9	24 0	24 0	24 0	24 6
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	27 9	27 9	28 0	28 3	28 3	28 9
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	13 3	13 3	13 6	13 9	13 9	14 0
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12 6	12 6	12 6	12 9	13 0	13 3

(II.) Compared with Previous Years.

	Price, Nov. 4, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	6.88	10.44	13.33	19.00	15.36	11.23
— Sakellaridis Fully Good Fair	15.00	21.90	25.50	21.10	18.65	21.00
— Egyptian per lb	13½	17½	24½	25½	21½	19½
Yarns—32's twist per lb	14	15½	24½	25½	21½	19½
— 40's twist per lb	25½	34	36½	33	29	35
— 60's twist (Egyptian) per lb	25½	34	36½	33	29	35
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23 9	29 3	36 9	36 0	32 0	32 6
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	27 9	35 9	41 6	39 6	33 0	32 6
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	13 3	16 6	19 3	21 0	18 9	19 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12 6	14 6	17 9	19 6	17 0	18 6

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—Raw wool continues to show an easing tendency in the primary markets, especially at the Cape, in which market super twelve months' wool has fallen from 49.50d, clean, delivered Bradford, at the beginning of October to 44d.45d to-day. This decline has been noted with satisfaction by the majority of users, who realise the folly of dear wool under existing economic conditions. For months the home trade has been paralysed by the mining dispute, and the only chance of bringing about a revival after the settlement of this dispute will rest on the possibility of getting reasonably cheap raw material. Moreover, it seems certain that wool must react to some extent to the cheapness of cotton, for the latter staple is always used to cheapen production when the price falls to a low level. With machinery requirements so much below normal, business in this market is being conducted on hand-to-mouth lines, and the general lack of activity naturally creates a favourable position for buyers. Tops are decidedly easier on the week, and warp 64's tops are now obtainable at about 3s 11d, compared with 4s 2d a month ago. Crossbreds are also weaker, but there are considerable differences in quotations due to the position of sellers in regard to commitments. There is no big stock of merino wool in this country, however, and any improvement in the demand for tops would soon bring about a firmer market. New business in yarns is very slow, and prices are being cut very fine; indeed, there can be no margin of profit on many of the prices quoted by spinners who are anxious to keep machinery employed. Demand for piece goods is also disappointing, and the immediate outlook does not encourage the hope of any early improvement.

COLONIAL WOOL.

FROM A CORRESPONDENT.

A three days' series of sales began last Tuesday at Brisbane, the quantity to be catalogued being 45,000 bales. Lower prices were inevitable, and Brisbane simply followed the pace set by Adelaide and Melbourne. Private cables received on Tuesday

stated that good 64-66's wool was selling on the basis of 3s 10d landed and combed Bradford in the top. This price seems to be reassuring, considering the quality of the article, for the bulk of the Queensland new clip this season is 70's, and it may be anticipated that when good 66's wool is selling on that basis most topmakers will call it 70's. Last Thursday week Adelaide provided some very reasonable and desirable topmaking wool, and taking an impartial view of the sales in Australia it would seem as if values, although lower, are quite good. There appears to be no reason whatever why Colonial sellers should not meet the market. Forecasts are being made that wool will be bought on a basis of 3s 6d for average 64's, but the truth is that the price is already not far from that level. Whether Colonial growers are satisfied with present values or not, it is only fair to say that the price named is high enough considering conditions in the textile trade at home.

It is still rather early to talk about the next series of London sales, but the trade is anxious to know what quantity is likely to be available, and still more what interest representatives of the various consuming centres are likely to be able to show. There are still some few thousand second-hand bales awaiting sale. Owners will either have to put this to one side or be prepared to accept a lower scale of values. The date of the opening is November 23, and by then two sales will have been held in New Zealand, whilst prices will have become more settled at Buenos Ayres and Monte Video, all of which should help users to shape a policy for the future. It would now seem as if owners of wool will have to face lower values for all descriptions than were current last season. The deflation of the franc may take the keen edge off French buying, but Germany appears to be in good buying form, and as mills generally in Germany, Czechoslovakia and Russia are busy, big quantities of raw material should be moved there.

HIDE, LEATHER, AND ALLIED TRADES.

With supplies moderate prices of domestic hides remain steady at last prices. At the auctions held in Bermondsey on Thursday last, best ox again sold from 6½d to 9d, and seconds 6d to 8½d. Best cows made 5½d and best calfskins 7d to 12½d, the latter showing fractional advances on last week's prices. Wools made from 6s 2d to 10s 6d, and hogs 2s 4d to 10s 9d each. Business is quiet in overseas hides, both here and on the Continent, and best Argentine fregorifics are now quoted at 8½d to 8¾d. Dry hides are also slightly easier, and dry B.A. Americans can now be bought at 11d c.i.f. Chicago prices are also slightly lower, and best heavy packers are now quoted at 15½ cents, as against 16 cents last week. The demand for sole leather remains good in spite of the difficulties incidental to production. Many tanners have advanced quotations by ½d to 1d per lb, as there is a shortage of light bends and certain other weights. Bends up to 8lbs are wanted by shoe manufacturers, whilst repairers are taking large quantities from 10 to 14 lbs average. The outlook is considered good, and once the coal trouble is settled brisk business is expected. The upper leather market is also very firm; fair-sized sales of willow calf, kip sides, coloured and black kid and patent have been made for the Russian boot, the demand being for the cheaper grades. Reports from the shoe trade centres show that trade is still slowing down owing to the coal strike. Multiple buyers refuse to order in large quantities, although during the past week inquiries have been frequent for Russian boots.

CHEMICALS AND FERTILISERS.

Though business in the chemical market continues to be limited to small orders for prompt delivery, the general undertone remains very steady. With one or two exceptions prices show little change over the month, the principal alterations taking place in the coal-tar products. Carbolic acid crystals are again dearer, with cresylic acid, creosote, benzole, and pitch also scarce and dear. Arsenic

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quotations were firmer during the early part of the month, but fell back a little at the close. Wood distillation products are generally steadier, with some price increases. The pharmaceutical and fine chemicals market is very unsettled, with keen competitive conditions. In the fertiliser section some difficulty is experienced for imported products on account of the rise in freight rates. Nitrate of soda is much dearer on this account, and raw phosphate also. Ammonium sulphate is higher according to schedule, but scarce. Potash products, basic slag, and cyanamide are in fair request for immediate delivery.

Comparative representative quotations are as follows:—

	1926.			
	Aug. 5.	Sept. 2.	Oct. 1.	Nov. 4.
Ammonium sulphate	£ 8 0	£ 8 0	£ 8 0	£ 8 0
Arsenic, white powdered	13 1 0	11 7 0	11 9 0	11 16 0
Barium chloride	13 0 0	13 5 0	13 15 0	16 0 0
Bleaching powder	9 15 0	9 12 6	9 10 0	9 10 0
Carbolic acid, cryst.	8 10 0	8 10 0	8 10 0	8 10 0
Caustic potash	27 15 0	27 10 0	27 10 0	27 10 0
Citric acid	0 1 3	0 1 3	0 1 3	0 1 3
Cream of tartar	3 17 0	3 15 6	3 12 0	3 13 6
Formaldehyde	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts	3 12 6	3 11 3	3 11 3	3 11 3
Lead acetate, white	43 10 0	43 0 0	43 5 0	43 0 0
Oxalic acid	0 0 3	0 0 3	0 0 3	0 0 3
Potassium permanganate	0 0 5	0 0 5	0 0 5	0 0 5
Potassium prussiate	0 0 7	0 0 6	0 0 6	0 0 6
Sodium nitrate	12 10 0	12 5 0	11 17 6	12 7 6
Sodium hyposulphite	9 2 6	9 0 0	9 0 0	9 0 0

VEGETABLE OILS AND OILSEEDS.

An easier tendency has been evident this week. Linseed oil is in poor demand from consumers and values have receded to about £30 10s per ton naked ex-Hull mill for spot and delivery to the end of the year, while business in London has been done under this figure. Cotton oils are not in such strong demand and prices are lower, crude Egyptian from the new seed offering at £34 and old at £33, while technical refined is lower at £37. Soya, palm kernel and other oils are in slow demand. Linseed is firm, and only sparingly offered in near positions, up to £16 5s being demanded for Plate on spot and October-November shipment, the high figures being largely influenced by the present level of freights. New Plate linseed has an easy tone, and is lower at £14 15s. for January-February shipment, but there is very little disposition to operate at present. Indian linseed is quiet, and Calcutta nominally £17 10s on spot and for early shipment. Cottonseed has been a steady trade, new Egyptian being held for £10 15s. on spot, while £9 17s 6d has been accepted for November loading. Trade in soya beans and ground nuts is principally to the Continent.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—There was an improved demand on actual trade account, and more liberal clearances resulted in all descriptions at full to dearer rates. Of British refined, Messrs and Tate and Lyle's granulated from Empire sugar, ex refinery, raised 3d cwt, at 30s 7d, other remaining at previous figures. English-grown firm to dearer. Cantley, Ely, and Ipswich, 29s 7d, ex factory; and Ely, also Ipswich, 29s 7d, ex store, London. Colwick, Poppleton, Spalding, November-December, 29s 9d to 30s; Felstead, 29s 6d; Kidderminster, 30s 3d; January-March, 3d more. Wisington, November-December, 29s 6d; Peterborough, 29s 9d, for November-December, all ex factory. Imported granulated firmer, with business in Czech and Dutch J 28s 9d to 28s 9d. Forward positions reservedly held and firmer. Czech granulated, ready, 16s 4d; November-December, 16s 1d to 16s 3d, f.o.b., Hamburg. Dutch J, ready, 16s 6d, f.o.b., Rotterdam. Belgian crystals, November-December, 15s 10d, f.o.b., Antwerp. White Java, November-December, to Calcutta, 17s 3d; January-March, 17s 6d; new crop, July-September, 16s 2d; October-December, 16s 4d, c. and f. terms. B.R.B. crystals, November-December, to Bombay-Karachi, sold, 16s 10d, now 17s required by sellers, and January-March, 17s 4d, c. and f. terms. Raw refining kinds steady, quiet. Quite an extensive turnover in white terminal, and market dearer. December, sold, 15s 6d to 15s 8d; March, 15s 11d to 16s 3d; May, 16s 3d to 16s 6d; August, 16s 7d to 16s 10d per cwt.

COFFEE.—The market remains firm for all the finer qualities, and which continue in small supply and wanted. Export varieties move off slowly. East African dearer on the week. Kenya sold, smalls, 122s 6d to 129s 6d; bold, 143s 6d to 153s 6d; peas, 137s to 153s. Arusha, bold, 139s; Kilimanjaro, bold, 144s 6d; Uganda, bold, 116s 6d to 133s; Colombian, good bold, 150s. Future delivery market slow.

COCOA.—Spot goods changed hands quietly at previous rates. Accra, F/F, November-January, sold, 44s 3d, f.o.b.

TEA.—Indian auctions during the week amounted to 59,000 packages. There was decidedly a better tone, competition being actively carried on, and prices in most instances ruled firmer. Pekoe, sold, 1s 0d to 1s 11d; orange, 1s 1d to 2s 8d; broken orange, 1s 2d to 2s 9d; finest to choice, 3s to 3s 8d. Ceylon sales of 17,300 packages also went off with a much better tone. Offerings were readily cleared at full to occasionally higher figures. Pekoe, sold, 1s 1d to 2s 2d; orange, 1s 4d to 2s 7d; broken orange, 1s 4d to 2s 7d. Only a small trade was effected in China descriptions, including Keemun, 1s 4d to 1s 6d; fine, 2s 3d. Ching-Wo, 1s 7d to 1s 8d. Souchongs, 2s 6d to 2s 9d lb. Java auctions of 4,400 packages met with good com-

petition, and best qualities fetched firm rates, but lower kinds marked a decline in most cases of 1d lb. Pekoe, sold, 1s 1d to 1s 4d; broken ditto, 8d to 1s 6d; orange, 1s 3d to 1s 6d; broken orange, 1s to 1s 8d; pekoe souchong, 1s 1d to 1s 2d per lb.

RICE.—Business still restricted, mainly owing to the freight situation. 500 tons Super Siam, January shipment, sold, 17s 6d, c.f. and i., Hamburg, with sellers now asking 17s 9d. Spanish oil, on spot, London, 21s; Two Stars, Rangoon, 16s 7d. Beans continue firm. Madagascar butters, spot, 29s 6d to 30s. Japanese peas, September-October, 29s 9d; October-November, 27s per cwt, c.f. and i., London. Rangoon Bran, old crop, £6; new, £6 2s 6d per ton, ex ship terms.

SPICE.—Pepper reservedly held, and market dearer. Lampong, August-October, sold, 11d; October-December, 10d to 11d; January-March, 10d to 1s. Muntok, August-October, 1s 6d; October-December, sold, 1s 6d. Pimento, spot, 7d per lb, and October-November, steamer, 6s per cwt, c.f. and i., London. Cloves quiet, unchanged. Sago flour, December-February, sellers, 16s 6d. Singapore flake tapioca, November-December, 17s 3d. Dried coconut, spot, halves, 41s 6d per cwt.

FRUIT (Dried).—Currants in fair demand at steady rates. Pyrgos quoted 32s 6d; Patras, 34s to 36s; Gulf, 36s to 40s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanas firm with improved inquiries. Smyrna, medium to good, 66s to 72s; fine Cretan, 78s to 85s; Australian, 60s to 78s. Raisins in fair demand at full prices. Valencia, quarter-boxes sold, 44s to 70s, as to quality. Dates steady, with a fair demand. Hallowee, first tide, 31s; Khadowie, 21s 6d; Mar, 19s; cartons, 34s to 40s. Figs steady. Lacouns, 90s to 130s; layers, 60s to 75s; genuine, 32s to 34s. Evaporated fruits in steady support. Apricots: Californian, extra choice, quoted 122s 6d; South African, first grade, 140s. Plums, Californian, 30/40's, 66s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s; for shipment, 47s 9d, c.f. per cwt. Almonds sell readily at firm rates.

CANNED GOODS.

CANNED FISH remained quiet, and the general position is unaltered. Portuguese clubs quoted 4s 6d per dozen tins. Salmon quietly steady. Red, tall, 1 lb, quoted 47s; tall pink, 26s to 27s. Lobsters steady, but stocks continue light. Best 1/2s, 160s to 162s 6d; and 1/2s, 90s to 95s. Crayfish, 1/2s, 76s to 77s; 1/2s, 49s to 50s per case. Japanese crab steady. Herrings, 7s per dozen tins.

CANNED FRUIT.—Market quiet, as supplies of new pack are arriving freely, and being distributed against former contracts. Bartlett pears, 24-25's, choice, quoted 12s to 12s 6d. Californian peaches, choice, 11s 6d to 12s 3d; seconds, 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s 3d per dozen tins. Singapore pines in moderate request on spot, but forward quotations are well maintained. Italian tomatoes firm, but slow of sale.

CANNED MEATS steady. Corned beef, 6's, quoted 38s to 44s, as to quality. Danish lunch tongues, 120s to 130s; American, 142s 6d, with best, 147s 6d.

CONDENSED MILK.—Machine-skimmed firm, but full-cream rather quiet, while a good inquiry continues for the best brands of evaporated milk.

HONEY.—Market generally quiet, while well supplied. New Zealand, however, sells steadily at 50s to 85s; Australian, quoted 40s to 50s; Jamaica, good set light ambers, 46s; and manufacturing kinds, 40s; San Domingo, 34s to 48s; Haiti, 34s to 48s per cwt.

RUBBER.

Market stronger, and business proceeded with fair freedom. Plantation standard sheet, spot, and November, sold, 1s 7d to 1s 8d; December, 1s 8d to 1s 8d; January-March, 1s 8d to 1s 9d; April-June, 1s 9d to 1s 9d lb.

JUTE.

The market opened the week with a quiet and easier tone, but improved later, though some irregularity ensued at times. Spinners absorbed moderate quantities for spot and near at hand parcels. Firsts, September-October, Continent, sold, £29 10s to £30 5s; October-November, £28 10s, £28 7s 6d, £28 15s, and £29 5s; November-December, £28, £27 15s, and £28 17s 6d. Lightnings, October-November, sold, £24 10s, £24 to £24 15s. Hessians and twills steady, but general trade moved quietly.

HEMP.—Manila somewhat irregular but tone firmer, due to spinners operating more freely. J, October-December, sold, £46 10s; K, £42 10s to £42 and £42 15s; L 1, £42 10s to £42 and £42 15s; L 2, £39 10s; M 1, £38 10s to £39; M 2, £34 10s to £35.

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : ¥45,000,000
Capital Paid Up : : : ¥38,375,000

Head Office - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:

Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government, issues its own notes in Formosa, conducts general banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

New Zealand H.P.F., October-December, quoted £38 10s; and fair, £35 15s. African sisal quiet, and No. 1, f.a.q., October-December, quoted £43.

SHELLAC.—Market firmer. T.N., spot, 190s to 195s; December, sold, 190s to 193s; March, 187s to 193s cwt.

COPRA.—In quiet request. Sirait, F.M.S., November-December, to Rotterdam, sold, £27 5s; December-January, £27 5s to £27 6s 3d. Dutch East Indies, November-December, quoted £27; Ceylon, ditto, £28 15s; South Sea F.M.S. £25 12s 6d. Palm kernels, November-January, quoted £20 1s 3d per ton.

MISCELLANEOUS.—Cocoanuts quoted 22s 6d per 100. Coir yarn, Ceylon, £22 to £39; Cochin, £24 to £47; Ceylon bristle £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 6d; Java, 2s 4d.

TALLOW.—Messrs Colchesters and Woolner write as follows on November 3rd:—The tallow market was quiet during the week, and prices were mostly 6d lower to-day. Buyers are showing little interest, and few transactions have been reported. The stock in London on October 30th, as returned by the wharves, amounted to 21,856 packages, showing an increase during the month of 620 packages. At auction to-day 1,426 casks tallow were offered, and 129 were sold. Quotations are:—Australian mutton: Fine, 43s 6d; good to fair, 42s 6d to 41s; dull to dark, 39s to 37s; hard, 43s. Australian beef: Fine, 42s 6d; good to fair, 42s to 40s; dull to dark,

37s 6d to 36s 6d; sweet, 43s. Present shipment from Australasia: Good mixed, 42s. Present shipment from South America, 42s 6d. The market letter is unchanged. Town tallow, 38s 6d per cwt. Rough fat, per 8 lbs, 2d; melted stuff, 28s per cwt. Quotations are:—Town, 38s 6d, net cash, naked, ex works. Country—Fruit casks, 38s; home melted, shipping casks, net f.o.b., good coloured, 41s; fair to dull, 39s to 38s. Bone fat—White, none; pale, none; benzine, 33s; melted stuff, 33s, f.o.b.

METROPOLITAN CATTLE.—November 4.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls.....	s	d	s	d
Irish	5	0	5	6	Canadian	8	6	0	0
Cambridge	5	4	5	8	Sheep—Downs.....	5	0	5	4
Short Horns	6	0	6	4	Ewes	5	0	5	4
Herefords	6	4	6	8	Crossbred	9	4	10	0
Devons	6	4	6	8	Lamb—Downs	9	4	10	0

LONDON POTATO MARKETS.—November 4.

English King Edwards	Per Cwt.	s	d
British Queens	8	0	9
Eclipse	7	0	8
Majestic	7	0	8

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.				DYESTUFFS, &c.				METALS—B. Copper				SUGAR—per cwt, duty, 11s 8d,								
COCOA.—Duty, British grown, 5s 4d, foreign, 14s cwt				s	d	s	d	Best selected.....				63	10	64	15	per cent. polarisation s d				
Trinidad				68	0	73	0	Sheets (strong).....				92	0	0	0	B.W.I., muscovado				
Grenada				59	0	65	0	Standard				57/10	57/7 6	0	0	Crystallised				
Ceylon, plantation				70	0	82	0	Lead Eng. Pig per ton				30/10	0/0/0	0	0	Java, white				
Guayaquil				80	0	110	0	Soft Foreign				29/0	29/0	0	0	REFINED—London—				
Bahia, finest				54	0	60	0	Spelter G.O.B.				32/18/9	33/0/0	0	0	Yellow Crystals				
COFFEE.—British grown, 5s 4d, foreign, 14s cwt				s	d	s	d	Tin—English ingots ..				296 15/0	297 5/0	0	0	Cubes				
E. India, fine ord. g.d. mid 132				0	157	0	0	Do do bars				297/15/0	298 5/0	0	0	Crushed				
Do good to fine				62	0	168	0	Standard cash				298/10/0	299/0/0	0	0	Granulated				
Costa Rica, ord. to mid 120				0	158	0	0	OILS—Fish, per ton ..				40	0	0	0	Crystals, No. 3				
Good to fine				162	6	195	0	Seal, pale				46	0	0	0	Castor				
Central American, g.d. ord.				115	130	0	0	Crude				44	0	0	0	Pieces				
Do mid to fine				115	130	0	0	Cotton-seed, crude				33	0	31	0	SPICES—Pepper, lb—				
Colombian, ordinary				108	0	114	0	Edible, refined				40	0	0	0	Muntok, fair White ..				
Do g.d. ord. to low mid 116				0	126	0	0	Coconut, crude				47	0	0	0	Black Singapore				
Do mid to fine				130	0	156	0	Deodorised				51	0	0	0	White Siam				
CHEMICALS—								Palm				35/15/0	36/17/6	0	0	Pimento				
Acid, citric				1	32	0	0	Lord, American				70	0	78	0	Cinnamon—lat sort ..				
Nitric				0	24	0	4	Petroleum—Oil, per 8 lbs.				1/1	0/0	0	0	Do 2nd				
Oxalic, net				0	34	0	4	Water, White				1/2	0/0	0	0	Do 3rd				
Tartaric, English				0	11 1/2	5%	0	Oil Cakes, Linseed, Eng.				12/2/6	12/10/0	0	0	Cassia lignea				
Foreign				0	11 1/2	5%	0	per ton				12/2/6	12/10/0	0	0	Cloves—Zanzibar				
Cream of Tartar				80	0	81	0	La Plata, per ton Nov. Dec.				15	15	0	0	Penang				
English				80	0	81	0	Bombay, per ton Nov. Dec.				18	5	0	0	Madagascar				
Foreign				74	0	75	0	Calcutta, per ton Nov. Dec.				17	2	6	0	Ginger—per cwt				
Alum lump				110/10/0	110/10/0	110/10/0	0	Peru, per ton delivered, London 58/0				63/6	63/6	0	0	Cochin, small rough ..				
Do ground				110/10/0	110/10/0	110/10/0	0	Rapid hardening "Ferrocrete"				13/0	13/0	0	0	Do wormy				
Ammonia, carb				37	0	39	0	per ton extra				13/0	13/0	0	0	Japan				
Muriatic, White				22	0	29	0	"Lightning" brand Aluminous Cement				100/0	105/6	per ton.		Jamaica, ord. to good ..				
Sulphate				14	0	15	0	100/0 to 105/6 per ton.								Mace				
Argenic, lump				65	0	70	0	Surcharge of 10s per ton for delivery of all cement in Lond during coal strike								Nutmeg, 65's				
Powder				65	0	70	0	Butter—per cwt—				s	d	s	d	110's and 80's				
Ashes, pot				65	0	70	0	Irish creamery				140	0	144	0	Chilies—per cwt				
Pearl				nom				Do factory				100	0	115	0	TALLOW—per cwt.				
Bleaching powder, per ton				9/0/0	9/10/0	9/10/0	0	Do				100	0	115	0	Good mutton				
Borax, gran.				22	10	0	0	Austrian				112	0	168	0	Beef				
Do crystals				22	10	0	0	Argentine				130	154	0	0	TAPIOCA—per lb—				
Do powder				24	0	0	0	Dutch				170	172	0	0	E. I. Flake, fair, spot ..				
Calomel				2	4	4	4	New Zealand				170	170	0	0	Medium Pearl				
Iodine, dry				0	1	1	1	Danish				178	0	180	0	Seed				
Nitrate of Soda				13/6/0	13/7/6	13/7/6	0	Bacon, engd., Irish				107	0	124	0	TEA—duty 3d, British,				
Potash—Chlorate, net ..				0	34	0	4	Danish				108	0	108	0	foreign 4d per lb—				
Prussiate				0	8	9	9	Canadian				104	nom	0	0	Indian and Ceylon—				
Do Foreign				0	7 1/2	0	8	Hams—Irish				nom	nom	0	0	Pekoe				
Sulphate				11	0	12	0	American				148	0	158	0	Broken Pekoe				
Sal-Acetate				1	10	2	0	Canadian				nom	nom	0	0	Orange Pekoe				
Sal-Ammonia				42	6	45	0	Do				148	0	158	0	Broken Orange				
Soda Bicarb.				per ton	8/0/0	10/10/0	0	Lard—Irish bladders ..				84	3	100	0	Pekoe Souchong				
Crystals				per ton	5/0/0	5/5/0	0	American boxes ..				66	16	72	0	TIMBER—ex. yd—				
Caulic				14/2/6	16/10/0	16/10/0	0	Pork—per 8 lbs				6	6	10	0	Swedish u/s 3 x 8, Pt. Std.				
Sugar of lead, white ..				ton	0/0/0	0/0/0	0	Beef—Frozen .. per 8 lbs				2	11	4	8	Do ..				
Foreign white				244	0	46	0	Sootch				82	8	88	0	Do 2 x 4 ..				
Sulphate Quinine—								Cheese				83	0	87	0	Can. Spruce Dia.				
English Brands				1	9	1	10	New Zealand				83	0	87	0	Pitchpine				
Foreign do				1	9	1	9	Eng. Cheddars				88	0	104	0	Rio Deals				
Sulphate Copper				per ton	14/10/0	15/10/0	0	Cheshire				88	0	104	0	Teak				
Zinc, ext.				25	17	6	0	Dutch				62	0	102	0	Honduras Mahg logs, c.ft				
Sulphur Flour				9/0/0	9/10/0	9/10/0	0	Eggs, per 120—English ..				28	30	30	0	African				
Do Roll				8/0/0	8/10/0	8/10/0	0	Irish				23	0	27	0	American Oak Boards ..				
Vermillion, Chinese, per lb				4	6	9	0	FLOUR—280 lbs				50	0	0	0	Do Ash ..				
English				4	6	5	0	London standard ex ml				50	0	0	0	English Oak Planks ..				
Oil Peppermint, H.G.H				47	6	50	0	RICE—per cwt, c.i.f.—				16	0	0	0	Do Ash ..				
COPRA—per ton, c.i.f.—				s	d	s	d	Bangkok, No. 2				16	0	0	0	Do ..				
Malabar, Nov.-Dec.				28	15	0	0	Broken la				25	6	0	0	Duty 8/10+104 per lb, Empire				
Ceylon				25	10	0	0	ROBIN—per ton—				28/10/0	35/10/0	0	0	grows, 5 1/2 per lb.				
Pilein Singapore				27	6	3	0	American				28/10/0	35/10/0	0	0	Virginian				
Pine Stralis				25	17	6	0	French				30/15/0	0/0/0	0	0	Common to fine				
COCHINEAL—per lb				2/9	3/6	3/6	0	SAGO—Pearl, per cwt ..				25	6	27	0	Stripes				
DRUGS—				s	d	s	d	SHELLAC—first marks ..				210	0	335	0	Kentucky leaf				
Aloes, fine E.I.				per cwt	120	0	140	0	Orange, fair to fine ..				200	0	210	0	Common to fine			
Cape, good to fine				41	0	42	6	Tennet				190	0	195	0	Stripes				
Balsam Peru				per lb	5	9	6	0	Garnet, Lac. AO				180	0	192	6	China			
Camphor				1	7	0	0	Button—Pure				210	0	212	6	Borneo and Sumatra ..				
Japan, refined				210	0	100	0	Bloody (TN)				170	0	175	0	Nyasaland				
Cardamoms, Ceylon				5	0	8	0	SILK—per lb				16	0	0	0	Seedling				
Cantharides, China, per lb				2	6	0	0	China—Blue Elephant ..				16	0	23	0	Havana				
Cassia, India				cwt	8	95	0	Canton				19	6	18	0	Greek				
Gum Benjamin Sumatra ..				5/0/0	10/0/0	10/0/0	0	Tusnah				15	12	0	0	East Indian				
Olibanum, drops, fair to good				80	0	100	0	Reelected				25	0	27	0	Cigars, duty 15/7 per lb.				
Ipecacuanha				14	6	0	0	Do				25	0	27	0	Cigarettes, duty 12s 7d per lb.				
Jalap				2	0	0	0	Japan				26	0	28	0	TURPENTINE, p. cwt				
Musk pod, China				or	67	6	70	0	Italian—Raw, fr. Milan				26	0	27	6	WOOL—per lb—			
Oil, Cassia				per lb	8	3	6	0	SHELLS—M.-O.-P., per cwt—				26/0/0	9/0/0	0	0	English, Southdown, washed ..			
Aniseed				3	3	6	0	Manilla, bold				8/10/0	11/0/0	0	0	Lincoln hog, washed ..				
Peppermint, Wayne Co				32	6	3	0	Macassar				8/10/0	11/0/0	0	0	Queensland, s. soc. super cmbg.				
Phosphoric China r.t. 10s				3	0	3	0	Sydney				7/12/0	7/6/0	0	0	N.S.W. grassy, super				
								W. Australian				7/12/0	7/6/0	0	0	N.Z., grey, half-bred 50-56				
								Bombay				5/0/0	11/7/6	0	0	Crossbred 40-44				

PRELIMINARY PARTICULARS OF IMPERIAL CHEMICAL INDUSTRIES

BRUNNER, MOND & CO., LIMITED.
NOBEL INDUSTRIES, LIMITED.
UNITED ALKALI CO., LIMITED.
BRITISH DYESTUFFS CORPORATION, LIMITED.

The Boards of Directors of Brunner Mond & Co., Limited, Nobel Industries, Limited, The United Alkali Co., Limited, and British Dyestuffs Corporation, Limited, having arrived, as already announced, at a provisional agreement for the fusion of interests of their Companies are now in a position to give this preliminary public intimation of the basis for the proposed fusion, pending the despatch of formal offers to be made to their respective shareholders.

A new Limited Liability Company with the title and Directors stated below will be formed as early as possible. So far as the existing shareholders in the Merging Companies consent to the scheme their shares in those Companies will be taken over by the new Company, which will issue in exchange its own fully paid shares on the terms set out below.

Proposed Name of Company: IMPERIAL CHEMICAL INDUSTRIES, LIMITED.

CAPITAL OF THE COMPANY.

On the assumption that all the shareholders of the Merging Companies consent to exchange their holdings of shares the issued Capital of the new Company on the basis of exchange will be £56,802,996 divided as follows:—

16,219,306 7% Cumulative Preference Shares of £1 each	£	16,219,306
(preferential both as to Capital and Dividends)		
31,095,555 Ordinary Shares of £1 each		31,095,555
18,976,270 Deferred Shares of 10s. each		9,488,135
		£56,802,996

DIRECTORATE.

The first Directors of the New Company will be:—

THE RT. HONOURABLE SIR ALFRED MOND, Bart., M.P. (Chairman).	HENRY MOND, Esq.
SIR HARRY MCGOWAN, K.B.E. (President and Deputy Chairman).	SIR MAX MUSPRATT, Bart.
THE RT. HONOURABLE THE LORD ASHFIELD, P.C.	LT.-COL. G. P. POLLITT, D.S.O.
SIR JOHN BRUNNER, Bart.	P.C. G.C.B., G.C.V.O., G.M.S.I., G.M.I.E.
G. C. CLAYTON, Esq., C.B.E., M.P.	SIR JOSIAH STAMP, G.B.E.
H. J. MITCHELL, Esq.	B. E. TODHUNTER, Esq.

DIVIDENDS.

The profits of the Company to be distributed will be applied in the following order:—

1. In paying a Cumulative dividend at the rate of 7 per cent. per annum upon the Preference Shares.
2. In paying a dividend at the rate of 7 per cent. per annum upon the Ordinary Shares.
3. In distributing the balance between the holders of the Ordinary and Deferred Shares in the ratio of two-thirds to the Ordinary Shareholders and one-third to the Deferred Shareholders.

EARNINGS.

On the basis of the earnings of the four merging Companies and their subsidiaries for their respective last completed financial years, the Chairmen of the four merging Companies are satisfied that, after making due provision for reserves, the future earnings of the new Company should exceed £4,000,000, a sum sufficient to cover payment of the Preference Dividend more than three and a-half times and to leave available adequate funds for further distribution.

Shareholders in the merging Companies will retain all their existing dividend rights up to the 31st December, 1926, after which date the shares of the new Company will rank for dividend.

TERMS OF EXCHANGE:

BRUNNER, MOND & CO., LIMITED.

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A formal offer containing full particulars of the terms of the proposed fusion will be issued as early as possible to each shareholder in the merging Companies, accompanied by a form of transfer showing the number of shares in the new Company to which he will be entitled under the scheme.

(Signed) BRUNNER, MOND & CO., LIMITED. ALFRED MOND (Chairman).
NOBEL INDUSTRIES, LIMITED. H. MCGOWAN (Chairman).
UNITED ALKALI CO., LIMITED. MAX MUSPRATT (Chairman).
BRITISH DYESTUFFS CORPORATION, LIMITED. ASHFIELD (Chairman).

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor:

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, NOVEMBER 13, 1926.

No. 4,342.

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THE MONEY MARKET.

THERE was a fair demand for credits in the early days of the week, and this developed into severe pressure on Wednesday, when from 4½ to 5 per cent. was readily paid for accommodation. Borrowing from the Bank, however, was avoided, and the stringency relaxed on Thursday. The discount market has been very quiet, but 4½ per cent. has remained the general working minimum for

three months' bills, though the Continent was reported a buyer at $4\frac{1}{2}$ per cent., and yesterday there were signs of an easier tendency. The market has been influenced by the better tendency of the American exchange and the "unearmarking" of £500,000 of gold previously set aside on account of the South African Reserve Bank. Yesterday's Treasury bills went at a slightly lower average.

	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Oct. 22, 1926.	Previous Rate and Date Changed.
Bank Rate	5	5	5	5	$\frac{1}{2}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed a decline of £746,500 in the stock of coin and bullion, but as there was a reduction of £702,900 in the note circulation, the Reserve was only £43,600 lower, the Proportion being slightly higher at 27.2 per cent. Government securities rose by £775,000, but there was a reduction of £2,099,800 in Other Securities. Other deposits fell by £904,800, and Public deposits by £520,400. Currency notes were reduced by £245,100 to £289,192,100, which includes £1,291,300 for notes called in, but not yet cancelled. The fiduciary issue is £231,650,700, or £16,251,800 below the maximum for 1926.

The monthly statement of average weekly balances of the London clearing banks for October, which is printed in detail on a later page, shows an expansion of nearly £26 millions in total deposits and of £5 millions in acceptances. The aggregate figures of the nine English banks are compared below:—

	Dec. 1925.	Mar. 1926.	June 1926.	Aug. 1926.	Sept. 1926.	Oct. 1926.
Capital and reserves	121.0	123.6	124.2	124.4	124.4	124.4
Acceptances	108.2	100.6	87.8	82.4	81.5	86.5
Deposits (incl. undiv. profits, &c.)	1,646.8	1,587.8	1,630.1	1,634.1	1,623.3	1,649.0
Total liabilities	1,876.0	1,812.0	1,842.1	1,840.9	1,829.2	1,859.9
Coin, notes, balance at bank, and cheques in course of collection	256.2	236.2	250.9	240.0	235.0	241.4
Money at call	117.8	109.7	121.4	117.9	113.3	116.2
Investments	286.1	272.2	267.9	271.9	272.6	274.7
Discounts	231.0	187.2	210.4	226.1	218.3	224.7
Loans and advances	846.8	876.3	873.2	871.7	877.4	885.1
Cover for accept., premises, &c.	138.1	130.4	118.3	113.3	112.6	117.8
Total assets	1,876.0	1,812.0	1,842.1	1,840.9	1,829.2	1,859.9

Advances show a further increase of over £7½ millions, while discounts have expanded by £6 millions, investments by £2 millions, the cash item by £6½ millions, and money at call by £3 millions. In October, 1925, deposits increased by £14 millions, this movement being balanced by small increases in all the items on the credit side.

At their meeting on Thursday the directors of the Bank of England agreed to recommend to the proprietors in April next that the Right Hon. Montagu C. Norman be re-elected governor, and that Mr Cecil Lubbock be elected deputy-governor for the ensuing year. The announcement that Mr Norman is to continue in office for another year, making his eighth year of office, will be received with general satisfaction, for although much has been accomplished in the direction of the financial rehabilitation of Europe, there are still many difficult problems to be faced, in the solution of which Mr Norman is particularly well fitted to take part. Mr Lubbock, who six months hence will take the place of Mr Henry A. Trotter as deputy-governor, has already held that position for two years in the past. Mr Trotter, who will relinquish the office, owing to the calls of his business, next April, will then have completed his fourth year as deputy-governor, having served for three consecutive years from 1921 onwards.

NEW YORK MARKETS.

Our New York correspondent cables:—After recovering more than half the October break, the share market is hesitating between the bearish influence of the moderate recession in industry and the bullish influence of cheapening money, which is reflected in a $4\frac{1}{2}$ per cent.

rate for two months' accommodation and a lowering of the bill rate by one-eighth. Meanwhile the Federal Reserve statements show large gains in reserves and a contraction in discounts throughout the system, with the ratio 1.2 higher at 74 per cent. The local ratio is 4.4 higher, and discounts are close to the low level of three weeks ago. The cotton market is displaying a better tone, despite the latest crop estimate.

THE STOCK MARKETS.

Business in most sections of the Stock Exchange has been quiet, the gilt-edged market being particularly inactive. Foreign bonds, however, have been more animated, the premium on the scrip of the new Belgian loan having risen to over 6½. French bonds reacted after an early improvement, and Brazilians were heavy, but some Japanese issues strengthened. The buoyancy of Underground stocks was the feature of the home railway market. Argentine rails are flat, but a rise of several points was marked in Canadian Northern Income bonds. The rubber share market is very quiet, but there has been further activity in oils. Industrials as a whole are featureless. No movements of any consequence were recorded in the mining section, but the price of De Beers fell after the publication of the report, despite the excellent figures. Over-subscription was announced to the new issues by Selfridge Provincial Stores, Bolsover Colliery Company, and Ankole Tinfilds.

THE COMMODITY MARKETS.

Business in the commodity markets has in most cases shown little variation from recent levels, though a slightly better tone has followed the improved outlook in the coal dispute. Importers of foreign fuel are limiting their commitments, though arrivals are expected to be heavy for some weeks to come. Business in iron and steel has similarly been quieter, with appreciable weakness in Continental markets. Cotton prices have been well maintained, despite an increase in the official American crop estimate, buyers having come in on an encouraging scale. A large inquiry for yarn and cloth has been in evidence, but the volume of orders has not come up to expectation. Latest overseas advices suggest that the recent decline in wool values has been checked, but the position of the West Riding textile industry is becoming increasingly difficult owing to high costs and poor demand. The jute trade is quiet, the expected drop in raw material prices having as yet failed to mature. Wheat was firm early in the week, but later declined on quiet demand and in sympathy with overseas cables. Sugar remains steady, with a fair business passing. Coffee and tea are firm. Rubber has recovered most of the ground lost at the beginning of the month, but business continues on quiet lines. Tin has advanced on insistent demand for the near and forward position, lead is active and firmer, while copper opened in quiet fashion, but subsequently improved.

FOREIGN EXCHANGES.

There has been a smaller volume of business in the foreign exchange market during the week, with the possible exception of the French exchange. The most important feature, however, has been the welcome recovery in sterling, which removes temporarily, at any rate, the danger of any export of gold to the United States. This movement is chiefly due to American demand for sterling on the brighter prospects of a settlement of the coal dispute. Thus, from 4.84½ on the 5th, it rose to 4.84½ on Saturday. From then there has been little movement until Thursday afternoon, when the rate rose to 4.84½. Yesterday morning it opened at 4.85. Forward rates have moved from par to $\frac{1}{2}$ c premium for one to three months. Paris, on the other hand, showed some fluctuation. From 146½ on the 5th it recovered to 145½ on Saturday morning, but rose again to 147½ on Monday and 151½ on Tuesday. This was followed by a slight downward movement to 150½ on Thursday, and a further jump to 147½ yesterday morning. Such movements, however, do little more than indicate the general uncertainty of the situation. Forward rates have widened from 50 centimes and 2½ francs to 75 centimes and 3 francs discount for one and three months respectively. Italy has shown

A BRIGHTER PROSPECT.

In times past, as Viscount Grey reminded us in his speech at the Central Hall on Thursday night, the memory of wars was celebrated by keeping the anniversaries of great battles. The names of Waterloo and Trafalgar are sufficient illustration of this fact. But the Great War of 1914-18 is and will always be celebrated not by the keeping of a Jutland Day or a Somme Day, but by the solemnisation of Armistice Day. There is surely something significant of the change in the public attitude to war in the fact that we of to-day perpetuate the memory not of our victories, but of the day that gave the world relief from the most disastrous strife in history, and gave birth to hopes of a more lasting peace and security than the world had previously enjoyed. There is another point, too, which has perhaps equal significance. If the poignancy of feeling with which we keep Armistice Day has lessened with the passing years, the solemnity with which the public observe the occasion has definitely deepened. November 11th, which a year or two back was tending to become a day of rejoicing and festivity, has, by the force of public opinion, been enshrined in the calendar as a day of meditation and retrospect.

Welcome as this change is on the broadest grounds, it possesses a particular value this year; for an exercise in retrospect is especially needed to restore a sense of perspective in times like the present, when we are obsessed with a load of difficulties which the industrial circumstances of the moment have placed upon our shoulders. The Prime Minister, in his annual review of the country's position at the Lord Mayor's banquet on Tuesday, seized upon this occasion for retrospect. Had he spoken three days later he might have changed the very gloomy note that he struck regarding home affairs. For in these three days unpromising negotiations in the coal dispute have developed into what, as we go to press, appears to be a practical certainty of a negotiated settlement. In the week in which we remember the end of the greatest military war in world history, there could be no more appropriate or welcome gift to the nation than the ending of the greatest industrial struggle in British annals. We must leave for another occasion our attempt to assess the national losses involved in a struggle which Mr Baldwin rightly called "a monument of human folly," and which, according to the President of the Board of Trade, has cost the country from £250 millions to £300 millions. Nor can we on the spur of the moment gauge the extent and prospects of the recovery which coal peace will bring to the general trade of the country. But it can at least be said that any agreed settlement is vastly better than a war to the bitter end; and that, although the six months' struggle has ruined a year whose economic record might have been bright, we may now at last look forward to better times. The peaks of prosperity are farther off than a year ago. But arrears of unsatisfied demand will in the coming months give us a lift along the road of recovery, and if we have learned the lessons of this futile struggle and refuse to allow temporary artificial factors to obscure hard truths, there may yet be time to make 1927 the best year Britain has had since the war. We may be thankful, too, that the disturbance caused by the coal trade has not been more ruinous and more general. Of one blessing at least Sir John Ferguson did well to remind us in his inaugural address as President of the Institute of Bankers on Wednesday: "It is great good fortune that we returned to the gold standard in 1925. We shrink from imagining to what figure, but for this, the New York sterling exchange would have fallen owing to this year's strikes and economic losses. As

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended November 6th:—

EXPENDITURE.		RECEIPTS.	
£	(000's omitted.)	£	(000's omitted.)
Supply Services	7,350	From Revenue	11,961
Interest, &c., on Debt	9,118	Increase in debt	4,805
Sinking Fund	39	Decrease in Balances	374
Sundries	81		
	16,940		16,940

The revenue for the week amounted to £11,961,200, as compared with £11,876,600 in the corresponding week last year. Customs were lower at £2,081,000, against £2,298,000, but Excise was higher at £1,533,000, against £1,477,000. Property and Income-tax brought in £3,333,000, as compared with £3,758,000, while Super-tax amounted to £390,000, against £35,000. Ordinary Receipts produced £72,200, as against £54,700, and Special Receipts amounted to £1,105,000, against £700,000. The week's operations increased the National Debt by £4,604,900, and caused the following changes:—

(000's omitted.)		£	
Public Department Advances ..	300	Treasury Bills	3,431
National Savings Certificates ..	100	Sundries	1,574
	400		5,005

The floating debt was increased by £3,180,000 to £784,421,000.

FINANCIAL YEAR, 1926-1927 (April 1 to November 6, 1926).

£		£	
Total Expenditure ..	475,129,694	Raised by Revenue ..	390,822,390
		Decrease in Balances ..	4,114,486
		Amount borrowed ..	80,192,818
Total	475,129,694	Total	475,129,694

ESTIMATES FOR FINANCIAL YEAR 1926-7 †

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—London Maritime Investment, Dalgety and Co., Brush Electrical Engineering, and Joshua Hoyle and Sons.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

things are, the exchange for sterling has been as steady as a rock."

The trade recovery which coal peace will release will function in a world more favourable to it in many vital respects than it has been in recent years. Mr Baldwin in his Guildhall speech limited his retrospect to a three-year span. But his comparison of 1923 with 1926 yields results very much in favour of the latter. Three years ago the Ruhr crisis was at its height; Germany was threatened with economic ruin and political disintegration; Austria and Hungary were on the edge of economic catastrophe; Greece was threatened with invasion; unrest was rife throughout the East and the Near East; India was in a critical position; the riot of European currencies was in full force. It was, in Mr Baldwin's words, "one of the darkest moments since the war." Three years have wrought a welcome change in the face of that sombre landscape. The Locarno Pacts and the entry of Germany into the League of Nations have brought a new degree of security to Europe; Austria and Hungary have been pulled back from the edge of the precipice; Germany has established her currency, and the Dawes Scheme has placed the Reparation problem on a regular basis; a fresh batch of inter-Allied war debt settlements have been made; currency stabilisation has been effected over the greater part of Europe; Central Europe and Asia Minor are "rapidly recovering" from the shattering effects of war; India's financial and economic position has made a strong advance, and her political clouds are breaking. The chaos in China is there to remind us that the world is still full of troubles; but when we contrast these two pictures, of 1923 and 1926, we may at least take good heart. Though disappointments, setbacks, and follies blind us to it, the fact of progress is there.

Some of these facts of European recovery were clearly not present to the mind of President Coolidge when at Kansas City on Thursday he, too, indulged in retrospect. His statement that the adherence of the United States to the International Court was unlikely was merely a definite pronouncement of what has been obvious in view of the Senate's adherence to its reservations, and still more so since the election results of last week. Comprehensible, too, are the reasons born of material prosperity which led Mr Coolidge, in effect, to return thanks that Americans are not as other people are. But if some reports of his Kansas speech are accurate, his insistence upon Europe's hates and self-imposed poverty suggests a view that is out of focus, because it is also a little out of date. The emphatic "isolationist" trend of his speech reveals, too, a narrowness of policy which is the logical sequence of this faulty perspective. Europe, as the facts adduced above clearly prove, is making strong progress in an uphill battle. America, as Mr Coolidge observes, is more closely involved than before the war in European affairs. The establishment of peace, security, and prosperity in Europe is an American interest of the first rank. How far and how long can America afford to refuse a further measure of that co-operation which it is in her power so effectively to give? There is a further reason why this question is a vital one to-day. The great war, as Lord Grey says, gravely impaired the prestige of Europe in the East. In the matter of the West *vis-à-vis* the East America's interest, at least as emphatically as Britain's, is clear. She, too, stands to gain by the restoration of the prestige of Europe in the East. But for a change in America's orientation to these problems we must trust to the passage of time and a gradual realisation of European facts.

However, although President Coolidge has slightly damped the new hopes that arise in Britain this week, he has not done more. At last, at long last, a better prospect opens before us. At the Lord Mayor's Banquet of a year ago Mr Baldwin said: "The waters are falling; our spirits are rising." The coal dispute, and the coal dispute alone, stultified his words. If that great obstacle is now removed, we may repeat his phrase with a temperate but reasoned confidence.

THE COAL NEGOTIATIONS.

GREAT progress has been made this week towards a settlement of the coal dispute, and the men have now gone so far towards meeting the conditions demanded by the owners that the Government can hardly fail to secure the owners' agreement to a general settlement. At the end of last week the General Council of the T.U.C. succeeded in reopening negotiations with the Government on the assurance that the Miners' Federation were now prepared to accept the principle of district agreements in accordance with national principles. The negotiations revealed that the miners' idea of these principles was a national minimum percentage on the basis of the seven-hour day, the fixed ratio of 87 to 13 for the division of the proceeds of the industry between wages and profits, the minimum subsistence wages for low-paid men as in April last, an understanding as to the method of ascertaining the proceeds of the industry and as to the districts which were to be separately treated, and, finally, an arrangement by tribunal or otherwise for co-ordinating the district settlements. The owners, who though not authorised to negotiate nationally, did, in fact, enter into discussion with the Government as a sort of post-box between the latter and their district associations, indicated that the general principles to which the owners would agree were:—that wages should be determined by an agreed division of the net proceeds of the industry, the ratio of which should vary in the districts, that there should be a minimum percentage varied by districts, and that there should be a minimum subsistence wage which should also vary by districts.

The conferences ended in the Government ultimately putting forward its own suggestions in a letter to both parties which included:—A national minimum percentage addition to basis rates in accordance with the 1921 agreement for whatever hours might be worked; the ratio of division of proceeds to be elastic and vary between 85 to 15 and 87 to 13; the present method of ascertaining proceeds should be retained; the principle of subsistence minima should be retained but the actual figures subject to negotiation; that the districts should be in accordance with a schedule attached to the statement; and, finally, that in the absence of a national agreement each district should give its guarantee to the Prime Minister. The discussions had, however, also revealed that in the Government's view these national principles must permit a lengthening of the working day. This point the miners' executive did not consider themselves authorised to accept, and it therefore became necessary to summon a delegate conference. The negotiations, however, had also made it clear that, in the event of the executive getting freedom to negotiate on hours, the Government would establish some sort of tribunal to ensure that the district agreements conformed to national principles. They could hardly do less than this, considering the extent to which they are committed to the view that the purpose of the Eight Hours Act is not to introduce a general eight-hour working day in the mines, but to tide over difficult cases. Moreover, the Government is deeply committed for some time to come to deal with the surplus miners whom any re-organisation of the industry will throw out of work. It must formulate an ordered programme for this purpose, and its plans will be hopelessly chaotic unless the district agreements are adequately co-ordinated. The delegate conference, after prolonged discussion, on Thursday night decided to give the executive a free hand to negotiate on the basis of district agreements which would permit an increase of hours. This decision was no doubt influenced by the continued drift back to work, the official statement of numbers engaged having increased during the week from 294,000 to 320,000. This actual increase is paltry, for it would take more than six months to get the mines fully working at this rate of increase. But behind these figures lies the undoubted weariness of the miners with the dispute and their feeling of increasing economic pressure as the winter proceeds. The executive spent most of Thursday night in negotiation with the Government, and at 3.10 a.m. on Friday the following terms were reached, which the miners' executive agreed to submit to the delegates.

(1) The Miners' Federation undertake to do all in their power to promote an immediate resumption of work by means of district negotiations.

(2) As regards the wages on which work is to be immediately resumed, the owners have informed the Government that in every district except Northumberland, Durham, Cumberland, and North Wales they have offered to pay temporarily after the resumption of work a general district percentage on basis rates not less than prevailing on April 30, 1926, and in districts other than the above where there was subsistence wage under Clause 7 of the 1924 Agreement, the same subsistence wage.

(3) The owners have also informed the Government that they are ready to appoint at once a special joint Sub-Committee on transfer price.

(4) Further, the owners have informed the Government that workmen will be reinstated as opportunity offers without prejudice to the men at present at work.

(5) As regards the terms of employment, any district agreement which embodies certain general principles shall be regarded as a standard agreement, that is to say, any agreement that contains provision for all the following matters:—

(a) A district board with an independent chairman.

(b) Periodical determination of the trading results of the industry ascertained jointly by accountants appointed by each side with provision for test audits and reference of any question arising therefrom to the independent chairman of the district board.

(c) Periodical regulation of the district percentage in accordance with paragraph (b) above, the ratio of division of net proceeds being not less favourable to the owners than 87 and 13, and not less favourable to the miners than 85 and 15, and the net proceeds being ascertained in accordance with the third schedule of the national agreement of 1924, but without prejudice to any variation which may be made by the district board or, in default of agreement of the district board, by the independent chairman of that board.

(d) The minimum percentage of basis not less than the equivalent of 20 per cent. on standard; the standard for the purpose of this paragraph being the basis rate in force for the time being (in Scotland the 1888 basis) plus the percentage paid of basis in July, 1914, or the equivalent thereof where part of the 1914 district percentage has been merged in basis rates) plus any percentage that may be agreed to be paid to piece-workers in respect of an underground working day shorter than eight hours.

(e) The payment of subsistence wages to low-paid day-wage men at the rates paid in April last until the pay-day next following January 31, 1927, and thereafter at a rate to be determined by the district board or in default of agreement of the district board by the independent chairman of that board.

(f) The duration of at least three years without prejudice to the variation of the district agreements by agreement between the parties thereof or to any provision that it may contain for the alteration of any of these terms within that period by the district board or, in default of agreement of the district board, by the independent chairman of that board.

(6) The Government, as soon as they are satisfied that paragraph 5 of this memorandum has been complied with, undertake to introduce legislation by which any district agreement other than a standard agreement may, if it is on the basis of a longer underground working day than that prevailing in the district in April last, be made the subject of appeal by either party to the agreement to a national arbitral authority on any of the matters set out in paragraph 5 of this memorandum in respect of which it is less favourable to the party appealing than a standard agreement would be.

No appeal will lie as respects any standard district agreement, or any agreement made on the basis of an underground working day not longer than that prevailing in the district in April last.

7. The national arbitral authority will consist of such members of the Industrial Court (not having any connection with the coal-mining industry) as the Minister of Labour may direct, and will be assisted by two assessors, one appointed by each of the parties to the appeal.

8. When an agreement is made the subject of appeal to the national arbitral authority, the authority may in respect of the matter under appeal make such modifications therein as they think fit within the standard conditions, or may, if they think fit, confirm it without modification. The agreement, therefore, will have effect as approved by the national arbitral authority.

9. The Act giving these powers to the national arbitral authority will have effect for six months only.

10. The Government will forthwith take the necessary steps to put into force the provisions of the Mining Industry Act of 1926 relating to recruitment.

These terms show that the rôle of the arbitral tribunal is to be a very minor one, its scope being greatly circumscribed by the statement that it will not apply to "standard" agreements—i.e., those that include the provisions in Clause 5, which consist of the points summarised in the Government's letter of November 6th, together with the establishment of a district board with an independent chairman, and the proviso that the district agreement shall last for at least three years. As Clause 2 makes it clear that owners in all districts except Northumberland, Durham, Cumberland, and North Wales will pay the minimum of 20 per cent. over the 1914 basis, and as there is no reason to doubt that they will conform to the other provisions, the tribunal will presumably, in effect, only apply to these four areas.

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So far as the miners are concerned, the fate of these terms still hangs in the balance. It is unlikely that they will be rejected off-hand, but it is possible the delegate conference may refer them to a ballot—a proceeding which the experience of former ballots suggests is not likely to lead to a settlement. The conference is, however, alive to the danger of delay, and may yet have the courage to seize its last chance of a negotiated peace.

The owners on their side have hastened to state that these peace terms have been issued without their concurrence, and that the statement in Clause 2 is incorrect, because the undertaking about wages only stands if they can be assured of a longer working day. They also maintain their hostility to any revision by a central board. It is, however, inconceivable that they will carry their dissatisfaction to the point of rejecting the Government's plan. They clearly could not persuade the Government to go back on its intention to legislate in accordance with Clause 6. The owners can, of course, put up a form of passive resistance, but they are hardly likely to risk the substance of victory for a shadow; for the terms in effect give nearly all that the owners have striven for. They get a free hand on wages, they have to put up with a central board to co-ordinate the district agreements, the life of which is limited to six months, and they have eliminated the Federation from future negotiations.

The least satisfactory part of the terms is that they leave the hours question entirely undefined in circumstances in which the miners are in a very weak position to negotiate. In many quarters it has been hoped that the settlement would at least limit the hours to seven and a half, which would bring the settlement within the terms of the Washington Hours Convention, a subject on which the British Government has only recently come to a working understanding with France and Germany. If the eight-hour day is introduced it will encourage Continental coal-producers to increase their working day, and before very long bring about again a condition of over-production. For the moment all will go well owing to the shortage of stocks and the urgent need of coal throughout Europe. This fact will also postpone the problem of redundant workers, since only the very bad mines will fail to open on the present condition of the market. But both these issues must ultimately be faced. On the other hand, the statement contains some hopeful elements with regard to permanent peace, among the most important of which is the appointment of a district board with an independent chairman in districts where the standard agreement is reached, while, the Government, for its part, is to use at once its power to regulate recruitment in the mining industry.

Like all agreements which are reached as the result of long-drawn-out and bitter warfare, the terms of peace will be received without enthusiasm by any of those concerned. One thing, however, is quite certain. If these terms are accepted, the nation as a whole will heave a sigh of relief at the passing of the black cloud which has hung for so long over British industry.

IMPORTANT DEVELOPMENTS IN CHINA.

LAST month we published a series of articles on the general features of the situation in China, with particular regard to Anglo-Chinese relations, which raised some very broad issues of policy. On one of the most important of these a correspondent usually resident in China has sent us some interesting comments, which will be found on a later page. This week events have been taking place which seem to portend that the chaos may be cleared up sooner than has been expected, and that Anglo-Chinese relations may now take a decisive turn either for the worse or for the better.

The most important event is the military success of the Southern (Kuomintang or Nationalist) Army against the forces of General Sun Chuan-fang, who has latterly held the five provinces in the hinterland of Shanghai. After the overthrow of Wu-Pei-fu and the capture of Hankow by the Nationalists, there had been a pause in their advance, and it had seemed possible that Sun might break through the flank of their long lines of communication between Canton and the Yangtse. Not only has this possibility now vanished, but Sun himself seems to be going the way of Wu. The Nationalists have already occupied his south-westernmost province of Kiangsi; and though he is making a desperate rally to save Nanking, it is prophesied that Nanking will shortly fall. In that event, the Nationalists will find themselves masters of the Yangtse from Hankow to its mouth, and the international municipality of Shanghai will be enveloped by their forces. This will raise many anxious questions among the Western nations represented in Shanghai, particularly among the British, who have the greatest material interests there and who are at present, unfortunately, the most unpopular of foreign nations in the sight of the Chinese.

Meanwhile, north of the Yangtse, the Baptist-Bolshevik General Feng is reported to be advancing south-eastwards, through Shansi and Shensi, to join hands with his Nationalist allies from the South; and this imminent reinforcement probably ensures the Nationalists against any attack from the Northern war-lords while they are settling accounts with Sun. Indeed, Chang Tso-lin, the master of Manchuria, is the only Northern war-lord now left in being, and his forces are reported to be permeated by disaffection. In any case, his position is precarious, since it rests entirely on material force. While the Nationalists stand for a cause, he stands for nothing but a personal understanding with the Japanese. The moment that Chang Tso-lin's military power shows signs of weakening, Chinese national resentment against his long collaboration with the Japanese for personal ends is likely to break out against him with serious effects. Hence it is not surprising that Chang has so far allowed first Wu and then Sun to be beaten by the Nationalists without coming to their rescue. He is evidently afraid of dissipating his already uncertain strength, and is prudently preparing to stand on the defensive in those Manchurian provinces where his power has been firmly established for some time past. Will he attempt to prevent the Nationalists from entering Peking? It is reported that Dr. Wellington Koo, the Acting Prime Minister of the shadowy Central Government, is urging Chang to fight for Peking, and is threatening to resign—presumably because Chang is showing unwillingness to take the necessary military measures.

Meanwhile it is noteworthy that Dr Koo, though he may, at least momentarily, be at odds with the Nationalists on questions of internal policy or of personal relations between party leaders, is pursuing an identical policy towards foreign countries. Just a week ago he suddenly denounced the Sino-Belgian Treaty of 1865, under which Belgians enjoy extra-territoriality on Chinese soil. This action is as high-handed as the Turkish Government's denunciation of the Capitulations in 1914, after the outbreak of the European War. The Belgian Government shows no sign of acquiescing, and since both parties are members of the League of Nations, Belgium may be expected to seek those means of inquiry and

redress which the League provides. It seems unlikely, however, that she will recover her Treaty rights *de facto*, for, while discussion proceeds at Geneva or the Hague, the Nationalists may have entered Peking, and Dr Koo himself may have entered the Nationalist Government. The denunciation of the Sino-Belgian Treaty is the thin end of the wedge. The other Capitulatory Powers may expect the same treatment to-morrow. In fact, Dr Koo is reported already to have tackled Japan—the most formidable among them—in a note of October 20th, in which he is said to have demanded that the Sino-Japanese Treaty of 1896 shall be revised by negotiation within a maximum period of six months. Japan has a military and economic hold upon Manchuria, in the immediate neighbourhood of Peking, and her local henchman Chang is still in power. If China is now bearding Japan, she will not hesitate to beard France or Great Britain.

The present state of British interests in China was the subject of important questions and discussions in both Houses of Parliament on Wednesday. In reply to Mr Trevelyan, Sir Austen Chamberlain was able to give one piece of good news. Although no definite understanding appears to have been reached between the British and Cantonese Governments, the Hongkong boycott has been officially terminated as from October 10th, and "while a return to normal conditions can only be reached gradually, there has already been some improvement. The train service between Hongkong and Canton has been resumed, steamer services are almost normal, and Chinese dealers are restocking with British piece-goods." This is highly satisfactory as far as it goes. It gives grounds for hope that we may succeed in arresting the calamitous decline in British trade to which Lord Parmoor drew attention in the House of Lords the same evening. We are far, however, from being out of the wood. Sir Austen added that, at Canton, a campaign for the perpetuation of the boycott was still continuing, and a recrudescence of it may, of course, be produced at any moment by a controversy between a victorious Cantonese Government and His Majesty's Government over questions of high policy.

These questions were examined in the House of Lords—without any fundamental disagreement of view—by Lord Parmoor and Lord Balfour. Lord Balfour argued that British policy had long been conciliatory, and he certainly showed a conciliatory spirit in his own references to the crucial question of the Capitulations. "We hold," he said, "quite clearly and distinctly that the Chinese have just reason for great disappointment at the delay which has occurred in carrying out the recommendations of the Treaty of Washington"; and he intimated that the British Government was prepared to discuss a revision of the Capitulations frankly, and to make far-reaching concessions, though he envisaged the maintenance of "special arrangements of an exceptional character" for an interim period.

This is certainly the right way to handle the question of the Capitulations. The Capitulations are an anachronism which, sooner or later, is bound to disappear; and it is far better to go out to meet the Chinese and attempt revision by negotiations than to dig ourselves in and wait for an untenable position to be carried by assault. Lord Balfour very justly pointed out, however, the appalling difficulty of the actual situation. To undo what was done in 1843 and place Anglo-Chinese relations on an entirely new footing would be a vast and complicated task in any case—even if we had a united and representative Chinese Government to deal with. As it is, to whom are we to address ourselves? If we enter into direct negotiations with the Nationalist Government of Canton, we lay ourselves open to the accusation of taking sides in Chinese internal affairs and of taking separate action from the other foreign Powers—contrary to the spirit and even the letter of the Washington Agreements. If, on the other hand, we embark on negotiations—not merely in regard to day-to-day matters, but on far-reaching questions of principle—with the shadowy Central Government at Peking, we may find that this Government has disappeared overnight and that Peking is a no-man's-land in which the Nationalists and Chang Tso-lin are fighting the last round of the Chinese Civil War. We may then be confronted with some *fait accompli*

which may cut away the ground from under the negotiators' feet before the negotiations have begun, and may make a friendly readjustment of Anglo-Chinese relations far more difficult than before.

Much will depend, in the immediate future, upon the new British representative in Peking. The right course for the British Government is to enter promptly into negotiations with the Nationalists if and when the Nationalists become the *de facto* national Government of the country. To negotiate with them while the issue of the Civil War is still in doubt would, as Lord Balfour hinted, be premature. To negotiate a moment later would be to risk missing the opportunity of negotiating at all. Now, more than ever, the Foreign Office needs prompt and discerning counsel from its expert representatives on the spot.

WORLD PRODUCTION AND TRADE.

ON Monday the Preparatory Committee of the League of Nations Economic Conference commences its second session in Geneva. Since the Committee first met at the end of April last some very important events have occurred to alter the world economic situation. Some of them have brought the prospect of effective international co-operation nearer, among which are to be mentioned the stabilisation of the Belgian franc and the checking of monetary depreciation in France and Italy, while efforts to bring about co-operative action between industrialists have resulted in the recent European Steel Pact and the meeting between British and German industrialists in England a month ago. On the other hand, the prolonged coal dispute—which broke out on the last day of the April session, and looks as though it may be settled on the first day of the present meeting—has created quite abnormal conditions in Britain, which have for the moment diverted attention in this country from international affairs. The growing recognition of the need for breaking down trade barriers has, however, been authoritatively expressed in the recent international manifesto by bankers, merchants, and manufacturers, and by the pronouncements of the International Chamber of Commerce.

While these events have on balance considerably improved the prospects of a useful Conference next year, the Secretariat of the League has been busily engaged in gathering the material for a general survey of the world situation which it was instructed to prepare at the April meeting. This was clearly the first task for the Committee to undertake, for until the symptoms have been observed and described it is clearly premature to attempt to diagnose the causes of our present difficulties or to attempt to prescribe remedies for them. Most of this material will be reserved for discussion by the experts at their forthcoming meeting, but in a few cases publication has already been authorised. In one or two cases the documents published are in effect continuations of reports which have been published in previous years under mandates received in the first instance from the Brussels Conference of 1920 and later from the Conference of Genoa. But one of the documents* just issued breaks entirely new ground. This is an attempt to compare the changes that have occurred in world population, world production, and world trade between 1913 and the present time.

Even in the most advanced countries there are no exact figures which represent industrial output, and for its present purpose the Secretariat of the League has, therefore, been compelled to fall back upon statistics of world-production of basic materials and foodstuffs as the only available indices of productivity. Industrial progress largely consists in economising raw material by avoiding waste and producing more finished products, or, in other words, greater economic values from a given quantity of material—for example, greater power and more by-products from a given quantity of crude coal. As great technical changes have been made since 1913, the raw material statistics almost certainly understate the growth of industrial productivity generally. But with this qualification in mind the League figures give a very good starting point for the discussion of the economic situation of the world.

* "League of Nations: Memorandum on Production and Trade." (London) Constable and Co., Orange street. 1s 6d.

The first general result of the inquiry is to show that whereas the world population in 1925 was some 5 per cent. higher than in 1913, the production of materials (including the leading cereals and other foodstuffs, except meat, the chief textiles, fuels [coal and oil], metals, chemicals, oilseeds, rubber and wood pulp), was 117 in 1925, 106½ in 1924, and about the same figure in 1923, as compared with 100 in 1913. In other words, taking the world as a whole, the output of food and materials per head is now larger than before the war. On the other hand, the difficulties of international trade that have been created by general economic dislocation, by monetary disturbances, and by artificial barriers to trade, have prevented a corresponding expansion of commerce, the corresponding indices of the volume of trade of the world as a whole being only 105 in 1925 and 98 in 1924.†

The figures for the world as a whole, however, conceal very great variations in different parts of the world, as will be seen in the following table taken from the report:—

Continental Groups.	Population.	Production of Raw Materials.*		Quantum of Trade.	
	1925.	1924.	1925.	1924.	1925.
(a) Eastern & Central Europe: Including Russia (U.S.S.R.)†	99	82.83	102.103	62	73
Excluding Russia (U.S.S.R.)	103	88	102	71	82
(b) Rest of Europe.....	105	101.102	106.108	98	99
Europe (excluding Russia (U.S.S.R.)†)	104	94	104.5	89	94
Europe, including Russia (U.S.S.R.)†	101	89.90	104.105	84	89
North America.....	119	114.115	126	126	137
Caribbean‡	107	186.188	167.169	132	128
South America.....	122	119	134.135	91	97
Africa.....	107	132	138.139	97	99
Asia, excluding Asiatic Russia	105	116.122	116.124	123	136
Oceania.....	116	117.124	121.124	118	132
World.....	105	106.7	116.8	98	105

* The double figures shown for production result from different methods of calculation, which are explained below. For the purposes of the general conclusions here drawn too much emphasis should not be laid on the precise figure or figures given, but attention should be paid rather to their general order of magnitude; the approximate mean of the range given may be adopted.

† Union of Socialist Soviet Republics, i.e., including Asiatic Russia.

‡ Central America, Mexico, and all islands in the Caribbean Sea.

The report enters a caution in regard to the figures for Asia owing to the absence of cereal statistics for China, and, indeed, until the report has been submitted to the criticism of the experts it would be well to regard all the figures as to some extent provisional. This table, however, clearly brings out several instructive comparisons. The comparative depression in Europe, as contrasted with the rest of the world, is, of course, the most notable feature of the table. The second is the fact that in spite of the tendency to raise tariffs, which is even greater in America and in the British Dominions overseas than in Europe, the international trade of the continents other than Europe shows considerably greater elasticity than European trade. This is due in large part to the development of a new trading region of the world in the Pacific, to which we have several times drawn attention.

The report elaborates the figures of production in some detail, and gives tables which show that "if, with certain vital exceptions, the balance of world production between different commodities has been largely restored, the territorial distribution of production is now very different to what it was." Those continental areas with the most highly developed economic organisation tend to show a more even rate of progress than lands in which new fields of enterprise have recently been opened up, and the table we have quoted, like all tables based upon percentages,

† We may add that an independent official German inquiry into world trade, which has recently been issued, shows a rather lower figure for 1924, the volume of trade in 19 leading commercial countries being represented by the figure 94.7 compared with 82.3 in 1923 and 77.6 in 1922. The German inquiry is not on quite so broad a scale as the League investigation, and slight differences in methods of calculation may account for the lower figure for 1924. But the German figures are interesting as carrying the calculation a little farther back. There is no doubt that the recovery between the years 1922 and 1924 was a very substantial one, and on something like the scale represented by the German index numbers.

is liable to be misunderstood unless it is constantly borne in mind that a very large percentage increase may mean little if it starts from a very low basis. The report, however, draws the conclusion that the table as a whole indicates that "in contrast to Europe, the rest of the world, less affected by war, has achieved a progress perhaps equal to what might have been expected in a normal twelve-year period."

These, and the many other interesting points made in connection with the figures, give rise to some very fundamental questions, the most important of which is clearly whether the changes here indicated are permanent or transitory. From the European standpoint, the most reassuring fact in this connection is that the report shows what rapid headway has been made in Europe in the last two or three years. It will be the chief business of the Committee to endeavour to draw the appropriate conclusions from this illuminating report.

THE AMERICAN COTTON CROP.

WITHIN the last four weeks "sixpenny cotton" has all but become a *fait accompli*, thanks largely to an American crop of record dimensions coming on top of more than average crops in 1924-25 and 1925-26. Three years ago middling American cotton was fetching nearly 1s 8d a pound in Liverpool; two years ago the price was still over a shilling; a year ago over 10d. As recently as September 8, 1926, it was as high as 10.36d, but thereafter a rapid decline was registered on a series of bearish estimates from America. By the third week of October prices had fallen below 7d, and have since fluctuated only a few points below that figure.

This headlong fall of values has, of course, awakened grave disquietude among cotton-growing interests, who claim that they cannot recoup their season's outlay unless prices improve. Various schemes have been considered for holding "surplus" cotton off the market, ranging from the burning of several million bales to the setting up of a corporation with Government assistance and financial backing to exercise regulatory power—or, in other words, to carry surplus stocks as long as may be necessary. According to present indications, however, this duty will largely be left to the banks and financial organisations in each State. Other proposals have included a species of Stevenson Scheme, on the precedent furnished by the British Government in the rubber plantation industry, to ensure a reduction in next year's acreage. Cotton manufacturing interests in America, on the other hand, have welcomed the possibility of increased business, while their Lancashire colleagues, who have long been accustomed to attribute their post-war troubles to persistent under-consumption of manufactured goods as a result of the latter's relative dearth compared with other commodities, have jointly and severally voiced their satisfaction with the prospect of obtaining fresh supplies of raw material at or about the prices of 1913, while commodities in general range about 50 per cent. above the pre-war level.

The crop position during recent years may be appreciated from the following table:—

PRODUCTION AND DISTRIBUTION OF AMERICAN COTTON. (Based on the annual statements of the Liverpool Cotton Association, Limited.)
(Thousand Bales.)

	Total Crop.†	Total Deliveries.	American Consumption.		Exports to—				
			North.	South.	Great Britain.	France.	North Europe.	Other Countries.	Total Exports.
1885-86.....	6,550	6,509	1,825	340	2,620	410	968	345	4,344
1905-06.....	11,320	11,569	2,576	2,413	2,903	778	1,978	920	6,580
1912-13.....	14,129	14,426	2,797	3,005	3,628	1,009	2,714	1,273	8,624
1913-14.....	14,610	14,849	2,867	3,133	3,435	1,059	3,129	1,226	8,849
1914-15.....	15,067	14,957	3,415	3,208	3,817	683	1,630	2,203	8,334
1915-16.....	12,953	13,599	3,547	4,022	2,866	928	207	2,029	6,030
1916-17.....	12,976	13,212	3,307	4,383	2,681	1,010	171	1,660	5,522
1917-18.....	11,902	11,802	3,242	4,334	2,276	645	16	1,289	4,226
1918-19.....	11,603	11,472	2,514	3,505	2,628	756	325	1,744	5,453
1919-20.....	12,218	13,394	3,281	3,725	3,071	556	987	1,775	6,388
1920-21.....	11,355	10,987	2,170	3,239	1,743	583	1,702	1,551	5,579
1921-22.....	11,495	12,722	2,572	4,002	1,779	772	1,800	1,779	6,129
1922-23.....	11,248	11,933	2,782	4,515	1,286	633	1,315	1,402	4,636
1923-24.....	11,327	11,566	1,429	4,059	1,719	720	1,866	1,372	5,678
1924-25.....	14,716	15,022	2,505	4,474	2,547	905	2,617	1,974	8,044
1925-26.....	15,452	15,470	2,722	4,801	2,291	917	2,423	2,316	7,947

† Including linters.

‡ 1926-27 crop 17,918, on basis of last estimates.

The figures suggest a number of important conclusions. The volume of the American crop fell off very considerably in the later years of the war, and made no real recovery until 1924-25. Subsequent totals, however, have been distinctly high. The proportion of the crop consumed in America itself has recently risen to a marked degree. One hundred years ago American spinners accounted for just under 14 per cent. of the total world consumption of American cotton; by the '50's of last century their proportion had risen to over 20 per cent.; by the '70's to over 30 per cent., while in the quinquennium 1906-1910 the 40 per cent. level was exceeded for the first time. During the war a rise to 56½ per cent. took place (1916-20), but this was due in part to abnormal factors, and during the succeeding five years the ratio fell back to 51.7 per cent., and in 1925-26 to 48.6 per cent. Broadly speaking, however, it is true to say that America consumes one bale of cotton at home for every bale she ships abroad. Her interest in the maintenance of cotton prices at reasonable levels is much greater than is commonly realised on this side.

While American raw cotton consumption has thus increased more or less steadily (the war period being excluded), the expansion has been anything but uniformly distributed over the main geographical divisions of her cotton manufacturing trades. A glance at the table will show that while the cotton consumption of the Southern States has grown from small proportions in the eighties, and has doubled even during the last 20 years, the cotton industry in its original *locale* in the New England States has, apart from a temporary spurt during and immediately after the war, been in a state of stagnation for the past 20 years. In 1925-26 the Southern consumption was nearly double that of the North. Another reason is here apparent for the absence of whole-hearted support for schemes aiming at enhancement of cotton prices.

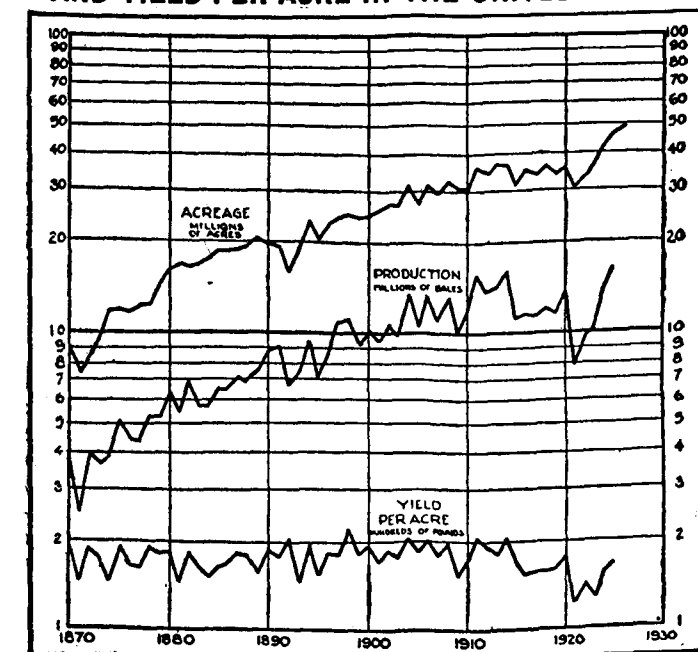
The Southern States of America have, indeed, in recent years taken more than twice as much American cotton as has Lancashire herself. The British consumption figures can scarcely be regarded as gratifying by British readers. In 1885-86 Great Britain took over 2½ million bales out of a crop of rather more than 6½ million bales. In 1905-06 the crop had grown to over 11 million bales, but British consumption remained under the 3 million figure. The years immediately preceding the war suggested that, in periods of large crop yields, Great Britain's takings might be expected to approximate to something between 3½ and 4 million bales. Between 1920 and 1924, however, the average fell below 2 millions, and even in 1924-25 and 1925-26, years of large crops, British takings failed to reach the level attained some 40 years previously. To put the matter another way, in the middle of last century Great Britain consumed over 50 per cent. of the annual American cotton crop. By the beginning of the present century the percentage had fallen below 30, and in 1925-26 it was only 14.8. Lancashire has doubtless tended of later years to specialise more and more on the finer products, and has drawn to an increasing extent on Egyptian-grown supplies. But the major portion of her material is still drawn from America, the trade returns for the last calendar

year, for instance, showing that of total imports of slightly under 19 million cents, 12½ millions were American and only 3 millions Egyptian.

Imports of American cotton by European countries other than Great Britain have lately shown no very great increase as compared with those of the immediate pre-war years, though the ground lost by these countries during the war has subsequently been steadily regained. During the last 20 years the most phenomenal increase has occurred under the heading "Exports to other countries." The large takings of these "other countries" in the first two years of the war may be ascribed to abnormal causes, but on the basis of the most recent figures it would seem that consumption of American cotton outside Europe and the United States has more than doubled since the beginning of the present century. The 1925-26 figures include exports of 1,083,912 bales to Japan, Lancashire's most formidable competitor in Eastern countries, who is also a large consumer of Indian cotton. During the half-year ended July 31 last, Japanese consumption of the raw material from all sources exceeded that of Great Britain for the first time in history.

This survey of the world distribution of American cotton has served to show that the interests to whom dearer cotton is inimical are by no means located exclusively in Lancashire, but are, in fact, distributed over Europe and the East, and, particularly, the United States of America. What are the prospects of a continuance of the present low level of prices, apart from control by outside agencies? The answer obviously depends on the conditions which are likely to obtain in the American cotton belt in the future. In this respect an exceedingly illuminating chart has recently been published by the National City Bank of New York, based on returns of acreage, production, and yield per acre during the last

PRODUCTION OF COTTON, ACREAGE PLANTED AND YIELD PER ACRE IN THE UNITED STATES



half-century. The chart, which is reproduced on this page by the courtesy of the bank, shows quite conclusively that the acreage under cotton has steadily expanded during the last three or four years, but that this expansion has done little more than make up for the check administered to cotton cultivation in the war period. The rapid expansion of production from the low level of 1921 has barely sufficed to bring the total outturn to the level that might have been expected had the trend of the pre-war curve been maintained. The explanation is furnished by the curve showing the yield per acre. Since the war the latter has shown a very significant decline, and in 1921 reached the lowest point during the whole of the period covered by the chart. The Southern farmers do not appear to have used fertilisers during the war period on the same scale as formerly. The recent recovery in the yield has been due in part to a fresh utilisation of such aids to production, and in part to climatic conditions unfavourable to the boll-weevil and other pests, whose depredations were becom-

ing increasingly formidable. The yield per acre remains, nevertheless, appreciably below the pre-war level.

Present indications do not suggest that prices are likely to continue indefinitely at their present level. The rains which have occurred in the cotton belt this week may have adversely affected the grade of the crop outstanding, while the possibility has to be considered that farmers may not go to the trouble of picking low-grade cotton at present prices. As much as 11,259,000 bales had, however, been ginned by the end of October last. With a carry-over of 5 million bales, supplies for the 1926-27 season may reach about 23 millions. Consumption last year accounted for about 15 million bales, and will need to increase by another 3 millions if a larger carry-over at the end of this season is to be avoided. Nevertheless, if increased consumption, stimulated by low prices, should bring about a trade revival next year, a certain hardening of quotations may be expected. In addition, experience shows that a fall in prices below costs of production has in the past been followed by a curtailment of the acreage under cultivation, arising spontaneously, without pressure from outside agencies. Finally, it is to be remembered that for three years in succession unusually favourable weather conditions have obtained in the cotton-growing areas during the critical months, and there is a strong mathematical presumption against a repetition of this phenomenon in yet another year. While, therefore, there would seem to be very slight possibility of prices returning in the near future to the levels of two and three years ago, a rise of moderate dimensions should certainly not be ruled out.

THE BULGARIAN REFUGEE LOAN.

THE scheme for the settlement of Bulgarian refugees, which was approved by the Council of the League of Nations in September last, is the fourth of the reconstruction schemes with which the League has been associated. The problem, which, after long negotiations, is now being dealt with, has been caused by the gradual return since the year 1912, before the Balkan wars, of some 220,000 refugees. The Government has been able to settle some of them, others have settled themselves—in all, about 30,000; but a large number, homeless and starving, with whom the Government cannot deal, constitute a social and political danger. During the summer of this year there has been worked out by the Financial Committee of the League of Nations a scheme for settling them and for obtaining the money required for this purpose, and a document* similar to those which were prepared in connection with the financial reconstruction of Austria and Hungary and the settlement of refugees in Greece has been issued by the Secretariat of the League, containing all the reports of the Financial Committee on the subject, the results of a special inquiry made in Bulgaria on behalf of the League by Mons. René Charron, the decisions of the Council, and the Protocol signed by the Bulgarian Government. This document is prefaced by an introduction by Sir Arthur Salter, the Director of the Economic and Financial Section, in which he summarises the origins of the problems, the nature of the scheme, and the results which it is hoped to obtain.

The full plan of expenditure presented by the Bulgarian Government showed a total of £2,650,000, including £1,625,000 for country settlements and £450,000 for communications. The total was ultimately reduced to £2,250,000 by the Financial Committee, mainly by the omission of the less urgent railway construction and the elimination of an estimate of £150,000 for town settlements. It is proposed to raise an international loan giving a net yield of £2,250,000, including the sum required to repay an advance of £400,000 made by the Bank of England to the Bank of Bulgaria in August, and now in course of expenditure. The total will be increased if it is found desirable to convert a certain pre-war debt of Treasury bonds, of which some 81 million French francs are still outstanding, into bonds under the new loan, so that the amount available for refugee work will be unaffected. The loan will be secured by a first charge

* (London) Constable and Co. 1s 3d.

on (a) the Excise duty on salt; (b) the Excise duty on alcohol; (c) the net receipts of the match monopoly; (d) all sums received after September 1, 1928, in respect of rent or interest due from refugees; (e) other additional revenues to be specially assigned if the above revenues should at any time fall below 150 per cent. of the annual sum required to meet the service of the loan. The competent reparation authority (the Inter-Allied Commission at Sofia) has released the above revenues (a) to (d), and has undertaken to release the further revenues mentioned in (e) if required, and the Bulgarian Government has undertaken to give the necessary first charge. The Government has also undertaken that the assigned revenue shall not be used as a security for any new loan without the consent of the trustees. The latter will be appointed by the Council of the League to represent the interest of the bondholders and the settlement loan. In the last completed year the first three assigned revenues produced a yield of 280,144 and 109 million leva respectively—i.e., a total of 19.7 million gold francs (or rather more than one-third of the total yield of the proposed loan).

Apart from the specific securities of the loan, two precautions have been taken to safeguard the stability of the Bulgarian currency against a depreciation which might diminish the gold value of the assigned revenues. Firstly, new draft statutes for the National Bank, in harmony with the accepted principles of central banking, have been agreed to by the Government. Secondly, after prolonged negotiation, an arrangement has been made with the Reparation Commission, which has taken a decision under which payments of Reparations over the exchange will, if the need arises, be controlled by a Transfer Committee. This committee will be responsible for purchasing foreign exchange for Reparation payments "to the extent to which it considers that the stability of the Bulgarian currency allows."

The control of the execution of the scheme will be in the hands of a Commissioner appointed by, and responsible to, the Council of the League. Mons. René Charron has been appointed to this office till November, 1928.

We have received the following details of Bulgaria's external debt from M. Stoyanoff, Director of the Public Debt Department at Sofia. The position as at September 30th last is set out below:—

A.—CONSOLIDATED DEBTS.

	Original Amount.	Balance.
	Gold Frs.	Gold Frs.
1. 6% Public Loan of 1892.....	124,962,500	7,564,500
2. 5% " " 1902.....	106,000,000	86,750,000
3. 5% " " 1904.....	99,980,000	85,025,000
4. 4½% " " 1907.....	145,000,000	132,282,000
5. 4½% " " 1909.....	100,000,000	87,930,000
Total	575,942,500	399,551,500
	French Frs.	French Frs.
6. 4½% Public Loan of 1909	82,000,000	78,642,332
7. Debt for the Occupation of Eastern Roumelia	10,618,250	3,368,250
8. Reparation Debt according to Art. 121 of the Treaty of Neuilly.....	550,000,000	641,998,678
9. Occupation expenses according to Art. 133 of the Treaty of Neuilly ..	25,000,000	20,445,888
Total of 8 and 9	575,000,000	662,444,566
	French Frs.	French Frs.
10. 6½% Public Loan of 1923 for meeting payments under arbitral awards ..	26,969,500	26,969,500

B. NON-CONSOLIDATED DEBTS.

1. Advance made by Banque de Paris et des Pays-Bas against Treasury Bonds—capital of 74,500,000 Fr. frs., plus unpaid interest up to 1922....	116,220,000	79,540,000
2. Debt to the Company Jonction Salonique-Constantinople, including interest up to Dec. 31, 1923, in Treasury Bonds.....	27,500,000	25,500,000
3. Debt to the Kingdom of S.C.S., payable in Treasury Bonds and coal supplies	14,700,000	4,011,123
4. Debt to the Oriental Tobacco Trading Company and Commercial Company of Salonica, Limited, including interest, according to the agreement of July 16, 1926	£ 111,320 0 0	£ 70,301 0 0

The first public loan was issued in London in 1888, producing 46,777,500fr., at the rate of 6 per cent. and redeemable within 33 years. The proceeds were exclusively applied to the purchase of the railway Roustchouk-Varna, of a length of 223 km., which was the only railway exist-

ing in the country, and belonged to a private company. The loan was wholly redeemed out of the proceeds of the 4½ per cent. conversion loan in 1907.

The following is a record of the subsequent Bulgarian public loans issued abroad up to 1914:—

1. The 6 per cent. mortgage loan of 1889, subscribed by the Banque Impériale Privée des Pays Autrichiens and the Wiener Bank-Verein, of a nominal amount of 30 million francs, redeemable within 33 years. This loan was secured by a first mortgage on the new railways Tsaribrod-Sofia-Vacarel and Yambol-Bourgas, of a total length of 206 km, and was reimbursed in 1907 by means of the above-mentioned conversion loan.

2. The 6 per cent. mortgage loan of 1892, granted by the Banque Impériale Privée des Pays Autrichiens, of Vienna, of a nominal amount of 142,780,000fr., redeemable within 33 years. The proceeds of the loan were applied to the construction of the railways Kiustendil-Sofia and Pleven-Kaspitchan, of a total length of 523 km, as well as of the seaports of Varna and Bourgas. The loan was secured by a first mortgage on the railways referred to, including the railway Roustchouk-Varna, and by a first charge on the revenue from the seaports.

3. The 5 per cent. loan of 1902, the 5 per cent. loan of 1904 and the 4½ per cent. loan of 1907, of a total nominal amount of 351 million francs, the first two redeemable within 50 years and the third within 60 years. The proceeds were applied to the liquidation or consolidation of part of the floating debt, to the construction of new railways, and partially to the conversion of the loans of 1888 and 1889. The repayment of the loans was secured by a first charge on the revenue from the tobacco tax and the stamp tax.

4. The 4½ per cent. loan of 1909, contracted with the Wiener Bank-Verein, of a nominal amount of 100 million francs, redeemable within 50 years. This loan was granted without any special guaranty, as a result of the confidence which Bulgaria had won in the financial world on account of her loyal and punctual meeting all her obligations abroad.

5. The 4½ per cent. loan of 1909, granted by the Russian Government, of an original amount of 82 million francs, redeemable within 75 years. The proceeds were applied partly to pay the debt which Bulgaria owed to Turkey as her vassal, and partly to purchase the railway in South Bulgaria, of a total length of 302 km, which belonged to a private company. Connected with this loan is the debt of Bulgaria to Russia amounting originally to 10,618,250 paper roubles, which represents the expenses paid by Russia for the occupation of Eastern Roumelia.

6. In 1912, the Banque de Paris et des Pays-Bas advanced to the Bulgarian Government a sum of 75 million francs against Treasury bonds. The advance, together with the accumulated interest, totalled 116,220,000fr. in 1922, when an agreement was arrived at under which the whole of the debt will be repaid within eleven years. The liquidation is now proceeding according to the agreed scheme.

7. The Bulgarian pre-war foreign debts close with the advances made by Disconto-Gesellschaft, Berlin, against the loan which was floated in Germany in 1914 but did not materialise. The question of the reimbursement of these advances is now pending.

The administration of Bulgaria's foreign loans was carried on until 1914 regularly and in accordance with the contracts. During the war the reimbursement of the coupons and amortised bonds held by nationals of enemy countries was naturally suspended, but it was regularly carried on in respect of all other holders. In 1919 Bulgaria resumed the payment of the annuities, and the year after provisional agreements were made with the various committees of Bulgarian bondholders for the repayment of the coupons and amortised bonds.

In connection with the foreign loans of Bulgaria, mention may be made of her Reparation obligations. According to Article 121 of the Treaty of Neuilly, the Reparation debt of Bulgaria amounts to 2,250,000,000 gold francs, payable within 37 years, at 5 per cent. interest. The Inter-Allied Commission in Sofia, however, realised the utter impossibility of Bulgaria to pay such a debt with annuities of nearly 140 million gold francs, and in 1923 the Reparation debt was divided into two parts—part A, of 550,000,000 gold francs, at 5 per cent., payable within 60 years, and part B, of 1,700,000,000 gold francs, which will bear no interest until 1953. From the part B are to be deducted Bulgaria's claims under the Treaty of Neuilly, in accordance with Article 122. The payment of the part A will be made according to a sinking scheme. The annuities begin at 5,000,000 gold francs in 1923, and increase to 10,000,000 gold francs during the period of 1927-1932, to 20,000,000 gold francs in 1932-33, to 32,895,336 gold francs in 1933-34, and to 43,395,336 gold francs during 1934/35-1938. As the first annuities do

not cover wholly the interest due, the capital of the Reparation debt will begin to decrease only from 1934.

Besides the Reparation Debt, Bulgaria has to pay for "occupational expenses," within 10 years and at 5 per cent. interest, a sum of 25,000,000 gold francs.

Bulgaria has also to discharge many other financial obligations under special agreements and arbitral awards provided by the Treaty of Neuilly.

LABOUR'S PROGRESS IN MUNICIPAL ELECTIONS.

It is an unfortunate thing that there is no complete annual record of the results of municipal elections, and that information on the subject can only be gleaned from the incomplete material served up by the daily Press under headlines which frequently bear no relation to the facts. It is, however, clear that in recent years great changes have taken place in the representation of political parties on local authorities, and particularly on municipal councils.

After the municipal elections of 1914 the election of Lord Mayors and Mayors in England and Wales resulted in London in the appointment of 21 Municipal Reformers, 3 Progressives, and 4 Independents. Of the 323 Lord Mayors and Mayors in boroughs 168 were Unionists, 122 Liberals, 12 Liberal-Unionists, 1 Liberal-Labour, 5 Labour, whilst in 9 cases the politics were not stated. This broadly, no doubt, represented the strength of the various political parties, except that probably Labour representation was larger than would appear from these figures. During the remainder of the war period, by general consent, local elections were suspended, and the first opportunity of testing the electorate occurred in 1919. When the war ended the composition of the councils was much what it had been in 1914, as the suspension of elections had removed the one means of registering changes of political opinion among the ratepayers.

In 1919 understandings between the Conservative and Liberal parties were common. Though not unknown in some towns where the Labour party was strong, this had not been general before the war. In 1919 in London Lord Downham explained that the Municipal Reformers and Progressives "had agreed to join hands in opposing the motley crew of extreme Socialist Pacifists and those others who had hampered the Government during the last few years." The result of the municipal elections in the London boroughs in 1919 was that the Labour party took over the control of half the metropolitan boroughs, and in the country as a whole Labour representation on municipal authorities substantially increased.

In the provincial elections of 1920 the number of Labour candidates was increased. The results of these elections, according to the *Manchester Guardian*, showed "a Conservative tendency. Labour, far from repeating the striking successes which marked last year's contest, has received a setback in some of the party's strongholds, and the preponderance of Labour candidates has this year only served to emphasise the small general success the campaign has secured." The results, however, showed that in the aggregate the Labour party gained in strength on municipal authorities.

In 1921 Labour candidates again challenged an increasing number of seats on municipal councils, and though a considerable proportion met with defeat, the results in the aggregate in England and Wales registered a net gain for the Labour party of between 70 and 80 seats. For the first time in the history of municipal elections, Labour candidates outnumbered Conservative candidates. Of 622 Labour candidates who went to the poll 204 were successful. The Conservatives nominated 550 candidates, and, including those unopposed, just over 400 were returned.

In 1922, the relative position of the parties was not substantially altered. After the war the Coalition continued in local politics, and the practice of allowing Liberals or Conservatives a straight fight with Labour candidates became general, so that in 1922, whilst there were Labour gains in many parts of the country, there were gains of Coalition—or, as they were called in many

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places, "Independent" candidates. On the whole, however, there was a net Labour gain of seats.

In the following year the Conservatives lost more municipal seats than they gained, the Liberals suffered a setback, and the Labour party obtained a net advantage. In 80 of the principal towns and cities in England and Wales the results were as follows (In reading this and subsequent tables it must be remembered that one-third of the councils retire each year, and that, therefore, the annual figures refer to different sets of councillors):—

	Seats Held or Gained.
Conservative	401
Labour	251
Liberal	201
Independent	185

The table below shows the number of candidates who stood in these districts, and the results of the elections:—

	Cons.	Lab.	Lib.	Ind.
Number of candidates	555	623	317	327
Unopposed	143	51	73	77
Elected	258	200	128	108

These statistics are fairly typical of the country as a whole. Roughly speaking, there were two anti-Labour candidates to every Labour candidate, not because there were three-cornered fights, but because in many wards Labour had not yet challenged the older parties.

The municipal elections of 1924 followed immediately on the General Election, and a fear was expressed that the latter would destroy interest in the former, but according to the *Times*, "in many parts of the country very large polls were recorded." In the chief centres there was, to quote the same newspaper, "a large turnover of seats, with the balance rather in favour of the Socialist candidates," though many prominent papers declared the results to be "a rebuff for the Socialists." In 80 of the principal boroughs the position was as follows:—

	Cons.	Lab.	Lib.	Ind.
Number of candidates	524	645	285	222
Unopposed	127	54	69	50
Elected	290	154	125	78

In 1925 the metropolitan triennial elections took place. The results of the election of 1919 had been largely neutralised by the elections three years later, though there still remained six boroughs with Labour majorities. In 1925 the election left eight boroughs with Labour majorities, and one—Greenwich—with Labour councillors forming exactly half the council. Whereas 259 Labour councillors were elected in 1922, 364 were elected (out of a total of 1,366) in 1925. The Labour gains in London swelled the total Labour victories in last year's municipal elections. In 80 of the chief towns and cities Labour was the only party which showed a net gain:—

	Gains.	Losses.
Conservatives	23	40
Liberals	11	33
Independents	21	25
Labour	73	26

The general results in these municipalities were as follows:—

	Cons.	Lab.	Lib.	Ind.
Number of candidates	549	722	278	307
Unopposed	120	68	56	64
Elected	263	245	113	114

Each year since the war the number of Labour candidates at municipal elections has steadily increased, and during the recent elections the number of Labour candidates in the field was greater than ever before, whilst the number elected was greater than on any previous occasion. An analysis of the figures in 80 of the principal towns and cities gives the following results:—

	Cons.	Lab.	Lib.	Ind.
Number of candidates	569	807	291	194
Unopposed	99	51	48	43
Elected	239	350	115	52

As in the case of last year's elections, the only party to show a net improvement in its position was the Labour party. So far as can be ascertained, the position regarding gains and losses is as follows:—

	Gains.	Losses.	Change.
Conservatives.....	22	98	— 76
Liberals	8	61	— 53
Independents.....	18	35	— 17
Labour	160	14	+ 146

These figures were published by the *Times*. The *Daily Herald*, however, gives the total Labour gains as 153 seats.

Lord Jessel, the president of the London Municipal Society and the National Union of Ratepayers' Association, describes the elections as being a fight "between an unorganised mob of Constitutionalists and the disciplined forces of the Labour-Socialists." This, though it may be a compliment to the latter, is an unmerited criticism of the highly efficient election machinery of the orthodox parties. Several important newspapers have attempted to saddle the responsibility for the large number of Labour gains on an apathetic electorate, though such "apathy" as exists is no new feature. Indeed, the percentage of electors who go to the polling-booths increases, and in many towns where the Labour party has done best the poll was a high one. These two explanations provide no answer, though it is doubtless true that Labour supporters poll more strongly than their opponents, and that the non-voters are for the most part Conservative in the sense that they are passive supporters of the *status quo*.

There is little doubt that in some degree the municipal elections have reflected the attitude of the public towards the Government's handling of the coal crisis and its general policy. But this does not explain the unchecked, though variable, advance of Labour representation on the municipal councils each year since the end of the war. It is in part due to the persistent propaganda carried on throughout the length and breadth of the country by the Labour party—a campaign which continues throughout the year, and is merely intensified and more highly organised during elections. The Labour party is now obtaining the place in local politics that it occupies in national politics. There has been a time lag between the advance of Parliamentary Labour and the progress of municipal Labour. For a quarter of a century there has been active propaganda in the arena of national politics. And though Labour representation on local authorities is as old as Parliamentary representation, the same weight has not been thrown into local as into Parliamentary elections until recent years.

What the exact position is in the municipalities cannot be stated. The aldermanic elections are due in many towns, and these may result in further changes. But it is clear that in the provinces Labour representation is stronger than ever before, and that Labour is in control in more municipalities than ever before. On the urban district councils the Labour party is, perhaps, not quite so strong as on the municipal councils. On rural district councils, where old traditions are powerful and rural interests influential, Labour is much weaker. On the county councils, apart from industrialised areas such as Durham, Labour is even weaker still, partly because of the anti-Labour interests in the country districts, and partly because of the difficulty of obtaining candidates who are able to devote the time to county council work, and who are able to afford the inevitable expenditure involved. Taking all our local authorities as a whole,

therefore, Labour is far from controlling local government, though it is yearly gaining strength in the urban areas.

CONTROLLING THE OUTPUT OF GOLD.

II.—CONDITIONS FOR CONSTANT VALUE OF GOLD.

In this series of articles Professor Leffeldt, of Johannesburg, raises the problem of ensuring that gold, which is once more resuming its former standing as the world's standard of value, can itself be stabilised in value. The reader will remember that Prof. Leffeldt, unlike Prof. Cassel and other authorities, takes the view that gold is more likely to become too abundant than too scarce. At the conclusion of this series of articles we propose to put the case for the opposite view of the future value of gold.

The value of gold, i.e., its purchasing power, depends on supply and demand like the value of other things; but there are certain special features which make the economic circumstances of gold differ from the usual case of commodities that are used up almost as soon as they are produced, or even of such durable commodities as houses, which form a closer analogue. The demand for gold is twofold: partly for use in manufacture, when it is practically withdrawn from stock once for all, just as iron or tin is; partly for monetary use, in which it is so durable that one may say it is permanently retained in stock, the current demand being only because the stock needs enlarging. Of the annual output from the mines, part goes in manufacture, and the rest is added to stock, the addition rarely amounting to 3 per cent. in a year. The "supply" of gold that balances the monetary demand is, therefore, not the annual output, but the whole stock existing in a form available for coinage. At the present time that stock somewhat exceeds £2,000 millions, and the annual addition to it—the output of the mines less what is used in industry—is now £30 millions to £40 millions.

The "demand" for monetary use grows on account of the growth in production and trade, but not quite in proportion to that growth, as it would do if gold were the only kind of money. If paper substitutes bore a fixed ratio to gold it would also be the case that the demand for gold grew strictly in proportion to the growth of trade, but that is not the case. The superstructure of paper money and cheques built upon the gold basis tends to become greater; almost every monetary reform is in the direction of economising gold. Thus if a country that has been in the habit of using bank notes for most of its business comes to adopt the cheque system, it will be found that a smaller gold reserve will suffice to conduct the same amount of business.

All through the last century there have been slow changes of this character, so that although the demand for money has increased all the time, that demand has been met to a small extent by improved economy in the currency and banking methods employed. Usually this economy has only played a minor part. Thus it has been estimated that during the half-century or century preceding the war, trade (in the world) increased at a rate of about 3 per cent. per annum on the average. This was met to a small extent by the use of more economical methods, nevertheless it required an increase in the gold stock at a rate not much less—perhaps 2½ per cent. per annum. The novelty of the situation during the war lay in the fact that the economising of gold was suddenly pushed in a way that had never happened before. We had an example of it in England, when the Government persuaded people to adopt notes in place of sovereigns. The same tendency is seen in the resolutions of the Genoa Conference, which aim at greater co-operation between the central banks with a view to working with smaller gold reserves.

Now economy in use is just as appropriate in the case of gold as in that of other materials required to satisfy human

needs, but the suddenness with which it was brought about during the war period was disconcerting. An improved method of using cement, say, would benefit many people, and only upset the limited number who are employed in its production; an improved method of using gold for currency saves the world something in cost, eventually, but it not only upsets the gold mining industry, it upsets the standard of value, and so affects the whole tissue of debts and credits.

In order to maintain constancy in value of gold, it should be supplied in just such quantity as will provide for industrial use, for wear and tear, and for increase in the stock of money, after allowances have been made for the progressive economy in use. For instance, if in a given year the world needs 3 per cent. more money, but 1 per cent. of this is provided by increasing the proportion that notes and cheques bear to gold reserves, then 2 per cent. has to be provided out of the product of the mines. If less than 2 per cent. is provided, the value of gold will rise, if more than 2 per cent. the value will fall. During the 'eighties of the last century the value of gold rose, owing to insufficient production, while in the early years of this century it fell owing to the excessive fruitfulness of the mines.

But if in consequence of some revolutionary situation, such as that which faced the world in 1914, an economy of 10 per cent. were effected in a single year, then it would not be possible to keep up the value of gold, even by stopping the output altogether. It is perhaps straining language to describe what happened during the war as "economising gold," it was rather a deliberate increase of money. As to scale, however, it was quite up to the illustration we have just suggested, and accordingly there was no stopping the fall in value of gold, which, as is well known, dropped to about 40 per cent. of its pre-war level. Then occurred the recovery in 1920-21. At the present time, with the attempts of various nations to restore the gold standard, there is an actual tendency to recession in the ratio of paper money to gold, which is contrary to the usual course of history.

The arguments we have been considering show, then, that, ordinarily, control of the output of gold would permit of keeping its value constant, on the whole. It would not have sufficed to cope with the extraordinary changes of the war, but there is not much likelihood of a similar monetary emergency recurring. On the other hand, it is not a method suitable for dealing with the ups and downs of the trade cycle.

It has been claimed for Irving Fisher's method that it would prevent both the rapid and the slow changes in the purchasing power of gold; this contention is open to some doubt, and anyway we are assuming that the method does not come within practical politics in this generation. Mr Keynes, in advocating a managed paper currency for Britain, independent of the currencies of the rest of the world, though he still supposed gold to play some part in foreign exchange, was not embarrassed by the slower changes in gold value, and considered that the more rapid could be avoided by suitable action on the part of the Bank and the Treasury. If, however, we are restricted to less revolutionary methods, it seems clear that neither gold control nor credit control alone would suffice. The former is slow acting; it can only regulate the stock of gold in existence, in the course of years, while changes in demand arise which may affect the value of that stock in a few months, i.e., which may cause a sensible rise or fall in prices, though the trade influences which bring this about are not cumulative. On the other hand, credit control, while suitable for dealing with the immediate trade situation, could not, so long as money is on a gold basis, affect discoveries which rendered gold much cheaper to produce, nor such absence of new discovery as would in time render it scarce and valuable.

The right method seems to be a combination of the two. The central banks must continue to study their problem of regulating the rate of discount, buying and selling securities and otherwise adapting the supply of credit to the needs of the moment. But in addition, a new organ of control should be created, whose function would be to maintain the gold stock at the level necessary to enable the central banks to carry out their aim of stabilisation, over a long period of time.

Notes of the Week.

Overseas Trade in October.—The October Trade Returns, issued on Thursday, reveal a continuance of the same tendency as was shown by those of the two preceding months. The net result is an import excess of £47½ millions, or £19 millions more than in October, 1925. Imports are slightly higher than a year ago, and total exports down by 21 per cent. A summary comparison of the value figures for October and the ten months of 1925 and 1926 follows:—

MONTH OF OCTOBER.

	1925.	1926.	Increase (+) or Decrease (—) in October, 1926.	
	£	£	£	%
Imports	108,835,624	111,013,703	+ 2,178,079	+ 2.0
British exports	67,081,986	53,176,663	— 13,905,323	— 20.7
Re-exports	13,377,420	10,361,102	— 3,016,318	— 22.6
Total exports	80,459,406	63,537,765	— 16,921,641	— 21.0
Excess of imports over total exports	28,376,218	47,475,938	+ 19,099,720	+ 67.0

TEN MONTHS ENDED OCTOBER 31st.

	1925.	1926.	Increase or Decrease in 1926.	
	£	£	£	%
Imports	1,074,249,049	1,016,350,156	— 57,898,893	— 5.4
British exports	646,340,392	549,121,463	— 97,218,929	— 15.0
Re-exports	126,228,215	103,063,219	— 23,165,016	— 18.4
Total exports	772,568,627	652,184,682	— 120,383,945	— 15.5
Excess of imports over total exports	301,680,422	364,165,474	+ 62,485,052	+ 20.7

Had it not been for the necessity to buy fuel abroad, imports would have been substantially lower in October than a year ago, for we imported nearly £7½ millions' worth of coal last month. In the last four months coal imports totalled £27 millions. Again, imports of iron and steel in October were £1 million above the 1925 figures. Under the head of raw cotton, however, there is a drop of nearly £4½ millions in October, due mainly to lower prices. The last three months have added over £60 millions more to our import excess than the corresponding months of 1925, and we must now expect the visible balance of commerce for the full year 1926 to be not far off £100 millions greater than last year. Certain visible items have probably increased, but, if a margin available for overseas lending exists, it must be exiguous, and it is satisfactory news that, after the Bulgarian loans, big foreign issues are likely to be conspicuous by their absence for the rest of the year. In the following table we show how certain leading British exports have fared as regards quantities in comparison with last year, the figures being divided into two periods—namely, the four pre-strike months and the six months that have since elapsed:—

BRITISH EXPORTS.

	January to April.		May to October.	
	1925.	1926.	1925.	1926.
Coal	17,462,134	17,481,236	24,385,165	1,501,455
Cotton piece goods	1,575,121,000	1,407,533,100	2,150,527,500	1,908,493,300
Cotton yarn	66,339,500	62,884,000	91,337,100	75,503,500
Woolen tissues	47,466,100	40,861,900	65,994,900	60,088,500
Worsted tissues	18,822,800	15,940,200	20,629,300	20,816,200
Machinery	167,257	167,840	258,556	230,554
Motor cars	6,387	6,030	8,992	6,537
Iron and steel (total)	1,235,673	1,395,730	1,834,112	1,266,912
Pig-iron	162,436	176,680	208,330	93,087
Ferro alloys	46,905	15,993	34,411	113,653
Railway material	127,818	164,520	219,715	127,681

This table gives us some measure of the export losses due to the coal dispute. But there are points about it—such as the worsted tissue figures—which show that some branches have managed to surmount all difficulties and maintain a reasonable level of activity. From detailed figures printed on a later page, it will be seen that, whereas the total decline in British exports in the ten months has been £97 millions, about £70 millions is accounted for under the three heads of coal, iron and steel, and cotton yarns and manufactures. The October returns include statistics showing the origin and desti-

nation of imports and exports in the first nine months of the year, and these are discussed in a leading article in this issue.

The Progress of Fascism.—Europe is again disappointed in her hope that Italy may settle down under the Fascist régime and may return, without a counter-revolution, to the normal conditions of European life. The latest attempt to assassinate Signor Mussolini has produced a fresh, and most alarming, explosion of violence, directed not only against the non-Fascist elements in Italy, but against neighbouring countries which have given Italy no provocation. It is disquieting that Signor Federsoni, who stands for moderation, is leaving the Ministry of the Interior; and the new Defence of the State Act, with its elastic definition of offences, its summary procedure by court-martial, and its savage penalties, to which foreigners living in, or passing through, Italy are subject as well as Italian nationals, can hardly fail to produce serious incidents. The persecution of non-Fascists is becoming more systematic and more severe. As illustrations we may cite the reports, published this week in the *Manchester Guardian*, of the eviction of agricultural workers from their homes by carabinieri for the crime of refusing to join the new Fascist trades unions; and the expulsion of doctors, lawyers, and newspaper editors from their native provinces, not for any specific offence, but in vicarious atonement for the recent attempt on the Duce's life by an individual with whom they had no connection whatever. More serious, from the international point of view, are the recent outrages against France—the violation of a French Consulate and the mobbing of inoffensive French railwaymen who were going about their lawful business in an international railway station established by treaty. French public opinion is disgusted and dismayed; and there are rumours that the French Government has lately been strengthening its military position in the Alps—a frontier on which there has been no tension for at least a century. Fascism has once more set its feet on the path of destruction. Unless it draws back it will bring trouble on Europe and ruin on Italy before it destroys itself.

Labour and the National Debt.—A Labour correspondent writes:—It is understood that the Colwyn Committee on the National Debt and the incidence of taxation, appointed by Mr Snowden in 1924, completed its report recently, that it is now in the hands of the Chancellor of the Exchequer, and that it consists of majority and minority statements. The minority includes the Labour members of the Committee. Current belief is that the majority do not take the view that the proportion of direct to indirect taxation is too great in existing conditions; as regards their general programme, it is definitely stated that it recommends nothing novel or unduly drastic. For the Labour movement (the Committee was appointed by a Labour Chancellor of the Exchequer) the minority statement will be important. British Labour fought at least two General Elections in favour of the Capital Levy as a means of more speedily reducing the aggregate burden of national debt. But the proposal never secured the assent of the electorate. With the passage of the years away from the actual period of war-time borrowing, and with the exhaustion of four or five years of industrial depression, culminating in the coal stoppage at literally enormous cost, the large majority of the Labour members of Parliament have privately reached the conclusion that it will be hopeless further to recommend the inclusion of the levy in the party programme. What the minority of the Colwyn Committee have written on the subject is not yet known, but it is believed that they have paid tribute to the levy as the appropriate instrument at the time of its promotion, and have then proceeded to discuss alternatives in the light of changed industrial conditions. If that forecast is correct, they may expect the attack of a minority of the movement and the benediction of a large majority. The latter feel all the more secure in that they do not intend to adopt a purely negative attitude. Most of them still urge that debt must be more drastically reduced. Accordingly they are in favour of recasting the system of death duties (many of them are now definite supporters of the Rignano principle) in such a way as to make it

much more productive. Others would make the sinking fund provision cumulative. With these two devices they would provide a much larger sum annually for debt reduction, since it is suggested that there should be specific allocation of a part of the yield of death duties for such a purpose. In addition to these proposals, it is suggested that a special non-recurring tax should be imposed on large incomes for a limited number of years, the proceeds to be devoted to debt reduction; but this proposal does not affect those dealing with the reconstruction of the system of death duties. At the same time, pleas are advanced for a modification of the exclusive use of the added yield for debt extinction. Many of the Labour members consider that a portion of the extra amount available should be used for immediate and urgent schemes of social reform and a portion for schemes of economic development, such as would provide definite employment rather than either poor law relief or unemployment insurance donation. Were such a programme recommended, it is believed that much of the objection to the disappearance of the Levy would be met. In other words, the proposals would be amended in such a way as to bring them into line with existing economic conditions which no financial principle or proposal can ignore.

British Port Costs.—Severe criticism has once more been levelled at conditions in our ports, the critics this time being the Traders' Co-ordinating Committee on Dock Charges, whose Report on Costs—especially of loading and discharging—was issued last week. The Report is a document at once disquieting and inconclusive. The Committee point to the significant facts that not only do outward freights from this country tend to exceed rates from competitive loading centres on the Continent, but, whereas before the war there was normally a differential of 6d a ton specified in charter parties in favour of British discharging ports, present charters provide for substantially higher freights in cases where a British destination is selected as against discharge in a Continental port. According to the Committee, this situation—involving for this country proportionately dearer imports, handicapped exports, and restricted employment—"arises directly from the heavier cost in money and time at British ports." This is a grave statement, coming from an unusually representative body of port users, and the Committee's conclusion, that there is "a *prima facie* case for a complete investigation into the causes," will be widely endorsed. At the same time, we would suggest, somewhat fuller evidence than that on which the Committee's findings appear to be based is required before conclusions of permanent validity can be reached. The Report instances a number of striking discrepancies between current British and Continental port expenses, but the argument is weakened by the fact that three out of the four foreign ports selected for comparison are situated in countries with rapidly depreciated currencies. The only foreign port with stable currency for which comparative costs are given is Rotterdam. The following table, based on the Committee's figures for four representative cargoes, indicates the contrast between pre-war and current British and Dutch "port disbursements" in connection with identical vessels and cargoes:—

Cargo.	Average of London, Leith, and Belfast.			Rotterdam.		
	Average of London, Leith, and Belfast.			Rotterdam.		
	1913.	1926.	Percent'ge Increase.	1913.	1926.	Percent'ge Increase.
1. Grain	£ 302	£ 551	82	£ 202	£ 317	57
2. Sugar	372	687	85	186	379	104
3. Ore	379	702	85	220	370	68
4. Timber	397	739	86	200	382	91

The average increase in British costs over pre-war level works out at roughly 85 per cent., against 80 per cent. in Rotterdam. This difference is not substantial. What is most striking in these figures (inconclusive as is comparison with a single foreign port) is that Dutch pre-war costs appear to have been enormously cheaper than ours, and that this relative advantage against us still obtains—

average British costs being now 85 per cent. in excess of those of Rotterdam. Explanation of the cause of this great, and continuing, disparity is clearly wanted, together with parallel data for German, Scandinavian, and American ports. (French ports before the war appear to have been more costly than ours.) More evidence is also needed whether "time" or "costs per unit of work" is the dominant factor in high British port "disbursements." There is, however, room to doubt whether labour resources in many ports are employed as effectively as possible, and references made by the Traders' Committee to uneconomic "use of vessels as warehouses," and to "failure to employ facilities to the full limit of capacity because work is slowed down to suit conditions of charter-party," strengthen the impression that the time is ripe for a comprehensive survey of the whole of our port facilities, equipment, and (above all) methods of organisation, in the light of the best foreign practice. The interests of the community are so deeply involved that the Government might well consider the appointment of a Royal Commission.

Port of London Authority.—The financial results of the operations of the Port of London Authority for the year ended March 31st last show a deficit of £6,528, which compares with a surplus of £208,049 in the preceding year. Revenue declined by £126,700, while expenditure increased by £58,500. Fixed charges were also higher by £29,300, owing to the issue in December, 1924, of £3 millions in 4½ per cent. inscribed stock, interest on which absorbed £142,500 last year, against £27,700 in 1924-25. Sinking fund provisions were also slightly higher, but savings were made in interest on temporary loans and in discounts. The following table compares results in the past five years and in 1914:—

	1914.	1922.	1923.	1924.	1925.	1926.
Total revenue	£ 3,434,453	£ 7,929,874	£ 6,319,295	£ 5,542,971	£ 6,429,862	£ 6,303,125
Total expenditure	2,217,822	5,801,217	4,582,425	4,516,076	4,936,340	4,994,889
Balance of rev.....	1,216,631	2,128,657	1,736,870	1,026,895	1,493,522	1,308,236
Fixed charges	932,786	1,575,929	1,400,990	1,284,328	1,285,473	1,314,764
Surplus revenue	283,845	552,728	335,880	742,567	1,208,049	993,472
Brought forward	89,637	896,044	1,448,772	1,573,252	1,315,819	523,868
Written off, &c.	373,482	1,448,772	1,684,652	1,315,819	1,523,868	517,340
Carried forward	281,578	111,400	1,111,400	1,111,400	1,000,000	1,000,000
	91,904	1,448,772	1,573,252	1,315,819	523,868	517,340

The past year's figures, of course, were not affected by the general strike or the coal stoppage, which began at the end of April. Capital expenditure during the year amounted to £107,100, as against £247,200 in the preceding year. The balance of borrowing powers by means of the issue of Port stock remaining unexercised at the end of the financial year was £6,065,800, the amount of Port stock issued and outstanding being £31,590,500, as against an authorised issue of £37,656,200. Total sinking funds at March 31st last amounted to £1,497,700, against £1,288,600 a year previously, these figures including provisional sinking funds for the redemption of certain expenditure in respect of which borrowing powers have not yet been exercised. The reserve fund remains at the statutory maximum of £1,000,000, which it reached in 1921-22, since when the interest on the trustee securities in which it is invested has been credited to net revenue account. Last year the amount of interest was £45,300. The total net register of vessels that arrived and departed with cargoes and in ballast in the calendar year 1925 was 47,064,975 tons, which compares with 45,392,649 tons in 1924 and 40,080,282 tons in 1913. The net register and deck cargo tonnage of shipping that entered and left the Port of London and paid river tonnage dues during the 12 months to March 31st last was 35,852,020 tons, an increase of 1,395,657 tons, or 4.1 per cent., of which 867,879 tons was in the foreign and 527,778 tons in the coastwise trades. From the table below, which gives the values of total imports and exports (including coastwise goods) of the six principal ports of the United

Kingdom, it will be seen that London has still further increased its lead:—

	1923.	1924.	1925.	Inc. in 1924.
London (including Queenborough)....	£ 579,095,902	£ 677,342,399	£ 745,425,872	+ 10.1
Liverpool	532,990,145	582,463,696	579,680,083	— 0.5
Hull	102,034,446	121,186,307	115,083,167	— 5.0
Manchester (including Runcorn)	94,095,116	114,556,561	115,647,548	+ 0.9
Southampton	72,619,877	81,226,133	93,095,224	+ 14.5
Glasgow	80,299,380	84,324,816	87,506,940	+ 2.6

During the year 1925-26 the authority landed or received 2,445,531 tons of import goods for warehousing or for immediate delivery, an increase of 3.9 per cent. as compared with the previous 12 months. The export traffic handled on the dock quays amounted to 691,064 tons, an increase of 31,121 tons. The report states that negotiations with the Unemployment Grants Committee have resulted in the Committee agreeing to pay 50 per cent. of the interest for a period of 15 years on an approved estimated expenditure of £800,000 for a new dry dock at Tilbury, £1,680,000 for a new entrance lock at Tilbury, and £1,030,000 for West India and Millwall Docks improvements, subject to certain conditions as to recruitment of labour.

Shipping Freights Index Number.—The sixth month of the coal stoppage witnessed a remarkable upward movement in whole-cargo freights. Our Index Number, based on the available homeward routes only (the italic figures in the following table) works out at 182.74, a rise of 39.21 per cent. on the previous month. When the April quotations for the missing coal routes are interpolated, the result (as shown by the figures in black type), is a total figure of 162.46, representing an increase of 25.14 per cent. over the corresponding figure for September. It will, however, be appreciated that the abnormal situation created by the prolongation of the coal dispute can no longer be accurately reflected by including coal freight figures assumed to have remained unchanged throughout the past six months; and the Index Numbers, printed in italics, and indicating the average of homeward routes, record most correctly the recent course of the freight market—always with the proviso that it must be borne in mind that the loss of outward revenue has to be set against the recently enhanced earnings for the homeward journey:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913)...	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	629.89	757.52	744.81	587.02	712.16	690.95
December	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
January, 1926.....	115.92	114.12	116.10	119.58	102.78	135.53	117.00
February, "	116.52	97.85	114.86	118.52	95.05	119.29	110.35
March, "	115.88	93.37	116.94	114.57	87.92	96.14	104.14
April, "	112.40	95.00	116.57	109.16	83.90	97.03	102.34
May, "	111.41	102.60	115.76	107.90	78.12	99.70	102.58
June, "	114.12	102.60	110.04	72.65	79.13	99.70	96.22
July, "	110.81	108.04	121.06	120.43	98.33	92.58	108.04
August, "	112.32	105.04	127.62	97.70	98.33	92.58	104.43
September, "	110.91	116.16	134.42	119.80	98.79	124.63	117.43
October, "	112.60	116.16	147.36	96.45	98.79	124.63	116.00
November, "	111.61	127.83	133.66	119.59	100.88	151.34	124.13
December, "	114.72	127.63	145.83	96.03	100.88	151.34	122.77
January, 1927.....	113.73	140.30	144.29	121.68	104.03	154.90	129.82
February, "	121.07	140.30	167.05	100.21	104.03	154.90	131.27
March, "	128.08	214.63	175.06	141.72	144.36	170.92	182.46
April, "	197.61	214.63	228.64	140.29	144.36	170.92	182.7

The month's changes in the index of each group and sub-group (coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	..	..	S. America—outwards ..	228.61	+ 61.56
Bay—outwards ..	..	..	" homewards ..	..	..
" homewards ..	..	..	India—outwards ..	140.29	+ 40.08
Mediterranean—outwards ..	197.61	+ 79.66	" homewards ..	144.36	+ 40.31
" homewards ..	214.63	+ 74.33	Far East, &c. ..	170.92	+ 16.02
North America ..	..	..	Australia ..	..	..

With the continued absorption of enormous quantities of tonnage for shipment of American coal to this country and elsewhere, the general shortage of vessels to meet the normal autumnal requirements of grain shippers—signs of which were already visible in September—became acute during the past month. Both from the Argentine and from Canada and the United States, shipowners were enabled to secure highly profitable rates, while big advances had also to be conceded by grain shippers from the Danube and the Black Sea ports. Quotations for forward loading from Australia also rose sharply, and such business as was afforded "tramp" vessels from Indian and Far-Eastern ports reflected the general advance in values. The relation of the index to the average for 1913 is shown in the following table, the figures for the past six months representing homeward routes only:—

	(1913 = 100.)					
Month.	1923.	1924.	1925.	1926.		
January	114.05	117.11	114.49	100.57		
February	112.73	123.78	115.96	94.85		
March	115.23	122.09	106.63	89.51		
April	115.45	117.22	104.24	87.97		
May	114.55	114.27	98.23	82.69		
June	106.82	108.62	91.74	89.76		
July	103.39	103.75	94.90	99.71		
August	100.16	104.43	95.87	105.53		
September	103.04	110.50	98.19	112.83		
October	107.86	115.55	99.49	157.07		
November	111.21	112.76	102.23	..		
December	111.81	111.21	104.67	..		
Mean for year	106.69	113.44	102.22	..		

Unemployed effective tonnage has now fallen to a low level, and short of an unexpectedly early resumption of normal coal exports from this country, high freights for "tramp" shipping seems likely to rule for some months ahead.

Home Crops.—The monthly report of the Ministry of Agriculture, dated November 1st, states that the dry weather continued during the first week or ten days of October, but subsequently the weather was very variable. Some heavy rains and severe frosts occurred in nearly all districts, whilst in some parts of the Northern Counties and in Wales there were falls of snow. Good progress was generally made with field work, and potato and root crops were lifted under very satisfactory conditions. The rains assisted the ploughing of land which had previously been too hard for this work. Practically all the potato crop has been lifted in most districts, and the tubers have been clamped in clean and dry condition. On the whole the potatoes are small, and crops are light. Disease is reported in nearly all districts, but especially so in the important potato areas in the East of the country. In the Eastern Counties the crop is estimated to be nearly 2 tons per acre below the average of the past ten years, and in the North-Eastern Counties about 1½ tons below average, but in the North and in the South-West of England and in Wales yields practically equal to the average have been obtained. The yield per acre over the whole of England and Wales is estimated at 5.4 tons, or about ½ ton below average. The estimated total production of 2,682,000 tons is 532,000 tons smaller than last year's crops, and 476,000 tons below the average of the ten years 1916-1925. Turnips and swedes are expected to prove a good crop. The roots are of good average size, and are generally of good quality. Less damage to swedes by mildew than was anticipated is now likely in most areas, the rains of the latter half of October improving the position in this respect. Except in the South-Western Counties over-average crops are expected in all divisions, and the yield per acre over the whole country is estimated at 14½ tons, or 2 tons above average. The estimated total production of 11,149,000 tons is 2,000,000 tons above last year's figure, in spite of the decrease in acreage of 40,000 acres. The harvesting of the mangold crop was well advanced all over the country by the end of October, and in several districts was practically completed. The roots are generally large and of good quality,

and yields are above average. Over the whole country the yield per acre is forecast at 20½ tons, or nearly 1½ tons per acre above average. The estimated total production of 6,933,000 tons shows a decrease of 200,000 tons as compared with the 1925 crop, this being accounted for by the decrease of nearly 21,000 acres drilled this year. Good progress has been made in most districts with the lifting of sugar beet; early in the month the ground was often too hard for the roots to be lifted without great difficulty, but since the rains lifting has been much easier. The roots are of good size, and the yield per acre appears to be somewhat heavier than the satisfactory crop of 1925. The sugar content is generally good, and above that of last year. In most districts cultivation and sowing was, on the whole, as far forward as is usual at the end of October. The rains in the latter part of the month were beneficial for ploughing operations and the preparation of seed-beds where the soil had previously been too dry. The land was fairly clean, and good seed-beds were obtained. The sowing of winter corn was well advanced in most districts, but in some of the Eastern Counties this work had been delayed owing to the lifting of sugar-beet.

The Stock Exchange and Public Protection.—The Stock Exchange Committee have done much good work during the past few years, writes a Stock Exchange correspondent, in the direction of making it more difficult for shares in swindling companies to be marketed within the walls of the House. The Committee have no power, of course, over what goes on outside the Stock Exchange. If they had, it is probable that many hundreds of people in this country and in Scotland and Wales would have been saved considerable sums which they spent in the purchase of shares in American oil plots and holdings. Moreover, the legislation of the Stock Exchange is steadily directed towards the raising of the standard of information required before the Committee will grant permission to deal in the shares of any company. Until such permission is given members will not buy or sell. In spite of the reforms which have been introduced with a view to stopping the swindler and the wild-cat promoter, the onlooker may wonder whether even the existing rules are sufficiently rigid to exclude the possibility of shares being introduced to the markets in companies that either have no existence at all or which are mere ramps. Each company has to be sponsored by a member of the Stock Exchange, and this in itself is an invaluable bulwark against the likelihood of swindles coming into the House. The possibility has to be faced, however, of a Stock Exchange member being misled into the taking of too complaisant a view of the company in whose shares he is asked to obtain permission to deal. Having obtained leave, the next step is for share-sellers to introduce their wares to the market wherein it is proposed to deal. Most Stock Exchange firms nowadays are sufficiently well acquainted with technical matters for them to appreciate whether a company is genuine or not. Looking at it from the point of view of the public, however—and it is this which mainly concerns us—no doubt can be entertained as to the fact that there remains a possibility of a swindle or a ramp being introduced to the Stock Exchange, and for dealings in the shares to be permitted. It is at this point that one meets the unsurmountable objection which debars the Stock Exchange Committee from accepting the position of judge, or arbiter, as to the value of any of the shares in which leave to deal is given. The Committee demand compliance with certain formalities. Questions have to be answered, and data provided, which require a good deal of circumvention if they are to be satisfactorily met by the man with a swindle to sell. It may be considered that under no system of questionnaire or scheme in which reliance has to be placed, perforce, upon statements made by interested parties can it be made assured that every loophole permitting the entry of swindling shares into the Stock Exchange shall be stopped. The Committee of the Stock Exchange are not to be expected to engage a mining engineer to see for himself, for instance, whether mining properties exist; a visiting agent to inquire into the condition of a tropical estate, an expert to consider the likelihood of an artificial silk process proving payable. Allowing for all this, however, there are men in the House who maintain that the

Stock Exchange Committee should, and could, do more than they do at the present time in order to place beyond doubt the bona-fides of any company that is brought before them with the intention of obtaining permission of the Stock Exchange Committee for dealings to start in its shares.

Tin Fluctuations.—Manipulation has certainly played a part in the violent fluctuations recorded in tin prices since the middle of October, the two extreme points touched since then being £321 10s and £293 10s, while the forward quotation has fluctuated between £309 10s and £289 10s. Disappointment regarding the coal crisis negotiations and disturbances in Wall street led to successive "bear" attacks being made on the forward market, and forced liquidation on a large scale by dealers and on outside account, but at the lower levels America, as before, neglected no opportunity to make provision for her near requirements, and has drawn from this side considerable quantities of English tin held in stock, apart from the Straits tin afloat picked up through the leading London trading houses. At the close of last week indications that the market was sold out on the speculative side excited considerable attention in the face of an increased demand for near tin, and produced a strong market at the beginning of this week, with prices rapidly rising by as much as £13 a ton in three days. There was some little reaction on Thursday, but the tendency was finally strongly upward. Home stocks are rather badly depleted, and amount to only 1,248 tons, as compared with 1,588 tons at the end of October. While the total deliveries for October showed a further increase against the September returns, it is not improbable that for the current month they will be at least fully maintained, and possibly exceed 10,000 tons, the highest monthly total since last spring. The trade demand lately has been more widespread, consumers who hold but little stock having been more disposed to protect their needs under the influence of the swift recovery. The fact that the market is persistently threatened with a state of scarcity, while there has been as yet no indication of any falling in the actual American outlet, and that there is a possibility of the European demand expanding again given an early settlement of the coal crisis, has tended to encourage new speculative interest. Current production shows no notable increase, in spite of the inflated price, and is only just about sufficient to cope with actual needs. Germany and other Continental countries have been taking rather more tin for some time past, and America is not covered for much more than a month ahead.

Latin-American Trade with the United States.—A correspondent writes:—That the United States is losing something of its former firm grip upon some of the Latin-American countries—especially Mexico and Cuba—with which, from its geographical propinquity, it might have been expected to have maintained closer relations, is proved from the official returns for the fiscal year 1925-26. In 1926 the imports from Mexico were \$168,668,773, compared with \$185,109,260, showing a decrease of \$16,440,487; in the case of Cuba, the trading figures for the year, namely \$227,484,427, when compared with those of the previous year, amounting to \$291,915,139, show the substantial decline of \$64,430,712. In regard to exports from the United States to these two important markets, the falling-off is also well marked. Whereas in 1925 exports to Mexico had amounted to \$146,833,521, the total in 1926 was \$140,080,494, a shrinkage of \$6,753,027; in the case of Cuba the 1925 figure of \$206,662,049 shrank in 1926 to \$182,903,618, or a decline of \$23,758,431. The smaller republics of Santo Domingo, Haiti, Honduras, and Costa Rica, in the Caribbean, and of Ecuador in South America, likewise took fewer American goods, but with these exceptions, the United States shows a moderate advance over the previous 12 months in its trade with the countries of Latin-America. Regarding the total volume of North American commerce with the 20 Latin-American States, it is seen that the exports were about \$32,000,000 higher than in the previous fiscal period, whereas imports showed the small decline of \$7,000,000. The volume of trade passing between the two Americas

has in years past shown a remarkable and—in some instances—a sensational advance, especially during the past decade. To-day the value of this commercial intercourse has reached the impressive total of \$841,228,095, which, compared with the figures for 1925 (\$809,122,825), shows an all-round augmentation of \$32,105,270. It might, perhaps, be difficult to understand the heavy falling-off in the volume of American trade with Cuba, but for the fact that this island of the Caribbean has of late years been passing through an extremely severe economic trial, now rendered more formidable by the recent unexampled amount of material damage caused by hurricanes. While United States trade will probably enjoy the advantage of reconstructing the towns and repairing most of the damage sustained in the interior, the considerable amount of American capital invested in Cuba must feel the results of the calamity more than other countries. America's exports to Cuba are at all times substantially less than her imports; they cover, however, a wide range of commodities, including flour, potatoes, condensed milk, cheese, meats, machinery, mill supplies, automobiles, general hardware, textiles, petroleum products and many other items; for Cuba produces none of these things on its own account. About 75 per cent. of Cuba's total purchases come from the United States, the remainder, originating mostly in Europe, consist of materials which the United States cannot supply so advantageously.

Russian Oil.—A correspondent writes: Geological estimates of petroleum reserves in European Russia, and in Siberia, must necessarily be very indefinite, and cannot be stated with even a remote degree of approximation. The lowest estimate recently has been put at 3,000,000,000 tons, whilst a more optimistic figure is in the neighbourhood of 5,500,000,000 tons. This only refers to well-known regions, such as Baku, Grozny, the Kuban-Black Sea district, the Central Asiatic district, and parts of Eastern Siberia, including Sakhalin and Kamchatka. There are other parts of the vast dominions of Russia, and especially of Siberia, that are thought to be rich in oil, but no very reliable information is at present available. The total output of Russian oil, of which Baku contributes 65 per cent., will probably be about 8,000,000 tons for 1925-6, as compared with 6,961,000 tons in 1924-5, 5,942,000 tons in 1923-4, and 5,084,000 tons in 1922-3. Great efforts have been made of late years to improve the equipment and efficiency of working, and large sums have been spent in the U.S.A. and in Great Britain for new boring machinery, plant, and tools. As a result of this more up-to-date equipment and organisation, it is claimed that the output per worker engaged in the industry has increased from 151.6 tons in 1923-4 to 210 tons in 1925-6. The demand for Russian oil both in the home market and abroad is increasing. The home consumption, which is mostly crude and fuel oils, amounted to 3,618,000 tons of crude, and 4,450,000 tons of fuel oil in 1924-5. The increase in home consumption has been stimulated by—among other things—the much more extended use of tractors for farm work. Exports of oil and oil products from the Soviet Union in 1924-5 amounted to 1,330,000 tons, as against 703,000 tons the preceding year. Great Britain is said to be a large and growing market for Russian oil and products. In an article in the *Soviet Union Monthly* for October some details of the efforts made by the R.O.P. to foster demand for Russian oil in this country are given. Reference is made to the special qualities of Baku and Grozny oils which combine so well together owing to their respective chemical constitution, so that a particularly valuable blend has been put on the market; and sales have increased to such an extent that four new depots have been erected in South Wales during the year ended September 30, 1926. A brief account is given of the chequered history of the Russian oil industry during and after the war. It is also pointed out that the re-entry into the world's markets of the Naphtha Syndicate, with its rich vast oilfields, most of them still untapped, and amounting to about 40 per cent. of the world's total oil resources, is bound to have a considerable and wholesome influence on the market generally. Since it is stated that the mere contemplation of the forma-

tion of R. O. P., Limited, in August, 1924, caused a drop in prices of standard petrol by no less than 3½d per gallon, there can be no question as to considerable influence. Whether it was entirely wholesome for the trade, or even for the consumer, is another question. At all events, some 800,000 tons have been sold in this country at an average of £1 per ton cheaper than oil sold by other companies. The future production of Russian oil has been "planned" as follows:—1926-7, 9.1 million tons; 1927-8, 10 million tons; 1928-9, 10.7 million tons; 1929-30, 11.2 million tons. The allocation of capital expenditure to the oil industry for 1926-7 is approximately 142,720,000 roubles. It is hoped still further to improve the organisation of the industry by better equipment, more scientific methods, and welfare schemes for the workers. It is also intended to spend money on prospecting new districts in the hope of discovering several highly productive fields. Such prospecting work is already being undertaken around Salyany, also in the North Caucasus, beyond the borders of the Groznet—one of the three trusts which now control the industry—and in several districts in the neighbourhood of the Caspian Sea.

Baldwins.—In spite of an increase of £41,800 in trading profits during the year to June 30th last, the directors of Baldwins, Limited, state that "owing to the continued depression in trade they have been unable to pay the dividends on both classes of preference shares." The extent of the improvement which occurred last year will be seen from the following table:—

	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26
Trading profit	£ 683,405	£ 410,758	£ 306,132	£ 484,760	£ 493,520	£ 214,078	£ 255,837
Net profit	567,023	325,167	86,993	200,902	193,412	£ 43,966	11,168
Brought forward	285,799	291,325	303,479	309,178	424,140	526,618	230,321
Reserve	852,822	616,492	390,472	510,080	617,552	482,663	241,489
Preference dividend	75,000	25,000	25,000	25,000	25,000	25,000	25,000
Ordinary dividend	45,667	80,476	81,294	85,940	90,935	52,342	..
Carried forward	201,325	303,479	309,178	424,140	526,617	230,321	241,489

For 1924-25, it will be observed, there was a small net loss, and no final dividends were paid on the preference shares at their due date. When the report for 1924-25 was published, however, the directors announced their intention of paying the final dividend on the 5½ per cent. preference shares. The balance-sheet, which is analysed on another page, discloses no changes of importance. Properties and plant are up by about £90,000 at £4,569,064, while investments are higher by a similar amount. Sundry debtors, on the other hand, are now £749,447, compared with £931,126, while sundry creditors have declined from £586,295 to £478,657. The bank overdraft has been increased from £249,275 to £281,630, while reserves are £37,000 higher at £615,100.

Bauchi.—Our mining correspondent writes:—The results which are now being secured by the Northern Nigeria (Bauchi) constitute a fitting reward to the perseverance and foresight which have rendered them possible. Owing to the difficulty experienced in raising the necessary capital and to other causes delays occurred in the completion of the hydro-electric scheme; but it came into operation in July, 1925, and has resulted in a marked expansion in the output at a reduced ratio of cost. The following contrasts the working results of the past two sessions:—

	Concentrates Won. Tons.	Average Price. £ Per Ton.	Mining Costs. £ s d Per Ton.
1924-25	680	177	57 0 8
1925-26	1,280	194	51 12 9

Last year's operating profit amounted to £123,300, as against £51,900 previously. The final dividends now declared make 35 per cent. on the preference and 25 per cent. on the ordinary, and with them will be disbursed an interim of 15 per cent. (the fixed 10 per cent., plus 5 per cent.) on the preference shares and 5 per cent. on the ordinary. The last preceding distribution was 5 per cent. on the preference in respect of 1919-20. There is now written off £17,600 to depreciation, £3,000 develop-

ment and prospecting, and £7,100 loss on sale of shares in the Karre Tin Company—the latter a non-recurring item. The sum of £80,000—the bulk of the credit balance of £99,600 brought forward from 1925—is transferred to reserve, thus bringing the credit balance into an approximate correspondence with the actual cash position. Despite the great expansion in output, the ore reserves show a small increase, now standing at 7,125 tons. This appears to be in itself a conservative estimate, and there are promising indications in regard to portions of the property not included. Provided the price of tin remains at anything like its present level, the dividends of the current year ought to exceed those of 1925-26. If they should total no more than 40 per cent. and 30 per cent. respectively, the yield on the preference shares at current price would be approximately 13 per cent. and on the ordinary 15 per cent.

Transvaal Gold Output.—The gold output of the Transvaal mines during the month of October, 1926, amounted to 853,296 ounces of fine gold, as compared with 839,939 ounces in September. The amount produced during the month of October, 1925, was 812,832 ounces. The following table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
January ..	670,503	651,593	639,728	764,469	796,768	823,692	795,270
February ..	625,330	558,137	704,370	704,370	760,617	753,325	733,924
March ..	707,036	671,123	761,586	761,586	795,671	825,479	831,340
April ..	686,979	681,382	511,338	743,651	768,923	787,519	803,303
May ..	699,041	687,776	629,786	786,564	809,003	813,949	845,214
June ..	715,957	678,490	675,697	755,309	773,053	780,251	852,145
July ..	736,099	689,555	730,635	754,306	829,437	818,202	860,134
August ..	702,083	711,526	752,490	769,371	809,571	808,218	843,864
September ..	682,173	691,026	747,089	739,504	739,422	797,247	839,939
October ..	662,472	707,825	778,159	793,842	827,583	812,832	853,296
10 months ..	6,887,677	7,728,433	5,464,922	7,573,572	7,980,048	8,020,614	8,286,419
November ..	633,737	704,236	764,476	780,639	802,313	787,633	..
December ..	632,215	661,847	790,712	776,849	825,273	791,455	..
Total	8,153,625	8,114,516	7,020,110	9,133,060	9,597,634	9,599,702	..

The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Dec., 1925.	Apr., 1926.	May, 1926.	June, 1926.	July, 1926.	Aug., 1926.	Sept., 1926.	Oct., 1926.
Gold mines	166,385	183,828	183,905	183,092	182,262	184,032	185,063	181,513
Coal mines	16,606	16,212	16,246	16,448	16,648	16,827	16,762	16,737
Diamond mines	3,705	5,834	5,766	6,064	6,099	5,818	5,500	5,274
Total	186,696	205,874	205,917	205,594	205,009	206,677	207,325	203,524

There is a decline on the month in the number of natives employed at the gold, coal, and diamond mines.

De Beers Diamond.—In their report for the year ended June 30th last the directors of the De Beers Consolidated Mines state that satisfactory sales were effected by the Diamond Syndicate, and that the company realised slightly higher prices for its stones. The result is an expansion of nearly a million sterling in the net profit. Interest and other miscellaneous income showed a contraction, but this was more than counterbalanced by economy in working expenses. Taxation absorbed more than ever. The increased dividend on the deferred shares does not fully reflect the growth in earnings, the sum of £450,000 being set aside as a reserve against preference share dividend; it represents rather more than a half-year's requirements. Stabilisation reserve—invested in other diamond mining concerns and kindred interests—remains at £2,573,840, but reserves have been raised to £3,829,840—chiefly by the appropriation just mentioned. Investments figure at £528,000, as against £305,500; both the debtor and creditor items are larger than before. Appended is a summary of the accounts for the past three years:—

	1924.	1925.	1926.
Diamond sales	£ 3,452,540	£ 3,348,220	£ 4,193,870
Other income	376,320	948,400	722,800
Expenditure, depreciation, &c. ..	2,337,220	2,103,190	1,756,030
Net profit	1,441,640	2,193,430	3,160,630
To taxation	191,280	258,470	409,560
Dividend on deferred shares ..	525,720	1,090,510	1,635,770
Rate per share	10/-	20/-	30/-
Carried forward	407,220	451,670	316,970

At 1,608,000 loads the stock of blue ground and lumps on the floors indicates a reduction of 653,400 loads, compared with the position of twelve months ago. On the basis of the past year's dividend the deferred shares yield about 8½ per cent. This might be regarded as adequate were the prospect of at least the maintenance of the 30s (60 per cent.) rate fairly assured. There is, however, a new factor in the situation—the growth in the Transvaal alluvial output. Last month the yield from this source represented no less than 40 per cent. of the total diamond production of the whole Union of South Africa. To retain their control of 90 per cent. of the world output, the Diamond Syndicate is under the necessity of purchasing the bulk, if not the whole, of such stones. Obviously, if the yield from alluvial should continue for any length of time at its present level—much less if it should further expand—the Diamond Syndicate may experience difficulty in maintaining prices at their present artificial level.

Lord D'Abernon on German Currency.—At a meeting of the Royal Statistical Society in the hall of the Royal Society of Arts, John street, Adelphi, on Tuesday, November 16th, at 5.15 p.m., Rt. Hon. Viscount D'Abernon, recently British Ambassador in Berlin, will deliver his inaugural address as president of the society. His subject will be "German Currency: Its Collapse and Recovery, 1920-1926."

The opening meeting of the fifty-ninth session of the Royal Colonial Institute will be held at the Edward VII. Rooms, Hotel Victoria, on Tuesday, November 16th, at 8.30 p.m., when Sir William Himbury will give an illustrated lecture on "Some Promising Empire Cotton Fields." The Earl of Derby, K.G., will preside.

Obersea Correspondence.

UNITED STATES.—ELECTION RESULTS.—MONETARY OUTLOOK.—BUSINESS CONDITIONS.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 3.

ALTHOUGH at the moment of writing the full returns from the State and Congressional elections are not yet in, it is abundantly clear that the Republicans have met with serious reverses. They still retain control of the national House of Representatives, and, after losing seven seats, appear to have nominal control in the Senate. This control is, however, nominal in the full sense of the word, as several of those classified as Republicans are tinged with Radicalism and cannot be counted on in a pinch. Two of the most severe reverses that the Republicans have suffered were in Massachusetts and New York State. Here Senator Wadsworth, an important figure in administration politics, lost his seat, his defeat being in part accountable to the fact that a "dry" Republican ran against him in the election. In Massachusetts, Senator Butler, who was chairman of the Republican National Committee during the last presidential election, and who is a close friend of President Coolidge, was defeated. In eight States the voters registered their opinion on propositions looking to the modification of prohibition. In five States the "wets" won (overwhelmingly in New York); in two they lost; in one the result at the time of writing is still in doubt. Altogether, the results of the election reflect in part a normal swinging back of the pendulum from the last Coolidge landslide, and thus the dissatisfactions that usually spring up against the party in power. In part they reflect the spirit of rebellion against prohibition. As far as business is concerned, the elections probably do not change the situation greatly. What business in this country desires chiefly from the politicians is to be left alone. While the Democrats have gained considerably, they control neither the House nor the Senate, while President Coolidge can be counted on to veto any Radical measures that might be formulated. The new Congress will not come in, furthermore, until next March,

and the old Congress has already finished the necessary positive legislation, such as the tax law.

It need not be assumed that the Democratic successes mean a more lenient policy with regard to the foreign debts. In fact, in so far as the Democrats have disclosed a policy in the matter, it has been to criticise the settlements negotiated by the Debt Funding Commission as being too lenient. If the French were to ratify the Berenger-Mellon agreement promptly there still is a fair chance that the matter might go through the present Senate, though probably only after a hard fight. It seems clear that nothing would be gained and something might be lost by waiting for the new Congress. Meanwhile, it is apparent that even in the present Congress sentiment is less favourable to the World Court.

The share market took the election rather quietly this morning, perhaps because the results were pretty closely in line with expectations. The market had come to a point when about one-third of the loss suffered during the recent break had been recovered. At the moment it still seems undecided as to whether to resume the decline or continue the rally. The latest report on brokers' loans in this district, that for October 27, shows a further reduction in this form of accommodation. A decline of \$53,000,000 brought the total down to \$2,602,000,000, which is \$197,000,000 above the May low and \$540,000,000 below the January high. In three weeks the reduction in brokers' loans has amounted to \$207,000,000.

Meanwhile, the money market has remained rather easier than had been anticipated. In discussing this condition the Monthly Review of Credit and Business Conditions in the Second Federal Reserve district, the bulletin that is published by the local Federal Reserve agent, and which appeared on the first of the month, said:—"The causes of somewhat easier money conditions in the second half of October are to be found in a flow of funds to New York from other districts, not unusual at this time of year, and a considerable excess of Treasury disbursements, including October 15th interest payments, over-withdrawals from depositories and other collections in the second district. There has, moreover, been some decrease in credit demands, due largely to a liquidation in brokers' loans amounting to nearly \$200,000,000. This decrease has been offset in part by an increase in commercial loans of about 140 millions, mostly in the New York district. As a net result of these and other changes, total loans and investments of the reporting member banks throughout the country are about 90 millions under the year's high point of September 29th. In the case of the New York City banks the decrease has been 140 millions, or more than for the country as a whole. Thus there has been a continued extension of credit in principal centres outside New York City. Throughout the country there is no indication of any change of consequence in the basic factors of the credit situation."

Thinking along these lines, some observers believe that the recent ease in money has been a bit unnatural, and that a slightly firmer tone will be displayed soon. Those who hold this view also point out that the holiday demands for currency always are large, and that the discounting at the Reserve banks that they occasion will tend to keep money firm until after the year-end. On the other hand, there is an important body of opinion that holds that money is easing because business is quieting down, and that the peak of the upward movement in money rates has been passed. Additional signs of recession in industry are apparent, but they do not indicate any severe slump as yet. Hereabouts there has been considerable slowing up of late in speculative building, and the automobile industry is curtailing production, as is natural at this season of the year. Pig-iron prices are strong at the moment, because of a flare-up in coke prices, which in turn is due to the advance in coal caused by your strike. Pig-iron production also has held up well. On the other hand, steel mill operations are being curtailed, and the industry as a whole is now below 80 per cent. of capacity, whereas it had been operating at about 85 per cent. for a number of months.

Railroad car loadings, however, still fail to reflect any considerable decrease in the physical volume of trade, although the latest data are those for the week ended

October 16th, and there is usually some lag in these statistics. In the last week for which data are available a new high record for all time was set at 1,210,163 cars. The earnings for the Class I. roads in September are proving excellent, and the increase in the dividend on the Pennsylvania Railroad's common shares from 6 to 7 per cent. is a symptom of the prosperity that the carriers now are enjoying. Crude oil and gasoline prices have weakened in response to large and growing production, the Seminole pool in Oklahoma and the Panhandle region of Texas having proved unexpectedly prolific. Commodity prices as a whole remain pretty stable, Dun's index advancing 0.3 of 1 per cent. during October. This follows slight increases in the two preceding months.

FRANCE.—BUDGET SESSION — STABILISATION — INTER-ALLIED DEBTS — PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, November 10.

THE Chambers reassembled to-day, and formally entered upon a session which it is intended to devote solely to the passage of the Budget for 1927. This task M. Poincaré proposes to complete, if possible, before the end of the year, and by all appearances he will have behind him sufficient support to enable him to overcome any factious opposition that may be offered. Efforts have often been made previously to force the Budget through before the opening of the financial year on January 1st, but it is generally recognised that no Ministry has hitherto been able to start on this task with such excellent prospects as those which M. Poincaré commands. Deputies and senators have returned from their extended visits to their constituencies with a very clear realisation of the fact that any attempt to renew the sterile party conflicts of the past two and a half years will seriously prejudice their chances of success at the coming elections, and that the country as a whole is anxious to give every support to the Premier in his effort to replace the public finances on a sound footing. It may be now regarded as certain that there will be no attempt to discuss before January or February the ratification of the Washington and London agreements on the debt question, and that in the interval strong efforts will be made to secure at least the insertion of the safeguard clauses, without which it is unlikely the Chamber, unless it radically changes its present temper, will vote ratification.

M. Poincaré's strength before both the Chambers and the country at large lies in the fact that he has already wrought what almost amounts to a revolution in the financial situation. He may claim with justification not only to have increased the exchange value of the franc by 100 points (from 246 to 146), but also to have won back the confidence of both the French and the foreign investor. The franc, which was worth little more than a tenth of its pre-war value on July 24th, when M. Poincaré resumed office, had improved by the end of last week by 70 per cent., while the French Funds, during the same period, improved by from 10 per cent. to 34 per cent., as the following examples show:—

	July 21.	Nov. 4.
3% Rentes.....	46	50.75
5% " 1915-16.....	46	60.50
4% " 1918.....	41	51.60
6% " 1920.....	52	70

There has been some sign of alarm lest the improvement of the franc should be carried too far, but the situation appears to be in firm hands, although the present spasmodic day-to-day movements may be expected to continue for some time yet.

M. Poincaré has now broken silence, and definitely announced that he has decided in favour of stabilisation as against revalorisation of the franc. He made it clear, however, that the moment for actual stabilisation has not yet arrived. The restoration of the national financial situation, he informed the Finance Commission of the Chamber a few days ago, comprises two phases—first, re-dressing and rectification, and then stabilisation. The first stage, the Premier insists, has not yet been completed, nor could he yet fix the date when it would have been. Apparently this will depend upon the time the Chamber takes to pass the Budget for 1927 into law.

The measure is based upon this "double idea," an indisputable balance between revenue and expenditure, and the redemption of as large an amount of the public debt as possible. The amount of debt reduction to be effected during 1927 has been fixed at 8,174,000,000, and this M. Poincaré insists shall not be diminished in any circumstances. In reply to questions favouring the abrogation of the law prohibiting exportation of capital, M. Poincaré cited the opinion expressed by the experts in their report to the effect that the law should be continued until some time after stabilisation had been accomplished in fact. The Government proposed to continue the law until the end of 1927, but reserved the right to abrogate it by decree whenever the moment appeared opportune.

The report of M. Darriac, the president of the Sub-Commission of the Chamber on Inter-Allied Debts, which has been sent to the Finance Commission and will be available shortly, states that the Washington agreement concerns both the political and the commercial debt owing by this country to America, while the London agreement concerns the political debt alone. The capital value of the political debt due to America amounts to \$2,933,171,516 and the debt for stocks to \$407,000,000, the total debt, comprising both interest and capital, according to the agreement of April last, being \$4,025,000,000. At the moment of the signature of the London agreement on July 12th last the total bonds held by the British Treasury, representing the French political debt to Great Britain, was £653,127,000, of which £431,504,130 was for capital and £221,622,870 interest. M. Darriac underlines that the British agreement involves the payment of a higher rate of interest than the Washington accord calls for. The report recognises that the London and Washington agreements, if ratified in their present form, would involve payments that would leave France a surplus out of the amount she would receive from Germany under the Dawes Plan of 418,000,000 marks (or \$104,000,000) in 1926-7; 508,000,000 marks (\$126,000,000) in 1927-8; and 369,000,000 marks (\$92,000,000) from 1943 onwards, supposing Germany maintained the payments laid down in the Dawes Plan. M. Darriac points out the danger that exists through the absence of a safeguard clause in the agreements, and urges that the clause permitting the commercialisation of the French bonds held by the American Government shall be eliminated from the Washington agreement.

The index figure for wholesale prices at the end of October, which is announced to-day by the Statistique Générale, shows a fall of 37 points as compared with September and of 87 as compared with July last, which (at 854) marked the highest level yet recorded in this country. At 767 for October, the index figure still leaves a rise of 183 points since the end of October, 1925, when wholesale prices were represented by an index figure of 584 (based on the prices of 45 commodities in 1914). The drop of 37 points is entirely due to the improvement in the purchasing power of the franc, the figure for imported goods (16 categories) having fallen by no fewer than 104 points, while that for home-produced goods actually rose by a point during the month. The index figure for retail prices in Paris (based on those of 13 articles of common necessity) for October is returned as 624, against 590 in September, 463 at the end of 1925, and 408 in January, 1925.

The figures for wholesale and retail prices justify the view that the process of stabilisation is developing. The index figure for French wholesale prices is falling, and that for retail prices is steadily rising, so that the unjustifiable difference that has hitherto existed between them is becoming less. Evidently, there is no reason why wholesale and retail prices should synchronise, as the former are always directly affected by the exchange factor, while domestic prices, on the other hand, are not only less affected by changes in exchange rates but also enjoy the benefit of all those factors still existing that tend to keep the cost of living below that of sound money countries (such as lower rents and transport tariffs). One of the arguments used by the Belgian Finance Minister in support of his decision to stabilise the franc at 175 was that retail prices in Belgium stood at 705 (or, in round figures, seven times the figure of 1914, when the Belgian franc was, for all practical purposes, at

par). It would be dangerous, M. Francqui argued, to stabilise below the index figure of the cost of living, as this would be fatal to industrial undertakings, while workmen would not accept reductions of wages based on the exchange value of the currency. Later on, in view of the fact that the world index figure for cost of living stands now at 160 (gold), and will continue diminishing, it will be necessary to bring down the Belgian figure also, but M. Francqui's intention is that this shall be done by easy stages, to avoid crises. On the basis of the Belgian argument, which appears to be sound, so far as it goes, the French franc, seeing that the index figure for retail prices now stands at 624, should be stabilised at 157. On that basis the present wage standard could be maintained. It would be necessary for the retail index figure to continue to rise, in order to bring French prices nearer to world levels, but this rise would be both slow and moderate, while there is no reason why it should be carried up until it corresponded mathematically with world levels. The cost of living was lower in France before the war than in almost all other countries, with the result that French production costs were lower than elsewhere, and the margin of profit greater.

GERMANY. — POLITICS — FINANCES — CREDIT — INDUSTRY — FOREIGN TRADE — BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, November 10.

THE German-Nationals this week made what (in view of their threats uttered before the Reichstag reassembled) is probably only the first move in a general policy aimed at embarrassing the Marx Cabinet. On the Socialists demanding a larger increase in unemployment allowances than the Cabinet offered, and pushing the question to a vote, they had the surprising support of the Nationals, who admitted that they are in principle against the higher allowances. The result was a Cabinet defeat. Formally, the Cabinet is not bound by the Reichstag's vote on this question. The Cabinet was merely, according to practice, trying to strengthen its policy by getting the Reichstag's approval. The ordinance embodying the Cabinet's policy, which was also that of the Cabinet parties, was published immediately after the Reichstag's vote. The allowances have been increased 10 per cent., or for non-family persons 15 per cent. The Socialist demand was for the increase by 30 per cent. of allowances to unemployed heads of families and an increase of 20 per cent. in the allowances for family members. The new rates, which are in force only until March 31st next, are for adults: single persons 2.03 marks per day, for others during the first eight weeks 1.78 marks, thereafter 1.96 marks; for wife 0.55 marks, and for each child 0.39 marks. The Social-Democrats announce that they will continue to press for higher allowances. Their temporary alliance with the German-Nationals has not caused a Cabinet crisis, but a repetition would do so if any important legislative project or matter of policy were involved. Everything indicates confusion and obstruction during the next few weeks.

The Supplementary Budget for 1926-27 shows large additions to both ordinary and extraordinary expenditure, and increases the Budget total from 7,600 million to 8,400 million marks:—

	Million Marks.
Ordinary expenditure—	
Recurring.....	105.4
Non-recurring.....	123.8
Total ordinary expenditure.....	229.2
Extraordinary expenditure.....	572.5
	801.7

Most of this extra expenditure is due to the economic crisis, and in particular is for unemployment relief measures, for credits to wine-growers and other interests, and for expenditure in connection with housing and home colonisation. The Labour Ministry requires 200 million marks for housing, 50 million marks for colonisation, and 60 million marks for unemployed relief; and 111 million marks is needed for credit to the Railways Corporation to enable it to accelerate orders to industry, this also as part of the unemployment relief programme.

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The supplementary ordinary expenditure is to be fully covered without a loan. The excess yield of Customs will, after meeting deficits on certain taxes, leave 90 millions, and the profit on coinage will be 92½ millions more than estimated. These, with 32 million marks more than estimated from the surpluses from 1924-25 and 1925-26, and some additional minor revenue, will cover the 229 millions shown above. The supplementary extraordinary expenditure will be covered by loan. The total to be borrowed, including the 293.8 million marks deficit in the original Budget, will be 866.3 million marks, or with 100 million marks advanced to the Railways Corporation, 966.3 million marks. The Reparations liability in the present (third) Reparations year stands, after the last arrangements with the Reparations Agent-General, as follows:—

	Millions of Marks.
From Budget.....	410.0
Reserve Fund.....	80.3
	490.3
Traffic Tax.....	290.0
Railway Corporation.....	550.0
Industry.....	250.0
	1,580.3

The Finance Ministry's return for September shows ordinary revenue received 588.9 million marks, of which 544.9 million marks was from taxes; and ordinary expenditure 766 million marks, of which 405.1 million marks was for general administration, 41.5 million marks for Reparations payments, and 319.4 million marks for subventions to States and municipalities. The extraordinary expenditure was 63.0 million marks, and revenue nil. The account for the first half of the financial year 1926-27 shows:—

	Millions of Marks.
Ordinary—	
Revenue: From taxation.....	3,359.6
From administration receipts.....	184.5
	3,544.1
Expenditure—	
General administration.....	2,140.5
Reparations payments.....	137.0
Subventions to states and municipalities.....	1,282.3
	3,559.8
Deficit.....	15.7
1/12th of surpluses from 1924 and 1925.....	183.9
	168.2
Surplus.....	168.2
Extraordinary—	
Revenue.....	1.1
Expenditure—	
General administration and war burdens.....	224.9
Reparations payments.....	104.1
	329.0
Deficit.....	327.9

The money market shows no change. Day money is offered in excess of the demand, at rates ranging from 4 to 6 per cent.; month money 5 to 7 per cent. The Reichsbank's return for the last week of October shows the relatively small increase of 142 million marks in discounts, and of only 31½ millions in advances, the latter increase being 100 millions less than in the last week of September. In connection with Dr Schacht's complaint against the independent credit policies pursued by different authorities with accumulated railway, postal, and other funds, the president of the Prussian State Bank

makes the suggestion that these, as well as the available short-term moneys of public and private banks and saving banks, should be voluntarily directed to a new central institution "in order that the greatest advantage for business should be attained." The proposed new central institution should work "in full harmony" with the Reichsbank. This proposal is not likely to be welcomed by the Reichsbank; the crossing of its credit policy, of which it complains, would probably be even more marked than at present, when there are numerous small would-be dominators of the credit market. The Reichsbank's note circulation on October 30th was 3,326 million marks, against 3,251 million marks on September 30th. The circulation of all currencies on September 30th was 5,459.9 million marks, of which 1,369 million marks were Rentenmarks. The total volume of credits by the Reichsbank, private note banks, and Rentenbank on September 30th was 2,215 million marks, against 2,040 million marks on August 31st. The total of foreign loans concluded in the first ten months of this year was 1,363,990,000 marks, against an estimated 1,450,000,000 marks in the same months of 1925. Of the 1926 total 967 millions were borrowed in the United States. The amount borrowed by states was 278 million marks, by municipalities 106 million marks, public undertakings 354 million marks, and private undertakings 625 million marks. The chief difference, as compared with 1925, is the increase of state and the decline of municipal borrowing. Public and private home loans in the ten months totalled 1,198 million marks, in addition to which mortgage bonds for an estimated 1,000 million marks were put on the market.

Coal output is still increasing. In the last two weeks of October the Ruhr's average daily output for the first time exceeded 400,000 tons, against between 302,000 and 329,000 tons in the weeks immediately preceding the British coal strike. The iron and steel branches continue active, but the general view is that the price-rise in the international market has ceased for the present. The movement of "world-market prices," as determined for the purpose of fixing the Steel Syndicate's bounties to exporting manufacturers, has been:—

	Marks per Metric Ton.	
	July.	November.
Ingot	76	95
Blooms	80	100
Billets	83	105
Sheet bars	92	110
Bars	96	118½
Wire rods	112	120
Thick sheets	110	127½

These prices are to some extent fictitious, but they show the relative movement. The bounties have been correspondingly reduced, and for November vary between 11 marks per ton for ingots and 55 marks for tubes. The Railways Corporation, it is reported, has decided to give orders for 800,000 tons of rails and sleepers. The foundation of an international wire rods syndicate is being negotiated. Iron ore production in 1925 totalled 5,923,000 metric tons, against 4,457,000 tons in 1924, 7,308,700 tons in the present area in 1913, and 28,607,900 tons in the then area. The Association of Machinery Manufacturers reports for October an increase in both home and export sales.

The foreign trade report for separate countries for the first half of 1926 shows a considerable decline in the proportion of exports to Europe, as compared with the same half of 1925, and slight increases in the proportions to all other continents. The proportion of imports from both Americas declined. Of imports totalling 4,369 million marks, 2,070 million marks came from Europe, 1,259 million marks from both Americas, and 512 million marks from Asia. Imports from Great Britain were 255 million marks, from the United States 689 million marks, from Argentina 257 million marks, and from the Netherlands 219 million marks. Of exports totalling 4,790 million marks, 3,342 million marks went to Europe, 802 million marks to both Americas, and 478 million marks to Asia. Exports to Great Britain were 537 million marks, to the Netherlands 537 million marks, and to the United States 363 million marks.

The Bourse upward movement continued last week, with violent and erratic rises from which banking and shipping

stocks in particular profited. Speculation in Dyes Trust shares continued, and this stock rose on the 4th to the new record price of 383, which is 120 points above its level of early September, and 280 points above its level at the beginning of the year.

ITALY.—SUPPRESSION OF CONSORTIUM—CONSOLIDATION OF TREASURY BILLS—NEW NATIONAL LOAN—BUSINESS MEN'S MANIFESTO—BOURSE DECLINE.

(FROM OUR CORRESPONDENT.)

TURIN, November 7.

Two events of far-reaching importance have just taken place. The first is the suppression of the "autonomous" section of the Consortium for industrial securities. The Consortium, as I have explained in previous letters, was created, as far as the "ordinary" section is concerned, in 1914 for the purpose of making advances to joint-stock companies and industrial firms. But in 1922 an "autonomous" section was started with the purpose of the salvage first of the Banca Italiana di Sconto, and then of the Banco di Roma. After the advances of the Consortium had reached a maximum of 4,120 millions lire, a decree of January 1, 1924, put an end to new operations. But the liquidation was slower than was deemed in accordance with the new deflationist policy; therefore, by a decision taken at the Cabinet session of November 5th the section has been dissolved. The remaining assets are to be sold gradually by a new institute, wholly separate from the Bank of Italy. The Bank of Issue will be no more encumbered by this legacy of past times, and its note issue will be thenceforth counterbalanced only by normal assets—gold reserves, normal trade discount, and advances to the Treasury, these last to be gradually eliminated.

The second event is the consolidation of the Treasury bills. The brightest feature of the monetary situation has been the gradual decrease of Treasury bills, which, as the Finance Minister, Count Volpi, aptly remarked, were a continuous menace to the circulation, for they could always, when due, be exchanged for cash and force the Treasury to increase the note circulation. To the Treasury bills called "ordinary," which amounted at October 31st to 15,540 millions lire, we must add 1,029 millions 5-years bills, 4,000 millions 7-years bills, and 6,991 millions 9-years bills—total 27,560 millions. It appears from statements made by Count Volpi and the *Corriere della Sera* that, following upon the restriction of credit policy, bearers of Treasury bills claimed, when due, the repayment of an unusual proportion of them. The Cabinet Council in their session of yesterday sanctioned a decree of consolidation. The Italian plan follows the Belgian precedent, but with important points of difference. All ordinary, 5-years, and 7-years Treasury bills are forcibly consolidated—i.e., exchanged for 5 per cent. Consols at different rates of exchange, from 116.50 lire nominal 5 per cent. Consols for every 100 lire ordinary bills, to 115.50, 113, and 112 lire 5 per cent. Consols for every 100 lire 5 and 7-years bills, according to the date when they will become due. Nine-years 5 per cent. bills can be voluntarily exchanged for the new 5 per cent. Consols issue at the rate of 107.50 lire; if they are 4.75 per cent. bills the rate of exchange is 100 against 100. Special rules will be enacted so as to preserve the right of 7 and 9-years bills to premiums.

The new 5 per cent. Consols will be also offered for public subscription at the price of 87.50. A banking syndicate consisting of the Bank of Italy, the State Deposits and Loans Bank, the National Social Insurance Institute, and several other semi-public financial bodies, saving banks, &c., will manage the market for the new security. Those public bodies and others which by law or by their rules are obliged to invest in public State securities will subscribe to the new 5 per cent. Consols. The proceeds of the subscription will be deposited at the Bank of Italy, and, with other special deposits of the above-mentioned bodies, will be utilised in advances to industry with the new security as collateral. The market will,

therefore, not suffer on account of the forced consolidation, as the bearers of Treasury bills will have the right of obtaining advances on deposit of the new 5 per cent. Consols as collateral. If the necessity should arise for removing, in consequence of these advances, the 7-billions lire limit to the commercial circulation, the excess over 7 billions up to 8 billions will not be subject to the extraordinary tax.

In financial circles rumours were current that the consolidation is the first step, as in Belgium, to currency stabilisation; but this conclusion is at least premature. Minister Volpi authoritatively stated that consolidation is a logical sequence to the Pesaro speech of Premier Mussolini, and that it is a further step in the policy of defence and revaluation of the lira.

The manifesto of business men for international freedom of commerce did not have an enthusiastic reception in Italy. Perhaps the only public endorsement of the manifesto's policy was a resolution of the executive committee of the Italian Liberal party; but, given the present low fortunes of the Liberal Opposition, the support is somewhat platonic. In the Press only the *Turin Stampa* published a favourable comment. The rest of the Press was unanimous in publishing very adverse criticism of the manifesto, describing it as an endeavour of rich countries—very well supplied with mines and raw materials and possessing old industries—to capture world trade at the expense of industrially new and poor countries, like Italy, who are labouring under two great handicaps—the increase of population, to which foreign outlets are vetoed by restrictions against immigration, and the lack of iron, coal, oil, cotton, wool, wood-pulp, phosphates, and most other raw materials of industry. How a European Zollverein would prejudice the just claims of Italy for the abolition or mitigation of foreign restrictions against our emigrants no critics explained. As to raw materials, it is probable that the signatories of the manifesto, such as Signori Agnelli, Gualino, Conti, Pirelli, who are perhaps the greatest captains of industry in Italy, would not feel embarrassed at all by the Zollverein's existence in acquiring the best raw materials at the lowest prices in the best markets. There are some presumptions that Italian industrialists are meeting successfully foreign competition, precisely owing to their ability in purchasing raw materials at the best moment. In the *Lavoro d'Italia*, the official daily paper of the Fascist employees' corporations, a Fascist M.P., Signor Lanzillo, published an article in which, while resisting the temptation to inquire into the selfish motives of the British manifesto, recognised that the idea of a European Zollverein was bound to be discussed more and more attentively, owing to the impotence of the present small and divided industrial countries in Europe against the growing competition of the gigantic unified American industrial complex. The probable outcome of the lively discussion, or, more exactly, criticism, of the manifesto will be that the Italian delegation at the next Economic Conference of Geneva will declare their willingness to adhere to an enlarged freedom of trade, and will quote in support of their attitude the numerous treaties of commerce concluded by the present Government, all of them with the most-favoured-nation clause; but will insist in connecting the problem of the lowering of Customs with the discussion of other restrictive measures and mainly of restriction of emigration.

The most sensitive market in October was the securities market. If I reproduced and brought up to date the table I gave in the issue of October 2nd new spectacular collapses in prices would be apparent. For instance, Fiat shares, which closed in August at 534 and had dropped by September 28th to 378, were at one time as low as 290. Afterwards they rallied to 346. Snia Viscosa shares, from an August closing price of 276, fell to 189 on September 28th, and in October reached bottom at 110, from which level it has since substantially recovered. I have only quoted two securities of large companies well known in Great Britain, but the tale of collapse is general. Several failures of Bourse brokers were reported after the end of September, and the settlement was very difficult. In the last ten days of October Stock Exchange seas were less stormy, and hopes are entertained that the public and operators will get tired of throwing out of the windows good securities at prices, on the average, less than half of those ruling at the beginning of 1925.

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HOLLAND.—FOREIGN TRADE—INFLUENCE OF THE COAL STRIKE—THE PORT OF ROTTERDAM AND THE NEW WATERWAY—THE 1927 BUDGET.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, November 4.

As was only to be expected the colliery strike in Great Britain has had its effect on the economic state of affairs in Holland. The extent to which foreign trade has been influenced is a case in point. Considered in detail, the figures for foreign trade cannot be reviewed with satisfaction. In the first nine months of the current year there was an import surplus of Fl. 560 millions, as compared with only Fl. 441 millions in the corresponding period of 1925. This was due to imports being Fl. 35 millions higher, whereas exports registered a falling off of Fl. 84 millions. With the exception of Germany, trade movements to the principal countries were not marked by changes of real importance. During the first nine months of 1926 German exports to Holland totalled Fl. 491 millions, against Fl. 434 millions in the same period of 1925. Dutch exports to Germany in the nine months were Fl. 266 millions, as compared with Fl. 379 millions in 1925. From these figures it will be seen that Holland's exports to Germany fell off by Fl. 113 millions—i.e., to a greater extent than the decline recorded in the whole of the Dutch exports (Fl. 84 millions). This is principally to be attributed to the tariffs on German imports, which became operative last year.

This unfavourable state of affairs is partially compensated by increased movements of coal from Holland in consequence of the colliery stoppage. During the first nine months of 1926 5,255,696 tons of coal were exported from this country, as compared with 2,740,836 tons in the corresponding period of 1925. These exports were valued at Fl. 62 millions, against Fl. 32 millions. Were it not for the fact that this class of exports rose by Fl. 30 millions, total export values would not be Fl. 84 millions less than they were last year, but Fl. 114 millions. From these figures it is evident that the whole of the decline in

export values is to be attributed to a decreased movement of goods to Germany.

Holland is deriving further advantage from the dislocated state of the coal trade. The improved conditions prevailing in the freight market—a direct result of the colliery trouble—have served considerably to enhance the receipts of Dutch shipping companies, and more especially of those engaged in the tramp trade. The consequences of the strike have also been reflected in increased activity in the port of Rotterdam, chiefly owing to the number of vessels which came in to coal. The extent of the increase in the traffic will be seen from the following figures for the first ten months of 1926, to which the Hamburg and Antwerp returns have been added:—

	Rotterdam.		Hamburg.		Antwerp.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
1926	11,906	17,545,746	12,071	14,444,864	9,507	16,006,670
1925	9,270	13,894,416	11,166	14,046,337	8,269	14,142,177
Increase..	2,636	3,651,330	905	398,527	1,238	1,864,493

The greater activity, for which the demand for bunkers has been responsible, is still more strikingly evidenced if we consider the number of steamers entered at the "New Waterway"—i.e., the entrance to the port of Rotterdam. Many vessels replenished their bunkers at the "New Waterway," and consequently did not proceed up to Rotterdam. The returns for the "New Waterway" are:—

	Vessels.	Tonnage.
1926	16,605	23,897,992
1925	11,558	16,981,151
Increase.....	5,047	6,916,841

This year the 10,000th vessel entered Rotterdam on September 21st. This is a record for Rotterdam shipping. Though it is not exceptional for 10,000 vessels to be entered at Rotterdam in a single year, it is phenomenal for this total to be exceeded in the space of nine months. In 1912 10,174 vessels, with a tonnage of 12,360,000, entered the port of Rotterdam, and in 1913 10,572 vessels, measuring 13,447,000 tons. Owing to the war, the 10,000 mark was only reached again in 1924, and almost at the close of the year—viz., on December 27th. In 1925 the 10,000th vessel was registered on November 24th.

Notwithstanding the favourable state of affairs recorded in various quarters, a satisfactory settlement of the coal trouble is looked forward to in Holland with anticipation. A conflict such as is now being waged in England cannot fail to bring unfavourable consequences in its train.

The financial state of affairs in Holland, however, as evidenced by the 1927 Budget, appears to afford every satisfaction, as is stated in detail in the Financial and Economic Review of the Amsterdamsche Bank at Amsterdam. The definite figures for 1923 show a deficit on the ordinary service of Fl. 14.1 millions on a total expenditure of Fl. 611 millions. The year 1924, with total expenditure at Fl. 608 millions, produced a surplus of Fl. 1.2 millions on the ordinary service, which advanced in 1925 to the extent of Fl. 41.5 millions, with expenditure totalling Fl. 591 millions. It should be borne in mind that the 1924 Budget had been estimated to show a deficit of Fl. 28.6 millions, so that the final results were Fl. 29.8 millions better than had been anticipated, and that in 1925 a deficit of Fl. 6.8 millions had originally been estimated. There is no reason to attach too great a value to these very favourable figures, since a good deal of caution is usually exercised by the Ministry of Finance when making the estimates, and consequently it is no exception for the results to turn out better than the estimates. This will probably be the case, too, in regard to 1927.

As regards 1926, the current year, the estimated expenditure, as originally sanctioned by Parliament, was Fl. 625.5 millions for the ordinary service, against Fl. 631.9 millions of revenue. This meant a surplus of Fl. 6.4 millions on the ordinary service. The estimates for some categories of expenditure have since then been increased to the total extent of Fl. 4.3 millions, thereby reducing the surplus, as originally estimated, to Fl. 2.1

millions. It is, however, certain that the surplus will turn out to be much greater. According to the returns of the inland revenue authorities, receipts from taxation during the first nine months of the current year contributed nearly Fl. 21 millions more to the resources of the Treasury than had been originally anticipated.

The annexed table shows the estimated revenue and expenditure for the coming year:—

	(In Guilders.)	
	Ordinary.	Extraordinary.
Receipts	603,901,717.86	7,906,587.25
Expenditure	591,868,646.71	55,098,050.00
Surplus	12,033,071.15	47,191,462.75
Deficit.....		35,158,391.60

According to the above figures, there would be a surplus on the ordinary service of about Fl. 12 millions. This surplus must, however, be at once reduced by Fl. 3.7 millions, being 60 per cent. of the proceeds of the cycle-tax, which amount is to be paid into the road fund to be formed in the near future. The balance will enable the Government to make a move towards lessening taxation, which, considered from an economic standpoint, is most essential. It is intended to provide relief in the form of a reduction of the death dues and of the rates. The Government, on the other hand, proposes to introduce a hotel and restaurant tax, but to drop the Bill pertaining to the tax on luxuries.

The relief provided by the reductions mentioned—and by the action of the Government in not widening the sphere of taxation—can only be described as inadequate. Expenditure is still at an exceedingly high level, as the table subjoined clearly shows:—

	ORDINARY SERVICE (in Million Guilders.)		Surplus (+) or Deficit (—).
	Revenues.	Expenditure.	
1913.....	205.6	197.5	+ 8.1
1918.....	329.1	334.3	— 4.3
1919.....	466.4	444.1	+ 22.3
1920.....	613.7	613.0	+ 0.7
1921.....	608.3	621.2	— 12.9
1922.....	599.0	632.4	— 33.4
1923.....	597.5	611.7	— 14.2
1924.....	609.0	607.8	+ 1.2
1925.....	632.3	590.7	+ 41.6
1926.....	589.4	589.4	..
1927 (estimated)....	603.9	591.9	+ 12.0

If the rise in the index figures since 1913 is taken into consideration, it is apparent that in recent years expenditure has been very high. Notwithstanding all the retrenchment which has been exercised—and will without doubt continue to be exercised—a reduction of expenditure which will be reflected in a proportionate reduction of taxation will not be easily effected, since an ever-increasing percentage of expenditure has been legalised by Act of Parliament, such as the National Debt, Health Insurance, Pensions Fund, payments to municipalities in respect of rates collected by the Government, buildings subsidies, making up the deficit on railways, &c. On the other hand, any expenditure not sheltered by Parliamentary Acts has already been cut down as much as possible—viz., 24 per cent. since 1922.

DENMARK.—POLITICAL UNCERTAINTY—INDUSTRIAL DIFFICULTIES—RISE IN FREIGHTS—TRADE BALANCE—BUDGET—BACK TO GOLD.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, October 27.

APART from the shipping trade, the general economic situation is unchanged. The reduction of wages in August has retarded the increase of unemployment, but at present the number of unemployed is still just over 50,000, against 34,000 at the same time last year. Several industries are faced with great difficulties owing to competition from abroad, and, generally speaking, the situation cannot be said to have improved for this branch of trade, although it has not been further aggravated. The Socialist Government quite recently produced a Bill for emergency measures in support of trade, which, besides loans and guarantees of rather considerable amounts, would, for instance, provide Kr. 23,000,000 in direct subsidies for industry, to be procured through a capital

levy. However, this Bill as a whole has met with an unfavourable reception in industrial circles and in the Rigsdag, where it will in any case be amended, and may cause a political crisis, leading to the resignation of the Government or a general election for the "Folketing." The Industrial Council has pronounced decidedly against the subsidy policy, and has suggested instead temporary emergency duties in support of those industries affected by abnormal imports. At the same time, some items of the Bill have been recommended by industry—for instance, the increase of export credits. The unsettled political situation generally—due to divergencies between the Government party and the Radicals—is unfavourable for trade. To this must be added difficulties due to the coal strike in England, which find expression in rising prices for fuel. The shipowners alone are gaining by the extraordinary state of the world coal market. The increase in freight rates has created extraordinarily profitable conditions, and has caused rather considerable rises in the prices of steamship company shares on the Copenhagen exchange; it is believed that certain companies, which would otherwise not have been able to declare a dividend for 1926, will now be in a position to do so on the strength of their income during the second half of the year.

In its latest freight report—for September—the Statistical Department states:—The greatest increase of all the rates included in the computation has taken place in time chartering. For transatlantic time charters the average for September is from three to four times as high as before the coal strike; for Continental charters the increase is much less, but still in excess of the gross freight rates. The average of all rates included in the computation, except the British coal rate (17 in all), showed a rise from August to September of about 20 per cent.

The Danish balance of trade has now been computed up to the end of August, for which month it showed a small excess of imports, Kr. 4,000,000 only, imports being Kr. 122,000,000 and exports Kr. 118,000,000. For the entire period January-August imports have aggregated Kr. 1,027,000,000 and exports Kr. 1,017,000,000, the excess of imports being thus Kr. 10,000,000 only, against Kr. 53,000,000 at the same time last year, when imports totalled Kr. 1,472,000,000, against exports of Kr. 1,419,000,000. In these circumstances, and in view of the profitable shipping trade, it may be presumed with certainty that the total balance of payments and receipts will show a rather big surplus. The wholesale price index of the Statistical Department was unchanged, 162, during the period August-September, while the index of the *Finanstidende*, which principally covers raw materials and auxiliaries, showed a rise from 141 to 145.

The State accounts for 1925-26, which are now available, show current income amounting to Kr. 382,700,000 and current expenditure of Kr. 381,600,000, the surplus being thus about Kr. 1,000,000. According to the statement of the Minister of Finance at the production of the Budget, it is expected that the current year will show a balance, and the Budget for 1927-28 shows current income to the amount of Kr. 341,500,000 and current expenditure Kr. 340,200,000, making a surplus of Kr. 1,300,000.

Concerning the final solution of the exchange question no news of importance can be reported. The krone has approached still further towards the old gold parity, and it will be convertible into gold from the New Year onwards. The gold coin question is at present the subject of negotiations, which will presumably soon lead to an arrangement. At the end of September the note circulation of the Nationalbank was Kr. 377,400,000, against Kr. 376,400,000 at the end of August, 1926, and Kr. 430,300,000 at the end of September, 1925.

NEW ZEALAND.—UNEMPLOYMENT AND IMMIGRATION—BANK RETURNS—FINANCIAL STRINGENCY—LOW AGRICULTURAL PRICES.

(FROM OUR CORRESPONDENT.)

CHRISTCHURCH (N.Z.), October 11.

THE continuance of unemployment in considerable degree beyond the time when the quickening of the new season usually begins to absorb any surplus of labour is causing a good deal of concern. The Minister of Labour a few

days ago, in reply to a deputation at Wellington, stated the numbers in the four chief cities as Auckland, 596; Wellington, 307; Christchurch, 278; Dunedin, 190. These figures, however, are clearly minimum estimates even for the unemployment in the towns. In addition to the non-registered labouring unemployed, there is still a good deal of slackness in the employment of youths, women, and girls, while the semi-unemployment in the country is also marked.

The aggravation of the problem caused by the tendency to over-importation is passing away, and recent Ministerial statements indicate the intention of slowing up assisted immigration for a time. The Minister of Labour claims that practically all the 7,689 immigrants who entered New Zealand in the last 12 months were successfully absorbed. At the same time, he stated that public works had taken 4,299 of the unemployed, and private employment had been found for 1,932. His colleague, the acting-Prime Minister, who is also Minister for Finance, was obviously concerned at the cost to the Government of this method of relief. He is not prepared to go on with public works merely as a relief measure unless the Government is getting full value for its expenditure. Since much of the public works policy depends upon borrowing, his caution is obviously justified.

The fundamental cause of unemployment is obviously to be found in the difficult economic position of the primary industries. Throughout the farming industries employment has been curtailed a good deal as a result of the economic adjustment that is being made to the lower price levels now ruling. In the meantime, the whole protective system, including the system of fixing wages by reference to the local cost of living, keeps up labour costs. Unemployment committees in the various towns this winter have attempted to increase the employment offering in the country, but the economic position of the farmers, together with the fact that town wages are now relatively higher than farm receipts, have proved an almost insuperable obstacle. There is every indication that the present season will be a good one, and the large area sown in wheat will provide rather more than the usual amount of employment; but prices are low, and as yet show little or no signs of rising. It is significant that unemployment should be worst in Auckland, which depends so heavily upon the dairy industry, whose prices are at the moment well below the level of past years. The return of summer and the customary seasonal expansion of the primary industry will probably take up a good deal of the surplus of labour, but unless the fundamental adjustments take place quickly between town and country it seems certain that unemployment will recur again next winter, especially if immigration continues on a large scale.

Since the above was written the quarterly returns of the Associated Banks have been published. They provide, as usual, an interesting commentary upon the economic and financial position. The concluding comment reproduced below which accompanies the statistical returns is very similar to the views I have expressed above. "The banking figures are not very encouraging, and they show very clearly the cause of so much unemployment. If the present slump is a temporary affair like the one in 1920-21, a year or two should see a recovery; if, on the other hand, values of our primary products move steadily towards the pre-war level, as some think will be the case, then readjustments of a stringent nature will be necessary, involving a lowering of the costs of all kinds of services." The reason for these reflections may be seen in the following table:—

(In million £'s.)					
Quarter.	Deposits.	Advances.	Deposits.	Advances.	Excess
1925—March....	49.9	43.7	6.2	..	..
June	51.5	43.9	7.5	..	..
September..	47.8	45.0	2.8	..	..
December..	46.0	48.6	..	2.5	..
1926—March....	47.3	48.3	..	1.0	..
June	48.3	48.7	..	0.4	..
September..	46.0	48.3	..	2.3	..

The contraction of deposits and expansion of advances disclosed in this table has resulted in the greatest financial stringency since the bad year 1921. The price outlook also is not very encouraging. The London wool sales have just closed with prices about 7½-10 per cent. up; but this advance is on a lower level. Butter, which last year

soared to 230s per cwt and over at the time of the shipping strike, has this year fallen from the level (170s) at which an effort was apparently made to stabilise the price, and is now quoted about 150s with a weak market, owing to accumulated stocks. Meat prices are also low, and with the over-capitalised state of the freezing industry it is obvious that there can be little improvement until some local adjustment has taken place. While it is reasonable to expect an up-swing of prices again in the years immediately ahead, evidence is accumulating that it is not safe for a producing country like New Zealand to continue to rely upon prices approximating those of the boom years after the war.

Letters to the Editor.

GREAT BRITAIN AND CHINA.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Extremely important issues have been raised by the author of three recent articles on China in the *Economist*, and it is to be hoped that the questions which arise from those articles will be thoroughly discussed by those competent to do so. In the hope of promoting such a discussion I offer the following observations on his very able presentation of a case against the "Treaty Port habit of mind." May I add that I am in complete accord with the general thesis of these articles?

The author seems to take the ground that our present troubles in China are aggravated if not caused by the "Treaty Port habit of mind," a false conception of affairs among the European and particularly the British merchants and others in those ports. It is suggested that they are clinging to legal and diplomatic defences which have been rendered obsolete by the march of events—that concessions, extraterritoriality, and the rest are no longer of any avail to promote their interests. There is, of course, much beside this in these articles. The moral appears to be drawn that the time has come to trust China, and abandon those limitations on her sovereignty which many Chinese so naturally resent.

This is an attractive doctrine, because it appeals to ideals of equity which are fortunately very powerful to-day in international politics. It is also grateful to a war-weary nation like ours, which would endure much rather than fight to defend any market or the interests of any body of traders. "Fiat justitia ruat cælum." If there were any real political entity in China to trust the argument would be good.

But unless I misread these articles they also seek to prove that the sky will not fall, but, on the contrary, we shall lose no trade if we surrender our privileges. And here, I venture to think, your contributor tries to prove too much. It may be so, but it does not, in my opinion, stand proved by the fact that foreign trade in China as a whole has not shown the setback which we would naturally expect from the disturbed conditions in many parts of the interior. Those who are on the spot seem to think it shows a "hold back" in the sense that it might be expected to advance very rapidly but for the disturbances—but that is a matter of opinion.

In this connection it should be remembered that trade with China is made through the Treaty Ports and Hong Kong, and that though these ports are ultimately dependent on their hinterlands, some of them are also great cities of refuge and markets in themselves.

May I draw your attention to the Department of Overseas Trade's recently published Report on the Commercial, Industrial, and Economic Situation in China for 1926, presented by the Acting Commercial Secretary at Shanghai. On page 11 we read:—

"The surprising fact once more remains to be stated that the revenues derived from the legitimate taxation of foreign trade through the Customs administration in 1926 again exceeded all previous records, though the rate of progress was not so great as in recent years. What certain of the main ports of import and export, such as Shanghai, Hankow, Canton, and Swatow, lost in revenue owing to local disturbances was gained by others, such as Tientsin and the Manchurian ports. The question at once arises how the foreign trade of China can maintain its level in the face of such adverse conditions."

Three reasons are given: First, that the disturbances rarely involve the whole country at once, but affect first one place, then another. Second, that a large proportion of the trade is carried on in and through the Treaty Ports, where there is comparative stability, largely due to the presence of well organised foreign settlements. Although only a comparatively small fraction of the total native population of the country resides in these ports recent expert estimates have put the proportion of foreign goods consumed in them at between 30 and 50 per cent. of the whole. The disturbed condition of the country in

recent years has also led not only to the concentration in these areas of most of the modern industrial organisations which import considerable quantities of raw materials and machinery, but also of the wealthier classes of Chinese." The third reason given is that "it must be supposed that the present demand for foreign goods is in the nature of an irreducible minimum, which local disorders cannot further affect, and in this connection it is of interest to note that the foreign technical advisers at the Customs Conference came to the conclusion that only 20 per cent. of the present foreign imports could properly be classed as luxuries."

I would emphasise another cause, referred to in your article relating to Manchuria, namely, that while most of the rest of the railways in China are being allowed to fall to pieces, the Japanese are in control of a growing system in South Manchuria, and though since 1921 they have been discreet in the manner of their control, the control remains. Trade has fallen off where control has ceased.

Let us remember that as yet, in the political sense of an effective Central Government, there is no "China" to trust. The Central Government is bankrupt and powerless, and trusting it would really mean trusting some local military adventurer with every inducement to squeeze any city in his control to the uttermost farthing.

Surely it is a bold assumption that complex cities like Tientsin and Shanghai, modern financial centres, would suffer no more from such exploitation than the more primitive social organisation of the interior?

To my mind it is self-evident that any reduction of the protection now afforded the inhabitants of the Treaty Ports—including their great Chinese populations—would result at present in the loss of a great part of a market which British industry sadly needs. But if any Chinese party, as distinct from a person, can establish a moderately efficient Central Government, the surrender of those privileges should be promised and performed within a stated time, beginning at once with all persons outside the actual Treaty Ports. I do not think public opinion in those ports would refuse to accept this proposition.

It may occur to someone to inquire how Tsingtau has fared since it was taken over by the Chinese. I have the figures from 1920 to 1924, and I quote them because they seem to go against my contention. The Customs revenue in 1920 was Tls. 1,760,285, and in 1924 it had risen to Tls. 3,221,252. There is some famine surtax in this, but it is not disputed that trade has increased in spite of the fact that the port facilities are falling into disrepair and deteriorating. But it must be remembered that, though there are no concessions in Tsingtau, the foreign traders enjoy the protection of extraterritoriality, and, one may add, the revenue is collected by a Customs service under foreign control. —I am, Sir, yours truly.

London, November 11th, 1926.

W. J. HINTON.

PRE-WAR DEBTS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—May I enlist the help of your valuable paper in supporting the plea of the exporters of our country to obtain assistance from the Government in trying to collect the money owing to them?

Serbian, who owe considerable sums to both Manchester and Bradford, are sheltering themselves behind an iniquitous decree, promulgated by their Government in 1924, that they need not pay their foreign debts excepting in their own depreciated currency. This would have meant at that time accepting approximately £60 for every £1,000 owed. Various attempts were made by the Serbians to settle their debts, but their proposals were so inequitable we were bound to refuse them.

In 1925 I saw a notice in the *Times* to the effect that a Trade Treaty between ourselves and Jugo-Slavia was being drawn up, and wrote to the Foreign Office pointing out that our debts had not yet been paid, and would they use this opportunity to get the decree passed by the Serbian Government repaying them in Dinars annulled. To this the Foreign Office sent me a reply signed by Sir A. Chamberlain, "that they would bear it in mind."

In September, 1926, I noticed another announcement that the Treaty had been concluded and was only awaiting signature. I called at the Foreign Office, but was directed to see the Commercial Relations and Treaties Department of the Board of Trade, who told me, after hearing what I had to say, that this was the first they had heard of it, and they feared it was too late to do anything. My firm then wrote them on October 5th, and they replied "regretting that no progress towards an amicable settlement of these debts has been made, but they are still in communication with the Foreign Office with a view to any favourable opportunity being taken to advance the solution of this long outstanding difficulty." This is the way our Foreign Office and the Board of Trade between them try to get out of their difficulty, and will not acknowledge that they have missed the best opportunity they have had when settling the new Trade Treaty to also get this question settled.

With regard to Poland, there have been a great many cases of goods seized by the Germans during the war whilst in transit from England to Poland. Where these seizures have occurred in Germany consignors have a claim against Germany, their claims have been preferred through the British Reparation Claims Department of the Clearing Office, and have been enforced by the British authorities. I believe that in most such cases compensation has been duly secured from Germany.

However, where goods had been consigned from England to Poland and sold "free English port" or "free old Russian frontier," and the seizures took place after the goods had crossed the frontier, the English Reparations Claims Department has consistently refused to accept any English consignors' claims for compensation for the seizure of such goods on the grounds that the selling conditions of delivery "Franco-Russian frontier" having been completed, in English law, the ownership of the goods no longer vested in the consignor.

The German law on this point is, however, very different, as the German law recognises as the legal owner the person under whose actual control the goods were at the time of seizure. According to the German legal view of the seizures which took place after goods had crossed the Russian frontier, therefore, such goods still being, in the ordinary way, under the control (telegraphically) of the British exporter, the ownership of such goods would still vest in the British exporter.

However, as the British authorities seem to be guided entirely by the English legal standpoint, the result has been that many English exporters have been unable to prefer claims through the Reparations Department in London against Germany for seizure of goods, even though, under German law, the German Government would have been liable to pay compensation to the owner (the British exporter). The latter is told by the British Clearing Office authorities that the Polish customer, being, in their view, the owner of the goods when seized, is the person entitled to make a claim for compensation. Accordingly, many Polish firms have preferred claims against the German Government before the Paris Mixed Arbitral Tribunal for seizures of their goods during the war, and included amongst their claims seizures of "in transit" goods as above mentioned.

Now we hear on good authority that the Paris Tribunal, owing to a fault in the Peace Treaty, was impotent to function in the matter of these Polish claims against Germany.

Some of our Polish customers have very large claims against Germany, of which British exporters' claims through the customers' agency only form a part, and the fact that the Poles cannot obtain compensation from Germany simply means, in many cases, that they cannot pay the English exporter at all.

Thus the English exporter suffers, for his customer cannot pay and he himself is precluded, by reason of the narrow view entertained by the British authorities on the liability of the German Government for the seizures above described, from claiming any compensation whatsoever, and is, in most cases, compelled to write off the whole amount as loss.—Yours truly,

J. E. DARTON.

36 Rutland gate, London, S.W. 7.

NATIVES AND LAND.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The article in your issue of November 6th by a Cape Town correspondent on the South African Native Lands Bill does nothing to explain why the friends of the native in South Africa are opposed to the Bill. Two points at least require to be made clear:—1. The so-called "released" areas are not an addition to the potential Native Land Areas. Although the bargain implicit in the 1913 Act, by which Natives were excluded from land-owning over the greater part of the Union in return for the exclusion of Europeans from additional Reserves to be scheduled, has never been implemented, in practice the Governor-General has exercised his power under the Act to sanction native purchases in the areas scheduled by the Beaumont and the Local Commissions. Therefore, "to treat all these additional areas as 'released' areas, where land may be owned either by natives or by Europeans," as the new Bill proposes, is to make no addition, but definitely to refuse to the natives additions to their Reserves, which the Beaumont and Local Commissions regarded as the absolute minimum when the native population was considerably smaller. If the natives' rights in these areas are to be further curtailed by the provisions respecting "islands," it is certain that the net result of the Bill will be that the native's chance of acquiring land has diminished, not increased. The proposed Native Land Purchase Fund, even if it were ever likely to be able to compete with the much larger resources put at the disposal of the white man by the Lands Department, would merely enable a few natives to pay the higher price which the restriction of the areas open to them will put upon native land.

2. The net result of the restrictions upon squatting and labour tenancy will be that the native, since he cannot buy land, must

either clear off the land or bind himself to the white farmer. If he clears off the land he can go either to the reserves, which are already overcrowded, or to the towns, where his rights of residence are now restricted by the Urban Areas Act of 1924, and his opportunities of employment restricted by the Colour Bar Act and the Administration of the Wages Act; he will therefore be compelled to bind himself to service with the farmer. It is true that labour-tenancy is common in South Africa, but, unless I am mistaken, the Bill proposes to double the proportion of his time which the native tenant gives to the farmer—180 days instead of 90—and so make it impossible for him to work for anyone else. The native's fear is that the real object of the Bill is simply to prevent him from working for the mines and urban industries at £4 a month, and compel him to work for the white farmer at 10s to 30s a month. Whether this be called "serfdom" or "labour tenancy" matters very little.—Your faithfully,

STUDENT.

THE METROPOLITAN ASSOCIATION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your interesting article upon London Property Companies you draw attention to the Metropolitan Association, and observe that the slight reduction in its revenue is presumably caused by variations in rents in accordance with alteration in rates and to increased expenditure in repairs and renewals. Your conclusions are well founded, and are easily explained by the constitution of the undertaking. The Metropolitan Association for Improving the Dwellings of the Industrious Classes was incorporated by Royal charter in 1845. Its main object was philanthropic, not financial; by its charter dividends were strictly limited to a maximum of 5 per cent., while even its guarantee fund was limited to £15,000. By originally borrowing from the Public Works Loan Commissioners, and afterwards by the creation of 3½ per cent. debenture stock, the activities of this association were carried on to the great benefit of the industrious classes, the company being now in the possession of ten blocks of freehold property and four blocks of leaseholds in the thickly populated parts of industrial London at a total cost of £310,000, while the capital invested in the undertaking amounts to £236,000. Unfortunately for the classes this company was formed to benefit and for those who have for many years carried on this good work, money can no longer be raised at 5 per cent., and even if it could be found, it would be quite impossible to acquire slum property, rebuild, and even get 2 per cent. on the outlay. Consequently, the company is forced to spend its income on improvements for the benefits of its fortunate tenants, who also derive the advantage of any reduction in rates from a corresponding reduction in the rents they pay. The result is expressed in a rent roll of £38,000 only producing a net revenue of £8,000, after applying £25,000 to the upkeep and improvement of the various properties, including up-to-date sanitation, electric lighting, and other advantages which would naturally be charged to capital account. It is a vast pity that investment of this description—i.e., a small safe return where all extra profits are enjoyed by the tenants—is no longer possible. Years ago, in my stockbroking days, I always used to recommend investment in this Metropolitan Association stock to investors who wanted a small but practically certain yearly income added to the satisfaction of doing something towards the benefit of their fellow-creatures. It is strange to see the £100 stock quoted at 73½, but as dealings seldom take place it is probable, as you say, there is none obtainable in the market. Meanwhile, the deplorable housing conditions in the district surrounding the model block of dwellings in Pancras square, where the office of the association is situated, cry out for some financial solution which would enable those who are interested in the welfare of the industrious classes—and who is not?—to provide decent accommodation at the lowest possible rate at which capital can be attracted in these days of high interest and high taxation.—Yours, &c.,

November 9th.

RETIRED.

DEBT AND UNREST.

TO THE EDITOR OF THE ECONOMIST.

SIR,—There is an aspect of our return to gold which has hardly received the attention it deserves, namely, the increase it caused in the burden of the debt and the damage done thereby to the national output, though I confess that it is impossible to estimate how far it has actually intensified the unrest of recent years, on the one hand, or added much to the satisfaction of the rentier on the other. It is, in fact, open to anyone to believe that the distribution of the national output between hand, brain and rentier will adjust itself so as to be pretty much the same year after year, except in a year of widely-spread strikes, that is to say, legal enactments intended to modify distribution will very probably call into play forces which will neutralise the influence of the enactments.

Be that as it may, it was pretty clear before the war that unrest was increasing, with the consequence in prospect that output would ere long be diminished. The war postponed

this; we are now seeing it in operation. That unrest is substantially the secular complaint of the working hand against the non-working creditor or the employer.

I submit that there is a way to check it, though not to stop it—namely, to enact a regular small annual increase in the rate of income-tax—say a penny per year—and place the whole proceeds of income-tax, either with or without super-tax, in the hands of the Debt Commissioners for paying interest on and liquidating the national debt. The Treasury would, of course, remain liable for the debt if there was a deficit at any time, but would be prohibited, so long as the Act was in force, from using the income-tax for any purpose other than that of paying debt. A limit might be prescribed—say, 10s in the pound—which would take 72 years to reach.

The scheme has five features:—

1. Income-tax, unlike local rates on an assessed annual value of a factory, is not an expense which enters into cost of production; it therefore does not to any appreciable extent hinder output.

2. The knowledge that the rentier's tax was being annually increased should of itself allay somewhat the worker's discontent, and could be appealed to by employers and others as a reason for the worker to put his back into his job.

3. Probably distribution would adjust itself independently of the rate of income-tax, as stated above, but the worker would be fooled into thinking that distribution was being modified in his favour, just as he has lately been fooled into behaving as if distribution would be modified in his favour by striking.

4. The slowness of the rate of increase in the tax would prevent capitalists from being upset, and the fact of the increase, coupled with the fact of its being slow, might, I believe, actually stimulate saving.

5. Consequently, a willing worker would replace a discontented one, and Professor Bowley, if he lives long enough and gets a census of production to meet his requirements, should be able to register an increase of output, while the churches might, with a better chance of success than at present, call upon us to be better men, which is the thing that really matters.—I am, Sir, your obedient servant,

ALFRED HOARE.

Books and Publications.

INTERNATIONAL FEDERATION OF TRADE UNIONS

THE Fourth Year-Book of the International Federation of Trade Unions is concerned with facts, and primarily with those relating to the trade union movements affiliated to the Amsterdam International. It does not deal with the rise of the Red International of Labour Unions and the struggle between the Communist trade unionism of Moscow and the Socialist trade unionism of Amsterdam, nor with the trade union movement in countries not affiliated to the I.F.T.U. It is significant that, apart from the United States, Australia, and Russia, there is no important national industrial labour movement which is outside the Amsterdam International, and Russia is the only nation where trade unionism is a force whose movement is affiliated to the Red International of Labour Unions.

The I.F.T.U. is open to national trade union centres which adopt by their rules the policy and objects of the Federation. The organisation is managed by an executive committee and a general council. The former body consists of its president, three vice-presidents, and three secretaries. It is, in fact, a committee of the officers. The general council is a larger body composed of the executive, eleven delegates from the affiliated national centres, and three representatives of the International Trade Secretariats. The Congress of the I.F.T.U. is a gathering consisting of the general council and delegates from each affiliated national centre. The executive committee must meet at least six times a year, and the general council twice a year. The congress normally meets every three years; but extraordinary congresses may be called at any time. Affiliated national centres pay an annual fee of 12 Dutch guilders per 1,000 members.

The affiliated membership of the I.F.T.U. for the last three years for which particulars are available was as follows:—

Year Ending	Membership.
Dec. 31, 1922	18,185,531
1923	15,316,127
1924	13,133,004

This fall is almost entirely accounted for by the shrinkage in affiliated trade union membership in Germany, though the percentage decline was greater in Italy, Greece, and

Czechoslovakia. Of the membership in 1924, 85.2 per cent. were men.

The International Trade Secretariats associated with the Federation are organisations of workers in particular industries or occupations. The chief trades so organised and their membership are given below:—

MEMBERSHIP DECEMBER 31.

	1922.	1923.	1924.
Transport workers	2,154,806	2,091,840	1,921,426
Metal workers	3,204,692	2,585,717	1,864,471
Miners	2,001,196	1,941,199	1,832,337
Textile workers	1,726,440	1,326,030	985,572
Building workers	1,143,550	939,940	885,118

The total membership of the 26 International Trade Secretariats at the end of 1924 was nearly 13 million. The Year-Book gives reports of the various secretariats, covering such widely different groups as hairdressers and diamond workers, hatters and tobacco workers.

Perhaps the most important section of the Year-Book is that relating to the position of trade unionism in the world as a whole, and the "orientation" of the various groups. Between the end of 1921 and the end of 1924 the total trade union membership fell from 46,273,132 to 36,062,711, or by 22 per cent. In actual fact the fall was somewhat greater, as the later figures cover a larger number of countries. If we take the 34 countries for which statistics are available on December 31, 1921, and December 31, 1924, there was a fall of 24 per cent. During 1924, however, the shrinkage was negligible, and it appears that membership has in the aggregate become stabilised, even if it is not now actually increasing.

The I.F.T.U. Year-Book classifies trade unions into five groups—(1) those which are affiliated with or are in general sympathy with the standpoint of the Amsterdam Federation; (2) Communist organisations; (3) denominational organisations, principally Catholic, Christian and Christian-Social unions; (4) syndicalist organisations; (5) various organisations, which include, besides the Fascist bodies (credited with two million members), unions in countries where there is no pronounced "orientation." The changes which have taken place in trade union membership in the various groups are given in the table below:—

Orientation.	Membership.		Increase or Decrease.	
	Dec. 31, 1921.	Dec. 31, 1924.	Absolute.	Percentage.
I.F.T.U.	22,411,826	17,702,431	-4,709,395	-21.0
Communist	7,069,000	7,333,845	+264,845	+3.7
Denominational	3,759,106	2,112,109	-1,646,997	-43.8
Syndicalist	1,254,217	471,435	-782,782	-62.4
Various	11,778,983	8,442,887	-3,336,096	-28.3
Total	46,273,132	36,062,722	-10,210,421	-22.1

It will be seen that during this period of declining membership the only group which actually increased was that of the Communist organisations. According to the Year-Book, "in general, it may be said that the economic slump has been the chief cause of the decline." It is admitted that a further cause of the shrinkage in the first group is "the disruptive work of the Communists." As regards the last group, since 1921 the attitude of many trade union organisations has been more clearly indicated, and it has been possible to place them in their proper classification.

Whilst, generally speaking, a time of "slump" reacts adversely on trade union membership, it has an opposite effect on Communist organisations. A period of economic crisis is used to show the impotence of "reformist" organisations, and Communist propaganda finds a more fertile field in the disillusionment, discontent, and impaired labour standards resulting from trade depression and unemployment. At the end of 1921 Communist organisations existed only in Russia, Bulgaria and Yugoslavia. At the end of 1924 they were to be found also in Chili, Czechoslovakia, Estonia, France, Holland, Japan, Latvia, Lithuania, and Roumania. In many of these countries, however, trade unionism is not an effective force, and even where it has influence, the Communist organisations, except, of course, in Russia, are not important factors. The figures of Communist bodies are swollen by the large

numbers of Russian trade unionists, as may be seen from the attached table:—

	Dec. 31, 1921.		Dec. 31, 1924.	
	Member-ship.	Percentage of Total T.U. Membership.	Member-ship.	Percentage of Total T.U. Membership.
Total membership of trade union movement	46,273,132	..	36,062,711	..
Russian trade unions	6,857,000	14.8	6,604,684	18.3
Other Communist organisations	212,000	0.5	729,161	2.0
Total	7,069,000	15.3	7,333,845	20.3

The relation which each "orientation" bears to the whole trade union membership is seen below:—

"Orientation."	Percentage of total Membership—	
	Dec. 31, 1921.	Dec. 31, 1924.
I.F.T.U.	48.4	49.1
Communist	15.3	20.3
Denominational	8.1	5.9
Syndicalist	2.7	1.3
Various	25.5	23.4

It is clear that the "red" trade unions have made headway; but it is also clear that it is chiefly in countries where the trade union movement is weak. The real strength of trade unionism in a country may be measured, in a rough and ready way, by expressing trade union membership as a percentage of the total population. This percentage is, generally speaking, highest in countries classified under the I.F.T.U. group, and lower in those with Communist sympathies. The highest percentages are found in:—

	%		%
Austria	16.0	Germany	11.5
Great Britain	13.6	Belgium	9.6
Australia	12.7	Denmark	9.4
Czechoslovakia	12.3	New Zealand	8.8

In Russia trade unions form 5 per cent. of the population, and in most countries where the "red" trade union movement has established itself the proportion is even less.

There has been a fierce struggle between the Red International of Labour Unions and the Amsterdam International. Attempts at reconciliation have failed, and there is no reason to believe that co-operation, much less amalgamation, will be realised for some time.

BOOKS RECEIVED.

The Dying Peasant. By J. W. Robertson-Scott. (London) Williams and Norgate, 14 Henrietta street. 10s 6d net.

A review of the position of agriculture in Great Britain. Fundamental conditions are discussed in picturesque and trenchant style. The author concludes:—"The only final solution is for the State to become the ultimate landlord."

The Oil War. By Anton Mohr. With an Introduction by Hartley Withers. (London) Martin Hopkinson and Co., Limited, 14 Henrietta street, Covent garden. 7s 6d net.

An account of the recent history and future prospects of the oil problem and an investigation into the connection between oil and international politics. The author is Lecturer in Political Geography at the University of Oslo.

Caravans of Commerce. By Isaac F. Marcossou. (London) Harper and Bros., Limited, 35 Great Russell street. 7s 6d net.

A description and a eulogy of the work of the foreign service of the United States Department of Commerce. A story interesting to business men, and told in attractive style with a wealth of incident and anecdote.

The Breakdown of Socialism. By Arthur Shadwell. (London) Ernest Benn, Limited, 154 Fleet street. 10s 6d net.

This book is based on a series of articles published under this title in the *Times* during February of this year. They were the result of a tour of inquiry made by Dr Shadwell on the Continent to investigate the progress of Socialism since the war. The impression made upon his mind by his tour is expressed in the title of the book.

Capitalism is Socialism. By J. Taylor Peddie. With a foreword by Gilbert C. Vyle. (London) Longmans, Green and Co., Limited, 39 Paternoster row. 7s 6d net.

We may sufficiently convey to our readers the idea of the book if we quote the words of Mr Peddie himself, circulated with the book:—"This book...is a direct challenge to the recent Bankers' (sic) Manifesto on international trade. I have also endeavoured to prove that there is no such thing as a Law of Supply and Demand nor a Quantity Theory of money. It is the prevailing belief in this law and theory which causes the present economic and social unrest. The money economy in which we live is a vast hoax and swindle; we need a monetary system akin to a barter economy in order that there may be no impediment to the development of production and distribution."

Foreign Trade and World Politics. By Herbert F. Fraser.

(London) Alfred A. Knopf, 38 Bedford place. 14s.

The author is Instructor in Modern European History at the Phillip Andover Academy. His book is a study of the international foundations of prosperity, and is designed to promote international understanding. The main questions dealt with are: What is involved in our (i.e., America's) policy of isolation from European politics? How does isolation affect the European market for American goods? To what extent do we depend on Europe? Mr Fraser is an anti-isolationist. He concludes:—"We and all the world have passed from economic interdependence to economic interdependence; on the political side we must advance from national sovereignty to the more complete ideal of organised international co-operation."

Zum Problem einer Rentenaufwertung in Oesterreich.

Von Dr Paul Stiassny. (Wien) W. Braumüller.

Rm. 2.

An interesting study of the problems connected with the revaluation of the public debt in Austria, including an historical account of the effect of the Treaty of Versailles and subsequent agreements on this problem.

Rubber-Producing Companies. 1926. Compiled by

Mincing Lane Tea and Rubber Share Brokers' Association. (London) Financial Times, 72 Coleman street. 7s 6d net.

The particulars supplied concerning practically every British rubber company embrace directorate, capital, acreage, tenure, when planted, purchase price, crop yields, and net price per lb for last seven years, synopsis of accounts for last seven years, investments, forward sales, estimates, &c., and all recent reorganisations and amalgamations. In the present position of the rubber industry the latest issue of this well-compiled reference book is peculiarly useful to all rubber investors.

European Economic and Political Survey. October 30, 1926. Vol. II. No. 4. (Paris) The Reference Service on International Affairs of the American Library in Paris, 10 Rue de l'Elysée.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Electricity Supply. 1924-1925. Return of Engineering and Financial Statistics relating to Authorised Undertakings in Great Britain for two years ending March 31, 1925 (or May 15, 1925), for Local Authority Undertakings, and December 31, 1924, for Company Undertakings. 15s net.

This return includes approximately 650 pages of statistics and other information covering all local authority undertakers and all company undertakers in Great Britain. Part I. gives particulars of the system of supply and of the generating plant installations, together with annual figures covering population, consumption, maximum load, total connections, load factor, units generated, units sold, &c. Part II. gives corresponding particulars of capital raised and expended, revenue from working, average revenue per unit sold, working expenses, and appropriation of surplus. A very full summary of the main features of the Report, which is included with a number of summary tables at the beginning of the volume, will be found particularly convenient to the general reader.

Report of the Chief Registrar of Friendly Societies for the year 1924. 4s net.

Accounts Relating to Trade and Commerce of Certain Foreign Countries and British Countries Overseas, including Figures Received up to September 15, 1926. 6s net.

AMERICAN EXCHANGE-PACIFIC NATIONAL BANK

NEW YORK

(The American Exchange National Bank and Pacific Bank were consolidated August 1, 1925)

Member Federal Reserve System and New York Clearing House Association
Founded 1838 Nationalized 1865

Capital (fully paid), Surplus and Reserves Over \$20,000,000
Total Resources Over \$250,000,000

DOMESTIC AND OVERSEAS

BANKING BUSINESS OF EVERY KIND

COMMERCIAL AND BANKING ACCOUNTS SOLICITED

Head Office.....128 Broadway
Six Branches in New York City

Foreign Branch: 168, Fenchurch Street, E.C.3.

TICKET.	ACCOUNT.
November 23.	November 25.

The publication of the De Beers report, showing excellent figures, was followed by a fall in the price of the shares, due to a desire to take profits on the part of those who had bought the shares considerably lower down, and who, moreover, are apprehensive in consequence of the fresh diamond discoveries reported from other districts. The Chartered market remained hard, buoyed by dividend hopes, but in the gold share list no movements of any real consequence have occurred, the Cape as well as Paris being disinclined to take a hand in them at present. The tin share market, after an exhibition of dullness, went ahead on a rise in the price of the metal. Russians

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital. £	Cash Sub- scription. £	First Payment. £	Further Lia- bility. £
ISSUES OF THE WEEK—				
Amount previously recorded		187,511,826		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to November 6, 1926, Dr £2,250,000.				
Net sales week ended November 6, 1926, Dr £100,000.				

To the Public.—					
Selfridge Provincial Stores, Ltd., 3,000,000 Ord. Shares of £1 each, at par	3,000,000	..	3,000,000	..	375,000 .. 2,625,000
Do 300,000 Def. Shares of 2s each, at par (Nov. 8)	30,000	..	30,000	..	30,000
Bolsover Colliery, £400,000 6% Mt. Debs. at par, red. 1941-56 at par (Nov. 8)	400,000	..	400,000	..	40,000 .. 360,000
Ankole Tinfields, 100,000 Shares, 5s, at par (Nov. 8)	25,000	..	25,000	..	10,000 .. 15,000
Total offered to the Public	..	..	3,455,000	..	455,000 .. 3,000,000

To Shareholders only—				
British American Tobacco Co., 3,239,264 Ord., £1, at par	3,239,264	..	3,239,264	.. 3,239,264
Investment Trust Corporation, 100,000 Shares, £5, at £8 15s	500,000	..	875,000	.. 50,000 .. 825,000
Inveresk Paper Co. 250,000 Ord. Shares, £1, at £2 5s	250,000	..	562,500	.. 125,000 .. 437,500
Do 300,000 8% Cum. Pref., £1, at par	300,000	..	300,000	.. 37,500 .. 262,500
Scottish United Investors, 20,000 Shares, £10, at par	200,000	..	200,000	.. 200,000
Gold Coast Explore s, 3,000,000 Shares, 1s, at par	150,000	..	150,000	.. 37,500 .. 112,500
Northern Securities Trust, 50,000 Shares, £1, at 25s	50,000	..	62,500	.. 25,000 .. 37,500
Kuala Kubu Rubber Estates, 80,000 Shares, 2s, at 3s	8,000	..	12,000	.. 12,000

Total offered to shareholders	5,401,264	3,726,264	1,675,000
Total offered for subscription to date in—			
1925	196,268,090		231,914,268
1926	191,139,668		209,326,100
1934	172,413,607		271,393,173
1935	251,921,921		373,675,850
1932	550,161,208		198,978,500
1936	308,442,886		367,549,656
		1920	

Bolsover Colliery Company, Limited.—Issued share capital £3,487,000, divided into 2,662,000 ordinary shares of £1 each, 175,000 first cumulative 6 per cent. preference shares of £1 each, and 650,000 second cumulative 8 per cent. preference shares of £1 each. There is also outstanding £109,200 5 per cent. first mortgage debenture stock. This is an issue of £400,000 6 per cent. mortgage debentures at par, redeemable 1941-56. A sinking fund, adequate for the redemption of the whole of the present issue in 1956, will begin in three years' time. Subject to the existing 5 per cent. debentures—which will be repaid at maturity, the final year being 1932—the debentures now issued will constitute a first and floating charge (ranking equally with the remainder of the £1,000,000 authorised as and when issued) on the general undertaking and

West Surrey Water Company.— Issued share capital, £165,625, consisting of £25,000 ordinary shares, 10 per cent. maximum, £77,320 7 per cent. maximum, £9,460 preference shares 5 per cent. maximum, £15,000 preference shares 6 per cent. maximum, £7,500 preference shares $5\frac{1}{2}$ per cent. maximum, and premiums £31,345. There is also issued debenture stock totalling £56,400, consisting of £36,400 4 per cent. debenture stock, and £20,000 5 per cent. debenture stock. This is an offer for sale by tender of £26,412 5 per cent. perpetual debenture stock, the minimum price of issue being £95 per £100, and 430 £10 6 per cent. preference shares, the minimum price of issue being £10 10s per shares. The company was incorporated in 1869 for supplying a residential district of about 40 square miles in extent, including Walton-on-Thames, Oatlands, Hersham, Weybridge, Addlestone, Byfleet, Cobham, Chertsey, Littleton, and Shepperton. The population is at present 45,000, and the number of supplies is 8,921. Dividends on the ordinary capital, it is stated, have been as follows:—On the 10 per cent. maximum ordinary shares, 1907-1919 10 per cent.; 1920, $6\frac{1}{2}$ per cent.; 1921 and 1922 (June), $7\frac{1}{2}$ per cent.; and 1922 (December), 1923-1926 (June), 10 per cent.; on the 7 per cent maximum shares, 1907-1919, 7 per cent.; 1920, $5\frac{1}{2}$ per cent.; 1921 and 1922 (June), $5\frac{1}{2}$ per cent.; 1922 (December), 1923-1926 (June), 7 per cent. The net revenue of the company for the 12 months ended June 30 last is given as £12,819, of which interest on the debenture stock, including the present issue, requires £3,777; dividends on the preference capital, including the present issue, require £2,044, leaving available for dividends on the ordinary shares £6,999. Both the debenture stock and the preference shares, it is stated, are full trustee investments, and appear to be covered as regards interest and dividends. Incidentally, there is no reference to Stock Exchange quotation.

Ankole Tinfields, Limited.—Share capital £100,000, divided into 400,000 shares of 5s each. This is an issue of 100,000 shares at par. The company has been formed in particular to take an option to acquire the benefit of two licences granted by the Uganda Government to prospect for minerals on two areas of approximately 90 square miles and 200 square miles respectively in the Ankole district of Uganda. If the option is exercised, the purchase price will be, it is stated, £70,000, payable as to £5,000 in cash and £65,000 in fully-paid shares of the company. A speculation for optimists.

Argus Tin Corporation, Limited.—In order to comply with Stock Exchange regulations, particulars are advertised of the above company. There is an issued share capital of £49,001, divided into 490,010 shares of 2s. each. The company was incorporated in 1924 for the purpose of acquiring mineral lands and rights in any part of the world. The properties acquired from the vendors and others since taken up comprise

The following tables show the movements of the week in the more active securities of the various markets :—

British and Colonial Government Securities.									
		Price Last Week.	Latest Price.	Rise or Fall.			Price Last Week.	Latest Price.	Rise or Fall.
War	3½, 1925-28.	95½	96½	+	India 3½ Stock	.....	69½	69½	
	4½, 1925-45.	93½	94½	+	Do 5½ 1932	.....	102½	102½	
Loans	5%, 1925-47.	99½	100½	+	Do 4½ 1932	.....	91½	91½	+
	4%, 1925-42.	100½	101½	+	N.S.W. 5½, 1922-33	.....	95	95	+
Funding	Loan 4%, 1924	84½	84½	—	N. Zealand 3½, 1940	.....	85	85	
Victory Bonds	4% 92	92	91½	—	Nigeria 6%, 1949-79	.....	112	112	
Conversion Loan	3½ 74½	74½	74½	—	Queensland 5%, 40-60	.....	95	95	
Consols	2½ 54½	54½	54½	—	U. of S.A. 6%, 1930-40	.....	102	102	
Irish Land Stock	2½ 57½	57½	57½	—	R. Aust. 6½, 1930-40	.....	103	103	
Local Finance	5% 62½	62½	62½	—	Victoria 5½, 1924-34	.....	100	100	
Aust. 6%, 1931-41.....	102	102	102	—	W. Aust. 6%, 1930-40	.....	102	102	

British Railways.				
Great Western, Ord.	89½	..	89½	+ ½
London & North-Eastern	50½	..	51	+ ½
5% Pref. Ord.	50½	..	51	+ ½
Do Dist. Ord.	18½	..	19	+ ½
London, Mid., and	74½	..	74½	+ ½
Scottish, Ord.	60	..	60½	+ ½
Metropolitan	54	..	54½	+ ½
Metropolitan District	77½	..	78	+ ½
Do Gen. Pref. Ord.	45½	..	45½	+ ½
Underground Electric	(£1)	..	(£1)	+ ½
Do Inc. Bds. (£100)	101½	..	101½	+ ½

Colonial and Foreign Railways.				
Attagasta Coms	803	81	+	+
B.A. and Pacific	85	85		
B. & G. Southern	973	84	+	+
B. Santos Ayres	196	84		
Central Pac. (\$100)	164	169		
Central Argentine	724	724		
Cordoba Central New	324	334	+	+
Grand Trunk Pacific,				
Leop. Dubs.	561	57	+	+
Mexican Railway	43	42	+	+
Do last Pref.	22	22		
San Paulo	182	181	-	-
United Havana	69	674	+	+

American Railroads.			
Chesapeake & Ohio ..	176	171	.. 5
Erie	40	40	..
Do 4% 1st Pref.....	49	48	.. 1
Southern	123	122	.. 1

Foreign Government Securities.									
Argentine 5%, 1888-7	100	100	+	+	+	+	+	+	+
Austrian 6% Guar. 101	102	101	+	+	+	+	+	+	+
Belgian 7%, 1926	100	100	+	+	+	+	+	+	+
Brazil 5% Fund., 1914	79	79	+	+	+	+	+	+	+
Chilian 4%, 1899	102	101	+	+	+	+	+	+	+
Chinese 5%, 1907	102	101	+	+	+	+	+	+	+
Chinese 5%, 1912	50	52	+	+	+	+	+	+	+
Egyptian 5%	81 1/2	81 1/2	+	+	+	+	+	+	+
French 5%	118	118	+	+	+	+	+	+	+
German 4%, 1924	101 1/2	103	+	+	+	+	+	+	+
Hungarian 7%, 1924	91 1/2	92	+	+	+	+	+	+	+
Hungarian 7%, 1924, 102 1/2	92 1/2	93	+	+	+	+	+	+	+
Japanese 6% 1924	92 1/2	92 1/2	+	+	+	+	+	+	+
Mexican Cons., 1899	44	45	+	+	+	+	+	+	+
Mexican Corp. 1904	50	50	+	+	+	+	+	+	+
P.L.M. 6%	88	88 1/2	+	+	+	+	+	+	+
Portuguese (New)	36	36	+	+	+	+	+	+	+
Russian 5%, 1906	7 1/2	7 1/2	+	+	+	+	+	+	+
Suez (Debt) 7%	98 1/2	99	+	+	+	+	+	+	+
Siam 5%	107	106	+	+	+	+	+	+	+

Telegraphs.					
Anglo-American "A" 24 $\frac{1}{2}$	..	24 $\frac{1}{2}$	..	..	Marconi Canada.... $\frac{7}{8}$.. $\frac{3}{8}$ — $\frac{5}{8}$
Marconi Wireless	$\frac{1}{8}$	..	$\frac{3}{8}$	— $\frac{5}{8}$	Marconi Marine... $1\frac{1}{2}$ x .. $1\frac{1}{2}$..

Banks.			
Barclays B. (£1. l.p.d.)	248..	248..	National Provincial, (£20, with £4 paid) .13 .. 13 1/2 .. + 1/2
Chartered Bank of India	204 1/2 ..	204 .. + 1/2	Standard of S. Africa (£20, with £5 paid) .13 1/2 .. 13 1/2 ..
Gloyds (£5 with £1 paid)	3 1/2 ..	3 ..	Westminster Bank (£20, with £5 paid) .18 1/2 .. 18 1/2 .. + 1/2
Midland (£12, with £3 paid)	8 1/2 ..	8 ..	
Nat. Bank of Egypt (£10)	362 ..	368 .. - 6	

Miscellaneous.			
Allied Newspapers (£1)	2½	2½	
Amn. Cottons (¢1)	3½	3½	+ ½
Anglo-Persian Oil (¢1)	6½	6½	+ 1½
Armstrong (Sir W.G.)			
and Co. (¢1)	1	1	+ ½
Ass. Paint. Cement (¢1)	3½	3½	+ ½
Barker, John (¢1)	3½	3½	+ ½
B.P. & Small Arms (¢1)	1	1	+ ½
Bleachers (¢1)	2½	2½	+ ½
Bradford Dyson (¢100)	11½	11½	+ 2½
British Transcon (£100)	11½	11½	+ 2½
British-American Tobacco (¢1)	4½	4½	+ ½
British Controlled Oil (¢5)	3	3	
Bryant and May (¢1)	3½	3½	+ ½
Carmalt Oil (¢1)	5½	5½	+ ½
Cas. & W. (¢1)	5½	5½	+ ½
Courtaulds (¢1)	5½	5½	+ ½
Cunard (¢1)	1½	1½	+ ½
Dorman, Long (¢1)	1	1	+ ½
Dunlop Rubber (¢8)	1½	1½	+ ½
Five Ounce Buns (¢1)	2½	2½	+ ½
Gramophone (¢1)	3½	3½	+ ½
Gresham, Wm. (¢1)	1½	1½	+ ½
Highlands, Wm. (¢1)	1½	1½	+ ½
Highlands and Lowlands Rubber (¢1)	2½	2½	+ ½
Imperial Tobacco (¢1)	5½	5½	+ ½
Impreg. Tobacco (¢1)	5½	5½	+ ½
Linget Plantations (¢1)	2½	2½	+ ½
Lever Bros. 7% Cum Prt (¢1)	1½	1½	+ ½
Do 8% Cum A Prt (¢1)	1½	1½	+ ½
Do 20% Cum Prt Ord (¢1)	1½	1½	+ ½
Master (¢1)	1½	1½	+ ½
Lobitos Oilfields (¢1)	8½	8½	+ ½
Mexican Eagle (£10)	5½	5½	+ ½
Mexican Eagle (£10)	5½	5½	+ ½
Nobel Industries (¢1)	1½	1½	+ ½
Royal Dutch Petroleum (100 £)	30½	31½	+ 1½
Rubber Plantations Investments (¢1)	2½	2½	+ ½
Shell Transport (¢1)	4½	4½	+ ½
Siemens (¢1)	1½	1½	+ ½
Swedish Match "B" (kr100)	14½	14½	+ ½
Union Cold Storage 6% Cum. Pref. (¢1)	1½	1½	+ ½
Do 7% Cum. Prt. (¢1)	1½	1½	+ ½
United Dairies (¢1)	1½	1½	+ ½
United Dairies (30)	4	4	+ ½
United Tobacco (¢1)	2½	2½	+ ½
V.O.C. Holding (¢1)	2½	2½	+ ½
Vickers (¢8)	1½	1½	+ ½
Watney Def. Stk.	258	260	+ 2

Mines.									
Ashanti Gold (4f)	1½.	1½.			Modderfont. Deep (5f)	1½.	1½.	+	1½.
Brakpan (£1.)	4	4½	+	8	Mount Lyell (£1.)	1½.	1½.	+	1½.
Broken Hill Prop.(£1)	13	13½.			New State Areas (£1)	2½.	2½.		
Burma Corp.(Rs.10)	2	2½	-	3½	Randfontein Est.(£1)	3½.	3½.	+	3½.
Cam & Motor (£1.)	2½.	2½	-	8	Rand Mines (5f)	3½.	3½.	+	1½.
Central Mining (£8.)	16½.	16½.			Solukwe (2f5)	1½.	1½.		
Chartered (15f)	18	18	+	18	Shamwa (£1)	1½.	1½.		
City Deep (£1)	18	18			Rio Tinto (2f5)	40½.	41½.	+	8
Cons. Gold Fields (£1)	1½.	1½.			Ropp Tin (4f)	18.	18.		
Crown Mines (10f)	3	3½.			San Francisco of				
De Beers Def. (£2½)	19½.	18½.	-	1	Mexico (10f)	1½.	1½.		
East Rand Prop. (£1)	4	4.			Siamese Tin (5f)	1½.	1½.		
Geduld (£1.)	4	4½.	+	1½	Sprink Mines (£1)	3½.	3½.	+	1½.
Gov. Gold Areas (£1)	8½.	8½.	+	1½	Tanganyika Cons.(£1)	2½.	2½.	-	1½.
Johannesburg Cons.	2	2½.			Trans. Cons. Lud(10f)	2½.	2½.	-	1½.
Malayan Tin (5f)	1½.	1½.	+	1½	Zambezia Expl. (£1.)	2½.	2½.	+	1½.
Modderfontein (10f) ..	4½.	4½.	+	1½					

COMPANY MEETINGS, &c.

DALGETY AND COMPANY, LIMITED.

DIVIDEND AND BONUS MAINTAINED.

POSITION AND PROSPECTS OF WOOL TRADE.

The forty-second annual meeting of Dalgety and Co., Limited, was held, on the 11th instant, at the offices, 65-68 Leadenhall street, London.

The Secretary (Mr C. D. Mackintosh Gow) read the notice convening the meeting and the report of the auditors.

The Chairman (the Hon. Edmund W. Parker), in moving the adoption of the report and accounts, said that the year under review, although yielding results which did not quite come up to those of the preceding one, must, he thought, be considered of an entirely satisfactory nature. At the last meeting he spoke of the extraordinary slump in wool prices and the consequent dislocation of the company's financial machinery. This year they had been spared all that. Wool had sold well on the whole, and at payable prices to growers, and he hoped that this state of affairs would continue, although he was loth to assume the rôle of prophet; and there were people who considered that there were several adverse factors that might militate against it—such as the present state of trade in Bradford. Exchange rates, too, had shown no wild fluctuations, so that the disabilities under which we laboured before the return to the gold standard had disappeared, to the advantage of Australian trade generally.

CAPITAL REQUIREMENTS.

He mentioned last year that the Board had been considering various methods of increasing the company's resources in the direction of fresh capital, but, beyond putting out an issue of 4½ per cent. irredeemable debenture stock, amounting to £250,000, they had not as yet definitely decided to take further steps. He was convinced, however, that before long they would have to do something in this direction. The company's wheat operations locked up a very large sum, and, in addition to these outgoings, although during the past year conditions had much improved in Western Australia, their clients in that State had had to lean very heavily upon the company in order to restock their properties and carry on with a view to resuming their normal activities. Parts of Queensland, too, had suffered from want of rain, and feed in some districts entirely disappeared, so that squatters had had to resort to hand feeding in order to save their flocks. Despite this, losses had been very heavy, and he had heard the figure put as high as from six millions to eight millions of sheep. Therefore, in this State, too, they must be prepared for contingencies. He was glad to say that partial relief had come to these stricken areas, and he hoped further losses would be averted. In New Zealand the company had not done nearly so well as last year, when the Dominion was responsible for a considerable percentage of their earnings. On this occasion, however, the season had been far from good, and the North Island was the victim of generally unfavourable weather. These conditions naturally affected the earning power the company's branches, especially so as prices of the primary products of the Dominion had declined during the year.

WOOL POSITION.

With regard to wool, steady markets had ruled, certainly with prices on a much lower basis, but at the same time with less violent fluctuations than those which caused so much anxiety last year. In April, 1925, the sales in the Commonwealth had to be suspended owing to lack of demand. They were resumed in July, and after this breathing space, which gave buyers time to reorganise their financial resources, satisfactory clearances of the offerings were made at a slight advance in price for most descriptions. With not more than the usual ups and downs wool had sold remarkably well during the year, and it was a striking tribute to the general stability of the trade to be able to report an almost complete absorption, not only of the 1925-26 clip—amounting to the record production of 2,377,866 bales of Australian wool—but also of the carry-over of over half a million bales of the 1924-25 season. The actual sales in Australia amounted to the huge total of 2,655,334 bales. The value of the wool sold in the Commonwealth amounted to £57,718,015, against £55,545,838 in the 1924-25 season. In New Zealand the clip showed a decrease of 5,764 bales, but with the carry-over the sales amounted to 491,582 bales, valued at £8,262,847, against a total of 462,795 bales, valued at £13,537,344, in 1924-25. Taking Australasia as a whole, in spite of the decline per bale from £33 13s 10d in 1924-25 to £20 19s 4d in 1925-26—or from 24.7d per pound to 16d per pound—there was an increase in value of £2,172,177. Growers, of course, might view with some alarm the drop in value of nearly £13 a bale for their wool, but at the lower level a

stable market was much more likely to rule. The outlook for wool, in his opinion, was hopeful and the position generally sound. The demand for the finest qualities was as keen as ever, because, in spite of the high cost of clothing, the public, generally speaking, demanded the best cloth. It was not expected that the coming clip would show an increase; indeed, it was anticipated that, in spite of the fact that some of the States—notably New South Wales—would have a larger production, the heavy losses in Queensland would more than counterbalance this. Latest estimates put the 1926-27 clip at 2,370,000 bales, including wool from sheepskins. This was some 8,000 bales less than in 1925-26.

WHEAT AND DAIRY PRODUCE.

The Australasian wheat crop for the 1925-26 season yielded 113,500,000 bushels, as compared with 165,000,000 bushels for the previous season. Prices were again high, averaging to the farmer approximately 5s 9d per bushel net, delivered at his nearest railway station. Such a price was encouraging to the industry, and had resulted in considerably more country being put under wheat in the best wheat-growing areas. The prospects for the coming crop were so far excellent, and the hope of a yield of 150 to 155 million bushels was spoken of. Prices had opened at a profitable level to growers, although the likelihood of an abundant supply of wheat throughout the world in the coming year might check the upward course of prices which was just now in evidence.

Turning to the company's interests in dairy produce, the rainfall in Australia having been irregular during the past season, the record production of the previous year was not maintained; but the total exports of dairy produce were normal, and consisted of 40,454 tons of butter and 3,075 tons of cheese. There was a considerable decrease in the value to £6,090,663, as compared with £10,361,840 during the twelve months ended June 30, 1925.

The course of the market for New Zealand and Australian butter this year had been very different from that of the preceding two years, when values rose during the late summer and autumn months, and an exceedingly high price was reached in the month of October. In 1923 1924, in 1924 22s, and in 1925 23s 4s was obtained for finest New Zealand, with Australian only relatively a little less. In October of this year the price was 13s 6s, and to-day finest New Zealand was quoted at 14s 6s to 14s 8s.

The New Zealand Dairy Produce Board had complete control of the shipping and marketing of all New Zealand dairy produce shipped on and after September 1st last, and would, he feared, commence selling under unfavourable conditions, due partly to decreased consumption and heavy stocks in cold store here, and partly to an undoubted general resentment by the wholesale and distributing trade of the announced intention by the board of an attempt to fix minimum selling prices on this market. This company's allocation of dairy produce for realisation under the new scheme was satisfactory, and they would do their best to obtain the most favourable results.

FROZEN MEAT.

With regard to frozen meat, the period under review was one of considerably lower prices than the abnormally high quotations of recent years, and constituted a definite setback, to the disadvantage of the producers in the Commonwealth and Dominion. The coal strike and other industrial troubles, with consequent unemployment, had seriously affected the consumptive demand, and prices steadily declined until they reached a level unprecedented since the cessation of Government control. Prices for frozen mutton and lamb on Smithfield market were about 1½d per pound lower all round since he last addressed the shareholders, and prospects were not favourable to much improvement. Frozen beef showed no important change, but the Continental demand had been seriously curtailed by adverse rates of exchange and protective measures in certain Continental countries. The total value of frozen meat exported from the Commonwealth for the period under review was £4,104,638, and from the Dominion £9,316,736.

Dealing with the accounts, the Chairman said that the net profits showed a decrease of £66,264, but when they considered the decline in the value of most of the commodities in which the company was interested, and the dislocation of trade in Australia caused by the seamen's strike, he did not think they had much to grumble at. As it was, their earnings were above those of an average year, and he felt sure that the shareholders would be gratified that the results justified the declaration of a dividend and bonus on the same scale as last year.

Mr Stephen Fairbairn seconded the resolution, which was carried unanimously.

SECURITY FIRST

ROYAL
INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

LONDON MARITIME INVESTMENT COMPANY, LIMITED.

COMPANY'S SOUND POSITION.

COAL STOPPAGE AND TRADE RECOVERY.

The twenty-ninth annual general meeting of the proprietors of the London Maritime Investment Company, Limited, was held, on the 10th inst., at Winchester House, Old Broad street, London, E.C.

The Right Hon. Lord Kylsant, G.C.M.G. (the chairman) presided.

The secretary (Mr O. A. Hall) having read the notice convening the meeting and the auditors' report,

The Chairman said:—Gentlemen,—The report and accounts for the year ended September 30, 1926, were circulated to the stockholders some days ago, and I presume you will take them as read. It is 29 years ago since the company was formed and I became your chairman.

The accounts for the year under review set out the position clearly, and do not call for special comment.

PROFIT AND DIVIDEND.

You will observe that there was a net profit of £61,415 for the year, which, with the balance brought forward from last year, makes an available sum of £66,774.

After payment of the dividend upon the company's preference stock, and adding over £9,000 to the reserve fund, the board recommend the distribution on the ordinary stock of a final dividend which, with the interim dividend already paid, makes a total of 8 per cent., less income-tax, for the year, leaving a balance of £5,582 to be carried forward.

The company has a paid-up capital of £1,000,000, and has no debentures or other indebtedness. The reserve fund now amounts to £220,000, the whole of which, as shown in the balance-sheet, is invested in British Government securities.

VALUATION OF INVESTMENTS.

The fact that a valuation of our investments as at September 30, 1926, showed the capital and reserve fund to be more than intact indicates the sound financial position of the company, due to the conservative policy we have steadily pursued.

The results for the year may be considered satisfactory, having regard to the continuance during the period under review of the depression in the shipping industry, in which this company as an investor is interested.

Latterly there has been a partial improvement in the general level of freights, though this has not benefited the lines engaged in the regular trades to the extent that it has tramp owners.

EFFECTS OF COAL STOPPAGE.

The present disastrous dispute in the coal trade, which has now been going on for over six months, commenced at a time when there was every evidence of a steady all-round improvement in trade and commerce, and the far-reaching effects of the stoppage must inevitably seriously retard general recovery.

On the other hand, if a lasting settlement in the coal industry can be arrived at, and all employers and employed will co-operate wholeheartedly in a big effort to restore progress and prosperity to our country, there is, I am convinced, every probability of such a revival of British trade and industry as alone can provide the wherewithal for the maintenance of a better standard of life for the worker and the means whereby the progress and development of the British Commonwealth of Nations can be achieved.

I now beg to move: "That the report and accounts for the year ended September 30, 1926, as submitted, be received and adopted, and that the dividend as recommended therein be declared and paid."

Mr Arthur A. Baumann seconded the resolution, and it was carried unanimously.

On the motion of the Chairman, seconded by Mr George M. Dodd, Sir F. Vernon Thomson, K.B.E., was re-elected a director. Messrs. Fookes, Hickman and Co. were reappointed auditors, and, on the proposition of Mr M. B. Snell, a hearty vote of thanks was accorded to the chairman.

The proceedings then terminated.

BRUSH ELECTRICAL ENGINEERING COMPANY, LIMITED.

CO-PARTNERSHIP SCHEME APPROVED.

An extraordinary general meeting of the Brush Electrical Engineering Company, Limited, was held, on the 8th instant, at Holborn Restaurant, London, for the purpose of considering and, if thought fit, passing resolutions providing for the adoption of a scheme of co-partnership.

Mr E. Garcke (the chairman of the company), in moving the resolutions, in explaining the scheme, said that after providing for depreciation and all necessary charges, and a dividend at the rate of 10 per cent. for the year on the ordinary shares, the surplus would be distributed to the three classes of employees and to the shareholders in proportion to the total wages, salaries, and dividends paid for the year. The amounts so distributed could, at the option of the recipients, be invested in ordinary shares of the company at par. These shares of £1 each had a present market value of 26s or 27s. Thus the recipients of the distribution of surplus would receive an additional bonus represented by the premium on the shares. There were no restrictions whatever imposed on the shares issued to the employees; they would rank in every respect equally with the shares now issued.

It was decided at the last meeting of shareholders that the scheme should be deemed to come into operation as from January 1, 1926, and that the surplus profits as already defined in respect of the year 1925, amounting to £8,751, should be distributed as a bonus in accordance with the scheme, as if the scheme had been in force for the year 1925. The provisional co-partnership council had decided that this bonus, after deducting the proportion thereof belonging to the shareholders in accordance with the scheme, should be applied in payment of ordinary shares required for distribution to the co-partners who were entitled to a share in this bonus as on December 31, 1926. The third point in the resolution submitted related to the undivided profits, amounting to £76,190. This amount belonged to the shareholders, and was at present contemplated as a reserve for the purpose of maintaining an average dividend of 10 per cent. per annum on the shares. The proportion of the surplus of £8,751 previously mentioned which belonged to the shareholders would, if practicable, be also distributable in shares of the company at par, and this would apply to all future proportions of surpluses accruing to the shareholders.

Under the scheme they were proposing, the directors were asking both the shareholders and the employees of the company to move in the direction of producing better social conditions, which, he said, would be attained when all workers were capitalists and all capitalists were producers, and neither was a consumer only.

The resolutions were unanimously adopted.

JOSHUA HOYLE AND SONS, LIMITED.

EFFECTS OF COAL STRIKE.

The ordinary general meeting of Joshua Hoyle and Sons, Limited, was held, on the 10th instant, at India Mill, Bacup, Lt.-Col. J. Craven Hoyle, T.D., D.L., the chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The profits for the year were less by £100,000, and the disposable balance, after deducting the interim dividends paid, the debenture interest, and transfer to renewals and reserves, amounted to £63,033. They proposed paying a final dividend of 6d per share, less tax, on the ordinary shares, making 5 per cent., less tax, for the year, and the usual dividend on the preference shares, carrying forward £19,033, against £23,710 last year.

Twelve months ago he had called the shareholders' attention to the Locarno Treaty, and expressed a wish that the same spirit which had governed the international situation should also govern the industrial situation at home. At that time he felt there was a feeling of unrest. Unfortunately, during the following months the spirit of Locarno was not extended to the industrial life of the country, and he did not think that any individual interested in business would at that time have imagined that all the industries would be called upon to pass through the serious trouble which had been existing in Great Britain for the past six months. At the present moment all eyes were turned towards London, hoping that the efforts that were being put forth would meet with success and form the ground for a permanent and satisfactory settlement.

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.

London: 5, Walbrook. E.C.4 and 4, St. James' Street. S.W.1.

Having passed through in the period under review, such an abnormal situation, shareholders would appreciate that the important industry of the cotton trade and its allied trades were being most seriously affected. That had been one of the main causes which had brought about the result placed before them that day. Not only had there been great difficulty in obtaining supplies of coal suitable to run the various mills and weaving sheds, but through the qualities obtainable and the extra cost of labour, steam-raising had been a serious item. Had the situation been normal and the cost of production not increased through the heavy charges brought about by the coal dispute, with cotton at its present price he had no hesitation in saying that the situation he hoped for in November, 1924, would have continued during the period under review.

Anxious as periods in former years had been, the last six months had been one of the gravest the company had yet been called upon to face, and, therefore, all would agree that their managing director and his staff had earned their very best thanks.

Mr Walter Pilling seconded the resolution, which was carried unanimously.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Nov. 6, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13	13
4% Conversion Loan ..	..	..	266	684	666	709	764	760	760	760
4% Conversion Loan ..	..	..	..	..	..	210	210	211	211	211
4% War Stock	..	63	63	63	63	63	63	63	63	63
4% and 5% War Stock ..	..	13	13	13	13	13	13	13	13	13
National War Bonds	1,047	1,953	2,026	2,166	2,054	2,054	2,054	2,054	2,054	2,054
4% Funding Loan	1,509	1,201	953	820	778	771	706	706	706	706
4% Victory Bonds	..	360	335	385	314	303	303	292	292	292
Treasury Bonds	..	..	453	411	457	499	479	482	486	486
Exchequer Bonds	..	323	185	150	150	15	15	15	15	15
National Savings Certs ..	..	267	342	354	366	399	372	375	373	373
Other Debt	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French)	..	..	61	..	..	..	..	..	..	..
Treasury Bills	15	1,107	878	616	588	676	635	565	565	565
Temporary Advances ..	1	243	147	194	186	167	181	139	118	118
Other Capital Liabilities ..	654	57	46	66	70	66	84	75	75	75
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,715	7,715

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Nov. 7, '25.	Mar. 31, '26.	Nov. 6, '26.	Movement Week ended Nov. 6, '26.
Ways and Means Advances Outstanding	£ 131,690,000	£ 139,441,000	£ 117,751,000	300,000
Advances by Bank of England	641,285,000	564,855,000	666,670,000	3,480,000
Advances by Public Debt Office	..	..	..	..
Treasury Bills Outstanding	772,975,000	704,296,000	784,421,000	3,180,000

* Includes £62,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Nov. 12, 1926, and the total amount applied for was £58,100,000. For bills at 3 months, dated Monday to Friday, £98 15s 7d, about 62 per cent, and above in full; Saturday, £98 15s 11d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.
142 BRANCHES at all important business centres in Finland.

Capital ... Fmk. 150,000,000
Reserve Fund and Profits ... „ 123,000,000
Total Assets (31/12/25) ... „ 2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.	4% Treasury Bonds. Average Price.
Sept. 10, 1926.	40,000,000	54,025,000	4 13 3/25	..
Sept. 17,	40,000,000	53,065,000	4 12 11	..
Sept. 24,	45,000,000	58,270,000	4 12 9 7/5	..
Oct. 1,	45,000,000	55,050,000	4 14 2 6/3	..
Oct. 8,	45,000,000	50,150,000	4 15 11 1/3	..
Oct. 15,	40,000,000	45,945,000	4 16 3 4/6	..
Oct. 22,	40,000,000	45,805,000	4 16 11 1/2	..
Oct. 29,	45,000,000	49,635,000	4 17 1 0/6	..
Nov. 5,	45,000,000	49,490,000	4 17 7 6/9	..
Nov. 12,	40,000,000	58,100,000	4 16 6 7/4	..

Tenders will be received on Nov. 19, 1926, for Treasury Bills to be issued to the maximum amount of £45,000,000.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Accounts.	Notes in Circulation.	Notes in Bank of England.	Notes in Bank of Ireland.	Notes in Bank of Scotland.	Notes in Bank of Wales.	Notes in Bank of Northern Ireland.	Notes in Bank of Jersey.	Notes in Bank of Guernsey.	Notes in Bank of Man.	Notes in Bank of Channel Islands.	Notes in Bank of Isle of Man.	Notes in Bank of Jersey.	Notes in Bank of Guernsey.	Notes in Bank of Man.	Notes in Bank of Channel Islands.	Notes in Bank of Isle of Man.
Mar. 28, 1923.	285,616	12,318	7,000	27,000	22,450	173	241,294	190	..	..	..	..	..	..	..	..	..	..	..
June 7,	285,503	12,316	7,000	27,000	22,446	173	241,246	123	..	..	..	..	..	..	..	..	..	..	..
Sept. 27,	282,784	12,401	7,000	27,000	22,450	175	238,593	140	..	..	..	..	..	..	..	..	..	..	..
Dec. 26,	299,070	12,571	7,000	27,000	22,450	185	255,039	159	..	..	..	..	..	..	..	..	..	..	..
Mar. 26, 1924.	281,538	11,908	7,000	27,000	22,450	176	236,867	130	..	..	..	..	..	..	..	..	..	..	..
June 25,	290,316	12,472	7,000	27,000	22,450	170	246,198	140	..	..	..	..	..	..	..	..	..	..	..
Sept. 24,	285,592	12,227	7,000	27,000	22,450	173	241,185	149	..	..	..	..	..	..	..	..	..	..	..
Dec. 31, 1925.	298,261	12,812	7,000	27,000	22,450	182	248,113	138	..	..	..	..	..	..	..	..	..	..	..
Mar. 25, 1926.	284,256	11,882	7,000	27,000	22,450	189	235,076	119	..	..	..	..	..	..	..	..	..	..	..
June 24,	292,278	12,265	7,000	..	53,960	185	243,474	119	..	..	..	..	..	..	..	..	..	..	..
Sept. 30,	293,004	12,555	7,000	..	56,250	191	242,188	121	..	..	..	..	..	..	..	..	..	..	..
Dec. 30,	296,777	12,561	7,000	..	56,250	189	245,896	192	..	..	..	..	..	..	..	..	..	..	..

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £300,000,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,150,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from	Receipts.	Week Ended Nov. 6, 1926.	Week Ended Nov. 7, 1926.
Balances in Exchequer on 1st April:—					
Bank of England	..	5,880,249	5,341,778	..	..
Bank of Ireland	..	676,584	1,215,322	..	..
..	..	6,556,833	6,557,100	..	..
REVENUE.					
Customs	108,450,000	63,249,000	62,224,000	2,081,000	2,238,000
Excise	141,300,000	77,825,000	77,680,000	1,533,000	1,477,000
Motor Vehicle Duties ..	21,600,000	6,733,000	5,824,000	506,000	428,000
Stamps, &c., Duties	66,000,000	36,450,000	35,320,000	990,000	860,000
Land Tax, House Duty & Mineral Rights Duty ..	1,000,000	140,000	180,000	..	..
Property & Income Tax ..	254,800,000	92,291,000	111,130,000	3,333,000	3,758,000
Super Tax	64,500,000	22,140,000	29,180,000	390,000	350,000
Excise Profits Duties, &c. ..	4,000,000	2,570,000	7,090,000	40,000	210,000
Corporation Profits Tax ..	5,500,000	34,000,000	33,400,000	1,600,000	1,400,000
Post Office	59,400,000	60,000,000	60,000,000	..	..
Crown Lands	350,000	..	..	..	..
Receipts from Sundry Loans	21,650,000	13,204,812	8,770,132	130,965	90,912
Miscellaneous—					
Ordinary Receipts	25,600,000	17,831,612	6,820,321	72,168	64,657
Special Receipts	26,000,000	12,487,936	23,108,710	1,105,019	700,000
Revenue	824,750,000	390,822,390	414,135,163	11,961,152	11,876,569
Total, Inc. Balance	..	397,379,323	420,692,263	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	73,782	73,782
Under the Unemployment Insurance Act, 1921	..	388,000	1,270,000	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues:—					
Under the Telegraph (Money) Act, 1924 and 1925	..	5,450,000	5,950,000	..	..
Under the Housing Act, 1914 ..	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	..	3,779	20,071	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	777,200	..	..	..
(b) Under the Unemployment Insurance Act, 1921	..	11,932,431	1,715,000	2,020,000	..
(c) For other issues:—					
By Treasury Bills	..	1,549,092,000	1,511,815,000	57,669,000	53,438,000
By 4% Conversion Loan	..	..	38,587,560	..	3,618,000
By National Savings Certificates ..	..	17,650,000	21,200,000	600,000	700,000
By National War Bonds	..	20	15	..	..
By Treasury Bonds, 1925	..	..	10	..	..
By 4% Treasury Bonds, 1931-33 ..	..	3,512,150	5,008,507	..	358,720
(d) Ways and Means Advances	..	398,352,000	410,181,000	4,100,000	2,000,000
Repayments of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	..	148,648	126,701	11,082	10,458
In respect of Issues under Section 59 (4) of the Finance Act, 1920 ..	..	..	9,901,961	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	..	256,778	..	..
Total	..	2,384,759,333	2,426,824,668	76,435,016	72,135,599

EXPENDITURE AND OTHER ISSUES

EXPENDITURE.	Estimate for the Year 1926-27 (including Supplementary Grants).	Total Issues out of the Exchequer to meet Payments from		ISSUES.	
		Apl. 1, 1926, to Nov. 6, 1926.	Apl. 1, 1925, to Nov. 7, 1925.	Week Ended Nov. 6, 1926.	Week Ended Nov. 7, 1925.
National Debt Services—	£	£	£	£	£
Interest, &c.	304,000,000	199,209,436	195,304,668	9,117,554	8,118,148
Sinking Fund	60,000,000	18,438,522	24,711,200	391,220	379,038
Road Fund	17,500,000	4,376,044	4,691,044	..	..
Payments to Local Taxation Accounts, &c.	14,100,000	5,905,627	5,933,474	..	..
Payments to Northern Ireland Exchequer ..	5,200,000	3,013,685	2,687,465	81,000	75,000
Land Settlement	..	..	281,088	..	..
Other Consolidated Fund Services	2,600,000	1,504,693	1,552,546	..	..
Supply Services	422,327,000	242,681,571	237,424,009	7,350,000	8,558,054
Expenditure	825,727,000	475,129,694	471,961,894	16,919,774	17,130,210
OTHER ISSUES					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921	..	12,422,431	1,715,000	490,000	..
Issues to Meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1924 and 1925	..	6,250,000	6,900,000	..	..
Under the Housing Act, 1914	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	..	3,779	20,071	..	..
Under the Capital Expenditure (Money) Act, 1904: Exchequer Bonds paid off, £1,553,500; less paid off by the National Debt Commissioners, £77,100	..	777,200	..	..	..
Unemployment Insurance Act, 1921—					
Repayment of amounts borrowed ..	..	388,000	1,270,000	41,000	..
Redemption of Debt—					
Treasury Bills	..	1,447,330,300	1,446,200,000	54,235,000	49,685,000
Principal of National Savings Certificates	..	19,900,000	18,250,000	700,000	600,000
Principal of Exchequer Bonds paid off ..	..	..	306,667	..	..
Principal of National War Bonds paid off ..	..	..	8,341,789	..	..
Principal of Treasury Bonds paid off ..	..	..	23,645,800	..	..
Ways and Means Advances Repaid ..	..	420,042,000	445,076,400	4,400,000	4,700,000
Balances in Exchequer—					
Bank of England	..	2,382,316,886	2,423,770,065	76,808,774	72,115,210
Bank of Ireland	..	438,604	1,066,737	275,914	546,670
Total	..	2,442,447	3,000,000	373,758	20,315

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

Average Weekly Balances, OCTOBER, 1926.	Bank of Liverpool and Martins, Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	Westminster Bank, Limited.	Williams, Deacon's Bank, Limited.	Total.
ASSETS.											
Coin, bank and currency notes, and balances with the Bank of England ..	5,932	33,968	1,420	2,353	39,730	49,449	3,815	27,496	28,032	3,782	195,977
Balances with and cheques in course of collection on other banks in the United Kingdom ..	1,770	8,598	646	1,015	8,051	12,631	165	7,292	8,198	1,069	49,435
Items in transit ..	3,965	22,830	1,762	2,835	19,038	19,138	3,943	16,699	26,238	2,699	120,147
Money at call and short notice ..	2,558	39,945	1,276	1,119	53,015	45,290	2,505	35,289	44,424	1,726	227,147
Bills discounted ..	9,407	54,522	4,254	7,741	46,301	38,617	15,699	38,468	45,829	4,762	265,600
Investments ..	34,768	159,693	8,561	9,358	188,798	197,521	16,326	135,126	132,319	19,588	901,428
Advances to customers and other accounts ..	4,545	10,841	..	1,328	16,195	33,092	105	9,289	10,100	1,127	86,622
Liabilities of customers for acceptances, endorsements, &c. ..	1,578	5,270	346	695	6,485	6,803	753	4,918	4,279	926	32,053
Bank premises account ..	..	6,060	..	..	6,583	6,377	..	2,754	2,991	..	24,765
Investments in affiliated banks ..	64,523	342,097	18,265	26,444	384,196	408,918	43,311	277,331	302,410	35,679	1,903,174
LIABILITIES.											
Capital paid up ..	2,349	15,858	800	1,060	15,810	12,666	1,500	9,480	9,320	1,875	70,718
Reserve fund ..	1,850	9,250	800	530	10,000	12,666	1,320	9,480	9,320	1,300	56,516
Current, deposit, and other accounts ..	55,778	306,148	16,665	23,345	342,191	350,495	37,159	249,083	273,658	31,377	1,685,898
Acceptances, endorsements, &c. ..	4,546	10,841	..	1,328	16,195	33,091	105	9,289	10,100	1,127	86,622
Notes in circulation ..	..	..	..	..	..	..	3,227	..	12	..	3,239
Reduction of bank premises account ..	..	..	..	181	..	..	..	..	..	..	181
	64,523	342,097	18,265	26,444	384,196	408,918	43,311	277,331	302,410	35,679	1,903,174

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

ASSETS.	Nov. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Sept. 17, 1926.	Oct. 16, 1926.
Total securities ..	21,308.31	21,345.00	20,515.57	20,522.29	21,546.64	16,128.87
Loans ..	11,733.32	11,761.19	11,701.18	11,833.69	11,761.15	14,166.86
Cash credits ..	21,170.65	20,833.10	21,493.93	21,092.21	21,104.81	28,952.17
Inland bills ..	4,597.71	4,625.58	4,425.82	4,565.82	4,597.07	4,713.88
Foreign bills ..	37.83	28.45	28.69	21.12	21.12	21.38
Dead stock ..	2,777.47	2,777.47	2,777.47	2,777.47	2,777.47	2,777.47
Bal. with other banks ..	7.68	5.63	8.82	10.43	4.34	42.44
Cash ..	40,499.40	47,844.45	50,874.49	50,394.43	48,591.19	24,543.81
LIABILITIES.						
Capital paid up ..	5,625.00	5,625.00	5,625.00	5,625.00	5,625.00	5,625.00
Reserve ..	4,925.00	4,925.00	4,925.00	4,925.00	4,925.00	4,925.00
Total deposits ..	91,065.65	98,595.35	101,228.83	1,006,649.99	99,693.18	81,092.29
The above includes—						
Deposits in London ..	892	905	922	922	889	1,358
Advances in London ..	931	926	919	929	949	1,158
Cash, &c., at other Banks in London ..	53	28	58	65	18	285

SWISS NATIONAL BANK.—In francs (000's omitted.)

ASSETS.	Nov. 6, 1926.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Nov. 7, 1926.	Position May 31, 1926.
Gold ..	442,623	442,428	437,277	437,145	460,593	471,175
Silver ..	72,051	72,182	72,808	77,150	89,126	18,350
Assets & advances ..	316,577	327,377	314,369	311,811	282,751	103,000
LIABILITIES.						
Notes in circulation ..	797,872	824,314	767,446	777,778	815,386	275,925
Deposits ..	87,706	73,815	106,513	106,649	88,400	33,750

THE REICHSBANK.—In Reichsmarks* (000's omitted.)

ASSETS.	Nov. 9, 1926.	Oct. 30, 1926.	Oct. 23, 1926.	Nov. 7, 1926.
Reichsbank shares not yet issued ..	177,212	177,212	177,212	177,212
Gold and bullion ..	1,736,976	1,716,055	1,679,241	1,206,896
Of which deposited abroad ..	179,993	179,993	179,295	96,605
Reserve in foreign currencies ..	412,538	412,538	411,282	361,068
Bills of exchange and cheques ..	1,317,982	1,415,016	1,373,104	1,474,296
Notes and other coin ..	115,114	114,724	121,356	64,383
Silver ..	16,687	16,687	16,687	23,597
Notes of other German banks ..	10,793	42,806	19,939	9,784
Advances ..	91,274	91,326	91,350	220,297
Investments ..	711,302	631,339	712,738	786,367
LIABILITIES.				
Reduced capital ..	122,788	122,788	122,788	..
Increase of capital (shares not yet issued) ..	177,212	177,212	177,212	..
Reserve ..	237,085	237,085	237,085	..
Notes in circulation ..	3,184,775	3,315,834	2,834,599	2,677,644
Other daily maturing obligations ..	681,813	532,608	872,095	698,002
Other liabilities ..	216,235	211,694	263,806	462,378

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription
of one pound of fine gold equals 1,592 Reichsmarks.

BANK OF LATVIA.—In lats (gold francs) (000's omitted.)

ASSETS.	Nov. 3, 1926.	Oct. 27, 1926.	Oct. 20, 1926.	Oct. 13, 1926.	Nov. 4, 1926.	Nov. 22, 1926.
Gold bullion and coins ..	23,622	23,621	23,622	23,619	23,550	18,993
Silver coin ..	2,015	1,984	1,982	1,964	2,165	..
Balance abroad ..	30,440	33,190	32,621	33,939	32,483	22,468
Cash, notes & rem. change ..	8,451	9,513	10,281	9,890	8,368	3,085
Short term bills ..	70,888	70,454	69,785	69,659	63,764	6,639
Loans against securities ..	52,323	51,410	51,443	50,348	50,082	2,912
Other assets ..	10,928	10,529	10,281	10,730	10,661	1,359
LIABILITIES.						
Notes in circulation ..	30,680	30,799	30,799	31,974	29,365	4,065
Capital paid up ..	13,447	13,447	13,447	13,447	11,659	8,000
Reserve ..	2,237	2,237	2,237	2,237	1,522	..
Special reserve ..	2,500	2,500	2,500	2,500	1,000	..
Deposits ..	9,157	9,100	9,054	9,043	6,734	..
Current accounts ..	44,374	46,113	46,875	47,857	48,145	16,533
Government accounts ..	77,932	76,816	76,118	75,857	71,810	18,597
Other liabilities ..	16,319	20,391	18,964	18,133	20,827	3,757

NATIONAL BANK OF DENMARK.—In kroner (000's omitted.)

ASSETS.	Oct. 30, 1926.	Sept. 30, 1926.	Aug. 31, 1926.	July 31, 1926.	Oct. 31, 1925.	Position May 31, 1926.
Coin and bullion ..	209,054	209,087	209,112	209,126	209,341	76,644
Loans & discounts ..	242,957	227,131	228,027	248,086	252,395	88,470
Debtors abroad ..	37,142	26,453	36,929	39,363	134,363	24,102
Securities ..	4,098	6,287	6,303	6,622	7,010	11,988
LIABILITIES.						
Circulation ..	394,522	377,377	376,468	388,681	451,559	157,266
Deposits ..	21,262	22,357	26,559	26,436	60,666	6,696

BANK OF SWEDEN.—In kronor (000's omitted.)

ASSETS.	Nov. 6, 1926.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Nov. 7, 1926.	May 31, 1926.
Gold ..	225,916	226,059	226,116	226,176	230,761	104,918
Balance abroad and foreign bills ..	123,327	125,328	129,961	129,689	164,843	112,172
Swedish and for Gov. securities ..	45,542	45,649	45,649	45,665	47,250	32,465
Discounts & loans ..	243,703	239,317	227,879	243,602	242,094	112,668
LIABILITIES.						
Notes in circulation ..	494,592	516,021	466,139	485,234	503,581	226,555
Deposits at notice ..	65,967	64,307	87,902	81,803	103,440	369,660

BANK OF FINLAND.—In F. marks (000's omitted.)

ASSETS.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 15, 1926.	Oct. 31, 1925.	Position May 31, 1926.
Gold ..	328,408	328,507	328,616	43,286	35,081
Balance abroad and foreign bills ..	1,011,010	1,015,125	1,097,708	1,331,186	90,379
Finnish and Foreign Government securities ..	429,073	428,490	364,333	405,483	21,826
Discounts and loans ..	653,876	634,456	610,207	350,107	105,151
LIABILITIES.					
Notes in circulation ..	1,327,378	1,296,028	1,324,998	1,271,214	123,941
Deposits at notice ..	410,949	474,539	448,293	584,928	21,295

BANK OF LITHUANIA.—In lt. (000's omitted.)

ASSETS.	Oct. 31, 1926.	Oct. 15, 1926.	Sept. 15, 1926.	Oct. 31, 1925.
Gold ..	31,318	31,165	31,050	30,913
Silver ..	5,324	5,447	5,668	5,970
State Treasury coins ..	1,889	1,904	1,917	1,920
Foreign currency ..	29,968	24,635	22,769	22,388
Discount and credit ..	49,199	47,381	45,905	44,514
LIABILITIES.				
Capital ..	12,000	12,000	12,000	12,000
Reserve ..	860	860	860	860
Banknotes in circulation ..	83,590	78,068	75,838	73,730
Deposits ..	22,376	22,065	20,395	21,597

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted.)

ASSETS.	Oct. 31, 1926.	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 31, 1925.
Gold ..	83,577	83,003	83,062	82,874	74,431
Other coin and notes ..	18,210	18,048	17,784	17,970	21,187
Foreign credits ..	364,487	347,725	335,122	335,310	414,206
Bills ..	1,260,498	1,261,422	1,283,471	1,299,136	1,061,834
Govt. advances ..	4,470,621	4,470,601	4,470,336	4,470,148	4,520,720
LIABILITIES.					
Notes in circulation ..	5,919,577	5,769,599	5,801,504	5,897,524	6,157,989
State credits ..	352,343	352,322	352,057	351,867	367,997
Deposits ..	770,853	835,645	735,476	568,262	702,813

NATIONAL BANK OF ROMANIA.—In lei (000's omitted.)

ASSETS.	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 2, 1926.	May 15, 1926.
Gold ..	571,041	571,041	571,031	570,536	546,276
Silver, &c. ..	18,915	19,205	20,527	19,911	17,776
Government loan ..	11,293,106	11,292,838	11,296,296	11,284,236	12,585,139
Other advances ..	10,018,060	9,991,979	9,986,391	9,922,080	6,037,488
LIABILITIES.					
Notes in circulation ..	21,002,305	21,015,114	21,042,537	21,050,615	15,846,486
Deposits ..	8,044,574	8,023,728	8,017,029	7,970,175	7,077,396

BANK OF POLAND.—In zloty (000's omitted.)

ASSETS.	Oct. 31, 1926.	Oct. 20, 1926.	Oct 10, 1926.	Sept. 30, 1926.	Sept. 30, 1925.
Gold	135,833	135,730	135,689	135,627	135,818
Foreign currencies	113,520	103,357	104,985	109,096	115,242
Silver and bullion	8,410	27,469	28,582	28,758	27,146
Bills discounted	323,538	317,796	320,051	315,730	306,393
Loans against securities	45,282	43,496	43,411	41,999	40,716
Short-term discounts	24,722	25,160	24,907	24,495	24,679
Liability of the Treasury	50,000	50,000	50,000	50,000	50,000
LIABILITIES.					
Share capital	100,000	100,000	100,000	100,000	100,000
Reserve funds	2,908	2,908	2,908	2,908	2,908
Notes in circulation	585,179	352,649	573,210	581,447	544,693
Current accounts	110,019	141,869	123,840	117,500	151,694
Liability in for. exch're	23,512	22,142	21,744	21,303	23,724

OVERSEAS BANK RATES.

Changed.	%	Changed.	%
Amsterdam	Oct. 3, 1925 .. 54	Oslo	Oct. 26, 1925 .. 44
Athens	July 7, 1926 .. 11	Paris	July 31, 1926 .. 74
Belgrade	June 23, 1926 .. 7	Prague	Oct. 26, 1926 .. 54
Berlin	Aug. 23, 1926 .. 6	Reval	July 21, 1925 .. 10
Brussels	Sept. 4, 1926 .. 6	Riga	Feb. 16, 1924 .. 8
Bucharest	Aug. 26, 1926 .. 6	Rome	June 18, 1924 .. 7
Budapest	Aug. 26, 1926 .. 6	Sofia	Aug. 5, 1926 .. 10
Calcutta	June 10, 1926 .. 4	Stockholm	Oct. 8, 1925 .. 44
Copenhagen	June 24, 1926 .. 5	Swiss Bank	Oct. 22, 1925 .. 34
Danzig	July 29, 1926 .. 54	Tokyo	Oct. 4, 1926 .. 657
Helsingfors	Oct. 29, 1925 .. 74	Vienna	Aug. 6, 1926 .. 7
Kovno	Feb. 8, 1925 .. 74	Warsaw	July 7, 1926 .. 10
Lisbon	July 28, 1926 .. 8		
New York Fed.	Aug. 12, 1926 .. 4		
Reserve	Mar. 23, 1923 .. 5	Irish	Dec. .. 6

The Bank Rate of the South African Reserve Bank is 5½% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

Union of South Africa.		Union of South Africa.	
From Close of Mail February 19, 1926.		From February 22, 1926.	
London on South Africa.		South Africa on London.	
Buying.	Selling.	Buying.	Selling.
T.T.	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.
Demand	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.
30 days	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.
60 days	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.
90 days	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.
120 days	11 1/2 dis.	1 1/2 dis.	1 1/2 dis.

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador	Sucres to £	10-15	Sight London	Nov. 6 25-00
Venezuela	Bolivares to £	25-25	"	Nov. 3 26-05
Colombia (Bogota)	Pesos to £	100	"	Nov. 2 99-75
Nicaragua	Colonos to £	4-8665	"	Sept. 25 4-80
San Salvador	Colonos to £	9-73	"	Oct. 31 9-80
Guatemala	Pesos to £	90-23	"	Sept. 25 29-2
Costa Rica	Colonos to £	10-45	"	Aug. 19 19-50
Bolivia	Pencos to Boliviano	19-20	"	Sept. 13 17-8

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

London on Australia and New Zealand.		Australia and New Zealand on London.	
Buying.		Buying.	
Selling.		Selling.	
Aus. tralia.	New Zeal'nd.	Aus. tralia.	New Zeal'nd.
T.T.	100 1/2	100 1/2	100 1/2
Demand	99 1/2	99 1/2	99 1/2
30 days	98 1/2	98 1/2	98 1/2
60 days	97 1/2	97 1/2	97 1/2
90 days	97 1/2	97 1/2	97 1/2

BULLION.

The following statistics of imports and exports of gold for week ended November 10, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported in Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
France	31,364	Belgium	203,000
British West Africa	27,986	Netherlands	60,100
British South Africa	783,258	France	41,165
Other countries	45	Switzerland	70,300
		Germany	1,161,157
		Austria	79,000
		Morocco	2,000
		Kenya	2,775
		British India	68,250
		Straits Settlements	27,083
		Can. da	200,000
		Other countries	275
Total declared value of imports	842,653	Total declared value of exports	1,915,105

GOLD STANDARD RESERVE.

Statement showing the form in which the balance of the reserve was held on October 31, 1926:—

In India		In England—	
£		£	
Cash at the Bank of England	4,525	Cash at the Bank of England	4,525
British Treasury bills—		Value as on October 31, 1926	3,462,404
Value as on October 31, 1926	3,462,404	Other British and Dominion Government securities—	
Value as on October 31, 1926	36,533,071	Value as on October 31, 1926	36,533,071
			40,000,000
			40,000,000

SIDNEY TURNER, Accountant-General.

India Office, November 11, 1926.

The arrivals and withdrawals of gold during the past week as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
Nov.	£	Nov.	£
6	8 S.A. Reserve Bk. Sovs. 500,000	6—Bars	102,000
9	"	8 A. Reserve Bk. Sov. 1,000,000	
10	"	8—Bars	5,000
11	"	9—Bars	9,000
12	"	10—Bars	16,000
	"	11—Canada	250,000
	"	12—Bars	8,000
	"		36,000
Total	522,000	Total	1,426,000
	Net withdrawals, £904,000.		

Messrs Samuel Montagu and Co. write on November 10th as follows:—

GOLD.

About £810,000 bar gold was available in the open market yesterday, and the Continental demand, though not so strong as in previous weeks, accounted for £680,000. Indian requirements were small and with the trade, both home and abroad, absorbed the balance of supplies. During the week under review the net withdrawal from the Bank has been £727,000, reducing the net influx since January 1, 1926, to £6,976,000. The net efflux from the Bank of England since the resumption of an effective gold standard is now £4,619,000. Another European country is about to return to an effective gold standard. In this case it is Denmark, as from January 1st next.

SILVER.

A demand for cash silver—mainly on account of bear contracts falling due (to be prolonged or to be closed)—continues to sustain the market, though, as evidenced by the reduced premium for spot delivery, the stringency is not quite so acute now that the November settlement steamer has sailed. The China exchanges have fluctuated less widely during the week, and this has conducted to steady the silver market. America has been disposed to sell, but supplies from other sources have not been plentiful. Reuter telegraphed from Mexico City on the 7th inst. as follows:—"President Calles has issued a decree reducing for six months the State and Federal taxes on silver production. When the New York price of silver is 45 cents or less per ounce, the production tax of the Federal Government shall be one-half of 1 per cent., and the State tax the same. An increasing scale of taxation is provided as silver prices advance." This would enable some of the producers to carry on in spite of a lower level of prices. (Yesterday's quotation in New York was 53½ cents.) Telegraphic advice from New York to Bombay stated as follows:—"Due to small silver producers curtailing production it is estimated that the decrease in the output has been about 1½ million ounces. It is believed that the larger producing companies have a fair margin of profit even at the present level of prices." As the world production of silver is about 240,000,000 ounces this represents a reduction of only ½ per cent. The silver production of Canada during the first six months of the present year has been returned as 11,108,310 ounces, compared with 9,240,482 ounces in the corresponding period of 1925. United Kingdom imports and exports of silver during the week ending the 3rd inst. were:—

Imports.		Exports.	
Denmark	£ 39,250	Egypt	£ 23,530
France	59,558	British India	252,932
U.S.A.	189,918	Other countries	23,637
Canada	38,740		
Other countries	27,389		
	354,855		300,099

INDIAN CURRENCY RETURNS.

(In Lacs of Rupees.)

Notes in circulation		Oct. 15.		Oct. 22.		Oct. 31.	
Silver coin and bullion in India ..	19,163	19,163	19,273	19,379			
Silver coin and bullion out of India ..	10,276	10,276	10,381	10,488			
Gold coin and bullion in India ..	2,232	2,232	2,232	2,232			
Gold coin and bullion out of India ..	5,260	5,260	5,260	5,260			
Securities (Indian Government) ..	1,400	1,400	1,400	1,399			
Securities (British Government) ..							

No silver coinage was reported during the week ending the 31st ult. The stock in Shanghai on the 6th inst. consisted of about 70,800,000 ounces in sycee, 72,500,000 dollars, and 6,500 silver bars, as compared with about 71,300,000 ounces in sycee, 73,300,000 dollars, and 5,800 silver bars on the 30th ultimo.

GOLD AND SILVER PRICES.

Gold		Silver—Per Ounce.		Date.	
Per Ounce.	Cash.	Cash.	Forward.		
1926.					
Nov. 6	84 11/16	24 1/2	24 1/2	Nov. 19, 1920	49 1/2
8	84 11/16	24 1/2	24 1/2	18, 1921.	39
9	84 11/16	24 1/2	24 1/2	17, 1922.	32 1/2
10	84 11/16	24 1/2	24 1/2	16, 1923.	32 1/2
11	84 11/16	24 1/2	24 1/2	14, 1924.	32 1/2
12	84 11/16	24 1/2	24 1/2	13, 1925..	32 1/2

NOTICES.

The Ottoman Bank has opened a new branch at Magnesia (Turkey in Asia). The Denizli (Turkey in Asia) branch, which had been temporarily closed, is now reopened.

Barclays Bank, Limited, announce that their sub-branch at 16 Melbourne parade, Palmer's Green, has been converted into a full branch, under the management of Mr Vaughan Rees, who is also manager of 2 Aldermans hill, Palmer's Green, branch.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.		Method of Payment.	Dividend for Whole Years.		
	* Interim div.	† Final div.		Lat/et Year.	Pre-vious.	
Railways.						
Bombay, Baroda, &c.	3%*	Jan.	Less tax	..	..	
Canadian Pacific.	2½%*	Dec. 31	Quarterly	..	..	
Banks.						
Bank of British West Africa	4*	Dec. 1	Less tax	6	6	
British Overseas, "A"	3%†	..	Less tax	6	3	
Do "B"	..	..	..	..	..	
Commercial of Scotland, "A"	16%	..	..	12½	12½	
Do "B"	10%	..	..	..	..	
English, Scottish, & Australian	7½%†	..	Tax free	..	..	
Insurance.						
United.	..	..	..	10	10	
Mining.						
Cons. Gold Fields of South Africa	..	..	Less tax 2/10 42din	£ 12½	12	
Deebeck Dredging	..	..	..	1/3p.s.	1/3p.s.	
Mount Lyell.	..	..	Less tax	35	nil	
Northern Nigeria Tin	15%†	..	..	..	..	
Do.	5%*	Nov. 18	Less tax	..	..	
Overwacht Platinum	10%*	Dec. 1	..	..	..	
Scottish Australian	24%*	Nov. 17	Less tax	..	..	
Tea and Rubber.						
Bahrul Selangor Rubber	3 p.s.*	Nov. 30	Less tax	..	..	
Balian Tea	5%*	Nov. 19	..	..	..	
Bamgoan Tea	10%*	Nov. 17	..	..	..	
Bantam (Java) Rubber	15%*	..	Less tax	25	20	
Bukit Cih Rubber	3 p.s.*	Nov. 30	Less tax	..	..	
Ceylon Estates Investment	10*	..	Less tax	..	..	
Dahan Rubber	5%*	Dec. 1	..	..	..	
Derby Tea	5%*	Nov. 15	Less tax	..	..	
Daundi Tea	5%*	Nov. 24	..	..	..	
Eow Seng Rubber	7½%*	Nov. 26	Less tax	..	..	
Foothills (Malaya) Rubber	7½%*	Nov. 20	Less tax	..	..	
Gadek Rubber	10%*	Nov. 24	Less tax	..	..	
Indian Peninsula Rubber & Tea	..	..	..	20	8	
Ira Bheel Tea	10%*	Nov. 15	Less tax	..	..	
Java Amalgamated Rubber	7½%*	Nov. 30	Less tax 4/ in £	..	..	
Java Rubber and Produce	20%*	Nov. 20	Less tax	..	..	
Kasintoe Rubber	7½%*	Nov. 30	..	..	..	
Kimanis Rubber	5%*	..	..	..	..	
Klabang Rubber	7½%*	Nov. 18	..	..	..	
Krian Rubber	10%*	..	..	..	..	
Kuala Lumpur Rubber	30%†	..	..	50	20	
Kuala-Nai Kelantan Rubber	3 p.s.*	Dec. 15	Less tax	..	..	
Langkapeer (Sumatra) Rubber	15%†	..	Less tax	25	nil	
Limbanguri Tea	5%*	Nov. 20	..	..	..	
Manchaster Nth. Borneo Rubber	5%*	..	..	..	..	
Merbau Rubber	12½%*	..	Less tax	20	15	
Merlimau Rubber	10%*	Nov. 17	Less tax	..	..	
Pilmoor Rubber	10%*	..	Less tax	..	..	
Sapong Rubber and Tobacco	15%*	Nov. 25	Less tax at 4/	..	..	
Scottish Tea and Rubber Trust.	7½%*	..	Less tax	30	20	
Sungei Buaya (Sumatra) Rubber	15%†	..	..	..	..	
Other Companies.						
Adelaide Electric Supply	6%†	..	Tax free	12	10	
Aerated Bread	6½%†	..	Less tax	10	10	
Asby's Staines Brewery	..	..	..	15	15	
Baohus and Johnston's Brewery	7%*	..	Less tax	7	7	
Bankers' Investment Trust, Def.	5*	Nov. 16	..	..	..	
Brampton Brewery	4%*	Nov. 14	Tax free	..	..	
Bristol United Breweries	2/ p.s.†	..	..	5	5	
British Automatic	1/ p.s.†	..	Less tax	2 1/2 p.s.	8	
British India Steam Navigation.	4%†	..	Tax free	..	..	
Cape Electric Tramways	4%†	..	Tax free	7	7	
Cawnpore Electric Supply	3%*	Nov. 23	..	..	..	
Drybrough and Co.	..	..	..	15	15	
Eastman Kodak Co.	\$1.25 p.s.	..	..	..	..	
Do Extra dividend.	\$0.75 p.s.	..	..	..	..	
Electric Construction	3%*	Nov. 30	Less tax	5	7½	
Fassifern Coal	..	..	Tax free	20	20	
George M. Callender	..	..	..	20	20	
Glenosie Glenlivet Distillery	..	..	..	15	15	
Hammond's Bradford Brewery	10%†	..	..	5	8	
Hugh Baird	..	..	Less tax	..	..	
Indian and General Invest. Def.	10*	Dec. 9	..	..	..	
Indian Gen. Navigation, &c.	2½%*	Nov. 26	Tax free	..	..	
J. B. Brooks	7%†	(£bonus of 1/ p.s.)	Tax free	..	..	
J. Lyons and Co. Ord. and "A"	1/8 p.s.†	Dec. 1	Less tax	..	..	
Johnson and Phillips	5%*	Nov. 25	Less tax	..	..	
Lascelles, Tickner	5%*	..	Less tax	..	..	
Liverpool and North Wales Steamship	..	..	..	..	..	
Metropolitan Industrial Dwell'ngs	..	..	Less tax	10	10	
New Zealand & Australian Land	..	..	Less tax	6	6	
New Zealand Loan, &c.	4%†	..	Less tax	10	15	
Nitrate Producers' Steamship	7½%*	..	Tax free	7	7	
Oceana Consolidated	..	..	..	..	..	
Pan de Azucar	10%†	Nov. 27	..	7½	7½	
Porritts and Spencer	5%*	..	..	15	25	
Richards	..	Dec. 1	Less tax at 4/	..	..	
Romeo	..	..	Tax free	1/ p.s.	19 p.s.	
S. and W. Beresford	7%†	..	..	5	10	
Scottish Australian Investment	5%†	(£ bonus of 2%)	Less tax	12½	20	
Second Industrial Trust	9†	..	..	7	..	
Second Investors' Mortgage	12†	..	..	11	10	
Short's, Def.	7½%*	Dec. 4	Less tax	..	..	
Siemens Bros.	2½%*	..	Less tax	..	..	
Spiers and Pond	5%*	Dec. 13	Less tax	..	..	
Stanton Iron Works	4%*	Dec. 10	Tax free	..	..	
Tennamaram Palm Oil	..	..	..	4	..	
Trust and Loan of Canada	..	..	Tax free	..	..	
Wallarah Coal	7/3 p.s.*	..	Tax free	..	..	
Whiteaway, Laidlaw	10*	..	Tax free	..	..	
W. T. Henley's Telegraph	1/6 p.s.*	Dec. 1	Less tax	..	..	

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Pref. Amount.	Ordinary Amount.				
Banks.		£	£	£	£	%	£	£	£	%
English, Scottish, and Australian	June 30	183,414	542,308	725,722	281,250	12½	213,750	230,722	515,981	12½
Breweries.										
Ashby's Staines	Sept. 30	28,519	41,090	69,609	6,000	24,000	15	10,000	29,609	40,127
Bristol Brewery Georges and Co.	Sept. 30	88,019	195,539	283,558	18,600	97,200	20	70,000	97,758	182,786
Bristol United	Sept. 30	40,282	78,012	119,194	13,800	50,400	15	14,084	40,910	71,381
Castlebellingham and Drogheda	Aug. 31	9,900	12,352	22,252	4,320	4,074	6	4,000	9,858	15
Fraser, Holroyd, and Healy's	June 30	20,894	106,782	127,676	14,228	16,926	12	75,000	21,522	87,048
Frome United	Aug. 31	13,095	10,527	23,622	2,760	11,500	15	9,362	10,509	15
Matthew Brown and Co.	Sept. 30	8,593	58,389	66,982	16,333	41,080	13	1,442	8,127	57,195
Financial, Land, &c.										
Argentine Land and Investment	June 30	17,722	108,490	126,212	74,726	10	26,534	24,952	114,967	10
New Zealand and Australian Land	Mar. 31	38,993	277,316	316,309	35,425	177,125	10	103,759	627,033	15
Queen's Club Gardens Estates	Sept. 30	31,937	12,440	44,377	8,400	8	..	35,977	13,575	8
Scottish-Australian Investment	June 30	116,817	111,163	227,980	32,000	62,500	12½	133,480	219,466	20
Second Investors' Mort. Security	Sept. 30	5,982	65,323	71,305	19,819	29,226	11	15,910	6,350	51,571
Hotels, Restaurants, &c.										
Bournemouth Imperial and Grand	June 30	3,759	9,705	13,464	6,150	1,500	10	2,500	3,314	10,272
Palace and Derby Castle	Oct. 31	10,749	14,140	24,889	3,000	11,000	10	5,000	5,889	29,942
Iron, Coal, and Steel.										
Baldwins, Limited	June 30	237,196	38,348	275,544	m 6,875	..	..	27,180	241,489	Dr 18,864
Fairfield Shipbuilding and Engineering	June 30	97,656	7,974	105,630	15,000	..	..	90,630	32,921	5
Fassfern Coal	June 30	1,012	2,610	3,622	..	2,922	5½	..	700	4,387
Horden Collieries	Sept. 30	57,152	27,635	84,787	..	..	..	84,787	115,520	6½
Motor and Cycle.										
J. B. Brooks and Co.	Aug. 31	14,940	32,255	47,195	4,000	26,000	15½	5,000	12,195	43,781
Nitrate.										
Liverpool Nitrate	June 30	26,944	14,598	41,542	..	21,000	7½	..	20,542	51,255
Pan De Azucar	June 30	8,457	22,010	30,467	..	13,200	15	..	17,267	36,182
Oil.										
Trinidad Leaseholds	June 30	56,229	319,439	375,668	..	288,544	27½	25,000	62,124	264,361
Rubber, &c.										
Anglo-Sumatra Rubber	May 31	5,574	51,214	56,788	..	44,000	55	5,000	7,788	32,805
Asahan	July 31	13,598	38,653	52,251	..	29,250	22½	8,000	15,001	33,491
Beau Sejour	June 30	2,307	24,609	26,916	483	18,041	20	4,000	4,392	11,228
Bekoh Consolidated	June 30	8,171	48,003	56,174	..	35,915	15	2,993	17,266	15,335
Biting Rubber Estates	Mar. 31	..	6,282	6,282	..	..	..	5,878	404	505
Bukit Tambun	June 30	6,337	6,119	12,456	377	4,200	4½	5,804	3,570	3½
Ceylon Land and Produce	June 30	10,874	69,802	80,676	3,000	54,450	45	12,234	10,992	46,340
Indian Peninsula Rubber & Tea	June 30	3,654	15,240	18,894	..	14,277	20	..	4,617	8,686
Kuala Muda	June 30	..	120,999	120,999	..	102,781	30	6,306	11,912	..
Shipping.										
London-Amer. Maritime Trading	July 31	14,790	989	15,779	..	..	..	15,729	855	..
Neville Shipping	Aug. 31	228	Dr 2,725	Dr 2,497	..	..	..	Dr 2,497	74	..
Thompson Steam Shipping	July 31	729	25,986	26,715	2,612	13,500	15½	7,500	3,103	10,566
Trust.										
Stock Conversion and Investment	Aug. 31	..	22,193	22,193	7,313	..	..	14,880	..	45,914
Textiles.										
Simpson and Godlee	Sept. 15	153,007	74,861	227,868	15,715	39,062	12½	7,530	165,561	..
Tramways and Omnibus.										
Cape Electric Tramways	June 30	9,576	58,509	68,085	..	34,386	7½	22,500	11,199	52,337
Norwich Electric Tramways	June 30	1,605	20,391	21,996	..	10,560	4	10,000	1,436	20,917
United Counties Omnibus and Road Transport	Sept. 24	291	17,803	18,094	3,200	4,000	10	10,510	384	18,509
Other Companies.										
Birrell, Limited	July 17	8,185	57,005	65,190	24,500	20,250	15	11,500	8,940	..
George M. Callender and Co.	June 30	483	6,085	6,568	2,411	1,000	20	2,500	657	5,372
Hugh Baird and Sons	Aug. 31	..	14,402	14,402	4,000	3,550	5	..	6,852	20,264
Hughes-Johnson Stampings	July 31	2,220	16,437	18,657	..	10,080	15	5,000	3,577	12,651
Metropolitan Industrial Dwellings	Sept. 30	15,822	17,254	33,076	2,862	6,740	6	2,480	20,994	20,306
National Telewriter	June 30	5,154	1,456	6,610	..	1,082	Pf. 0	..	5,528	1,863
Packing Materials Association	Sept. 30	5,470	31,799	37,269	6,910	17,620	10½	5,000	7,739	36,102
Boneo	June 30	32,626	64,181	96,807	21,421	17,983	5	15,000	42,403	63,986
Sadler and Company	June 30	9,099	12,905	22,004	..	9,466	7	7,500	5,038	13,928
S. and W. Berisford	Sept. 30	22	21,776	21,798	4,500	17,147	10	..	151	Dr 10,944
South Blackpool Jetty	Oct. 20	4,531	7,537	12,068	..	6,780	15	1,000	4,288	..

† Tax free.

‡ 19 months.

m This represents final dividend on the 5½ per cent. preference shares for the half-year to June 30, 1925, paid December 22, 1925.

ANALYSIS OF BALANCE-SHEETS.

BALDWIN'S, LIMITED.
June 30, 1926.

LIABILITIES.	Amount.	Compared with June 30, 1925.	ASSETS.	Amount.	Compared with June 30, 1925.
5½% pref. shares	250,000	..	Properties	3,703,288	+ 82,255
Ord. shares	4,154,155	..	Stock	1,257,588	+ 92,749
5% cum. "B" pref.	1,543,593	..	Investments	3,959,404	+ 90,634
4½% deb. stock	500,000	..	Loans to subsidiaries	170,795	+ 17,669
7½% deb. stock	2,177,100	- 25,300	Guaranty debtors	749,447	- 181,680
Guaranty creditors	..	..	National War Bonds	210,000	..
on trading acct.	478,657	- 107,638	Cash	51,390	..
Deb. int. accrued	92,891	+ 987	Premium	233,782	+ 11,358
Bank overdraft	281,631	+ 32,356			
Outstanding deb. warrants	956	+ 38			
Reserves	615,122	+ 36,929			
Profit and loss	2,148,989	+ 4,293			
Total	10,335,694	- 61,309	Total	10,335,694	- 61,309

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For the week ending November 3, 1926: Production, 48,779 barrels; shipments, 48,984 barrels.

HAMILTON'S OIL CONCESSIONS (ROUMANIA), LIMITED.—Production for October, 130 tons (September, 150 tons).
KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—Total production for October amounted to 118,348 barrels, or approximately 16,907 tons.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended October 30, 1926, was 157,000 barrels.

MINERVA (ROUMANIA) OIL COMPANY, LIMITED.—The total production for October, including oil received from royalty wells, is 1,235 tons gross.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, November 3, 1926, amounted to 1,141 tons.

VENEZUELAN OIL CONCESSIONS, LIMITED.—Production for the week ended October 30, 1926, was as follows:—La Rosa, 34,855 metric tons; Maracaibo district, 5,047 metric tons.

MINING OUTPUT STATISTICS FOR OCTOBER, 1926.

Gold.	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Ounce Works.	Mill.	Ounce Works.		
Abbotiakoona	9,100	..	..	..	14,280	310
Ashanti	8,460	..	..	..	34,853	12,007
Assoc. of Western Australia	5,299	..	..	..	7,143	..
Blackwater	3,089	..	..	..	5,217	470
Fairbanks	..	..	..	..	1,913	..
Gabait Tributing	846	636	687	111	798	2,943
Globe and Phoenix	6,142	..	..	..	5,699	9,631
Gold Coast Explorers	..	..	..	..	4,478	..
Lake View and Star	14,139	..	..	..	21,980	522
Lena (Nov. 1st-7th)	..	..	..	..	3,883	16,309
Lonely Reef	5,310	..	..	..	2,519	1,135
Luipaard's Vlei	17,152	..	..	..	15,696	2,365
Lyndhurst Deep Levels	542	..	..	..	487	..
Mexico of El Oro	15,596	..	..	..	109,260	9,430
Overwacht Platinum	1,423	618	ozs. refined platinum	6,864	82,785	..
Oriental Consolidated	2,490	..	..	..	2,780	78
Sabie	65,036	..	..	..	121,416	..
Santa Gertrudis	53,900	..	..	..	32,647	7,100
Shamva	8,496	..	..	..	16,776	2,669
South Kugurli	10,070	..	..	..	16,701	..
Taqaah and Abosso	19,800	..	..	..	52,000	..
Tombor	..	..	..	..	..	..

* Loss.

Tin.	Output.	Other Notes in Return.	
		Tons.	Value.
Bangwin	22	..	..
Berenguela	32	..	..
Gopeng	71½	..	..
Jantar	40	..	..
Jos	25	..	..
Kaleri	5	..	..
Kwapa	4	..	..
Lahat	19½	..	..
Lower Bisoichi	69	..	..
Maduli	4½	..	..
Mawohi	138½	..	..
Mongu	30	..	..
Naraguta Extended	125	..	..
Nigerian Consolidated	10	..	..
Northern Nigeria (Bauchi)	125	..	..
Pengkalan	30	..	..
Rambutan	9	..	..
Renong	22½	..	..
Rukusa	10	..	..
Stamess	10	..	..
Tekka-Taliping	81½	..	..
in Fields of N. Nigeria	55	..	..
Zenebi	2	..	..
Coal.			
Durban Navigation	36,861	..	..
Copper.			
Bwana M'Kubwa	256	..	..
Messina (Transvaal)	16,628	..	..

BURMA CORPORATION, LIMITED (Incorporated in India).—During the month of Oct. 28,497 tons of ore were mined, including 1,528 tons of high grade ore. 21,900 tons of ore were milled in the treatment plant, producing 7,794 tons of lead concentrates. 8,704 tons of lead bearing material, including 1,097 tons of high grade ore, were smelted in the blast furnaces, producing 4,009 tons of lead and 387,142 mts. of refined silver. Refinery products were 4,343 tons refined lead and 387,142 mts. of refined silver. Of silver production 42,080 ozs were recovered from the treatment of copper matte. Experimental zinc plant produced 3,735 tons zinc concentrates, assaying 13½ ozs silver, 68 per cent. lead, and 46½ per cent. zinc. In addition to the above, 1,200 tons copper matte were produced from the treatment of accumulated smelter by-products, and 3,505 tons copper ore. 50 tons of antimonial lead were also produced. Included in the tonnage of refined lead is 284 tons recovered from the smelting of copper ore.

NORTH BROKEN HILL, LIMITED.—For the month of October the production was as follows:—36,100 tons of crude ore were treated, producing 5,900 tons lead concentrates, averaging 64.9 per cent. lead, 29.6 ozs silver per ton, and 7.6 per cent. zinc; 110,637 tons zinc concentrates, averaging 47 per cent. zinc, 6.2 per cent. lead, and 7.5 ozs silver per ton.

SAN FRANCISCO, MINES OF MEXICO, LIMITED.—Production for October:—Ore treated, 15,000 tons; residues treated, 7,500 tons; lead concentrates produced, 2,384 tons; zinc concentrates produced, 3,647 tons. Estimated net smelter return on lead concentrates, \$148,618 (U.S. currency), and on zinc concentrates, \$144,396; total, \$293,014. Operating expenses, \$12,573; estimated operating profit, \$180,441; capital expenditure, \$34,391. Offsets include:—This return includes \$21,750, being excess of realisations of products over valuations in respect of previous month.

Northern Manitoba mid-November loading sold 58s 3d and 56s 9d respectively, ditto afloat 58s 9d and 57s 9d, white Pacific December to North Africa 56s 9d. Maize firmer, due to the sharp rise in Argentine freights. Steamers of La Plata afloat sold 31s 3d to 32s, ditto loading 31s 9d, and December-15th January 31s 9d, all per 480 lbs c.i.f. terms. Wheat easier. No. 1 Northern Manitoba quoted 65s 3d, No. 2 ditto 64s, No. 2 mixed Durum 59s 3d, choice white Karachi November 61s ex ship all per 496 lbs. English 12s 2d-12s 7d per 112 lbs. Flour dull of sale. London standard grade 50s, town whites 51s, patents 52s-53s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 47s-50s, Minneapolis 48s-50s, Australian 45s per 280 lbs ex store. Maize firm. Plate landed 34s 3d, ditto ex ship 32s 6d. Plate Cinquantina 37s landed per 480 lbs. Barley inactive. Californian 40s-47s, ditto Chevalier 50s, Chilian Chevalier 52s-62s, ditto brewing 40s-48s, Australian Chevalier 48s-50s ex store, Smyrna 40s-55s ex ship per 448 lbs, No. 3 Canadian Western December 34s 6d ex ship, Persian ex ship 29s 6d, landed 31s, Russian 33s, Plate 33s, both ex ship per 400 lbs. English malting 10s 6d-17s 6d, with choice up to 20s, feed 9s 6d-10s 3d per 112 lbs. Oats quiet. La Plata landed 28s, ditto ex ship 25s 9d, Chilian tawny 29s 6d per 320 lbs. English 8s 4d-9s 4d per 112 lbs. Millers' offals quieter. Broad bran quoted 8s 6d, middlings 9s 3d, fine ditto 10s 9d, bags included, ex mill, feed oatmeal 9s 9d, light oats 8s 3d, ground oats 13s 3d per cwt free on rail. Oatmeal maintained. London-made flaked 19s, rolled oats 18s, medium also fine cut 18s, coarse also medium pinhead and whole groats 17s ex mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927	1925-1926	1924-1925	1923-1924
Estimated sales of home-grown wheat—				
1 week to November 6	396,337	350,299	235,409	372,761
10 weeks to November 6	3,729,356	3,567,466	2,441,449	4,076,589
Average price of English wheat per cwt.....	12 4	10 11	12 9	9 1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Oct. 30	377,168	626,815	101,639	11 9	11 8	8 8
Nov. 6	396,337	655,149	90,434	12 4	11 9	8 5
1922	579,064	516,807	91,878	9 11	11 10	9 9
1923	522,761	736,110	75,623	9 1	10 8	8 8
1924	235,409	525,847	102,395	12 9	16 9	10 4
1925	350,299	653,438	61,353	10 11	11 8	9 0

AMERICAN WHEAT MARKETS.

Prices advanced early in the week on extensive export demand and unfavourable weather reports, but a recession followed owing to the heavy interior movement of supplies, and to prospects of a large crop in Argentina, and, possibly, a "record" Australian yield. The latter factors may be expected to exercise a growing influence on prices in the next few weeks.

	Jan. 2, 1925.	Nov. 12, 1925.	Jan. 7, 1926.	Nov. 4, 1926.	Nov. 11, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(b) 135½	160	(b) 143	(b) 143½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(c) 153½	176½	(c) 140½	(c) 140½

(b) November delivery. (c) December delivery.

Visible supplies of wheat in Canada, 41,335,000 bushels, show an increase of 2,307,000 bushels as compared with the previous figures. Supplies a year ago stood at 30,500,000 bushels.

COAL.

Our Cardiff correspondent writes:—There has been a decided lull this week in the purchase of foreign coals. Supplies arriving have been considerable, and are very likely to continue heavy during the next few weeks, but the bulk will be for railway consumption, orders for cargoes on speculative account diminishing daily. Importers are avoiding further commitments, for it is fully expected that within a few weeks of the reopening of the collieries South Wales will have an increasing supply available for export. The current approximate quotations of American run-of-mine coal for November-January delivery are ruling between 9 and 10 dollars per ton f.o.b., while the c.i.f. price of Westphalian unscreened coals is quoted at between 70s and 75s for November positions. In the South Wales coalfield the output continues to increase, and current prices are 55s for large, 50s for through, and 40s for small coals.

Our Sheffield correspondent writes:—Blast furnace coke is now being made, but the demand for central heating purposes is so insistent that prices have gone up 10s per ton lately, and the fuel fetches 70s and 75s per ton at ovens.

Slack coal commands as much as 50s per ton. Westphalian foundry coke is quoted at 80s 6d delivered, and gas coke 60s per ton. The fuel market is extremely unsettled, and a wide variety of coal prices are heard of.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The quieter conditions noticeable last week have been rather emphasised lately. There is a general tendency on the part of buyers and sellers to await developments in the coal situation before entering into fresh commitments. The brighter news at the week-end regarding the coal strike has raised hopes of an early settlement of the dispute, but it must take several weeks before the British iron and steel industry can get going again. There is no doubt, too, that the period following the strike will be an exceptionally difficult one for traders, as many delicate business adjustments will have to be made regarding deliveries against old contracts and the prices at which new business can be transacted. Weaker conditions were reported to have developed in the Continental market, largely because buyers are refusing to pay the high prices asked by the majority of foreign works for extended delivery. Some of the Continental works are stated to be not too well off for orders, and inclined to press for business.

Our Middlesbrough correspondent's report, dated November 11th, is as follows:—Pig-iron.—There is still an extreme scarcity of Cleveland foundry pig-iron, and the production of the two local blast furnaces now in operation is easily disposed of. Small parcels of No. 3 G.M.B. have been changing hands at 120s per ton, f.o.t. In the meantime, foreign pig-iron is more difficult to secure, and prices are advancing, as much as 100s per ton c.i.f. Middlesbrough having been asked for delivery here next month. The ordinary mixed numbers of East Coast hematite are unobtainable. Only small parcels of off-grades can be purchased, the basis indicated being 92s 6d per ton. Manufactured iron and steel.—Supplies are still difficult to procure, but demand is increasing and heavy premiums are being paid on current minimum prices to secure prompt delivery. Iron Ore.—No business is being done, and no reliable price basis exists.

Our Sheffield correspondent writes:—Manufacturing operations in the steel trade and iron and steel foundries have had to be further curtailed. There is no difficulty in placing orders on the Continent for pig-iron and semi-steel, but no seller will guarantee delivery, and sea transport from Continental ports is disorganised. Demand has dropped sharply in the tool branches, and conditions are extremely quiet in cutlery and electro plate. The official prices of acid and basic billets have been advanced 20s and 10s per ton for delivery after the settlement. For present delivery an extra 30s per ton is charged to cover the high fuel charges, but the production is negligible. The large works producing the commoner and heavier crude steels do not expect to restart until after the end of the year, no matter what happens in the immediate future. Nor is it likely that any pig-iron will be made this year. Coal is being offered for delivery after the settlement at 2s 6d per ton above pre-strike rates.

Our Glasgow correspondent writes:—Conditions in the iron and steel trades have changed very little. Several grades of pig-iron stocks are completely exhausted, and of the remainder only small quantities are being taken up at the high prices quoted. Steel works have very heavy bookings for execution when normal full conditions are restored, and one large plant, which has not operated for about three years owing to dull trade, is making preparations to resume when the strike is over. Inquiries for British and foreign Admiralty work of considerable dimensions are on the market, and makers are tendering for delivery next year, as none of the works are likely to be in a position to start this year. Several good contracts have this week been secured by Clyde shipbuilders in Greenock, Port Glasgow, and at Partick, but work in the yards is greatly hampered by want of steel. The demand for steel sheets, both black and galvanized, is brisk, but makers are as a rule fully booked up for the remainder of the year. Prices are advancing, the minimum quotations for 24 gauge black being £13 per ton, and for galvanized corrugated £17 10s per ton, f.o.b.

Our Cardiff correspondent writes:—The general position in the steel and tinplate markets is practically unchanged. Inquiries for tinplates continue to expand, and buyers on old contracts are pressing for delivery. Prices are very firm, with prompt plates steady at 25s 6d per basis box, and forward plates from 24s to 24s 6d. These higher prices, however, are due chiefly to the heavy increase in the cost of tin, bars and fuel. Steel bars are nominally unchanged at £6 15s per ton, but parcels have been changing hands at £7 10s. Galvanised sheets are a firm market at £17 10s to £17 15s per ton, f.o.b. Deliveries into warehouses last week totalled 71,988 boxes, as against 48,678 boxes the previous week, but as shipments reached 83,174 boxes, the stock was reduced from 52,391 to 41,205 boxes.

OTHER METALS.

TIN.—The market for tin ruled strong, and values advanced sharply in sympathy with higher foreign advices, and a keen demand both for near and forward deliveries, all positions up to February being in request, due to extensive covering orders. Holders adopted reserved measures, despite slight irregularity at times. Standard cash sold £301 to £311 10s, and £310 15s, and three months £292 10s to £291, £299 15s, and £300. Sales in the East were reported at £298 15s to £305 5s, c.i.f.

COPPER opened quiet, but later values improved on buyers showing more disposition to operate. Standard cash changed hands at £57 10s to £57 16s 3d, and £57 12s 6d, and three months £58 2s 6d to £58 1s 3d, and £58 11s 3d.

LEAD active and firmer. Good soft foreign pig, November, sold £29 1s 3d to £29 10s; December, £29 2s 6d to £29 15s, February £29 5s to £29 18s 9d.

SPLINTER steadier on improved inquiries. November sold £32 18s 9d to £32 17s 6d, December £32 18s 9d to £32 17s 6d, and £33 16s 3d, January £32 18s 9d to £33 8s 9d, February £33 5s to £33 17s 6d ton.

ANTIMONY quiet. English specials quoted £74 10s to £75, foreign spot £57 ton.

ALUMINIUM dull. Home delivery £107, export £112 per ton. WOLFRAM firm at 14s 6d per unit c.i.f.

QUICKSILVER firm at £17 5s to £17 10s per bottle.

TIN PLATES.—The market for British make is hampered by uncertainty attaching to delivery, and some merchants with foreign orders to execute are now seeking supplies in the U.S.A., as apart from prices ruling there being more attractive, the question of delivery does not weigh.

THE COTTON TRADE.

LIVERPOOL, November 11, 1926.

Spot sales for the week 5th to 11th (inclusive) were 45,000 bales. Of these 26,770 bales were American, 2,400 Brazilian, 6,900 Peru, 3,150 Egyptian, 5,350 African, 50 East Indian, and 380 sundries. Imports for the same period were 110,872 bales, which included 95,972 American, 160 Brazil, 8,465 Peru, 14,950 Egyptian, 313 African, and 12 sundries. Quotations to-day are:—American middling, 6.00d; Egyptian Sakel, 14.80d; uppers, 10.50d; Brazil, fair, 7.20d; Peru G.F. mod.-rough, 8.00d; smooth, 8.20d; Tinnivelly, 6.40d; East African G.F., 8.60d; West African middling, 6.85d.

MANCHESTER, November 11, 1926.

Trade has been featureless, and considering the amount of inquiry, results have been rather disappointing. Buyers are slow in raising offers, and all spinners and manufacturers are hampered by the scarcity and high price of coal. For India there has been a big inquiry in cloth, and some exceptional sales have again occurred in light fabrics, chiefly for Calcutta. More demand has been met with in grey shirtings, but only limited lots have been sold. Staple makes for China remain dull, but occasional orders have been booked in fancies. Restricted operations have occurred for most of the minor outlets East and West, and some trade buyers have not given very much support. Quotations in American and Egyptian yarns remain irregular, and a moderate business has been put through, but spinners find it hard to improve their position.

(I.) Comparative Statement of the Cotton Trade.

	Price, Nov. 11, 1926.	Previous weeks in 1926.				
		Price, Nov. 4.	Price, Oct. 28.	Price, Oct. 21.	Price, Oct. 14.	Price, Oct. 7.
Raw Cotton—Mid. American	d 6-90	d 6-88	d 6-71	d 6-83	d 7-15	d 7-17
— Sakellaridis Fully Good Fair	14-80	15-00	14-40	14-80	15-50	15-70
— Egyptian	13½	13½	13½	13½	14	14½
Yarns—32's twist	per lb 13½	13½	14	14½	14½	14½
— 40's twist	per lb 13½	13½	14	14½	14½	14½
— 60's twist (Egyptian)	per lb 25½	25½	25½	25½	26	26½
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 3	23 9	23 9	24 0	24 0	24 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	27 3	27 9	27 9	28 0	28 3	28 3
38-in. ditto, 38 yds, 18 by 16, 10 lbs	13 0	13 3	13 3	13 6	13 9	13 9
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12 3	12 6	12 6	12 6	12 9	13 0

(II.) Compared with Previous Years.

	Price, Nov. 11, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	d 6-90	d 10-70	d 13-70	d 20-05	d 15-39	d 10-88
— Sakellaridis Fully Good Fair	14-80	20-85	25-00	21-80	19-25	20-75
— Egyptian	13½	18	24½	26	21½	19
Yarns—32's twist	per lb 13½	13½	18½	25½	26½	21
— 40's twist	per lb 13½	13½	18½	25½	26½	21
— 60's twist (Egyptian)	per lb 25½	25½	33½	36½	33½	34
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25 3	29 3	29 3	37 6	32 3	32 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	27 3	33 9	34 1	41 9	33 6	32 0
38-in. ditto, 38 yds, 18 by 16, 10 lbs	13 0	16 6	19 6	21 9	19 0	19 0
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12 3	14 7½	18 0	20 0	17 6	18 6

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OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended October 31.		Ten Months Ended October 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	10,097,609	7,516,349	91,270,438	83,426,108
B. Feeding stuffs for animals	746,550	546,454	7,368,469	5,502,912
C. Meat	9,036,282	9,040,417	101,319,482	95,876,421
D. Animals, living, for food	2,347,139	2,666,440	19,022,691	13,625,632
E. Other food and drink, non-dutiable	13,910,708	14,406,896	143,226,463	139,101,921
F. " " dutiable	11,048,846	10,557,038	93,727,872	87,366,801
G. Tobacco	2,362,059	2,539,984	11,865,393	13,921,240
Total, Class I.	49,549,193	46,873,378	462,800,808	438,774,756
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,906	7,722,940	16,437	28,139,779
B. Other non-metallic mining and quarry products and the like	377,397	436,587	4,768,388	4,688,797
C. Iron ore and scrap	362,976	51,217	4,296,547	2,592,733
D. Non-ferrous metalliferous ores and scrap	1,415,438	1,374,911	13,826,704	12,941,340
E. Wood and timber	4,850,143	4,818,454	38,717,448	32,037,712
F. Raw cotton and cotton waste	11,640,773	7,216,899	94,258,077	65,032,467
G. Wool, raw and waste, and woollen rags	2,877,910	2,722,906	64,298,055	56,039,131
H. Silk, raw, knubs and noils	68,838	173,775	1,411,728	1,599,699
I. Other textile materials	1,082,774	748,374	12,552,613	11,147,419
J. Oilseeds, nuts, oils, fats, & sinasgums	4,196,828	3,518,593	46,624,353	39,156,188
K. Hides and skins, undressed	1,569,603	1,670,013	18,022,582	16,085,879
L. Paper-making materials	902,669	876,997	8,848,679	9,794,479
M. Rubber	3,477,068	2,491,439	19,996,061	28,637,887
N. Miscellaneous raw materials and articles mainly unmanufactured	912,212	1,001,760	9,460,162	8,588,019
Total, Class II.	33,737,536	34,791,815	337,097,804	316,581,588
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	233	455,367	3,770	996,582
B. Earthenware, glass, abrasives, &c.	933,961	998,584	8,129,364	9,142,633
C. Iron and steel and manufactures thereof	1,888,685	2,979,284	19,935,557	22,373,437
D. Non-ferrous metals and manufactures thereof	3,225,940	3,730,009	31,520,632	30,880,038
E. Cutlery, hardware, implements, and instruments	482,494	552,556	7,943,979	5,283,772
F. Electrical goods and apparatus	494,934	384,348	3,433,488	2,950,241
G. Machinery	886,758	1,008,324	9,828,554	10,443,960
H. Manufactures of wood and timber	944,510	632,366	5,127,933	5,657,375
I. Cotton yarns and manufactures	745,139	776,645	8,355,266	7,200,747
J. Woollen and worsted yarns and manufactures	1,419,621	1,334,949	12,124,777	12,622,009
K. Silk and silk manufactures	1,041,765	1,497,430	20,312,959	14,422,680
L. Manufactures of other textile materials	1,118,874	1,289,079	15,799,861	12,591,821
M. Apparel	1,491,218	1,547,393	18,287,830	14,641,861
N. Chemicals, drugs, dyes, & colours	1,161,123	1,179,581	11,829,585	12,473,106
O. Oils, fats, and resins, manufactured	2,897,166	4,492,088	31,587,770	35,036,827
P. Leather and manufactures thereof	1,449,757	1,092,107	12,229,340	11,464,379
Q. Paper and cardboard	1,454,618	1,282,400	12,241,669	13,117,585
R. Vehicles (including locomotives, ships, and aircraft)	996,037	560,105	10,973,318	6,281,465
S. Rubber manufactures	538,681	633,995	5,318,684	6,363,006
T. Miscellaneous articles, mainly or wholly manufactured	2,616,139	2,610,294	23,874,975	22,314,276
Total, Class III.	25,142,653	28,986,885	268,856,301	257,257,795
IV.—Animals, not for food				
V.—Parcel post, non-dutiable articles				
Total	108,835,624	111,013,703	1,074,290,949	1,016,350,156

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The continued lack of activity in consuming centres is having a depressing effect on all sections of the wool textile industry. There is a general feeling that things will improve somewhat when the coal strike is settled, but in the meantime there is hardly enough new business to test values, and in many quarters money is becoming uncomfortably tight. The latest advices seem to suggest that the recent decline in wool values has been checked, and that values will now be fairly steady at about the current level. If machinery could be got going in this country a fairly healthy business might be expected to develop with raw material on the present basis, but as things are even cheap wool would not stimulate demand. Practically all qualities of tops are slightly easier on the week, and if anyone had the pluck to place a big order for future delivery, concessions would almost certainly be obtained. Spinners, however, do not show the least inclination to buy beyond current needs. In the yarn section prices are very irregular, and complaints are general regarding the price-cutting indulged in by some firms who are evidently prepared to sell well below replacement costs in order to keep machinery running. In this connection many firms, with the near approach of the stock-taking period, view the outlook with a good deal of anxiety. The majority of manufacturers are in no better position, and the last six months' trading may prove to have been as unsatisfactory as any in the history of the industry.

COLONIAL WOOL.
(FROM A CORRESPONDENT.)

All overseas cables report a slightly firmer market, and better news is to hand from Sydney, Melbourne, and Perth, where sales have taken place almost daily. It would seem that Germany is taking the lead. Yorkshire, too, convinced that values are now

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM
(Value F.O.B.)

	Month Ended October 31.		Ten Months Ended October 31.	
	1925.	1926.	1925.	1926.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	525,285	492,450	7,983,226	4,738,598
B. Feeding stuffs for animals	169,555	179,950	2,645,767	1,963,775
C. Meat	177,669	147,976	1,347,325	1,300,223
D. Animals living, for food	19,600	17,295	137,221	120,224
E. and F. Other food and drink	3,683,697	3,010,792	27,587,401	26,109,681
G. Tobacco	731,065	695,660	5,692,523	6,225,396
Total, Class I.	5,206,869	4,544,123	45,393,463	41,061,896
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	4,017,907	2,408	42,215,131	17,466,864
B. Other non-metallic mining and quarry products and the like	192,866	138,889	1,637,052	1,638,847
C. Iron ore and scrap	38,010	11,879	366,198	221,468
D. Non-ferrous metalliferous ores and scrap	75,240	203,432	1,129,320	1,094,694
E. Wood and timber	69,204	42,750	653,003	552,491
F. Raw cotton and cotton waste	153,704	110,593	1,485,761	874,497
G. Wool, raw and waste, and woollen rags	939,418	1,050,043	9,569,746	6,611,775
H. Silk, raw, knubs and noils	5,167	1,845	60,112	14,139
I. Other textile materials	45,866	17,792	497,826	261,204
J. Oilseeds, nuts, oils, fats, resins, and gums	729,909	446,500	5,642,340	5,387,501
K. Hides and skins, undressed	193,734	14,070	2,459,045	2,038,568
L. Paper-making materials	144,705	148,581	1,584,089	1,290,668
M. Rubber	32,370	21,232	225,333	259,736
N. Miscellaneous raw materials and articles mainly unmanufactured	247,433	266,681	2,860,049	2,766,685
Total, Class II.	6,885,533	2,608,699	70,384,994	40,257,187
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	322,934	85	3,000,658	1,333,204
B. Earthenware, glass, abrasives, &c.	1,208,381	1,073,813	10,874,983	9,989,421
C. Iron and steel and manufactures thereof	6,408,006	4,214,539	56,510,262	47,812,076
D. Non-ferrous metals and manufactures thereof	1,453,952	1,817,066	13,716,518	16,051,160
E. Cutlery, hardware, implements, and instruments	869,920	781,577	7,897,489	7,358,914
F. Electrical goods and apparatus	872,840	1,155,845	9,816,839	10,035,234
G. Machinery	4,289,445	3,947,044	40,701,448	37,675,171
H. Manufactures of wood and timber	229,241	2,000,46	1,860,539	1,743,321
I. Cotton yarns and manufactures	16,447,340	12,275,479	169,393,571	132,689,896
J. Woollen and worsted yarns and manufactures	4,570,012	4,135,992	50,492,129	43,297,233
K. Silk and silk manufactures	187,417	191,531	1,559,063	1,572,036
L. Manufactures of other textile materials	2,361,426	2,352,211	23,469,069	22,487,664
M. Apparel	2,648,834	2,485,535	26,636,928	22,760,073
N. Chemicals, drugs, dyes, & colours	2,088,745	1,746,069	20,034,415	18,562,727
O. Oils, fats, & resins, manufactured	1,017,033	731,910	8,385,066	7,911,914
P. Leather and manufactures thereof	689,408	598,776	5,939,649	5,419,493
Q. Paper and cardboard	978,488	950,443	8,153,601	8,230,360
R. Vehicles (including locomotives, ships, and aircraft)	2,861,591	2,355,582	25,131,793	26,155,343
S. Rubber manufactures	741,099	680,067	6,382,440	6,614,306
T. Miscellaneous articles, mainly or wholly manufactured	3,534,162	3,215,623	28,449,931	27,821,939
Total, Class III.	53,774,782	44,909,343	516,403,791	455,521,484
IV.—Animals, not for food				
V.—Parcel Post				
Total	67,081,986	53,176,663	646,340,392	549,121,463

reasonable, seems disposed to buy freely. While no out and out advance can be reported, the better demand is encouraging. We cannot see any reason why higher wool values should obtain anywhere, but there is a need for an increase in competition, particularly by the home trade. As we said last week, the desire has been very much in evidence to pick up wool in Australia to bring in average 64's tops at 3s 6d to 3s 7d. A great many buying limits are out on that basis in Australia, but no importing topmaker admits having purchased anything of any moment on that basis unless he has been prepared to take pieces and bellies from which to make so-called average 64's tops. However, wool

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has undoubtedly been picked up to produce a decent 64's at 1d more, while it has been possible to buy moderately freely on a 3s 9d basis for a better article. It now remains to be seen if there is sufficient buying power in the Colonies to sustain values on this slightly better basis. Everybody is anxious to see the home trade improve, for the real weakness has been located there throughout.

Next Monday will see the opening of a new selling season in New Zealand. A considerable amount of window-dressing has been done during recent weeks, and a little forward selling indulged in at prices below replacement cost to-day. No doubt the reasonableness of South American new clip crossbreds has helped in that direction. It is common knowledge in Bradford that some fair weights of slightly burry coarse crossbred wool (40-44's) have been offered at 15½d, clean, c.i.f. Liverpool, and we cannot see how any home buyer can afford to pay more than ruling values to-day in Buenos Aires and Monte Video. In all probability the two markets will react somewhat upon New Zealand. After all, the home trade, which took by far the biggest weight of last season's New Zealand clip, lost money on their purchases, and the question is whether any firm can afford to repeat for a third time the losing experience of the past two seasons. We should say that during the past six months the home trade has reduced its wool consumption by at least one-third. It would seem that at last wool may be approaching a standard of values which is inspiring confidence.

THE JUTE TRADE.

DUNDEE, November 11.

Business still rules on quiet lines, though the raw material maintains a high level. A slight decline took place in prices last week, especially for the commoner grades, but this week values have more than recovered the loss. A fair business is reported to have been done in Calcutta by mills and balers, but it is still difficult to secure good-class material from the arrivals into Calcutta, which are showing a tendency to fall off, rather than to increase, and are still considerably under last year's figures. Spinners in this market have purchased fair quantities of raw jute. First marks are now ruling at £36 to £37, Lightnings at £29 10s to £30, Daisees 2s 3d at £28 15s to £29 5s, and Tossa 2s 3d at £32 10s to £33, November-December shipment. The trade is bewildered by the attitude of the raw material sellers, who continue to keep up prices when everything points to a lower level.

The yarn branch of the trade has been quiet. Most spinners are quoting 3s 4d for common 8 lb cops and 3s 5d for 8 lb spools, but there are instances of business being done at 3s 3d and 3s 4d respectively. Buyers are holding off in the hope that spinners will accept lower prices, but as present values are not on a paying basis, this contingency does not seem likely at present. Buyers of cloth are showing rather more interest, but actual business concluded is still disappointing. Prices are very steady at 4½d to 4¾d for 10½ oz 40 in and 3½d to 3¾d for 8 oz. South America has purchased 10 por. 46 in tarpaulins to the extent of nearly half a million yards, and inquiries are being received for heavy goods from other centres.

HIDE, LEATHER, AND ALLIED TRADES.

The home hide market remains steady, but a fall is expected soon, as hides will be coming along in bad winter condition. At the auctions held in Bermondsey on Thursday, best ox hides sold from 6½d to 9d and seconds from 6d to 8½d per lb. Cows were very firm and advanced an ½d in both classes, best fetching 6d per lb. Calf skins again advanced, best selling from 7½d to 12½d per lb—an advance of ½d to ¾d on last prices. Cables from Chicago report the market as again active, with best heavy packers selling at 15½ cents. Fregorific hides are rather easier, and business has been done on a basis of 8½d to 8¾d, America being the chief buyer. Dry hides are also less firm, and sales of dry B.A. Americanos have been made at 10½d to 11d. The trade passing in sole leather remains good; manufacturers are eagerly buying light bends up to 8 lbs average, and as stocks are very small, prices are advancing. Repairers are also busy, and are accounting for 12-14 lbs and 14-16 lbs in fair-sized parcels. French bends are again selling well. Rough leather is meeting with a better demand. As regards upper leathers, the chief call is for black-glazed kid, willow calf, and patent. Coloured glacé is hanging fire, as no decision on next season's shades seems to have been arrived at. Prices all round are firm and likely to advance. The boot and shoe trade is badly affected by the coal strike, although Leeds and Bristol manufacturers have received orders from districts where the miners are at work. Russian boots are selling slowly.

VEGETABLE OILS AND OILSEEDS.

Markets continue quiet, with only a small amount of business passing. Demand for linseed oil is spasmodic, and prices fluctuating, current value being around £31 per ton naked "spot," and November-December delivery ex Hull mill. Later positions are at a slight discount. Cotton oil is not in such good request, and is easier on reports of increased cotton crop in America. Crude Egyptian now offering at Hull £33, and technical refined at £36 5s. Soya palm kernel and other oils are quiet, and barely steady.

The feature of the oilseed section has been a certain activity in the new Plate crop, a fair business having been done around £14 17s 6d and £14 16s 3d for January-April shipment. The balance of the old Plate seed is moving off slowly, owing to the dearth of shipping tonnage, high freights, and the poor European demand. Seed on spot is scarce, and held for as much as £16 5s, with "afloat" and October-November at £16. Egyptian cottonseed has taken an easier turn, and a good trade has been done at £9 5s for November, and £9 for forward shipment. The American cotton crop is estimated to give seed equivalent to over 800,000 tons of crude oil, as against 720,000 tons produced last season. Soya beans are quiet, but arrivals in this country are improving. Demand for oilcakes is fair, but disappointing for the time of year.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market continued very steady, and, in the aggregate there is a fair business with consumers. British refined remained at previous quotations. English grown granulated held for full rates, and available quantities pass steadily into consumption. For November-December delivery prices range from 29s 9d to 30s 3d, according to factory, with Kidderminster, November, 30s 6d; December, 30s 9d; January-March comes at 3d per cwt more money. Ely and Ipswich, ex store, London, 29s 10½d. Imported descriptions fairly steady, and Dutch J granulated, sold, 28s 10½d to 28s 11½d. Czechoslovak, spot, 28s 11½d. Only quiet attention was given to forward parcels, but offers from continental refiners were reservedly made. Czechoslovak granulated, ready, 16s 4½d to 16s 6d; November-December, 16s 3d to 16s 4½d, as to mark, f.o.b., Hamburg. Dutch J, ready, 16s 6d, f.o.b., Rotterdam. Belgian crystals nominal, as offers thence are unworkable on this side. Raw refining kinds firm. Peruvian 96 per cent., November-December, quoted 13s 9d, c.f. and i., U.K. Total Java shipments for last month amount to 167,000 tons, as compared with 209,280 same time last year. White terminal section generally firm, with business on a fairly liberal scale. December, sold, 15s 6d, 15s 8½d, 15s 6d; March, 16s 3½d, 16s 4½d, 16s 3d; May, 16s 6½d to 16s 5½d; July, 16s 9½d; August being freely dealt in at 16s 10½d, 17s, 17s 9d, and 16s 10½d.

COFFEE.—Allhome-trade qualities continue very firm, owing to smallness of supplies available and which mostly consist of consignments from East Africa. Export varieties still slow, as requirements from the near Continent do not extend. In auction, Kenya smalls sold, 12s to 12s 6d; bold, 14s 6d to 15s; Kilimanjaro, bold, 13s 6d to 13s 8s; Ugandi-Congo, very bold, 14s; Colombian, good bold, 15s 6d. Futures after ruling firmer assumed a quiet and easier tone.

COCOA.—Only moderate spot transactions at late rates. Accra, F/F, November-January, sold, 45s to 46s 6d, f.o.b. terms; and Trinidad, 62s, c. and f.

TEA.—Quantity of Indian auctioned during the week totalled 54,480 packages. A good demand was experienced, particularly with regard to good quality broken and tippy teas, and these realised full rates. Common kinds better supported and the turn dearer, though slightly irregular at times. Pekoe, sold, 1s 0½d to 1s 6½d; orange, 1s 3d to 2s 2½d; broken pekoe, 1s 1d to 2s 2d; broken orange, 1s 3d to 2s 4½d; choice, up to 3s 3d. Ceylon sales of 15,570 packages also aroused active and well distributed competition, and prices ruled fully steady in most cases. Pekoe, sold, 1s 1½d to 2s 3d; broken ditto, 1s 1½d to 2s 2½d; orange, 1s 5d to 2s 3d; broken ditto, 1s 4½d to 2s 7d. China qualities move off quietly, but sellers require steady prices. Some Keemun, sold, 1s 5d to 1s 6d; fine, 2s 2d to 2s 4d. Panyongs realised 1s 4d. Souchongs slow, at 2s 4d to 2s 6d. In auction, 4,597 packages of Java and Sumatra were offered, and met an active demand at mostly higher prices, an advance of ½d to ¾d per lb being frequently registered. Pekoe, sold, 1s 1½d to 1s 3½d; broken ditto, 9½d to 1s 8d; pekoe sou-hong, 1s to 1s 2½d; orange pekoe, 1s 3d to 1s 6½d; broken orange, 11½d to 1s 6½d lb, in bond.



Estd.

1862.

BANKING FACILITIES.

THE Bank of London & South America, Ltd., provides a convenient and complete banking service to all who trade with Latin-American countries. With branches and agencies at all important points, the Bank undertakes every form of modern Banking transaction.

ASSOCIATED COMPANIES THROUGHOUT THE FAR EAST
AND IN NORTH AMERICA, AUSTRALIA AND NEW ZEALAND.

FRUIT (Dried).—Currants continue in fair demand, and market

CANNED FRUIT.—Market dull, with liberal supplies available. Bartlett pears, 24-25's, choice, quoted 12s to 12s 6d. Californian

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.			DYE STUFFS, &c.—			METALS—B. Copper			SUGAR—per cwt, duty, 11s 8d.			
COCOA—Duty, British grown,	s	d	Galls, China,	nom	nom	Best selected,	64	0	65	s	d	
54d, foreign, 14s cwt	58	0 75	Turmeric, Beng.	nom	nom	Sheets (strong)	92	0	0	B.V. cent. polarisation	31	0 32
Trinidad	75	0 80	Madras, finger	21	0 0 0	Standard	57 1/2	57 1/5	0	Crystallised	31	0 32
Grenada	75	0 80	Gambier, block	40	0 42 6	Lead Eng. Pig per ton	31/0	0/0	0	Java, white	spot	nom
Ceylon, plantation	75	0 110	Cutch, ord. to fair	0	0 0 0	Soft Foreign	29/10	29/18	0	Refined—London—		
Guayaquil	55	0 110	DYEWOODS—			Spelter G.O.B.	34/0	31/17	6	Yellow Crystals	27	10 0 0
Guatemala, fine	55	0 60	Brazil,	18	0	Tin—English ingots	309/0	309/10	0	Cubes	34	35 3 3
COFFEE—Foreign, 14s cwt	0	157	Fustio, Jamaica	8	10	Do bars	310/0	310/10	0	Crushed	32	63 0 0
B. India, fine ord. g.d. mild	132	0 168	Cuba	15	0	Standard cash	310/15	313/5	0	Granulated	30	104 31 4
Do good to fine	162	0 168	Lima Wood	90	0	OILS—Fish, per ton—				Crystals, No. 3	30	9 0 0
Costa Rica, ord. to mid.	120	0 158	Logwood, Campeachy ..	9	0	Seal, pale	40	0 0 0		Castor	33	35 10 4
Good to fine	152	0 195	Honduras	10	10	Linsed, p. ton net, naked	31	5 0 0		Flores	24	6 29 3
Central American, g.d. mild	115	130	Jamaica	7	10	Rape, refined	46	0 0 0		SPEICES—Pepper, lb—		
Do to mid	135	145	Red Sanders	12	nom	Crude	44	0 0 0		Munck, fair white ..	1	8 4 0 0
Colombian, ordinary	110	0 116	Sassafras	12	nom	Conu-seed, crude	32	10 33		Black Singapore ..	1	0 0 0
Do g.d. ord. to low mid.	120	0 130	FLAX—spot—			Conu-seed, refined	39	10 0		White Siam	1	8 4 0 0
Do mid to fine	135	0 159	Riga 2K	56	0 0 0	Deodorised	47	0 0		Cinnamon—last sort	0	8 0 0
CHEMICALS—			Pernat H.D.	55	0 0 0	Palm	36	0 37		Do 2nd	2	10 0 0
Acid, citric	per lb	1 34	Slanets U/A Medium ..	65	0 0 0	Lard, American	70	0 78		Do 3rd	2	8 0 0
Nitric	0	2 4	FRUIT—			Petroleum—Oil, per 8 lbs.	1/1	0/0		Castels Ligna	60	0 0 0
Oxalic, net	0	3 4	Oranges, Denis & Val. 300	14	26 0	Water-White	1/2	0/0		Cloves—Zanzibar ..	0	10 0 0
Tartrio, English	1 04	less 5%	Do Cape	23	0 32 0	Oil Cakes, Linsed, Eng.	12 1/5	12 1/10		Penang	2	6 0 0
Do Foreign	1 14	1 0	Lemons, Naples	0	0 0 0	per ton				Madagascar	0	10 0 0
Cream of Tartar—			Do	0	10 36 0	Oil Seeds—Linsed—				Ginger, per cwt—		
English	per cwt	80 0 81	Do Sicilian	6	0 20 0	Laluta, p. ton Nov.-Dec.	18	5 0		Cooking, small rough	65	0 0 0
Foreign	99% 100%	74 0 75	Do	0	45 0	Calcutta, p. ton Nov.-Dec.	17	5 0		Do wormy	0	0 0 0
Alum lump	per 100/100	11/10	Do Malaga	18	0 22 0	PORTLAND CEMENT—Best English				Japan	60	0 0 0
Do ground	11/10	12/0	Grass, Lisbon	0	22 0	per ton delivered, London 58/0 63/6				Jamaica, ord. to good.	60	0 85 0
Ammonia, carb.	ton	29 3 6	Alma	16	36 0	Rapid hardening "Ferrocrete," 10/				Mace	3	8 4 6 0
Muriate, White	ton	29 0 0	Val. Ona	0	11 0	per ton extra.				Nutmegs, 65's	2	10 0 0
Sulphate	ton	14 15 0	Egyptian Ona	0	0 0 0	"Lightning" brand Aluminous Cement				110's and 80's	1	10 2 0
Ammonia, lump	per ton	65 0 70	Apples	15	0 25 0	100/- to 105/6 per ton.				Chillies—per cwt	56	105 0
Powder	per cwt	16 16 6	HIDES—Wet salted—			Subverts 10s per ton for delivery				of all cement in Lond during coal strike		
Ashes, pot	per cwt	65 0 70	Australian	0	5 4 0 68	PROVISIONS—				TALLOW—per cwt.		
Pearl do	per cwt	nom	West Indian	0	6 0 7 7 4	Butter—per cwt—				Good mutton	42	6 0 0
Bleaching powder, per ton	9/0	9/10	Cape	0	6 0 7 4	Irish creamery	144	0 158 0		Beef	42	0 0 0
Borax, gran.	cwt	22 10 0	Lisbon	0	52 0 6 4	Do factory	100	0 115 0		TAPIOCA—per lb—		
Do crystals	23	0 0 0	Oporto	0	4 0 7 8	Australian	120	0 166 0		E. I. Flake, fair, spot	0	2 4 0 0
Do powder	5	0 5 3	Dry & Drysalted Cape ..	8	0 12 4	Argentine	120	2 1 0 0		Medium Pearl	21	6 26 0
Calomel	per lb	5 0 1	Madagascar	0	8 0 7 4	Dutch	168	1 170 0		Seed	18	6 27 0
Iodine, fine	per os	10 0 1 1	Central American	0	7 4 0 12 4	New Zealand	134	1 150 0		TEA—duty 3/4d, British,		
Nitric of Soda	per ton	13/5/0	Butifales, Singapore	0	0 10 1 7 2	Danish	172	1 172 0		foreign, 4d per lb—		
Potash—Chlorate, net.	0	3 4 0	P. Lang	0	5 0 9 8	Bacon, engd—Irish	103	0 122 0		Indian and Ceylon—	s	d
Prussiate	0	8 0 8	E. Lang	0	5 1 0	Danish	100	0 106 0		Pekoe	1	0 4 2 3
Do Foreign	0	7 4 0 8	Market Hides, London—			Canadian	98	0 102 0		Broken Pekoe	1	0 4 2 3
Sulphate	per ton	11 12 0	Best hyv. ox & heifer ..	7	0 9	American	nom			Orange Pekoe	1	2 4 3
Sal-Acetos	per cwt	42 6 45	Do light do	0	5 0 6 8	Hams—Irish	nom			Broken Orange	1	5 3
Soda Alomias	per cwt	29/0/0	2nd ox, heavy	0	7 0 6 8	Canadian	nom			Pekoe Souchong	1	1 1 6
Soda Bioach	per ton	5/0/0	Do light	0	5 0 6 8	American	125	0 158 0		TIMBER—ex. yd—		
Crystals	5/17/6	6/15/0	Best cow	0	4 4 0 5 2	Lard—Irish	84	3 100 0		Swedish u/s 3 x 8, Ft. Std.	19	0 0 0
Causic	14 1/2	16 1/10	2nd do	0	4 0 5 2	American badders	60	0 65 0		Do 2 1/2 x 7 "	19	0 0 0
Sugar of lead, white ..	ton	0/0/0	3rd do	0	6 0 10	Pork—per 8 lbs	6	10 8 0		Do 2 x 4 "	19	0 0 0
Foreign white	44	0 46 0	INDIA RUBBER—lb—			Beef—Frozen	per 8 lbs	2		Can'd Spruce, Dis. ..	17	10 0 0
Sulphate Quinine—			Para, fine hard spot ..	1	7 4 0 0	Scotch	5	8 10 0		Pitchpine	per load	30 0 0
English Brands	1	9 1 10	Plantation sheet	1	8 2 0 0	Cheese—Cwt—Canadian.	82	0 88 0		Rio Deals	per std.	33 0 0
Foreign do	1	8 1 10	INDIGO—per lb—			New Zealand	83	0 87 0		of pine	per load	30 0 0
Sulphate Copper per ton	24/10/0	25/10/0	Bengal, good red violet to			Eng. Cheddars	90	0 108 0		Africans Mahg. logs, c.f.b.	0	11 6 0
Zinc, cut	9/0/0	9/10/0	fine	5	6 6 0 0	Cheshire	90	0 108 0		Honduras	0	6 6 0
Sulphur Flowers	8/0/0	8/10/0	Mid. ord. v. lo. to good ..	5	0 5 8	Dutch	64	0 102 0		American Oak Boards	"	0 6 0 0
Do Roll	8/0/0	8/10/0	Low, good or	2	0 5 8	Eggs, per 120—English ..	38	0 30 0		Do Ash	"	0 6 0 0
Vermillion, Chinese, per lb	4	9 5 0	Madras, dry leaf, good ..	2	0 5 8	FLOUR—280 lbs	22	0 26 0		English Oak Planks	"	0 7 0 0
English	4	6 5 0	Do low to dry	1	0 2 6	London standard ex mil	48	0 0 0		Do Ash	"	0 6 0 0
Oil Peppermint, G.H.F.	47	6 50 0	Kurpah, g.d. mid. to gd. ..	4	0 4 6	RICE—per cwt, a.f.f.—				TOBACCO—		
COPRA—per ton, c.f.f.			Low to mid	3	0 4 0	Rangoon, No. 2	14	9 0 0		Duty 8/2—10 1/4 per lb.	Empire	
Malabar, Nov.-Dec. ..		nom	Hemp			Broken la	14	3 0 0		growths, 6 1/4 per lb.	s	d
Ceylon	27	16 6	Italian P.C.	53	0	ROBIN—per ton—				Common to fine	1	3 0 3 6
FMS Singapore	27	5 0 0	Manila, Nov.-Jan. "J"			American	27/0/0	36/0/0		Kentucky leaf—		
FM Straits	26	5 0 0	Grade	47	0	SAGO—Peril, per cwt	25	6 27 0		Common to fine	1	0 1 8
OOCHINEAL			N.Z., high point, fair.	38	10	SHELLAC—per cwt	23	6 27 0		Strips	1	3 1 8
DRUGS—			Oct.-Dec.	38	10	ORANGE, first marks	335	6 33 0		Strips	0	9 2 6 0
Alon, fine E.I.	per cwt	120 0 140 0	JUTE—Native first mks. Spt.-Oct. 30/17/6			Second, fair to fine	210	0 220 0		China and Sumatra ..	1	0 7 0
Alon, food to fine	41	0 42 8	" " " " Oct.-Nov. 33/5/6			TN Orange	205	0 207 0		Nyaland	0	10 3 8
Salsam Fern	lb	5 9 6 0	" " " " Nov.-Dec. 29/10/0			Garnet, Lac. AC	187	0 6 0		Seedleaf	1	6 4 0
Capii	1	7 0 0	LEATHER—per lb—			Button—Pure	225	0 330 0		Havana	1	6 1 6
Camphor			Sole Bonds 6/9 lb	1	3 1 1	Blocky (TN)	190	0 195 0		Greek	0	10 1 6
Japan, refined	2	10 0 0	Do do 10 1/2 "	1	2 1 5	China—Blue Elephant ..	16	0 0 0		East Indian	0	6 1 0
Cardamoma, Ceylon	5	0 8 0	Do do 12/14 "	1	2 1 5	Macassar	8/10/0	11/0/0		Cigars, duty 15/7 per lb.	2	0 0 0
Cantharides, China, per lb	2	0 95 0	Do do 3/16 "	1	6 2 7	Sydney	7/6/0	11/0/0		Cigarettes, duty 12s 7d. per lb.		
Gum Benjamin Straits ..	5/0/0	10/0/0	Do do 17 lb and up	1	5 1 3 6	W. Australia	7/6/0	11/5/0		TURPENTINE, p.cwt.	62	6 0 0
Olibanum, drops, fair to			Bark Tanned Sole	2	8 4 0	Manila, bold	46/10/0	0/0/0		WOOL—per lb—		
good	80	0 100 0	Shoulders fm DS Hides	0	94 0 10 4	Macassar	8/10/0	11/0/0		English, Southdown, washed		21
Ipecacuanha	14	6 0 0	Do Eng. or WS do	0	11 1 8	Sydney	7/6/0	11/0/0		Lima hog		16
Jalap.	3	0 0 0	Bellies from WS do	0	7 4 0 8 4	W. Australia	7/6/0	11/5/0		Queensland, sold super embg.		45
Oil, China	67	6 70 0	Do Eng. or WS do	0	7 4 0 8 4	Manila, bold	46/10/0	0/0/0		N.B.W. greasy, super		24
Oil, Canada	per lb	4 8 3	Do Eng. or WS do	0	7 4 0 8 4	Macassar	8/10/0	11/0/0		M.G. v. grey, half-bred 50-58		14
Aniseed	per lb	4 8 3	Do Eng. or WS do	0	7 4 0 8 4	Sydney	7/6/0	11/0/0				
Peppermint, Wayne Co.	3	6 35 0	Do Eng. or WS do	0	7 4 0 8 4	W. Australia	7/6/0	11/5/0				
Rubbarb, China r to m.	32	0 3 3	Do Eng. or WS do	0	7 4 0 8 4							

to £23; cinnamon leaf oil, 5d; citronella, Ceylon, is 6½d; Java, 2½ 3d.

Resources over \$18,000,000

No. 2 UNIQUE PROTECTION

Furthermore, the collateral held by the Guaranty Trust Company of New York must always have a market value of at least 115% of all bonds outstanding. A Bond Interest Reserve Fund, accumulating to five times the annual bond interest, is set up from earnings before the payment of preferred dividends.

Series D due June 1, 1933, at price to yield about 5.50 %
Series E due June 1, 1943, at price to yield about 5.60 %

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A MASSACHUSETTS TRUST

First National Bldg
Boston

50 Pine Street
New York

METROPOLITAN CATTLE.—November 11

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone

Beasts -Norfolk	s	d	s	d	Beasts -Heavy Bulls.....	s	d	s	d
Irish	5	0	5	6	Canadian	8	6	9	2
Cambridge	5	8	6	0	Sheep -Downs	4	8	5	4
Short Horns	6	0	6	4	Ewes	4	8	5	4
Herefords	6	0	6	4	Crossbred	4	8	5	4
Devons	6	0	6	6	Scottish	4	8	5	4
					Lamb -Downs	4	8	5	4

LONDON POTATO MARKETS.—November 11

	Per Cwt.
	s d s d
English King Edwards	8 0 9 0
British Queens	7 0 8 0
Eclipse	7 0 8 0
Majestic	7 0 8 0

De Beers Consolidated Mines, Limited—Continued from Page 848.

PROFIT & LOSS ACCOUNT for the Year ending 30th June, 1926.

Dr.	£	s	d
To Mining Expenditure	1,218,218	7	0
„ Expenditure on Farms, Landed Property and Kimberley- Alexandersfontein Electric Railway	40,428	7	2
„ Charges: Salaries, &c., Head Office, £31,160 11s 3d; General Charges, £42,978 13s 5d; Legal Expenses, £954 13s 10d; Donations and Relief, £18,380 10s 11d; Compensation, £2,755 16s 3d; Auditors' Fees, £1,700 os 0d; Directors' Fees, £22,729 18s 7d; Em- ployees' Provident Fund, Company's Contribution, £26,411 9s 8d; London Transfer Office—Net Expenses, £18,200 os 6d; Allowances to Employees, £47,321 5s 0d; Amounts paid to Employees during Annual Leave, £16,840 16s 9d	229,433	16	2
„ Interest on Capital of Leased Companies	96,392	10	0
„ Interest on Debentures	73,597	5	0
„ Sinking Fund for Repayment of Debentures	97,992	17	10
„ Balance carried to Appropriation Account	3,160,632	12	2
	<u>£4,916,665</u>	<u>16</u>	<u>3</u>
Cr.	£	s	d
By Diamond Account	4,193,865	15	4
„ Interest and Dividends on Investments after adjustment of Reserve and Special Investments to Market Prices, or under, at 30th June, 1926	639,382	9	3
„ Sundry Receipts	33,720	15	9
„ Transfer Fees	860	0	0
„ Profits Realised on Investments	48,836	6	5
	<u>£4,916,665</u>	<u>16</u>	<u>3</u>

APPROPRIATION ACCOUNT, 30th June, 1926.

Dr.				£	s	d		£	s	d
To	Union of South Africa Income Tax:—									
	Normal Tax			408,012	2	6				
	Normal Tax, balance in respect of previous year			1,545	9	11				
								409,557	12	
								450,000	0	
"	Reserves: Dividend Reserve Fund									
"	Preference Dividend Account: 10s per share on 800,000 shares payable to Shareholders registered at 31st December, 1925, declared 11th December, 1925			400,000	0	0				
"	10s per share on 800,000 shares payable to Shareholders registered at 30th June, 1926, declared 16th June, 1926			400,000	0	0		800,000	0	
"	Deferred Dividend Account: 12s 6d per share on 1,090,514 shares payable to Shareholders registered at 31st December, 1925, declared 11th December, 1925			681,571	5	0				
"	12s 6d per share on 1,090,514 shares payable to Shareholders registered at 30th June, 1926, declared 16th June, 1926			954,199	15	0		1,635,771	0	
"	Balance carried to Balance-sheet							316,972	14	
								£3,612,301	7	
Cr.										
By	Balance unappropriated 30th June, 1925							387,229	12	
"	Balance transferred from Profit and Loss Account							3,160,632	12	
"	Suspense Profit: Diamonds unsold 30th June, 1925, now written back							64,439	2	
								£3,612,301	7	

By Order of the Board,

By Order of the Board,

E. F. BAYNHAM, Secretary.

E. F. RAYNHAM, Secretary.
INO. A. NEVILLE, Chief Accountant.

Kimberley, 13th October, 1926

DE BEERS CONSOLIDATED MINES, LIMITED.

REPORT OF DIRECTORS

For the Twelve Months ended 30th June, 1926,

To be submitted to Shareholders at the Thirty-eighth Ordinary General Meeting to be held on the 26th November, 1926.

TO THE SHAREHOLDERS—

GENTLEMEN,—Your Directors beg to submit their Thirty-eighth Annual Report, Balance-sheet at 30th June, 1926, Profit and Loss Account for the year ended 30th June, 1926, and Appropriation Account, 30th June, 1926. The undistributed balance at 30th June, 1925, was represented by:—

Suspense Profit Account—Diamonds unsold at that date £64,439 2 3
Balance unappropriated 387,229 12 9

During the year the Diamond Account amounted to 4,193,865 15 4

Add to this the following:—
Interest and Dividends on Investments £639,382 9 3
Profits realised on sales of Investments 48,816 6 5
Income from other sources 34,581 5 3

..... 722,800 0 11

..... £5,368,334 11 3

Deduct Expenditure as follows:—

Mining Expenditure £1,218,218 7 0
Farms and Landed Property Expenditure 40,428 7 7
Donations and Relief 18,380 10 11
Allowances to Employees including Provident Fund 90,573 11 5
Directors' Fees 22,729 18 7
Salaries—Head Office and London 31,100 11 3
General Charges—Kimberley and London 66,589 4 0
Interest on Debentures and on Capital of Leased Companies 169,989 15 6
Sinking Fund for repayment of Debentures 97,962 17 10

..... 1,756,033 4 1

Leaving a balance of £3,612,301 7 2

Which has been dealt with as follows:—

Union of South Africa Income Tax £409,557 12 5
Amount transferred to credit of Dividend Reserve Fund 450,000 0 0
Preference Shareholders' Dividend 800,000 0 0
Deferred Shareholders' Dividend 1,635,771 0 0

..... 3,295,328 12 5

Balance undistributed carried to next year..... £316,972 14 9

The Stock of Blue Ground and Lumps on the Floors at 30th June, 1926, was as follows:—

	Loads.
De Beers Mine	48,396
Wesselton Mine	320,558
Bultfontein Mine	391,427
Dutoitspan Mine	847,642
Total	1,608,023

The Company has paid during the year to Preference Shareholders the usual dividend of 20s per share and to Deferred Shareholders 30s per share. During the period under review the diamond market was steady. Satisfactory sales were effected by the Diamond Syndicate, and the Company realised slightly increased prices for its diamonds.

The sales agreements entered into between the four Conference Producers and the Diamond Syndicate for a period of five years, commencing from 1st January, 1926, and which were referred to in last year's report, have since received the formal approval of the Honourable the Minister of Mines and Industries, and this fact was announced by the Chairman at the last Annual General Meeting of Shareholders.

African Explosives and Industries, Limited, in which this Company holds a 50 per cent. interest, continues to make satisfactory profits, and during the year under review declared a dividend of 7½ per cent., which was distributed in fully paid up shares of that Company.

Mr. P. Ross Frames, C.M.G., resigned his seat on the Board of the Company as at 30th June, 1926, and the vacancy thus created has been filled by the appointment to the Directorate on the 21st July, 1926, of Sir Ernest Oppenheimer, Kt., M.L.A.

A report by the General Manager will be submitted at the Meeting. In terms of Clause 84 (c) of the Company's Articles of Association, three Directors retire, namely:—Mr. L. Breitmeyer, Mr. S. B. Joel, Sir Ernest Oppenheimer, but, being eligible, offer themselves for re-election.

A. G. W. COMPTON,
F. HIRSCHHORN,
R. PHILIPSON-STOW,
W. PICKERING, } Directors.

Kimberley, 13th October, 1926.

BALANCE-SHEET, 30th JUNE, 1926.

	£	s	d	£	s	d
Capital Authorised:—						
800,000 Preference Shares at £2 10s 0d each	2,000,000	0	0			
1,100,000 Deferred Shares at £2 10s 0d each	2,750,000	0	0			
	<u>£4,750,000</u>	0	0			
Capital Issued:—						
800,000 Preference Shares at £2 10s 0d each	2,000,000	0	0			
1,090,514 Deferred Shares at £2 10s 0d each	2,726,285	0	0			
				4,726,285	0	0
De Beers 4½ per cent. South African Exploration Debentures, secured by Mortgage of Assets purchased from the London and South African Exploration Company, Limited, redeemable by 1st January 1930				1,635,495	0	0
Appropriation for Stabilisation of the Diamond Trade, invested in other Diamond Mining Companies and Kindred Interests				2,573,841	16	0
Reserves (per contra):—						
General Fund £1,898,878 1 5						
Redemption Fund: South African Exploration Debentures 1,211,075 15 3						
Dividend Reserve Fund 450,000 0 0						
				3,559,953	16	8
Blue Ground Stocks 30th June, 1926, at cost				269,687	13	5
				3,829,641	10	1
Current Liabilities:—						
Loans and Open Accounts 426,719 5 5						
Unclaimed Dividends and Sundries 63,641 3 6						
Interest on Debentures accrued to date 36,798 12 9						
Commissioner for Inland Revenue—Union of South Africa 408,012 2 6						
Commissioners of Inland Revenue—Great Britain 6,627 7 8						
Preference Shareholders 400,000 0 0						
Deferred Shareholders 954,199 15 0						
				2,295,998	6	10
Balance transferred from Appropriation Account 316,972 14 9						
Contingent Liability: The Company has guaranteed the repayment of, and interest on, £1,250,000 5½ per cent. 1st Mortgage Debenture Stock issued by the Cape Explosives Works, Limited, Somerset West, Cape Province. Nobel Industries, Limited, have indemnified De Beers Consolidated Mines, Limited, to the extent of half this contingent liability.						
				<u>£15,378,234</u>	7	8

We certify that all our requirements as Auditors have been complied with, and that we have examined the above Balance-sheet with the Accounts and Vouchers relating thereto, including the Audited returns of the London Transfer Office, and find the same to be correct.

Kimberley, 13th October, 1926.

HOWARD PIM & HARDY,
SALISBURY, BEATON & RAYNHAM, } Auditors.

Continued on Preceding Page.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor:

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, NOVEMBER 20, 1926.

No. 4,343.

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T. B. PONSONBY, General Manager.

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THE MONEY MARKET.

SUPPLIES of floating credits have been plentiful during the past week at 4 per cent., except on Wednesday, when there was a slight tightening, and up to 4½ per cent. was paid for short loans. A feature of the week has been a net influx of nearly a million in gold, of which half a million was accounted for by the release of sovereigns previously earmarked for the South African

Reserve Bank. This, together with the easier tendency in money and the firmness of the gold exchanges, has affected the discount market, which has been easier, with the three months' bills quoted at $4\frac{1}{8}$ per cent. The fact, however, that the amount of Treasury Bills offered yesterday was larger than usual, namely £45 millions, was a steadying influence.

	Nov. 19, 1926.	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount/Call	3	3	3	3	2 (Dec. 3, '25)
Houses/Notices	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed an increase of £939,100 in the stock of coin and bullion and a reduction of £725,500 in the note circulation, so that the Reserve rose by £1,664,600 and the Proportion increased to 28.6 per cent. Government securities were reduced by £1,802,900, while Other securities rose by £56,500, and as Public deposits rose by £1,844,700, there was a reduction of £1,946,100 in Other deposits. Currency notes outstanding were reduced this week by £1,972,000 to £287,120,100, which includes £1,290,700 for notes called in but not yet cancelled. The Fiduciary issue is £229,579,300, or £18,323,200 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—Speculative markets are still hesitating. The recent firmness of money has passed, and the Federal Reserve statements show another considerable movement of funds to New York, with discounts again reduced at 90 millions, against 148 millions a year ago. For the System the drop in discounts is offset by open-market purchases, with total bills and securities 38 millions lower than a year ago. The monetary position is plainly comfortable. Meanwhile there are many increased dividend distributions, and the market is eagerly awaiting the new Standard Oil securities. The Bureau of Labour index number for October shows a decline of 0.5 per cent., owing to farm products and clothes. The industrial groups are steady.

THE STOCK MARKETS.

The stock markets have passed an uneasy week, and declines in quotations greatly outnumber the rises. The rapid appreciation of the franc has led to extensive selling orders from Paris, which have spread flatness over many sections. The gilt-edged market, however, has been steady owing to the removal of fears of an early rise in Bank rate, while the feature of the foreign market has been the further rise in the new Belgian loan to nearly 7 premium. Home rails generally have been dull on the coal dispute developments, but Underground stocks are strong. The rubber share market is extremely quiet, and prices have sagged a little, while oils have relapsed after last week's activity. Industrials have on the whole been dull, and the Kaffir market and diamonds have suffered from French sales. The issue of £1½ millions in 5 per cent. debenture stock by the Perak Hydro Electric Power Company, issued under the Trade Facilities Acts, was heavily oversubscribed.

THE COMMODITY MARKETS.

Markets gained a certain momentum early in the week owing to the favourable outlook in the mining dispute, but the results of the district voting subsequently induced more restrained tendencies. The inland price of coal is a shade easier, and in some cases collieries are offering post-strike supplies on a fair scale. Such iron and steel as is available is being sold at approximately unchanged prices, and a number of works have made preparations for a resumption of work as soon as the position is clarified. Cotton has been steadier than of late, and a satisfactory business has transpired, but the turnover of yarn and cloth has scarcely come up to expectations. Wood values are well sustained in overseas centres, and West Riding top-makers report increased business. Wheat was easier

early in the week, on American advices, but subsequently more steady. Sugar has been in steady demand. Coffee and tea are firm, and rubber unchanged. Tin again advanced on bullish advices from America and the East, but the rise was not fully maintained. The market for copper has been easy, and lead prices have moved slightly in favour of buyers.

FOREIGN EXCHANGES.

Although the general foreign exchange market has been quiet, there has been considerable activity in the French exchange. In this section there has been a remarkable recovery during the week. After a slight rise from 146½ on the 12th inst. to 147½ on Saturday, the rate fell to 144½ on Monday, and to 140½ on Wednesday. On Thursday there was another fall to 139½, followed by a further improvement to 137½ yesterday. Various factors have combined to produce this movement. Liquidation of old "bear" positions, on the taking up in some cases of fresh "bull" positions, and the return of capital to France are the visible means by which the new wave of confidence has operated, in spite of the attempts of the Bank of France to prevent so rapid a recovery. There is a growing feeling of uneasiness of French exporters, but as long as there is a general belief that the rate will fall to still lower levels the requirements of legitimate trade can have but little effect on the market. The danger, of course, lies not so much in the fall to these levels as in the reaction which may be expected. Forward rates have narrowed from 50 centimes and 2½ francs to 40 centimes and 1½ discount for one and three months respectively. Italy rose slightly over the week-end from 117½ to 118½, but recovered to 114½ on Wednesday; since then, however, there has been a slight reaction to 115½. Madrid followed a similar course, and after touching 32.01 on Monday, now stands at 31.90 as compared with 31.98 a week ago. New York was firmer in the earlier part of the period in anticipation of a settlement of the coal dispute here. After remaining around 4.85 3-32 over the week-end, it rose to 4.85 5-32 on Tuesday. By Thursday, however, it had fallen again to 4.84 31-32, as expectations were not realised, and opened yesterday morning at 4.84½. Forward rates are slightly wider at 1-32 cent premium for one month and ½ cent premium for three months. In comparison with the other stabilised currencies, sterling has followed a similar course of appreciation, followed at the end of the week by a slight set-back. Thus, Amsterdam rose from 12.12½ to 12.13½ by Wednesday, but yesterday morning was quoted at 12.13½, while Switzerland rose from 25.14½ to 25.15, and subsequently reacted to 25.14½ again. Berlin also rose from 20.41½ to 20.45½, and opened yesterday at 20.43, while Belgium moved from 34.83 to 34.89 and then back to 34.87½. In Scandinavia, Stockholm, on balance, has depreciated from 18.16½ to 18.18, and Copenhagen from 18.18½ to 18.20. Oslo, however, has undergone a sudden appreciation, chiefly owing to speculative purchases of kronen on the belief that an early return to gold was in contemplation. The rate opened on Friday at 18.77, as compared with 19.20 a week ago. In the East, the rupee is 1-32d weaker at 1s 5 27-32d, but the yen is unchanged on balance at 2s 0 9-32d. The silver market has been firmer on Indian purchases, and Shanghai has continued its upward course from 2s 5½d to 2s 6½d, but Singapore is steady at 2s 3½d. In South America, Rio improved over the week-end from 6½d to 6¾d, but on the news of political disturbances reacted during the last two days to 6½d. Buenos Aires is 1½d weaker at 45½d, and while Monte Video fell from 49½d to 49¾d, Valparaiso has depreciated from 39.54 to 39.62 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended November 13th:—

EXPENDITURE.		RECEIPTS.	
(000's omitted.)		(000's omitted.)	
Supply Services	5,072	From Revenue	8,591
Interest, &c., on Debt	765		
Sinking Fund	293		
Decrease in Debt	2,311		
Increase in Balances	150		
	8,591		8,591

The Revenue for the week amounted to £8,591,200, as compared with £8,041,000 in the corresponding week last year. Customs were higher at £2,513,000, against £1,884,000, but Excise was lower at £1,555,000, against £1,696,000. Property and Income-tax brought in £908,000, as compared with £1,041,000, while Super-tax amounted to £380,000, against £420,000. Ordinary receipts were lower at £1,000, against £40,900, and Special receipts at £6,800, against £11,400. The week's operations reduced the National Debt by £2,311,000, and caused the following changes:—

(000's omitted.)	
Public Department Advances ..	£ 2,800
National Savings Certificates ..	50
Sundries	910
	— 3,760
Treasury Bills	+ 1,449
	+ 1,449

The floating debt was reduced by £1,375,000 to £783,046,000.

FINANCIAL YEAR, 1926-1927 (April 1 to November 13, 1926).

£		£	
Total Expenditure ..	481,259,660	Raised by Revenue ..	399,413,540
		Decrease in Balances ..	3,964,302
		Amount borrowed ..	77,881,818
Total	481,259,660	Total	481,259,660

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—English, Scottish, and Australian Bank, Australian Mercantile Land and Finance, Amalgamated Press (1922), Ansell's Brewery, Kamunting Tin Dredging, and North Anantapur Gold Mines.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE COAL DISPUTE AND AFTER.

THE hopes of a quick negotiated peace in the coal industry, which were current when we went to Press a week ago, have been disappointed. The week has been taken up by the ascertainment of district views on the proposed terms of settlement, and the result, due in no small measure to the Gilbertian methods of ascertainment adopted, is unhelpful, inconclusive, and bewildering. The net result is a majority of 100,000 against the terms. Districts voting in favour were Yorkshire (only by a small majority in spite of the influence of Mr Herbert Smith), Nottinghamshire, Derbyshire, Leicestershire, Warwickshire, North Staffordshire, Cannock Chase, Forest of Dean, Somerset, and Kent. Those who pronounced against the terms were Scotland, South Wales, Lancashire, Durham, North Wales, and Cumberland. The voice of the great export districts was clearly and strongly against the Government's terms, which were fully set out in our last issue.

The result makes confusion worse confounded. The manner in which it was reached was ludicrously unsatisfactory. Miners who have returned to work did not, for the most part, vote; but in districts where they had returned in large numbers they were held by their action to have shown themselves on the side of settlement. For those not at work there was no general ballot. In most areas votes were taken by a show of hands at lodge meetings, often very sparsely attended. A narrow majority at a small lodge meeting was taken to commit the whole membership to acceptance or rejection. Whether the

result represents the voice of the miners of the country as a whole is unknown. It may, or it may not. But that voice has not, under these circumstances, been heard. Had a full ballot been taken in every district the result might have been the same, or it might have been different. But, in any case, the executive and the delegate conference would have had for their guidance a clear expression of the views of the rank and file. As things are, the delegate conference, which met in London yesterday to consider the votes of the district, faced a bewildering position. In the teeth of a paper majority for rejection, could they order an end of resistance? Such a decision might be based on the argument that a two-thirds majority is needed for a continuance of a strike, and that, since one-third of the total of miners are actually at work, no method of voting could have produced such a majority. Or were they to base on the majority for rejection (obtained by unsatisfactory methods) a call to fight on? Obviously, such a call would be disregarded throughout the Midlands, and would almost everywhere be stultified by the accelerated drift back to work, even in those districts which have clearly opposed the terms of settlement. Heroics in face of a relentless disintegration are not an attractive policy. Amid all these bewilderments two facts stood out clearly. No further national terms were at all likely to be forthcoming. These, in all probability were the last national terms—to be taken or left. Secondly, the Miners' Federation itself, severely shaken by the action of the Notts miners, who have taken the negotiation of a separate settlement into their own hands, was threatened with nothing short of extinction. The perplexity of the Miners' Executive in the face of this position, brought about entirely by their own persistently inept leadership, was such that they offered no direct guidance to the delegate conference. The latter, finding no clear way out of an insoluble dilemma, adjourned to give the executive time for further deliberation.

But although the Government have wisely put no time limit on the offer of terms, and, pending the decision of the Conference, have made no announcement, the chances of a negotiated settlement have clearly dwindled. The nation now knows with tolerable certainty that there will be no constructive and clear-cut settlement to place as an asset against the enormous national losses which have been sustained. We are left, therefore, to take what comfort we can from the clear evidence which this week has produced that the inexorable working of economic factors is stimulating the movement back to the mines, and bringing, not peace, but the end of active hostilities within sight. Some time must yet elapse before the export of coal is resumed. But with 370,000 men back at the pits, and the drift gathering intensity day by day, the back of the stoppage has been broken, and the provision of adequate home supplies may not be far off. Although, therefore, events are not shaping so as to give us the expected sequence of peace, optimism and post-strike boom, the outlook is for an approach by quickening stages to a relief from the difficulties of the past six months; and the time is approaching when we should take stock of the national position—looking backward over the wreckage with which the dispute has bestrewn the economic path of 1926, and forward to the prospects of recovery when the output of the mines once more approaches normal. In a subsequent article we make an attempt to assess the cost of the stoppage to the nation, in so far as such an attempt is possible at the moment. Of the prospects of trade recovery when full coal production has been resumed, it is even more difficult to make an assessment. For, whatever the decision of the miners' delegate conference, we cannot gauge the speed with which the resumption of coal output will proceed. It is, however, possible to pick out one or two leading features in the position under which trade recovery will function. For the past few years the volume of world trade has been on the upward grade; but in competing for our share of this rising volume British industry has been hampered by monetary and exchange difficulties. When industry is again freed from fuel troubles it will operate in a world from which these difficulties have been largely removed. At home we have not merely resumed the gold standard, but also accomplished the necessary re-adjustments in the eco-

economic sphere demanded by that resumption; while abroad the instability of Continental currencies, which has been one of our most severe handicaps, has to a large extent yielded to the treatment of sounder financial policy. Another hopeful sign is the increase in the savings of Europe, while the League of Nations' memorandum on production, discussed in these columns last week, reveals definite improvement in the proportions of world production as between leading commodities, and at the same time an increase in the volume of external commerce in relation to world production. All these indications show that the ground swell of economic dislocation caused by the storm of the great war is subsiding, and while the way seems clearer than at any time since the war for an expansion of international trade, the ability of the industry of this country to compete in world markets and gain its share of this growing volume has been improved. Thus, if the sky is not yet clear—clouds are certainly heavy enough in places—there are distinct patches of blue sky. If only the lessons of this disastrous coal dispute will drive home to all those who, whether for the employers or for the employed, rule the fortunes of our industries, the lesson of the futility and costliness of industrial conflict, there is hope that we may in the near future see the feet of the nation firmly set on the road to better conditions that will be established upon a basis far more sure and enduring than that on which temporary periods of prosperity have since the war been founded.

THE COST TO THE NATION.

THE coal stoppage of 1926 has been by far the most costly in British annals. Up to the end of October, 126½ million working days had been lost in the coal-mining industry alone since the beginning of the dispute, and the total loss of effective working time in all trades for the year 1926 is already more than twice the figure for any other period, and about twelve times the average for the last 25 years. It is impossible at this stage to evaluate the total cost to the country, as an important part of the bill of costs has yet to be presented. The heavy iron and steel industries, for example, are scarcely likely to regain their pre-strike activity before the New Year, and in all probability the export side of the overseas trade returns will continue to reflect the conditions of the last few weeks for an even longer period. Further, certain of the most significant effects of the last seven months' events elude statistical analysis altogether. No numerical statement can express the full significance of such features as the lowering of the vitality of the population in particular areas, changes in industrial psychology and in the relations between employers and employed, and, possibly, the far-reaching modifications in the position and policy of British trade unionism to which the strike may ultimately give rise.

The immediate cost of the strike, in pounds, shillings and pence is, however, in itself a sufficiently striking index of the injury inflicted on the community by large-scale industrial disputes under modern conditions. Various estimates have been made ranging from the £166 millions of Dr Bowley to the £3 millions per day suggested by Sir Hugh Bell and others, which would give a total to the present time of from £500 millions to £600 millions. An independent, though necessarily tentative valuation is suggested by numerous general indices of trade activity during the stoppage. The unemployment insurance returns show that the total insured workers employed during the first three months of 1926 had fallen by 14 per cent. at the end of May (account being taken of the million odd miners involved in the dispute), while early in the present month the return to work of large numbers of miners and a slight improvement in unemployment in other trades had reduced the gap to about 11 per cent. These figures, however, afford an insufficient indication of the extent of short-time working. Bank clearings in

ten provincial towns show an average falling off of 13 per cent. since the end of April last, as compared with the first four months of the year, allowance being made for changes in the general price level. Exports of British goods in the third quarter of 1926 were 21 per cent. less in volume than those of the first three months of the year. Our index of the production of electricity in certain of the chief industrial areas of Great Britain (excluding London and Wales) declined on the average by 27 per cent. in the six months May to September last, as compared with the January to April period. This figure undoubtedly gives an exaggerated impression, owing to such factors as the lower consumption of electricity for lighting purposes during the summer months. Altogether, it would seem that about 12 per cent. to 20 per cent. may be assessed as representing the upper and lower limits of the falling off in industrial activity with, say, 15 per cent. as a probable mean figure. On available evidence, we are inclined to put the total national income in the months immediately preceding the strike at the equivalent of £4,000 millions a year. A falling off in production of the dimensions mentioned would in the seven months involve a drop in the national income having as its upper and lower limits about £465 millions and £280 millions respectively, with £350 millions as a most probable figure. One might add an extra £15 millions, approximately, to cover additional losses during the General Strike, and £23 millions representing the Government's pre-stoppage subsidy to the coal industry.

The lion's share of the loss has naturally fallen on the shoulders of the chief protagonists. No exact estimate can be made of the potential production of coal during the last seven months under the régime contemplated by the Samuel Commission, but, assuming an output mid-way between that of the "depressed" period of 1925, and the subsidy-fed early months of 1926, and allowing for the production of those miners who returned to work during the stoppage, the net loss of output "commercially disposable" may be put at about 110-113 million tons, representing, at the low pithead prices obtaining in the January-March quarter of this year, a gross monetary loss of about £90 millions, of which two-thirds to three-fourths—say £60 to £75 millions—would normally have been accounted for by wages.

Of the industries not directly concerned in the dispute, the heavy iron and steel groups were much the worst sufferers owing to their inability to obtain large supplies of cheap and suitable fuel, which are a *sine qua non* of their existence. Against a potential seven months' production (calculated on the same lines as that of coal above) of 3,644,000 tons of pig-iron and 4,457,000 tons of steel ingots and castings, the actual May-November output will probably not exceed 200,000 tons and 460,000 tons respectively. Assuming very moderate disposal prices, with due allowance for savings under the head of fuel costs, the losses of the last seven months may be computed at £10-£12 millions in the case of pig-iron and £25-£28 millions in that of iron and steel.

Industry as a whole has been handicapped by insufficiency of fuel supplies, the inferior quality of much of the imported material, and, particularly in the later months of the stoppage, by its high price. In addition, certain industries, such as the woollen, worsted and shoe trades were increasingly affected as the stoppage progressed by the diminution of purchasing power in the mining districts and elsewhere. Between May and October some 14,000,000 tons of coal were imported into Great Britain at an average c.i.f. price of £2 3s a ton, but during November contracts were being concluded at well over 70s a ton. It may be estimated that in the early days of the present month industrial coal supplies (including those available for gas and electricity works, the railways, and manufacturing generally) were in the neighbourhood of one-and-a-half million tons a week as compared with about three millions in normal times, when the iron and steel industry is an influential consumer.

The extent of the unfavourable reaction of these conditions on individual trades may be inferred from two sets of figures—the unemployment statistics and the trade returns. The following table shows the number of unem-

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played workers in various trades (a) on the eve of the stoppage, and (b) after the latter had been in progress for six months:—

TOTAL REGISTERED UNEMPLOYED, GREAT BRITAIN AND NORTHERN IRELAND.			
	On Eve of Stoppage. (End April, 1926.)	After Six Months of Stoppage. (End October, 1926.)	
Industrial Group.			
Cotton	56,708	113,836	
Woollen and worsted	25,012	41,525	
Other textiles	68,168	85,199	
Pig-iron	3,426	15,440	
Steel	40,722	102,834	
General Engineering	70,213	110,734	
Shipbuilding	83,896	103,479	
Boot and shoe	10,413	17,770	
Pottery	9,663	15,408	
Railways	9,376	20,120	
Other trades	716,232	1,009,541	
All trades	1,093,829	1,635,886	

* Excluding coal miners who ceased work on account of the dispute.

In some cases, such as iron and steel, cotton, and railway transport, the number of unemployed workers has more than doubled since the stoppage. The above figures do not give an adequate indication of the large amount of short-time working, but returns made by certain firms to the Ministry of Labour showed that in October last about 21½ per cent. of the workers employed by those firms in the cotton industry were losing 17 hours a week on the average, while in the woollen industry 37½ per cent. were losing nearly 10½ hours and in the worsted trade 40 per cent., were losing nearly 12 hours on the average. In the boot and shoe industry the corresponding figures were 45½ per cent. and 12½ hours respectively, in pottery 29 per cent. and 9 hours. On the railways, where short time was largely non-existent before the general strike, certain workers have since lost up to three days a week—an "economy" which may go some slight way to offset the drop of £26 millions in gross railway receipts during the first ten months of this year. Another series of data is furnished by the overseas trade returns, which reveal a decline of £97 millions in British exports during the first ten months of 1926 as compared with the same period of 1925. Exports of coal, coke, and manufactured fuel are down by £26½ millions; of iron and steel by £8½ millions; machinery, by £3 millions; cotton, yarn, and manufactures, £36½ millions; woollens and worsteds, £7½ millions; other textiles and clothing, £2½ millions; chemicals, £900,000; and leather, boots, and shoes, £500,000. These losses may not be entirely attributable to the coal stoppage in all cases, but it is certain that they do not tell the whole story, and that three or four months must elapse before the full extent of the decline can be even approximately measured.

In the ordinary way, so severe a contraction in our export trade would have entailed a serious drop in shipping earnings, but there is reason to believe that the demand for tonnage to load coal from Hampton Roads and elsewhere for British ports has, in the present instance, gone far to offset these losses. "Tramp" freights have in

many cases risen to over twice their pre-strike levels, and a good deal of idle tonnage has been absorbed. The liner companies have doubtless suffered a good deal, but over the whole industry gains may possibly slightly outbalance losses.

The amount of the bill ultimately to be faced by the taxpayer will be unassessable for some months. Supplementary estimates have already swallowed up the Chancellor's modest surplus in respect of the present financial year, and with income-tax in 1927-28 based, as regards Schedule D, on the results of the single "bad year," 1926-27, the prospect of increased taxation appears uncomfortably substantial. Altogether the country has paid, and is likely to pay, very dearly for the failure of the representatives of a single major industry to adjust their differences round the council table.

EGYPT'S ECONOMIC POSITION.

(BY A CAIRO CORRESPONDENT.)

THE heavy drop in the price of cotton has created something like consternation in Egypt. The whole economy of the country is so wrapped up in the fortunes of this product that any movement in price affects every pocket, though naturally the producers are most directly affected. Ninety-one per cent. of the cultivated land of the country is in the hands of natives, of whom 1,880,000, out of a total of 2,033,000, hold under five acres. The remainder consist very largely of big proprietors, who rarely farm their own property, but let it out, either for cash, or under a metayage agreement, by which the occupier binds himself to put one-half of the land under cotton each summer, which goes to the owner as rent. The rest is at his own disposal, except that he may not plant more cotton; and he usually manages in this fertile land to secure three crops in two years for himself, as well as the one for his landlord. These crops consist mainly of maize, millet, rice, and sugar-cane in summer; of wheat and forage, with onions, beans, lentils, barley, sesame, groundnuts, as subsidiary crops, in winter. The cereals from the small holding rarely come to market, but are consumed by the grower and his family, or sometimes paid as wages to his hired help, even the village barber and dominie often receiving their remuneration in the shape of so much maize annually. For cash he may trust to a small extent to his subsidiary crops, and to the pigeons, poultry, and eggs that his wife takes to market. The metayer then is but little affected by the price of cotton, though his landlord is very much so.

With the small cultivator, however, who works his own plot or hires a parcel from one of the big estates, or not infrequently combines the two methods, the case is far otherwise. He grows the same crops as his fellow the metayer, but he has bound himself to pay a certain rental, which is fixed about this time of year, on the basis of the prevailing price of cotton. In the case of rented land

it is not far from the truth to say that the rent is the value of the cotton that will be picked in the following autumn, estimated at the price current when the contract is drawn. Rents which fall due now, therefore, have been fixed on a basis of about 40 talaris for Sakellarides and 30 for uppers, as against actual prices of 26 to 27 and 17 to 18. The fellah who rents his land will be unable to meet his rent by something like 30 per cent. In such cases the landlord endeavours to recoup himself by seizing the maize, on which his tenant has been reckoning to see him through the winter. There is but one remedy, recourse to the village usurer. Curiously enough, the Egyptian fellah prefers to borrow at high rates of interest rather than draw on the family hoard, which may be hidden away in a hole, known only to himself and perhaps his wife. There is likely to be much scope for the moneylender and the mortgage bank to tide the fellah over a difficult year, till—inshallah—he is again favoured with a sufficiency on his very modest measurement.

The big proprietor who farms any considerable portion of his land or lets it on metayage will this year find his profits from it much curtailed. Not that he is likely to suffer privation like the fellah, for his income, relatively smaller, no doubt, than he has been accustomed to enjoy of late years, is still tolerable, though he may have to forgo his villégiature in Europe next summer. He has, however, no real grounds for complaint.

The Government is likely to be as hard hit as anyone else. One-third of the revenue is represented by the takings of the Customs, arising from the dues on exports (1 per cent. *ad valorem*) and on imports (about 1 per cent. in all). Since the import trade will depend largely on the value of the exports, the takings of the Customs are likely to fall off very considerably. The consequence is not inevitable, since Egypt has accumulated large foreign balances out of the profits of the past ten years, some of which she may employ to finance imports. The purchase of stores out of the cash portion of the reserve fund, presently to be referred to, in order to make good depreciation of Government property, is a case in point. None the less, it is broadly true that imports will be adversely influenced by the fall in the price of our staple. The Treasury is thus likely to be hit by the reduction in Customs dues. But besides this direct loss of revenue all items are likely to be affected. The railways carry less; there is less telegraphing and letter writing; land transactions fall off; judicial fees drop; fewer ships pay port dues; and so on all along the line: and all of these mean less grist to the Treasury mill.

This is particularly the case when a reduction of the outturn of the crop coincides with a fall in prices. Thanks to unusually favourable circumstances last year, the crop was then a bumper one, exceeding 8,000,000 kantars of 90 English pounds, since close on this amount reached the coast, and it is estimated that another 300,000 kantars remain upcountry awaiting the dawn of better prices. But this year there has been a reduction of 7 per cent. in the acreage under cotton, and, worse still, a decline in the yield amounting to between 15 and 20 per cent. on last year's very favourable figure. The Government's latest estimate is for an outturn of 6.8 million kantars, of which 2.86 millions are Sakellarides. The joint result of the fall of price of 25 per cent., and the drop in total outturn will be a diminution of the total value of the crop by some 35 to 40 per cent. on last year's value, itself a good deal lower than the previous year's.

In making this forecast, however, one must not lose sight of the fact that not what is harvested counts, but what is sold, and, as far as foreign trade goes, not arrivals at Alexandria, but exports; for very little of the stock at the port is cotton bought on foreign account, and paid for but not yet exported. Now the huge crop of 1925-6, coming together with a record crop of American and an ever-expanding flow of high-grade cottons from British dominions and elsewhere, has proved to be more than consumers were prepared to absorb. Consequently, for the season ending August 31st, only 7,000,000 kantars of this large crop were exported, against a shade less from the much smaller crop of the previous year. Stocks in Alexandria have risen to 1,100,000 kantars, against 300,000 kantars. The country has, therefore, a reserve exporting power, which only awaits

a revival of trade to become effective in raising the balance of trade. Of this stock, some 400,000 kantars, 350,000 kantars of it Sakellarides, are held by the Government.

Official support for the market was first tried in 1914, when the outbreak of war disorganised commerce and finance and destroyed confidence. On that occasion the decision to purchase cotton from small cultivators (to enable them to pay their taxes, it was cynically asserted at the time) helped to give a useful fillip to the market, and was justified on that account. Several times subsequently, during the fall in prices that followed the world crisis of 1920, the Government ventured on the cotton market, with happy results for the Treasury, but without any effect on prices, that could be attributed in the least to its support. When prices began to sag at this time last year, and producers found that they could no longer rely on receiving the fabulous prices which they had come to look on as their right, an intensive propaganda was initiated by interested parties, calling for Government intervention with the object of holding prices at their then levels. The leaders were the Agricultural Syndicate, a body chiefly composed of landed proprietors, with powerful political influence. There was no attempt to ascertain whether the levels to which prices had fallen, then 38 to 39 talaris for Sakellarides, were or were not unjustifiably low, when compared with the general level of prices. In fact, they were much too high, as the refusal of consumers to take the whole of the crop, even at the much lower prices since prevailing, has conclusively proved. However, the Ziwer Cabinet decided to buy, and also to hold off the market the not unimportant crop grown on the State Domains, and this decision has escaped any attack on the part of their opponents now in opposition in the Chamber. Indeed, it has drawn an apologia from the present Minister of Finance. The decision was to buy up to 500,000 kantars, so long as the price fell below a premium of 75 per cent. on American, for Sakellarides. The sum expended has exceeded £3,000,000, mostly spent on fine grades. Much cotton tendered was rejected, a proceeding which, it is alleged, earned for the rest of the crop a bad reputation, and consequent lower price, than it really merited. The Government has thus become possessed of 400,000 kantars, which it has recently declared will not be placed on the market for some time. As matters have turned out, it is probably face to face with a loss of £600,000, and meanwhile expenses for storage, insurance, and interest continue to mount up. And, so far as appears from the march of prices, the effect has been negligible. The day of full reckoning has yet to come, for the moment the Government starts to throw its stock on the market, the very people who were most insistent on its entry will be the first to exclaim against its attempt to get out. The incident is one more illustration of the fatuity of trying to control the action of supply and demand when only one factor can be commanded, and that but partially.

With all this adverse outlook, however, there is no cause for undue pessimism. Egyptian finances are thriving, and there is reason to look for another surplus, though a much reduced one, on the current Budget. The figures, as finally adopted by the Chamber, are:—

EXPENDITURE.		REVENUE.	
	£		£
Salaries, wages, allowances	13,145,316	Direct taxes	5,800,000
General expenses	11,521,782	Customs	11,900,000
New works	6,623,425	Railways	7,300,000
Other (chiefly public debt and pensions) ..	8,069,477	Registration	2,100,000
		Investments	2,100,000
		Cotton tax	1,500,000
		Various	7,300,000
		Draft on the reserve ..	1,400,000
Total	39,360,000	Total	39,400,000

The steady excess of revenue over estimates during the last ten years has resulted in the accumulation of a great reserve fund, which at date amounts to over £31 millions, less liabilities for the coupons on the Turkish tribute loan of £1.1 millions. New works, which are estimated to cost in the end £12.5 millions, are contemplated, and in some cases begun, and that sum must be looked on as potentially earmarked. Parliament recently decided that Egyptian securities bought for the reserve fund were to be cancelled, and negotiations are in progress with the Commissioners of the Public

Debt as to the best means of doing this. This operation should reduce the debt from £92 millions to £82 millions.

P.S.—Since the above was written the Government has decided to support the market by advancing up to £4 millions, or more if necessary, to cultivators to enable them to hold back their supplies. The advances will be carried out through the banks on the basis of 22.5 talaris per kantar of F.G.F. Sakellarides and 15 talaris per kantar of F.G.F. Ashmouni. Interest (including all charges) will be at 4 per cent., which may be reduced to 3 if there is sufficient demand. Cotton dropped half a talari on the day of publication of this news.

THE DIRECTION OF OVERSEAS TRADE.

THE October returns of overseas trade contain the usual statistics giving the countries of origin of imports and of destination of exports and re-exports. From these we have compiled the following tables, the first of which shows our imports from and exports to the principal European countries for the first nine months of each of the past three years and of 1914:—

BRITISH TRADE WITH EUROPE, JANUARY TO SEPTEMBER
(000's omitted).

	IMPORTS FROM.				EXPORTS TO.			
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.
France	32,999	53,940	54,824	48,932	20,330	37,432	29,098	19,783
Italy	6,005	12,624	14,947	11,691	10,103	13,252	14,138	8,769
Switzerland	7,539	14,098	15,851	10,109	2,586	8,771	6,627	4,764
Spain	11,065	16,735	16,864	14,978	6,292	9,973	9,803	7,077
Portugal	2,805	4,638	4,768	3,618	3,888	5,544	5,363	5,291
Belgium	15,085	26,926	27,048	31,929	8,171	17,117	14,776	11,513
Germany	47,338	25,325	34,259	49,631	24,456	37,016	32,992	17,950
Austria	4,393	1,760	2,028	1,630	1,871	1,708	1,322	1,322
Hungary	1,200	1,505	1,282	1,049	2,404	4,199	4,767	2,621
Greece	3,134	1,811	1,713	1,963	1,937	2,411	2,326	1,954
Roumania	912	700	543	693	2,186	2,537	2,736	1,938
Turkey (European) ..	22,947	13,346	16,173	13,896	1,805	4,041	4,041	4,453
Russia	9,627	9,419	8,924	8,924	3,300	2,857	2,085	2,085
Finland	9,143	16,302	15,002	14,876	5,538	10,552	7,692	6,230
Sweden	5,524	8,430	10,051	9,476	6,522	5,779	5,554	5,554
Norway	18,557	35,101	35,865	36,013	4,189	10,254	8,142	6,813
Denmark	21,287	40,494	43,910	48,182	10,525	25,662	27,374	20,698
Netherlands	5,740	3,786	6,463	6,463	2,386	3,127	1,686	1,686
Poland	9,670	8,032	7,934	7,934	1,013	1,801	1,007	1,007
Czechoslovakia	4,631	4,179	4,640	4,640	1,510	980	868	868
Latvia								
Total	209,833	303,647	320,772	376,801	122,078	198,382	186,987	132,873

Total imports for the first nine months declined by £60 millions, while British exports fell by over £83 millions. British exports to the Continent, it will be seen, accounted for £54 millions of this decline, while imports from Europe are £6 millions higher than in the corresponding period of last year. Imports of coal and, perhaps to a less extent, of iron and steel, are no doubt mainly responsible for this increase. Imports from Germany increased by over £15 millions, from Belgium by nearly £5 millions, and from Holland by over £4 millions. Imports from France, on the other hand, fell by £6 millions, from Italy by £3 millions, and from Switzerland by nearly £6 millions. The decline in exports is general, the most prominent decreases being in the case of France, over £9 millions; Germany, over £15 millions; and Holland, £7 millions. From the next table, however, which gives the quarterly figures of trade with Germany and Russia, it will be seen that British exports to Germany in the past three months were higher than in the second quarter, and were the highest since the last quarter of 1925:—

TRADE WITH GERMANY AND RUSSIA
(000's omitted.)

	Trade with Germany.				Trade with Russia.			
	Im-ports.	British Ex-ports.	Re-ex-ports.	Total Ex-ports.	Im-ports.	British Ex-ports.	Re-ex-ports.	Total Ex-ports.
1913—Quarterly average ..	20,103	10,169	4,936	15,133	10,068	4,536	2,398	6,934
1924.								
Jan.-March	6,731	10,014	9,370	19,384	2,263	309	677	986
April-June	7,675	12,894	8,603	21,497	2,327	355	2,089	2,444
July-Sept.	10,919	8,108	3,321	11,429	8,756	1,142	3,067	4,209
Oct.-Dec.	11,572	11,629	7,619	19,248	6,648	2,015	1,524	3,539
1925.								
Jan.-March	10,854	11,855	8,605	20,460	3,246	1,502	3,097	4,599
April-June	13,293	10,802	7,632	18,234	5,902	1,376	3,415	4,791
July-Sept.	10,112	10,536	5,265	15,801	7,025	1,163	3,089	4,252
Oct.-Dec.	13,897	11,214	5,781	16,935	9,156	2,125	3,668	5,793
1926.								
Jan.-March	14,992	6,467	4,785	11,252	4,063	1,901	2,293	4,194
April-June	12,090	4,947	4,997	9,944	3,458	1,335	1,987	3,322
July-September ..	22,549	6,536	4,680	11,216	6,375	1,217	2,225	3,442

Trade with Russia has been on a smaller scale than last year, but both imports and total exports show an improving tendency in the last quarter.

In the next table the figures of trade with the United States and other foreign countries are compared:—

OTHER FOREIGN COUNTRIES, JANUARY TO SEPTEMBER
(000's omitted).

	IMPORTS FROM.				EXPORTS TO.			
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.
United States	95,789	160,787	171,692	153,124	27,253	39,188	39,418	36,644
Cuba	3,744	1,055	9,514	3,428	1,281	2,378	2,086	1,648
Mexico	1,422	4,739	4,697	4,356	484	1,751	2,472	2,165
Argentina	25,895	60,903	52,772	52,421	12,322	20,324	21,950	18,540
Brazil	6,230	4,253	4,331	3,037	5,281	9,487	12,248	9,893
Chile	4,370	9,280	10,405	6,813	3,385	3,882	4,344	4,342
Peru	2,141	6,779	6,212	5,090	921	1,969	1,846	1,729
Uruguay	2,170	4,864	3,998	3,979	1,439	2,379	2,433	1,871
Japan	3,172	5,819	5,602	5,475	7,066	20,533	12,678	10,809
Turkey (Asiatic)	3,581	9,374	10,464	8,878	11,237	16,911	11,308	13,855
China	2,171	937	876	993	3,620	681	815	552
Persia	329	6,045	5,101	5,560	518	1,342	1,906	1,474
Egypt	13,472	23,188	23,017	19,022	5,458	11,132	12,505	8,551
Other countries	7,389	17,892	18,221	17,882	10,473	12,400	14,743	12,722
Total	171,875	325,915	326,601	290,028	91,008	144,357	140,752	124,795

Imports from this group of countries account for a decrease of £36½ millions, towards which those from the United States contribute £18 millions. British exports to the United States are less than £3 millions lower, and with a small decline in re-exports there is a substantial improvement in the visible trade balance with the United States for the nine months, which has fallen from £110½ to £96½ millions. The decline in cotton prices is a contributory factor in this movement, and also in the decline in the value of imports from Egypt. Exports to South America show a general decline, but China has taken £2½ millions more than in the first nine months of 1925.

Trade with the Empire is compared in the next table:—

TRADE WITH THE EMPIRE, JANUARY TO SEPTEMBER
(000's omitted).

	IMPORTS FROM.				EXPORTS TO.			
	1914.	1924.	1925.	1926.	1914.	1924.	1925.	1926.
Irish Free State	£	£	£	£	£	£	£	£
Canada	20,844	43,694	48,859	46,817	13,981	20,690	20,955	19,571
Australia	28,945	41,652	57,886	49,030	26,252	44,789	45,425	45,461
New Zealand	20,255	40,446	45,229	40,322	7,332	14,888	17,155	15,346
India & Ceylon	36,715	61,926	68,642	54,649	52,933	71,172	69,332	67,428
South Africa	8,889	12,411	16,535	13,653	14,684	22,880	22,398	23,922
West Africa	4,811	10,255	10,680	9,953	4,458	7,015	9,767	8,601
Mauritius	376	2,895	339	2,539	982	698	698	519
Straits Settlements ..	10,099	8,473	11,733	15,391	3,691	6,344	7,999	9,163
Malay States	1,893	1,214	2,462	4,827	834	1,321	1,221	1,221
West Indies	1,880	3,941	4,894	3,796	1,765	2,618	2,789	2,546
Other Possessions	6,106	15,479	19,003	18,087	10,477	22,342	22,778	18,021
Total	140,810	279,793	318,105	288,555	137,663	246,580	251,519	238,277

Imports from these countries have declined by £30 millions, Australasia, India, and South Africa being prominent in the downward movement. Conspicuous exceptions are the Straits Settlements and the Malay States, and for the increase in the value of these imports higher average prices of rubber and tin are no doubt the explanation. Exports to Australia have been maintained, but in other directions there is a general decline. Imports from the Empire represent 31.9 per cent. of the total, against 32.9 per cent. in the same period of 1925, while exports to these countries are 48 per cent. of the total against 43.4 per cent.

The final table gives re-exports to the chief countries:—

RE-EXPORTS—NINE MONTHS
(000's omitted).

To	1914.	1921.	1922.	1923.	1924.	1925.	1926.
	£	£	£	£	£	£	£
France	7,859	8,050	13,728	13,933	13,048	15,536	15,676
Italy	704	1,095	1,296	1,485	1,764	1,946	1,662
Belgium	4,888	6,832	8,352	6,857	7,688	7,567	5,875
Germany	13,347	17,352	13,643	14,308	21,293	21,502	14,462
Russia	5,419	821	623	1,373	5,833	9,601	6,505
Sweden	631	1,341	1,158	1,259	1,249	1,375	1,039
Norway	408	572	534	554	484	646	386
Denmark	474	1,084	906	1,371	1,289	1,022	606
Netherlands	3,831	6,676	4,744	3,682	5,647	5,346	3,424
United States	24,525	14,919	14,650	20,906	17,139	21,727	19,721
Japan	146	569	725	199	21	206	206
Other countries	4,864	8,731	6,477	6,669	7,778	6,382	5,926
Total for foreign countries	67,096	68,042	66,336	72,596	83,429	92,956	75,481
British Possessions	9,700	9,598	11,538	14,262	19,409	19,395	17,221
Total	76,796	77,640	77,874	86,858	102,838	112,351	92,702

The bulk of the decline in re-exports to foreign countries is accounted for by Germany, Belgium, Holland, and Russia, while France shows a trifling increase. The principal decline in re-exports to the Dominions is shown by Australia—namely, from £3½ to £1½ millions.

CHINESE PUBLIC FINANCE.

(BY A CORRESPONDENT.)

EVENTS in China have moved rapidly since 1924, and there is a great interest in this country in that complicated and difficult movement. Those who hold Chinese securities have a painful interest, and they will be anxious to know how things stand at present, as well as the prospects for the future.

The time has not yet come when China's future can be prophesied with success, but the present situation is anything but satisfactory. Popularly speaking, the so-called Central Government is bankrupt, and the bailiffs are in possession. That is not strictly accurate in a legal sense, it would be better to say that the Central Government has defaulted on nearly all the issues on which it can default with impunity. When the holders of Chinese securities do get anything, it is due to the existence of two foreign-controlled services—the Maritime Customs and the Salt Gabelle. The Central Government in Peking lives from hand to mouth on the surpluses yielded by these services over and above the revenue already hypothecated; and from time to time it further hypothecates this surplus on which it has to live, discounting any future increase of revenue. It has also the Peking octroi and some minor taxes.

The Customs operate mainly in the Treaty Ports, and within a short radius of them. This revenue is paid into certain specified banks for the account of the security holders, and the surplus is then allocated in accordance with a scheme of priority by the British Inspector-General of Customs.

The Salt Gabelle is collected in many parts of the provinces, and about fifty per cent. of that revenue is now forcibly detained by local military adventurers for provincial purposes. The land tax is likewise retained in the provinces, and, of course, innumerable local imposts are in existence, some of them nothing but legalised robbery.

British investors are mostly concerned with loans secured on the Customs and the Salt Gabelle, or on the revenue of the railways. For the present, as long as taxes can be collected under foreign supervision, for a Chinese Central Government which is not central and does not govern China, they are safe enough. Unfortunately, we are rapidly approaching a position in which that Central Government will be a mere organisation for collecting income, largely for foreign investors, in the Treaty Ports and in Peking, for paying subsidies to any military adventurer who can capture Peking and the surrounding country, and for engaging in various diplomatic arguments and amenities. It must be obvious that any really national movement is sure to sweep away such a Government.

The investors whose security is the earning power of the railways are in a worse plight. They have depended for their safety on European control in certain departments, such as the audit, accounting, and traffic branches. But in most cases this control has been rendered ineffective by military action. The annual report of the Department of Overseas Trade on the Commercial, Industrial, and Economic Situation in China to June, 1926, states that "at the moment of writing most of the railways in China serve no other purpose than to provide transport for large numbers of troops uncontrolled by any central organisation.....the railways have during the past year earned practically nothing, with the result that most of them have defaulted on their loan coupons, thereby swelling the already considerable total of China's imperfectly secured debts." Nor is this a temporary state of war and emergency; things have been getting worse for years. To quote again:—"It is difficult to describe the state of deterioration into which the rolling

stock of the great trunk railways has fallen, and it is little exaggeration to say that, unless the present rate of disorganisation is rapidly arrested, the equipment will disappear altogether, leaving only the tracks and road beds."

It is perfectly true that the Chinese railways, run under good management such as they enjoyed in more peaceful times, could pay off their indebtedness in a very few years. It is also true that the Customs tariff could be considerably increased, and that the present taxes, if properly organised, would make the indebtedness of two and a half thousand million dollars quite a light burden compared with other national debts. But all these things presuppose good government.

We need not go into the confusing and uncertain details of the Chinese National Debt. Those who are interested should read Part III. of Mr Frederic Lee's "Currency, Banking, and Finance in China," published this year by the United States Department of Commerce. Here are the figures he gives in a

SUMMARY OF CHINA'S PUBLIC DEBT.			
Secured Debt—			\$
Foreign		1,350,000,000	
Internal		225,000,000	
Total secured debt		1,585,000,000	
Unsecured Debt—			\$
Foreign		300,000,000	
Internal		236,000,000	
Balance undistinguished		187,000,000	
Total unsecured debt		723,000,000	
Total debt		2,308,000,000	
Arrears of salaries		198,650,000	
Grand total silver		2,506,650,000	

These figures are for 1922, but those given by the Commissions of 1924 and 1925 do not materially differ. They are all estimates, owing to numerous irregularities in issues.

The current financial situation may be briefly described in the words of the same authority:—"The annual expenditures of the Central Government, exclusive of the debt services, amount to over seventeen times the annual revenues. Hence China's Budgets are virtually meaningless, except as an indication of what might be expected in the way of revenue and expenditure if conditions became normal." But these are normal conditions in China, if by normal we mean what usually happens.

The following table shows the highest and lowest prices of Chinese Government securities during 1925 and the first ten months of 1926, together with present prices and yields:—

Description.	Final Year of Redemption.	Amount Outstanding.	Prices of 1925.		Prices of 1926 to End of October.		Price Nov. 18, 1926.	Yield.
			Highest.	Lowest.	Highest.	Lowest.		
5%, 1896	1933	4,907,950	97	85½	94½	84	85	7.19
4½% Gold Bonds, 1898	1944	9,778,225	85½	71	77	68	67	8.40
5% Imp. Railway Loan	1945	1,035,000	75½	64	69½	53	5½	9.10
4½% Gold, 1908	1949	1,376,060	79	67	63½	54½	5½	9.18
5% Gold Loan, 1912	1963	4,675,640	73½	57½	65½	49½	52½	9.16
5% Reorg. Loan, 1913	1960	7,186,260	77½	68	70½	56½	60	8.17
5% Shantung-Nanking Loan	*	2,900,000	69	54	60	47½	51½	10.40
5% Canton Kowloon Rly.	1917	1,026,000	65½	46	45	21½	25	(b)
5% Tientsin-Pukow Rly.	1938	1,110,000	70	41	51	25	25	(c)
5% Do Shun Loan	1940	777,000	65	35	43½	29	23	(d)
5% Shantung-Hang. Railway	1938	900,000	75	59	71½	58½	61½	8.96
5% Honan Railway	1935	456,200	78½	6½	68	40	37½	(e)
8% Treasury Bills	1924-28	600,000	52½	31	44½	26	25	(f)
8% Tr. Treas. Notes	1925-29	1,803,300	52½	30	45	25	25	(g)

* At Government option. (a) Last coupon paid June 5, 1925. (b) Last coupon paid Oct. 1, 1925. (c) Last coupon paid May 4, 1924. (d) Last coupon paid Jan. 4, 1926. (e) Last coupon paid June 1, 1922. (f) Last coupon paid Aug. 29, 1921. (g) Last coupon paid June 1, 1922.

It is not necessary to go into details as to default and to estimate the relative values of the different securities. What investors are interested in is the probability of improvement in the future. This depends upon a forecast of a political situation which is still so obscure as to defy analysis by European observers. There can be no doubt that in point of discipline and in the possession of general political ideas, and a propaganda to spread them, the Southern forces under Chiang Kai Shek and the troops of his ally, Feng Yu Hsiang, have the advantage. They are Nationalist, and, in theory at least, Communist. And they have a great hold over the rising generation. Their advisers are Russians, and their attitude towards debts, which are largely old war indemnities, is likely to be un-

sympathetic. Many of the unsecured debts of the Central Government they must be expected to repudiate.

Over against them is set the new dynastic system of Chang Tso Lin, and a confused welter of military leaders with Sun and Wu Pei Fu prominent. It is too soon to foretell the result of the clash between these forces, and impossible to say what would be the line taken by the Southern Party if victorious. One thing, however, is certain—the victors could borrow all the money they will need for the reconstruction of China if they would undertake the present foreign obligations.

But could the Nationalists escape from the effects of their own anti-foreign propaganda on themselves and their followers sufficiently to contract fresh foreign loans with the usual checks and controls? Would they not be more likely to follow the example of Russia, whose problems are in many respects so similar to their own?

AMALGAMATIONS AND VALUATIONS.

AMALGAMATIONS are the order of the day in industry and commerce, and seem likely to be so for some time. In spite of the misfortunes that have fallen upon some of the combinations conceived on a too optimistic scale that were formed during the after-war period, it can hardly be doubted that the tendency is still in favour of consolidations and alliances. The idea is much in the public mind that this movement will extend on an international scale to cover the world's chief industries. Whether these plans ever come to fruition or not, it is clear that national amalgamations are one of the chief developments with which we shall have to deal in the near future. It is clearly of the first importance that this development should be on sound and reasonable lines, and that those who enter into it should do so with the assistance of intelligent guidance as to the why and the how. Whether to indulge in holy matrimony by amalgamation, or to become a member of a harem through a holding company, or to engage in a temporary liaison by a pooling agreement, and what are the right lines on which the freedom of single blessedness is to be surrendered—these are problems that must often be puzzling the wits of our industrial organisers to-day. To help them to an answer, Mr Cutforth has written a useful book* dealing clearly and intelligibly with what may be called the accountancy aspect of the question. The pros and cons of the matter he dismisses briefly, and regards chiefly from the point of view of the amalgamators, refraining from all discussion of the possible results of the process on our industrial future. He just refers, for example, to the criticism frequently levelled against combines that they may kill competition by price-cutting and then exploit the public, says that in the vast majority of cases these criticisms will be found on careful inquiry to have no substance, and adds that he does not pretend to deal with business morality or ethics, and that objections to amalgamations which he proposes to discuss "are practically confined to those on the part of the undertakings in question, and do not include those on the part of the public." This restriction runs through the whole book, and it need not be said that Mr Cutforth has a complete right to impose it on himself. But the result is a work which leaves out the public from a question in which the public is very closely interested and about which the public is going to want to know a great deal more. Looking at his subject from the point of view of the firms and businesses concerned, Mr Cutforth seems frankly to adopt the opinion cherished by so many of them that it is a mistake to tell the public more than can be helped, and that amalgamation arrangements which conduce to secrecy are therefore desirable. In discussing the question whether, for the purposes of a holding company scheme, two amalgamating companies joining forces should form a new company to do the holding, he says:—"Another possible advantage in the formation of a new Holding Company is that of comparative secrecy. The

two operating Companies may be public Companies having a large number of Preference Shareholders, while the Ordinary Shares may, in each case, be held by comparatively few people.....If, in such a case, one of the operating Companies were made the Holding Company, the Preference Shareholders of that Company would receive, yearly, a Balance-Sheet in which the holding in the other Company appeared, and they would probably expect to receive a certain amount of information as to the affairs of that Company. Further, the fact would thus be widely and periodically advertised (which might not be altogether desirable) that the interests of the two businesses were really one, and that such businesses were being operated in unison, instead of in competition with each other. If, however, a new Holding Company were formed to acquire the Ordinary Share Capital of both operating Companies, the owners of the Share Capital of that Company might be comparatively few in number; correspondingly fewer Balance-Sheets would be circulated; and little publicity would attach to the annual meetings of that Company. Further, the Holding Company might bear a name which would be unlike the names of either of the existing Companies.....If the shareholders of the Holding Company, exclusive of the employees of that Company, number less than fifty, the Company could be a Private Limited Company, in which case it would not be under the necessity of filing a Balance-Sheet at Somerset House which would be available for public inspection."

Such is the programme of discreet obscurity which Mr Cutforth describes as a "possible advantage." Again, in detailing the "special advantages" of a pooling agreement, he says that "in the first place there is the possible advantage of secrecy. The companies owning the businesses in question may be openly engaged in competition, and it may be considered inexpedient that the suppliers, customers, and the public generally should know that their interests are really identical." This description of the "advantage" of a device by which suppliers, customers and public can be deceived would be most useful to any Communist orator who was fortunate enough to study Mr Cutforth's pages. If it really represents the sentiment of those who do our joint-stock company business and prepare and audit their accounts, that sentiment cannot too soon be altered.

On the subject of valuation for amalgamation purposes, Mr Cutforth's full and informing exposition will be most useful to his clients. One derives from it, as from other authoritative works on the matter, a disquieting impression of the elasticity of the values that may be put upon most of the assets in a commercial balance-sheet, that is to say, of the inadequacy of a balance-sheet, taken by itself, as a guide to the position of the company which it is supposed to set forth. As he says, "with regard to Assets, the values of these are, in a number of cases, matters not of fact but of opinion." As to land, he says that it is necessary that the same valuer should be employed to value that owned by each party to the merger. "By employing one expert for the whole of this work there is at least the assurance that whether the values put upon the land owned by the various parties are on a somewhat high scale or a somewhat low scale, they are at least consistent." For amalgamation purposes, of course, this is all that is required; but when a business is being joint-stocked for sale to the public, the difference between a "somewhat high" and "somewhat low" scale may be very important to future shareholders. As to plant, machinery and other fixed and loose equipment, "the great probability is that the parties will not be able to agree among themselves as to the values to be arrived at." If this is so—and there can be no question that Mr Cutforth is right—and there is so much room for disagreement that parties engaged in a friendly deal have to call in an expert to decide, how can an ignorant shareholder, or outside critic, knowing nothing of the inner facts of the business, draw any inference from figures set against these items in a balance-sheet? Patents, patterns, book debts, stock-in-trade, work in progress, and, above all, goodwill, all are subject to the same elasticity; in varying degrees they are "matters of opinion." And the question is of very serious importance. If this elasticity in asset values merely made it difficult to attach any definite meaning to a balance-sheet it would be passed as a disability

* "Methods of Amalgamation and the Valuation of Businesses for Amalgamation and Other Purposes." By A. E. Cutforth, C.B.E., F.C.A. G. Bell and Sons. 25s.

under which our joint-stock system has suffered without much practical harm, as compared with the good effects that it has wrought. But when we remember that on the treatment by the directors and managers of companies of these "matters of opinion," and their policy with regard to putting values on them, the declared net profit finally depends, and that the amount of profits earned and the manner of their distribution is a thing about which we have somehow to arrive at certainly if our industry is to work in an atmosphere of peace, it is clear that some definite rules will have to be framed and followed by those who have to form an opinion on the values to be set against these elastic assets. Mr Cutforth, dealing with the purely accounting aspect of his problem, does not concern himself with this wider problem. He shows us the rough-and-ready methods by which balance-sheets express opinions, which are interesting rather than accurate; he does not touch the need for the discovery of means by which they could be made really informing, as public interest requires. On the subject of the balance-sheets of holding companies, he says that they may consist, on the assets side, of one item only, "as, for example, Cost of the whole of the share capital in Company X," and the report may confine itself to stating what, if any, dividend has been received on such shareholding; he adds that it is the general practice to furnish much more information and that in a number of cases the balance-sheets of the subsidiary companies are published with that of the holding company, or a combined balance-sheet is compiled and published; one infers that he considers that this is the right course, but a definite statement to that effect, which would have been valuable from one writing with his authority, is conspicuous by its absence. He has dealt with amalgamations, and valuations in connection therewith, in a manner which will be helpful to the amalgamationists, and also, it may be added, to those who will inquire into the problem in the wider spirit that the subject requires.

DISTILLERY PROFITS.

THE progress of the distilling industry is one which receives careful attention not only from investors, but from those who regard its possible products as munitions of war, and, incidentally, temperance reformers. An analysis of the figures of a group of representative distillery companies for the past year discloses a somewhat mixed record. Some of the undertakings have been able to show better results than for the preceding period, while, in other cases, declines have to be noted. Nor is there much information contained in the various reports to account for this. Be that as it may, it cannot be said that any of the companies, with the exception perhaps of Dublin Distillers and Longmorn-Glenlivet, did really badly. This will be seen from the following table, which shows the net profits over the last two financial years, after payment of debenture interest, together with the amount brought in, and the manner in which available balances were utilised:—

Name and Year Ends.	Amount Brought In.	Net Profit After Payment of Debenture Interest.	Preference Dividend.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
Booth's Distilleries—1924	£ 3,263	£ 62,566	£ 7,566	£ 25,200	£ 26,751	£ 3,303
Distilleries—1925	4,655	50,424	7,749	25,819	16,250	5,261
Buchanan-Dewar—Mar. 31, '25	98,517	1,024,371	250,730	775,000	..	97,158
Dailuine-Talisker—June 30, '25	19,202	38,371	4,075	20,882	10,000	27,668
Distilleries—June 30, '26	22,197	35,123	4,175	21,393	10,000	21,952
Distillers' Co.—May 15, '25	113,529	1,768,697	102,663	1,286,978	380,000	116,585
Distilleries—May 15, '26	116,551	2,058,442	105,600	1,657,839	310,000	121,554
Dublin Distillers—June 30, '25	47,010	Dr 21,880	13,725	nil	Dr 15,000	10,952
Highland Distilleries—Aug. 31, '25	10,262	Dr 10,868	7,400	nil	Dr 15,000	7,300
Distilleries—Aug. 31, '26	23,346	96,273	..	50,469	36,700	32,450
Longmorn-Glenlivet Distilleries—Sept. 30, '25	32,450	66,467	..	51,000	9,471	38,446
Longmorn-Glenlivet (William)—Sept. 30, '26	6,040	12,006	..	7,000	4,000	7,046
Longmorn-Glenlivet (William)—Sept. 30, '26	7,046	6,246	..	7,000	..	6,292
Longmorn-Glenlivet Distilleries—July 31, '25	16,537	5,845	750	3,000	1,100	17,532
Longmorn-Glenlivet Distilleries—July 31, '26	15,744	1,223	..	..	..	15,317
Power (John) and Son—June 30, '25	12,914	13,990	..	..	Dr 15,000	17,504
Power (John) and Son—June 30, '26	16,262	30,677	..	..	..	21,339
Seager, Evans and Co.—Mar. 31, '25	2,014	Dr 1,466	..	..	..	768
Seager, Evans and Co.—Mar. 31, '26	768	1,072	..	..	..	1,840
Walker (John) and Sons—May 31, '25	171,763	(b) 435,999	87,500	270,900	120,000	128,662
Walker (John) and Sons—Mar. 31, '26	114,515	654,410	105,000	315,000	221,323	127,602

(b) Ten months.

Probably the best performance was that of John Power and Son. This, however, was not so much due to in-

creased business as to the effecting of economies. The result is, therefore, particularly gratifying, though it is a pity that from the accounts as presented it is not possible to see in exactly what items savings were possible. In striking contrast were the figures of Dublin Distillers. The net loss, it is true, was reduced from £21,880 to £10,862. But the past year's figure included £15,000 transferred from general reserve. Had it not been for this appropriation, therefore, there would have been a loss of £25,862, against £21,880 in the previous twelve months. The directors report that "the great depression in trade which was referred to in our last report continues, but has been accentuated during the past year. There has been a further decline in consumption, with corresponding reaction on the company's trading."

The two largest concerns—Buchanan-Dewar and the Distillers' Company—were both able to show increased profits. The Distillers' Company holds a majority of the ordinary share capital of Buchanan-Dewar and of John Walker and Sons, Limited. The directors of the Distillers report that they "have now had a full year's experience in the working of the enlarged company, and have no reason to modify their views as to the wisdom of bringing the producing and distributing sides of the business into closer contact." In continuation of the policy of expansion the company acquired during the year important interests in the businesses of Herbert Green and Co., Limited, makers of Industrial Spirits at Hull; also in the distilleries and stocks which belonged to the firm of Macdonald, Greenlees and Williams (Distillers), Limited.

A slight and welcome improvement came over the position of Seager, Evans and Co., a small profit being earned during the year. On the previous occasion operations resulted in a loss of £1,246. This, apparently, has been made the signal for an overhauling of the company's affairs. The freehold land at Benfleet, which was producing no income, was sold, resulting in a net profit of £2,322; this amount has been added to the general reserve. In addition, an independent valuation was effected of all plant and machinery at Deptford and Liverpool. The result has been to reduce this asset by a sum of £4,110. At the same time, the opportunity has been taken to write off the following items appearing in the balance-sheet: Goodwill, £5,514, and cost of purchase of Robert Preston and Co., £1,208. The sum of £6,722 required for this purpose has been taken from reserve, leaving the total at £21,490. The Highland Distilleries was obliged to reduce its reserve allocation from £36,700 to £9,471.

The following table shows principal liabilities and assets over the past two years:—

Name.	Share Capital and Reserves.	Debs. and Loans.	Cre- ditors.	Prop- erties, Plant, &c.	Stocks	Cash.	Invest- ments.	Debtors
Booth's Distilleries—1924	£ 535,532	£ 633,502	£ 79,838	£ 199,023	£ 372,305	£ 7,903	£ 148,016	£ 398,680
Distilleries—1925	535,538	758,769	109,688	198,102	404,428	4,532	158,318	522,946
Buchanan-Dewar—Mar. 31, '25	9,517,038	..	5,752	..	..	54,690	9,666,785	476,728
Distilleries—Mar. 31, '26	9,517,038	..	3,701	..	..	38,750	9,616,657	523,908
Dailuine-Talisker—June 30, '25	293,935	..	57,591	150,000	92,799	92,560	21,132	50,639
Distilleries—June 30, '26	313,935	..	47,394	150,000	51,442	51,685	21,132	142,101
Distillers' Co.—May 15, '25	6,851,547	1,900,284	689,779	1,465,500	293,743	373,211	7,385,071	322,857
Distilleries—May 15, '26	13,642,949	2,496,098	468,954	1,475,000	300,503	467,432	15,216,629	242,800
Dublin Distilleries—June 30, '25	764,248	389,496	6,810	591,143	423,326	333	123,078	28,942
Distilleries—June 30, '26	734,102	406,851	6,900	590,000	411,109	378	124,382	27,590
Highland Distilleries—Aug. 31, '25	193,029	..	64,290	67,398	145,136	51,800	..	92,150
Distilleries—Aug. 31, '26	228,029	..	48,567	66,040	167,392	40,052	..	81,004
Longmorn-Glenlivet (William)—Sept. 30, '25	67,307	..	2,621	8,500	26,334	17,350	27,162	6,493
Longmorn-Glenlivet (William)—Sept. 30, '26	71,248	..	2,013	8,500	32,642	9,424	27,162	7,023
Longmorn-Glenlivet Distilleries—July 31, '25	41,761	..	453	25,995	21,264	8,378	4,981	3,056
Longmorn-Glenlivet Distilleries—July 31, '26	42,861	..	458	26,823	21,742	2,948	4,981	4,087
Power (John)—June 30, '25	872,982	..	8,454	619,133	164,802	41,615	49,106	43,441
Power (John)—June 30, '26	872,982	..	9,263	620,126	153,133	43,590	49,106	56,499
Seager, Evans and Co.—Mar. 31, '25	255,114	20,250	26,879	79,726	116,145	21,872	7,155	71,181
Seager, Evans and Co.—Mar. 31, '26	246,594	20,250	16,222	73,011	118,808	19,734	6,605	66,768
Walker (John)—Mar. 31, '25	3,202,748	2,000,000	1,705,320	349,702	5,187,748	179,456	247,252	..
Walker (John)—Mar. 31, '26	3,329,613	2,000,000	1,882,975	356,888	5,623,210	102,740	266,252	..

The modern system of holding big blocks of shares in other companies, and including them under "investments," considerably obscures the value of a comparative table. The absurdity of this practice can be seen with John Walker's "stocks" returned as £5,623,210, as against "nil" for Buchanan-Dewar. In the balance-sheet of the Distillers' Company, of course, is reflected the increase in capital involved by recent acquisitions and extensions. Properties and plant remain at much the same levels as a year ago, but stocks are somewhat higher. On the other hand, cash, as a rule, accounts for less, though investments, on balance, are higher—especially in the case of the Distillers, where the figure has jumped from £7,385,071 to £15,216,629—for the reasons given above. Generally speaking, sundry creditors have declined, but no pronounced movement either way is shown under the heading of debtors.

Our concluding table shows dividends on ordinary shares during past two years, together with present prices and yields, compared with a year ago:—

Name.	Prices of Shares.			Dividends on Ord. Shares.	
	End of Oct., '25.	Nov. 18, 1926.	Present Yield.	1924-5.	1925-6.
Buchanan-Dewar, 6% cum. pref. (£1) ..	1 7/8	2 1/4	6 3/4	25	25
Distillers' Co., ord. (£1) ..	3 3/4	2 1/2	7 8/3	20	20
Dublin Distilleries, ord. (£5) ..	1	1	nil	nil	nil
Highland Distilleries, ord. (£1) ..	7 3/4	5 1/2	9 0/0	46	50
Longmorn-Glenlivet Distilleries, ord. (10s) ..	1 1/2	1 1/2	5 16/6	10	16
Power (John) & Son 8% cum. pref. (£1) ..	4 1/2	4 1/2	12 15/0	nil	nil
Seager, Evans and Co., ord. (£1 1/2) ..	1	1	nil	nil	nil
Walker (John) & Sons, 7% cum. pref. (£1) ..	1 3/4	1 1/4	6 12/0	25	25

† Free of income-tax. (b) Ten months.

With the exception of John Power 8 per cent. preference, share quotations are below those ruling a year ago. There has consequently been an increase in yields, which are now rather high. Distillers' ordinary now return as much as £7 12s 3d per cent., as against £6 8s per cent. a year ago. The lowest yield is £6 4s per cent. on Buchanan-Dewar 6 per cent. preference, as against £5 13s a year ago.

CONTROLLING THE OUTPUT OF GOLD.

III.—THE STATISTICAL POSITION.

In this series of articles Professor Lehfeldt, of Johannesburg, raises the problem of ensuring that gold, which is once more resuming its former standing as the world's standard of value, can itself be stabilised in value. The reader will remember that Prof. Lehfeldt, unlike Prof. Cassel and other authorities, takes the view that gold is more likely to become too abundant than too scarce. At the conclusion of this series of articles we propose to put the case for the opposite view of the future value of gold.

At the present time the stock of gold in the form of coin or of bullion available for coining is probably about £2,200 millions. By far the greater part of this is held as reserves, by treasuries and banks; gold coins are in active circulation only in a few small countries, though, no doubt, a considerable amount is hoarded by the people of Europe who have suffered so much by the depreciation of paper money. Of the stock, more than 40 per cent. is in the United States; this is more than the proportion that would naturally find itself there in accordance with the extent of her trade. Before the war 20 to 25 per cent. of the world's stock was held in the United States, and though that country has become so much richer relatively to the rest, its needs cannot fairly be estimated at more than 30 per cent. It is impossible to make a close estimate, however, as the figure depends on the currency arrangements adopted there and elsewhere. There is no doubt a large surplus that could readily be exported, but it is of little use to estimate the actual amount; one, two, three, or four hundred millions might be disposed of, according to circumstances.

The stocks held may be divided into two groups, according as the country in which they are held maintains convertibility of its currency or not. If it does, as in Britain or United States, the gold reserve is in active use and the amount of it needed can be estimated

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if the currency policy is decided on, but in countries which do not maintain convertibility, such as Spain or Argentina, the gold reserve serves no purpose at all, and the amount of it is arbitrary. All that can be said is that it may be used some day, and the country may think it worth while to keep this expensive luxury on the chance. Fortunately for the rest of the world, such countries are extremely conservative, and there seems no likelihood that any of them will sell their stocks of gold and buy something useful with the money; probably the renewed prestige of the gold standard will suffice, and these countries will keep up their stocks with a view to joining the circle of gold-using countries later; but it is an element of uncertainty in the situation.

As regards output, the maximum that has been reached is about £95 millions. This fell to £70 millions in consequence of the rise in prices, which made many mines unpayable, but it has recovered to £80 millions, of which just about one-half is derived from the Witwatersrand. The most uncertain contributor is Russia, which is rumoured to possess vast deposits, the development of which is hindered by the general economic difficulties of the country. However, even under the Imperial Government the Russian output never exceeded a few millions.

Statements about "unexhaustible" gold resources should always be taken with reserve; the development of a paying gold field is not a simple matter. The most important recent discovery is in Ontario; authentic progress is being made there.

One of the weak points in the statistics is the difficulty of knowing how much gold is used in manufacture. The information collected by the United States Mint fails to include a good many countries, and is exposed to much uncertainty as regards those that do make returns. In the States themselves there appears to be a steady demand for about £8 millions worth of new material for jewellery and other manufacture; this is the largest item except in the case of India, and that country's demands vary extremely according to its degree of prosperity. India's consumption, however, has grown from decade to decade, and will now perhaps average £20 millions a year, so that for the world as a whole it is probable that £40 millions a year must be set aside as needed for industrial uses. This leaves over, at present a possibly equal amount to add to the monetary stock—an addition that would be equal to 2 per cent. per annum; as, however, both production and consumption may vary a good deal, the percentage may easily fall to half as much, or may rise, though perhaps not so greatly.

Taking a long view of the situation a 2 per cent. increase would certainly be enough, if not too much. We cannot expect the increase in trade to be greater than that. True, in the century before the war the increase may have been as high as 3 per cent., but the very rapid increase in population that took place then can hardly be maintained, and has, indeed, already suffered check. It would be unreasonable to expect the world's wealth to increase at a greater rate than 2 per cent.—even that,

if kept up for a century, would mean a sevenfold increase on its present amount.

If, then, there were only commercial changes to consider, the present output, together with such spontaneous improvement in banking practice as is always taking place, would suffice, and probably more than suffice, for growth in the demand for money. The uncertainty is greatly increased by what may, for contrast, be called political influences; i.e., by the influence that the policy of various governments and central banks may exercise. We have been acutely conscious of the dependence of the price level on the will of the Federal Reserve Board, but even less important persons might exercise an upsetting influence. The decision either to re-create a gold reserve, or to dispose of an existing reserve, would affect the market, and might set the fashion for a number of similar decisions. The Reichsbank has acquired a considerable stock since its reconstitution, but Czechoslovakia has conducted its affairs successfully by the exchange method without any gold to speak of. Which example is Italy, say, likely to follow?

Some writers think the nations will insist on returning to the reserve ratios existing before the war. In 1914 the stock of gold was about £1,690 millions, but this included a large amount in circulation; if that had then been replaced by paper money, as it has been since, a suitable increase in reserves being made, probably £1,400 millions would have sufficed. By 1914 this would have needed augmenting on account of growth of production, but because of the war and the subsequent depression, the growth was certainly less than the 20 per cent. which we may regard as normal for a decade. Thus requirements would probably have reached about £1,600 millions in 1924, whilst actually the stocks had risen to £2,200 millions. This calculation indicates that of the rise of 50 to 60 points in the index number of prices, 30 to 40 may be regarded as due to the increase and rearrangement of the gold stock (including the abandonment of gold currency). Complete reversion to pre-war practice in gold reserves would therefore involve a large drop in prices, though not to 1914 level. But the customs of bankers as to reserve ratio are not immutable. It is much more natural to suppose that more economical methods having been shown to be practicable, they should be maintained. Banks in certain countries may want to strengthen their reserves, but the American surplus would be quite equal to supplying such demands. In fact, it often happens that a pious wish to possess larger reserves is expressed, but when it comes to actually paying for the gold, more economical ways are found to be good enough.

To illustrate the uncertainty that arises from the political situation, let us make two extreme suppositions.

First, suppose a serious attempt is made to carry out the Genoa Plan for the replacement of gold reserves by bills and deposits on foreign centres; that Americans become nervous about the value of their huge stock of gold, and try to reduce it; that a French, Italian, Spanish, Argentine or Japanese statesman decides to dispose of some 50 millions worth, and that other countries, seeing the advantage of this, wish to follow suit. Then there might be a very serious fall in the value of gold.

Next suppose that France and Italy accept devaluation of their moneys, and restore the gold standard; that India adopts a fixed gold value for the rupee, with free minting of gold; and that a demand for gold currency springs up among the peoples of Central and Eastern Europe. All these influences would, of course, tend to raise the value of gold.

The mere statement is enough to show how uncertain the immediate future is. Still, we may claim that while the former list of events would cause a violent slump, the latter one would be more moderate and slower in its results, especially as the American surplus is available to meet demands in other countries. On the whole, the chief risk of a disturbance that would be embarrassing and detrimental to trade throughout the world appears to be on the side of depreciation, i.e., of rise in prices*.

* This opinion has not been generally accepted. I expressed it in the preface to "Restoration of the World's Currencies" (1923), despite the fact that at the Genoa Conference (1922), the experts were clearly afraid of a scramble for gold, and I venture to think that what has happened since gives no reason for changing my view.

Notes of the Week.

The Imperial Conference.—The Imperial Conference is expected to conclude its labours early next week, and it is to be hoped that the veil of secrecy behind which those labours have been conducted will be raised as fully and as speedily as possible. The nature of the issues, constitutional, political, and economic, with which the conference had to deal were such as to concentrate upon its proceedings a degree of general public interest greater, perhaps, than that which has been given to any previous conference. But the public appetite for news of what was being done has been left to quite an extraordinary degree unsatisfied. The Press has been full day by day of after-dinner speeches by overseas premiers which have assumed a volume that must have been a burden upon these distinguished visitors. But the report of the actual business proceedings have so far been laconic in the extreme. Some part of those discussions which deal with foreign policy, Imperial Defence and strategy and other "reserved" subjects cannot, of course, be published, but we hope that the Government will be in a position to issue full verbatim accounts of the discussions, as well as the decisions reached, on the wide range of economic and social questions which have been under review. A beginning has this week been made by the issue of four reports by sub-committees which have been adopted by the full conference. These deal respectively with forestry, the immunity of State enterprises from taxation, the taxation of non-resident traders, and the advisability of issuing periodic surveys of Empire trade. The Forestry sub-committee found that the outlook for the world's supplies of soft woods, which constitute about 80 per cent. of the timber used for industrial purposes, was distinctly unsatisfactory, and that although partial replacement of temperate by tropical hardwoods might prevent difficulties on that side from reaching an acute stage, it was imperative for all parts of the Empire to continue to conserve and extend their forest resources. Favourable note was taken of the work of such bodies as the Standing Committee on Empire Forestry, the Imperial Forestry Institute, and the Empire Forestry Association, and reference made to the question of the constitution of the Empire Forestry Bureau to the Forestry Conference to be held in Australia and New Zealand in 1928. As regards immunity of State enterprises from taxation, the General Economic Sub-committee found a measure of agreement within the Empire, sufficient to warrant the opening of negotiations with foreign countries with a view to reciprocal agreement for mutual taxation of Government trading enterprises, without prejudice to national interests in the event of war. As regards taxation of non-resident traders, the sub-committee did not arrive at complete unanimity. As matters stand at present, a manufacturer resident in one part of the Empire who sells his goods through an agent in another part receives different treatment in different Dominions. His burden is eased by arrangements, already existing in some cases, for relief in respect of double taxation, but the cost of that relief falls mainly on the Exchequer of the Mother Country. The proposition that liability to taxation in the country of sale should be confined to "merchandising," as distinct from "producing" profits, has been given effect to in the case of Great Britain, and underlies the laws of some of the Dominions, but the representative of India found himself unable to agree to it, and those of Canada and Australia disclaimed any authority to speak for their Provincial or State Governments. The last of the reports under consideration gave a warm benison to Mr Bruce's suggestion that surveys should be made from time to time, each dealing with inter-Imperial trade in a particular product, or group of products, and, if necessary, co-ordinating information given in the reports of such bodies as the Imperial Institute, the Department of Overseas Trade, and the statistical offices of the various Dominions. The question was, however, found to be intimately bound up with the possibility of holding a full-dress Imperial statistical conference. The Imperial Economic Committee,

whose continued existence on its present *ad hoc* basis was confirmed, was subsequently authorised to undertake the compilation of preliminary reports on these lines. Friday's Conference business included the receipt of reports from committees dealing with research, overseas settlement, workmen's compensation, and nationality.

Tangier.—It seems that the question of Tangier is to be reopened, but within narrower limits than the Spanish Government at first proposed. It will be remembered that Tangier—the principal port of Morocco and the principal seat of foreign residents—constitutes an "international zone" alongside of the French and Spanish zones, into which the rest of Morocco is divided. After long delays a statute for the Tangier zone was worked out in an Anglo-Franco-Spanish Convention of 1923, but this statute pleased neither the inhabitants of the zone, nor Spain, nor Italy. The inhabitants found the new arrangements cumbrous and costly; the Spaniards were disappointed to see their aspirations to incorporate Tangier in their own zone (which surrounds Tangier on the landward side) definitely put out of court; and Italy resented the refusal of the three parties to the Tangier Convention to admit her to the negotiations. Ever since 1923 the Spaniards have been seeking an opportunity to reopen the Tangier question, and Italy has been backing them. In 1925, during the negotiations at Madrid for Franco-Spanish co-operation against Abdul-Karim, the French succeeded in preventing the Spaniards from bringing Tangier into the field of discussion; but the moment after Abdul-Karim had been overthrown by the joint efforts of Spain and France (France bore the burden and heat of the day), Spain concluded a treaty of friendship and arbitration with Italy, and simultaneously raised the Tangier question in formal terms. At first the Spaniards wished to bring up the statute of 1923 for revision, but they appear now to have consented to enter into conversations *à deux* with the French, with a view to increasing the Spanish share in the administration of the Tangier zone within the framework of the 1923 statute. Any changes upon which Spain and France may agree are to be submitted for approval to Great Britain, and also to Italy, before being brought into operation. The Spaniards have a good case in demanding that the Tangier zone shall not be allowed to be used as a base of operations for stirring up trouble in the Spanish zone; and it is reasonable that Spain should have a sufficient voice in the administration of the Tangier zone to enable her to prevent it from becoming a nuisance to her own administration in adjacent territory. The British interest in Tangier is not unimportant, but is entirely negative. It is that a port on the threshold of the Straits of Gibraltar should remain neutral and demilitarised, as it is to-day. It is to be hoped that the forthcoming Franco-Spanish conversations will dispose of the Tangier question, which, so long as it remains unsettled, continually threatens to become a focus of serious international tension.

China and Java.—In regard to China, His Majesty's Government are continuing to pursue that policy of patience and conciliation which, however difficult to maintain, is the only policy which contains a germ of constructive possibilities. Sir Austen Chamberlain's brief statement in the House of Commons last Wednesday was on the same lines as Lord Balfour's statement in the Lords the week before. It could be wished that the British residents in China—especially the local British Press and the local correspondents of London papers—would not persist in placing stumbling-blocks in the Government's path. It is obvious that, for the British in China, the present situation involves a far greater daily strain and exasperation than for their countrymen at home. On the other hand, they have much more to lose if Anglo-Chinese relations do not take a turn for the better, and at present their utterances are mostly calculated to give these relations a serious turn for the worse. For example, on November 12th, the *Times* correspondent at Shanghai telegraphed that "when Western Cabinet Ministers talk of a policy of conciliation in China, it is difficult to believe that they really understand the

true nature of the problem which not only they but China have to face." Editorial endorsement of the correspondent's view followed. This is unfortunate, for it is evident that the party which cannot or will not understand the true nature of the problem is not His Majesty's Government but the British communities in China themselves. The fundamental fact in the problem was frankly admitted by the *Times* in the leading article aforesaid: "No one dreams of forcible intervention in the tangle of Chinese affairs." Anyone in touch with British public opinion at home knows that this is so, and it is a matter of urgency that the fact should be realised by the British in China. There may or may not be circumstances in which the right policy is to use force; but there are no circumstances in which the right policy is to use threats when there is no intention or possibility of following up such words by similar action. We cannot, as the *Times* very properly declared, allow ourselves to incur the contempt of an awakening China; but tall talk without drastic action is the surest means of incurring contempt which the wit of man can devise. We adopted this attitude, with disastrous results, in Turkey from 1919 to 1923. The British in China are inviting us to do the same thing there, with the inevitable sequel of a disaster to another and far more important group of British interests than those which were at stake in Constantinople and Smyrna. We sincerely trust that the Government will hold firmly to their present course. The dangerous possibilities of the situation, if it is not handled with wisdom and restraint, are illustrated by the Communist rising (happily abortive) in Java—an East Indian island, inhabited by a dense population of Muslim Malays, in which settlers from Southern China hold a prominent position. In Java, Communist doctrines seem to have obtained a certain hold upon the imaginations of the people. In China, fortunately, this is not yet the case. The Chinese Nationalist Government at Canton has borrowed technical instructors and organisers from the Soviet Government at Moscow because, for the time being, both parties have certain opponents in common; but this is still no more than a matter of foreign relations; and the exigencies of international affairs often bring together the strangest bedfellows—for example, Czarist Russia and Republican France. The present entente between Canton and Moscow has no very permanent foundations; and it may turn out to be no more than a passing phase if British policy is wisely handled. On the other hand, a British policy of bluster might do more than anything else to play into the Bolsheviks' hands by bringing the relations between Canton and Moscow on to a permanent and intimate footing.

Lord D'Abernon on German Currency.—No pronouncement at the Royal Statistical Society has drawn, or has deserved, so much attention as Lord D'Abernon's presidential address on the collapse and recovery of the German currency. As our Ambassador in Berlin during the period, he followed all events at the centre, and was, no doubt, an important factor in the events he describes. Although the course of the mark's fall and ultimate collapse struck the world as an unprecedented catastrophe, the crisis, as Lord D'Abernon says, was true to standard type, and nothing occurred which could not have been foreseen or have been explained by known law. It was only abnormal in its violence and magnitude. Lord D'Abernon divided his period into two halves—that of decline down to the autumn of 1923 and that of recovery up to the present year. In England we had learnt that the inflation and depreciation of a currency act as a concealed income-tax and levy on capital; a strange blindness hid facts which should have been obvious from the German financial authorities. "The capitalist class, which finally lost its invested savings through inflation, was at no time hostile to the steps which led to this loss." Two prime causes led to the disaster:—(1) Failure to see the danger of an ill-regulated issue of banknotes, and (2) a demand for reparation payments. Seeing that Germany resorted to inflation during the war years, Lord D'Abernon acquits the Allied demand from being the primary cause, and the Reparation Commission constantly advised the German Ministers to reform their taxation, although it never gave them a long enough

breathing space. Many known economic laws were shown at work on a vast scale. Inflation provided industry with "the illusion of fortune" until the crash proved these paper profits to be worthless. As the German Government increased the amount of its paper money the purchasing power of the aggregate currency fell steadily; in 1913 the average currency in circulation was worth £300 million sterling; after August, 1923, until the period of stabilisation, the whole Reichsbank and authorised Government issues could have been bought up for ten millions. Germany only carried on its business with so small an amount of money (in purchasing power) by increasing the velocity of its circulation and by using emergency tokens (Notgeld). At first the Government attacked symptoms, trying to bolster up the external value of the mark by "controlling" dealings in foreign exchange, and even by seizing foreign currencies wherever they could be found. The real remedies were taken when Dr Luther and Dr Schacht invented the rentenmark. The new currency was guaranteed by a mortgage on German landed property and by bonds on German industry. Lord D'Abernon doubts whether the mortgage had a real value; its psychological value was undoubted, since it gave the German public confidence. Even more important was the limitation on the issue of rentenmark notes. In two months the gold value of the authorised currency rose from £10 millions to £113 millions, and the rate of exchange has kept stable ever since. Taxation receipts, too, at once became considerable, in contrast with the time when they did not cover 1 per cent. of the Government's payments. By this time, no doubt, the Allied Powers had begun to help by modifying their impossible demands, but this alone would have had little effect. Dr Schacht's policy of drastic credit restriction made him for a time the most unpopular man in the Reich. Lord D'Abernon praises Dr Luther and Dr Schacht, just as he censures Dr Havenstein and the "wild currency of the Reichsbank" during the earlier period. The ex-Ambassador reckons the *Seisachtheia* involved in the collapse of the mark at £10,000 millions; it is extraordinary that this enormous "shaking-off of burdens" did not destroy the German habit of saving, which is now stronger than ever.

Australian Finance.—At a dinner given by Australian bankers in London on Tuesday, Mr S. M. Bruce, Prime Minister of Australia, gave a forcible reply to recent criticisms of Australian Government finance, which have been heard not only in London but in Australia as well. The rate of increase in the public debt in proportion to population has of late aroused misgivings in many quarters, and these will doubtless be to some extent allayed by Mr Bruce's assurance that future loan policy would be directed "even more determinedly than in the past to ensuring that moneys are borrowed for reproductive work only," and that the Commonwealth Government is doing all in its power to ensure that borrowing shall proceed on a strictly controlled and thoroughly sound basis. In referring to the railways, the finances of which have formed a subject of criticism, Mr Bruce claimed that they had proved to be "tremendously effective agencies for developing their latent national assets and for opening up avenues for private investment and enterprise, thus making great indirect as well as a direct contribution to the national wealth." At the same time he admitted that the railways showed a deficit, and did not deny that an adequate return on much of the capital invested in works is not being earned. Among the large quantity of statistics which Mr Bruce quoted, the interesting fact emerged that, while in 1901 only 14 per cent. of the public debt of Australia was to Australians, and in 1911 29 per cent., the figure in 1925 was 51 per cent. To the thoroughly justifiable demand for the publication of fuller information in loan prospectuses, Mr Bruce's concession appeared to be rather grudging. "This is quite a recent demand," he said, "and I doubt whether any real good is to be derived from the publication of such details" (showing the position of the borrower). The average lender, he went on to say, knows as much as he wants to know about the position of Australia, and if he wants more information, "all he has to do is to look up

the Official Year Book of Australia." Such an attitude as this is no more defensible in the case of a great State than in that of a small municipality, and we hope that Mr Bruce's doubts as to the necessity for the publication of an informative prospectus will have been dispersed before the issue of the next Australian loan. At the annual meeting of the English, Scottish, and Australian Bank, Mr Andrew Williamson, the chairman, endorsed much that was said by the Australian Premier, and said that the discouragement of the supply of the money needed to push on as rapidly as possible the development of the great natural resources of any of our overseas Dominions would be a short-sighted financial policy for this country. "At the same time, all our Dominions should ever bear in mind that extravagance and wasteful expenditure inevitably injure credit. The valuable privilege accorded by the Colonial Stock Act to our Dominions imposes on them a corresponding responsibility in their borrowings, to ensure that their loans shall always continue to be intrinsically worthy of the high position of a British Trustee Stock." On the question of the high rate of taxation, Mr Williamson urged that "greater economy in administration would make possible a very material lessening of the burden, and this cannot be too earnestly impressed upon the Governments of all the States, as well as that of the Commonwealth."

Municipal Banking.—The Treasury has appointed a committee, consisting of Lord Bradbury, Sir Laurence Halsey, Sir Henry Haward, Col. the Hon. Sidney Peel, D.S.O., and Sir William Schooling, to consider whether it is desirable to permit a further extension of the formation of municipal savings banks, and if so within what limits and subject to what conditions, statutory or otherwise. The first corporation to establish a municipal bank in this country, it may be recalled, was Birmingham, which obtained powers under a special Act of 1919. This bank combines the functions of a savings bank and a building society, and has over £5½ millions of deposits and some 170,000 depositors. Manchester City Council has recently appointed a committee to inquire into a proposal for the establishment of a municipal bank for Manchester. Hitherto Manchester has financed itself very successfully by short-term borrowings, and as its requirements are large there are obvious advantages to be gained by the project. At the same time there is an obvious need for a definite ruling as to what requirements should be laid down for the management of municipal banks and as to the conditions under which municipal floating debts, owed to a large number of small depositors, should be incurred.

The Finance of Broadcasting.—Parliament has now given provisional approval to the main outline of the new organisation of British broadcasting, to come into operation on January 1, 1927. Early in the present year the Crawford Committee unanimously recommended that the licence to the British Broadcasting Company, which expires on December 31st next, should not be renewed. Warm tribute was paid to the initial work the company has efficiently undertaken. It was proposed that a new British Broadcasting Corporation should be established, of five persons with knowledge of public affairs; that it should retain as executive officer the present general manager of the company; that under agreement with the Postmaster-General as spokesman on broad issues in Parliament it should have large freedom in the maintenance and development of the service; and that, for these purposes, ample funds should be placed at its disposal. In terms of that report the Postmaster-General has now secured approval of a supplementary estimate of £295,000, part of which will be used for the liquidation of the existing company, including the repayment of £71,000 of subscribed capital to its shareholders at par, and part (£183,000) to meet the outlays of the new Corporation in the period between January 1 and March 31, 1927, the end of the financial year. As regards revenue the scheme provides that the Postmaster-General will continue to collect the licence fees, to be retained at 10s per annum, and of which there are now over two million; that he will deduct from the general yield 12½ per cent. to

cover the cost of collection and administration, the Crawford Committee having recommended that the new organisation should not be in any way a burden on public funds; that from the balance year by year he will allocate to the Corporation 90 per cent. of the yield of the first million licences, 80 per cent. of the second million, 70 per cent. of the third million, and 60 per cent. of the yield of any licences above that figure, the reason for the scale of percentages being that operating costs decline after the first million; that on actual figures this allocation will give the Corporation annually in the immediate future, in round figures, £800,000, rising to £860,000; that that allowance will be substantially more than the present company has enjoyed, and is believed to be sufficient for maintenance, research, development, and all the needs of the service; that the Exchequer will retain sums amounting to two or three hundred thousand pounds annually, according to the Postmaster-General, in recognition of certain services which the State renders in the environment, so to speak, of the Corporation; and that the whole financial arrangement will be subject to review at the end of two years, when the allowance to the Corporation can be increased or diminished as required, and when, presumably, the interests of consumers, either in reduced licence fee or in increased facilities, will be carefully considered. The aim has been to avoid making the arrangement to any extent a revenue-producing machine, in the form of indirect taxation of listeners. Much of the criticism turns upon the apparently ample powers of control which are retained by the Postmaster-General. But it should be observed that they are almost exactly the powers which have been in existence since the British Broadcasting Company was formed, and there is therefore no reason to believe that they will interfere with the development of the service. In an expanding industry, if it may be so described, no one can forecast the finance with accuracy, and all interests have been safeguarded by the complete review at the end of two years, with such Departmental inquiry as will be possible before the expiry of that period. In summary, the scheme may be described as public ownership and control of the service by means of public corporation, standing between the Postmaster-General and the people; it is a large experiment which will be studied with the keenest interest.

American Coal and the British Stoppage.—A correspondent writes:—Figures recently published by the Department of Commerce at Washington demonstrate how beneficial the British coal strike has been to U.S. producers and exporters of coal. For the first eight months of the present calendar year, ending August 31st, the United States exported 16,821,000 tons of coal, as compared with 12,427,000 tons in the parallel period of 1925, a gain of more than four million tons. American coal is now finding its way into the ports of every important country in the world, and the increased export demand has helped the industry to prosperity in what would otherwise have probably been a hard summer. Exports of coal had risen in the first four months of the year from 999,697 tons in January to 1,389,049 tons in April, but the real fillip came in May with the outbreak of the strike, and the figures given below show how rapid has been the expansion of the export trade:—

	Tons of Coal Exported.
May	1,843,787
June	2,525,209
July	3,629,753
August	3,942,869

In August Great Britain took no less than 1,510,761 tons, and almost as large a quantity in July, while the Irish Free State bought 92,420 tons in August and 50,988 in July. Some of the gains in other markets were spectacular; the Argentine, which took 73,086 tons in July, bought 189,080 in August, and the exports to Egypt jumped from 8,119 tons to 41,295. Exports to Italy, placed for August at 146,422 tons, were about the same as in July, and exports to France showed a slight increase from 15,512 tons in July to 18,085 tons in August. Most of the coal exported from the U.S. is mined in Pennsylvania and West Virginia, and finds an outlet at some of the ports on Chesapeake Bay. Baltimore is the most

popular port for coal exporters, and so great is the demand there for shipping to carry coal overseas that the port authorities there have applied to the Government for additional ships. As a result, many tramp steamers which at this time of year usually go to the St. Lawrence ports for grain cargoes are avoiding them this year, and grain exporters in Montreal find it difficult to secure space.

Cost of Living.—There was a marked rise in the cost of living during October. The index number of the Ministry of Labour at November 1st was approximately 79 per cent. above the level of July, 1914. This compares with 74 per cent. a month ago and 76 per cent. a year ago. The following table shows the monthly movements of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items.
(Food, Rent, Clothing, Fuel, and Light, &c.)

1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan.	85.90	125	165	92	78	77	80	75
Feb.	90	130	151	88	77	79	79	73
March ..	90	130	141	86	76	78	79	72
April ..	90.95	132	133	82	74	73	75	68
May ..	95.100	141	128	81	70	71	73	67
June ..	100	150	119	80	69	69	72	68
July ..	100.105	152	119	84	69	70	73	70
Aug.	110	155	122	81	71	71	73	70
Sept.	110	161	120	79	73	72	74	72
Oct.	115.120	164	110	78	75	76	76	74
Nov.	120.125	176	103	80	75	80	76	79
Dec.	120	169	99	80	77	81	77	..

For food alone the index stood at 69 per cent., as against 63 per cent. at October 1st and 72 per cent. a year ago. The rise in the index number during the month was chiefly due to increases in the prices of coal, eggs, and potatoes.

Employment in October.—Employment continued to be bad on the whole throughout October. According to the *Ministry of Labour Gazette*, among the 12 million workpeople insured under the Unemployment Insurance Acts in Great Britain and Northern Ireland, the percentage unemployed at October 25th was 13.6*, which compares with 13.7*† at the end of September, and 11.4 per cent. a year ago. The total number of registered unemployed on November 1st was approximately 1,610,000*. This compares with 1,582,000* a month ago, and 1,295,000 at the end of October, 1925. Among the members of trade unions, the percentage unemployed at the end of October was 13.6*. This shows no change from the figure for the previous month, and compares with 11.3 per cent. a year ago. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.

	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9*
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	13.2*
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	13.3*
September .	2.3	2.2	14.8	14.6	11.3	8.6	11.4	13.6*
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	13.6*
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	..
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

In many industries employment remained bad, particularly in iron mining, iron and steel manufacture, the tinplate trade, heavy engineering, shipbuilding, and most of the textile trades. There was, however, some improvement in the cotton and pottery industries, but there was a seasonal decline in the building trades.

* Excluding workpeople in the coal-mining industry who ceased work owing to the dispute.

† Revised figure.

Unemployment Statistics—A New Departure.—Since the establishment of unemployment insurance on its present lines, Great Britain has possessed more comprehensive information of the state of national employment than any other country in the world. The business community generally has long realised the usefulness of the returns, particularly of those published monthly, in which are set out the total registered unemployed in a large number of trades, following, broadly, the classification of the 1921 population census. It is now proposed to go a step further, by the issue of various tables showing month by month (or, possibly, even week by week) the course of unemployment in every town or area served by a Labour Exchange. The value of such a series to local traders needs no comment. It will, for instance, enable the adjustment of sales activities to changing conditions of prosperity in local areas, and the making of all necessary allowances for such changes when the effectiveness of advertising or salesmanship is in question. The general demand for information on these lines is held to be insufficient to warrant the printing of new tables in the *Labour Gazette*, but it is intended to circulate a subscription four-page sheet, at a cost to subscribers, as far as can be estimated at the moment, of about £5 per annum for a monthly, or £20 for a weekly, series. The institution of the new arrangements is conditional on the volume of the public's response, and it is to be hoped that the latter will justify the initiative displayed by the Department concerned, and eventually lead to a reduction in the somewhat high charge.

Financing the American Cotton Crop.—In our last week's issue we discussed various questions suggested by the raising of a "record" cotton crop in the United States, and mentioned that certain efforts were being made to raise prices from their present low level by holding "surplus" stocks off the market (see the *Economist*, November 13, 1926, page 808). A correspondent sends us the following account of the measures which have been, or are being, taken to cope with a situation, the outward and visible sign of which is that December cotton futures have lately been sold in New York at 12.32 cents a pound, against an estimated average cost of production of 17½ cents. "Early in October demands for governmental assistance arose from every quarter of the South. President Coolidge responded by appointing a Cotton Commission consisting of Secretaries Mellon, Hoover, and Jardine, and Mr Eugene C. Meyer, the latter an able Jewish banker who was formerly chairman of the War Finance Corporation. The Commission met immediately, and outlined the following relief measures as the most practicable:—

1. An immediate survey to determine to what extent the cotton consuming countries of Europe could be induced to make long-term purchases.
2. The stimulation of the cotton manufacturers of the United States to make long-term purchases as a matter of self-protection as well as for the checking of panic sales.
3. Encouragement of the efforts of the Southern banks to stand behind plans of relief and greater co-operation in these efforts on the part of the Federal farm credit organisation.
4. Restriction of acreage of the 1927 crop.

The task of a rapid survey of the situation in the South was undertaken by Mr Meyer, who is the chairman of the Commission, with the assistance of Mr. A. C. Williams, chairman of the Federal Farm Loan Board. As the result of their survey and a series of consultations with local bankers, there have come into existence a group of cotton finance corporations, for which a combined capitalisation of \$16,000,000 is projected. These corporations are being organised in North Carolina (\$1,000,000), South Carolina (\$1,000,000), Georgia (\$1,000,000), Louisiana (\$1,000,000), Texas (\$5,000,000), Oklahoma (\$2,000,000), Memphis (\$2,750,000), and Western Arkansas (\$1,250,000). The Louisiana corporation will take care of both Louisiana and Southern Mississippi, and the Memphis organisation will look after Northern Mississippi, Tennessee, Eastern Arkansas, Kentucky, and South-eastern Missouri, while the others will restrict their operations to the boundaries of their own States. A capital of 16 million dollars makes possible a loaning fund of 160 millions, and the plan is to lend growers 9 cents per lb on cotton, taking warehouse receipts for storage as security and allowing the loans to run for 18 to 20 months. By

this means it is hoped to be able to withdraw from the market some 4 million bales of the new crop and restore prices to a level which will at least repay the cost of production. Some time must elapse before the success of the measures can be accurately determined, but there are political facets to the situation which will force the Coolidge administration to leave no stone unturned for its relief. During the last session of Congress the politicians from the maize-growing States of the Middle West manoeuvred to secure southern support for the measure known as the McNary-Haugen Bill, by providing a special 'subsidy' for cotton. Their overtures were rejected, but the fear now looms up in the minds of the Republican leaders that, unless the plight of the cotton growers is improved by some means or other, their representatives may make common cause with the members of the western farm bloc and force through a far-reaching and expensive plan of so-called 'farm relief' which would be highly distasteful to the banking and commercial interests of the East."

Cotton Futures Trading.—Our Manchester correspondent writes:—On Monday next there is to be an important meeting of the members of the Liverpool Cotton Association to consider the question of extending trading in the futures market. According to the present rules operations are limited to thirteen months ahead, but it is proposed that this should be altered to twenty-five months. Some of the members have petitioned the directors and asked for this alteration. The proposal has been unanimously approved by the board, and it is quite expected that on Monday the change will be confirmed. According to Liverpool merchants and brokers, they are finding an increasing desire amongst spinners to cover their requirements well ahead at the present level of prices. It remains to be seen whether operators will take advantage of this development to any considerable extent. Traders will certainly be interested to see the prices for distant positions in relation to quotations for current months. Undoubtedly there is a feeling amongst spinners that they should take the opportunity of securing their wants for a long time ahead, as the opinion is held that prices are not likely to go lower, and if the acreage in the United States for next season is curtailed there is every probability of a rise in values before very long.

Iron and Steel Output.—According to the figures issued by the National Federation of Iron and Steel Manufacturers, the five furnaces which were in blast at the end of September continued in operation during October, and produced 13,100 tons of pig-iron, compared with 12,500 tons in September. It will be remembered that on the eve of the coal stoppage there were 147 furnaces in blast, and that the production of pig-iron in April was 539,100 tons. The production of steel in October was 92,900 tons, compared with 95,700 tons in September and 661,000 tons in April. The effect of the British coal stoppage on production on the Continent is reflected in the following table, where the production of pig-iron and steel in the first quarter of this year in Germany, Belgium, and France is compared with production in the third quarter. It will be seen that the production of pig-iron increased by 22 per cent. in Germany, 50 per cent. in Belgium, and 7 per cent. in France; and that the production of steel increased by 29 per cent. in Germany, 73 per cent. in Belgium, and 6 per cent. in France:—

(In Thousands of Tons.)				
Pig-iron—	Germany.	Belgium.	France.	
1926. 1st quarter....	2,005.7	611.7	2,206.7	
3rd "	2,459.1	923.2	2,352.8	
Steel—				
1926. 1st quarter....	2,516.8	535.8	1,985.0	
3rd "	3,254.6	926.4	2,095.4	

Imports of iron and steel into the United Kingdom in October amounted to 398,200 tons, a decrease of 47,500 tons compared with September, but a big increase compared with the average of 236,200 tons imported in the first quarter. Of the total imports, 57,500 tons were pig-iron, 90,900 tons billets, blooms and slabs, 86,400 tons sheet and tinplate bars, and 32,900 tons plates and sheets. Exports of iron and steel amounted to 194,100 tons, an increase of nearly 34,000 tons compared with September,

but, of course, a big decrease compared with an average of 360,900 tons in the first quarter. The chief items exported were 59,600 tons of galvanised sheets, 24,500 tons tinplates and sheets, and 23,500 tons of tubes and pipes (cast and wrought).

The World Court and a World Code.—Before the recent announcement by President Coolidge that there is no prospect of his country's adhering to the International Court of Justice at The Hague, close observers had foreseen that such a declaration was not improbable. In an analysis of the results of the recent United States elections in the *Economist* of November 6th it was suggested that non-adherence to the Court might be one consequence of the paralysis of policy flowing from the almost even balance of parties. In addition it has been known that the conditions attached by the United States Senate last January to its resolution in favour of adherence have not proved acceptable in their entirety to other nations. The President now says that he will not ask the Senate to modify its position, and so there will be a continuance of the anomaly that, though one of the judges is an American, the United States refrains from formal participation. Currency is given, however, to the report that the question is not closed, and further that the President may shortly take an opportunity of explicitly endorsing the movement (which finds much support in the United States) for the codification of international law by proposing the holding of an international conference. Codification is a somewhat vague term, to which the non-legal mind is apt to attach various interpretations. American jurists have dwelt on this. The word may be used as meaning no more than reduction of existing rules to an orderly form, or it may include amendment, or it may be employed more particularly with reference to the smoothing away of inconvenient differences where national laws are divergent. In the last-mentioned sense a good deal of sound, practical work has in recent years been done, and is still in progress. America itself (including Canada) is struggling with the problem of divergency between State and State, and work in this field, on a world basis, has definite interest for business men as well as for those whose views and aspirations are perhaps more idealistic. In the broader sense the League of Nations has, it is material to remember, moved, though tardily. A League committee of jurists, including an American member, has for nearly two years been in existence, its instructions being to advise as to the subjects of international law which could most readily be regulated by international agreement. Vague notions of codification need, perhaps, the corrective of a reminder that real progress is not practicable along the line of preparing, all at once, a theoretically complete and all-comprehending code. The subject is too vast and complex, and, it may be added, too intimately involved with current everyday problems for sweeping treatment. It can be tackled effectively only by degrees, and only by enlisting the co-operation of practical people with special knowledge and experience of each particular subject. Therefore, while a conference would perhaps lift the subject into the prominence it deserves, such a gathering could be no more than a step towards the real solid work needed for the elaboration of useful provisions on various subjects for international adoption.

Chilean Railways.—A correspondent writes: The improvements hoped for in the State railways of Chile, as the result of the recommendations made by the Kemmerer Financial Mission, have as yet manifested themselves in part only, and it is again suggested that it would be better for the country were the Government to make fresh efforts to dispose of some, at least, of its lines—if a purchaser could be found. The importance to Chile of her transport systems can be gauged from the fact that from them one-half of the public debt is derived, while upon their effective management the country's economic progress very largely depends. Ranging over a term of years stupendous sums have been lost upon running the State Railways. Deficits, amounting in all to more than 9,000,000 pesos (say £225,000,000), have been incurred, while the debt, now standing at £13,875,000, demands yearly interest payments of over

£585,000 and an annual contribution to the sinking fund of £487,500. A somewhat better showing has been made during the last 12 months, from which it would appear that the worst days have been passed and a more hopeful future has dawned. While for the financial period in question the revenues of the State lines showed a further loss of 5,650,000 pesos upon the Northern lines, upon the Southern lines there is shown an actual surplus of 13,670,000 pesos, or, say, a net profit of 8,020,000 pesos. These figures, however, would seem to take no account of such important matters as depreciation, renewals, or service of loans. For the first quarter of the present year the gross receipts were 67,000,000 pesos, and the expenditure 53,350,000 pesos, leaving a surplus of 13,650,000 pesos. Efforts are being made towards a better and more simple reorganisation of the State lines; experts from different parts of the world—especially Germany and the United States—have been called in to diagnose and advise, and, if possible, cure, the partial paralysis still being caused by defective administration. It has been found, moreover, that no definite remedy or lasting regeneration is possible so long as politics—as has proved the case in Brazil—are permitted to interfere with the situation, a cause of retardation which makes itself felt in many branches of the management, such as appointments to the staff, discrimination in applying the tariffs, labour conditions, and in other directions. Such drawbacks can alone be dealt with by the Chileans themselves; no foreigner could be expected to attempt a reformation that must come from within.

Iron, Coal, and Steel Debentures.—In the improvements that have occurred during the past week or so in the prices of ordinary and preferred shares in iron, coal, and steel companies, the debenture stocks have sympathised to a mild extent. Not long ago it was difficult to sell stock of this nature. To-day it is none too easy to buy it. In other words, the market in these debentures and debenture stocks is not a particularly free one. In view of the fact that speculative investment is rather eager to take a hand in Stock Exchange securities that are likely to benefit, and permanently, from the conclusion of peace in the coal industry, we may set out a list of some of the principal debentures, of which a moderate amount of stock is obtainable in each case:—

Interest Payable.	Name.	Interest.	Repayable.	Price at which Offered.	Yield not Making for Depreciation.
1 J J	Armstrong, Whitworth	% 4	1958 at par	67	5 19 5
1 J J	Do 2nd deb.	5	On or before 1946 at 102½	83	7 16 8
16 M S	Do cons. mort. deb.	6½	1939 at par	69	9 8 4
1 J J	Baldwins	7½	At par	101	7 8 6
			Cum. Sink. Fund of 1 per cent. commencing 1923		
1 J J	Bengal Iron	7	1947 at par	94	7 8 11
1 J J	Bolckow, Vaughan	8	At 100	96	8 8 6
1 J J	Do	6	1943 at par	64	7 2 10
30 M S	Cory (Wm.)	4	108 any time 6 mos. notice	76	5 5 3
1 A O	Cammell, Laird	5	1947 at 103½	78	6 8 2
1 F A	Canadian Vickers	6	1941 at 103	95	6 6 4
1 J J	Consett Iron	6	1952 at par	98	6 2 4
5 J D	Densaby and Cadeby	6	By Dec. 1944, at 102 Cum. Sink. Fund Pur. or Draw. 1st Red. Dec. 5, 1926	100	6 0 0
1 M N	Dorman Long	5½	1963 at par ann. Cum. Sink. Fund com. 1924 by Pr. or Dw.	91	6 0 11
1 J J	Glass Houghton and Castleford Collieries, 1st mort. deb.	6	1945 at 102	93	6 9 C
1 J J	Grovesend Steel and Tinplate	6	1950 at par	98	6 2 5
			By ann. draw. or purchase under commencing 1925		
1 A O	Do	6½	1933/1948 at 103½	99	6 11 4
1 J D	Guest, Keen	4	Irredeemable	80	5 0 0
10 F A	Hadfield	5½	1947 at par	95	5 15 9
1 J J	Indian Iron & Steel Co.	7½	1945 at par	95	7 17 11
1 M N	Mond Nickel	5½	May 1, 1957, at par	105	5 4 9
1 J J	National Smelting Co	7	1945 at 102	102	6 10 10
1 M N	Nobel Industries	5½	1951 at 102½ or pur. under	65	7 13 10
1 J J	Palmer's Shipbuilding	5	1951 at par	94	7 19 6
15 J J	Pearson and Knowles	5	1954 at par	86	5 16 3
1 A O	Peace and Partners	5	1952 at par	105	6 13 2
1 J D	Powell Duffryn	7	June 1, 1951, at par	94½	7 18 4
1 J J	Skoda Works	7½	1957 at 102½	94½	7 8 8
26 J D	Tata Iron and Steel	7	1952 at par	104	6 14 7
1 J J	Thomas (R.)	6	1949 at par	82	7 6 4
30 J D	United Steel "A"	6	1948 at par	76	7 17 11
1 A O	Vickers, 1st mortgage	5	1937 at par	89	5 12 4
1 A O	Do do	5½	Oct. 1, 1972, at 103	92	5 19 7

It will be noticed that the yields range from 5½ per cent. on Mond Nickel and William Cory debentures to nearly 9½ per cent. on Armstrong Whitworth Consolidated mortgage debenture stock. In some of the above cases sinking funds are in operation, or are about to come into

working, for redemption of stock at due dates. The interest on Palmer's Shipbuilding is paid free of tax. Armstrong Whitworth passed the last dividend on its ordinary and preference shares. Detailed particulars of the security that covers each stock should, of course, be investigated by prospective investors.

India Rubber, Gutta Percha.—The slight decline in profits shown by the India Rubber, Gutta Percha, and Telegraph Works Co., Limited, during the year ended August 31st last was not sufficient to affect the position of the shareholders. As will be seen from the following comparative table, the ordinary dividend was maintained at 5 per cent. :—

September 30.	1913.	1920.	1921.*	1922.*	1923.*	1924.	1925.	1926.
Gross profit ..	£176,855	£359,349	Dr 149,640	£166,490	£311,150	£320,407	£330,695	£321,996
General exps. ...	82,435	204,790	205,907	193,075	154,193	158,411	162,197	170,557
Inco-tax, directors' fees, &c.	3,008	32,370	40,632	10,150	4,239	4,013	4,104	4,415
Depreciation ..	23,861	28,889	30,949	37,671	36,374	36,666	35,913	36,360
Deb. interest ..	16,000	20,000	18,333	20,000	20,000	20,000	20,000	23,943
Net profit ..	50,551	73,300	Dr 45,461	Dr 94,408	96,344	101,317	108,482	86,721
Balance fwd. ...	5,904	100,358	142,418	35,498	3,592	10,658	21,975	20,457
From reserve ..	...	...	350,000	75,000	...	...	...	...
Available for dividends ..	57,455	173,658	46,957	119,498	99,936	111,975	130,457	107,178
Reserve ..	12,500	12,500	11,459	12,500	12,500	12,500	12,500	12,500
Prof. dividend ..	37,500	18,750	...	37,500	37,500	37,500	37,500	37,500
Ord. dividend ..	(7½ %)	(2½ %)	...	...	(5 %)	(5 %)	(5 %)	(5 %)
Applied to loss	...	...	94,406	...	...	...	...	...
Carry forward ..	7,455	142,418	35,498	3,592	10,658	21,975	20,457	22,178

* To August 31.

The reserve appropriation, it will be observed, was reduced from £60,000 to £35,000. The fund now totals £315,000. The balance-sheet shows no changes worthy of mention. The auditors' certificate, however, once again includes the qualifying clause, "subject to the correctness of the value placed on the assets in France and the 'shares in other companies,' as to which we are unable to certify; these are, however, provided for by reserves." As usual, the directors make no comment either on the results of operations or as to the progress of the company.

Sudan Plantations.—An achievement of no mean merit is recorded by the Sudan Plantations Syndicate, Limited, in its report for the year ended June 30th last. The gross profits are shown to have advanced from £304,931 to £706,408, while net profits have jumped from £172,884 to £522,894. The general reserve, to which no appropriation was made on the last occasion, is strengthened by £28,000 to a total of £50,000. The rate of dividend on the ordinary capital is the same as a year ago, namely, 25 per cent. It is this time, however, payable on a capital of £1,500,000, against only £600,000 in the year preceding. The following table shows the company's progress in the past four years :—

	1922-23.	1923-24.	1924-25.	1925-26.
Gross profit ..	£203,829	£251,090	£304,931	£706,408
Net profit ..	133,182	127,934	172,885	522,894
Brought forward ..	162,300	168,632	176,566	187,261
To reserve ..	295,482	296,566	349,451	710,155
Staff funds and bonus ..	40,000	15,000	10,000	28,000
Ordinary dividend ..	8,100	15,000	10,000	12,500
Carried forward ..	78,750	105,000	150,000	375,000
	(17½ %)	(20 %)	(25 %)	(25 %)
	168,632	176,566	189,451	294,655

The directors report that during the year the area under cotton in the Gezira was extended from 20,000 feddans in the season 1924-25 to 80,000 feddans in 1925-26. As a result, further capital expenditure was incurred, and liquid cash resources for the time being show a corresponding reduction. The Kassala Cotton Company's crop for the past season is reported to have been unsatisfactory in quantity owing to the comparative failure of the Gash Flood, on which the extent of the cultivable area depends. "The present year's flood, however, has been good." It is stated that the operations of the Brazil Plantations Syndicate, in which the Sudan company is interested, suffered

from drought, but it is hoped to have some 3,000 acres under cotton during the coming season. The Syndicate has also increased its interest in Brazil by the acquisition at par of 100,000 shares in the Panama Plantations, Limited. An arrangement has also been made with the Sudan Government for an extension of the area and of the period of the present concession. To obtain these advantages the directors have agreed to various concessions, including a reduction of the syndicate's share of the crop, of which full details are to be given at the meeting on November 24th. The balance-sheet shows that stocks of cotton have increased from £280,255 to £2,148,913, and while the total of investments in other companies is naturally higher, the holding of British Government securities has declined from £613,620 to £396,000.

Spies Petroleum and Russia.—"The directors hope that the time is not far distant when the Russian Soviet Government will find it to their advantage to carry on the business of their great country on lines which are less radically opposed to those in force elsewhere in the civilised world, and they consider that it is only a question of time before some form of agreement will be reached with the Russian Soviet Government by which your company can resume operations in Russia in common with other owners." This is a significant and temperate paragraph in the directors' report of the Spies Petroleum Company, Limited, just issued. In the balance-sheet accompanying the report the accounts for the past 7½ years from February 10, 1919, are included. It makes dismal reading, and, we venture to think, should be carefully perused by the Russian authorities, who may be under the impression that British investors in Russia have short memories. After carrying out the reorganisation scheme sanctioned by the High Court on February 3, 1926, the capital of the company is shown as £1,500,000, in shares of 2s. each. Of these 7,131,802 have been issued, and, in accordance with the terms of the scheme of reorganisation, there are options outstanding on 6,522,180 of the unissued shares. It is particularly stressed in the directors' report that the reorganisation of the company's capital does not prejudice its claim against the Russian Soviet Government amounting to £3,401,667. The net amount of cash provided by the reorganisation scheme was £169,739, after payment of expenses and debts and making allowance for other liabilities. It is the intention of the company to undertake other business, "more particularly" now that the company's resources warrant it, and "partly on account of the delay in arriving at a settlement with the Russian Soviet Government."

Slaters.—In spite of trading difficulties resulting from the unsettled industrial conditions prevailing during the past twelve months, the directors of Slaters, Limited, are able to report an increase in both turnover and net profit in respect of the year ended September 30th last. This made possible the maintenance of the ordinary dividend at 9 per cent. for the year. A comparative summary of results is given below :—

Sept. 30.	Tr'ding Profit.	Interest and Divs.	Exp'ses and Inter'st Ch'rges.	Net Profit.	Prof. Div.	Ord. Div.	Rate.	Balance
1906	£52,021	£4,513	£19,508	£37,203	£5,650	£30,281	12½ %	£1,222
1910	41,068	3,097	21,834	22,443	5,650	19,200	8 %	Dr. 2,817
1914	42,506	2,133	23,822	20,881	5,640	14,180	6 %	Dr. 860
1915	17,786	1,556	20,988	Dr. 6,603	3,997	...	...	Dr. 1,261
1916	14,251	1,427	22,474	Dr. 6,786	...	...	...	Dr. 45,178
1917	18,006	2,554	27,337	Dr. 6,777	...	...	...	Dr. 51,955
1918	23,148	3,315	27,769	Dr. 1,306	...	...	...	Dr. 53,369
1919	68,612	3,193	29,858	41,947	...	...	...	Dr. 11,313
1920	48,486	4,435	31,260	16,691	...	...	...	Dr. 7,976
1921	60,871	4,993	48,107	17,758	22,050	7,140	4 %	5,808
1922	47,095	12,412	50,531	8,976	5,250	9,244	5 %	3,791
1923	61,854	8,800	51,191	22,263	4,575	11,858	6 %	5,830
1924	80,409	4,943	47,475	37,876	4,650	15,810	8 %	17,416
1925	71,241	5,461	50,433	46,942	4,725	18,073	9 %	24,144
1926	76,997	3,624	51,500	51,201	4,800	18,370	9 %	28,360

* Including £20,673 profit on sale of investments.

† " £22,499 " " "

As on the last occasion, the net profit includes a substantial sum in respect of profit on sales of investments. This amount, however, is utilised to strengthen the com-

pany's position, the whole of it being transferred to the reserve for development and renovations, which is thereby increased to £24,873. A bank overdraft of £3,624 appears in the present accounts, which also show that investments have advanced from £22,747 to £24,116, though whether or not these are taken at cost or market value is not stated. Three of the company's properties, "where financial results were not commensurate with the capital employed," have been closed, and the resulting loss written off. Against this, however, three new establishments have been, or are to be, opened, while "an old-established fish business" has been acquired, and is said to be doing a successful trade. During the year the death occurred of Mrs Thompson-Price, who has been chairman of the company since 1925, and who for nine years previously acted as vice-chairman.

Wall Paper Manufacturers.—After the slight decline in profits recorded during the year 1924-25, the Wall Paper Manufacturers, Limited, is able to show an improvement in respect of the year to August 31st last. The increase in net profits was from £649,438 to £743,399. The ordinary dividend was maintained at 10 per cent. for the year, while the deferred shares again received, in addition to the usual payment of 10 per cent., a bonus of 2½ per cent., making a total of 12½ per cent. for the year. The allocation of £150,000 to the reserve fund (as against £200,000 a year ago) raises the total of the account to £600,000. The sum remaining to be carried forward is £395,010, compared with £306,638 brought in. No startling changes are recorded in the balance-sheet. Sundry creditors have declined from £748,082 to £739,104; on the other hand, there has been a gain in debtors from £606,755 to £665,416. The cash holding amounts to £267,751, compared with £368,681.

Kamunting Tin.—A fresh expansion in profits occurred last year, although the growth was less marked than in 1924-25, as compared with the preceding period. At 1,306 tons the output showed a small decline in contrast with the result for previous twelve months, but the price realised averaged £156 7s 8d per ton, as against £143 12s. Costs ruled substantially higher than before, but the depreciation allowance was cut down by some £5,000 to £17,000. In the end the net profit figured at £122,700, comparing with £106,700 for 1924-25, and £50,500 for 1923-24. The dividends for the three periods totalled 30 per cent., 20 per cent., and 15 per cent., tax free respectively. On the present occasion the somewhat enhanced balance of £39,700 remains to go forward. It may be recalled that the company is one of those which tried a suction cutter instead of the usual bucket dredge. The experiment proved a failure, and the machine, "reconstructed as a thoroughly up-to-date bucket dredge," is expected to resume work early in 1926. Towards last year's output it contributed barely 30 tons. In the books the four dredges now figure together at the highly conservative amount of £77,700. It is intended to instal electrical appliances for driving the dredges, with mechanical appliances for increasing their capacity. Operators inclined to be over-optimistic should note that when the No. 4 dredge comes into operation the No. 1 will be overhauled; thus the full benefit of the extra machine will not be felt at once. Additional ground has been applied for, and a further dredge is to be ordered. On the basis of the first quarterly distribution in respect of 1926-27 the shares yield 7½ per cent., tax free.

MR A. M. SAMUEL, M.P., will deliver a lecture on Insurance against Bad Debts in the Export Trade in the Cordwainers' Hall, 7 Cannon street, E.C., on Tuesday, November 30th, at 5.45 p.m. Mr. W. W. Otter-Barry, President of the Insurance Institute of London, will take the chair.

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UNITED STATES.—SHARE MARKET RECOVERY— TRADE CONDITIONS COTTON CROP—BELGIAN LOAN—TAX REMISSIONS?

(FROM OUR CORRESPONDENT.)

NEW YORK, November 9.

WITH the money market showing further signs of ease, and with industrial news still far from bad, the share market has continued its rally until nearly two-thirds of loss sustained in the October break has been recovered. On the recovery, trading has been of moderate proportions, and most of the buying probably has come from shorts and revived bull pools. However, there also has been an upward swing in brokers' loans. Thus during the week ended November 3rd the total for this kind of accommodation here, as tabulated by the Federal Reserve Bank, rose \$38,000,000. This increase followed a drop of \$207,000,000 during the liquidating movement of the three previous weeks. Meanwhile the Stock Exchange monthly tabulation of the loans contracted by its members showed that a decrease of approximately \$108,000,000 occurred during October. The Exchange first announced that the decrease during the month came to only \$28,000,000, but a few days later admitted that an \$80,000,000 error had been made. In any event, the Stock Exchange figures roughly confirm those compiled by the Federal Reserve Bank, and show that the shrinkage during October was considerable. That a rebound in loans should accompany the recovery in the share market is but natural. The next weekly report probably will show that a further increase in loans has occurred. As for the money market, some time money over the end of the year was loaned to-day at 4½ per cent., as against 5½ and 5¼ a few weeks ago. Call money loaned on the Stock Exchange to-day at 4½ per cent., and a supply outside the Exchange was available at 4 per cent. It still is argued in some good quarters that money is cheapening because business is slowing down. However, the statistics compiled by the Federal Reserve Bank indicate that after November 1st, and until near the end of the year, the seasonal movement of money rates at this centre is toward somewhat lower levels. The liquidating movement in the share market has probably accentuated that tendency. Making allowance for all modifying circumstances, it must be admitted that the present easing in the money market is a notable one. Talk of a possible reduction in the official rate, which was stimulated by the sweeping reduction in the volume of credit being extended by the Federal Reserve Bank in the week ended October 20th, has been quieted by the subsequent reinstatement of position with the Reserve Bank by the member banks. Thus whereas discounts fell from \$204,000,000 to \$109,000,000 in the week ended October 20th, they had recovered by November 3rd to \$172,000,000.

As far as the slowing down in business is concerned, it appears to be restricted chiefly to the building industry and the automobile trade. In both of these industries the tendency at this season of the year is toward curtailment. In the case of the building industry it seems that the curtailment is somewhat more than would be expected on purely seasonal grounds. In the case of the auto-

mobile industry there is some argument that the curtailment is more than seasonal, but a clear case has not been made out as yet. The steel industry, in operating at 80 per cent. of capacity instead of 85, reflects the movement in the other two industries.

Car loadings on the railroads fell off slightly in the last week for which data are available—that ended October 23rd; but the total of 1,209,000 cars moved in that week far exceeded any previous performance for any similar week, and was second only to the all-time record of 1,210,000 established in the previous week. Meanwhile retailers are anticipating a very satisfactory holiday trade. In short, the slackening in business does not amount to much thus far, and has not had a depressing effect on sentiment. Stability in commodity prices is indicated by the fact that whereas Dun's index advanced 0.3 of 1 per cent. during October, Bradstreet's index declined by the same amount.

A further increase of 464,000 bales in the cotton crop as estimated by the Department of Agriculture was taken coolly by the cotton market. The forecast of 17,918,000 bales on the basis of the November 1 condition brought out little fresh liquidation, the market even rallying mildly. This action occurred, furthermore, in the face of statistics that showed that ginnings to November 1st amounted to 11,259,000 running bales, this year's figures, by virtue of this showing, exceeding last year's for the first time. The event suggests that an eighteen million bale crop had been discounted in existing prices, and that the stimulation of demand through the agency of low prices is redressing the balance. A much better feeling now prevails in the trade, and confidence in the present level of prices is growing. Stocks of cotton textiles are reported to be lower than at any time during the past five years.

One of the interesting developments of the past week or so has been the revival of interest in the foreign bond market—which has become active and strong. It is not too much to say that this revival of interest dates from the offering of the Belgian stabilisation loan. These bonds were offered to the public at 94, and quickly sold up to 98½ on a tremendous turnover. This development naturally suggested to many that some of the outstanding foreign bonds also were cheap, while the strength in French francs helped the French dollar bonds in particular. The event brings to mind an occurrence of a few years ago, when J. P. Morgan and Co. offered an issue of telephone company bonds at an attractive price after a period of over-pricing and stagnation in the bond market. The success of that particular issue of telephone bonds did much to revive interest in the whole bond market.

Considerable discussion has been evoked by President Coolidge's suggestion, which came as something of a surprise, to make a refund on the taxes collected this year. The suspicion has been growing in well-posted quarters that, despite the rather discouraging attitude taken by the Treasury—an attitude that is not unusual in Treasury officials—the surplus would be large enough to bring up anew the question of tax reduction. The President's move suggests that this suspicion has been well founded. In any event, the President suggested a refund that might amount to, say, 10 or 12 per cent. The amount involved has been estimated at \$250,000,000. There seems some basis for assuming that the President's move came rather unexpectedly to Secretary Mellon. In any event, that official amended the suggestion so as to make the concession to the taxpayers take the form of a credit on the taxes to be paid in 1927 on 1926 incomes. What the Administration is trying to do is to pass on to the taxpayer part of the surplus without having a new tax law and a reduction in tax rates that would set a precedent. The Administration is cautious, and is unwilling to concede that the present prosperity and volume of revenue can be maintained through the next few years. It does not want to reduce taxation and then find that revenues are inadequate. Hence the suggestion of a temporary measure of relief. Whether the President's suggestion will take hold well remains to be seen. In Congress there is, of course, a large volume of opinion that favours tax reduction at any time.

FRANCE.—BUDGET DEBATE—FINANCE PLANS— BANK OF FRANCE—REVENUE—FOREIGN TRADE —COAL.

(FROM OUR CORRESPONDENT.)

PARIS, November 17.

THE Poincaré Government emerged victoriously from its first encounter with the Socialist-cum-Communist Opposition in the Chamber last Friday, and there now seems to be no obstacle in the way of the carrying out of the plan laid down for the sittings until Christmas to be devoted exclusively to the passing of the Budget. There were signs of an organised effort on the part of the Left and the Extreme Left to harry the Government, and notice had been given of no fewer than 60 interpellations. M. Poincaré felt justified, however, thanks to the extraordinary amount of confidence reposed in him by all sections of opinion since he resumed office, in refusing to allow the time of the House to be wasted by purely party squabbling. He asked the Chamber to devote its whole time to the Budget, and the motion, which was made a question of confidence in the Government, was adopted after less than an hour's discussion, by a majority of 154. After this first trial of strength the House settled down in a businesslike manner to the discussion of the various departmental estimates, and there is now every reason to believe that the Government will succeed in completing the programme it has so successfully begun.

Meanwhile, the Premier, in his capacity as Finance Minister, is steadily proceeding with his plans for financial restoration. A further step towards righting the position was taken on Saturday, when a decree was signed authorising the issue of sufficient 7 per cent. ten-year Treasury bills of 500f to replace the amount of 6 per cent. Crédit National bonds, 1922, whose holders have deposited them for payment on February 1st next, the date of their maturity. The new bills are to be issued at 460, as from December 1st. Holders who have deposited their Crédit National bonds for repayment are authorised to exchange them for the new issue, and it has been arranged that the difference between the redemption price of the former and the new descriptions shall be handed to holders when the exchange is made. Authorisation has also been given for the issue of another State railway loan in Switzerland, ostensibly in connection with the Alsace-Lorraine railways. The amount of the loan is 75,000,000f Swiss, in bonds of 1,000f Swiss, bearing interest at the rate of 7 per cent., and redeemable in 24 years as from June 1 last.

Contrary to reports that have been in circulation, the Bank of France has not yet begun to avail itself of the privilege to buy in foreign currency, the reason being that by some oversight, when the Bill authorising such purchases was drafted, no clause was included specifying whether the Bank was empowered to act in this connection for its own account or on behalf of the State. Such transactions would in the ordinary course result either in profit or loss, and it is not clear from the text whether the Bank or the State should in such event benefit or lose, as the case might be. The total purchases of "gold, silver, and foreign currency" hitherto acquired by the Bank were stated in last Friday's Bank statement to be to the value of 1,328,798,133f, but this represents merely what has been offered to the Bank by the public during the past two months, and includes nothing bought under the Bank's recently extended powers.

The revenue returns for October show that the yield from taxation of all kinds during the month marked a new high record, and amounted to 5,094,699,000f, as compared with 4,000,639,900f last January, which was the largest total previously recorded. The revenue for the month from "normal and permanent resources" was 5,016,100,800f, as compared with 3,035,921,200f in the previous month, and 2,885,306,200f in October, 1925. These figures are all the more notable because the revenue for the month does not include the receipts from the tobacco monopoly, the yield from which is now absorbed by the Caisse d'Amortissement, owing to it having been earmarked for debt reduction. But for this change the total revenue would doubtless have been returned as at least 200,000,000f more. A favourable

feature is the fact that, in spite of this diminution owing to recent changes, the yield from the State monopolies and other forms of indirect taxation in October exceeded Budget estimates by 649,312,900f. The total yield from these categories of taxation during the first ten months of the present financial year has already exceeded expectations by 2,686,899,500f. The total Budgetary revenue for the ten months amounted to 31,141,084,700f, of which 14,811,416,000f was drawn from income-tax, registrations, stamp duties, imposts on Bourse operations, and other "taxes on acquired wealth"; 10,030,172,600f from taxes on consumption properly so-called (Customs, salt, colonial foodstuffs, tax on turnover, sugar, petrol, matches, &c.); 1,342,140,000f from sumptuary taxes (luxury, amusement, and motor-car taxes); and 3,751,050,000f from duties on "products not indispensable to existence" (alcohol, tobacco, gunpowder). The yield from taxation during the ten months totalled 31,141,084,000f, as compared with 22,709,140,000f during the corresponding period of 1925, or an increase of 8,431,944,000f (or nearly 40 per cent.).

The foreign trade returns for October disclose exceptionally large increases in the value of both imports and exports, as compared with the previous month, and also with the totals for the corresponding month of 1925. The total value of the exports for the month is returned as 6,103,279,000f (or over 900 millions more than for September), which constitutes a new high record for exports. Imports totalled 5,106,420,000f, which figure has been exceeded only in August, June, February, and December last. That these augmented figures are largely due to artificial causes arising from movements of the franc and the steady rise in French selling prices to the parity of world prices is shown by the fact that the import tonnage in October was a fraction less than in the previous month, and 30 per cent. less than in October, 1925, while exports (which had a total tonnage of 2,689,043 tons) were only 60,048 tons more than in the previous month and 214,726 tons more than in October, 1925. The tonnage of manufactured goods exported showed a drop of 40,369 tons, while that of imports of the same category of goods fell 29,641 tons. The detailed comparative figures, showing the value of the various categories of foreign trade, are as follows:—

	October, 1926.	Inc. or Dec. on	
		Sept., 1926.	Oct., 1925.
Imports—			
Foodstuffs	951,387,000	+ 22,914,000	+ 114,785,000
Raw materials	3,592,161,000	+ 623,403,000	+ 483,484,000
Manufactured goods ..	562,872,000	+ 112,436,000	+ 69,114,000
Totals	5,106,420,000	+ 481,053,000	+ 667,383,000
Exports—			
Foodstuffs	516,329,000	+ 64,594,000	+ 143,018,000
Raw materials	1,941,278,000	+ 724,401,000	+ 776,260,000
Manufactured goods ..	3,645,672,000	+ 117,600,000	+ 783,661,000
Totals	6,103,279,000	+ 906,595,000	+ 1,702,989,000

The total volume of trade for the month showed a surplus of exports, as compared with those for September, of 996,859,000f, as compared with an unfavourable balance of about 39,000,000f in October last year. The total value of the imports for the first ten months of the year is returned as 49,397,518,000f (or 15,409,557,000f more than during the corresponding period of 1925), while exports are returned at 48,810,534,000f (or 12,089,882,000f more), the total exchanges for the ten months resulting in an excess of imports amounting to 586,984,000f (as compared with a balance of exports of 2,732,691,000f at the end of the first ten months of last year).

Coal production returns for September show a total output of 4,392,123 tons for 26 working days, as compared with 4,564,831 tons for an equivalent number of days in August. The average daily output in September was 168,927 tons, with 314,442 workers employed, as compared with an average of 170,048 tons in January last; 160,445 in January, 1925; 144,680 tons in January, 1924; 121,064 tons in January, 1923; and 136,147 tons in 1913. The total output during the first nine months of 1926 was 38,616,059 tons, corresponding to a total output for the year of over 51 million tons, as compared with 48 millions in 1925 and 45 millions in 1924. The collieries

situated within the pre-war frontiers showed last month a daily average output of 152,683 tons, or 16,536 tons more than before the war. The Lorraine coalfield furnished an average additional output of 16,244 tons per day. The output of metallurgical coke by the colliery plants amounted in September to 314,512 tons, or an increase of 57,000 tons on the monthly output in 1913. Demands for increased pay put forward by the miners in the Nord and Pas de Calais coalfields, on the ground of the continued rise in retail prices, have been agreed to by the coalowners, after a joint conference at Douai. The agreement provides for an increase of the temporary additional allowances by 40 per cent., bringing the total increase to 70 per cent., on the basis of the agreements of September, 1925, and January, 1926.

GERMANY.—POLITICS—FINANCES—CREDIT— INDUSTRY—RAILWAYS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, November 16.

NEGOTIATIONS for a reconstruction of the Cabinet as a "Great Coalition" by taking in the Social-Democrats are under way. The crisis caused by the unexpected support given by the German-Nationals to Left Opposition proposals, which led to Cabinet defeats, has been overcome temporarily by Cabinet promises of concessions in unemployment policy and by an arrangement that Cabinet and Socialists shall get into touch when important questions are pending. This marks a small advance as compared with the former position under which the Socialists claimed to vote on Cabinet measures on their merits without seeking a preliminary understanding. The Socialists are resolved to do nothing that could help the Nationals either to force their way into the Cabinet or to influence Cabinet policy; but they seem inclined before taking a personal part in the Cabinet to wait and see how last week's agreement works; and they demand a clearer indication whether the Cabinet prefers support from Left or Right. The Centre and the German Democrats are strongly opposed to any coalition with the Nationals, but the attitude of the German People's Party is not so clear; and the "Great Coalition" plan can hardly be realised without a formal compromise agreement as to particular economic and financial measures between this party and the Socialists.

Taxation in October yielded the large sum of 747,034,098 marks, against 544,881,951 marks in September. The increase is wholly under the heading of direct taxes, which yielded 535 million marks against 324 million marks, and is due to quarterly income-tax and sales-tax payments. The total, however, exceeds also that of July (708 million marks), the last preceding month of quarterly payments. Indirect taxes yielded 15 million marks less than in September. Income-tax deducted from wages is increasing slowly. Other income-tax yielded 191 million marks, against 153 million marks in July. The yield of the taxes pledged for Reparations declined, after a big increase in September. Receipts in April-October, constituting the first seven months of the financial year, and the whole year's estimated receipts are:—

	(000's omitted.)	
	April-Oct. Marks.	Year's Estimate. Marks.
All taxes	4,100,645	6,555,300
Direct	2,770,216	4,506,000
Thereof:		
Income-tax	1,379,987	2,100,000
Corporation income.....	265,921	250,000
Property.....	126,460	400,000
Sales	518,926	982,000
Capital transactions.....	72,809	118,000
Traffic.....	187,512	325,000
Indirect	1,330,239	2,049,300
Thereof:		
Reparations—Pledged ..	1,294,521	1,997,000
Others	35,718	52,300

The yields of the Reparations-pledged taxes and the year's estimates were:—

	Marks.	Marks.
Customs	490,778	670,000
Tobacco	374,352	655,000
Sugar	157,698	265,000
Beer	164,178	235,000
Spirits Monopoly	107,513	172,000

The Reichsbank president, Dr Schacht, has made a second sharp attack upon the lack of system in disposing of public funds. He holds that the Reichsbank cannot properly fulfil its functions in regulating the currency as long as other authorities with accumulated funds from taxation, communications, and social-insurance premiums put in practice credit policies of their own. Dr Schacht also considers that the present unorganised system narrows the sphere of credit, and that it compels the different Departments to maintain larger cash reserves than was the case when the Reichsbank handled all these moneys. Of funds totalling 2,500 million marks belonging to the Republic, the Posts, the Railways Corporation, and the Prussian Finance Ministry, only 420 millions are in the Reichsbank.

The private discount rate, which was reduced by $\frac{1}{2}$ per cent. at the beginning of November, has again been reduced by the same amount, to $4\frac{1}{2}$ and $4\frac{3}{4}$ per cent. for long and short terms respectively. The private discount market is very inactive. Day money continues to be offered far in excess of the demand, the rates having fallen to $2\frac{1}{2}$ -4 per cent. at the close of last week. Although no considerable effect upon credit has been produced by the trade revival so far, bankers and other authorities seem to think that the wave of plentiful and cheap money will not last much longer. The lowest interest rates were touched in the second quarter of the year, those of the third being a little higher. The average of the day money, month money, and private discount rate, which in the fourth quarter of 1925 was 8.72 per cent., was 6.53 per cent. in the first quarter of this year, 5.11 per cent. in the second quarter, and 5.22 per cent. in the third. The volume of credits to business by the Reichsbank, the private note banks and the rentenmark fell very rapidly until July, and thereafter rose. On September 30th the total was 2,215 million marks, as against 1,969 million marks on July 31. The circulation of bills of exchange, as shown by bill stamp receipts, fell between July, 1925, when a high point was reached, until August last, since when there has been an increase which in October was very large. These changes, together with the continued upward movement of stocks, the decline in bankruptcies and protested bills, the improving employment, the increasing coal and iron output, and the new tendency of wages to rise, all point to a general trade revival. But no industrial boom and no disappearance of unemployment such as was witnessed in the inflation years is expected.

The coal industry continues active. The cessation of the British strike would not, it is expected, have much effect for some time to come, as the German industry has concluded delivery contracts for a considerable time ahead. The daily output of Ruhr coal in the last two recorded weeks shows a new big rise, the average being 414,500 metric tons, as against 306,000 to 330,000 tons in April. The coke output has also greatly increased. The foreign trade balance in coal in the first nine months of 1926 was: imports, 2,545,000 tons, against 5,920,000 tons in the same months of 1925; exports, 20,412,000 tons, against 10,483,000 tons (Reparations deliveries not included). Coal exports to Holland were 7,526,000 tons, to France 2,839,000 tons, and to Great Britain 1,221,000 tons. The iron and steel activity has not further progressed, and Continental prices have slightly weakened. In the first three-quarters of the year the German trade balance in this branch is very favourable. The negotiation of the international aluminium cartel has caused satisfaction here. The German aluminium industry is a war-time creation, and it was mainly developed with lignite fuel, the water-power which foreign aluminium manufacturers largely used not being then available. The Empire, for military reasons, did most of the financing. The recently opened Inn aluminium works are the first in Germany to use water-power. The Republic to-day has almost a monopoly, and it has power to forbid the opening of new works; but the import prohibition, which exists on paper, is not applied against foreign offers at lower prices than German. Germany's output in 1925 is estimated at 26,200 tons.

A plan is being considered to create an all-German potash trust in the form of a single company to replace

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the present State-created syndicate. The aim is, as usual, "nationalisation." The need for trust has been brought out by personal struggles for leadership between the chief potash magnates. After the agreement of 1925 for partition of foreign markets with France, which was renewed with some modifications early this year, a period of prosperity was expected, and vast sums were spent on factories for production of potash preparations. The prosperity was not attained. After sales rose last year to a record high figure, they began to decline, and in the ten months January-October were only 935,590 tons (reckoned in pure potash contents) against 1,108,840 tons in the same months of 1925. Only about one-third of the mines which have participation rights in the syndicate are being worked, and the operating companies have to bear the cost of compensating the owners of the closed-down mines. The largest of the "concerns," the Wintershall, which owns 392-thousandths of the total syndicate quotas, tried to get a majority in the syndicate, but failed. The industry is threatened by competition from "mixed fertilisers" containing relatively small proportions of potash, which both the Dyes and Nitro Trust and the coal interests are about to produce. The Ministry of Industry lately refused to sanction an increase in potash prices, but it is understood to approve of the foundation of a trust, for which amendment of the law would be required.

Railway traffic is very rapidly increasing. The increase in car loadings which normally takes place late in the year has this year been much exceeded. In great part this is due to increasing consignments of coal. As against a loss of 13 per cent. of area and 9 per cent. of railway track, goods traffic has declined since 1913 by 21 per cent. Much the heaviest decline is in goods consigned to abroad, which have dropped 57.3 per cent., whereas home traffic dropped only 17.6 per cent.

After the sharp fall of quotations in the first half of last week stocks recovered moderately, but on the whole week they lost. To-day the Bourse opened weak, but closed firm. The market is less active than in October; and the professional speculators are taking quick profits. Rights to amortisation of federal paper mark loans under the valorisation law are this week quoted on the Bourse. The testing of claims by "old" bondholders, who get preferential treatment under the law, has so far shown that over 40 milliard marks nominal out of a total 70 milliard marks nominal of federal loans are in "old" hands. This is twice as much as was estimated when the valorisation law was passed.

INDIA. — THE WEAKENING RUPEE — STAGNANT EXPORTS—TRADE FIGURES.

(FROM OUR CORRESPONDENT.)

CALCUTTA, October 28.

A PALPABLE weakening in the value of the rupee, following a more than usually successful monsoon, is an autumnal problem that rarely arises. Yet recently, when Calcutta was on holiday, Bombay depressed the market to 1s 5 25-32d for telegraphic transfers. The cynic who studies rupee exchange problems will have it that all years are abnormal, and of this year one can safely predicate that it is normal only in its abnormality. For October, as a rule, marks the beginning of the busy season, when Calcutta, after the publication of the final jute forecast, fixes large ready and forward contracts for the shipment of raw and manufactured jute; and Bombay, after stock

has been taken of the success or otherwise of the monsoon, and after the publication of the more vital American cotton forecasts, arranges to finance shipments of raw cotton, chiefly to Japan. It is these two staples and the fabrics manufactured from them that bulk largest in value among the exports from India. In 1925-1926, for example, of the private exports of Indian merchandise valued at nearly 375 crores, the export of raw cotton accounted for over 95½ crores, while cotton yarns and manufactures were valued at over 9½ crores. This total of over 105 crores compared favourably with the previous year's 103 crores. To this most important item in the exports of India the value of raw jute and jute fabrics exported came a creditable second at over 96½ crores, as against 81 crores in the preceding year. Thus jute and cotton and their fabrics constituted more than 53 per cent. in the total value of Indian exports for 1925-6. This year, for a variety of reasons, there has so far been no heavy seasonal world demand for Indian cotton and jute. The cotton season is six weeks late, and Indian cotton continues to stand above American parity, having failed to react *pari passu* with the setback in American values. In normal years at this period of the cotton season several hundred thousand bales of the Indian staple are generally contracted for forward shipment, whereas recently Bombay has actually been importing American cotton. It is feared that if Indian cotton dealers continue indefinitely to disregard the level of world cotton parities, Japan may intensify a policy of mixing American and Chinese cotton to the detriment of the export of Indian cotton. The reported American movement to sustain raw cotton values may, however, bring Japan into the Indian market for early shipments, as the Japanese mills are said to be short stocked. In the case of jute and jute fabrics the reasons for cautious buying by foreign markets are not far to seek. Wisdom is doubtless justified of her children, and this year a policy of trading delicately has succeeded where last year a tendency to rush in simply saddled buyers with jute at prices which were proved to be the reverse of economic by the time the raw jute was passed into the looms for manufacture. Exports of raw jute for this season to the 22nd inst. totalled only 10,31,256 bales, against 14,09,693 over the corresponding period of last year.

The present values of cotton and jute are approximately 60 per cent. of the values quoted at this time last year.

This unexpected concatenation of circumstances, involving tardy export and lower values, has presented apostles of the 1s 4d rupee with a peculiarly favourable opportunity for attempting to press home the alleged folly of fixation at 1s 6d. Bombay has formed an "Indian Currency League" to this end, which, it is suggested, by propaganda and practical action is endeavouring to expose the impossibility of maintaining the 1s 6d ratio, and the imminent evil effects ensuing on its maintenance of the recommendations of the Currency Commission are embodied in law. Sir Basil Blackett, the Finance Member, recently announced before the Burma Chamber of Commerce that the resources of the Government of India were ample to maintain the exchange at 1s 6d, despite "the recent well-planned 'bear' speculation at Bombay." He regarded the Assembly's decision in August last to postpone the definite vote on stabilisation at 1s 6d as tantamount to a desire to leave things as they were and accept the 1s 6d rate, the further discussion of which he regarded as supererogatory, as it was practically a dead issue.

This pronouncement was followed by a whole-hearted endorsement of the Currency Commission's scheme for the establishment of the Reserve Bank of India. The present Imperial Bank of India was incapable of controlling credit policy and at the same time increasing the spread of education in banking in India. There was ample room for both a Reserve Bank of India and a reconstituted Imperial Bank of India. It seems clear that the suggestion to found a Reserve Bank is the most important of the Commission's recommendations. Although the discussion of this particular point in the political arena will be less controversial than the question of the ratio of rupee fixation, it will nevertheless be contested hotly by vested interests. The pros and cons of the advisability of establishing a Central Reserve Bank of India are too lengthy to be recapitulated here. They have recently been very fully aired in a published corre-

spondence between Sir Basil Blackett and a firm of Bombay brokers. Sir Basil has taken the Reserve Bank scheme under his sheltering ægis, and it is rumoured that early in the spring session of the Indian Legislative Assembly he will introduce a Bill to establish the Reserve Bank more or less in accordance with the suggestions of the Currency Commission. A further Bill must then be introduced to amend the charter of the Imperial Bank of India, which, in compensation for surrendering the rôle of banker to the Government of India, may be permitted to enter freely into ordinary banking business, to have free use within certain limits of Government money, and to receive agency commission. Meantime, opposition against the whole idea is crystallising, and some of the most distinguished former champions of the scheme are said to be wavering.

The trade figures for September are not particularly inspiring. Imports of private merchandise totalled Rs. 1,894 lakhs, and exports, including re-exports, 21 Rs. 2,344 lakhs. Net imports of treasure were Rs. 189 lakhs, and the total visible balance of trade was Rs. 276. The balance of remittance of funds was minus Rs. 4 lakhs. In September, 1925, the excess of exports was Rs. 5.04 crores. This financial year the visible favourable balance for April to September, inclusive, has been Rs. 15.88 crores, against a total of Rs. 53.09 over the corresponding period of last year. These figures constitute some explanation of the rupee's uphill fight in trying to regain the 1s 6d level.

CANADA. — CROP CONDITIONS — MARKETING PROBLEMS — TRADE RETURN — BUSINESS CONDITIONS — RAILWAY EARNINGS.

(FROM OUR CORRESPONDENT.)

OTTAWA, November 2.

THERE has been within the last week a welcome improvement in weather conditions, and the farmers of the prairies have now hopes of salvaging the balance of their grain crops before winter descends in full force. The wheat yield of the three prairie provinces is now expected to reach about 380 million bushels, divided as follows:—Manitoba, 45,000,000; Saskatchewan, 215,000,000; and Alberta, 120,000,000. Owing to the ravages of the weather a much smaller proportion than usual will attain the two highest grades, but the farmers are discerning possibilities of compensation in the recent rise in the price of wheat, which has jumped 12 cents within the last month, and is now around \$1.45 for No. 1 Northern in Winnipeg, and hopes are entertained that the returns of the farming community will not be seriously smaller than in 1925. In the Eastern provinces the grain crop, except in a few very backward districts, has all been safely threshed, and the farmers are now busy with their root crops, which in many places have been badly rotted by the excessive moisture. However, the potato crop is still fairly good, and is bringing excellent prices.

But the problem of markets for the exportable surplus of farm produce is causing considerable anxiety, and the settlement of the British coal strike would be hailed with relief, because the impairment of purchasing power among the industrial workers which has resulted from it has made itself felt decisively in Canada. In the fiscal year ending March 31, 1926, of an aggregate value of farm produce exported estimated at 702 million dollars, Great Britain took no less than 425 million dollars worth, or 60 per cent.; during that period she took three-quarters of Canada's exported wheat, half her cattle, 90 per cent. of her cheese, butter and eggs, two-thirds of her apples, and practically all her bacon. Shipments of cheese and butter to Britain have shown a very serious decline, and prices have been affected. During the past dairy season the price of cheese in Eastern Canada has averaged 4 cents per lb less than in 1925, and stocks are very heavy. Butter stocks also are 50 per cent. heavier than a year ago, and prices are 6 cents per lb lower than in November, 1925. They are also 3 cents per lb under the June price, when they are normally 4 cents higher, and as a consequence the farmers are receiving 20 per cent. less for their cream. The explanation, according to the manager of one of the largest creameries, is that "we have been unable

to sell any worthwhile quantities in Britain for some time now." According to a prominent cattle exporter, the overseas cattle market is also in a precarious position, but prices have not been affected so badly because Britain absorbs a smaller proportion of the cattle exported. British prices for Canadian bacon have dropped from 26 cents per lb. in May to 20 cents at the present time, and only the strong local and American demand has saved the situation for hog-raisers. The marketing of apples has just commenced, but an official of the provincial fruit branch in Ontario has issued a statement advising growers to sell immediately at home rather than take a gamble on the British market. He points out that, with Baldwin apples selling at \$3.50 per barrel at home, they must bring \$5.80 in Britain to make export profitable, because the transport charges are \$2.30 per barrel, and that sales of Canadian apples to date in London have been well below that figure.

This situation finds reflection in the September trade returns, which put the combined value of the exports of animal and vegetable products at \$49,941,769, which is a decline of more than \$10,000,000 from the figure of September, 1925, which was \$59,959,129. From the first half of the present fiscal year ending September 30th imports have been mounting, but there has been a steadily declining tendency in exports, as the subjoined figures show:—

	1925.		1926.
Exports	108,497,911 ..	\$	92,224,610
Imports	78,662,591 ..	\$	85,562,911
Balance	29,835,320 ..		6,661,699
Total trade	187,160,502 ..		177,787,521
—Six Months Ending Sept.—			
	1925.		1926.
Exports	571,315,340 ..		562,866,960
Imports	452,820,156 ..		509,204,076
Balance	118,495,184 ..		53,662,884

The business community always expects a certain dullness in the transition stage which is the prelude to the arrival of real winter conditions, but although the car-loading returns for the week ending October 23rd show a falling-off of 3,184 cars from the previous week's figure, they are 5,463 cars above the total for the corresponding week of 1925, and business is holding up remarkably well. Wholesale and retail trade throughout the country continues to be very satisfactory, and the mail-order houses are doing a big business, particularly in dry goods and hardware. In some manufacturing industries there have been seasonal declines, but the textile, footwear, clothing, and allied plants are all working well up to capacity, and the employment returns show that on the pay-rolls of reporting firms there were, on October 1st, 2,237 more workers than on September 1st. The equipment concerns are getting a steady run of orders for machinery and other material from the mining country, and are expecting further orders from the railway companies in the near future. The iron and steel plants are by no means working at their full capacity, but they have a substantial volume of orders on hand, and the steel ingot production for the nine months ending September 30th was 600,542 tons, as against 581,711 tons for the corresponding period of 1925.

The latest bank returns show an enlargement of 10 per cent. in the bank-note circulation, of 7 per cent. in mercantile loans, and of 6 per cent. in notice deposits, as compared with the figure at the parallel date in 1925. But much more arresting is the amazing improvement in the earnings of the two great railway systems. For the nine months ending September 30th the net earnings of the Canadian National system are placed at no less than \$25,743,334, and the steady betterment in this railway's position can be discerned from the following table:—

FIVE YEARS' COMPARISON.

Nine Months.	Net Earnings.	Operating Ratio.
1922	581,216	99.64
1923	6,929,695	96.15
1924	6,075,820	96.48
1925	12,325,763	92.72
1926	26,743,334	86.41

But equally impressive are the net earnings of the Canadian Pacific Railway, which, placed at \$28,632,621 for

the nine-month period, show a gain of nearly seven million dollars, or 33 per cent. In September the gross earnings of the C.P.R. were a little lower than in August, but the decline was more than made up by a cut in working expenses.

The pulp and paper industry is winding up one of the most prosperous years in its history in very satisfactory fashion, for the announcement that an agreement had been reached by the leading U.S. and Canadian companies to maintain the price of newsprint at \$65 per ton relieves shareholders of any real anxiety about profits for at least a year.

JAPAN.—SOUTH PACIFIC TRADE—MONETARY POLICY—TRADE AND CROPS.

(FROM OUR CORRESPONDENT.)

TOKIO, October 9.

THE South Pacific Trade Conference, held under the auspices of the Foreign Office, was closed on September 23rd after ten days' sittings. In the Conference Government Departments, Chambers of Commerce, exporters' guilds, trading firms, exchange banks, shipping companies, and similar bodies which are interested in trade and enterprises in the South Pacific countries and India, were well represented. The agenda of the Conference included (1) the conclusion of commercial treaties with those countries and adjustment of tariff relations, (2) methods of encouraging investment in enterprises, (3) practical plans for extending markets for Japanese goods, (4) improvement in trade finance, insurance, and transportation, and (5) import of raw materials and co-operative buying. Those items were submitted to each sub-committee, and after full discussion every conceivable measure for the purposes was suggested. Of all suggestions, subsidy to the "promising" enterprises in the South Seas Islands and financial facilities, export credits, and credit insurance evidently received special attention. But such schemes necessarily involve financial legislation, which would be no easy matter to carry through in view of the present state of national finance. One is inclined to think, therefore, that much cannot be expected of the many good, and apparently practicable, suggestions of the Trade Conference.

On Monday the Bank of Japan's official minimum rate was lowered to 6.57 per cent. from 7.3 per cent., at which it had stood since April 15th last year. The announcement came to the City rather as a surprise, for the market anticipated that the open market discount rates would develop an upward rather than a downward tendency as winter approached. Not a few critics condemned the change as unwarrantable on purely financial grounds since the monetary outlook is for a seasonal stringency. Some of them even freely expressed the opinion that the reduction was "political," and designed to discomfit the Government critics, who ascribe the continuance of the business depression to conservative financial policy. But the change to a lower Bank rate was generally welcomed. There was a steady recovery in the stock and securities market, which had been deeply depressed by the discouraging record of the foreign trade.

The change of the Bank rate is also full of significance in the sense that it heralded a modification of the Government's conservative financial policy by the new Finance Minister, Mr Kataoka, who succeeded the late Mr Hayami on September 14th. In connection with the floating of the Tokio Municipal Loan in London the Finance Minister professed that the Government will not hold so tight a rein as hitherto on the municipal as well as industrial borrowing in foreign markets. This was regarded in some quarters as part of the preparations for the removal of the gold embargo, which the new Minister is ambitious to accomplish during his tenure of office.

The trade returns for September are still more depressing than the August figures. While imports at 163,527,000 yen are 1,078,000 yen lower than in the corresponding month of last year, exports at 173,411,000 yen are 59,235,000 yen lower, the favourable balance amounting to only 9,884,000 yen, as against 68,941,000 yen. The appreciating value of the yen, the fall in the price of silver, and the civil disturbances in China have conspired to cause the sharp decline in exports. These figures at

the height of the export season are sufficient enough to cause pessimism in all directions. As a matter of fact, a profound gloom hung over the stock market till the end of last week, which, however, has been greatly relieved by the reduction in Bank rate, as has been said.

The Report of the Department of Agriculture and Forestry estimates the year's rice crop at 59,491,000 koku, which is 210,000 koku smaller than last year's actual yield, but 1,853,000 koku above the five years' average. The estimated yield was smaller than had been anticipated, and the Report caused a rise in rice prices. But the supply of rice for the coming twelve months will maintain equilibrium with import of only something about 4 million piculs of foreign rice.

According to a Report of the same Department, the output of spring cocoons totalled 44,198,000 kamme, a slight increase of 1,270,000 kamme against last year, but its value was estimated at 381,188,000 yen, disclosing a marked decrease of 64,427,000 yen. The Silk Association's statistics place the crop of summer and autumn cocoons at 42,614,000 kamme, or an increase of 343,000 kamme upon the actual output of last year.

Letters to the Editor.

BELGIAN STABILISATION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Everyone I imagine is pleased at the success of the Belgian loan, except, perhaps, those who did not receive what they applied for. The various arrangements which have been made for stabilising the franc appear to me to be sound and practicable. There is one feature mentioned in the prospectus "in connection with the stabilisation programme," i.e., credits which have been arranged by the central and reserve banks of various countries, which if they are to be used for pegging or artificially maintaining the Belgian exchange appear to me to be unsound and inadvisable. This provision was incorporated in our own Gold Standard Act, and was denounced by the executive committee of the Sound Currency Association, of which I have the honour to be chairman. By pegging or artificially maintaining the exchange you withdraw a legitimate advantage from the exporter. A natural fall in the exchange stimulates exports and promotes trade, and as a result of increased exports and a possible reduction in imports the exchange will correct itself, always provided there is a free market in gold. Should there be an excessive outflow of gold that can be stopped in the usual way by a rise in the rate of discount. In the British case I received an authoritative assurance from the Treasury that the credits had not been so used, and I should be glad to be assured that the same answer will be forthcoming from the Belgian authorities.—I am, Sir, yours, &c.,

D. M. MASON.

November 15th, 1926.

Books and Publications.

PEASANTRY AND THE LAND PROBLEM.

SINCE Goldsmith wrote of a depopulated countryside many have expatiated on the same theme, and Mr Robertson Scott* is the latest in this line of lamentation. Notwithstanding his title, he explains that the term "peasant" has gone out of literary fashion, and that the labourer on the land should be termed a "farm-worker." The change in title is immaterial, but there have been more serious and significant changes. Of all the factors which go to make up what is termed the rural problem none is so baffling as the adjustment of the relationship of the man who tills the soil to the man who employs him. It is comparatively easy to provide, in various ways, the ladder by which he may climb from the status of wage-earner to that of independent cultivator. But the position of the man who does not climb the ladder is not affected, and so long as farms larger than subsistence holdings exist there must be men employed by farmers.

Mr Robertson Scott describes fairly and vividly the conditions in which the farm-workers live. He devotes a special section to Scotland, and, with much illuminating

* "The Dying Peasant." By J. W. Robertson Scott. Williams and Norgate.

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detail, gives an account of Scottish "farm-servants"—the title which they universally accept—which many English readers will regard as the most interesting and freshest part of the book. He stresses the fact, little known in the South, that the Scottish worker on the land—in spite of the system of yearly or half-yearly engagements—is more mobile than his English compeer, who is engaged by the week. In dealing with English conditions, the author gives, by way of introduction, a description of two villages, one of which he terms "a blot on our time and civilisation." Of the villagers he says, "it is not despair, but hopelessness and ignorance" which afflict them. They are "supine." The farmers are "second-rate in intelligence and skill." In the other village conditions are better; the people are "more self-respectingly housed." Mr Scott insists repeatedly on the primary importance of village housing and the effect of decent cottages on the mentality of the inhabitants. He admits, however, that the older generation are often content with the existing state of things, and that the demand for better housing comes mainly from the younger men and women. Generally they talk "more about better wages than better housing."

The author gives an account of the ups and downs of the agricultural unions and of the struggle for the minimum wage and standardised hours. While he maintains that a number of farmers are paying less than the minimum and escaping detection, he gives, on the other hand, statements supplied to him by farmers who are paying many of their men considerably more than the minimum. Although he is scornful of the futility of the present Wages Board—due to the absence of any effective power or responsibility—he conveys the impression that the system of wages regulation is working satisfactorily.

The book is eminently readable, and contains much shrewd observation. It sets out to be descriptive, and in this respect its object is admirably achieved. Few more vivid pictures of village life and of the labourer's economic and social conditions have been written. The author is freely critical, but it cannot fairly be said that he is constructive. The problem of the farm-worker, and especially of the post-war generation, with their aversion to the land, remains unsolved. Mr Scott appears, somewhat tentatively, to suggest that Land Nationalisation may supply the key, but he wisely leaves the development of the suggestion to others.

THE PROBLEM OF AMERICAN SHIPS.

MANY Americans are dissatisfied with the smallness of the percentage of United States sea trade that is carried in American ships. Some of them look with favour on discriminating duties as a possible means of increasing the employment of the American merchant marine. To these presumably Mr Maxwell's book* is in the first place addressed. It is a searching analysis, from almost every conceivable standpoint, of the consequences of a policy of discriminating duties. The author goes back into the past and studies the results, taking into account the then prevailing conditions. He examines, too, in the light of past experience, the probable effects of the adoption of such a policy in the altered conditions of the present time. At the end of over 200 pages of exhaustive discussion of

* "Discriminating Duties and the American Merchant Marine." By Lloyd W. Maxwell. (New York) The H. W. Wilson Company. (London) Sir Isaac Pitman and Sons, Limited. 1926.

the subject of a discriminatory policy, full of references to State documents and trading records, Mr Maxwell's conclusion is that "Only the folly of a misguided people could urge its endorsement under present world conditions."

In the early trading days towards the close of the eighteenth century, when the United States had originally to formulate a national policy, it had to counteract the effects of discrimination instituted by others, especially by Great Britain. That was an "age of maritime exclusions, trade competition, pirates, and war," and "to balance the inequalities was the only method which could enable native ships to operate in foreign trade." Most countries tried to exclude American ships, which at that time were relatively cheap to operate. The United States, therefore, with the purpose of securing reciprocal treatment, and, as the author repeatedly insists, with that temporary purpose only, discriminated against the ships of other nations in the duties levied. The American merchant marine advanced, and its progress was assisted in part by this policy, though more by the prevalence of war among European competitors, which gave American ships, as neutral carriers, great opportunities. In any case, however, as soon as the treatment claimed by America was accorded, discrimination was discarded. The equality which discrimination may establish is expensive, imposing burdens which ultimately rest on the consumers in the countries at each end of a voyage. It is a political weapon which economically injures, in the long run, those who employ it, as much as those against whom it is used.

At the present time world conditions are quite different from those which existed when the United States imposed discriminating duties. Discriminatory practices, though prevalent in isolated instances, are not now general. Moreover, American ships are, relatively to others, more and not less costly in operation. Therefore, the conditions which make any benefit to American trade possible do not exist. "Were America to adopt a discriminatory policy at the present time, she would be," says Mr Maxwell, "the originator of the practice. On her would rest the responsibility for foisting upon the world a despicable system, inviting retaliation."

Though the Merchant Marine Act, 1920, authorised the President to terminate treaties restricting the right of the United States to impose discriminating duties, three Presidents have, as Mr Maxwell points out, declined to exercise this power. The power remains in existence, however, and there is also another section of the same Act (with which this book does not deal) under which, two or three years ago, it was proposed to discriminate against foreign ships by means of railway rates. Against any future proposals which might be forthcoming for action under this American statute Mr Maxwell's powerful arguments will stand as a safeguard. His book might be studied with advantage, too, in more than one European country.

BOOKS RECEIVED.

British Slavery and Its Abolition, 1823-1838. By William Law Mathieson. (London) Longmans, Green, and Co., Limited, 39 Paternoster row. 16s net.

The author begins by sketching the development of sugar cultivation in the West Indies, and shows how it was affected by French competition and the slave trade. He then depicts the daily life of the slaves, and compares the British type of slavery with others, specially Spanish and American. Two chapters are devoted to the anti-slavery agitation in England, the policy of amelioration which was pressed for ten years on the Colonial legislatures, and the demand for abolition. Though slavery ceased in 1834, a system of forced labour was to continue till 1840; and the last chapter describes the working of this "apprenticeship," and shows how it terminated two years earlier than had been contemplated by Parliament.

The Social Revolution in Austria. By C. A. Macartney. (London) Cambridge University Press, Fetter lane. 8s 6d net.

This book aims at giving an impartial account of what Austrian socialism is, what it has attempted, and what it has accomplished.

Business Annals. By Willard Long Thorp. With an Introduction by Wesley C. Mitchell, and a Foreword by Edwin F. Gay. (New York) National Bureau of Economic Research, Inc., 2474 West 24th street. A scientific study of business cycles.

Cyclical Fluctuations. By Simon S. Kuznets. Preface by Wesley C. Mitchell. (New York) Adelphi Company.

An investigation into cyclical movements in the volume of output, of retail and wholesale sales and in the distribution of incomes.

The Widening Retail Market and Consumers' Buying Habits. By Horace Secrist. (London) A. W. Shaw and Co., Limited, 43 Shoe lane. \$3.00.

A new volume in the North-Western University Business Studies series. An American study in markets and the idiosyncrasies of demand.

A Geographical Study of Coal and Iron in China. By Wilfred Smith, with an Introductory Note by Prof. P. Roxby. (London) Hodder and Stoughton, Warwick square. 5s net.

This book, which contains maps, fills a gap in the literature on the economic geography of China, and discusses the distribution of coal and iron resources in relation to the future industrial development of the country. The author is tutor in the Department of Geography in the University of Liverpool.

An Inquiry into the Causes of the Growth and Decay of Civilisation. By Thomas Lloyd. (London) "The Statist," 51 Cannon street. 15s net.

In this posthumous book the late Mr Thomas Lloyd, formerly editor of the *Statist*, set himself the ambitious task of investigating the forces which give stimulus and also those that brought decay to civilisations. Part I. deals with the origin of man and civilisation; Part II. with State economics; Part III. with disruptive forces. In his 859 pages the author takes us from pre-Palaeolithic times through the empires of Greece and Rome to our modern days of democracy.

Dalgety's Annual Wool Review for Australasia. Compiled by Dalgety and Co., Limited, 65-68 Leadenhall street, London, E.C. 3.

Containing a wealth of facts and figures about wool not only in Australia but in the world as a whole.

La Questione Agraria in Russia. By Jenny Griziotti Kretschmann. (Piacenza) Federazione Italiana dei Consorzi Agrari. 25 lire.

An Italian study of the handling by the Soviet of the agricultural problem in Russia.

La Belgique Restaurée. Publiée sous la Direction de Ernest Mahaim. (Brussels) Maurice Lamertin, Editeur, 58-60 Rue Condensberg.

A study of the population, agriculture, industries, commerce and general economic position of post-war Belgium. A timely and informative publication.

Annuaire Statistique de la Belgique et du Congo Belge. 1923-24. (Brussels), 3, Rue de Louvain. 10f.

Arbitration and Business Ethics. By Clarence F. Birds-eye. Foreword by Charles L. Bernheimer. (London) D. Appleton and Co., 34 Bedford street. 10s 6d net.

A study of the history and philosophy of the various types of arbitration and their relations to business ethics.

The "Beama" Trade Survey. A Quarterly International Study of Trade Conditions prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association (Inc.), 36 Kingsway, W.C. 2. Vol. 1, No. 1. December, 1926. 5s net.

This new quarterly surveys economic conditions in Great Britain and the main industrial countries, with a view to determining the competitive position and forecasting the trend of business activity generally. The electrical industry naturally receives special attention, but is viewed in a perspective which includes other important trades. This latest addition to the growing list of endeavours to use available statistical material as a basis for a scientific appraisal of trade tendencies is attractively presented, and should form a useful guide to those responsible for trade policy in the electrical and other industries.

Scandinavian Banking Laws. Published for the School of Business, Columbia University, by Columbia University Press, New York.

A description of the history, charters, and administration of the national banks of Denmark, Sweden and Norway.

Die Reklame. Von Viktor Mataja. (Munich) Duncker and Humblot. M. 14.50.

An enlarged edition of a former work on advertising, revised in the light of present-day developments. It surveys the different methods of advertising, both past and present, and discusses its economic significance.

Daily Mail Year-Book, 1927. (London) Associated Newspapers, Limited, Carmelite House. 1s net.

A remarkably good shillingworth of general information, and very handy for use in the office.

Journal of the Parliaments of the Empire. No. 4, October, 1926. (London) Empire Parliamentary Association, Westminster Hall, S.W. 1. 10s net.

Includes statements and debates in the Parliaments of the Empire on subjects which are being considered at the present Imperial Conference.

Bulletin of the Imperial Institute. November, 1926. (London) John Murray, Albemarle street, W. 5s net.

Bulletin of the National Bank of Czechoslovakia. (Prague) No. 1. October, 1926.

This initial bulletin of the Czechoslovakian Central Banking Institution gives an account of the establishment of the Bank, a survey of the activities of the Banking Office of the Ministry of Finance, which preceded it, and many valuable statistical tables relating to economic conditions in general.

Annual Report of the Superintendent of Insurance for the Year ended December 31, 1925. (Albany, State of New York) Insurance Department.

This, Part III., deals with casualty, credit, employers' liability, fidelity, surety, workmen's compensation, automobile casualty, real estate and mortgage guaranty.

Statistical Review of the Wool and Wool Textile Trades, 1912-1925. (London) H. Dawson, 74 Coleman street. 10s 6d net.

The Rubber Quarterly. November, 1926. (London) London General Press, 3 Arundel street, Strand, W.C. 2. 1s.

This number of the *Rubber Quarterly* contains articles on Overhauling the Machinery of Restriction and British Motoring Possibilities. Interesting reports on the industry are given from New York, Malaya, Ceylon, Dutch East Indies, and Holland. Many statistics are included.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Wireless Broadcasting: Drafts of (1) Royal Charter for which the Postmaster-General proposes to apply for the incorporation of the British Broadcasting Corporation; and (2) Licence and Agreement, the terms of which have been mutually agreed upon between His Majesty's Postmaster-General and the Governors-designate of the British Broadcasting Corporation. Cmd. 2756. 6d net.

Wireless Broadcasting Service: Copy of Agreement. November 9, 1926. Cmd. 2755. 2d net.

Companies: Thirty-fifth General Annual Report by the Board of Trade. 1s net.

Seventeenth Report of the Commissioners of His Majesty's Customs and Excise for the year ended March 31, 1926. Cmd. 2721. 3s net.

Eighteenth Abstract of Labour Statistics of the United Kingdom. Cmd. 2740. 1926. 4s net.

This volume satisfies the general demand for a publication bringing together the principal labour statistics of the country, and is of special interest as being the first of its kind to appear since 1915. The serial tables deal in most cases with the years 1910-1925. Sections are included relating respectively to employment, insurance, wages and hours of labour, profit-sharing, prices and cost of living, strikes and lock-outs, trade unions, co-operative societies, migration, &c. Invaluable to all concerned with labour questions.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.
November 23.

ACCOUNT.
November 25.

Stock Exchange members regard the coal dispute as tottering on its last legs. Monetary conditions are easier to an extent which has removed the fear of an early rise in the Bank rate. The value of the French franc has been greatly improved, to such an extent indeed as to arouse something like semi-panic on the Paris Bourse. In spite of the favourable points in the financial situation, however, markets are uneasy and disturbed. On the week the falls greatly outnumber the rises. The rise in the French rate, instead of having a cheering effect, has led to extensive selling orders from Paris, and these, encountering little British support, have spread flatness over various sections in which the French interest is considerable.

Business is quiet, and yet at the same time big lines of stock occasionally change hands, and new issues that offer reasonable attractions continue to meet with public support. The War Loan is very close to 100, and amongst other gilt-edged securities a steady advance in the prices of recently-issued corporation stocks testifies to the manner in which the investor is absorbing such descriptions as those in which safety is the predominant factor. In Colonials there is not much change.

The foreign market has for one of its features another sharp rise in the price of the Belgium 7 per cent. Stabilisa-

BARCLAYS BANK

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Head Office: 54, Lombard Street, London, E.C.3.

The Bank has close working arrangements with Agents and Correspondents in all the principal towns throughout the world, and is in a position to offer complete banking facilities to merchants and others for the transaction of

EVERY DESCRIPTION OF OVERSEAS BUSINESS.

Foreign Exchange transactions arranged.

Chief Foreign Branch	168, Fenchurch Street, London, E.C.3
West End Foreign Branch	1, Pall Mall East, S.W.1.
Liverpool Foreign Branch	45, Castle Street, Liverpool.
Manchester Foreign Branch	94, Portland Street, Manchester.
Bradford Foreign Branch	13, Market Street, Bradford.

tion loan, which, issued at 94, now stands nearly 101. French Government bonds have been better; Brazilians and Chinese gave way. There has been a little inquiry for Japanese Government and corporation bonds. The 4 per cent. dividend declared on Peruvian Corporation preference stock is in accordance with forecast.

Amongst Home Railway stocks the strength of Undergrounds stands out conspicuously, Districts, Metropolitans, and Underground £1 shares being notably good. As regards the steam stocks, however, the prospect of resumption of work in the coalfields failed to stimulate any fresh activity. The Argentine railway market is weak, apparently on sales by those who are timorous regarding the crop outlook. Leopoldinas were hoisted several points upon official permission being given by the Brazilian Government for the raising of the company's rates.

The tone of the rubber share market is dull, and business is languid. Staffs who at this time last year were working until 5 a.m. now leave their offices twelve hours earlier. Tea shares, after their improvements of the last two or three weeks, show something of a halting tendency. The oil market weakened on selling that came mainly from Paris. Dennis Brothers provided a feature of exceptional strength by reason of an extremely satisfactory report. Dunlops, on optimistic rumours, shot above 30s. In the textile market the movements are narrow and lower for choice. Iron, coal, and steel shares showed a robust tendency until the declaration of the South Durham dividend showing a decrease of 5 per cent. laid a check upon the buoyancy, and caused a fairly general reaction.

Amongst electricity supply shares, County of Londons eased off on the postponement of the directors' announcement in regard to distribution of the reserves. In shipping shares the movements are negligible. Some of the Far Eastern banking shares are better. In the insurance group Employers' Liability fell back owing to lack of confirmation of amalgamation rumours. Interest in tobacco shares has subsided to a great extent. Nuera Art Silk have been a strong spot. The Marconi market goes softly on the eve of the issue of the auditors' report. Cable construction shares show a tendency to harden. A few good spots developed amongst breweries, though Distillers, in which there has been very extensive buying, reacted from the top. Several of the drapery and warehouse companies' shares improved, in consequence of optimism in regard to the possibilities of the undertakings being absorbed or amalgamated. Of the chemical combine shares, Dyestuffs and Nobels have been animated without, however, showing much variation on balance. Brazilian Tractions gave way on selling from Brussels and the downward movement in the milreis, and Mexican Utilities are heavy by reason of vague reports of further trouble in the country. Sudan Plantations failed to maintain a rise which they secured upon publication of an excellent report. The general disposition of industrials, like that which ruled in other parts of the Stock Exchange, has been dull.

The Kaffir Circus lay at the mercy of French operations. Paris has been a persistent seller of De Beers and other diamond shares, the selling being supplemented by realisations from this side on the part of people alarmed at the possible competition of the new diamond fields just discovered. Shares in the gold producing companies, outcrop and deep-level alike, have eased off. Chartered stood their ground tolerably well. In the tin market a drop of several shillings in Tinchas, due to a statement from the company showing that the original estimates would not be verified in the time expected, led to depression amongst other shares in the market, although the speculative investor is quietly picking up stock where it is offered cheaply. Canadian and silver mining shares went back to a slight extent. Russians are as dead as the proverbial mutton. There is a mild recrudescence of interest in the subject of reopening the Stock Exchange on Saturday mornings.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

ISSUES OF THE WEEK—	Nominal Capital, £	Cash Subscriptions, £	First Payment, £	Further Liability, £
Amount previously recorded		196,268,090		

NATIONAL SAVINGS CERTIFICATES.

April 1, 1926, to November 13, 1926, Dr £2,300,000.
Net sales week ended November 13, 1926, Dr £50,000.

To the Public—	Nominal Capital, £	Cash Subscriptions, £	First Payment, £	Further Liability, £
Perak River Hydro-Electric Power Co., Ltd., £1,250,000 5% Guar. under Trade Facilities Act, Deb. Stk., 1921, issued at 99½ (Nov. 17) ..	1,250,000	1,243,750	125,000	1,118,750
Valley Woolcombers, 200,000 7½% Cum. Pref. Shares of £1 each, at par (Nov. 15) ..	200,000	200,000	25,000	175,000
Dawson Bros., 160,000 7½% Cum. Pref. Shares of £1 each, at par (Nov. 18) ..	160,000	160,000	20,000	140,000
Total offered to the Public		1,603,750	170,000	1,433,750
To Shareholders only—	Nominal Capital, £	Cash Subscriptions, £	First Payment, £	Further Liability, £
Argentine Gt. Western Railway, 100,000 6% Guar. Pref., £10, at par ..	1,000,000	1,000,000	100,000	900,000
Third Scottish National Trust, 50,000 Shares, £10, at par ..	500,000	500,000	25,000	475,000
Second Scottish Invest. Trust, 200,000 6% "A" Pref., £1, at par ..	200,000	200,000	20,000	180,000
Fabulous Mines Consolidated, £100,000 8% Five-Year Secured Notes, at par ..	100,000	100,000	10,000	90,000
Madras Electric Supply, 110,000 Ord., £1, at 25s 6d ..	110,000	140,250	13,750	126,500
London & Colonial Investment Corporation, 52,000 £1 Shrs., at par ..	52,000	52,000	26,000	26,000
Cyprus Asbestos, 48,000 Prefd., £1, at 25s ..	48,000	60,000	12,000	48,000
Hendon Electric Supply, 50,000 6% Cum. Pref., £1, at 20s 6d ..	50,000	51,250	6,250	45,000
Karmen Rubber, 14,500 Shares, £1, at 30s ..	14,500	21,750	7,250	14,500
Elmhurst (Ceylon) Tea & Rubber Estates, 3,200 Shares, £1, at 22 ..	3,200	6,400	6,400	..
Total offered to shareholders		2,131,650	406,650	1,725,000
Total offered for subscription to date in—	Nominal Capital, £	Cash Subscriptions, £	First Payment, £	Further Liability, £
1925	199,953,490	199,953,490	231,914,268	209,326,100
1926	202,340,376	202,340,376	271,335,173	217,938,525
1927	174,938,525	174,938,525	573,675,650	368,978,324
1928	256,784,858	256,784,858	388,978,324	318,931,861
1929	556,557,324	556,557,324	..	..
1930	318,931,861	318,931,861	..	..

Perak River Hydro-Electric Power Company, Limited.—Issued share capital £827,957, divided into 500,000 8 per cent. cumulative preference shares of £1 each and 327,957 ordinary shares of £1 each. There is also an issued loan capital of £1,350,000 in 7 per cent. participating debenture stock. This is an issue of £1,250,000 5 per cent. debenture stock at £99 10s per cent., guaranteed as to principal and interest by the Government under the provisions of the Trade Facilities Acts; the stock is redeemable over the years 1931 to 1951 by a cumulative sinking fund operated by annual drawings and/or purchase. The stock will be secured by a trust deed constituting the stock a first fixed and specific charge in the concession mentioned below, and the lands, fixed plant, and machinery of the company, and a first floating charge on the remainder of the assets, present and future, including its uncalled capital. The company has been formed primarily to acquire and develop a concession which runs for a period of 80 years, and confers the power to construct and operate hydro-electric works within an area of over 3,000 square miles, and to supply electricity over a wide area in the State of Perak. An expert report is quoted to the effect that "the gross revenue from the sale of power can be conservatively placed at £455,500 per annum, which, after allowing £72,900 per annum for operation charges and maintenance, will leave a net surplus of £382,600 per annum." The investor will, of course, rely upon the guarantee of the British Government.

Valley Woolcombers, Limited.—Share capital £300,000, divided into 200,000 7½ per cent. cumulative preference shares of £1 each and 100,000 ordinary shares of £1 each. This is an issue of the preference shares at par. The company was formed as a private company in the name of the Valley Combing Company, Limited, in September, 1926, to acquire as a going concern the business of woolcombers carried on by William Clifford Gaunt, trading as the Valley Combing Company, Mr W. C. Gaunt subscribing for the whole of the original capital of £100,000 for cash, this being the present ordinary share capital. Profits, before providing for national taxation or depreciation, are certified to have been as follows:—1922, £91,077; 1923, £101,793; 1924, £62,996; 1925, £56,316; and 14 months ended August 31, 1926, £64,171. Land, buildings, machinery, and plant have been valued at £260,536, while assets are given as £285,571. The net proceeds of this issue, it is stated, will be utilised to

repay amounts advanced by Mr W. C. Gaunt. Under Mr W. C. Gaunt the company's affairs should be well handled.

Dawson Brothers (London), Limited.—Issued share capital £220,000, divided into 220,000 ordinary shares of £1 each. The whole of the ordinary capital, it is stated, is held by the Drapery and General Investment Trust, Limited. This is an offer for sale of 160,000 7½ per cent. cumulative participating preference shares of £1 each at par. These shares are entitled to an additional dividend up to 2½ per cent., payable out of one-half of the profits distributed in any year after paying 7½ per cent. on the ordinary shares. The company has acquired the drapery business of Dawson Brothers, established in 1848, and of Staddon's, established in 1870. The object of the present issue is partly to provide the purchase price, the balance being provided by the issue for cash at par of 84,000 ordinary shares of the company. The profits of the two businesses, before providing for taxation, are stated to have been as follows:—1922-23, £44,490; 1923-24, £43,997; 1924-25, £47,801; and 1925-26, £47,071. The net assets of the two businesses are given as £221,237. The advertised prospectus is not without interesting points. Contract No. 5 reads: "Dated July 23, 1926, between Austin Friars Investment Trust Limited and the company whereby the business of Dawson Brothers purchased by Austin Friars Investment Trust Limited under Contract No. 1 above was sold to the company for the price paid by Austin Friars Investment Trust Limited, namely, £193,100." Contract No. 1 is as follows: "Dated December 2, 1925, between Ellen Howerth Ibbott and Austin Friars Investment Trust Limited." Further, it is stated: "The purchase price paid by the company to Austin Friars Investment Trust Limited, the vendors under the above-mentioned Contract No. 6, for the whole of the issued ordinary shares of Staddon's Limited was £232,000, being the price paid by the Austin Friars Investment Trust Limited." Against this we have the issued capital of the company at £380,000. The advertised prospectus is not clear to the ordinary investor.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.							
	Price Last Week.	Latest Price.	Rise or Fall.				
War 5½% 1925-28 ..	98½	98½	..	India 3½% Stock ..	69½	69½	..
Loans 5½% 1929-47 ..	99½	99½	..	Do 5½% 1932 ..	102½	102½	..
6% 1929-49 ..	101	100½	..	N.S.W. 5½% 1922-32 ..	99	99	..
Funding Loan 4% ..	84½	84½	..	N. Zealand 3½% 1940 ..	85	85	..
Victory Bonds 4% ..	91½	92	..	Nigeria 6% 1949-79 ..	112	110½	..
Conversion Loan 3½% ..	74	74	..	Queensland 5% 40-60 ..	95	95	..
Consols 2½% ..	54½	54½	..	U. of S.A. 6% 1930-40 ..	102	102	..
Irish Land Stock 2½% ..	57½	57½	..	S. Aust. 6½% 1930-40 ..	103	103	..
Local Loans 3% ..	62½	62½	..	Victoria 5½% 1924-34 ..	100	100	..
Aust. 6% 1931-41 ..	102	103	..	W. Aust. 6% 1930-40 ..	102	102	..
British Railways.							
Great Western, Ord. ..	89½	89	..	Metropolitan District. 58½ ..	57	57	..
London & North-Eastern ..	51	51½	..	Southern, Pref. Ord. ..	78	78½	..
6% Pref. Ord. ..	19	18½	..	Do Def. Ord. ..	45½	45½	..
Do Def. Ord. ..	74½	73½	..	Underground Electric ..	101½	102	..
London, Mid., and ..	63	62½	..	(£1)			
Metropolitan ..				Do Inc. Bd., (£100) ..	101½	102	..
Colonial and Foreign Railways.							
Antofagasta Cons.	81	80½	..	Grand Trunk Pacific, ..	57	57½	..
B.A. and Pacific ..	85	85½	..	4% Debts ..	41½	49	..
B.A. & Gt. Southern ..	98½	98½	..	Leopoldina ..	41½	49	..
Buenos Ayres West. ..	84	82½	..	Mexican Railway ..	8	7½	..
Canadian Pac. (£100) ..	169	169	..	Do 1st Pref. ..	22	21	..
Central Argentine ..	72½	72	..	San Paulo ..	181	181	..
Cordoba Central New ..	33½	33½	..	United Havana ..	67½	69½	..
American Railroads.							
Chesapeake & Ohio ..	171	169	..	Southern ..	122	122	..
Erie ..	40	40	..				
Do 4% 1st Pref. ..	48	48	..				
Foreign Government Securities.							
Argentina 5%, 1886-7 ..	100	100	..	Greek 7%, 1924 ..	92	91½	..
Austrian 6% Guar. 102 ..	102	102	..	Hungarian 7½% 1924 ..	103	102½	..
Belgian 7%, 1926 ..	100½	100½	..	Japanese 5% 1924 ..	92	92½	..
Brazil 5% Fund, 1914 ..	79	78	..	Mexican Cons. 1899 ..	45	42	..
Chilian 4½% 1896 ..	77	75	..	Peruvian Corp. Pref. ..	50½	50½	..
Do 7½% ..	77	75	..	P.L.M. 6% ..	88½	88½	..
Chinese 5% 1912 ..	101	100	..	Portuguese (New) ..	36	36	..
Do 4½% ..	101	100	..	Russian 5%, 1906 ..	7½	7	..
Egyptian 4% ..	81½	81½	..	Saine (Dept.) 7% ..	99	99½	..
French 5% ..	113	113	..	Siam 7% ..	106	106	..
Do 4% ..	118	118	..				
German 7%, 1924 ..	103	102½	..				

Banks.				
	Price Last Week.	Latest Price.	Rise or Fall.	
Barclays B. (£1, 10p.)	24½	24½	..	National Provincial
Chartered Bk of India	20½	19½	..	(£20 with £4 paid)
Lloyds (£5 with £1	34	34	..	Standard of S. Africa
paid ..	34	34	..	(£20, with £5 paid)
Midland (£12, with	8½	8½	..	Westminster Bank
£4 paid)	8½	8½	..	(£20, with £5 paid)
Nat. Bank of Egypt	36½	35½	..	
(£10)	36½	35½	..	
Miscellaneous.				
Allied Newspapers (£1)	2½	2½	..	Hudson's Bay (£11)
Amal. Cottons (£1)	6½	6½	..	Imperial Tobacco (£1)
Anglo Persian Oil (£1)	6½	6½	..	Livering Planets (£1)
Armstrong (Sir W. & Co.) (£1)	3½	3½	..	LiverBr7½ CmpP (£1)
Ass. Portland Cement (£1)	3½	3½	..	Do 8% Cm A Prt (£1)
Barker, John (£1)	3½	3½	..	Do 20% Cmp P Ord (5)
B'ham Small Arms (£1)	3½	3½	..	Lister (£1)
Bleachers (£1) ..	2½	2½	..	Lobitos Oilfields (£1)
Bradford Dyers (1) ..	2½	2½	..	Lyons (J. & Co.) (£1)
British Traction (£100)	110½	105½	..	Mexican Eagle (£10)
British-American	41½	41½	..	Nobel Industries (£1)
Tobacco (£1) ..	41½	41½	..	Royal Dutch Petro-
British Controlled	41½	41½	..	leum (100 fl) ..
Oil (£5) ..	41½	41½	..	Rubber Plantations
Bryant and May (£1)	24½	24½	..	Investment (£1) ..
Burmah Oil (£1) ..	6½	6½	..	Shell Transport (£1) ..
Coats (J. & F.) (£1)	5½	5½	..	Siemens (£1) ..
Corrauld (£1) ..	5½	5½	..	Swedish Match "B"
Corrad (£1) ..	5½	5½	..	(£100) ..
Dorman, Long (£1) ..	14	14	..	Union Cold Storage
Dunlop Rubber (6/8) ..	14	14	..	6% Cum. Pref. (£1)
Fine Cotton Spins (£1)	24	24	..	Do 7% Cm. Prt (£1)
Gramophone (£1) ..	34	34	..	United Dairies (£1) ..
Forestral Land (£1) ..	14	14	..	United Serdang (2)
Furness, Withy (£1) ..	14	14	..	United Tobacco (£1)
Highlands and Low-	14	14	..	V.O.C. Holding (£1)
lands Rubber (£1)	24	24	..	Vickers (6/8) ..
				Watney Def. Stk.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.			Method of Payment.	Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Interim div. †		Lat'est Pre-Year.	Pre-vious.
Banks.						
Bank of British West Africa	4*	Dec. 1	Less tax	..	11	11
Bank of London and S. America	7½†	..	Less tax	..	10	8
Banque Belge pour l'Etranger	..	..	..	..	..	..
Credit Foncier d'Algérie et de Tunisie	15-51 ps.	Jan. 23	(bonus of 2/ p.s.) Tax free	..	8	8
Ionian	3/ p.s.†	..	Less tax	..	16	16
National of Scotland	..	..	..	..	16	15½
Royal of Scotland	..	..	..	..	..	..
Insurance.						
Alliance Assurance	7/ p.s.*	..	Less tax	..	..	..
Guardian Assurance	4/ p.s.*	..	Less tax	..	..	..
Sun	10/ p.s.*	Jan. 1	Less tax	..	..	..
Mining.						
Berenguela Tin	5%*	Nov. 30	Less tax	..	..	..
Central Mining and Investment	8/ p.s.*	Dec. 9	Tax free	..	10	10
Chinese Engineering	5%†	..	Tax free	..	15	12½
Eastern Smelting	..	..	Less tax	..	..	..
Frontino and Bolivia	5%†	Jan. 1	Less tax	..	..	..
Idria Hydraulic Tin	2/ p.s.*	Dec. 22	..	..	10	..
Malayan Tinfields	..	..	Less tax	..	..	..
Seremban, Limited	14½ p.s.	Dec. 9	Less tax	..	..	..
Tekka	14½ p.s.	Dec. 3	..	..	..	..
Vereeniging Estates	5%*	Jan. 27	..	..	..	..
Tea and Rubber.						
Amalgamated Tea Estates	7½%*	..	..	..	..	..
Anglo-American Direct Tea	5%*	..	..	..	..	..
Anglo-Johore Cons. Rubber	6%*	Dec. 9	Less tax	..	..	..
Badek Rubber	10%*	Dec. 7	..	..	..	..
Bikam Rubber	7½%*	Nov. 30	Less tax at 4/	..	..	..
Borhat Tea	5%*	Dec. 15	Less tax	..	..	..
British Assam	10%*	Dec. 1	Less tax at 3/6	..	..	..
British Rubber Estates of Java	10%*	Dec. 6	Less tax	..	..	..
Consolidated Tea and Lands	5%*	..	..	..	..	..
Darjeeling Co.	..	..	Less tax	..	..	..
Deamoolie Tea	10%*	Dec. 3	Less tax	..	..	..
Dooloogram Tea	5%*	Dec. 7	Less tax	..	..	..
East Hava Rubber	7½%*	Nov. 24	Less tax	..	..	..
Foot hills (Malaya) Rubber	7½%*	..	Less tax	..	..	..
Gita Tea	7½%*	Dec. 1	Less tax at 3/6	..	..	..
Gopeng (Perak) Rubber	5%*	Dec. 8	..	..	..	..
Halem Tea	10%*	Dec. 1	Less tax at 3/6	..	..	..
Imperial Tea	7½%*	Dec. 7	Less tax	..	..	..
Jokai (Assam) Tea	10%*	Dec. 7	Less tax	..	..	..
Kaman-Devan Hills Produce	7½%*	..	..	..	..	..
Kapoewas Rubber	2½%*	Dec. 21	..	..	..	..
Lebong Tea	10%*	..	..	..	25	15
Longengs Rubber	..	..	..	..	..	..
Local Valley Tea	4%*	Nov. 30	Less tax	..	..	..
MooPLY Valley Rubber	10%*	Dec. 18	Less tax	..	..	..
Rosevale Rubber	10%*	Nov. 30	..	..	..	..
Rupai Tea	10%*	Dec. 3	Less tax	..	..	..
Tara Tea	10%*	Dec. 3	Less tax	..	45	17½
Tebrau Rubber	25%†	..	..	..	..	..
Wellawaya Plantations	12½%*	Nov. 22	..	..	..	..
Other Companies.						
A. and F. Pears	..	..	..	5	20	..
Amazon Telegraph	..	..	Less tax	..	4	nil
Archibald Campbell, Hope, and King	..	..	..	7½	7½	..
Argentine Southern Land	6%*	..	..	6	8	..
Brickwood and Co.	8%†	..	..	10	11½	..
British Automatic	..	..	..	..	..	..
British Electric Traction	3%*	Dec. 15	..	15	12½	..
Callard, Stewart and Watt	..	..	..	..	..	..
Cassel Cyanide	76 p.s.	..	Less tax at 4/	99 p.s.	..	..
Cope Bros.	4%*	Dec. 16	Less tax	..	..	..
Daily Mirror Newspapers	30*	..	Less tax	..	..	..
East Surrey Water, "A"	10	Dec. 1	..	..	..	..
Do "B"	7*	Dec. 1	Less tax	..	..	..
Fine Cotton Spinners	4%*	Dec. 1	..	..	..	..
Frederick Sage	5%†	Dec. 18	Less tax	..	8	8
Grand Hotel, Eastbourne	5%*	..	(6 bonus of 3%) Less tax	13	13	..
Hazel, Watson, and Viney	3%*	Dec. 2	Tax free	12½	10	..
Huggins and Co.	1/6 p.s.†	(bonus of 6 p.s.)	..	..	..	..
Indiarubber, Gutta Percha and Telegraph	..	..	Tax free	5	5	..

COMPANY MEETINGS, &c.

ENGLISH, SCOTTISH, AND AUSTRALIAN BANK, LIMITED.

SATISFACTORY YEAR—EXPANSION OF BUSINESS.

DIVIDEND OF 2½ PER CENT., TAX FREE.

AUSTRALIAN FINANCE AND TRADE.

MR ANDREW WILLIAMSON'S INTERESTING REVIEW.

The thirty-fourth ordinary general meeting of the English, Scottish, and Australian Bank, Limited, was held, on the 17th instant, at the head office, 5 Gracechurch street, London, E.C.

Mr Andrew Williamson (chairman of the bank) presided.

The notice convening the meeting and the auditors' report having been read by Mr E. M. Janion (London manager and secretary),

The Chairman said: Ladies and gentlemen,—Since our last annual meeting we have sustained a serious loss through the death of Mr George Slade, after a brief illness, in December of last year. Mr Slade, who for 13 years prior to its amalgamation with this bank, had been a director, and for four years the chairman, of the London Bank of Australia, had, since the amalgamation, been a greatly valued member of this board. From the first his single-minded devotion to the interests of the bank and his sterling and attractive qualities of mind and character won for him the full confidence and warm regard of all his colleagues and of all the members of the staff with whom he came in contact. His early death was a great loss to the bank, and is deeply deplored by us all.

The vacancy thus caused has been filled by the appointment as a director of the Right Hon. Lord Forster of Lepe, after his return from Australia, where, as Governor-General of the Commonwealth, he was so universally esteemed. No more fitting appointment could have been made, and I trust that Lord Forster, whose name is held in high regard from one end of Australia to the other, will long be spared to assist us with his counsel and advice. He deeply regrets, as do we, his inability to be present to-day, owing to absence on the Continent. In terms of our articles of association he retires from office at this time, and, being eligible, he will later on be proposed for re-election.

GENERAL STRIKE AND COAL DISPUTE.

In the year embraced in our accounts two events of outstanding national importance occurred—the general strike, which demonstrated with a clearness which surprised the whole world the determination and the ability of the British people to defend themselves from the dictation of any one class of the community. If it had taught the extremists in our midst the futility of attempting to hold the nation to ransom, it would be worth the cost, and we might for the future dismiss from our minds the bugbear of the menace of a general strike. He, however, would be unduly optimistic who could take such a comforting view, and the safety and future well-being of the whole community require some modification of the law regarding trade unions in order to make the country safe from another better planned, less expected, and therefore less prepared for, general strike, as well as to protect the members of the unions from the domination of their own paid officials.

The other and interrelated event was the coal strike, which has inflicted on the miners themselves incalculable damage. This strike, which it is estimated has already cost the country over £300,000,000, is a tragedy of incompetent or perverse leadership. How British miners could so far lose their self-respect as to accept, let alone beg for, aid in money compulsorily levied from the miners of Russia, who have to work far longer hours for far lower wages than themselves, it is difficult to understand. The strike is damaging with increasing intensity the whole trade of the country, and should it continue through a severe winter must mean acute suffering to millions, and incalculable loss now and for years to come to the whole country. The more reasonable spirit, however, manifested by the last delegate conference towards the latest Government proposals may lead to an early settlement. When a settlement is at last reached, a great responsibility to the nation will rest on both the parties to this dispute to do all possible to secure that ill will and bitterness is brought to an end, and that a fresh start is made in their common interests on lines of good will and mutual co-operation.

NEW COMMONWEALTH BANK CHAIRMAN.

During the past year Mr Garvan, the first chairman of the recently constituted board of directors of the Commonwealth Bank, and prior to that chairman of the Notes Board, has resigned his position as chairman of the bank and his seat on the board. We

regret that he has been constrained to take this course on account of ill-health. While, as you know, differing from his views in regard to seasonal increase of currency to cope with the movement of wool and wheat crops, we appreciated his great ability, energy, and devotion, and we trust that his health will soon be fully restored. The appointment of Sir Robert Gibson as chairman in succession to Mr Garvan has, I think, given universal satisfaction. His ability, wide business experience, high character, and the confidence with which he is regarded in the business world in Australia, convey the satisfying assurance that the important duties of his office will be carried out both ably and wisely, and that the relations between the Commonwealth Bank, as the Central Bank, and the trading banks will proceed along cordial and mutually helpful lines, which is so desirable in the best interests of Australia.

During the year under review, to provide for maturing Commonwealth War Loans, Conversion and Redemption Loans amounting to £67,000,000, to which I referred at our last meeting, have been issued in Australia by the Commonwealth Government, as well as £5,000,000 on behalf of the States, and have been fully subscribed there. The Commonwealth Treasurer is now inviting holders of the 4½ per cent. and 5 per cent. Commonwealth War Loans maturing December 15, 1927, totalling £66,000,000, to convert these into a new 5½ per cent. stock as from December 15, 1926. As you are no doubt aware, the borrowings in Australia of the Commonwealth and of all the States, with the exception of New South Wales, are now being co-ordinated through the medium of the Australian Loan Council. A new loan on behalf of the States, of £6,000,000 at 5½ per cent., repayable in 6, 11, or 16 years, mainly for public works, is at present in course of being raised in Australia. It is also interesting to note that of the whole Australian indebtedness, both Commonwealth and States, which amounts at the present time to about £960,000,000 (after deducting accumulated sinking funds), about £498,000,000, or considerably more than half, has been subscribed locally in Australia.

THE IMPERIAL CONFERENCE.

The Imperial Conference is now being held in London, attended by the Prime Ministers and other delegates from all the overseas Dominions meeting the members of our own Government and the heads of various departments to consider all matters of Imperial moment affecting the interdependence of the various Dominions and Colonies and their relation to the Mother Country. It is difficult to over-estimate the good to the Empire as a whole, and to each individual part, that these Conferences are calculated to effect. Prime Ministers from overseas not only come into close and friendly contact with our own Prime Minister and his colleagues, but with the Prime Ministers of far-off Dominions, from whom they would be otherwise largely isolated. They are thus able to compare notes, and appreciate each other's problems and points of view, thereby creating an atmosphere of friendship and good will, and removing misconceptions and misunderstandings between all parts of our great community of nations.

The principal matters which are occupying the attention of the present Conference are—foreign affairs and Imperial defence; the better distribution of the population of the Empire over its different parts—in other words, the great problem of overseas settlement; the development of trade and transport between all parts of the Empire, that most civilising and uniting and Empire-strengthening bond; and scientifically organised research.

We trust that much good will come from the interchange of information and opinions, and that all that makes for inter-communication and the expansion of trade may be materially facilitated and the links of Empire strengthened.

AUSTRALIAN FINANCE.

On the eve of the assembling of this Imperial Conference, a pamphlet was issued indicting Australian finance, and asking: "Is Australian Finance Sound?" This pamphlet suggested that Australian indebtedness had amounted to excessive dimensions, and challenged in detail the methods of the Commonwealth and the States in the issuing of their loans, asserting that "in the

whole British Empire there is no more voracious borrower than the Australian Commonwealth." I have already stated that more than half of the total Australian indebtedness has been found by Australians themselves, but I would like further to draw attention to the following fact, which the responsible representatives of Australia may, from obvious and worthy reasons, abstain from emphasising. In 1914, on the outbreak of the Great War, Australia gave the flower of her young manhood to help in the struggle, undertaking the whole expense of their equipment, munitions, transport, maintenance, hospital expenses, repatriation, and pension provision, without a suggestion of financial assistance from us, though by so doing she eventually incurred an expenditure of over £600,000,000. Of this £267,000,000 has been paid out of revenue, and there is still outstanding £341,000,000, of which £305,000,000 is Commonwealth debt and £36,000,000 States' debts. Of the original amount of the Commonwealth war debt over £92,000,000 arose from the debt to the Imperial Government for services rendered and goods supplied in connection with the war, the great proportion carrying interest at 5 per cent., and all of which is being repaid by semi-annual instalments equivalent to a further 1 per cent. on the whole.

Contrast this with our foreign Allies' treatment of us in respect of our advances to them. Yet now Australia is being reproached with the figure at which her debt stands, though this war debt accounts for over one-third of the whole Australian debt, and she is described as the most voracious borrower in the British Empire. This attack, and the method of it, which again and again raises doubt as to the security behind the debt, is, in my view, most unworthy. Should this brochure be the uninspired expression of the opinion of the two joint authors, then it is not lacking in audacity. If more statistical information in the prospectuses of Australian loans, or different arrangements as to sinking funds, are desired by the Stock Exchange authorities, as representing British investors, or by any large number of investors, suitable representations can easily be made through the proper channels to the Governments concerned, but this unprecedented dictation from a private source, through public propaganda, with the suggestion of insecurity, seems to me to go beyond legitimate criticism, and ought to be strongly deprecated.

NEED FOR PUBLIC ECONOMY.

Before, however, passing from this subject of Australian indebtedness, I would like to say one word from another point of view—namely, that of the progress and development of Australia itself. As in this country, so in Australia, industrial progress and development are hampered and retarded by the heavy burden of taxation, and it cannot be too urgently impressed on the Commonwealth Government and the Governments of all the States, that they should devote their utmost energies to effecting economy in the public services, and restricting the increase of their indebtedness to expenditure essential to the development of the vast natural resources of their great country. The more that genuine development of the resources of Australia is promoted by money from Great Britain, the more the trade of the Mother Country with Australia will grow, to the great benefit of both. A former Chancellor of the Exchequer has recently observed: "There may be truth in the old saying that 'Trade follows the Flag,' but there is more truth in the fact that trade follows the investor." It would, indeed, be a short-sighted financial policy for this country to discourage the supply of the money needed to push on as rapidly as possible the development of the great natural resources of any of our overseas Dominions. At the same time, all our Dominions should ever bear in mind that extravagance and wasteful expenditure inevitably injure credit. The valuable privilege accorded by the Colonial Stock Act to our Dominions imposes on them a corresponding responsibility in their borrowings to ensure that their loans shall always continue to be intrinsically worthy of the high position of a British trustee stock.

REPORT AND ACCOUNTS.

I will now deal with the report and accounts for the past year. As these have been in your hands for some days, and have no doubt been carefully studied by you, I will ask you, as usual, to take them as read.

You will observe that we have had a satisfactory year. As compared with the previous year our gross income has increased by £10,531 and our net income by £26,328. Our earnings have been sufficient to enable us to recommend the same dividend of 12½ per cent. per annum, tax free, on the increased capital; to carry £100,000 to reserve; to apply £93,750 to the purchase and cancellation of deferred inscribed deposit stock, in accordance with the requirements of our articles of association; to make a grant of £20,000 to the E. S. and A. Bank Officers' Provident Fund; and to add to the accumulated carry-forward the further sum of £47,000, making it £230,000. This outcome of the year's operations is the more satisfactory in view of the sudden and sweeping reduction made in the rates of exchange, a reduction, we think, made too drastically and too suddenly, and which adversely affected us,

with our large exchange business, somewhat severely. That notwithstanding this we have had such a good year is a gratifying proof of the soundness and extent of our general business.

PROSPECTS.

Our business in all departments and in all the States continues to grow in a healthy manner, and the outlook for the current year is encouraging. The exceedingly severe drought over a large portion of the best pastoral areas in Queensland, which we hope may soon be ended by good November-December monsoon rains, while it does not directly affect us, yet, of course, does so indirectly to some extent as regards our Queensland business. All the other States, I am glad to say, are enjoying a good season, and the outlook generally for both wool and wheat is promising. At the same time it is right that we should always bear in mind that as a bank our prosperity is closely bound up with the prosperity of Australia as a whole. Australia has had a long run of prosperous years, and cannot expect to be altogether immune from occasional ebb-tides, and when these come we as a bank will, of course, feel the effects, and we must be prepared for temporary curtailment of profits incidental to temporary reactions and poor seasons; this only emphasises the wisdom of a large accumulated carried-forward balance of undistributed profits.

BURDEN OF TAXATION.

Taxation is a burden which presses very heavily upon us. The taxation which has followed as a necessary consequence of the war we must bear uncomplainingly, as well as the taxation necessary in connection with the development of the trade and industry of the country, but greater economy in administration would make possible a very material lessening of the burden, and this cannot be too earnestly impressed upon the Governments of all the States, as well as that of the Commonwealth. Again, the incidence of the Federal Land Tax is a real hardship to all the banks in Australia, and a modification of that tax is long overdue. This tax, as it stands, requires all the lands on which our banking premises in the various States are situated to be aggregated together, and so brought under the highest rate of a graduated tax. It was never the intention of the framers of the Act so to penalise banks and business concerns. Mr Hughes, who prepared the Act, himself explained to me that the object was to prevent the indefinite tying up of large areas contiguous to the cities to the detriment of the public interest. I would urge that this aggregation should be removed, if not altogether, at any rate so far as it affects business premises. I would press this the more urgently as I feel sure that in the result it would benefit the whole community.

NO FURTHER AMALGAMATIONS UNDER CONSIDERATION.

The satisfactory working and the steady expansion of our business has more than justified the taking over of the business of the London Bank of Australia and of the Commercial Bank of Tasmania, and the increase of our capital. I have observed occasional statements in the Press that we are contemplating further amalgamations and increase of capital, and I think it only right to say that nothing of this kind is at present under consideration. Our attention is concentrated on consolidating and extending the businesses that have already been amalgamated, on maintaining our dividend as at present, and on strengthening our position generally.

BALANCE-SHEET ITEMS.

I will now deal with the accounts. Copies of the report and accounts you have in your hands. I will first take the balance-sheet.

You will observe that our total figures amount to £37,252,627, an increase of £2,703,696.

The capital is unchanged at £3,750,000, of which £2,250,000 is paid up, leaving £1,500,000, or £2 per share uncalled.

The reserve fund, which stood in last balance-sheet at £1,837,331, has been increased by £112,669 allocated at last annual meeting and by £15,000 out of the profits of the past year, as required by our articles, and now stands at £1,965,000. The proposed further addition out of the profits of the past year will be referred to later.

The debenture stocks at £983,547, and the preferred inscribed deposit stocks at £889,419, are unchanged. The deferred inscribed deposit stock at £253,000 is less by £82,000 through the application of the sum set aside out of the profits of the previous year in the purchase of this stock.

Deposits at interest show a substantial increase of £1,473,201, and our current accounts a satisfactory increase of £716,119, and the two together, at £27,918,631, show a gratifying increase of £2,189,320.

Notes in circulation at £1,128 are less by £20. As these notes come in they are cancelled, the issuing of notes in Australia being now the prerogative of the Commonwealth Government.

Bills payable, rebate on bills, and other liabilities at £2,393,680 are higher by £426,587, caused by expansion of business.

CASH AND INVESTMENTS NEARLY £9,000,000.

On the assets side of the balance-sheet cash and bullion, and

cash at bankers, together £7,733,419, are higher than the previous year by £735,383, and show a remarkably strong cash position, being 125 5/8d in the pound of our current accounts.

Our investments (which consist of British and Colonial Government securities taken at or below the market value on June 30, 1926, the date of the balance-sheet) stand at £1,255,738, or a slight increase of £2,978. You will see that our cash and investments together amount to £8,989,158, an increase of £738,362, representing 145 6/8d in the pound of our demand liabilities, a very satisfactory position.

Bills receivable and remittances in transit at £5,954,469, show an increase of no less than £1,078,114, and testify to the larger business transacted. This is especially gratifying in view of the lower prices for wheat and wool which prevailed during the past year.

Advances and other assets (after making provision for bad and doubtful debts and contingencies) at £21,542,690 are higher by £906,993. This is the more satisfactory in view of the volume of our overseas exchange operations and the strong cash position.

Security for note issue at £3,625 is unchanged.

Bank premises and furniture at £762,684 show a reduction of £19,773. Our premises represent a very solid asset, but are necessarily a lock-up, and our continually growing business necessitates a constant addition to our bank buildings; our aim is to keep them written down to a moderate figure, well below their value.

PROFIT AND LOSS ACCOUNT.

Turning now to the profit and loss account, you will follow me better if you will look at the figures on the first page of the report.

The profit for the year, after making full provision for bad and doubtful debts and contingencies, amounts to £1,365,859, against £1,355,328 in the previous year, an increase of £10,531, to which I have already alluded.

Expenses of management in London and Australia including directors' and auditors' fees, &c., at £662,162 are slightly less than last year by £1,224. This is chiefly owing to the costs of equipment of our various offices being less than in the previous year by £22,000, and a reduction in some other items of about £4,000, which was more than offset by an increase in other items amounting to £6,000. On the other hand, salaries and wages were higher by £19,000.

Income and other taxes at £161,388 show a reduction of £14,571, mainly from refunds of previous over-payments.

Expenses of management and income and other taxes together come to £823,551. Deducting this from the profits, we arrive at the net profit for the year of £542,308, which is greater than that of the previous year by £36,328.

Coming now to the appropriation of the net profit of £542,308, an interim dividend of 5 per cent., free of United Kingdom income-tax, was paid in May last on the full amount of the paid-up capital, absorbing £12,500, and there has been transferred to reserve fund £15,000, as already explained, leaving for further appropriation £414,808. Of this we now propose to carry to reserve fund an additional £85,000, making (with the £15,000 already credited to that account) £100,000 for the year, and bringing the reserve fund up to £2,050,000—or still £200,000 below the amount of our paid-up capital.

To the E.S. and A. Bank Officers' Provident Fund, £20,000, of which we are sure you will all approve.

To the payment of a final dividend of 7 1/2 per cent., making 12 1/2 per cent. for the year, free of United Kingdom income-tax, and absorbing £168,750.

To the purchase and cancellation of deferred inscribed deposit stock, as required by our articles £93,750, leaving a balance of £47,308, which, with the balances of previous years, leaves an accumulated balance to be carried forward of £230,722.

I have endeavoured to explain the accounts presented to you, but if there is any further explanation desired I shall be very pleased later to answer any question.

REVIEW OF TRADE AND INDUSTRY.

Following my usual custom, I will now give you a brief review of the Australian trade and industry during the past year, as affecting the primary commodities.

During the past year there has been some contraction in the total amount of both imports and exports. Taking the last four years, the comparative figures are, for the year ended June 30th, in even thousands:—

	Imports.	Exports.
	£	£
1923	131,757,000	117,870,000
1924	140,618,000	119,487,000
1925	157,143,000	162,030,000
1926	151,445,000	148,244,000

In the year ended June 30, 1925, the imports included £10,511,000 of gold. The gold exported in the same year only amounted to

£944,739, while last year the total imports only included £361,674 of gold, while on the other hand the exports included £4,355,000 of gold. In 1925, prior to the restoration of the gold standard, the banks imported rather over £10,000,000 of gold as a precautionary measure in the face of the restriction of currency then prevailing; but with the restoration of the gold standard, and the greater elasticity given to the note issue, this is no longer necessary.

From July 1, 1922, to June 30, 1925, there was a steady rise year by year in imports. Last year, to June 30, 1926, imports were less by £5,700,000, and exports were less by nearly £14,000,000, caused by the shortage of the wheat crop to the extent of nearly £17,000,000, which was to some extent offset by the exceptional export shipments of sugar arising from the production of sugar being largely in excess of Australian requirements.

WOOL.

As I have already observed, this bank devotes a large portion of its funds to financing the overseas commerce of Australia, both export and import, and it also bears its full share in supporting the internal trade and the steadily expanding local industries of the Commonwealth; thus all that affects the trade and industry of Australia is of the greatest interest to us. I am anxious not to weary you with too many statistical figures, and will only deal with some of the primary products.

The backbone of Australian finance is its great wool industry. The exports of the last five years, as shown in the official statistics, are:—

FOR THE YEAR ENDING JUNE 30TH.

	Bales.	Value.
	£	£
1922	2,557,442	47,977,243
1923	2,315,599	57,138,764
1924	1,705,081	56,197,158
1925	1,700,519	63,263,145
1926	2,665,246	63,206,248

These figures represent the wool shipped, and do not include the quantities each year retained in the country and worked up into yarns and cloth by the local mills. Again, they are not an accurate index of the total clip of each respective year, as the amounts held over in one year and shipped in the next vary from time to time. This was markedly the case in 1925, when as much as 500,000 bales were held over, but shipped in 1926, the amount and values in that year being correspondingly increased, the more so as at June 30, 1926, there was practically no balance left of the year to that date to be carried over to the year now current.

COURSE OF WOOL PRICES.

Since our last annual meeting the course of wool prices may be briefly summarised as follows: There was some reaction in the November-December sales, which was further accentuated in January; in March, however, a recovery began, and was carried further in following sales to July, with good clearances. In the September-October sales in London there was a further rise of 5 per cent. to 7 1/2 per cent. in merino and of 10 per cent. in cross-breeds. Since then in the recent sales in Australia there has been some reaction, and this rise has been largely lost, but, judging by the latest cables the market has again steadied and the outlook is still satisfactory. The close of the 1925-26 season saw the clearance of practically the whole of that season's clip of over 2,377,866 bales, as well as of the whole of the 500,000 bales carried over from the previous season. Thus during 1926-27 there is only the current clip to dispose of. Owing to the drought in Queensland, the clip in that State will be considerably less than last year, but it is estimated that this shortage will be largely offset by increases in New South Wales and other States, so that the total clip will probably be somewhat less than last year. Therefore, with the prospect of a good demand from the Continent and Japan, rather better inquiry from America, and an increased demand from Yorkshire on the conclusion of the coal strike, the indications would seem to be favourable to the pastoral industry of Australia and to point to the maintenance of present values for raw wool.

WHEAT.

The exports of wheat and flour for the last five years, in quantity and value, were, in round figures:—

YEAR TO JUNE 30TH.

	Bushels.	Value.
		£
1922	112,000,000	34,164,000
1923	44,700,000	12,991,000
1924	77,000,000	19,297,000
1925	118,400,000	40,800,000
1926	71,200,000	24,100,000

And for these years the average prices per bushel for wheat were respectively 5s 8 1/2d, 5s 4 1/2d, 4s 8d, 6s 8 1/2d, and 6s 3d. When referring to wheat statistics last year, I said that the indications at that time were that the crop of 1925-26 would be less than the "record" one of the previous year, which has proved to be the

case. The total crop for the past year amounted to 113,500,000 bushels.

The estimates so far of the current year's crop vary from 135,000,000 to 160,000,000 bushels. If we take it at 150,000,000 bushels, and deduct 45,000,000 to 50,000,000 bushels for Australian requirements, there is left about 100,000,000 bushels for this year's export. I would point out that the value of wool and wheat together, for the year to June 30, 1926, amounted, notwithstanding the partial failure of the wheat crop, to over £87,000,000.

BUTTER.

The export of butter from Australia for the last five years was:—

	YEAR TO JUNE 30TH.	Value.
	Lbs.	£
1922	127,579,800	7,987,500
1923	79,571,100	6,133,800
1924	65,984,000	4,919,600
1925	145,281,300	10,006,100
1926	97,902,000	7,006,800

and the average values for the respective periods were about 1s 3d, 1s 6 1/2d, 1s 5 1/2d, 1s 4 1/2d, and 1s 5 1/2d per lb.

FROZEN MEAT.

The exports of frozen meat for the last five years were:—

	YEAR TO JUNE 30TH.	Value.
	Mutton and Lamb.	£
	Lbs.	£
1922	91,715,000	2,139,600
1923	167,612,600	4,321,900
1924	39,805,300	1,170,800
1925	50,271,400	1,522,000
1926	82,219,000	2,318,900

	Beef.	Value.
	Lbs.	£
1922	124,167,300	1,867,900
1923	152,950,600	1,794,700
1924	105,163,900	1,301,900
1925	283,620,700	4,140,000
1926	215,089,981	3,264,900

or, taking mutton, lamb and beef together, the combined quantities and values are:—

	Lbs.	Value
		£
1922	215,882,300	4,007,500
1923	320,563,300	6,116,600
1924	144,969,200	2,472,700
1925	333,982,100	5,662,000
1926	297,308,900	5,583,800

During the past year there has been intense competition between American and British interests in the chilled meat industry, which has adversely affected prices of both chilled and brozen beef; the drought which has prevailed in Queensland cannot but be reflected in diminished exports from Australia.

METALS.

The total output of copper for the twelve months to June 30, 1926, was 9,531 tons, against 13,127 tons in the previous year and 45,000 tons in 1913; the price has remained at a comparatively low level, and the outlook in this respect is not encouraging. The road to improved results seems rather to lie in the direction of decreased costs of production than of materially higher selling prices.

The prices of lead, silver and zinc, on the other hand, have been satisfactory, and the mines producing these metals continue to enjoy a prosperous time. Recently, however, silver has had a sharp fall, for which diverse causes have been assigned. The production of lead for the year to June 30, 1926, was 150,819 tons, against 120,735 tons in the previous year.

The Electrolytic Zinc Company of Australia for the twelve months to June 30th last produced 46,583 tons of electrolytic zinc.

The output of gold for the year was 520,000 fine ounces, valued at £2,200,000 sterling, against 625,000 ounces, valued at £2,656,000, in the previous year, and of silver 11,500,000 fine ounces, against 11,200,000 ounces in the previous year.

It is interesting to note that the value of all metals and minerals exported from the Commonwealth, including coal but excluding gold, was for the last four years, in round thousands, as follows:—

	YEAR TO JUNE 30TH.	Value.
		£
1923		8,578,000
1924		9,678,000
1925		9,835,000
1926		10,704,000

STAFF.

In accordance with our practice of arranging visits to this side from time to time of our principal executive officers in Australia, we have during the past year had our general manager in Australia, Mr Wren, with us for some months. Mr Wren arrived

in April, and left again in September. We have had many opportunities of intercourse with him, when the affairs of the bank have been very fully discussed. Of these opportunities I, as chairman, and Mr Paterson as deputy-chairman, as well as our other colleagues, have taken the fullest advantage. It was an unqualified satisfaction to us all to find Mr Wren so well, and as vigorous and alert in both mind and body as hitherto. These visits are invaluable to the officers who come over, to the directors, and to the whole business of the bank. My regret is that Mr Wren could not have postponed his return so as to be with us to-day, but this would have detained him too long. During his absence the responsible duties of acting general manager devolved on Mr Ernest O'Sullivan, our greatly esteemed assistant general manager in Australia, and were discharged with conspicuous ability and to our complete satisfaction.

I cannot draw my remarks to a close without expressing the board's great appreciation of the manner in which the work of the bank during the past year has been carried on by the whole staff. The general manager in Australia, the London manager, and the acting general manager in Australia, and the chief executive officers, loyally and efficiently supported by the entire staff, have rendered admirable service.

I now have pleasure in moving: "That the report and statement of accounts now submitted be and are hereby adopted, and that the amount available for distribution be applied as therein recommended."

Mr John Paterson (deputy-chairman) seconded the resolution, and it was carried unanimously.

RE-ELECTION OF DIRECTORS.

The Chairman next proposed the re-election of the Right Hon. Lord Forster of Lepe, P.C., G.C.M.G., who had been co-opted to the board.

The resolution was seconded by Sir Frederick W. Young and unanimously approved.

The Chairman next moved the re-election to the board of Mr John Paterson, the deputy-chairman, who rendered, he said, most valuable assistance to the bank and the board.

The Hon. Sir John A. Cockburn, K.C.M.G., in seconding, said that his old friend Mr Paterson was a born banker, and his genius in that respect was increased by his lifelong experience.

This resolution was also carried unanimously.

On the motion of the Chairman, seconded by Mr S. M. Ward, the Hon. Sir Arthur Lawley, G.C.S.I., was also re-elected a director.

On the proposition of Mr E. B. Wilkinson, seconded by Mr E. Ambrose, Messrs Turquand, Youngs, and Co. and Messrs Price, Waterhouse, and Co. were reappointed auditors.

The Chairman said that he would like to welcome to the meeting their old friend Mr Charles J. Hegan, a former chairman of the bank. It was a great pleasure to them all to see Mr Hegan looking so well, and the directors hoped that he would long be spared to enjoy the greater ease which he now had, and to be available for them to have a talk with him as opportunity might arise.

VOTE OF THANKS TO THE DIRECTORS.

Mr J. C. Hanna said that he had been entrusted with a resolution according a vote of thanks to the chairman, the deputy-chairman, and the directors for their services during the past year. In proposing it, he wished to say that it frequently happened at meetings that such resolutions were moved as a matter of course when they were not deserved or justified by the results, but in the case of this bank an expression of their unstinted thanks was not only deserved, but was thoroughly justified by the results, which some people might, indeed, call phenomenal. In the balance-sheet which was before them on that occasion there was evidence of solid and steady progress. He was particularly struck with the growth of the figures since the alliance with the London Bank of Australia and the Commercial Bank of Tasmania. The accounts reflected very great credit on the directors and on the staff, and amply justified the resolution which he was about to propose, which was: "That a hearty vote of thanks be accorded to the chairman, deputy-chairman, and directors for their conduct of the affairs of the bank, and that they all be congratulated on the result of the year's working."

Mr J. G. O'Neill, in seconding the vote, said that as an old director of the London Bank of Australia he offered to the chairman and his colleagues his best congratulations on the magnificent balance-sheet which they had placed before the shareholders. They could all feel very pleased that they were connected with such a sound and progressive institution.

The vote was unanimously accorded and the Chairman thanked the meeting for it.

TRIBUTE TO OFFICERS AND STAFF.

Mr Frederick Tomkinson said that he would like to associate himself with the remarks of the chairman on the loss sustained by the death of Mr Slade. The resolution which he had to propose did not require any speech. It was: "That the thanks of the share-

holders be heartily accorded to Mr Wren, the general manager in Australia, Mr Janion, the manager in London, Mr O'Sullivan, the assistant general manager in Australia, Mr Shipston, the assistant manager in London, and the executive officers and the staff at home and in Australia for the valuable services they have rendered to the bank during the past year."

Mr C. J. Hegan, who was greeted with cheers, said that he was extremely gratified at being asked to second the resolution, and he thought he might claim that there was no one on that side of the table who was better qualified to do so than he was, having been for some thirty years in daily touch with the then existing staff of the bank in London, and having an accurate knowledge of what went on on the other side of the water. There had been a great many changes since then, but he was happy to say that he was still on intimate terms with the general manager in Australia, Mr Wren, and with the manager in London, Mr Janion, and he knew them to be men who had no axes to grind. They devoted themselves to the best interests of the bank. They also studied the interests and well-being of the large body of men committed to their charge, with the result that they had built up a loyal, hardworking, and contented staff.

The vote was unanimously accorded.

MR. JANION'S ACKNOWLEDGMENT.

Mr E. M. Janion (London manager and secretary) said that, on behalf of the staff in Australia and in London, both seniors and juniors, he wished to thank the proposer and seconder for the kind remarks which they had made, and also the chairman for his references to them in his speech. He would like to say on behalf of the staff that they were all delighted to see Mr Hegan, and he hoped that that gentleman would be with them for many years to come.

He would like to say that the whole of the staff were very loyal and contented, and that he knew no institution in which the feeling of *esprit de corps* was so largely developed. All the officers were devoted to the bank, and used their efforts to help forward its progress. It would give him great pleasure to convey the thanks of the shareholders to his colleagues on the other side.

Mr F. J. Moule proposed a cordial vote of thanks to the chairman for his admirable address, which was most instructive and helpful. This was seconded by Mr A. I. D. Stewart, and accorded by acclamation.

A brief acknowledgment by the Chairman brought the proceedings to a close.

NORTH ANANTAPUR GOLD MINES, LIMITED. ENCOURAGING OUTLOOK IN GOOTY AREA.

The nineteenth ordinary general meeting of the North Anantapur Gold Mines, Limited, was held, on the 18th instant, at 6 Queen street place, London, Mr V. Herbert Smith presiding.

The Chairman, in moving the adoption of the report and accounts, said that the mining lease over the North Anantapur property expired on February 16th last, and all work on that area had ceased. The Gooty area was now the centre of the company's mining activity, development having been vigorously continued and a 10-head mill and small cyanide leaching plant erected. The cost of this installation had been kept at a very low figure, as it was possible to utilise to a great extent machinery formerly in use at the old mine. Subsequently to the close of the company's financial year, reduction operations had been commenced and two returns had been made—namely, 500 tons, which yielded 149 ounces fine gold, and 520 tons, which yielded 203 ounces. The development carried out to date showed that the reef formation was practically continuous, and where the quartz was encountered it was usually rich in gold. Lenticular bodies of quartz, varying in width from one inch to over 7 feet, pinched and made again so rapidly that the ground could not be properly tested by driving levels at 100-foot intervals. Owing to this and to the fact that in places the reef was only exposed on one side, it was difficult to calculate the tonnage of payable ore available for stoping. The superintendent estimated, however, that 7,000 tons could be recovered, and it was probable that further quantities of payable ore would be encountered in the stoping which would shortly be commenced. The outlook at Gooty afforded encouragement, and fully justified the continuance of the exploratory work and the treatment of the ore.

The company's various holdings were clearly set forth in the balance-sheet, but he wished to draw special attention to Anglo-Canadian Explorers, Limited, who possessed over 1,500,000 shares of £1 each in Central Manitoba Mines, Limited. The North Anantapur Company held 20,000 shares in Anglo-Canadian Explorers, Limited, and the directors were of opinion that these shares would become a valuable asset.

He understood that some of their shareholders had once more been circularised with reference to the position and policy of the company. The board had again overwhelming evidence that the policy they were pursuing was in full accordance with the wishes of the great majority of the shareholders, and, while that position existed, they had no intention of altering their present course.

The report and accounts were unanimously adopted.

AUSTRALIAN, MERCANTILE, LAND AND FINANCE COMPANY, LIMITED.

SUCCESSFUL YEAR—DIVIDEND AND BONUS MAINTAINED.

The sixty-second annual ordinary general meeting of the Australian, Mercantile, Land and Finance Company, Limited, was held, on the 18th instant, at the head office, 20-22 Coleman street, London, Mr Robert Henryson Caird (chairman and managing director) presiding.

The notice convening the meeting and the auditors' report having been read by the secretary (Mr J. L. Simpson),

The Chairman, in moving the adoption of the report and accounts, said: This is the fifth consecutive occasion on which I can begin my annual speech with a note of congratulation, and the third year in succession that we are able to recommend a bonus of 5 per cent. in addition to our ordinary dividend of 10 per cent., both free of income-tax. It is particularly gratifying to me, as it was not without trepidation that I advised the great increase in the paid-up capital from £520,000 to £1,200,000, for though I felt confident that the policy was sound, I could not feel equally confident that we could so speedily get the new capital into full use, and, frankly, I did not expect that we should so soon be able, not only to pay the full dividend and bonus on the increased capital, but also to go on adding largely to our reserves.

RESULTS OF BOARD'S SOUND POLICY.

When I addressed you last year, I felt it my duty to sound a note of warning, for I knew that our profits had been swollen by the extraordinarily good prices we had secured for our wool clip, and I hardly thought that the expansion of our general business would compensate; however, there it is. Though our properties gave us £76,770 7s 3d, less profit, and though we had to reserve a large sum out of this year's general profit to provide for possible losses consequent on the severe drought in Queensland, you will see that our net profit is only £30,598 1s 5d less than last year, and we are able to pay the same dividend and bonus, place £50,000 to reserve, and carry forward as large a balance as we did last year. When I seek to account for this very satisfactory result, I can only think of one contributive and exceptional cause, and that is that we carried forward from 1924-25 season a considerable quantity of wool, which certainly added to the profit of our wool-selling departments in the season 1925-26, but the main contributory causes are the conservative policy we have pursued with our own properties over a long series of years, and the energy, tact, and devotion of our splendid staff of officers.

WOOL CLIP AND PRICES.

Our own clip of wool for 1925-26 amounted to 9,396 bales, and realised £243,736 2s 1d, compared with 7,645 bales, which realised £299,909 3s 4d the previous year. After the great fall in the value of wool which took place in the early months of 1925, which I referred to last year, a fairly satisfactory level of prices was established, and has been maintained without any very great fluctuation up or down, and I see no reason why these prices should not continue.

The estimate of numbers of sheep in New South Wales up to last January showed a remarkable increase of 9,560,587 over the previous year, but I am inclined to think that part of that increase was due to greater care in the collection and compilation of the returns, and may not be fully reflected in increased product of wool, and the very severe drought in Central and Northern Queensland will certainly result in a reduction of wool from that State, so that probably the amount of wool available from Australia will not greatly exceed the previous year; on the other hand, the suicidal strike of the coal miners in this country will affect consumption and must increase the cost of manufacture.

SEASON IN AUSTRALIA.

Of the season in Australia it is difficult to speak in general terms. While we have experienced a very good season in North-West New South Wales, where some of our large properties are situated, other parts of that State were dry up to last March; dry weather also prevailed in Victoria, but in Central and Northern Queensland there has been a long and severe drought, causing heavy losses and great expenditure for feeding valuable flocks in the hope of saving them. Some relief came in September, when thunderstorms were fairly general, but much more rain is needed, and the monsoonal rains are anxiously looked for. We were fortunate to get three inches at Maneroo—one of our large stations—which will carry us on for some months. In the southern part of Queensland, where we have another large property, a very good season is being experienced.

The Chairman then read latest reports from Australia and Argentina.

Mr Frederick A. White seconded the resolution, which was unanimously adopted.

AMALGAMATED PRESS (1922), LIMITED.

CONTRACT WITH GRAPHIC PUBLICATIONS, LIMITED.

TERMS OF THE AGREEMENT.

OVERWHELMING SUPPORT OF SHAREHOLDERS.

An extraordinary general meeting of the Amalgamated Press (1922), Limited, was held, on the 17th instant, at the Memorial Hall, Farringdon street, London, for the purpose of considering and, if thought fit, passing the following resolution:—"That the agreement dated November 5, 1926, made between the Amalgamated Press (1922), Limited, of the one part, and the Graphic Publications, Limited, of the other part, be and is hereby approved."

Sir George A. Sutton, Bart. (chairman of the company), presided.

The secretary (Mr J. R. Sumpter) having read the notice convening the meeting,

The Chairman, who was received with cheers, said:—Ladies and gentlemen,—It gives my colleagues and myself the greatest possible satisfaction to find that the resolution we have put before you for your consideration to-day has received such overwhelming support from the shareholders. The total number of ordinary shares in the company is 2,717,716, and we have received proxies from 4,068 ordinary shareholders, representing 2,087,516 shares, in favour of the resolution, also proxies in respect to 274,845 preference shares, making a total of 2,362,361 shares. It is right that I should also tell you we have received proxies for 95 shares against the resolution. With regard to the merits of the transaction my colleagues and I, after most careful consideration, thought it was our duty to enter into a provisional contract with the Graphic Publications, Limited, the performance of which contract is guaranteed jointly and severally by Sir William Berry and Mr J. Gomer Berry.

TERMS OF SALE.

The terms of sale, as stated in our circular, are such as to provide the ordinary shareholders upon a liquidation of the company—which must result from the transaction when it has been approved by you—with a payment of £3 5s for each £1 share, payable as to £2 5s in cash and £1 in 5½ per cent. first debenture stock of the company proposed to be formed by the purchasers. My colleagues and I consider the price one the acceptance of which should be recommended to you. And I would take this opportunity of pointing out to you that when the present company was formed, in 1922, you received four £1 shares for each £1 share you held in the old company, at the same time having divided amongst you approximately £1 in cash or securities, so that the proposal to-day is equal to the receipt by you of £14 a share for each of your original shares in the Amalgamated Press, Limited. This is a result upon which I think you may feel disposed to congratulate yourselves.

POSITION OF PREFERENCE SHAREHOLDERS.

The position of the preference shareholders had to be considered by us in making the deal. It would obviously have been unfair for us to concur in a contract which would have left the preference shareholders, on liquidation, with only £1 per share, to which they were solely entitled, upon the happening of that event. We therefore stipulated, as a condition of entering into the contract, that, quite apart from the purchase money under that contract, the purchasers should enter into an agreement with the trustees for the preference shareholders to secure them a return of 24s on each preference share.

Some questions have been asked by shareholders as to what is to become of the cash and Government securities referred to in the circular. Those, of course, form part of the fund which on liquidation will go towards providing the £3 5s per share to the ordinary shareholders.

I must also point out to you that under the terms of sale there will be no loss of income to the ordinary shareholders. You have been accustomed to receive an interim dividend of 1s per share, that is at the rate of 10 per cent. per annum, for the period from June 30th to December 31st, and it has therefore been arranged that 5 per cent. interest from the 30th of June until completion will be payable upon the whole £3 5s share that you will be entitled to receive. So that, in fact, you will by way of income receive substantially more than the amount of dividend ordinarily paid upon the shares for the period in question.

THE NEW COMPANY.

I have no doubt that it is in the minds of many of you whether it will be possible for you to continue your association with the

old business in the future. I am in a position to say that a new company will be formed, the board of which will include your present directors, with some others appointed by the purchasers, and that the company will be issuing to the public a 7 per cent. preference share. Full opportunity will be given to you to subscribe for these shares.

The directors, in recommending the proposal, are satisfied that they will be associated in the future management of the business with people who have established a high position in the publishing world, and that the great traditions of the business, of which we are all proud, will not suffer at the hands of those who will secure the controlling interest in the new company.

LORD NORTHCLIFFE'S REVERED MEMORY.

I feel I should like to add this. To me it seems only fitting that I should pay a tribute to the ever-revered memory and wonderful genius of the founder of the firm—the late Lord Northcliffe, who, with his brother, Lord Rothermere, built up what is the largest publishing business of its kind in the whole world. To them the credit of this is due, and I feel that I must say so to-day.

The late Lord Northcliffe did me a great honour when he invited me to succeed him as chairman of this business, and my colleague, Mr A. E. Linforth, as vice-chairman, and it has been my pleasure and privilege to meet you on twelve occasions in this capacity.

I would conclude my remarks by moving the resolution on the paper, and I call upon Mr A. E. Linforth to second it. Afterwards Mr William Graham, the solicitor of the company, will explain the agreements, and deal with any points which you care to bring up or questions you desire to ask.

I now beg to move: "That the agreement dated November 5, 1926, made between the Amalgamated Press (1922), Limited, of the one part and the Graphic Publications, Limited, of the other part be and is hereby approved."

Mr Arthur E. Linforth (vice-chairman) seconded the resolution. The solicitor, Mr William Graham (of Messrs Nicholson, Graham, and Jones), explained the agreement and read the operative clauses.

REPLIES TO QUESTIONS.

Captain Vickerman asked if the chairman could give the meeting the approximate date when the £2 5s per share in cash would be paid.

The solicitor replied that the completion of the sale was fixed by the terms of the agreement for February 28th next. He thought the programme which would probably be adopted by the directors was that as soon as the new company had been formed and had proceeded to allotment, Amalgamated Press (1922), Limited, would be put into liquidation, and the board would thus be in a position at the earliest possible moment when the money had been received from the purchasers, to pay out to the ordinary and preference shareholders that to which they were entitled. He should say that the payment ought to be possible within a very early date after February 28th.

Sir Henry Arnholz said he had the privilege of being, along with Sir George Sutton, the holder of the largest amount of ordinary shares of the company, as executors of the late Lord Northcliffe. As such they had the very highest opinion of the value of those shares. The estate of Lord Northcliffe, as the shareholders would have learnt from the Press, was being administered by the Court, and before the executors were authorised to approve of the scheme they had to get the approval of the Chancery Judge. When he (the speaker) told them that the Chancery Judge had approved of the scheme he thought that this would add further confidence in their acceptance of the proposal. The number of shares held by the estate was very large. As they had heard from the speech of Sir George Sutton, Lord Northcliffe was the founder of the business, and they, as executors, had perhaps a little sentimental feeling about losing control of the concern, but it was undoubtedly the opinion of all who had examined the scheme that it was for the benefit of the shareholders, and they could not allow sentiment to go too far. He had great pleasure in supporting the scheme.

Mr Ruck inquired in what manner the preference shareholders would be paid the extra 4s per share.

The Chairman said that the preference shareholders would receive the whole of their 24s per share in cash.

DEBENTURE SECURITY.

Mr T. A. Carver asked if he was to understand that the company's holding of shares in the Imperial Paper Mills formed part of the guarantee of the proposed debentures.

The Chairman: Yes.

The solicitor remarked that 512,000 out of the total of 600,000 of Paper Mill shareholders would be transferred into the names of the trustees for the debenture-holders, and they could not be parted with without their receiving a proper *quid pro quo*.

Mr Carver expressed the opinion that, in view of the value of the Paper Mill shares, the ordinary shareholders ought to receive £3 10s for each of their shares. It was his opinion, and also the opinion of certain disinterested people in the paper trade, that the shareholders were being treated rather shabbily.

The resolution was carried by an overwhelming majority, amid cheers.

Capt. Vickerman moved a vote of thanks to the chairman and directors for their magnificent work in the past, and also for the magnificent return which they had obtained for the shareholders by the proposed sale. He felt that the dissentients were really too greedy, and that they ought to be contented with the offer.

The vote was unanimously accorded, and after a brief acknowledgment by the Chairman the proceedings terminated.

KAMUNTING TIN DREDGING, LIMITED.

GOOD RESULTS—SHARE SPLITTING APPROVED.

The thirteenth annual general meeting of Kamunting Tin Dredging, Limited, was held, on the 18th instant, at the registered offices of the company, 7 Martin's Lane, Cannon Street, London, Mr John I. Philips (chairman of the company) presiding.

Mr J. Hope Bowden, on behalf of the secretaries (Messrs Bright and Galbraith, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: From a profit-making point of view we have had the most successful year in the history of the company, as, after writing off a further £17,915 as depreciation—which brings the value of our four dredges to £77,673, or less than £19,500 each—we have made a net profit of £122,739, and, after providing £24,000 for income-tax reserve, you have received four quarterly dividends of 1s 6d each, tax free, equal to 37½ per cent. when the tax is taken into consideration.

The average market price of tin, which steadily increased from the commencement of our financial year until March last, suffered a rather sharp set-back in May and June, but since that time it has steadily improved, until last month it reached an average of £300 per ton. It would therefore appear that we can look forward to the market price being maintained, and also I think an even more profitable time than we have enjoyed in the past year.

You will no doubt learn from reviews on the general position that, while landings of tin in October, 1924, were 4,590 tons, this year they are only 1,848 tons, and while the visible supply for the year 1924 was nearly 18,000 tons, this year it is only some 14,000 tons. While the price of the commodity is, as you know, very high, you are also, no doubt, fully aware that, in the case of a commodity like tin, where the ruling price yields a handsome profit to producers, yet for want of new fields production seems to be far short of requirements, for the simple reason that, as you know, tin forms such a very small portion of the value of any finished article, and therefore the price might be well above today's level without any restriction on trade.

Since the reconversion of No. 4 was decided upon a scheme for the electrification of our dredges has been very carefully considered, with the result that a contract was let for the electrification of No. 4 dredge. This has somewhat delayed her date of readiness, but it is confidently anticipated that she will again be in commission early in 1927.

You will also be aware that your directors have decided to call for tenders for a No. 5 dredge, and it is intended to instal this—which will also be electrically driven—on our north-western area, on which we have not yet had a dredge.

I might also mention that, as soon as convenient after No. 4 is again working, No. 1 dredge will be stopped for general repair and overhaul. Although she is now 12 years old, we understand she is in good condition, and, when overhauled and brought up to date, will be capable of still many more years' hard work.

Now with regard to our property, you will have noticed from the report and plans that, in addition to purchasing the Kamunting police station and grounds—which is to be used as offices and a site for our new workshop—applications have also been made for 396 acres of State land, which, if granted, will give us an undredged area of 2,267 acres, assuring us of many more years' work.

Gentlemen, in my opinion, everything augurs very well indeed for the future.

Sir Ernest W. Birch, K.C.M.G., seconded the motion, which was carried unanimously.

At an extraordinary general meeting which followed, it was unanimously resolved that each of the £1 shares of the company be sub-divided into four shares of 5s each.

ANSELL'S BREWERY, LIMITED, BIRMINGHAM.

SATISFACTORY YEAR DESPITE INDUSTRIAL TROUBLES.

The twenty-sixth ordinary general meeting, being the twenty-fifth annual meeting of the shareholders of Ansell's Brewery, Limited, was held at the Queen's Hotel, Birmingham, on Thursday, November 11th. Mr James A. Fairhurst (chairman) presided.

The Chairman said that before they proceeded with the business he desired to apologise for the absence of two directors—Messrs Edward Ansell and A. E. Wiley—who were unable to be present on account of illness.

The secretary read the notice convening the meeting and the auditors their certificate.

INCREASED PROFIT.

The Chairman said that with regard to the transactions during the year it was a great pleasure to him to be able to present a balance-sheet which showed an increased profit on the previous year. It was not a very large increase, but he thought in the circumstances it was very satisfactory. The period under review included the general strike and five months of the coal strike, and, as everybody was well aware, all trades in the districts in which the company operated had been and were being adversely affected. To his mind, when the public had not so much money to spend they were more apt to discriminate upon how they spent what they had. The company's increased profit was due to the fact that the article they produced was a very popular one. That they were a progressive company they would agree. During the year they had purchased additional properties and converted leaseholds into freeholds by spending £135,000.

Altogether a total sum of £230,000 had been expended on these purchases, together with brewery extensions, rebuilding public-houses, and additional plant. That, he thought, might be considered fairly satisfactory.

THE ASSETS.

Turning to the assets side, he said he had already referred to the first three items. The stocks were slightly less and the investments were £43,000 less. The reserve account would be brought up to £330,000. Taking everything into consideration, he thought the balance-sheet was a very satisfactory one. Providing they had no great labour strikes and that they were not interfered with by legislation, he looked to the future of the company as an optimist.

He moved: "That the report and accounts be received and adopted, and that the following dividends be paid, viz.: at the rate of 5 per cent. per annum (less income-tax) on the preference shares, and at the rate of 12½ per cent. per annum, making 12½ per cent. for the year, together with a bonus of 2½ per cent. on the ordinary shares (both free of income-tax) for the half-year ended September 30, 1926."

Mr T. Ansell seconded, and said he could endorse all the chairman had stated. There was just one thing that could be added—there was not one penny down for goodwill.

The resolution was carried unanimously.

CHAIRMAN RE-ELECTED A DIRECTOR.

Alderman William J. Seal (Sutton Coldfield) proposed the re-election of Mr Fairhurst as a director.

Mr A. E. Ansell seconded and the resolution was carried.

Mr Fairhurst thanked the shareholders for his unanimous re-election as a director. He was deeply interested in the affairs of the company, and he would endeavour to serve the interests of the shareholders to the best of his ability.

Mr H. P. Ruston proposed, and Mr F. W. Greenway seconded, the re-election of Messrs Fisher, Randle and Fisher as auditors. The resolution was carried.

DIRECTORS AND STAFF THANKED.

Mr S. J. Davies proposed that the best thanks of the meeting be accorded to the chairman for presiding, and to the directors and staff for their services during the year.

Mr Alfred Aston seconded the resolution, which was carried.

The Chairman: I thank you very much indeed, and on behalf of my co-directors and staff I thank you also. We have a board which co-operates most excellently together, and we are backed up by an excellent and hard-working staff. They have the interests of the business at heart, and they are indeed entitled to the thanks of the shareholders. That concludes the business, and I thank you for your attendance.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	Nov. 13, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13
3½% Conversion Loan ..	..	..	266	684	666	709	764	760	760
4½% Conversion Loan ..	..	..	..	..	..	210	210	211	211
4½% War Stock	..	63	63	63	63	63	63	63	63
4½% War Stock	..	13	13	13	13	13	13	13	13
4½ and 5½% War Stock ..	2,047	1,953	2,095	2,166	2,052	2,054	2,109	2,109	2,109
National War Bonds	1,503	1,201	953	820	778	771	706	706	706
4% Funding Loan	409	401	399	396	394	394	390	390	390
4% Victory Bonds	360	335	325	314	303	303	292	292	292
Treasury Bonds	..	433	411	457	499	479	482	486	486
Exchequer Bonds	20	323	185	150	150	15	15	15	15
National Savings Certs. ..	..	267	342	354	366	369	372	375	375
Other Debt*	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111
American Loan (Anglo-French)	15	51	878	616	588	576	635	565	565
Treasury Bills	1	243	147	194	186	167	181	139	119
Temporary Advances	654	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,639
Other Capital Liabilities ..	57	46	66	70	66	68	84	75	74
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,713

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Nov. 14, '25.	Mar. 31, '26.	Nov. 13, '26.	Nov. 13, '26.
Outstanding—	£	£	£	£
Advances by Bank of England	128,190,000	139,441,000	114,951,000	2,800,000
Advances by Public Deposits	641,820,000	564,855,000	568,095,000	1,425,000
Treasury Bills Outstanding	770,010,000	704,296,000	783,046,000	1,375,000
Total Floating Debt	1,540,020,000	1,408,592,000	1,466,092,000	5,600,000

* Includes £38,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Apr. 1, 1926, to Nov. 13, 1926.	Total Receipts into the Exchequer from Apr. 1, 1925, to Nov. 14, 1925.	Receipts, Week Ended Nov. 13, 1926.	Receipts, Week Ended Nov. 14, 1925.
Balances in Exchequer on 1st April—	£	£	£	£	£
Bank of England	5,880,249	5,341,778	..	..	..
Bank of Ireland	676,684	1,215,322	..	..	..
REVENUE	6,556,933	6,557,100	..	..	..
Customs	108,450,000	65,762,000	64,108,000	2,513,000	1,884,000
Excise	141,300,000	79,380,000	79,386,000	1,555,000	1,696,000
Motor Vehicle Duties	21,600,000	6,735,000	5,822,000	..	..
Estate, &c., Duties	56,000,000	37,470,000	36,176,000	1,020,000	850,000
Stamps	25,000,000	11,600,000	13,150,000	360,000	320,000
Land Tax, House Duty & Mineral Rights Duty ..	1,000,000	140,000	180,000	..	..
Property & Income Tax	254,800,000	93,199,000	112,171,000	908,000	1,041,000
Super-Tax	64,500,000	22,520,000	29,600,000	380,000	420,000
Excess Profits Tax	2,000,000	..	..	..	..
Corporation Profits Tax	6,500,000	2,630,000	7,220,000	60,000	130,000
Post Office	59,400,000	35,700,000	34,900,000	1,700,000	1,500,000
Crown Lands	950,000	660,000	600,000	..	..
Receipts from Sundry Loans	21,650,000	13,292,078	8,857,785	87,266	87,653
Miscellaneous—	..	..	..	..	..
Ordinary Receipts	25,600,000	17,832,659	6,861,225	1,047	40,904
Special Receipts	26,000,000	12,494,883	23,120,159	6,837	11,499
Revenue	394,750,000	393,413,540	422,176,169	8,591,150	8,041,006
Total, Inc. Balance	..	405,970,473	428,733,269	..	..
OTHER RECEIPTS—	..	..	..	..	..
Temporary Advances Repaid—	..	..	..	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Acts, 1921	..	388,000	1,290,000	..	20,000
Money Raised by Creation of Debt—	..	..	..	..	..
(a) For Capital Expenditure Issues—	..	..	..	..	..
Under the Telegraph (Money) Acts, 1924 and 1925	5,450,000	5,950,000	..	..	..
Under the Housing Act, 1914 ..	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	777,200	..	..	..	..
(b) Under the Unemployment Insurance Acts, 1921	11,932,431	1,715,000	..	..	..
(c) For other Issues—	..	..	..	..	..
By Treasury Bills	1,602,761,000	1,559,863,000	53,669,000	48,028,000	..
By 3½% Conversion Loan	..	41,877,560	..	3,290,000	..
By National Savings Certificates ..	18,250,000	21,900,000	600,000	700,000	..
By National War Bonds	..	20	..	..	..
By Treasury Bonds, 1925	3,512,150	5,008,507	..	..	..
By 4% Treasury Bonds, 1931-33 ..	..	..	..	..	..
(d) Ways and Means Advances	398,352,000	411,181,000	..	1,000,000	..
Repayments—	..	..	..	..	..
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	148,648	126,701	..	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920 ..	..	9,901,981	..	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	256,778	..	..	..
Total	2,447,619,483	2,487,903,574	62,860,150	61,079,003	..

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants).	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1926, to Nov. 13, 1926.	Total Issues out of the Exchequer to meet Payments from Apr. 1, 1925, to Nov. 14, 1925.	Issues, Week Ended Nov. 13, 1926.	Issues, Week Ended Nov. 14, 1925.
EXPENDITURE—	£	£	£	£	£
National Debt Services—	..	..	..	..	..
Interest, &c.	304,000,000	199,974,890	196,157,935	7,5454	837,467
Sinking Fund	60,000,000	18,731,464	24,349,005	292,512	277,805
Road Fund	17,500,000	4,376,044	4,691,044	..	..
Payments to Local Taxation Accounts, &c. ..	14,100,000	5,905,627	5,933,474	..	..
Payments to Northern Ireland Exchequer ..	5,200,000	3,013,685	2,687,465	..	..
Land Settlement	..	..	281,088	..	..
Other Consolidated Fund Services	2,600,000	1,504,693	1,555,879	..	3,333
Supply Services	422,327,000	247,753,257	244,374,609	5,072,000	6,950,000
Expenditure	825,727,000	481,259,660	480,030,499	6,129,966	8,068,605
OTHER ISSUES—	..	..	..	..	..
Temporary Advances—	..	..	..	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Acts, 1921	12,932,431	1,715,000	510,000	..	..
Issues to meet Capital Expenditure—	..	..	..	..	..
Under the Telegraph (Money) Acts, 1924 and 1925	6,650,000	7,300,000	400,000	400,000	..
Under the Housing Act, 1914	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
Under the Capital Expenditure (Money) Act, 1904—Exchequer Bonds paid off, £1,553,300; less paid off by the National Debt Commissioners, £776,100	..	777,200	..	..	..
Unemployment Insurance Acts, 1921—	..	..	..	..	..
Repayment of amounts borrowed ..	388,000	1,270,000	..	..	..
Redemption of Debt—	..	..	..	..	..
Treasury Bills	1,499,550,000	1,493,670,000	52,220,000	47,470,000	..
Principal of National Savings Certificates	20,550,000	18,750,000	650,000	500,000	..
Principal of Exchequer Bonds paid off	..	306,667	..	..	..
Principal of National War Bonds paid off	..	8,344,789	..	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..	..
Ways and Means Advances Repaid ..	422,842,000	449,576,000	2,800,000	4,500,000	..
Other Issues	2,445,026,852	2,484,708,673	62,709,966	60,938,605	..
Balances in Exchequer—	..	..	..	..	..
Bank of England	2,047,027	2,067,264	43,184	19,401	..
Bank of Ireland	545,804	1,127,737	107,000	121,000	..
Total	2,592,631	3,195,001	150,184	140,409	..

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, November 17, 1926.

ISSUE DEPARTMENT.

Notes issued	170,208,325	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion	151,458,325
170,208,325		170,208,325	

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	34,407,539
Reserve	3,214,666	Other securities	69,422,801
Public deposits	20,482,486	Notes	33,093,325
Other deposits	100,217,687	Gold and silver coin ..	1,541,309
Seven-day & other bills ..	3,135		
138,470,974		138,470,974	

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Sept. 29	155,833,112	140,516,935	122,359,194	105,626,673	102,000 out	35,065,177	2 1/2 %
Oct. 26	154,866,287	140,232,845	122,558,381	105,943,693	102,000 out	34,382,442	2 1/2 %
Nov. 17	154,173,906	139,344,180	123,570,865	106,669,240	745,000 out	34,578,746	2 1/2 %
20	154,095,823	138,712,305	125,546,053	108,097,376	138,000 out	35,133,518	2 1/2 %
27	152,814,940	139,069,400	122,606,011	106,899,136	1,260,000 out	33,495,570	2 1/2 %
Nov. 3	152,807,822	139,537,365	122,226,842	106,901,562	2,000 out	33,019,177	2 1/2 %
10	152,060,534	138,834,485	120,015,591	105,576,781	727,000 out	32,976,019	2 1/2 %
17	152,999,634	138,109,000	120,700,173	103,830,340	961,000 in	34,640,634	2 1/2 %

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Nov. 3.	29,603,378	1,393,742	2,367,768	33,365,888
Nov. 10.	670,307	33,482	60,183	763,972
Nov. 17.	704,156	32,792	59,459	796,407
Total to date 1926.	30,978,821	1,460,016	2,487,410	34,926,247
Do 1925.	31,484,409	1,482,582	2,622,470	35,573,461
Increase or decrease in 1926.	-485,588	-22,566	-135,060	-647,214
Total for year 1925.	35,801,641	1,678,347	2,957,508	40,437,119
Total for year 1924.	35,038,065	1,594,114	2,940,145	39,572,324
Increase or decrease in 1925.	+763,576	+84,233	+117,363	+965,172

PROVINCIAL CLEARING RETURNS.

	Month of October.			Aggregate Weekly Totals to Nov. 13.	
	1925.	1926.	%	1925.	1926.
Number of Working Days.	27	26			
BIRMINGHAM	11,910,000	10,216,000	-14.2	115,618,800	106,928,900
BRADFORD	6,850,000	7,391,000	+7.8	68,887,000	74,587,000
BRISTOL	5,489,000	4,859,000	-11.4	53,257,000	52,052,000
DUBLIN	4,274,000	3,628,000	-15.1	41,253,000	40,544,000
LIVERPOOL	4,163,000	4,742,000	+13.9	44,711,000	43,705,000
MANCHESTER	3,379,000	3,246,000	-3.9	35,532,000	34,529,000
LIVERPOOL	41,216,000	34,795,000	-15.5	411,723,500	354,301,600
MANCHESTER	69,031,000	57,263,000	-17.0	714,792,900	600,341,200
NEWCASTLE-ON-TYNE	6,517,000	4,688,000	-28.0	71,661,900	56,939,500
NOTTINGHAM	3,015,000	2,709,000	-10.0	30,367,700	28,016,600
SHEFFIELD	4,707,000	3,919,000	-16.7	47,535,800	43,381,500
Total.	160,549,000	137,456,000	-14.3		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the Economist of October 2; Estonia in October 23; Canada and Greece in October 20; Danzig in Nov. 6; Ja an. Reichsbank. Denmark, Lithuania, Poland, Roumania, Italy and Egypt in Nov. 13.

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Oct. 22, 1926.	Nov. 13, 1926.
Total bills discounted ..	116,040	172,400	132,350	109,940	135,140
Bills bought in open mkt. ..	64,040	71,290	48,230	42,400	32,310
Total U.S. Govt. securities ..	54,080	54,080	54,080	54,080	54,080
Total earning assets	234,160	297,770	234,660	206,570	249,200
Deposits—Member bank ..	839,280	818,160	834,980	825,680	857,180
Ratio of total res. to dep. and Fed. Res. note liabilities combined.	84.5%	80.1%	83.5%	85.4%	82.4%

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Oct. 22, 1926.	Nov. 13, 1926.
RESOURCES.					
Total gold reserve	2,841,760	2,807,270	2,823,330	2,825,880	2,779,120
Total bills discounted	5,410	675,900	561,920	585,620	569,660
Bills bought in open mkt. ..	339,900	332,100	307,540	294,740	352,690
Total U.S. Govt. securities ..	300,770	302,350	300,170	318,960	334,010
Total earning assets	1,224,180	1,312,810	1,242,140	1,188,910	1,259,870
Total resources	5,027,230	5,065,120	5,017,060	5,080,560	4,980,080
LIABILITIES.					
Federal Reserve notes in actual circulation	1,750,790	1,755,430	1,730,510	1,729,830	1,711,280
Deposits—Member bank—reserve account	2,218,650	2,207,330	2,216,970	2,213,490	2,232,170
Total deposits	2,261,700	2,276,420	2,281,130	2,257,550	2,288,740
Capital paid in and surplus ..	345,200	344,690	344,700	344,510	334,490
Total liabilities	5,027,230	5,065,120	5,017,060	5,080,560	4,980,080
Ratio of total reserves to deposits and Federal Reserve note liabilities combined.	74.0%	72.8%	73.6%	74.1%	72.3%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 2, 1926.	Sept. 25, 1926.	Oct. 24, 1926.
ASSETS.						
Gold coin and bullion	7,083	8,031	7,927	7,815	7,624	6,917
Subsidiary coin	178	178	178	178	178	50
Bills discounted	6,630	6,733	6,917	7,521	7,216	6,637
Investments	649	649	649	649	649	529
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	258
Notes in circulation	6,953	7,058	7,471	7,931	6,862	8,534
Bankers' deposits	5,649	5,653	5,149	6,345	6,924	5,494
Ratio of cash reserves to liabilities to public.	54.1%	59.1%	57.5%	53.1%	52.1%	60.5%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Sept. 24, 1926.	Oct. 23, 1926.
ASSETS.						
Total securities	20,411.19	21,30.83	21,34.50	20,51.57	20,52.29	16,72.52
Loans	11,81.66	11,73.32	11,76.19	11,70.18	11,83.69	14,46.24
Cash credits	21,15.2	21,17.06	20,83.10	21,49.3	21,02.21	28,86.87
Inland bills	5,22.44	4,59.71	4,62.58	4,42.98	4,67.82	5,37.59
Foreign bills	37.11	37.83	34.21	2.45	28.69	23.25
Dead stock	2,77.86	2,77.47	2,77.17	2,76.91	2,77.9	2,77.9
Bal. with other banks	10.90	7.64	5.63	8.82	10.43	10.64
Cash	42,40.21	40,49.04	47,84.45	50,87.49	50,39.43	25,63.44
LIABILITIES.						
Capital paid up	5,12.50	5,63.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve	4,92.50	4,92.50	4,92.50	4,92.50	4,92.50	4,92.50
Total deposits	93,60.93	91,0.65	98,59.35	101,22.83	100,68.49	82,67.21
Deposits in London	898	892	905	922	922	1,120
Advances in London	930	931	928	919	929	1,159
Cash, etc., at other Banks in London	64	53	28	58	65	73

BANK OF FRANCE.—In francs (000's omitted).

	Nov. 18, 1926.	Nov. 12, 1926.	Nov. 4, 1926.	Nov. 19, 1926.	Position May 28, 1924.
ASSETS.					
Gold coin and bullion	5,544,797	5,548,794	5,548,793	5,547,626	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321
Silver coin and bullion	339,065	339,065	339,065	339,065	339,065
Discounts and advances	6,428,572	6,437,553	6,437,553	6,437,553	6,437,553
Advances to the State	35,850,000	35,850,000	35,850,000	35,850,000	35,850,000
LIABILITIES.					
Notes	54,061,189	54,926,904	55,670,775	47,943,234	5,811,875
Government deposits	30,704	47,753	15,763	30,303	183,700
Private deposits	3,740,611	3,220,798	3,400,015	2,485,030	845,950

NATIONAL BANK OF BELGIUM.—In Belgas (a) (000's omitted).

	Nov. 9, 1926.	Oct. 28, 1926.	Oct. 21, 1926.	Oct. 14, 1926.	Nov. 12, 1926.	Position May 28, 1924.
ASSETS.						
Coin (gold & silver and bullion)	1,070,964	1,061,031	38,326	38,245	395,258	322,650
Securities	504,406	459,452	1,801,426	639,755	1,02,971	697,600
LIABILITIES.						
Notes in circulation	1,760,358	1,753,367	9,405,910	9,520,621	7,634,008	34,150
Current accounts	266,259	345,243	767,595	65,348	201,708	112,125

NETHERLANDS BANK.—In florins (000's omitted).

	Nov. 8, 1926.	Nov. 1, 1926.	Oct. 25, 1926.	Oct. 18, 1926.	Nov. 9, 1926.	Position May 30, 1924.
ASSETS.						
Gold	418,411	418,577	418,735	418,813	451,28	163,092
Silver	36,714	26,734	27,138	26,699	23,020	8,436
Deposits	398,304	429,635	387,066	410,392	465,269	153,504
LIABILITIES.						
Notes in circulation	866,551	892,496	834,319	841,285	913,729	316,639
Deposits	22,068	23,442	33,692	37,758	32,947	5,016

BANK OF JAPAN.—In florins (000's omitted).

	Nov. 13, 1926.	Nov. 6, 1926.	Oct. 30, 1926.	Oct. 23, 1926.	Nov. 14, 1926.	Position May 30, 1924.
ASSETS.						
Gold	226,750	227,500	227,250	227,500	14,822	22,971
Silver	337,224	337,224	337,224	337,224	42,634	29,786
LIABILITIES.						
Discounts, advances, and other investments	149,680	155,630	159,620	159,020	163,313	77,567
Notes in circulation	337,000	337,000	333,500	333,000	344,182	109,499
Deposits and bills payable ..	63,500	8,000	70,500	72,000	43,431	11,250

SWISS NATIONAL BANK.—In francs (000's omitted).

	Nov. 15, 1926.	Nov. 8, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Nov. 7, 1926.	Position May 31, 1924.
ASSETS.						
Gold	442,944	442,623	442,478	437,777	460,961	171,175
Silver	72,702	72,051	72,182	72,808	90,149	18,350
Assets & advances	303,714	316,157	327,377	314,699	287,794	103,000
LIABILITIES.						
Notes in circulation	773,413	797,872	824,314	767,446	793,765	275,925
Deposits	110,750	87,706	73,815	108,513	116,576	33,750

BANK OF NORWAY.—In kroner (000's omitted).

	Nov. 8, 1926.	Oct. 30, 1926.	Oct. 22, 1926.	Nov. 7, 1925.	Position May 31, 1924.
Assets					
Coin and bullion—Gold.....	147,227	147,226	147,226	147,226	44,224
Balance abroad and foreign bills.....	65,772	66,203	66,722	64,090	28,533
Norwegian and Foreign Gov. ernment securities.....	28,510	28,137	27,577	12,596	8,816
Discounts and loans.....	446,580	429,956	428,558	305,982	76,911
LIABILITIES.					
Notes in circulation.....	322,612	327,513	322,358	358,903	113,494

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals 941½-944½ tchervonetz.
\$1,000 " 194 " "

1 tchervonetz = 10 gold roubles. £1 sterling = 9·46 gold roubles.

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Nov. 19, 1925.	Oct. 21, 1925.	Oct. 28, 1925.	Nov. 4, 1925.	Nov. 11, 1925.	Nov. 18, 1925.
Call money	4½	4½	4½	4½	4½	4½
Time money (90 days' mixed coll) ..	4½	4½	4½	4½	4½	4½
Bank acceptances:—						
Members—eligible 90 days ..	3½	4	4	4	3½	3½
Non-mem.—eligible 90 days ..	3½	4	4	4	3½	3½
Ineligible 90 days ..	4½	4½	4½	4½	4½	4½
Commercial accept. 90 days ..	4½	4½	4½	4½	4½	4½

Rates of Exchange.	Par Level.	Nov. 19, 1925.	Nov. 4, 1925.	Nov. 11, 1925.	Nov. 18, 1925.
London—					
60 days		4·7987	4·795	4·804	4·791½
Cable		4·8450	4·845	4·855	4·844
Cheques		4·8425	4·844	4·854	4·843
Paris		3·9675	3·915	3·915	3·949
Brussels		4·5325	4·532	4·532	4·530
Switzerland ..		13·90	13·90	13·92	13·90
Italy		19·28	19·28	19·28	19·285
Berlin		4·0050	4·005	4·005	4·2150
Vienna		23·81	23·75	23·74	23·72
Madrid		14·07	14·125	14·14	14·14
Amst. rdam ..		19·30	19·245	19·15	19·225
Copenhagen ..		40·195	40·205	39·99	39·96
Oso		24·96	24·96	24·96	24·96
Stockholm ..		26·80	26·80	26·80	26·80
Athens		19·30	19·30	19·30	19·30
Montreal		100	100	100	100
Yokohama		49·85	49·85	49·85	49·85
Hong Kong		58·375	58·375	58·375	58·375
Shanghai		76	76	76	76
Calcutta		36·68	36·68	36·68	36·68
Buenos Aires ..		103·65	103·65	103·65	103·65
Rio de Janeiro ..		32·42	32·42	32·42	32·42
Valparaiso		12·165	12·165	12·165	12·165

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From Close of Mail February 19, 1926.	From February 22, 1926.
	Buying.	Selling.
T.T.	13½ dis.	13½ dis.
Demand	13½ dis.	13½ dis.
30 days	13½ dis.	13½ dis.
60 days	13½ dis.	13½ dis.
90 days	13½ dis.	13½ dis.
120 days	13½ dis.	13½ dis.

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador	10·15	Sight London	Nov. 15	24·55
Venezuela	25·25	"	Nov. 3	26·05
Colombia (Bogota) ..	100	"	Nov. 2	99·75
Nicaragua	4·8665	"	Sept. 25	4·80
San Salvador	9·75	"	Nov. 15	9·85
Guatemala	90·25	"	Nov. 16	291
Costa Rica	10·45	"	Aug. 19	19·50
Bolivia	19·20	"	Sept. 13	78

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Aus. tralia.	New Zealand.
T.T.	100½	100½
Demand	99	99
30 days	98½	98½
60 days	98	98
90 days	97½	97½

BULLION.

The following statistics of imports and exports of gold for week ended November 17, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported in Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Russia	Denmark
France	Netherlands
Venezuela	Germany
British South Africa ..	Austria
Anglo-Egyptian Sudan ..	British India
	Straits Settlements ..
	Other countries
Total declared value of imports	Total declared value of exports

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.	WITHDRAWALS.
Nov. 13	Nov. 13
" 15	" 15
" 16 Bar bought	" 16
" S.A. Reserve Bk. sovs. ..	" 17 Bars sold
" 17	" India
" 18	" Mrs. Setts. ..
" 19 Bars	" 18 Bars sold
	" 19 Spain, &c.
Total	Total

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1926.	s d	d		d
Nov. 13	84 11½	25 7½	Nov. 26, 1920 ..	48½
" 15	84 11½	25 7½	" 25, 1921 ..	37½
" 16	84 9½	26	" 24, 1922 ..	32½
" 17	84 11½	25 7½	" 23, 1923 ..	33
" 18	84 11½	25 7½	" 21, 1924 ..	33½
" 19	84 11½	25 7½	" 20, 1925 ..	32

Messrs Samuel Montagu and Co. write on November 17th as follows:—

GOLD.

About £947,000 bar gold became available in the open market yesterday. The Indian bazaars bought about £50,000 and about £80,000 was taken for the trade, the balance being absorbed by the Bank of England. The net receipt by the Bank during the week under review has been £961,000, increasing the net influx since January 1, 1926, to £7,937,000, and decreasing the net efflux since the resumption of an effective gold standard to £3,658,000.

SILVER.

The market has been in a very sensitive condition during the week owing to vacillations of the China exchange and speculative business in India connected with options. The reduction in the London stocks following the departure of the settlement steamer, and the nervousness of some bear operators, created an upward tendency. Yesterday orders from China and India launched upon a market scantily supplied drove prices 3d up for cash and 1½d for two months' delivery to 26d and 25½d respectively. Prices have been falling more or less continuously since October 7th, when 26d was fixed for cash and October 13th 25½d for two months' delivery. Yesterday's movement, though large for one day, was exceeded last month, when on the 18th the cash price fell 1½d. The basis for the recent improvement seems entirely speculative. No fresh factors have appeared that will increase actual consumption or remove the incubus of probable demonetisation. The amount of the silver rupees held in the Indian currency note reserves, with an average weekly increase since June 7th last of about 80 lacs a week, has risen 20 per cent. since that date and shows no sign of abatement. Such an influx, if continued, will render the disposal of surplus silver coin under the new currency scheme a serious problem. During the same period the visible stock in Shanghai has increased to an almost similar degree, namely, about 16 per cent. These figures relating to the greatest silver-using countries in the world—who have had to take, failing other buyers, nearly two-thirds of the world's output—indicate that, unless India can increase proportionately its offtake (recently there has been a slight falling off), the sterling value of silver may be difficult to maintain in the not too far distant future. As the price of silver in India and the China exchanges failed fully to respond to yesterday's sharp rise, a reaction ensued to-day of 1½d for cash and of 1½d for two months' delivery. The near future of the market is uncertain, owing to the reasons above detailed. United Kingdom imports and exports of silver during the week ending the 10th inst. were:—

Imports.	Exports.
France	British India
U.S.A.	Other countries
Other countries	

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	Oct. 22.	Oct. 31.	Nov. 7.
Notes in circulation	19,273	19,379	19,299
Silver coin and bullion in India ..	10,381	10,483	10,408
Silver coin and bullion out of India ..	2,232	2,232	2,232
Gold coin and bullion in India ..	5,260	5,260	5,260
Securities (Indian Government) ..	1,400	1,399	1,399
Securities (British Government) ..			

No silver coinage was reported during the week ending the 7th inst. The stock in Shanghai on the 13th inst. consisted of about 71,300,000 ounces in sycee, 70,700,000 dollars,

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.	Corresponding Period Last Year.
					Dividend. Prefere. Ordinary. Rate	Net Profit. Dividend.
Banks.						
Royal Bank of Scotland	Oct. 2	476,545	476,545	320,000	16	472,623 15½
Breweries.						
Archibald Campbell, Hope, and King	Sept. 30	9,001	15,112	4,500	7½	14,483 7½
Brickwood and Co.	Sept. 30	28,849	98,761	8,294	21,350	30,391
Lichfield Brewery	Sept. 30	12,595	35,355	6,250	11½	12,930
Morgan's Brewery	Sept. 30	36,104	51,135	13,800	12½	43,122 12
Noakes and Co.	Sept. 30	30,041	39,865	12,500	16,500	30,406 75
Russell's Gravesend Brewery ..	Sept. 30	23,735	58,984	6,664	20,923	23,748 15
Stroud Brewery	Sept. 30	8,941	39,248	4,020	21,097	9,072 15½
W. Butler and Co.	Sept. 30	31,728	95,728	18,000	37,500	104,550 12½
Financial, Land, &c.						
Sudan Plantations	June 30	187,261	482,394	375,000	25	294,655 162,884 25
Gas.						
Oriental Gas	June 30	35,276	31,321	24,000	8	42,579 26,923 8
Hotels, Restaurants, &c.						
Curzon Hotel (London)	Dec. 31	4,821	4,386	9,207	9	9,207 4,821
Slaters, Limited	Sept. 30	30,595	49,812	8,000	18,360	19,733 38,064 9
Motor and Cycle.						
Dennis Brothers	Sept. 30	44,046	293,070	337,116	25	172,597 39,313 202,533 25
Iron, Coal, and Steel.						
Yarrow and Co.	June 30	2,750	11,729	14,479	7½	3,229
Oil.						
Kern River Oilfields of California	May 1	88,846	172,479	261,325	10	80,000 61,325 153,851 12½
Rubber, &c.						
Aboyne-Clyde	June 30	Dr 7,663	38,826	31,303	30,000	1,303 10,685
Bantam (Java)	June 30	512	43,822	44,334	25	4,334 26,983 20
Broome (Belangor)	June 30	2,628	30,059	32,687	2,000	3,687 13,121 8
Langkapoera	June 30	130	13,164	13,294	25	85 9,758 nil
Lenggeng Rubber	July 31	2,806	21,497	24,303	25	5,711 8,591 15
Sekong	July 31	3,788	9,730	13,518	8	2,000 3,518 16,057 10
Singapore United	June 30	16,207	71,964	88,171	30	19,000 15,181 31,666 17½
Sungei Buaya (Sumatra)	June 30	1,594	65,285	66,879	30	10,360 42,589 20
Sungkap Para	June 30	5,922	5,922	1,680	3	3,264 978
Shipping.						
Sheaf Steam Shipping	July 31	3,114	11,150	14,264	12,000	2,264 12,832
Telegraphs, &c.						
Amazon Telegraph	June 30	3,438	13,299	16,737	8,000	2,737 2,372 nil
Western Telegraph	June 30	300,440	590,627	891,067	311,895	329,172 535,012 10½
Trust.						
Charterhouse Investment	Nov. 11	52,593	52,593	7,440	16,800	5,905
Second Industrial	Sept. 30	10,317	36,192	46,509	16,800	12,269
Stockholders Investment	Oct. 31	24,175	24,175	12,000	8,000	1,175
Other Companies.						
A. and F. Pears	June 30	7,106	62,776	69,882	38,400	9,482 83,739 20
Acme Tea Chest	Aug. 31	25,674	21,376	47,050	16,240	16,810 54,969 26
Annandale and Son	Oct. 31	6,893	11,876	18,769	7,200	9,961
British Automatic	Sept. 30	10,829	66,310	77,139	40,000	8,670 72,719 11½
Caldwell's Paper Mill	Oct. 31	31,131	25,852	56,983	12,102	34,293 24,960 nil
Carrongrove Paper	Oct. 31	41,620	19,950	61,570	13,755	23,615 42,342 6
Coventry Chain	Aug. 31	8,019	49,655	41,636	21,295	10,982 39,197 10
Hagemann's Creameries	June 30	3,924	5,168	9,092	6,000	3,092 5,777
Henry Bruce and Sons	Oct. 31	40,385	19,354	59,739	10,000	36,099
Ilford, Limited	Oct. 31	7,968	64,831	72,799	38,750	7,649 57,220 10
India-Rubber, Gutta Percha, and Telegraph Works	Aug. 31	20,457	86,721	107,178	37,500	22,178 108,482 5½
Liverpool Warehousing	Sept. 30	28,393	125,952	154,345	65,000	32,045 103,198 12½
Lloyd's Packing Warehouses ..	Sept. 30	58,456	139,077	197,533	102,163	53,390 149,609 15
Morland and Impey	July 31	8,239	10,390	18,629	13,182	5,447 7,772
Pinnars Hall (Austin Friars) ..	Sept. 30	7,544	16,480	24,024	12,042	4,000 7,982 16,204 9
Ste. Madeleine Sugar	June 30	Dr 65,233	36,582	28,871	25	28,871 3,749
The Irish Times	Sept. 30	10,669	38,957	49,626	17,560	10,234 37,968 25½
Wall Paper Manufacturers	Aug. 31	306,638	574,674	881,312	240,377	305,010 665,900 124½

† Free of tax.

a Including arrears.

v Ten months.

and 6,160 silver bars, as compared with about 70,800,000 ounces in sycee, 72,500,000 dollars, and 6,500 silver bars on the 8th inst.

NOTICES.

Barclays Bank, Limited, announce the opening of a new branch at 224 Church road, Willesden, N.W. 10, under the management of Mr T. H. Griffiths, who is also manager of Harlesden branch. Also of a new sub-branch at the corner of Yarm road and The Fairway, Eastbourne, Darlington, under the management of Mr C. W. Burnip, who is also manager of Darlington branch.

A branch of the Queensland National Bank, Limited, has been opened at Nundah, in Queensland, for the transaction of all usual banking business.

The Midland Bank announces that a new branch has been opened at 437 Bury New road, Prestwick, near Manchester, under the management of Mr Sydney F. Hardman. Additional offices have also been opened as follows:—Halberton, Devon; Llansilin, near Oswestry, Salop; Pennal, near Machynlleth; and Sampford Peverell, Devon.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For the week ending November 10, 1926: Production, 46,795 barrels; shipments, 67,646 barrels.

CALTEX OIL COMPANY.—Production for October:—Cia de Petroleo Caltex, S.A., 2,476 barrels, or 393 tons. Anglo-Texas Oil Company, 6,540 barrels, or 934 tons.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended November 6, 1926, was 146,

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Nov. 12, 1926.	Miles Open.	Passengers, &c.	Goods, &c.	Total for Week.	Aggregate 44 Weeks, 1926.	Passengers, &c.	Goods, &c.	Total Receipts.
(a) Week ended Nov. 13, 1926.								
Great Western.....	3,778	184,000	240,000	424,000	108,760,000	11,576,000	22,452,000	22,452,000
Do for 1925.....	3,775	206,000	338,000	544,000	121,790,000	14,605,000	26,784,000	26,784,000
London & N. Eastern (a).....	6,715	316,000	538,000	854,000	177,530,000	22,896,000	40,649,000	40,649,000
Do same period 1925.....	6,714	342,000	690,000	1,032,000	208,270,000	29,853,000	49,880,000	49,880,000
London, Mid., & Scottish.....	6,951	448,000	862,000	1,310,000	256,400,000	30,699,000	55,757,000	55,757,000
Do for 1925.....	6,950	489,000	886,000	1,375,000	287,520,000	38,070,000	66,822,000	66,822,000
Southern.....	2,183	247,000	106,000	353,000	144,680,000	15,044,000	28,372,000	28,372,000
Do for 1925.....	2,183	259,000	113,000	372,000	154,970,000	15,272,000	28,769,000	28,769,000
Metropolitan (a).....	59	29,900	2,800	32,700	1,317,200	125,600	1,442,800	1,442,800
Do for 1925.....	58	30,900	3,800	34,700	1,548,500	168,600	1,717,100	1,717,100
Underground E.R. (a).....	..	..	..	..	248,700	..	11,260,500	11,260,500
Do for 1925.....	..	..	..	..	237,900	..	11,404,000	11,404,000
London & Sub. Group (a).....	..	..	..	..	37,000	..	1,695,600	1,695,600
Do for 1925.....	..	..	..	..	34,000	..	1,730,400	1,730,400
Belfast & Co. Down (b).....	80	1,987	337	2,324	133,432	40,907	174,339	174,339
Great Northern (b).....	528	10,550	18,500	29,050	700,750	718,700	1,419,450	1,419,450
Great Southern (b).....	2,181	29,129	48,145	77,274	1,728,507	1,940,897	3,669,404	3,669,404

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926. + or -	1926. + or -
INDIAN.					
Assam Bengal.....	28 weeks	Oct. 16	1,072	Rs. 3,99,000 -	Rs. 95,73,807 + 3,44,961
Barsi La. Ry.....	29 weeks	23	118	24,000 -	3,900 9,59,000 + 93,100
Bengal & N. Western.....	3 weeks	23	2,076	5,71,648 -	24,904 17,87,756 - 78,935
Bombay, Bar., & C.I.	26 weeks	Sept. 30	2,861	23,96,000 -	1,55,000 3,96,75,177 + 885
Burma.....	27 weeks	Nov. 13	3,033	19,04,000 -	5,97,000 6,59,77,000 - 47,960
Calcutta & N. Eastern.....	27 weeks	Oct. 16	1,349	6,32,537 -	88,133 2,01,45,557 - 17,09,275
Madras & S. Mahr.....	29 weeks	23	3,048	13,90,000 +	44,772 4,62,18,742 + 7,61,937
Nizam's Guaranteed (a).....	29 weeks	23	993	3,06,897 +	2,780 1,05,12,220 + 7,72,970
Rohilk. & Kumaon.....	2 weeks	16	259	47,739 -	4,052 1,07,021 - 7,393
Do Lucknow-Breilly.....	2 weeks	16	290	50,309 -	3,597 1,13,844 - 7,981
South Indian.....	29 weeks	23	1,876	9,72,561 +	27,684 2,95,20,29 - 6,48,142

(a) Total receipts of all lines.

ARGENTINE (a).

Argentine N.E.	20 weeks	Nov. 13	754	12,100 -	2,600 255,000 - 33,100
B. A. and Pacific.....	20 weeks	13	2,652	139,000 -	2,645,000 + 68,000
B. A. Central.....	20 weeks	13	1,470	14,754 +	210 271,212 - 958
B. A. Gt. Southern.....	20 weeks	13	4,720	23,000 +	9,000 3,94,000 + 94,000
B. A. Western.....	20 weeks	13	1,882	91,000 -	1,720,000 + 94,000
Central Argentine.....	20 weeks	13	3,305	223,000 +	15,000 4,217,000 + 90,000
Cordoba Central.....	20 weeks	13	1,202	78,000 +	1,000 1,449,500 - 44,000
Entre Rios.....	20 weeks	13	728	21,400 -	5,500 422,100 - 53,700

CUBAN.

Havana Central.....	18 weeks	Oct. 30	..	1,933 -	10,003 185,264 - 21,758
United of Havana.....	20 weeks	Nov. 13	1,301	49,728 -	9,105 919,993 - 212,590

URUGUAYAN.

Central Uruguay.....	20 weeks	Nov. 13	273	34,181 +	2,619 477,622 + 9,025
C. Urug. (East, Ext.).....	20 weeks	13	311	6,985 +	636 91,829 - 3,555
C. Urug. (North, Ext.).....	20 weeks	13	185	3,161 +	90 47,752 - 6,078
C. Urug. (West, Ext.).....	20 weeks	13	211	2,928 +	51 51,848 + 4,101

CANADIAN.

Canadian National.....	43 weeks	Nov. 7	22,065	6,063,789 +	280,971 223,110,823 + 208,939,494
Canadian Pacific.....	44 weeks	14	14,379	5,052,000 +	620,000 168,593,000 + 158,450,000

BRAZILIAN (b).

Gt. West. of Brasil.....	46 weeks	Nov. 13	1,018	22,000 -	.. 798,500 + 142,700
Leopoldina.....	46 weeks	13	1,856	43,477 -	3,523 2,029,882 + 496,067
Leopoldina Terminal.....	46 weeks	13	13	6,818 -	213 34,113 + 102,830
San Paulo.....	46 weeks	14	1,534	48,273 -	10,756 2,100,371 - 25,410

CHILEAN.

Antofagasta.....	45 weeks	Nov. 14	838	28,690 -	25,825 1,653,050 - 183,875
Nitrato (4-monthly).....	45 weeks	15	398	21,621 -	23,254 638,850 - 319,009

OTHER OVERSEAS.

Alcoy and Gandia.....	46 weeks	Nov. 13	33	Rs. 18,000 -	2,000 1,115,200 - 23,800
Egyptian Delta.....	46 weeks	Oct. 31	600	412,721 -	3,678 183,273 - 1,585
Calcutta Corporation.....	1 week	13	12	22,893 -	125 ..
Calcutta Tramways.....	1 week	13	354	Rs. 10,940 -	16,471 ..
Chatham & District.....	46 weeks	4	15	1,296 -	174 61,484 - 4,354
Egyptian Markets.....	46 weeks	11	..	22,017 -	401 81,771 - 12,973
Elagav Corporation.....	25 weeks	Oct. 25	1,344	43,534 -	2,698 918,260 - 9,208
Isle of Thanet Trams.....	44 weeks	Nov. 3	13	22,261 +	73 125,864 + 1,894
London Corp.....	33 weeks	13	124	226,712 +	699 859,507 - 74,948
L.C.C. Tramways.....	33 weeks	17	164	222,130 +	3,853 2,556,507 - 74,948
Perambuco Trams.....	46 weeks	14	..	26,131 -	261 283,600 + 56,162

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.	Total Receipts.
				1926. + or -	1926. + or -
Anglo-Argentine.....	45 weeks	Nov. 11	329	£86,107 -	1,585 3,783,280 - 142,647
B. Aires Lacrosse.....	20 weeks	14	..	£14,091 +	62 253,908 - 8,679
Burnley Corporation.....	1 week	13	12	£2,893 -	125 ..
Calcutta Corporation.....	1 week	13	354	Rs. 10,940 -	16,471 ..
Chatham & District.....	46 weeks	4	15	£1,296 -	174 61,484 - 4,354
Egyptian Markets.....	46 weeks	11	..	£22,017 -	401 81,771 - 12,973
Elagav Corporation.....	25 weeks	Oct. 25	1,344	£43,534 -	2,698 918,260 - 9,208
Isle of Thanet Trams.....	44 weeks	Nov. 3	13	£22,261 +	73 125,864 + 1,894
London Corp.....	33 weeks	13	124	£226,712 +	699 859,507 - 74,948
L.C.C. Tramways.....	33 weeks	17	164	£222,130 +	3,853 2,556,507 - 74,948
Perambuco Trams.....	46 weeks	14	..	£26,131 -	261 283,600 + 56,162

* Combined revenue.

MINING OUTPUT STATISTICS FOR OCTOBER, 1926.

Gold.	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
La Noria.....	7,385	..	..	..	£58,708	\$2,616
Lena (Nov. 8th to 15th).....	..	..	..	..	17,296	18,971
Oriental Cons. (Sept.).....	20,774	..	..	..	..	..
Other Notes in Return.						
Tin.						
Aramayo.....	277	..	..	..	and 154,000 ozs silver.	Black tin clean-up.
Briseis.....	19	..	..	..	..	..
Kaduna Prospectors.....	11	..	..	..	..	..
Kaduna Syndicate.....	35	..	..	..	..	..
Kassa.....	64	..	..	..	..	..
Naraguta.....	10	..	..	..	..	..
Naraguta Korot.....	45	..	..	..	..	..
South Bukuru.....	71	..	..	..	..	..
United Tin Areas.....	153	..	..	..	..	..
Zurguin Syndicate.....	8	..	..	..	..	..
Copper.						
Namaqua.....	235	..	..	..	Blister copper.	..
Tanganyika Concessions.....	6,100	..	..	..	From Union Miniere.	..
Coal.						
Chinese Engineering.....	74,000	..	..	..	Sold during the week ended Nov. 13th.	..
Miscellaneous.						
West African Diamond.....	2,628	..	..	..	Carats.	..

BROKEN HILL PROPRIETARY BLOCK NO. 14 COMPANY, LIMITED.—During the fortnight ended September 25th, 2,038 tons of this company's ore were treated at the mill of the Broken Hill Proprietary Company and produced 410 tons of lead concentrates and 231 tons of zinc concentrates.

MOUNT LYELL MINING AND RAILWAY COMPANY, LIMITED.—During the four-weekly period ended November 10th the mill treated 8,810 tons of ore, producing 3,155 tons of concentrates.

Reports and Notices.

Mr T. L. Kesteven (of Messrs Lawrence Graham and Co.) has been elected a director of Legal and General Assurance Society, Limited, as from January 1, 1927.

Courtaulds, Limited, have removed to 16 St Martin's-le-Grand, London, E.C. 1. New telephone, City 3561 (twelve lines).

At a meeting of the board of the Anglo-Argentine Tramways Company, Limited, held to-day, Mr Henri Speciaal, of Brussels, was elected a director of the company to fill the vacancy on the board caused by the retirement of Mr Henry Francis Gunning.

GOVERNMENT STOCKS, &c.

COMMITTEE OF BRITISH HOLDERS OF FRENCH WAR BONDS.—The Right Hon. Edward Shortt, K.C., has consented to act as chairman of the Provisional Committee of British Holders of French War Bonds issued in London and Dublin. The committee is arranging to hold a public meeting of bondholders in London within the next few weeks. Notice of the meeting, together with a memorandum prepared by the provisional committee and copy of the resolution to be submitted at the meeting, will be posted to all bondholders who forward their names and addresses and particulars of the bonds they hold to The Secretary, Committee of British Holders of French War Bonds, 15-17 King Street, St James, S.W. 1.

GREEK DEBT.—The Council of Foreign Bondholders issues the following information, compiled from figures published by the International Financial Commission at Athens, with regard to the revenues assigned under the Law of Control for the service of the Greek debt from January 1 to September 30, 1926, compared with those for the same period of 1925:—

Gross receipts, Sept., 1926	Do do do 1925	Estimated receipts for nine months (Law of Control) ..	Actual receipts for 1926 (nine months) ..	Actual receipts for 1925 (nine months) ..
Monopolies, Tobacco, Stamps, and Stamped Paper.	Drachmas. 17,892,476.05	Drachmas. 10,958,020.60	21,675,000.00	8,025,000.00
Piræus Customs.	Drachmas. 50,663,708.30	Drachmas. 48,341,020.20	165,846,742.75	407,301,155.50
			91,285,831.75	383,243,410.90

* Exclusive of increases in duties and selling prices not subject to the system of plus-values.

Note.—Of the surplus over the estimated receipts from the monopolies, tobacco, stamps and stamped paper, 49 1-5 per cent. is applied towards increasing the minimum rates of interest and sinking fund on the external gold loans of 1881 to 1893.

LIBERIAN LOAN OF 1912.—The Council of Foreign Bondholders have received advices from the National City Bank of New York, the fiscal agents for the above loan, that they are in possession of the necessary funds for the encashment of the January 1, 1927, coupons on the bonds outstanding. There is also a small balance available for sinking fund, which may be increased by further

remittances. The fiscal agents will be glad to receive tenders, which must be in their hands at their offices, 55 Wall street, New York, not later than December 10, 1926. Accepted bonds will be for delivery on or before January 1, 1927, for payment on that date, and must bear the coupons due July 1, 1927.

PORT OF PARA.—The report for 1925 shows that no change has been made in the port works since the board's last report. The capital recognised by the Government remains fixed at the same figure of 60,651.102 milreis gold, or £6,823,249, on which sum the company's contracts guarantee its annual gross receipts of 10 per cent., viz., £682,324. Statistics show an improvement in the traffic of the port for the past three years. This improvement is due, on the one hand, to a revival of the rubber trade, and, on the other hand, to the development of Para. Notwithstanding, however, the increase in the gross receipts and the rise in the Brazilian exchange, which from 3½d in the beginning of August, 1925, has risen to and remained above 7d until October, 1926, the company's net earnings, when converted into sterling, still remain small as compared with its fixed charges. Total tonnage of vessels entering the port in 1925 was 977,864 tons, against 911,692 tons in 1924. For the first six months of 1926 total tonnage was 474,656 tons.

RAILWAYS.

BRAZIL RAILWAY.—The report and accounts for 1925 shows that for the first half of that year the value of the milreis remained almost stationary in the neighbourhood of 6d, rising to over 7d during the last three months of the year. This improvement was maintained in 1926; during the first nine months exchange oscillated between 7d and 7½d. As stated in the directors' report for 1924, this amelioration must, above all, be attributed to the policy of strict economy and withdrawal of paper money pursued by the Brazilian Government. The balance brought forward from revenue account is £321,364. Income from collaterals is \$808,411. Conversion into cash of assets representing income \$57,981. Sundry interest, &c., \$166,559, making total gross income \$1,354,315. The net income is \$777,374.

BANKS.

BANQUE BELGE POUR L'ETRANGER (SOCIETE ANONYME).—The following is a comparative table of balance-sheets (sterling equivalents taken at 25 francs to the £) :—

	1924.	Year Ended June 30, 1925.	1926.
Net profit of the business year.....	489,552 ..	431,192 ..	723,968
Dividend (free of coupons tax).....	8 % ..	8 % ..	10 %
Capital subscribed.....	4,000,000 ..	4,000,000 ..	4,000,000
paid up.....	3,000,000 ..	3,000,000 ..	3,000,000
Reserves.....	960,000 ..	1,120,000 ..	1,280,000
Sundry creditors.....	24,431,237 ..	30,876,079 ..	54,636,912
Acceptances.....	2,400,669 ..	2,805,770 ..	3,368,153
Note issue in China.....	86,525 ..	149,967 ..	125,703
Cash.....	4,559,397 ..	5,286,619 ..	8,421,904</

ing £23,845 repaid during year in respect of overpaid taxation, amounts to £67,572. After providing for depreciation, bonuses, &c., balance available amounts to £59,738. Dividend on first and second preference shares to October 31, 1926, less tax, absorbed £8,640, leaving a balance available, subject to income-tax, directors' fees, &c., of £51,098. Directors recommend placing to reserve fund £5,000 and paying a dividend of 2s 6d per share on ordinary shares, less tax, leaving to be carried forward, subject to income-tax and directors' fees, £36,098. Buildings and plant have been well maintained during period covered by accounts, and directors report that they consider results very satisfactory, considering extraordinary difficulties with which they have had to deal during past six months in consequence of general strike and coal strike.

KERN RIVER OILFIELDS OF CALIFORNIA.—The combined result for the year ended May 31, 1926, is as follows:—Gross profit, Kern and St Helens Companies, including interest, profit on sale of securities, transfer fees, difference in exchange, less administration expenses, £172,479, against £153,851 in preceding year; brought forward from last accounts, £88,845; making £261,325, against £290,674 in preceding year; deduct depreciation and amounts written off in respect of the year to May 31, 1926, £80,000, against £50,000, leaving £181,325. The directors propose to appropriate this balance as follows:—Dividend on ordinary shares of 10 per cent., absorbing £120,000. This compares with 12½ per cent. in preceding year. Carry forward, Kern and St Helens Companies, subject to U.S.A. and British taxation and directors' remuneration, £61,325. Notwithstanding the increased output obtained from our various fields, the directors recommend the reduction of the dividend as above in consequence of the lower price obtainable for the heavy oil of the old Kern River Field and the necessity of providing additional depreciation upon the St Helens Company's properties.

STOCKHOLDERS INVESTMENT TRUST, LIMITED.—The report and statements of account for period commencing with the incorporation of the company on June 9, 1925, and ending on October 31, 1926, has just been issued. The 50,000 shares of £10 each subscribed, when fully paid up, were converted and divided into £300,000 5 per cent. cumulative preference stock and £200,000 ordinary stock. There is a credit balance of £24,175. Preference dividend absorbed £12,000. Ordinary dividend of 5 per cent., less tax, absorbed £8,000. The sum of £3,000 is put to reserve. The carry forward is £1,175. Changes in investments have resulted in a surplus on realisation of £13,097, of which £11,097 has been applied in writing off the whole of the preliminary expenses, and the remaining £2,000 has been put to reserve, making total reserve £5,000. The company gives a complete list of its investments, which number 160.

YARROW AND CO., LIMITED.—The report for the year ended June 30, 1926, after deduction of debenture interest and depreciation, is £11,720, to which is added £2,750 brought in, making £14,470 available. The ordinary dividend is 7½ per cent., absorbing £11,250, leaving £3,220 to carry forward. During the year the shipyard and engine works have been fairly occupied, but the business has been adversely affected by the depressed condition of the industry generally, accentuated by the deplorable dispute in the coal industry. Investments at cost stand in balance-sheet at £78,799. Their market value on October 18, 1926, was £87,004. Cash is at £5,864.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Climatic conditions have remained unsettled with further rains, which caused floods in low-lying parts of the country. The temperature, however, has been mild and favourable to the growth of cereal crops. Native wheat continues in fair request, but prices marked a declining tendency, owing to the general situation. Imported descriptions moved off slowly, and values took a sharp downward turn in sympathy with reduced forward offers. Dull and easier conditions prevailed in the floating and forward cargo section, owing to the limited demand from millers in this country, combined with increasing Canadian stocks and freer offers from that quarter, especially distant positions, while Argentine shippers have also reduced their quotations. Steamers of white Pacific December shipment sold 50s 3d per 480 lbs. Feeders also met with poor support, and trend of prices in buyers' favour. Steamer of Plate maize on passage sold at 32s 3d to Spain per 480 lbs c.i.f. Wheat irregular and easier. No. 1 Northern Manitoba quoted 62s 9d, No. 2 ditto 61s 3d, No. 4 57s 6d, No. 2 tough Manitoba 59s 6d, No. 2 mixed Durum 58s 3d, choice white Karachi November 60s 6d ex-ship, all per 490 lbs. English 11s 10d-12s 3d per 112 lbs. Flour generally quiet, though steady at the recent decline, with strong grades of imported somewhat reservedly offered. London standard grade 48s 6d, town whites 49s 6d, patents 50s 6d-51s 6d per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 40s-48s 6d, Minneapolis 47s-49s, Kansas patents 45s-46s, Australian 45s per 280 lbs ex-store. Maize quiet and easier, but closed steady. Plate landed 34s, ditto ex-ship 32s 3d, Plate Cinquantina 37s 6d landed per 480 lbs. Barley dull and weak. Californian 40s-47s, Chilean Chevalier 52s-62s, ditto brewing 38s-48s, Australian Chevalier 48s-50s ex-store. Smyrna 40s-55s ex-ship per 448 lbs. No. 3 Canadian Western 34s 6d ex-ship,

Persian ex-ship 29s 3d, landed 31s, Russian 33s, Plate 33s, both ex-ship per 400 lbs. English malting 9s 9d-18s 9d as to sample, feed 9s 6d-9s 9d per 112 lbs. Oats quiet. La Plata landed 27s 6d, ditto ex-ship 24s 9d, Chilean Tawny 27s 6d-31s landed per 320 lbs. English 8s 3d-9s per 112 lbs. Millers' offals dull and occasionally easier. Broad bran quoted 8s, middlings 9s-9s 3d, fine ditto 10s 6d, bags included, ex-mill, feed oatmeal 9s 9d, light oats 8s 3d, ground oats 13s 3d per cwt, free on rail. Oatmeal quiet. London-made flaked 18s, rolled oats 17s, medium also fine cut 18s, coarse also medium pinhead and whole groats 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927.	1925-1926	1924-1925	1923-1924.
Estimated sales of home-grown wheat—				
1 week to November 13...	Cwts. 437,303	Cwts. 410,959	Cwts. 231,285	Cwts. 392,377
11 weeks to November 13...	4,166,659	3,978,425	2,672,734	4,469,166
Average price of English wheat per cwt.....	s d 12 7	s d 11 1	s d 12 6	s d 9 3

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Nov. 6.....	Cwts. 396,337	Cwts. 655,149	Cwts. 90,434	s d 12 4	s d 11 9	s d 8 5
Nov. 13.....	437,303	510,451	77,977	12 7	11 6	8 4
1922.....	461,657	471,893	80,379	9 11	11 2	9 8
1923.....	399,577	646,419	72,487	9 3	10 7	8 8
1924.....	231,285	499,156	85,125	12 6	15 11	10 2
1925.....	410,959	554,810	56,837	11 1	11 9	9 1

AMERICAN WHEAT MARKETS.

The weakness recorded in the American wheat markets continued until the middle of the week, liberal interior movements of supplies being maintained and favourable crop advices from Argentine exercising a bearish influence. An improvement subsequently took place on reports of rain in Argentine, the possibility of easier freight rates, and increased export inquiry.

	Jan. 2, 1925.	Nov. 19, 1925.	Jan. 7, 1926.	Nov. 11, 1926.	Nov. 18, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.....	183	(b) 141½	160	(b) 143½	(b) 136½
Chicago (No. 2 Winter)—Cents per 60 lbs.....	177	(c) 15 ½	176½	(c) 140½	(c) 135½

(b) November delivery. (c) December delivery.

Visible supplies of wheat in Canada, at 46,108,000 bushels, show an increase of 4,773,000 bushels as compared with the previous figures. Supplies a year ago stood at 36,666,000 bushels.

COAL.

Our Cardiff correspondent writes:—Confidence in a settlement of the dispute has been severely shaken by the decisive majority of the miners' delegate conference at Cardiff against acceptance of the Government terms. In view of the steady increase in the output of South Wales—now estimated at 60,000 tons per week—it was hoped that the regulations prohibiting exports would be relaxed. The Customs authorities have received instructions to release coastwise shipments and to relax the regulations concerning bunkers for foreign-going vessels, but it would seem that the embargo on cargo exports of coal to foreign countries will be maintained till the policy of the South Wales Miners' Federation in regard to resumption under an eight-hour day has been clearly defined. Meanwhile, inland prices are a shade easier. There are many orders in the market from foreign customers; three contracts alone cover a quantity of nearly half-a-million tons; and in spite of the week's events collieries are offering post-strike supplies on the basis of 35s for best Admiralty large and 25s for best small steams f.o.b. In one or two cases merchants have chartered tonnage for December positions. Pitwood imports are being resumed on the basis of between 38s and 40s, ex ship Cardiff.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Buyers and sellers are still awaiting the outcome of the coal negotiations, and in the meantime trading has been on exceptionally quiet lines. Only five blast furnaces in the whole of the country have been able to keep in operation, the quantity thus available for the open market being of small dimensions. Continental iron also has been obtainable only in small parcels, and producers abroad have recently advanced their prices 3s to 4s per ton. On the other hand, the slackening in the demand from British users of steel owing to the improved prospects of peace in the coalfields has been reflected in the fall in the prices quoted by the Continental makers of semi-finished and finished materials. Inquiry for finished materials has been light, but those few British works which have been able to continue producing have found no difficulty in disposing of their output.

Our Middlesbrough correspondent's letter, dated November 18, 1926, is as follows:—Pig-iron: Owing to the present situation, it is difficult to give any report on the local market, but in view of the number of miners returning to work, it is known that some works have preparations well in hand with a view to starting up. The prices for prompt deliveries are unchanged, No. 3 Cleveland G.M.B. being 120s per ton f.o.t. Ordinary mixed numbers East Coast hematite are not quoted, but it is understood that small parcels of "off" grades are obtainable at a price indicated as about 92s 6d per ton. Manufactured iron and steel: No new business is being done, and an early advance is expected on the current official minimum prices. Iron ore: In the event of furnaces being restarted some of the works will probably require small deliveries, but at present there is no new business and no quotation.

Our Sheffield correspondent writes:—The progress towards a settlement of the dispute has not made any noticeable difference to the general industrial situation here. Few, if any, of the largest steel works will be able to resume before the New Year. The smaller establishments have kept running at a percentage of their capacity, and it will be easy for them to increase their activities. There is a fair amount of confidence abroad with regard to the future, but it is tempered by some nervousness, due to the certainty of increased production costs. There are also remains of old contracts to work off at pre-strike prices. Durham makers are now quoting foundry coke at 37s 6d at ovens for contracts of not less than six months' duration. A further large quantity of Westphalian coke has gone into consumption at inflated prices, some users having paid up to 85s or more, delivered. Importers are not placing any new contracts for this fuel. In the local finished and lighter steel branches overseas trade is being maintained at a fair level, but home orders have been declining for some weeks past. It is expected that the repair of the many thousands of railway wagons which have been standing idle in sidings for more than six months will bring much welcome work for the Sheffield steel trade.

Our Glasgow correspondent writes:—The steady drift back to work of the miners in Scotland, combined with the belief that an early resumption of full coal supplies is inevitable, has brightened the outlook in iron and steel circles, and the feeling is general that, apart from the necessary making up of lost ground, a solid improvement in trade is in sight. Moreover, important contracts have recently been placed both for shipbuilding and engineering. Within the past few days considerable tonnage has been ordered from shipbuilders on the Clyde, Forth, and Tay, and it is also announced that the Port and Haven Commissioners of Great Yarmouth, in conjunction with the local Corporation, have placed an order with Sir Wm. Arrol and Co., Limited, of Glasgow, for a new bridge across the Yare, the estimated value of which is £200,000. Steel supplies from the Continent are somewhat better, but offers for fresh business are now at a higher rate. Pig-iron production is not likely to be resumed this year, as supplies of coke have first to be procured. Stocks are diminishing, and quotations are nominal. Inquiries for galvanised corrugated sheets are numerous, but deliveries in most cases cannot be given until early in 1927, as makers are practically fully booked for the next two months at least. Prices are very firm, and quotations have been made, for shipment up to March, as high as £17 15s per ton for 24 gauge, f.o.b. The demand for black sheets for home trade is brisk, but, owing to the high cost of fuel, makers have had to advance prices to a level which makes consumers hesitate to buy except for immediate pressing requirements.

Our Cardiff correspondent writes:—The general position is unchanged. In the tinplate market inquiries have been fairly active and prices are firm up to 25s 3d per basis box f.o.b. Bars are unaltered at £6 15s and galvanised sheets steady at £17 10s to £17 15s. There was a decrease last week in the receipts from works, but the stocks at the end of the week were slightly higher.

OTHER METALS.

TIN.—The tin market gained strength following firmer advices from America and the East, which resulted in a sharp advance in prices for early delivery, while assisted by liberal buying orders. Later, however, some irregularity was noticeable, particularly regarding forward positions which were more readily offered, so that the advance was lost. Standard cash sold at £311 to £310 15s and £314 5s and £309 10s, three months £300 5s to £303 10s and £298. Sales in the East were reported at £307 10s to £310 and £307.

COPPER.—General conditions in the standard market remained quiet, and with sellers more in evidence a weaker tone resulted. Standard cash sold £57 16s 3d to £57 2s 6d; three months £58 15s to £58.

LEAD.—A moderate demand was steadily supplied, with prices tending in buyers' favour. Good soft foreign pig November sold £29 10s to £29 11s 3d and £28 17s 6d, December £29 16s 3d to £29 17s 6d and £29 15s 3d, January £30 to £29 10s and £29 5s, February £30 to £29 6s 3d, March £30.

SPELTER opened with a firm tone, but demand since quieter, and values exhibited irregularity and weakness. November sold £33 17s 6d to £33 2s 6d, January £33 16s 3d to £33 2s 6d, February £34 to £33 11s 3d and £33 3s 9d, March £33 16s 3d to £33 3s 9d ton.

ANTIMONY quiet. English special brands quoted £74 10s to £75. China crude November-December £32, regulus ditto £51 per ton. **ALUMINIUM** dull. Home delivery quoted £107, export £112 ton. **WOLFRAM** firm. November-December shipment sellers 15s 3d, and antimony ore 5s 9d per unit. **TIN PLATES** steady. I.C. Coke 25s 3d to 24s 3d as to position per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, November 18, 1926.

Prices show little variation from those of a week ago. This steadiness in prices has brought a little more trade to Manchester and also a little more investment buying. All interest as regards size of the crop is now at an end, and attention will henceforth be paid to the ginning figures and the quality. There is a large amount of cotton still to be sold, but with the financial facilities which the Southern States now have available selling is not likely to be aggressive and the farmer can hold his cotton for a considerable time for a better price. A meeting of the Liverpool Cotton Association will take place on Monday to decide whether trading in future should be extended to twenty-four months instead of twelve months as at present. Spot sales for the week 12th to 18th (inclusive) were 40,000 bales, of which 19,430 bales were American, 3,300 Brazilian, 7,000 Peru, 2,300 Egypt, 7,350 African, 100 East Indian, and 520 sundries. Imports for the same period were 119,213 bales, including 92,835 American, 14,431 Brazil, 13 Peru, 9,104 Egypt, 2,486 African, and 254 sundries. Quotations to-day are:—Middling American, 6.99d; Brazil Fair, 7.34d; Peru G.F. Mod-Rough, 8.50d; smooth, 8.34d; Egypt Sakel, 15.00d; Uppers, 10.50d; Tinnivelly, 6.55d; West African Middling, 6.99d; and G.F. East African, 8.75d.

MANCHESTER, November 18, 1926.

The experience of sellers during the past week has been rather disappointing. Despite a substantial inquiry, business done has been of limited dimensions. Some buyers seem to believe that yarn and cloth may be cheaper when spinners and manufacturers are able to buy coal at lower prices. There has been a considerable demand for piece goods for India, but the response to prices wired out has been rather poor, and operations have been confined to moderate lots in bleaching styles and grey shirtings. There is no hope of increased support from China just at present. Printing and finishing qualities have attracted some attention for the Near East, South America, the Continent and the Colonies, but transactions of importance have been scarce. Demand in home American yarns has tapered off, and there are indications of spinners having lost ground. Exceptional sales have taken place in Egyptian counts for thread manufacturing.



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"Flowers & Sunshine"

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"Flowers & Sunshine"

MEKNES
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SEE MARRAKESH (MOROCCO CITY) WITH ITS CYCLOPEAN WALLS, PEARLESS PALACES, GARDENS, ITS DANCERS, FIRE-EATERS, SNAKE CHARMERS, SIP THE MINT TEA UNDER THE VINES AT RABAT. WANDER AND WONDER IN THE TERNING BAZAARS OF FEZ—CITY OF FOUNTAINS, PALACES, MOSQUES. SEE MEKNES—ITS MINARETS AND BOOTHS

Smouldering torches... the sultry lifting of heavy scents from brazen burners... the pattering of bare feet over glorious mosaics... the silently gliding vision of white... clatter of hoofs and glitter of rich caparisons... sunset and the Muezzin... a world of complete fascination awaits you.

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COMPAGNIE GENERALE
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22, Pall Mall, London, S.W.1.

(I.) Comparative Statement of the Cotton Trade.

	Price, Nov. 18, 1926.	Previous weeks in 1926.				
		Nov. 11.	Nov. 4.	Oct. 28.	Oct. 21.	Oct. 14.
Raw Cotton—Mid. American	6.99	6.90	6.88	6.71	6.83	7.15
— Sakellaridis Fully Good Fair	15.00	14.80	15.00	14.40	14.80	15.50
— Egyptian	13	13	13	13	13	14
Yarns—32's twist	13	13	13	14	14	14
— 40's twist	13	13	13	14	14	14
— 60's twist (Egyptian)	25	25	25	25	25	26
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23	23	23	23	24	24
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26	27	27	27	28	28
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	12	12	12	12	12	12
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12	12	12	12	12	12

(II.) Compared with Previous Years.

	Price, Nov. 18, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	6.99	10.74	13.72	20.72	14.77	12.18
— Sakellaridis Fully Good Fair	15.00	20.50	25.80	25.25	18.50	21.50
— Egyptian	13	13	13	13	13	13
Yarns—32's twist	13	13	13	13	13	13
— 40's twist	13	13	13	13	13	13
— 60's twist (Egyptian)	25	25	25	25	25	25
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23	23	23	23	23	23
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26	26	26	26	26	26
38-in. ditto, 38 yds, 18 by 16, 10 lbs.	12	12	12	12	12	12
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12	12	12	12	12	12

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—On every occasion in the mining industry when signs of a settlement of the long-drawn-out mining dispute have appeared, the wool textile industry has responded by taking a more active interest in supplies and prices. A spurt of this sort was noticeable last week-end, and after a long period of stagnation a considerable turnover was done in tops, which apparently suggests that business is waiting in the background, and that if coal supplies could be obtained at reasonable prices trade would expand in all directions. Users have also been aroused by the marked recovery in wool values in the primary markets. The demand for wool in Australia has been more general, and prices in both Melbourne and in Sydney have advanced about 1d per lb clean. If the new level is maintained spinners and manufacturers will have seriously to consider if they can afford indefinitely to delay their purchases of tops and yarns, for if account be taken of the world's requirements in raw material—especially the needs of Continental firms—the question may well be asked if wool is likely to fall much below the current level. Germany is an active buyer, and in recent weeks has taken the place of France as the leading operator in Australia and in South Africa. In the home trade, of course, development depends upon a settlement of the mining dispute, but the market to-day is certainly much firmer than a week ago, and it is more difficult to obtain concessions on quoted prices. There is not much change in the yarn trade, but a rather more hopeful feeling prevails in the manufacturing section.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The event of the week is the opening of a new selling season at Wellington. From cables received, the initial sale seems to have been satisfactory and the general impression prevails that the wool is sound. No user finds fault with the price of the raw material, but with the absence of demand for the fully manufactured article. There is nothing wrong to-day with either merino or crossbred values. The missing link all through has been the absence of vigorous consumption and on the end of the coal stoppage it is hoped a real effort will be made to sell yarns and piece-goods. We expect the New Zealand clip to be very similar in size and character to that of last year, though it will be a little lighter and better grown. That Wellington should have opened so creditably is a surprise to many, but it can be taken for granted that the trade has faith in the future of wool, and is prepared to do its best to support all markets in New Zealand. Of course, when a few more sales have taken place it will be seen where prices actually stand, and the prices ruling in Coleman street next week may also influence New Zealand beneficially. We cannot see any sound reason for higher prices, in view of the amount of idle machinery in the West Riding.

Next Tuesday will see the opening of the final series of Colonial sales for the year, and around 137,000 bales are available. The quantity is just a little larger than was expected, but it is not formidable, and if the home and Continental trades are at all in a buying mood the bulk of the offerings can be lifted. It is difficult, however, to say exactly what will take place. A fortnight ago an all-round decline of 10 per cent. seemed likely, compared with the best prices ruling at the last series, but there have since been considerable sales in Bradford, and many firms are now in want as 3s 8d has been taken for good average 64's tops, and 1d more for warp 64's. To-day it is not possible to buy at the former price, and the majority of firms are waiting 3s 11d for a better article, with the very best makers asking 4s. od. We fully

expect the London sales to be on this basis. As far as we can judge it would seem as if merinos will show an all-round decline of about 5 per cent. Crossbreds should fall likewise. Apart from last week-end, when all spinners were putting down orders for the new year, the vacation has been exceptionally quiet, with a marked decline in top values. However, the reaction is welcome. We see no reason why current values should not continue, since wool is at a most useable price. Considerable support will probably be forthcoming from the Continent, and with good competition between France, Germany and the home trade a satisfactory series should result.

HIDE, LEATHER, AND ALLIED TRADES.

The hide market remains very steady in spite of the wet and dirty condition of hides at this season. Best ox hides in Bermuda on Thursday sold from 6½d to 9d per lb, and seconds from 6d to 8½d per lb. Best calfskins made from 7½d to 12½d per lb, wool skins from 6s 2d to 11s, and hogs from 2s 6d to 10s 9d each. Imported hides remain steady, best Argentine fregorifics now selling at 8½d on Russian, German, and American account. Latest cables from Chicago report the hide position as steady, with best heavy packers now selling at 15 cents. The tone of the leather market is strong; stocks in tanneries are in small compass, and the big demand for light bends up to 8 lbs has resulted in an advance of price by 1d to 1½d per lb in many cases. Repairers are still active buyers of medium weights of wet-salted bends, whilst the demand for shoulders and bellies is sufficient to keep the market clear of stock. The demand for upper stock is fitful; a fairly active demand has set in for black glacé kid for the Russian boot, whilst a fair trade has also been done on coloured willow and glacé for the same purpose. The boot and shoe trade remains moderately well employed. Orders have come along rather better for men's stout boots, owing to the partial resumption of work in the coal districts. Russian boots have also sold better of late, large orders having been received by Leicester firms during the past week.

VEGETABLE OILS AND OLSEEDS.

Markets generally are steady, but the volume of business comparatively small. Linseed oil has been in somewhat better demand by consumers, and is at £31 10s per ton naked ex Hull mill prompt and delivery to the end of the year, with later positions at a discount. Business in London is reported at £30 12s 6d to £30 17s 6d spot, and November-December cotton oils are quiet and easier, crude Egyptian offering at £32 10s and ordinary refined at £36. Palm kernel oil is a shade lower, but other quotations are maintained. In the oilseed section the position is largely dominated by the high freights and the paucity of available tonnage. Supplies of linseed on spot and afloat are small, Plate being held for £16 10s, with November-December loading 12s 6d less. New Plate has been done at £15 January-February. Trade in Indian linseed is dull, and Calcutta to London nominally £17 7s 6d for shipment. Cotton seed is in fair demand and business reported in black Egyptian to Hull at £9 January and February, a small premium being required for earlier shipment. Manchurian soya beans on passage to this country have been done at £11 5s. About 275,000 tons of the old Plate crop of linseed still remains unshipped, and in view of the reduced demand, proportion may have to be carried forward to next year.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Increased stability was apparent in this market, with sustained inquiries on grocery and also manufacturing account. Of British refined, Tate and Lyle's goods advanced 3d per cwt. Cubes, now, 35s to 35s 6d; granulated, fine and coarse, 31s 7½d; No. 1, 31s 4½d; No. 2, also London and T.L.S., 31s 1½d; ditto, November, 31s; January-March, 31s 6d; yellow crystals, spot, 28s 1½d. English grown mostly 3d per cwt higher, with early deliveries now ranging from 29s 9d to 30s; and Kidderminster, 30s 3d, ex factory terms. Imported granulated dearer, with business in Czecho and

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(Registered in Japan, 1899.)

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Capital Paid Up : : : ¥39,375,000Head Office - - - TAIPEH, FORMOSA.
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Dutch J at 29s 4½d. Shipment parcels also dearer, with few offers from refiners; in fact, in the case of Czecho granulated, bids were received thence for the November-December positions at 16s 7½d, f.o.b. Hamburg, in order to cancel out contracts previously entered into, but sellers stood out for a higher figure. Dutch J, ready, quoted 16s 10½d, f.o.b., Rotterdam. Polish crystals largely nominal in the absence of definite offers, as apparently more remunerative prices are obtainable in local markets than ruling in the U.K. White Mauritius, November-December, quoted 19s 6d; Peruvian, 96 per cent, ditto, 13s 10½d, c.f. and i., U.K. Indian markets very firm, and buying orders thence circulate with freedom. B.R.B. crystals, January-March, sold, 18s 4½d; white Java, January-March, 18s 4½d; ditto, July-September, 16s 9d; October-December, 16s 10½d, all c. and f. terms, India. Active movements again took place in the white terminal section, and prices were firmer though attended by irregularity at times. December, sold, 16s to 16s 1½d; January, 16s 4½d to 16s 5½d; March, 16s 9½d, 16s 11½d, 16s 10½d; May, 17s 2½d to 17s 1½d; August, 17s 6½d, 17s 5½d, 17s 6d; October, 17s 3d; December, 17s to 17s 10½d cwt. Market closed the week with an excited tone, due to reports of Cuban crop being restricted to 4½ million of tons. Of British refined, Tate and Lyle's goods raised 1s 6d cwt all round. English grown is dearer, and imported granulated 9d. Terminal unusually brisk. December sold up to 16s 11½d; March, 17s 9½d; May, 18s 0½d; August, 18s 3½d; December, 17s 3½d.

COFFEE.—The spot market remains very firm for all qualities suitable to the home-trade, as supplies of same are on a limited scale. East African descriptions are from 3s to 5s dearer on the week. Kenya bold, sold, 14s to 16s; peas, 14s 6d to 16s 6d. Jamaica mountain-grown, bold, sold, 20s to 21s 6d. Colombian-Maragogipe, sold, 20s 6d. Futures dull.

COCOA.—Spot parcels quiet, but sellers required steady rates. Accra, F/F, November-January, sold, 47s 9d to 48s 6d, and 46s 9d, f.o.b. terms.

TEA.—During the week Indian auctions amounted to 55,897 packages. There was a decided improvement in general competition as buyers showed a good deal more confidence, particularly in the case of good liquoring tippy teas, and these marked an advance of ½d to 1½d per lb. Common and palin medium also sold well at ½d to 1d per lb more money. Only a small quantity Southern Included, and these sold at higher figures in sympathy with Northern. Pekoe, sold, 1s 1½d to 1s 10d; orange, 1s 2½d to 2s 3d; broken orange, 1s 3d to 2s 4d; fine to choice, 2s 7½d to 3s 1½d. Ceylon sales embraced some 18,700 packages, and these were also well-competed for at mostly ½d to 1d per lb advance. Pekoe, sold, 1s 2½d to 2s 2d; orange, 1s 6d to 2s 4d; broken, 1s 5d to 2s 7d. China teas in quiet support, but held for full prices. Fine Keemun, sold, 2s 3d to 2s 4d; medium, 1s 7d to 1s 10d; common, 1s 4d. Panyongs, sold, 1s 3d to 1s 4d. Sou-

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.		DYE STUFFS, &c.		METALS—B. Copper		SUGAR—per cwt, duty, 11s 8d	
COCOA—Duty, British grown,		Galls, China		Best selected		B.W.I., muscovado	
5s 4d, foreign, 14s cwt		Turmeric, Bengal		Sheets (strong)		Crystallised	
Trinidad		Madras, finger		Standard		Java, white, Jan-Mar	
Grenada		Gambier, block		Lead Eng. Pig per ton			
Ceylon, plantation		Cutch, ord. to fair		Soft Foreign		REFINED—London	
Guayquil				Spelter G.O.B.		Yellow Crystals	
Bahia, finest		DYEWOODS		Tin—English ingots		Cubes	
COFFEE—British grown,		Brazil		Do do bar		Crushed	
5s 4d, foreign, 14s cwt		Fustic, Jamaica		Standard cash		Granulated	
E. India, fine ord. gd. mid. 132		Cuba		OILS—Fish, per ton		Castor	
Do good to fine		Lima Wood		Seal, pale		Pieces	
Costa Rica, ord. to mid. 120		Logwood, Campeachy		Linseed, p. ton net, naked 32		Granulated, home grown 30	
Good to fine		Honduras		Rape, refined		SPICES—Pepper, lb—	
Central American, gd. ord.		Jamaica		Crude		Muntok, fair White	
To mid.		Red Sanders		Cotton-seed, crude		Black Singapore	
Mid to fine		Sapang Ceylon		Edible, refined		White Siam	
Colombian, ordinary		FLAX—spot—o.f.f.		Coconut, crude		Pimento	
Do gd. ord. to low mid. 120		Riga ZK		Coconut, dried		Cinnamon—1st sort	
Do mid to fine		Pernau HD		Palm		Do 2nd	
Do mid to fine		Siamete U/A Medium		Lard, American		Do 3rd	
CHEMICALS—		FRUIT—		Water-White		Cassia Lignea	
Acid, citric		Oranges, Denia & Val. 300		Oil Cakes, Linseed, Eng.		Olives—Zanzibar	
Nitric		Do		Oil Seeds—Linseed		Madagascar	
Oxalic, net		Do Cape		Le Plateau to Nov-Dec		Ginger—per cwt—	
Tartaric, English		Lemons, Naples		Bombay, p. ton Nov-Dec		Cochin, small rough	
Foreign		Do		Calcutta, p. ton Nov-Dec		Do wormy	
Cream of Tartar		Do Sicilian		PORTLAND CEMENT—Best English		Japan	
English		Do Malaga		per ton delivered, London 58/0		Jamaica, ord. to good	
Foreign		Alum lump		Rapid hardening "Ferrocrete," 10/		Mace	
Do ground		Do ground		per ton extra		Nutmegs, 65	
Alum lump		Alumina		"Lightning" brand Aluminous Cement		110's and 80's	
Do ground		Val. Ona		100 to 105 per ton		Chillies—per cwt	
Ammonia, carb.		Egyptian Ona		Surcharge of 10s per ton for delivery		TALLOW—per cwt	
Muriate, White		Apples: American		of all cement in Lond during coal strike		Good mutton	
Sulphate		HIDES—Wet salted—		PROVISIONS—		Beef	
Argon, lump		Australian		Butter—per cwt—		TAPIOCA—per lb—	
Powder		West Indian		Irish creamery		E. I. Flake, fair, spot	
Ashes, pot		Cape		Do factory		Medium Pearl	
Feast do		Lisbon		Argentine		Seed	
Bleaching powder, per ton		Oporto		Dutch		TEA—duty 3½d, British,	
Borax, gran.		Dry & Dried Cape		Madagascar		foreign, 4d per lb—	
Do crystals		Madagascar		Central American		Indian and Ceylon—	
Do powder		Buffaloes, Singapore		E. I.		Pekoe	
Calomel		Penang		Market Hides, London—		Broken Pekoe	
Iodine, dry		E. I.		Best dry, ox & heifer		Orange Pekoe	
Nitrate of Soda		Market Hides, London—		Do light		Broken Orange	
Potash—Chlorate, net		Do light		2nd ox, heavy		Pekoe Souehong	
Fronate		Do light		Best cow		TIMBER—ex. yd—	
Do Foreign		Do light		2nd do		Swedish u/s 3 x 8, Pt. Std.	
Sulphate		Do light		Best calf		Do 2½ x 7	

chongs, 3s. Common monings found buyers at 7d per lb. Only 2,750 packages Java and Sumatra were brought to auction, and this reduced quantity met with rather quiet attention, but prices on balance disclosed no material alteration. Pekoe, sold, 1s 1½d to 1s 4½d; broken ditto, 1½d to 1s 7d; pekoe souchong, 1s 1½d; orange pekoe, 1s 4½d to 1s 6½d; broken orange, 1s 1½d to 1s 7½d lb, in bond.

RICE.—There is nothing fresh to note in this market. Apart from inquiries arising on Japanese account for Burma grain, trade otherwise is very slow. Two stars Rangoon, January-February, London, quoted 14s 6d; February-March, 14s 9d. S.O. to Japan, 12s 1½d, f.o.b. terms. Spanish and Italian steady, quiet. Beans steady, quiet. Madagascar butters, spot, quoted 29s to 30s, according to sample. Rangoon haricot, H.P., November-December, sold, 11s. Japanese peas firm. Spot quoted 30s; afloat, 30s 9d; November-December, sold, 32s 6d; December-January, 33s 6d to 33s 9d; January-February, 33s 6d to 33s 9d; February-March, 33s 6d per cwt, c.f. and i. London.

SPICE.—A good demand for pepper, chiefly in forward positions and market firm. Black Singapore, spot, 11½d; Lampung, spot, 11½d; October-December, sold, 11½d; January-March, 1s 0½d to 1s 1½d; Muntok, spot, 1s 8d; October-December, sold, 1s 8d to 1s 7½d; January-March, 1s 8½d; Pimento, spot, 8½d per lb; November-December, 70s per cwt. Cloves steady, and the better qualities of Zanzibar in more request for grocery purposes owing to the failure of the Madagascar crop. Spot lots 9½d to 10½d, as to quality per lb. Tapioca quiet, unaltered. Sago flour, December-February value, 16s, c.f. and i. U.K. Desiccated coconut, spot, halves, 42s 3d per cwt.

FRUIT (Dried).—Currants firmer, especially for the finer grades. Pyrgos quoted 34s; Patras, 35s 6d to 36s 6d; Gulf, 36s 6d to 39s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanias fully steady, with sustained inquiries. Smyrna, medium to good, 66s to 72s; fine Cretan, 72s to 85s; Australian, 60s to 78s. Raisins in steady demand at firm prices. Valencia, quarter-boxes sold, 45s to 65s; halves, 44s; seedless, 50s. Dates steady. Halloween, first tide, 31s; Khadowie, 21s 6d; Siar, 19s; cartons, 34s to 40s. Figs firmer. Lacoums, 100s to 140s; layers, 63s to 80s; genuine, 32s to 34s. Evaporated fruits firm, while in moderate support. Apricots: Californian, extra choice, quoted 122s 6d; South African, first grade, 140s. Plums, Californian, 30/40's, 66s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s; prompt shipment, 47s 9d, c.f. per cwt. Almonds tend firmer in face of a good demand, and small stocks on hand.

CANNED GOODS.

CANNED FISH.—Sardines in limited request. Portuguese clubs quoted 4s 6d per dozen tins. Salmon quietly steady. Red, tall, 1 lb, quoted 47s; tall pink, 26s to 27s. Lobsters steady on light supplies, but demand without improvement. Best ½'s, 160s to 162s 6d; and ¾'s, 9s to 95s. Crayfish, ¾'s, 76s to 77s; ½'s, 49s to 50s per case. Japanese crab steady. Herrings, 7s per dozen tins.

CANNED FRUIT.—Supplies continue on a liberal scale, but buyers confine their purchases to immediate requirements. Californian Bartlett pears, 24-2½'s, choice, quoted 12s to 12s 6d. Californian peaches, choice, 11s 6d to 12s 3d; seconds, 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s 3d per dozen tins. Singapore pines in fair request, and prices tend firmer owing to high forward offers. Italian tomatoes firm, and reservedly offered.

CANNED MEATS in limited request, and prices tend easier. Corned beef, 6's, quoted 38s to 44s, as to quality. Danish lunch tongues, 120s to 127s 6d; American, 142s 6d to 147s 6d.

CONDENSED MILK.—Machine-skimmed firmer and packers restrict-

ing supplies, but full-cream dull. Evaporated milk, however, sells readily.

HONEY firm, and fine grades in short supply. New Zealand quoted 54s to 85s, as to quality; Jamaica, good palish, 52s 6d; and manufacturing kinds, 35s to 40s; Cuban, 35s to 48s; Australian, 40s to 50s; Californian white set, 57s 6d; pale liquid, 56s per cwt.

RUBBER.

Nothing new occurred to disturb the serenity of this market. Plantation standard sheet, spot, and November, sold, 1s 8½d; December, 1s 8½d to 1s 8½d; January-March, 1s 8½d to 1s 8½d; April-June, 1s 9d per lb.

GENERAL.

JUTE.—Prices at opening of the week were forced up owing to an improved demand mainly on covering account and firm cables from Calcutta, but later a weaker tone set in while somewhat unsettled. Firsts, September-October, sold, £31 to £31 7s 6d, and £31; October-November, £31 to £30; November-December and December-January, £30 7s 6d to £30 15s and £29 5s; January-February, £30 10s to £29 10s; February-March, £30 15s. Lightnings, October-November, sold, £26; November-December, £25 15s to £25 5s; Hearts, November-December, £22 15s. Hessians and twills generally firm, with a moderate demand for near positions. B twills, spot, sold, 88s; January-March, 82s 6d.

HEMP.—Manila met a fair reception and with some reserved, still marked on the part of shippers, a firm market prevailed. J, November-January quoted £48; K and L 1 ditto, sold, £45 to £46; L 2, £42 to £42 5s; M 1, £41 10s to £42; M 2, £36 to £37. New Zealand firm, and fair clearances resulted in fair quality, November-January, at £36 to £36 5s. African sisal steady. No. 1, f.a.q., November-January, £43. Italian hemp steady. Indian continue very dull.

SHELLAC.—Market steady. T.N., spot, 225s; December, 220s to 215s; March, sold, 222s 6d to 215s per cwt.

COPRA.—Remained quiet and featureless. F.M.S. Straits, December-January, to Rotterdam, quoted £27 8s 9d; Dutch East Indies, £27 2s 6d; Ceylon, November-December, £28 10s; South Sea sun-dried, £25 10s; Cebu, £26 5s. South Sea to Marseilles, plantation, £26 12s 6d; sun-dried, £26 2s 6d; kiln-dried, £25 7s 6d. Palm kernels, November-January, quoted, £19 17s 6d per ton.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £39; Cochín, £24 10s to £47; Ceylon bristle £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 6½d; Java, 2s 3d.

METROPOLITAN CATTLE.—November 18.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs	8	8	9	4
Short Horns	5	4	6	0	Ewes	5	0	5	6
Herefords	6	0	6	4	Crossbred	..	..	..	..
Devons	6	4	6	8	Scottish	..	..	..	..
					Lamb—Downs	..	..	..	..

LONDON POTATO MARKETS.—November 18.

	Per Cwt.	s	d	s	d
English King Edwards	8	0	9	0	
British Queens	7	0	8	0	
Eclipse	7	0	8	0	
Majestic	7	0	8	0	
Irish	7	0	8	0	
Dutch	5	0	6	0	
Belgian Edwards	5	0	6	0	

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SATURDAY, NOVEMBER 27, 1926.

No. 4,344.

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THE MONEY MARKET.

LOMBARD STREET opened the week under fairly comfortable conditions, but the ease was short lived, for on Tuesday there was some extensive calling-in by the banks for balance-sheet purposes, and there was a keen demand for loans which became still heavier on Wednesday, when a moderate amount was borrowed from the Bank of England. The stringency, which, it is suggested, was partly due to large Revenue payments, has since relaxed a little.

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Notice is hereby given that in order to prepare the dividends due on the 1st January next, the BALANCES of the several accounts in the above mentioned Stocks will be STRUCK on the night of the 1st December and that on and after the 2nd December the Stocks will be transferable ex-dividend.

Forms of request for the purpose of forwarding Dividend Warrants by post to Banks or other Agents may be obtained on application to the Bank.—For Barclays Bank (Dominion, Colonial and Overseas), National Bank of South Africa Branch, Manager, Circus place, London Wall, E.C.2. 15th November, 1926.

IMPERIAL JAPANESE GOVERNMENT.

4% STERLING LOAN OF 1910.

Notice is hereby given that the COUPONS due 1st December, 1926, will be PAID on and after that date (Saturdays excepted), between the hours of 11 and 3 at The Yokohama Specie Bank, Limited, where lists may be obtained.

Coupons must be left three clear days for examination prior to their payment.—For The Yokohama Specie Bank, Limited, K. YANO, Manager, 9 Bishopsgate, London, E.C.2. 16th November, 1926.

The discount market has again been very quiet, and rates were unaffected by the monetary tension, being quoted throughout at $4\frac{1}{2}$ per cent., with business mostly done at $4\frac{1}{4}$ per cent. Renewed stringency in the money market is anticipated at the beginning of next week in connection with the usual month-end requirements, but on Wednesday over £50 millions will be disbursed in War Loan interest.

	Nov. 26, 1926.	Nov. 19, 1926.	Nov. 12, 1926.	Nov. 5, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount/Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed a reduction of £25,000 in the gold stock, but as the note circulation declined by £104,000, the Reserve was £79,000 higher at £34,719,600. Government securities were reduced by £1,080,000, but Other securities expanded by £4,948,400. Public and Other deposits increased by £3,325,600 and £608,600 respectively. Currency notes were reduced by £2,384,400 to £284,735,700, which includes £1,290,300 for the notes called in but not yet cancelled. The fiduciary issue is £27,195,400, or £20,707,100 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—Security markets are again firm, the money market having relaxed after the turn of the half-month. Meanwhile the Government estimate of a cotton crop of 18,400,000 bales has been received by the market with equanimity, and sugar is strong on the Machado intimations as to a restricted Cuban production next year. Reports as to industrial conditions remain rather good, steel production being maintained at a better level than expected, while there are some anticipations of increased automobile output. Altogether the nature of the industrial news and the cheapness of money are creating a more optimistic feeling.

THE STOCK MARKETS.

The main factor in Stock Exchange markets has again been the Paris operations in inter-Bourse securities rather than the coal situation, developments in which appear to have been without any effect on prices. The settlement which finished on Thursday was a quiet one. Gilt-edged stocks remain steady, while various recently issued colonial and Corporation stocks have been in quiet demand. Belgian sevens maintain their high premium, and French Government bonds have been bought. Home rails have given way on dividend fears, but Argentine rails are quiet. Rubber and tea shares have been lifeless, and there has been little doing in oils. Drapery shares have been prominent on amalgamation reports, and Dunlops in demand on dividend hopes and other rumours. Kaffirs have been under the influence of Paris. The Newfoundland loan of £1,027,300, the Ealing Corporation stock issue for £950,000, and an issue of £200,000 by the United British Steamship Company were over-subscribed. Larger subscribers to the Newfoundland loan received about 40 per cent. of their applications.

THE COMMODITY MARKETS.

The week's developments in the coal situation, coupled with the approach of the Christmas season, have improved the immediate outlook in most markets. Coal supplies are quantitatively more satisfactory, and pit-head prices have dropped about 5s a ton. Iron and steel makers are preparing to resume production, but for various reasons, including high fuel prices, a general resumption before the New Year is unlikely. Raw cotton quotations are quietly steady, despite a fresh increase in the official estimate of the American crop, but buyers of yarn and cloth are disposed to act with caution. London wool auctions have been interrupted by exceptional climatic conditions, but values remain fairly steady, with a moderate turnover in tops and yarns. Trade in jute is restricted by the continued absence of the substantial price decline expected as a result of greatly increased crop estimates. The wheat market is generally unchanged. Sugar rose sharply early in the week, but has subsequently been less active. The

better qualities of tea and coffee have been in demand at enhanced prices, but lower grades have not found ready sale. Among non-ferrous metals tin shows a further advance, but copper and lead are easier.

FOREIGN EXCHANGES.

Conditions in the foreign exchange market were similar to those prevailing last week. While business in general was quiet, the French exchange was erratic with a considerable volume of transactions for the first half of the week. From $134\frac{3}{4}$ on the 19th the rate fell to $129\frac{1}{4}$ on Saturday, after touching 128 at one time. On Monday there was a reaction to $136\frac{1}{8}$, and on Tuesday the closing rate after some fluctuations was $138\frac{1}{8}$, on Wednesday it rose to $141\frac{1}{4}$, but subsequently fell to $138\frac{3}{4}$. A reaction to $133\frac{1}{4}$ occurred on Thursday, and yesterday's opening rate was $131\frac{1}{2}$. Speculation is chiefly responsible for these movements, but ultimately it is the uncertainty regarding M. Poincaré's financial policy which makes speculation possible. His refusal once more in recent speeches to decide definitely between valorisation and revaluation has encouraged the supporters of both policies, but can scarcely make the final decision easier. At present it would seem that an approach to the level of 130, on the one hand, and of 140, on the other, calls out influences which tend to cause a reaction. At the same time, a sudden movement in either direction would not be unexpected. Forward rates have widened again slightly to 50 centimes and $2\frac{1}{2}$ f discount for one and three months respectively. New York has shown a slightly firmer tendency, rising from $4.84\ 25\text{-}32$ on the 19th to $4.84\frac{1}{4}$ on Saturday. After standing on Monday and Tuesday at $4.84\ 29\text{-}32$ it hardened to $4.84\frac{1}{8}$ on Wednesday. Thursday's rate of $4.84\ 31\text{-}32$ was unchanged yesterday morning. Forward rates have narrowed from 1-32 cent premium per month to par and 1-32 cent premium for one and three months. The "gold" exchanges have, on the whole, been firm. Thus, Amsterdam has risen on balance from 12.13 to 12.13 $\frac{1}{2}$, Brussels from 34.87-34.87 $\frac{1}{2}$, and Vienna from 34.40 to 34.41, while Geneva is unchanged at 25.15. Berlin, on the other hand, after rising from 20.42 $\frac{1}{2}$ to 20.43 $\frac{1}{2}$, fell again to 20.42 $\frac{1}{2}$. Stockholm has depreciated from 18.17 $\frac{3}{4}$ to 18.18, Copenhagen from 18.20 $\frac{1}{2}$ to 18.21 $\frac{1}{2}$, and Oslo, as a reaction from last week's improvement, from 18.93 to 19.00. In Southern Europe, Italy, after fluctuating between 114 $\frac{1}{2}$ and 116, is slightly lower on balance at 115, while Madrid has fallen from 32.03 to 31.98. In the East the rupee is steady around 1s 5 $\frac{1}{2}$ d, and Japan about 2s 0 $\frac{1}{2}$ d. Silver, after being steady early in the week, fell slightly on increased inquiry from China. Shanghai has fallen from 2s 6d to 2s 5 $\frac{1}{2}$ d, and Singapore from 2s 3 $\frac{1}{2}$ d to 2s 3 $\frac{3}{4}$ d. In South America, Rio fell from 6 $\frac{1}{2}$ d to 5 $\frac{1}{2}$ d on Monday owing to political uncertainty, but subsequently recovered to 6 1-32d. Buenos Aires is steady around 45 $\frac{1}{2}$ d, and Monte Video around 49 $\frac{1}{2}$ d. Valparaiso has recovered from 39.62 to 39.51 pesos.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended November 20th:—

(000's omitted.)			
EXPENDITURE.		RECEIPTS.	
Supply Services	9,524	From Revenue	14,598
Interest, &c., on Debt	4,859	Increase in Debt	1,664
Sinking Fund	390		
Increase in Balances	105		
Sundries	1,384		
	16,262		16,262

The Revenue for the week amounted to £14,598,000, as compared with £15,207,600 in the corresponding week last year. Customs amounted to £1,677,000, against £1,704,000, and Excise to £8,300,000, against £7,893,000. Property and Income-tax brought in £1,014,000, as compared with £1,296,000, while Super Tax was £340,000, against £330,000. Ordinary receipts were lower at £196,000, against £414,600, and Special receipts amounted to £100,900 against nil last year. The week's operations increased the National Debt by £1,664,000, and caused the following changes:—

(000's omitted.)		
Treasury Bills	£ 2,506	Public Department Advances.. + 4,550
National Savings Certificates	50	
Sundries	330	
	2,886	+ 4,550

The floating debt was increased by £2,030,000 to £785,076,000.

FINANCIAL YEAR, 1926-1927 (April 1 to November 20, 1926).

Total Expenditure ..	£ 497,416,423	Raised by Revenue ..	£ 414,011,509
		Decrease in Balances ..	3,859,096
		Amount borrowed ..	79,545,818
Total	497,416,423	Total	497,416,423

ESTIMATES FOR FINANCIAL YEAR 1926-7.†

Expenditure	£ 825,727,000	Revenue	£ 824,750,000
		Deficit	£977,000

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Royal Bank of Scotland, Western Telegraph, Wallpaper Manufacturers, Spies Petroleum, Baldwins, and Kern River Oilfields of California.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a review of the results of the 1924 Wage Census in a number of trades in Great Britain.

THE IMPERIAL CONFERENCE AND AFTER.

THE session of the Imperial Conference leaves an imposing record of work done. Its principal proceedings, reports and resolutions are summarised on another page. The outstanding State paper is the masterly report of the Committee on Inter-Imperial relations—a historic document which will probably take rank among the most important achievements of constructive political thought since the constitution of the League of Nations. The legal bearings of this document are manifold and intricate, and we leave this highly technical field to be explored by an expert in a later issue. The ultimate importance of this session of the Imperial Conference cannot be measured simply in terms of policy thought out and constitutional relations clarified. Great as these concrete achievements are, it is not on this account that we feel—as undoubtedly we do feel, both in the Dominions and in Great Britain—that this session has been specially significant and specially fruitful. The truest measure of its fruitfulness is the dramatic contrast between the pronouncements made by General Hertzog at the opening of the session and at its close. General Hertzog came to London with the determination to take his experiences here as the test of South Africa's status in the world. At the outset he told us frankly that he and his party in South Africa were still unconvinced that the Imperial relationship secured to them the perfect national freedom which those who believed in the Empire, both in Great Britain and in the Dominions, had claimed for the Empire as its characteristic product. At the close he has told us with equal frankness, and with a courage that does him honour, that his doubts have been allayed. We rather believe that Mr Cosgrave, who started from much the same position as General Hertzog, has arrived at the same point to-day. If we are right in our belief, we may sum up the special achievement of this session as follows:—The question of status has been settled, once for all, in the minds of all parties concerned. Henceforth, those memories, susceptibilities, and forebodings which have sometimes impeded the smooth working of co-operation in the past will no longer stand in the way, and the British Entente—for that is what the British Empire has become as far as Great Britain and the Dominions are concerned—will be

able to pursue its common objects, on their own merits, with greater freedom than in the past.

We realise how remarkable this achievement is when we recall how delicate this question of status—now happily disposed of—has been. It has not been altogether easy for Great Britain to allow her sovereignty over the Dominions to evolve into a hegemony and this hegemony into an equal partnership. At many moments we might have been tempted to give way to a very human feeling that he who pays the piper should call the tune—the inverse of the American "No taxation without representation." We may legitimately congratulate ourselves that, ever since our great lesson in the eighteenth century, we have at each decisive moment steadily taken the more generous and more statesmanlike view. Yet, this said, we must hasten to add that the effort of psychological adaptation to the new conditions of equal partnership has been considerably more difficult for the Dominions than for ourselves. In any voluntary transference of powers it is emphatically more blessed to give than to receive. The stronger who gives freely of his strength can always solace himself for any twinges of regret over lost dominion with the consciousness that he has the *beau rôle*. On the other hand, the recipient is apt to feel that the gift itself is a symbol of inferiority, and that liberty bestowed, and not inherited or won, is liberty held on a precarious tenure. Such feelings are almost inevitable at the start if the relationship which is being freely modified was originally established by conquest—as was, of course, the case with the French Canadians, the Dutch South Africans, and the Catholic Irish. When we think how recently the relations between the two last-mentioned peoples and the people of Great Britain were expressed in terms of brute force, the rapidity and extent of the psychological evolution on the Dominion side is amazing.

This evolution on both sides fulfils our long-cherished ideal that the Empire should depend on a state of mind and not on any set of formal institutions; and this ideal is obviously right, because it responds to human nature.

Among the peoples of the world to-day there is an insatiable and irresistible desire for the enjoyment of independent nationhood on a footing of moral equality between all nations, be they great or small. This desire was the subterranean force which produced the Great War; and, having come to the surface in that earth-shaking catastrophe, it then created the League of Nations. The achievement of the British Empire—an achievement which now seems secure—is that it has found a means of satisfying this universal desire, which does not involve its own dissolution. Contrast the genesis of the present entente between Great Britain, Canada, South Africa, Australia, New Zealand, and the Irish Free State with that of the entente between Czechoslovakia, Jugoslavia, and Rumania. The former has grown out of the old British Empire without any convulsion, whereas the Little Entente has only been able to come into existence through the catastrophic action of a world war, which broke the former Hapsburg Monarchy into fragments and then recombined some of these fragments with other fragments of territory and population into the units of the new entente—but all this at the cost of an almost incalculable loss of life, wealth, and happiness. Nor, again, is the Little Entente complete, for in consolidating certain nations it has mutilated others; and in wiping out the old ulcerated frontiers between Austria-Hungary and her Balkan neighbours it has opened new wounds between post-war Hungary and the hostile entente that rings her round.

Up to this point, then, the British Empire has succeeded where the Hapsburg Monarchy has failed, but, lest we be tempted to let ourselves subside into a perilous complacency, let us remember that, if the post-war "Little Entente" is incomplete, the post-war British Entente is incomplete likewise. The new relation between Great Britain and the self-governing dominions may be perfect after its kind, but, so far, this relation exists for only a part of the territory and the population of the British Empire, and, moreover, for that part in which the establishment of such a relation was comparatively easy. The bond of feeling between the present equal partners in the Empire is cemented by community of civilisation and community of race, and, compared with this common social

inheritance, the differences between French and British, Canadians or Dutch and British South Africans or Protestant and Catholic Irish are insignificant. Can we extend our new status of equal partnership, which we have now solemnly proclaimed as the moral constitution of the British Empire, to the still unenfranchised majority of the Imperial territories and populations? Shall we succeed in the enterprise of bringing India into equal partnership—a task which makes our achievements in Ireland and South Africa look like child's play? Is the new spirit of the British Empire potent enough to overcome the barriers between races, cultures, and religions—barriers so much more formidable than the trifling national differences between the various peoples of the Western world? If the British Empire can create an equal partnership between white men and black men and brown men, between Christian and Muslim and Hindu, it will then have ensured its own immutability and fulfilled its mission in the world. The "third British Empire" now exists. It must next evolve into "the Fourth British Empire" if it is to endure.

A RESERVE BANK OF INDIA.

THE announcement by the Secretary of State for India in the House of Lords that, in agreement with the Government of India, he is prepared to accept as a whole the recommendations of the Royal Commission on Indian Currency and Finance (subject to such further consideration of detail as may prove necessary) marks an important step in the progress of India's currency and credit organisation. The declaration, read in conjunction with the pronouncement made concurrently with the issue of the Commission's Report in August last, involves acceptance in principle by the authorities of the Commission's recommendations for:—

- (a) The establishment of the gold bullion standard in India.
- (b) The fixation of the gold value of the rupee at a ratio equivalent to rs 6d per rupee.
- (c) The transfer of the control of the currency from the Government to a Central Bank of Issue; and, pending such transfer,
- (d) The undertaking of a statutory obligation by the currency authority to maintain the gold value of the rupee between the gold points of the accepted gold parity by an engagement to buy gold, and sell gold or gold exchange, without limit.

Legislation to give effect to these recommendations is to be introduced in the Indian Legislature during the forthcoming Delhi session. When they have become law, India will possess a system of currency and credit which closely conforms to the accepted principles of modern monetary organisation. There is no reason to doubt that the system will be as enduring, and that it will exercise as beneficent an influence on India's economic progress as similar organisations have exercised on the progress of other countries. It betokens adolescence in monetary affairs, and is in harmony with the trend of evolution of India's political organisation.

By far the most characteristic and promising part of the plan is undoubtedly that which deals with the transfer of the control of currency to a central bank. That bank is to take over from the Government the assets of the gold standard and paper currency reserves, it is to be endowed with the sole right of note issue for a term of 25 years under stringent conditions regarding the reserves to be held by it as security for its note issue, and it is to be laid under an obligation to maintain monetary stability by an undertaking to buy and sell gold bullion without limit (in quantities of not less than 400 ounces) at prices fixed by statute. This transfer of control constitutes the most radical departure from the old system. It recognises the truth that, in a modern economic organisation, monetary stability can only be attained with efficiency and economy if the control of both currency and credit is placed in the charge of a single authority.

Though the public discussions of the Commission's recommendations have revealed a remarkable balance

of opinion in favour of the establishment of a Central bank, there are a few who seem to disapprove of it on the ground that joint-stock banking in India has not yet reached a sufficiently important stage of development to justify it. They appear to be of the view that, until the banking habit is much more widely diffused, and the number and size of banks operating in the country are far greater than at present, the existing system is adequate. We have, on the other hand, the testimony of some of the high officials of the Government of India, who either were in the immediate past, or are at present, in charge of the management of the currency. Their evidence before the Commission leaves us in no doubt that, even on the present restricted scale of joint-stock banking, the absence of real and unified control over credit makes the task of maintaining monetary stability both difficult and uncertain. It is obvious that, with every extension of the banking organisation, this difficulty and uncertainty must increase. But there is another aspect of the question. The development of joint-stock banking cannot progress at a greater rate than that at which confidence spreads amongst the people in the soundness and security of the banking institutions to whom they entrust their money, and that security depends upon the possibility of these institutions being able, in times of stress, to turn into cash the maximum amount of their assets. Stringency breeds distrust, and in these circumstances every bank in the country will cling to its cash resources, and a crisis becomes almost inevitable. The wider the banking development under such a system of decentralised banking reserves, the greater will be the probability of crises occurring, the more disastrous their effect, and obviously, the greater the shock of confidence in banking generally.

It is only under a system in which the banking reserves of a country are centralised in a true central bank, endowed with the right of note issue, that a general breakdown of credit can be avoided, for only a central bank is adequately equipped in times of stress to extend credit liberally to all who produce securities that represent credits granted to solvent people in respect of true commercial transactions. A joint stock bank which limits its activities to this, its legitimate, sphere of business is unlikely to find itself in difficulty, however acute the stringency may be. It is clear, then, that the development of joint stock banking can only proceed safely under the shelter of a true central bank. Without it a deliberate policy of expansion of the joint stock banking system must be fraught with considerable danger, especially in a country whose population is inexperienced in banking, and therefore more likely to be seized by panic. To make joint stock banking safe, to spread confidence amongst the people, and thus to foster the growth of banking, the establishment of a central banking system must precede, and cannot follow, that growth.

The problem as to whom the functions of a central bank are to be entrusted in India—whether to the Imperial Bank or to an entirely new institution—is an intricate and delicate one. The Currency Commission's advice is definitely to entrust them to a new institution—to be styled the "Reserve Bank of India"—and to afford to the Imperial Bank every facility to continue its good work of expanding its joint stock banking organisation throughout the country, as it has so successfully done since it was called into being. We are in no doubt that the judgment of the Commission is right. The one and only goal—the be-all and end-all of a note-issuing central bank—is the maintenance of monetary stability. Every one of its transactions must be weighed from that point of view, and must be directed to that end. It must not be influenced by any other consideration. Its primary duty is to the nation, and not to its shareholders. To fulfil this trust, the Reserve Bank must be able to control the credit situation without fetters or bias, and that can only be the case if it is itself not involved in it. As the custodian of the ultimate banking reserves of the country, it must command the most complete confidence in all circumstances; it must never be placed in a position in which any doubt can arise as to its financial stability; it must, therefore, never be exposed to the same kinds of risks as those to which commercial banks generally are exposed; and, above all, common prudence requires that reserve balances which are entrusted to it, and which are held to meet

sudden and unforeseen emergencies, should not be invested in the same type of security as the assets which those reserves are destined to protect. A central bank, being the custodian of the ultimate banking reserve of the country, must therefore obviously avoid investing its funds in anything but the soundest and most liquid security, viz., short-term advances, against goods of a self-liquidating character. Nor should a reserve bank seek to expand its activities at a time when the country's trade is brisk, and the joint stock banks are busy financing it. That is the time for the reserve bank to strengthen its position, so as to be prepared for the inevitable set-back. It is then that its turn comes actively and helpfully to intervene. Enough has been said to show how vitally the functions of a central bank differ from those of joint stock banks, and how unwise—nay, dangerous—it would be to attempt to combine such different functions in a single institution. The only sure foundation upon which India's credit organisation can be built up is the establishment of a new and independent central bank, the charter of which is drawn up on recognised lines, and which limits the character of the business it is authorised to do so as to make it abstain in normal times from transacting the every-day commercial banking business of the country.

The Imperial Bank of India during its relatively short career has helped more than any other bank to spread indigenous banking in India. Though it is performing one or two functions of a central banking character, its make-up, its traditions, and its general business are essentially those of a joint stock bank, and no bank in India is better equipped to continue this work than the Imperial Bank of India. If it were entrusted with the central banking functions of the country, that would involve the drastic limitation of its activities to purely central banking objects, and if it is so limited in its sphere of activities, then it must obviously cease to be the medium through which the joint stock banking organisation can be extended. The elaborate organisation which it has set up for the purpose, and the unique experience it has gained in pursuing its policy of extending branch banking, would be difficult, if not impossible, to replace. The Imperial Bank shareholders would be giving up an asset of great potential value, and the country would suffer a serious loss by the set-back that would be caused to the development of indigenous banking.

STABILISING THE FRENCH FRANC.—WHAT RATE SHOULD BE ADOPTED?

(BY A CORRESPONDENT.)

It is sometimes assumed that, having pursued a successful financial policy during the past three months, M. Poincaré hopes ultimately to restore the pre-war value of the French franc. It is extremely unlikely that M. Poincaré really has any such intention. He cannot fail to have been warned by his economic advisers and by his friends in industrial and banking circles of the economic disaster complete revalorisation would cause if attempted. It is, however, probable that M. Poincaré has not yet definitely made up his mind with regard to the rate at which he would like to see the French franc stabilised, and it is believed that he would personally favour a rate near that to which it has recently recovered. Indeed, it has frequently been hinted in the Press that he has in view a rate of 125 to the £. A policy aiming at a rise of the franc up to that point meets with a great deal of support among the general public, politicians in the Chamber and the Senate, and in certain business circles. There is, however, an opposite "school" composed of a few theoreticians, some bankers and certain industrialists, who sound the warning that such a marked recovery might end in a breakdown fraught with the gravest danger, and accordingly look with considerable alarm at the recent movement. This view is undoubtedly held fairly widely abroad, where it is sometimes thought that the policy pursued by M. Poincaré is more influenced by considerations of prestige than of economic advantage. It would, however, be unfair to judge the Poincaré policy without very careful analysis of the situation, and of the economic arguments that may be advanced in favour of a policy aiming at a moderate rise of the franc.

It may perhaps be best, first of all, to devote some attention to the arguments of those who are opposed to any substantial recovery and wish for stabilisation of the franc at the rate between 155 and 165 to the £. They maintain that an improvement in the franc would lead to a crisis so severe that it would endanger the economic stability of France. It is no doubt true that a state of trade depression would be a consequence of recovery, but the depression would probably be less acute than the difficulties experienced in other countries, such as England, Sweden, and Czechoslovakia, which have practised a policy of deflation for the following reasons:—(1) The rate of depreciation from which recovery was being achieved has only been ruling for a relatively short period in France, while in the other three countries mentioned recovery was effected from a rate that had been quoted for a considerable time, and had, therefore, produced a certain degree of economic equilibrium. In provincial France the price level has not yet risen in proportion to the fall in the rate of exchange. There is in this respect a marked difference between France, self-sufficient to a high degree, and Belgium, largely dependent upon foreign trade for the necessities of life. (2) When England and Sweden deflated in 1921-1922 prices were falling almost all over the world, and exporters were finding the greatest difficulty in disposing of their goods. If France were to deflate to-day the French exporter would at all events be able to find buyers on a world market which is fairly strong; it is even probable that in the event of currency appreciation in France bringing about a cessation of the so-called "valuta-dumping" of French goods, world-market quotations would become firmer.

On the other hand, it may be maintained in favour of an appreciation of the franc that it would be advantageous to allow the crisis to take place as soon as possible instead of postponing it. The experiences of Austria, Germany, and Poland are illuminating in this connection. In those countries the rate of stabilisation was so chosen that there was no immediate deflation; on the contrary, the first year of the stabilisation period was characterised by an increase in the note circulation, a slight rise in prices, and only relatively low figures of unemployment. The increase in the note circulation provided the means for a careful policy of credit rationing at moderate rates of interest. It was thought at one time that by such a helpful policy acute business disturbances might be avoided. But later events proved that the serious depression had only been postponed. In Austria the brunt of the crisis was felt as a result of the shock produced by the unfortunate franc speculations in the spring of 1924. It is interesting, however, to note that Mr Layton and Professor Rist, the two experts who investigated Austrian economic conditions at the request of the League, did not connect the unemployment which accompanied the crisis with this speculation or with the particular currency policy adopted, but declared that the high numbers of unemployed were "due to the fact that, since stabilisation, there has been a steady elimination of superfluous workers and to the introduction of more economical methods of working—a movement which is the counterpart in private business of the régime of economy introduced by the reconstruction scheme in the sphere of public finance." There are many in Austria who think it would have been preferable to adopt a stiffer currency policy with a higher rate of stabilisation, and thereby to arrive at a more immediate disappearance of wasteful inflationary methods. The purification of economic life is bound to come about—of what use can it be to give another lease of life to unsound firms which will have to be eliminated in any case? While they continue to exist they only cause further loss of capital. The psychological effect of getting rid of a number of speculators who have been profiting by inflation should also count for something.

It has been argued that an improvement in the franc would endanger the equilibrium of the budget, as it would increase the burden of the public debt. This argument would no doubt be of great importance if a return to, say, 75f to the £ were attempted, but it is of little account when the difference is only between 155-165 francs to the £, on the one hand, and 125-135 francs on the other, as the service of the domestic French debt would in either case be less than £150 million. Moreover, some import-

ance attaches to the economic position of those who have subscribed to State loans. This is perhaps of particular economic importance as it is certainly of political importance in France.

A further argument advanced is that a recovery of the franc would lead to a decrease in exports, and thus upset the balance of payments. It is, however, curious to note that in all the countries which have deflated recently—e.g., Denmark—there has actually been a decrease in imports greater than in exports, so that the balance of trade has been improved. This may perhaps be explained by the fact that when deflation is occurring the importer becomes alarmed by the falling prices on the home market and reduces his purchases from abroad, while the exporter, who understands that he is tied to the quotations on the world market, will be more ready to adjust his prices to the rate of exchange in order to dispose of his goods. It is, however, possible that this readjustment would be more easily achieved in a small country like Denmark than in a large one like France, and that, therefore, a more considerable reduction in the value of exports might take place. There might also be a decrease in spending by foreign tourists. In order to meet these changes in the balance of payments, it would be advisable to arrange for some foreign assistance in the case of a recovery of the franc up to 125 to 135 francs to £1.

It would thus seem as if some, at least, of the arguments against a rise of the franc might prove to be of less importance than is generally believed, provided that the rise were kept within moderate limits. There are some other arguments in favour of such a rise which may be of importance. A rise in the franc would create a certain fall in prices, and would thus reduce profits; but reduced profits lead to relatively low rates of interest, which would be very helpful in the management of the floating debt. Stabilisation of the franc at the rate of 155-165 to the £ would, on the contrary, lead to a further rise in prices, a high level of profits, and consequently to high rates of interest. Moreover, the amount of notes in circulation would have to be increased. If the Bank of France tried to regulate that increase, the holders of Treasury bills or of *bons de la défense nationale* would be able to upset the regulative policy simply by asking for cash payments.

Some students of the French situation admit that a recovery of the franc is possible, but insist that recovery ought to be effected *slowly* if it is to be permanent. There are, however, strong reasons for believing that such a view is fundamentally wrong. In the event of an immediate and sudden improvement, the significance of the monetary change would be brought home to the people at large, and the necessary readjustments would probably be made without any serious resistance owing to the favourable psychological atmosphere. If, on the other hand, the recovery is slow, it does not stand out so clearly in the public mind; what is in reality only the consequence of a monetary change would run the risk of being transformed into a question of principle in a fight between employers and employed. The French authorities would, therefore, be wise to make up their minds as quickly as possible regarding the rate of stabilisation to be adopted, and then endeavour to attain that rate without further delay. M. Poincaré is undoubtedly aware that nothing less than complete monetary reform, definitely linking the franc with gold, can provide the necessary safeguard against untoward movements in the future. Given the French temperament and the political system of incessant ministerial changes, it would not be possible to retain the confidence of the country without a settlement of outstanding questions which affect the attitude of foreign markets. The present French Government, and M. Poincaré in particular, can claim that they have succeeded in re-establishing the financial position more fully and more easily than anyone on the Expert Committee had imagined possible. But obviously the monetary policy of France cannot be based on the certainty of having M. Poincaré for ever in the Ministry of Finance in Paris. Would it not be possible for M. Poincaré to persuade his countrymen that stabilisation at the best rate speedily obtainable would constitute the best possible guarantee of future stability?

Might not a rate of, say, 140 francs to the £1 prove politically acceptable as a compromise, while probably

obviating an increase in the note circulation and eliminating that period of fictitious semi-prosperity through which Austria, Germany, and Poland passed during the first year of stabilisation?

THE WORK OF THE IMPERIAL CONFERENCE.

THE Imperial Conference, which opened on October 19th, finished its labours on Tuesday, November 23rd, and on the following day an official summary of its proceedings was issued. On the first day opening statements were made by the Prime Ministers of Britain and the Dominions and a message of greeting sent to the King. Thereafter the full Conference only discussed big questions such as foreign policy and defence; while the main business was conducted by a number of sub-committees, whose simultaneous sessions permitted far more work to be performed than could possibly have been done in full conference. Below we epitomise the account of the proceedings under various heads.

INTER-IMPERIAL RELATIONS.

Of all the sub-committees, that on inter-Imperial relations, under the chairmanship of Lord Balfour, was the most important, and the Dominion Premiers personally attended it. Its report has been published in full. It attacks first of all the question of Dominion status, and, having said "nothing would be gained by attempting to lay down a Constitution for the British Empire," delivers the following definition of the mutual relation of Britain and the Dominions:—"They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations." Later it is laid down that "every self-governing member of the Empire is now the master of its destiny. In fact, *if not always in form*, it is subject to no compulsion whatever." As to India, the sub-Committee content themselves with saying that its peculiar position is already defined by the Government of India Act, 1919.

Referring back to the words in italics above, the Committee find that "existing administrative, legislative, and judicial forms are admittedly not wholly in accord" with the definition of status given above. In the first place, a slight alteration was found necessary in the King's title, owing to the establishment of the Irish Free State. The title is henceforth to read: "George V., by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India."

Next the position of Governors-General is dealt with. Here again a clear definition is given:—"In our opinion it is an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations that the Governor-General of a Dominion is the representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain, or of any department of that Government." In pursuance of this, it was decided that in future "the official channel of communication should be between Government and Government direct," and not, as heretofore, through the Governor-General. Details for carrying this out are to be settled as soon as possible.

The operation of Dominion legislation was next considered. The recommendation here is for the appointment of a Committee to enquire into and report on changes desirable to be made in the existing system, but two points are clearly laid down:—(1) "It is recognised that it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in Great Britain in any matter appertaining to

the affairs of a Dominion against the views of the Government of that Dominion." (2) "The appropriate procedure with regard to projected legislation in one of the self-governing parts of the Empire which may affect the interests of other self-governing parts is previous consultation between His Majesty's Ministers in the several parts concerned." It is further recommended that a sub-Conference be invited to advise on changes necessary in merchant shipping legislation.

With regard to the question of Appeals to the Privy Council, the salient passage in the Sub-committee's report is as follows:—"From these discussions it became clear that it was no part of the policy of His Majesty's Government in Great Britain that questions affecting judicial appeals should be determined otherwise than in accordance with the wishes of the part of the Empire primarily affected. It was, however, generally recognised that, where changes in the existing system were proposed which, while primarily affecting one part, raised issues in which other parts were also concerned, such changes ought only to be carried out after consultation and discussion. So far as the work of the Committee was concerned, this general understanding expressed all that was required."

RELATIONS WITH FOREIGN COUNTRIES.

The resolutions of the 1923 Conference regarding treaties are supplemented. Those resolutions made it incumbent upon any Government contemplating a treaty which might affect other parts of the Empire to notify the Government or Governments concerned. It is now laid down that, where such notification produces no adverse reply, the Government may proceed with the treaty. But no Government can commit another to definite obligations. Treaties with foreign Powers should be made in the name of the King, or, where the treaty applies to only one part of the Empire, in the name of the King on behalf of that part. The plenipotentiaries for the various British units, it is recommended, should have full powers issued in each case by the King. A specimen form of Treaty is drafted and printed.

It was found that no difficulty arises over representation at the international conferences under the auspices of the League of Nations. Having made certain suggestions regarding other conferences, the sub-committee turned to the question of the general conduct of foreign policy. "It was frankly recognised" that "the major share of responsibility rests now, and must for some time continue to rest," on the British Government. Nevertheless the growing interest of the Dominions in foreign relations is recognised, and the appointment of Canadian and Irish Ministers at Washington noted. It was felt "that the governing consideration underlying all discussions of this problem must be that neither Great Britain nor the Dominions could be committed to the acceptance of active obligations, except with the definite consent of their own Government."

As regards the machinery for communication and consultation, a resolution was passed which opens as follows:—"The Governments represented at the Imperial Conference are impressed with the desirability of developing a system of personal contact, both in London and the Dominion capitals, to supplement the present system of inter-communication and the reciprocal supply of information on affairs requiring joint consideration." The resolution makes it clear that new arrangements to be evolved should be additional to existing machinery. Questions of compulsory arbitration, and the permanent court were discussed, and a resolution was passed congratulating the British Government on its share in bringing about the Locarno Treaties.

Sir Austen Chamberlain gave the Conference a full review of foreign relations, and "the discussion made it clear that the Governments of the British Empire remain firmly attached to a policy of peace, and to support of the League of Nations as the great instrument of peace."

Following a review by Mr Amery of the Colonies, Protectorates and Mandated Territories, the work of the Mandates Commission was discussed.

Nationality questions were discussed by a sub-Com-

mittee under the chairmanship of the Home Secretary; the changes recommended are slight.

DEFENCE.

Mr Baldwin reviewed the work of the Committee of Imperial Defence, and the Conference also heard the political and expert heads of the Army, Navy, and Air Forces. Among the conclusions reached were the recognition of the international naval reductions following the Washington Treaty, and a regret that further progress had not been made with the international limitation of armaments; the establishment of the naval base at Singapore was approved. Emphasis was laid on the progress made in building up air forces, and the necessity for continuing the work. It was proposed that representatives of Dominions should be invited to attend the Committee of Imperial Defence when questions of defence affecting overseas dominions are under consideration.

ECONOMIC QUESTIONS.

The Conference passed a resolution emphasising the necessity "of improving the speed of ocean communications between various parts of the Empire." Arrangements were also made regarding the management of the Pacific cable undertaking, and co-operation between various parts of the Empire for facilitating the development of air communications. The subject of overseas settlement was examined by a special sub-committee, in the adoption of whose report the Conference recommended the permanent adoption of the policy "of a redistribution of the white population of the Empire in the best interests of the whole British Commonwealth."

The continued existence of the Imperial Economic Committee, whose work was commended, was sanctioned, and it was instructed to prepare periodical surveys of inter-Imperial trade in particular classes of commodities. The question of Industrial Research was handled by a special committee, and arrangements recommended for the active prosecution of research in all fields of applied science, and for the dissemination throughout the Empire of results achieved. The promotion of industrial standardisation was also recommended. The attention of the various Governments was drawn to the desirability of devising means to secure that "a larger and increasing proportion of the films exhibited throughout the Empire should be of Empire production." Certain other reports on minor questions have already been referred to in the *Economist*.

The Conference concluded with resolutions of mutual satisfaction expressed by both home and overseas representatives.

MAIL STEAMSHIP SPEEDS.

WE are accustomed to associate the great material progress of the world in the last quarter of a century with improvements in transport and communications. It is, therefore, something of a shock to be reminded by current discussions of steamship speeds that in recent years the speeding up of transport has been almost entirely achieved by new methods—wireless, the motor car, and the aeroplane—whereas the world's older established methods—the railway and the steamship—made their great developments before 1900. It is true that the turbine, the use of oil fuel, and the Diesel engine are improvements of the greatest importance, and that railway engineering technique has been progressing all the time. But the fact remains that the records for long-distance runs on British railways were made in the middle of the nineties of last century, while there has been hardly any speeding up of transport on any of the world's ocean highways, except the North Atlantic route. No doubt a larger proportion of traffic is to-day carried at speeds which represented the best practice twenty years ago; but the lack of further progress suggests that, in the absence of some great development, rail and sea transport have reached their maximum economic speed. The question whether this is so or not is immensely important for the distant countries of the world, and it is therefore not surprising that great interest has been aroused in tentative plans which have recently been put forward for starting a new accelerated service of mail steamers between this country and Australia. Published details of the scheme—which was sponsored by Sir James Connolly, formerly Agent-General in London for Western Australia—lacked pre-

cision, but the project was believed to contemplate the construction of a fleet of seven 24,000-ton vessels, with an average sea speed of 22 knots, and with accommodation each for 2,000 passengers. This fleet, whose initial cost was estimated at about £10 millions (a high capitalisation per ton), was seemingly designed to maintain a fortnightly service between Southampton and Brisbane, embarking outward mails at an Italian port, and touching *en route* at Bombay and Colombo. The promoters of the scheme, with whom engineering experts of the eminence of Sir Charles Parsons and Sir John Biles were understood to be associated, were reported to be confident that the service would be commercially successful without Government subsidy, provided the new line obtained mail contracts of the same order as those now operative, and was given some sort of semi-monopoly in the "assisted" emigrant traffic.

In this connection, it will be recalled, the Imperial Shipping Committee was requested, over three years ago, to examine the question of speeds on the Australian route. The Committee concluded, firstly, that, with the steamers then running and under construction, the maximum acceleration, practicable on the sea voyage, would be 48 hours between Suez and Fremantle, and that this would entail keeping an average sea speed of 16 knots. Apart from sea speed, they also pointed out that nearly two days could be saved by embarking mails at Taranto, while the P. and O. liners might save some 48 hours by transshipping the Indian mail at Aden, and omitting the Bombay call.

The Committee's second conclusion was that to attain even an average sea speed of 18 knots—thus saving four days on the passage—would involve heavy subsidies. They also pointed out that the vessels already in service were adequate to cope with all the (markedly seasonal) traffic offering; that travel would be restricted by higher fares—comparisons between the Australian route and the North Atlantic "ferry" with its millions of "well-to-do" patrons being quite misleading; and that the possibility of an air service for mails and hurried passengers being inaugurated before an expensive new fleet of fast subsidised steamers could be "written off," must not be overlooked.

These, briefly, were the findings of the Shipping Committee's 1923 Report, bluntly described by its critics to-day as "a plea for continuing things as they are." Certainly no great change has since been made. An air service—in the possibility of which as an economic alternative to shipping on an eight thousand mile route it is difficult as yet to feel confident—is not appreciably nearer accomplishment. Both the Orient and P. and O. lines have built larger and more luxurious and, in the Orient Line's case, considerably faster vessels. Yet, when all is said, the Orient service has apparently gained only 24 hours between Naples and Fremantle (instead of the two days' saving recommended as practicable by the Shipping Committee), while the P. and O. Line, which should automatically have saved two days by omitting, as it now does, the Bombay call, has actually given travellers the benefit of only 24 hours. In fact, as was admitted by the Postmaster-General in Parliament on November 9, mail times to Australia are substantially the same to-day as in 1900, the gain since 1923 having only restored approximately the pre-war speed.

The position is not one for self-complacency, and it is easy to sympathise with the evident feeling in the Dominion that "the best is not being done for them." But in reply to such complaints, it is important to realise that the Empire is not in a unique position as regards the speed of sea communication, and that the problem embraces all ocean mail routes with the single exception of the peculiarly situated New York-Europe service, in which an average sea speed of 23 knots or more is maintained on a 3,000 mile run. But this is only achieved at a minimum cost of 4½d a mile for the saloon passenger, and with the aid, of course, of many "luxury fares" from wealthy tourists. Elsewhere, the present fastest services compare roughly as follows:—Between Marseilles and Bombay (about 4,550 miles) the P. and O. mail steamers achieve an "over-all speed"—i.e., including calls in port—of well under 14 knots per hour, with a minimum first-class fare of about 3½d a mile. This timing, which is

maintained by an average sea speed probably not exceeding 15 knots, is identical with that kept before the war, when the corresponding fare was less than 2½d a mile. On the Southampton-Rio Janeiro run (some 5,150 miles) the Royal Mail "A" liners appear to average somewhat over 15 knots at sea, and do the trip at the "over-all" rate of 14½ knots against 13½ knots in 1913, thus reducing the passage time from 16 to 15 days. Current minimum first saloon fares work out at about 3½d per mile, against a little less than 2d before the war. A similar percentage increase in fares has been made by the Union-Castle mail steamers to the Cape, a present minimum of about 2.6d per mile, first class, comparing with roughly 1½d in 1913. The pre-war and present scheduled times for this run of 6,000 miles (involving, however, only one call) show no alteration, average sea-speed being apparently about 15½ knots. We now come to the Australian route, on which the distances are—Marseilles to Fremantle, 8,120 miles; Naples to Fremantle, 7,725 miles. The current first-class minimum fares are approximately 3d per mile by P. and O., and a little over 2½d per mile by Orient vessel, against corresponding pre-war charges of under 2d per mile in each case. The "over-all" speed is slow, but bunkers have to be twice refilled, and the Suez Canal negotiated—the latter factor applying also to the relatively slow Bombay service. At sea, average speed kept by the P. and O. may be estimated at a trifle under 15 knots, while the Orient steamers achieve 16 knots. (In the case of the P. and O. and Orient services, both to India and Australia, it should perhaps be added that the rates per mile by sea, all the way from London, are appreciably lower than those given above. The P. and O. rates are roughly 2.7d per mile, London-Bombay, and 2½d London-Fremantle; the Orient rate, London-Fremantle, is under 2d, against 1½d before the war.)

Surveying these representative routes, it seems that post-war increases in fares nowhere exceed disproportionately the general rise in prices (though the general cost of running steamers is 90-100 per cent. above pre-war, according to the last annual report of the Chamber of Shipping). The average sea-speeds, however, still lie within the limits of 15 to 16 knots—a not very impressive achievement when it is remembered that 9½ to 10 knots were commonly attained in the '60's of last century. Great as has been the advancement made by the shipping companies in the provision of larger and more luxurious passenger ships, one is compelled to ask why speed has not shown more improvement.

The shipowner's answer—given the correctness of one assumption—is convincing. He replies that experience has shown that none of these routes can live on mails and passengers alone. Unless fares are to be prohibitively high, or heavy losses are to be made good from State funds, a substantial quantity of cargo must be carried. Further, fuel costs must be kept within a certain limit per mile. This being so, he argues, how is the difficulty to be overcome that though a fast enough ship can certainly be constructed, its design, engine-room, and fuel consumption—based on the best established engineering results—will be such that cargo space will tend to dwindle to vanishing point as speed increases, and running costs to soar in inverse proportion? This question of cost is the crux of the whole matter. The Dominion routes cannot offer sufficient regular traffic at high rates to cover the cost of very fast ships unless there is some further revolution in marine engineering practice. The Imperial Shipping Committee, which admittedly does not profess to be a body equipped with special technical knowledge, was evidently satisfied during its 1923 inquiry that the following formula then represented with approximate correctness the relative size, capital cost, and revenue necessary for commercial success, of four typical ships designed to keep certain specified speeds.

The Cost of Speed.					
Ship.	Average Sea-speed, Knots.	Minimum Economic Size, Gross Tons.	Ratio of Initial Costs.	Ratio of Revenue Required.	
A.	16	15,500	100	100	
B.	18	18,500	125	130	
C.	20	21,500	160	180	
D.	25	30,700	250	290	
* To cover running costs with 12½ per cent. for depreciation and profit.					

These figures illustrate strikingly the cost of high speed at sea, and the Committee added further that cargo capacity would fall from 3,500 tons in the case of Ship A to zero in the case of D. Until the validity of this formula is disproved, any substantial saving of time on overseas mail routes must await new and improved methods of propulsion, unless resort be had to subsidy—a course with little to recommend it. Interest, however, now attaches to the fact that the formula's validity is very definitely challenged by Sir John Biles, who has committed himself to the statement that through "methods of propulsion now available" 40 per cent. in speed can be gained on a given weight of machinery and fuel, and that consequently the time at sea between Suez and Fremantle, for example, can be reduced by seven days—a feat, one may remark, requiring vessels of a fair weather speed of at least 26 knots if punctuality is to be maintained. On these assertions, from the technical standpoint, the layman can express no opinion. The Imperial Conference has, however, this week put on record its belief that further acceleration is possible, and it is therefore important that the claims and counter-claims should be thoroughly sifted. Such an inquiry would not, however, do justice to the shipowners of this country if it assumed that in the past they have been backward in giving to their clients the benefit of technical improvements, or if it did not recognise the great part they have played in developing the distant countries of the world as well as the large losses which many of them have incurred in recent years in the endeavour to maintain regular services in times of very bad trade. If the Governments consider the speeding-up of mail services of urgent importance, they could begin by saving over 40 hours by the simple device of reverting to the system of sending the Eastern and Australian mails to Taranto.

ARGENTINE LAND COMPANIES.

ARGENTINA has for many years been a favourite field for the investment of British capital. Particularly is this the case in regard to the railways. On the agricultural side, too, much has been done by the British investor in developing the resources of the Republic. Many of the companies engaged in this branch of activity have emerged with considerable credit, and have yielded satisfactory dividends to the investor. So far as the past twelve months are concerned, however, conditions have not been so favourable as in the years immediately preceding, and the majority of Argentine land companies secured lower net profits.

From the accounts of eight of the most important undertakings which we have selected as representative of these activities, we make the following comparative statement of gross and net revenue:—

Year Ended.	1923-24.		1924-25.		1925-26.	
	Trading Rev. 'ue.	Net Profits.	Trading Rev. 'ue.	Net Profits.	Trading Rev. 'ue.	Net Profits.
Argentine Land and Investment	June 30 150,066	100,300	June 30 166,296	114,967	June 30 144,721	108,490
Argentine Southern Land	June 30 161,515	69,559	June 30 157,985	56,234	June 30 160,879	54,589
Cordoba Land	Dec. 31 ..	..	Dec. 31 140,080	175,118	Dec. 31 75,651	41,367
Forestal Land, Timber, and Railways	Dec. 31 652,932	418,869	Dec. 31 701,632	387,326	Dec. 31 853,870	390,333
Leach's Argentine Estates	Mar. 31 257,136	117,267	Mar. 31 244,766	118,083	Mar. 31 274,711	118,785
Port Madryn	June 30 8,530	6,394	June 30 7,219	5,433	June 30 6,009	4,021
Rio Negro	June 30 109,383	57,856	June 30 84,327	40,419	June 30 53,622	14,102
Tecka	June 30 91,634	43,337	June 30 79,358	30,510	June 30 71,101	25,733

15 months.

It will be seen that in the majority of cases both trading revenue and net profits declined. The exception was the Forestal Land, which was able to record an increase in net profits from £387,326 to £390,333. This, it is true, does not seem a very remarkable performance on the figures alone, but, on the other hand, it has to be remembered that it was achieved during an unfavourable season.

Both the Rio Negro and Leach's were particularly adversely affected by the difficult conditions prevailing during the year. The directors of the latter company apparently did all in their power to maintain the concern on a profitable basis, for they state in their report that "the profit on trading for the year is only £15,565, in spite of the fact that the cost of production was 40 cents

per 10 kilos lower than the previous year, a reduction of 14 per cent." The loss of £74,110 has been charged to reserve. The Tecka Company also suffered from unfavourable climatic conditions.

Our next table shows the principal assets and liabilities during the past two years:—

Name and Year Ends.	An Analysis of Principal Assets and Liabilities.							
	Share Capital & Reserves.	Debs. and Loans.	Creditors.	Land & Buildings, etc.	Stocks, Prods., etc.	Cash.	Investments.	Debits.
Argentine Land & Investment	£ 755,377	£ ..	£ 39,649	£ 236,495	£ 10,123	£ 156,554	£ 387,211	£ 25,508
June 30, 1925 ..	924,071	..	23,339	305,582	12,191	111,452	510,837	37,063
Argentine Southern Land	£ 715,078	£ ..	£ 21,245	£ 637,467	£ 89,480	£ 6,179	£ 49,691	£ 15,319
June 30, 1925 ..	694,873	..	13,768	625,734	5,623	11,386	73,957	4,787
Cordoba Land	£ 1,155,167	£ 406,787	£ 23,691	£ 1,560,377	£ ..	£ 13,668	£ 55,80	£ 11,257
Dec. 31, 1925 ..	1,155,029	406,787	20,255	1,560,377	..	5,465	61,963	25,758
Forestal Land	£ 3,326,597	£ ..	£ 578,254	£ 4,294,526	£ 1,333,991	£ 1,149,395	£ 2,028,898	£ 624,620
Dec. 31, 1925 ..	3,264,992	..	3,392,153	4,068,551	1,068,551	8,460,500	2,188,191	718,757
Leach's Argentine Estates	£ 1,806,976	£ 874,952	£ 151,863	£ 2,069,908	£ 292,196	£ 79,648	£ 41,457	£ 268,850
Mar. 31, 1925 ..	1,771,156	872,950	134,080	2,091,765	444,750	93,123	50,912	158,573
Port Madryn	£ 165,120	£ ..	£ 3,057	£ 59,759	£ 1,134	£ 2,547	£ 80,38	£ 36,799
June 30, 1925 ..	164,938	..	4,646	59,759	1,134	922	86,841	31,319
Rio Negro	£ 432,945	£ ..	£ 13,316	£ 302,268	£ 37,590	£ 3,955	£ 15,471	£ 7,187
June 30, 1925 ..	423,371	..	11,111	303,807	12,427	8,016	150,411	2,130
Tecka	£ 283,695	£ ..	£ 7,631	£ 202,922	£ 27,842	£ 2,01	£ 30,221	£ 8,496
June 30, 1925 ..	285,118	..	6,191	203,579	16,537	1,87	108,801	2,664

During the year the Argentine Land and Investment made an issue of new ordinary shares of £1 each, which were offered for subscription at 25s per share to the shareholders in the proportion of one new share for every five held. A total of 119,861 shares was accepted and resulted in the raising of the capital to £747,262, the premium of £29,965 being added to the reserve.

Twelve months ago it was stated in a number of the reports that it was considered advisable to charge taxation against each year's receipts rather than to work on a three years' average basis of assessment. The result of this policy is apparent in the present accounts, no appropriations to taxation suspense funds being made in respect of the past financial year.

The Board of Forestal Land has decided to reduce the Argentine currency assets and liabilities to their correct currency value. The reserve for fluctuation in exchanges and for taxation, amounting to £225,000, has accordingly been eliminated. This, however, is more than counterbalanced by the application of the sum of £230,000 to the writing down of holdings in and advances to associated undertakings. The Tecka Company made no allocation to Taxation Suspense Account, which on the previous occasion received £6,000. The general reserve appropriation, however, was maintained at £5,000. The Rio Negro placed nothing to reserve. A year ago £12,000 was set aside for this purpose. The Argentine Southern, too, does not repeat its taxation suspense allocation of £5,000, but it has raised the transfer to livestock contingencies from £8,000 to £19,294. The position has also been strengthened by the transference of a further sum of £25,000 from the reserve to livestock capital account.

In their last few reports the directors of the Port Madryn have drawn attention to the question of a return of capital to the shareholders. In the present document it is stated that the matter has been further postponed owing to the State Railways Administration continuing to lease the Central Railway of Chubut, "and until the future of this line is definitely settled, consideration of this matter will, of necessity, remain in abeyance."

Our final table shows dividends for the past five years, together with comparative prices and present yields:—

Name and Amount of Share.	Dividends.					Prices.		Present Yield.
	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	End of 1925.	Nov 25, 1926.	
Argentine Land & Inv't, £1	20	10	10	10	10	17	13	6 8 d
Argentine Southern Land, £1	5	5	8	8	6	14	13	5 15 0
Cordoba Land Ord., £1	Nil	Nil	Nil	Nil	34	34	34	6 9 0
Forestal Land Ord., £1	Nil	Nil	62	71	74	14	14	5 12 0
Do 6% Cum. Pref., £1	6	6	6	6	6	31	31	6 6 0
Leach's Argentine Estates Ord., 10s	Nil	Nil	Nil	Nil	Nil	4	4	6 0 0
Do Def. Is	Nil	Nil	Nil	Nil	Nil	4	4	Nil
Do 6% Ptz. Cum. Pref., £1	Nil	Nil	12	9	Nil	14	14	Nil
Port Madryn, 10s	5	10	5	5	5	10	10	4 9 0
Rio Negro Ord., £1	5	8	10	10	10	15	15	9 3 0
Tecka Ord., £1	5	8	10	10	10	15	15	7 15 0

† Paid on old capital.

So far as dividends are concerned, the foregoing table shows that shareholders have not had to suffer reductions on account of less satisfactory results except in the cases of the Argentine Southern and Leach's, while the Cordova Land actually made a payment of $3\frac{1}{2}$ per cent., against nothing a year earlier. In regard to Leach's, the dividend on the 6 per cent. preference capital is now in arrear.

On the whole, share quotations have held up fairly well. This is a result, probably, of the knowledge that conditions in the Argentine are improving, and that the outlook for the various crops is, on the whole, better than was the case last season.

PERUVIAN CORPORATION.

THE results disclosed in the report of the Peruvian Corporation for the year ended June 30th last compare very favourably with those of the preceding year, when serious floods caused whole or partial interruption of traffic for some three months on the company's various railway lines, which produce more than half its income. In the year 1924-25 the revenue contributed by the Central Railway—the principal line—declined by over £176,000. In the past year revenue from this source has increased by over £178,000, namely from £70,100 to £248,500, and substantial increases are shown by the net revenue received from the other lines. Total gross receipts from the working of the railways and steamers amounted to 21,240,700 Peruvian soles, against 16,490,100 soles in 1924-25, working expenses were 13,759,300 soles against 13,114,800 soles, and net receipts 7,481,400 soles against 3,375,300 soles. The net receipts in sterling were £592,300 at 10d to the sol, as against £302,400 at 21½d in the preceding year. The amount accruing to the corporation out of the net income of the railway companies and from the navigation of Lake Titicaca was £516,300, as against £262,200 in 1924-25, and £470,300 in 1923-24, so that in spite of the adverse movement in the exchange, which is at the lowest point in the corporation's history, the railway revenue was better than that of two years ago, hitherto the highest recorded. The Government annuity of £80,000, which is secured primarily on the sugar tax, is again paid in full, though owing to the floods of 1925 the guano shipped suffered in quality, shipments amounting to £76,900, as against £110,200 in the preceding year. Miscellaneous receipts, including a debit balance of £8,400 on exchange account, amounted to £39,400, against £38,800, and total income was thus £712,500, against £491,200 in 1924-25, against which administration expenses of £27,400, or £6,000 less, are charged, giving a net income of £685,100, against £457,900. From the comparative table which follows it will be seen that the past year's results are better than those of 1923-24, hitherto the best for many years:—

	Year to June 30.				
	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Railway net revenue ..	£ 387,293	£ 363,751	£ 470,269	£ 262,165	£ 516,288
Government annuity ..	80,000	113,333	80,000	80,000	80,000
Guano account.....	49,798	100,840	121,333	110,244	76,853
Interest, exchange, &c..	27,965	22,609	36,667	38,770	39,360
Total income.....	545,056	600,533	702,269	491,179	712,501
Administration.....	29,926	27,648	30,479	33,312	27,436
Balance of revenue	515,130	572,885	671,791	457,867	685,065
Deb. int.....	216,000	216,000	216,000	216,000	246,091
Sums written off, &c. ..	127,583	37,031	59,787	41,811	5,855
Deb. amortisation	54,000	54,000	54,000	54,000	131,909
Available balance	117,547	265,854	342,003	146,056	301,210
Additional deb. int. (2%)	108,000	108,000	108,000	27,000	..
Preference dividend....	74,592	149,190	223,785	111,895	298,415
	(1 %)	(2 %)	(3 %)	(1½ %)	(4 %)
Year's balance	Dr 65,045	8,664	10,218	7,161	2,795
Brought forward	149,986	97,819	106,483	116,701	123,862
Carried forward	84,941	106,483	116,701	123,862	126,657

In December, 1924, the debenture holders agreed that the rate of interest be permanently fixed at 6 per cent., and that the date of redemption be extended from 1926 to 1945. In the 1924-25 accounts only 5 per cent. was chargeable for interest and sinking fund together with £27,000 for additional interest accrued to June 30, 1925. For the past year debenture interest requires £246,100, and sinking fund £131,900, while income-tax takes £5,800. The cumulative preference stock receives its full dividend of 4 per cent., leaving the arrears at 109½ per cent., and after making this payment there is a small addition to the reserve. The main items of the balance-sheet are summarised below:—

June 30.	Debentures.	Creditors and Bills.	Sinking Fund, Reserve, Insurance and Net Revenue.	Concessions, &c.	Railways.	Investments, Bills, and Cash.
1913	£ 5,176,000	£ 71,769	£ 1,253,291	£ 12,772,305	£ 9,700,667	£ 258,741
1914	5,111,750	130,829	1,370,807	12,772,305	9,741,496	322,001
1919	4,739,700	120,001	1,770,044	12,772,305	9,506,566	566,685
1920	4,650,550	137,436	1,899,811	12,772,305	9,506,566	383,273
1921	4,556,300	306,257	1,929,906	12,772,305	9,509,988	289,157
1922	4,456,650	302,463	2,022,666	12,772,305	9,509,988	295,213
1923	4,351,300	232,289	2,325,579	14,389,704	7,477,035	498,699
1924	4,293,950	270,237	2,535,404	14,389,704	7,477,035	744,242
1925	4,122,250	248,929	2,587,540	14,353,704	7,477,075	711,116
1926	3,997,800	212,818	2,712,980	14,344,704	7,477,075	793,882

Under the debenture scheme mentioned above the corporation was empowered to accelerate redemption of the debentures at 105 per cent., and the redemption of the whole of the debentures will be thereby completed by annual drawings by 1945. Up to date £1,402,200 has been redeemed. There is a sinking fund of £1,416,000, and a reserve account of £700,000, the latter being unchanged in comparison with last year. Investments in British and Indian Government securities have expanded by £50,000, and bills receivable are £112,000 higher, but cash has been reduced by nearly £90,000 to £248,000. The paragraph in the report which will be of the greatest interest to stockholders is that relating to the arrears of preference dividend. The directors "assume that it is the wish of the stockholders that the arrears of preference dividends should be dealt with, and on this assumption the board have the matter under serious consideration." The annual meeting, to be held on December 20th, will thus be invested with more than the usual interest. The ordinary stock, which has equal voting rights with the preference, has never received any dividend. The preference stock has been active during the past year on the corporation's improved prospects, and has risen this week to 52½, which compares with a low point of 36½. At yesterday's price the yield is 7½ per cent. The ordinary stock has also improved substantially during the year, from 41½ to 8½. The latest quotation is 7½.

CONTROLLING THE OUTPUT OF GOLD.

In this series of articles Professor Lejfeldt, of Johannesburg, raises the problem of ensuring that gold, which is once more assuming its former standing as the world's standard of value, can itself be stabilised in value. The reader will remember that Prof. Lejfeldt, unlike Prof. Cassel and other authorities, takes the view that gold is more likely to become too abundant than too scarce. At the conclusion of this series of articles we propose to put the case for the opposite view of the future value of gold.

IV.—INTERNATIONAL CONTROL: CONSTITUTION AND FINANCE.

If it were a question of controlling the output of gold in the interest of private parties the procedure would be familiar. The undertaking would be a large one, but not beyond the resources of present-day finance. A trust or holding company could be formed which would by negotiation or by purchase of shares in the market, come to direct all, or nearly all, the larger mines; probably little attention would be paid to the small, scattered producers, who would be incapable of influencing to an appreciable extent the policy of the trust, whatever that might be. The trust would then, no doubt, try to secure rights over land known to carry deposits of gold not yet ripe for

development. The market valuation of the Witwatersrand mines is about £70 millions to £80 millions, and that field produces half of the world's output. Thus the total capital needed to control the industry would be smaller than that of the United States Steel Corporation or the London Midland and Scottish Railway Company.

There is, of course, no question of such a private organisation. Probably it would not pay, but if it did there is no reason to suppose that its interests would coincide with the interest of the world in acquiring stability of money, and the nations would certainly not allow their money to be at the mercy of a private group of financiers. The organisation would be governmental.

The distribution of gold mines is very local, and consequently, if the only aim were to secure control of output, two Powers—the British Empire and the United States of America—could do that without the help of the rest of the world, though their position would be strengthened if they obtained the co-operation of Russia and Mexico, the next two largest producers.

This would not be the right approach to the problem, however, for it would set up the interests of gold producers against those of consumers, and it is for the sake of the latter—i.e., of everybody—that the scheme is proposed. It should be international from the start, and secure the attention of all the important States, whether they have gold mines or not. Now that there is a League of Nations the initiative may be looked for there, though, of course, the co-operation of America would be essential, and that of Russia very desirable. We may, therefore, suppose the League to call a conference, and the outcome of the conference to be the establishment of a permanent commission of control.

Constitution.—The Commission would represent, primarily, the interest of the commercial nations in securing sound money; there would not, in general, be any conflict of interest between large and small powers in this respect, so that the smaller States would not need to insist on special representation, which would make the Commission an unworlly large body; its composition might well be similar to that of the Council of the League, i.e., the leading States would have permanent seats, while the others elected certain representatives. There are two or three States, however, which, as large gold producers, have a special interest in the proceedings of the Commission. They should be represented, as a matter of fairness, and also because it would be essential to obtain their willing co-operation.

Finance.—The Commission would be a trading corporation, requiring capital to the extent of one to two hundred millions sterling. Its principal aim would not be the making of profits, and it might quite possibly incur losses, and these would have to be met by the constituent States. The maximum possible loss would be the whole interest on the capital, which should therefore be raised in the form of bonds guaranteed by the States; the maximum might be put at about £10 millions, but, of course, there would not be the slightest reason to expect that such a heavy loss would occur. Probably the most practical way would be for each State to guarantee the interest on an agreed portion of the total capital, which portion would be raised from among its own citizens. Thus if Great Britain accepted responsibility for one-tenth of the capital, and we take what is probably the maximum figure, it would be necessary to raise £20 millions by a loan on the London market, carrying a British Government guarantee of interest. It is not to be expected that the actual loss to the British Government, if there were any loss at all, would be more than a small part of the interest, and would be a trifling price to pay for the advantage of long continued stable money. The yield on gold mining is, in general, so much higher than the rate on Government loans, that if the management of the Commission was sound it should be able to put aside reserves that would secure it from loss.

Probably the States would agree that voting power on the Commission should be in proportion to the capital subscribed. The only serious conflict to be feared that would not be reasonably guarded by this arrangement, would be one in which the gold producers were ranged

against the rest of the world. It would not be practical to give them votes on the Commission numerous enough to hold their own, but it should be an understanding that the Commission should, as far as possible, proceed by agreement, rather than by the will of the majority; and it might be well to give the producing States the right to appeal against alleged injustice to the International Court of Justice.

V.—METHODS OF CONTROL.

Procedure.—The Commission, however, could only carry out its aim of obtaining monopolistic control of production if it had the friendly co-operation of the producing states. As compared with a private financial syndicate, it would be at some disadvantage in starting, because it could not act with the same degree of secrecy. However, it could do a good deal through purchase in the open market without putting up the price against itself too much, and also by negotiation with gold mining companies, for there are a good many mines that would welcome the opportunity for sale. Various methods would be employed, to suit circumstances, but as the Commission would certainly need to be supported by powers of compulsory purchase of land, which could only be granted by the legislatures of the states concerned, it should be part of the original agreement that the states should give all necessary support in carrying out the scheme.

Like private trusts, the Commission would be faced with potential as well as with actual competition, and it would be part of its policy to acquire undeveloped gold-bearing land. In this it might need the support of legislative powers, in order that when a discovery was made the Commission should have the right, on giving reasonable compensation to the discoverer, to acquire the mining rights in the ground. This would not be a formidable business, for in any case gold discoveries are rare, and they are made in out of the way places, where transport is so difficult that the value of the land is not great. It is only in most unusual cases that owners of undeveloped gold-bearing land are in a position to hold out for a high price.

Land near existing mines is worth more; perhaps the most important instance of this is the area which forms a prolongation of the workings of the Witwatersrand. Much of this happens to belong to the South African Government, a fact which should facilitate transfer to the Commission on fair terms. It must be remembered that gold mining is in a depressed condition at present, which would make it much easier for the Commission to start its operation without loss; indeed, the South African Government has tried in vain to lease some of the Far-East Rand areas for years past. The Commission need not be in a hurry; if it spent ten years in acquiring control the situation would probably not have changed seriously in the meantime, though it would be well to act more quickly if possible.

Attitude Towards Gold Producers.—The practical effect would depend on whether the Commission considered the time suitable for active development, or whether it decided on a restrictive policy. It is only in the latter case that any difficulty would be involved; it may be dealt with under the threefold heading of the shareholders, the employees, and the community in general.

Arrangements affecting the shareholders would come into the initial period; it is hardly necessary to say more about them, as it has been dealt with above. Any shareholders who refused reasonable terms of purchase would, naturally, have to stand the risk.

A liberal policy of compensation towards employees should be adopted. Miners are a somewhat restless community, the turning over of labour being large; so that if it were proposed to reduce output even to a large extent this could be accomplished chiefly by not taking on new men, and letting the old ones drop out; actual compensation, even on a liberal scale, would not impose a serious financial burden. The staff, of course, is in a more permanent position, but there is at present rather a shortage of mining engineers, and gold mining is only a small part of mining. The Commission could well afford to behave according to the traditions of the best class of employer, especially as it would have work to offer in many parts of the world.

More difficulty might arise in the relations of the Commission to communities in general than to those persons directly dependent on gold mining. Diminution of output affects local trade, reduces the traffic on railways, cuts away an export which may be of importance to the country's trade balance; it would be resisted for all these reasons. It would hardly be possible to offer actual compensation for such losses, but they should be borne in mind in regulating policy. The Commission would, of course, follow in general the sound commercial principle of producing gold from those mines which show the largest profit; but if it came to closing down a mine that was not exhausted of ore, other considerations must be attended to. Thus restriction might be quite practicable in certain countries that were prosperous, and where other industries were developing rapidly; it should be withheld in the case of a community specially dependent on gold mining, or, if possible, some set-off allowed, such as the purchase on favourable terms of undeveloped ground. It is in such matters that the Commission would most need tactful management.

Its operations, however, would be rendered much easier by the fact that it would only need to develop its policy slowly. Gold mines usually have only a short life; the community expects them to die out after two or three decades, so that even when a restrictive policy was called for it could often be accomplished by mere absence of new development.

If the Commission considered that the supply of gold was likely to become inadequate, it could do much to correct the situation. Output of gold is not limited by the extent of mineral known to exist, but by the possibility of working that mineral at a profit. The industry can at any time be expanded by putting more capital into it, only the return on that capital may not be sufficient to attract it in competition with other enterprises. The Commission should acquire reserves, as a result of prudent working of existing mines, which we may assume to have been bought at a reasonable price; it would then be in a position, if necessary, to subsidise production from new mines. At the same time, it might devote resources to exploration and the opening up of new fields.

For instance, on the Witwatersrand hundreds of millions of tons of ore are known to exist, and a small reduction in the cost of working would bring much ore that is now unpayable within the line of payability. A producer who was prepared to lose for the sake of increasing output would sometimes be rewarded with unexpected finds, and would probably lose but little on the whole. Actual exhaustion of the mine-field is so distant as not to be worth discussing. It is true that eventually some limit to the stock of available gold must be met, but some time the world's need for money will reach a limit too, and the present generation is not called on to deal with these eventualities.

Notes of the Week.

Coal Settlement Progress.—Shortly after we went to press last week the miners' delegate conference decided that all districts should open negotiations for settlements, but that all district terms should be submitted to a further national conference for approval. To guide the districts in their negotiations the following six points were laid down:—(1) The method of ascertaining the district's percentage on basic rates to be as provided by the National Agreement of 1924. (2) The ratio of division of net proceeds to be 87 to 13. (3) A minimum percentage to be provided of not less than 20 per cent. upon the standard wages prevailing on April 30, 1926. (4) The payment of April, 1926, subsistence wages to low-paid day wage men. (5) All agreements to be terminable by one month's notice from either side. (6) Districts to endeavour to effect the complete reinstatement of all men and boys employed at April 30, 1926, on the lines provided by Clause 13 of the National Wages Agreement of 1921. Progress has been somewhat slow, but when the delegate

conference reassembled yesterday they received the definite news of a settlement in Scotland on the basis of eight hours and a nominal minimum of 9s 4d a day for the next six months. In Northumberland, too, an agreement has been reached, which the Miners' Association are recommending to the rank and file, who will ballot upon them. There the terms include a 7½ hours' shift and a net proceeds division of 87 to 13. In South Wales a ballot is to be held with a view to empowering the local leaders to negotiate a settlement. Discussions are proceeding in Derbyshire, Yorkshire and Durham, and will take place in North Wales next week. In Lancashire and Cheshire the miners' leaders refused to recommend the owners' terms, and referred them to the national conference. Meanwhile, the return to the pits has been accelerated. In the past week the number of miners at work has increased by over 62,000, and is now over 428,000. With a general return in Scotland now apparently assured, the total should rise above 500,000 early next week, irrespective of the speed with which other districts come to terms. Production next week should therefore approach the level of 2½ million tons, and with imported coal continuing to arrive, the Government have decided that the position in regard to domestic supplies is good enough to justify them in removing, as from the end of this week, the household rationing system.

A New Phase in China.—A new phase—which might possibly be the decisive phase—in the Chinese civil war is apparently about to open. There has been a conference of the Northern Militarists at Tientsin, which Chang Tso-lin and Sun Chuan-fang attended in person, while Wu Pei-fu was represented by deputies. At this conference joint military action against the Nationalists was decided upon, but in rather a half-hearted way. If the Militarists had agreed to pool all their forces and to send the well-trained and well-equipped Fengtien (Manchurian) Army of Chang Tso-lin to cover Nanking and Shanghai before the Nationalists had time to secure the line of the Lower Yangtse, it is conceivable that a successful counter-offensive against the Nationalists might have been launched, and that they might even have been driven out of Central China and back into their original boundaries. Other considerations, however, have prevented the taking of a decision which was imperative on military grounds. Chang Tso-lin's treasury is empty, and his troops, though well trained and equipped, are by no means to be depended upon, since they serve their master for food and pay and not for a cause, and are therefore susceptible to Nationalist propaganda. The doubtful loyalty of Chang's troops, however, seems to have counted for less than the unconcealed jealousy of his confederates. However much they may desire to recover their lost provinces from the Nationalists, Wu Pei-fu and Sun Chuan-fang would rather forego the attempt if it involved the military occupation of the territories that still remain to them by the forces of friend Chang. Accordingly, it has been settled that Chang's troops shall remain in reserve, and that his vassal, the war-lord of Shantung, shall lead an expeditionary force down the Tientsin-Pukow Railway to its southern terminus, which is on the north bank of the Yangtse, opposite Nanking. It seems, however, that the Shantung troops are not to cross the river. The most effective unit in this force is said to be a mercenary legion of Russian "Whites" with an armoured train, and since the Nationalist forces are partly organised by Russian "Reds," the Russian civil war may flare up again in a week or two on Chinese soil. It is more likely, however, that the Shantung expeditionary force will stand idle at Pukow while Sun and Wu are wiped off the map, and that the final round of the civil war will then be fought between the Nationalists and Chang in the neighbourhood of Peking. Meanwhile the Nationalists have won over the workmen in the arsenal at Canton, and are reported to be stirring up an anti-foreign labour movement at Hankow—even among the employees of the Maritime Customs Service. The whole situation bears a remarkable resemblance to that in Turkey during the last phase before the victory of the Turkish Nationalists over the Greeks in 1922, and Shanghai may well feel nervous when it remembers the fate of its prototype Smyrna.

A World Economic Conference.—The Preparatory Committee for the League of Nations Economic Conference has just concluded its second session at Geneva. A definite agenda has been drawn up, and the recommendation made that the Conference should meet next May. All League members will, as a matter of course, be invited to attend, and, in addition, the United States and Russia. American acceptance may be presumed, since she is represented on the Preparatory Committee, but Russia will not send any representatives to Geneva so long as her diplomatic dispute in Switzerland is unsettled. The Conference will devote its chief attention to the economic problems of Europe. The first part of the agenda relates to general aspects of the situation—the most important being the problems of international finance. Part two deals with more specific issues under the three heads of commerce, industry, and agriculture. The first of these heads is by far the most important, and under it the problem of tariff barriers will be broached. There can be little doubt that the Conference will show full realisation of the folly of multiplying and increasing restrictions on the interchange of commodities between nations. Perhaps the most important new factor in the tariff situation is the awakening of German opinion to the need of removing tariff barriers in order to secure a larger market for her industrial production. Under the second head one of the chief topics is likely to be the question of private international industrial agreements—a matter which has become of practical importance by the formation of the International Steel Pact. The field to be explored by the Conference will be a vast one. The precise scope and nature of the discussions will, however, become gradually clearer as the large number of documents prepared for and considered by the Preparatory Committee are published and discussed. They include some very important and useful reports, whose appearance will be awaited with great interest.

Great Britain and the Mandates Commission.—Sir Austen Chamberlain has not always a felicitous touch in his handling of international affairs, and it is distinctly unfortunate that the first "example of common action" in that sphere between the self-governing members of the British Commonwealth, since this last meeting of the Imperial Conference, should take the form of an attack upon one of the most distinguished and effective organs of the League of Nations. The British note of November 8th disclaims any unfriendly or depreciatory intention; but, in complaining in this formal way of the new questionnaire which the Permanent Mandates Commission has drafted, the British Government, whatever its intentions, has, in fact, dealt a heavy blow to the prestige of the Commission, and therewith to the prestige of the League. This is thoroughly bad policy on our part, for the League is more necessary to the British Commonwealth than to anybody. It supplies a constitutional framework within which the Commonwealth can exist—as its genius bids it exist—without any constitution of its own. Knock away the scaffolding of the League, or even shake it, and you weaken or destroy the framework without which the British Commonwealth cannot exist in its present form. The case for the Permanent Mandates Commission in this matter of the questionnaire has been admirably presented by Major J. W. Hills in a letter published in *The Times* of last Wednesday, November 24th. Major Hills draws attention to the fact that, out of the 118 numbered questions in the new questionnaire, the whole number has been answered in substance by Australia in previous annual reports on her mandated territories, while 117 questions have been answered by Great Britain and 115 by New Zealand. So far, at any rate, as these three British Commonwealth mandates are concerned, the questionnaire was not a demand for additional information, but simply a guide for the presentation, in a standardised form, of information that was already being furnished by the mandates on their own initiative. Major Hills further points out that Great Britain, certainly, has nothing to conceal—since we may justly claim that the mandatory system is simply an application, under an international sanction, of the British system of colonial administration. He pertinently adds that if it is the Dominions, and not the Mother Country, who wish for some modification in the ques-

tions asked, it is surely for them, and not for us, to make the claim. The Dominions are members of the League and mandatories in their own right, and there is no sphere in which their full nationhood is more clearly established. The most serious feature, however, about this attack on the Permanent Mandates Commission is that it has been made over an administrative technicality, and that it deliberately ignores the great moral and political issues which are really at stake. If the administration of all mandates by all mandatories had been as exemplary as the record of New Zealand, for example, or of Great Britain, and if the Commission had gone out of its way to show want of tact and statesmanship, Sir Austen Chamberlain's note might have been justified. As a matter of fact, everybody knows that the Commission has had at least two grave cases to deal with—the South African mandate for South-West Africa and the French mandate for Syria and the Lebanon—and that it has handled them both with an admirable blend of firmness and discretion. In the light of their records, neither South Africa nor France could possibly have delivered this attack on the Commission in their own names. South Africa and France lie low and reap the benefit. In effect, Sir Austen has lent Great Britain's good reputation as a stalking-horse to Powers which have reasons of their own for bearing resentment against the Commission—but reasons which are wholly creditable to the Commission and not so creditable to those Powers themselves. The Commission certainly deserves the support both of its principals, the Council, and of the enlightened public opinion of the world.

Merchandise Marks.—The House of Commons has this week given a third reading to a Merchandise Marks (Imported Goods) Bill, of which the principal features are the following:—(1) Imported goods bearing the name or trade mark of a British manufacturer are not to be sold unless accompanied by indication of origin; (2) anyone who sells or advertises imported goods not marked with the name of the country of origin is liable to serious penalties; (3) decisions and inquiries regarding the administration of the Act are to be in the hands of committees not responsible to the House of Commons. This legislation is an attempt to do two things:—To prevent fraud and misrepresentation, and to translate into action purely Protectionist and nationalist sentiment regarding the purchase of foreign goods. In the first respect it is laudable, but the prevention of fraud might surely have been aided by a less complicated measure. The real aim is the second one mentioned, and its pursuit, as always when an attempt is made to interfere with the natural course of trade, is difficult and dangerous. The Gilbertian absurdities into which it will lead us in certain directions are clear enough. How can you stamp a tomato? What is to be done with a bottle of beer when the bottle is imported and beer home-brewed? How do you treat a finished product which contains materials of various origins? The theme is entertaining enough, and Sir John Simon made great play with it in the House of Commons. But laughter and tears are akin, and the Bill, we fear, will produce more cause for the latter than the former. The major objections to it can be briefly stated. The present moment, when Britain ought to be leading the fight for the reduction of trade barriers, is uniquely unpropitious for any attempt, such as that made by this Bill, to restrict the free interchange of commodities between nations, or to prejudice foreign goods. Secondly, it can hardly fail, in spite of a mitigating clause inserted by the President of the Board of Trade, to place obstacles in the way of our very important *entrepot* trade. Thirdly, it lays upon importers, manufacturers, and retailers a fresh burden of worrying detail, at a time when they especially need to be free to concentrate on bigger issues. Fourthly, it carries a step further the system of administration by committees not responsible to the House of Commons—a pernicious and, unfortunately, a spreading system. Fifthly, apart from the aim of preventing fraud, its whole idea proceeds from false economics. Sixthly, and finally, it will cost money, put grit into the wheels of commerce, and will, to a large extent, prove unworkable. All this seems a very big price to pay for the Government's desire to placate that large section of their followers who think all foreign imports bad, who have not learnt that if you want

to export you must import, and whose failure to perceive Britain's vital dependence upon international trade is expressed in their favourite slogan, "Buy British goods and keep the foreigner out."

The Cotton Trade and Mr Keynes.—Our Manchester correspondent writes:—In Lancashire trade circles there was considerable interest on Monday last in the meeting between Mr J. M. Keynes and the Committee of the Federation of Master Cotton Spinners' Associations. This conference was a result of a recent article by Mr Keynes, in which he criticised strongly the policy of organised short time in the mills spinning American cotton. The proceedings took the form of a statement from Mr F. Mills, the chairman of the Short Time Committee, and this was followed by a reply from Mr Keynes. He put forward as his remedies for the depression the formation of a cartel to include all the mills spinning American cotton. He said that in a cartel individual businesses would maintain their separate identity. They would be allotted quotas by the cartel managers, and these quotas would be transferable; thus the mills that are in a weak position, either for finance or any other reason, would be able to transfer their quotas to the stronger businesses. He said he had never heard of any method of curtailing the scale of industry except variations of these three—the process of bankruptcy, the formation of a cartel, and the formation of amalgamations. With regard to the establishment of a cartel, he said there would have to be an element of what amounts to compulsion, and in his opinion this would mainly come from the banks. In conclusion he explained that the more he heard about Lancashire the more he was convinced that the financial situation was at least as big a factor as short time. On Monday afternoon there was a further conference between Mr Keynes and members of the Short Time Committee, and it is understood that this took the form of cross-table talk. It is no secret that Mr Keynes late in the day confessed that he had learned a great deal about the cotton trade, and it is possible that had he at that time had the information which he now holds, his original article would have been of a different kind. It may be said that the leaders of the Lancashire cotton industry are determined to give careful consideration to the proposals put forward, but it is doubtful whether some of the suggestions are practicable.

American Cotton Crop.—The Department of Commerce of the United States Government continues to spring surprises upon the trade by its reports on the cotton crop for this season. On Monday last the estimate of the growth was increased to 18,399,000 bales, which compares with 17,918,000 bales a fortnight earlier. The forecast was better than expected, states our Manchester correspondent, and much interest was taken in the ginning return, which was 12,954,000 bales, against 11,259,000 bales a fortnight earlier. These figures were scarcely equal to anticipations. The statistics as a whole, although bearish, have had practically no effect upon values. It is rather remarkable that, although the estimate of the crop since October 1st has been increased from 16,627,000 bales to 18,399,000 bales, prices during that period have fallen less than ½d per lb, and there is now every indication of rates being stabilised between 6½d and 7d per lb in Liverpool. The absence of a further fall in values may be partly due to the scheme in America for financing the big supplies, and undoubtedly during the last few weeks there has been comparatively little pressure to sell from farmers. The most important factor in the situation is the question of acreage for next season, but traders will have to wait at least three or four months before any news on this point can be available.

Liverpool Cotton Trading.—Contrary to expectations the members of the Liverpool Cotton Association this week have defeated the proposal that trading in cotton futures be extended from 13 months to 25 months. The matter was thoroughly discussed at the meeting last Monday, and the resolution failed to secure the necessary three-fourths majority. It is understood that one of the

chief reasons for the defeat of the proposed alteration is that brokers, owing to the uncertain financial outlook, are afraid to arrange contracts which will not be completed for nearly two years ahead.

Stock Exchange Saturdays.—Discussion has arisen in a surprisingly acute form during the past week over the question of the advisability of reopening the Stock Exchange on Saturdays. The matter has been canvassed here from time to time, and it has formed the subject for conflicting opinions since the Stock Exchange returned to pre-war conditions in the way of contangoes, fortnightly settlements, &c. So much bitterness is imported into the various points at issue, writes a Stock Exchange correspondent, that it may be well, at the risk of wearying by reiteration, to present some of the principal factors on both sides. The original purpose which induced the Stock Exchange Committee to close the House on Saturdays a couple of years after the war started has long since ceased to exist. The supporters of the demand for reopening place their policy upon the reasonable and fair ground of public convenience and national policy. It is contended, and with justice, that the Stock Exchange, quasi-national institution as it is, should set an example to the rest of the community in the way of being willing to work on all the business days. From the purely business point of view of the Stock Exchange itself, no particular purpose can be served by people coming to town on Saturdays if there is nothing profitable for them to do. The Stock Exchange Committee, approached this week on the point, replied that it is for the House itself to decide whether there is a sufficiently widespread desire amongst members to warrant them, the Committee, in taking action with a view to restoring pre-war arrangements. They said that if the members as a whole cared to present a memorial asking for reopening, this would be given every consideration. Those who support the idea of reopening on Saturdays are to a large extent drawn from the class which, were the Stock Exchange to be reopened, would not itself come to town, and with whose usual liberty the reopening would in no way interfere. The appeal comes largely, that is to say, from older men who are able to take business quietly, and who can delegate to junior partners, authorised clerks and office staffs the management of affairs for half-a-day. The purely personal inclination of the House is opposed to reopening, as, of course, it is bound to be. After about a decade of Saturday holidays, nobody wants to work on Saturday unless he is thoroughly convinced that by so doing he is either rendering some national service or doing himself good. On the latter head, Stock Exchange opinion in the majority of cases has no hesitation in saying that business is not likely to be sufficiently active to justify any alteration being made, but, in regard to the national policy, there is an uneasy feeling, equally general amongst members, that the House should set an example to the nation by being on the spot for the transaction of what business may be offered it. Play is made with the assertion that banks, outside houses, and bucket-shops derive advantage through getting orders from clients on Saturdays, and acting upon the same to the detriment of the actual markets. It is also claimed that business with foreign exchanges is lost through the markets being closed in London at the end of the week. The loss, if there is any, sustained by business being diverted to other exchanges through the London Stock Exchange being closed on Saturdays is a matter of estimate, and a doubtful quantity. The people who are in favour of reopening have on their side the anxiety to do business whenever possible, and not to allow so much as a chance of securing an order to slip. Mechanical difficulties in the way of delivery of stock are obvious to the practical man, though these cannot be understood, of course, by outsiders, who are more concerned with the national example side of the issue. We do not pretend to have set out every aspect of the case in this short presentment of the pros and cons that prevail, but it is very necessary to gain a clear idea of the position if an independent public judgment is to be reached which can influence the four thousand members of the London Stock Exchange in coming to a right decision upon what is very much more than a personal matter.

Conditions in Northern Ireland.—The autumn session of the Northern Ireland Parliament is now practically ended, writes our Belfast correspondent, and it is expected that Parliament will be prorogued on Tuesday, November 30th. The session has been devoted to the discussion of purely local affairs, and a great deal of legislation has been passed. The principal Bills discussed included the Motor Vehicles (Traffic and Regulation) Bill, and the Marketing of Eggs (Amendment) Bill, to both of which previous reference has been made. A Housing Bill providing for the extension of the Northern Ireland Housing Acts, under which subsidies are granted to private builders or local authorities for the erection of dwelling-houses of a certain type, has also been passed. Up to March 31, 1926, the number of houses completed in respect of which subsidies were payable under these Acts, and the amounts paid, were as follows:—

	Amount Paid.	Houses Built.
Private builders	£ 131,160	 2,043
Local authorities	£ 22,920	 336

The Exchequer and Financial Provisions Bill also passed its third reading. The Bill proposes to authorise the Ministry of Finance to raise by Ulster Loan Stock a sum of £2,250,000, in addition to the £2,000,000 obtained by an issue of stock in 1925. The provision is required to enable long-period loans to be made to local authorities and others, and this sum of £2,250,000 represents approximately the probable advances to be made during the next two and a quarter years up to March 31, 1929. A slightly more optimistic attitude continues to prevail in the linen industry; the supply of flax in Northern Ireland will, however, probably be lower than in 1925, owing to the decreased acreage grown, but the yield and quality are turning out well. Prices are averaging a little over 8s per stone, 3s or 4s below those ruling a year ago. According to the annual report of the Flax Supply Association, which has just been issued, home-grown flax appears to have constituted just under 25 per cent. of the total supply in 1925, which, however, was very appreciably less than the total supply in 1924, the quantities available in that year amounting to 36,505 tons, as against 21,480 tons in 1925. The supply of flax per spindle fell from 6.33 stones in 1924 to 3.71 stones in 1925. There has also been increased hopefulness in the shipbuilding industry following upon the announcement of an important building programme. In agriculture the harvest has been a fairly good one. The poor crop of potatoes in Great Britain this year is expected to increase the normal demand for Ulster potatoes in the Lancashire and South Wales areas.

Conditions in Switzerland.—A Geneva correspondent writes:—The Swiss foreign trade returns for October were more satisfactory than was anticipated. The value of imports reached £8,331,604, compared with £7,275,636 in September, and that of exports was £6,738,691, as against £6,139,380 during the previous month. Imports of raw materials and of fuel were somewhat higher, and there was an increase in the exports of the four chief industries, reaching £113,000 for watches, £8,000 for silk goods, £14,000 for cotton goods, and £41,000 for machines. During October imports from Great Britain totalled £503,533, as against £387,376 in September, and exports to Great Britain £1,045,000, compared with £1,010,434 in September. Though the British coal strike does not greatly affect the Swiss coal market, it has, nevertheless, caused some inconvenience to the gas works as well as to the paper and metal industry. It was recently found that certain gas works had only coal supplies for a few days, and the Swiss Government at once arranged with the Federal Railways for the importation of the necessary coal from Upper Silesia. Special coal trains, running at the rate of 18 a week, are now bringing in Silesian coal and distributing it to the gas works and to the factories which have orders from the Government or which are considered as industries of public utility. The position of private industrialists is rather difficult at present, as the coal merchants—on whom they depend for getting their fuel—have taken advantage of the situation and have increased their prices to a great extent. It is expected that if British

coal exports are not resumed in the very near future, the Government will be compelled to take over the control of the importation, distribution and sale of fuel so as to stop profiteering. The quarterly survey of Swiss industrial undertakings shows that, out of a total of 1,691 factories examined, and employing 189,000 hands, 63 per cent., as against 62 per cent. during the previous quarter—that is 1,065 factories occupying 125,000 workers, as against 1,048 factories employing 116,000—report their situation to be good or satisfactory, while it is described as unsatisfactory or bad in the remaining 37 per cent. Several industries have been able to reabsorb the greater part of the workers they had discharged, and a few are short of labour. Meanwhile the number of unemployed has risen from 12,803 at the end of September, to 14,253 at the end of October, but this increase is mainly due to the seasonal stoppage in agriculture and in the building trade. The general economic situation of the country is still depressed, and the improvement recorded in October principally results from the annual increase in the orders made in anticipation of the Christmas and New Year's festivities. But there is a fact that should not be overlooked, and that will greatly influence the activity of industry as well as of retail trade, that is the rise in the value of the French and Italian currencies, which is benefiting Swiss producers and retail traders. The direct consequence of this rise is that it is no more profitable to buy certain goods in France and Italy as they are now cheaper in Switzerland, and if this rise continues it will cause many millions of francs, previously expended abroad, to be spent in the country itself, an appreciable advantage for national industry and commerce.

The Position in Hongkong.—Writing on November 1st a Hongkong correspondent says:—It is now three weeks since the boycott was officially terminated, but the situation is far from satisfactory, nor is there any confidence in the immediate future. The first week of the new dispensation promised well, and as a consequence of the general resumption of shipping services passenger traffic was almost as heavy as in pre-boycott times. Canton dealers flocked down to Hongkong in order to renew business connections and merchants here had every hope of disposing of much of their accumulated stocks at advantageous prices. The rumours of trouble caused by the disbanded pickets were not regarded very seriously, and there was a general disposition to restrain criticism until the Canton Government had had time to put its new policy into effect. The fact that cargo was moving very slowly caused little surprise until it became evident that the British steamers were under a ban. Only cargo carried by Chinese-owned steamers (which incidentally fly the British flag) could be discharged in Canton, and during the past few days hundreds of pickets have forcibly prevented Chinese passengers from embarking on the British steamers for Hongkong. The "movement for the severance of economic relations with the British and Imperialist nations," which was at first looked upon as a face-saving demonstration by the Strike Committee, now appears to be the boycott in a new guise. Canton retailers are forbidden to handle British goods, and their shops are invaded by gangs of pickets who affix labels to all articles which have a British appearance, even the inscription "Made in Japan" being regarded as an indication of British origin. To help the local housewife in discriminating when making her purchases an exhibition has been opened with a display of British goods alongside their non-Imperialist substitutes. In other directions a widespread effort is being made to prevent the restoration of trade which the removal of the embargo has made possible, and naturally the Chinese are far too cowed to prosecute business which will embroil them with the powerful Strike Committee. Whether the Canton Government will ultimately gain the upper hand remains to be seen, but at present the absence of any regular military force, due to the demands from the Yangtze front, leaves the Government without means to enforce their decrees, with the result that Canton is now in the hands of a labour tyranny. The cost of living is extremely high, owing to the past year's restrictions of foreign imports, and the working and servant classes are in a state of open mutiny against their employers. It is assumed that the Government is

sincere in its desire to reopen relations with Hongkong, but it must be confessed that the speeches of leading officials hardly support this view. A report from Peking states that the associates of the late Soviet Ambassador, Karakhan, excuse the Canton Government's change of front on the ground that it became necessary through the reinforcement of the British Fleet in China, and was intended as a blind to delude the British Government. It is, of course, hopeless to attempt to fathom Bolshevik ideas, but propaganda is still rampant in Canton, where Borodin retains his post of adviser. The latest effort at poisoning Chinese minds against the British is the circulation, under official auspices, of Mr Chu's version of the Wanhien incident as presented at Geneva. With all these unpleasant signs of antagonism to the British, trade here is by no means stagnant. The resumption of shipping with ports other than Canton has enabled dealers to despatch a good many consignments to the interior, and the past month has seen a welcome expansion in trade. Piece goods clearances have been extremely good, and there have been many sales from stock as well as resales of bankrupt cargo at full prices. A fair amount of enquiry has come out, but although Manchester and Bradford quotations are appreciably lower, the fall in exchange has raised the local currency equivalent by some 15-20 per cent. It has, therefore, been impossible to bring business to book owing to the wide difference between current prices and dealers' ideas, and it looks as if it will be some weeks before the market firms up sufficiently to bridge the gap. The same remarks apply to enquiries for metals and sundries, and very little business has been put through so far. In all branches of import trade the fluctuations in exchange have proved a hindrance, for while the tendency of silver is obviously downward, the Chinese are inclined to look for a return to a higher level. There is, in consequence, no prospect of an adjustment of prices on the part of dealers so long as exchange remains unsteady, in contrast to the attitude of our local retailers who have taken the opportunity of increasing their prices by some 15 per cent. all round.

The Pig Lead Position.—Ever since the beginning of the coal stoppage the market for foreign pig lead has remained more or less under a cloud, while the outlet in this country has suffered more than has that of other non-ferrous metals. In addition to this, lead has been in the last month or two distinctly affected by reduced calls on Continental account, and some falling off in the American demand under an increased domestic supply. The American price was, therefore, the more quickly influenced by the weakness on this side. Deterioration in the American position received additional confirmation from cable advices giving the crude lead production for October in the United States and Mexico combined at 74,238 short tons, while the refinery production amounted to 71,532 short tons. The latter compares with 68,143 tons for September, thus indicating an increase of 3,389 tons. Owing to this, and a decrease in the total American deliveries, the stocks held by producers increased last month by 6,549 short tons, making the total 21,107 tons. When industrial conditions begin to be restored to the normal, there is small doubt that the present excess of lead will quickly disappear. It is assumed that there is room for a revival in the Continental demand, while better developments have been reported lately in the German electrical industry. Our imports for October amounted to 23,320 tons, making the aggregate for the ten months 222,470 tons, as against 225,419 tons for the same period last year. Home needs within the last few months were estimated at the rate of roughly 22,000 tons to 24,000 tons a month, which is about 5,000 tons to 6,000 tons less than at the height of the great activity which was experienced in this commodity in the late months of last year. The average price for prompt lead for last month was about £30 16s 5d, comparing with an average for the whole of 1925 of £35 17s 3d. From the lowest point touched this year (in May) of £27 7s 6d, there was a recovery late in July to £33 7s 6d, so that as compared with the latter the present value indicates a depreciation of fully £4 a ton. Producers, however, are still making a good profit, with lead selling at around £29; and looking ahead, the outlook as regards the world's consumption is promising.

Copper Control Tribulations.—In our issue of November 6 some reference was made to difficulties which had arisen in certain European trades in connection with the working of the new copper selling organisation, the Copper Exporters, Inc. It is now about a month since this concern, created under Washington sanction, started working under an agreement with European copper interests, but already rather serious difficulties have been encountered. European manufacturers have found themselves undercut in export markets by American works owing to the relatively cheaper terms at which refined copper can be secured on the other side in a "free open market" against the "pegged" price to European ports. These difficulties, together with the fact that American copper producers outside the combine have made their presence felt in the European market by selling at below the "combine" terms, were made the subject of a lively discussion at the meeting held in Brussels last week by the European members of the combine. It is understood that the British Metal Corporation, who have the marketing of a considerable copper output under their control, and who had provisionally joined the selling organisation more or less with a free hand, have since the Brussels meeting completely withdrawn therefrom. It appears that the European members have intimated that they would not remain a party to the combine under the "Copper Exporters, Inc." unless a change was made in the selling methods adopted. Their withdrawal from the combine is said to be subject to notice being given to that effect before June 1st next. Needless to say that these developments have had a certain prejudicial effect on the course of the market this week.

The Phosphate Position.—A correspondent writes:—The outlook for the phosphate rock mining industry, which provides the largest bulk of raw material for use in the world fertiliser industry, continues to be very promising. The increasing needs of agriculture have resulted in a large increase in consumption of superphosphate, and the production of phosphate rock has, therefore, expanded to keep pace with the requirements of manufacturers. The record pre-war figure of 7,000,000 tons was not touched again until 1923, but since that year phenomenal advances have been made in the output of rock. In 1924 8,100,000 tons were mined, and in the following year, despite adverse circumstances in certain producing areas, the figure rose to 8,600,000 tons; while estimates based on data so far available foreshadow a further increase during the current year. Of the producing countries the United States maintains its premier place with about 3,450,000 tons in 1925, representing an increase on the previous year of more than 500,000 tons. This is the more striking since it coincided with the Florida land boom, which resulted in a scarcity of labour at the phosphate mines, thus adding to production costs and raising prices. In the second most important mining area, Tunisia, the policy of keeping output far in excess of sales resulted in costly accumulation of stocks at the end of 1924, and production in 1925 was therefore curtailed somewhat, actual figures being 2,862,000 tons and 2,691,000 tons respectively. In Algeria production also declined last year, from 843,000 to 716,000 tons, but here the unfavourable situation was ascribable principally to the decline of the franc, and also to the competition experienced from the Moroccan product. And it is in this latter district that the most remarkable developments are taking place. Purely a post-war enterprise, the exceptionally favourable disposition of the phosphate deposits, together with the consistently high quality of the material, has won for Morocco the position of third place in the list of producers. From 33,000 tons in 1921, the output has risen steadily, until last year it amounted to almost 700,000 tons, and, based on current production, should reach 1,000,000 tons this year. A great deal of capital has been utilised in the opening-up of this area, but the last annual report of the State Bureau that is responsible for the administration points out that the accumulated interest has now been paid, and large sums are being allocated to development work. This success has permitted of a further reduction in prices to an extent that has not only seriously affected the sales of the other North African producers, but has restricted the European market for

American exporters. At the same time, consumption in this market has increased sufficiently to absorb the greater supplies available, though not to reduce the stocks of over 1,000,000 tons in Tunisia. From 4,500,000 tons in 1924, European demand for phosphate rock advanced to more than 5,000,000 tons, an increase in which nearly all importing countries shared, with Germany showing most promise. Statistics for the first six months of 1926 reveal the certainty of continued progress in this and other important markets; and when it is remembered that Germany, which in 1925 accounted for 400,000 tons, consumed approximately 1,000,000 tons before the war, the outlook as that country improves its economic position is brighter. Some compensation for the inevitable disappearance of the European market is accorded the American producers in the 20 per cent. advance in home consumption. It is feared, however, that this "boom" is too large, and the statistical position in superphosphate helps to justify the fear that a set-back may be experienced within the next year or two. Other producing areas do not greatly influence the world position, but in Nauru and Ocean Islands, from which about 460,000 tons of phosphate are obtained, bad weather has this year caused a diminution in output. In Britain and Ireland the depression in the domestic superphosphate industry is reflected in the decreased consumption of phosphate rock, imports declining from 410,814 tons in 1924 (of which 68,095 tons to the Irish Free State) to 375,593 tons (42,414 tons). The current year has witnessed keener competition from abroad in the manufactured product, accompanied by still lower imports of the raw material.

Roumanian Oil Progress.—A correspondent writes:—Three important events mark the history of the Roumanian oil industry this year. First there has been a record production following upon the exploitation of some of the State oil lands. The total output of the Roumanian fields in the first nine months just exceeded what was the record output for the twelve months of 1925—2,300,000 tons, while the export of refined oil products up to September 30th, amounting to 1,041,780 tons (consisting of 295,450 tons of petrol, 355,266 tons of lamp oil, 26,935 tons of lubricating oil, and 364,129 tons of fuel oil) exceeded the total exports for the whole of 1925 by some 200,000 tons. The only trouble about this record output is that oil prices and the Roumanian leu having fallen, it is worth less in gold values than the output of 1925. Moreover, transportation has been inadequate, and the companies have been unable to export all that they had available. To remedy this a new pipeline is to be built to Constanza to carry petrol (benzine), which is now transported in railway tank cars. The existing pipeline is confined to the handling of lamp oil or white spirit. The second event of importance is the settlement of the claims for compensation of the British oil companies, whose properties were destroyed by the Allies as a defensive measure in the war. The British Government, it may be recalled, agreed to reduce the total of the Roumanian war debt by the amount of the British oil companies' claims provided the Roumanian Government settled direct with the companies concerned. After long negotiations a settlement was recently arrived at. The Roumanian Government has recognised the amounts of compensation assessed by the mixed Commission, and agreed to settle those amounts by annuities (free from all Roumanian taxes) spread over 40 years beginning at 2 per cent. for the first five years, rising to 3½ per cent. during the next five years, and to 4 per cent. during the subsequent 30 years, the first half-yearly payment being made on December 1st next, the last on December 1, 1965. This agreement applies only to British companies. In the case of the Phoenix Oil group, for example, about half of which consists of French companies, payments will be based on only half the total amount of compensation pending a settlement of the Franco-Roumanian war debt. It has been questioned whether the British companies were wise in accepting this settlement at the moment when the Astra Romana, the Roumanian subsidiary of the Royal Dutch-Shell group, is bringing a petition of right against the British Government in respect of the war damages it suffered. The Roumanian

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Government, at any rate, has made for itself an excellent settlement, and done something to restore its credit abroad. The third event was the conclusion of an agreement with the semi-official Italian oil company, under which in return for a loan the Roumanian Government makes over its royalty oil to be refunded by this company in Roumania. It is probable that another Italo-Roumanian company will now be formed to develop some of the State oil lands.

Venezuelan Oil Concessions.—At the end of the year it is expected that a new issue of ordinary shares will be made by the V.O.C. Holding Company on bonus terms, writes a correspondent. The remarkable increase in the production of its subsidiary, Venezuelan Oil Concessions, Limited, calls for further capital expenditure in the field. The following table gives the production for the last four years:—

	Metric Tons.
1923	60,000
1924	390,000
1925	690,000
1926 (estimated).....	1,750,000

About 90 per cent. of the production has been drawn from La Rosa field, which is on the east side of Lake Maracaibo. The results obtained in La Paz and Concepcion fields on the west side of the lake have proved somewhat disappointing. The chairman stated at the general meeting this year that, although the oil in these two fields was of superior quality, the gas pressure had fallen off and pumping was being installed. In La Rosa field, where competition with Lago and other American companies has been severe, big wells continue to be brought in. New production has been found at Ambrosia slightly to the north, and Lagunillas to the south of La Rosa. The company's first well in the Lagunillas field was brought in on November 6th with a production of about 600 tons through a ¾-inch pipe. The present total production of Venezuelan Oil Concessions is at the rate of nearly 8,000 tons a day, or 2,920,000 tons a year. Hence the need of new capital. The £977,000 advanced to the operating company by the V.O.C. Holding Company last year has already gone in capital expenditure and development. For example, £430,000 was paid to the Venezuelan Government for the extension of concession rights and £520,000 was spent on plant, machinery, buildings, and pipeline. Apart from this loan, the last balance-sheet showed V.O.C. Holding with a surplus of current assets over current liabilities of £281,683, made up almost entirely of cash and Treasury bills. But this amount will not go far in oilfield development on the Venezuelan scale. The issued capital of V.O.C. Holding is £3,596,912 in £999,228 preference shares, and the balance in ordinary shares of £1 (valued in the market at £3½). A further issue of ordinary shares, at a small premium, to bring the capital up to £5,000,000, is not improbable. As regards dividends, the company, having written off valueless assets is in a position to credit all future net earnings to revenue. It will be recalled that the chairman at the last general meeting of the company stated:—"We are hopeful of being able to declare our maiden dividend when we see the actual result of the current year's working."

Royal Bank of Scotland.—At the annual meeting of the Royal Bank of Scotland, held in Edinburgh on Wednesday, the Duke of Buccleuch, the chairman, was hopeful as to the trade outlook. The effects of the general strike and the coal stoppage, he pointed out, must show themselves in many balance-sheets during the next year, with far-reaching results upon the national exchequer and upon the burden of local rates in industrial districts. "Even yet it is possible to look for a revival of trade, as there are not absent indications of improvement in shipping and shipbuilding, which, if realised, would necessarily have their effect upon the iron and steel and other industries. Contracts have, no doubt, been permanently lost to the country, but there are still many orders being held over. These, however, can only be undertaken if there is to be a sufficient and steady output of coal at a practicable price. Subject to that condition, British coal must, in respect of its superior quality, come to its own again in the foreign markets. As a further factor which makes for optimism, there is the greatly improved condition of Europe, both politically and financially, which encourages the hope of further expansion in our Continental connections." His Grace mentioned that in six months' time the bank would celebrate its bi-centenary, having been incorporated by Royal Charter on May 31, 1727, and stated that the story of the bank, which is being written, will be found to form a not inconsiderable contribution to the history of Scotland itself during the period dealt with.

British Overseas Bank.—The accounts of the British Overseas Bank, Limited, for the year ended October 31st last, show a profit of £150,200, which represents an increase of £24,200 over that of the preceding year. Though the directors do not give in the report any indication as to the reason for this substantial improvement, it is undoubtedly a reflection of the betterment in economic and financial conditions on the Continent, in which the activities of the Bank are mainly centred. The dividend, 6 per cent., on the "A" shares—which are held by the public—is again paid, while that on the "B" shares, which are held by other banks, is increased from 3 to 6 per cent. Reserve is again credited with £25,000, and premises are written down by £5,000, leaving the balance carried forward practically unchanged at £60,600. Deposits show an increase of £1,157,000 at £3,296,000, but acceptances have declined from £3,913,500 to £2,448,000. On the credit side, the principal changes are increases of £468,000 in money at call, of £600,000 in bills discounted, of £50,000 in Government securities, and of £95,000 in advances. At their present quotation of £5½ the £5 "A" shares give a return of about £5 2s per cent.

Consolidated Gold Fields.—The full accounts for the year ended June 30th have somewhat modified the impression produced by the absence of any increase in the dividend. The statement of the operating company shows a profit of £438,700, as against £388,900 in 1924-25, and as the amount now required for depreciation on investments is only £13,300, in place of £35,900, the surplus comes out £72,400 up at £425,400. Thus the company is able to disburse a total of 8 per cent. as against 7 per cent., still leaving the enhanced balance of £40,800 to go forward after provision has been made for taxes, &c.—naturally heavier than before. The inability of the Consolidated Gold Fields to pay more than 12½ per cent. arises from the circumstance that the increased receipts were swallowed up by the payment of £24,200 arrears of relief on preferential dividends in respect of Colonial taxation, this arising from the decision in a test case brought by the Gold Fields American Development Company. The information given in regard to the position of the company's Rand subsidiaries adds little to what is already known; indeed, as regards the Sub Nigel it is scarcely up to date. As to the American interests, the chief points consist in the expansion of operations by and the financial reorganisation of the American Trona Corporation; the greatly improved position of the South American Gold and Platinum, upon whose shares the payment of a dividend in the near future is foreshadowed;

and the virtual duplication of its earnings by the Yuba dredging enterprise. On the distributions of the past two years Gold Fields shares yield about 8½ per cent., and may be regarded as a fair speculative holding.

Pahang Consolidated.—Having regard to the advance in the price of tin, and of the entry into the dividend list of the company's rubber subsidiary (the Kuala Reman), the expectation had been entertained that the Pahang would for 1925-26 improve upon the distributions of the two preceding years. This expectation was justified by results, the final dividend of 22½ per cent. on the ordinary making a total of 30 per cent., as against 20 per cent. for both 1923-24 and 1924-25; the preference, of course, again receive the maximum of 15 per cent. Moreover, the accounts show an even larger expansion in the profits than might have been inferred from the increase in the distribution, the net earnings figuring at £260,700, as against £150,600. No less than £100,000 is, however, now appropriated for special purposes; £20,000 for depreciation on plant (the same as before), £20,000 (as against £10,000) to mine development reserve, £10,000 to taxation, and £50,000 to a special reserve for rubber planting. Thus, in effect, the directors are putting back into rubber cultivation somewhat more than has so far been received therefrom (£42,000). This procedure is meeting with criticism on the part of some of the older shareholders, who argue that if funds were needed they should have been obtained by the issue of the reserve shares at, say, 10s. The point is obviously one upon which room exists for a difference of opinion. In deciding to extend the company's rubber interests the directors have doubtless been actuated by the development results of the recent past. In this connection they remark, "The position of the mines generally appears to be more satisfactory than was the case a year ago, but in view of the character of the country continuous systematic development and prospecting are still of the utmost necessity." Hence the increased appropriation already mentioned. On the basis of the 1925-26 dividends the ordinary shares yield something over 10 per cent.

Russian Mining Corporation.—The shareholders in this undertaking have had a bolt from the blue in the shape of a proposal for reconstruction with an assessment of 7s per share. It is no matter for surprise that some vigorous protests have appeared. The balance-sheet just issued shows interests in Russia, £176,300; other investments, £36,700; cash, £2,050; creditors, £2,300. During the five years ended September 30th expenses exceeded receipts by £9,200, increasing the debit balance to £29,400. The shares held in the Altai Mines have been exchanged for 231,800 in the Lena Goldfields, representing nearly share for share of the company's capital. According to the explanation given by the new directors of the company, funds are required to take advantage of the "opportunities for profitable work" now offering in Russia. It is probable that those now behind the undertaking will achieve with it the degree of success already recorded in the case of the Lena. At the same time, some of the smaller proprietors may find it inconvenient or impracticable to provide the money necessary to preserve their interest, which they have regarded as practically equivalent to holding Lena shares themselves.

Wankie Colliery.—Progress continues to be the order of the day with this Rhodesian enterprise. For the year ended August 31st last the coal sales totalled 507,950 tons, as against 402,600 during 1924-25, and the coke sales 170,600 tons, in place of 153,200. Thus the net profit came out at £181,500, as against £164,250 the preceding year and £138,500 for the ten months ended August, 1924. Meanwhile the issued capital has been increased; thus the final dividend is 7½ per cent. in place of 10 per cent., making the total for the year 17½ per cent., as against 20 per cent. Powers are asked for the increase of the capital by £100,000 to £1,000,000; this, presumably, foreshadows a further issue. The position in regard to supplies of fuel is extremely strong. The coal reserves

proved by actual development are estimated at over 9,000,000 tons—an increase on the year of 904,950 tons, notwithstanding the larger output; the total represents between nine and ten years' supply. Then the coal reserves in the area remaining under a radius of two miles from the Bell Station are computed at 50,516,000 tons—to a great extent proved by the present workings. In view of the contracts which have been entered into with the Union Minière group and with the Bwana M'Kubwa Copper Company, a further expansion in the output is in prospect; within eighteen months from the present time the sales should reach 1,000,000 tons per annum. The outlook would, therefore, appear to warrant the ruling quotation of 26s for the 10s shares—albeit on last year's distributions the yield is no more than 6½ per cent.

At the second ordinary meeting of the present session of the Institute of Actuaries, on Monday, November 29th, at 5 p.m., at the hall of the institute, Staple Inn, a paper on "The Mortality of Europeans in British West and British East Africa" will be read by Mr. H. E. Raynes, F.I.A.

Oversea Correspondence.

UNITED STATES.—MARKETS.—BUSINESS CONDITIONS.—STANDARD OIL FINANCE.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 16.

ALTHOUGH a number of minor, and in several instances contradictory movements have occurred in the markets during the past week, there has been little fresh indication, either in the markets or industry, of a major trend. The share market, after recovering nearly two-thirds of the October break, has marked time, two days of mild reaction being followed by an irregular recovery. This market now has a distinctly professional aspect. The turnover is moderate, and the principal movements seem to be due to the operations of cliques. A good investment demand probably underlies the market, but at this stage the public shows little inclination to buy confidently or aggressively. The money market, which displayed such marked ease early in the month, has been slightly firmer. The call rate on the Stock Exchange, which had been as low as 4½ per cent., advanced to 5 per cent. The 4½ per cent. time money that was in evidence last week has, for the moment at least, disappeared. This firming is not surprising at the middle of the month, and may prove transitory. Part of the firming may be due to the large reduction that occurred last week in the borrowings of the member banks at the Federal Reserve Bank. These changes suggest that money flowed into New York in such volume that the member banks paid off rapidly at the Reserve bank. Possibly they paid off a little too much in relation to this week's demands. This would explain in part the firming up of the call rate and would forecast a recovery in the volume of rediscounts. In any event, brokers' loans dropped in the week ended November 10th, possibly reflecting the reaction in the share market. The reduction of \$37,000,000 wiped out a corresponding advance in the previous week.

A gain of about 90,000 tons during October in the unfilled orders of the United States Steel Corporation proved somewhat smaller than Wall Street had expected. Nevertheless it seems that the steel industry is holding up better than had been anticipated. The gain in unfilled orders might have been greater had not production held so high during October. The report on that month's steel ingot production showed a gain of about 2 per cent. over the rate of production during August and September, although recent reports of declining operations at the steel mills had prepared most observers for a decrease. October ingot production, in fact, set a new high record for all time. However, the trade journals still insist that operating schedules are being reduced this month, and that an average operation of 75 per cent. of capacity instead of the 85 per cent. of the late summer and early autumn is in prospect. As for other trade indications, car

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Surplus	\$35,000,000
Undivided Profits	\$6,000,000

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loadings still are holding at record-breaking levels, and railroad earnings continue to be excellent. Sales by chain stores also continue to make new records, the October showing of ten leading chains being 9.5 per cent. ahead of October last year, while the gain for the first ten months of the year amounts to 12.9 per cent. October sales by the two leading mail order houses, which do a large business in the agricultural districts, showed a falling off from October's sales last year, but this decline is attributed by the executives to the fact that October, 1925, was a month of severe weather that prompted heavy buying of winter clothing, while October this year was mild. In the cities a big holiday trade is anticipated.

With current reports indicating that the aggregate volume of business profits is large, it is not surprising to find that there have been numerous instances in which old dividends have been increased or extra dividend declared. The General Motors corporation, whose profits in the first nine months of this year are 85 per cent. greater than in the corresponding period of last year, declared \$4 a share extra. This follows, it will be recalled, the declaration of a 50 per cent. stock dividend a few months ago. Several of the Standard Oil companies have declared extra distributions, and the New Jersey company has just announced a comprehensive plan for retiring its preferred stock. The latter is not outstanding to the extent of \$200,000,000 par value, having been floated soon after the war, when the New Jersey company for the first time found itself unable to finance its expansion out of earnings. As the stock is callable at 115, some \$230,000,000 will be returned to the preferred stockholders on the redemption date, which is March 15, 1927. Meanwhile the company has decided to go ahead with the financing necessary to permit the redemption. An issue of 5 per cent. 20-year debentures of \$120,000,000 par value has been sold to J. P. Morgan and Co., and probably will be offered shortly. Although the offering price of these debentures has not been announced, a strong demand for them has resulted in transactions on a "when-issued" basis at around 102. To secure the

rest of the money that will be needed, the company will offer new common shares to existing common shareholders at par (\$25), in the ratio of one new share for each six held. This means the issue of some 3,450,000 new shares. As the funds thus obtained will still fall short of the \$230,000,000 needed, about \$25,000,000 will be taken from the company's cash account. Meanwhile the directors voted, in addition to the regular quarterly dividend of 25 cents a share, an extra of 12½ cents. It is assumed that this extra will become a "regular" extra and that the stock has, in effect, been placed on a \$1.50 annual basis, one dollar being regular and 50 cents being extra. Altogether, this large financial operation will have the effect of leaving the amount of capital in the business slightly smaller than before, of increasing the number of dollars paid to the common shareholders, and of substituting a \$120,000,000 issue of 5 per cent. debentures for a \$200,000,000 issue of preferred stock. However, as the preferred stock has to be called at 115, and as \$1.50 a year will be paid on the new stock that is being sold for \$25, the saving in charges to the holders of the existing 20,000,000 shares of common stock is not very great. Possibly certain interests in the company did not like to see so large a share of dividends going to preferred shareholders. On the other hand, the company now will have bonds outstanding, and bonds are something that never were popular in Standard Oil circles. The refinancing does, of course, allow common shareholders to invest new money in the business on a 6 per cent. basis, and this opportunity, together with the extra dividend, probably will be appreciated. In the last analysis the decision to call the preferred probably arose from a desire to do something for the common shareholders.

FRANCE.—POLITICS—DEBT PROBLEMS—THE STABILISATION DILEMMA—BANK OF FRANCE AND GOLD.

(FROM OUR CORRESPONDENT.)

PARIS, November 24.

A LARGE proportion of the members of the Upper House and many of the Deputies are now absent in the constituencies, in connection with the pending renewal of one-third of the Senate, and the Chamber is unusually tranquil. The senatorial elections are on this occasion provoking an exceptional amount of interest, owing to the uncertainty that prevails as to what developments will occur in regard to the grouping of the various political parties in connection with the contests. There is ample evidence that a substantial portion, although still a minority, of the Radical and Radical-Socialist party is anxious to fight in alliance with the Socialists again, in order to bring about on a minor scale a repetition of the triumph which the Cartel des Gauches secured over M. Poincaré at the General Elections in 1924. Strenuous efforts, however, are being made to preserve, both in the constituencies and in Parliament, the unity of the Government of National Union which is now in power; but it cannot be said at the moment that this is incontestably assured. M. Poincaré has once more emphasised the necessity for a political party truce now that the whole future of the nation is at stake, not only as regards its material things, "but, as a consequence, as regards its moral power, its intellectual expansion, and even the independence of its political action." The Premier also again insisted that financial restoration cannot be accomplished "in a few days or a few weeks, but will be a task of long duration, during the accomplishment of which all other considerations must be set aside."

Meanwhile, the Chamber is steadily discussing the expenditure sides of the departmental Budgets in turn, the revenue side being left till later, and comparative calm reigns over Parliament. M. Poincaré is thus left at liberty to devote himself almost uninterruptedly to the great work of financial restoration. The flat refusal of M. Béranger to return to his post as Ambassador to Washington, which was announced yesterday, strengthens the belief, which is growing in strength daily, that ratification of the American and British debt agreements in their present form may be regarded as impossible. Obviously, with the matter of the agreements in its

present state, M. Béranger could not expect to return to Washington with any authority. Definite indications as to the Government's intentions in this matter may be given by M. Briand's choice of the ex-Ambassador's successor, which cannot long be delayed. At present it seems likely that a professional diplomatist will be nominated to the post, which would be in effect a neutral decision and would leave the door open to further negotiations. On the other hand, the nomination of M. Tardieu (whose name is being mentioned for the post in several directions), or some other leading politician, would suggest that the Government has decided to force ratification through, and endeavour to settle at the same time not only the debt problem, but also the cognate questions of the monetary difficulty and the securing of foreign credits. It is difficult to foresee how any settlement on the lines of the present agreements is possible, however, with the continued presence in the Cabinet of M. Louis Marin and others who are known to be immovably opposed to ratification. Even if approval of the agreements were forced through the Chamber on a vote of confidence, it is practically certain, I was assured by a prominent banker member of the Upper House, that the Senate would refuse to ratify them.

The solution of the stabilisation or revalorisation dilemma seems as far off as ever. The recent remarkable improvement in the franc and its corresponding fall immediately afterwards has caused considerable alarm, but is generally regarded as merely incidental and as affording no reliable data of its real tendency. In professional as well as official circles there is a good deal of alarm as to what the immediate outcome of the present situation may be, unless the exceptionally delicate situation is handled by all parties with extreme care. M. Romier, the able editor of the *Figaro*, holds that the present value of the franc lies at between 120 and 130, and other authorities predict that by the spring it will have reached 100, the point where it stood in the autumn of 1925. There has been a great deal of wild talk in the Press as to the possibility of the franc recovering to the neighbourhood of par, but the danger that would attend any further substantial recovery in present circumstances is too obvious to need comment, as all authorities agree. It is this feature of the problem which makes M. Poincaré's task so difficult. Fortunately, it is recognised in responsible quarters that, however desirable it may be that the franc should recover its full value, it is still more desirable that this shall not occur until the country's huge mass of internal debt has been satisfactorily dealt with. M. François-Marsal urged recently, from his place in Parliament, that a day should be fixed for arresting the improvement in the recovery of the franc, and that its value should be stabilised at the point midway between the index figure for internal prices and that representing world prices. M. de Chappedelaine, the rapporteur to the Budget Commission of the Chamber, on the other hand, points out in his report that unless stabilisation is fixed at a comparatively high figure, the whole equilibrium of the Budget will be upset, as it would immediately involve a substantial falling off in revenue from all indirect taxation, and particularly from the tax on turnover, which is now the largest individual source of revenue.

The uncertainty which has prevailed for some weeks as to whether the Bank of France has been paying for its purchases of gold and silver coin with bank notes that have been excluded from the weekly return of notes in circulation has now been removed. In a communiqué which it issued last Thursday, and which was published simultaneously with the usual weekly statement, the Bank says:—

Certain persons persist in believing that the notes actually in circulation are the subject of accountancy; the one made public in the item "Notes in Circulation" in the weekly statement, and the other concealed and dissimulated in the item "Sundries" in the same statement.

All the notes in circulation, without exception, whether they have been issued in connection with commercial operations, against advances to the State or in payment for purchases of gold, silver, and currency instruments authorised by the law of August 7, 1926, figure without distinction under the item "Notes in Circulation."

The law of August 7, 1926, merely stipulated that the legal limit of the note circulation, as it had been fixed by previous laws (at 58,500,000,000 f) would be automatically raised by an amount equivalent to the purchases of gold, silver, and currency instruments

made in conformity with the said law. The Bank has so far had no need to utilise this supplementary margin.

Last Thursday's Bank statement set forth that the bank purchases of gold, silver, and "devises" (foreign exchange) amounted to date to 1,402,509,192f, or an increase of 73,711,559f on the week. The continued satisfactory recovery of taxation was confirmed by the item showing that during the week the Treasury had reduced the debt to the bank by a further 200,000,000f, while the note circulation had been reduced by a further 862,715,065f. The report in circulation recently to the effect that the bank itself has not yet begun to buy foreign exchange, it is now evident, was exaggerated, to say the least, but in any case the total of these purchases cannot have been large, as they are included in the same item as gold and silver currency purchases. The omission from the law which now empowers the bank to buy foreign exchange of any provision setting forth whether any profit or loss that may eventually accrue from such purchases shall be borne by the bank or the State is stated now to have been corrected by a special agreement between the two parties to the matter, the terms of which have not yet been made public.

The exact amount of foreign exchange that has been secured by the Treasury with a view to ensuring the payment of all foreign debt maturities for the immediate future, and accumulating a *masse de manœuvre* as a weapon for defending the franc, is being kept carefully secret, but it is believed in banking circles to be very substantial. One report places the amount still at the disposal of the Treasury, after allowing for the reconstitution of the Morgan Fund of \$100,000,000 and providing for foreign debt maturities, at as high a figure as \$300,000,000, or between 8,000 and 9,000 million francs. The dollars and sterling that have been secured during the past weeks are understood to be held in New York and London to the credit of the French Government, which has been credited with their value in francs in Paris.

GERMANY.—POLITICS—CURRENCY—POSTS AND RAILWAYS—EMPLOYMENT—INDUSTRY—FOREIGN TRADE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, November 24.

No further progress has been made towards Cabinet reconstruction. In the Reichstag debate of November 23rd on foreign policy, the German-National spokesman was relatively moderate, and expressed scepticism as to international understanding in view of the existing obstacles rather than disapproval of the Cabinet's policy. Dr Stresemann gave good reasons why nothing definite has yet come out of the Thoiry negotiations, and implied that the question of the military control seems to him the most important matter at present. As now exercised, the control is little more than a sentimental grievance, but it is a weapon in the hands of Right extremists. The Cabinet holds that the competence of the League of Nations under Article 213 of the Versailles Treaty does not extend further than investigation, which, as it can only be undertaken after a special vote of the League Council, could not take the form of continuous control to replace the present system. Dr Stresemann declared that the clearing up of any doubt on this point cannot be made the condition precedent of the withdrawal of the Inter-Ally Control Commission.

The improvement in the exchanges in France is regarded in industry here with a good deal of satisfaction. Although the foundation of the International Steel Trust to some extent removed the chief cause of complaint against "exchange dumping," French competition is severely felt, and the last monthly calculations showed French iron and steel prices to be still considerably lower than German. Doubt is expressed whether the new high franc exchange level will be maintained. It is taken for granted that no badly depreciated currency can cease depreciating in the long run if its formal stabilisation is neglected. The French note circulation is considerably higher than in the spring, when the franc exchange was at about present level, and the gold price-index is very much higher. The paper mark also had big temporary recoveries, and more than once for a short time German gold prices were very

high. The prevailing view is that the franc exchange rise will delay stabilisation. The credit situation here is unchanged. Day money since the middle of the month has been obtainable at as low as 2½ per cent., month rates being relatively higher. A Reichsbank discount rate reduction is talked of. The present 6 per cent. for discounts and 7 per cent. for advances have been in force since July. A new factor which may make money dearer is the pending foundation of companies for financing retail business on credit, the aim being to increase the volume of sales activity by applying the American instalment payment method. The Prussian Cabinet has issued new rules regulating municipal borrowing abroad. All such loans, including short-term, need official sanction; and sanction will be given only when the money is needed for "directly productive purposes," and, further, when the particular municipal undertaking in which the proceeds are to be invested will itself yield the necessary interest and amortisation money.

The *Reichspost* reports for the operation year 1925-26 profits totalling 252,200,000 marks, or, if 66,900,000 marks carried over from the preceding year is deducted, 185,400,000 marks. Gross receipts, including the sum carried forward, were 1,782.7 million marks, as against 1,654 million marks in the preceding year. Receipts of the different branches were (in millions of marks):—

	1924-25.	1925-26.
Posts and Post-Cheques	880.8	945.0
Telegraphs	97.8	87.0
Telephones	648.3	614.9

The balance-sheet shows a growth in the value of buildings, plant, and equipment from 1,385 million marks on February 1, 1924, to 1,801 million marks on March 31, 1926. The department has large sums in hand, the chief being about 500 million marks post-cheque account deposits, and while part of these funds are permanently invested, an active credit policy is pursued with the rest. On March 31, 1926, the department had lent out to States and State banks nearly 290 million marks. Railway receipts show a steady increase, being (millions of marks) 372½ June, 410½ July, 413 August, 419½ September. The financial results, after providing for reparations bonds, reserve, and preference dividends, were:—June, 5 million marks deficit; July, 9.6 million marks surplus; August, 33.3 million marks surplus; September, 26.8 million marks surplus. Traffic continued to increase in October. The Director-General of Railways states that the British coal strike has resulted in an increase of about 100 million marks in German railway receipts in 1926, and that the strike will continue to affect the railway revenue favourably during the first half of next year.

The trades unions' reports for October show 14.5 per cent. of unemployed members against 15.6 per cent. in September, and 17.9 per cent. in July. The greatest improvement since July is shown in the textiles, clothing, and tobacco branches. The proportion of members working on short time in October was 9.8 per cent., against 15.9 per cent. in July. The number of unemployed out of 3,099,997 members of the Socialist trades unions in October was 449,744. Publicly supported unemployed on November 1st numbered 1,309,000, against 1,339,000 on October 15th. In Berlin there are signs of declining employment, which is probably due to seasonal influences. The Unemployment Insurance Bill, which will do away with the allowance system, has got through the Reichsrat, with certain changes. Premiums and unemployment pay are ordered in seven wage classes; and payments are limited to 70 per cent. of the wage in the lower, and 60 per cent. of the wage in the higher classes. The normal longest period for which unemployment pay may be drawn is 26 weeks, but when the labour market is depressed this term may be extended to 39 weeks. A new feature is a special "crisis provision," eight-ninths of the cost of which will be borne by the Republic, and the remainder by the municipalities. Premiums are payable by employers and employees, but the Republic may grant loans in times of emergency. The law is to come into force on April 1, 1927.

The steel trade is slightly less active. Pig-iron output in October was 935,279 metric tons, against 740,741 tons in October, 1925; in the first eleven months of 1926, 7,595,430 tons, against 8,699,335 tons in the same months

of 1925. The chief of the Kloeckner A.G. has made an optimistic statement concerning iron and coal prospects of 1927. A Central-German Steel Trust has been created by fusion of the steelworks formerly belonging to the Linke-Hofmann-Lauchhammer A.G. with steel works in Brandenburg belonging to the new Western Steel Trust (Vereinigte Stahlwerke). Most of the capital will be held by the Linke-Hofmann Co. and the Western Steel Trust. This is a new instance of dissolution of a vertical trust and creation of a horizontal trust instead. The proposed High-Grade Steel Trust is also assured; here the Western Steel Trust will be the predominant partner. The Vulkan and A.G. Weser shipbuilding companies are to fuse, and a trust corporation of all the North Sea yards is talked of. The Hamburg-America Co. has published an optimistic half-yearly report; dividends are to be resumed. Earlier plans for a shipbuilding trust were opposed by the more efficient yards, which objected to bear the burdens of the less efficient. The last week reported shows a new record in coal output on the Ruhr, the average daily production reaching 420,910 tons. The motor-car industry reports an improvement. Production cost is being rapidly reduced. The census of July, 1926, shows 544,894 motor-driven vehicles, against 425,790 one year before. The number of motor-cycles (small machines omitted) rose from 161,665 to 236,387; of private motor-cars from 174,665 to 206,456.

The textiles industry continues to improve. The turnover in the clothing industries in October exceeded that of September by 64 per cent. Sugar production in the business year ending August, 1926, was 1,603,247 metric tons, against 1,564,640 tons in the preceding year. The building report for 1925 shows that 165,053 buildings were erected, or 53.7 per cent. more than in 1924. The number of new dwellings provided was 73.4 per cent. more than in 1925. The net increase of 171,855 in the number of dwellings in the whole republic was, however, far from satisfying the demand, though in most districts there is a shortage only in small dwellings. In Prussia large apartments have been freed from the rationing and rent-control system, also shops and business offices if they are not connected with apartments.

The foreign trade balance in October was passive, for the fourth time this year. Without the import surplus in precious metals, which was exceptionally large, the deficit was 110 million marks.

Marks (000's omitted.)

	October.	Sept.	Jan.-Oct.
IMPORTS.			
Livestock.....	15,691	14,435	96,178
Food and drinks.....	334,263	255,889	2,892,082
Raw & half-manufactured materials.....	484,497	438,304	3,862,148
Manufactured wares.....	155,665	114,791	1,040,425
Wares only.....	990,116	823,419	7,890,833
Gold and silver.....	157,934	107,019	464,155
Totals.....	1,148,050	930,438	8,354,988
EXPORTS.			
Livestock.....	1,202	802	9,133
Food and drinks.....	43,401	28,946	364,138
Raw & half-manufactured materials.....	232,590	224,175	1,912,612
Manufactured wares.....	602,569	582,447	5,853,394
Wares only.....	879,762	836,370	8,139,277
Gold and silver.....	2,636	3,512	32,327
Totals.....	882,398	839,882	8,171,604

The October trade report is remarkable because, as compared with September, it shows increases in all of the four groups of wares on both sides. About half of the increase in imports of raw and half-manufactured materials consisted of textile materials; finished textiles imports also increased considerably. Coal again accounts for part of the increase in exports of raw and half-manufactured materials. About half of the increase in manufactured exports consists of rolling-mill products and iron and steel wares, but exports of machinery declined by 4 million marks, and of finished textiles by 4½ million marks. Exports of miscellaneous chemicals, leather goods, dyes, paper, and paper wares increased. Imports (omitting precious metals) were the largest since October, 1925, exports the largest since March, 1926. The

industrial recovery is plainly reflected in the rapid growth of imports since May, and exports in the last four months have always exceeded 800 million marks, a total reached only once in the first six months of the year.

The Bourse has been weakish and dull. Two of the "D" banks again warn the public that quotations, judged by dividend yields, are very high. The chief present support for the Bourse is cheap money. Foreigners, and a good many Germans, are reported to have transferred their profits to the Paris and Brussels Bourses. The Berlin Bourse Committee has rejected a proposal to abolish fortnightly settlements and return to the pre-war system of only one settlement, at the end of the month. The return to month-end settlements would force the speculating public to increase their stakes. The present organisation of the futures market has not yet been tested in a long bear movement.

BELGIUM.—GOVERNMENT FINANCE—DEBT VALORISATION—TAXATION RECEIPTS—TRADE BALANCE—COAL—BOURSE.

(FROM OUR CORRESPONDENT.)

GHENT, November 22.

MINISTER FRANCOU, who was the chief author of the stabilisation measures, has retired from office owing to ill-health. In his parting letter to the Prime Minister, he gives a survey of the work accomplished under his direction. When assuming office, on May 22nd, he found a State debt of 6½ milliards francs to the National Bank, an internal floating debt of the same amount falling due before December 31st, and an external floating debt of 50 million dollars, equal to the gold reserve of the National Bank. Confidence was at a low ebb, and 6 per cent. Government stock had fallen as low as 55 per cent. At present, the State debt to the bank has been reduced to 2 milliards francs, the bulk of the internal floating debt has been consolidated, and there remain only about 2½ milliards francs falling due between now and 1932, for the payment of which the Fund for Amortisation of Public Debt will have sufficient resources, seeing it has a special annual endowment of 1½ milliards francs during four years, not including the normal allocations for debt redemption and the extraordinary receipts from sale of State property or from private donations. The external floating debt has been reduced to 25 million dollars, for the payment of which, at maturity, the necessary foreign exchange is already available. Between May 22nd and November 19th, 6 per cent. Government stock has risen from 55 to 73.

Without detracting from the admiration due to the energetic and businesslike way in which Minister Francoqui has handled the difficult situation left by the breakdown of the stabilisation measures of Minister Janssen, it must nevertheless be pointed out, in due justice to the latter, that it was only after his failure that public opinion in Belgium became sufficiently ripe for the drastic steps, thanks to which the present success has been achieved, viz.: (1) the fixing of the franc at a value nearly 70 per cent. lower than that of the first stabilisation; (2) the forced consolidation of floating debt; (3) the increase of taxation by 1,500 million francs; (4) the increase of the external debt and the conclusion of the foreign stabilisation loan at a rate of interest which, in other circumstances, would have been considered by public opinion as unnecessarily heavy. The State debt which, in 1914, totalled about 6,000 million francs, mostly internal, now amounts to about 60,000 million francs, of which nearly half is external debt. The service of the public debt, which amounted in 1913 to about 200 million francs, will now require more than 3,000 millions. The burden of the debt would be further increased if a revalorisation of internal debts to a percentage of their former gold value should take place. In certain directions a revalorisation of pre-war debts by 100 per cent. and of after-Armistice debts by 50 per cent. is advocated; others propose to give a compensation to the holders of rentes by enabling them to exchange same for preference shares of the National Railway Company on special terms. It is probable that,

if compensation is given, it will be very slight. Up till now, holders of rentes, as a whole, appear quite resigned to the stabilisation at the present rate, and to the loss they have sustained through the depreciation of the franc; it is, however, to be feared that, unless this question is rapidly solved, political parties may seize upon it for electoral purposes and press upon Parliament proposals which might make the position of the Treasury more difficult.

Receipts from taxation continue to exceed estimates:—

(In Million Francs.)

	Financial Year. 1925.	Financial Year. 1926.
Budgetary estimates.....	3,455 ..	3,285
Receipts up till September 30, 1926	4,052 ..	3,640
Excess of receipts over estimates	597 ..	355

The balance of trade for the first nine months stands as follows (in million francs):—

	Jan.-Sept. 1925.	Jan.-Sept. 1926.
Imports.....	12,863 ..	16,484
Exports	10,623 ..	12,820
Excess of imports over exports	2,240 ..	3,664

The continuation of the British coal strike has caused a serious shortage in Belgian coal supplies. Normally, Belgian production is about two million tons monthly, and consumption 2½ million tons. Belgium chiefly exports dry coals and imports bituminous coals (gas and coking). Not only are the latter classes practically unobtainable at present, but the exports, which have been going on until last month (and which are almost entirely stopped now), have rendered all classes of coals very scarce. For the first time, lignite from Czechoslovakia has been imported into Belgium. The Belgian Government has requisitioned 5 per cent. of the production of the collieries, which, through the medium of the municipalities, will be put at the disposal of householders who are unable to obtain the necessary supplies in the free market.

An agreement has been reached lately between mine-owners and miners as to wages: these will no longer fluctuate exclusively in accordance with the index of retail prices; in the new sliding scale which has been adopted the index of retail prices will only count for 75 per cent. and coal prices for 25 per cent.

Although it is generally admitted that many shares of sound Industrial Belgian undertakings have not yet risen in accordance with the depreciation of the franc, the Bourse is hesitant. This is ascribed partly to a reflection of the slump on the Paris Bourse, and partly to a fear that internal prices will rise further, and that a tightening of money may be expected before long. The increase in the latest weekly statement of the National Bank, of private deposits by more than 200 million francs, reflects the desire of private banks to maintain sufficient liquid funds. The National Bank no longer includes in the amount of notes outstanding the five-and-twenty franc notes, amounting to 800 million francs. These are taken over by the State, and will be transformed into currency notes, to be replaced later on by silver coin. The liabilities at sight and short notice of the National Bank are at present covered as to more than 50 per cent. by gold and gold exchange.

CZECHOSLOVAKIA.—POLITICAL CO-OPERATION— BUDGET—COAL—COMMERCIAL TREATIES— TRADE.

(FROM OUR CORRESPONDENT.)

PRAGUE, November 10.

THE political situation has taken on quite a different aspect during the last few weeks. That which all thinking people have seen to be essential for the future development of the State, viz., the co-operation of all nationalities in the work of government, now seems within sight of realisation. The Germans have already accepted two seats in M. Svehla's Cabinet, and the Slovak Clerical Party is at the moment busy choosing two of its own number to fill two other ministries. Such a step is of great importance, and should help to solve the many problems with which

this State is still confronted. The Slovaks, through their leader, M. Hlinka, still declare that they will be satisfied with nothing but full autonomy, as laid down in the Pittsburgh Agreement, but it is the firm conviction of the best students of Slovakia that, given a little greater economic prosperity and more education in that region, the problem will settle itself.

The first duty of Parliament after reassembling in October was the consideration of the Budget, which was presented by the Minister of Finance, Dr Englis. In a speech which aimed at stating quite frankly the real position of the State finances, Dr Englis declared the great defect to be that "the existing financial system did not correspond with the economic structure of the State," first, because of the excessive demands made by way of taxation both by the State and the local financial authorities, and, secondly, because the present method and imposition of taxation do not recognise sufficiently that Czechoslovakia is primarily an exporting country which must compete in foreign markets. This is the first Budget in which the whole expenditure upon capital investment is included, and though new expenditure to the extent of 800 million Kc—450 million Kc for increases of pay to the underpaid State employees, 37 million Kc for pensions, and 109 million Kc towards the consolidation of the pre-war debt—has been incurred, still there is a small surplus of 20 million Kc. Revenue was estimated on the basis of the actual yield of the past two years, and the following expenditure items seem to indicate the right kind of development:—

(In Millions of Kc.)

	1926.	1927.	Difference.
Ministry of National Defence..	1,935 ..	1,370 ..	—565
Education	782 ..	766 ..	+ 16

(The latter should also be increased by 325 million Kc. entered under another section.)

Dr Englis, during his whole period of office, has aimed at the removal of the floating debt. Last year 1,000 million Kc were wiped off, so that it now stands at 4,600 million Kc. In addition, he has made the first attempt at the establishment of a sinking fund by allocating a portion of the State income from taxes to the consolidation of the State debt, and is setting aside 600 million crowns every year for annuities.

The Budget figures were as follows:—

	(Kc. 000's omitted)	
Revenue.....	Expenditure.....	Surplus.
9,723,914	9,703,505	20,409

While the sugar beet output for the season 1925-26 is easily a record (both for pre-war and post-war years), all is not well with this industry. High taxes and the extent to which some of the refineries are indebted to the leading banks prevent healthy development.

That the English coal strike may not turn out to be such a great boon to the Continent as was at first expected is now beginning to be generally realised, and nowhere more than in Central Europe. A shortage of coal on the home market is just beginning to make itself felt, which may soon necessitate a partial—if not complete—prohibition of exports. A shortage of wagons has prevented the Czechoslovak coal trade from benefiting to the extent which it might have from England's misfortune. Bohumin (Oderburg), on the Czech-Polish frontier, and the chief outlet for the Moravska-Ostrava coalfield, is so congested with accumulations of coal transport that the position has called for immediate attention. The most important effect of the strike upon Czechoslovakia has been that coal can now go South, especially to Italy, where formerly it was impossible to compete with England. According to reports issued by the Ministry of Works, the output of coal in the third quarter of the year shows an increase of 17 per cent., and exports are higher by 80 per cent., totalling 1,646,860 tons. Of this latter amount, England imported 234,899 tons of pit (i.e., black) coal.

Negotiations preparatory to Czechoslovakia's entry into the new European Steel Trust have hitherto been unsuccessful owing to disagreement, not upon the quota of 1,500,000 tons which was to be this State's share, but as to the distribution of this quota among the various home concerns, and endeavours are being made at the present to win the support of the one company which still stands out.

Commercial relations, on the basis of most-favoured-

nation treatment, have been established with Japan, Hungary, and Turkey, and a satisfactory arrangement with Canada has been arrived at which will be signed during the next few days. The commercial negotiations with Germany are likely to be protracted in view of the conflicting interests on both sides. But some better understanding is much desired by this State, 23 per cent. of whose exports go to Germany, and 18 per cent. of whose imports come from that country. Austria's sudden denunciation of the supplementary agreements to her commercial treaty (of 1921) with Czechoslovakia has come as a great surprise, especially as it was thought that this matter would have been satisfactorily arranged in the meetings planned for January next. Such an arbitrary step is regarded here as a hindrance to the stabilisation of commercial relations in Central Europe.

Trade is still very slow in many of the principal industries, but the general feeling seems to be that the economic crisis has passed its worst stage. The number of unemployed is now 76,000, i.e., 2.1 per cent. of the whole body of workers. Orders to the value of 81 million Kc (over £500,000) have just been placed here by the Soviet Trade Mission in Prague. These are principally for engineering plant.

The trade balance for September was as follows:—

	(000's omitted.)		Surplus
	Imports.	Exports.	of Exports.
In tons.....	735,038	1,256,319	521,281
In Kc.	1,367,087	1,482,890	115,803

The figures show a favourable tendency.

ROUMANIA.—OPENING OF PARLIAMENT—LOAN NEGOTIATIONS—CURRENCY STABILISATION—CROPS AND TRANSPORT—OIL EXPORTS—BOURSE.

(FROM OUR CORRESPONDENT.)

BUCHAREST, November 20.

THE Royal Message read at the opening of Parliament on the 14th gave the first authoritative outline of the legislative programme of a Government which took office eight months ago. The Message itself provides sufficient explanation for General Averescu's reluctance to come to grips with the Chamber. In so far as it deals with the pacific and successful policy of the Government in foreign affairs—and it does so at considerable length—the Press has no unfavourable criticism to offer. The programme of internal legislation which it foreshadows, however, has been badly received, the main comment being that Roumania's major problems—i.e., currency stabilisation, foreign loans, drastic revision of the basis and methods of taxation, railway reconstruction, &c.—are to be left untouched. The inference now is that the Averescu Government intends merely to "mark time" for a few months until the former Bratianu régime is ready to return to power with a new economic policy designed to encourage foreign capital to enter Roumania under conditions less onerous than those imposed in the past. In other words, the shelving is implied of the "through ourselves alone" policy which has inspired most of the Bratianu post-war economic legislation.

In the meantime, however, the Averescu Government is apparently not without hope of securing foreign loans, and there have been persistent reports in the Press during the past week or two that London bankers have offered to float a £30,000,000 loan for the National Bank, £10,000,000 to be set aside to assure the success of an operation for establishing lei exchange, and £20,000,000 for re-equipping and extending the country's transport services. To guarantee the services of the issue, it is stated, the bankers suggest that the Government should earmark its minimum 2 per cent. royalty on all oil produced in Roumania, and, in addition, permit the bankers to exercise some control over the revenues of the State railways during the life of the loan. While welcoming the reported offers, the Bratianu newspapers were prompt in reminding the Government that no loan conditions threatening Roumania's complete financial and economic independence would be acceptable. There the matter rests for the present.

Opinions are very much divided on the question of currency stabilisation. The business community would, of course, welcome any feasible scheme for restoring some degree of stability to the lei. With the actual gold holdings of the National Bank only about 2 per cent. of the outstanding currency circulation, however, any stabilisation plan would have to be almost wholly dependent on foreign credits. Moreover, Roumania by legislation enacted a year or so ago is already committed to a so-called 15-year revalorisation programme, and the Bratianus have certainly given no indication yet that they would accept an immediate devalorisation of the lei in place of their revalorisation plan. During the life of the present Government, therefore, any attempt permanently to stabilise exchange is very unlikely.

The harvesting of the crops has been completed under very favourable conditions, so much so that the Ministry of Agriculture has raised the estimated yield of maize from 51,000,000 to 57,000,000 metric quintals. The final estimate of wheat is 30,000,000 quintals, rye 2,800,000, oats 11,600,000, and barley 16,800,000. On the basis of the latest estimate, this year's maize crop is nearly 50 per cent. greater than in 1925, and, figuring internal requirements at around 30,000,000 quintals, the balance available for export should be more than 25,000,000—or 2,500,000 metric tons. Assuming that there would be no export of other grains, a recognised authority claims that—with transport facilities in their present condition—it would take Roumania two years to move out 2,500,000 tons of maize. This claim may be somewhat exaggerated because of the abnormal conditions which at present prevail in the grain export trade, first because of the extremely low prices now being offered, and secondly because the scarcity of ocean tonnage and high freight rates resulting from the British coal strike have brought the outward movement of grain and timber from Roumania—at least from the lower Danube ports—almost to a standstill. The high hopes that had been entertained of an intensive grain export movement this autumn have now vanished completely.

The export of oil products, however, has not been affected by the British strike, and the outward movement from Constanza has been extremely active during recent months. During the first nine months of the present year Roumania exported slightly over 1,000,000 tons of oil products, which is almost double the comparative figure for 1925. More than 150,000 tons per month are now being shipped out. In view of the impending winter traffic disorganisation, however, and the inability of the transport services to keep up with the increasing refinery outputs, crude production is now being shut in and new drilling curtailed. In consequence, the daily crude output, which a few weeks ago reached a new high "record" of 12,000 tons, is now back to 10,000. Even a daily output of 10,000 tons, however, which means about 5,000 for export, is more than the railways and the Constanza pipelines will be able to handle during the winter months.

With more borrowers than lenders at 3 per cent. per month, there is obviously no money available in Roumania for Bourse speculation. In consequence, the security markets are flat, with very little business passing. For four years now the Bourse—with intermittent rallies, of course,—has had to withstand a steady flow of liquidation, and values on a gold basis have shrunk to a very low level. They can hardly go lower, but, on the other hand, a pronounced upward swing seems out of the question until the prevailing money crisis has been weathered.

NORWAY.—THE RISE OF THE KRONE—INCREASED UNEMPLOYMENT—EFFECT OF BRITISH COAL DISPUTE—SEPTEMBER TRADE.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, November 17.

THE relation of the Norwegian krone to foreign currencies is still one of the most prominent economic questions of the day, and recent events have brought still more immediate importance to this problem. Since October 13th, when the Norges Bank decided to discontinue its purchase of foreign currencies, the rate of exchange for

sterling has fallen off from 22.20 to 19.75, where it remained unchanged from October 22nd till November 16th, although in the open market transactions took place at rates ranging from 19.30 to 19.50. It was obvious that a new rise of the krone was anticipated, and yesterday a considerable amount of sterling was offered at 19.15, while the official rate was only reduced to 19.45. To-day, again, sellers of sterling dominated the market, and with the Norges Bank's quotation at 19.10, the market closed with sellers somewhat below 18.80.

As will be seen from the above, the rise in the value of the krone equals about 15 per cent. in five weeks, and although a downward movement in prices has been perceptible for some time, it is quite clear that the disproportion between the internal and the external value of the krone is still very considerable. The difficulties which this sudden appreciation of the krone presents to private business life are so manifold that to enumerate them would lead too far, but they are already notoriously manifested by reduced hours and employment in factories and workshops all over the country. But by far the most serious thing in connection with the krone rise is the fact that public debt is not being reduced in a corresponding proportion. Both State and municipalities will be faced with unprecedented difficulties when trying to balance future budgets, and radical measures will have to be taken to cut down expenditure all along the line.

However, much has already been achieved in this direction, and it must be admitted that—everything taken into consideration—a return to gold parity, which seems to be the natural course, would be less embarrassing now than it would have been at an earlier juncture. The real crisis undoubtedly fell in the spring of 1923, when the many bank calamities threatened the country with economic ruin, and the general impression is that the country has stood the strain of the rapid appreciation of the currency and the consequent deflation process better than might have been anticipated.

To counterbalance the extraordinary conditions caused by the rise in the value of the krone, and as a result of a pronounced easement on the money market, the Norges Bank, on the 27th ult., further reduced the discount rate to 4½ per cent., the preceding reduction having taken place only six weeks earlier. This is the lowest bank rate on record since 1916, and our discount rate is now lower than that of the Bank of England. Most of the private banks simultaneously reduced their deposit rates from 2 to 1 per cent. for call money, and from 3½ to 4 per cent. to 3 respectively, 3½ per cent. for deposits on three and six months' notice. In spite of these low rates, bank deposits do not seem to decrease, judging by the latest weekly returns of the big Oslo banks, which reveal an expansion of deposits of nearly 10 million kroner.

The latest unemployment figures show an alarming increase, especially considering the fact that the real winter season, when unemployment usually is at its highest, has not yet set in. As in October about 40,000 men were out of work, as compared with only 27,000 in October, 1925, this unfavourable position must be seen in connection with the exchange situation and the British colliery strike. The coal deadlock has been the source of difficulties not only to industry, but also to the railway and steamship service, and its solution will therefore be greeted with satisfaction all over the country.

The foreign trade returns for September show an excess of imports of about 42 million kroner, which is considerably above that of any previous month during the current year. This unfavourable proportion is chiefly accounted for by the paper strike, which reduced the value of exported woodpulp and paper by nearly 20 million compared with September, 1925. Compared with the first nine months of 1925, however, the surplus of imports during the same period in 1926 is reduced from 289 million to 208 million kroner. The stock market has been unusually active during the last week or two, and the present favourable position on the freight market has brought about an appreciable rise in most of the shipping shares.

ARGENTINA.—GENERAL CONDITIONS—TRADE BALANCE—FREIGHTS—THE BRITISH COAL DISPUTE—CROP ESTIMATES—GOVERNMENT FINANCING.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, October 29.

THERE is little change to report in the situation to-day, except that having passed through another month, the importers have time on their side in the matter of eliminating the surplus stocks with which the market had been flooded, and the noticeable decrease in imports during the past few months is all to the good. Business in general still remains on the restricted side, both because of the slow process of getting rid of this glut and the lower values offering for the main products of the country, and for some time yet the business world will evidently be obliged to adopt a cautious policy. In the circumstances it is pleasing to report that the declared liabilities in the September bankruptcy cases were the lowest for the year, amounting to \$11,267,550, as against \$15,398,567 in August, and \$11,974,601 in September last year. This, however, still leaves the fact that the total for the nine months, \$122,419,600, compares badly with the corresponding figure last year, which was \$89,877,615, and altogether it looks as if 1926 will end with something of an inglorious reputation in this respect. Banking business is naturally suffering, the tendency being for deposits to increase, while discounting continues sluggish. From 7½ to 8½ per cent. is being charged for advances on current account, and from 6½ to 7½ per cent. for discounts. The exchange market has remained very dull throughout the month, sight rates on London and New York holding fairly steady to-day at about 45½d and \$107.80 respectively. The tone on the Bolsa is quite satisfactory, the outstanding feature being a lively speculative movement in the shares of a local oil concern (Astras), which imparted some degree of activity to a section of the market which in the ordinary way suffers from the preference for public securities.

The following official statistics covering the first nine months of the year show the position in regard to exports:—

	VALUE (gold pesos).			
	January-September.		Difference.	
	1925.	1926.		%
Pastoral	289,170,563	255,367,845	—33,802,718	13.2
Agricultural....	376,993,793	337,030,659	—39,963,134	10.6
Forestral	15,505,321	14,689,314	—816,007	5.3
Other produce ..	10,659,652	10,534,249	—125,403	1.2
Totals ..	692,329,329	617,622,067	—74,707,262	10.7

	VOLUME (tons).			
	January-September.		Difference.	
	1925.	1926.		%
Pastoral	1,117,056	1,103,782	—13,274	1.2
Agricultural....	6,830,799	7,532,997	+702,198	10.2
Forestral	279,315	230,842	—48,473	17.4
Other produce....	353,252	320,155	—33,097	9.4
Totals	8,580,422	9,187,776	+607,354	7.0

The corresponding returns for the first quarter showed decreases in both volume and value (13.2 and 22.6 per cent. respectively), while by the end of June the tonnage had increased by 13.6 per cent., and the reduction in value had dropped to 10.3 per cent. A decline in meat and wheat shipments, the values of which are down \$19,366,142 and \$66,091,537, is more than offset by larger shipments of linseed, maize, barley, oats, rye, wool, and various other commodities but unfortunately this only ameliorates the adverse comparison with last year, due to the general price depreciation. One effect of the turn for the worse in market conditions has been to deprive the national exchequer of a useful amount of revenue, since the values of many of the exports have dropped below the basic figure fixed for taxation purposes. Thus, out of the total value given for the nine months under review, \$214,118,000, or 34.6 per cent., represented produce which left this country free of duty, whereas the proportion in the same period of last year was not more than 22.5 per cent. This has contributed to a reduction in the total revenue from \$479,137,167 in January to September, 1925, to \$451,833,081, the falling-off being largely due to lower receipts from both export and import taxes. It may be added that no information has yet been published

as regards imports later than the figures for the first quarter, so that the effect of the comparatively poor export position on the balance of trade can only be guessed at.

Everyone in this country is praying for an early settlement of the coal strike, the long duration of which has aggravated an already unsatisfactory state of affairs. At a time when low freights are eminently desirable to clear off our relatively low-priced production, tonnage is exceedingly scarce and expensive. Notwithstanding daily rumours that the dispute is on the verge of a settlement, the freight market continues strong and active, and prices are soaring. Typical rates are 42s 6d from up-river or Bahia Blanca to the United Kingdom or Continent, and a couple of days ago 52s 6d was agreed upon, San Lorenzo to U.K. or Continent, for a boat of 7,000 tons, November 25th cancelling, with option of December 5th at 50s. Both coal and tonnage are badly wanted, and even in the event of an immediate end of the strike it will take some time to ease the position. According to the calculations of the Ministry of Agriculture, the exports of wheat and flour from January 1st to the end of September, amounting to 2,091,470 tons, should have left an exportable surplus from the last harvest of 1,120,171 tons, while in the case of linseed the export is given as 1,381,576, and the surplus as 377,713 tons. As regards future prospects, the same Ministry has issued its second estimate of the area sown with wheat, linseed, oats, barley, rye, and birdseed showing a total of 12,425,400 hectares. This represents an increase of 150,400 hectares over last month's preliminary calculation and one of 253,040 hectares, or 2.1 per cent., as compared with last year, while the advance on the figure for the season 1912-13 is as much as 22.1 per cent. The final estimate still remains to be issued, but this is not expected to show any material variation on the total as given.

Two important financial operations have recently been arranged in New York on behalf of the Argentine Government by Messrs J. P. Morgan and Co. and the National City Bank. The first related to the private sale of \$20,000,000 six months Treasury bills, and the second to the public issue of \$16,900,000 34 years 6 per cent. bonds at a price of 98½, this being quickly over-subscribed. The bulk of the last-mentioned loan is to meet certain liabilities of the State railways, but it is understood that a small proportion will be sent here. Evidently there is nothing wrong with Argentine credit at the present time, notwithstanding the fact that the commercial position just now is none too brilliant, and, indeed, the good work of President Alver to place the finances on a thoroughly sound basis is meeting with its reward.

Letters to the Editor.

THE BRITISH TYRE INDUSTRY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—After some trouble I have got together statistics which would not appear to confirm the criticism of British tyre salesmanship made by Mr F. Webster in a paper recently read by him before the Manchester section of the Institution of the Rubber Industry.

"It is quite true," said he, dealing with export business, "that American figures are much higher than ours, and, moreover, it is likewise correct that progress on the part of our rivals is much faster."

Is it? Here are the motor cover exports of Britain and America for the five complete years from 1921 to date, with the percentage of increase and decrease for each year:—

	U.S.A.	Increase.	United Kingdom.	Increase.
		%		%
1921	840,000	..	163,000	..
1922	1,326,000	.. + 57½	271,000	.. + 66½
1923	1,363,000	.. + 2½	397,000	.. + 46½
1924	1,389,000	.. + 2	550,000	.. + 38½
1925	1,770,000	.. + 27½	872,000	.. + 58½
Total percentage of U.S.A. Total percentage of United Kingdom increase over four years, 111%. increase over four years, 435%.				

Far from the progress of our rivals being "much faster" than ours, it will be noted that in no year have American sales increased by a higher percentage than British sales. If, then, Mr Webster had thought fit to say that the rate of

American progress was much slower than ours the statement could not have been challenged.

He might have added that the total export figures for this country are vitally affected by the fact that one big British manufacturer secures business overseas by establishing factories abroad to get it on the spot.

He might have pointed out that, despite this circumstance, a handful of British factories are actually exporting to-day more than half the total number of covers sold by one hundred and sixty American manufacturers.

He does not mention these facts for one simple reason—the British salesman is always the pessimist, his American cousin the universal optimist.—Yours faithfully,
London, November 24th, 1926. "STATISTICIAN."

DEBT AND UNREST.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your issue of the 13th inst. your correspondent Alfred Hoare writes:—

"(1) Income-tax, unlike local rates on an assessed annual value of a factory, is not an expense which enters into cost of production; it therefore does not to any appreciable extent hinder output."

This appears to be a general opinion, and I shall be glad if you will allow me to try and briefly correct this false idea.

Local rates assessed on the tenant occupier certainly enter into cost of production, but tend to leave a smaller margin for rent—i.e., they tend to reduce rents. The methods of collecting that part of local rates which are not for services rendered so far as business is concerned is wrong in that it is not related to ability to pay. But the advantage of local rates over income-tax is that it is more direct, and only applies to buildings with land and has not the many ramifications of income-tax. That municipalities should collect yearly more than the landlord in a great many cases is certainly ridiculous. But, as Henry Ford says, taxation breeds poverty, and a large slice of local rates is for the education and relief of the poor.

Mr Alfred Hoare is deluded, in common with most others, in thinking that income-tax is a direct tax and does not enter into the cost of production.

Income-tax (Sch. A) increases all rents and, commencing with the rent of the coal miner, farm worker, &c., proceeds through every stage of production, transport and manufacture, multiplied by gross profit and augmented by the further Schedule A tax at each stage.

Income-tax (Sch. B) increases the rate of interest on mortgages, &c.

Income-tax (Sch. C) increases the general rate of interest. Income-tax (Sch. D) increases the cost of the articles produced in business concerns, and if it is a raw or semi-manufactured material the increase is multiplied by gross profit to the next handler.

Income-tax (Sch. E) increases the cost of Government, corporation and public company administration, and so increases national and local taxation. The increase caused by the tax in public company administration is multiplied by the net profit in the cost of raw or semi-manufactured articles or in the transport or distribution of the same.

Each of the income-tax schedules increases the cost at various stages of production, and except where the income-tax payer is dealing with the consumer the increase is compounded at gross profit ratios.

Although these increases due to income-tax at various stages of production may be relatively small as percentages, their aggregate value is a large proportion of the £330 millions collected under the Income Tax Acts. The compound accumulation of these increases at 33½ or 25 per cent. gross profit ratios, together with additions at each of several or many stages of production, must be enormous, and is reflected in the high cost of living and production, but has probably a more disastrous effect in the wasting of assets and the destruction of capital.

Income-tax in its present form and magnitude is the most indirect tax it is possible to conceive. Truly, it is collected at the source, and tends to dry up every river of commerce.—Yours truly,
J. J. E. SLOAN.

Holmsfield House, Liverpool, November 18th, 1926.

Books and Publications.

THE OIL WAR.*

THIS is a readable account of the political implications of the commercial fight for oil territory, with a brief introduction by Mr. Hartley Withers. It is written by the Lecturer of Political Geography at the University of Oslo, and is conspicuously free from bias. The author makes

* "The Oil War." By Anton Rohr. Martin Hopkinson and Co. 7s 6d net.

full use of the recent literature that has appeared on this complex subject, but, as is common with students of politics who are not in actual touch with the oil industry, he makes a number of mistakes. For example, no one with any knowledge of the oil business would regard British Controlled Oilfields as an important instrument of British oil policy—"carrying on open warfare against Standard Oil in the same manner as this is done by Royal Dutch and the D'Arcy Exploration Company"—or as having acquired "in recent years a surprising number of the most valuable oilfields around the Caribbean Sea." Such statements show that the author is dependent for his story upon what he has read in books and articles (mostly unreliable), and not upon any real experience of the oil situation. We doubt whether even his main theme that "in all parts of the world the oil war is being waged with the same ruthless intensity"—is tenable at the present day. Iraq, which is probably the world's biggest potential oilfield, has been parcelled out among the contending nations or combines. There is no outstanding territory left that invites an international scramble. The opposing oil groups are still as keenly competitive as ever in acquiring new concessions, but they are finding themselves more often united in a common defensive against the "attacks" of foreign Governments, as, for example, in Russia, Mexico, and Roumania. The author's wholehearted sympathy with the Mexican Government will be found a little strong for the ordinary taste. He really should not suppose that every political intrigue of an oil company is inspired by the Government of that company's native country. The British Government's holding of Anglo-Persian oil shares is no doubt largely responsible for this illusion. That holding, the child of Mr Winston Churchill's genius, has turned out to be a great financial success, but that is as far as it goes. Governments are not taking the same interest in oil questions as they did after the war, when the spoils of victory were being divided. Probably none of them now believes in the idea of a world oil shortage.

BOOKS RECEIVED.

Banker and Customer. By S. Evelyn Thomas. (St. Albans) Donnington Press, 40-42, St. Peter's street. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 12s 6d net.

This volume aims at giving students and practical bank men an up-to-date exposition of the principles and practice of banking as conducted in this country.

What Price Progress? By Hugh Farrell. (London) G. P. Putnam's Sons, 24 Bedford street.

The question which this book poses and answers is: "Is America keeping step with the rest of the world in the application of science to industry?" A fairly comprehensive review is given of the present state of the industrial arts in America.

Land Planning in the United States for the City, State, and Nation. By Harlean James. Preface by Richard T. Ely, introduction by Albert Shaw. (London) Macmillan and Co., Limited, St Martin's street. 21s net.

An American study of land-planning, both urban and agricultural. The following sentences may be taken as the keynote of Miss James' theme:—"In the future we must plan ahead and make the best possible use of land, both rural and urban, if we are to maintain or improve the comfortable standards of living which we have set up." "We need less independent action and more team work."

Imperial Defence. By Stephen King-Hall. (London) Ernest Benn, 154 Fleet street. 9s net.

The British taxpayer is paying £116 millions for Imperial defence. The aim of this book is to explain to him why he pays it and what he gets for it.

The Imperative Need for Public Economy. By Francis W. Hirst. (London) League to Enforce Public Economy, 20 Essex street. 3d.

A memorandum on the recent growth of national expenditure and taxation, containing a criticism of Mr Churchill's Budgets and an appendix on the French scheme of economy.

The British Public and the General Strike. By Kingsley Martin. (London) Hogarth Press, 52 Tavistock square. 3s 6d.

An examination of the issues involved in the general strike, the expressions of public opinion, the conduct of the public, and the relation of the strike to the constitutional position.

Economic History of England. By M. Briggs. (London) University Tutorial Press, Limited, High street, New Oxford street. 8s 6d net.

This book is an attempt to give within a "reasonable" space—in fact, it is over 540 pages—an elementary account of the economic development of England down to the present day.

The Libelle of Englyshe Polycye. A Poem on the Use of Sea Power, 1436. Edited by Sir George Warner. (London) Oxford University Press, 11 Warwick square. 10s 6d net.

This poem was written in 1436. Its main purpose was to show that the future greatness of England depended upon the development of trade and the right use of sea-power. This is the first critical edition of the poem. The editor, Sir George Warner, was formerly Keeper of Manuscripts and Egerton Librarian at the British Museum.

Statistical Abstract of the United States, 1925. (Washington) Government Printing Office.

Represents a digest of the data collected by all the statistical agencies of the U.S. Government, as well as of those of some private agencies and one or two States. It is, in fact, a condensed but comprehensive summary of statistical data, covering all the business and activities of the American nation.

Questions and Problems in Accounting. By Russell A. Stevenson and R. Emmett Taylor. (London) Macmillan and Co. 8s 6d net.

This book consists of questions and problems in the principles of accounting, and refers mainly to American practice.

The Motion Picture in Its Economic and Social Aspects. (Philadelphia) Annals of the American Academy of Political and Social Science, November, 1926.

Will be read with interest by English readers, in view of the recent deliberations of the Imperial Conference on the same subject. Various writers contribute papers on the technical, literary, educative, and commercial value of the motion picture.

International Crop Report and Agricultural Statistics. November, 1926. (Rome) International Institute of Agriculture.

The "Express" Metric Quotation Reckoner. By J. Gall Inglis. (London) Gall and Inglis, 31 Henrietta street.

A useful little book enabling a conversion to be made at a glance from British weights and measures to a metric basis. *Lloyd's Calendar, 1926.* (London) Lloyd's, Royal Exchange. 3s 6d.

As indispensable as ever as a reference book on all matters concerned with the shipping world.

The Round Table, December, 1926. (London) Macmillan and Co., St. Martin's street. 5s net.

Includes articles on "Anglo-American Relations" and "India: Political and Constitutional."

Bulletin of the British Library of Political and Economic Science. November, 1926. London School of Economics, Houghton street, Aldwych, W.C. 2. 6d.

Includes a useful bibliography on the subject of International Cartels.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Department of Overseas Trade: Reports on the Financial and Commercial Situation of Austria. September, 1926. 1s 6d net.

Return relating to all Authorised Gas Undertakings in Great Britain for the year 1925. Part I. Particulars relating to the manufacture and supply of gas. Board of Trade. 1926. 5s net.

The return deals with all authorised gas undertakings, a total of 781. The quantity of gas made and sold is shown both in cubic feet and therms, the latter in some cases being estimated. The quantity of gas made in 1925 showed an increase of 3.1 per cent. as compared with that of 1924, but the amount of coke, breeze, and tar showed a slight falling off.

Treaty of Mutual Guarantee, between the United Kingdom, Belgium, France, Germany, and Italy; Locarno, October 16, 1925. Cmd. 2764, 1926. 3d.

Contains the text of the famous "Locarno Pact." *League of Nations: Forty-First and Forty-Second Sessions of the Council; Report by the British Representative.* Cmd. 2761, 1926. 4d.

The Mineral Industry of the British Empire and Foreign Countries: Statistical Summary, 1923-1925. Imperial Institute. 8s.

A useful compendium of the world's production, imports and exports, of 49 different minerals, including gold, silver, platinum, coal, iron and steel, quicksilver and diamonds, prepared by the Mineral Resources Section. A bibliography of current statistical publications in many countries is appended.

BARCLAYS BANK LIMITED.

Head Office: 54 Lombard Street, London

AUTHORISED CAPITAL . . . £20,000,000
ISSUED CAPITAL . . . £15,858,217
RESERVE FUND . . . £9,250,000
DEPOSITS, etc. (30th June, 1926) . . . £304,247,460

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C.3.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
December 7. December 9.

THE damp squib conclusion to the coal dispute has had little influence over prices in the Stock Exchange markets, where the main factor continues to be the effect produced by Paris operations in speculative inter-bourse issues. The fortnightly account, which finished on Thursday in this week, has proved a quiet one, with business running on humdrum lines, although plenty of excitement is afforded by wild movements in a few outstanding features.

The investment market is steady, with the War Loan at 100, though dulness has occurred in Conversion 3½ per cents. Stock exchange talk runs on the probability of income-tax being increased in the next Budget, as a corollary to the losses sustained in consequence of the coal dispute. Various recently-issued Colonial and Corporation stocks have been in quiet demand.

Chinese bonds are better, on speculative purchases that have for their foundation vague reports of conditions in the country having become less disturbed. Mexicans, however, remain weak. Brazilians moved erratically. In the European group Belgian Sevens stand at the highest price hitherto recorded, namely, 7½ premium above the issue price of 94. French Government bonds are being picked up by people, who, recognising the 7 per cent. yield now offered, regard them as a healthy speculation rather than as a gamble.

Nothing seems to assist Home Railway prices for long. The disposition of the market is again heavy, by reason of the approach of dividend-time and the fears that this arouses in regard to the outlook for the second half of 1926 distributions. Brazilian Tractions recovered sharply, upon a statement by the board of the company to the effect that they would offer opposition to the proposal for including Brazilian Traction in a wider group. The Argentine railway market is quiet. Paraguay Central "D" debenture gave way upon the issue of a report which is considered disappointing. United of Havana recovered several points, thanks to the better outlook which opens for sugar, this having also a favourable influence over prices of shares in sugar-producing companies.

The rubber market is almost asleep. Tea shares give little signs of vitality. The oil market has subsided into quiescence. In the shipping, banking, and insurance groups there is nothing much doing. On the other hand, shares in the drapery and stores companies have been greatly stirred, and, in various cases, the prices have been run up on rumours to the effect that amalgamations are in contemplation, agreements that would, if carried out, give the shares substantially higher values than have been ruling of late. The air is thick with hopes and expectations. It is difficult to buy shares in a number of the well-known drapery and similar concerns. Dunlops have been another feature of strength, the advance accompanied by all kinds of rumours, amongst which may be mentioned the talk of distribution of American assets, the writing-up of the share capital and the prospect of a handsome dividend. Every rumour must be treated with great reserve.

Amongst textiles Courtaulds have been moving within unusually narrow limits, but buying of other artificial silk shares resulted in a good turnover of business and a general improvement in prices. The iron and steel market is inclined to improve. There has been a mild rise in a few of the popular brewery shares. The wireless division is uninteresting, and cable stocks, with the shares in the construction and equipment companies, hold their prices. London electricity supply issues are very quiet. Sudan Plantations, after a drop to 4½, recovered to 5½. Swedish match were a good spot. Tobacco shares are halting, though Carreras remain in demand.

The Kaffir Circus, with a few leading Rhodesians, moves at the nod of Paris. Diamonds are somewhat tender, owing to the discoveries of diamonds upon new areas. The tin share market is in a sensitive state, although the strength of the metal fortifies the bulls. Canadian and Russian mining shares dwindle from lack of public interest.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital, £	Cash Subscription, £	First Payment, £	Further Liability, £
ISSUES OF THE WEEK—				
Amount previously recorded	199,953,490			

NATIONAL SAVINGS CERTIFICATES.

April 1, 1926, to November 20, 1926, Dr £2,350,000.
Net sales week ended November 20, 1926, Dr £50,000.

To the Public—				
London Power Co., £4,000,000 5% Deb. Stock, at 95, red. at par finally on Oct. 1, 1926 (Nov. 26)	4,000,000	3,800,000	200,000	3,600,000
Government of Newfoundland, £1,027,300 5% Bonds to Bearer (repayable at par Dec. 31, 1951), issued at 99% (Nov. 22)	1,027,300	1,017,027	51,365	965,662
Ealing Corporation, £750,000 5% Red. Stk., at 99%, red. at par 194-1-1, 1950 (Nov. 24)	750,000	742,500	37,500	705,000
United British Steamship Co., Limited, 200,000 Shares of £1 each, at par (Nov. 22)	200,000	200,000	10,000	190,000
Para Plantations, Limited, 2,000,000 Pref. Ord. Shares of 2s each, at par (Nov. 24)	200,000	200,000	50,000	150,000
Cedar Investment Trust, Lim., 120,000 7% Cum. Pref. Shares of £1 each, at par (Nov. 23)	120,000	120,000	12,000	108,000
Total offered to the Public		6,079,527	360,865	5,718,662
To Shareholders only—				
Bank of New Zealand 468,750 "D" £1 Shares, at par	468,750	468,750	117,187	351,563
Adelaide Elec. Supply, 250,000 6½% "C" Cum. Pref. Shares of £1 each, at par	250,000	250,000	125,000	125,000
Tin Selection Trust, 250,000 Shares of £1 each, at 25s per Share	250,000	312,500	312,500	..
Amal. Rubber & Gen. Estates, £250,000 7% Convert. Deb. Stk. (Red. at 105%, Jan. 1, 1935, to April 1, 1940) iss. at par	250,000	250,000	125,000	125,000
Clydesdale Invest. 25,000 £10 Sh. at £12 15s per Share	250,000	318,750	93,750	225,000
Shropshire, Worcestershire, and Staffordshire Electric Power, 150,000 "B" Ord. Shares of £1 each, at par	150,000	150,000	18,750	131,250
Heppells, 150,000 7% Cum. Pfg. Pref. Shares of £1 each, at par	150,000	150,000	37,500	112,500
Ever Ready Co. (Gl. Brit.) 71,200 Ord. Shares of £1, at 50s per Share	71,200	178,000	71,200	106,800
Bryant and Langford Quarries 65,000 7½% Cum. Pfg. Pref. Shares of £1 each at par	65,000	65,000	8,125	56,875
Total offered to shareholders		2,143,000	909,012	1,233,988
Total offered for subscription to date in—				
1925	208,126,017	1925	231,914,268	
1926	208,794,177	1926	209,326,100	
1927	182,134,775	1927	271,393,173	
1928	259,169,608	1928	573,675,660	
1929	560,840,957	1929	388,978,203	
1930	325,809,861	1930	367,549,666	

Government of Newfoundland.—This is an issue of £1,027,300 5 per cent. bonds to bearer of £100 each at £99 per cent., redeemable at par in 1951. The bonds are a direct obligation of Newfoundland. The total debt, including the present issue, is given as £14,798,393; the population is 262,979. There is also a temporary loan from the British Government of £400,000, while loans to municipalities total £394,348. The amount standing to the credit of the sinking fund account is stated to be £309,867. Revenue for the year ended June 30, 1925, was £2,162,223, expenditure being £2,090,921. The proceeds of this issue are required to cover expenditure in connection with docks, railways, light-houses, development of natural resources, and other essential public services. A well-secured bearer bond.

Ealing Corporation.—This is an issue of £750,000 5 per cent. stock at £99 per cent., redeemable 1946-50. Principal and interest is secured upon all the properties, rates and revenues of the corporation, and a sinking fund for the redemption of the loan is required to be established. The rateable value is £752,510, a penny rate producing £3,000. The outstanding debt is £1,206,510, and the population is estimated at 91,000. The proceeds of the present issue will be applied for electricity works, street improvements, housing, sewerage, and other purposes, and paying off existing loans. This is a good trustee investment.

The London Power Company, Limited.—Issued share capital £50,000, divided into 50,000 shares of £1 each, carrying a fixed dividend at the rate of 6 per cent. per annum. This is an issue of £4,000,000 5 per cent. redeemable debenture stock at 95 per cent., there being £3,000,000 of stock already issued. The stock is constituted a charge on the undertaking and on the revenues of the company by the London Electricity Act, and beginning with the year 1927 an amount not less than 1 per cent. of the amount outstanding will be applied out of the statutory sinking fund in redemp-

tion of the debenture stock. The company was formed in January, 1920, as a private company under the name of the London Electricity Joint Committee (1920), Limited, to secure the co-operation of the London electricity supply companies in the promotion of a scheme for the better development of the supply of electricity in London and Middlesex and neighbouring districts. The company became a public company and changed its name on the passing of the London Electricity (No. 2) Act, 1925, by which it agreed to purchase the freehold of the Willesden and Amberley road generating stations and certain transmission lines of the Metropolitan Electric Supply Company, Limited, and to take on lease the generating stations and main transmission lines of the other constituent companies (the constituent companies consisting of ten London electricity supply companies), on terms under which such stations and lines will be acquired by the company in or before 1971. It is now operating these generating stations, and is supplying the constituent companies with the energy required for the purposes of their business. Each of the ten constituent companies has agreed with the company that if in any year the receipts of the company on revenue account are insufficient to meet the charges upon it, including debenture stock interest and sinking fund, each company will provide a part of the deficiency equal to it during the year bears to the total amount paid for electricity supplied by the company. The aggregate of units sold by each of the ten constituent companies during each of the last three years has been as follows:—1923, 190,657,426; 1924, 215,952,957; and 1925, 263,113,970. The final arrangements in connection with the taking over by the company of the various properties have been practically completed, and the proceeds of the present issue are required to complete these arrangements, to pay for the extension of the generating stations and lines, and other purposes. An excellent public utility issue.

South Staffordshire Waterworks Company.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued stock capital, including premiums (net) of £1,784,325, together with an issued or exercised loan capital of £814,510, consisting of £276,969 (nominal) 4 per cent. permanent debenture stock, £21,801 premiums obtained on the foregoing, £500,000 (nominal) 5 per cent. irredeemable debenture stock, and £15,740 capitalised rent charges. The £500,000 5 per cent. irredeemable debenture stock ranks *pari passu* both as to capital and interest with the existing 4 per cent. permanent debenture stock. The company, it is stated, has sold the £500,000 5 per cent. irredeemable debenture stock at 94½ per cent. The company was incorporated in 1853, and supplies water for all purposes in an area of about 300 square miles, supplying the boroughs of Burton-on-Trent, Dudley, Smethwick, Sutton Coldfield, Walsall, Wednesbury, and West Bromwich. Prospectusless.

Cedar Investment Trust, Limited.—Issued share capital £480,000, divided into 30,000 7 per cent. cumulative preference shares of £1 each and £450,000 ordinary shares of £1 each. This is an offer of 120,000 7 per cent. cumulative preference shares of £1 each at par. The company was incorporated in 1918 as a private company, and carries on business as an investment trust company. In November, 1926, it was converted into a public company. Profits, after charging income and corporation profits taxes, and exclusive of surplus on realisation of investments, are certified to have been as follows:—1923, £13,366; 1924, £16,389; 1925, £19,699; and 1926, £24,804. Net assets, as shown by the books, are also certified to have been £538,221. In November, 1926, a sum of £150,000 standing to the credit of the company's capital increment or surplus account and reserve account respectively was capitalised and distributed in a like amount of fully-paid ordinary shares as a bonus to the ordinary shareholders. The trust appears to have been progressively successful.

Charterhouse Investment Trust, Limited.—Issued capital £300,000, divided into 300,000 ordinary shares of £1 each. This is an issue of 700,000 ordinary shares of £1 each at 21s per share. The company was formed in November, 1925, as an investment trust and finance company. The net profit for the year ended November 11, 1926, is given as £52,593; a dividend of 7 per cent., less income-tax, has been declared. "The additional capital now issued," states the prospectus, "can be profitably employed in business already in hand." It would have been of interest to learn something about the item shown in the balance-sheet, "stocks and shares in course of delivery," amounting to £171,981 8s 4d.

Simons and Co., Limited.—Authorised share capital £400,000, divided into 150,000 7½ per cent. cumulative preference shares of £1 each and 250,000 ordinary shares of £1 each. This is an issue of the preference shares at par and 200,000 ordinary shares at 23s per share. The company has been formed to acquire the businesses of several fruit brokers and importers, including half the subscribed capital of one undertaking. Assets are given as £225,000. Profits of the businesses to be acquired, after charging all expenses other than management and interest on bond, but before

providing for income-tax and corporation profits tax, are certified to have been as follows:—1924, £78,152; 1925, £76,013; and 1926, £42,746. One-half the profits of the undertaking of which half the share capital will be held and other trade investments are certified thus:—1924, £6,215; 1925, £16,475; and 1926, £14,812. The purchase price is £380,000, payable in cash. An informative prospectus.

United British Steamship Company, Limited.—Issued share capital £400,000, divided into 400,000 shares of £1 each. This is an issue of 200,000 shares of £1 each at par. The company was incorporated in 1921, and the seven steamers owned by the company are each between 8,000 and 10,000 tons deadweight, their average age being about five years. They stand in the books, it is stated, at a cost of £5 17s 6d per ton deadweight. A further steamer of 8,000 tons is building at a cost of £68,410, and delivery is expected in the early part of next year. There is a valuation of the fleet as a going concern at £386,500, and the cost of these steamers to the company, less the amounts set aside for depreciation, is given as £348,738. An interim dividend at the rate of 7 per cent. per annum, it is stated, has been paid for the first half of 1926. The purpose of this issue is the development of the company's business, and to enable advantage to be taken of suitable opportunities to acquire first-class modern tonnage at favourable prices. The company is under good management, but the trend of its future has yet to be determined.

Low Temperature Carbonisation, Limited.—Authorised share capital £1,275,000, divided into 12,750,000 ordinary shares of 2s each, of which 6,734,129 shares are unissued. There has also been created £300,000 8 per cent. cumulative income debenture stock. This is an issue of £150,000 8 per cent. prior lien debenture stock at par, and carries the option to subscribe at par for five 2s ordinary shares of the company in respect of each £1 stock allotted, the period of the option to be for two years from the date of allotment. The stock is to be constituted by a trust deed conferring a specific first charge upon the freehold property and patent rights, and a first floating charge on all the other undertakings and property of the company, both present and future, including its uncalled capital. The stock is redeemable by the company at par in 1931 or any earlier date at £110 per cent. The prospectus states:—"The issue, the whole of which has been underwritten, will realise in cash £142,500, which, after providing for the expenses of carrying through the scheme of arrangement, is, in the opinion of the board, more than sufficient to complete the works, now in course of erection, for the treatment of 60,000 tons of coal per annum." It would have been interesting to have a few figures in the prospectus showing the value of assets. As it is, it is difficult for investors to know the degree of security behind these debentures.

Para Plantations, Limited.—Capital £300,000, divided into 2,000,000 preferred ordinary shares of 2s each and 2,000,000 deferred shares of 1s each. This is an issue of the ordinary shares at par. Profits will first be applied to the payment of 10 per cent. on the deferred ordinary shares, and after the same sum has been distributed to the holders of the deferred shares the balance will be equally divided. The company has been formed in particular to acquire the whole of the issued share capital of the Companhia Paraense de Plantacoes de Borracha, which is incorporated under the laws of the State of Para, Republic of Brazil, having an issued capital equal to £220,000. The properties owned by the company are situated in Para, and comprise an area of approximately 650 square miles. The production of rubber from the Tapajos estates for 1924 and 1925 is given as 628,761 and 1,727,532 lbs respectively. The company will apply for a concession to build and operate a factory to wash crepe and standardise the rubber. The purchase consideration is stated to be £183,675, payable as to £83,675 in cash and the balance in deferred shares of 1s each. An interesting flotation, the future of which will be watched with interest.

The Creole Syndicate.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. The outstanding capital consists of 1,506,045 shares common stock (no par value) non-assessable. The company was incorporated in 1920 under the laws of the State of Delaware, U.S.A. It has acquired various concessions in Venezuela, from which the total oil production during the first nineteen months of operation was 3,677,450.66 barrels, the total oil accruing to the syndicate during this period being 1,031,358.63 barrels. The company also hold a controlling interest in a number of other undertakings. The surplus for the period ended June, 1926, is given as £178,007.96. The company, it is stated, has sold to responsible interests 125,000 shares of the unissued stock at \$12 per share for delivery on or before May 30, 1927, and has granted an option on 240,000 additional shares at the same price to be exercised on or before the same date. Prospectusless.

Western Nigerian Tin Mines, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an authorised share capital of £60,000, divided into 240,000 shares of 5s each, of which 200,007 are issued. The company was incor-

porated in October, 1926, with the object of acquiring and working mining properties in Nigeria and elsewhere. The company has purchased various mining leases, rights, and exclusive prospecting licences in Northern Nigeria. The purchase consideration for these properties and the payment of the preliminary expenses of the company is stated to be £30,000 in cash. The vendor has agreed to procure subscriptions at par for 200,000 shares in consideration of the call of a further 39,993 shares at par for a period of two years from October, 1926, a commission of 3d per share being payable by the company in respect of all shares so called. Prospectusless.

Bynoe Harbour Tin Syndicate, Limited.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital of £10,000, divided into 40,000 shares of 5s each. The company was incorporated in October, 1926, for the purpose, among other things, of prospecting rights covering tin-dredging areas approximating five square miles in area in Bynoe Harbour and 500 acres in Darwin Harbour in the Northern Territory, Queensland, Tasmania. The option which will be acquired extends until July, 1927, and if the option is exercised the purchase consideration payable is one-fourth of the nominal capital of any company formed to take over such rights, this consideration being payable wholly in fully-paid shares of the company. The purchase consideration payable to the present vendor is, it is stated, £5,000 in cash. The preliminary expenses, in addition to brokerage and cost of stamp duty upon the transfer of the option, are estimated at £750. Prospectusless.

Southern Electric Tramways Company, Buenos Aires.—In order to comply with Stock Exchange regulations particulars are advertised of the above company. There is an issued share capital consisting of 39,659 shares of \$M/100 each. There are also £130,000 6½ per cent. first mortgage debentures. The debentures will be redeemable by means of a sinking fund, the final redemption date being 1946, and are secured by a trust deed providing for the creation of a first specific mortgage on the concessions, land, buildings, plant, &c., and a floating charge on the other assets. The company was formed in 1908, and is incorporated in the Argentine Republic. It operates, under concessions in perpetuity, a system of electric tramways from Retiro F.C.C.A., the centre of the city of Buenos Aires, to Temperley. Profits, before providing for service of debentures and interest on loans, are stated to have been as follows, taking the gold \$ at 46d.—1922, £18,667; 1923, £21,155; 1924, £19,016; 1925, £18,321; and 1926, £21,144. The proceeds of the debenture issue will be applied to the redemption of debentures now outstanding (given as about £15,880), to repayment of loans and advances, and to the general purposes of the company. Prospectusless.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
War 4½% 1925-28 .. 98½ .. 98½ .. +			
Loans 4½% 1925-45 .. 93 .. 93 .. +			
4½% 1925-47 .. 99½ .. 100 .. +			
4½% 1925-48 .. 100 .. 100 .. +			
Funding Loan 4% .. 84½ .. 84½ .. +			
Victory Bonds 4% .. 92 .. 92 .. +			
Conversion Loan 3½% .. 74 .. 74 .. +			
Consols 2½% .. 54 .. 54 .. +			
Irish Land Stock 2½% .. 58 .. 58 .. +			
Local Loans 3% .. 62½ .. 62½ .. +			
Aust. 5% 1931-41 .. 103 .. 103 .. +			

British Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord. .. 89 .. 87½ .. - 1½			
London & North-Eastern .. 51½ .. 51½ .. +			
5% Pref. Ord. .. 51½ .. 51½ .. +			
Do Def. Ord. .. 18½ .. 18½ .. +			
London, Mid., and .. 73½ .. 73½ .. +			
Scottish, Ord. .. 73½ .. 73½ .. +			
Metropolitan .. 62½ .. 62 .. -			

Colonial and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
Antofagasta Cons. .. 80½ .. 80½ .. +			
B.A. and Pacific .. 85½ .. 85½ .. +			
B.A. & Southern .. 98½ .. 99½ .. +			
Buenos Ayres West. .. 82 .. 83 .. +			
Canadian Pac. (\$100) .. 169 .. 167 .. - 2			
Central Argentine .. 72 .. 72 .. +			
Cordoba Central New .. 34½ .. 34½ .. +			

American Railroads.

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio .. 169 .. 165 .. - 4			
Erie .. 40 .. 40 .. +			
Do 4% 1st Pref. .. 48 .. 48 .. +			

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Argentine 5% 1886-7-100 .. 101 .. 101 .. +			
Austrian 6% Guar. 102 .. 102 .. +			
Belgian 7% 1926 .. 100½ .. 101 .. +			
Brazil 5% Fund. 1914-78 .. 78 .. 78 .. +			
Chilean 4½% 1896 .. 75 .. 74 .. - 1			
Do 7% 1918 .. 100 .. 101 .. +			
Chinese 5% 1918 .. 50 .. 51 .. +			
Egyptian 4% .. 81½ .. 81½ .. +			
French 5% .. 134 .. 134 .. +			
Do 4% .. 113 .. 113 .. +			
German 7% 1924 .. 102½ .. 102½ .. +			

	Price Last Week.	Latest Price.	Rise or Fall.
Anglo-American "A" .. 24½ .. 24½ .. +			
Marconi Wireless .. 85 .. 85 .. +			

Telegraphs.

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays B (£1, f.p.d.) .. 24 .. 24 .. +			
Chartered Bk of India .. 19½ .. 19½ .. +			
Lloyds (£5 with £1 .. 3½ .. 3½ .. +			
Midland (£12, with .. 81½ .. 81½ .. +			
£4 paid) .. 81½ .. 81½ .. +			
Nat. Bank of Egypt .. 35½ .. 36 .. +			

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (£1) .. 2½ .. 2½ .. +			
Amal. Cottons (£1) .. 5 .. 5 .. +			
Anglo Persian Oil (£1) .. 6½ .. 6½ .. +			
Apex (Trin.) Oil (£1) .. 58 .. 58 .. +			
Armstrong (Sir W.G.) .. 3½ .. 3½ .. +			
and Co. (£1) .. 3½ .. 3½ .. +			
Ass. Ind. Cement (£1) .. 1 .. 1 .. +			
Barker, John (£1) .. 3½ .. 3½ .. +			
B'ham Small Arms (£1) .. 1 .. 1 .. +			
Bleachers (£1) .. 2½ .. 2½ .. +			
Bradford Dyes (£1) .. 2½ .. 2½ .. +			
British-American .. 109 .. 109 .. +			
Tobacco (£1) .. 41½ .. 41½ .. +			
British Controlled .. 41½ .. 41½ .. +			
Oil (£5) .. 2 .. 2 .. +			
Bryant and May (£1) .. 2½ .. 2½ .. +			
Burmah Oil (£1) .. 5½ .. 5½ .. +			
Cons. (J. and E.) (£1) .. 5½ .. 5½ .. +			
Courtauld (£1) .. 5½ .. 5½ .. +			
Donnan, Long (£1) .. 1½ .. 1½ .. +			
Dunlop Rubber (6/8) .. 1½ .. 1½ .. +			
Pine Cotton Spins (£1) .. 2½ .. 2½ .. +			
Gramophone (£1) .. 3½ .. 3½ .. +			
Foresters Land (£1) .. 1½ .. 1½ .. +			
Furness, Withy (£1) .. 1½ .. 1½ .. +			
Gigliardi and Low .. 2½ .. 2½ .. +			
Lands Rubber (£1) .. 2½ .. 2½ .. +			

Mines.

	Price Last Week.	Latest Price.	Rise or Fall.
Ashanti Gold (4/8) .. 11½ .. 11½ .. +			
Brakpan (£1) .. 4 .. 4 .. +			
Broken Hill Prop. (£1) .. 1½ .. 1½ .. +			
Burma Corp. (Rs.10) .. 2½ .. 2½ .. +			
Cam & Motor (£1) .. 2½ .. 2½ .. +			
Central Mining (£8) .. 15½ .. 15½ .. +			
Chartered (15/1) .. 18 .. 18 .. +			
City Deep (£1) .. 1½ .. 1½ .. +			
Cons. Gold Fields (£1) .. 1½ .. 1½ .. +			
Crown Mines (10/1) .. 3½ .. 3½ .. +			
De Beers Def. (£2½) .. 17½ .. 17½ .. +			
East Rand Prop. (£1) .. 4½ .. 4½ .. +			
Gadula (£1) .. 4½ .. 4½ .. +			
Gov. Gold Areas (£1) .. 4½ .. 4½ .. +			
Johannesburg Cons. .. 2½ .. 2½ .. +			
Malayan Tin (5/1) .. 1½ .. 1½ .. +			
Modderfontein (10/1) .. 4½ .. 4½ .. +			

ANALYSIS OF BALANCE-SHEETS.

BRITISH OVERSEAS BANK, LIMITED.

October 31, 1926.

LIABILITIES.	Amount.	Compared with Oct. 31, 1925.	ASSETS.	Amount.	Compared with Oct. 31, 1925.
"A" ord. shares, 1,000,000 ..	1,000,000	..	Cash ..	361,696	.. + 28,383
"B" ord. shares, 1,000,000 ..	1,000,000	..	Money at call and ..	1,813,275	.. + 468,275
Current deposit, ..	..	..	notice ..	..	..
and other ac- ..	..	..	Balances with ..	53,190	.. + 50,643
counts ..	3,296,045	.. + 157,178	bankers abroad ..	..	..
Reserve fund ..	150,000	.. + 25,000	Bills discounted ..	904,192	.. + 596,611
Acceptances ..	2,448,003	.. - 1,465,513	Govern. securities ..	337,020	.. + 50,770
Profit and loss ..	60,566	.. + 220	Other investm'ts ..	302,310	.. + 94,979
			Advances, &c. ..	900,760	.. - 1,465,513
			Acceptances ..	2,448,003	.. - 1,465,513
			Premises account ..	354,168	.. - 1,941
Total ..	7,954,614	.. - 283,115	Total ..	7,954,614	.. - 283,115

HARRODS (BUENOS AIRES), LIMITED.

August 31, 1926.

LIABILITIES.	Amount.	Compared with Aug. 31, 1925.	ASSETS.	Amount.	Compared with Aug. 31, 1925.
8% cum. pref. £1. 2,350,000 ..	2,350,000	..	Freehold land and ..	1,578,461	.. - 2,083
Ord. shares (15s) ..	3,011,439	..	buildings at cost ..	..	..
Def. shares (1s) ..	12,000	..	Fittings, &c., at ..	..	..
Creditors ..	144,118	.. - 35,897	cost ..	337,834	.. - 10,531
Bills payable ..	2,503	.. - 970	Motors, &c., at cost ..	17,114	.. + 4,441
Unclaimed divs ..	2,285	.. + 296	Shares in South ..	2,574,234	..
Special reserves ..	35,000	..	American stores ..	10,610	.. + 3,613
Exchange reserve ..	103,414	..	son Muebles ..	531,644	.. - 31,769
Profit and loss ..	294,431	.. + 69,807	Stocks ..	167,574	.. + 2,946
			Debtors ..	141,412	..
			Dividends ..	..	..
			British Govern- ..	474,268	.. + 123,668
			ment securities ..	122,039	.. - 57,069
			Cash ..	..	..
Total ..	5,955,190	.. + 33,236	Total ..	5,955,190	.. - 33,236

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

ROYAL BANK OF SCOTLAND.

EMINENTLY SATISFACTORY POSITION.

BICENTENARY NEXT YEAR.

PROSPECTS OF TRADE REVIVAL.

The annual court of the Royal Bank of Scotland was held, on the 24th instant, at Edinburgh.

His Grace the Duke of Buccleuch, K.T. (the governor), presided. In moving the adoption of the report, his Grace said:—

I presume it will be your pleasure that the annual report and balance-sheet with the auditors' report, which have now been in your hands for some days, shall be taken as read. I think you will agree that the position of the bank as shown by the balance-sheet is an eminently satisfactory one.

DEPOSITS, ETC.

Dealing first with the bank's liabilities, our deposits have been maintained at a high level—the amount at the date of the balance being nearly 40½ millions.

There is a reduction in the amount of the notes in circulation, which is not surprising in view of the long stoppage of work in the coalfields. At the time of the balance our acceptances were unusually low in amount, but these fluctuate considerably according to the state of foreign trade and the requirements of our customers and other connections.

STRONG LIQUID POSITION.

Turning to the assets side of the statement, it will be found that our liquid funds exhibit the usual high ratio, and besides our cash and short money this position is further reinforced by our holding of British Treasury bills, amounting to £1,770,000.

INVESTMENTS.

There is some reduction in our holding of British Government securities, owing to the increased demands upon the bank from our customers. As you will observe from the entry in the balance-sheet, our holding of these securities is of a varied character, containing a proportion—a very substantial one, I may say—of short-dated bonds, which form an ideal banking investment.

ADVANCES.

The increase in the advances to customers on cash credit and current accounts is a natural one having regard to the times through which we have been passing.

TRADE PROSPECTS.

Last year from this chair I ventured to express the view that there were not wanting signs of improvement in trade. Such hopes were rudely shattered by the general strike, which, however, was quickly and successfully overcome, and looked as if it might in its results prove a blessing in disguise. Unfortunately, peace was not to be reached with the defeat of that violent measure, and we have had to face the prolonged and bitter coal dispute, with all its consequent loss and unsettlement. Even that struggle has, however, had to give way to the logic of economic facts. The effects of these serious experiences must show themselves in many balance-sheets during the next year, with far-reaching results upon the national Exchequer and upon the burden of local rates in industrial districts. Even yet it is possible to look for a revival of trade, as there are not absent indications of improvement in shipping and shipbuilding, which, if realised, would necessarily have their effect upon the iron and steel and other industries. Contracts have, no doubt, been permanently lost to the country, but there are still many orders being held over. These, however, can only be undertaken if there is to be a sufficient and steady output of coal at a practicable price. Subject to that condition, British coal must, in respect of its superior quality, come to its own again in the foreign markets. As a further factor which makes for optimism, there is the greatly improved condition of Europe, both politically and financially, which encourages the hope of further expansion in our Continental connections.

THE NEED FOR INDUSTRIAL PEACE.

We can only express the hope that the severe lessons of these trying months have not been lost, and that in the long run we may be able to look forward to some measure of industrial peace, extending over a period of years, accompanied by a definite increase in the ratio of production, which would go a long way towards enabling this country to attain again to her rightful position in the trade of the world. This is no mere capitalist expression of view. The duty of securing it as a reality is

equally incumbent upon employer and employed, and in an island country such as ours, which depends to a vital extent upon its export trade for its supply of food, some working agreement between Capital and Labour is absolutely essential if the standard of life amongst our people is to be maintained.

BANK BUILDINGS.

Returning to our balance-sheet, it is satisfactory to find that, owing to liberal appropriations from time to time, the increase under bank buildings and property over last year's figures is comparatively small having regard to the building schemes which the bank have had in hand. The most important recent addition to the bank's buildings—the new office at the west end of Princes street, Edinburgh—was completed in the early summer and has been in occupation since that time. The new edifice has been generally admired from the architectural point of view, and it forms an important addition to Edinburgh's public buildings, whilst as a branch bank office it is equipped so as to meet every requirement of our numerous and important clientele.

PROFITS.

Our net profits, after providing for all bad and doubtful debts and making allowances for contingencies, amounted, as shown in the balance-sheet, to £476,545, being just a trifle over last year's figures. It is gratifying in such a year as we have experienced to make such a showing.

APPROPRIATIONS.

After making the usual dispositions for bank buildings and heritable property and pension reserve fund, the directors have recommended a dividend for the half-year at 16 per cent., making with the dividend paid for the previous half-year 16 per cent. for the whole year, less income-tax. This is an increase of ½ per cent. on the previous year, when 15½ per cent. was paid.

REST NOW EXCEEDS CAPITAL.

As you will see from the report, after making these appropriations there is a balance of £106,545 carried to rest account, bringing the total of the rest up to £2,571,249. For the first time in the history of the bank the rest exceeds the paid-up capital, as recently increased to £2,500,000, and the two together have now reached the impressive total of £5,071,249.

DRUMMONDS' BANK.

Since our acquisition of Drummonds' Bank it has been customary to say a word regarding that important branch of our organisation, and it is only necessary to add to-day that the business at that office, which has brought a large and influential connection to the Bank in the West-end of London, continues to be entirely satisfactory.

FOREIGN BUSINESS.

Our foreign department continues to grow in importance and to yield satisfactory results.

BI-CENTENARY.

The Bank was incorporated by Royal Charter on May 31, 1727, so that in six months' time we shall reach our bi-centenary. The story of the Bank is being written by an accomplished hand, and it will be found that it forms a not inconsiderable contribution to the history of Scotland itself during the period dealt with.

LOSSES ON THE DIRECTORATE.

Suitable reference is made in the report to the losses sustained during the year by the death of Sir George M. Paul, LL.D., an extraordinary director, and of Mr James A. Fleming, an ordinary director. Sir George Paul had been law agent of the bank for a considerable period of years, and always took a very keen interest in its affairs. Mr Fleming had a very old connection with the institution, his father having been cashier, and he himself in his youth had for some little time been in the service of the Bank. We shall miss him not only as a valued colleague and adviser, but as a warm personal friend.

THANKS TO STAFF.

The thanks of the directors and of the proprietors are due to all the members of our staff for their loyal and devoted service during the past year.

The directors feel sure that the proprietors will join them in

heartily congratulating Sir Alexander Wright on the well-deserved honour recently conferred on him by His Majesty the King, which they feel is a fitting recognition alike of his public work and of the eminent position which he holds in the banking world.

They would further take this opportunity of recording their high appreciation of the valuable services which Sir Alexander has rendered to the Bank during the past year, and they also desire to extend their thanks to the other officials at head office, London, Glasgow, and elsewhere.

APPROVAL OF ACCOUNTS—DIVIDEND.

With those remarks I beg to propose that the report now submitted containing a statement of the accounts and balance-sheet of the Bank be approved, and that out of the profits of the year a dividend of 16 per cent. per annum for the half-year, under deduction of tax, be now declared in conformity therewith.

The report was approved, and the governor, deputy-governor, extraordinary directors, and the retiring ordinary directors were re-elected, and auditors were appointed for the ensuing year.

THE SPIES PETROLEUM COMPANY, LIMITED.

WIDER INVESTMENT POWERS.

The twenty-seventh ordinary general meeting of the Spies Petroleum Company, Limited, was held, on the 26th instant, at River Plate House, Finsbury circus, London.

The Chairman (Mr G. Grinnell-Milne) said that the balance-sheet now presented showed the effects of the scheme of reorganisation of capital passed by the shareholders at the meeting of January 18th and February 3rd of this year, which was sanctioned by the High Court of Justice on February 3rd. Under the terms of that scheme the nominal capital of £1,500,000 was subdivided into 15,000,000 shares of 2s each. The conversion of the issued shares of 10s each into 2,328,750 shares of 2s each, and the further issue of 4,657,500 shares of 2s each and 1s 3d per share, with shares issued in payment of commission under the scheme, gave a total issued capital of 7,131,802 shares. The reorganisation reserve account represented the total figure by which as a result of the scheme the company's issued capital had been reduced.

As pointed out in the report, the Russian assets of the company were not affected by the scheme of reorganisation of the capital of the company, which was an internal matter, and did not in any way affect the company's claim against the Russian Soviet Government. Their claim, amounting to £3,401,666, was made up on the basis of data obtained on the oilfields in 1919, when an audit of the company's books and inventory in Russia was specially undertaken by a chartered accountant sent out from London. The figures were arrived at as the result of most careful investigations, accompanied by a drastic writing off of all assets in the company's books, which, upon the taking of inventories, were not bound to exist in reality. The company had been extremely fortunate in being able to support its claim, not upon book entries alone, but upon assets which were identified in detail and proved to exist at that time. In concluding his remarks on the accounts, he wished to emphasise the fact that the directors were now presenting the shareholders with clean accounts showing all dead expenditure written off, much of which was directly and entirely due to the nationalisation of the company's business. This enabled them to start their new career in the possession of substantial cash resources.

COMPANY'S RUSSIAN CLAIM.

With regard to the company's claim against the Russian Soviet Government, though the board had at present nothing to report of an encouraging nature, after seven years of constant watching, resulting in disappointment, they felt, in common with others who had closely studied the position, that the Soviet Government had recently begun to show a disposition to consider foreign claims in a less uncompromising manner than before. They were of opinion that events must have borne in upon that Government the fact that, in order to enjoy the credit facilities in this country of which it had felt and proclaimed a need, it would have to come to a settlement satisfactory to its creditors. The position of companies like the Spies Petroleum, who had important properties in land and buildings in Russia, which they were not allowed to take back or make use of, was somewhat different from that of creditors whose claims were founded upon loans repudiated or defaulted on, and upon miscellaneous indebtedness. While bondholders and creditors who held miscellaneous claims would require settlement by funding operations to repay principal and interest, company's in the position of the Spies Petroleum offered an easy method of settlement by the return of the properties which had been sequestered.

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

ADVANTAGES OF RESTORING COMPANY'S PROPERTY.

By the restoration of the property in Russia which had been financed and worked by foreign owners, the Russian Government would be conceivably released from large claims without making any cash payment, or a relatively small amount, and the very fact of their making such settlements should put them in an entirely different position when seeking that financial assistance abroad of which they now appreciated the necessity. Not only would the Russian Government establish a more satisfactory position in the minds of capitalists of our own and other nationalities, but by enabling this company and other property owners to restart their properties and expand their energies in developing them they would be assisting in rebuilding the industries of Russia, and encouraging the flow of capital into that country to the benefit of Russia and her creditors. He was not endeavouring to persuade the shareholders that such a solution was rapidly approaching, but it was one to which they must continue to look forward.

In the meantime, the company had a substantial sum of roughly £160,000 in cash, and were desirous of being put into a position to use this sum, or a part of it, for carrying on good business when such was offered to them.

The report and accounts were unanimously adopted, and the following resolution was carried by a very large majority: "That when investing or making use of capital moneys for initiating or carrying on fresh business, the board be authorised and requested, having regard to the powers of the company, to entertain a wider field for employment of its funds than was contemplated at the time of the reorganisation of 1926."

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.

PROBLEM OF LOW PRICES.

The seventeenth ordinary general meeting of this company was held, on the 24th instant, at Kingsway Hall, Kingsway, London. Mr William Ivey (chairman of the company) presiding.

The secretary (Mr Reginald H. Young, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: When they met a year ago they had suffered from a very heavy decline in the price of oils, ranging from 10 per cent. to 35 per cent. In spite of the hope that they had seen the bottom in the fall in prices, it had proved otherwise, as they had gone lower to the extent of a further 15 per cent. Those low prices had held good during the whole of the financial year under review, especially in the case of the heavy oils. While the heavy oils had gone so low, and although they had not received satisfactory prices for light oils, still they had thought it wise to continue active development in order to obtain more of the lighter oils, and with that end in view they had continued development, with the result that they had not only succeeded in holding their own, but had increased their total production by 196,981 barrels. They had also increased their gross profit by £18,628. That active drilling campaign had entailed very heavy expense, but they had been able to meet that. They had continued their old conservative policy of writing off large sums for depreciation, and this, together with the increased expenditure, had caused the reduced dividend. The directors had followed that course entirely in the interests of the shareholders. If prices had only remained at a fair and reasonable level, they would have made a very large profit by reason of the increased production, and would have been able to pay a higher dividend than the 10 per cent. recommended. As it was, prices had remained low, and, of course, they could not do anything to affect world prices. The chairman then referred in detail to the various fields in which the company is interested—California, Mexico, Trinidad, and Rumania. Speaking with regard to the position generally, he said that the past year had not been a good one. The low prices ruling had caused the big companies to shut down 855 producing wells to prevent a continuance of over-production. There was no doubt they had encountered a gloomy patch, and, of course, they could not control world prices. Although the position had been gloomy, the outlook was not hopeless.

The report was unanimously adopted.

THE WALL PAPER MANUFACTURERS, LIMITED.

DIVIDENDS MAINTAINED DESPITE DIFFICULTIES.

DIRECTORS' CONFIDENCE IN THE FUTURE.

The ordinary general meeting of the shareholders of the Wall Paper Manufacturers, Limited, was held, on the 25th instant, in the Venetian Room at the Holborn Restaurant, High Holborn, London, Mr Edgar Smith (the chairman) presiding.

The secretary (Mr John T. Chasney) having read the notice convening the meeting and the auditors' report,

The Chairman said: Ladies and gentlemen,—As you have all received copies of the directors' report and the balance-sheet, may I assume that it is your pleasure that we take them as read?

The profit for the year ending August 31, 1926, as shown in the profit and loss account, is £649,438. This includes the profits from the manufacture of wallpaper and also the profits from our other businesses, together with dividends and interest on our investments. It is £84,939 less than last year. The previous year's profits were £734,377, to which was added £9,023, being the final payment which we received on our German claim, or a total of £743,399. The amount brought forward from last year's account is £306,638, against £267,040 brought forward the previous year. The amount now available for appropriation is £801,170, against £852,798 last year.

Your directors recommend that the same dividends be paid as last year; that a sum of £150,000 be added to the reserve fund, and that £305,010 be carried forward.

BALANCE-SHEET ITEMS.

In the balance-sheet on the liabilities side you will notice that the issued capital and debenture stock are the same as last year. The creditors are £739,104, against £748,081. The reserve fund is £600,000, against £400,000 last year. On the other side of the balance-sheet are shown the following assets: land, buildings, plant, machinery and goodwill, £3,613,829, an increase of £35,510. Then come the company's investments, including shares in subsidiary companies, £2,072,951, which figure shows an increase of £156,480. These investments are chiefly in Government securities, but some of them are only of a temporary character, as they are earmarked for taxation payments in suspense.

The stock-in-trade, £809,625, is slightly less than last year. The debtors are £665,415, against £606,754 last year, and the bills receivable are slightly less than last year. Proper reserves are made, as usual, against doubtful debts. The cash at bankers and in hand is £267,751, which is £100,929 less than last year.

EFFECTS OF STRIKE.

The profits are considerably less than last year. Naturally, when the coal strike commenced the costs of manufacture at once began to increase, also the purchasing power of the public became less. A year ago I ventured to prophesy that we should soon see a great revival of trade in this country, and, as far as our own company was concerned, we were well ahead of previous years until the coal strike commenced. At that time it became clear to the directors that the strike would reduce our profits, and probably if there had been no strike the question of an interim dividend on the deferred shares would have come before the board for consideration; but this national calamity precluded it.

The coal strike had very little effect on the production side of our business in the past year: we have always been able to turn out the goods, as we were well stocked with coal last May; but the consumption of wallpaper has been very materially affected, and may be affected for some time to come. The strike commenced at the height of the spring-cleaning season. The result was that innumerable jobs were cancelled entirely, people leaving over their decorating for another year, with a marked falling off in the demand for wallpaper. Our export trade also suffered somewhat by foreign manufacturers making the most of our difficulties by exaggerating the importance of the general strike, and booking orders on the plea that we should not be able to deliver the goods.

DIRECTOR'S VISIT TO AMERICA.

Last autumn one of our directors visited South Africa and North America, stimulating our agents and personally seeing all our customers. In the United States he spent a considerable portion of his time in an investigation of their methods of manufacture and machinery, to make sure that no new inventions were escaping our notice.

Our export manager has been round the world, paying special attention to our customers and agents in Australia, New Zealand, Canada, and South Africa. We have recently established central branches in Canada, Egypt, and South America for the distribution of a section of our products.

As you are aware, we have several men on the board who have had great experience in financial affairs, and we must give them some credit for the fact that our export trade to countries where the exchanges vary so quickly has been conducted profitably.

RELATIONS WITH LABOUR.

Throughout the year, and in spite of the troublesome period since last May, our own cordial relations with labour have been fully maintained, and I cannot praise too highly the loyal services rendered in every department. Personally, I attribute the harmony which in our industry exists between employers and employed to the efficient working of the Wallpaper Makers' Industrial Council, which meets regularly to exchange views, endeavouring to promote the welfare of all who are engaged in the industry.

Our company has decided to hold an Arts and Crafts Exhibition in March next, which will give our workers an opportunity of showing their skill and expressing their individuality. Prizes will be given for the best work done in leisure time at home, such as designs, paintings, sketches, photographs, wood-carving, carpentry, embroidery, needlework, or any kind of work done by anyone employed by the company, from the youngest apprentice to the directors and managers. It is an effort to encourage the cultivation of taste and skill in the workers, and also the promotion of the team spirit, as well as affording an opportunity to discover talent and ability. The exhibition will be held in the Manchester offices of the company at King's House next March.

NEW MANCHESTER OFFICES.

Three years ago I told you that we had purchased a fine freehold property in Manchester, which we intended to convert into offices. This work is now completed, and at "King's House" we have provided for our own use a suitable range of offices, the rest of the building being let off to excellent tenants. The income from this undertaking has fully justified our anticipations and has proved a sound investment. No doubt we shall find this central property even to increase in value.

CONFIDENCE IN THE FUTURE.

In conclusion, I may say that we have no misgivings as to the continuance of the company's prosperity, although it is temporarily clouded by the long-drawn-out labour dispute, which must have impoverished to some extent the consumers in this country. We are not pessimists, yet it would be foolish to ignore the effect of this gigantic wasting of the national means. However, your directors unanimously believe that by maintaining a steady policy of conservative finance, our company may look with confidence to the future.

I now formally move the adoption of the report and the accounts for the year ending August 31, 1926, and will ask Mr Sugden to second this resolution.

Mr A. V. Sugden seconded the resolution, which was carried. The retiring directors were re-elected, and the auditors having been reappointed, a hearty vote of thanks to the chairman concluded the proceedings.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	...	Fmk.	150,000,000
Reserve Fund and Profits	...	"	123,000,000
Total Assets (31/12/25)	...	"	2,101,000,000

All descriptions of banking business transacted.

Telegraphic Address: KANSALLISPANKKI.

FIRE INSURANCE

Covers the material damage to your buildings, stock and machinery, but it

DOES NOT COVER

the payment of rent, rates, taxes, salaries to permanent officials, interest and other standing charges during the period of reconstruction, nor does it guarantee your expected net profit. This is covered by insurance against

LOSS OF PROFITS

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May we send you a copy of our new explanatory leaflet?

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General Manager & Secretary—Hugh Lewis.

BALDWIN'S, LIMITED.

RESULTS OF A DIFFICULT YEAR.

The twenty-fourth annual meeting of Baldwin's, Limited, was held, in Birmingham, on the 19th instant, Colonel Sir Charles Wright (chairman of directors) presiding.

The Chairman, in moving the adoption of the report and accounts, said the amount brought into credit from manufacturing, trading and other interest and other accounts was £255,837, an increase of £41,759, despite the continued depression in the iron and coal industries. Sundry creditors on trading account showed a decrease of £75,283.

The directors regretted that the preference share dividends were in arrear, and that the ordinary shareholders had been so long without any return. The subsidiaries again showed trading losses, largely due to the operations of the colliery undertakings.

Speaking of the industrial situation, Colonel Wright said the year had brought no improvement in the iron, steel, and coal industries. The general strike, followed by the coal stoppage, brought the trades practically to a standstill, and it would take a long time, very heavy repairs, and much money before they could be brought back to normal conditions. Everything possible had been done during the coal stoppage to keep the tinsplate and steel works going, and they managed to work at about 50 per cent. of their capacity in these departments.

With regard to the subsidiary companies, the works of the Port Talbot Steel Company had been practically at a standstill, with the exception of the light plate mill and light bar mill, which had worked intermittently. The heavy bar mill and heavy plate mill had been closed down since September of last year, owing to keen competition in foreign heavy plates and sectional material, and unless some legislation was introduced to counteract the dumping of heavy steel goods, there seemed small prospects for the future of the heavy steel trades.

He was glad to report that a working arrangement had been come to with the Mannesman Company, of Germany—the largest and most efficient of all weldless tube makers—and he felt sure that, by an exchange of technical information and the adoption of many of the German company's improved methods, they could look with much greater confidence to the future of this undertaking.

COAL TRADE.

Turning to the collieries, the Chairman said the period through which they had just passed would undoubtedly go down to history as the most crucial in the long record of coal mining in this country. It was to be hoped that the settlement would prove real and lasting, and would ensure cheap coal supplies. It was estimated that the stoppage would cost the country between £200,000,000 and £300,000,000, while the iron and steel industries alone would be involved in a loss of approximately £30,000,000. This chiefly represented wages. The tragedy of the long-drawn-out stoppage seemed to him that the men had been encouraged to fight for the non-existent; they had been fighting not so much the coalowners as hard, economic facts, a position which the miners' leaders had consistently refused to face.

The great problem of the near future was the recovery of our coal export market, in which foreign competitors were now so firmly entrenched. A feature from which some encouragement might be drawn was that reports seemed to be fairly general that the superiority of British coal for every industrial and domestic purpose had been clearly demonstrated; but it all came back to

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook. E.C.4 and 4, St. James' Street. S.W.1.

the cost of production. Foreign buyers liked our coal well enough, and we should get the market back if the prices were right.

It would be remembered that at a recent meeting a shareholder asked if the directors had considered the advisability of writing down the capital of the company so as to bring into line the question of capital values in comparison with earning capacity, more especially with regard to the subsidiary companies. At the request of the directors the following gentlemen had consented to act as an advisory committee in the matter:—Mr Beaumont Pease (chairman of Lloyds Bank); Mr Nigel Campbell, of Messrs Helbert, Wagg and Co.; Mr A. H. Wynn, of the Mercantile Investment and General Trust; and Mr William Mackinnon, of Messrs Alfred Tongue and Co.

THE FUTURE.

With regard to the future, it was difficult to make any forecast, but he was of opinion that, given a fair and economic agreement in the coalfields, and with the now stabilised currencies in Germany and Belgium and the stabilisation in France, which could not be long delayed, and, maybe, the less acute competition from the Continent, owing to the recent developments, which had brought about a much closer regulation of outputs in France, Luxemburg, Belgium and Germany, there might be a somewhat better outlook for the steel trade in the near future. There was one thing certain—that Baldwin's, which if operating fully could turn out a million tons of steel ingots and 1½ million tons of coal yearly, with works among the best equipped in the country, would be able to take full advantage of any revival in trade.

The motion was seconded by Sir John Cecil Davies and agreed to.

WESTERN TELEGRAPH COMPANY, LIMITED.

SUCCESSFUL YEAR'S RESULTS.

The ninety-third ordinary general meeting of the Western Telegraph Company, Limited, was held, on the 25th instant, at Electra House, Moorgate, London.

Sir John Denison-Plender, C.B.E., K.C.M.G. (chairman of the company), presided, and in moving the adoption of the report said that throughout the year their cable service between South America and the rest of the world which they offered to the public had been well maintained, no interruption of cables having caused delay in the flow of traffic, and the results of the year's working must, he thought, be considered more than satisfactory, considering the widespread trade depression and social upheaval.

The revenue for the past year showed an increase of over £68,726, but the working expenses were higher by £35,101. With, however, a decrease of taxation in England of £21,989, the net increase under this heading was brought down to £13,112. This placed them in the satisfactory position of again being able to add £250,000 to the general reserve fund, to pay the quarterly dividend of 2½ per cent., free of tax, and to carry forward nearly £330,000, as against £300,500 brought in.

There was a great movement taking place in telegraphy as a whole, which no one could have failed to notice, as it had been liberally dealt with in the Press. While radio telegraphy in its most recent application was offering the public an additional means of communication, still the vast web of cables which covered the world was continually increasing. Within the last twelve months over 16,000 miles of deep-sea cable had been constructed and laid, or were about to be laid, by various British and foreign cable companies. An innovation would be made shortly by the introduction of a specially-cheap-rate telegram at Christmas time and the New Year. This type of telegram was inaugurated last year by the companies serving the Eastern hemisphere, and this year it had been possible for their own companies to offer the same facilities to those who cared to avail themselves of the opportunity of exchanging greetings by cable to their friends in South America. The report was adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Dec. 31, 1925.	Mar. 31, 1926.	Nov. 20, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13
3½% Conversion Loan	..	..	266	684	668	709	764	760	760
4½% Conversion Loan	..	..	..	..	..	210	210	211	211
4½% War Stock	..	63	63	63	63	63	63	63	63
4½% War Stock	..	13	13	13	13	13	13	13	13
4½ and 5½% War Stock	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109
National War Bonds	1,509	1,201	953	820	778	771	706	706	706
4½% Funding Loan	..	409	401	399	396	394	390	390	390
4½% Victory Bonds	..	360	335	325	314	303	292	292	292
Treasury Bonds	..	..	453	411	457	499	479	482	488
Exchequer Bonds	20	323	185	150	150	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	373	375	373
Other Debt	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111
American Loan (Anglo-French)	..	..	51	616	588	576	635	555	555
Treasury Bills	15	1,107	878	194	186	167	181	139	120
Temporary Advances	1	243	147	..	..	..	..	..	..
Other Capital Liabilities	654	8,033	7,655	7,742	7,641	7,598	7,803	7,558	7,641
Treasury Bills	57	46	66	70	66	58	74	75	74
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,715

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Nov. 21, '25.	Mar. 31, '26.	Nov. 20, '26.	Nov. 20, '26.
Ways and Means Advances	£ 119,501,000	£ 119,501,000	£ 4,550,000	£ 4,550,000
Advances by Bank of England	123,341,000	139,441,000	119,501,000	4,550,000
Advances by Public Departments	646,125,000	564,855,000	665,575,000	2,520,000
Treasury Bills Outstanding	769,466,000	704,296,000	785,076,000	2,037,000
Total Floating Debt	1,554,433,000	1,568,033,000	1,684,652,000	9,157,000

* Includes £24,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from	Receipts	Week Ended	Week Ended
		Apr. 1, 1926, to Nov. 20, 1926.	Apr. 1, 1925, to Nov. 21, 1925.	Nov. 20, 1926.	Nov. 21, 1925.
Balances in Exchequer on 1st April	£ 6,880,249	£ 5,341,778	£ 5,341,778	£ 5,341,778	£ 5,341,778
Bank of England	676,684	1,215,322	1,215,322	1,215,322	1,215,322
Bank of Ireland	6,556,933	6,557,100	6,557,100	6,557,100	6,557,100
REVENUE	108,450,000	67,439,000	65,812,000	1,577,000	1,704,000
Excise	141,300,000	87,680,000	87,279,000	8,300,000	7,893,000
Motor Vehicle Duties	21,670,000	6,733,000	6,820,000	..	..
Stamp Duties	25,000,000	12,210,000	13,700,000	610,000	550,000
Land Tax	1,000,000	140,000	180,000	..	..
Property & Income Tax	254,800,000	94,213,000	113,467,000	1,014,000	1,296,000
Super-Tax	64,500,000	22,860,000	29,930,000	340,000	330,000
Excess Profits Duties, &c.	2,000,000	2,660,000	7,340,000	30,000	120,000
Corporation Profits Tax	59,400,000	36,000,000	36,000,000	1,100,000	1,100,000
Post Office	950,000	60,000	600,000	..	..
Crown Lands	..	..	..	..	..
Receipts from Sundry Loans	21,650,000	13,352,078	8,857,785	70,000	..
Miscellaneous	25,600,000	18,028,703	7,275,778	196,044	414,553
Ordinary Receipts	26,000,000	12,595,728	23,120,159	100,925	..
Special Receipts	824,750,000	412,011,503	437,383,722	14,597,939	15,207,553
Revenue	..	420,568,442	443,940,822	..	..
Total, Inc. Balance	..	..	..	..	..

OTHER RECEIPTS.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from	Receipts	Week Ended	Week Ended
		Apr. 1, 1926, to Nov. 20, 1926.	Apr. 1, 1925, to Nov. 21, 1925.	Nov. 20, 1926.	Nov. 21, 1925.
Temporary Advances Repaid—	..	..	..	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Acts, 1921	..	398,000	1,390,000	..	100,000
Money Raised by Creation of Debt—	..	..	..	..	..
(a) For Capital Expenditure Issues Under the Telegraph (Money) Act, 1924 and 1925	5,450,000	5,950,000	6,000	..	..
Under the Housing Act, 1914	..	..	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	777,200	..	..	..	..
(b) Under the Unemployment Insurance Acts, 1921	11,932,431	1,715,000	..	..	..
(c) For other Issues	1,651,355,000	1,609,359,000	48,594,000	49,497,000	2,200,000
By Treasury Bills	..	44,077,560	..	..	..
By 3½% Conversion Loan	18,850,000	22,500,000	600,000	..	..
By National Savings Certificates	20	15	..	..	..
By National War Bonds	3,512,150	5,008,507	..	..	..
By Treasury Bonds, 1925	..	..	..	..	..
By 4½% Treasury Bonds, 1921-33	403,402,000	413,931,000	5,050,000	2,750,000	..
(d) Ways and Means Advances	..	..	..	..	..
Repayment—	..	..	..	..	..
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	148,648	126,701	..	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920	..	9,901,981	..	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	256,778	..	..	..
Total	2,516,461,452	2,558,257,227	68,841,969	70,353,553	..

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants)	Total Issues out of the Exchequer to meet Payments from	Issues	Week Ended	Week Ended
		Apr. 1, 1926, to Nov. 20, 1926.	Apr. 1, 1925, to Nov. 21, 1925.	Nov. 20, 1926.	Nov. 21, 1925.
EXPENDITURE	£ 304,000,000	£ 204,833,653	£ 200,217,777	£ 4,858,763	£ 4,113,842
National Debt Services	60,000,000	19,121,464	25,109,510	330,000	760,525
Sinking Fund	17,500,000	5,010,044	5,251,044	634,000	560,000
Road Fund	14,100,000	6,655,627	6,733,390	750,000	799,916
Payments to Local Taxation Accounts, &c.	5,200,000	3,013,685	2,687,465	..	7,589
Payments to Northern Ireland Exchequer	..	..	288,677	..	..
Land Settlement	2,600,000	1,504,693	1,555,879	..	..
Other Consolidated Fund	425,872,000	257,277,257	255,084,609	9,524,000	10,710,000
Services	829,272,000	497,416,423	496,982,351	16,156,763	16,951,852
Supply Services	..	..	..	..	..
OTHER ISSUES	..	..	..	..	..
Temporary Advances—	..	..	..	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Acts, 1921	13,262,431	1,715,000	330,000	..	..
Issues to Meet Capital Expenditure—	..	..	..	..	..
Under the Telegraph (Money) Act, 1924 and 1925	6,650,000	7,300,000	6,000	..	..
Under the Housing Act, 1914	..	..	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
Under the Capital Expenditure (Money) Act, 1904: Exchequer Bonds paid off, £1,553,500; less paid off by the National Debt Commissioners, £77,100	777,200	..	..	..	..
Unemployment Insurance Acts, 1921	388,000	1,270,000	..	..	..
Repayment of amounts borrowed	1,550,650,000	1,538,855,000	51,100,000	45,185,000	..
Redemption of Debt—	..	..	..	..	..
Treasury Bills	21,200,000	19,250,000	650,000	500,000	..
Principal of National Savings Certificates	..	306,667	..	..	..
Principal of Exchequer Bonds paid off	..	8,341,789	..	..	..
Principal of National War Bonds paid off	..	23,645,865	..	..	..
Principal of Treasury Bonds paid off	423,342,000	457,175,000	500,000	7,599,000	..
Ways and Means Advances Repaid	2,513,763,615	2,554,944,525	68,736,763	70,235,852	..
Balances in Exchequer—	..	..	..	..	..
Bank of England	2,037,627	2,003,359	9,400	63,905	..
Bank of Ireland	660,210	1,309,343	114,606	181,606	..
Total	2,697,837	3,312,702	105,206	117,701	..

NOTE.—Budget Estimate as in H.C. 69 of 1926.

Treasury, November 22, 1926.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments in Reserve Account.	Redemption Account.					
			Silver Coin.	Gold and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ities.	Balance Bk of England.
1923.								
Mar. 28	285,616	12,318	7,000	27,000	22,450	17-3	241,294	130
June 27	286,503	12,516	7,000	27,000	22,460	17-3	242,446	123
Sept. 27	282,784	12,401	7,000	27,000	22,450	17-3	238,595	140
Dec. 26	293,070	12,571	7,000	27,000	22,450	16-5	255,032	159
1924.								
Mar. 26	281,538	11,998	7,000	27,000	22,450	17-6	236,867	130
June 25	290,316	12,472	7,000	27,000	22,450	17-0	246,198	140
Sept. 24	285,592	12,227	7,000	27,000	22,430	17-3	241,185	184
Dec. 31	296,261	12,912	7,000	27,000	26,950	18-2	248,111	112
1925.								
Mar. 25	284,256	11,882	7,000	27,000	26,950	18-9	235,076	112
June 24	292,478	12,265	7,000	..	53,950	18-5	243,474	119
Sept. 30	293,004	12,555	7,000	..	56,250	19-1	242,188	121
Dec. 30	296,777	12,551	7,000	..	56,250	18-9	245,896	192
1926.								
Mar. 31	295,337	12,226	6,550	..	56,250	19-0	244,585	178
June 30	294,036	12,567	6,550	..	56,250	19-1	243,667	136
Sept. 29	287,858	12,238	6,550	..	56,250	19-5	237,467	136
Nov. 17	287,130	11,955	6,500	..	56,250	19-6	236,301	124
Dec. 31	284,756	11,939	6,500	..	56,250	19-7	233,958	167

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, November 24, 1926.

ISSUE DEPARTMENT.

Notes issued	171,193,355	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion	151,443,355
171,193,355		171,193,355	

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	33,327,539
Reserve	3,227,646	Other securities	74,371,191
Public deposits	23,808,078	Notes	33,188,380
Other deposits	100,826,331	Gold and silver coin ..	1,531,261
Seven-day & other bills ..	3,316		
142,418,371		142,418,371	

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

	Amount, Nov. 24, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	3,227,646	+ 12,980	+ 23,181
Public deposits	23,808,078	+ 3,325,592	+ 9,534,416
Other deposits	100,826,331	+ 608,644	+ 10,614,676
Government securities ..	33,327,539	+ 1,080,000	+ 8,270,255
Other securities	74,371,191	+ 4,948,380	+ 2,976,223
Reserve	3,227,646	+ 79,007	+ 10,138,959
Note circulation	138,004,975	+ 104,025	+ 3,948,500
Coin and bullion	152,974,616	+ 25,018	+ 6,240,354
% of reserve to liabilities ..	27%	+ 1%	+ 8%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1926.							
Oct. 6	154,865,287	140,232,845	122,658,384	105,943,693	1,026,000 out	34,382,442	28
13	154,173,906	139,344,180	123,570,865	106,669,245	745,000 out	34,579,746	28
20	154,095,823	138,712,305	125,546,053	108,097,376	138,000 out	35,133,518	28
27	152,814,940	139,069,400	122,606,011	106,809,136	1,266,000 out	33,495,570	27
Nov. 3	152,807,082	139,537,365	122,226,842	106,901,562	24,000 out	33,019,717	27
10	152,060,534	138,834,485	120,801,594	105,576,781	727,000 out	32,976,019	27
17	152,999,634	138,109,000	120,700,173	103,830,340	961,000 in	34,604,634	28
24	152,974,616	138,004,975	124,634,409	107,698,730	11,000 out	34,719,541	27

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Nov. 10	30,274,665	1,427,224	2,427,951	34,129,840
Nov. 17	704,156	32,792	59,459	79,407
24	673,558	31,452	53,549	758,559
Total to date 1926	31,652,379	1,491,468	2,540,939	35,684,786
Do 1925	32,154,216	1,514,289	2,675,724	36,344,229
Increase or decrease in 1926 ..	- 501,837	- 22,821	- 134,785	- 659,443
	- 1.5 %	- 1.5 %	- 5.0 %	- 1.8 %
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,038,605	1,594,114	2,900,145	39,532,864
Increase or decrease in 1925 ..	+ 762,659	+ 84,233	+ 57,363	+ 904,255
	+ 2.1 %	+ 5.2 %	+ 1.9 %	+ 2.2 %

PROVINCIAL CLEARING RETURNS.

	Month of October.	Aggregate Weekly Totals to Nov. 20.
	1925.	1926.
Number of Working Days ..	27	26
BIRMINGHAM	11,910,000	10,216,000
BRADFORD	6,850,000	7,391,000
BRISTOL	5,489,000	4,859,000
DUBLIN	4,274,000	3,628,000
HULL	4,163,000	4,742,000
LEICESTER	3,379,000	3,246,000
LIVERPOOL	41,216,000	34,795,000
MANCHESTER	69,031,000	57,263,000
NEWCASTLE-ON-TYNE ..	6,517,000	4,688,000
NOTTINGHAM	3,015,000	2,709,000
SHEFFIELD	4,707,000	3,919,000
Total	160,549,000	137,456,000

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Bulgaria appeared in the Economist of October 2; Estonia in October 23; Canada and Greece in October 30; Denmark and Egypt in Nov. 13; Switzerland, Finland and Russia in Nov. 20.

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).

	Nov. 19, 1926.	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Nov. 20, 1926.
Total bills discounted	90,230	116,040	172,400	132,350	195,000
Bills bought in open mkt. ..	74,360	64,040	71,290	48,230	26,250
Total U.S. Govt. securities ..	60,510	54,080	54,080	54,080	63,710
Total earning assets	225,100	234,160	297,780	334,660	239,480
Deposits—Member bank	853,120	839,260	818,160	834,980	864,570
Ratio of total res. to dep. and Federal Res. note liabilities combined ..	84.9%	84.5%	80.1%	83.5%	82.8%

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Nov. 19, 1926.	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Nov. 20, 1926.
RESOURCES.					
Total gold reserves	2,861,090	2,841,760	2,072,270	2,823,330	2,782,250
Total bills discounted	347,980	339,900	332,100	307,540	354,980
Bills bought in open mkt. ..	32,150	300,370	302,350	300,170	333,280
Total U.S. Govt. securities ..	1,225,530	1,224,180	1,242,140	1,242,140	1,265,480
Total earning assets	5,197,120	5,027,330	5,065,120	5,017,060	5,115,370
LIABILITIES.					
Federal Reserve notes in actual circulation	1,750,280	1,750,790	1,755,430	1,730,510	1,708,050
Deposits—Member bank	2,238,210	2,218,650	2,207,330	2,216,900	2,260,820
Reserve accounts	2,301,120	2,264,870	2,276,420	2,281,130	2,321,900
Capital paid in and surplus ..	345,220	345,200	344,690	344,700	344,650
Total liabilities	5,197,120	5,027,330	5,065,120	5,017,060	5,115,370
Ratio of total reserves to deposits and Federal Reserve note liabilities combined ..	73.7%	74.0%	72.8%	73.6%	72.1%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 2, 1926.	Oct. 31, 1925.
ASSETS.						
Gold coin and bullion	7,040	7,035	8,031	7,927	7,815	6,124
Subsidiary coin	176	176	178	178	178	50
Bills discounted	6,849	6,639	6,733	6,917	7,521	7,079
Investments	549	549	549	549	549	539
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	339	339	339	339	339	258
Notes in circulation	8,192	6,953	7,058	7,471	7,933	9,126
Bankers' deposits	5,941	5,649	5,653	5,149	6,345	5,106
Ratio of cash reserves to liabilities to public ..	52.8%	54.1%	59.1%	57.5%	53.1%	53.6%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Oct. 29, 1926.	Oct. 22, 1926.	Oct. 15, 1926.	Oct. 8, 1926.	Oct. 1, 1926.	Oct. 30, 1925.
ASSETS.						
Total securities	20,807.71	20,811.19	21,308.31	21,340.57	20,511.57	16,158.58
Loans	11,914.41	11,811.66	11,732.32	11,616.19	11,701.18	14,383.33
Cash credits	21,188.81	21,151.25	21,177.06	20,833.10	21,493.53	29,540.90
Inland bills	4,683.30	5,222.44	4,589.71	4,625.58	4,428.98	5,404.40
Foreign bills	22.24	37.11	37.83	34.21	29.45	24.90
Dead stock	2,778.81	2,778.81	2,778.81	2,778.81	2,778.81	2,778.81
Balance with other banks ..	14.17	10.90	7.63	5.63	2,769.94	4.37
Cash	43,401.12	42,401.21	40,409.04	47,845.45	50,874.49	24,950.50
LIABILITIES.						
Capital paid up	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve	4,925.50	4,925.50	4,925.50	4,925.50	4,925.50	4,925.50
Total deposits	91,031.12	93,609.93	91,031.12	93,609.93	101,228.83	82,580.50
The above includes—						
Deposits in London	888	898	892	905	922	1,110
Advances in London	935	920	931	926	919	1,161
Cash, &c., at other Banks in India	89	64	53	28	58	31

BANK OF JAPAN.—In yen (000's omitted).

	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 2, 1926.	Oct. 24, 1925.	Position May 30, 1924.
ASSETS.						
Cash and bullion	1,132,471	1,132,471	1,132,450	1,132,454	1,126,495	221,330
Discounts	205,557	199,613	222,543	207,543	219,294	41,740
Advances	104,528	104,441	103,547	104,719	169,301	70,540
LIABILITIES.						
Notes	1,151,067	1,139,522	1,150,173	1,212,057	1,215,239	362,270
Govt. deposits	627,150	640,883	651,193	634,313	672,985	87,340
Other deposits	74,752	72,771	74,216	63,778	73,710	11,440

BANK OF FRANCE.—In francs (000's omitted).

	Nov. 25, 1926.	Nov. 18, 1926.	Nov. 12, 1926.	Nov. 6, 1926.	Nov. 26, 1925.	Position May 28, 1924.
ASSETS.						
Gold coin and bullion	5,548,798	5,548,797	5,548,794	5,547,784	5,547,784	3,730,625
Of which held abroad	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321
Silver coin and bullion	339,671	339,665	339,665	339,665	339,665	339,665
Discounts and advances	6,514,493	6,428,572	6,437,553	6,155,529	6,155,529	2,327,775
Advances to the State	35,700,000	35,850,000	36,050,000	31,950,000	31,950,000	31,950,000
LIABILITIES.						
Notes	53,262,726	54,064,189	54,236,904	48,085,443	58,111,875	58,111,875
Government deposits	60,008	30,704	47,753	9,125	183,700	183,700
Private deposits	4,325,156	3,740,611	3,220,798	3,012,635	846,960	846,960

NETHERLANDS BANK.—In florins (000's omitted).

	Nov. 22, 1926.	Nov. 15, 1926.	Nov. 8, 1926.	Nov. 1, 1926.	Nov. 23, 1925.	Position May 30, 1924.
ASSETS.						
Gold	418,010	418,313	418,411	418,557	460,484	163,099
Silver	27,221	27,065	26,714	26,734	23,498	8,438
Depts. and advances	372,620	379,807	398,304	429,693	447,562	153,504
LIABILITIES.						
Notes in circulation	833,709	852,938	866,551	892,496	881,598	316,639
Deposits	21,912	25,541	22,068	23,442	54,203	5,016

BANK OF JAVA.—In florins (000's omitted).

	Nov. 20, 1926.	Nov. 13, 1926.	Nov. 6, 1926.	Oct. 30, 1926.	Nov. 21, 1925.	Position May 30, 1924.
ASSETS.						
Gold	227,000	226,750	227,500	227,250	144,080	29,785
Silver	148,830	149,680	155,630	159,620	152,771	77,587
LIABILITIES.						
Notes in circulation	331,500	337,000	337,000	333,500	342,138	109,499
Deposits and bills payable ..	69,000	63,500	68,000	70,500	37,068	11,250

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Nov. 15, 1926.	Nov. 8, 1926.	Oct. 30, 1926.	Nov. 14, 1925.
ASSETS.				
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	1,754,732	1,738,976	1,777,255	1,206,959
Of which deposited abroad	193,921	179,993	179,993	96,605
Reserve in foreign currencies	346,661	412,538	412,593	375,250
Bills of exchange and cheques	1,280,908	1,379,882	1,415,016	1,446,963
Silver and other coin	125,518	116,114	114,724	65,307
Notes of other German banks	25,261	15,647	6,148	29,940
Advances	15,164	10,793	42,806	9,833
Investments	91,280	91,274	91,274	220,717
Other assets	791,555	711,302	631,339	815,261
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	237,085	237,085	237,085	185,807
Notes in circulation	3,009,666	3,184,175	3,568,815	2,568,829
Other daily maturing obligations	829,565	681,613	532,626	832,747
Other liabilities	233,365	216,435	216,434	496,067

Comparison with previous weeks:—

1926.	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
Nov. 5.....	4	4	4	4	5	5	5
12.....	4	4	4	4	5	5	5
19.....	4	4	4	4	5	5	5
26.....	4	4	4	4	5	5	5

OVERSEAS BANK RATES.

City	Bank	Rate	City	Bank	Rate
Amsterdam	Oct. 3, 1925	34	Oslo	Oct. 26, 1926	44
Athens	July 7, 1926	11	Paris	July 31, 1926	74
Belgrade	June 23, 1922	7	Prague	Oct. 26, 1926	54
Berlin	July 9, 1926	6	Reval	July 21, 1925	10
Brussels	April 23, 1926	7	Riga	Feb. 16, 1924	8
Bucharest	Sept. 4, 1926	6	Rome	June 18, 1925	7
Budapest	Aug. 26, 1926	6	Sofia	Aug. 5, 1924	10
Calcutta	June 10, 1926	6	Stockholm	Oct. 8, 1925	44
Copenhagen	June 24, 1926	5	Swiss Bank		
Danzig	July 23, 1926	54	places	Oct. 22, 1925	34
Helsingfors	Oct. 29, 1926	74	Tokio	Oct. 4, 1926	6.57
Kovno	Feb. 8, 1925	7	Vienna	Aug. 6, 1926	7
Lisbon	July 28, 1926	8	Warsaw	July 7, 1926	10
New York Fed.	Aug. 12, 1926	4			
Madrid	Mar. 23, 1925	5	Irish	Dec	6

The Bank Rate of the South African Reserve Bank is 5½% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Nov. 27, 1926.	Nov. 19, 1926.	Nov. 26, 1926.
Paris	francs to £1	T.T.	25.224	24.44	133 —
Berlin	marks to £1	T.T.	20.43	20.33.35	20.424.3
Vienna	schillings to £1	T.T.	34.584	34.35.40	31.38.43
Prague	kronas to £1	T.T.	24.02	16.58	16.58
Warsaw	zlotys to £1	T.T.	25.224	32	42.45
Reval	Estons to £1	T.T.	1800—40	180—40	1800.40
Riga	lats to £1	T.T.	25.224	24.38—25.23	25.15.25
Kovno	litas to £1	T.T.	48.66	48.37.97	49.4
Bukarest	lei to £1	T.T.	25.224	1060—67	890—300
Budapest	pengos to £1	T.T.	27.82	345.948.000	27.65.81
Constantinople	piastres to £1	T.T.	110	830.85	9.8—63
Sofia	levas to £1	T.T.	25.224	660—680	665—80
Belgrade	dinars to £1	T.T.	25.224	272—275	273.6
Amsterdam	florins to £1	T.T.	12.107	12.054.8	12.13.4
Brussels	belgas to £1	T.T.	35.40	106.90—1.7 (t)	34.86.88
Oslo	kroner to £1	T.T.	18.159	23.80.85	18.89.92
Stockholm	kronor to £1	T.T.	18.159	18.10.11	18.17.18
Copenhagen	kroner to £1	T.T.	18.159	19.45.46	18.19.22
Helsingfors	F. marks to £1	T.T.	193.23	192.192.4	192.8
Greece	drachmas to £1	T.T.	25.224	360.365	390.395
Italy	lire to £1	T.T.	25.224	119.120	115.4
Switzerland	francs to £1	T.T.	25.224	25.14.15	25.15.4
Madrid	pesetas to £1	T.T.	25.224	31.11.13	31.95.98
Lisbon	pence to escu.	T.T.	53.24	24—24	24.33.33
Alexandria	piastres to £1	Sight	97	37.78—37.78	97.4
New York	dollars to £1	Cable	4.864	4.84—4.84	4.844.85
Montreal	dollars to £1	Cable	4.864	4.83—4.83	4.84.84
Buenos Aires	pence to peso	T.T.	47.624	46.8	46.8
Rio de Janeiro	pence to milreis	90 days	16	7.7—7.7	15.83—33
Montevideo	pence to peso	T.T.	51	50.5—51	49.8
Valparaiso	dollars to £1	90 days	40	39	39.51
Lima	Eng. to Per. £1	90 days	par	2 1/2 prem.	34 1/2 prem.
Calcutta	ster. to rupee	T.T.	10 to	18.0—18.0	18.5—18.5
Bombay	ster. to rupee	T.T.	10 to	18.0—18.0	18.5—18.5
Madras	ster. to rupee	T.T.	10 to	18.0—18.0	18.5—18.5
Hong Kong	ster. to dollar	T.T.	2.484	2.484	2.484
Shanghai	ster. to dollar	T.T.	2.484	2.484	2.484
Singapore	ster. to dollar	T.T.	2.484	2.484	2.484
Yokohama	ster. to yen	T.T.	24.584	24.584	24.584
Manila	ster. to peso	T.T.	24.584	24.584	24.584
Mexico	pence to dols.	T.T.	24.584	24.584	24.584

† Rate for previous day. (b) Represents krona to £1 at a par value of 24.02 to £1.
‡ 1 belga = 5 francs. (t) Francs to £1.

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Nov. 19, 1925.	Oct. 28, 1926.	Nov. 4, 1926.	Nov. 11, 1926.	Nov. 18, 1926.	Nov. 24, 1926.
Call money.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Time money (90 days) mixed call	4 1/2	5	4 1/2	4 1/2	4 1/2	4 1/2
Bank acceptances:—						
Members—eligible, 90 days..	3 1/2	4	4	3 1/2	3 1/2	3 1/2
Non-mem.—eligible 90 days..	3 1/2	4	4	3 1/2	3 1/2	3 1/2
Ineligible, 90 days.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept. 90 days..	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Rates of Exchange.	Par Level	Nov. 19, 1925.	Nov. 11, 1926.	Nov. 13, 1926.	Nov. 24, 1926.
London—					
60 days.....		4.7987	4.804	4.794	4.80
Cable.....		4.8450	4.854	4.844	4.848
Cheques.....		4.8425	4.848	4.844	4.845
Paris—cheques		19.30	3.9675	3.215	3.51
Brussels.....		13.90	4.53.51	13.92	13.89
Switzerland.....		19.30	19.28	19.285	19.28.5
Italy.....		19.30	4.0050	4.01	4.2150
Berlin.....		23.81	23.81	23.74	23.7275
Vienna.....		14.07	14.125	14.14	14.14
Madrid.....		19.30	1.245	15.125	15.185
Amsterdam.....		40.196	40.205	39.96	39.96
Copenhagen.....		24.96	26.62	26.635	26.615
Oslo.....		26.75	25.02	25.86	25.64
Stockholm.....		26.75	26.68	26.675	26.67
Athens.....		19.30	13.3	1.23	1.2350
Montréal.....		100	49.90	100	100.4
Yokohama.....		49.96	58.375	49.90	49.95
Hong Kong.....			76	59.25	48.75
Shanghai.....			36.68	36.00	36.04
Calcutta.....			103.66	106.15	108.55
Buenos Aires.....			39.42	14.49	13.30
Rio de Janeiro.....			12.166	12.375	12.125
Valparaiso.....					12.125

† Cents for 1 franc.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals 941-944 tchervonetz.

£1,000 " 194

1 tchervonetz = 10 gold roubles. £1 sterling = 9.46 gold roubles.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From Close of Mail February 19, 1926.		From February 22, 1926.	
London on South Africa.	Buying.	Selling.	Buying.	Selling.
T.T.	12 1/2 dis.	1 1/2 dis.	par to 1 1/2 pm.	3 1/2 prem.
Demand	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.
30 days	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.
60 days	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.
90 days	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.
120 days	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.	1 1/2 dis.

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador.....	Sucre to £	10-15	Sight London	Nov. 20 24.70
Venezuela.....	Bolivares to £	25-25	"	Nov. 24 25.70
Colombia (Bogota).....	Pesos to £	100	"	Nov. 23 99.63
Nicaragua.....	Corobas to £	4-8665	"	Sept. 25 4.80
San Salvador.....	Colonos to £	9-73	"	Nov. 15 9.85
Guatemala.....	Pesos to £	90-23	"	Nov. 22 291
Costa Rica.....	Colonos to £	10-45	"	Aug. 19 19.50
Bolivia.....	Pence to Boliviano	19-20	"	Sept. 13 17 1/2

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.		Australia and New Zealand on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	100 1/2	100 1/2	99 1/2	100 1/2
Demand	98 1/2	98 1/2	98 1/2	98 1/2
30 days	98 1/2	98 1/2	98 1/2	98 1/2
60 days	98 1/2	98 1/2	98 1/2	98 1/2
90 days	98 1/2	98 1/2	98 1/2	98 1/2

BULLION.

The following statistics of imports and exports of gold for week ended November 24, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported in Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From	£	To	£
Russia.....	24,776	Norway.....	651
Belgian Congo.....	18,930	France.....	22,200
France.....	20,157	Netherlands.....	8,470
Other Dutch Possessions in the Indian Sea.....	3,163	Germany.....	260,473
British West Africa.....	36,811	Switzerland.....	1,700
British South Africa.....	240,569	Spain.....	10,000
Other countries.....	205	Egypt.....	13,600
		Argentine Republic.....	20,000
		British India.....	43,000
		Strait Settlements.....	26,200
		Canada.....	250,000
Total declared value of imports.....	344,581	Total declared value of exports.....	664,294

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
Nov. 20	£	Nov. 20	£
" 22	nil	" 22	nil
" 23	nil	" 23	nil
" 24	nil	" 24	nil
" 25	nil	" 25—Bars sold	12,000
" 26	nil	" 26—Bars sold	19,000
Total.....	nil	Total.....	31,000

Net withdrawals, £31,000.

Messrs Samuel Montagu and Co. write on November 24th as follows:—

GOLD.

An interesting event this week was the purchase of bar gold for New York, for the first time since November last year. Of the £300,000 available yesterday in the open market about £177,000 was secured for this purpose. The remainder was divided between the trade, India and Egypt. The net withdrawal from the Bank during the week under review has been £17,000, reducing the net influx since January 1, 1926, to £7,926,000, and increasing the net efflux since the resumption of an effective gold standard to £3,660,000. Indian trade figures for October have been cabled as under (in lacs of rupees):—Imports of merchandise on private account, 19,97; exports, including re-exports of merchandise on private account, 23,93; net imports of gold, 1,11; net imports of silver, 1,89; net imports of currency

notes, 1; total visible balance of trade in favour of India, 98; net balance on remittance of funds in favour of India, 43.

SILVER.

Notwithstanding a rather poor undertone, prices were fairly well maintained during the earlier part of the week. Bear covering and some moderate purchases for Indian and elsewhere sufficed to meet restrained selling from China and America. To-day offerings from China became more free, and owing to demand from the above quarters having been largely satiated during the last few days, little support was forthcoming. Prices therefore relapsed, and the quotation for two months' delivery, which at the present moment is the more sure indication of the value of silver, again dipped below 25d. Doubtless easier rates will attract bear covering, and some resistance will be felt should the price reach a lower level.

In view of the recent anxiety in the U.S.A. regarding the report of the Indian Currency Commission, it is interesting to learn from the General Bulletin of the American Mining Congress that Mr Winston, Under-Secretary of the United States Treasury, has stated that the plan of the Commission for stable currency in India embodies "the least possible disturbance to the value of silver."

INDIAN CURRENCY RETURNS.

	Oct. 31.	Nov. 7.	Nov. 15.
Notes in circulation.....	19,379	19,299	19,358
Silver coin and bullion in India.....	10,483	10,408	10,467
Silver coin and bullion out of India.....	2,232	2,232	2,232
Gold coin and bullion in India.....	5,260	5,260	5,260
Gold coin and bullion out of India.....	1,399	1,399	1,399

No silver coinage was reported during the week ending the 15th inst. The stock in Shanghai on the 20th inst. consisted of about 71,900,000 ounces in sycee, 68,100,000 dollars, and 6,540 silver bars, as compared with about 71,300,000 ounces in sycee, 70,700,000 dollars, and 6,160 silver bars on the 13th inst.

GOLD AND SILVER PRICES.

1926.	Gold Per Ounce.		Silver—Per Ounce.		Date.	Silver.
	s	d	Cash.	Forward.		
Nov. 20....	84	11 1/2	25 1/2	25	Dec. 3, 1920..	44 1/2
22....	84	11 1/2	25 1/2	25 1/2	2, 1921..	37 1/2
23....	84	10	25 1/2	25 1/2	1, 1922..	32 1/2
24....	84	11	25 1/2	24 1/2	Nov. 30, 1923..	33 1/2
25....	84	11 1/2	25 1/2	25 1/2	28, 1924..	33 1/2
26....	84	11 1/2	25 1/2	25 1/2	27, 1925..	32 1/2

NOTICES.

Mr Albert Charles Gladstone has joined the committee of the Ottoman Bank in London.

Lloyds Bank, Limited, announce that branches of the bank are now open at 125-127 Balham High road, S.W. 12, under the management of Mr A. P. Rivers; at 110 High street, Putney, S.W. 15, under the management of Mr A. H. Bilbrough; and at Raynes Park (28 Coombe lane, West Wimbledon, S.W. 10), under the management of Mr H. A. Spalding, M.C.

The Commercial Bank of Australia, Limited, announce that branches of the bank have now been opened at Blackall (Qld.), Alpha (Qld.), Nundah (Qld.); also an additional branch in Sydney (N.S.W.), viz., 107-109 Oxford street, Sydney.

The Midland Bank announces the opening of a new office at 37 North road, Darlington, under the supervision of Mr Trevor

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.	Interim div.	Final div.	Method of Payment.	Dividend for Whole Year.	Lat. Pre. Year.	Pro. Year.
Banks.							
Standard of South Africa	14*	Jan. 28	Less tax				
Insurance.							
Sun Life	12/6 p.s.	Jan. 1	Tax free				
Mining.							
Ipooh Tin	1/6 p.s.*	Jan. 1	Less tax				
Kramat Puli	5%	Dec. 7	Less tax				
Lahat	5%	Dec. 8	Less tax				
Lonely Reef Gold	5%†						
Tea and Rubber.							
Bantardawa Rubber			Less tax				
British Indian Tea	5%*	Nov. 30					
Castlefield (Klang) Rubber	35%†						
Central Travancore Rubber	5%*		Less tax				
Ceylon Cocoa and Rubber	12 p.s.†						
Dooars Tea	10%*	Dec. 13	Less tax				
Doom Dooms Tea	10%*	Dec. 10	Less tax				
Eaglehurst Rubber	4%*	Dec. 7	Less tax				
Eastern Assam Tea	10%*	Dec. 4	Less tax				
East India and Ceylon Tea	10%*	Dec. 10	Less tax				
Empire of India and Ceylon Tea	33%*	Dec. 20					
Henrietta Rubber	10%*	Dec. 7					
Jharzie Tea	10%*	Dec. 20	Less tax				
Kelantia	25%†						
Kuala Calicut Estates	5%*	Dec. 15	Less tax				
Malaya General	10%*	Dec. 8	Less tax				
Merchiston Rubber	10%*	Dec. 8	Less tax				
Rajawalla Produce	30%†		Less tax				
Sampang (Java) Rubber	74%†	Dec. 3	Less tax				
Sedgolev (F.M.S.) Rubber	15%*						
Serom Rubber	10%†						
Tea Corporation	5%*	Nov. 30					
Teekov Rubber	6%*						
United Tea and Rubber	12 1/2%†						
Other Companies.							
African Lakes Corporation			Less tax				
Angostura Bitters	10 1/2%†						
Army and Navy Investment							
Trust, Def.	22*						
Barnagore Jute Factory	10%*	Dec. 10	Less tax				
Benskin's Watford Brewery	7 1/2%†	(bonus of 8 1/2%)					
Blackett's Brewery							
Blackpool Tower							
Blackpool Winter Gardens							
Canada Landed Investment	2 1/2%*	(bonus of 1%)					
Chester Northgate Brewery	10%†						
Chloride and Electrical Storage			Tax free				
Columbia Graphophone	7 1/2%*	Dec. 18	Less tax				
Freehold and Leasehold Invest.	8*						
General Securities Investment	3 1/2%*	Dec. 15	Less tax				
Goldbrooch, Mort	5%*						
Grand Hot 1, Manchester			Less tax				
Hallford Cycle							
Hall Telephone Accessories	5%†		Less tax				
Hav's Wharf							
Holy's	9 p.s.*						
Humber			Less tax				
Ikley Wells Hydropathic							
Ind. Coops.	7 1/2%†	(bonus of 10%)	Less tax				
John F. Ser			Less tax				
John I. Thornycroft							
Leeds Fireclay							
Li ley and Skinner			Less tax				
Mann, Crossman, and Paulin							
Mappin's Mashro' Old Brewery			Tax free				
Meadow Dairy	2 p.s.*	Dec. 31					
Nalder and Collyer's Brewery	25%*	Dec. 10					
Parkes Chemists	2 1/2%*		Less tax				
Santa Catalina Nitrate			Less tax				
Scottish Investment Trust	15%†		Less tax				
Shott's Iron			Less tax				
South African Breweries	5%*	Jan. 14	Tax free				
Sporting & Dramatic Publishing			Less tax				
Star Paper Mill	7/6 p.s.†						
Tate and Lyle			Less tax				
Tebbit Bros.							
Tenement Dwellings	2 1/2%*		Tax free				
Triumph Cycle	7 1/2%†		Tax free				
Victoria Nyanza Sugar	2 1/2%†	Dec. 20					
Do	7 1/2%*	Dec. 20					
Western Telegraph Co.	5/8 p.s.*	Dec. 18	Tax free				
William Paton							
Worthington and Co.	8%†						

(a) Eighteen months. (b) Dividend of 10 per cent., tax free, bonus of 7 1/2 per cent., less tax.

Reports and Notices.

It is announced that "The Banker's Almanac and Year Book," 1926-27, will be published on December 1st.

Mr Edward Vincent Reid has been appointed a director of the Union Assurance Society, Limited.

RAILWAYS.

PARAGUAY CENTRAL RAILWAY.—Gross receipts for year ended June 30, 1926, amounted to £259,372, against £250,174, an increase of 3.7 per cent. Working expenses amounted to £136,107, against £110,996, an increase of 22.6 per cent. Net receipts at £123,265 compared with £139,178, a reduction of 11.4 per cent. The "D" income debenture stockholders again receive 6 1/2 per cent. The balance of £16,100 is carried to general reserve account.

SOUTHERN SAN PAULO RAILWAY.—The directors announce that they have received advice from their general manager that the Government of the State of Sao Paulo have given their approval to the sale of the company's undertaking to the Itarare-Fartura Railway Company. Meetings of the first debenture-holders, income debenture stockholders and shareholders are being convened for November 29th for the purpose of submitting to them for their approval the *ad referendum* contract for the sale of the company's undertaking. A circular containing the board's recom-

mendations with regard to the disposal of the proceeds of the sale is being issued to the debenture-holders and shareholders.

RUBBER, &c.

CASTLEFIELD (KLANG) RUBBER ESTATE.—The net profit for year ended June 30, 1926, amounted to £77,689, against £40,048 for preceding year. The ordinary dividend is 60 per cent. for the year, against 35 per cent. for preceding year. The sum of £10,000 has been put to general reserve. The carry forward is £9,109. Cash has increased from £34,393 to £40,403. The crop harvested amounted to 1,044,164 lbs, against 668,095 lbs for preceding year.

MALAYA GENERAL COMPANY, LIMITED.—The yield of rubber for the year ended August 31, 1926, was 1,676,040 lbs. The average cost was 7.8d per lb f.o.b. Singapore, as compared with 7.44d in 1925. The "all-in" cost for the year was 8.49d per lb. The average selling price was 2s 0.9d per lb, all the rubber being sold in Singapore, with the exception of off-grades, which were disposed of in the London market. After allowing £2,313 for depreciation and £2,519 for directors' fees, general expenses, &c., there remains a net profit for the year of £117,306, the balance at credit of profit and loss account being thereby increased to £145,259. From this an interim dividend of 20 per cent., absorbing £38,981 has been paid, leaving an available balance of £106,278, which the directors propose to deal with as follows:—£25,000 to reserve, increasing this account to £75,000; £58,471 in payment on December 6th of a final dividend of 30 per cent. (less income tax), making a total for the year of 50 per cent.; £22,807 to carry forward to the current year's accounts. Total assets are £388,883. Cash is at £61,448. Investments stand at £73,921, of which £70,421 are in Government securities.

TEBRAU RUBBER ESTATES, LIMITED.—The report for the year ended June 30, 1926, shows a net profit of £61,645, against £20,251 in preceding year. The ordinary dividend is 45 per cent. for the year, against 17 1/2 per cent. The sum of £5,000 is transferred to general reserve and £4,798 carried forward. Cash is at £27,805, against £19,415. Investment in Government stocks, &c., at cost stand at £36,504, against £46,630.

MISCELLANEOUS.

BRAZILIAN TRACTION, LIGHT, AND POWER CO., LIMITED.—The directors state that their attention has been called to a proposal made to the holders of ordinary shares of the Brazilian Traction, Light and Power Company, Limited, by Mr Alfred Loewenstein on behalf of a new Canadian company—the Hydro Electric Securities Corporation—offering in exchange for their shares, shares in the new Canadian company, it being stated that such company will have a controlling or important interest in other hydro-electric enterprises not in any way connected with Brazil. It is the opinion of the board that any such fusion or alliance of the Brazilian Traction Company with other companies not connected with Brazil would not only be no benefit to the Brazilian Traction Company, but, on the contrary, it would have most harmful results for the Brazilian Traction Company's undertaking and consequently for its shareholders. The board regret that they are compelled to make this announcement, and wish to state that Mr Alfred Loewenstein has already been informed of their views, and that, if the proposal were proceeded with, they would oppose it publicly.

CHARING CROSS ELECTRICITY SUPPLY.—The directors of the Charing Cross Electricity Supply Company, Limited, have decided to recommend that £460,800 of the reserves of the general undertaking be capitalised and distributed as fully-paid shares to the holders on December 6, 1926, of the existing ordinary shares in the proportion of four new shares for every five shares then held. The resolutions necessary to give effect to this recommendation will be submitted to the shareholders at an extraordinary general meeting to be held on Monday, December 6, at 12 noon. The transfer books of the ordinary shares will be closed from December 4th to 8th, inclusive.

HARBODS (BUENOS AIRES), LIMITED.—The gross profit for year ended August 31, 1926, is £475,427, against £457,844. Income from investments and balance of interest account amounted to £21,488, against £15,641. Transfer fees produced £736, against £903. Gross dividends receivable from South American Stores amounted to £176,765, the same as for preceding year. The dividend is the same as last year—i.e., 8 per cent. on the preference shares. The balance-sheet is fully analysed in another column.

MERSEY DOCKS AND HARBOUR BOARD.—The accounts for the year ended July 1st last show a deficiency of £39,800, but £160,000 is transferred from the insurance fund, which enables the usual contribution of £100,000 to the sinking fund to be made. A balance of £14,200 is transferred to unappropriated receipts account. The principal decreases in receipts were £43,200 in dock traffic and £41,100 in rates and dues. At the annual meeting the chairman, Mr Thomas Rome, stated that the fall in dock traffic is to a great extent accounted for by a decrease in receipts at the Mersey Cattle Wharf owing to a reduction in rates made in March, 1925. Coaling appliances also have dealt with much less tonnage. The decrease in the rates and dues is entirely caused by the general falling-off in trade consequent on the labour unrest.

WESTERN TELEGRAPH CO., LIMITED.—The revenue for year ended June 30, 1926, amounted to £1,541,000, and the working expenses to £839,881. After providing £32,747 for debenture stock interest and £77,845 for income-tax, there remains a balance of £500,626; to this is added the sum of £300,440 brought forward from June 30, 1925, making a total of £801,066. The directors have transferred £250,000 to the general reserve fund. Four dividends of 2 1/2 per cent. each have been paid, amounting to £311,805, making a distribution of 10 per cent., free of income-tax, for the year ended June 30, 1926, thus leaving a balance of £320,171 to be carried forward to the next account.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount.	Amount.					Rate
		£	£	£	£	£	%	£	£	£	%
Banks.											
British Overseas Bank	Oct. 31	60,346	150,221	210,567	..	60,000	6A	30,000	60,567	126,015	6A
						60,000	6B				3B
Breweries.											
Alton and Co.	Sept. 30	32,711	33,858	66,569	10,000	15,000	15	5,000	36,569	35,807	15
Bieckert's	June 30	16,637	156,124	172,761	15,558	91,500	15	50,000	15,703	182,569	15
Worthington and Co.	Sept. 30	327,921	278,936	606,857	42,130	96,480	12	50,000	418,247	292,001	12
Financial, Land, & Investment.											
Argentine Southern Land	June 30	19,294	54,589	73,883	..	32,280	6	13,000	28,603	56,234	8
British and Chinese Corporation..	June 30	22,874	23,947	46,821	..	..	..	..	46,821	24,176	10
Tube Investments	Oct. 31	79,574	105,296	184,870	29,963	41,832	10	..	113,075	100,604	10
Hotels, Restaurants, &c.											
Ikley Wells Hydropathic	Sept. 30	923	1,376	2,299	..	1,440	4	..	859	1,651	4
Iron, Coal, and Steel.											
John I. Thornycroft	July 31	49,245	43,798	93,043	12,000	18,750 7½ Prf.	Ord.	2,000	51,293	18,422	5P.O. nil Ord.
						9,000 Ord. 3					
Motor and Cycle.											
Humber, Limited	Aug. 31	52,990	92,951	145,941	19,890	36,610	12½	20,000	69,441	128,157	17½
New Hudson, Limited	July 31	6,342	12,456	18,798	1,256	9,000	7½	..	8,542	14,771	7
Nitrate.											
Lagunas Syndicate	June 30	767 Dr	18,914 Dr	18,151	..	..	..	Dr	18,151	14,546	..
Santa Catalina	June 30	2,121	5,552	7,673	..	3,950	5	..	3,723	16,169	20
Rubber, &c.											
Bantardawa	June 30	787	19,029	19,816	..	18,183	17½	..	1,633	8,431	7½
Castlefield (Klang)	June 30	3,729	75,380	79,109	..	60,000	60	10,000	9,109	39,085	35
Ceylon Cocoa and Rubber	June 30	2,205	8,127	30,332	3,805	5,146	20½	..	1,381	1,710	nil
Kelantan	June 30	5,368	48,096	53,464	..	30,000	30	10,000	13,464	17,830	12½
Kuala Lumpur	June 30	2,661	139,459	142,120	..	105,000	50	20,000	17,120	47,244	20½
Malaya General Company	Aug. 31	27,954	117,306	145,260	..	97,452	50	25,000	22,808	55,551	25
Sagga	July 31	4,043	28,423	32,466	..	17,250	25	5,684	9,532	11,099	12½
Tebrau	June 30	2,153	61,645	63,798	..	54,000	45	5,000	4,798	20,251	17½
Tikam Batu	June 30	107	6,318	6,425	..	..	..	4,929	1,496	1,893	..
Shops and Stores.											
Harrods (Buenos Aires)	Aug. 31	..	276,598	276,598	188,000	..	..	25,772	62,826	205,897	..
Lilley and Skinner	July 24	19,461	50,368	69,829	3,989	12,800	10	30,000	23,040	43,852	10
South American Stores (Guth and Chaves)	July 31	13,327	267,400	280,727	34,000	135,000 9 Ord.	25 Def.	80,000	18,602	204,348	9Ord. 25Def.
Telegraphs and Telephones.											
Venezuela Telephone and Electric Appliances	June 30	..	24,117	24,117	4,480	4,480	..	12,908	2,249	..	..
Other Companies.											
Aoolian Co.	June 30	29,851	19,491	49,342	18,750	..	..	..	30,592	..	..
African Lakes Corporation	Dec. 31	2,813	33,868	36,681	..	31,250	12½	..	5,431	21,640	9
Blackpool Tower	Oct. 31	16,522	64,431	80,953	1,920	30,750	12½	30,000	18,283	63,376	12½
Callard, Stewart and Watt	Oct. 2	30,359	28,124	58,483	8,400	16,393	15	6,000	27,690	24,557	12½
J. and E. Hall	July 31	13,162	47,731	60,893	9,000	42,000	7½	..	9,893	50,164	7½
Leeds Fireclay Co.	June 30	15,743	57,121	72,864	22,500	5,500	5	37,709	7,155	34,039	5
Nelson Brothers	Oct. 31	46,579	99,593	146,172	9,437	69,231	15½	10,000	57,504	96,408	15½
Piccadilly Picture Theatre (Man- chester)	Sept. 30	3,148	15,065	18,213	7,148	..	..	8,000	3,065	..	..
Proprietors of Hay's Wharf.	June 30	37,147	209,593	246,740	59,400	86,000	10	65,000	36,340	210,718	10
Sporting & Dramatic Publishing	Sept. 30	2,664	8,666	11,330	4,200	2,347	7½	3,200	1,583	9,672	7½
Star Paper Mill	Oct. 31	20,977	17,346	38,323	..	20,000	5	..	18,323	20,571	5
Stuttaford and Co.	Aug. 31	53,876	76,833	130,709	12,600	36,018	12	27,000	55,091	70,027	11
Tubitt Brothers	June 30	4,152	8,086	12,238	..	6,991	6½	..	5,247	..	..

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927.	1925-1926	1924-1925	1923-1924.
Estimated sales of home-grown wheat—				
1 week to November 20.....	Cwts. 412,941	Cwts. 424,477	Cwts. 271,097	Cwts. 348,104
2 weeks to November 20.....	4,579,600	4,402,902	2,943,831	4,817,270
Average price of English wheat per cwt.....	s d 12 6	s d 11 3	s d 12 6	s d 9 5

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts. 437,303	Cwts. 510,451	Cwts. 77,377	s d 12 7	s d 11 6	s d 8 4
Nov. 13.....	412,941	531,707	80,397	12 6	11 5	8 5
Nov. 20.....						
1922.....	526,247	465,921	64,879	9 10	10 9	9 7
1923.....	348,104	684,549	79,286	9 5	10 7	8 9
1924.....	271,097	531,758	89,449	12 6	15 7	10 0
1925.....	424,477	525,866	62,307	11 3	11 5	9 2

AMERICAN WHEAT MARKETS.

The markets this week have been characterised by small fluctuations, the dominant factors in the situation being an unstable export demand, less favourable crop advices from Argentina and Australia, and unfavourable weather reports from different parts of the country.

	Jan. 2, 1925.	Nov. 26, 1926.	Jan. 7, 1926.	Nov. 18, 1926.	Nov. 25, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.....	183	(b) 154½	160	(b) 138½	(b) 136½
Chicago (No. 2 Winter)—Cents per 60 lbs.....	177	(c) 162	176½	(c) 158½	(c) 155½

(b) November delivery. (c) December delivery. † Previous day's quotation. Visible supplies of wheat in Canada, at 47,892,000 bushels, show an increase of 1,784,000 bushels as compared with the previous figures. Supplies a year ago stood at 42,083,000 bushels.

COAL.

Our Cardiff correspondent writes:—The reopening of negotiations between colliery owners and workmen's representatives has strengthened the belief in an early resumption in South Wales. The miners' leaders had no power to negotiate a settlement, but on Thursday they communicated to a delegate conference the owners' proposals for a new agreement, and the workmen are being balloted immediately on the question of giving the executive council power to reopen negotiations and arrange a settlement. The crux is the hours question. The owners, while insisting on an eight-hour day, have conditionally agreed to inaugurate a Saturday seven-hour day as from this week, and this concession has created a favourable impression. Meanwhile the number of men at work is increasing, and the output for the present week is estimated at about 100,000 tons, or slightly more than 10 per cent. of the pre-stoppage production. The removal of the inland restrictions on the distribution of coal has brought relief to the industrial position, particularly in view of the refusal of the Government to withdraw the embargo on exports to foreign countries, but, as the natural markets of the steam and dry coals are overseas, great pressure is being brought to bear on the Mines Department to make such concessions as are likely to avert the evil of the stoppage of collieries at which work has been resumed. Inland maximum prices have been reduced by 5s per ton, but actual prices show a greater decrease compared with those ruling a week ago.

Our Sheffield correspondent writes:—Movements of South Yorkshire coal are being hampered by something like a breakdown of railway transport. Owing to the shortage of waggons and delays in movements of traffic, coal is accumulating at a good many of the collieries, and these difficulties are likely to be intensified when industrial conditions approach the normal, as many thousands of waggons which have been idle and exposed to the weather for seven months need repairing. Comparatively little coke is being made. It pays better to sell coal at the moment than to coke it. Users are completing contracts for Westphalian foundry coke, but the placing of contracts abroad has ceased.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The belief that work will soon be fully resumed in the coalfields has had little effect so far upon the iron and steel trades. It is not now expected that activity will develop until after Christmas; but by that time there are indications that a considerable demand will make itself felt, as there is no doubt that a considerable tonnage of orders has been held back, owing to the coal strike. Directly steel manufacturers can obtain coal they will get busy on the orders they have in hand, which are understood to be sufficient to provide several weeks of work for most of the steel plants. The problem of post-strike costs has yet

to be solved, and until manufacturers and dealers are in a position to judge the future course of prices a large volume of new business cannot be expected. The tone of the Continental market has somewhat weakened.

Our Middlesbrough correspondent's report, dated November 25th, is as follows:—Pig-iron: In view of the favourable coal outlook several local plants are being prepared in readiness for a start as soon as sufficient supplies are assured. Meanwhile foundry iron continues as scarce as ever, and consumers are paying 120s per ton f.o.t. for No. 3 Cleveland G.M.B. prompt delivery. Mixed numbers East Coast hematite cannot be obtained for early supply. Manufactured iron and steel: Steelmakers are making preparations for restarting, and in one case it is understood that furnaces are being "warmed up." Steelmakers have good orders on their books, and are anxious to overtake arrears. Iron ore: Most of the works have stocks to meet early requirements, and will not, therefore go into the market for supplies until the position develops further.

Our Sheffield correspondent writes:—Firms interested in iron and steel have not yet determined on their new policy. Producers of raw materials are unwilling to quote forward until it is ascertained what they will have to pay for fuel. Local steel makers cannot get coal that is being mined almost at their doors under 55s per ton, which is a prohibitive price. There will be little manufacturing revival until fuel prices approximate those which prevailed before the dispute, and such a condition is not yet in sight. Deliveries of Continental pig-iron, billets, manufactured iron and steel plates are heavily in arrears, and the lack of regular supplies of such materials are responsible for the irregular working of mills. Three open-hearth furnaces have been restarted this week. The remainder will not be put into operation until the New Year. Conditions are likely to be depressed until the end of the present year.

Our Glasgow correspondent writes:—The change in the coal outlook this week has given rise to some hope of a possibility of restarting blast furnaces and steel works before the end of the year. There is certainly sufficient coal being produced in Scotland to warrant supplies for these plants at an early date, and there remains only the question of price, which is at present prohibitive so far as iron and steel smelting is concerned. Consumers still hesitate to book for forward delivery, but there is very little likelihood of prices becoming easier for a considerable period. Among recent

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RESERVE FUND ...	£2,893,336
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contracts reported for the Clyde are two cargo vessels of 9,000 tons dead weight, which are to be built by Messrs Napier and Miller, Limited, the machinery being supplied by Messrs David Rowan and Co., Limited. Their value is estimated at about £105,000. Prices all round are very firm, steel plates being now £8 2s 6d basis, delivered Clyde area. Black sheets, 24 gauge, are £13 per ton, and galvanized sheets £17 15s per ton, f.o.b., Glasgow.

Our Cardiff correspondent writes:—In the steel and tinplate markets delay in the settlement of the coal dispute is impeding business, and in both the export and inland sections operations this week have been on a restricted scale. Prompt prices of tinplates are steady at from 25s to 25s 6d per basis box, and at from 24s to 24s 6d for end of the year positions; local steel bars are unchanged at £6 15s, compared with £6 3s 9d for foreign bars, and galvanized sheets are steady at from £17 5s to £17 10s. The receipts from works last week were only 25,749 boxes, compared with 71,988 boxes a fortnight ago, while shipments were 33,921 boxes compared with 83,174 in the week ended November 9th. Stocks have been declining, and now stand at 35,235 boxes, the lowest figure reached since the early part of August.

CUMBERLAND IRON.

(FROM OUR WORKINGTON CORRESPONDENT.)

In the Cumberland and North Lancashire hematite pig-iron market makers are sold ahead for three months, and are now booking orders for delivery during the second quarter of next year. No large volume of business is being dealt with, but directly production is resumed it is believed that buying will be on a heavier scale. It will, of course, be January before the industry is in its stride again, but by the middle or end of that month 15 or 16 furnaces may be in blast between Workington and Carnforth, as compared with the 13 blowing in April last. There are substantial shipments on old contracts to make to the United States and to the Continent, in addition to deliveries to the Midlands, South Wales, and Scotland. No change has occurred in prices, which, however, exhibit a tendency to stiffen. Bessemer mixed numbers are quoted at £4 19s per ton delivered at Glasgow; £5 3s per ton delivered at Sheffield; £5 7s 6d to £5 17s 6d per ton delivered at Birmingham. Manganese alloys are not in active request. Ferro is a quiet trade at £15 10s per ton. Orders for railway material represent not less than three months' full employment for the rolling mills at Workington. Rails are £8 10s per ton; sleepers, £10 10s per ton; fish-plates, £12 10s per ton.

OTHER METALS.

TIN.—The market opened the week with a strong tone. Higher advices from America and the Straits, together with scarcity of spot supplies and active covering of near dates, resulted in a sharp upward movement in values. Later, however, a reaction occurred, and part of the advance was lost under some pressure to sell and a falling off in demand. Standard cash sold at £311 10s to £316 10s and £315 10s, three months £300 to £303 10s. Sales in the East were reported at £306 17s 6d to £311 and £310 10s.

COPPER slightly irregular, but prices easier on balance, owing to lower American advices, though at the lower basis there was more disposition to trade. Standard cash sold £57 2s 6d to £56 15s, three months £58 to £57 11s 3d.

LEAD slightly irregular, but dealings were on a fair scale. Good soft foreign pig November sold £29 7s 6d, December £29 3s 9d to £29 10s and £29 6s 3d, January £29 6s 3d to £29 10s, February £29 6s 3d to £29 15s £29 11s 3d, March £29 8s 9d to £29 16s 3d and £29 12s 6d.

SPELTER was moderately supported, and after a firm interval closed quieter. November, also December, sold £33 7s 6d to £33 11s 3d, January £33 6s 3d to £33 10s, February £33 6s 3d to £33 13s 9d £33 11s 3d, March £33 11s 3d £33 13s 9d to £33 10s, April £33 8s 9d ton.

ANTIMONY quiet. English special brands £74 10s to £75. China crude November-December quoted £32, regulus November-December sold £53 ton c.i.f.

ALUMINIUM dull. Home delivery quoted £107, export £112 ton. WOLFRAM firm. November-December 15s 9d to 16s c.i.f. ANTIMONY ore ditto 5s 9d per unit.

TIN PLATES easier. I.C. coke prompt 24s 9d to 25s 3d, forward 22s to 23s per box f.o.b. Swansea.

QUICKSILVER firmer. Spot £17 15s per bottle.

THE COTTON TRADE.

LIVERPOOL, November 25, 1926.

The United States Agricultural Bureau Report was issued on Monday last, and gave an estimated production of 18,399,000 bales, with 12,954,000 bales ginned. Despite the high production figures, the market during the week has been dull and featureless. Spot sales for the week 19th to 25th inclusive were 38,000 bales, of which 25,340 were American, 1,450 Brazil, 6,100 Peru, 1,150 Egypt, 3,080 African, 750 East Indian, and 130 sundries. Imports for the same period were 91,331 bales, including 67,413 American, 588 Brazil, 4,734 Peru, 17,281 Egyptian, 621 African, and 604 sundries. Quotations to-day are middling American 6.66d, G.F. Brazil 7.26d, G.F. mod. rough Peru 8.75d, smooth 8.26d, Egyptian sakel 14.65d, uppers 10.00, Tinnivelly 6.45d, East African G.F. 8.70d, and middling West African 6.91d.

MANCHESTER, November 25, 1926.

A quiet feeling has prevailed throughout the week, buyers having shown increased disposition to act with caution. There is, in fact, increased expectation of lower values, although the raw cotton markets are not responding to official reports of larger supplies. Cloth inquiry has been of fair dimensions, but numerous bids cannot be entertained. Scattered sales have occurred for India, but the turnover has been smaller than earlier in the month. Only odd lots have been put through for China. Bleached shirtings have attracted a little more attention for Java and the Straits Settlements, and fine goods have been in steady request for the Continent. Makers of fancies continue to meet with moderate sales, but manufacturers are in urgent need of contracts in standard qualities. American yarns for home use have moved off slowly. Prices are becoming more irregular, and there is increased pressure to sell. Some very fair lines have been booked in Egyptian counts, and rates remain steadier.

(I.) Comparative Statement of the Cotton Trade.

	Previous weeks in 1926.					
	Nov. 25, 1926.	Nov. 18.	Nov. 11.	Nov. 4.	Oct. 28.	Oct. 21.
Raw Cotton—Mid. American.....per lb	d 6'96	d 6'99	d 6'90	d 6'88	d 6'71	d 6'83
— Sakellaridis Fully Good Fair						
— Egyptian.....per lb	14'65	15'00	14'80	15'00	14'40	14'80
Yarns—32's twist.....per lb	13	13	13	13	13	13
— 40's twist.....per lb	13	13	13	13	14	14
— 60's twist (Egyptian).....per lb	25	25	25	25	25	25
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23 0	23 0	23 3	23 9	23 9	24 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26 6	26 9	27 3	27 9	27 9	28 0
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	12 9	13 0	13 3	13 3	13 6
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.	12 0	12 0	12 3	12 6	12 6	12 6

(II.) Compared with Previous Years.

	Corresponding dates in					
	Price, Nov. 25, 1926.	1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	d 6'96	d 10'79	d 13'55	d 21'99	d 14'73	d 11'29
— Sakellaridis Fully Good Fair						
— Egyptian.....per lb	14'65	19'85	26'00	26'95	18'25	20'50
Yarns—32's twist.....per lb	13	17½	24	28½	21½	18½
— 40's twist.....per lb	13	18½	25	29	20½	18
— 60's twist (Egyptian).....per lb	25	35	38½	39	28½	33
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	23 0	28 9	37 0	40 6	31 0	32 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26 6	33 6	41 9	44 0	33 0	32 0
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	16 4½	19 3	23 3	18 6	19 0
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs.	12 0	14 6	18 0	21 6	17 0	18 6

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THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—The course of trade at the opening sale in Coleman street this week revealed no new feature. Unfortunately, Wednesday's and Thursday's sales were abandoned on account of fog. Judging from overseas cables, the recent ease in raw material values has been checked, and many users in this country are beginning to doubt whether wool will fall much below the current level. Reasonably cheap raw material would doubtless help to bring out business, but wool cannot fall much below to-day's rates without jeopardising the position of growers, and the best interests of all sections would probably be served if the raw material could be maintained without much fluctuation one way or the other. Increased machinery activity is urgently needed in the West Riding, and it is hoped that when coal becomes available at a reasonable price wholesale fabric buyers will be induced to operate with more freedom. In the meantime, there is only a moderate turnover in tops and yarns, and quotations are steady at about last week's rates. Some big weights of tops and yarns changed hands a week or two ago at prices which would not be accepted to-day, but apparently most spinners have satisfied their requirements for the present, and are not disposed to add to their commitments. The unfortunate thing is that selling prices still remain well below the cost of replacement, but machinery, though a good servant, is a hard master, and mill-owners, faced with idle plant and heavy standing charges or with orders which show no margin of profit, are in an unenviable situation.

COLONIAL WOOL.
(FROM A CORRESPONDENT.)

The final series of London sales commenced last Tuesday, with a large crowd of buyers present. Prices went very much as we forecast last week. Good combing merinos declined 5 per cent., while shabbier wools lost ground to the extent of 7½ per cent., sometimes a little more, largely on account of the absence of active French competition. Crossbreds generally declined 5 per cent., fine halfbreds maintaining their ground as well as any of this class of raw material. Stocks of 56's tops in Bradford are very small, and values for these, as well as 58's, have kept wonderfully steady during the recent depression. Even a reasonable consumption of fine crossbreds will readily absorb all the wools available. We regard the opening as very sound and satisfactory. Nobody is disposed to force the pace or to exceed limits. Germany led the van, with the home trade a good second. French competition was very limited. A sudden outburst of French competition may occur at times when a few urgent requirements are to be covered, but, generally speaking, the chief support of the series will come from Yorkshire and Germany.

We entirely agree with Mr Harry Dawson that the whole trade is anxious to avoid risks at the moment. There is an entire absence of speculation. Home and Continental "emergency requirements" will be the chief factor in supporting values in Coleman street, but there certainly is nothing as yet to stimulate any very large buying on future account. In Mr Dawson's words: "The strong and universal desire that seems to be uppermost in all centres to-day is that we may have a minimum of fluctuations during the coming season. Any strong upward movement would most certainly check the improved demand, while a steady market would certainly help a return to confidence, with fuller machinery employment and better conditions all round." There is no doubt that the home trade has in the last fortnight been a keen buyer at Australian selling centres entirely because values were reasonable. This point we have stressed week after week. To-day Coleman Street is fully 5 per cent. above Australian prices. The risk that is inseparable from buying overseas makes such a margin necessary, but providing prices remain where they are we think steady operations in all overseas selling centres will continue.

THE JUTE TRADE.

DUNDEE, November 25.

Uncertain movements in prices of raw jute tend to restrict business in all sections. Whenever signs of lower prices are apparent buyers withdraw. The latter still believe that prices should be lower on account of the record crop, but, apart from the smaller imports into Calcutta compared with last season, the question of securing good quality is most acute. Many reliable shippers are unwilling to sell owing to the difficulty in obtaining the material necessary to keep up their standard. The Daisee and Tossa fibres are reported to be very bad. The Calcutta mills are turning their attention to pucca bales, and purchasing these instead of the usual kutcha bales, and loose jute. Reports as to the conditions prevailing up-country in India are very conflicting. Some observers believe that the jute is being held up by the natives, others that the crop is not so large as the official forecasts would imply. Good first marks are held for high prices, from £36 to £37 being asked, while lightnings are from £29 10s to £31, Daisee assortment at £28 to £28 10s, and Tossa assortment £33 to £33 5s, all November-December shipment.

There is little business in yarns, but spinners' quotations are very firm. For common 8-lb cops 3s 4d is the general market value and for 8-lb spools 3s 5d. Spinners are determined not to cut these rates so long as the raw material remains at its present high price. Business in cloth is extremely slow. Buyers continue to take small quantities for immediate requirements. Prices are steady at 4½d to 4½d for 10½-ounce 40-inch hessians and from 3½d to 3½d for 8-ounce. Linoleum hessians are quiet, as are heavy

goods. Calcutta hessians have been dull and depressed, but at the moment are showing signs of recovery. America has purchased fair quantities in Calcutta for shipment up to December 15th.

HIDE, LEATHER, AND ALLIED TRADES.

There are no signs of any weakening in the home hide market, and provincial prices have showed advances of ½d to ¾d per lb. At the auctions held in Bermondsey on Thursday last prices were steady, best ox selling from 6½d to 9d, and seconds from 6d to 8½d per lb. Best cows sold at 6½d and best calves from 7½d to 12½d. Imported hides are firmer in face of a demand from the United States, Russia, and Germany, and best Argentine fregorifics are now selling at 8½d, home tanners also being interested at this price. Dry hides are a shade firmer and B.A. Americanos are quoted at 11½d. The Chicago position is cabled as firm, with best heavy packers selling freely at 15 cents. Business with merchants has showed a slight decline this week in sole leather, but good deliveries have gone out from the tanneries of cheap dry hide bends and medium wet salted to the repairing trade. In dressed leather the chief demand is for cheap black and coloured glacé kid for the Russian boot, willow also coming in for a share of this business. Patent is a good seller. Curriers of kip leathers are receiving orders for kip butts suitable for miners' boots. The boot and shoe trades are fairly well employed. Large orders have been received by Leicester manufacturers for Russian boots. Makers of artisan boots are also busier.

THE TIMBER TRADE.

(FROM A CORRESPONDENT.)

The trade in North European building woods has turned a little in favour of consumers during the past four weeks. Imports during October showed a large increase compared with the corresponding month of 1925, which will be welcome to consuming industries. London's November receipts have also been on a large scale. Increasing freight rates, however, will not tend to encourage the import of any large volume of North European building timbers into the country next month, for many purchases will be held in stock abroad until next season. The increased cost of new goods on account of these high freight charges (which are in some cases as much as 40s a standard) has increased the value of spot goods, but selling competition is keen, and holders of high freight stocks will find a difficulty in selling remuneratively. This phase is probably temporary, and spot values will doubtless firm up gradually during the close season of navigation. Building trade consumption has tapered off a little this month, the decline being largely seasonal, though higher costs may be partly responsible. The first open-water business in North of Europe productions has commenced much earlier than usual, large purchases of Finnish wood having been made by Great Britain and other European consuming countries. This shows a confidence of greater industrial activity in Great Britain and Europe next year. Rates are about the same as the present season's opening quotations, and freights are expected to be 10s to 15s above those f.o.w. 1926.

Imports of Canadian spruce have fallen off this year. Consumption of this wood has been satisfactory in the Mersey district. Stocks are light, and further shipments would find a responsive market. Stocks in London are sufficient in view of the present level of consumption. In shipbuilding timbers—teak, pitchpine, Douglas fir, &c.—the market is firm, with stocks, on the whole, moderate. Mahogany logs in first hands are very light, and the market is firm. American hardwoods are in good stock, with only small additional supplies expected next month. Forward business can be transacted only on high c.i.f. levels.

VEGETABLE OILS AND OILSEEDS.

Rather a better tone is present, but actual business still leaves much to be desired. Linseed oil attracts little attention from consumers, and values are about unchanged at £31 per ton naked ex-Hull mill for "spot" and delivery to April. Cotton oils have declined sharply, but this appears to have brought in buyers and caused prices to rally, crude Egyptian now quoting £31 and technical refined £34 10s. Palm kernel oil is easier at £40, but other oils are nominally unchanged.

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In the oilseed section values of Plate linseed have been largely influenced by reports of the weather and the growing crop. After business has been done in new crop for January-February loading at £14 17s 6d, the market improved to the extent of 5s. A fair business is reported in old seed on passage or for early shipment, £15 15s being paid for November-December and £15 5s for December-January. New Calcutta linseed to London has been done at £16 10s, April-May shipment. Cottonseed is easier and in moderate demand down to £8 17s 6d, having been accepted for black Egyptian for shipment. Private estimates of the yield of the new Argentine linseed vary very widely, some putting the figure as low as 1,500,000 tons, while others reckon on 1,900,000 tons, or only slightly less than the past season's yield.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—After marked activity and rising prices in all directions, there was a pause in demand, but actual sugars kept firm in value. Of British refined, Tate and Lyle's cubes quoted 37s 3d to 37s 9d; granulated, fine and coarse, 33s 10½d; No. 1, 33s 7½d; No. 2, also London and T.L.S., 33s 4½d; month forward 33s 3d; January-March, 33s 6d; yellow crystals, spot, 30s 4½d. English-grown granulated in moderate support at 31s 9d to 32s 3d, according to factory. Czechoslovakian factory crop estimate amounts to 1,020,000 tons, against 1,200,000 of Licht, and an outturn 1st season of 1,500,000 tons. Imported granulated steady, quiet. Czechoslovak also Dutch J, 31s 6d. White Mauritius, 29s 6d. All parcels for shipment paraffin offered and firm. Czechoslovak granulated, ready, 18s 4½d; December, 18s 6d; f.o.b., Hamburg. Dutch J, ready, 18s 9d, f.o.b., Rotterdam. Polish crystals, December, 17s 10½d, f.o.b., Danzig. Belgian crystals, ready, sold, 18s 4½d, f.o.b., Antwerp. Peruvian, 96 per cent, December, quoted 15s 9d, c.f. and i., U.K. White Mauritius, December-January, 21s 3d, c.f. and i., London. White Java, January-March, to Calcutta, sold, 19s 10½d; July-September, quoted 17s 6d; October-December, 17s 7½d, c.f. terms. White terminal slightly unsettled and easier, with fair transactions. December, sold, 17s 9d, 17s 8½d, and 17s 8½d; March, 18s 3d, 18s 1½d, and 18s 3d; May, 18s 4½d, 18s 3d, and 18s 3½d; August, 18s 4½d; September, 18s 3½d; December, 17s 2½d to 17s 0½d cwt.

COFFEE.—The market continues very poorly supplied with qualities suitable to the home trade, and as a result these sell readily, while prices are again slightly higher. In auction, Arusha smalls, sold, 110s to 118s; pile sizes, 124s to 144s 6d; bold, 142s to 153s. Kilimanjaro, pile sizes, 128s 6d to 136s 6d; bold, 145s to 155s 6d; and peas, 138s to 154s 6d. Futures dull.

COCOA.—Spot market steady but rather quiet for most descriptions. Accra, unsettled in forward positions. F/F, November-January, sold, 50s, 47s 6d, 48s 6d, and 48s, f.o.b.

TEA.—Quantity of Indian in auction during the week amounted to 56,770 packages, including a fair proportion of Southern. All the finer and tippy qualities experienced a ready sale, at full recent rates with regard to Northern, but plain and grades poor in the cup sold but moderately at mostly ½d to ¾d per lb under previous quotations. Southern invoices came in for good patronage, in which fine parcels from Neilgherry in particular participated. Full prices were secured. Pekoe, sold, 1s 1½d to 1s 10d; broken ditto, 1s 1½d to 2s 2½d; orange, 1s 3d to 2s 4d; broken ditto, 1s 3½d to 2s 4d; fine to choice, 2s 8d to 3s 6d. Ceylon auctions of 21,650 packages aroused keen competition, the commoner lots ruling steady, while good to fine realised full to dearer prices. Pekoe, sold, 1s 2d to 2s 2d; broken, 1s 2d to 2s 3½d; orange, 1s 5d to 2s 4d; broken ditto, 1s 5½d to 2s 6½d. Business in China teas continues to move quietly. Some good to fine Keemun sold, 1s 10d to 2s 6d; Ningchows, 1d to 1½d per lb. Java and Sumatra auctions of 5,800 packages ruled steady for fine qualities, but common declined ½d to ¾d per lb. Pekoe, sold, 1s 1½d to 1s 4½d; broken ditto, 8½d to 1s 9½d; pekoe souchong, 1s 1d to 1s 3½d; orange, 1s 3½d to 1s 6½d; broken orange, 1½d to 1s 8½d per lb, in bond.

RICE.—Market still very quiet, and quotations nominally unaltered. Two stars, January-February, 14s 6d; February-March, 14s 7½d. Spanish, spot, 21s; shipment, 20s. Beans quietly steady. Peas quieter. Japanese old crop, spot, 29s 6d; new, 31s 9d; afloat, 30s 9d; December-January, 33s per cwt.

SPICE.—A quiet tone pervaded the pepper market. Lampung, October-December, 10½d; January-March, sold, 11½d to 11½d; Muntok, October-December, quoted 1s 6½d; January-March, 1s ¾d. Zanzibar cloves, October-December, 8½d; January-March, 8½d. Pimento, spot, 8½d per lb. Tapioca easier. Singapore flake, December-January, to Havre, sold, 16s 4½d. Sago flour, December-February, to the U.K., sold, 15s 7½d per cwt.

FRUIT (Dried).—Currants firmer, with a fair demand. Pyrgos quoted 3s; Patras, 36s to 38s; Gulf, 39s to 44s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanias maintained. Smyrna, medium to good, 66s to 72s; fine Cretan, 72s to 85s; Australian, 60s to 78s. Raisins in good demand at full rates. Valencia, quarter-boxes sold, 50s to 70s; halves, 45s. Dates steady, quiet. Hallowee, on quay, first tide, 30s; Khadowie, 20s 6d; Siar, 18s; cartons, 34s, landed terms, London. Figs firm. Lacouns, 105s to 140s; layers, 68s to 80s; genuine, 32s to 34s. Evaporated fruits generally quiet, but tone firm for plums. Californian apricots, extra choice, 125s; South African, first grade, 132s 6d. Plums, Californian, 30/40's, quoted 66s; 60/70's, 46s; 80/90's, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s; prompt shipment, 47s 9d, c.i.f. per cwt. Almonds very firm, and in demand, with stocks light.

CANNED GOODS.

CANNED FISH.—Trade generally quiet, but late rates were maintained. Sardines—Portuguese clubs quoted 4s 6d per dozen tins. Salmon—red, tall, 1 lb, quoted 27s; tall pink, 26s to 27s. Lobsters

—best ½'s, 160s to 162s 6d; ¾'s, 90s to 95s. Crayfish—½'s, 76s to 77s; ¾'s, 49s to 50s per case. Japanese crab steady. Herrings 7s per dozen tins.

CANNED FRUIT.—There is not much activity so far, but an improvement in demand is anticipated shortly. Californian Bartlett pears, 24-2½'s, quoted, choice, 12s to 12s 6d. Californian peaches, choice, 11s 6d to 12s 3d; seconds, 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s 3d per dozen tins. Singapore pines in fair request, and prices firmer owing to the strong forward position. Italian tomatoes firmly held, with extreme rates ruling for parcels to arrive.

CANNED MEATS in moderate request at steady rates. Corned beef, 6's, quoted 38s to 44s, as to quality. Danish lunch tongues, 120s to 127s 6d; American, 142s 6d to 147s 6d.

CONDENSED MILK.—Machine-skimmed firm, while more reservedly offered, but full-cream moved off slowly. Evaporated milk sells steadily.

HONEY steady, with moderate sales. New Zealand quoted 54s to 85s, as to quality; Jamaica, good palish, 52s 6d; manufacturing kinds, 35s to 40s; Cuban, 35s to 50s; Australian, 40s to 50s; Californian white set, 57s 6d; pale liquid, 56s per cwt.

GENERAL.

HEMP.—Only small transactions this week, but prices steady, as shippers offer with some reserve. Japanese consumption of manila continues to extend, and while showing an increase of 60,000 bales to date, as against corresponding period last season, the total quantity now approximates to that taken by Great Britain. J, November-January quoted £48; K and L 1 sold, £45 10s; L 2 quoted £42 10s; M 1, £42 10s; M 2, £36 to £37 p.i.d. New Zealand, fair, November-January, quoted £36 10s. African sisal No. 1, f.a.q., November-January, £43.

SHELLAC.—Market quiet. T.N., spot, 210s to 215s; December, 207s 6d to 200s; March, 215s to 220s 6d per cwt.

COPRA.—Quiet, and prices tend against sellers. Straits, F.M.S., December-January, to Rotterdam, sold, £26 15s; Dutch East Indies, ditto, sold, £26 12s 6d; Ceylon, December-January, sold, £28; South Sea Islands, sun-dried, quoted £25; ditto, to Marseilles, quiet, unaltered. Palm kernels slow, and near steamer, Hamburg, sold, £19 2s 6d to £19; November-January, to Liverpool, quoted, £19 12s 6d per ton.

RUBBER.

With reserved sellers and fair buying disposition at opening the market ruled firmer, but eased soon after. Plantation standard sheet, spot, and November, sold, 1s 7½d to 1s 7d; December, 1s 7½d to 1s 7½d; January-March, 1s 7½d to 1s 7½d; April-June, 1s 8½d to 1s 8½d per lb.

TALLOW.—Messrs Colchesters and Woolner write on November 24th as follows:—The tallow market was quiet during the week, and prices are barely maintained to-day. Several of the lots unsold at the last auctions have since found buyers, but there remains available about half the quantity catalogued. There were no auctions to-day. Quotations are:—Australian mutton: Fine, 43s; good to fair, 42s to 40s; dull to dark, 39s to 36s 6d; hard, 42s. Australian beef: Fine, 41s 6d; good to fair, 40s to 39s; dull to dark, 37s 6d to 36s 6d; sweet, 43s. Present shipment from Australasia: Good mixed, 40s 6d. Present shipment from South America, 40s 6d. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs, 1½d; melted stuff, 27s per cwt. Quotations are:—Town, 37s 6d, net cash, naked, ex works. Country—Frail casks, 37s; home melted, shipping casks, net f.o.b., good coloured, 40s; fair to dull, 38s to 37s. Bone fat: white, none; pale, none; benzine, 32s; melted stuff, 31s 6d, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £38; Cochin, £22 10s to £45; Ceylon bristle, £18 to £23 10s; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 6d; Java, 2s 2d.

METROPOLITAN CATTLE.—November 25.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs	..	..	8	0 to 9
Short Horns	5	4	6	0	Ewes	..	..	4	8 5
Herefords	6	0	6	4	Crossbred	..	..	..	..
Devons	6	4	6	8	Scottish	..	..	..	..
					Lamb—Downs	..	..	..	..

LONDON POTATO MARKETS.—November 25.

	Per Cwt.	s	d
English King Edwards	8	0	9
British Queens	7	0	8
Eclipse	7	0	8
Majestic	7	0	8
Irish	6	0	0
Dutch	5	0	6
Belgian Edwards	..	..	6

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COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.		DYE STUFFS, &c.		METALS—B. Copper		SUGAR—per cwt. duty, 11s 8d.	
COCOA—Duty, British grown,	£ s d	Galls, China, per cwt.	nom	Best selected	63 10 64 15	per cent. polarisation	s d s d
9s 4d, foreign, 14s cwt	67 0 73 0	Turmeric, Bengal	nom	Sheets (strong)	92 0 0 0	B.V.I., muscovado	nom
Trinidad	59 0 65 0	Madras, finger	21 0 22 0	Standard	56 15/0 56 17/6	Crystallised	33 3 34 3
Grenada	59 0 65 0	Gambier, block	42 6 0 0	Lead Eng. Pig per ton	30 15/0 0/0/0	Java, white, Jan-Mar	19 10 0 0
Ceylon, plantation	75 0 85 0	Cutch, ord. to fair	0 0 0 0	Soft Foreign	29 5/0 29 11/3	REFINED—London—	
Guayaquil	80 0 110 0	DYEWOODS—		Spelter G.O.B.	33 12/6 0/0/0	Yellow Crystals	30 4 0 0
Bahia, finest	56 0 59 0	Brazil	£ s d	Tin—English ingots	31 10/0 31 4/0	Cubes	37 3 37 9
COFFEE—British grown,		Fustic, Jamaica	8 10	Do do bars	31 10/0 31 5/0	Crushed	35 0 35 6
9s 4d, foreign, 14s cwt		Cuba	15 0 0	Standard cash	31 5/0 31 5/0	Granulated	33 4 33 10
India, fine ord. gd. mid 132	0 157 0	Lima Wood	20 0 0	OILS—Fish, per ton—	£ s d	Castor	35 9 38 4
Do good to fine	162 0 168 0	Logwood, Campeachy	9 0 0	Seal, pale	40 0 0 0	Pieces	27 0 31 9
Oosta Rice, ord. to mid	120 0 158 0	Honduras	10 10 0	Linseed, p. ton net, naked	32 0 0 0	Granulated, home grown	31 9 32 6
Good to fine	162 6 195 0	Jamaica	7 10 0	Rape, refined	47 0 0 0	SPICES—Pepper, lb—	
Central American, gd. ord.		Red Sanders	12 0 0	Crude	45 0 0 0	Muntok, fair White	1 7 0 0
Mid to fine	135 0 145 0	Sapang Ceylon	nom	Cotton-seed, crude	31 10 32 0	Black Singapore	0 11 0 0
Colombian, ordinary	110 0 116 0	FLAX—spot—	£ s d	Edible, refined	38 10 0 0	White Siam	1 8 0 0
Do gd. ord. to low mid	120 0 130 0	Riga ZK	55 10 0 0	Cocunut, crude	46 0 0 0	Pimento	0 8 0 0
Do mid to fine	135 0 166 0	Pernau HD	54 0 0 0	Deodorised	50 0 0 0	Cinnamon—1st sort	2 11 0 0
CHEMICALS—		Blanets U/A Medium	65 0 0 0	Palm	36 0 37 0	Do 2nd	2 9 0 0
Acid, citric	per lb 1 3 1/2 less 5%	FRUIT—		Lard, American	70 0 78 0	Do 3rd	2 8 0 0
Nitric	0 2 1/2 0 4	Oranges, Denia & Val	500 13 0 50 0	Petroleum—Oil, per 8 lbs.	1/1 0/0	Cassia Lignea	50 0 0 0
Oxalic, net	0 3 1/2 0 4	Do	360 13 0 34 0	Water-White	1/2 0/0	Cloves—Zanzibar	0 9 0 0
Tartaric, English	1 1 less 5%	Do Cape	0 0 0 0	Oil Cakes, Linseed, Eng.	£ 12 0/0 £ 12 10/0	Penang	2 6 0 0
Foreign	0 1 1/2 1 0	Lemons, Naples	0 0 0 0	per ton		Madagascar	0 10 0 0
Cream of Tartar		Do	0 0 0 0	Oil Seeds—Linseed—	£ s d	Ginger—per cwt—	
English	per cwt 80 0 81 0	Do Sicilian	0 0 16 0	La Plata, p. ton Nov-Dec	16 0 0	Cochin, small rough	65 0 0 0
Foreign	99% 100% 74 0 75 0	Do	0 0 0 0	Bombay, p. ton Nov-Dec	18 10 0	Do wormy	0 0 0 0
Alum lump	per ton 11/0/0 11/0/0	Do Malaga	0 0 0 0	Calcutta, p. ton Nov-Dec	17 12 0	Japan	60 0 0 0
Do ground	£ 11/10/0 12/0/0	Grapes, Lisbon	0 0 0 0	per ton delivered, London	58/0 63/6	Jamaica, ord. to good	60 0 85 0
Ammonia, carb.	ton 37 0 39 0	Almeria	20 0 0 0	Rapid hardening "Ferrocrete," 10/		Mace	3 8 4 6
Muriate, White	ton 22 0 23 0	Val. Ona	7 6 16 0	per ton extra		Nutmegs, 65's	3 0 0 0
Sulphate	per ton 65 0 70 0	Egyptian Ona	0 0 0 0	"Lightning" brand Aluminous Cement		110's and 80's	1 11 2 3
Argemone lump	per ton 65 0 16 6	Apples: American	17 0 22 0	100/- to 105/6 per ton.		Chillies—per cwt	55 6 105 0
Powder	per cwt 16 0 16 6	HIDES—Wet salted—		Surcharge of 10s per ton for delivery		TALLOW—per cwt.	
Asbes, pot	per cwt 65 0 70 0	Australian	per lb 0 5 1/2 0 5 1/2	of all cement in Lond during coal strike		Good mutton	42 0 0 0
Pearl do	per cwt nom	West Indian	0 5 1/2 0 5 1/2	PROVISIONS—		Beef	40 0 0 0
Bleaching powder, per ton	9/0/0 9/10/0	Cape	0 6 0 7 1/2	Butter—per cwt—	£ s d	TAPIOCA—per lb—	
Borax, gran.	cwt 23 0 0 0	Lisbon	0 5 1/2 0 6 1/2	Do factory	100 0 115 0	E. I. Flake, fair, spot	0 2 1/2 0 0
Do crystals	22 0 0 0	Oporto	0 4 0 7 1/2	Australian	124 0 160 0	Medium Pearl	21 6 26 0
Do powder	24 0 0 0	Dry & Drysalted Cape	0 8 0 12 1/2	Argentine	120 0 144 0	Seed	18 6 26 0
Calomel	per lb 5 0 5 3	Madagascar	0 6 0 7 1/2	Dutch	170 0 172 0	TEA—duty 3 1/2, British,	
Iodine, dry	per oz 1 0 1 1	Central American	0 7 1/2 0 12 1/2	New Zealand	133 0 154 0	foreign, 4d per lb—	
Muriate of Soda	per ton 13/0/0 13/2/6	Buffaloes, Singapore	0 4 0 10	Danish	103 0 172 0	Indian and Ceylon—	£ s d
Potash—Chlorate, net	0 3 1/2 0 4	Penang	0 5 0 9 1/2	Bacon, eng. Irish	103 0 122 0	Pekoe	1 1 2 2
Prussiate	0 8 0 9	E. I.	0 5 1 0	Danish	92 0 101 0	Broken Pekoe	1 1 2 3 1/2
Do Foreign	0 7 1/2 0 8	Market Hides, London		American	91 0 97 0	Orange Pekoe	1 3 2 6
Sulphate	per ton 11 0 12 0	Best hyv. ox & heifer	7 1/2 0 9	Hams—Irish	nom	Broken Orange	1 3 3 6
Sal-Acetone	per lb 1 0 2 0	Do light	0 7 0 7 1/2	Canadian	134 0 146 0	Pekoe Souchong	1 1 1/2 1 7
Sal-Ammoniac	per ton 6/0/0 10/0/0	2nd ox, heavy	0 5 0 8 1/2	American	125 0 158 0	TIMBER—ex. yd—	
Soda Bicarb.	per ton 5/0/0 5/5/0	Do light	0 5 0 5 1/2	Lard—Irish bladders	84 3 100 0	Swedish u/s 3 x 8, Ft. Std.	19 0 0 0
Crystals	per ton 5/1/0 6/15/0	Best cow	0 4 1/2 0 5 1/2	American boxes .56 lbs	67 6 70 0	Do 2 x 4	19 0 0 0
Alkali	14/2/6 16/10/0	Best calf	0 4 1/2 0 5 1/2	Pork—per 8 lbs	6 4 10 4	Do 2 x 4	19 0 0 0
Canstic	14/2/6 16/10/0	2nd do	0 6 0 12	Beef—Frozen	6 7 4 4	Can'dn Spruce, Dis.	17 10 0 0
Sugar of lead, white	ton 0/0/0 0/0/0	2nd do	0 6 0 10	Scotch	6 8 7 4	Pitchpine	per load 9 0 0 0
Foreign white	£ 44 0 46 0	INDIA RUBBER—lb—		Cheese—ows—Canadian	82 0 88 0	Rio Deals	per std. 32 0 0 0
Sulphate Quinine		Para, fine hard spot	1 6 1/2 0 0	New Zealand	81 0 85 0	Teak	per load 20 0 0 0
English Brands	1 9 1 10	Plantation sheet	1 7 1/2 0 0	Eng. Cheddars	90 0 114 0	Honduras Mahg. logs, c.f.	0 11 6
Foreign	1 8 1 9	INDIGO—per lb—		Cheshire	90 0 114 0	African	0 6 6
Sulphate Copper	per ton 24/10/0 25/10/0	Bengal, good red violet to	5 6 6 0	Dutch	62 0 102 0	American Oak Boards	0 6 0
Zinc, out.	nom	Mid. ord. vio. to good	5 0 5 6	Eggs, per 120—English	28 0 29 0	Do Ash	0 6 0
Sulphur Flour	9/0/0 9/10/0	Low to good ord.	5 0 5 6	FLLOUR—280	22 6 26 6	English Oak Planks	0 7 0
Do Roll	8/0/0 8/10/0	Madras, dry leaf, good	2 6 3 6	London standard ex mill	45 0 0 0	Do Ash	0 6 6
Vermillion, Chinese, per lb	4 9 5 0	Do low to ord.	1 0 2 6	RICE—per cwt, c.f.—		TOBACCO—	
English	4 9 5 0	Kurpah, gd. mid. to gd.	4 0 4 6	Rangoon, No. 2	14 6 0 0	Duty 8 1/2—10 1/4 per lb.	Empire
Oil Peppermint, H.G.H.	42 6 45 0	Low to mid.	3 0 4 0	Broken la	14 3 0 0	growths, 6 1/2 per lb.	
COPRA—per ton, c.f.—	£ s d	HEMP—per ton—		ROBIN—per ton—		Virginia leaf	£ s d
Malabar, Dec-Jan	nom	Italian P.C.	53 0	American	28 0/0 37 0/0	Common to fine	1 3 2 3
Ceylon	28 0 0	Manila, Nov-Jan. "J"		French	24 10/0 30 10/0	Strips	2 0 3 6
FMS Singapore	25 17 0	Grade	47 10	SAGO—Pearl, per cwt.	23 6 27 0	Kentucky leaf	
FM Straits	25 10 0	N.Z., high point, fair	38 15	SHELLAC—per cwt—	£ s d	Common to fine	1 0 1 8
COCHINEAL	per lb 2 1/2 3 1/2	Nov-Jan.	38 15	Orange, first marks	250 0 335 0	Strips	1 3 1 8
DRUGS—		JUTE—Native first mks. Oct-Nv.	37 5/0	Second, fair to fine	230 0 250 0	China	0 9 2 6
Aloes, fine E.I.	per cwt 120 0 140 0	" " Nv.-Dec.	29 15/0	TN Orange	215 0 220 0	Borneo and Sumatra	1 0 7 6
Cape, good to fine	41 0 42 6	" " Nv.-Feb.	29 15/0	Garnet, Lac. AC	195 0 0 0	Nyasaland	0 10 4 6
Balsam Peru	per lb 5 9 6 0	LEATHER—per lb—		Button—Pure	245 3 250 0	Seedling	1 6 4 6
Capivi	1 7 0 0	Sole Bends 6/9 lb.	1 3 1 11	Blocky (TN)	215 0 0 0	Havana	1 6 0 0
Camphor		Do 10/12	1 4 2 1	SILK—per lb—		Greek	0 10 1 8
Japan, refined	2 10 0 0	Do 12/12	1 5 2 6	China—Blue Elephant	16 0 0 0	East Indian	0 6 1 0
Cardamoms, Ceylon	5 0 8 0	Do 14/16	1 5 2 7	Canton	17 6 21 0	Cigars, duty 15/7 per lb.	2 0 0 0
Cantharides, China, per lb	2 6 0 0	Do 17/18	1 5 2 6	Tussah	10 0 12 0	Cigarettes, duty 12s 7d per lb.	
Castor-oil	cwt 85 0 95 0	Do 17 1/2 lb and up	1 5 4 2 6	Reeled	15 3 18 0	TURPENTINE, p. cwt.	
Gum Benjamin Sum.	cwt 5/0/0 10/0/0	Shoulders fm DS Hides	0 9 10 10 1/2	Japan	25 0 27 0	WOOL—per lb—	
Olibanum, drops, fair to	80 0 100 0	Do Eng. or WS do	1 0 1 8	Italian—Raw, fr. Milan	26 0 28 6	English, Southdown, washed	21
good	14 6 0 0	Bellies from DS do	0 7 10 10 1/2	Macassar	8/10/0 11/0/0	Lincoln hog	15 1/2
peacocknahe	2 0 0 0	Do Eng. or WS do	0 8 1 1 1/2	Sydney	7/10/0 12/15/0	Queensland, sod. super ombg	45
Jalap	2 0 0 0	Dressing Hides	1 8 2 6	W. Australian	7/6/0 11/15/0	N.S.W. greasy, super	24
Musk pod, China	os 67 6 70 0	Ro. Eng. Calf, 20/30 lb.	3 8 5 3	Bombay	3 5/0 5/0/0	N.Z., grev. half-bred 50-58	21
Oil, Cassia	per lb 8 0 8 3	Ausa Sides (nominal)	1 2 1 6			Crossbred 40-44	13 1/2
Aniseed	3 3 3 6						
Peppermint, Wayne Co.	32 6 35 0						
Rhubarb, China r to fr.	3 0 3 3						

PRELIMINARY NOTICE.

THE CHARTERHOUSE INVESTMENT TRUST, LIMITED.

(Incorporated under the Companies Acts, 1908 to 1917.)

CAPITAL - - - £1,000,000

DIVIDED INTO

1,000,000 Ordinary Shares of £1 each, of which 300,000 have been issued, and are fully paid up.

The Articles of Association provide that no Debentures or Debenture Stock, except for securing overdrafts, advances or loans from the Company's Bankers for the time being, may be created without the consent of the Company in General Meeting, and there shall be carried to reserve each year a sum at least equal to 10 per cent. of the net profits until such Reserve Fund amounts to 50 per cent. of the Ordinary Capital for the time being issued, to be maintained at that figure.

The Prospectus will be advertised on Sunday and Monday next

OF AN

ISSUE OF 700,000 SHARES OF £1 EACH AT 21s. PER SHARE.

The above Shares will rank for Dividend as from 12th November, 1926, and are thus equal in all respects to the existing issued Shares.

The Directors and their friends have applied on the terms of the Prospectus for 300,000 Shares, which will be allotted in full.

The Prospectus will show:—

The Charterhouse Investment Trust, Limited, was formed in November, 1925, as an Investment Trust and Finance Company, and has been instrumental in placing successfully several important public issues.

The additional capital now issued can be profitably employed in business already in hand.

The first year's results show a net profit of £52,593 2s. 2d., representing approximately 30 per cent. on the Capital of the Company for the time being paid up as from the due dates of calls on the original Shares. Out of this profit there has been declared a dividend of 7 per cent. less income tax, equal to 12 per cent. on the capital for the time being paid up; £7,534 has been placed to Reserve, £5,905 carried forward to next year, and £10,000 written off preliminary expenses. This satisfactory result has been achieved during a year which included more than six months of the disastrous coal strike.

Prospectuses and Forms of Application can be obtained on Saturday from

LLOYDS BANK LIMITED, 39, Threadneedle Street, E.C.2;

JOHN PRUST & CO., Stockbrokers, 37, Throgmorton Street, E.C.2, and Stock Exchange;

CRICHTON BROS. & TOWNLEY, Stockbrokers, 13, Castle Street, Liverpool, and Stock Exchange;

and

THE CHARTERHOUSE INVESTMENT TRUST, LIMITED, 30-31, St. Swithin's Lane, E.C.4.

THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835).
Head Office: 4, THREADNEEDLE ST., E.C.2.
West End Office: 17, Northumberland Av., W.C.2.
Paid-up Capital ... £4,000,000
Reserve Fund ... £3,760,000
Reserve Liability of Proprietors ... £4,000,000
Under the Charter ...
Letters of Credit and Drafts are issued and banking business of every description is transacted through the numerous branches of the bank throughout Australia and New Zealand.
Deposits for fixed periods received.

THE Investor's Monthly Manual

(Established 1864).

The MOST COMPLETE PERIODICAL RECORD in existence of the dealings, throughout the United Kingdom, in every description of stocks and shares.

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STATE BANK OF THE U.S.S.R.

(Union of Socialist Soviet Republics.) Formerly State Bank of the R.S.F.S.R.
Created by Decree of the Soviet Government of October 12th, 1921.

Capital ... 10,000,000
Bank Note Issue ... On Nov. 16th, 1926. 89,723,430
Issue Dept's Gold and Platinum Reserve ... do ... 19,200,781
Issue Dept's Foreign Currency Reserve ... do ... 5,549,244
N.B.—1 Chervonetz contains 119.4826 grains of pure gold and equals £1 1s. 1 1/2d. or \$5.14 1/2

Head Office and Foreign Department, MOSCOW.
OVER 400 BRANCHES.

FOREIGN BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED.
Deposits and Current Accounts in Foreign and Soviet Currency. Mail and Cable Remittances effected throughout the territories of the Soviet Union. Collections. Letters of Credit. Bills of Exchange. The Bank is specially interested in facilitating trade with the Soviet Republics.

AGENTS AND CORRESPONDENTS IN ALL PARTS OF THE WORLD.
LONDON CORRESPONDENTS—Lloyds Bank, Ltd.; National Provincial Bank, Ltd.; Midland Bank, Ltd.; Westminster Bank, Ltd.; Barclays Bank, Ltd.; N. M. Rothschild & Sons; Hambros Bank, Ltd.; Kleinwort Sons & Co.; J. Henry Schroder & Co.; S. G. Warburg & Co.; S. Japhet & Co., Ltd.; Equitable Trust Co. of New York; National City Bank of New York; Bank for Russian Trade, Ltd.; Moscow Narodny Bank, Ltd.

THE BRITISH OVERSEAS BANK, LTD.

ESTABLISHED 1919.

Report by the Board of Directors to the Seventh Annual General Meeting of Shareholders to be held in the Bank Premises, 33, Gracechurch-street (Lombard-court), London, E.C.3, on Tuesday, the Seventh day of December, 1926, at 12 noon.

The Directors submit to the Shareholders the Balance-sheet of the Bank as at 31st October, 1926, and Profit and Loss Account, together with copy of the Auditors' Certificate.

The Profit, after allowing rebate of interest and providing for all bad and doubtful debts, Income Tax and other Taxation for the year ended 31st October, 1926, amounts to £150,220 13 4

Balance available from last account 60,345 11 3

Making a total of £210,566 4 7

Interim dividend on "A" Ordinary Shares at the rate of Six per cent. per annum for the Half-year ended 30th April, 1926, and Income Tax thereon 30,000 0 0

Leaving a Balance of £180,566 4 7

which has been appropriated as follows:—

In payment of a Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum (less Income Tax) for the Half-year ended 31st October, 1926, which together with Income Tax thereon amounts to £30,000 0 0

In payment of a Dividend on the "B" Ordinary Shares at the rate of Six per cent. per annum (less Income Tax) for the Year ended 31st October, 1926, which together with Income Tax thereon amounts to £60,000 0 0

To Reduction of Premises Account 5,000 0 0

To Reserve Fund 25,000 0 0

Leaving a Net Balance to be carried forward to next year of 60,566 4 7

£180,566 4 7

Since the close of the year under review the Directors have appointed Mr. Dudley Ward, C.B.E., a Manager of the Bank, to a seat on the Board.

The Directors retiring by rotation are The Right Hon. Viscount Churchill, G.C.V.O., and The Hon. Bernard Rollo, who, being eligible, offer themselves for re-election. In accordance with Article 91, Mr. Dudley Ward's appointment requires confirmation by the Shareholders.

The Auditors, Messrs. A. W. Tait, C.B.E., and A. S. Macharg, also retire, and, being eligible, offer themselves for re-appointment.

By Order of the Board,
A. E. THORNE, Secretary.

BALANCE-SHEET as at 31st October, 1926.

LIABILITIES.		ASSETS.	
Capital:—Authorised		Cash in Hand and at Bankers	£361,696 9 5
300,000 "A" Ordinary Shares of £5 each	£1,500,000 0 0	Money at Call and Short Notice	1,813,275 0 4
300,000 "B" Ordinary Shares of £5 each	1,500,000 0 0	Balances with Bankers Abroad	533,190 7 1
400,000 Shares of £5 each, which may be issued in whole or in part as "A" or "B" Ordinary Shares	2,000,000 0 0	Bills Discounted	904,191 16 9
	£5,000,000 0 0	Government Securities	337,019 14 0
Subscribed and Paid in Full:		Other Investments, including Shareholding Interests in Foreign Banks	302,309 17 2
200,000 "A" Ordinary Shares of £5 each	£1,000,000 0 0	Advances to Customers and other Accounts	900,759 15 5
200,000 "B" Ordinary Shares of £5 each	1,000,000 0 0	Liability of Customers for Acceptances, etc. (per contra)	2,448,002 12 8
	£2,000,000 0 0	Premises Account	354,167 19 6
Current, Deposit and other Accounts	3,296,044 15 1		
Reserve Fund	150,000 0 0		
Acceptances, etc., for account of Customers (per contra)	2,448,002 12 8		
Balance of Profit and Loss Account	60,566 4 7		
(NOTE.—Contingent Liability on account of Endorsements on Bills Discounted, £807,989.)			
	£7,954,613 12 4		£7,954,613 12 4

PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1926.

Dr.		Cr.	
To Interim Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum and Income Tax thereon	£30,000 0 0	By Balance brought forward	£60,345 11 3
„ Final Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum and Income Tax thereon	30,000 0 0	„ Net Profit after allowing rebate of Interest and providing for all Bad and Doubtful Debts, Income Tax and other Taxation for the year ended 31st October, 1926	150,220 13 4
„ Dividend on the "B" Ordinary Shares at the rate of Six per cent. per annum and Income Tax thereon	60,000 0 0		
„ Reduction of Premises Account	5,000 0 0		
„ Reserve Fund	25,000 0 0		
„ Balance carried to Balance-sheet	60,566 4 7		
	£210,566 4 7		£210,566 4 7

CHURCHILL, Chairman.
ARTHUR C. D. GAIRDNER, Deputy Chairman and Managing Director.
B. ROLLO, Director.

A. E. THORNE, Secretary.
F. J. SULLIVAN, Accountant.

AUDITORS' REPORT.

We have examined the above Balance Sheet and compared it with the Books of the Bank. We have satisfied ourselves as to the correctness of the Cash Balances and the Bills of Exchange and have verified the Securities. We have obtained all the information and explanations which we have required, and are of the opinion that the Balance Sheet is properly drawn up, so as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Bank.

London, E.C., 23rd November, 1926.

A. W. TAIT, Chartered Accountant.
A. S. MACHARG, Auditors.

DIRECTORS.

The Right Hon. VISCOUNT CHURCHILL, G.C.V.O., Chairman.
ARTHUR C. D. GAIRDNER, Esq., Deputy Chairman and Managing Director.
JAMES CAIRD, Esq.
NIGEL L. CAMPBELL, Esq.
Sir GEORGE E. MAY, K.B.E.
The Hon. HENRY D. McLAREN, C.B.E.
The Hon. BERNARD ROLLO.
DUDLEY WARD, Esq., C.B.E.

ADVISORY DIRECTORS.

Sir ARTHUR A. HAWORTH, Bart.
R. T. HINDLEY, Esq.
NORMAN L. HIRD, Esq.
EDGAR HORNE, Esq.
Sir HARRY McGOWAN, K.B.E.

MANAGERS.

WILLIAM DEAN.
H. HOPKINS.

F. O. A. SPEED.
R. STEPHENSON.

DUDLEY WARD, C.B.E.

INTELLIGENCE DEPARTMENT.

DUDLEY WARD, C.B.E.

F. O. A. SPEED (Commercial Section).

R. STEPHENSON.

FOREIGN EXCHANGE DEPARTMENT.

H. W. GURNEY, Chief Operator.

TRUSTEE DEPARTMENT.

F. O. A. SPEED.

ACCOUNTANT.
F. J. SULLIVAN.

CONTROLLER.
C. T. JAMES.

SECRETARY.

A. E. THORNE.

AUDITORS.

A. W. TAIT, Esq., C.B.E., C.A., London.

A. S. MACHARG, Esq., C.A., Glasgow.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor:

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, DECEMBER 4, 1926.

No. 4,345.

ALLIANCE

ASSURANCE COMPANY, LIMITED.

(Established in 1824)

HEAD OFFICE: BARTHOLOMEW LANE, LONDON, E.C.2.

ASSETS EXCEED £25,000,000.

The Alliance grants Insurances of all kinds.

LIFE DEPARTMENT.

INCREASED INTERIM BONUSES ALLOWED on Participating Policies.

Assurances granted with DISABILITY BENEFITS.

Children's Educational Policies and Deferred Assurances.

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T. B. PONSONBY, General Manager.

Centralbanken for Norge

a/s under offentlig administration

OSLO, NORWAY

TRANSACTS ALL KINDS OF BANKING BUSINESS.

Correspondence Invited.

CREDITO ITALIANO

Capital Subscribed Lire 400,000,000

Capital Paid-up Lire 352,960,600

Reserve Lire 150,000,000

Head Office of the Bank: MILAN.

THE BANK HAS BRANCHES AND CORRESPONDENTS THROUGHOUT ITALY.

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THE MONEY MARKET.

THE customary end-of-the-month pressure in Lombard street was accentuated by some calling in of funds by the joint stock banks on Tuesday for balance-sheet purposes, and up to 5 per cent. was readily paid for short loans, but the market managed to avoid going to the Bank. On Wednesday over £50 millions in interest on War Loan was distributed, and the market was able to

wipe off its debt to the Bank of England, but the effect of the interest payment was not fully felt until Thursday, when short loans were freely offered down to $3\frac{1}{2}$ per cent. The discount market eased in anticipation of more comfortable conditions in the money market, and the general working rate for three months' bills has been $4\frac{1}{2}$ per cent.

	Dec. 3, 1926.	Nov. 26, 1926.	Nov. 19, 1926.	Nov. 12, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount/Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	2 (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

Thursday's Bank return showed a decrease of £98,500 in the stock of coin and bullion, and an increase of £1,688,900 in the note circulation. The reserve thus declined by £1,787,400, the Proportion dropping by nearly 2 per cent. to 25.9 per cent. The War Loan interest payments are reflected in an increase of £8,930,000 in Government securities, a decrease of £14,616,700 in Public Deposits, and an increase of £17,000,900 in Other Deposits. Market repayments are indicated by a reduction of £4,698,300 in Other securities. Currency notes were increased by £1,047,700 to £285,783,400, which includes £1,289,700 for notes called in, but not yet cancelled. The fiduciary issue is £228,243,700, or £19,658,800 below the maximum for 1926.

NEW YORK MARKETS.

Our New York correspondent cables:—The security markets are displaying some buoyancy, and average share values are at new high levels. The public is showing signs of interest, but the volume of business is still moderate. Cheap money is one factor and the steadiness of industry another, sentiment being more optimistic. Call money rates have relaxed with the passing of the end of the month. Demands in connection with the latter complicate the week's Federal Reserve statements, which show increased demands upon the System, with the Reserve ratio 1.1 per cent. lower. There has been some flow of money to New York, besides which the local Reserve Bank has bought bills and Government securities. Dun's Index is practically unchanged for November, with group movements irregular.

THE STOCK MARKETS.

The course of markets in the Stock Exchange this week has been disturbed by several adverse factors, the most prominent of which is the state of affairs in China. Fluctuations in the franc, the fall in the price of rubber, and the unsatisfactory conclusion of the coal stoppage have also been depressing influences, and in most sections prices have been weak. The distribution of over £50 millions in War Loan interest produced no investment buying in the gilt-edged market, where, however, prices are tolerably steady. Chinese bonds have fallen heavily, while inter-Bourse stocks, such as Peruvian Corporations, Rio Tintos, and Turkish Unified, have been very sensitive and are lower on balance. Home Rails have again drooped, but the Argentine Railway market has been fairly good. Rubber share prices have slumped on the further fall in the price of the commodity. In the industrial market Bleachers relapsed on the reduction in the interim dividend, and Dunlops reacted after last week's advance. Mines, with a few exceptions, have been depressed. The issues by the Charterhouse Investment Trust and the Associated Dyers and Cleaners were over-subscribed.

THE COMMODITY MARKETS.

The resumption of operations in all the coalfields of Great Britain has improved the immediate outlook in almost every trade, though some little time must elapse

before normal conditions are restored. Pit-head prices have fallen, on the average, by about 10s a ton, and official permission has been forthcoming for a partial restart in the export trade. The heavy iron and steel industries are hampered by high fuel prices, and a shortage of available material. No immediate drop in quotations is looked for. The cotton market is featureless, and as yarn and cloth buyers continue to act with caution, no increase falls to be recorded in the volume of business done. Heavy weights of wool are moving at firm prices in all centres, but the absence of a brisk demand for piece goods has prevented the more hopeful feelings of makers from being translated into action as yet. The wheat markets have been easy in tendency, with a slight accession of business in the latter part of the week. Sugar is steady, coffee and tea quiet. Rubber prices have fallen below 1s 6d on selling pressure. Among non-ferrous metals, tin was in strong demand early in the week, but lost ground later, while copper and lead showed similar irregularities after a firm opening.

FOREIGN EXCHANGES.

The features of the foreign exchange market have been the wide fluctuations in the franc, the movement of the Berlin exchange against this country, and, to a lesser degree, the appreciation of the Canadian dollar. Paris opened on the 27th at 135 $\frac{3}{4}$, but there was an improvement at the close to 134 $\frac{1}{2}$. On Monday there was an improvement at the close of over 4f on the previous day's closing, the rate being 130 $\frac{1}{2}$, after being under 130 during the day. On Tuesday there was a firm opening at 130, followed by a reaction to 132 $\frac{1}{2}$, the three months' forward rate being at 2 $\frac{1}{2}$ f discount, as compared with spot. On Wednesday the effect of the larger turnover consequent on the monthly settlement showed itself in the opening rate of 134, but 130 $\frac{1}{2}$ was recorded at the close. The three-months' forward rate was 2 $\frac{3}{4}$ discount. On Thursday there was great activity and wide movements between 126 and 129 $\frac{1}{2}$, the closing rate being 126 $\frac{3}{4}$, another variation by 4f on the closing rate of the day before. Yesterday, midday, saw the rate at 127 $\frac{3}{4}$, after opening at 126, and there were signs of further weakness, which would carry the rates still higher. Forward francs for one and three months' delivery were quoted at 85c and 2.70c discount. It is understood that although the Banque de France returns were slightly less favourable, showing increases of 1,000 million francs and 69 million francs in advances to the State and in the Note issue, taxation has of late been coming in most satisfactorily. It is, however, obvious that such steep rises as those recorded during the week must be unhealthy at the present level of the franc; and also that this sudden appreciation must rapidly stifle industry and soon check the inflow of taxation. It is also fair to say that too much appears to hang on the shoulders of one man to inspire much confidence in the future in the face of the factors we have mentioned. The New York rate remained on balance unchanged at 4.84 $\frac{1}{16}$, after improving to 4.85 1-32-16 on Monday. Forward rates yesterday were at 1-32c discount for both one and three months. Montreal improved from 4.84 $\frac{1}{4}$ to 4.84 $\frac{1}{2}$ on a transfer of gold from New York. Berlin improved from 20.43 to 20.39 on considerable buying of marks in connection, it is believed, with ordinary commercial transactions. The lira showed a fair amount of fluctuation from time to time, and stood yesterday at 113 $\frac{1}{2}$, with one and three months at $\frac{3}{4}$ and 2 $\frac{1}{2}$ lira discount, as against the opening level of 114 $\frac{3}{4}$ - $\frac{1}{2}$. The peseta appreciated well from 31.99-32.02 to 31.85, chiefly, it is supposed on better political conditions. Oslo showed considerable weakness on Monday at 19.22 after opening at 18.98, but recovered slowly though steadily to 19.08 yesterday. Stockholm was rather better at 18.16 yesterday against the opening level of 18.17, as was Copenhagen at 18.20, as compared with 18.21. Geneva moved against this country and closed at 25.13, against an opening of 25.15, as did Brussels at 34.85, as compared with 34.88. The other European exchanges call for no remark. In the East the rupee opened weaker at 1s 5 25-32d, and

closed at this level in a dull market after touching 1s 5 $\frac{3}{4}$ d. The yen opened at 2s 0 $\frac{1}{2}$ d and closed a fraction weaker at 2s 0 $\frac{1}{4}$ d. Of the South American exchanges, Buenos Aires closed weaker by 1-32d at 45 23-32, and Rio was also weaker by 1-32d at 6 1-32d. The silver market was very quiet and dull throughout, and prices fell sharply towards the close as a result of Indian and China selling. The general outlook is hesitant and uncertain. The silver exchanges reacted in sympathy, Shanghai falling to 2s 4 $\frac{1}{2}$ d after opening at 2s 5 $\frac{3}{4}$ d, and Hongkong to 1s 10 $\frac{3}{4}$ d, as against 1s. 11d. Singapore remained unchanged at 2s 3 $\frac{1}{2}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended November 27th:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	7,585	From Revenue	9,147
Interest, &c., on Debt	1,253	Increase in Debt	1,556
Sinking Fund	810		
Increase in Balances	117		
Sundries	939		
	10,703		10,703

Revenue amounted to £9,147,700, as against £8,971,200 during the corresponding week last year. Customs yielded £2,518,000, against £2,338,000, and Excise £1,689,000, against £1,485,000. Estate, &c., duties produced £1,700,000, against £680,000. Property and income-tax yielded £588,000, against £1,258,000, and Super-tax £380,000, against £360,000. The week's operations increased the National debt by £1,556,000, and caused the following changes:—

(000's omitted.)			
	£		£
Public Department Advances ..	2,000	Treasury Bills	+ 4,036
National Savings Certificates ..	200		
Sundries	280		
	2,480		+ 4,036

The floating debt was increased by £2,020,000 to £787,096,000.

FINANCIAL YEAR, 1926-1927 (April 1 to November 27, 1926).

£		£	
Total Expenditure ..	508,003,354	Raised by Revenue ..	423,159,220
		Decrease in Balances ..	3,742,316
		Amount borrowed ..	81,101,818
Total	508,003,354	Total	508,003,354

ESTIMATES FOR FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Royal Bank of Australia, Consolidated Goldfields of South Africa, Castlefield (Klang) Rubber Estate, John I. Thornycroft, Pahang Consolidated, and Malaya General Company. At the meeting of the Royal Bank of Australia it was decided to hold meetings annually instead of half-yearly.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

REFLECTIONS ON THE COAL DISPUTE.

This week may be considered for practical purposes to have seen the end of the most serious dispute in the annals of British industry. All the miners of the country are not yet at work; all workable pits have not yet reopened; agreements have not been signed in all districts; here and there minor points remain to be adjusted. But the men in all districts have been instructed by their organisations to return to work; more than 50 per cent. of the total have actually resumed; and by the end of next week we may expect to see most of the mines of the country working at fairly full pressure to overtake arrears of demand and to rebuild the depleted stocks,

first at home and then in those countries abroad where the cessation of British production has caused a fuel famine. The chief event of the past week, during which the rush back to work has been heavy in all districts, has been the conclusion of an agreement in South Wales on the basis of an eight-hour day, with seven hours for Saturday. In Durham and in Cumberland ballots resulted in a narrow rejection of owners' offers, but a two-thirds adverse majority being lacking, a return to work was ordered. So, piecemeal, on a variety of terms, none of them anything like as favourable to the miners as those that wise leaders could have secured for them six months ago (or even before the strike), our greatest key industry is resuming production. In Scotland, South Wales, and Lancashire the terms include an eight hours' day; in Northumberland, Durham, Yorkshire, Notts, and Derbyshire a 7 $\frac{1}{2}$ hours' day. In Scotland, Yorkshire, and Lancashire the agreements are for three years; in Notts and Derbyshire for five years; in Northumberland for two years; in Durham for only one.

Thus hostilities are at last at an end. But can we say that there is peace in any real sense? Our readers are aware that we do not regard as ideal, or even as satisfactory, either the general line of the terms that have been arranged or the manner in which the end of the struggle has come about. It is, however, no good crying over spilt milk. The point of real importance is that there is now a breathing space, during which the industry will work under artificially favourable circumstances; and we may yet look to the future with confidence, if this respite is employed by the best brains on both sides of the industry in assimilating the lessons of this disastrous dispute, and in determining to face at long last the hard facts which the Samuel Commission enunciated so clearly, but with a voice that, unfortunately, fell on the deaf ears of narrow and inept leaders on both sides. If, on the other hand, the industry is merely going back to hide its head in the sand of a temporary and unnatural boom, whose passing will leave things worse than ever, then the coal cloud still hangs heavily over our industrial future, and we have gained no asset to place against the appalling losses which the industry has for seven months heaped upon the nation. There is, we hope, ground for believing that this ostrich-like procedure will not be adopted. On the side of the miners we may surely expect results from the revelation of the grotesque failure of leadership from which they have suffered. It is almost inconceivable that any important body of workers, with the object-lesson of the last seven months before their eyes, should again entrust their fortunes to the hands of men so utterly devoid of statesmanship, of courage, of broad outlook, of grasp of facts, of negotiating power, or even of the elements of common business capacity, as Mr A. J. Cook and Mr Herbert Smith have conclusively proved themselves to be. Now the conduct of affairs has passed from these feeble hands into the control of bodies of men in the various districts, among whom undoubtedly are persons of far greater capacity. From this transfer may we not hope to see the gradual emergence of constructive policy and enlightened leadership? Whether on the owners' side we may also hope for a greatly needed change in outlook and policy, such as will enable them to grasp the opportunity offered by the period immediately ahead, time alone will show. Optimism on this point is somewhat damped when we find that to the Report of the Committee on the Marketing of Coal, which we discuss on a later page, a minority report is appended, two of the three signatories of which are coalowners, who, in effect, say that no improvement is needed and nothing requires to be done. Sincerely do we trust that the coming months will show this *dolce far niente* attitude to be unrepresentative of the mineowners as a whole.

Some of the most obvious considerations arising out of the coal dispute and its settlement have, however, a vital bearing not merely on the coal trade, but on the whole industry of the country. We may take the end of the coal dispute as marking a critical point in the economic history of Britain. Hitherto it has been possible to attribute the ups and downs that we have experienced since the war to temporary and passing causes.

At one time, when our European competitors were in a crippled condition, we had a very nearly free run in distant overseas markets. At others monetary depreciation put us at a serious disadvantage. From now onward we are facing more normal circumstances. The chief currencies have been stabilised, and though something still remains to be done in this respect in France and Italy, both these countries now seem to have the determination as well as the power to prevent any serious further fall. There are signs that at last the world's volume of trade is steadily expanding. Are we going to retain a large share of this growing trade, or is the world going to pass us by and leave us to our wrangling and our inefficiency?

There are two hopeful signs. The first is that the General Strike and the more deadly long-drawn-out stoppage in the mines have disillusioned the masses of the workers of the country with the methods of Moscow, and will probably have the effect of destroying the influence of extremists in the trade-union organisation whose purpose should be to aim at the technical and economic advancement of industry, instead of at industrial sabotage for political ends. On the other hand, large numbers of employers have realised in the last two years that they have much to learn both from America and from Germany in regard to industrial technique, industrial organisation, the relations between themselves and their workpeople and their customers, and, generally, in the art of taking a long view of industrial policy. In short, these last years have been a period of mass education. Are we going to profit by the lesson?

On the trade-union side much depends on whether the leaders will show the necessary courage to explain to the masses of the people that efficiency and high productivity alone can create high consuming power, and that, therefore, the use by the worker of the most up-to-date plant and technique, progressive reorganisation in the workshops and modern commercial methods can alone produce high wages, and that to push wages up without these is only to strangle British trade. It would be false to assume that misguided trade union leadership is alone responsible for the present condition of British industry. In one of the worst-hit of our export industries—the cotton trade—relations between employers and workpeople are very good. Payment on a piece-work basis is the rule, and, broadly speaking, the trade unions have not hampered modernisation of the mills. The iron and steel industry, again, is one in which relations have been exceptionally good for many years. Payment by results has been general, and the attitude of labour cannot in any sense be held responsible for any defects there may be in that industry's technical equipment. Even in the engineering industry, in which there has been so much difficulty in removing traditional restrictive practices, the system of payment by results has made very considerable headway since pre-war days. Nearly half the workers are to-day on piece-work, compared with less than a quarter before the war, and, if the skilled grades alone be considered, the percentage is very much higher. On the other hand, one of the more prosperous industries, namely, the building trade, is one in which the time payment system is almost universal, and habits of *ca' canny* seem the most deeply ingrained. No thinking trade unionist, however, would deny that there is an absence of an active spirit of co-operation over a large field of British industry. So long as it is lacking there is no hope of getting a real lift to wages and the standard of living in this country.

Responsibility for improvement, however, lies even more definitely at the door of the employers. Nothing could be more disastrous than any attempt to use the situation created by the defeat of the miners to depress wages further or crush trade-union organisation. The most important objective of employers should be to increase the productivity of their workpeople in order that they may pay them more. But they cannot hope to get support in such a policy unless they can satisfy their men that they are getting a fair share of what should be a mutual benefit. In our view the omens are in favour of expanding trade in the immediate future for the reasons we have mentioned, and in any case there are arrears of work which will create at least a temporary activity

for several months to come. But unless the underlying conditions of domestic organisation are rectified now, this boom may prove as short-lived as the notorious post-war boom. It is hardly too much to say that British industry is at the cross-roads. The time has come to choose which road we will take.

MILITARY BUDGETS AND DISARMAMENT.

(BY A CORRESPONDENT.)

THE Preparatory Commission for the Disarmament Conference, which was appointed by the Council of the League of Nations in December, 1925, has not yet dealt with the questions referred to it in full session; these have been considered by sub-Commissions or by means of expert Committees, of which the most important was the Joint Commission, composed of members chosen among the personnel of the regular League Committees, such as the Financial Committee and of the International Labour Organisation. The Joint Commission having concluded its work, it has made a report dealing with certain economic aspects of a Disarmament Convention and with the possibility of utilising military and naval budgets for the limitation of armaments. It is worthy of note that this Report has been unanimously adopted by the Commission, which included English, French, German, Italian, Czechoslovak, and other members.

The Commission has had to study the possible economic consequences of a system of supervision of disarmament in accordance with a future Convention. As, however, the terms of such a Convention cannot be precisely forecast, the study has necessarily been somewhat hypothetical. The Commission considered, amongst other cases, the eventuality of certain terms being agreed upon which might affect private industry. With regard to the question of prohibiting certain forms of warfare, particularly chemical warfare, the Commission has had the advice of some specially qualified experts in the chemical industry, and states, in agreement with them, that the success of such prohibition would be better assured were there a previous agreement between the chemical industries concerned—a statement which might also be taken account of by the coming Economic Conference of the League.

In general the Commission lays stress upon the necessity of preventing any undesirable interference with the secrets of private industry and trade. With regard to the normal application of the Convention, it relies in the main upon the collection and study of statistical documentation. In the possible event of disputes arising between States as to the application of the Convention, the Commission recommends the adoption of a procedure somewhat similar to, but not quite as stringent as, that laid down in Articles 411 to 420 of the Treaty of Versailles for the peaceful settlement of disputes arising out of the International Labour Convention. The Commission refrains from proposing inquiries on the spot, leaving the question of such inquiries to the Preparatory Commission itself, in view of their pre-eminently political character.

Before the war the Inter-Parliamentary Union had already put forward a proposal for a Disarmament Convention, founded solely on a general reduction of the military budgets of the contracting States, and similar suggestions have been made since the war in League Assemblies. The Joint Commission considers that limitation of armaments by means of limiting expenditure only would be inadequate as the basis of a Convention. Such a Convention would not only be extremely difficult to negotiate and to control, but the freedom each State would possess to employ in the way it considered most effective the sums allowed by the Convention might obviously be used to develop forms of armaments particularly harmful to another given country.

If, however, the contracting parties agreed upon specific maximum figures for effectives and material (ships of war, big guns, aircraft, &c.), it would, in the opinion of the Commission, be useful to supplement that method of limitation by limiting also certain main categories as well as the total of budget expenditure on armaments. The amounts to be allowed to each State would naturally

correspond to the number of men and the quantity of material which had been agreed upon; if, however, smaller items of material were not made the subject of specific numerical maxima, those items might be conveniently combined in budget figures. The Commission emphasises the desirability of including in the Convention maximum figures for defence expenditure, in order to supplement and serve as a subsidiary check on the numerical limitation of effectives and material.

In the latter respect the Commission makes certain proposals which may be said to represent a solution by compromise of the controversial question whether supervision of a Disarmament Convention would be necessary or not. The French delegates have insisted upon maintaining that control would be necessary, but it should be understood that the French word "*contrôle*" has a much weaker significance than the English word "*control*," and certainly does not involve the right to interfere in the management of the "*controlled*" establishments. The Commission has accordingly avoided the use of the word "*control*" and adopted instead that of "*keeping a watch upon*" the due observance of the terms of the Convention. The Commission then links supervision with the study of statements of defence expenditure, *i.e.*, with facts and documents which are published. Although it must be admitted that only in exceptional cases would the figures of defence expenditure represent a measure of comparison of the armaments of various countries, changes in total defence expenditure and in certain classes of such expenditure from one year to another might be taken as an index of the changes in the armaments in each country, provided no modification was made in the military and naval system, (conscription, voluntary army) during the period.

In order to facilitate the utilisation of the budget figures the Commission proposes that uniform statements of defence expenditure on a standard model should be prepared. It would be impossible for the various States to adopt a standard system of budget accounting, as the differences in accountancy are generally connected with differences of a constitutional character, tradition, &c. Each State would be free to continue its national system of accountancy for its own purposes, but would undertake to provide the necessary information for the model statement of defence expenditure. The extra work involved would probably be quite moderate, as the data needed would, in almost every country, be easily extracted from the regular budgetary documents submitted to Parliament or unpublished material available in the Treasury. Similar compilations are, of course, constantly being made by Government departments.

The Joint Commission proposes that, before the model statement is drawn up in its final form, the collaboration of certain experts eminently qualified to deal with defence budgets should be secured. Sub-Commission "B" of the Preparatory Commission, which met in Geneva on November 29 and 30, decided to appoint a special committee for the preparation of the form of model statement and certain kindred questions.

It would be wrong to exaggerate the importance of the unanimous conclusions arrived at by the Joint Commission, but they may, nevertheless, be said to represent tentative solutions of certain preliminary problems concerning the technical aspects of disarmament.

TEXT OF THE INTERNATIONAL STEEL PACT.

M. DE CHARNACE, of the Comité des Forges de France, has issued the full text (summarised briefly in the *Economist*, October 2nd) of the agreement signed at Brussels on September 30th, by representatives of the various steel-producing countries of France, Germany, Belgium, Luxembourg, and the Saar. Its importance to British iron and steel interests, as well as its significance for the future of European industry, justifies its reproduction in full. The complete text is as follows:—

ARTICLE I.: Each country shall pay \$1 every month into a common fund for each ton of crude steel actually produced. By crude steel is understood all steel produced in the countries by the Thomas, Bessemer, Siemens, Martin crucible and electric processes, or by any other process. This sum will be placed to the

credit account of the country making the payment. The first payment shall be made two months after the coming into operation of the agreement by means of three-months drafts; for subsequent months it will be paid on the 25th of the following month by means of three months drafts.

If the Government of one of the countries adhering to the agreement opposes the transfer of all or of part of the sums to be paid in application of the present article, the effective payment may be replaced by the guarantee of a bank approved by the managing committee or by cash payments to a special account in a bank located in the corresponding country and approved by the managing committee.

ARTICLE II.: The administration of the common fund is to be in the hands of a managing committee of four titular members designated respectively by each of the participating countries: Germany, Belgium, France and Luxembourg. Each of these four participating countries will also appoint two substitute members to replace the permanent member in case of absence or of any accident to the latter. The presidency of the directing committee will fall in turn to the representative of each participating country, for the duration of one year. Generally speaking, and apart from the specific provisions of the following articles, the managing committee shall take all necessary measures to ensure the execution of the conditions of the present agreement, and to render effective the control provided for. It also has entire administrative authority, and the direction and custody of the moneys paid into the common fund or held by the committee. All votes in the directing committee shall be in accordance with the national quota assigned.*

ARTICLE III.: The managing committee shall fix the quota for each country every quarter, according to Article IV., not later than half a month before the commencement of each quarter, by the application of each country's fixed coefficient to the total tonnage representing the probable needs of the market.

ARTICLE IV.: The coefficients for the different countries may only be modified by an unanimous agreement.

The total tonnage for each quarter, and consequently the quotas for each country, shall be decided by a majority of three-quarters of the votes, each country having a number of votes in proportion to its participation, it being understood, however, that unanimity, minus one country, constitutes a sufficient majority, even if the dissenting country represents more than one-quarter of the votes.

The Saar shall not vote separately, its votes being divided between France and Germany in the proportion of one-third and two-thirds respectively.

ARTICLE V.: Each month the actual crude steel production of each country shall be ascertained, with regard to the assigned quota.

ARTICLE VI.: If the quarterly production of a country exceeds the quota which has been fixed for it, that country shall pay for every ton in excess of the quota a contribution of \$4 to the common fund, in addition to the payment provided in Article I.

ARTICLE VII.: If the production of a country falls below the quota assigned to it, that country shall receive from the common fund an indemnity of \$2 per ton of deficit.

Indemnity, however, in respect of deficits in tonnage shall not be paid on more than 10 per cent. of the quota fixed for that quarter. If a deficit of 10 per cent. or more continues during several consecutive quarters, the tonnage giving rise to the indemnity shall be reduced by 2 per cent. each quarter, thus reducing the indemnity to 8 per cent. in the second quarter, 6 per cent. in the third, and so on.

In the case of *force majeure*, a general meeting of the different groups shall decide, by a majority vote, the amount of the indemnity.

ARTICLE VIII.: Accounts shall be drawn up every quarter; penalties and indemnities mentioned in Article VI. and VII. shall be put into force immediately after the closing of the account. At the close of every half-year the common fund shall be liquidated. After deduction of general expenses the sum remaining in the fund shall be divided amongst the countries (a) in proportion to the actual production in the period, up to the amount of the payments under Article I., and (b) in proportion to the participation figures for the quarter in so far as there may exist a fund from the payment of fines. The first liquidation shall be effected on April 1, 1927.

ARTICLE IX.: The present agreement shall end on April 1, 1931, provided that up to May 1, 1929, a country shall have the right to give notice that it intends to withdraw from the agreement on October 31, 1929, and, in such case, the other countries shall be free of all commitments on that same date.

ARTICLE X.: The present agreement has been concluded on the assumption that, during its entire duration, the tariffs applicable to steel products imported into Germany shall not be increased. If Germany should increase such tariffs, the present accord may be denounced at any time by each of the contracting parties on three months' notice, it being understood that each of the parties shall receive from its Government entire liberty of action with regard to the tariffs.

The present agreement may also be denounced at any time, after April 1, 1927, to take effect three months afterwards, if the Government of one of the adhering countries of the convention should raise an objection to it, basing its attitude on the unfavourable treatment which, in the absence of a commercial treaty, one of the other countries might apply to its products.

If Germany or France should denounce the present agreement for one of the reasons above mentioned, they shall also be entitled

* The quotas as finally established differ slightly from those reported in the Press at the time the agreement was signed. The official quotas are now given as follows: Germany, 43.50 per cent.; France, 31.19 per cent.; Belgium, 11.56 per cent.; Luxembourg, 8.55 per cent.; and the Saar, 5.20 per cent.

to denounce it with regard to the other contracting parties who shall have, also, the right to denounce it among themselves.

ARTICLE XI.: The assignment or exchange of quotas is allowed only in the case of a company or a group owning or operating plants in another country. The fact of possession would be admitted on the ownership of at least 40 per cent. of the capital of such a plant. Previous notice of such transfer or exchange of quota must be given to the managing committee. The transfer can take effect only at the beginning of the next period of account, and should be in force at least throughout that period.

ARTICLE XII.: If, on the date of April 1, 1927, the total consumption has not increased to such an extent that the Luxemburg group shall have obtained a tonnage quota equal to an annual minimum production of 2,300,000 tons, and on April 1, 1929, a tonnage quota equal to a minimum annual production of 2,480,000 tons, this group shall have the right to withdraw from the present convention on a notice of three months. The other countries shall thereafter also be free to withdraw.

ARTICLE XIII.: Any dispute arising between the parties with regard to the interpretation and execution of the present agreement shall be settled compulsorily by arbitration.

ARTICLE XIV.: Adherence to this agreement remains open to the steel producers of other countries. Entry may take place through a general meeting (a) by a majority vote if the proposed participation is fixed on the basis of production for the first quarter of 1926, or (b) by unanimity if entry is proposed on the basis of other principles.

If the signatory countries find that their combined share of the total European production in a given half-year is lower by 5 per cent. than their share was during the first quarter of 1926, then any one of the group may denounce the agreement within three months after the half-years referred to, whereupon three months later the dissolution becomes effective.

The agreement may also be cancelled by any one of the participating countries, on due notice of three months, whenever the total production fixed for a half-year is less than 13,139,000 tons. In this case the cancellation notice should be given within a period of one month.

The text reveals several new points which do not appear to have been noticed hitherto in this country. It provides, for example, for overcoming difficulties that might be placed in the way of transfer of funds; it provides for the splitting of the Saar vote; it indicates that the total demand will be assessed quarterly instead of annually, as was previously suggested. On the other hand, it is silent in regard to any division of markets, and does not provide for the exclusive enjoyment of the home markets of the various countries. Whether such an agreement is to become the topic of subsequent negotiations, or whether in view of the limited number of countries concerned it is not considered possible to regulate this matter, the statement does not reveal. The document should, however, be read in conjunction with the agreement with the German steel-consuming industry which we printed in the *Economist* of October 23rd.

THE STATUS OF THE DOMINIONS.

(BY A LEGAL CORRESPONDENT.)

ON November 20th there was published a remarkable document, the Report of a Committee on Inter-Imperial Relations appointed by the Imperial Conference which has just closed. This report was adopted by the Conference on November 19th. On the one hand, we hear it hailed as "epoch-making" and "the Magna Charta of the Empire"; on the other, we are assured by the *Times* that "it is essentially a register of conditions as they exist already, rather than a programme for the future." Perhaps the key to the meaning of the document is that it was intended to produce both these reactions. In it we see the hand of the politician as well as the hand of the lawyer. Some of its expressions have little meaning for the lawyer, but will be a very present help in trouble for the Dominion statesman who must placate some of his more nationalistic supporters. What "blessed words" are "equal status"!

Premising, therefore, that the document is a report and not a statute or a constitution, that we must not expect to be able to attach legal weight to each phrase, and further that time alone can show its true meaning and consequences, let us examine some of its provisions. In the first place we find a definition of the status of "the group of self-governing communities composed of Great Britain and the Dominions....."

They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations. (Italics not ours.)

This appears to be the governing principle, and we shall examine its application in two fields—domestic and foreign. (The case of India is peculiar, and receives separate treatment in the Report.)

(A) *Relations between the various parts of the British Empire.* The first consequence is a comparatively unimportant change in the Royal Title, which will, when the necessary legislation has been passed, read as follows: "George V. by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India." The only change lies in the omission of the words "the United Kingdom of" before "Great Britain and Ireland"—an omission which results from the creation of the Irish Free State. Some feeling is being manifested in Northern Ireland, but Ireland remains Ireland whether divided under two administrations or united under one, and the new title hardly seems open to objection on the ground that it omits specific mention of Northern Ireland. It will be noticed that in the new title, as in the one which it will replace, "Dominions" is used in the old sense of "possessions," and includes the Crown colonies; if this is not so, they do not come into the picture at all.

Secondly, the Report registers a change in the position of the Governor-General of each Dominion. In future he will occupy "in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by his Majesty the King in Great Britain," and it is put on record "that he is not the representative or agent of his Majesty's Government in Great Britain or of any Department of that Government." Accordingly, he will no longer be the channel of communication between the London Cabinet and the Dominion Cabinets; but in future "the recognised official channel of communication" will be "between Government and Government direct." The Governor-General will be supplied with copies of all documents of importance, and will be kept fully informed, just as his Majesty is kept in touch by the London Cabinet.

Thirdly, with regard to the operation of Dominion legislation, a Committee will be appointed to examine and report upon the many technical questions arising in connection with the extra-territorial effect of Dominion legislation and with the Royal Assent to, or disallowance of, Dominion legislation. But it is placed on record that "it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs"; and, as is indeed the present practice, that "legislation by the Parliament at Westminster applying to a Dominion would only be passed with the consent of the Dominion concerned." Fourthly, we find with reference to appeals to the Judicial Committee of the Privy Council a statement of a negative character, which seems to suggest that if any Dominion wishes to abolish the right of appeal it is at liberty to do so.

(B) *Relations with Foreign Countries.*—Firstly, in relation to the negotiation, signature, and ratification of treaties, the step forward on the path of independence which was registered by Canada in 1923 in connection with her Halibut Fisheries Treaty with America (for which reference may be made to our article of May 5, 1923) is affirmed, and developed even further. In future, in the case of treaties affecting the whole Empire the contracting party will not be stated to be "the British Empire," nor will his Majesty be stated to contract on behalf of "the British Empire," but he will contract (i.) "for Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League of Nations"; (ii.) "for the Dominion of Canada"; (iii.) "for the Commonwealth of Australia"; (iv.) "for the Union of South Africa"; (v.) "for the Irish Free State"; (vi.) "for India." If the treaty applies to only one or more parts of the Empire, then his Majesty will contract only for those parts. The "full powers" issued by the King to plenipotentiaries authorising the negotiation and signature of treaties will be granted only "on the advice of the Government concerned."

Secondly, as regards representation at International Conferences, it is determined that where the conference is of a technical character, the separate representation of each Dominion is desirable; where it is of a political character the special circumstances of each case must be considered. Alternative kinds of machinery are suggested and discussed. Thirdly, as regards the general conduct of foreign policy, it is recognised that "in this sphere, as in the sphere of defence, the major share of responsibility rests now, and must for a time continue to rest, with His Majesty's Government in Great Britain." The Conference was "impressed with the desirability of developing a system of personal contact both in London and in the Dominion capitals," for the purpose of the sharing of this responsibility by means of consultation in common, but no details of the new machinery are given. It goes without saying already that the Dominions cannot be "committed to active obligations except with the definite assent of their own Governments." The Conference passed a resolution congratulating the London Cabinet upon the success of their Locarno policy, but we are not told how far the Dominions will adopt the obligations of the Locarno Pact. Fourthly, *exequaturs* granted to foreign consuls located in a Dominion will only be granted after reference to the Government of that Dominion, and will be countersigned by one of its ministers. The practice whereby the Irish Free State has, and henceforward Canada will have, a separate Minister Plenipotentiary at Washington is "taken note of," but not with any degree of enthusiasm.

To sum up, it is impossible at present to estimate the implications and consequences of this document. We incline to the view that they are less far-reaching than is being commonly supposed. Complete independence as to internal and inter-imperial affairs seems to us to present little difficulty, and to exist already in all but name. Complete independence as to foreign affairs is a very different matter; if it merely means that no Dominion is morally bound by a policy or a treaty to which it has not assented, well and good; but if it means that each Dominion is at liberty to develop its own foreign policy, that way leads to the break-up of the Empire, and we do not believe that this liberty is claimed or is intended.

THE WHITE STAR LINE DEAL.

THE announcement was made last Saturday that the Royal Mail Steam Packet Company had concluded arrangements to purchase, as from January 1, 1927, the whole of the share capital of the Oceanic S.N. Company, Limited (the White Star Line), which has been held since 1902 (although the Line never ceased to be run under the Red Ensign) by the International Mercantile Marine Company of New Jersey. While the re-acquisition of the Line by British interests was not unexpected, the identity of the present purchasers has occasioned some surprise. Last spring, it will be recalled, negotiations for the transfer of the White Star Line were understood to have been nearly completed between the American combine and a British syndicate headed by Messrs Furness, Withy, and Co. At the last moment the deal fell through, for reasons still undisclosed, Sir Frederick Lewis's comment on the matter at the annual meeting of the Furness, Withy Line in July being simply that "it had been found impossible to arrive at a mutually satisfactory consummation of the transaction." The present purchase price has not yet been officially stated, but is believed to be in the order of \$35,000,000, payable, according to New York reports, as to \$10 millions next February, \$6,250,000 in February, 1928, a similar sum in February, 1929, and the balance of \$12,500,000 within 10 years. On this assumption the R.M.S.P. Company acquires for somewhat under £7,000,000 the Oceanic Company's paid-up capital of £5,000,000, included in which are no less than £4,250,000 of capitalised reserves, scrip bonuses of 400 per cent. and 33½ per cent. respectively having been issued in 1916 and 1920. Net profits, before payment of interest on the 4½ per cent. (1923-43) debentures—of which

£1,100,000 were outstanding on December 31st last—have averaged £485,500 over the past four years, as compared with an average of £519,700 in the four years 1909-13, when the capital was £750,000. On this basis the purchase price might seem on the high side, but it must be borne in mind that the past four years of depression do not give an adequate indication of earning capacity. Moreover, apart from the considerable value attachable to the White Star Line's "goodwill," the worth of the assets to be transferred is very great, given current prices for construction of high-class passenger tonnage. The White Star fleet, including the three "super-liners," the "Majestic," "Olympic," and "Homeric," consists of approximately 526,000 tons gross, with an average age of slightly over 15 years. Of this tonnage about 160,000 tons is owned jointly with the Shaw, Savill, and Albion Company, over 40 per cent. of whose share capital is held by the Oceanic Company, who also possess a controlling interest in the capital of George Thompson and Co., Limited (the Aberdeen Line). Assuming that these holdings pass, with the other White Star assets, into the hands of the Royal Mail group, the purchase price appears to represent a reasonable valuation.

Hitherto the R.M.S.P. combine, with its chief subsidiaries—Elder Dempster and Co., the Union-Castle Line, Lamport and Holt, the Pacific Steam Navigation Company, and the Nelson Line—has been mainly occupied with the African and South American trades. Its present acquisition—extending its total affiliated tonnage to over 2½ million tons—will not only bring into its sphere of operations the Australian and New Zealand routes, through the joint White Star-Shaw, Savill vessels, but will make it one of the dominant factors in the North Atlantic business, in which the combine has already participated since 1920, when a Royal Mail "cabin-class" service between Southampton and New York was successfully inaugurated. Future developments in the North Atlantic will be watched with interest. The I.M.M. Company still retains ownership of the Leyland Line and the Atlantic Transport Line, and rumours that their sale to Sir John Ellerman, who holds a controlling interest in the Shaw, Savill and Albion Company, is under negotiation, have been denied. It is, however, understood that the I.M.M. Company desires to qualify as a purely American concern in order to purchase the North Atlantic liners now owned by the United States Shipping Board, in which case the sale of their remaining British-run tonnage may yet be effected; and, in any case, the position of the Atlantic Transport and Leyland Lines, hitherto controlled by the Oceanic Company's British directorate, would appear to be somewhat anomalous in view of the forthcoming transfer of ownership of the Oceanic Company. In Belfast, which has long shipbuilding associations with the White Star Line, the hope is entertained that the present deal will lead to early replacement of the older units of the Oceanic Company's fleet, as well as to construction next year of the new "super-liner," for which plans were already projected before the company changed hands.

THE ORIGINS OF THE GREAT WAR.

FRESH light on the outbreak of the Great War continues to accumulate. The publication this week of the first volume to appear in the series of British Documents on the Origins of the War (1898-1914), of which Mr Gooch and Mr Temperley are the distinguished editors, has anticipated by a few days the publication of the last seven volumes in the German Series, "Die Grosse Politik der Europäischen Kabinette" (1871-1914). These two issues of documents happen also to cover the same ground; for while the last seven volumes of the German Series run from 1912 to 1914, the British editors have published the eleventh volume of their series earliest, though it is the last volume in order of events.

This volume—entitled "The Outbreak of War: Foreign Office Documents, June 28-August 4, 1914"—has been collected and arranged, with introduction and notes by Mr J. W. Headlam-Morley, the Historical

Adviser to the Foreign Office, and in this case the editors "have limited their responsibility to examining the papers printed by him and to comparing them with the original documents and files." They certify that, in their belief, "no important or essential document in the Foreign Office Archives has been omitted, and that publication of the official State papers has been in no way restricted."

Mr Headlam-Morley modestly presents his volume as a "new edition" of the White Paper which was laid on the table of the House of Commons on August 6, 1914. As a matter of fact, he has given us something still more interesting than that justly celebrated publication. "The only thing to do," in preparing a new edition, "was to publish the whole correspondence, including every telegram and despatch, however unimportant and incorrect, in any way relating to the origins of the War. This is the course which has been pursued, and the reader has before him, in this edition, everything, within the specified dates, contained in the Foreign Office records which appeared to have a bearing on the origin and outbreak of the War. He is in possession of all the documentary material which the Secretary of State and his advisers had before them at the time."

This differentiates the present volume from the other forthcoming volumes in the same series, and also from the German Series. Naturally, exhaustive publication is only feasible for a very short period of supreme interest and importance. For the period preceding the murder of the Archduke selection was the only practicable course. Nevertheless, a volume of select documents is not the same thing—however high we may rate the judgment and the single-mindedness of the editors—as a volume like the present. The value of the present volume has been enhanced by the fact that, since it was in type, "Lord Carnock (formerly Sir Arthur Nicolson) has, with high public spirit, deposited in the Foreign Office the correspondence which he, as Permanent Under-Secretary of State, conducted with Ambassadors and Ministers abroad. Many of these documents, which are of great historical importance, are now included." It is also noteworthy that "the documents especially concerning each Allied and Neutral country have been communicated to the Governments for their agreement," and that "in every case this has been given without reservation," with the result that, "except in one or two personal references to living people of no political importance, no omissions of any kind have been necessary." It is added that "modifications of the text would under no circumstances have been considered."

Thus the new volume is something which the White Paper of August 6, 1914, was not, and could not have been; but in his comparison between the two publications Mr Headlam Morley shows that the White Paper was not only an extraordinarily prompt, but an extraordinarily full publication—considering the date and circumstances. "Never," he maintains, "had there been a disclosure of negotiations so immediate, so full, and so frank"; and his own volume proves this contention.

For anyone acquainted with Mr Headlam-Morley and his work it is superfluous, and almost impertinent, to mention that the present volume is admirably produced. The introduction, for example, is as interesting a document in itself as those which it covers. Mr Headlam-Morley happily combines all the rather varied and exacting qualifications required. He is a historical scholar, with a long administrative experience, who published the first serious work in English on the subject covered by the present volume, and who has since then had the widest opportunities for observing how Foreign Offices work and how international affairs are carried on. It is because the book has been produced by someone who has worked in the office whence the documents come that the arrangement of the material is so masterly and the occasional brief editorial notes are so lucid.

The lay reader who peruses these printed pages, with the terse minutes, followed by initials printed in small type under the text of each telegram or despatch, will gain a much clearer idea than he could before of the way in which official business is done. At any rate, to somebody who has worked in a Government department himself, these printed pages vividly recall the "jackets" enshrining the record of actions in all their stages of

growth, from conception, through consideration, to decision.

Two personalities stand out: Sir Edward Grey's and Sir Eyre Crowe's. The contrast between their temperaments comes out in a striking manner, and the dramatically minded reader may be tempted—perhaps unconsciously—to make an antithesis between them. According to his individual temperament or opinions, he may be inclined to make a hero of the Permanent Under-Secretary as the man of resolution who was equal to the occasion, or of the Secretary of State as the man who strove for peace and never let slip the smallest opportunity of working to save it. A truer conclusion, perhaps, would be that the two temperaments were complementary, no less than the two official positions, and that the country was fortunate in being served by both these men in their respective posts and with their respective characters.

The ultimate train of thought, however, which a perusal of these deeply-moving documents sets on foot, is not a comparison of characters or an apportionment of responsibilities between this or that individual concerned. Although a great crisis brings out differences in temperament and ability which are less conspicuous in ordinary times, and although the present volume presents some vivid instances of this—for example, in the famous conversation between Sir E. Goschen and the German Chancellor on August 4th (No. 671)—the most overwhelming impression is the antithesis between the personalities and the machine. The individuals whose thoughts and deeds appear in this book are the people upon whom collectively the responsibility for the outbreak of war is supposed to rest. Among controversialists who argue on these lines it is common ground that, whichever the particular criminals were, this list contains their names. The impression made by the documents upon the writer of this article is that "War Guilt" cannot really be established. Almost all the individuals immediately concerned, for all their differences of personality, rose to a surprisingly high level of intelligence and good-will; but they were all flies on the wheel, and a strong man like Sir Eyre Crowe was no more master of the situation than a weak man like Dr Bethmann-Hollweg.

Some writer of Utopias—is it Samuel Butler or Mr Wells?—has imagined a society in which the machines have become the masters of their makers. The fancy was conceived as a fairy-tale to indicate a dangerous tendency in the Western World, but it is already a serious fact. The machines of steel of which that writer was thinking are only the material expressions of a mechanical relation between human beings; and the consummate skill with which we have built up intricate mechanical relations between ourselves on a vast scale is the characteristic quality of our Western society, which has raised us up and may also cast us down. This volume of documents records the hopeless struggle of men against machines which have enslaved them—the alliance machine and the mobilisation machine in this case. The League of Nations is wrestling to bring these two particular lethal machines under control, but others still have us in their grip—the strike machine, the lock-out machine, the newspaper machine, the electoral machine, and a host of monsters too numerous to mention. Can we human beings hold our own against these formidable inventions of ours?

CONTROLLING THE OUTPUT OF GOLD.

*In this series of articles Professor Lejfeldt, of Johannesburg, raises the problem of ensuring that gold, which is once more resuming its former standing as the world's standard of value, can itself be stabilised in value. The reader will remember that Prof. Lejfeldt, unlike Prof. Cassel and other authorities, takes the view that gold is more likely to become too abundant than too scarce. At the conclusion of this series of articles we propose to put the case for the opposite view of the future value of gold.**

VI.—INTERESTS OF THE LEADING NATIONS.

WE have dealt at some length with the effects on gold-producing regions, because it is there that difficulties may most readily arise. But the motive of the whole scheme

* These articles will be issued as a pamphlet, with an introduction by Dr Schacht, President of the Reichsbank, by the London General Press, 3 Arundel street, London, W.C.2. Price 1s.

is to secure stable money for the world; the right point of view is that the world should be ready to pay what is necessary to obtain this great benefit, and should see that if particular persons and communities are exposed to loss in consequence of it they are duly compensated.

There has, indeed, been a satisfactory degree of steadiness during that period, as well as of consistency between the records for different countries. In the United States the Bureau of Labour index has shown 145 and 161 as the limits of its fluctuation, and the averages for successive years have been 149, 154, 150, 159. English prices, as shown by the Board of Trade index, reduced to gold by means of the New York Exchange, have varied between 140 and 168, the highest figure being due to the transitory influence of the preparation for returning to the gold standard. Since that restoration was made the average in U.S.A. has been 158 and in Britain 157 (May to November, 1925). It is noteworthy that so close an agreement should be found; it means that the relation of dollar and sterling prices is practically the same as before the war—the ratio of exchange of goods between the two countries has, after all, suffered no permanent alteration. This tends towards confidence in the soundness of index numbers.

It may be maintained, however, that as the period 1922-5 has been one of depression, prices should not be tied down permanently to the level of that time. Certainly the level chosen must be such that it can be maintained by the resources available to the monetary authorities without undue strain. The Genoa Conference recommended that the Bank of England should call a conference of central banks, one of the aims of which was to preserve stability in the value of gold. This conference has not met officially, but there is reason to believe that the leading banks have held meetings privately with a view to co-operation. As neither they nor the Governments have made any pronouncement, we can only discuss what influences are likely to weigh with the countries that are most concerned.

Taking first the United States, the most obvious circumstance is the extensive interest in gold possessed there. First the actual holding of metal amounts to eight or nine hundred million pounds; next, the British debt, of over nine hundred millions, has been funded on a gold basis, and those owed by the other European States have been dealt with similarly, and then there are commercial foreign loans held by citizens of the country; all these make up a vast total of property which would fall in value with any depreciation of gold. The only influence to be set on the other side is the possibility of a popular inflationary movement. Whether the Federal Reserve Board's policy has been the real cause of the maintenance of steady prices in America is disputed; there is no doubt that the board has used whatever power it possesses with that aim. But the board is not popular, and it has been threatened with attack in Congress by those who would like to see the gold stock made the basis of a movement of monetary expansion.

Unless, however, such a movement acquires strength, one may suppose the official policy of the States to be the maintenance of the present level of prices, represented by an index number round about 150 (1913 being taken as 100).

The British Treasury is credited with a different policy. Nothing definite has been said in public, but its actions seem to point that way consistently, and Mr Churchill, in his Budget speech, made references to the economic situation as it would be with a price index of 175. The adoption of a high figure is, of course, with a view to reducing the burden of the National debt. The attitude of the Treasury may be seen in its discouragement of the use of sovereigns in England, and the introduction of Ricardo's plan for limiting convertibility for export bars, in place of coin; it is probable that the official opposition to the use of gold currency in India is traceable to the same source, although it seems politically undesirable to antagonise a movement so popular and natural to India.

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The motive of the Treasury is intelligible enough. Crudely put, it is that, with a debt of £7,700 millions, a rise of 1 per cent. merely in the value of gold would increase the burden by the equivalent of £77 millions (equal to the whole value of the mines on the Witwatersrand!). Looked at more closely, however, this argument loses some of its cogency. It is strictly true as regards the external debt; a fall in the value of gold would reduce the real burden of the payments to America, not only to the Government, but to the nation. But it should not be forgotten that Britain is still a creditor country, and on the largest scale. The interest received does not come to the Government, but it would be very shortsighted of the Treasury to ignore it for that reason. It would surely be unwise to depreciate three milliards of foreign investments in order to reduce the burden of interest on one milliard of foreign debt. Even if to meet the needs of the Treasury it were necessary to put a special tax on income from foreign investments, that would be better than deliberately reducing the value of the unit in which they are reckoned.

Presumably, then, if the policy of the Treasury is such as has been suggested, it is on the ground of the effect on the internal debt that it has been adopted. The unit of measurements makes in this case no difference to the amount of the national income, but only to its distribution. It is a question of how much the earners of the nation are prepared to pay to those who have acquired claims through providing goods and services in the past. This is far too complex a problem to be discussed as a digression from the treatment of another problem; we will put forward only one consideration. Currency inflation is the equivalent of a capital levy; for example, if the level of prices were raised from 150 to 175, that would take away one-seventh of all capital. But it would be a levy carried out in flagrant disregard of the accepted principles of taxation, as it would fall equally on the rich and poor; the man who had saved a few hundreds pounds out of scanty earnings would be taxed by just the same percentage as the millionaire.

On the whole it is far from clear that the interests of Britain are on the side of depreciating gold. It is much to be desired that the question should be discussed, and an authoritative pronouncement made; imperial policy cannot well be disregarded, for even if the financial interest of the home country is held to demand depreciation, that should be weighed against the importance of harmonious relations with those parts of the Empire which support gold, i.e., the producing countries, especially South Africa; and India, if it is true that the adoption of gold currency there is a popular demand.

The scheme proposed would have more importance in the moderately distant than in the immediate future. It is put forward as a necessary completion of the gold standard; and though it would take some years to get into working order, that is rather a reason for its adoption than for delay, since to adopt it would be a declaration on the part of the powers that they intended to maintain a constant standard of value, and not suffer the monetary evils of the past to recur. It is true that for some time to come banking policy would have to be the chief support of such an intention; control of gold output would come gradually to take its place in the scheme, and it would probably be found in the course of working it out that the differences between the leading countries were not beyond the range of compromise.

Notes of the Week.

The Crisis in China.—At the moment of going to press the situation at Hankow appears, happily, to be somewhat eased. A British destroyer is anchored off the "bund" of the British concession, marines have been landed, and processions of Nationalist demonstrators have been turned away from the boundaries of the concession without any untoward incident occurring. At the best, the British community will be able to remain *in situ*. At the worst, it will almost certainly be possible to evacuate them on board ship with safety. This is an improvement, yet the situation still remains ominous. The general strike at Hankow is due to begin on the day on which the present issue of the *Economist* will appear, and no one can quite tell what may follow. The trouble is that on both sides there are elements which are spoiling for a fight; and if these elements get out of control—even on one side only, and that momentarily—the fat may be in the fire. On the Chinese side, the Southern Nationalist Government apparently does not desire to push things to extremes. Indeed, elementary statesmanship would counsel it to settle scores with the Northern Militarists before it throws down the gauntlet to the foreign Powers. On the other hand, the Extremist Wing of the Nationalist Party may regard the foreigners as the principal enemy, and under their incitement the masses, at Hankow or elsewhere, may run amok. Part of the driving force behind the Nationalist Party is derived from the widely diffused sentiment in favour of depriving the foreigners of their privileges, and there is evidently a feeling in China that, since these privileges were originally extorted by violence, there is no moral reason why they should not be abolished by the same method. ("Under-dog" always has a long memory.) Then there are the Bolsheviks. Their influence on the situation in Southern and Central China should not be exaggerated; for, after all, the number of Russian advisers and experts in the service of the Nationalists is exceedingly small, and the two parties are co-operating for different ends. The Chinese want Russian assistance towards securing their national independence. The Russians want the Chinese to drive another nail into the coffin of "the Capitalist Powers." Either party in this transaction wants to get more than it gives, and probably the Chinese will have the best of the bargain. Nevertheless, the immediate objectives of the two partners do coincide in so far as they both want to deprive the foreigners in China of their privileges. On the British side we have to fear the irresponsible talk (which in the present situation is as dangerous as action) of the "die-hards" in the Treaty Ports. Some organs of the British Press in China seem to be incorrigible. They must know that a second "opium war" is impossible, yet they persist in writing as militantly as though they had the whole military and naval strength of the British Empire behind them to back their futile policy of the mailed fist. Fortunately, they have not. In the House of Commons on Wednesday Sir Austen Chamberlain, on the eve of his departure for Geneva, declared that "His Majesty's Government will take all the steps which they think required and which they can employ, but they are most loath to interfere in the domestic affairs of China, apart from the necessity of fulfilling their prime duty of defending the lives of British subjects." This is the right policy in an extraordinarily difficult situation. The British Minister at Peking, and the British Consular and Naval Authorities in other parts of China, may be trusted to carry out the Government's policy in the spirit and the letter with cool-headed discretion.

The Marketing of Coal.—The majority report of the Departmental Committee on Co-operative Selling in the Coalmining Industry (Cmd. 2770, Stationery Office, 1s net) adopts an attitude very closely in accordance with the Samuel Committee. It is signed by eight out of eleven members, viz., Sir F. Lewis, Sir T. Catto, Mr Vernon Hartshorn, Sir Hugo Hirst, Sir A. Mond, Sir W. H. Peat

Mr Varley, and Mr Warriner. After carefully considering and analysing the various arguments for and against the development of organised marketing in the coalmining industry, the Committee come definitely to the opinion that, in principle, such a development would be beneficial to the industry. They confess that a serious impediment lies in the present lack of consolidation in the industry, and that the full benefits of organised marketing cannot be realised unless the industry can be consolidated by amalgamations into a much smaller number of units. In some areas, particularly the chief exporting areas, the balance of opinion of the trade itself is decidedly against the principle, in other areas it is favourable while in a third group it is evenly balanced. The present scope, therefore, for voluntary organisation of coal marketing is clearly limited. The Committee, therefore, does not shirk the logical corollary, namely, the introducing of some measure of compulsion. The Report speaks with approval of local selling pools, on the general lines of those already in operation in the South Yorkshire coalfield, which serve a valuable purpose both in themselves and in preparing for a closer physical co-operation between the collieries concerned. District organisations have, however, a more effective scope for influencing the market, though not to the extent of securing any substantial degree of monopoly. The Committee, therefore, consider them desirable, and think that they might also be helpful in organising pools of wagons among their members, and in co-ordinating improvements in the preparation of coal for the market. On the side of economies in production a district marketing organisation cannot directly intervene, but indirectly it might be helpful in stimulating amalgamations and in the concentration of production on the more efficient mines. The chief difficulty in the way of district organisation will lie in getting a sufficient measure of loyal and active support. The Committee, therefore, recommend legislation so that a minority of, say, 25 per cent. or less, calculated on a tonnage basis, can be compelled to come into a scheme for a district marketing organisation, backed by a 75 per cent. majority, and proved to the satisfaction of a tribunal to be a scheme for the more efficient marketing of coal. In this connection the Labour members, Mr Vernon Hartshorn and Mr F. B. Varley, dissent from their colleagues' conclusion that they "are not prepared to contemplate anything in the nature of general compulsion." They would give the voluntary principle a full trial first, and then, if still necessary, apply compulsion to the whole trade. On the question of the co-ordination of district organisations the Report recognises the possibility of a conflict of interest between the industry and the consumer. It can only be justified to the community by the industry effecting and sharing with the consumer economies not only in marketing, but in all phases of production and transport. They believe that ultimately there must be a central committee co-ordinating the district organisations in the exporting areas, which at a favourable opportunity would be in a position to negotiate an international agreement—a result which the Committee regard as the "ultimate solution." The minority report of Mr Bell, Sir David Llewellyn, and Mr McCosh, opposes such plans root and branch. "The main objective of co-operative selling arrangements would be to compel the consumer to pay higher prices" is their theme; and while rightly insisting that the present-day need is a high rate of production at a low cost, they discount the importance of price stabilisation, the extent of possible economies in marketing, and the reactions on production itself. The industry under free competition made very great progress before the war. It will do so again if only costs are kept down and no attempt made to "restrict" output or exploit "sheltered" markets. But the dissentients do not say what is to happen if the world's demand, even at cut prices, proves to be sluggish, how they would deal with selling organisations abroad which can discriminate in prices, or overcome the handicap of the high costs in uneconomic pits. The representatives of the coalowners have had a difficult task in setting their minds to a problem such as this in the midst of a coal dispute. But it is very unfortunate that they should have once again done no more than put on record that things are all right as they are, and that all will be well if only they are let alone.

Imperial Defence.—There was issued yesterday a report of the review of the work of the Imperial Defence Committee, given by Mr Baldwin to the Imperial Conference, and of the speeches made by the Dominion Premiers. The first impression conveyed by Mr Baldwin's statement is that the Committee is an effective body working hard and continuously to apply the lessons of the last war to the problem of preparing the framework of Empire defence against any possible future disturber of the world's peace, and keeping up to date with the march of scientific discovery and technical development. There are, for instance, 30 sub-committees, including a new one consisting of the three chiefs of staff of the Navy, Army, and Air Force, and a man-power committee, while schemes have been perfected for insurance of cargoes and insurance against aircraft damage in case of war. From the speeches of the Dominion Premiers it is clear that the Dominions have made use of a co-operation in plan and idea in their own home defence arrangements. Principal public attention will, however, be devoted to the discussion on the Singapore Docks project, which was dropped by the Labour Government, but revived and persisted in by the present Government. Mr Baldwin said that in spite of the contributions of £2 millions from the Federated Malay States and of £250,000 from Hongkong, "a heavy burden of expenditure in this matter still confronts us, which, in existing financial conditions, we cannot contemplate without anxiety." He therefore appealed to the Dominions for "co-operation," meaning, presumably, financial contributions. The response was not very encouraging. Mr Mackenzie King, for Canada, seems not to have referred to the question. Mr Bruce, of course, was bound to deal with it, since if any part of the Empire is interested in the Singapore project it is Australia. Mr Bruce said that "Australia believes that the Singapore base is absolutely essential." But in the very same sentence he made it clear that Australia could not promise to pay any share of the cost. He explained that when the Singapore plan was dropped in 1924 Australia embarked on a five-years' naval construction programme, and could not afford, therefore, to contribute to the cost of the revised plan. Mr Coates, of New Zealand, gave a reply rather more favourable to the British taxpayer; for he foreshadowed an increase in the contribution already promised by New Zealand for Singapore, and also threw out the suggestion that all the Dominions should share the cost of building ships for the common defence of the Empire. The Maharajah of Burdwan explained that India's defence costs were already so high that she could not contribute to Singapore. Some day, possibly, an equitable system for dividing the cost of Empire defence among all self-governing parts of the Empire will be evolved. But that day is apparently not yet; and it is becoming abundantly clear that the British taxpayer will have to foot the major part of a very formidable bill for Singapore.

The By-Elections.—During the last fortnight there have been three by-elections which have resulted in the return of two Conservatives and of Commander Kenworthy, who has transferred his allegiance to the Labour Party. The figures for the three constituencies are as follow:—

	Howdenshire (Yorks.)	Hull (Central).	Chelmsford (Essex).	Total.
Conservative	10,653	11,466	13,395	35,514
Liberal	6,668	2,885	8,435	17,988
Labour	2,318	16,145	6,140	24,603

	Previous Election. (1922.)			
Conservative	10,748	12,904	15,875	(Totals
Liberal	7,021	15,234	10,244	not
Labour	..	..	2,904	comparable.)

The joint results give an exaggerated idea of the headway made by the Labour Party owing to the fact that Commander Kenworthy's personality counted for a very great deal in Hull, and that his transfer to the Labour Party carried, perhaps temporarily, a very large number of Liberal votes. The other two divisions show in the case of Howdenshire that in a Yorkshire county constituency

the Labour Party has not at its first attempt secured a very strong foothold, but in Chelmsford the Labour candidate has gained at the expense of both of the other parties. These two results show some Labour headway in divisions which are not the most favourable territory of the Labour Party. On the other hand, the Conservative poll is down in each case. The decline is not, however, more than one would expect from the waning popularity which every Government experiences during a long period of office. The Liberals, on the other hand, have fought under singularly unfavourable conditions, for the division in the ranks of the party has to a large extent paralysed the machine and damped enthusiasm. In the circumstances, and considering the added handicap of Commander Kenworthy's action in Hull, the Liberal figures have been maintained surprisingly well. Political currents may well be setting in the direction of giving the Liberal Party a considerable opportunity in the near future. It cannot hope to take advantage of it until it brings its civil war to an end. Mr Lloyd George no doubt realises as clearly as anyone that an independent fund may well become an old man of the sea upon his shoulders, and seems willing to put it at the disposal of the party as long as it is not to be used against him or administered by those who have declared themselves unable to co-operate with him. Those who desire the welfare of the Liberal Party should see to it that personalities, if they must persist in the party, should be "localised" and not allowed to prevent the effective organisation of the party in the country. This means that the machine must be placed in the hands of the neutrals—a solution which Mr Lloyd George at all events seems willing to accept.

Mexico and the United States.—What is happening in Mexico is apparently very much what is happening in Turkey and China. The "under-dogs" are getting on their hind-legs all over the world, and twisting the tails of the Great Powers. In China, just now, Great Britain is being subjected to that exasperating and undignified operation, while our American friends look on with an air of slightly sanctimonious complacency which is not the least of the mortifications which we have to endure. In Mexico, it is the Eagle's feathers which are being pulled out, while the lion has been making a motion to lie down with the lamb. The fact is that it is comparatively easy for Great Powers to accommodate themselves to the new situation in countries where their interests are secondary, but exceedingly difficult in countries where they happen to be the protagonists. The trouble between Mexico and the United States arises out of the provisions of the Mexican Constitution of 1917, which is only now being enforced because Mexico is only now enjoying a breathing space of stable government between the revolutions which have been convulsing her since 1910. One chapter of this constitution thus belatedly enforced has already produced a battle royal between the Mexican Government and the Roman Catholic Church; but the Constitution is no less zealous for the national rights of the Mexican people in the economic sphere, and there is a chapter which declares the mineral resources of the country to be national property. Hence the battle between the Mexican Government and the State Department at Washington. The actual crisis has arisen over a Mexican law providing that, in virtue of this chapter in the 1917 Constitution, holdings of mineral rights which were in the hands of foreigners before the passage of the Constitution shall be converted into concessions running for fifty years. Foreign firms have been given until December 31, 1926, to declare their willingness to convert their interests on these terms. British oil firms in Mexico are apparently complying for the most part, and it seems that some American firms desire to do the same. Others, however, are holding out, and the question now is: How far can these firms count on the State Department to back them? And how far can the State Department count on American public opinion? The omens indicate that the State Department will give way. They have to reckon with

the pacific principles of Mr Borah, the chairman of the Senate Committee on Foreign Relations. The mild line taken by the British has weakened the American front. Military intervention in Mexico is as uninviting as it is in Turkey or China (where wars are easy to begin but difficult to finish). And, then, in the background, there is the imponderable but effective public opinion of the other Latin-American peoples. Respectable "bourgeois" countries like the Argentine, Chile, or Peru may privately disapprove of Mexican goings-on, but they avowedly sympathise with Mexico's cause in this controversy, for every Latin-American people wishes to be master in its own house of its own material property; and everyone of them fears the economic advance of the United States. The United States already dominates the little disresponsible Latin-American countries of the Caribbean. Mexico, too, is disresponsible, but she is large, and she is covered with porcupine bristles. In other words, she is a welcome bulwark for the Latin States of South America; and accordingly the South Americans regard the Government of President Calles with much the same feelings as the independent Oriental peoples regard the Government of President Mustafa Kemal.

Our Index Number.—A decline in the general level of commodity prices is recorded in our Index Number, which at 4185 shows a decrease of 52 points as compared with the end of October. There were almost as many increases as decreases among the individual commodities, but while changes were mostly small, there were a few substantial declines. The following table shows the changes in each of the five groups and in the total:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basic (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	382	616	464	553	2568	116.6
Nov., 1918	1289	782	1848	903	1389	6212	282.6
Mar., 1920	1508	914	2974	1246	1709	8352	378.6
Dec., "	1344	805	1284	1216	1275	5924	269.8
Dec., 1921	921	636	1106	762	931	4357	198.0
Dec., 1924	992	789	1452	815	806	4855	220.7
June, 1925	885	704	1234	736	791	4351	197.8
Dec., "	936	679	1120	733	782	4251	193.2
Jan., 1926	892	694	1117	726	758	4189	190.4
Apr., "	894	678	1000	714	766	4053	184.2
May, "	885	681	978	718	765	4029	183.1
June, "	893	682	963	735	760	4035	183.4
July, "	910	678	945	763	748	4045	183.9
Aug., "	914	695	954	849	744	4156	188.9
Sept., "	893	708	942	963	739	4246	193.0
Oct., "	920	721	880	976	738	4237	192.6
Nov., "	895	728	867	959	735	4185	190.2

It will be seen that nearly half the decline in the total is accounted for by primary foodstuffs, and for this foreign wheat, flour and rice are mainly responsible. In the subsidiary foodstuffs group a further advance in sugar was partially offset by a decline in butter. Among textiles, raw cotton was practically unchanged, despite the further increase in the official estimate of American crop. Cotton yarn and cloth fell during the month, and there was also a sharp decline in silk, but wool prices were unchanged. In the minerals section the most prominent movement was a drop in household coal. Prices in the iron and steel markets are largely nominal, and substantial premiums are willingly paid for prompt delivery. The nominal quotation for pig-iron is unchanged, steel rails are lower, while iron bars are higher. In the non-ferrous group a decline in lead was offset by an advance in tin. Movements in the miscellaneous section were very small. The change in each commodity's index as compared with the end of October are set out below, the figure 50 representing in each case the average for the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—Flour	1014	-12	Cotton, A	623	+13	Copper	47	-1
English	95	+4	Cotton, E	395	-5	Minerals	955	+17
Flour	77	-10	Yarn	77	-3	Baltic timber	93	..
Barley	88	+2	Cloth	92	-3	Amer. timber	77	..
Oats	68	+3	Wool, Eng.	108	-8	Leather	61	..
Potatoes	81	+3	Do Aust.	102	-2	Petroleum	108	..
Beef	111	-11	Silk	77	-2	Oils	75	+2
Mutton	64	+3	Flax	79	+1	Oilseed	75	+2
Pork	84	-1	Hemp	68	+1	Tallow	67	..
	111	..	Jute	192	+2	Crystals	85	..
Cereals & meat	895	-24	Textiles	867	-13	Rubber	19	-1
Tea	152	..	Pig-iron	129	-6	Miscellaneous	735	-3
Coffee	146	+1	Steel rails	71	-6			
Sugar, cane	118	+5	Iron bars	96	+6			
Sugar, beet	116	+5	Coal, steam	227	-15			
Butter	79	-5	House coal	147	-9			
Tobacco	116	..	Lead	118	-7			
Other foods	728	+6	Tin	123	-7			

As a result of these movements the increase over the pre-war level drops from 65.2 to 63.2 per cent., as may be seen from the table below, which also gives the position of each of the groups in relation to July, 1914:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., "	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Sept., 1925	161	199	203	162	143	172.6
Dec., "	162	193	182	158	141	165.8
Mar., 1926	152	196	167	156	140	159.4
June, "	154	194	156	158	138	157.3
July, "	157	193	153	164	135	157.7
Aug., "	158	197	155	183	134	162.0
Sept., "	154	201	153	207	134	165.5
Oct., "	159	205	143	210	134	165.2
Nov., "	155	207	141	206	133	163.2

At this time last year cereals and meat stood at 159, other food at 200, textiles at 191, minerals at 159, miscellaneous commodities at 142, and the total at 168.5.

The Retail Price of Meat.—The Food Council has been looking into the price of meat, and has issued a report, which deals at some length with the weekly price lists issued by the Central Markets Committee of the Corporation of London. The avowed object of the issue by the wholesale market of a list of retail prices is the standardisation of meat prices for London at a fair level. The Food Council, however, thinks that these "official" prices are too high. The gross profit allowed for beef, for example, in the 39 price lists issued between January 14th and October 30th was as follows:—

No. of Occasions on which the Gross Profit Allowed in the Lists was:—	English Beef.	Scotch Beef.	Argentine Beef.
Less than 20% on cost	2	1	..
Between 20% and 30% on cost ..	2	1	..
Between 30% and 40% ..	15	25	6
Between 40% and 50% ..	14	12	7
Between 50% and 60% ..	7	..	20
Between 60% and 70% ..	1	..	5
Over 70% on cost	..	..	1

Similar figures could be given for English mutton. The profits allowed on lamb and pork, New Zealand mutton, &c., have been much smaller, but these kinds of meat are consumed in comparatively small quantities. Argentine beef, on the other hand, on which the percentage of gross profit has been greatest, is to a large extent relied on by the poorer class of customer. These rates of profit compare with the 20 per cent. average gross profit (or 16 per cent. on turnover) which the butchers claimed as reasonable before the Royal Commission on Food Prices. The Food Council consider that these latter rates of profit could have been maintained in September even if prices had been reduced by 1½d-2½d a lb on Scotch beef, 1½d to 2d a lb on Argentine beef, 2d to 2½d on English beef, and 2½d-3½d a lb on English mutton. The evidence as to the method of compiling the list adopted by the clerk and superintendent of Smithfield Market and his advisory committee of retailers is conflicting, but one fact emerges. The Smithfield retail price list does not represent either prices actually charged or prices which should be charged on any consistent theory of margins,

whether percentage or cash, but prices which in each particular week the individual butchers who framed the list would like to obtain. Thus, the witnesses claimed 17½ per cent. on turnover for expenses for the week ended January 16th, when the average gross profit on turnover was 27½ per cent.; but the evidence submitted to the Royal Commission suggests a figure for expenses varying from 8 per cent. to 13 per cent. on turnover only. The conclusions reached by the Council, which seem justified by the evidence, are as follows:—(1) The margins of profit allowed in the Smithfield retail price lists are actually excessive. (2) The list is unrepresentative and not drawn up on any consistent plan. (3) The Council does not favour the issue by a market authority of a list of estimated retail prices for meat, owing to the wide variations in conditions and trading methods. (4) The retail price list should, therefore, be discontinued. (5) The weekly list issued by the Liverpool Markets Committee is in a different position, as the market contains a large number of retail stalls. As, however, the list represents top quality prices only, it is open to misinterpretation; and it receives very little publicity. The Council therefore suggest that it should be published only when prices outside the market appear higher than the market prices. (6) In any case, the consumer will receive far more assistance in purchasing meat if retail butchers exhibit lists showing the retail prices of, at least, the more important cuts, and if such lists are placed in conspicuous positions so that they can be clearly seen from outside. It will be observed that the latter recommendation need not involve legislation, and that the remedy for the present state of affairs is now in the hands of the consumer.

The Rise in Sugar.—Indications of considerably reduced sugar resources for the current season, to which reference was made in our issue of September 25th last (p. 502), have become more definite, and prices within a short space of time have risen sharply. Raw Cuban sugar, which was selling at one period this year, when the market was at its worst, at around 2 cents per lb cost and freight to New York, was late last week lifted to 3¼ cents under an increased pressure of demand, especially on the part of American refiners, in order to complete their needs over the end of the year. Crop forecasts to date indicate a deficit of roughly one million tons in the total world's crops as compared with the previous campaign. Messrs. Willett and Gray's last estimates were 23,363,000 tons, as against 24,300,000 tons and 23,623,000 tons respectively for the two previous seasons. It will be seen, therefore, that this season's resources have fallen by about 260,000 tons behind the 1924-25 production. The outstanding feature in regard to consumption has been the remarkable expansion of American trade needs, which for the current year have been estimated by an American trade authority at about 5,620,000 tons, as against 5,510,000 tons for 1925. This means another increase of over 100,000 tons. Out of the total given, over 3 million tons would represent the meltings, less exports at Atlantic ports. Sentiment was recently influenced by advices that a presidential decree is about to be issued in Cuba to restrict the crop to a maximum of 4½ million tons, so that the yield would thus experience a contraction of 384,000 tons and 625,000 tons respectively against the two previous crops. The German forecast of the European beet crops has been again lately revised down to 7,217,000 tons, this comparing with actual yields of 7,418,000 tons and 7,064,000 tons respectively for the two preceding seasons. Mr Licht's estimate of the German crop has been reduced to 1,675,000 tons, as against 1,800,000 tons last season; and in regard to Czechoslovakia his estimate so far has been maintained at 1,200,000 tons, as against 1,500,000 tons in 1925, but the Czechoslovakian factories' estimates have been circulated latterly at but little over one million tons. It is not expected that much new Cuban sugar will become available for export until towards the end of January, although it is understood that the cutting of the cane will be started on January 1st. Severe damage was done to factories in Cuba by the hurricane, and costly repairs are involved thereby. In the meantime the old Cuban surplus is rapidly decreasing under increased pressure of needs by refiners, while large quantities continue to be shipped to the Far



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East, chiefly China, and it is probable that the surplus will entirely disappear by the time the new crop begins to reach the seaboard.

The Belgian Budget.—A correspondent writes:—The feature of the Belgian Budget for 1927 is that all ordinary expenditure has been cut down to the lowest possible figure, in order to make every sacrifice for the consolidation and redemption of the public debt. The final balance, in round figures, is as follows:—

Estimated total revenue	Fr. 9,577,000,000
Estimated total expenditure	9,415,000,000
Estimated surplus	162,000,000

These figures scarcely represent the situation accurately, however, so far as the ordinary Budget expenditure is concerned, as they do not disclose the fact that this statement includes no less a sum than 1,500,000,000 of revenue which is designed to be absorbed by the *caisse d'amortissement* for the extinction of a substantial portion of the floating debt. The total estimated expenditure for the year is made up as follows:—

Ordinary expenditure	Fr. 3,086,000,000
Extraordinary expenditure and reparations ..	772,000,000
Marine, posts, telegraphs	802,000,000
Service of the consolidated debt	3,255,000,000
Caisse d'amortissement for the floating debt ..	1,500,000,000
	9,415,000,000

From this it will be seen that 4,755,000,000 of the year's revenue, or slightly over 50 per cent. of the total, will be absorbed by interest charges and debt redemption. The State railways, having passed into the hands of an independent national organisation, no longer figure in the Budget. Ordinary expenditure by the various Government departments (apart from expenditure directly connected with the debt) is estimated at 2,287,000,000, which includes 200 millions for the Department of Justice and 689,000,000 for national defence and gendarmerie. Army expenditure is equivalent to rather over 7 per cent. of the total of the general Budget. In spite of a cutting down of departmental expenditure at the last moment by 100,000,000, this portion of the estimated expenditure still shows an increase of 330,000,000, as compared with last year, this being due to the fact that estimates for 1927 are based on an index figure of 7.5 and on sterling at 175. The total estimated expenditure of 9,415,000,000 is covered by estimated receipts from taxation and German reparation payments, with the exception of 440,000,000, representing the amount of long-term bonds given to *sinistrés* in payment of war damages. The

Extraordinary Budget of 772,000,000 includes estimated expenditure of 190,000,000 on public works and 580,000,000 to complete the payment of damages for war losses. It is estimated that the balance outstanding for war losses will be liquidated during the course of 1928, with the exception of the paying off in cash of the 440,000,000 of long-term bonds which have recently been handed to *sinistrés* in part payment of their claims. The amount to be received by Belgium from German reparation payments in 1927 is estimated at 79,100,000 gold marks, or 672,000,000, this figure being based on an annuity of 1,500,000,000 gold marks (including the special contribution of £300 millions). The improvement which has been effected in the situation of the Belgian debt during the past twelve months will be realised when it is stated that on September 30, 1925, 71 per cent. of the total was in the form of consolidated debt, and 29 per cent. consisted of floating debt. On October 31st this year the proportion of consolidated debt had risen to 89 per cent., while the floating debt had been reduced to 11 per cent. of the whole. Thanks to efforts made during the past few months, the total debt has been reduced by 895,000,000. The heavy taxation imposed on the country will undoubtedly prove onerous, from the economic point of view, but will ensure, if all goes well, a speedy liquidation of the balance of the floating debt. It is regarded as unlikely that it will be possible to remove the recently imposed "special taxes" before the expiration of four years, but by that time it is expected the floating debt problem will have been completely solved, and the extinction of the consolidated debt may be spread over a greatly extended period.

Economic Conditions in Sweden.—A Stockholm correspondent writes:—The hitherto published figures of the general index of production give very favourable impressions of Swedish economic life this year. While the average index figure of production for the first three quarters was 104 in 1924 and 108 in 1925, it has increased to 110 for the same period in 1926. The industries which especially account for this increase are the paper and paper-pulp industries. Also the iron-ore and steel trades show slightly improved figures. On the other hand, the production index for the timber trade is considerably less than in 1924 and 1925 (the average for the three first quarters was in 1924, 100; in 1925, 105; and in 1926, 92). The improvement in the iron and steel industries is presumably caused by the English coal strike, and it is too early to anticipate any real change for the better as regards this old famous Swedish industry, which has for some years been in a very bad position. Though the production in the timber trade has been considerably less this year, the prices obtained have been firm. Thus 1926 has hitherto been the best year since the war. The satisfactory business conditions were anticipated by the Stock Exchange, where heavy advances took place during the first half of this year. Since August the stock market has been very dull, and no marked tendency has been noticeable. The money market has been easy, though the export of capital this year in comparison with preceding years seems to have been remarkably large. The capital exported during the first three quarters is estimated at about 65 million kronor, or twice as much as in the same period last year. The issues of bonds have amounted to about 120 million kronor from January 1st to September 30th this year, while the corresponding figure for 1925 was 80 million kronor. The consolidated balance-sheet of all Swedish commercial banks for last month also records an increased volume of deposits and higher figures for discounts and loans. The tendency for the rate of interest on bonds has been downward most of the year, but the last few weeks have witnessed a firmer tone. The harvest results are over the average.

Australian Crops and Finance.—Our Melbourne correspondent, writing on October 28th, says:—The short period of dryness in September was succeeded by wet and broken weather in the wheat-growing areas, relieving the slight apprehension that was beginning to be felt. The prospect is now for an Australian yield of over

150,000,000 bushels, making the harvest one of the best on record, with an exportable surplus of about 3,000,000 tons for shipment in the form of wheat and flour in the new year. Exports for the 1925-26 shipping season (reckoning from December) have now reached about 1,820,000 tons, against 3,150,000 tons for the whole of the 1924-25 shipping season. A fair amount of chartering has already been effected for early new season's loading, but the advance in the freight market consequent upon the English coal strike makes the outlook for obtaining sufficient tonnage for the opening months of the season somewhat uncertain. With a large quantity of wheat in prospect, with active wool sales proceeding in accordance with the programme drawn up some time ago, and with a good spring production of butter, the Australian export season as a whole will again run into large figures. Imports, however, continue on a full scale, taking into account both natural purchasing power and the influence of fresh borrowings abroad, and one result continues to be a heavy Customs revenue. While the Commonwealth Government is in a favourable position owing largely to the heavy Customs revenue, some of the States find it necessary to increase taxation. The Western Australian Budget for 1926-27 shows an estimated surplus of £10,960, after allowing for a reduction in income-tax, which is rendered possible by the special grant from the Commonwealth Government. Tasmania is also able to make a slight reduction in taxation. But in Victoria the Budget shows an estimated surplus of £5,574, after crediting additional betting taxation £343,000, besides increases in railway freights and fares to produce £420,000. The proposed betting tax has, however, been defeated in the Victorian Parliament, where the position of the Ministry is precarious. In Queensland the Budget shows an estimated deficit of £173,766, for which additional revenue is to be raised, including increased stamp duties.

Palestine and British East African Guarantees.

—British co-operation in the finance of Palestine and British East Africa advanced a further stage this week in the House of Commons, but there is still considerable doubt with reference to the future of these development schemes. The Government propose to guarantee, as to principal and interest, aggregate loans raised in the open market of £4½ million for Palestine and £10 million for British East Africa. The arrangements provide that the Treasury must be satisfied regarding the application of the proceeds of the loan, with sinking fund arrangements over a period of 40 years, and with safeguards for the taxpayers behind certain prior charges which now exist, particularly in the case of East Africa. The Palestine provision may be regarded as the fulfilment of a definite obligation, arising from war conditions; part of the proceeds which Britain guarantees will be used to repay debt due to this country, and the remainder will go to railway and harbour development. In East Africa the loan follows the report of the East African Commission. They thought, however, that Britain should contribute at least the interest free for a period of years at the start; eventually the Treasury ruled that the territories in question must bear the interest charges right away. In Kenya and elsewhere this has led to controversy, stimulated by certain increases in current taxation, by the growth of capital obligation, and by a disposition to regard the burdens as too great for the easy balancing of the local budgets. No doubt, with some regret, the Colonial Office has accepted the Treasury view. The £10 millions will now be launched at once. A committee, over which Sir George Schuster presided, showed that many of the schemes for railways and harbours require far more survey and preliminary review than they have so far obtained. Out of the £10 million they are able to regard only something less than £1½ million as ripe for immediate treatment. The Treasury have accordingly indicated that while the present financial resolution, and the coming Bill, will cover £10 millions, they will, in fact, only guarantee such amounts as are approved by a committee, probably substantially on the lines of the advisory committee which has acted under the Trades Facilities Acts—in all likelihood composed of men familiar with the

needs and economic prospects of these areas. The Government have apparently rejected the idea of a central board, with general and comprehensive powers in review. Each scheme will be considered on its financial and other merits; and in such conditions it is thought that the risk of loss to British taxpayers will be comparatively small. But it is known that the Colonial Office would have liked a larger measure of freedom from Treasury control, and certain schools of thought in the territories have used similar argument. On the other hand, if the British people are to guarantee any scheme as to principal and interest, it becomes the first duty of the Treasury to lay all the facts before them, and to analyse the position of the enterprises from time to time.

P. and O. Results.—It may be recalled that twelve months ago the directors of the Peninsular and Oriental Steam Navigation Company reduced the dividend on the deferred stock from 12 to 10 per cent., being "compelled" to do so by the poor state of trade generally, the unrest in China, and the loss caused by the labour troubles in Australia. For the year ended September 30th last, the dividend is maintained at 10 per cent., in spite of the persistence in an exaggerated form of at least two of the adverse factors mentioned. This, the directors say, is due to "the conservative policy hitherto adopted, and not to the profits made." The stockholder is vouchsafed no further information than this, for the accounts merely give the "net result" after providing an unstated amount for depreciation. This shows a decrease in comparison with last year, but whether it exaggerates or minimises the change in earnings during the past year we cannot tell. For what it is worth, we give the following comparison of the published figures:—

YEAR ENDED SEPTEMBER 30TH.

	1914-15.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
"Net result" Brought forward.	£ 494,160	£ 696,661	£ 1,013,241	£ 1,346,938	£ 1,273,533	£ 1,196,518
	68,703	100,305	101,799	101,873	101,034	142,143
Deb. interest..	562,863	796,966	1,115,040	1,448,811	1,374,567	1,338,661
Deb. stock red. fund, &c.	63,000	52,065	297,065	375,814	419,565	419,565
Preferred div.	152,000	152,000	152,000	152,000	152,000	152,000
Deferred div...	269,681	431,102	431,102	431,102	359,252	359,252
	(15 %)	(12 %)	(12 %)	(12 %)	(10 %)	(10 %)
Carried forward.	78,182	101,799	101,873	101,034	142,143	133,157

The allocation to reserve for redemption of debenture stock is reduced by £27,000, and the balance carried forward by £9,000. The balance-sheet is in the "improved" form introduced a few years ago, assets being given in five items instead of in only one, but of a total of less than £30 millions, two items account for over £27½ millions. The first is the fleet, valued at £18 millions. The second is a composite entry covering three very important items which ought to be shown separately—namely, investments (less loans), cash, and debtors. These figure together at £9,684,700, or £2,898,500 less than last year. We must once again ask whether the necessity for these obscurities still exists. Some four years ago Lord Inchcape told the shareholders at the annual meeting that the company held £7½ millions in British Government securities. No information has since been given beyond a statement that the sinking fund for the debenture stock of £7 millions, which now stands at £968,400, is invested in Government securities. On the debit side there is a substantial decline in bills payable and sundry balances—namely, from £9,772,400 to £6,686,300. The tonnage of the fleet shows a reduction of 27,894 tons at 576,916 tons, and the report mentions that two vessels were sold at prices considerably in excess of their book values, the difference being passed to credit of the depreciation account for the rest of the fleet. A year ago Lord Inchcape said that the ships stood in the books at less than their original cost, against which there was over £5½ millions in various funds as a provision for the uncertain future. The balance-sheet, no doubt, is a strong one, but there is no means whatever of testing its strength in its present form. Rumours were current at the beginning of the week in the marine insurance market

to the effect that the company and its subsidiaries had decided to cover its ships in the market instead of carrying its risks itself. We refer to the matter below.

The P. and O. Insurance.—Great interest has been aroused this week by the news that the P. and O. Company, departing from their old policy, have done a big insurance for "time" in the open market, but the scheme appears to be smaller than was originally supposed. The first rumours of the insurance suggested that the whole of the P. and O. fleet and the B.I. fleet were being covered, and that consequently all the insurance reserve, which stands at £3,328,223, would be freed for other purposes. This, we understand, is not correct. The main P. and O. fleet is not being covered, but a certain number of subsidiaries are. The scheme takes the form of a re-insurance of the P. and O.'s fund, so that the fund will be running the whole risk on the best steamers, and re-insuring at least a portion of its liability on others, but as the top value of the boats being re-insured is £1,000,000, the transaction is a big one. The re-insurance was arranged quietly with four companies, the Royal Exchange, the Atlas, which has Lord Inchcape as director, the Commercial Union, and the Marine, which has a long connection with the P. and O. interests. Two Lloyds' syndicates are also interested. At present these four companies are naturally concerned with re-insuring their lines, so that the boats will come to the help of the market by the way of two re-insurances—(1) the re-insurance of the P. and O.'s fund, and (2) the re-insurance of the four selected companies who took the first re-insurance. It has been said that this new development has caused great satisfaction in the market, but actually, we understand, the market would have greatly preferred it if the fleets had been placed in a more direct manner than that actually adopted.

J. and P. Coats.—No reason is given by the directors of J. and P. Coats, Limited, in the annual report covering the year to June 30th last for the substantial decline shown in net profits. The past year's figure is the lowest recorded since 1921. Shareholders, however, do not have to suffer on that account, thanks to the large amount brought forward from the previous accounts—namely, £1,143,000, as against £256,400 twelve months earlier. After meeting the payment to the preference proprietors, the ordinary shareholders again receive a dividend of 15 per cent., together with a bonus of 2½ per cent., making a total return of 17½ per cent. for the year. This leaves £256,370 to be carried forward, compared with £1,143,030 brought in. The following table shows how the latest results compared with those of earlier years:—

Year ended June 30.	Net Profit After Depreciation, &c.	Interest.	Dividends and Bonus.	Pension, Insurance Fund, &c.	To Reserve, &c.
	£	£	£	£	£
1906	2,974,088	36,642	1,972,821	294,629	450,000
1910	3,171,464	19,278	2,448,908	25,000	675,000
1911	3,102,952	19,096	2,453,808	42,500	525,000
1912	2,794,072	..	2,449,183	26,440	500,000
1913	2,903,239	..	2,449,183	..	500,000
1914	2,634,388	..	2,225,803	..	..
1915	2,598,966	..	2,208,347	..	30,000
1916	3,387,395	..	2,210,016	..	100,000
1917	3,360,950	..	2,294,131	..	2,000,000
1918	3,171,796	..	2,289,732	100,000	..
1919	3,995,149	..	2,850,638	400,000	750,000
1920	4,164,894	..	3,161,214	150,000	450,000
1921	2,072,449	..	2,911,263	..	Dr 250,000
1922	3,270,913	..	2,911,250	..	250,000
1923	2,889,959	..	2,911,250	..	..
1924	3,107,213	..	2,911,250	..	200,000
1925	3,655,700	..	2,911,250	..	..
1926	2,024,590	..	2,911,250	..	..

The fact that the ordinary bonus has been maintained indicates that the board considers the past year's figures to have been affected by temporary factors. No doubt shareholders will be eager to learn to what extent this assumption is correct from the chairman's remarks at the meeting to be held on December 9th. According to the balance-sheet, book debts, agents' balances, &c., have declined from £2,765,525 to £2,353,404, while sundry creditors have advanced from £2,302,282 to £2,598,154.

Stocks at £4,178,099 are about £225,000 lower on the year, but the cash holding has been increased from £1,600,736 to £2,134,271. Investments, on the other hand, amount to £676,101, against £802,646, and advances to subsidiary companies stand at £5,684,274, compared with £6,302,549. At the annual meeting the shareholders are to be asked to sanction the alteration of the date at which the accounts are made up "for various reasons in connection with the administration." If the necessary permission is forthcoming, the balance will, in future, be struck at December 31st of each year, and a report will be issued in respect of the half-year ending December 31st next.

Aerated Bread Company.—A decline in profits is recorded in the accounts of the Aerated Bread Company for the year ended October 2nd last. Gross profits were lower by £30,000, and net profits by £20,000. These results cannot be regarded as very unsatisfactory in view of the industrial situation, the coal stoppage covering the last five months of the financial year. The directors mention that the results of the trading at the Wembley Exhibition of 1925 have been brought into the past year's accounts, and show a small profit, though less than had been anticipated. The following table compares results for a number of years past:—

September.	Gross Profit.	Expenses.	Net Profit.	Depreciation, &c.	Div.	Rate.	Carried Forward.
1907-8.....	£ 276,252	£ 220,366	£ 55,886	£ 5,000	£ 50,409	27½	£ 17,376
1910-11.....	283,695	236,203	46,492	5,000	40,883	22½	14,176
1913-14.....	315,476	240,350	75,126	28,000	49,846	27½	28,543
1914-15.....	286,919	253,146	36,003	8,000	29,948	17½	26,598
1915-16.....	299,434	282,354	17,080	11,704	7,959	5	23,955
1916-17.....	289,199	303,882	Dr 14,683	8,000	..	..	1,271
1917-18.....	419,112	322,566	96,546	59,000	28,135	15	10,682
1918-19.....	587,456	435,506	151,950	62,000	80,500	30	20,132
1919-20.....	685,831	520,274	165,557	57,882	113,050	25	14,757
1920-21.....	728,376	582,381	155,995	40,000	102,637	15	14,150
1921-22.....	637,811	488,936	148,875	48,184	87,975	12½	14,639
1922-23.....	629,104	497,954	131,150	37,621	79,784	8½	19,499
1923-24.....	681,578	526,639	154,939	35,252	100,943	10	30,276
1924-25.....	692,860	535,443	157,417	28,000	102,606	10	46,736
1925-26.....	662,557	525,113	137,444	22,000	104,200	10	57,981

Special allocations in the past year consist of £20,000 to reserve for income-tax and £2,000 to staff pensions fund. A year ago £11,000 was provided for income-tax, £15,000 for property depreciation, and £2,000 for staff funds. The 6½ per cent. preference dividend absorbs £26,000, and after the repetition of the 10 per cent. ordinary dividend the balance forward is increased by £11,250. The report states that the profits of the company's subsidiary businesses have been maintained, "and, with improved industrial conditions, these companies give promise of still better results." The balance-sheet shows an addition of £131,900 to the property item, and reductions of £15,500 in investments, £25,900 in cash, £44,900 in debtors, and £10,200 in stocks. The yield on the ordinary shares at their present quotation of 28s is 7½ per cent.

Tate and Lyle.—Once again the well-known sugar-refining undertaking of Tate and Lyle has to record lower profits, and on this occasion the ordinary shareholders are made to suffer by having their dividend cut from 13½ per cent. to 6 per cent. for the year. The accounts cover operations for the year ended September 30th last, and the latest figures are compared, in the following table, with those of the two preceding years:—

	1923-24.	1924-25.	1925-26.
Gross profit.....	£ 647,256	£ 573,111	£ 489,323
Net profit	616,784	543,128	459,505
Brought forward	38,650	69,934	52,733
	655,434	1,186,173	1,001,561
To reserve, &c.	100,000	50,000	190,000
Preference dividend ..	71,500	71,500	71,500
Ordinary dividend ..	420,000	438,840	198,720
Rate per cent.	(13.226)	(13½)	(6)
Carried forward	69,934	52,733	52,018

The increase in the amount reserved is accounted for by the fact that the allocation to the general reserve fund has been raised from £50,000 to £100,000, while, in addition, the sum of £90,000 has been transferred to a dividends reserve. There are thus now four separate reserve accounts—a depreciation reserve of £300,000, a

general reserve of £750,000, an investment reserve of £141,673, and a dividend reserve of £90,000, making a total of £1,281,673, against a paid-up capital of £4,912,000 and a balance-sheet total of £9,397,721. The investment reserve has declined from £204,863 to £141,673, but the balance-sheet gives no clue as to the reason for the reduction. Investments at market value are shown to have fallen from £2,103,878 to £2,040,688, but investments in associated companies, on the other hand, have gone up from £112,632 to £148,519. Stocks are lower by about £35,000 and cash by £9,000, while the item of bank loans now figures for £2,240,000, compared with £2,055,000. It will be remembered that the company recently announced its intention of temporarily closing its Plaistow refinery, and that the factory would remain closed so long as the present unfavourable conditions created by competition from the subsidised beet sugar industry continued. Those investors who saw the statement in the Press will probably have anxiously awaited the report in order to obtain further information. If so they are doomed to disappointment, for the directors make no reference whatever to this important development. Shareholders will, therefore, probably have to wait until the annual meeting, to be held on December 9th before they can obtain fuller particulars.

Peter Walker.—The operations of the well-known brewery undertaking of Peter Walker (Warrington) and Robert Cain and Sons during the year ended September 30th last were not productive of such satisfactory results as were achieved in the previous period. The balance of profit, after providing for Government taxation, amounts to £570,411, compared with £608,541, while the net figure, arrived at after the deduction of debenture interest and sinking fund, totals £420,411, in contrast to £458,541. The amount brought forward from last year is, however, slightly larger, and the net disposable balance is thus £466,122, against £493,010. This decline was not sufficiently important to warrant a reduction in the payment to the ordinary shareholders, which amounts to 9 per cent. for the year. The staff benefit fund once again receives £3,000, but the allocation to reserve is reduced from £80,000 to £50,000. The total of the fund is now £200,000. Stocks, as shown in the balance-sheet, have declined in value from £22,336 to £17,530. Elsewhere changes are of no importance. The report is accompanied by a print of the consolidated balance-sheet and profit and loss account of the subsidiary companies, which shows total assets of over £12 millions, a paid-up capital of £6½ millions, and debentures outstanding of £3½ millions.

North Broken Hill.—At one time during the year ended June 30th last, operations were hindered by lack of water; the average prices received for the metals produced—although this point is not mentioned in the report—also showed a falling off, while dividends, &c., brought in less than before. Thus the revenue figures at £1,776,300, in place of £1,936,200, and the net profit at £715,300, as against £889,000 for 1924-25. The dividends, however, show an increase. Last year's distributions totalled 19s per share, or £665,000, as compared with 15s representing £560,000. It should be mentioned that while the depreciation allowance was the same on both occasions—£50,000—taxes and special amortisations absorbed more in 1925-26 than in the preceding period. At £1,112,800, the surplus cash assets indicate a trifling decrease. The chief alteration in the company's holdings in associated undertakings consists in an increase of 70,000 shares (to 300,000) in the Broken Hill Associated Smelters. In the British-Australian Lead Manufacturers £26,000 debentures have been subscribed; the company has also taken a small participation in a concern formed for metallurgical investigations generally. The general manager states that the ore reserves "may be safely estimated at 4,000,000 tons." This time the quantities are segregated, 3,200,000 tons being credited to the North and 800,000 tons to the British section. During the current year exploratory work will be commenced on a new level, the 1,700 ft. With an ample supply of water available, and various subsidiary additions made to the

treatment plant, the output for 1926-27 should display some expansion. On the other hand, the quotations for lead, zinc, and silver have experienced an appreciable decline; hence it would not be prudent to count upon more than the recent dividend rate of 4s per share per quarter. On this basis the shares yield a shade over 11 per cent.

Gold Mines Investment.—A noteworthy advance is shown in the profits of the year to October 31st, these figuring at £46,900 in place of £21,500 previously. The difference arises in the main from the realisations of investments effected in preparation for the amalgamation scheme referred to later. No change is, however, made in the rate of dividend, the 1s now declared making a total of 1s 6d, as before. A year ago the question was raised as to whether the continuance of the undertaking as a separate entity was warranted. The directors propose to meet the position by sale of the concern to the Gold Coast Amalgamated Mines on the basis of the exchange of two shares for one. The holdings of the two companies are very similar; their break-up value is calculated to be in the one case 13s 6d and in the other 27s per share. Thus the amalgamation terms appear to be fairly equitable, if no regard be paid to the dividend on G.M.I. shares—which is, of course, included in the present price.

Cam and Motor.—In several respects the report to June 30th sets up a record. The tonnage crushed was higher than ever before, and the ore reserves have expanded to an unprecedented figure. At £528,600 the working profit compares with £437,500 and £453,300 for the two preceding periods, when the gold premium brought in £27,000 and £44,500 respectively. Last year's revenue was swollen to the extent of £66,000 by the treatment of antimony ore, which naturally increased the working costs; irrespective of this charge, the ratio was 20s 3d, as against 22s 8d for 1924-25. Income-tax absorbed £42,800 as against £20,300 for this item and corporation profits duty previously. After the payment of dividends totalling 27½ per cent., as against 25 per cent., the enhanced balance of £12,800 remains to go forward. Last year's dividend rate does not constitute a record, a similar total having been paid for 1923-24. At 1,029,900 tons, value 53.6s per ton, the ore reserves show an increase of 93,100 tons in quantity and of 3.5s in value. The broad features of last year's developments consist in some decrease in depth in the width of the ore body in the "Motor" mine—without, however, diminution in the total gold contents—and a slight increase in width, with a considerable expansion in value, in the "Petrol" mine. On the basis of last year's dividends, Cam and Motor shares yield 10½ per cent. There would appear to be the prospect of a somewhat larger distribution for 1926-27.

Bwana M'Kubwa Copper.—The experience of this undertaking emphasises the large amount of money and patience required in the opening up of a base metal proposition. From its original total of £400,000 in 5s shares the capital was in March, 1923, increased to £900,000, and in January, 1924, further raised to its present figure of £1,500,000. Last year an issue of £300,000 7 per cent. notes was made (it is repayable at the end of 1928). Now a fresh expansion of the capital by £500,000 is proposed; of the new shares, 400,000 are to be offered to the proprietors at 7s under guarantee. It is explained that the additional capital is required for the purposes of the company, including the development of the N'Kana mine and its extensions. The property owned, of course, consists of the mine from which the company takes its name, the one just mentioned, prospecting rights over the N'Kana concession of 1,800 square miles, and various other holdings. Owing to delays in connection with the plant, treatment at the Bwana M'Kubwa mine did not actually start until September. For the first month the output was 195 tons, for October 205 tons, for November and December 466 and 637 tons respectively are expected. It has been computed that with the first unit of plant in full operation over 10,000 tons of refined

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Including the branches of its affiliated Institution, The Nationale Bankvereeniging, Utrecht, The Rotterdamsche Bankvereeniging is represented in about 190 places in Holland.

copper should be produced per annum for a gross profit of £200,000. This would represent 12½ per cent. upon the capital, including the new issue; but after allowing for depreciation, the service of the notes, &c., probably not more than 10 per cent. would be available for distribution. Later on the capacity of the plant is projected to be increased to 25,000 tons per annum, but this would obviously entail considerable additional capital. Altogether it would look as though those interested may have to wait some time for an adequate return.

Naraguta.—From the dividend standpoint, the year ended March 31st last marks an advance in the history of the Naraguta (Nigeria) Tin Mines, the balance distribution of 5 per cent. now recommended making a total of 12½ per cent., as against 10 per cent. for each of the two preceding periods. With it will be paid 5 per cent. interim in respect of 1926-27. Actually, however, the dividends of recent years have borne little relation to the profits. In 1923-24 £21,330 was earned and £26,250 disbursed. For 1924-25 (after writing off £5,500 from investments in addition to the depreciation allowance) the profit amounted to only £8,000, but 10 per cent. was again paid. Last year's working surplus of £15,230 was supplemented by the transfer back to profit and loss of £10,000 some time previously placed to reserve; thus, after provision of the larger dividend already mentioned, the enhanced balance of £11,060 remains to go forward. This transfer was made in view of the strengthening of the company's finances owing to the flotation of the Korot Areas; definite allocation of the £44,700 received from this source has yet to be made. Although the Korot Areas contributed for only seven months, last year's output of 416 tons fell but little short of the total for the preceding period. The price average for the tin concentrates was £167 11s, as against £152 17s. Of the properties referred to in the manager's report, one—the Karama—has since the date of the accounts been transferred to a subsidiary company. Prospecting on certain other concessions has been attended with discouraging results, and they are to be abandoned. The reserves on the Naraguta areas are estimated to represent 7,100 tons of 7½ per cent. tin concentrates. Even with a substantial expansion in the output, this deposit would last for many years. Looking at the position all round, the current price of about 34s seems high for the £1 shares; but Naragutas are one of the few tin shares in which French speculators take an interest.

Witbank Colliery.—Results for the year ended August 31st were seriously affected by the fire which broke out in July. The output, which during the first ten months of the year had been more than maintained, totalled 774,500 tons, a shrinkage of 46,000 tons as compared with the 1924-25 aggregate. The net revenue of £65,800 showed only a moderate shrinkage; the necessity of cutting the dividend from 15 per cent. to 5 per cent. arose mainly from the expenditure of £24,100 upon extinction of the fire, although the balance of £113,100 carried forward exceeds by £20,000 that brought in. The surplus in question—which is represented by cash and cash assets—takes no account of the sums due under insurance policies. Presumably the conservative policy followed by the directors may be regarded as a provision against contingencies; if all goes well, the distributions for the

current year should make some compensation for the penury of the past period. Developments continue satisfactory, and boreholes recently sunk in the intact southern portion of the company's area "have disclosed coal of high quality and good width." The installation on the company's property of the new power station for the Electricity Supply Commission should prove advantageous to the Witbank Colliery, both directly and indirectly.

Wall Paper Manufacturers—A Correction.—We regret that owing to a transposition of figures the profits of the Wall Paper Manufacturers, Limited, for the year to August 31st last were wrongly stated in our issue of November 20th. The correct figure is £649,438, which compares with £743,399 for the preceding 12 months, there being thus a decline of £94,000, and not an increase as given in our Note.

An exhibition of footwear will be held at Prague, together with the Prague Samples Fair from March 20 to 27, 1927, and will be representative of the shoe industries in Czechoslovakia.

SIR WALTER EGERTON (late Governor of Nigeria) will preside at the meeting of the Royal Colonial Institute, to be held at the Edward VII. Rooms, Hotel Victoria, on Tuesday, December 7th, at 8.30 p.m., when the Hon. W. G. Ormsby-Gore, M.P., will give an address on "British West Africa."

Obersea Correspondence.

LEAGUE OF NATIONS.—COUNCIL MEETING AGENDA — GERMAN ARMAMENTS — MANDATES — DISARMAMENT.

(FROM OUR CORRESPONDENT.)

GENEVA, December 1.

THERE is a good deal of gossip as to what may happen in and around the meeting of the League of Nations Council which opens next Monday. Several important questions will be considered in one form or another. Whether those relating to armaments control of Germany will definitely arise in the Council itself is doubtful. The Germans are not likely to raise it whilst negotiations are in progress, and the chances are that when the subject does definitely come before the Council, it will be in the form of an arrangement previously agreed to between the parties. That is as it should be, the alternative being the raising of the question by the German Government in the form of a protest.

In view of the unjustifiable tendency of some of the arguments made use of recently, it may perhaps be well to point out where the League stands in the matter. Any reasonable view of Article 214 of the Treaty of Versailles and the analogous articles in the other treaties leaves no doubt that the right of League investigation provided for is not intended to be in the form of permanent control after inter-Allied control has been removed. It is a right to investigate if and when any State asks for it, and if the Council by majority approves. The scheme elaborated in September, 1924, for such investigation and the plan to ensure the carrying out of any such investigation will probably not stand in their present shape, and the German Government's representations regarding various features contained in them will have to be taken account of, not only from the point of view of the practical possibility of their being put into force, but also from the point of view of the League's credit as an impartial organ.

In a general way it is difficult to imagine that, against the will of the Government of a great State, a system could be put into practice by which Commissions might enter a country with all-inclusive rights to visit any and every kind of establishment, whether public or private, to demand all documents, &c., &c. It will become progressively less possible, and there has been a good deal of solemn nonsense written in this regard. If the position

ever became serious enough for the attempt to be made, it would be serious indeed.

The only actual item on the Council agenda which bears on the problem is the re-election of the Presidents of the Commissions of Investigation for the various ex-enemy countries, and M. Stresemann will undoubtedly be in a rather delicate position. It will be difficult for him to assent to the re-election of the French General Desticker as the President of the Commission of Investigation for Germany, and difficult also to protest without raising a discussion on the whole scheme.

The famous questionnaire of the Mandates Commission and the report of the Commission on its recent session will be considered by the Council. The controversy over the questionnaire is not of so much importance in itself; it is the tendencies which the controversy may imply, and it is not easy to assume that so much fuss has been made solely over a document *per se*. The Note of the British Government, sent with the approval of those Dominions who also exercise mandates, is extremely clever and moderate in form—and in this respect an improvement upon Sir Austen Chamberlain's effort at the last Council meeting—but a little subtle. It makes much use of certain portions of the 1920 Report of M. Hymans to the Council as governing the general system, but makes no allowance for the fact that this Report was made before the drafting of the mandate's terms, which are the real governing factors. However, so far as the consideration of the actual questionnaire itself is concerned, there is nothing much to bother about, and though much might be said about the arguments of the British Note, it is good enough as it stands for the proper functioning of the Mandates Commission. The Commission has made it quite clear that it does not intend to be limited in carrying out its task, and that if it cannot get reports presented on the basis of the questionnaire, it will secure the information from the accredited representatives who appear before it. If the objections go so far that the information they require in this way is refused, the Commission will undoubtedly say so in their public reports, and in the long run, so long as they retain their present spirit of independence, they will have the whip-hand. What they maintain so strongly is that while the Council has the obvious right to accept or reject any advice which the Commission may give, the Commission, nevertheless, has complete liberty to offer any advice which appears appropriate. At the same time, excellent though the work of the Commission has been, the manner of some of its members does occasionally give an irritating sense of their being a little above themselves. It may quite well be that the objections to the questionnaire are prompted as much by this reflection as by others.

The various Council committees, preparatory committees, sub-committees, joint committees, &c., continue to plod away on numberless details concerned with the limitation and reduction of armaments. It is a confusing spectacle for those who are interested only in a general way, but, at the same time, while this detailed work might naturally cause impatience if there were a world thirsting for disarmament, and may cause some cynicism in the ranks of those who have little use for it, it is achieving a valuable purpose in clearing red herrings from the path and in producing some positive elements which might contribute to progress. It is perfectly true, as the British Government holds, that it is no use having a conference for the limitation and reduction of armaments until there is some hope of doing something, and it is just as well, meanwhile, that every possibility should be explored. Some of the ideas trickling through the mass of inquiry will no doubt be useful when the time comes, and one of these is an ingenious proposal which has attracted a good deal of attention this week, for using defence expenditure as one of the means of supervision. It is a secondary, but important, consideration.*

The main responsibility for the preparations for the Conference on armaments is in the hands of the Preparatory Committee, which will probably meet again during the first six months of next year, and the prospects are against a Conference before 1928. Meanwhile the Council Committee, which meets this week, is having some interesting material put before it bearing on the

* See article on page 948 of this issue.—Ed., Econ.]

speeding up of Council meetings, movements of officials, the quickest possible transmission of communications, &c., in emergencies. These considerations arose out of the Greco-Bulgarian incident, but they also relate to views expressed on the security and armaments problem.

Amongst other questions on the agenda of the Council are the consideration of the report of the Committee, which suggested that the International Economic Conference should take place in May, and several financial matters connected with the employment of the remainder of the reconstruction loans in Austria and Hungary, with the Bulgarian refugee settlement plans, and with the financial situation of Danzig. The Council will be called upon to approve the Secretary-General's appointment of M. Dufour-Feronce as German Under Secretary-General in the Secretariat.

UNITED STATES.—MARKET TENDENCIES—INDUSTRIAL CONDITIONS — STABLE COMMODITY PRICES—COTTON CROP.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 23.

WITH money again easy, and with bonds firm, the share market has resisted the reactionary tendencies that made themselves apparent after something more than half of the October break had been recovered. There is still no widespread desire to indulge in speculative operations, but there also is a marked absence of selling pressure. Under these circumstances pools and cliques in a number of individual shares have been able to resume operations, and in some instances with distinct success. While the present showing is not conclusive, it may be that once again easy money and a great supply of investment funds are proving stronger influences than some slackening in industry. The flurry in the money market over the 15th of the month, which carried the call rate on the Stock Exchange to 5 per cent., has passed, and that particular form of accommodation now goes at 4½ per cent., which is within one-quarter of the low rate of this autumn. Time money again is available at 4½ per cent. Meanwhile the Federal Reserve statements for November 17th showed that another notable reduction had occurred in the demands that the member banks in this district are making on the local Federal Reserve institution. Discounts fell another \$26,000,000 to slightly more than \$90,000,000, this figure being the lowest of the season, and nearly \$58,000,000 lower than the figure for November 18th last year. Along with the reduction in discounts came a gain of \$29,000,000 in reserves which was accounted for by an influx of gold, a large part of which apparently came from the interior. Even with circulation up by \$13,000,000, the reserve ratio increased 0.4 of 1 per cent. to 84.9, this figure comparing with 82.8 a year ago. As the report for the system as a whole showed comparatively minor changes, it follows that the movement of funds has been toward this centre, and that the demand for funds here is moderate. While prophecy is as dangerous as ever, some good judges believe that the money market will remain about as it is until the Christmas demand for currency stimulates discounting, the latter tendency usually being attended by a harder tone in rates. After the end of the year the usual early-January surplus of funds in this market is anticipated.

Meanwhile industry continues to make a better showing than expected. After all the talk of a slowing down in the steel business, production has continued to hold in the neighbourhood of 80 per cent. of capacity. The prophets still say that operations will decrease to about 75 per cent. of capacity, but the fact remains that business is holding up extraordinarily well. A little weakness has been noticeable in steel prices recently, and the turn to your coal strike has taken some of the stiffness out of the pig-iron market. There seems to be a real basis for believing that building operations have passed their crest. On the other hand, the consumption of steel in the automobile and motor truck plants is quite likely to increase in January, and there is even some talk of an increase in operations at the motor plants during December. The General Motors Corporation's sales fell off somewhat during the last two weeks of September and the first two weeks of October. Since then, however, they have grown

well, and it is believed that earnings in the last quarter will compare favourably with the last quarter of last year, which was an extremely good one. Somewhat similar reports are heard with regard to the agricultural implement industry; and the mills that make steel pipes, while they have caught up with the demand for oil country goods, seem to have plenty of business for the next few months. Railway car loading statistics continue to confirm the indication of a high rate of industrial activity, the performance for the week ended November 6th exceeding all records for that particular week of the year. Altogether there is not any very substantial ground for pessimism with regard to the business outlook.

A slight decline (0.5 of 1 per cent.) was shown by the Bureau of Labour Statistics commodity price index for October. The loss was due principally to slight recessions in the farm products and cloths and clothing groups, the latter being accounted for by the weakness in cotton prices. Industrial groups generally were steady. After making the decline the index remained at 150 per cent. of the average level for 1913. This index has moved within a range of three points during the last eight months. The lowest was recorded in August at 149 per cent. of pre-war. The high figure of 152 per cent. was touched in March, May, and June. All of which indicates that prices have been relatively stable since last spring, even if the present level is 5 per cent. below that of a year ago.

Price-cutting has spread in the oil industry recently, but the cuts have been moderate and not universal. They have come, furthermore, after the season of heaviest consumption. During the last several years the oil industry has been unfortunate in having the prices of its products break in the summer just when the season of early consumption is getting under way. This year the situation has been strong enough to preserve the price-level until after the big business has been done, and this fact should have an important bearing on the industry's profits this year. As an offset for the weakness in oil, sugar prices have been quite strong on President Machado's declaration that he would limit production in Cuba to 4,500,000 tons for the coming crop. Meanwhile, cotton has displayed marked firmness, despite the further raising of the Government crop estimates. That of November 14th placed the yield at the unprecedented total of 18,399,000 bales. After the publication of this estimate the cotton market remained firm, and closed the day's trading at precisely the same level as on the day before. Since then it has continued to show firmness. There is now some talk to the effect that so large a crop cannot be picked. In any event, the action of prices indicates that the big crop has been discounted, and that the period in which low cost will stimulate consumption of cotton cloth may have arrived.

FRANCE.—POLITICS — THE FRANC — BUDGET — PAYMENTS IN KIND.

(FROM OUR CORRESPONDENT.)

PARIS, December 1.

M. POINCARÉ is driving the various chapters of the Budget Bill through the Chamber with characteristic skill, and there is now every likelihood that the revenue and expenditure for the coming year will be approved by both Houses before December 31st. The sixty or more interpellations, many of them dangerous from the political point of view, of which notice had been given when Parliament reassembled, were got rid of, it will be remembered, under a promise that members should be given every opportunity to "blow off steam" (provided they obeyed the new rule limiting their speeches) during the discussion of the various departmental budgets. By similarly skilful handling the Premier and Finance Minister has succeeded in avoiding another dangerous rock in the form of the opposition that still exists to the *décrets lois*, by which so much useful work has been recently accomplished. All these decrees, it will be remembered, are subject to subsequent ratification by Parliament. A good many Socialists and other members of the Opposition were anxious to have the decrees submitted to Parliamentary approval simultaneously with the Budget proposals,

several of which are closely associated with this new method of legislating. M. Poincaré, by sheer force of personal authority, has convinced his critics that it would be a waste of time to discuss the merits of the decrees now, as most of them have been in operation for some time, and that any questions concerning them can quite well be left until later, so that the vital work of financial reform shall not be delayed.

The question whether M. Poincaré will eventually opt for stabilisation or revalorisation remains unanswered. The specialists are obviously diametrically at variance as to which of the two methods is already undergoing application or whether either of them really is. M. Poincaré, in a statement some weeks ago before the Finance Commission of the Chamber, was understood to say that he intended to adopt the principle of stabilisation, and immediately speculation became general as to the figure that would be chosen. Since then the Premier has announced that he intends to proceed "as far as possible with the revalorisation of the franc," and once more the specialists have given evidence of their disagreement. Some are insisting that revalorisation has been definitely decided upon, while others claim that all evidence tends to the contrary. Yet others are publicly discussing, without making things clearer, the technical difference between the two. The facts appear to be that a process of revalorisation is undoubtedly proceeding, more or less automatically, but that it is as yet impossible to foresee whether this will be made use of by M. Poincaré merely as a prelude to stabilisation or will be carefully moulded, in accordance with all the factors concerned, with a view to ensuring that eventually, within a period more or less long (but, in any case, probably extending over several years), the franc will be gradually restored to par, and that in this way France will work out—as many people insist she is perfectly able to do—her own financial salvation.

M. Loucheur insists that in theory there is nothing to prevent complete revalorisation of the franc, if the State pays off, in eight or ten years, the debt of 35,000 or 36,000 millions which it owes to the Bank. Every year, in that case, the value of the franc would increase, and eventually the currency would be brought back to its pre-war value. Such a policy, however, M. Loucheur insists, would lead to a reduction in the volume of business, instability, and the risk of unemployment, and would result in an annual Budget of from 22,000 to 23,000 millions, over four-fifths of which would be required for the service of the public debt. On balance, M. Loucheur expresses himself as strongly in favour of stabilisation.

The situation as it stands is paradoxical in the extreme, and in no respect more so than in regard to the floating debt. Some 3,000 million francs of bonds have been consolidated, but simultaneously, thanks to the return of confidence, a very substantial amount of new bonds have been issued, while the Treasury has accumulated a large amount in deposits withdrawable at a moment's notice. On balance, it is more than probable that the total of the floating debt has not been appreciably diminished. A similar situation prevails as to the inter-allied debts. On two occasions at least the Government has appeared to wish for a speedy solution, and twice the solution has been adjourned. Nevertheless, there is reason to believe that M. Poincaré is amply prepared with a series of plans adaptable to all eventualities and that he will apply them as circumstances direct.

The Budget for 1927 provides for a total expenditure for Army purposes, exclusive of pensions, amounting to 5,850,000,000, equivalent to 1,125,000,000 (gold), as compared with 1,470,000,000 (gold) in 1913 (including the then negligible cost of military pensions), 5,421,000,000 (paper) in 1920 and 4,847,000,000 in 1926. The increase of 1,003,000,000 for 1927 is due to the increased cost of foodstuffs, equipment, and other commodities (which represents 535,736,165, or more than half the increased expenditure), and to the necessity for providing for a large increase in the civilian personnel of the Army and in the number of professional non-commissioned officers, in consequence of the pending reduction of the term of compulsory Army service. Experience has shown that when the 18 months' period, instituted in 1923, is reduced to 12 months, it will be

impossible to form, during their short period of compulsory service, sufficient non-commissioned officers to maintain the first line of the national defence at an adequate level of efficiency to meet normal requirements. Over 91,000,000 of the increase is accounted for by the decision to grant extra allowances, totalling 64,343,000, to the troops forming the army of occupation in the Rhineland, to meet part of the high cost of living in that region, and of 26,800,000 as indemnity for loss on exchange. Comparison shows (according to the *Temps*) that French expenditure on the army works out at 5.57ths of the total Budget expenditure (this including the maintenance of the troops on the Rhine and elsewhere abroad), while Germany is spending 5.56ths of her total Budget expenditure on an army with only half the number of effectives. The present volume of expenditure on the French army will, of course, be substantially reduced after 1927, when the new system of twelvemonths-service will have come into operation.

The problem of German reparations in kind has again been called attention to by M. Le Trocquer, who was Minister for Public Works in M. Poincaré's previous Cabinet, and who took the opportunity during the discussion of the Budget of his former department, a day or two ago, to urge that his proposals of 1922 should again be considered. M. Le Trocquer, it may be recalled, drew up an elaborate plan for port, railway, canal, and other developments, which he proposed should be rendered possible by an extension of German payments in kind. These payments were to take the form of supplies of German materials and machinery, and German labour was to be brought into France, housed in special camps, and employed on the works in question. Germany, however, which at that time had arranged to devote some 2,035 million gold marks to the improvement of her own inland navigation system, received the proposals with ill-will, while the Socialist Party also raised objections. The incident of the occupation of the Ruhr definitely resulted in the scheme being indefinitely postponed, in spite of the fact that the French claims for payment in this form had been reduced from 17,000 to 5,000 millions. M. Le Trocquer insists that it will be impossible for France to receive in cash the whole of the amount due to her under the Dawes Plan, even if she could secure the payment of the capital value of her share of the German railway bonds allotted to her and the present proportion of payments in kind, including coal (since Germany cannot furnish the 20,000,000 tons of coal necessary to complete, beyond what France can produce herself, to meet her annual requirements in combustible). M. Le Trocquer's remarks were based on the fact that in 1928 Germany's payments under the Dawes plan will reach their height; therefore steps should be now taken to secure larger payments in kind for application to public works.

GERMANY.—LABOUR LAW—BANKS—FINANCE—TARIFF—TRADE CONDITIONS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, December 1.

THE Socialists are pressing for an emergency law regulating working hours, to be passed pending proceedings with the new definitive Labour Protection Bill, which was approved by the Cabinet last week. The first aim of this law, which accepts eight hours in principle, but makes important qualifications in detail, is to make possible the ratification of the Washington agreement; but the Bill, which is very detailed, also amends and brings into one scheme numerous enactments for protection of labour passed during two generations. The Bill covers all classes of employment with a few exceptions, chief of which are agriculture, fisheries, navigation, and domestic service. The eight hours working day is established as a general rule; but a number of paragraphs establish exceptions and lay down special rules for home work, work under several employers, and work in continuously operated factories and workshops in which a 56 hours week is permitted. In general, overtime is limited to 60 hours a year, but may be increased to 300 hours with official permission. Overtime is to be paid at a 25 per cent. higher rate than normal time. For certain classes such as waiters, chauffeurs, and watchmen the

working day is 10 hours. The age up to which the special enactments for protection of youthful workers apply is raised from 16 to 18. In times of emergency the law may be suspended.

The money market has not, in general, changed. The day money rates rose in connection with the month-end settlements to 6½-8 per cent., which is a bigger rise than usual. The private discount rates remained unchanged at 4½-4¾ per cent. They were twice raised towards the close of October. Offers of short-term credit continue to exceed the demand. The Reichsbank President indicated that a way is being devised for diverting part of the superfluous short-term money supply into long-term loans; it is assumed that the part referred to is the cash balances of public departments which are lent on short terms to the banks, but are never recalled. Dr Schacht expressed the view that the 2,500 million marks which is held by these departments far exceed their real need, and that if all these monies were concentrated in one institution, the Reichsbank, 1,000 millions would suffice to keep the departments liquid. The commercial banks' bi-monthly balance-sheets for October 31st show a further increase of business. The assets of the six chief Berlin banks increased in the two months from 6,038 to 6,595 million marks, bills rising from 1,338 to 1,413 millions, advances on securities and prolongations from 473 to 628 millions, and current account debtors from 2,538 to 2,771 millions. Capitals, as a result of increases by the Disconto and Dresdner Banks, increased from 452 to 509 millions; reserves from 180 to 208 millions; deposits from 2,578 to 2,728 millions; and total liabilities to creditors from 5,011 to 5,517 millions. The liabilities of 85 credit banks, three mortgage banks, and 20 State and provincial banks (including the Prussian State Bank) increased in the two months from 9,793 to 10,430 millions. The proportion of liquid assets to liabilities is calculated at 57.6 per cent., which is the highest since the end of 1924, the lowest, 51.9 per cent., having been at the end of October, 1925.

The chief totals of the Budget for 1927-28, which is prepared but not yet published, are stated as:—

ORDINARY.		Marks.
Revenue		7,965,020,000
Expenditure—		
Permanent items	7,519,830,000	
Non-recurring	445,190,000	
		7,965,020,000
EXTRAORDINARY.		Marks.
Revenue		8,140,000
Expenditure		509,540,000

leaving a deficit to be covered by loan, all on extraordinary account, of 501,400,000 marks. Of the 7,519 millions permanent ordinary expenditure, 2,645 million marks are subventions to States and municipalities, 175½ million marks internal war burdens, 831 reparations payments, and 3,868 million marks administration and other permanent expenditure. Of the extraordinary expenditure, 19 millions are for internal war burdens and 67½ millions for Reparations payments. The Prussian Budget for 1927-28 balances at 3,473½ million marks. Of taxation revenue, 1,589 millions are subventions from federal taxes, and 975 from State taxes. Prussian revenue received in the first seven months of the financial year 1926-27 was 1,524.7 million marks, expenditure 1,661.7 million marks. The Federal Finance Ministry is reported to be preparing a new scheme for settlement of claims by "old" bondholders under the Valorisation Law. "Old" bondholders are those who acquired their present loan holdings before July, 1920. They hold loans of a total nominal value of about 40 milliard marks out of 70 milliard mark loans altogether outstanding. Under the pre-liar law they are to receive 125 new (gold) marks for every 1,000 old held. This is payable when drawn for amortisation between 1926 and 1956, and only then is the interest (simple) at 4½ per cent. payable. The new plan is to give immediately 125 marks of a new federal loan per 1,000 nominal of old loan, to bear 4½ per cent. interest from date of exchange. This would mean creating at once a new federal debt of 5 milliard marks, which would be amortised in 30 years. Reports that also "new" bondholders are to have their (very much less valuable) rights converted into new loan are denied.

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The Federal Economic Council has expressed itself against the demand of the sugar industry for doubling of the import duty. The present duty is 10 marks per double-centner. The ostensible aim of this demand is to make it possible to increase sugar-beet prices to a level profitable for growers. The Council recommends that measures should be taken to maintain a reasonable average beet price, and suggests an increase in the sugar duty not exceeding 5 marks per d.c., and a reduction of the sugar Excise tax (in order to compensate consumers) by the same amount. The increased duty should be fixed until October, 1930. The Government has its own plan to reduce the sugar Excise tax and to make good the revenue loss by fixing higher spirits prices, so that the spirits monopoly yield will increase. For this the consent of the Commissioner for Controlled Revenues is necessary.

The number of publicly supported unemployed on November 15th was 1,314,000, against 1,308,000 on the 1st. This increase may be due to seasonal causes, but it is noted that in Berlin unemployment has increased in trades which are not affected by the season. Bankruptcies in November numbered 453, against 476 in October. The quarterly report of the official Institute for Enquiry into Trade Conditions expresses the view that Germany is at the beginning of a period of economic activity. The British coal strike, says the report, was one factor in this, but in the main it is due to internal economic forces, and will continue. From the steady drop in prices of German manufactured goods independently of the movement of raw materials prices, the Institute concludes that, despite rising wages, production cost is falling. The coal activity continues, and a shortage is threatened. The Federal Coal Commissioner has decided for the present not to prohibit export, but he has ordered the mines to make a special delivery of 400,000 tons to the internal market. Output in the whole Republic in October was 13,516,977 tons, against 12,313,445 tons in the same area in October, 1913; output in January-October inclusive, 118,091,998 tons, against 118,885,238 tons. The prospects of a coal struggle with Great Britain are not relished here. The trade Press declares that if, what is not expected, an agreement concerning markets is come to, the British share could not be based on the volume of output or sales under the State subvention system. Steel production in October was 1,174,234 tons, against 916,609 tons in October, 1925, and a monthly average of 1,577,924 tons in 1913. The Stahlwerksverband has reduced prices as follows (in marks per ton):—Ingots from 104 to 100, blooms 111½ to 105, billets 119 to 112½, sheet bars 124 to 117½. Krupps, supported by Essen municipality, have applied for a credit of 20,000,000 marks at 3 or 4 per cent. from the Republic, to enable them so to adapt the Essen cast steel works that production can be conducted at a profit, otherwise some 20,000 men may be discharged. Other western metal concerns are opposed to the application, complaining that they must pay around 7 per cent. for credit. The theory that public funds are loanable to private undertakings merely because employment is thereby improved is strongly objected to in non-business quarters. The Western Steel Trust (Vereinigte Stahlwerke) is about to create another big dependent company, with 40 to 50 million marks capital, around its interests in the Siegerland district. According to Prague and Vienna reports the entry of at least some of the smaller

central European countries into the International Steel Cartel is practically assured. The Czechoslovak companies have agreed upon their respective quotas, the proposed total Czechoslovak share being 1½ million tons. The Poles and Hungarians are unwilling to join the Cartel on the basis of their output in the first quarter of 1926 (the basis originally adopted for the chief partners), declaring that output then was much below capacity. Austria appears to take the same line as Czechoslovakia; the Alpine Montan A.G., the only Austrian producer that counts, is already under the control of the German Western Steel Trust. The shipbuilding industry is more active, mainly as the result of orders for a few very large vessels.

Bourse prices have again fallen, for the third successive week. Since the first week of November, when the year's highest prices were reached, the leading speculative stocks, then quoting between 160 and 180, have fallen 15 to 30 points; but they are still higher than at the beginning of the last phase of the boom, which was in early September. A particularly sharp drop on one day last week caused the banks to intervene.

POLAND.—POLITICS—POLISH BANK — UNEMPLOYMENT—PRICES.

(FROM OUR CORRESPONDENT.)

WARSAW, November 24.

POLAND is at present in a state of political reorganisation. Parties which formerly had a deciding voice in Parliament are losing influence, and new organisations are trying to enter into the field of active politics. One of the most important of recent political events is the meeting of the Cracow Conservative Party in Warsaw and in Lodz. This party before the war played a very important rôle in Austria. During the last elections it lost all its seats in Parliament. It was certainly a very abnormal phenomenon by which Polish parliamentary life was deprived of the steady influence of a Conservative party. Marshal Pilsudski, in entering into negotiations with the great landowners of Eastern Poland, made a first step in the direction of the formation of a Conservative party outside the former Austrian Poland. The meetings in Warsaw and Lodz were intended to bring the leaders of the Cracow party into touch with representatives of Congress Poland. It is difficult to foretell what will be the results of these discussions, or how far they will lead to the formation of a strong Conservative party. Marshal Pilsudski's move to the right has decided the Socialist Party to pass to the opposition. This party, which in May actively supported Marshal Pilsudski's *coup d'état*, was deceived in its hopes that the overthrow of Wito's Government would bring the representatives of the "workmen and peasants" into power. Instead of this, Marshal Pilsudski's Cabinet pursued a policy which is characterised by the Socialists as "capitalistic."

The economic situation continues to improve. The most important event is the steadily growing reserve of foreign currencies in the Bank Polski, as may be seen from the figures below:—

(Million Zlotys.)

	Gold.	Foreign Currencies.	Per Cent. of Reserve.
June 30	134.6	18.5	33.72
September 30	135.4	109.1	39.38
October 31	135.4	113.5	39.72
November 10	135.5	123.5	43.90

During this period the liabilities in foreign currencies decreased from 48.7 million zlotys in June to 11.8 millions in November, so that the increase of the "net" reserve was even more rapid than shown in the table given above. The net reserve (the foreign currencies possessed by the bank after deduction of liabilities) amounted (millions zlotys) to:—

End of January	2.8	End of June	9.6
" " March	12.3	" " October	90.9
" " May	7.8	November 10	97.5

During the first five months of the year the liabilities in foreign currencies were greater than the assets. Now the surplus of assets amounts to 97.5 million zlotys.

The number of unemployed, which at the beginning of the year reached nearly 360,000, had decreased to 217,000 in September. Of those employed in the textile industry

in January, 44.7 were working one to three days. To-day this proportion has fallen to 3.8 per cent., while the percentage of those working six days has increased during the same period from 25.4 per cent. to 79.4 per cent.

The trend of foreign trade during the last two months has been less favourable than in June and July, as shown below (millions gold francs):—

	Imports.	Exports.	Excess of Exports.
January	47.3	109.2	61.9
June	63.5	102.8	39.3
July	65.8	121.0	55.2
August	92.1	128.6	36.5
September	85.4	114.7	29.3

The September decline in exports is partly the result of the increased price level. We give below the figures illustrating the price movements during the recent months (1914 = 100):—

	Wholesale Prices.	Cost of Living.
April	166.6	227.6
May	181.2	246.6
June	174.6	243.9
July	166.6	232.8
August	173.2	237.4
September	177.2	246.4
October	177.2	249.3

Since July the index of wholesale prices has increased from 166.6 to 177.2, and of the cost of living from 232.8 to 249.3. During this period the dollar exchange has declined from 10 to 9, so that the depreciation in the internal value of the zloty is greater than the depreciation in its exchange value. This naturally facilitates imports and exercises a depressing influence on exports. In consequence, the future trend of the Polish trade balance must cause some misgivings. Fortunately, the great reserve of foreign currencies held by the Bank Polski makes an unfavourable trade balance less dangerous for the stability of the zloty than at the beginning of the year.

CANADA.—ARRIVAL OF WINTER—CROP FIGURES AND CONDITIONS—RISE IN FREIGHT RATES—PRICES—GENERAL BUSINESS—INDUSTRIAL CONDITIONS—THE MEETING OF PARLIAMENT.

(FROM OUR CORRESPONDENT.)

OTTAWA, November 15.

WINTER has now definitely set in throughout Canada, but the snowfall so far has been light and the frost moderate. A certain amount of grain is still standing unthreshed in the more backward prairie districts, but by strenuous efforts the farmers have been able to save most of the imperilled crop. The movement of grain to the seaboard has been greatly accelerated in the past few weeks, and between August 1st and November 11th the Canadian Pacific Railway had delivered to the head of the Great Lakes 14 million more bushels than during the same period of 1925, but the effects of the wet weather are revealed by the fact that only 57 per cent. of the total deliveries were in the class of contract grades. However, there is now little complaint about the volume of the wheat yield, which the latest report of the Dominion Bureau of Statistics places at 405,814,000 bushels, as compared with 411,375,700 in 1925; of this total all save some 20 million bushels is spring wheat grown on the prairies. The yield of oats is very disappointing, being only 364,777,000 bushels, as compared with 513,384,000, and there has been a decline in most of the other field crops according to the survey of the Bureau, whose figures are given below in bushels, with the final estimates for 1925 appended in brackets:—Barley, 105,086,000 (112,668,300); rye, 12,016,400 (13,687,900); peas, 2,426,400 (3,410,000); beans, 1,108,500 (1,500,000); buckwheat, 9,871,000 (10,448,800); mixed grains, 32,448,000 (34,301,000); flaxseed, 6,715,400 (9,297,000); corn for husking, 6,744,000 (10,564,300). Of the prairie provinces, Saskatchewan and Alberta have fared better than they expected, but Manitoba, where a bumper yield was promised in August, has had to be content with a relatively poor crop.

The marketing situation, however, is still unsatisfac-

tory, and in view of the fact that lack of export demand has resulted in the presence of more grain in the terminal elevators at the head of the Lakes and Montreal than at any corresponding date for some years past, it is a matter of surprise that prices have kept up so well. But at the end of last week they broke sharply as the result of an announcement by the North Atlantic Steamship Conference that an increase in freight rates to the United Kingdom on what are known as "conference commodities" would be enforced after December 1st, and would range from 15 per cent. upwards. It is true that rates on wheat, flour, and cattle are not "fixed" by the conference, but with complete machinery for co-operative consultation available, it is not difficult for the steamship companies to maintain a common rate on the major farm products.

Indeed, their success in raising the rates on wheat within the last few months has alarmed the grain trade. Last May the rate on wheat from Montreal to Liverpool was 7.5 cents per bushel, but November quotations range from 12.7 to 13.5 cents; the winter rate from St John to Liverpool, which was 9.7 cents for December, 1925, will begin at 19.5 cents, or more than double last year's figure. Further advances on the wheat rate are now feared, and as they are bound to depress prices in Winnipeg, a renewal of the agitation against steamship monopoly may be expected when Parliament meets. The policies may be expected when Parliament meets. The authorities at Ottawa attribute the blame for the rise in freight rates to the British coal strike. They point out that many of the tramp steamers, which at this time of year usually come to Canadian ports for grain cargoes, have found more profitable employment in carrying coal from the United States to Britain. As a result there has been a scarcity of grain space, and, with the salutary competition of the tramp steamers reduced to a negligible factor, every foot of space on the passenger and freight liners belonging to the North Atlantic Conference has been in demand, and they have been able to command their own terms. For this and other reasons the final settlement of the British coal strike will be hailed with great relief in Canada, whose economic fortunes have been seriously affected by it.

Prices show a slightly downward tendency, and the wholesale index number of the Dominion Bureau of Statistics stands at 151.1 for October, as compared with 152.3 for September and 156 for October, 1925. The average cost of a weekly budget of 29 staple foods as given by the Bureau is placed for October at \$10.93, as compared with \$10.94 for September, \$10.89 for October, 1925, \$16.92 for June, 1920, the peak, and \$7.99 for October, 1914.

The general condition of business continues to be satisfactory, and although this winter the purchasing power of the rural communities may be rather smaller than last year, there is no fear of any serious recession in business. The latest car-loading figures available, for the week ending November 6th placed at 83,812 cars, show a decline of 269 cars as compared with the previous week, but in previous weeks they had been running at record levels; indeed, during the four weeks ending October 23rd, when a total of 322,683 cars were loaded, a new peak figure for any single month was established, the previous best having been 306,194 cars in November, 1925. Wholesale houses report that the flow of orders is better than at the corresponding date in 1925, and retail trade is on a satisfactory level. The mildness of the weather has rather retarded the demand for winter clothing and footwear, but drygoods firms find a gratifying degree of activity, and the boot and shoe industry is more prosperous than it has been for many months. The tanneries are also very busy, and can scarcely meet the demands upon them, since American buyers have been in the market with large orders. Most of the basic natural industries are in a flourishing condition. The demand for pulp and newspaper is still strong, and practically all the mills are operating close to capacity. There has come a welcome relief to the industrial situation in Nova Scotia, due largely to the British coal strike. The local coal mines are busier than they have been for years, and the steel plants have a good volume of work on hand. The silver-mining companies still have their outlook depressed by the fall in the price of raw silver, but the output of other minerals is steadily increasing, and successful results are attending

the exploration and development work which is going on in all the mineralised areas. The fishermen on the Pacific coast have enjoyed a profitable season, and their brethren on the Atlantic coast have secured a very large catch, although prices continue to be deplorably low.

Making allowance for seasonal tendencies, industrial operations are highly satisfactory. In September the output of steel was 29 per cent., and of iron 9 per cent., greater than in August, and while the market for these products has been displaying a stronger tone, the leading mills have orders which will assure good employment for several months ahead. The farm implement plants, now commencing their operations for the marketing season of 1927, are all planning a heavy production schedule, and the motor firms are all well provided with orders, foreign as well as domestic sales being alike good. Recently the volume of new construction contracts has shown the usual seasonal drop, but the October figures are still more than double those given for September, and nearly 50 per cent. above the total reported for October, 1925. In residential areas in the cities there are definite signs of overbuilding, but many large projects of industrial and commercial construction are under way, and the outlook for the winter and next spring is quite propitious. At this period of the year the employment problem usually begins to cause anxiety to the authorities, but the latest Government report shows that many more workers were employed in October, 1926, than in October, 1925, and while the large cities will probably during the dead of winter have a number of workless people on their hands, the problem is not likely to be serious.

The Federal Parliament has been provisionally summoned to meet on December 9th, and it will spend a fortnight, before arranging for a long adjournment until the end of January, in passing the balance of supply for the current fiscal year and terminating the necessity of carrying on the financial business of the country by the device of Governor-Generals' warrants. All the members of the King Cabinet have been re-elected without opposition, and it is not expected that the Conservatives will refuse to facilitate the speedy passage of the estimates still unvoted.

Immigration returns for the first three-quarters of the present calendar year, ending September 30th, which have just been published, are not altogether satisfactory in view of the special efforts which have been made to increase the inflow of immigrants, but they represent a gratifying improvement of 66 per cent. on the very poor figures for the corresponding period of 1925. During these nine months 112,835 immigrants entered Canada, as compared with 67,878 in the parallel months of 1925. But one disturbing feature is the declining proportion of British immigrants, who only numbered 41,419, while arrivals from the U.S. numbered 16,776, and from other foreign countries 54,640.

UNION OF SOUTH AFRICA.—DEMANDS OF LABOUR—HOW THE GOLD PRODUCTION IS ABSORBED—EXCESSIVE CUSTOMS RECEIPTS.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, November 3.

THE demands of the unions which have been referred to arbitration by members of the Wages Board, conciliation procedure having failed, would, if granted, create a serious position, expert opinion being to the effect that this would bring the wage cost of mining and treatment back almost to that prevailing before the strike of 1922. Not only would the better-class mines have to face greatly enhanced costs, but several low-grade mines would be compelled to close down. In this connection the results of certain large mines in the September quarter show that it is only the community, and principally the working man, that is interested, as there is nothing left for shareholders. Four low-grade mines in that period spent £650,000 to make £30,000 nominal profit, or less than 5 per cent. on "turnover," as the commercialist would express it. Nourse and Kleinfontein actually spent £4,000 a day to make rather less than that sum in a whole quarter, the respective figures being £190,000 and £2,100, and £146,250 and £1,245. Nourse mine secured a humble threepence a ton, which is better than in the June quarter, when the total profit was

so small as to be incapable of being worked out on the unit basis. Kleinfontein earned less than 2d per ton.

Taking the month of September by itself, no less than ten out of the Rand's 35 mines, which crushed nearly half a million tons (or 20 per cent. of the whole), made the paltry profit of 1s 6d per ton or less (one a loss, two a profit of one penny a ton, and two of sixpence a ton), and totalling £17,300. But they spent no less than £515,000, a huge sum circulating among the community, and a large proportion in white wages. Profit actually represented 3½ per cent. on turnover, a wretched return. One would have thought that the labour people would have realised the wisdom of leaving well alone.

According to the report of the Government mining engineer, the balance of recovery of the gold mines of the Rand, after allowing for working costs, representing gross profits, was £12,060,750 in 1925, a drop of £3,510,000 mainly owing to the disappearance of the gold premium. The Chamber of Mines stated the figure at £12,419,779. Rate of profit was 8s 5d per ton, the lowest since the start of the gold premium in 1919. In 1914 the rate was one shilling a ton higher. In the four years prior to that the figure was 10s a ton. An important factor in the reduction of net profit has been the growth in the item Government's share of profits. In pre-war times the amount was only £175,000, by 1920 the payment had increased to £944,000, falling to £760,000 in the strike year. In 1923 the Government's receipts were over a million, while in the last two years they have averaged practically a million and a-half. Interest and repayment of debentures last year figured at £565,000 (in 1923 it was as high as £927,500), and interest and repayment of loans £170,750. Dividends paid by Rand Mines (repeated here for sake of completeness of record) were £8,164,200, a decrease of £1,393,500.

In 1925 the value of gold produced on the Rand was £39,596,400, of which £26,525,200, constituting 67 per cent. was spent on salaries, wages and stores, in almost equal moieties. The maximum expenditure under these two headings was £30,690,800 in 1920. This was the year of maximum premium, when gold averaged 114s per oz, an extra gross revenue of 8½ millions. Out of a then value of £44,407,544 (a record in value, though not in ounces) the salaries and wages bill came to £16,876,140, or £3,061,500 more than the 2 stores account. These two items represented 69 per cent., but in 1918 they had reached a maximum of 76½ per cent. Last year 4,505,000 tons more than in 1920 were crushed, though stores cost £600,000 less, and salaries and wages, owing to the reorganisation following the strike, £3,566,000. It is interesting and important to notice that in 1913 and 1914, labour and stores accounted for 64½ per cent. The highest ratio was 76.6 per cent. in 1918, when working costs had reached 21s 7d per ton, but before the gold premium had become operative. When one bears in mind the greater depth of the mines, the present ratio may be considered satisfactory; it is only brought about by the high efficiency at the modernly-equipped mines of the Far East Rand. The best dividend year was 1924, when £9,557,660 was paid.

The 81st annual meeting of the South African Mutual Life Assurance Society, familiarly known as the "Old Mutual," was recently held at Cape Town. The society has now accumulated £15,000,000 in funds, which compares with £59,000 in its tenth year. For the second year in succession the funds had increased by over a million sterling, and it is just 39 years ago since the society passed its first million mark. The largest proportion of the funds is invested in Government stock, almost 5½ millions being with the Union Government. The interest earned had increased by a few pence to £5 12s 4d gross, and £5 6s 1d after deducting income-tax. A large amount invested in the 6 per cent. Union loan has, under the last conversion, been placed on a 5 per cent. basis, a reduction which will be shown in the next year's accounts. Expense ratio was slightly higher, and surrenders slightly less. Claims for the year amounted to £446,250, bringing the total paid up to £11 millions.

Official figures show that out of a total of £104 millions of assurance in force with all companies operating in South Africa, the South African Mutual holds no

less than £42 millions. The chairman devoted a considerable portion of his speech to the question whether South Africa was under-insured, and came to the conclusion that it was, the average insurance being for one year's income only.

In the *Economist* of August 28th I (our Johannesburg correspondent) referred to Mr Jagger's estimate of excess Customs dues for the year at £1,178,000. Prof. H. E. Fremantle estimates the discrepancy between estimate and collections at an even larger amount, £1,342,000 for the year. This enormous miscalculation is inexcusable, and means thoroughly bad finance. It implies the imposition of heavy taxation which is not required, and increasing the burdens, especially of the poor, but also on industry in general when there is no call for it.

Letters to the Editor.

THE FRENCH FRANC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—M. Poincaré is in this quandary. The Rentiers will quarrel with him if he stabilises the currency now at, say, 150, and the industrialists if he puts off stabilisation and allows the exchange value to go on appreciating. It appears to me that what would meet the case would be to stabilise at 150 for five years, at 125 for the next five years, at 100 the next five years, and so on down to 25.22, the old sterling parity—five years being each period of readjustment. To meet the very true objection of the colossal amount of the debt, I would solve that by making it irredeemable, and give fresh bonds calculated at the dollar price of the franc current on the day each issue has been made.—Yours, &c.,

PERCY H. JOSEPH.

Westgate-on-Sea, November 23rd, 1926.

Books and Publications.

BOOKS RECEIVED.

British Documents on the Origins of the War. Vol. IX. *The Outbreak of War. Foreign Office Documents, June 28-August 4, 1914.* Collected and arranged by J. W. Headlam-Morley. (London) H.M. Stationery Office, Adastral House, Kingsway. 10s 6d net.

A very important collection of official documents, to which we devote an article in this issue.

An Economic History of Modern Britain: The Early Railway Age, 1820-1850. By J. H. Chapman. (London) Cambridge University Press, Fetter lane. 25s net.

This is the first of three volumes in which Dr Chapman intends to bring his economic history of modern Britain down to 1914, with an epilogue on 1914-24. The story starts when the short-period effects of the Napoleonic wars were ending, and contains a full analysis of economic Britain as it was in the decade 1820-30. The author is one of the leading authorities on modern economic history in the University of Cambridge, and his work should be read by serious students of economics.

Richard Cobden and Foreign Policy. By William Harbutt Dawson. (London) George Allen and Unwin, Limited, 40 Museum street. 12s 6d net.

The author, in twelve chapters, discusses Cobden's attitude to such questions as war and peace, arbitration, foreign policy, diplomacy and the Foreign Office, the Colonies and Imperialism, and Anglo-American relations; and in the two concluding chapters he brings Cobden's teaching to bear upon the international and Imperial problems which face British statesmen to-day.

Le Retour à l'Étalon-or. By Georges Lacont. (Paris) Payot, 106 Boulevard Saint-Germain. 20f.

A review of British monetary policy leading up to the resumption of the gold standard, written by a French economist, who is in the service of the Bank of France.

Hungarian Commerce and Industry in the Year 1925. (Budapest) Chamber of Commerce and Industry.

A full and authoritative report on the economic activities of Hungary in 1925, printed in English.

Greek Refugee Settlement. (Geneva) League of Nations. 2s 6d.

A full story, translated into English, of the settlement of Greek refugees produced by the Refugee Settlement Commission. The volume is well illustrated, and contains a map of the settlement of rural and urban refugees and also an ethnographic map of Macedonia.

The Science and Method of Politics. By G. E. G. Catlin. (London) 68-74 Carter lane. 12s 6d net.

The author, who is Assistant Professor of Political Science in Cornell University, U.S.A., discusses the relation of politics to history, ethics and other social sciences, and inquires whether the social sciences must continue to lag behind the natural sciences.

Practical Social Science. By John A. Lapp. (London) Macmillan and Co., Limited, St. Martin's street. 7s net.

The aim of this book is to fill the need for the study of social science in American high schools. It is divided into four parts: (1) Citizen and society, including population, migration, and occupational problems; (2) production and general welfare, including chapters on world commerce, transport, and natural resources; (3) social welfare, including education, health, &c.; (4) community work.

The Mathematics of Business. By William V. Lovitt and Henry F. Holtzclaw. (London) D. Appleton and Co., 34 Bedford street. 12s 6d net.

The joint authors are respectively Professor of Mathematics in Colorado College and Professor of Commerce in Kansas University. The book is designed to cover the ground of elementary mathematics with which a business man needs to be acquainted. It illustrates problems of accountancy, investment, banking and insurance, and shows the simplest methods of working them out.

Commercial Air Transport. By Lieut.-Colonel Ivo Edwards and F. Tymms. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 7s 6d net.

The latest volume in Pitman's Transport Library. Air Vice-Marshall Sir Sefton Branker contributes a foreword. The aim is to educate public opinion to the huge possibilities of aviation and its importance to the Empire.

The Bankers' Almanac and Year Book, 1926-27. (London) Thomas Skinner and Co., 330 Gresham House, Old Broad street. 42s net.

This is the 82nd edition of this well-known book of reference. Its pages have been increased by 200 to the formidable number of 3,212, but into this compass is compressed a quantity of information that must be unique. In the present edition a further large number of institutions has been added in the section on international banks, while the geographical index, which gives the name of every city and town in the world where there is a bank, and the name of the bank situated therein, has been subdivided in order to facilitate reference. In addition to the banking directory the volume contains a large amount of historical and statistical information. This book is quite indispensable to the banker, and will earn its place on the "reference" shelves of most business houses.

Manual of Electrical Undertakings and Directory of Officials, 1925-26. Compiled by Emile Garcke. Edited by Frederick C. Garrett. (London) Electrical Press, Limited, 13, 14, and 16 Fisher street, Southampton row. 35s net.

A valuable and recognised standard book of reference covering every branch of the electrical industry in Great Britain and the Dominions. The present issue contains full particulars of 3,430 undertakings, while the directory section gives the names and addresses of 20,000 officials of electrical concerns. It also deals exhaustively with the electrical progress of the year and devotes many pages to the Government's Electricity Bill.

International Register of Telegraphic and Trade Addresses, 1926-1927. (London) Marconi International Code Company, Limited, Marconi House, Strand. (New York) Telegraphic Cable and Radio Registrations, Inc., 280 Broadway.

A large and most useful reference book to all who are engaged in international commerce. It contains a representative list of the registered cable addresses of the principal firms of the world, and a comprehensive summary of the chief codes used by leading business houses in all countries. It is divided into four main sections: (1) Alphabetical, (2) travel, (3) classified trades, (4) cable signatures.

The China Year-Book, 1926-27. Edited by H. G. W. Woodhead. (London) Simpkin, Marshall, Hamilton, Kent, and Co., Limited, 4 Stationers' Hall court. G.P.O. Box 77. 42s net.

An indispensable reference book for all who are concerned to keep pace with events in every walk of Chinese life. The latest issue contains many new features and is more than usually important in view of current Chinese occurrences.

The Life Tables, 1926, of the Association of General Life Assurance Companies. By A. Abel. (Berlin) E. S. Mittler and Son, Kochstrasse 68-71.

The 40th volume of the Life Tables of the Association of German life assurance companies.

The 100 Best Investments. November, 1926. (London) British, Foreign, and Colonial Corporation, Limited, B.F.C. House, Gresham street, E.C. 2. 1s net.

In this issue the special articles are on "The Future from Opposite Angles" and "The Outlook for the British Investor."

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JAMES STEUART, Chief Manager.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Colonial Reports. No. 1,317. *Bechuanaland Protectorate, 1925-26.* 1s net. No. 1,318. *Uganda, 1925.* 6d net.

The Income-tax Act, 1918, and Finance Acts. Supplement. No. 1. 3s net.

China, No. 2 (1926): Report of the Advisory Committee, together with other Documents respecting the China Indemnity. Cmd. 2766. 3s 6d net.

Annual Statement of the Navigation and Shipping of the United Kingdom for the Year 1925, with Comparative Tables for the Years 1921 to 1925. 15s net.

The annual statement includes the usual detailed tables relating to arrivals and departures at British ports of vessels engaged in coasting or foreign trade; the registration of shipping and fishing boats; the employment of vessels and shipbuilding. Three new tables have been added, illustrating some of the changes in the movement of shipping which have taken place since 1913, and the share of the principal nationalities in the extra-European traffic to the United Kingdom in 1925.

Reports of the Departmental Committee on Co-operative Selling in the Coal-mining Industry. Cmd. 2770. 1s net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
December 7.	December 9.

Stock Exchange markets have been disturbed by a number of adverse factors, of which the revolution in China is the most prominent. It is probable that prices would have been, in any case, dull and depressed, because they generally are when the end of the year comes in sight. But China, the fluctuations in the franc, the fall in raw rubber, and the somewhat unsatisfactory conclusion of the coal strike have been prime elements in spreading weakness, amounting to acute flatness in some cases, over the markets of the House. Business is quiet; sellers predominate in most departments.

The War Loan is the merest shade under 100. Distribution of the half-year's interest on Wednesday had no effect in bringing investment buying into the market, though prices of British Corporation stocks are well maintained, and the public continue to be ready takers of gilt-edged stock offered reasonably. Several new Corporation stocks are on the point of issue.

Chinese bonds have fallen very heavily in price; the quotations sent out by the Stock Exchange, and reprinted in the newspapers, are in various instances almost nominal. On some days it has been as hard to buy as on others it was difficult to sell. Wide prices have prevailed throughout the week. French Government bonds are a little easier. The railway issues keep steady. Chileans have gone back, with the exception of the 1886 issue, where sinking-fund purchases effected last Wednesday caused the price to strengthen. Inter-bourse stocks, such as Peruvian Corporations, Rio Tintos, Turkish Unified, and De Beers have been in a highly sensitive and easily-moved state of fluctuation, with prices lower on balance.

There is no improvement in the home railway outlook. The petering-out of the coal strike brought in no fresh support, and prices are mostly down. The Argentine Railway market has been good, but could not maintain its strength in the face of conditions prevailing elsewhere. Paraguay Centrals have been further depressed in consequence of the disappointment felt with the report. Other foreign railway stocks are quiet, though Mexican rails show a faint recovery.

Rubber shares have dropped because of a further fall in the price of the commodity. The tea market is heavy. Nothing has occurred to make oil shares better. Carreras rose with a bound, upon announcement of the company's huge profit for

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London. W.C. 2.

COMPANY MEETINGS, &c.

ROYAL BANK OF AUSTRALIA, LIMITED.

SATISFACTORY HALF-YEAR'S RESULTS.

STRONG CASH POSITION.

PASTORAL AND TRADE POSITION AND PROSPECTS.

The twenty-seventh annual general meeting of the shareholders of the Royal Bank of Australia, Limited, was held in the board room of the Chamber of Commerce building, William street, Melbourne, on October 25.

Mr R. J. Atcock, chairman of directors, presided, and in moving the adoption of the balance-sheet and statement of accounts (which had already been published) said:—

I am pleased to present to you again a balance-sheet showing a satisfactory half-year. You will have seen the figures, and I do not think there are many items which call for particular remark, except that profits, you will observe, are rather better than last half-year, which is principally due to our surplus funds being more profitably employed, advances to customers having increased to a moderate extent during the period. Notwithstanding this latter movement our cash position remains very strong, the percentage of liquid assets to liabilities being 42 per cent.

WOOL CLIP.

Good returns are again, fortunately, assured for the Australian wool clip. Owing to the extremely dry spell in Queensland the clip will not be as large as last season, but the falling off is estimated to be only slightly over 5 per cent., say 125,000 bales. With the exception of the wool grown in parts of Queensland, the year's clip will compare most favourably with recent ones as to the weight cut per head of sheep, and, according to reports received, it is well grown, sound, but a little broader in quality. It carries more condition than last year, but with considerably less burr and seed. Favourable shearing conditions in August and September have resulted in the wool arriving at the seaboard much earlier this year, and consequently there was ample wool available for the opening sales. With a good general demand ruling growers have been willing sellers, and to date approximately 580,000 bales have been sold for a most satisfactory return, an average of a little over £23 a bale, approximating a total of £13,300,000. Under the allocations made by the National Council of Wool-selling Brokers, in consultation with the Australian Woolgrowers' Council, 1,050,000 bales will be catalogued in the Australian selling centres for the half-year ending December 31, 1926.

MARKET CONDITIONS.

Prices are practically equal to those ruling last season, and must be considered satisfactory. Fine merinos are in best request. France, Germany, and Japan are giving the strongest support to the market, but America has taken most of the top lines, and competition from this country is expected to improve as more suitable wools become available. The bidding on account of local mills has been brisk, and evidently their stocks of raw wools are not heavy.

The Yorkshire section of the trade commenced the season with fair orders, but has been gradually dropping out of the market, and is at present getting only a small proportion of the offerings. A decided and early improvement in the trade in the manufacturing centre of the United Kingdom would be most welcome, as the Yorkshire section is our principal buyer, and without its active competition it will be difficult to maintain present prices when the heavy quantity of wool especially suitable to its requirements is offered.

PASTORAL REQUIREMENTS.

In all the States, with the exception of Queensland, to which I will refer later, the seasonal conditions of the pastoral industry are good, although in some of them there are limited areas in need of useful rains before the hot weather sets in. The New South Wales lambing was almost a "record," and generally in Victoria it was satisfactory. Stock are in good condition, and the prospects for the summer are most encouraging. The failure of the wet season in Queensland last summer, together with insufficient autumn rains, brought about a disastrous drought in that State. Heavy losses of cattle and sheep have been sustained, and in many cases very heavy expense has been incurred in sending sheep long distances to agistment country, also in feeding with hay and other fodders what stock were left on the runs. On some stations this expense is said to be up to, if not in excess of, the value of the sheep that have been saved. Happily, useful rains fell last month—unusual in September in Queensland—affording relief

which, it is hoped, may last until towards the end of the year, when the wet season may be expected. It is fortunate that a prolific lambing has been experienced in New South Wales, which should make available a large number of surplus sheep to assist in restocking the Northern State. While this is in progress there must necessarily be a shortage of pastoral income for taxation, which the Government on the last Budget statement can ill afford to lose.

DAIRYING INDUSTRY.

With reference to the dairying industry the butter exports for the season 1925-26 up to June 30th were approximately one-third less than the previous season. European summer production during May, June, July, and August of this year has been on a much larger scale; in fact, all butter production throughout the world has increased considerably over pre-war quantities, excepting in Siberia. The prospects for high prices for Australia during the ensuing season are not very encouraging, especially for quantities to arrive up to the end of the year, due to the fact that on October 1st over 1,000,000 boxes of butter were stored in London. The bulk of this quantity was held by New Zealand factories for higher prices during the summer months in England, but which did not materialise. Victoria is shaping for a heavy export season up to the end of the year, but New South Wales and Queensland, particularly the latter, require further heavy rains to augment supplies.

It is pleasing to report that the Eastern trade is steadily gaining ground, and is a very important factor in the export of tinned butter, especially from Victoria. As regards cheese, this commodity is at much lower values than last year, being in sympathy with butter. In all States, excepting Queensland, the bulk is used for home consumption.

As regards wheat, seasonal prospects are excellent, and as sowings have been on an increased scale it seems likely that the total yield for the Commonwealth will run to exceptionally high figures. A pleasing feature in the position is the increase in production in West Australia, which bids fair within a short space of time to rival, if not surpass, some of the old settled States.

GENERAL TRADE POSITION.

So far as the general trade position is concerned, imports have been heavy, but stocks should be good, owing to the buoyancy created by the favourable season in sight, and on the whole the trade barometer seems set fair for another year. Beyond that, who can tell? But one is bound to reflect on the fact that as a community we seem to be more or less relying on a continuance of the present national income, and, at the risk of being thought ultra-conservative, I must again voice my strong plea for more economy to be exercised in public and private affairs. In a country so largely dependent on weather conditions as this is, we ought to build up a margin in prosperous times to cover the eventualities (such as Queensland now has to contend with, for instance) as a result of, say, drought or a fall in the prices of commodities.

When considering the general position, I cannot but refer to the British coal strike. Directly and indirectly it is having, and will continue to have, a serious effect upon the community. It is within my province to call your attention to what it means to trade. The difficulty of getting orders filled expeditiously in England, with the risk of being forced to buy in other countries, is acting adversely to Imperial interests, while indirectly the employment of tonnage for the carriage of coal to England to keep going such factories as continue to work is acting directly upon the freight market, and will probably result in higher freights being demanded to carry our wheat to the United Kingdom.

"THE 44 HOURS WEEK."

A matter which is exercising the minds of most business people at the present time is that of the 44 hours week. While not wishing to discuss the merits or demerits of the case, the fact cannot be overlooked that in New South Wales, Queensland, and Western Australia, where the working week has been recently reduced to 44 hours in connection with the railways, tramways, and a number of secondary industries other than those which come under Federal awards, the cost of production, and consequently

the cost of living, will be correspondingly added to. The increased cost to the New South Wales Government in making the concession to the railway and tramway employees alone will, it is stated, be well over £500,000 a year for the time being. Reference is merely made to this matter, as it has a most important bearing on finance, both State and private.

NEW LONDON PREMISES.

Adverting to our more immediate concerns, I am pleased to report that after a good deal of investigation and consideration of various alternatives, we have now practically secured new London premises. For some time past we have felt the need of a move from 18 Bishopsgate, where the office space is too small for our growing business. The situation of the new office is in Old Broad street, at the corner of Union court, very convenient and central, and it provides ample accommodation not only for the existing staff but for expansion as well. We think that when the lease is signed we can feel quite settled as regards London premises for many years to come. Our general manager (Mr Laing), who is in the Old Country at present, and who conducted the negotiations, is very pleased with the site, and Mr Briscoe, our London director, also approves. Since we last met the bank has opened a new branch in the Chamber of Commerce building in William street, which you have no doubt observed as you came in to this meeting. We had in mind, of course, extension of business, but apart from that we wished to convenience our old customers in the vicinity. I am pleased to say that from both points of view the branch bids fair to be a great success.

FUTURE ANNUAL MEETINGS.

As regards the special business of which you have notice—the resolution referred to is for the purpose of altering our articles of association in order to permit of the general meeting of shareholders being held annually instead of half-yearly as at present. This is in accordance with the practice now followed by all the other banks. If, therefore, you approve of the resolution it will mean that there will be no general meeting of shareholders until October next year, but, all going well and as usual, an interim dividend will be declared in April next.

Mr Edward Campbell seconded the motion, which was agreed to. A vote of thanks to the chairman, directors, and staff was passed on the motion of Mr A. C. Macbean, seconded by Mr J. Gras-y-Fort.

The resolution providing for the holding of the annual general meeting not later than November 10 each year, with consequential amendments to the articles of association, was adopted, and will be submitted for the approval of the extraordinary general meeting which will be held on November 9th.

PAHANG CONSOLIDATED.

EXCELLENT RESULTS—STRONG FINANCIAL POSITION.

The twentieth ordinary general meeting of the Pahang Consolidated Company, Limited, was held, on the 30th ultimo, at Winchester House, Old Broad street, London.

Mr H. Frisby, who presided, said that the balance-sheet presented was the best the company had ever known. They had made an extra £60,000 out of tin owing partly to the rise in price and partly to an increase of 70 tons in production. In addition they had received their first dividend from the Kuala Reman Rubber Estates. They proposed to write £20,000 off the plant and machinery, to reserve £20,000 for mine development, £10,000 for taxation reserve, and £50,000 for a special reserve for rubber planting. The final dividend they proposed to pay was at the rate of 22½ per cent., making 30 per cent. for the year, and the preference shareholders would receive their full 15 per cent.

With regard to the Willinks mine, in his opinion that mine had "gone out," and for future development they must look to the area east of the main fault. That would necessitate the opening up of a perfectly new mine, which would mean very heavy capital expenditure. It was for that reason that the directors thought it necessary to keep the company in a strong financial position. There was no doubt that if they did do further development work they would meet more water, and their present pumping plant was working practically to its capacity, so that fresh plant would have to be installed. In the Myah mine the position was more satisfactory. Further ore had been opened up, which would assist their reserve and enable them to carry on for some time. On the 400 feet level they had opened up a lode 4 feet wide of 3 per cent. tin.

The most pleasing part of their report was that referring to the Kuala Reman Rubber Estates, of whose capital the Pahang Consolidated owned seven-eighths. The rubber was reported as being excellent, and the output had averaged about 400 lbs to the acre.

The first dividend received from that company worked out at about 30 per cent., free of tax, on their original outlay of £140,000. They had decided to plant another rubber estate, which they hoped would turn out equally good. They would probably form a new company to take over that estate, and shares would be offered to the shareholders on very favourable terms.

The report and accounts were unanimously adopted.

CASTLEFIELD (KLANG) RUBBER ESTATE, LIMITED.

EXCELLENT RESULTS—DIVIDEND 60 PER CENT.

INTEREST ACQUIRED IN TIN SYNDICATE.

The annual general meeting of the shareholders of the Castlefield (Klang) Rubber Estate, Limited, was held, on the 1st instant, at the registered offices, 7 Martin's lane, Cannon street, London, Mr W. Arthur Addinsell (chairman of the company) presiding.

Mr C. H. Smallwood, on behalf of the secretaries (Messrs. Bright and Galbraith, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said:—Gentlemen,—I move: "That the directors' report and statement of accounts for the year ended June 30, 1926, as submitted to this meeting, be and they are hereby received and adopted, and that a final dividend of 35 per cent., making a total dividend of 60 per cent. for the year, be declared and paid."

The net profit for the year, after making allowance for depreciation on buildings and machinery, was £77,689. This gratifying result was due mainly to the excellent market price obtained for the company's produce, which worked out at an average net figure of approximately 2s 1½d per pound for all grades, as against 1s 10d per pound for the previous year.

During the period under review the average export allowance was 87 per cent. of the standard production figure allowed to this estate under the restriction scheme, and the crop harvested totalled 1,044,164 lbs, which compared with 668,095 lbs for the previous year. We have not yet received notification of our new allowance.

Owing to the scarcity of Tamil labour which prevailed throughout Malaya during the latter part of last year, it was necessary to engage Chinese labour on contract, which resulted in a slight increase in the tapping cost. This increase, however, was not material, because the expenditure was spread over a considerably larger crop. A high standard of tapping was maintained during the year, and the yield per tree was satisfactory.

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GOOD CONDITION OF ESTATE.

The property is in an excellent state of cultivation. The young areas are showing excellent growth and should add material to future crops.

A full programme of work was carried out last year, which included thinning out, drainage and the construction and repairing of roads and bridges, in addition to which a substantial amount was spent on buildings and machinery.

The directors have recently acquired a further 158 acres of land adjoining the property, which is eminently suitable for the cultivation of rubber. Of this land, 75 acres have already been felled, and arrangements have been made to clear and plant the remaining area as soon as possible. The total area of the property is now 3,472 acres, of which 3,079 acres are planted.

An examination of the accounts reveals a sound financial position, which it is proposed to strengthen by transferring a further £10,000 to reserve, raising it to £50,000, against our capital of £100,000. This reserve provides our working capital.

INTEREST IN TIN SYNDICATE.

A few weeks ago shareholders were circularised regarding a syndicate which was formed to prospect for tin upon the Castlefield, Killinghall and Hongkong estates. Although the prospecting operations (on the area selected) on Castlefield were not successful, we hold a 15 per cent. interest in the syndicate, and will therefore receive this proportion of any profits made by the syndicate on the sale of its interests to the new company which will be formed to work the tin-bearing land on Hongkong.

Gentlemen, I have given you a brief outline of the general position of the property, but again I must refer to the excellent work which has been carried out by our manager, Mr D. S. Gardner, and his assistants. Our thanks are due to them, also to Messrs Cumberbatch and Co., the local agents in Kuala Lumpur.

Before I sit down I feel constrained to say just one word to remind you that this is the twentieth annual meeting. We are therefore in our twenty-first year, and I think it is a matter for congratulation that we have with us not only Mr de Winton—who, as you will remember, was the first chairman of the company—but also our friend and colleague Mr Harold Rendle, who had the audacity to select Castlefield, open it up and pass it on to us! I think as shareholders we must all be grateful to these gentlemen, who have stood by us from the very first. As you know, Mr Rendle took the place of his father on the board.

Mr Cecil de Winton seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected, and the proceedings concluded with a vote of thanks to the chairman and directors and to the agents, manager and staff in the East.

CONSOLIDATED GOLD FIELDS OF SOUTH AFRICA, LIMITED.

SUCCESSFUL YEAR'S RESULTS.

SUB NIGEL—REMARKABLE DEVELOPMENTS.

The ordinary general meeting of the Consolidated Gold Fields of South Africa, Limited, was held, on the 2nd instant, at the Cannon street Hotel, London, E.C. Lord Harris (chairman of the company) presided.

Mr H. G. Sidgreaves (joint secretary) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the new Consolidated Gold Fields, Limited—the operating company—had paid a final dividend of 6 per cent., making, with the interim dividend of 2 per cent. paid in March last, 8 per cent., free of income-tax, for the year. This places the Consolidated Gold Fields of South Africa in a position to recommend a dividend of 12½ per cent., less income-tax. He would like briefly to refer to a measure of disappointment with which, he understood, the announcement of the present dividend had been received in some quarters. Doubtless they had had what was called a good year, in that some of their principal holdings had appreciated considerably in value, mainly due to their prospectively increased dividend-paying capacity. He would tell them, however, that they proposed holding their Sub Nigel and Robinson Deep shares as revenue producers for the time being, and they could not credit themselves with a profit on investments until they realised that. They could not have their prosperity both ways.

SUB NIGEL MINE.

The outstanding feature in connection with their mining investments during the past year had been the almost sensational appreciation in the value of the Sub Nigel Mine, or, as Mr Christopherson put it in moderate language, "the remarkable improvement in the development values disclosed and the encouraging increase obtained in the percentage of payable footage."

The cable recently received clearly pointed to a continuance of favourable progress. It read as follows: "Sub Nigel continues to open up high values, and provided sufficiency of native labour 16,000 tons should be milled in December. Expect profits to increase monthly from now on, and anticipate the full benefits from increased plant from March onwards." The company held 240,000 shares in that company, and he was sanguine enough to believe that the revenue from their holdings would be very substantial. Furthermore, they had every reason to be satisfied with the progress made by Robinson Deep, in which they continued to hold a large interest which, as he had said, also they placed in the category of their stable investments, certainly as regarded the "B" shares.

ROBINSON DEEP—ENCOURAGING REPORT.

The latest cable information read as follows:—"Developments on Robinson Deep continue to open up good values at depth, anticipate material increase in profits after installation of sorting plant and new hoist, former hope to complete by end of June and latter by end of 1927. It is estimated that the cost of this will be £51,000, but the additional profit to be made therefrom is expected to recoup this expenditure within 12 months. There will be no interruption in milling operations whilst the necessary alterations are being carried out. Meantime anticipate dividends on 'B' shares will be maintained for current and next half-year, thereafter hope for an increase." The Simmer and Jack Mines had suffered more than other mines from shortage of native labour, which had delayed the de-watering and re-equipment of the area upon which the future prosperity of the company depended. The development of results so far was encouraging, but the best results could not be expected until all mining was concentrated in the new area, which, it was not anticipated, would be possible until some time next year. The latest cable information stated that the Simmer and Jack Mine ground was opening up satisfactorily, and that the outlook for the future was encouraging.

AMERICAN AFFAIRS.

He would draw special attention to Count Bru's report on their American affairs, and particularly to the hopeful prospects of the American Potash and Chemical Corporation, which under that name was in effect a reorganisation of the American Trona Corporation. They looked forward with confidence to a dividend distribution next year.

The latest cable information they had had informed them that the total output of the remodelled plant would, at or about the end of that year, be between two and two and a-half times that of the old plant, with overall costs per ton considerably lower than heretofore, and that in spite of the fact that the market price of borax had fallen owing to severe competition, due to the American Potash and Chemical Company's increased output, the market price for both potash and borax was still considerably higher than the figure taken as a remunerative basis when it was decided to increase the plant to its present capacity.

The South American Gold and Platinum Company also had reached a stage at which regular dividends should be forthcoming at an early date—this year they hoped, but possibly not until early next year; at any rate, during their current financial year.

In dealing with the various other interests of the company, he said that in regard to their remaining interests in the Devonshire House site, everything in that connection was proceeding satisfactorily and according to anticipations. The Piccadilly building had been completed, and all the ground floor accommodation had been let on long lease, save the National Provincial Bank premises, the lease of which had been sold. Leases for a large number of the flats had been sold, and further sales were proceeding. Negotiations also had been entered into for the sale of the remaining part of the site, namely, the portion lying between Messrs. Thomas Cook and Sons' building and Stratton-street, and arrangements were now completed for the sale of the freehold of the building adjoining Lansdowne House, so that the whole venture should make a good showing during 1927.

Lord Brabourne seconded, and the resolution was carried unanimously, the chairman, directors, and staff receiving the congratulations of the shareholders on the excellent report.

JOHN I. THORNYCROFT AND COMPANY, LIMITED.

IMPROVED RESULTS.

The annual meeting of John I. Thornycroft and Co., Limited, was held, on the 30th ultimo, at Winchester House, London, Sir John E. Thornycroft (the managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that last year he stated that the general opinion seemed to be in favour of a revival in trade provided the threatened trouble in connection with the coal industry was avoided, in which case there was every prospect of the position continuing

to improve. They had had to go through a general strike and a coal strike, and they had suffered heavy losses in the shipyard. There would have been losses in any case, but the difficulty in getting supplies and general disturbance had greatly aggravated the position. Fortunately, the commercial vehicle business was little affected, and therefore they were able to show an improvement on last year's figures.

The profit for the year, after deduction of all charges and depreciation, amounted to £57,297, approximately £20,000 better than the previous year. It was proposed to pay a final dividend of 3 per cent. on the cumulative preference shares (making 6 per cent. for the year), 7½ per cent. of the preferred ordinary shares, and 3 per cent. on the ordinary shares. They also proposed to transfer £2,000 to the benevolent fund. With regard to the shipbuilding and marine engineering side of the business, the experimental destroyer which they had designed and built for the Admiralty was nearing completion. From the trials which had been made the directors were convinced that she would give most satisfactory results. The new marine motor works at Reading were now well equipped, and the production of marine motors was going on satisfactorily. The sales of the commercial vehicle business had increased. An interesting and very important development for colonial work had been the production of what was known as the "rigid 6-wheeler." This vehicle was designed to meet the very exacting requirements of the War Office, and, quite apart from military use, there was no doubt that there would be a great demand for it for commercial work; they had already a considerable number working in different countries abroad. They had paid great attention to developing the colonial and overseas markets, and spent a great deal on establishing efficient service organisations. The orders on their books for home deliveries were quite satisfactory at the present time, and with their overseas connections there seemed little doubt that they could secure plenty of business.

The report and accounts were unanimously adopted.

MALAYA GENERAL COMPANY, LIMITED.

SUCCESSFUL RESULTS OF THE YEAR.

The 18th ordinary general meeting of the Malaya General Company, Limited, was held at Winchester House, Old Broad street, London, on the 3rd instant, Mr. George M. Weekley (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—"When we last met we were able to congratulate ourselves on a record crop of 1,061,237 lbs of rubber and a dividend of 25 per cent. To-day, with a crop of 1,676,040 lbs—about 60 per cent. increase—and with a selling price of 2s 0.9d per lb, we are in a position to transfer £25,000 to reserve, to give you a final dividend of 30 per cent.—making 50 per cent. for the year—and to carry forward the very substantial sum of £22,807.

Our estate cost of production was slightly above the manager's estimate, this being mainly due to the fact that we were unable to deliver any of our rubber in latex form, as we had expected to do during the greater part of the year, but it is hoped that everything will be ready to start these latex deliveries at the beginning of 1927.

We now have 4,980 acres under mature rubber, and when the 100 acres which were recently felled are planted up, we shall have got well over the 5,000 acre mark.

The estate is being maintained in good order, and the visiting agent, in his last report, states that "the trees are looking very well indeed, and the condition of the estate is thoroughly satisfactory."

I would now like to call your attention to the very strong financial position of the company, as shown in the balance-sheet. The year's profit has enabled us to increase our reserve account to £75,000, nearly all invested in Government securities, whilst we had in cash and on deposit over £60,000, or more than sufficient to pay the final 30 per cent. dividend.

Our property, I may remind you, stands in the books at the very moderate cost of about £45 per planted acre, without taking anything into account for nearly 2,000 acres of reserve land.

You will also notice that our investments and deposits have yielded over £5,000 in interest during the year, this being more than sufficient to pay all London expenses, directors' fees, and depreciation.

Reverting to purely estate matters, the manager reports very favourably on our staff in the East, and we feel that we have a very contented and happy family out there. The manager and staff have put in some most excellent work, and I have pleasure in paying tribute to their efficiency and loyalty.

The resolution was carried unanimously.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	1. Aug. 1914.	31. Dec. 1915.	31. Mar. 1916.	31. Mar. 1917.	31. Mar. 1918.	31. Mar. 1919.	31. Mar. 1920.	31. Mar. 1921.	31. Mar. 1922.	31. Mar. 1923.	31. Mar. 1924.	31. Mar. 1925.	31. Mar. 1926.	31. Mar. 1927.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13	13	13	13	13	13
3½ % Conversion Loan	..	..	266	684	666	709	764	760	760	760	760	760	760	760
4½ % Conversion Loan	..	..	..	..	..	210	210	211	211	211	211	211	211	211
3½ % War Stock	..	63	63	63	63	63	63	63	63	63	63	63	63	63
4½ % War Stock	..	13	13	13	13	13	13	13	13	13	13	13	13	13
4½ % and 5½ % War Stock	..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109	2,109	2,109	2,109	2,109
National War Bonds	..	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706
4½ % Funding Loan	..	409	401	399	396	394	394	394	394	394	394	394	394	394
4½ % Victory Bonds	..	360	335	325	314	303	303	292	292	292	292	292	292	292
Treasury Bonds	..	20	323	185	150	150	15	15	15	15	15	15	15	15
Exchequer Bonds	..	267	342	354	366	369	372	375	375	375	375	375	375	375
National Savings Certs.	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Other Debt*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French)	..	15	51	878	616	588	576	635	665	669	669	669	669	669
Treasury Bills	..	1,107	147	194	186	167	181	139	118	118	118	118	118	118
Temporary Advances	..	1	243	..	..	..	..	..	..	..	..	..	..	..
Other Capital Liabilities	654	87	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,542	7,542	7,542	7,542	7,542
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,717	7,717	7,717	7,717	7,717	7,717

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Nov. 28, '25.	Mar. 31, '26.	Nov. 27, '26.	Nov. 27, '26.
Outstanding—				
Advances by Bank of England	£	£	£	£
Advances by Public Deptms.	122,141,000	139,441,000	117,501,000	2,000,000
Treasury Bills Outstanding	646,680,000	564,855,000	669,595,000	4,020,000
Total Floating Debt	768,821,000	704,296,000	787,096,000	4,020,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Apr. 1, 1926, to Nov. 27, 1926.	Total Receipts into the Exchequer from Apr. 1, 1925, to Nov. 27, 1925.	RECEIPTS. Week Ended Nov. 27, 1926.	RECEIPTS. Week Ended Nov. 27, 1925.
Balances in Exchequer on 1st April:—					
Bank of England	..	5,280,249	5,341,778	..	..
Bank of Ireland	..	676,684	1,215,322	..	..
REVENUE.					
Customs	108,450,000	69,957,000	68,150,000	2,518,000	2,338,000
Excise	141,300,000	89,363,000	88,764,000	1,689,000	1,485,000
Motor Vehicle Duties	21,600,000	6,834,000	5,998,000	101,000	146,000
Stamp, &c., Duties	66,000,000	40,330,000	38,656,000	1,700,000	680,000
Stamp	25,000,000	12,710,000	14,420,000	500,000	720,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	140,000	190,000	..	10,000
Property & Income Tax	254,800,000	94,801,000	114,725,000	588,000	1,258,000
Super-Tax	64,500,000	23,240,000	30,290,000	30,000	350,000
Excise Profits Duties, &c.	2,000,000	2,680,000	7,470,000	20,000	130,000
Corporation Profits Tax	59,400,000	37,800,000	37,000,000	1,000,000	1,000,000
Post Office	950,000	820,000	740,000	160,000	140,000
Receipts from Sundry Loans	21,650,000	13,367,957	8,861,254	5,879	3,469
Miscellaneous—					
Ordinary Receipts	25,600,000	18,370,839	7,893,993	342,136	618,215
Special Receipts	26,000,000	12,739,424	23,204,689	143,696	82,530
Revenue	824,750,000	423,159,220	446,354,936	9,247,711	8,971,214
Total, Inc. Balance	..	429,716,153	452,912,036	..	..

OTHER RECEIPTS.

Temporary Advances Repaid—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	73,782	73,782	..	..	..
Under the Unemployment Insurance Act, 1921	388,000	1,390,000	..	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues:—					
Under the Telegraph (Money) Acts, 1924 and 1925	5,450,000	5,950,000	..	..	..
Under the Housing Act, 1914	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	777,200	..	..	..	..
(b) Unemployment Insurance Act, 1921	11,932,431	1,715,000	..	..	..
(c) For other Issues:—					
By Treasury Bills	1,704,911,000	1,655,744,000	53,556,000	46,385,000	..
By 3½ % Conversion Loan	..	46,094,560	..	2,017,000	..
By National Savings Certificates	19,350,000	..	500,000	550,000	..
By National War Bonds	..	20	..	..	..
By Treasury Bonds, 1925	3,512,150	5,055,707	..	47,200	..
By 4½ % Treasury Bonds, 1931-33	..	..	..	..	..
(d) Ways and Means Advances	403,802,000	418,031,000	400,000	4,100,000	..
Repayments—					
In respect of Cunard Loan	130,000	130,000	130,000	130,000	..
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	148,648	126,701	..	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920	..	9,901,981	..	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	256,778	..	..	..
Total	2,580,195,163	2,620,457,641	63,733,711	62,204,414	..

EXPENDITURE AND OTHER ISSUES.

EXPENDITURE.	Estimate for the Year 1926-27 (including Supplementary Grants).	Total Issues out of the Exchequer to meet Payments from		Issues.	
		Apr. 1, 1926, to Nov. 27, 1926.	Apr. 1, 1925, to Nov. 28, 1925.	Week Ended Nov. 27, 1926.	Week Ended Nov. 28, 1925.
National Debt Services—					
Interest, &c.	304,000,000	206,086,971	201,301,935	1,253,318	1,050,158
Sinking Fund	60,000,000	19,931,465	25,693,139	810,001	589,629
Road Fund	17,500,000	5,010,044	5,251,044	..	..
Payments to Local Taxation Authorities, &c.	14,100,000	7,355,627	7,578,390	700,000	845,000
Payments to Northern Ireland Exchequer	5,200,000	3,250,194	2,892,626	236,509	205,161
Land Settlement	..	..	288,677	..	..
Other Consolidated Fund Services	2,600,000	1,506,796	1,558,504	2,103	2,625
Supply Services	425,872,000	264,862,257	262,476,609	7,585,000	7,392,000
Expenditure	829,272,000	508,003,354	507,046,924	10,586,931	10,764,573
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921	..	13,672,431	1,715,000	410,000	..
Issues to Meet Capital Expenditure—					
Under the Telegraph (Money) Acts, 1924 and 1925	..	6,650,000	7,900,000	..	600,000
Under the Housing Act, 1914	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	..	3,779	20,071	..	..
Under the Capital Expenditure (Money) Act, 1904—Exchequer Bonds paid off, £1,553,300; less paid off by the National Debt Commissioners, £770,100	..	777,200	..	..	..
Unemployment Insurance Act, 1921—Repayment of amounts borrowed	..	388,000	1,370,000	..	..
Redemption of Debt—					
Treasury Bills	..	1,600,170,000	1,584,655,000	49,520,000	45,800,000
Principal of National Savings Certificates	..	21,900,000	19,800,000	700,000	550,000
Principal of Exchequer Bonds paid off	..	..	306,667	..	..
Principal of National War Bonds paid off	..	..	8,344,789	..	..
Principal of Treasury Bonds paid off	..	..	23,645,865	..	..
Ways and Means Advances Repaid	..	425,742,000	462,475,000	2,400,000	5,300,000
		2,577,380,546	2,617,259,098	63,616,931	62,314,573
Balances in Exchequer—					
Bank of England	Nov. 27, '26.	Nov. 28, '25.	In or Dec.	for Week.	
Bank of England	2,059,407	2,001,361	21,780	1,998	
Bank of Ireland	755,210	1,197,182	+ 95,000	- 112,161	
Total	2,814,617	3,198,543	+ 116,780	- 114,159	

NOTE.—Budget Estimate as in H.C. 69 of 1926.
Treasury, November 29, 1926.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Instruments in Circulation.	Redemption Account.		Ratio to Notes.	Govt. Securities.	Bills.	Balance at Bank of England.
			Silver Coin.	Gold and Bullion.				
Mar. 25, 1923.	285,616	12,318	7,000	27,000	22,450	17.3	241,294	190
June 27, 1923.	285,503	12,516	7,000	27,000	22,460	17.3	242,446	123
Sept. 27, 1923.	282,784	12,401	7,000	27,000	22,450	17.3	238,596	140
Dec. 26, 1923.	299,070	12,571	7,000	27,000	22,450	16.5	255,032	159
Mar. 26, 1924.	281,538	11,998	7,000	27,000	22,450	17.6	236,867	130
June 25, 1924.	290,316	12,472	7,000	27,000	22,450	17.0	246,198	140
Sept. 24, 1924.	285,592	12,227	7,000	27,000	22,450	17.3	241,185	184
Dec. 31, 1924.	296,261	12,312	7,000	27,000	22,450	18.2	248,111	182
Mar. 25, 1925.	284,256	11,882	7,000	27,000	22,450	18.9	235,076	112
June 24, 1925.	292,278	12,265	7,000	..	53,950	18.5	243,474	119
Sept. 23, 1925.	293,004	12,555	7,000	..	56,250	19.1	242,188	121
Dec. 30, 1925.	296,777	12,561	7,000	..	56,250	18.9	246,896	192
Mar. 31, 1926.	296,337	12,226	6,550	..	56,250	19.0	244,585	178
June 30, 1926.	294,036	12,567	6,550	..	56,250	19.1	243,667	136
Sept. 29, 1926.	287,858	12,295	6,300	..	56,250	19.5	237,467	136
Nov. 24, 1926.	284,736	11,939	6,300	..	56,250	19.7	233,958	167
Dec. 1, 1926.	285,783	11,813	6,300	..	56,250	19.6	234,863	184

Since July 31, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £330,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £246,145,400, and for 1926 at £247,902,500.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on Dec. 3 1926, and the total amount applied for was £56,245,000. For bills at 3 months, dated Monday, £98 17s 3d, and above in full. Tuesday to Saturday, £98 16s 11d, about 93 per cent., and above in full. The amounts allotted were in bills at 3 months, £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.		4% Treasury Bonds. Average Price.	
			£	s d	£	s d
Oct. 1, 1926.	45,000,000	55,050,000	4	14 2 3/4	nil	..
Oct. 8, 1926.	45,000,000	50,150,000	4	15 11 1/2	nil	..
Oct. 15, 1926.	40,000,000	49,945,000	4	16 3 3/4	nil	..
Oct. 22, 1926.	40,000,000	49,805,000	4	16 11 1/2	nil	..
Oct. 29, 1926.	45,000,000	49,635,000	4	17 1 0/6	nil	..
Nov. 5, 1926.	45,000,000	49,490,000	4	17 7 6/9	nil	..
Nov. 12, 1926.	40,000,000	58,100,000	4	16 6 7/4	nil	..
Nov. 19, 1926.	45,000,000	62,145,000	4	15 5 8/5	nil	..
Nov. 26, 1926.	45,000,000	67,660,000	4	14 4 1/6	nil	..
Dec. 3, 1926.	45,000,000	56,245,000	4	13 4 2 1/2	nil	..

Tenders will be received on Dec. 10, 1926, for Treasury Bills to be issued to the maximum amount of £40,000,000.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS £8,501,591
CLAIMS PAID £37,361,771

Accidents and illness.
Employers' Liability.
Fire, Motor Cars, Fidelity Guarantees.
Burglary, Fire, Motor Cars, Public Liability.
Insurance of Boilers, Engines, Electrical Plant and Lifts.
Executors and Trusteeships.

Head Office: 36-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Week ended Wednesday, December 1, 1926.

ISSUE DEPARTMENT.

Notes issued	171,164,110	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion	151,414,110
	171,164,110		171,164,110

BANKING DEPARTMENT.

Proprietors' capital	14,553,000	Government securities	42,257,539
Reserve	3,288,771	Other securities	69,672,926
Public deposits	9,191,372	Notes	31,470,205
Other deposits	117,827,262	Gold and silver coin	1,461,969
Seven-day & other bills	2,234		
	144,862,639		144,862,639

* Including Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts.

	Amount, Dec. 1, 1926.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,288,771	+ £ 61,125	+ £ 35,292
Public deposits	9,191,372	+ 14,616,706	+ 665,923
Other deposits	117,827,262	+ 17,000,931	+ 12,096,487
Government securities	42,257,539	+ 8,930,000	+ 20,180,255
Other securities	69,672,926	+ 4,698,265	+ 2,021,812
Reserve	3,288,771	+ 1,787,467	+ 10,850,667
Note circulation	139,693,905	+ 1,688,930	+ 3,589,545
Coin and bullion	152,876,079	+ 98,537	+ 7,216,122
% of reserve to liabilities	25.48%	- 1.18%	+ 9.44%

Date.	Coin and Bullion.	Circulation (excluding Bank Post).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.
1926.						
Oct. 13	154,173,906	139,344,180	123,570,865	106,669,245	745,000 out	34,579,746
20	154,095,823	138,712,305	123,546,053	108,097,376	138,000 out	35,133,518
27	152,814,940	139,069,400	122,606,011	106,809,136	1,866,000 out	33,495,570
Nov. 3	152,807,082	139,537,365	122,226,842	106,901,562	24,000 out	33,019,717
10	152,060,534	138,834,485	120,801,594	105,576,781	727,000 out	32,976,049
17	152,999,634	138,109,000	120,700,173	103,830,340	961,000 in	34,604,634
24	152,974,616	138,004,975	124,634,409	107,698,730	11,000 out	34,719,641
Dec. 1	152,876,079	139,693,905	127,018,534	111,930,465	31,000 out	32,932,174

BANKERS' CLEARING RETURNS (000's omitted).

Week Ending—	Town.	Metropolitan.	Country.	Total.
1926.				
January 1 to Nov. 17	30,978,821	1,460,016	2,487,410	34,926,247
Nov. 24	773,558	31,452	53,529	758,539
Dec. 1	695,618	30,059	49,364	875,041
Total to date 1926	32,447,997	1,521,527	2,590,303	36,559,827
Do 1925	32,893,697	1,545,108	2,727,059	37,165,864
Increase or decrease in 1926	- 445,700	- 123,581	- 136,756	- 705,037
	- 1.3%	- 7.9%	- 5.0%	- 1.9%
Total for year 1925	35,801,264	1,678,347	2,957,508	40,437,119
Total for year 1924	35,028,605	1,594,114	2,900,145	39,522,864
Increase or decrease in 1925	+ 772,659	+ 84,233	+ 57,363	+ 914,255
	+ 2.1%	+ 5.2%	+ 1.9%	+ 2.2%

PROVINCIAL CLEARING RETURNS.

Number of Working Days	Month of November.			Aggregate Weekly Totals to Nov. 27.	
	1925.	1926.	%	1925.	1926.
BIRMINGHAM	11,275,000	10,392,000	- 7.8	120,360,000	111,073,000
BRADFORD	7,179,000	5,310,000	- 26.0	..	54,225,000
BRISTOL	4,684,000	4,931,000	+ 5.2	55,501,000	54,225,000
DUBLIN	..	..	..	230,001,900	221,675,000
HULL	4,293,000	3,895,000	- 9.2	49,257,000	45,724,700
LEEDS	3,889,000	4,761,000	+ 22.4	46,735,000	36,133,400
LIVERPOOL	3,167,000	3,593,000	+ 13.4	36,861,300	36,944,800
MANCHESTER	38,254,000	34,750,000	- 9.1	428,411,000	624,415,200
NEWCASTLE-ON-TYNE	57,121,000	57,121,000	..	713,697,000	59,058,400
NOTTINGHAM	2,718,000	2,717,000	- 0.1	31,537,300	29,136,700
SHEFFIELD	4,158,000	4,359,000	+ 4.8	49,080,600	45,052,500
Total	151,615,000	136,668,000	- 9.8	..	..

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Estonia appeared in the Economist of October 23; Denmark and Egypt in Nov. 13; Finland in Nov. 20; Japan, Reichsbank, Lithuania, Danzig, Roumania, Portugal, and Italy in Nov. 27.

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted).

	Nov. 27, 1926.	Nov. 19, 1926.	Nov. 12, 1926.	Nov. 5, 1926.	Nov. 28, 1925.
RESOURCES.					
Total gold reserves	2,829,730	2,851,090	2,841,760	2,407,270	2,745,890
Total bills discounted	637,600	566,930	581,410	675,900	621,710
Bills bought in open mkt	340,630	347,880	339,900	332,100	359,450
Total U.S. Govt. securities	299,900	308,130	300,370	302,350	332,370
Total earning assets	1,270,680	1,225,530	1,234,180	1,312,810	1,326,120
Total resources	5,045,900	5,197,120	5,027,230	5,065,120	4,997,880
LIABILITIES.					
Federal Reserve notes in actual circulation	1,774,050	1,750,280	1,750,790	1,755,430	1,731,510
Deposits—Member bank reserve account	2,202,410	2,238,210	2,218,650	2,207,330	2,219,810
Total deposits	2,262,310	2,301,120	2,264,770	2,276,420	2,290,780
Capital paid in and surplus	344,750	345,220	345,200	344,690	334,680
Total liabilities	5,045,990	5,197,120	5,027,230	5,065,120	4,997,880
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	73.3%	73.7%	74.0%	72.8%	71.1%

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).

Assets.	Nov. 23, 1926.	Nov. 15, 1926.	Nov. 7, 1926.	Oct. 31, 1926.	Oct. 23, 1926.
Metal reserve—					
Gold coin and bullion	168,784	168,784	168,757	168,755	168,715
Drafts and notes	113,121	112,198	118,589	115,087	102,622
Silver coin and bullion	763	759	740	746	733
Inland bills, warrants, and securities	179,050	177,462	181,688	187,236	170,448
Advances to the Treasury	143,610	143,610	143,610	150,072	150,106
LIABILITIES.					
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	403,935	431,014	458,133	482,137	409,332
Current accounts, deposits, &c.	272,852	244,070	228,068	200,089	241,303

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF THE SERBS, &c.—In dinars (000's omitted).

Assets.	Nov. 22, 1926.	Nov. 15, 1926.	Nov. 8, 1926.	Oct. 31, 1926.	Nov. 22, 1926.
Gold	84,757	84,475	83,748	83,577	74,933
Other coin and notes	18,078	18,499	18,255	18,048	19,308
Foreign credits	363,606	3,757	337,224	354,487	389,676
Bills	1,213,937	1,238,803	1,248,853	1,260,498	1,083,801
Govt. advances	4,471,397	4,471,053	4,471,009	4,470,621	4,521,337
LIABILITIES.					
Notes in circulation	5,771,230	5,920,783	6,001,502	5,919,577	5,983,955
State credits	353,113	352,775	352,731	352,343	358,614
Deposits	894,938	745,483	625,420	770,853	743,647

NATIONAL BANK OF BULGARIA.—In leva (000's omitted).

Monetary reserves	Oct. 22, 1926.	Aug. 22, 1926.	May 14, 1926.	April 14, 1926.	Mar. 27, 1926.
Gold	60,608	50,216	59,537	59,363	59,158
Notes of foreign banks	119,216	118,870	107,357	98,611	89,747
Foreign bills	4,230	1,057	696	952	825
Credits with foreign correspondents	183,007	54,819	48,241	27,875	21,859
Notes in circulation	34,338	171,384	376,767	409,707	418,230
State circulation	3,856,148	3,641,330	3,584,786	3,579,820	3,486,562
Notes to the State	4,681,252	4,618,000	4,635,179	4,642,000	4,645,696

NATIONAL BANK OF GREECE.—In drachmæ (000's omitted).

Assets.	Sept. 30, 1926.	Sept. 15, 1926.	Aug. 31, 1926.	Aug. 14, 1926.	Sept. 30, 1926.
Gold and balances abroad	1,945,996	1,820,284	1,793,828	1,725,705	2,724,028
Government loans and securities	3,732,242	3,781,733	3,780,471	3,811,319	3,793,719
Discounts and loans	3,826,610	3,251,327	3,217,020	3,195,547	3,332,551
LIABILITIES.					
Notes in circulation	4,686,179	4,802,775	4,550,210	4,565,161	5,547,845
Government deposits	597,669	682,778	646,760	560,697	554,379
Private sight deposits	2,160,173	2,193,335	2,214,640	2,211,842	1,941,778
Fixed deposits	1,189,134	1,191,921	1,195,117	1,198,938	993,183

RUSSIAN STATE BANK.—Note-Issuing Department.

(In Tchernovets—000's omitted.) (Note: 1 Tchernovets = 10 gold roubles.)

Assets.	Dec. 1, 1926.	Nov. 15, 1926.	Nov. 1, 1926.	Oct. 15, 1926.	Dec. 1, 1926.
Gold in coin and bullion	16,346	16,162	16,162	16,151	18,265
Platinum	3,038	3,039	3,056	3,056	3,374
Foreign bank notes	5,751	5,549	5,466	5,155	4,858
Drafts in sterling (less 10%)	193	193	192	192	181
Bills (less 10% discount)	65,586	65,971	66,056	66,357	52,236
Securities covering advances on goods (less 10%)	86	86	85	85	86
LIABILITIES.					
Bank notes	88,433	89,723	89,305	89,052	78,650
Balance to which notes may still be issued	2,567	1,277	1,694	1,947	350

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Nov. 27, 1926.	Nov. 20, 1926.	Nov. 13, 1926.	Nov. 6, 1926.	Nov. 28, 1926.	Position May 30, 1914.
Gold	2,556,583	2,556,589	2,556,584	2,556,578	2,536,574	521,775
Silver	675,813	670,518	665,644	663,751	655,148	728,600
Loans & discounts	2,486,118	2,773,027	2,340,282	2,392,233	2,680,662	800,725
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Treasury bills	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	4,286,205	4,330,013	4,416,148	4,450,326	4,399,089	901,550
Deposits	983,162	973,117	1,032,417	1,028,220	991,168	477,500

LONDON RATES.

	Nov. 26, 1926.	Nov. 27, 1926.	Nov. 28, 1926.	Nov. 29, 1926.	Nov. 30, 1926.	Dec. 1, 1926.	Dec. 2, 1926.	Dec. 3, 1926.
Bank rate (changed from 4% Dec. 3, 1925)	5	5	5	5	5	5	5	5
Market rates of discount—								
60 days' bankers' drafts	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
4 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months' do	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Discount (Treasury Bills)—								
3 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
3 months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Loans—Day to day	4	4	4	4	4	4	4	4
Short	4	4	4	4	4	4	4	4
Deposits—allowances: Banks	3	3	3	3	3	3	3	3
Discount houses at call	3	3	3	3	3	3	3	3
At notice	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2

† Additional to those offered by tender in the preceding week.

Comparison with previous weeks:—

	Short term.	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1926.							
Nov. 12	4	4 1/2	4 1/2	4 1/2	5	5 1/2	5 1/2
19	4	4 1/2	4 1/2	4 1/2	5	5 1/2	5 1/2
26	4	4 1/2	4 1/2	4 1/2	5	5 1/2	5 1/2
Dec. 3	4	4 1/2	4 1/2	4 1/2	5	5 1/2	5 1/2

OVERSEAS BANK RATES.

Changed.		%	Changed.		%
Amsterdam	Oct. 3, 1925	34	Oalo	Oct. 26, 1925	4
Athens	July 7, 1926	11	Paris	July 31, 1926	7 1/2
Belgrade	June 23, 1922	7	Prague	Oct. 26, 1926	5 1/2
Berlin	July 9, 1926	6	Reval	July 21, 1925	10
Brussels	April 23, 1926	7	Riga	Feb. 16, 1924	8
Bucharest	Sept. 4, 1920	6	Rome	June 18, 1925	7
Budapest	Aug. 26, 1926	6	Sofia	Aug. 5, 1924	10
Calcutta	June 10, 1926	4	Stockholm	Oct. 8, 1925	4 1/2
Copenhagen	June 24, 1926	5	Swiss Bank		
Danzig	July 29, 1926	5 1/2	places	Oct. 22, 1925	3 1/2
Helsingfors	Oct. 29, 1925	7 1/2	Tokio	Oct. 4, 1926	6 5/8
Kovno	Feb. 8, 1925	7	Vienna	Aug. 6, 1926	7
Lisbon	July 28, 1926	8	Warsaw	July 7, 1926	10
New York Federal Reserve	Aug. 12, 1926	4			
Madrid	Mar. 23, 1923	5	Irish	Dec.	6

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class commercial bills (90 days), and 6% for agricultural bills (not more than six months).

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RATES OF EXCHANGE.

London on	Usance	Par.	Dec. 4, 1925.	Nov. 26, 1926.	Dec. 3, 1926.
Paris	francs to £1	T.T.	25-22 1/2	126 1/2-126 1/2	133 1/2-133 1/2
Vienno	marks to £1	T.T.	20-45	20-35-38	20-42 1/2-43
Vienna	schillings to £1	T.T.	34-58 1/2	34-37-42	34-37-42
Prague	krona to £1	T.T.	24-02	163 1/2-163 1/2	163 1/2-163 1/2
Warsaw	zloty to £1	T.T.	25-22 1/2	42-45	42-45
Reval	Estons. to £1	T.T.	1800-40	1800-40	1800-40
Riga	latas to £1	T.T.	25-22 1/2	25-01-26	25-15-35
Kovno	litas to £1	T.T.	48-66	48-88-98	49 1/2-49 1/2
Bukarest	lei to £1	T.T.	25-22 1/2	1050-55	885-95
Budapest	pengo to £1	T.T.	27-82	345/348,000 b	27-65-80
Constantinople	piastres to £1	T.T.	110	900-910	860-68
Sofia	leva to £1	T.T.	25-22 1/2	655-665	665-80
Belgrade	dinara to £1	T.T.	25-22 1/2	272-275	273-5
Amsterdam	florin to £1	T.T.	12-107	12-06 1/2	12-13 1/2
Brussels	belga to £1	T.T.	35-00	107-00-05 (b)	34-87-9
Oslo	kroner to £1	T.T.	18-159	23-75-80	18-98-19-01
Stockholm	kronor to £1	T.T.	18-159	18-13-14	18-17-18
Copenhagen	kroner to £1	T.T.	18-159	19-35-40	18-20-22
Helsingfors	F. marks to £1	T.T.	133-23	192 1/2-192 1/2	192 1/2-8
Greece	drachmas to £1	T.T.	25-22 1/2	362-365	390-393
Italy	lire to £1	T.T.	25-22 1/2	120 1/2-120 1/2	115-1 1/2
Switzerland	francs to £1	T.T.	25-22 1/2	25-14-16	25-15-16
Madrid	pesetas to £1	T.T.	25-22 1/2	33-84-87	31-83-6
Lisbon	escudo to £1	T.T.	53-3	24-2 1/2	24 1/2-3
Alexandria	piastres to £1	Sight	9 1/2	9 1/2-7 1/2	9 1/2-7 1/2
New York	dollars to £1	Cable	4-86 1/2	4-85-7	4-84 1/2-85
Montreal	dollars to £1	Cable	4-86 1/2	4-84 1/2-85	4-84 1/2-85
Buenos Aires	pesos to £1	T.T.	47-62 1/2	46 1/2-46 1/2	45 1/2-45 1/2
Rio de Janeiro	pesos to £1	T.T.	47-62 1/2	46 1/2-46 1/2	45 1/2-45 1/2
Montevideo	pesos to £1	T.T.	47-62 1/2	46 1/2-46 1/2	45 1/2-45 1/2
Valparaiso	dollars to £1	T.T.	40	39-30	39-5
Lima	soles to £1	T.T.	40	39-30	39-5
Calcutta	ster. to rupee	T.T.	10 to 1	1s 6 1/2-7d	1s 5 1/2-7d
Bombay	ster. to rupee	T.T.	10 to 1	1s 6 1/2-7d	1s 5 1/2-7d
Madras	ster. to rupee	T.T.	10 to 1	1s 6 1/2-7d	1s 5 1/2-7d
Hong Kong	ster. to dollar	T.T.	2s 4 1/2-5d	1/11 1/2-1 1/2	1/11 1/2-1 1/2
Shanghai	ster. to dollar	T.T.	2s 4 1/2-5d	1/11 1/2-1 1/2	1/11 1/2-1 1/2
Singapore	ster. to dollar	T.T.	2s 4 1/2-5d	1/11 1/2-1 1/2	1/11 1/2-1 1/2
Yokohama	ster. to yen	T.T.	24-58d	1s 9 1/2-3d	2/0 1/2-3d
Manila	ster. to peso	T.T.	24-58d	1s 9 1/2-3d	2/0 1/2-3d
Mexico	pesos to £1	T.T.	24-58d	1s 9 1/2-3d	2/0 1/2-3d

† Rate for previous day. (b) Represents krona to £1 at a par value of 24-02 to £1. 1 belga = 5 francs. (c) Francs to £1.

MOSCOW QUOTATIONS FOR TCHERVOVETZ.

According to advices received in London, the following are the Moscow quotations for tchernovets:—

£1,000 sterling equals 941 1/4-944 1/4 tchernovets.

1 tchernovets = 10 gold roubles.

1 tchernovets = 10 gold roubles. £1 sterling = 9 4/6 gold roubles.

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Dec. 3, 1925.	Nov. 4, 1925.	Nov. 11, 1925.	Nov. 18, 1925.	Nov. 24, 1925.	Dec. 2, 1925.
Call money	5	5	5	5	5	5
Time money (90 days' mixed coll)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Bank acceptances—						
Members—eligible 90 days	3 1/2	4	4	4	4	4
Non-mem.—eligible 90 days	3 1/2	4	4	4	4	4
Intelligible, 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept. 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Rates of Exchange.		Par	Dec. 3,	Nov. 18	Nov. 24,	Dec. 2,
New York on—		Level.	1925.	1926.	1926.	1926.
London—						
60 days.....	Dollars for £1	4-86 1/2	4-80	4-79 1/2	4-80	4-80 1/2
Cable.....			4-85	4-84 1/2	4-84 1/2	4-84 1/2
Cheques.....			4-84 1/2	4-84 1/2	4-84 1/2	4-84 1/2
Paris.....cheques	Cents for 1 franc	19-30	4-8450	4-84 1/2	4-85	4-85
Brussels.....	Cents for 1 Belg.	13-90	3-7925	3-49	3-51	3-51
Switzerland.....	Cents for 1 franc	19-30	4-8450	4-85	4-85	4-85
Italy.....	Cents for 1 lire	19-30	19-27	19-28 1/2	19-28 1/2	19-28 1/2
Berlin.....	Cents for 1 mark	19-30	4-0275	4-2150	4-19	4-22
Vienna.....	Cs. for Austr. shg.	14-07	23-805	23-72 1/2	23-72 1/2	23-72 1/2
Madrid.....	Cents for 1 peseta	19-30	14-125	14-14	14-14	14-14
Amsterdam.....	Cents for 1 guilder	19-30	18-18	15-225	15-185	15-21
Copenhagen.....	Cents for 1 krona	40-195	40-20	39-96	39-96	39-96
Oslo.....	Cents for 1 kroner	36-80	24-94	26-615	26-615	26-615
Stockholm.....	Cents for 1 krona	36-80	20-32	25-86	25-86	25-86
Athens.....	Cents for 1 drachma	19-30	36-75	36-75	36-75	36-75
Montreal.....	Can. Cents for \$1	100	13-150	12-350	12-350	12-350
Yokohama.....	Cents for 1 yen	49-85	4-3 pm.	100-0	100-0	100-0
Hong Kong.....	Cents for H. Kong \$	..	49-85	49-00	49-00	49-00
Shanghai.....	Cents for H. Kong \$	..	58-15	48-75	47-65	47-65
Canton.....	Cents for 1 Shing. \$	..	75-95	61-125	59-55	58-60
Buenos Aires.....	Gold pesos for 1 rupee	..	36-70	36-00	36-04	36-04
Rio de Janeiro.....	Gold pesos for \$100	103-65	106-40	109	108-60	108-60
Valparaiso.....	Cents for 1 milreis	38-40	14-15	12-55	12-33	12-33
	Cents for 1 peso	12-166	12-25	12-136	12-136	12-136

The silver coinage during the week ending the 22nd ult. amounted to 7 lacs. The stock in Shanghai on the 27th ult. consisted of about 73,000,000 ounces in sycee, 66,500,000 dollars, and 5,460 silver bars, as compared with 71,900,000 ounces in sycee, 68,100,000 dollars, and 6,540 silver bars on the 20th idem: Statistics for the month of November last are appended.

	Bar Silver, per Oz. Std.		Bar Gold, per Ounce, Fine.	
	Cash Delivery.	Two Months' Delivery.	Cash Delivery.	Two Months' Delivery.
Highest price	26	25½	84 11½	84 11½
Lowest	24½	24½	84 9½	84 9½
Average	25.192	24.947	84 11.3	84 11.3

GOLD AND SILVER PRICES.

	Gold Per Ounce.		Silver—Per Ounce.		Date.	Silver. Cash.
	s	d	d	d		
1926.						
Nov. 27....	84	11½	25½	25½	Dec. 10, 1920.	38½
29....	84	11½	25½	25½	9, 1921..	34½
30....	84	10½	25½	25½	8, 1922..	31½
Dec. 1....	84	11½	24½	24½	7, 1923..	33½
2....	84	11½	24½	24½	5, 1924..	32½
3....	84	11½	24½	24½	4, 1925..	32½

NOTICES.

The National Provincial Bank, Limited, announce that a branch of the bank is now open at 6 Station parade, Northwood, under the management of Mr H. P. Roberts, the hours of business being 10 a.m. to 3 p.m., Saturdays 9 a.m. to 12 noon. The bank also announce that a branch of the bank is now open at Woodbridge (Suffolk), the office being in charge of Mr P. Cunningham, and under the supervision of Mr H. F. Watson, of the Ipswich branch.

Barclays Bank, Limited, announce the opening of a new branch at 19 Northcote road, Clapham Junction, S.W. 11, under the management of Mr A. N. Solley. Also of a new sub-branch at Hartfield (Sussex), under the management of Mr H. Joyce, who is also manager of East Grinstead branch.

The Midland Bank announces the opening of a new branch at 10 High road, Chadwell Heath, Essex, under the supervision of Mr R. J. Stanger, manager of the branch at 126 High road, Ilford. The offices of the Midland Bank in England and Wales now number 1,900.

MINING OUTPUT STATISTICS FOR NOVEMBER, 1926.

	Output.	Other Notes in Return.	
Tin.			
Deebeck	18		
Jantar	40		
Kamunting	119	Est. value, £21,235.	
Kem Consolidated	150	Shipped, 115 tons. Tin released, 80 tons Value, £16,800.	
Nigerian Consolidated	20		
North Ropp	20	Tin realised during month, 21 tons; approximate value, £4,310.	
S. Perak Dredging	262	Value, £4,856; profit, £2,881.	
Tin of N. Nigeria	4		
Yarde Kerri	12		
Zurgum Syndicate	6		
Coal.			
Dundee	50,008		
Natal Navigation	140,744		
Tweefontein United	85,674		
Miscellaneous.			
New Vaal River Diamond		470 carats, realising £5,300.	

BROKEN HILL PROPRIETARY BLOCK 14 COMPANY, LIMITED.—During the fortnight ended October 9th, 2,059 tons of this company's ore were treated at the mill of the Broken Hill Proprietary Company, and produced 417 tons of lead concentrates and 267 tons of zinc concentrates.

BROKEN HILL SOUTH, LIMITED.—For the four weeks ending November 27, 1926, 22,960 tons of crude ore and 12,260 tons of de-lead-d lime residues were treated, and produced 3,865 tons of lead concentrates, assaying 66 per cent. lead, and 27 ozs silver per ton; also 7,071 tons of zinc concentrates, assaying 46 per cent. zinc.

ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA, LIMITED.—Production during four-weekly period ended Nov. 17, 1926, 3,680 tons zinc; silver-lead product for shipment to Port Pirie for realisation, containing 550 tons lead, 80,000 ozs silver. The above production includes 100 tons zinc used at the company's works at Risdon.

ZADRUŽNA GOSPODARSKA BANKA D.D.

(The Co-operative Economic Bank & Savings Co., Ltd.),

at LJUBLJANA, JUGOSLAVIA.

BRANCHES: Bled, Celje, Djakovo, Maribor, Novisad, Baranjevo, Sombor, Split, Sibenik. Foreign Correspondents for Yugoslavia of The American Express Company New York, and agencies; National Bank of South Africa, Pretoria; Commercial Bank of Australia, Melbourne, and branches.

Remittances to and from Yugoslavia. Bills collected. Banking and Exchange Business of every description transacted.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyande Works.	Mill.	Cyande Works.		
Gold.						
Exploring Land & Minerals	2,990	..	..	..	£ 3,207	..
Frontino and Bolivia	2,400	..	..	..	11,545	..
London and Rhodesian	1,745	..	..	..	980	..
Marinajito	590	..	..	..	2,336	..
Nus River	..	..	..	..	..	..
					624	..

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash. * Interim div. † Final div.	Method of Payment.	Dividend for Whole Years.	Lat. Year.	Pre-vious.
Banks.					
Banco Nacional Ultramarino	10%*	Dec. 6	of 10/ p.s.	12½	12½
Bank of New South Wales	10	(bonus) Dec. 31	Quarterly	13	13
Bank of Nova Scotia	4%	Dec. 31	(bonus) Quarterly	13	13
Equitable Trust of New York	5%*	Dec. 31	Quarterly	13	13
Imperial of Persia	4/ p.s.*	Dec. 31	Tax free	13	13
Railways.					
Bengal and North-Western	6%†	(bonus of 3%)	..	16	14
Rohilkund and Kumaon	5%†	(bonus of 3%)	..	14	13
Insurance.					
Law Union and Rock	4/ p.s.	Nov. 30	Less tax	12½	12½
Queensland	..	..	..	12½	12½
Mining.					
Frontino and Bolivia	5%†	..	Less tax	7½	15
Gold Mines Investment	..	..	..	15	15
Rukuba Tin	6½%*	Dec. 21	Less tax	10	10
South Kalaguri Consolidated	1/ p.s.*	Jan. 12	Less tax at 2/8½	10	10
Wankie Colliery, ord.	..	Jan. 7	Less tax	10	10
Do prof.	..	Jan. 7	Less tax	10	10
Wankie Colliery	7½%†	Dec. 3	Less tax	17½	15
Tea and Rubber.					
Aibheel Tea	5%*	Dec. 4	Less tax	..	..
Assam Company	5%*	Jan. 8	Less tax	..	..
Bagracote Tea	7½%*	Dec. 15	Less tax	..	..
Battakalla Estate Company	10%*	..	..	..	..
Bidor Rubber	10%*	..	Less tax at 4/	..	..
Babinaoetra Tea	15%*	Dec. 18	Less tax	..	..
Bakie Mertajam Rubber	12½%*	Jan. 12	Less tax	..	..
Chulsa Tea	7½%*	Dec. 15	Less tax	..	..
Djasinga Rubber and Produce	2½%*	Dec. 15	..	8	7
Hevea (Johore)	10%*	..	..	..	..
Jorebant Tea	10%*	Jan. 10	Less tax	..	..
Jugra Estate	20%*	Jan. 10	Less tax	..	..
Kuala Reman Rubber	5%*	..	Less tax	..	..
Kuala Selangor Rubber	16½%*	Dec. 20	Less tax at 4/	..	..
Madangley (Malay) Rubber	7½%*	Dec. 15	Less tax	..	..
Makum (Assam) Tea	10%*	Dec. 9	Tax free	..	..
Mergui Crown Rubber	15%*	Dec. 21	..	..	..
Scottish Tea & Lands of Ceylon	21½%*	Dec. 16	Less tax at 4/	..	..
Sinhle Tea	5%*	Jan. 1	Less tax	..	..
Sylhet Tea	2½%*	Jan. 1	Less tax	..	..
Upper A sam Tea	5%*	Dec. 8	Less tax	..	..
Other Companies.					
A. and R. Chaites.	9½	..	..	7	9
Aerated Bread	1/3 p.s.*	..	..	2/ p.s.	2/ p.s.
American Telephone	2½%*	Jan. 15	Quarterly	15	14
Barclay, Perkins	£2 p.s.*	Jan. 1	Tax free	15	14
Birkenhead Brewery	4/ p.s.*	Dec. 18	Less at 4/	15	14
Bleachers' Association	..	..	..	15	14
Bristol India tries	..	..	..	15	14
British Syphon	..	..	..	15	14
British Tobacco (Australia)	3%*	Dec. 31	..	10	10
Carreras, Ord. and "A" Ord.	35%†	..	..	50	50
Carter's Knitting & Brewery	..	..	Tax free	12½	12½
Cassell Cyanide	1/6 p.s.*	..	..	15	15
Caster Kellner Alkali	14½%*	Dec. 3	..	22	22
Chester's Brewery	7½%*	..	..	6	6
Cleaver and Co.'s Stores	..	..	..	5	4
Cooper and Co.'s Stores	10%*	Jan. 1	..	15	15
Duff Development	..	..	..	15	15
D. Watney	1/ p.s.*	..	..	8	8
Elswick-Hopper Motor	..	..	..	15	15
Perodo	1/ p.s.*	..	..	8	8
Galleries Lafayette	..	..	..	15	15
Globe Telegraph and Trust	5/ p.s.*	..	..	15	15
Grand Junction Canal	3½%*	Dec. 15	Quarterly	15	15
Henekey's	4%†	(bonus of 4%)	Less tax	20	20
Hotel St. Petersburg, Paris (in vol. 10)	14/ p.s.*	Dec. 20	..	13½	13½
Hull Brewery	10%*	..	..	13½	13½
James Finlay and Co.	10%*	..	..	13½	13½
Lake View Investment Trust	6%*	Jan. 1	..	22½	17½
Manbre Sugar and Malt	17½%*	..	..	15	15
Marston, Thompson, & Evershed	15	Dec. 1	Tax free	15	15
Mitchells and Butlers	3%*	Jan. 5	Tax free	15	15
Nobel Industries	..	..	..	15	15
Northampton Brewery	..	..	..	15	15
Richards	..	..	..	15	15
Richways	..	..	..	15	15
Robert Younger	5%†	(bonus of 5%)	Tax free	15	15
Rowland & Marwood's Steamship	15%†	..	..	25	25
Scottish Investment Trust	15%†	..	..	25	25
Sheepbridge Coal and Iron	1/6 p.s.*	..	..	5	12
Shotts Iron	9%†	..	..	12	12
Tadcaster Tower Brewery	7½%*	Dec. 16	..	12	12
Thomas Brown and Sons	4%*	Dec. 15	..	10	10
Trans Union	6%†	..	..	10	10
United Automobile Services	6%†	..	..	10	10
Warwick and Richardson	6%†	..	..	14	14
Wolverhampton and Dudley	6%†	..	..	15	15
Youngs, Crawshaw and Youngs	7½%†	(bonus of 2%)	Less tax	12	11

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

b) Week ended Nov. 26, 1926.	Miles Open.	Week ended Nov. 8, 1926.			Aggregate 46 Weeks, 1926.		
		Passen-gers, &c.	Goods, &c.	Total for Week.	Passen-gers, &c.	Goods, &c.	Total Receipts.
Great Western	3,778	181,000	271,000	452,000	112,380,000	120,960,000	233,340,000
Do for 1925	3,775	199,000	346,000	545,000	128,900,000	152,800,000	281,700,000
London & N. Eastern (a)	6,715	316,000	595,000	911,000	18,840,000	24,670,000	43,510,000
Do same period 1925	6,714	343,000	739,000	1,082,000	20,710,000	27,380,000	48,090,000
Lon. Mid. & Scottish	6,951	436,000	839,000	1,275,000	25,380,000	33,520,000	58,900,000
Do for 1925	6,950	469,000	912,000	1,380,000	29,980,000	39,870,000	69,850,000
Southern	2,180	116,000	216,000	332,000	14,964,000	17,737,000	32,701,000
Do 1925	2,183	128,000	242,000	370,000	16,013,000	19,512,000	35,525,000
Metropolitan (a)	59	29,800	2,800	32,600	1,376,700	131,200	1,507,900
Do for 1925	58	30,200	3,800	34,000	1,609,200	176,200	1,785,400
Underground E.R. (a)	..	..	..	243,900	..	..	11,876,330
Do for 1925	..	..	..	231,700	..	..	11,763,230
Lon. & Sub. Group (a)	..	..	..	35,100	..	..	1,798,600
Do for 1925	..	..	..	33,300	..	..	1,801,242
Ballast & Co. Down (b)	80	2,011	882	2,893	137,427	42,750	147,250
Great Northern (b)	2,181	27,585	46,918	74,504	1,784,952	2,031,849	3,816,801
Great Southern (b)	..	..	..	..	..	..	..

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1926.	+ or -	1926.	+ or -
INDIAN.							
				Ra.	Rs.	Ra.	Rs.
Assam Bengal	30 weeks	Oct. 30	1,072	4,37,000	+ 13,241	1,03,94,807	+ 3,50,401
Barelly Lt. Ry.....	31 weeks	Nov. 6	118	18,400	- 25,800	9,99,300	- 4,900
Bengal & N. Western	5 weeks	Oct. 30	6,076	5,44,643	- 2,08,989	29,18,988	- 4,86,709
Bengal-Nagpur	30 weeks	Oct. 30	2,851	14,77,000	- 1,95,937	4,60,46,464	- 70,471
Bombay, Bar., & C.I.	33 weeks	Nov. 20	3,033	21,94,000	- 3,07,000	6,78,48,000	- 51,26,000
Burma	29 weeks	Oct. 30	1,349	5,44,239	- 2,61,369	2,12,13,640	- 5,75,816
Madras & S. Mahr ..	30 weeks	Nov. 6	3,048	12,93,000	- 1,85,637	4,89,12,742	- 6,95,294
Nizam's Guaranteed.(s)	31 weeks	Nov. 6	993	2,55,249	+ 1,388	2,03,951	- 20,500
Rohilk'd & Kumaon	4 weeks	Oct. 30	359	47,171	- 1,149	2,22,036	- 19,427
Do Lucknow-Breilly	4 weeks	Oct. 30	290	51,808	- 1,149	2,22,036	- 19,427
South Indian	31 weeks	Nov. 6	1,876	8,38,084	- 1,37,947	3,13,68,439	- 6,86,862

(a) Total receipts of all lines.

ARGENTINE (a).								
				£	£	£	£	
Argentine N.E.	22 weeks	Nov. 27	754	12,500	281,400	—	64,000	
B.A. and Pacific	22 weeks	Nov. 27	2,652	145,000 +	1,000	2,900,000	+	39,000
B.A. Central.	22 weeks	Nov. 28	—	147,473 +	500	400,546	—	1,000
B.A. Gt. Southern	22 weeks	Nov. 27	4,720	255,000 +	6,000	4,423,300 +	90,000	—
B.A. Western	22 weeks	Nov. 27	1,189	100,000 +	5,000	1,918,000 +	110,000	—
Central Argentine	22 weeks	Nov. 27	3,305	223,000 +	15,000	4,695,000 +	87,000	—
Carabala Central	22 weeks	Nov. 27	1,202	70,000 +	1,500	1,591,500	—	45,500
Entre Rios	22 weeks	Nov. 27	728	26,200 +	1,200	473,700	—	54,500

BANK.

ROYAL BANK OF AUSTRALIA, LIMITED.—The seventy-seventh report for the half-year ended September 30, duly audited and certified, shows the net profits amount to £53,832, which it is proposed to deal with as follows, viz.:—To pay a dividend at the rate of 10 per cent. per annum, £37,000; transfer to the reserve fund £15,000 (making it £665,000); and to add to the amount carried forward from last half-year £1,332 (making it £29,367). In future meetings of the bank will be held yearly in October instead of half-yearly.

RUBBER, &c.

DJASINGA RUBBER AND PRODUCE.—The crop harvested during the year ended June 30, 1926, was 1,000,561 lbs, against 955,325 lbs in preceding year. The net profit is £42,233, against £34,626. The sum of £5,000 is put to reserve as last year. The ordinary dividend is 8 per cent., against 7 per cent. The carry forward is increased from £13,235 to £15,178. Cash stands at £36,413, against £24,135. Investment in 5 per cent. War Loan remains the same at £10,105.

SINGAPORE PARA RUBBER ESTATES.—The profit for year ended June 30, 1926, amounted to £31,090. The ordinary dividend is 15 per cent. The sum of £1,000 is put to Income-tax reserve account, and £5,251 carried forward. The average price obtained for Rubber actually realised was 2s 4.85d per lb, against 8s 0.4d per lb for preceding year. The f.o.b. cost amounted to 9.25d per lb, against 9.5d per lb for preceding year. Cash stands at £19,407. Investments are at £12,984, all of which, with the exception of £400, are in British Government securities.

MISCELLANEOUS.

BRITISH INDIA STEAM NAVIGATION.—The report for the year which ended on September 30, 1926, shows a balance available for distribution, after providing for depreciation, of £139,073, which it is recommended should be distributed as follows:—Dividend of 5 per cent. on preference stock, of which 2½ per cent. was paid in May last, £35,000; dividend of 8 per cent. (free of income-tax) on shares, of which 4 per cent. (interim dividend) was paid in May last, £76,576; leaving a balance to be carried forward of £27,497. The mail services of the company have been performed with regularity. The old steamer "Japan" has been sold. There has been added to the fleet during the year the new steamer "Sirdhana" (7,745 tons), and since closing the accounts the new steamers "Rohna" (8,602 tons) and "Rajula" (8,478 tons), which have been built for the company's Negapatam/Straits mail and passenger services, have been delivered. The directors have contracted for a new cargo-passenger steamer of 2,400 tons for the company's Moulmein/Penang service. The directors are pleased to report that no serious accident occurred to any of the company's vessels during the year.

CHINESE ENGINEERING AND MINING.—The report for year ended June 30, 1926, shows that the sales of coal by the Kailash Mining Administration for the year amounted to 2,898,107 tons compared with 2,861,708 tons for the preceding year. The amount brought to the credit of the company's profit and loss account including interest in China, less certain small expenses, is £230,732. Interest and other items bring up the total credit to £256,513. After deducting administration and other expenses in Europe £19,838, and exchange £1,066, there remains a net profit of £235,607. Adding the amount brought forward from the last account, £239,420, there is a total credit of £475,028. Income-tax amounts to £93,919, and the available balance of the year is therefore £381,109. An interim dividend of 5 per cent. (£70,000), free of income-tax, was paid on May 26, 1926. The board propose that a further dividend of 5 per cent. be declared, free of income-tax (making a total of 10 per cent., free of income-tax, for the year) the same as for preceding year, payable on December 7, 1926. This will leave a balance to be carried forward of £241,108.

NEW ZEALAND LOAN AND MERCANTILE AGENCY.—Total receipts for year ended June 30, 1926, amounted to £616,014, against £595,632 in preceding year. General administrative expenses amounted to £350,881, against £332,964. British and Australasian taxes amounted to £51,492, against £42,778. The sum of £10,000 has again been written off premises account. The net profit after payment of debenture interest is £135,641, against £141,890. The ordinary dividend is again 7 per cent. The carry-forward is increased from £39,646 to £45,286.

STRAND HOTEL, LIMITED.—The report for year ended September 30, 1926, shows a net profit of £100,856, against £99,989. Preference dividends absorbed £37,000. The preferred ordinary dividend is 11 per cent., absorbing £25,300, and the deferred dividend is 506 per cent. as before, absorbing £25,300. The sum of £23,641 is carried forward, against £10,392 brought in. Balance sheet reveals total assets £1,427,597. Cash is at £98,919, against £93,086. Investments are at £203,636, against £183,716. Reserve stands at £100,000.

THE CORN TRADE.

Mark Lane, Friday Evening.

Following a period of heavy rains, climatic conditions became dry and colder. Threshings of native grain were also hampered consequently supplies at country markets were somewhat irregular and generally lower prices had to be accepted. Imported descriptions also moved off quietly, and values tended in a downward

direction in sympathy with forward weakness. In the floating and forward cargo section buyers continue to hold off, and prices responded to lower American and Argentine markets, while influenced by cheaper rates for freightage occasioned by numerous cancellations of vessels originally fixed for coal now competing for grain freight to Europe. Feeding stuffs were also neglected, and tendency of prices in buyers' favour on pressure to sell. Steamers of La Plata afloat sold 31s 1½d to Continent, and ditto at 31s 3d on passage to Spain. Wheat irregular and easier. No. 1 Northern Manitoba 60s 6d, No. 2 ditto 59s, No. 3, 58s, No. 4 55s, No. 2 tough Manitoba 58s, No. 2 mixed Durum 57s, choice white Karachi 59s 6d, ex ship, all per 496 lbs. English 11s 8d, 12s 2d per 112 lbs. Flour quiet. London standard grade 47s, town whites 48s, patents 49s-50s per sack, delivered in the home counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported Manitoba patents range from 44s-47s 6d, Minneapolis 45s-47s, Kansas patents 44s-45s, Australian 44s 6d-45s, per 280 lbs, ex store. Maize easier, Plate landed 33s 6d, ditto ex ship, 31s 6d, Plate Cinquantina 37s landed, per 480 lbs. Barley dull. Californian 40s-47s, Chilian Chevalier 52s-62s, ditto brewing 38s-48s, Australian Chevalier 47s-50s, ex store, per 448 lbs. No. 3 Canadian Western 34s 3d, ex ship, Persian, ex ship, 29s, landed 30s, Russian 32s 6d, Plate 31s 6d, both ex ship. Plate landed 33s 9d per 400 lbs. English malting 9s 6d-18s 9d, as to sample, feed 8s 9d-9s 8d per 112 lbs. Oats easier. La Plata, landed, 23s 6d, ditto, ex ship, 22s 3d per 320 lbs. English 8s-8s 6d, per 112 lbs. Millers' offals weak. Broad bran quoted 7s 8d, middlings 8s 3d, fine ditto 9s 6d, bags included, ex mill, feed oatmeal 9s 9d, light oats 8s 3d, ground oats 13s 3d per cwt, free on rail. Oatmeal quiet. London made flaked 18s, rolled oats 17s, medium, also fine cut, 18s, coarse, also medium pinhead and whole groats, 16s, ex mill, per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24 :—

	1926-1927.	1925-1926	1924-1925	1923-1924.
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to November 27.....	393,794	464,968	244,228	329,296
13 weeks to November 27.....	4,973,334	4,867,870	3,188,129	5,146,566
Average price of English wheat per	s d	s d	s d	s d
cwt.....	12 4	11 5	12 6	9 8

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts.	Cwts.	Cwts.	s d	s d	s d
Nov. 20	412,941	531,707	80,397	12 6	11 5	8 5
Nov. 27	395,794	509,798	82,044	12 4	11 4	8 6
1922	657,579	515,779	74,370	9 11	10 3	9 7
1923	323,226	653,913	69,549	9 8	10 5	8 9
1924	344,238	519,265	84,578	12 6	15 6	9 10
1925	464,498	539,629	75,786	11 5	13 3	9 1

AMERICAN WHEAT MARKETS.

Markets were easy in the earlier days of the week, on reports of favourable conditions in Argentina and Australia, and large offerings of Russian wheat. A recovery was subsequently recorded on a broadening of general demand, stimulated by fears that navigation on the Great Lakes and the St. Lawrence would close earlier than had been expected.

	Jan. 2, 1925.	Dec. 3, 1925.	Jan. 7, 1926.	Nov. 25, 1926.	Dec. 2, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(c) 160 ¹ / ₂	160	(b) 136 ¹ / ₂	(c) 131 ¹ / ₂
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(c) 178 ¹ / ₂	176 ¹ / ₂	(c) 135 ¹ / ₂	(c) 138 ¹ / ₂

(b) *Month-end delivery.* (c) *December delivery.* + *Previous day's quotation.*

(b) November delivery. (c) December delivery. † Previous day's quotation.

Visible supplies of wheat in Canada, at 44,535,000 bushels, show a decrease of 3,357,000 bushels as compared with the previous figures. Supplies a year ago stood at 35,926,000 bushels.

COAL.

Our Cardiff correspondent writes:—The stoppage in the South Wales coalfield ended on Wednesday, and on Thursday morning the hewing of coal was recommenced at most of the pits. The terms of settlement include an eight-hour day for five days of the week and a seven-hour shift on Saturday. Until the end of May next the underground and surface workmen are guaranteed their pre-stoppage wages of 42.22 per cent. on the 1915 standard rates, but that the payment of the 14.2 per cent. conceded to the hewers when the hours were reduced from eight to seven in 1919 is to be discontinued. The distribution of the net proceeds of the industry is to be in the ratio of 85 per cent. to wages and 15 per cent. to profits, and the minimum wage 28 per cent. on the 1915 standard rates. The period of the agreement is for the three years ending December, 1929, but under a new provision it will be open to either side to apply for a revision either of the minimum wage or of the subsistence wage at the end of the first or second year. The immediate effect of the settlement was to lower the maximum price of house coal from 50s to 40s per ton at the pit head. The regulations prohibiting the export of coal have been relaxed. Shipments of bunkers in the foreign trade is now free. Quotations for export purposes are very unsettled, and it is feared that some weeks must elapse before they reach a stable basis.

The offices of Argentine Land and Investment Company, Limited, have been removed to No. 17 St. Swithin's lane, London, E.C.4. The telephone number is now City 7839, and the telegraphic address "Argenterie. Cannon."

Mr Walter Home, C.I.E., has resigned his seat on the board of the Barsi Light Railway Company, Limited, and Sir Ernest A. S. Bell, C.I.E., has been elected a director in his place.

We are informed that Mr Francis R. Phillips, M.C., has joined the board of Messrs Bernhard, Scholle, and Co., Limited.

The Right Hon. Lord Buckmaster, owing to protracted illness, consequent upon his recent operation, has resigned his position as president and

We are informed that Mr Charles Pakeman, of Salisbury House, London, E.C. 2, has been elected a director of the Neuchatel Asphalt Co., Limited.

Baring Brothers and Co., Limited, notify that the transfer books

of the Commercial Cable Company Sterling 4 per cent. 500-year debenture stock will be closed from 22nd to 31st inst., both days inclusive, for preparation of the warrants for the interest due January 1st, 1927.

RAILWAYS.

MEXICAN RAILWAY COMPANY, LIMITED.—The report for the half-year to June 30th last shows that the balance transferred to net revenue account is \$1,135,627, as compared with \$720,372 in the first half of 1925. At the standard rate of 24d to the peso, this is equivalent to £113,562. After deducting interest, difference in exchange and Mexican income-tax, the surplus for the half-year is £5,515, which reduces the debit to net revenue from £752,872 to £747,356. Gross receipts for the half-year were \$7,133,300, a decrease of \$146,700 as compared with the corresponding half of 1925, while expenses amounted to \$5,997,700, a decrease of \$91,900. The report states that the hurricane at Vera Cruz caused no interruption to the train service, and that no additional expenditure has been incurred.

IRON AND STEEL.

We extract the following from the weekly report issued by the London Iron and Steel Exchange. The activity which developed when it became certain that the coal strike was upon the point of being settled has continued. In addition to contracts which the British works have had in hand for a considerable period of the strike, they have taken a considerable tonnage of orders during the past week, principally from constructional engineers. Up to the present practically none of the steel works has been able to make a restart, as sufficient supplies of fuel are not yet available. Interest in the market generally centres upon the time of delivery required by the British steel works and also upon the prices they will ask when delivery is possible. Those works which have refrained from booking orders during the strike are now in a position to quote for near delivery, but prices are still entirely a matter of arrangement, since the manufacturers are unable yet to estimate their costs when supplies of fuel are obtainable.

Our Middlesbrough correspondent's report, dated December 2, 1926, is as follows:—Pig-iron: It is expected that immediately supplies of coke are available several of the local blast furnaces will be started, but their production will chiefly be required for steel-works' production. It is not expected that there will be very much, if any, foundry pig-iron for sale in the open market (in addition to the production of the two blast furnaces which have been kept in blast all during the strike) before the end of the year. Quotations for prompt delivery are therefore unchanged, 120s per ton being asked for No. 3 Cleveland G.M.B. It is reported that contracts have been fixed for six months on a basis of 82s 6d for No. 3 Cleveland G.M.B. Mixed numbers East Coast hematite are not expected to be available until early in the new year. There are indications that makers are prepared to negotiate forward contracts at round about 90s per ton. Manufactured iron and steel: Makers are reported to have good order-books, and one local steel-works has commenced operations. Others will follow immediately supplies of fuel are sufficient. Iron ore: There is no new business, and with the present stocks it is not likely that there will be an early resumption of buying.

Our Sheffield correspondent writes:—Preparations are in hand for restarting idle plant, and the increased availability of British coal has enabled firms to proceed with orders for special qualities of tool steel. Fabrication of steel is being hampered, however, by the absence of raw material, and producers of commercial steels cannot afford to work with fuel at its present high prices. Coal quotations are dropping daily, the latest being 40s for coal and 30s for scrap. There will be little movement in trade, however, until these figures decline by nearly one-half. Two blast furnaces have started at Staveley, Derbyshire, on coal owned by the proprietors of the concern. Several open-hearth furnaces have been started in Sheffield, but the remainder will not be lighted until January. There is practically no English pig-iron to be bought, and it is difficult to obtain foreign pig or steel billets owing to the disorganisation of North Sea transport. Several large parcels of superior Swedish pig, unloaded at "cut" prices, have been imported to this district. Very little English coke is coming forward. The foundries continue to use Westphalian coke bought at high prices. The small tonnage of blast-furnace coke being made is much too dear for smelting pig-iron. Not much forward buying of fuel, iron, or steel is taking place, as neither sellers nor buyers are able to estimate costs for some weeks ahead. Business in the finished steel branches is irregular mainly on account of inability to obtain steel suitable for making tools. There is a brisk demand for colliery equipment: wire ropes and tools.

Our Glasgow correspondent writes:—With the return of peace in the coalfields inquiries are more numerous, and manufacturers are being pressed for something more definite in the matter of delivery. Preparations for a restart are well forward at a number of the works, and it only remains for the price of coal to reach an economic level for works to commence operations. Quotations for pig-iron are in the meantime merely nominal, and it is not anticipated that any alteration in the present prices of steel is likely to take place for some months after a resumption. Some steelmakers have entered into negotiations with their men with the object of curtailing their usual New Year holidays should a start be made before then. Wrought iron works are preparing for early resumption of full production, and a fair amount of business is on hand. Re-rollers are finding difficulty in keeping up to their commitments on account of delays in delivery of Continental billets, &c. With one or two exceptions all the sheetmakers are working full time, and in this branch very busy times are assured for the first half of next year. Several large shipbuilding contracts are reported for Clyde yards, and also a large steel structural order for New Zealand, which has been placed with a Glasgow firm.

Our Cardiff correspondent writes:—In the iron and steel industry the termination of the dispute has led to a considerable improvement in the outlook, and it is expected that within the next week or two more than 70 per cent. of the tinplate mills will be working. A gradual resumption of work at the steel-bar mills is also looked for. Current prices have ruled between 25s 3d and 25s 6d per box for prompt tinplates, and between 23s 9d and 24s 6d for forward delivery. Tinplate bars are unaltered at £6 15s, although in some cases makers are asking £7; while galvanised sheets are steady at £17 10s per ton.

OTHER METALS.

TIN.—The market opened with a strong tone, values responding to higher foreign advices, coupled with a good demand. Subsequent realisations, however, imparted irregularity and weakness, and most of the advance was lost. Standard cash changed hands at £318-£321-£313 15s, three months £304 10s-£297-£299 15s. Sales in the East were reported at £310 15s-£311 5s and £308 15s ton.

COPPER.—Liberal offerings were fairly well absorbed, but movements were somewhat irregular, due to fluctuating advices from America. At one time selling orders were on a heavy scale, but later the tone improved as buyers became more prominent. Dealings in standard cash were recorded at £56 17s 6d-£56 10s-£56 12s 6d, three months £57 12s 6d-£57 6s 3d-£57 8s 9d per ton. LEAD opened firmly, but eased later on selling pressure. Sales were of moderate extent, comprising good, soft foreign pig, December at £29 3s 9d-£28 15s, January £29 7s 6d to £29 1s 3d, February £29 12s 6d-£29 5s, March £29 12s 6d-£29 3s 9d, April £29 7s 6d per ton.

SPELTER irregular and tendency easier. Sales included: December at £33 5s-£33 2s 6d, January £33 15s-£33 2s 6d, February £33 15s-£33 2s 6d, March £33 15s-£33 1s 3d ton.

ANTIMONY quiet. English special brands £74 10s-£75, China crude November-December quoted £33, regulus ditto sold £55 ton c.i.f.

ALUMINIUM steady. Home delivery £107, export £112 ton. WOLFAM firmer, and November-December quoted 17s per unit. The market for TINPLATES remains quiet, as consumers still adopt reserved measures in face of prices manifesting a downward tendency, and it is this gradual shrinkage in values which causes certain distrust on the part of buyers. I.C. coke: December, 22s 6d to 22s 9d, January 22s per box f.o.b. Swansea.

QUICKSILVER firmer. Spot quoted £17 10s to £17 15s bottle.

THE COTTON TRADE.

LIVERPOOL, December 2, 1926.

The market is dull and featureless, and trade remains stagnant. Spot sales for the week November 26th to December 2nd inclusive were 33,000 bales, of which 16,810 were American, 1,620 Brazil, 8,000 Peru, 1,050 Egyptian, 4,730 African, 580 East Indian, and 210 sundries. Imports for the same period were 137,544 bales, including 117,809 American, 1,856 Brazil, 4,350 Peru, 10,968 Egyptian, 2,402 African, and 159 sundries. Quotations to-day are: American middling, 6.59d; Egyptian F.G.F. Sakel, 14.10d; F.G.F. uppers, 9.50d; Brazil fair, 6.94d; Peruvian G.F. mod-rough, 8.75d; smooth, 7.94d; Tinnivelly G.F., 6.20d; West African middling, 6.59; and East African G.F., 8.45d.



NORTH AFRICAN MOTOR TOURS

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SEE MARRAKESH (MOROCCO CITY) WITH ITS CYCLOPEAN WALLS, PEARLESS PALACES, GARDENS, ITS DANCERS, FIRE-EATERS, SNAKE CHARMERS, SIP THE MINT TEA UNDER THE VINES AT RABAT. WANDER AND WONDER IN THE TEEMING BAZAARS OF FEZ—CITY OF FOUNTAINS, PALACES, MOSQUES. SEE MEKNES—ITS MINARETS AND BOOTHS

Smouldering torches... the sultry lifting of heavy scents from brazen burners... plashing of fountains... pattering of bare feet over glorious mosaics... the silently gliding vision of white... clatter of hoofs and glitter of rich caparisons... sunset and the Muezzin... a world of complete fascination awaits you.

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MARRAKESH
The Red City with its
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MEKNES
The African Versailles

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The Capital of Romance

MANCHESTER, December 2, 1926.

There has been no particular improvement in the amount of business passing in the market. Some sellers have reported an increased inquiry, and now and again there are indications of offers coming nearer to the quotations of producers, but buyers are cautious, partly owing to the easier tendency of values. Makers of grey shirtings suitable for India have met with a little more encouragement, and some fair lines have been booked for Calcutta. Light fabrics have again attracted attention for India generally, but individual transactions have not been important. In view of the news from China the trade outlook tends to become worse. Printing and finishing styles have not been altogether idle for several minor outlets, and fine goods continue to be sold for the Continent, the Colonies, and the United States. American yarns have moved off slowly, and prices have favoured buyers when tested. Some moderate orders have been booked in Egyptian counts. Further operations have occurred in extra hards for the Near East.

(I.) Comparative Statement of the Cotton Trade.

	Price, Dec. 1926.	Previous weeks in 1926.				
		Price, Nov. 25.	Price, Nov. 18.	Price, Nov. 11.	Price, Nov. 4.	Price, Nov. 23.
Raw Cotton—Mid. American.....per lb	6.59	6.36	6.39	6.90	6.88	6.71
— Sakellaridis Fully Good Fair	14.10	14.65	15.00	14.80	15.00	14.40
— Egyptian.....per lb	12.1	12.1	13.1	13.1	13.1	13.1
Yarns—32's twist.....per lb	24.1	25.1	25.1	25.1	25.1	25.1
— 40's twist.....per lb	24.1	25.1	25.1	25.1	25.1	25.1
— 60's twist (Egyptian).....per lb	24.1	25.1	25.1	25.1	25.1	25.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22.9	23.0	23.0	23.3	23.9	23.9
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26.0	26.6	26.9	27.3	27.9	27.9
38-in. ditto, 38 yds, 18 by 18, 32's and 40's	12.6	12.9	12.9	13.0	13.3	13.3
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12.0	12.0	12.0	12.3	12.6	12.6

(II.) Compared with Previous Years.

	Price, Dec. 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	6.59	10.47	13.08	19.64	14.22	11.13
— Sakellaridis Fully Good Fair	14.10	19.20	26.50	23.65	17.50	19.75
— Egyptian.....per lb	12.1	17.2	23.1	27.1	20.1	18.1
Yarns—32's twist.....per lb	24.1	13.1	18.1	24.1	27.1	20.1
— 40's twist.....per lb	24.1	13.1	18.1	24.1	27.1	20.1
— 60's twist (Egyptian).....per lb	24.1	13.1	18.1	24.1	27.1	20.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22.9	28.3	36.9	36.9	32.0	31.6
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	26.0	33.0	41.6	42.6	32.0	31.6
38-in. ditto, 38 yds, 18 by 18, 32's and 40's	12.6	16.0	19.3	22.6	18.0	18.9
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12.0	14.3	18.0	20.9	16.6	18.3

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—A better tone, without any material expansion in business, sums up the market position to-day. All sections are inclined to take a more hopeful view, but something is needed to turn this feeling into action. Judged purely by the world demand for wool, the position might be considered to be sound, for the raw material is moving in big weights and at very firm prices in all the world's markets. When we analyse the demand, however, we find that it is the keenness of foreign competition that is largely responsible for the strength of the wool position. That is not to say that Yorkshire buyers are not operating; they are buying steadily in most centres, but exercising a wise restraint—the days are past when importers with lavish credits bought on a grand scale in the belief that users would be forced to follow the market. The policy to-day is to buy and sell, snatching a profit, however meagre, as and when opportunity offers. Most traders have no heart for speculative plunging, even if the banks would permit it. This is all to the good, and if all sections of the industry continue to move with caution, the return to more normal conditions will be hastened. At present demand for both tops and yarns is comparatively small, but quotations are firm. The lack of a really brisk demand for piece goods is the fly in the ointment. Some improvement is expected now that coal is available in increasing quantities, but the ravages of the last seven months will not be made good in a moment. Industrial peace at home and more settled conditions—political and financial—abroad are essential if progress is to be made in any direction.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The week in Coleman street has been excellent. Each day's sitting has been characterised by keen bidding, and prices are, if anything, against the buyer. Competition has remained good, and France has done distinctly more buying this week, which has helped values. What we like best of all is the active competition on the part of the home trade, while Germany continues to buy freely. Last Tuesday 35½d was paid for a good line of New England greasy combing wools, several lots realising from 34d to 36d. Leading lines of new clip wools from New South Wales and Queensland have been making up to 26½d, while waster wools have sold around 22-24d. These are very good figures, showing a tendency which is slightly in sellers' favour. We have stressed

the point for weeks that nothing would do more towards bringing out more business and an increased consumption than steady and firm wool values. Very good figures have been forthcoming for station-scoured Queensland wools, up to 46½d being paid for the very best. These certainly show no lower prices compared with the best of last series. We have been particularly pleased to see more done on French account. Prices for crossbreds are very firm and steady. There is not a particularly big quantity of greasy fleece wools being catalogued, but they are easily making full opening prices. There is no improvement in slipes and scoureds.

News from overseas is good. Prices in South Africa are just a little irregular. They may be dearer for two days and a trifle cheaper the next. However, prices ruling at all the selling centres are still in advance of Australia, except for the very best and choicest parcels. Cables from both Geelong and Sydney clearly indicate higher figures for superfine lines, and Sydney so far holds the record this season, 39d having been paid for one lot of grease combing. One cannot but come to the conclusion that, taking the demand for wool at all selling centres, confidence is felt in the future of prices. All sections seem to be buying, although France this last month has been quieter than usual. Now that the coal strike is over, a bigger consumption may be hoped for.

HIDE, LEATHER, AND ALLIED TRADES.

The home hide market remains very firm, with practically no change in prices for the better grades. At the Bermondsey auctions held on Thursday, best ox made from 6½d to 9d, and seconds from 6d to 8½d per lb. Best cows sold from 6½d to 6¾d, and seconds at 5½d, both sorts showing slight advances. Calfskins were slightly weaker, and best selection sold from 7½d to 12d. There is more confidence shown in the imported hide market following on the virtual settlement of the coal strike. The better grades of dry hides maintain full values, but dry B.A. Americanos have sold on a basis of 11½d to the Continent. The Chicago position is cabled as firmer, with best heavy packers still making 15 cents. The sole leather position continues strong, with supplies in very moderate compass. In many cases advances have been obtained in light bends of ¼d to ½d per lb. Repairers are taking large quantities of 12/16 lb bends. Offal is as scarce as ever, and America has been a big buyer of late. The demand for black and coloured kid is brisk. Certain grades of German have also been advanced, box calf by 1d per foot, and patent by ¾d per foot. There is an improvement in the demand for curried kip leathers. Good orders are being received for stout boots suitable for the manufacturing districts.

CHEMICALS AND FERTILISERS.

More interest is being shown in the chemical market, with very fair inquiries for immediate and forward deliveries. Several alterations in prices have taken effect, and the market has an upward tendency. In the coal-tar products market, quotations are somewhat easier in view of the slow demand and expectations of larger supplies shortly, but carbolic acid crystals and naphthalene are firm; pyridine is very weak. Of the industrial chemicals, caustic potash, sodium and potassium chlorate, sodium sulphide, formaldehyde and the prussiates are all dearer. Wood distillation products continue quiet, but there is more inquiry for acetone. Fine chemicals are unsettled with business moderate in face of strong competitive conditions. The fertiliser products market is steadier, ammonium sulphate being scarce and dearer. Nitrate of soda is higher in price though quiet. Potash salts, cyanamide, basic slag and ground rock phosphate attract considerable attention on spot.

BARCLAYS BANK

LIMITED

Head Office: 54, LOMBARD ST., LONDON, E.C.3,

and over 1,850 Branches in England and Wales.

AUTHORISED CAPITAL - - £20,000,000
ISSUED & PAID-UP CAPITAL - £15,858,217
RESERVE FUND - - - £9,250,000
DEPOSITS, &c. (30th June, 1926) £304,247,460

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

Comparative representative quotations are as follows:—

	Sept. 2.	Oct. 1.	Nov. 4.	Dec. 2.
Ammonium sulphate	£ 8 0	£ 8 0	£ 8 0	£ 8 0
Asaric, white powdered	11 7 0	11 9 0	11 10 0	11 10 0
Barium chloride	9 12 6	9 10 0	9 10 0	9 10 0
Bleaching powder	8 10 0	8 10 0	8 10 0	8 10 0
Carbolic acid, cryst.	0 0 4	0 0 5	0 0 7	0 0 7
Castile potash	27 10 0	27 10 0	27 10 0	27 10 0
Citric acid	0 1 3	0 1 3	0 1 3	0 1 3
Cream of tartar	3 15 6	3 12 6	3 13 6	3 13 6
Formaldehyde	40 0 0	40 0 0	40 0 0	40 0 0
Glauber salts	3 11 3	3 11 3	3 11 3	3 12 6
Lead acetate, white	0 0 3	0 0 3	0 0 3	0 0 3
Oxalic acid	0 0 5	0 0 5	0 0 5	0 0 5
Potassium permanganate	0 0 5	0 0 5	0 0 5	0 0 5
Potassium prussiate	0 0 5	0 0 5	0 0 5	0 0 5
Sodium nitrate	12 5 0	11 7 6	12 7 6	12 10 0
Sodium hyposulphite	9 0 0	9 0 0	9 0 0	9 10 0

VEGETABLE OILS AND OILSEEDS.

Markets continue quiet, and there is little disposition to do business in the present circumstances. Linseed oil is in poor demand from consumers, and values, which are largely influenced by the price of seed, are about unchanged on the week, the Hull mill price being around £31 per ton naked for "spot" and delivery forward to April. Cotton oils, after a period of active buying and firmer prices, have receded again, current value of crude Egyptian being £31 and technical refined £34 10s prompt. Palm kernel oil is in poor request and has dropped to £38 10s, export trade having dwindled to almost nothing. Castor oil, owing to dearer seed, has sharply advanced to £49 for first pressing, which is £6 higher than a month ago.

In the oilseed section Plate linseed has been in fair demand for shipment but quiet in the near positions, which are still at a substantial premium, £16 10s being quoted for seed on spot and afloat. Some business has been done in new crop Plate around £15 for shipment early in the new year, while Calcutta to London December loading is reported at £17 12s 6d. Cottonseed is easier on spot on account of large arrivals, and for Egyptian black December-March loading £8 12s 6d has been accepted by shippers. Soya beans are quiet, current value of Manchurian afloat being around £11 5s.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market fully steady, and a moderate business resulted in spot parcels at previous quotations for all descriptions. Any subdued tone noticeable was attributable to December tenders now circulating, and which occupied operators' attention. English-grown granulated, 31s 9d to 32s 3d, ex factory, according to brand. Czecho, also Dutch J, spot, sold, 31s 3d. Forward positions reservedly offered and firm, and Czecho granulated, ready, also December, quoted 18s 3d to 18s 4½d, f.o.b., Hamburg. Dutch J, ready, 18s 7½d, f.o.b., Rotterdam. Polish crystals, December, 17s 9d, f.o.b., Danzig. White Mauritius, spot, 30s to 30s 6d, as to sample; ditto, December-January, 21s, c.f. and i., London. Peruvian and Brazilian, 96 per cent., December-January, 15s 9d; Brazilian, 80 per cent., 13s 6d, c.f. and i., U.K. White Java, July-September, to India, 18s 6d, c. and f. terms. Mr. F. O. Licht now estimates European crops at 6,983,000 tons, against 7,342,000 previously, and an outturn last season of 7,471,000 tons, or in other words, a decrease of 488,000 tons, and which mostly occurs in the Czecho-Slovakian crop. The Decree governing Cuban restriction to 4½ million tons is expected to be issued shortly. White terminal section steady, quiet. December, sold, 17s 7½d, 17s 8½d, and 17s 6d; January, 17s 11½d to 18s; March, 18s 3½d to 18s 2½d; May, 18s 6d to 18s 4½d; August, 18s 6d, 18s 6½d, and 18s 5½d; November, 17s 5½d; December, 17s 1½d to 17s 0½d.

COFFEE.—A quieter tone pervaded this market, but really fine qualities ruled steady. Others, however, were slow of sale, and prices easier. Costa Rica, new crop, common to fair bold, sold, 15s 4 to 16s; Colombian, bold, 14s 6d; peas, 14s 6d to 14s 5s; Arusha, low mid, 11s 6d. Futures continued dull.

COCOA.—Spot market quietly steady. Accra, F/F, November-January and December-February, sold, 48s to 49s and 52s, f.o.b.

TEA.—Indian auctions during the week amounted to 55,900 packages. A generally quieter tone prevailed, and medium and common teas declined ¼d to ½d per lb, but really fine sorts ruled steady. Pekoe, sold, 1s 0½d to 1s 5½d; broken ditto, 1s 0½d to 2s 2d; orange, 1s 2d to 2s 3d; broken orange, 1s 3½d to 2s 3d; pekoe souchong, 1s 0½d to 1s 4½d. Ceylon sales of 21,700 packages met a steady market for all the finer liquoring kinds, but medium and common declined from ½d to 1d per lb. Pekoe, sold, 1s 1d to 2s 3d; orange, 1s 5½d to 2s 5½d; broken orange, 1s 5d to 2s 7½d. Only retail transactions occurred in China teas. Some Keemun sold, 1s 8d to 2s 3d; Ching-Wo, 1s 6d to 1s 7½d. In auction, 4,638 packages Java and Sumatra were offered, and met an irregular market. Really fine liquoring teas sold well at firm rates, but medium and lower sorts declined ¼d to 1½d per lb. Pekoe, sold, 1s 2d to 1s 3½d; broken ditto, 1s 0½d to 1s 9d; pekoe souchong, 1½d to 1s 1d; orange pekoe, 1s 3½d to 1s 7½d; broken orange, 1d to 1s 1½d per lb, in bond. There is only a retail business doing in China descriptions.

RICE.—Shippers ask steady prices, but demand on European account keeps very quiet. Two stars, January-February and February-March, 14s 4½d. Spanish, oiled, on spot, 21s; shipment, 20s 6d. Beans quiet, unaltered. Peas dull. Japanese old crop, spot, London, 29s; new, 31s; afloat, 30s 6d; December-January, 31s 3d cwt.

SPICE.—Pepper market quiet, and forward positions weaker. Lampung, October-December, sold, 10½d to 10½d and 10½d; January-March, 11½d; Muntok, October-December, 1s 6½d; January-March, 1s 7½d. Zanzibar cloves, spot, 9½d to 10d; October-December, steamer, 8½d; January-March, 8½d. Pimento, spot, 8½d lb. Tapioca dull. Singapore, December-January, to Havre, quoted 16s; Penang, seed ditto, to London, 18s. Sago flour, December-February, to U.K., sellers, 15s 4½d cwt. Ginger steady, quiet.

FRUIT (Dried).—Currants firm, with a good general demand. Pyrgos quoted 35s; Patras, 36s to 38s; Gulf, 39s to 44s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanias sell steadily. Smyrna, medium to good, 66s to 72s; medium to fine Cretan, 67s to 85s; Australian, sold, 66s. Raisins in good demand at firm rates. Valencia, quarter-boxes, sold, 50s to 75s. Dates in steady request. Hallowee, new crop, 30s 6d; Khadrowie, 21s; Mar, 17s 6d; cartons, 34s to 36s, landed terms, London. Figs firm. Lacoums, 110s to 140s; layers, 68s to 80s; genuine, 32s to 34s. Evaporated fruits moved off quietly. Californian apricots, extra choice, 12s; South African, first grade, 13s 6d. Plums, Californian, 30/40s, quoted 64s; 60/70s, 46s; 80/90s, 38s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s; prompt shipment, 47s 9d, c.i.f. per cwt. Almonds firm on light supplies.

CANNED GOODS.

CANNED FISH.—Trade remains quiet, though supplies of most kinds are in moderate compass. Sardines—Portuguese clubs quoted 45 6d per dozen tins. Salmon—red, tall, 1 lb, quoted 45s to 47s; tall pink, 26s to 27s; halves, 38s to 39s; Siberian halves, 34s to 35s. Lobsters—best ½s, 160s; ½s, 90s to 92s 6d. Crayfish—½s, 76s to 77s; ¼s, 49s to 50s per case. Japanese crab steady. Herrings 7s per dozen tins.

CANNED FRUIT.—Business is proceeding on quiet lines, and deliveries continue to be made against forward contracts, but the outlook is rather better owing to the improved industrial situation. Californian Bartlett pears, 24-2½s, quoted, choice, 12s to 12s 6d. Californian peaches, choice, 11s 9d to 12s 3d; seconds, 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s 3d per dozen tins. Singapore pines in quiet request on the spot, but the forward position remains strong. Italian tomatoes firm, but in small request.

CANNED MEATS in quiet demand, and tongues tend easier. Corned beef, 6s, quoted 38s to 44s, as to quality. Danish lunch tongues, 19s 6d to 127s 6d; American, 140s 6d to 147s 6d.

CONDENSED MILK.—Machine-skimmed tends firmer and shippers more reserved. Full-cream unaltered. Evaporated milk is selling well.

HONEY in fair demand, and white kinds firm on scanty offerings. New Zealand quoted 54s to 85s, as to quality; Jamaica, yellow set, 40s to 42s 6d; white, 50s to 52s 6d; Haitian, palish yellow set, 37s 6d to 40s; San Domingo, fair palish, 45s; Californian, fine new bright golden liquid, 55s per cwt.

RUBBER.

With quite a lack of trade interest and some pressure to sell, a dull and weaker market resulted. Plantation standard sheet, spot, and December, sold, 1s 6½d to 1s 5½d and 1s 5½d; January, 1s 6½d to 1s 6d and 1s 6½d; February, 1s 6½d to 1s 6d and 1s 6½d; April-June, 1s 7½d to 1s 6½d per lb. Market firmer but very irregular throughout the greater part of Friday, while influenced by concerted buying proposed by American interests. Plantation standard sheet, spot and December, sold, 1s 6½d to 1s 6½d, 1s 6d, and 1s 6½d; January, 1s 6½d to 1s 7½d, 1s 6½d, and 1s 6½d; January-March, 1s 7d to 1s 7½d, 1s 6½d, and 1s 6½d; April-June, 1s 7½d to 1s 8d, 1s 7½d, and 1s 7½d per lb.

GENERAL.

JUTE.—The market presented generally quiet features, and prices at times disclosed slight irregularity. A quiet business was conducted with continental spinners, including Firsts, on spot, Hamburg, at £31. Firsts, October-November, sold, £30 10s to £30 5s; November-December, £30 to £29 12s 6d; December-January, £30 to £29 12s 6d; January-February, £30 to £29 12s 6d; February-March, £30 10s to £30 2s 6d. Lightnings, November-December, £25 15s to £25 5s; Hearts, November-December, £22. Hessians and twills quiet, steady.

HEMP.—Manila very quiet, apart from some interest shown in the October-December position. Shippers, however, retrained from pressing, and quotations were kept at a steady level. J. October-December, quoted £47 10s; K and L 1, £46; L 2, £43; M 1, £42 10s; M 2, £37. New Zealand, fair, November-January, £36. Italian, P.C., November-January, £50, and S.B., £53. African sisal No. 1, f.a.q., November-January, £43. Indian hemp quiet.

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : ¥45,000,000
Capital Paid Up : : : ¥39,375,000

Head Office - - - - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:
Amoy, Batavia, Bombay, Calcutta, Canton, Foochow,
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principal town in the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government, issues its own notes in Formosa, conducts general banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

SHELLAC.—Market generally quiet. T.N., spot, 205s; December, 200s; March, sold, 205s, 215s, and 205s per cwt.

COPRA.—Prices moved upward lately on an improved demand, mainly on covering account. Crushers continue to show reserve. F.M.S., Straits, November-December, sold, £26 12s, to Rotterdam, December-January, £26 12s 6d to £26 13s 9d; Dutch E.I., December-January, quoted £26 10s; Ceylon, sellers, £28; South Sea, sun-dried, £24 15s; ditto, to Marseilles, £25 5s; smoked, £24 15s; Cebu, to Rotterdam, £25 7s 6d. Palm kernels, November-January, quoted £19 12s 6d per ton.

TALLOW.—Messrs Colchesters and Woolner write on December 1st as follows:—The tallow market was quiet during the week, and prices are barely maintained to-day. There were no auctions to-day, but there will be auctions next week. The stock in London on November 30th, as returned by the wharves, amounted to 21,335 packages, showing a decrease during the month of 521 packages. Quotations are:—Australian mutton: Fine, 43s; good to fair, 42s to 40s; dull to dark, 39s to 36s 6d; hard, 42s. Australian beef: Fine, 41s 6d; good to fair, 40s to 38s 6d; dull to dark, 37s 6d to 36s 6d; sweet, 43s. Present shipment from Australasia: Good mixed, 40s. Present shipment from South America, 40s. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs, 1½d; melted stuff, 27s per cwt. Quotations are:—Town, 37s 6d, net cash, naked, ex works. Country—Frail casks, 37s; home melted, shipping casks, net f.o.b., good coloured, 40s; fair to

dull, 38s to 37s. Bone fat: white, none; pale, none; benzine, 32s; melted stuff, 31s 6d, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £38; Cochin, £26 10s to £45; Ceylon bristle, £18 to £23; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 6d; Java, 2s 2d.

METROPOLITAN CATTLE.—December 2.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs	8	4	9	4
Short Horns	5	4	6	2	Ewes	5	4	5	8
Hervords	6	0	6	4	Crossbred	..	..	..	..
Devons	6	4	6	8	Scottish	..	..	..	..
					Lamb—Downs	..	..	..	..

LONDON POTATO MARKETS.—December 2.

	Per Cwt.
English King Edwards	8 0 9 0
British Queens	7 0 8 0
Elipse	7 0 8 0
Majestic	7 0 8 0
Irish	6 7
Dutch	4 0 6 0
Belgian Edwards	6 0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.				DYE STUFFS, &c.				METALS—B. Copper				SUGAR—per cwt, duty, 11s 8d,			
COCOA—Duty, British grown,				Galls, China, per cwt				Best selected.....				per cent. polarisation			
9s 4d, foreign, 14s cwt				Turmeric, Bengal.....				Sheets (strong).....				B.W.I., muscovado.....			
Trinidad, per cwt 67				Miras, finger.....				Standard.....				Crystallised.....			
Grenada, per cwt 59				Gambier, block.....				Lead Eng. Pig per ton				Java, white, Jan-Mar.....			
Ceylon, plantation.....				Cutch, ord. to fair.....				Soft Foreign.....				REFINED—London—			
Guayaquil.....				DYEWOODS—				Spelter G.O.B.....				Yellow Crystals.....			
Bahia, finest.....				Brazil, per ton.....				Tin—English ingots.....				Cubes.....			
56 0 59 0				Fustic, Jamaica.....				Do do.....				Crushed.....			
COFFEE—British grown,				Cuba.....				Standard cash.....				Granulated.....			
9s 4d, foreign, 14s cwt				Lima Wood.....				OILS—Fish, per ton—				Castor.....			
E. India, fine ord. 6d mid 132				Logwood, Campeachy.....				Seal, pale.....				Pecan.....			
Do good to fine, 162				Honduras.....				Linsed, p. ton net, naked.....				Picea.....			
Costa Rica, ord. to mid 120				Jamaica.....				Rape, refined.....				Granulated, home grown.....			
Good to fine 162 6 195 0				Red Sanders.....				Crude.....				SPICES—Pepper, lb—			
Central American, gd. ord.				Sapang Ceylon.....				Cotton-seed, crude.....				Muntok, fair White.....			
Mid to fine 135 135 0				FLAX—spot—c.i.f.....				Edible, refined.....				Black Singapore.....			
Colombian, ordinary 110				Pernau HD.....				Coconut, crude.....				White Siam.....			
Do gd. ord. to low mid 120				Slaters U/A Medium.....				Palm, adulterated.....				Pimento.....			
Do mid to fine 135 0 166 0				FRUIT—				Lard, American.....				Cinnamon—1st sort.....			
CHEMICALS—				Oranges, Denia & Val. 300				Petroleum—Oil, per 8 lbs.....				Do 2nd.....			
Acid, citric, per lb 1 3 1/2 less 5%				Do.....				Water-White.....				Do 3rd.....			
Nitric, per lb 1 3 1/2 less 5%				Do.....				Oil Cakes, Linsed, Eng.....				Cassia lignea.....			
Oxalic, net, per lb 1 3 1/2 less 5%				Do.....				per ton.....				Obives—Zanzibar.....			
Tartaric, English, per lb 1 0 1/2 less 5%				Do.....				Oil Seeds—Linsed—				Madagascar.....			
Foreign, per lb 1 0 1/2 less 5%				Do.....				La Plait, per ton—Jan.....				Ginger—per.....			
Cream of Tartar.....				Do.....				Bombay, p. ton Dec-Jan.....				Cochin, small rough.....			
English, per cwt 80 0 81 0				Do.....				Calcutta, p. ton Dec-Jan.....				Do wormy.....			
Foreign, 99% 100% 74 0 75 0				Do.....				PORTLAND CEMENT—Best English				Japan.....			
Alum lump, per ton 10/10/0 11/0/0				Do.....				per ton delivered, London 58/0 63/6				Jamaica, ord. to good.....			
Do ground, per ton 11/10/0 12/0/0				Do.....				Rapid hardening "Ferrocement," 10/				Mace.....			
Ammonia, ord. to fine, 37 6				Do.....				per ton extra.....				Nutmeg, 65's.....			
Muriate, White, ton 22 0 29 0				Do.....				"Lightning" brand Aluminous Cement				Do 110 and 80's.....			
Sulphate, ton 22 0 29 0				Do.....				110 and 80's per ton.....				Chillies, per cwt.....			
Argenti, lump, per ton 65 0 70 0				Do.....				Surcharge of 10s per ton for delivery				TALLOW—per cwt.....			
Powder, per cwt 16 0 16 6				Do.....				of all cement in Lond during coal strike				Good mutton.....			
Ashes, pot, per cwt 65 0 70 0				Do.....				PROVISIONS—				Beef.....			
Bleaching powder, per cwt 9/0/0 9/10/0				Do.....				Butter—per cwt.....				TAPIOCA—per lb—			
Benz, green, per cwt 22 0 23 0				Do.....				Irish creamery.....				E. I. Flake, fair, spot.....			
Do crystals.....				Do.....				Do factory.....				Medium Pearl.....			
Do powder.....				Do.....				Australian.....				Seed.....			
Calomel, per lb 5 0 5 3				Do.....				Argentine.....				TEA—4th 34d, British,			
Iodine, dry, per oz 1 0 1 1				Do.....				Dutch.....				foreign, 4d per lb—			
Nitrate of Soda, per ton 13/0/0 13/2/6				Do.....				New Zealand.....				Indian and Ceylon—			
Potash—Chlorate, net, 0 32 0 4				Do.....				Danish.....				Pekoe.....			
Prussiate.....				Do.....				Bacon, engd.—Irish.....				Broken Pekoe.....			
Do Foreign.....				Do.....				Danish.....				Orange Pekoe.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Canadian.....				Broken Orange.....			
Sulphate, per lb 1 0 1 12 0				Do.....				American.....				Pekoe Souchong.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Hams—Irish.....				TIMBER—ex yd—			
Sulphate, per lb 1 0 1 12 0				Do.....				American.....				Swedish—s x 8, Pt. Std.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Lard—Irish bladders.....				Do 2 1/2 x 7.....			
Sulphate, per lb 1 0 1 12 0				Do.....				American bladders, 56 lbs 71 0 70 0				Do 2 x 4.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Pork—per 8 lbs.....				Can'd Spruce, Dis.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Beef—Frozen, per 8 lbs.....				Pitchpine.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Scotch.....				Rio Deals.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Cheese—cwt—Canadian.....				Teak.....			
Sulphate, per lb 1 0 1 12 0				Do.....				New Zealand.....				Khas Mahg. logs, c.ft.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Cheeseheads.....				African.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Dutch.....				American Oak Boards.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Eggs, per 120—English.....				Do Ash.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Irish.....				English Oak Planks.....			
Sulphate, per lb 1 0 1 12 0				Do.....				FLOUR—280 lbs—				Do Ash.....			
Sulphate, per lb 1 0 1 12 0				Do.....				London standard ex mill 45 0 0 0				TOBACCO—			
Sulphate, per lb 1 0 1 12 0				Do.....				RICE—per cwt, c.i.f.—				Duty 8/2–10/4 per lb, Empire			
Sulphate, per lb 1 0 1 12 0				Do.....				Bangkok, No. 2.....				Virginia leaf.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Brookline.....				Common to fine.....			
Sulphate, per lb 1 0 1 12 0				Do.....				ROBIN—per ton.....				Strips.....			
Sulphate, per lb 1 0 1 12 0				Do.....				American.....				Kentucky leaf.....			
Sulphate, per lb 1 0 1 12 0				Do.....				French.....				Common to fine.....			
Sulphate, per lb 1 0 1 12 0				Do.....				SAGO—Pearl, per cwt.....				Strips.....			
Sulphate, per lb 1 0 1 12 0				Do.....				SHELLAC—per cwt.....				Common to fine.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Orange, first marks.....				Strips.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Second, fair to fine.....				China.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Tin Orange.....				Borneo and Sumatra.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Garut, 2nd class.....				Nyasaland.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Barkton—Pure.....				Seedling.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Blocky (TN).....				Havana.....			
Sulphate, per lb 1 0 1 12 0				Do.....				SILK—per lb—				Greek.....			
Sulphate, per lb 1 0 1 12 0				Do.....				China—Blue Elephant.....				East Indian.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Canton.....				Cigars, duty 157 per lb.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Tussah.....				Cigarettes, duty 12s 7d per lb.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Re-reeled.....				TURBENTINE, p. cwt.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Japan.....				WOOL—per lb—			
Sulphate, per lb 1 0 1 12 0				Do.....				Italy—Raw, fr. Milan.....				English, Southdown, washed.....			
Sulphate, per lb 1 0 1 12 0				Do.....				SHELLAC—M.-O.-P., per cwt.....				Lincoln.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Manila, bold.....				Queensland, sod. super ombg.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Macassar.....				N.S.W. greasy, super.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Sydney.....				N.Z., grav. half-brd 50-56.....			
Sulphate, per lb 1 0 1 12 0				Do.....				W. Australian.....				Creshead 40.44.....			
Sulphate, per lb 1 0 1 12 0				Do.....				Bombay.....				131			

DRAPERY TRUST LTD.

CURL BROTHERS, LTD., Norwich. (Established 1883.)
 DAWSON BROTHERS (London), LTD., City Road, London. (Established 1848.)
 FRANK DRURY & CO., LTD., Manchester. (Established 1912.)
 KENNARDS (1926) LTD., North End, Croydon. (Established 1853.)
 MARGARET MARKS, LTD., Knightsbridge, London, S.W.1. (Established 1923.)
 MARSHALLS, LTD., Successors to Marshall & Snelgrove's Yorkshire businesses (established 1843), Leeds, Scarborough, Harrogate, York, Sheffield and Bradford.
 PETTIGREW & STEPHENS, LTD., Sauchiehall Street, Glasgow. (Established 1888.)
 PLUMMER RODDIS, LTD., Brighton, Hastings, Folkestone, Eastbourne, Bournemouth, Boscombe and Southampton. (Established 1887.)
 SELINCOURT & SONS, LTD., Cannon Street, London, E.C.4. (Established 1856.)
 STADDON'S LTD., Barking Road, London. (Established 1870.)
 STAGG & RUSSELL, LTD. (Incorporating Stagg & Mantle, Ltd., and H. C. Russell, Ltd.) (Established 1814 and 1862.)
 WARWICK HOUSE, LTD. (Successors to Holliday, Son & Co., Established 1886), Birmingham.

Announce that
 negotiations have been completed for the acquisition of
 controlling interests in the following further businesses:—

BOBBY & CO., LTD., Margate, Bournemouth, Cliftonville, Eastbourne,
 Exeter, Folkestone, Leamington Spa, Southport, Torquay, High Wycombe;
 BON MARCHÉ, Gloucester; HANDLEYS, LTD., Southsea;
 FOOTMAN PRETTY & CO., Ipswich; JONES & CO., LTD., Bristol;
 WELLSTEEDS, LTD., Reading

practically completing the programme outlined at the time of the formation of
 the Trust last December.

The interests acquired have been purchased on the basis of the earnings of the past
 three years, during which period trade has been depressed. The trading figures for the
 first nine months of the current year show that, notwithstanding the Strikes, turnover has
 been maintained.

In selecting the above from the many businesses which have been considered, the
 Trust has had in view not only the past and present earnings, but also the prospects of
 increasing earnings by grouping certain businesses which, owing to the similarity in the class
 of trade, or geographical situation, can be more advantageously and economically conducted
 under unified control.

This grouping of businesses into units of manageable size not only makes it possible
 to obtain the services of men of high position in the trade which would not be possible in
 smaller businesses, but also maintains that desirable attention to detail and to customers
 which is the essence of successful retail trading.

As instances of the many advantages to be gained by grouping, the merger of H. C.
 Russell Ltd., and the adjoining business of Stagg & Mantle Ltd., as Stagg and Russell Ltd.,
 and the amalgamation of interests in Dawson Bros. (London) Ltd., and Staddon's Ltd.
 (two businesses carrying on a very similar class of trade), are proving very satisfactory.
 The holdings of the Trust in Plummer Roddis Ltd., and those being acquired in Bobby & Co.
 Ltd., will give an interest in an almost complete chain of Stores in the South of England.

In Scotland, a number of important Drapery businesses (including Pettigrew & Stephens,
 Ltd.) are also about to be grouped. The Trust will hold a substantial interest in the new
 Scottish Company.

It has been the policy of the Board to retain the existing management, and to afford
 to those interested in the management an opportunity of acquiring a substantial share interest
 in the groups in which they are interested and in the Drapery Trust. The pooling of technical
 knowledge of men who have had a life-long experience in the Drapery and Textile Trade has
 proved invaluable. The Managing Directors of the various groups will, as far as possible,
 also be Directors of the Trust, the Board of which consists essentially of practical men.
 This wider association of businesses provides increased scope for the advancement of individual
 members of the staff. Schemes for Staff Provident Funds are being organised on a basis
 which would not be practical in single businesses of moderate size.

A Wholesale Department has been started for the purpose of developing a system of
 Centralised Buying from which it is anticipated that important economies will be effected
 and a considerable income will in course of time be derived.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor:

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CIII.

SATURDAY, DECEMBER 11, 1926.

No. 4,346.

ROYAL EXCHANGE ASSURANCE

Incorporated A.D. 1720.

All classes of Insurance
 transacted and the duties
 of Executor and Trustee
 undertaken.

For full particulars apply to:—

Head Office: Royal Exchange, London.

BANCO NACIONAL ULTRAMARINO.

(National Overseas Bank.)

STATE BANK OF THE PORTUGUESE COLONIES.

Head Office: LISBON.

Established 1884.

Capital (paid up):
 Esc. 20,000,000

Reserve Funds:
 Esc. 40,000,000



Branches as Under.

36 offices in Portugal.
 24 " " East and West Africa.
 5 " " Brazil.
 5 " " India and China.

Also branches in Azores, Madeira, Belgian Congo and Timor.
 Paris Office—8 Rue du Helder.
 London Office—9, Bishopsgate, E.C.2.

New York—Trust Company of North America—93, Liberty Street.

BANCA COMMERCIALE ITALIANA.

Established in 1894. Head Office: MILAN.
 Capital: 700 million Lire. Reserve Funds
 500 millions. Deposits 7,131 millions.

Branches in every centre of commercial and
 industrial importance in Italy; also in London,
 New York, and Constantinople.

Affiliated and Auxiliary Institutions in France
 (Paris and Riviera), Switzerland, Czecho-
 Slovakia, Austria, Hungary, Bulgaria, Roumania,
 Egypt, Brazil, Argentina, Chile, Uruguay, Peru,
 Colombia, etc.

London Office:

30a, Threadneedle Street, E.C.2.

R. CONSOLO, Manager.

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THE MONEY MARKET.

SUPPLIES of credits in Lombard street have been plentiful
 during the past week, and short loans have been obtain-
 able for the most part at 3½ per cent., with occasional
 business at 3 per cent. Substantial arrivals of gold, of
 which the Bank secured a fair amount, and the further
 improvement in the Bank return, which shows the gold
 stock more than £8 millions and the Reserve nearly £12
 millions higher than at this time last year, were re-

sponsible for an easier tone in the discount rates. The market has been very quiet, with the rate for three months' bills quoted mostly at $4\frac{1}{8}$ per cent., though the Continent has been a buyer at $4\frac{1}{2}$ per cent.

	Dec. 10, 1926.	Dec. 3, 1926.	Nov. 26, 1926.	Nov. 19, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed an increase of £357,600 in the stock of coin and bullion, and a decline of £59,400 in the note circulation. The Reserve, therefore, rose by £417,000, the proportion being 1.8 higher at 27.7 per cent. Government securities were reduced by £6,105,000 and Other securities by £947,800. Public and Other deposits declined by £385,900 and £6,242,100 respectively. Currency notes were increased by £3,630,900 to £289,414,300, which includes £1,289,300 for notes called in but not yet cancelled. The fiduciary issue is £231,874,900, or £16,027,600 below the maximum for 1926.

The Bank of Poland reduced its discount rate from 10 to $9\frac{1}{2}$ per cent. on Thursday.

The statement of the London Clearing Banks of average weekly balances for November, which is given in detail on a later page, shows only slight changes in comparison with October, as may be seen from the aggregate figures of the nine English banks in the following comparative table:—

	Dec., 1926.	Mar., 1926.	June, 1926.	Sept., 1926.	Oct., 1926.	Nov., 1926.
Capital and reserves	121.0	123.6	124.2	124.4	124.4	124.4
Acceptances	108.2	100.6	87.8	81.5	86.5	94.9
Deposits (incl. undiv. profits, &c.)	1,646.8	1,587.8	1,630.1	1,623.3	1,649.0	1,647.8
Total Liabilities	1,876.0	1,812.0	1,842.1	1,829.2	1,859.9	1,867.1
Coin, notes, balance at bank, and cheques in course of collection	258.2	236.3	250.9	235.0	241.4	240.5
Money at call	117.8	109.7	121.4	115.3	116.2	117.6
Investments	286.1	272.2	267.9	272.6	274.7	276.3
Discounts	231.0	187.2	210.4	218.3	224.7	219.7
Loans and advances	846.8	876.3	873.2	877.4	885.1	886.6
Cover for accept., premises, &c.	138.1	130.4	118.3	112.6	117.8	126.4
Total assets	1,876.0	1,812.0	1,842.1	1,829.2	1,859.9	1,867.1

Acceptances, as usual at this time of the year, show an expansion, but deposits have slightly declined. Increases in investments, advances, and money at call have been offset by reductions in discounts and cash.

NEW YORK MARKETS.

Our New York correspondent cables:—Markets have been little affected by the reopening of Congress, as the President's messages were on orthodox lines as anticipated, and the session is expected to produce nothing decisive. The firmness of security markets continues, and many company reports showing excellent results and increased dividends are appearing. The money market continues steady, easy conditions being expected after the end of the year. The Federal Reserve statements show little change for the whole system, but a movement of funds from New York, where there is greater dependence on the Reserve Bank. Much interest is taken in the French position, and it is hoped that France will not miss another opportunity of stabilising on a gold basis.

THE STOCK MARKETS.

China and the franc have exerted less influence on the stock markets this week, but business remains quiet, and for this the approach of Christmas and the end of the year is presumably responsible. The gilt-edged market shows a steadiness somewhat unusual at this season of the year, while Chinese bonds have been a little less sensitive. European Reconstruction loans are in favour, and Belgian Sevens have strengthened to $7\frac{3}{4}$ premium. Home Railways have improved a little on the better showing of the traffic returns, and in the foreign section United of Havanas are better on the brighter outlook for sugar. Rubber shares show a slight recovery, but tea and oil

shares are very quiet. Courtaulds have reacted to $4\frac{1}{2}$ on dividend fears, and Dunlops have been sold, but P. and O. deferred hardened on the chairman's speech. The Kaffir market is still under the influence of Paris, while tin shares have been a little more active. The issue of Newcastle 5 per cent. stock at $99\frac{1}{2}$ was over-subscribed.

THE COMMODITY MARKETS.

The most important development of the week has been the rapid decline of coal prices from the artificially high levels established during the stoppage. Though the process has still some way to go, a revival of demand is now expected, and the New Year will probably see industry under way again. British pig-iron remains scarce, but Cleveland makers are quoting for delivery in the first two months of 1927 at prices about 15s a ton higher than those prevailing before the strike. Steelmakers are awaiting more regular fuel supplies before resuming production. The cotton market is quiet and featureless. Expectation of a heavy reduction in the American acreage and yield next year is becoming general. Wool continues to move freely, and at firm values, in all the world's markets, but there is no accession of activity on the home manufacturing side. Jute is steady. An unexpected revival in demand has enabled Dundee manufacturers to clear stocks at enhanced prices. Wheat has been steady, with a fair demand, but ample supplies available at all times. Sugar is firm, on sustained inquiry, coffee and tea generally steady, and rubber slightly dearer. The tin market has taken a quiet turn, but lead and copper continue in fair demand.

FOREIGN EXCHANGES.

The foreign exchange market has been dull, with little business passing during the week; but the franc again registered some sensational fluctuations, and varied at times by as much as two, three, and even four francs in a day. The only other features were the weakness of the milreis and a sudden jump by the Swiss franc against this country towards the close. Most of the other exchanges were fairly steady. Paris closed on Saturday at 122 $\frac{1}{2}$, forward rates being 3f discount for three months. On Monday 120 was touched before finishing at 123 $\frac{3}{4}$, and forward rates remained unchanged. Tuesday saw a reaction to 126 $\frac{1}{2}$ at the close, after an opening at 122 $\frac{1}{2}$, and 126 $\frac{1}{2}$ was touched during the day, under the unfavourable influence of an inconclusive Budget Debate. On Wednesday the opening was steady at 126, but a fall to 127 followed, to be succeeded by a sudden reaction to 121 and a closing rate of 122—i.e., a gain of 4f in the day. Three months forward rates fell off, however, to 3 $\frac{1}{2}$ discount. On Thursday things were quieter, and the rate opened firmer at 121 $\frac{1}{2}$, but fell away again to 123 $\frac{1}{2}$ at the close. Yesterday was also dull, the rate at mid-day being 123, with three months forward again at 3f discount. The economic effects of the sudden appreciation of the franc are daily more evident in increasing unemployment, decreasing business by industrialists and wholesalers and retailers alike, and by the departure of foreign visitors; and M. Poincaré is faced with the realisation that considerable sections of the population are anxious for inflation, and opposed to his policy. It is difficult to trace the origin of the heavy support which is required to keep the franc at its present levels, but whatever its origin, there is no doubt that it is there. In the absence of other evidence, we must suppose that it can be attributed in some considerable measure to the maintenance of big speculative positions by foreign operators, and in lesser degree to the repatriation of French sterling and dollar balances abroad. Neither of these factors, however, can redress the inherent unsoundness of the position, and the former, indeed, must aggravate it in the end. New York kept fairly steady about 4.84 $\frac{1}{2}$ — $\frac{1}{8}$, and 4.85 was touched once or twice. Yesterday at noon the rate was 4.84 $\frac{1}{2}$, with one and three months' forward at $\frac{1}{4}$ cent discount. The belga was steady throughout at about 34.86 $\frac{1}{2}$, but a shade stronger at 34.86 yesterday. Amsterdam moved against us from 12.13 $\frac{1}{2}$ — $\frac{1}{4}$ on Monday to 12.12 $\frac{1}{2}$ — $\frac{1}{4}$ on Thursday, but reacted to 12.13 yesterday. Geneva yesterday moved sharply against us to 25.08 after being about 25.12 $\frac{1}{2}$ —25.13 $\frac{1}{2}$ all the week. The lira was rather weaker at one time at 113 $\frac{1}{2}$ on Tuesday, but closed

unchanged on balance yesterday at 111 $\frac{1}{2}$. The peseta moved very little and varied between 31.87 and 31.91. Berlin closed weaker at 20.39 $\frac{1}{2}$, as did Oslo at 19.11 after an opening rate of 18.98. Stockholm was rather better at 18.15. Bucharest reflected the political uncertainty, being weaker at 980-990, against an opening of 925-935. The other European currencies call for no remark. In the South American exchanges, rumours of an intention to stabilise the milreis at 6d were unfavourably received here, and there was a decline during the week from 5 $\frac{1}{2}$ d at opening to 5 $\frac{1}{4}$ d sellers yesterday. Buenos Aires was fractionally firmer at 45 $\frac{1}{2}$ —46. In the Far East the rupee was steady at 15 $\frac{3}{4}$ —18d throughout, and the yen also firm at 2s 0 9-32 $\frac{1}{2}$ d. The silver market saw several changes in the price of the metal, but after a quiet and dullish week the market closed quietly steadier. The silver exchanges were unchanged throughout.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended December 4th:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	8,850	From Revenue	11,245
Interest, &c., on Debt	46,530	Increase in Debt	44,433
Sinking Fund	408	Decrease in Balances	322
Sundries	212		
	56,000		56,000

Revenue amounted to £11,245,400, against £13,543,600 during the corresponding week last year. Customs yielded £2,117,000, against £2,060,000, and Excise £1,431,000, against £1,846,000. Estate, &c., duties produced £1,120,000, against £1,010,000. Property and Income-tax yielded £1,817,000, against £368,800, and Super-tax £310,000, against £490,000. Special receipts produced £690,000, against £1,232,300. The week's operations increased the National Debt by £44,433,500, and caused the following changes:—

(000's omitted.)			
	£		£
National Savings Certificates — 150		Treasury Bills	+ 1,862
		Public Department Advances ..	+ 30,400
		Bank of England Advances ..	+ 11,500
		Sundries	+ 821
	— 150		+ 44,583

The floating debt was increased by £43,815,000 to £830,911,000.

FINANCIAL YEAR, 1926-1927 (April 1 to December 4, 1926).

£		£	
Total Expenditure ..	564,003,689	Raised by Revenue ..	434,404,588
		Decrease in Balances ..	4,063,821
		Amount borrowed ..	125,535,280
Total	564,003,689	Total	564,003,689

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—British Overseas Bank, Mexican Railway, Scindia Steam Navigation, P. and O. Steam Navigation, British and Chinese Corporation, Sudan Plantations Syndicate, Chinese Engineering and Mining, J. and P. Coats, Djasinga Rubber and Produce, Harrods (Buenos Aires), Tate and Lyle, Aerated Bread, Peter Walker (Warrington) and Robert Cain, Nelson Brothers, Strand Hotel, New Modderfontein Gold Mining, and Bwana M'Kubwa Copper Mining. At the meeting of the British and Chinese Corporation the chairman gave an interesting survey of the position of the Chinese railways. The chairman of the Scindia Steam Navigation Company dwelt at some length upon the subject of the Indian coastal trade and Indian shipping generally. The chairman of the British Overseas Bank, in the course of an interesting speech, said that the policy of co-operating with native banks and not opening branches abroad had been continued. Lord Inchcape's speech at the P. and O. meeting is discussed on a later page.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

ASSESSING THE BLAME.

BELLIGERENTS who have just ceased fire are hardly the most suitable people to pass judgment on the dispute in which they have been engaged or on the conduct of the war. It was therefore hardly to be expected that Wednesday's debate in the House of Commons on the coal dispute would produce an impartial judgment on that deplorable affair. The speakers knew that their remarks could in no way affect the settlement, and were therefore able to give their active attention to the pleasant task of scoring off the other side—a not very difficult task considering the blunders that all parties have made during the last eight months. The result was a considerably more enlivening entertainment than was afforded by any of the debates which took place while the country was in the grip of the fight. Such discussions do not make it easier for the country to settle down, and, having let off steam, we hope that Parliament will let these personal issues rest until the dust of battle has cleared away. We do not mean to suggest that this great crisis should be buried in oblivion. On the contrary, the future prosperity of Britain depends upon our learning the lessons which it has to teach and guiding our future industrial policy in the light of them.

Of the debate itself there is not very much that need be said. All sections were in possession of an abundance of ammunition, freely presented to them, and it was used on all hands effectively, and on the whole fairly and without undue passion. Mr MacDonald, in moving the Vote of Censure of the Government for their handling of the dispute, centred his case around the Government's abandonment of the Samuel Report, their alleged partiality towards the owners, their Eight Hours Act, and their general waverings and lack of consistent policy. Having spent millions of the taxpayers' money to get a settlement, Mr MacDonald argued, the Government became mere spectators of the struggle: "Mr Evan William's offensiveness defied them, Mr Cook's incompetence baffled them, powerful interests threatened them," and eventually the Government "allowed the nation to lose at least £500,000,000 in order to give the owners time to get a victory." That, in brief, was Mr MacDonald's case, and being as vulnerable as they are, the Government had little cause to complain of the material of this party attack or the manner of its presentation. The Government's case was in the hands of the Prime Minister and Mr Churchill. The former confined himself almost entirely to the easy task of condemning the impossible leadership of the miners, whom he deservedly and unmercifully trounced. But this in itself was not a very telling reply to Mr MacDonald, who had himself in terms admitted the incompetence of Mr Cook. Mr Churchill was more effective, for, so far from confining himself to making debating points, he carried the war into the Labour camp and lectured its leaders upon their responsibility for the recent trend of trade unionism. "The Labour Party," said Mr Churchill, "had been built up by bringing politics into industry, and industry into politics."

To discriminate between the justice and the injustice in this accusation levelled by Mr Churchill at the Labour party is a long and delicate task. But in leading the House of Commons away from the particular tragedy of the coal dispute to the broader questions of trade unionism, Mr Churchill imparted a much-needed imaginative note into what was, on the whole, a sterile exhibition of mutual recrimination. The imputation and distribution of blame is a barren exercise unless it leads to the appreciation of the broader lessons of recent industrial history, and to a comprehension of what is needed to avert such disasters as that through which we have just passed. The events of the last 20 years have conspired to give the trade unions an enormous economic power. There would, in any case, be grave danger that this power might be misused. We have in mind not merely the possibility that a particular trade or section of a trade may be in a position to demand ransom from the consuming public, but the danger which every trade unionist knows to be a real one—that a particular section may pursue a selfish policy at the expense of other classes.

of wage-earners. It would have been, in any case, a very difficult task for the leaders of the Labour movement to ensure that this great and growing power of the trade unions was used with an eye to the advantage of the community and with proper regard to the relative position of different industries, trades, and crafts. But when a small but active section of men, who held revolutionary political ideas and did not believe in trying to make the existing economic system work well, acquired influence in the trade union movement, the prospect of a far-sighted and sane trade union policy became very remote. On the contrary, we had the spectacle of experienced trade union leaders being driven into the general strike, which they did not believe in (and the political Labour party driven to acquiesce), and the coal industry prostrated by a dispute which could have been settled times out of number if the leadership of the miners had been in other hands than those of Messrs Cook and Smith, of whom, as Mr Baldwin rightly said, one could not think, and the other of whom could not act.

Of the many methods which might encourage a more healthy atmosphere in industry the one of the most importance is to introduce into wage discussions a neutral element which would look at problems from the point of the general interest. The plan is, of course, embodied in the whole trade board system, and it exists in many special arrangements in the organised trades. But clearly it could be extended with enormous advantage. The Government believes in this idea; its most notable application has been the appointment of one commission after another to give an impartial verdict on the situation in the coal industry. Perhaps the most serious feature of the present situation is that in no single case has the verdict of these impartial commissions been adopted by the Government of the day. The recent Coal Commission is the most striking case. The Government went to the length of spending a sum equal to the pre-war service of the National Debt in order to get an impartial decision. If something like arbitration had in fact been applied to the coal industry, an immense prestige would have been given to arbitration as a method to be applied right throughout industry. As wielded by the present Government, at all events, we fear the plan is now discredited. Of the shortcomings of the leaders of the two parties in the coal industry the nation has a knowledge which is as clear as it is painful. The real nature of the Government's failure is not, perhaps, so generally understood. It is, as we have endeavoured to show, that, having spent millions on a subsidy in order to obtain an independent review of the position by a Royal Commission, they threw away a unique and dearly-bought opportunity to establish the idea of arbitration in a signal fashion. Instead, their courage failing them, they retreated to a position of detachment, which is not tenable at this stage of national industrial development, or which, as Mr MacDonald put it, represents a policy and a doctrine which "was dead before Queen Victoria herself died." So far as the Government is concerned, that is the lesson of the coal dispute, and it will, we hope, be as much taken to heart as the lessons, more clearly seen but hardly more important, of the conduct of the leaders of the coal industry.

A WORLD ECONOMIC CONFERENCE.

THE Council of the League of Nations has this week adopted the report of the Second Session of the Preparatory Committee which has been considering plans for an Economic Conference. This means that the Conference will be convened at Geneva on May 4, 1927. Following the precedent of the Brussels Financial Conference, it will consist not of Government spokesmen empowered to draw up conventions, but of persons who, though selected by the Government, will be chosen for their personal qualifications. In order that various interests should be represented, each country will be entitled to send up to five delegates, and it is the hope of the Preparatory Committee that this will bring into the Conference a fairly representative body of employers, representatives of labour, financiers, agriculturists,

economists, and persons acquainted with the practice of international commercial negotiations. The intention is thus to organise a general consultation without the restrictions that would be involved if everything that was said was considered binding on the respective Governments. The personnel of the Conference, however, should be such as to give authority to any conclusions on which general agreement is reached.

The main task of the Preparatory Committee has been, on the one hand, to compile an agenda for the Conference, and, on the other, to arrange for the preparation of documents which will serve as the basis for discussion on the items included in it. The agenda drawn up by the Committee which has now been adopted by the Council is as follows:—

AGENDA OF THE CONFERENCE.

First Part.

The World Economic Position.

Principal features and problems as seen from the point of view of different countries.
Analysis of economic causes of the present disturbed equilibrium in commerce and industry.
Economic tendencies capable of affecting the peace of the world.

Second Part.

I. Commerce.

1. Liberty of trading:
 - (a) Import and export prohibitions and restrictions.
 - (b) Limitation, regulation, or monopolisation of trade.
 - (c) Economic and fiscal treatment of nationals and companies of one country admitted to settle in the territory of another.
2. Customs tariffs and commercial treaties.
Obstacles to international trade arising from:
 - (a) Form, level and instability of import and export tariffs.
 - (b) Customs nomenclature and classification.
3. Indirect methods of protecting national commerce and shipping.
 - (a) Subsidies, direct or indirect.
 - (b) Dumping, and anti-dumping legislation.
 - (c) Discrimination arising from the conditions of transport.
 - (d) Fiscal measures discriminating against foreign imported goods.
4. Repercussion upon international commerce of reduced purchasing power.

II. Industry.

1. Situation of principal industries (productive capacity, output, consumption and employment).
2. Nature of present difficulties in industry; their industrial, commercial and monetary causes.
3. Possibilities of action:
 - (a) Organisation of production, including, in particular, international industrial agreements, considered from the point of view of production, of the consumer and of labour; their legal position; their connection with Customs problems.
 - (b) Importance of collection and prompt exchange of statistical information with regard to industrial production.

III. Agriculture.

1. The present position of agriculture compared with pre-war conditions, in respect of production, consumption, stocks, prices and free circulation of agricultural products.
2. Causes of present difficulties.
3. Possibilities of international action:
 - (a) Development of, and international collaboration between, producers' and consumers' organisations, including the different systems of co-operative organisation.
 - (b) Continuous exchange of all relevant information concerning agricultural conditions, scientific and technical research, agricultural credit, &c.
 - (c) Development of the purchasing power of agricultural producers.

Some features of this agenda are commented upon in the covering report of the chairman. It is pointed out that while the general conference must clearly be allowed to have a general discussion on the principal features of the world situation, it must also endeavour to concentrate on special questions on which results may be hoped for. It is contemplated that in Part I. the analysis of causes of the lack of economic equilibrium will cover such questions as the relative impoverishment of Europe as compared with the rest of the world, and the effect of such impoverishment on industry, commerce, and agriculture; the instability of the exchange value or internal purchasing power of currencies; and the inadequacy or high cost of capital resulting from insufficient saving. Financial questions are not the main purpose of the Conference, but they clearly could not be left out of a discussion of the general causes which have produced the relative depression in Europe. Again, the analysis of

causes of the present situation of many stable industries must include such problems as "the abnormal increase of equipment in certain industries, the increase of cost prices resulting from the insufficiency and the irregularity of demand, and the difficulties of adaptation to post-war conditions." The report calls the attention of the Council to two questions which figure prominently in the agenda. The report of the International Chamber of Commerce and other recent declarations, among which might be mentioned the recent manifesto of bankers, industrialists, and others in Europe and America, has compelled attention to the question of tariff barriers. Secondly, in a much more limited sphere, recent discussions have shown the great public interest in proposals for international agreements between private industrialists. The first of these issues clearly covers a wider field, and is of more permanent importance than private industrial agreements. But it has to be recognised that in current European thought the two problems are closely linked together. In the next five months both of them will doubtless be briskly discussed; but, whatever the outcome, the Economic Conference will prove to be a landmark in European history, since it will bring into the arena of formal and public international discussion the whole question of tariffs and the possibility of facilitating international intercourse.

The list of documents in preparation for the Conference shows that no aspect of the question is being shirked, and that there will even be issued a memorandum on the level of tariffs which should put the debate on the basis of ascertaining fact, and not of mere vague charges and counter-charges.

The Council has decided to invite delegates not only from members of the League, but from the United States, Russia, Turkey, Mexico, Ecuador, and Egypt. M. Theunis, former Prime Minister of Belgium, who has presided over the Preparatory Committee, is to be the president of the Conference.

THE STOCK MARKET POSITION: THE COAL DISPUTE AND AFTER.

THE present position of the stock markets presents features of peculiar interest, both to those who deal in retrospect and to the great majority whose main preoccupation it is to try to read in the position of the moment some indication of future trends. The latter exercise cannot be fruitfully attempted until the broader aspects of the course of markets generally during this troublous year are clearly apprehended. Possibly the most helpful way of approaching a retrospect is to throw back one's mind to last April. Suppose that in April a Stock Exchange expert had known with certainty that the country was on the eve of a general strike of short duration, and a coal stoppage drawn out to the length of nearly seven months. What would have been his prognostications regarding the course of the security markets? He might have argued, perhaps, that the general setback to trade and production would release funds normally employed in those directions and divert them into investment channels, and that, therefore, high-class fixed interest stocks would rise, while all home industrials would necessarily sag, as the public saw week by week the growing total of economic loss. Or he might have followed a rather different line of thought. So dire an event, he might have argued, will shake confidence, impair British credit, upset the trade balance, lead to a higher Bank rate, and drive fixed-interest stocks as well as industrial securities down the path of depreciation.

In any case, as the mind moved from the general to the particular, our imaginary expert would surely have predicted certain definite movements. Home railways, coal, iron and steel and engineering shares, and other securities of the type to be the most closely and directly affected by a coal stoppage he would have marked down for a substantial fall; and for a lesser fall a wide range of industrial shares. On the other hand, he might very reasonably have assumed that certain sections of the markets would benefit through the fuel shortage; in particular, he

might logically have foreseen a rise in oil shares. Looking elsewhere for markets that might attract favourable attention owing to their comparative immunity from coal-strike effects, he might have tentatively fixed upon such sections as rubber and mining.

Now let us take a rapid glance at what actually happened, and contrast events with this imaginary prophecy. In general terms it may be said that fixed-interest stocks came through the strike period practically unchanged. The index number for fixed-interest securities compiled by the *Bankers' Magazine* was 110 in mid-April; in mid-October, after very slight intervening variations, it was 110.2; and in mid-November 109.3. Only at the very end of the period was there a falling away. Five per cent. War Loan, which at April 30th was 99½, was 100 at November 30th; 3½ per cent. Conversion Loan on the two dates was 75½ and 74½ respectively. Far more striking, however, is the story told by the movements of other classes of securities. The index number compiled by the same authority for variable dividend securities actually rose from 128.7 in mid-April to 135.9 in mid-November. Remembering our imaginary prophet of woe, let us see what happened during the great strike to some of those sections with regard to which he might reasonably be apprehensive:—

	April 19.	Nov. 18.	Rise During Strike Period.
	£	£	%
13 British Railway ord. stocks	179,537,000 ..	184,576,000 ..	+ 2.8
14 iron, coal, and steel shares	40,322,000 ..	48,851,000 ..	+ 21.1
5 shipping shares.....	22,114,000 ..	25,018,000 ..	+ 13.1
38 commercial and industrial shares	457,625,000 ..	472,420,000 ..	+ 3.2

Just those types of shares, which from their intimate connection with coal, might have been expected to suffer a fairly severe slump, have, instead, risen substantially, and this remains remarkable even though allowance is made for the fact that by April prices had felt the effect of the approach of the trouble. What is the explanation? In the case of shipping shares, the appreciation may be attributed to the spectacular rise in freights during the autumn. But to find shares of heavy industrial concerns higher at the end than at the beginning of the dispute, and even the ordinary stocks of the British railways, as high as in April is surprising. A partial explanation may be found in the growing belief during the last few months that the eventual settlement would create remunerative conditions. But it is difficult to avoid the conclusion that the markets have liberally discounted the trade recovery for which the way should now be clear.

If the movements in the markets during the coal dispute are, on the face of them, curious, there is equally an element of surprise in the way in which they have behaved since the strike was known to be at or near its end. The sense of general relief at the close of the most costly industrial dispute in our history has found little or no reflection in the Stock Exchange. Indeed, in the past week or two prices in many sections, which were firm enough during the strike, have begun to crumble. Members of the Stock Exchange are inclined to attribute this turn of events to a variety of causes. First and foremost, there was no sudden or satisfactory end to the coal dispute. It just petered out, and left the public mind more concerned with its cost than its end. Instead of reawakening investment appetite or speculative spirit, the close of the dispute seems to have set both brokers and the public discussing whether the coming trade recovery will balance past losses and whether there is any hope of avoiding an increase in the income-tax in the next Budget. Fears of the latter event are already expressing themselves in purchases of "tax-free" securities. In addition to this the end of the dispute came chronologically too late to suit the Stock Exchange, for the last weeks before Christmas are seldom times of active buying or strong markets; and superimposed upon all this came two fortuitous adverse influences, namely, bouts of heavy selling from Paris, and real—perhaps exaggerated—apprehensions about the unhappy position in China.

So markets in general remain what the initiated call "sticky," or "muddy" in the extreme; and it would seem that a change of tone will not come until some new and definitely favourable factor emerges. It may be that

this will be provided by New Year optimism of the traditional order, aided and abetted this year by the gradual appearance before the public eye of impressive signs of post-strike industrial activity. But there are several questions which investors in the present position must ask themselves, and several primary points which they must bear in mind. As regards gilt-edged stocks, holders have been very fortunate in that this very difficult period has been weathered without a rise in Bank rate—a feat that could not possibly have been achieved, had we not returned to the gold standard in 1925. But, on the other hand, fixed-interest securities have not benefited as much as might have been expected by some as a result of the general slowing up of trade caused by the coal dispute. The reason is patent to anyone who examines banking statistics. In a period when the coal dispute severely checked trade and production, the loans and advances of the banks rose substantially. Indeed, between April and November the loans and advances of the clearing banks increased from £874 millions to £886 millions. In a word, the banks have had to carry some industries on their backs over this difficult period. This fact clearly has a bearing on the future course of the gilt-edged market, and on the monetary position which to so large an extent dictates that course. As trade revives two processes will set in. Demands by trade and industry for the normal financing of production and distribution will increase; and the temporary frozen credits of the banks will gradually thaw. But the former process is likely to be somewhat speedier than the latter. In that case—leaving aside the question whether we have as yet defeated the threat of the adverse movement in the trade balance—monetary conditions may become harder, and the movement may be pronounced enough to hold fixed-interest stocks at or below present levels in the early weeks of 1927.

The markets for variable dividend securities, if only because of their infinite variety, present a far more complex problem. What will determine, for instance, whether good rubber shares will continue their new incipient recovery after a decline which has no obvious or logical reason, or whether leading oil shares will enjoy the revival which to many seems overdue? There are so many imponderable factors to be weighed up, and the psychology both of the House and of the investing public has seldom been harder to diagnose. Will gloomy fears of higher taxation become an obsession? Will the percolation of news of trade revival light the spark of speculation and fire the public imagination? These questions time alone will answer. But on the whole the voice of caution—not of pessimism, but of caution—would seem to be required. From the facts and figures quoted at the beginning of this article, the investor must deduce that the way in which he has come through great industrial troubles is miraculous. Some leading and favourite industrial securities have indeed fallen, and may be due to rise again. But, as a whole, home industrial shares have been maintained at a level which presupposes quite as high a degree of trade recovery as is immediately probable. Lest we be accused of over-pessimism we hasten to add that any stock market movement which may develop will find practically every section in a healthy intrinsic position. Open accounts are, generally speaking, small. But the complex nature of the forces at work suggests caution as the best policy, and indicates that the bargain-hunter will require more than usual powers of discrimination and perspicacity if he is to avoid trouble in the months which lie ahead.

THE SITUATION IN MEXICO.

(BY A CORRESPONDENT.)

THE situation in Mexico is wrapt up in a certain amount of mystery, but by all accounts the elements of serious trouble are present. There recently appeared in the American Press apparently authentic accounts of a widespread revolutionary movement in the northern provinces, designed to restore de la Huerta to power, but they have failed of confirmation, and although the enemies of the Calles Government, both inside and outside Mexico, are undoubtedly engaged in continuous plots for its over-

throw, it still seems to have command of the internal situation.

But a crisis is obviously looming up in the dispute between the Calles administration and Washington over the application of Mexico's new law to foreign oil and mining interests, of which the greater proportion are in American hands. On January 1, 1927, foreign owners of oil concessions must agree not to seek diplomatic representation of their home Governments in connection with their holdings, or, if they reject this condition, must under the new laws forfeit them to the Mexican Government. The American interests affected have naturally enlisted the aid of the Coolidge administration, which has made strong representations to Mexico on the subject, and on November 23rd the State Department at Washington threw some light upon the controversy by publishing, without comment, its correspondence with the Mexican Government upon this particular issue and other correlated questions.

The correspondence, as published, consists of four notes, and in the first, dated July 31, 1926, Secretary Kellogg enumerates four basic principles, which it says had "all been endorsed by the Mexican Government," and says the remaining difficulties lie "in specific application of these general conceptions." The four principles are:—

First—Lawfully vested rights of property of every description are to be respected and preserved in conformity with the recognised principles of international law and of equity.

Second—The general understanding reached by the commissions of the two countries in 1923, and approved by both Governments at the time of resumption of diplomatic relations between them, stands unmodified, and its binding force is recognised.

Third—The principle of international law that it is both the right and the duty of a Government to protect its citizens against any invasion of their rights of person or property by a foreign Government, and that this right may not be contracted away by the individual is conceded.

Fourth—The principle that vested rights may not be impaired by legislation retroactive in character or confiscatory in effect is not disputed.

Mr Kellogg supported these principles in a long, argumentative note, in which he asserted that American-owned subsoil rights, legally acquired in Mexico prior to 1917, may not be reduced by subsequent legislation, nor could owners be required to waive their rights to protection of their Governments under pain of forfeiture, in order to substitute for such vested rights limited concessions to operate oil wells or mines for a period of years. Mr Kellogg then referred to the 1923 Joint Commission and its proceedings, in which the paramount issue was recognition, and added:—

"Without the assurances received in the course of that negotiation, recognition could not, and would not, have been extended, and my Government confidently relies upon the fulfilment of the assurances then given."

In his reply of October 7th, Mr Aaron Saenz, the Mexican Foreign Minister, challenged this interpretation, and, citing the text of telegrams which passed in August, 1923, between the Mexican Foreign Office and Mr C. E. Hughes, then Secretary of State at Washington, contended that the Obregon Government had taken special pains not to admit a conditional recognition subject to the outcome of the conferences.

This same note questioned the scope of diplomatic intervention to protect the rights of nationals in a foreign country, and argued that it should be limited, where such nationals waived the right to such protection, to cases where there might be a subsequent denial of justice or other "infringement of international duty." The note then went on to discuss the new system of ownership in Mexico, and to explain that the purpose of the Mexican Government was to apply the principle of nationalisation to petroleum deposits. It argued that there cannot be two laws, one concerning rights acquired before 1917, and another concerning rights subsequently acquired, and that, with regard to the rights acquired before 1917, there could not be two ways of enforcing the laws—one for Mexican nationals and another for aliens; nor could the constitution be indefinitely suspended. Difficulties, said the Note, were inevitable in the adjustment of the

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old rights to the new rules, and two divergent tendencies were in conflict—"that of the created interests, which would prefer and demand that the same system of law be continued, and that of the general interests of the nation, which require that the old rights adjust themselves to the new principles."

On October 30th Secretary Kellogg, in a brief rejoinder, restated the American position that recognition had been conditional upon the understandings about property rights, and intimated that his Government expected the Mexican Government to respect them in their entirety, and refrain from any action under the new laws which would operate, "either directly or indirectly, to deprive American citizens of the full ownership, use, and enjoyment of their said properties and property rights." He also added a very significant warning about the "extremely critical situation affecting the relations between the two countries which would inevitably flow from Mexican insistence upon the new doctrines." The Mexican reply, dated November 17th, was even more brief, and after demanding the citation of concrete cases in which recognised principles of international law had been violated, insisted that there could be no justified motive for misunderstanding between the two Governments about the issues involved.

There for the moment the situation rests, but January 1st, the day when the new laws come into operation, is drawing nigh, and there is little expectation in Washington that the Calles Government will recede from its position. Ambassador Sheffield, however, who has been in Washington for several months, is now on his way back to the Mexican capital, and it is presumed that he is in possession of instructions to reopen negotiations and apply further pressure upon the Mexican Ministry. The situation is further complicated by the political disturbances in Nicaragua, a country where a great deal of American capital is invested; rival political factions are engaged in a sort of civil war, and it is charged that Mexican Government has abetted gun-running enterprises calculated to assist the anti-American party. As a result there is good deal of propaganda afloat in the American Press about the "Bolshevist menace" in Central America, and the theory prevails that it is being disseminated to prepare the public for a much stiffer attitude towards Mexico and a possible fulfilment of the veiled threat contained in Secretary Kellogg's Notes to break off diplomatic relations.

But such a step would meet with serious opposition in the United States. For one thing the American Federation of Labour has pronounced against any interference with the domestic affairs of Mexico, and for another Senator Borah, the chairman of the Foreign Relations Committee, a politician whose favour is greatly courted by President Coolidge, has expressed, after reading the correspondence, the opinion that there was no threat of any ultimatum in it, and that there would not be any break with Mexico. Senator Borah, to his credit, has always been an outspoken antagonist of the advocates of "dollar diplomacy," and he is now in a strong strategic position to resist their schemes for driving the Coolidge Government to a policy of intervention.

IRON AND STEEL LOSSES.

THERE have been published this week the annual reports of three iron and steel companies, each of which relates to the year ended on September 30th last, and thus covers five months of the coal stoppage. The results disclosed, as might be expected, are unsatisfactory in the extreme, profits having fallen far short of the amount required to meet debenture interest. In two cases, indeed, the profit and loss accounts show a debit balance of substantial dimensions before prior charges have been met. The three companies in question are Dorman, Long, and Co., Limited, the Cargo Fleet Iron Company, Limited, and the South Durham Steel and Iron Company, Limited. In the table below we set out the results of these three companies for a number of years past, and have added those of Bolckow, Vaughan, and Co., Limited, whose report appeared about a month ago, and relates to the year ended June 30th last. This table gives some indication of the effects of the coal stoppage upon the main industries of the North-East coast:—

BOLCKOW, VAUGHAN AND CO., LIMITED.

	Profit.	Deben- ture Interest, &c.	Preference Dividend.	Ordinary Dividend.	Rate.	To Reserves, &c.	Increase or Decrease in Carry Forward.
1913-14	£ 246,464	£ 27,947	£ 23,604	£ 164,778	8	£ 21,635	£ 8,500
1919-20	796,950	16,593	23,604	550,677	12	200,000	6,076
1920-21	363,977	48,909	23,604	300,451	8	—	8,987
1921-22	Dr 85,369	80,000	23,604	nil	nil	Dr 500,000	188,973
1922-23	Dr 269,233	196,881	23,604	nil	nil	Dr 173,338	10,282
1923-24	Dr 19,700	199,046	11,802	nil	nil	Dr 249,279	24,816
1924-25	Dr 109,279	140,000	nil	nil	nil	—	—
1925-26	Dr 13,816	164,270	nil	nil	nil	Dr 178,085	—

DORMAN, LONG AND CO., LIMITED.

1913-14	234,579	32,292	..	94,470	7½	112,835	—	5,076
1919-20	728,138	37,371	..	415,000	10	233,079	42,682	9,063
1920-21	410,799	36,286	..	371,863	5	11,703	—	38,315
1921-22	157,369	35,684	..	120,000	8*	40,000	—	1,491
1922-23	272,454	88,189	..	12,771	120,000	8*	50,000	7,485
1923-24	501,984	208,500	31,083	120,000	8*	134,916	—	88,609
1924-25	228,170	206,444	31,083	nil	nil	78,440	—	122,055
1925-26	Dr 180,962	230,034	23,512	nil	nil	Dr 312,361	—	

* Preferred ordinary.

CARGO FLEET IRON COMPANY, LIMITED.

1913-14	131,142	46,223	25,000	24	50,000	9,919
1919-20	227,307	42,130	50,000	5	50,000	85,177
1920-21	138,562	41,352	50,000	5	25,000	22,210
1921-22	95,015	41,167	nil	nil	30,000	23,848
1922-23	96,945	40,989	nil	nil	30,000	25,956
1923-24	100,941	40,691	nil	nil	50,000	10,250
1924-25	72,954	40,015	nil	nil	30,000	2,939
1925-26	2,326	39,556	nil	nil		37,230

SOUTH DURHAM STEEL AND IRON CO., LIMITED.

	Profit.	Deben- ture Interest, &c.	Preference Dividend.	Ordinary Dividend.	Rate.	To Reserves, &c.	Increase or Decrease in Carry Forward.
1913-14	£ 142,675	£ 13,500	£ 18,000	35,000	10	75,000	£ 1,125
1919-20	247,365	13,500	18,000	87,500	25	50,000	78,365
1920-21	88,565	13,500	18,000	35,000	10	30,000	7,935
1921-22	91,651	13,500	18,000	35,000	10	30,000	3,151
1922-23	182,109	13,500	18,000	35,000	10	30,000	85,609
1923-24	106,644	13,500	18,000	35,000	10	40,000	144
1924-25	93,932	13,500	18,000	35,000	10	25,000	6,432
1925-26	Dr 17,657	13,500	18,000	17,500	5	—	66,651

The figures of Bolckow, Vaughan and Co., Limited, to which some reference has been made in a previous issue, cover only two months of the coal stoppage. The accounts

show debit items of £77,299 for "expenses incurred through coal stoppage," and of £41,697 for "standing charges on idle plant." The latter arise from causes other than the coal stoppage. The chairman, in his speech at the annual meeting, said that "they are charges upon properties which were idle through trade depression, and are distinct from the charges created by the coal stoppage. They arise almost entirely at collieries and ironstone mines which were lying idle." But the figure of £77,000, which represents the direct cost of the coal stoppage to the company for a period of two months, is very heavy, for the company kept two blast furnaces going and derived "a considerable revenue from the sale of the iron they have produced." Some further figures given by the chairman show that the company's employees lost in wages from May 1st to the end of October a sum of £642,100. The accounts, however, indicate that the company's fortunes were on the mend, the profit for 1925-26, before charging depreciation and the expenditure mentioned above, being £82,900, as against a loss of £37,900 in the preceding year.

The figures of Dorman, Long and Co., Limited, have on the face of them, no redeeming feature. But apart from hopes of trade revival, which the company shares with the rest of the trade, there are possibilities in connection with the Sydney bridge contract and the Kent coalfields developments, which may help the company to emerge from its present difficulties. The company has undertaken heavy commitments in these directions, but little light on the subject is thrown by the report and accounts. For the five months of the coal stoppage the collieries and iron and steel works have been idle. "Work has been continued to a limited extent in our constructional departments, and sheet and wire works." An increase of £500,000 in the 5½ per cent. debenture stock means an expansion of nearly £24,000 in interest, and after payment of preference dividend for nine months only and charging £33,300 for debenture sinking fund, there is a debit balance, after bringing forward a credit balance of £122,000 from the previous year, of £312,300, which is charged against the reserve for general purposes, reducing it to £306,900. Including other small funds there are total reserves of £472,800. The issued capital is £8,018,000, of which £6 millions is in ordinary shares. These have received no dividend since 1920-21, while the £1,500,000 8 per cent. preferred ordinary shares have now received no distribution for two years. The dividend on the 6 per cent. preference shares, amounting to £518,000, is cumulative. The balance-sheet shows an increase of £168,700 in the bank overdraft, which now amounts to £1,160,800. To set against this there is an entry on the other side of £1,147,600 for net expenditure on Sydney and other bridges. In this connection the report says that satisfactory progress continues to be made on the company's bridge contracts, but owing to the terms of payment a further expenditure of £475,000 in excess of revenue from this source has been necessary. Debenture capital stands at £4,421,700, while creditors have declined from £1,132,300 to £611,600, and debtors from £825,500 to £372,600. Cash stands at less than £7,000. The report states that to provide for expenditure in Kent, debentures for £2 millions have been issued by Pearson and Dorman Long, Limited. These are guaranteed under the Trade Facilities Act, and will supply all the funds required to complete the programme of development in Kent. This has necessitated a reorganisation of Pearson and Dorman Long's capital, under which Dorman Long receive £1,525,000 share capital.

The Cargo Fleet Iron Company's accounts show a drop of over £70,000 in profits to the small amount of £2,300, but thanks to the large balance brought forward, namely £215,800, the debenture interest can be met without a withdrawal from reserves. Similarly, the South Durham Steel and Iron Company, which brought forward £206,200, is able, by reducing this by £66,600, to pay its debenture interest and 6 per cent. preference dividend, and to distribute 5 per cent. on its ordinary capital; the latter, it may be noted, has not been increased since before the war. The company has reduced its holding of Government securities by £207,000.

Our next table gives similar figures for Baldwins, Limited, and the United Steel Companies, Limited, whose financial years ended on June 30th:—

BALDWIN, LIMITED.							
	Profit.	Deben- ture Interest, &c.	Prefer- ence Dividend.	Ordinary Dividend.	Rate.	To Reserves, &c.	Increase or Decrease in Carry Forward.
1913-14	178,441	22,500	13,750	55,000	10	66,357	+ 20,834
1919-20	589,522	22,500	45,667	440,830	12½ (a)	75,000	+ 5,525
1920-21	399,402	24,234	80,476	207,537	5 (a)	75,000	+ 12,155
1921-22	294,774	157,781	81,294	nil	nil	50,000	+ 5,659
1922-23	473,403	191,250	85,941	nil	nil	81,250	+ 114,962
1923-24	482,163	190,406	90,935	nil	nil	98,344	+ 102,478
1924-25	169,795	188,659	45,467	nil	nil	225,091	+ 289,422
1925-26	224,918	186,570	nil	nil	nil	27,180	+ 11,168

UNITED STEEL COMPANIES, LIMITED.							
	Profit.	Deben- ture Interest, &c.	Prefer- ence Dividend.	Ordinary Dividend.	Rate.	To Reserves, &c.	Increase or Decrease in Carry Forward.
1913-14	26,479	60,000	65,327	6	6	80,000	+ 652
1919-20	892,515	146,853	79,050	507,045	10	119,368	+ 40,199
1920-21	625,520	146,254	79,050	116,755	3	27,881	+ 255,580
1921-22	388,035	148,026	27,668	nil	nil	79,890	+ 132,451
1922-23	504,633	156,601	nil	nil	nil	122,626	+ 225,406
1923-24	530,301	159,792	nil	nil	nil	133,577	+ 236,932
1924-25	201,835	160,125	nil	nil	nil	120,881	+ 79,171
1925-26	20,618	163,221	nil	nil	nil	160,400	+ 303,003

* Workington Iron and Steel Company only. (a) Free of tax.

Baldwins were able to show a considerable improvement in profits in comparison with 1924-25, but then the carry-forward was drawn upon to the extent of £289,400, and six months' preference dividend was paid. For the past year nothing is distributed on the preference capital, leaving £129,500 in arrears, but the balance forward is strengthened a little to £241,500. Investments in and loans to subsidiaries stand in the balance-sheet at £4,130,200. In the previous year a sum of £550,000 was applied in reduction of this item to write off the trading losses of the subsidiaries. In the past year, according to the chairman, the subsidiaries again show trading losses, largely owing to the operations of the colliery undertakings; no appropriation to cover these losses, however, is made this time, but a special committee has been appointed to deal with the matter.

The United Steel Companies, whose profits have declined by 90 per cent., has reduced its undivided profits by £303,000, but still has £520,900 in hand. A year ago £81,700 was written off for depreciation, but consideration of depreciation for 1925-26 "has been adjourned until the works are again in operation, and industry is in a normal condition." The report adds that all the works and plant of the branches and subsidiary companies have been efficiently maintained out of revenue. The dividend on the preference shares is cumulative.

In conclusion, we show how share prices have moved during the past year, giving the highest and lowest quotations of 1925 for comparison:—

	1925.		1926.		Highest	Lowest	April 30.	Nov. 30.	Dec. 10.
	Highest	Lowest	Highest	Lowest					
Bolckow, Vaughan, Ord. (£1)	10/	4/3	8/9	5/	6/3	8/9	8/		
Dorman, Long, Ord. (£1)	13/9	7/6	11/3	8/	10/	11/3	10/3		
Do 8% Non-Cum. Prt. Ord. (£1)	22/	12/	16/	12/6	15/	14/3	13/9		
Do 6% Cum. Prt. (£1)	19/3	14/3	18/	15/	17/6	14/3	16/3		
Cargo Fleet Iron, Ord. (£1)	15/	10/	13/9	9/6	10/6	1/	13/		
South Durham, Ord. (£1)	55/6	38/9	55/6	41/3	45/	50/	50/		
Do 6% Cum. Prt. (£1)	21/3	18/9	20/9	18/9	19/3	8/9	20/		
Baldwins, Ord. (£1)	15/6	7/6	10/6	7/6	8/	8/9	8/9		
Do 5% Cum. Prt. (£1)	18/	12/6	15/	12/6	13/	14/3	14/6		
Do 5% Cum. Prt. (£1)	18/9	11/3	13/	10/6	12/6	13/	13/3		
United Steel, Ord. (£1)	8/9	3/9	8/	4/3	5/	6/3	5/6		
Do 6% Cum. Prt. (£1)	15/6	7/6	12/5	7/6	8/	12/	11/3		

It will be seen that, with the exception of the shares of Dorman, Long, and Co., Limited, prices on November 30th, that is, after seven months of the coal stoppage, and when the end was obviously at hand, were not only above those of April 30th, but very much higher than the lowest recorded in 1925. Dorman, Long shares have naturally receded since the publication of the report, but the comparative firmness of other quotations suggests that there is some optimism as to the future of the iron and steel industry, which has endured several years of severe depression, especially on the North-East coast.

SOUND FINANCE AND FISCAL FALLACY.

THE messages which President Coolidge has delivered to Congress this week may well dismay the commentator, for they make a call upon the whole range of his vocabulary. In his references to imports and tariffs we find him vying with the most fallacious of protectionist pundits; in a passage dealing with foreign debt payments we recognise with quiet satisfaction a new touch of realisa-

tion of the sacrifices which America's European debtors are shouldering in order to meet their obligations; and, finally, in his Budget message, we find Mr Coolidge, not merely appearing as the apostle of sound finance, but also coming forward with a reduction in America's naval programme, which, even if no immediate results follow, is a most courageous and timely gesture to a Europe which is groping its way through the network of interest, susceptibility, prejudice, and fear which guard the knot of the disarmament problem from the knife of the reformer. Mr Coolidge proposes to reduce the personnel of the American navy by 3,000, and asks Congress to postpone the construction of three out of the eight light cruisers which were to have been started before July; and he bases the request on the ground that the United States is negotiating "to broaden our existing treaties with the Great Powers which deal with the elimination of competition in naval armaments." His statement also omits provision for airship construction already sanctioned by Congress. This deliberate slowing down in armament expenditure gains in significance when the general Budget situation is studied. It is certainly not dictated by financial pressure. Indeed, the position of the United States public finances, as disclosed, is one to make the British taxpayer rub his eyes and lick his lips with envy. The total of the Budget for that great country, with a population 2½ times as large as that of Britain, is closely similar to that of the British Budget, at £802 millions. Although in the Revenue Act of 1926 £77 millions of taxation were remitted, President Coolidge is still able to forecast a surplus of £76 millions for this year and a further surplus of £40 millions for next year. It is not the pinch of the shoe that suggests economy in defence expenditure. In his treatment of these surpluses Mr Coolidge reveals sound policy. They are not, he says, too big for a nation with a national debt of £3,900 millions, and he urges that if Congress makes any fresh tax remissions they should not be of a permanent kind, but should merely be applied to the first two payments due in 1927. Like his armament gesture, this cautious line of financial correctitude is the more meritorious in view of the atmosphere of conspicuous prosperity in which it is adopted.

It is with regret that we turn from Mr Coolidge the sound financier to Mr Coolidge the expounder of fiscal policy. Readers of Bastiat's brilliant writings on free trade might well be excused for thinking that he had exhausted the subject of protectionist fallacies. But in his address to Congress Mr Coolidge produced one which is worthy to rank with the choicest of Bastiat's collection. In the course of his speech he expounded the situation of America's import trade in the following terms:—

It is estimated that Customs receipts for the present fiscal year will exceed \$615,000,000, the largest ever secured from that source. The value of our imports for the last fiscal year was \$4,466,000,000, an increase of more than 71 per cent. since the present tariff law went into effect. Of these imports about 65 per cent., or roughly \$2,900,000,000, came in free of duty, which means that the United States affords a duty-free market to other countries almost equal in value to the total imports of Germany and greatly exceeding the total imports of France. We have admitted a greater volume of free imports than any other country except Great Britain. We are therefore levying duties on about 1,550,000,000 of imports. Nearly half of this, or 700,000,000, are subject to duties for the protection of agriculture, and have their origin in countries other than Europe. They substantially increased the prices received by our farmers for their produce. About 300,000,000 more is represented by luxuries such as costly rugs, furs, precious stones, &c. This leaves only about 550,000,000 of our imports under the schedule of duties which is in general under consideration when there is discussion of lowering the tariff.

Having reached this satisfactory conclusion, the President proceeded to pass an illuminating comment. "Those," he said, "who are starting the agitation for a reduction of tariff duties, partly at least for the benefit of those to whom money has been lent abroad, ought to know that there does not seem to be a very large field within the area of our imports in which probable reductions would be advantageous to foreign goods." This exposition leaves us marvelling at the moderation of the framers of the American tariff. Surely the logical thing to do would be to double, treble, or quintuple the duties on the commodities included in this 550 million dollars, and reduce the figure to nothing at all. Mr Coolidge could then proudly declare that "there is no field at all within the area of our imports in which reductions would be advantageous to

foreign goods." Those to whom money had been lent abroad would quickly realise that they had been completely mistaken in supposing that America could possibly provide a market for their goods, for the trade statistics would disprove such a preposterous idea beyond the possibility of dispute. The President would, moreover, be able to point to the fact that not a mere 65 per cent., but 75 per cent., of America's imports came in duty free. And when the process had been pushed to its ultimate conclusion, and the same process applied to agricultural products, the duties on which, though not yet sufficiently high to keep them out altogether, have nevertheless "substantially increased the prices received by our farmers for their produce," American statesmen would be able to claim that all America's imports come in duty free, and that therefore the American tariff is the lowest in the world.

But the protection afforded by a tariff is to be measured by what it keeps out—not by what it lets in. There is a real danger that fallacies like that of Mr Coolidge may creep into the discussions which are certain to take place during the next year or two on the topic of tariffs. On a first approach to the subject there is a tendency to look at the total imports of a country and the revenue which it raises from import duties, and to regard the ratio of the second to the first as an indication of the severity or leniency of its tariff policy. The fact is, of course, that the more highly protectionist the tariff is the smaller are the duties collected under it. There is a growing tendency to import only goods on the free list and the ratio of customs revenue to total imports falls to a low level. On the other hand, import duties which are counterbalanced by internal Excise duties, and are therefore without any protectionist effect at all, may be an important item of the fiscal system of the country and produce a large revenue. Thus a high ratio of Customs receipts to imports may be the consequence of a free trade policy, and a low ratio the result of high protection, though this is not always the case. The only way to measure the level of the tariff is to take a representative series of goods and to ascertain what duty they would pay (measured as a percentage of their value) if they succeeded in surmounting the tariff wall. If the discussion of European tariffs is to be usefully carried on, the Economic Conference must have before it an idea of the level of the tariffs of different countries measured on some such basis as this. But it is really a little disheartening, at a moment when there are signs of a trend towards saner economic policy, to find the President of a great and enlightened nation regaling his legislators with such an elementary fallacy.

COAL SETTLEMENT.—TERMS OF THE DISTRICT AGREEMENTS.

We summarise below the most important features of the agreements made between employers and employed, under which operations have been resumed in most districts of Great Britain. Our list includes all the most important areas of the country, viz., Northumberland, Durham, Yorkshire, Nottinghamshire, Derbyshire (and Cannock Chase), Lancashire and Cheshire, South Wales, and Scotland:—

NORTHUMBERLAND.

1. A district board to be set up, representing the Northumberland Coal Owners' Association and the Northumberland Colliery workers, with an independent chairman.
2. Wages to be determined in relation to ascertained proceeds.
3. The percentage addition to basis rates to be not less than 80, subject to recoupment of deficiencies.
4. A subsistence allowance to be paid to make up the wages of low-paid adult day-wage workers to 6s 9d per shift.
5. In making ascertained allowances, allowances in the shape of free houses, or rent allowances, and free coals to be treated as wages paid, and not as other costs. Sums required to make up the subsistence allowance to be similarly treated.
6. Wages to be at the rate of 80 per cent. above basis rates until February 28, 1927. March wages to be determined by the ascertainment of proceeds for January, 1927; April wages by proceeds for February, &c.
7. The above arrangements to be conditional upon the acceptance of the following terms:—

1. A 7½ hours' shift, plus one winding time, for coal hewers, and an eight hours' shift, plus one winding time, for all other classes of underground workers, with unrestricted coal drawing hours. The county basis wage of hewers, for Joint Committee purposes, at the steam coal collieries, to be raised to 5s. 6d.; that of hewers at the

soft coal collieries to be in the same proportion.* The county basis wage for fillers to be raised to 5s. 10d.

8. The hours of persons employed on the surface to be 49 per week, exclusive of mealtimes.

9. The percentage additions to piece-workers (whether merged in prices or not) granted for the reduction of hours no longer apply.

10. Surplus proceeds to be divided in the ratio 87-13.

11 and 12. Pits to be cavelled and hewers, fillers, and conveyer men to be cavelled separately if the management desires.

13-16. The full hours of the shift to be worked by the first shift on the last day of the quarter, and by both shifts on the first day of the quarter, and a single shift of normal length on pay and half Saturdays. The management to have power to arrange the different shifts to suit circumstances at each colliery (this clause does not apply to the establishment of a three-shift system). The Sunday repairing shift to be on the Sunday night instead of Sunday morning. The customary short shift on Sunday night to continue.

17. The agreement to continue for two years, subject to one month's notice by either party after the expiration of that period, the District Board having power to revise the minimum percentage addition to basis rates after one year on application from either party.

DURHAM.

1 and 2. As in Northumberland, *mutatis mutandis*. 3. The percentage addition to basis rates to be not less than 89, subject to recoupment of deficiencies.

4. A subsistence allowance to be paid to make up the wages of low-paid adult day-wage workers to 6s 8½d per shift, but no extra payment to be made to persons receiving more than that sum.

5. As in Northumberland.

6. As in Northumberland, substituting 89 for 80.

7. The agreement to operate for one year, subject to one month's notice by either party thereafter.

The foregoing arrangements to be conditional upon the acceptance of the following terms:—

8. For hewers 7½ hours per shift, plus one winding. For all other classes of underground workers eight hours per shift, plus one winding. Variations of county standards of piece-workers to be fixed by the parties.† Hours of deputies 7½ per shift, plus one winding, it being understood that if required they are to stay longer, and be paid an equivalent wage for overtime.

9. Hours to be 49 per week, exclusive of mealtimes, for persons employed on the surface.

10. The 12½ per cent. granted to piece-workers other than hewers on the reduction of hours (whether merged in the basis rates or not), no longer to apply.

11. Proceeds to be divided in the ratio 87-13.

12. Hewers and fillers to do stone and shift work at and about the face, and to work together and pool their earnings if required.

13. Where machine mining is applied, persons employed, whether machine men, drillers, fillers, pullers-up of conveyors, or canchmen, to work in conjunction when required, and do any necessary work though it be outside their ordinary work.

14. All seams to be cavelled separately where the management require.

15. The practice of sitting at the kist to be abolished. The men to go into their working places as soon as authorised by the deputy, and to remain for the full hours of the shift.

16. The present arrangement with respect to the minimum wage of piece-workers to be terminated, and the matter further considered.

17. Machinery to be set up without delay for the adjustment of piece-work rates and the determination of other matters of dispute continually arising at the pits.

YORKSHIRE.

1. and 2. A Wages Board for South Yorkshire and West Yorkshire to be constituted, with equal representation for owners and workers, and an independent chairman.

3. and 4. All questions of basis rates of wages, hours of employment, and conditions of working to be decided in each of the two areas separately. Wages to be expressed in the form of a percentage of the basis rates, and be periodically adjusted in accordance with results.

5. The percentage to be determined by results during a previous period, as ascertained by returns made by the owners, and checked by joint test audit by independent accountants appointed by the respective parties to the agreement, the percentage in no case to be less than the minimum under Clause 7.

6. Subject to Clause 7 hereof, 85 per cent. of the difference between the net proceeds of sale of coal and costs of production other than wages to be taken. From this amount to be deducted the amount paid as subsistence allowance, and the deficiency (if any) referred to in Clause 7. The balance to be expressed as a percentage of the wages paid at basis rates during the period of ascertainment. Wages paid at basis rates to include the percentage addition to piece-workers consequent upon the reduction of underground hours below eight per shift.

7. If in any period the percentage be less than 32 per cent. upon 1911 basis rates, 32 per cent. shall be paid as a minimum. Provided that in the first twelve months the minimum is to be 36 per cent., but the amount of the deficiency between the actual ascertained percentage and the minimum percentage to be deducted in the next

(*The hewers' county basis wage for Joint Committee purposes at the soft coal collieries to be 5s. 4d.)

†On November 27th the owners stated they were prepared to fix the county standard basis wage for hewers and fillers at 4s 8d.

subsequent ascertainment.‡ If no balance be available for meeting a deficiency, the latter to be made good subsequently.

8. If wage rates so determined do not provide a subsistence wage to low-paid adult day-wage workers, such addition to be made as the Board may deem necessary. The subsistence allowance of 6d. per shift (up to a maximum of 8s. 9d.) to remain in operation.

9. In ascertaining the proceeds and costs other than wages, the accountants to follow the principles to set out in a schedule to be agreed upon.

10. The period of ascertainment to be one month. The percentage payable during March, 1927, to be based on results in January, 1927, &c.

11. The agreement to operate for three years from January 1, 1927; and thereafter be terminable by one month's notice on either side.

NOTTINGHAMSHIRE.*

1. A District Wages Board to be constituted, with equal representation of the coal owners and workmen, and an independent chairman.

2 and 3. Wages to be expressed as a percentage of basis rates. The percentage to be determined by results during a previous period, as ascertained by returns made by the owners, and checked by independent firms of accountants appointed by each side.

4. Subject to Clause 8 hereof, the ratio 85-15 to be taken.

5 and 6. Wages not to fall below basis rates, plus 38 per cent. Any adult able-bodied day wage workman whose rate per shift, after adding district percentage, is less than 8s 9d, to receive a subsistence wage to bring him up to that figure, with a maximum addition of 6d per shift. This to apply only to ordinary working time. No such workman to be paid a gross rate, including the subsistence wage, of less than 7s 11d per shift, not including overtime.

7. Hours of work per shift for manipulators above and below ground to be half an hour longer than on April 30, 1926. The percentage payable to piece workers to be 7 per cent. in place of 14.17 per cent.

8. If the amount of the ascertained proceeds in any period is less than the sum of (1) costs other than wages, (2) wages at the minimum and allowances as in Clause 5, and (3) an amount equal to 15-85ths of such costs, the deficiency shall be carried forward and subsequently dealt with as follows:—

Any excess in subsequent quarters shall be applied to make good any deficiency brought forward. Otherwise the deficiency or such portion as remains shall be again carried forward to a subsequent period. No deficiency is to be carried forward for recoupment beyond April 30th in any year. The first ascertainment period to be May, June and July, 1927.

9. The district to comprise Nottinghamshire, and be varied only by the decision of the Board.

10. In ascertaining proceeds, &c., the accountants are to follow the principles set out in a schedule to the main agreement.

11. The rates payable until the end of August, 1927, to be 90 per cent. above basis rates for December, 1926; 80 per cent. for January and February, 1927; 70 per cent. for March, April and May, 1927; and 60 per cent. for June, July and August, 1927. Wages for September, 1927, to be based on ascertained results for May, June, and July, 1927, October wages on results for June, July and August, &c., unless the periods are varied by the Board.

12. The agreement to operate until December 31, 1931, and thereafter be terminable on six months' notice by either side.

CANNOCK CHASE.

Clauses 1 to 4. Identical with Nottinghamshire agreement.

5 and 6. Wages not to fall below basis rates, plus 42 per cent. Any adult able-bodied day wage workman whose rate per shift after adding district percentage is less than 8s 9d to receive a subsistence wage sufficient to bring him up to 8s 9d per shift, with a maximum addition of 6d per shift. This wage not to apply to overtime.

7. Hours of work to be those in force before the Seven Hours Act, except on Saturdays when hours will be from 7 to 12.30, without mealtime.

8 and 9. These clauses follow the lines of the Nottinghamshire agreement, with the important exception that in the draft agreement no date is mentioned as regards the first ascertainment, and, as regards recoupment of deficiencies, an "agreed proportion" of any subsequent credit balance, as determined by the Board, is to be applied for the purpose. No clause is included which limits the carrying forward of deficiencies beyond a certain date in each year.

10. The district to comprise the Cannock Chase and Pelsall Coal-fields, and be varied only by the decision of the Board.

11. Identical with Clause 10 of the Nottinghamshire agreement.

12. The rates payable to be 62½ per cent. above basis rates during December, 1926, March, 1927, and 52½ per cent. above basis rates during April-June, 1927.

Subsequently, wages to be based on ascertained results during agreed periods.

13. The agreement to operate until December 31, 1931, and thereafter be terminable on six months' notice by either side.

LANCASHIRE AND CHESHIRE.

1. All workpeople who were in employment at the collieries immediately before the stoppage to be re-engaged as soon as possible and signed on as work becomes available for them.

‡The wording of this proviso has subsequently been altered to make its meaning clearer.

*A precisely similar agreement was made for Derbyshire, excluding South Derby.

2. HOURS OF WORK.—Hours underground and for surface workers engaged in manipulation of coal to be one hour per shift more than before the stoppage, with the exception of the morning shift on Saturdays, the latter to be six hours. Meal-times to be 20 minutes on Saturday, and half-an-hour on other days.

3. TERMS OF PAYMENT.—Up to June 30, 1927, wages, in the grades hitherto regulated by percentages, to be at the rates paid in April, 1926—namely, 46.66 per cent. upon the 1911 basis rates. During this period such subsistence allowances and extra percentage to the lowest-paid day-wage workers to be continued as in April, 1926.

4. The 13.1 per cent. hitherto paid to piece-workers in respect of the reduction of hours from eight to seven to be withdrawn.

5. For July, 1927 (a) the percentage addition to 1911 basis rates to be according to the ascertained results for March, April, and May, 1927. (b) Costs of production other than wages to be deducted from the proceeds, and of the balance 87 per cent. to go to wages. (c) The minimum percentage below which wages cannot fall to be 32 per cent. on the 1911 basis rates. The subsistence allowances awarded under the 1921 agreement to be paid. (d) After June, 1927, the wages of workmen 21 years of age or over in no case to be less than 7s per shift, or those of adult female workers less than 4s 9d per shift.

6. In each subsequent month a similar ascertainment to be made. For example, the percentage for August, 1927, to be fixed on the ascertained results of April, May, and June, &c.

7. The owners to be entitled to recoupment if they are called upon to make up any part of the minimum of 32 per cent. on the 1911 basis.

8. The agreement to operate for three years to December 31, 1929, and thereafter to be determinable by one month's notice on either side.

SOUTH WALES.

The following main principles were to be embodied in an agreement:—The agreement to terminate on December 31, 1929, with power on either side to ask for a review of the minimum and subsistence wage on December 31, 1927, and December 31, 1928. The 42.22 per cent. and the present subsistence wage to be continued to May 31, 1927. Wages for June, July, and August, 1927, to be based on the ascertainment of proceeds and costs for February, March, and April, 1927. The periods of ascertainment to be quarterly, viz., February, March, and April; May, June, and July, &c. The minimum to be 28 per cent. The ratios to be 85 and 15, with no allowance for amortisation. Hours of work to be eight per shift, and seven on the morning shift on Saturdays. Recoupment to be provided for in accordance with the 1924 agreement. A sub-committee to be appointed to consider transfer prices. Provision to be made for dealing with double shift on coal and the introduction of machinery.

The representatives of owners and workmen agreed that every endeavour should be made to expedite the reopening of workings so that, as far as practicable, employment should be given to workmen employed in April last.

SCOTLAND.

The following terms were accepted and are to be embodied in a formal agreement:—

i. A conciliation board to be established, with an independent chairman.

ii. Hours below ground to be increased by one hour per shift. Surface workers to work a normal week of 49 hours.

iii. During the period of agreement the district minimum percentage is not to fall below 110 per cent. above the 1888 basis—i.e., the minimum percentage in operation from July, 1921, to June, 1924.

iv. After the temporary period provided for in clause x., wages to be paid on the basis of ascertained results for Scotland for such periods as the parties may agree.

v. Basis of wages to be on a division of product in ratio of 87-13.

vi. The principle of a reasonable and effective allowance in the ascertainment, however, in respect of the introduction of new capital and the principle of effective recoupment to be admitted.

In dealing with the allowance in respect of the introduction of new capital, the board to take into consideration the effect upon the ascertainment of the lowering of the wages cost as the result of the introduction of such capital. An early meeting of the conciliation board to deal with these matters, and also the question of allowance for amortisation. In the event of disagreement decision to be made by the independent chairman.

vii. Subject to the payment of subsistence wages during the temporary period (see clause x.), minimum subsistence wages to be as under the 1921 agreement, subject to revision after one year by the parties, or, failing agreement, by the independent chairman.

viii. As regards the determination of transfer prices, the owners to consider sympathetically reasonable and practicable proposals made by the workmen's side.

ix. The agreement to be for three years, subject to two months' notice of termination.

x. During a period to be called "the temporary period," the owners to pay 133.33 per cent. of the 1888 basis (i.e., the percentage before the stoppage), subject to a readjustment of tonnage and other piece-workers' rates corresponding to the addition when hours of work were reduced. Subsistence wages in operation before the stoppage to be paid during "the temporary period," which will run until April 30, 1927.

xi. As from May 1, 1927, wages to be determined by an ascertainment for the month of March, 1927; wages of June to be determined by the results of months of March and April, and thereafter by two-monthly ascertainments.

xii. The owners to reserve for consideration such questions as

classes of workmen to whom the agreement applies, overtime and week-end payments, &c.

xiii. These proposals to be without prejudice and subject to possible modification.

The general features of these agreements were commented on in a leading article a week ago. In all cases the principle of division of proceeds between owners and workers is retained, but whereas the ratio remains at 87-13 in Northumberland, Durham, Lancashire and Cheshire, and Scotland, it is amended to 85-15 in Yorkshire, Nottinghamshire, Derbyshire, Cannock Chase, and South Wales. Provision is made in most cases for the payment of specific rates for a limited time after the resumption of operations, and the ascertainment of future rates on the basis of results in named periods (which are not identical in all cases). Minimum wages are provided for, and the principle of recoupment admitted. The South Wales, Lancashire and Cheshire, and Scottish agreements provide for an eight-hour day; those of Northumberland, Durham, Yorkshire, Nottinghamshire, and Cannock Chase for a seven-and-a-half-hour day. The duration of the agreements varies with different areas, the longest being those of Nottinghamshire, Derbyshire, and Cannock Chase, which run for five years, and the shortest that of Durham, which runs for one. In Scotland, Yorkshire, and South Wales the agreements are for three years and in Northumberland for two. All agreements, except those in Lancashire and South Wales, provide for the setting-up of District Boards, with independent chairmen.

Notes of the Week.

A Detente in China.—This week the situation in China has been distinctly easier. At Hankow the general strike, which had been announced for last Saturday, has been postponed, and the new British Minister, Mr Miles Lampson, after getting into touch with the British community in Shanghai and conferring with his Japanese colleague, is now on his way up the Yangtse. Meanwhile, the transference of the seat of the Kuomintang Government from Canton to Wuchang, on the Yangtse opposite Hankow, has begun, and an early meeting is expected between Mr Lampson and Mr Eugene Chen, the Kuomintang Minister for Foreign Affairs. There is talk of an impending recognition of the Kuomintang Government by Great Britain, and possibly by Japan, but it would be unwise to count upon a settlement being in sight, even on these lines, since the Kuomintang are naturally elated by their sensational successes in the civil war, and this elation may translate itself into the form of greater exigency in their dealings with foreign Powers. The rallying to their side of the great treaty port of Foochow brings the whole of Fukien province under their authority, and it is probable that Chekiang will follow—so utter is the collapse of Wu Pei-fu. In these circumstances it is conceivable that the Kuomintang may refuse to accept recognition unless they are recognised, not merely as the *de facto* Government in the constantly growing territory that is under their effective control, but as the sole lawful Government of the Chinese Republic. Already they have sent a representative to Geneva to watch the proceedings on the Council of the League of Mr Chu, who holds his seat in the name of a central Government at Peking which has long been impotent and is now actually extinct; and they have written to the Secretary-General of the League to inform him that they alone can claim to speak in the name of the Chinese people. In the same letter they assert that all existing "unequal" treaties between the defunct Peking Government and foreign Powers are null and void. This was precisely the line which the Angora Government took in regard to the international commitments of the Sublime Porte after the Turkish Nationalist victories in 1922. It is not easy to see how Great Britain (or, *a fortiori*, Japan, with her local entanglements with Chang Tso-lin, the War Lord of Manchuria) could accord to the Kuomintang Government that exclusive recognition which it apparently desires, for this would be tantamount to indirect intervention in the Chinese civil war—though on the side which has hitherto regarded us as hostile. It is for the Chinese themselves to remove this difficulty from our

path by coming to some agreement among themselves instead of fighting the civil war out to a finish, and there are rumours that some compromise may now be reached. Certainly there is a lull in the military operations, and while the Northern war lords are showing remarkably little stomach for the fight, the Kuomintang forces, on their side, do not appear to be pushing north of Hankow, and the movements of their ally, the Baptist-Bolshevik General Feng, in the north-west, are wrapt in obscurity. As for the treaties, all parties are agreed that modifications must be made, and it is obvious that the British, as well as the Japanese, Government is prepared to make far-reaching concessions. This being so, the Kuomintang would put themselves in the wrong—not only juridically, but in equity—if they insisted upon a unilateral denunciation of what are, after all, bilateral agreements. The fact that originally these agreements may have been forced upon the Chinese Government by pressure ought to make far-sighted Chinese all the more careful to obtain their removal by the more binding procedure of free negotiation. We have great hopes that, formidable though the difficulties may be, a personal meeting between Mr Lampson and Mr Chen will do much to clear them up.

The Italo-Albanian Treaty in Yugoslavia.—The treaty which has just been signed at Tirana, in Albania, by the Italian and Albanian Governments has had repercussions which Signor Mussolini can hardly have foreseen, but which are unpleasant for everybody, because they militate against the peace of Europe. Ostensibly, the treaty is simply one of those rather colourless treaties of amity which Dr Benes brought into fashion, and which are harmless enough, if not particularly beneficial, when they are concluded between two States which have no obvious common object inimical to the interests of a third State. When, however, this latter bond exists, such treaties do a distinct disservice to the cause of peace, because they give rise to the conjecture that there are secret clauses of a less innocuous character than the published text, or, at any rate, that there is some tacit understanding which does not appear on the surface. This was the effect of the Russo-Turkish Treaty signed at the end of last year just after Turkey had declined to accept the award of the League of Nations on the Mosul Question. The same effect was produced by the treaty of amity between Italy and Spain a few months ago, which was promptly followed by the Spanish attempt to reopen the question of Tangier. The Italo-Spanish Treaty was inevitably regarded as a menacing gesture towards France, and now the Italo-Albanian Treaty is being interpreted in much the same way in regard to Yugoslavia. In Belgrade it is reported that the news of the treaty aroused the same kind of emotion as the news of the annexation of Bosnia-Herzegovina by Austria-Hungary in 1908—an ominous reminiscence. Admittedly, it is the Treaty of Tirana that has led the Yugoslav Foreign Minister, Monsieur Ninichich, to resign, and his resignation has now been followed by the fall of the Coalition Government, presided over by Mr Uzunovich, of which Mr Ninichich was a member. For the fall of the Government there were other contributory causes. The coalition itself—between the late Mr Pashich's Radical Serbs and Mr Radich's Peasant Croats—was an uneasy fellowship, for Mr Radich must be even more awkward to deal with as a colleague than as an opponent. Possibly, Mr Uzunovich has taken advantage of a favourable opportunity for retiring from an untenable position. Yet, when all is said, it is unfortunately evident that the neighbourly relations created between Yugoslavia and Italy by the settlement of the Fiume Question in 1924 are relapsing into the untoward atmosphere of suspicion and tension which prevailed before then. Tension between the two countries over Albania is more serious than tension over Fiume, because it touches the susceptibilities of the Serbs, who are the dominant partners in the Triune Kingdom, whereas Fiume was an affair of the Croats, in which the Serbs were only interested indirectly. Moreover, it is significant that the Fascist Press is venting its displeasure at Mr Ninichich's gesture upon France, and is taking the line that the alienation of Yugoslavia from Italy is not due to the Tirana Treaty at all, but to French machinations. Here

we have (though happily in miniature, and in a Europe weary of war) something like the situation which led to war in 1914. Italy feels herself a young and lusty nation malevolently "encircled" by France and Yugoslavia, as Germany formerly felt herself "encircled" by France and Russia. France and Yugoslavia, on the other hand, feel Italy (and this with greater reason) to be an increasingly dangerous neighbour. Here is the old European order with a vengeance. It remains to be seen whether the new order of the League of Nations will prevail and preserve European peace.

London Traffic and Bridges.—Not merely Londoners or Englishmen, but visitors from every part of the globe, must have had it impressed upon their minds that, with increasing population and the growth in the volume of road transport, London's traffic problem has for years been becoming constantly more urgent and more intricate. In a report* published this week a real step forward has been taken towards dealing with the question. Lord Lee of Fareham and his colleagues on the Royal Commission on Cross-River Traffic are entitled to congratulation on several counts. They were only appointed at the end of July, and have therefore performed their work with a celerity not always associated with such bodies. They are unanimous in their recommendations. They have also succeeded in producing a comprehensive scheme, and at the same time in satisfying strong public sentiment in at least two directions. Waterloo Bridge, they recommend, should not be demolished, but widened and strengthened; and the scheme for a St. Paul's Bridge, which was held by many to menace the safety of the Cathedral, is rejected by them. Waterloo Bridge instead of being scrapped, is to be made capable of taking four streams of traffic; similar rebuilding and widening is recommended for the Chelsea, Albert, Wandsworth, Putney, and Hammersmith bridges. In addition five new bridges are proposed:—(1) "Ludgate Bridge." The proposal is for a combined road and footway, 70 to 75 feet wide, from Southwark street to Holborn Viaduct. (2) A new Charing Cross Bridge. A double-decked steel bridge, providing space for six railway tracks on the lower level with a 60 foot roadway above, and two footways of 15 feet each. This, it is proposed, should be built immediately just to the east of the present Hungerford Railway bridge. This will involve the removal of Charing Cross station to a site bounded on the east by Buckingham street, and the railway will take off near the Cavell statue, and cross over the Strand. (3) The proposed new Hampton Court Bridge, and the connection with the Portsmouth road is approved. (4) and (5) Two new bridges are recommended to improve the western exits from London, one near Baset Wharf, and the other by Chiswick Ferry. Naturally these schemes involve many road changes and improvements of bridge approaches. In addition the Commission adopt various proposals regarding Rotherhithe and Blackwall tunnels, and the Ministry of Transport scheme for a Dartford-Purfleet tunnel. The magnitude of these recommendations and the fact that they are "integral and interdependent parts of a general and comprehensive scheme" leads up naturally to the proposal that a "Central Authority" should be set up to deal with the whole problem of bridges, and should be sanctioned by Parliament and provided with necessary resources. If a comprehensive scheme is to be carried out this is essential. Effective co-operation between eight score of local authorities is obviously impossible. The Commission's programme involves a gross expenditure of £27,500,000, the chief individual items in the bill being Charing Cross Bridge, £7½ millions; new Ludgate Bridge, £3 millions; new "western exits" scheme and bridges, £2 millions; Dartford-Purfleet tunnel scheme, nearly £3 millions; Victoria Dock road scheme, £3 millions. Compared with these large figures, the estimate for the improvement of Waterloo Bridge looks small at £860,000. The cost will, of course, be spread over a number of years, and with regard to its finance the Commission reach the following conclusion:—"In summing up the financial aspect of our programme of

* "Report of the Royal Commission on Cross-River Traffic in London." (Cmd 2772.) H.M. Stationery Office. 4s net.

new works, we think it desirable to emphasise that the maximum annual charge for the service of a 60-year loan should not exceed £1,400,000, of which, say, 75 per cent. (£1,050,000) would fall upon the Road Fund and the balance upon the local authorities concerned within the London traffic area. Thus the burden falling on this area would be about £350,000 per annum, which is exactly the present yield of a penny rate." The Commission has produced a thorough, comprehensive and workmanlike scheme.

Coal Prices and Supplies.—With a general return of miners to the pits—it is estimated that there are some 800,000 at work this week—a new problem has developed, namely, the handling of supplies. The first official figures of output since the stoppage began give a total of 2,324,000 tons for the week ended November 27th, the number of wage earners employed being 455,000. Prices of household coal have been reduced this week by 14s to 19s per ton in London, which brings them down to within about 14s above the level ruling at this time last year. Consumers, however, are not purchasing in large quantities, with the result that there is serious congestion in the railway depôts and sidings and a shortage of wagons at the pits. According to the Great Western Railway, London household coal, of which 90 per cent. is coming from the Midlands, is being cleared from the collieries and delivered at a much greater rate than it can be absorbed in the Home Counties. "The position to-day is that the Great Western Railway Company has standing on London wharves and in the immediate vicinity ready for delivery a quantity of coal equal to six days' supply for the depôts served." The coalowners' wagons are being used as warehouses." On Tuesday it was announced in the House of Commons that, except in the case of anthracite and coke, permits for export would no longer be required. This removal of restrictions for which the export districts have been pressing for some time, will greatly facilitate the resumption of work there. The benefit to the railways of the miners' return to work has already shown itself in the traffic receipts, the returns for last week showing a substantial improvement. For the four main lines goods train receipts for the week show a decline in comparison with the corresponding week of 1925 of only £156,000, as compared with a decrease of £298,000 in the preceding week. The Southern Railway recorded an increase of £10,000 in goods receipts for the first time since the coal stoppage began, while the corresponding figure for the London and North-Eastern for last week showed a decline of £55,000, as against one of £144,000 in the preceding week. It is anticipated that by the end of the year 900,000 miners will be at work, and the traffics of the railways should benefit correspondingly if the present congestion can be overcome. But for the 48 weeks of the year which have elapsed gross receipts show the formidable decline of £27½ millions, a figure which the remaining weeks of the year cannot be expected substantially to reduce.

The Reform of Indian Currency.—We have received a report of a speech made by Sir Basil Blackett on November 23rd, dealing with the problems raised in the Indian Currency Commission's Report. It will be remembered that Sir Basil Blackett originally put before the Commission a plan for a gold currency system instead of a gold bullion system for India, while he also assumed in his evidence that the management of the currency would be transferred to the Bank of India. The Commission's recommendations differed from those of the Finance Department, but Sir Basil Blackett recognised the force of the reasons which weighed with the Commission and accepted their conclusions. His defence of the present proposals and his carrying of them into legislative effect will be the more effective for his having first explored other possibilities. Sir Basil Blackett agrees that his scheme for a gold currency, which in any case was to have been spread over a period of ten years, involved risks to India which it would be unsafe for her to face, seeing that the conditions which he laid down as prerequisite to its adoption have not proved capable of realisation. Sir Basil still thinks that India may ultimately pass through a stage

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in which she will have a gold currency, and he points out that the plan proposed by the Commission is one on which it will be quite simple to superimpose a gold currency when the country has grown accustomed to the limitation on the free issue of silver rupees which the present plan imposes. But for the present the scheme for a gold currency is not practicable. As regards the much more keenly debated question as to whether the Imperial Bank can take over the functions of a central bank, Sir Basil observes that the Commission were "driven away from the idea of making a central bank for India out of the Imperial Bank and into the proposal for an entirely new reserve bank by the inexorable logic of facts." The only alternative to leaving the control divided between the Government of India, the Secretary of State and the Imperial Bank was, in effect, an entirely new institution. To have left the control where it is would probably have made them unwilling to recommend a gold standard at all. The suggestion has been made that, in order to secure the proud position of the central bank of India the Imperial Bank would have been willing to be shorn of all its commercial activities, and in his minute of dissent Sir Purshotamdas Thakurdas suggested that this question should be submitted to a vote of the shareholders. But, as Sir Basil points out, the matter is one of wider interest than that of the shareholders. The Imperial Bank has played a great rôle in developing commercial banking in India. It is much easier to create a new central reserve bank than to recreate the Imperial Bank of India. There are those who still think that it could perform both rôles, but all experience shows that this is impossible. If it is to pioneer in branch banking it cannot be subjected to the severe restrictions that are inevitable in the case of a central bank, nor can it be left with unrestricted powers to swamp all other banks with its note issue monopoly, freedom to deal in exchange, and the use of the whole of the balances of the Government. Clearly the recommendation that other banks should be compelled to keep a proportion of their reserves free of interest with a central institution could not be imposed if the central bank was competing with them. We are satisfied that Indian opinion, when it comes to enacting the necessary legislation for carrying out its currency reform, will recognise that an entirely independent central bank is an essential feature in the proposal to give India a gold bullion standard.

Brazilian Stabilisation.—The new Brazilian President, Mr Washington Luiz, was faced with a thorny problem on taking office, in the state of the country's currency and its effects on the national industries. During the first half of this year the fallers had been forced up to within a fraction of 8d of the Federal Administration's deflationary policy, combined with a very large influx of foreign capital. The total amount borrowed abroad was estimated at about £30 millions sterling, the chief items being £10 millions raised through the San Paulo Coffee Institute loan and 60 million dollars lent to the Federal Government by American subscribers for the consolidation of the floating debt. The national industries, which had been fostered by high tariffs and a depreciating milreis, and were already feeling the effect of the resumption of industrial activity by the countries which had been engaged in the war, were hit very hard by this 60 per cent. advance in the exchange value of the currency, which had been below 5d at the time of its worst de-

pression. At the meeting of the Sudan Plantations Syndicate, held on Wednesday, Mr Eckstein, in dealing with the company's investments in Brazil, said that in San Paulo (the chief industrial State) there had been 297 failures during 1925, and 265, with liabilities of nearly £4 millions, in the first six months of this year. The new President has a high reputation in Brazil, earned by his successful administration of the affairs of its leading province, and there is every reason to suppose that his decision to stabilise the milreis—henceforward to be called the cruzeiro—at 6d, and to maintain a gold exchange standard on that basis, has been founded on carefully considered grounds. Obviously, the weight of the external debt will be heavier at 6d than it would have been at 8d; but since 8d has shown itself to involve too great a strain in other directions, it is wise statesmanship to recognise the fact, and adopt a level that is more businesslike, if less dignified. It may also be hoped that, having given this relief to the country's industry, Mr Washington Luiz will modify the policy of forcing it into artificial channels by high protection, and will, by permitting cheap imports, foster the development of the Republic's enormous natural resources. If this were done, we should very soon see the fulfilment of Mr Eckstein's statement that "the power of recuperation in a rich country like Brazil is so great that once the pendulum swings the other way trade will re-establish itself in astonishingly quick time." It may also be hoped that the Brazilian Government will give due consideration to the claims of railway and other public utility companies, working with foreign capital, to be allowed to make charges which will enable them to yield a fair profit, at the newly established rate of remittance.

American Cotton Crop.—This week the Department of Agriculture of the United States Government has published what is known as its preliminary final estimate of this season's cotton crop. The indicated yield has been given as 18,618,000 bales, exclusive of linters. The abandoned acreage is estimated at 2.9 per cent. of the total under cultivation last June, which has been revised from 48,989,000 acres to 47,653,000 acres. The average yield per acre is returned at 187.0 lbs, against 162.3 lbs per acre last year. At this period of the season there is always considerable interest in the ginning returns, and it is announced that up to the end of November the total was 14,645,000 bales, the amount during the past fortnight being 1,691,000 bales. On these figures being published, writes our Manchester correspondent, the New York and Liverpool markets were rather disappointed, as bigger totals were expected. There was a slight rise in prices, but the advance was soon lost as the higher rates brought out increased hedge selling. With a carry-over last season of 5,000,000 bales, and a crop of nearly 19,000,000 bales, supplies during the next twelve months amount to about 24,000,000 bales. An increased consumption is probable, but the requirements of users are likely to be rather less than 15,000,000 bales, so there should be a carry-over at the end of next July of between 9 and 9½ million bales. With such abundant supplies it is naturally difficult for operators to engineer a rise in prices, and it seems likely that rates will not change very much until news is received as to the intentions of farmers with regard to planting for next season in the Spring of 1927. The authorities in the States are pressing growers to cut down the acreage under cultivation by 25 per cent., but there is much uncertainty as to whether the restriction will be loyally carried out. It should be realised, however, that present prices are below the cost of production, and it is not reasonable to expect that such a condition of affairs will be allowed to remain for any length of time.

Shipping Freight Index Number.—With the rapidly increasing production of coal, and the termination of the mining stoppage clearly in sight, whole-cargo shipping freights last month displayed a tendency to "mark time." Our Index Number for November (based on the available homeward routes only) records an increase of 7.62 per cent., as compared with a rise of nearly 40 per cent. in October—the November figure being 196.67, against a corresponding figure of 96.20 when the coal dispute was

in its first month. If the April quotations are interpolated for the missing coal routes, the November figure works out at 171.77, a rise of 5.73 per cent. on the figure for October similarly calculated—vide the black type lines in the following table:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.72	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.04	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
July, 1926.....	110.91	116.16	134.42	119.80	98.79	124.63	117.45
August, ".....	112.60	116.16	147.36	96.45	98.79	124.63	116.06
September, ".....	111.61	127.83	133.66	119.59	100.88	151.34	122.15
October, ".....	114.72	127.63	145.83	96.03	100.88	151.34	122.77
November, ".....	113.73	140.30	144.29	121.68	104.05	154.90	129.82
December, 1926.....	121.07	140.30	167.09	100.21	104.05	154.90	131.27
January, 1927.....	128.08	214.63	175.08	141.72	144.36	170.92	182.46
February, 1927.....	197.61	214.63	228.64	240.28	144.36	170.92	182.74
March, 1927.....	130.83	224.39	174.28	158.01	161.81	181.60	171.77
April, 1927.....	212.39	224.39	227.98	172.86	161.81	181.60	196.67

The month's changes in the index of each group and sub-group (coal freights excluded) are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	..	..	S. America—outwards	227.08	- 1.56
Bay—outwards.....	..	..	" homewards.....	..	..
" homewards.....	..	..	India—outwards.....	172.86	+ 32.57
Mediterranean—outwards	212.30	+14.69	" homewards.....	161.81	+17.46
" homewards.....	224.39	+ 9.76	Far East, &c.....	181.60	+10.68
North America.....	..	..	Australia.....	..	..

The upward movement in rates indicated above reflects the undiminished dislocation of normal supplies of tonnage, through concentration of shipping in the North Atlantic rather than any expansion in general demand. Indeed, the existing level of "spot" rates for grain cargoes showed signs of having a restrictive influence on the volume of business. In the case of South America, which was a fairly active market throughout the month, the fall in the index figure is due to the fact that shippers succeeded in establishing, for 1927 loading, a heavy discount on the rates which had to be conceded in order to secure vessels for prompt shipment.

The relation of the index to the average for 1913 is shown in the following table, the figures for the past six months representing homeward routes only:—

Month.	(1913 = 100.)	1923.	1924.	1925.	1926.
January.....	114.05	..	117.11	..	100.57
February.....	112.73	..	123.78	..	94.85
March.....	115.23	..	122.09	..	89.51
April.....	115.45	..	117.22	..	87.97
May.....	114.55	..	114.27	..	83.69
June.....	106.82	..	108.62	..	99.76
July.....	103.39	..	103.75	..	99.71
August.....	100.16	..	104.43	..	105.68
September.....	103.04	..	110.50	..	118.83
October.....	107.86	..	115.55	..	157.07
November.....	111.21	..	112.76	..	169.06
December.....	111.81	..	111.21	..	..
Mean for year.....	106.69	..	113.44	..	102.22

With the period of active business in moving Southern Hemisphere crops approaching, the immediate outlook for "tramp" shipping (provided bunker costs revert to something like pre-stoppage level) is certainly promising, and fair profits should be secured during the next three or four months. There is, however, no material ground for supposing that, when tonnage has been redistributed over markets now suffering from temporary shortage, the supply of vessels catering for bulk cargoes will not again prove to be as much in excess of demand as was the case in 1925.

The P. and O. Meeting.—At the annual meeting of the Peninsular and Oriental Steam Navigation Co. on Wednesday, Lord Inchcape amplified to a slight extent the

information obtainable from the annual report as to the financial position of the company. Of greatest interest to stockholders, perhaps, was the statement that, "although liner shipping is doing uncommonly badly at the present time it appears from a conservative statement which our accountants recently prepared, and which was submitted to the board, that the P. and O. Company, if broken up to-morrow, the ships it owns sold at very low prices, and its investments disposed of at current market rates, would be able to discharge its entire obligations and its preference stock and be in a position to give the deferred stockholders a good deal more than to-day's market value of their holdings." With reference to investments, he stated that they are worth to-day, with their assets, a good deal more than their book value, and mentioned that the company has cash deposits from allied concerns of £5,311,000. "These we treat as liabilities in our accounts, although they are really our own property." Outstanding bills for new ships have been reduced by £150,000 to £3,756,200 since the closing of the accounts. "The shipbuilders and the discount market have been very good, and have not pressed us in these hard times, but our determination is, as far as feasible, to be indebted to no one." Lord Inchcape did not throw much light on the question of insurance. The company, he said, could reinsure its outstanding risks to-day for a sum very much less than the amount at the credit of the insurance fund, namely, £3,328,200. "We have the question of this fund under consideration with a view to treating it as a reserve, and a year hence I may have more to say on the subject." The coal strike is estimated to have cost the company a good deal over £200,000 in coal alone, although nine of the mail steamers are oil burners. But while the liners have suffered, and are still suffering, from the coal strike, the tramp steamers, of which the company owns 40, have benefited for a few weeks by carrying coal to this country, which will partly make up for their heavy losses in recent years. Under the profit-sharing scheme, which was inaugurated on January 1st last, the amount invested up to September 30th was £300,000, and interest will be paid on it at the end of the year at the rate of 7½ per cent. per annum. Lord Inchcape was distinctly sceptical of the prospects of the proposals for speeding up the steamship services to India and Australia by forming a company with a capital of £11 millions to operate seven ships at a speed of 22 knots. "When I look at the capital of the P. and O. Company," he said, "which in ordinary and preferred stock is something under £7,000,000, the company owning, as it does, over 400 steamers, and remember the difficulty it has to earn £500,000 a year to pay its dividends, even when helped by its investments, I am at a loss to understand how anyone can believe that seven ships, costing £11,000,000, will, after covering running expenses, upkeep and depreciation, provide a surplus of £550,000 a year to give a dividend of 5 per cent. per annum to those who put up the money. You may depend upon it that, if the P. and O. and Orient Companies, with their lifelong experience of the trade, had seen their way to cover their expenses and leave a decent margin, they would have gone into a 22-knot service long ago."

Australian Commonwealth Loan.—Our Melbourne correspondent, writing on November 4th, says:—The Commonwealth Government is now offering a 5½ per cent. "Cash and Conversion Loan," maturing in 1933, 1938, or 1943, at the option of the subscriber (to be exercised when making application). The cash portion is for £6,000,000, the Treasurer reserving the right to accept a larger total, and the proceeds will be allotted between five States (excepting New South Wales) and the Commonwealth Capital Commission for public works. The conversion portion is an early attempt to deal with two War Loans at 4½ per cent. and 5 per cent. respectively maturing on December 15, 1927, for £67,860,840 together, and whatever success is obtained with the present issue, which will close on December 20th, will simplify the task of completing the conversion before December, 1927.

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Customs and Excise.—The annual report of the Commissioners of His Majesty's Customs and Excise for the year ended March 31st last* elaborates the statistics already published in the finance accounts. One of the most interesting tables is that relating to the home consumption of Empire and foreign goods, from which we have compiled the following comparisons of Empire goods to the total retained for home consumption in each of the past three financial years:—

	1923-24.	1924-25.	1925-26.
Spirits.....	59.3	66.7	60.8
Wine.....	5.2	4.8	6.3
Tea.....	88.2	84.1	87.1
Raw cocoa.....	92.6	90.8	91.9
Coffee.....	47.9	44.2	49.9
Sugar.....	25.4	10.1	22.6
Dried fruits.....	10.7	18.7	19.6
Tobacco.....	7.3	8.5	10.9

The quantity of home made spirits retained for consumption was under 12.1 million proof gallons, against 12.3 million proof gallons in the preceding year. The corresponding quantities of imported spirits were 2.1 million proof gallons, against 2.2 million respectively. The consumption of home-made beer in 1925-26 was 20,731,527 barrels, against 20,668,162 barrels in 1924-25, the net receipts from the duty being £76,320,000, against £75,825,800. The total quantity of imported beer retained for consumption in 1925-26 was a little over 1½ million standard barrels, practically the whole of which came from the Irish Free State. The budget estimate for 1925-26 assumed a consumption of tea of 395 million lbs, yielding a revenue of £5,650,000. Consumption rose, however, to over 406 million lbs, resulting in a surplus of £130,000 on the estimate. The bulk of the foreign tea came from Java and Sumatra, and only about 2½ per cent. from China. Consumption of cocoa also increased much more than expected, and the actual receipts were £735,000, or £55,000 more than the estimate. As a result of falling prices, sugar consumption at 1,676,000 tons exceeded the estimate by 90,000 tons, the total revenue showing a surplus over the estimate of £421,000. An increase in the preferential rebate was responsible for the increase shown in the table above in the consumption of Empire sugar. Receipts from the "McKenna" duties fell short of the estimate by £19,000, forestalments being much heavier than expected. For the nine months during which they were in force they amounted to £1,081,200, as against £2,590,500 in the full year 1923-24. During the year the seizures of smuggled goods amounted to 7,897, the bulk being seizures of tobacco and spirits. The number of persons convicted of smuggling was 3,412, and the total amount of the penalties recovered £12,200.

Reparations Payments.—The statement of the Agent-General for Reparation Payments of receipts and payments under the Dawes Scheme for November shows receipts of 94.8 million gold marks and payments of 89.6 millions. Total receipts for the first three months of the third annuity year amount to 274.4 million marks and payments to 261.3 millions. In the table below we show receipts and payments for the full second annuity year and for the first three months of the third year:—

RECEIPTS and PAYMENTS
(on Cash Basis, Reduced to Gold Marks Equivalents)
(In Million Gold Marks.)

Receipts.	Second Annuity Year.	Third Annuity Year, Sept. to Nov. (Incl.)	Payments.	Second Annuity Year.	Third Annuity Year, Sept. to Nov. (Incl.)
Balance of cash at August 31, 1925	107.0	63.5	Payments to various Allied countries	1,060.2	235.3
Budgetary contribution	250.0	75.6	Expenses of Commissions	18.4	3.3
Transport Tax	241.9	..	Service of German External Loan	97.2	20.6
Interest on Railway Bonds	550.0	135.0	Discounts, &c.	7.4	2.0
Interest on Industrial Debentures	125.0	..	Cash in hand at Aug. 31.	93.6	106.7
Exchange Differences & Interest Received	2.9	0.3			
	1,276.8	274.4		1,276.8	367.9

The first year's receipts amounted to 1,000 millions, consisting of 800 millions from the proceeds of the German external loan and 200 millions for interest on railway bonds. In the past three months France has received 107.4 million marks, of which the bulk was in deliveries in kind, the British Empire 53.6 millions, of which 48 millions was under the Reparation Recovery Act, Italy 19.2 millions, Belgium 13.2 millions, and the United States 27.7 millions, of which 20.1 millions represented deliveries under agreement and the balance cash transfers in foreign currencies.

The Percentage Grant System.—In a recent Parliamentary discussion Mr Neville Chamberlain revived interest in the problem of the relation of Exchequer grants to the local authorities when he suggested that the Government were trying to work out a permanent method of dealing with the subject on the basis of block or fixed grants, but designed to have regard to the circumstances of the area. In some quarters this was interpreted as a promise for the necessitous areas. A day later Mr Chamberlain explained that he had merely the general system of percentage grants in mind. As regards the necessitous areas, whose difficulties have been largely increased by the industrial conditions of the past summer, it may now be assumed that the Government will not pursue the effort to find a formula by means of which they might be given special Parliamentary assistance. The subject was recently surveyed by a Departmental Committee, with narrow terms of reference which permitted only the review of specific schemes or proposals. These were submitted by representative officials in different parts of the country; one by one they were analysed by the Committee and rejected as impracticable, or open to serious objection; and the Government have taken refuge in that report and in the difficulty of making any concession of this character without upsetting arrangements which apply generally to the whole scheme of percentage grants. The latter, and larger, controversy is still in a somewhat remarkable position. In public health, education and other services these grants by the State are usually on the basis of 50 per cent. of the approved expenditure of the local authority. The Geddes Committee attacked the system on the ground that it was costly. In keeping with its recommendation, a Committee under Lord Meston was appointed to consider the whole problem. It took voluminous evidence four years ago, but for three years has not met, and the Government recently announced that they were unable to get the chairman of the committee to take any step. The evidence tendered is believed to be mainly in favour of the retention of the percentage grant system, subject to certain administrative improvements. Meanwhile the Government have decided to continue the system for the present financial year, which is to be one of inquiry; next financial year they suggest that they may institute a method of block or fixed grants. It is understood that the scheme in mind proposes to review recent expenditure, and in the

light of all the facts guarantee the local authorities in the aggregate a certain sum for a period of, say, three years ahead; within that aggregate allocate the grants substantially on the percentage basis; and ask the local authorities to co-operate in efforts at economy in return for freedom from certain of the centralised administrative control to which they are now exposed as percentage grants operate. The local authorities have so far refused to look on the proposal with favour; but apart from the speech of Mr Chamberlain the real fight will not come until the Government announce the precise details. Meanwhile the forces of the authorities are being mustered in resistance, and much of the business world which regards high local rates as a greater burden on industry than national taxation apparently intends to lend its support.

London Electric Supply Shares.—The position of the shares in the London electricity supply undertakings becomes very interesting, in view of the fact that before the end of this year all the companies will have to publish their intentions in regard to capitalisation of the reserves, and distribution of these in the shape of bonus shares. Half-a-dozen of the companies have already done this—the Brompton, Charing Cross, Chelsea, Kensington and Knightsbridge, St. James's and Westminster companies. There remain to come announcements from the City of London, the County of London, London Electric, Metropolitan and South London. The statements issued by the various companies have not been uniformly satisfactory to shareholders, although it is probable that the first two announcements, being exceptionally good, led to exaggerated hopefulness in the way of expectations concerning the others. The County of London is a little different from the other companies, owing to the larger area over which its ramifications extend. The Charing Cross Company is also an exception, inasmuch as its dividend up to 1936, instead of 1931 as the other companies will have to do, after which dates, respectively, the full dividend becomes 7 per cent. all round. Under the London Electricity Supply Acts, 1925, the standard dividends were set out as 10 per cent. on old shares up to 1931 and 7 per cent. on the new up to the same year; after 1931, on all ordinary capital, as already mentioned, it will be 7 per cent. It is assumed in the market that the companies will endeavour to adopt a standard rate on old and new shares alike. With a view to showing how the new arrangement will work in the future, a well-known firm in the Stock Exchange have prepared a table giving the reserve distributions to date, and showing what the yields will probably be during the next five years and what they will be thereafter. The figures make interesting reading to the many investors who have put money into the industry, and the details may be reproduced as follows:—

ORDINARY SHARES OFFERING.

Company.	Old Shares.	New Shares to be Capitalised.	Amount of Div. Paid in 1925.	Amount Re-quired to pay "Standard Dividend" until 1931.	Price.	Yield on Stand'd Div.	Bonus.
			£	£		%	
Brompton & Kens..	292,300	60,000	29,217	(9) 133,430	30/6	7 7/8	£1 for £5 held
Charing Cross Elec.	576,000	169,000	86,400	(8 1/2) 184,576	47/	6 1/2	£1 for £5 held
Chelsea Electric	247,180	148,308	29,662	(8 1/2) 135,100	25/6	7 3/8	£3 for £5 held
City of Lond. Elec.	800,000	..	98,000	..	51/6	..	..
County of Lond. Elec.	1,330,000	..	158,353	..	65/6	..	..
Kens. & Knight Elec.	105,000	189,000	15,750	(8 1/2) 123,730	24/6	6 1/2	£9 for £5 held
London Electric	499,500	..	49,350	..	36/6	..	..
Metropolitan Elec.	1,000,000	..	110,000	..	41/	..	..
St. James' and Pall Mall	200,000	440,000	35,000	(7 1/2) 50,800	24/6	6 1/2	£11 for £5 held
South London	260,000	..	39,000	..	22	..	..
Westminster Elec.	755,620	503,746	113,343	(8 1/2) 110,824	26/	6 1/2	£2 for £5 held

a After 1936 yield will be 5 1/2%.

The companies have the right, under certain conditions, to pay the same dividend as in 1922, except on bonus shares, until 1931; but it is generally expected that they will elect to go on the scale which provides 10 per cent. on the old capital and 7 per cent. on capitalised free reserves. In some quarters it is contended that the strictly correct method of estimating yields on the shares at the present prices is to take 7 per cent. as the dividend; but this would be misleading, inasmuch as it would show a lower return for the next five years than pro-

prietors are likely to receive. There is, of course, the possibility that the companies might not be able to pay the 10 per cent. on existing old capital, though this is so unlikely as to make its contingency hardly worth considering. Broadly speaking, a 10 per cent. dividend all round should have the effect of bringing the prices on to more or less the same standard of market valuation, and several already are quoted in the neighbourhood of 24s. This price, on the 10 per cent. dividend basis, affords a return of £8 6s 8d per cent. on the money for five years, after which the yield will drop, on the 7 per cent. rate, to £5 16s. 8d. per cent. It has been assumed that the clearing up of the uncertainties which have surrounded the London electricity supply questions for the last 20 years at least would be followed by a broadening of investment interest. Considering the uncertainty, however, that will prevail in connection with yields during the next five years, it may be doubted whether, from the market point of view, there will be any immediate expansion of investment interest in the shares of the London electricity supply companies.

Orient Line.—The accounts of the Orient Steam Navigation Company, Limited, for the year ended June 30th last, show a further increase in profits, though the fact that the figure is shown after charging an unstated amount for depreciation, and includes a transfer from contingency account entirely vitiates comparison. The published figures are compared with those of previous years in the following table:—

June 30.	1913-14	1921-22	1922-23	1923-24	1924-25	1925-26
Profit	£27,454	£282,578	£280,093	£296,607	£320,806	£371,329*
Brought forward	56,717	50,167	72,909	72,821	64,929	32,195
Deb. int. and fees....	284,171	332,745	353,002	369,428	385,735	403,524
Reserve	23,383	15,123	10,468	9,785	8,827	2,777
Repairs and renewals.	75,000	100,000	125,000	150,000	200,000	200,000
Prof. div.	25,000	10,176	14,603	14,603	14,603	14,603
Def. div.	10,176	14,603	14,603	14,603	14,603	14,603
	63,701	130,110	130,110	130,111	130,110	130,110
	(55%)	(124%)	(124%)	(124%)	(124%)	(124%)
Carried forward	86,911	72,909	72,821	64,929	32,195	56,034

* Includes "a transfer from Contingency Account."

The appropriations are the same as in the previous year, the 12 1/2 per cent. dividend on the deferred shares being paid free of income-tax. The bulk of the assets are shown in the balance-sheet in one item of £4,669,800, which includes the fleet and investments. This is £77,000 higher. Outstanding debentures for £177,300 have been redeemed, and creditors, which include contingency accounts, have been reduced by £97,400. The general reserve stands at £1,300,000, and the repair and renewal account at £500,000. An analysis of the balance-sheet will be found in a later column.

Amalgamated Anthracite.—After a promising start the Amalgamated Anthracite Collieries, Limited, fell upon lean times, and three years after making a maiden payment to the shareholders of 11 1/2 per cent. it was decided to discontinue dividends. The latest accounts, covering the year ended September 30th last, show a further falling-off in profits. The extent of the movement will be seen from the following table:—

	Year Ended September 30th		
	1924.*	1925.	1926.
Gross profit	369,116	200,923	190,404
Net profit	255,988	151,831	127,633
Brought forward ..	..	11,951	45,104
To reserve, &c.	69,530	..	172,737
Dividend	174,487	118,679	..
Rate per cent.	11 1/2	7 1/2	nil
Carried forward	11,951	45,104	..

* Covering period June 16 to September 30, 1924.

Operations, of course, have been handicapped by the strike of anthracite miners in July and August, 1925, while more recently the general stoppage in the industry has adversely affected the undertaking. It is reasonable to suppose that the past year's figures would have been even less satisfactory than they are had not the company been able to turn its attention to the purchase and sale of substantial quantities of imported coal. The

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result of operations for the twelve months was a net profit of £127,633. This, together with the sum of £45,104 brought in, is transferred to the capital reserve account pending the sanctioning of an amalgamation with the United Anthracite Collieries, Limited. The terms formulated by the directors provide for a share-for-share exchange. The capital of the concern is therefore to be increased from £2,500,000 to £5,000,000. Of the new shares 1,000,000 are to be 7 per cent. cumulative preference, and the remainder will be ordinary shares which will not be entitled to any dividend or bonus declared on the existing ordinary capital. The sum of £201,238 now standing to the credit of the reserve is to be capitalised and utilised in paying up the 201,238 unissued shares, which will then be distributed among existing shareholders in the proportion of one in ten. Such shares are to be treated purely as an increase in the nominal amount of capital, and not as income. In addition, out of the surplus profits of each year, and after 10 per cent. has been distributed on the ordinary capital, £16,800 is to be placed to a special preference dividend equalisation fund until it totals £84,000. It is then to be maintained at that figure. The necessary resolutions are to be placed before the shareholders at the meeting to be held on December 15th next. It will be interesting to see whether the proprietors will consent to the creation of a substantial amount of new prior capital. So far as we can see, the scheme is an equitable one, and the directors will probably not meet with much, if any, opposition.

Richard Thomas.—The report of Richard Thomas and Co., Limited, for the year ended September 30th last covers five months of the stoppage in the collieries. During this period, state the directors, a substantial proportion of the company's plant has been kept in operation by supplies of foreign coal, purchased at high prices, "and there have been many interruptions caused by delays in shipment resulting in a serious increase in cost of production." Some satisfaction, however, is afforded by the announcement that "the principal markets for your products have been held." The following table summarises recent results:—

	Year Ended September 30.				
	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
	£	£	£	£	£
Profits	384,945	481,405	621,222	417,718	193,475
Brought forward	219,603	163,680	163,953	200,956	230,540
Deb. interest, &c.	604,548	645,085	785,175	618,674	424,015
Reserve, &c.	57,812	85,083	104,297	109,077	132,118
Prof. dividend	87,489	85,104	97,595	7,195	11,369
Ord. dividend	240,713	228,664	248,248	202,585	101,411
	54,854	82,281	134,080	69,276	(nil)
	(2 1/2%)	(3 3/4%)	(5%)	(2 3/4%)	(2 3/4%)
Carried forward	163,680	163,953	200,955	230,541	179,117

Owing to the serious decline in profits it has not been deemed advisable to pay the dividend on the 6 1/2 per cent. cumulative preference shares for the last six months of the financial year, and whereas £55,369 has been set aside for depreciation and special expenditure, there has been a withdrawal of £44,000 from reserve for contingencies. A year ago the fund was reduced by £75,000. Reserves now total £1,336,693, against an issued capital of £5,910,906, and a balance-sheet total of £9,852,150.

In the present accounts there is included a loan account of £212,400, representing amounts due to bankers, but creditors have declined from £492,843 to £275,190. The mortgage redemption account has been increased from £50,900 to £152,500. Stocks amount to £318,303, against £462,200, and cash at bankers and in hand has declined from £132,429 to £38,265.

Ind. Coope.—Like most other kindred undertakings, Ind. Coope and Co., Limited, the Burton-on-Trent and Romford brewers, enjoyed quite a satisfactory experience during the year ended September 30th last. The gross profits, it is true, declined from £334,777 to £311,802, but the net figure is £226,638 compared with £220,918 owing to the fact that £21,000 more was received by way of interest and dividends, while the expenses for the past year do not have to be charged with anything in respect of writing off the costs of purchasing businesses, which last year involved the transfer of £17,466. In the following table is shown the measure of progress recently achieved:—

Year Ended Sept. 30th.	Gross Profits.	Interest on Debenture Stocks and Mortgages.	Depreciation.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
£	£	£	£	£	£	£
1914..	110,821	58,332	28,516	..	..	14,290
1915..	146,238	54,300	34,375	..	40,000	680
1916..	152,906	53,625	36,084	..	50,000	2,484
1917..	204,717	58,186	34,186	14,026	50,000	23,277
1918..	392,575	55,686	29,991	20,671	185,000	57,281
1919..	474,202	55,722	39,373	49,594	285,000	103,872
1920..	415,249	53,814	45,863	91,341	85,000	139,613
1921..	375,657	53,504	49,783	168,000	10,000	106,345
1922..	349,982	55,986	48,879	137,000	60,000	104,482
1923..	347,880	60,482	48,534	90,375	50,000	109,226
1924..	378,302	61,792	45,416	116,250	50,000	153,490
1925..	334,777	63,810	46,584	136,308	..	161,779
1926..	311,802	65,637	48,625	139,874	75,000	173,542

Whereas twelve months ago the directors reduced the goodwill item by £75,000 to £300,000, this time they make no provision for this purpose. On the other hand, they have augmented the reserve fund by £75,000, which appropriation brings the total of the account up to £575,000, as compared with an issued share capital of £699,374. The ordinary shareholders once more receive an aggregate return of 25 per cent., the rate which has prevailed for the past three years. The accounts show that the item of properties, plant, and machinery, &c., has gone up from £1,849,415 to £1,925,021, while the cash holding is now £251,958, against £221,910. Stocks, however, have declined from £248,194 to £193,500.

Carreras' Progress.—Of the non-combine tobacco companies, Carreras, Limited, is easily the most prosperous, and in respect of the year ended October 31st last profits were the highest in the history of the company. The rate at which the undertaking's figures have expanded in recent years is, in fact, little short of phenomenal. For 1924 the profit was £480,584; a year later it had jumped to £777,683, and twelve months later to £1,027,944. The ordinary shareholders, as will be seen from the following table, have been permitted to share in the success achieved, for, taking dividends and cash and share bonuses together, they have received in all during the last three years an aggregate return at the rate of 325 per cent.:—

	1923-24.	1924-25.	1925-26.
£	£	£	£
Profit	480,584	777,683	1,027,944
Brought forward	138,828	111,764	362,443
	619,412	889,447	1,390,387
To reserve, &c.	(a) 127,647	(b) 147,004	149,234
Preference dividend	20,000	20,000	20,000
Ordinary dividend	120,000	240,000	300,000
Ordinary dividend...rate %	50	50	50
Scrip bonus	100	25	50
Carried forward	351,764	482,443	921,153
a) Including £737 written off investments. (b) Including £2,000 written off investments.			

Owing, of course, to the distribution of scrip bonuses, the capital has been augmented from year to year. In 1924 the total issued share capital was only £540,000;

by 1925 it had been increased to £780,000, owing to the issue of 240,000 "A" ordinary shares, while the present accounts show an aggregate outstanding share capital of £900,000, owing to the capitalisation of £120,000 of undivided profit and its disbursement in the shape of a scrip bonus. This year's scrip bonus of 50 per cent. involves the issue of a further 300,000 ordinary shares, making a total issued capital of £1,200,000. The latest balance-sheet shows that the reserve fund stands at £300,000, while investments in allied companies are put at only £5,683. In regard to the latter item, it is not stated on what basis it is valued. If these investments are taken at cost it would not be surprising to learn that they constitute a hidden reserve of fair proportions. Freehold and leasehold premises, plant, machinery, &c., also seem to be conservatively valued, as they figure in the accounts for only £267,871. Goodwill amounts to £203,752, and stocks to £1,247,206, against £872,470 a year previously.

Amalgamated Cotton Mills.—The Amalgamated Cotton Mills Trust, Limited, had a decidedly unsatisfactory experience during the year ended October 31st last. Revenue fell from £88,269 to £12,786, and after meeting management expenses and interest, there is a loss of £56,757, which compares with a profit of £23,547 a year previously. Thus, after allowing for the sum of £2,771 placed to the reserve for income-tax, the outcome of the year's working is a deficit of £59,528. It is stated that no dividends were received from the subsidiary companies, whose figures, which are summarised in the report, show a loss of £375,977. In these subsidiaries the Trust, directly or indirectly, is the sole ordinary shareholder. In the case of one of them, Horrockses, Crewdson and Co., a reduction in capital is necessitated "owing to the accumulation of losses due entirely to depreciation in the value of the large trading stocks held." The Trust holds all the issued capital of Horrockses, and therefore suffers heavily by the decision to write down the 3,100,000 £1 shares to 11s each. Subject to the Court's sanction to the scheme, the sum of £1,395,000 so written off "will extinguish the losses to date, and should enable the company to carry the excess stocks now held for a sufficient period to allow them to be realised without further loss." This, together with the need for providing for losses in certain other subsidiary companies, has impressed upon the board the desirability of reducing the share capital of the Trust. Full details will, presumably, be laid before the shareholders at the annual meeting, to be held on Monday, December 13th next. The sum at which investments in cotton mill companies stand in the accounts is £7,955,451. These investments, it is explained, are taken at cost, and no provision has been made in respect of losses incurred since the shares were acquired. It is to be hoped that the directors of the Trust will spare no pains to see that these shares are written down to a value nearer their true worth. Such a course may involve the proprietors in some sacrifice. It is not, however, sufficient merely to write off losses already sustained, without placing the finances in such a position as to minimise the danger of a recurrence of adverse trading results in the future.

Progress at Letchworth.—Once again the report of First Garden City, Limited, is a little disappointing on the financial side, since the profits, being £2,314 lower than a year ago, only just cover the maximum dividend of 5 per cent. Consequently the directors cannot, as they hoped to do a year ago, make a start in paying off the arrears of back dividends. For the first seven months of the financial year the prospects were promising enough, but then the coal stoppage upset all calculations, especially as the company owns the gas, water, and electricity undertakings, and serves a considerable area outside the urban district of Letchworth. For the first time the results of these three undertakings are shown separately, and we observe that the net profits come to a little over 6 per cent. on an aggregate capital expenditure of £319,300. The company now supplies electricity to the town of Biggleswade and the intervening villages; the number of consumers in these places exceeds the estimate,

and new applications continue to come in, promising a large development of business. Altogether the output of electricity increased by 10 per cent. during the year, and 6.9 per cent. more gas was sold. Sixty-three more cottages are being built by the Urban Council, and on their side the directors are selecting recreation grounds on a scale to meet the needs of a future population of 35,000. Most of the money obtained by the successful issue of £200,000 in 6 per cent. mortgage debentures last January was used to reduce an overdraft from the Midland Bank.

Van Ryn Gold.—The distributions of the past financial year were adversely affected by capital expenditure, as well as by shrinkage in profits. The last-named feature arose mainly from the disappearance of the gold premium, although decline in the grade of the ore was also a factor. Thus the net earnings figure at £66,800, as against £97,300. The dividend total of 1s 6d—comparing with 3s 6d—absorbed £37,500; then £17,300 was transferred to a special reserve for miners' phthisis compensation, and £19,200 was spent upon the equipment and development of the recently acquired Modder West claims. It is hoped that these will have an important effect in extending the life of the property. Certainly the indications so far obtained have proved encouraging. Driving on the first level upon what is known as the Contact reef showed 35 per cent. of payability, the value being 6 dwts over 68 ins. A second ore body, named the "10 ft. reef," gave the high pay percentage of 72, the value being 11.1 dwts over 32 ins. Results at the second and third levels, where work is now in progress, are awaited with much interest. In the original property the ore reserves are computed at 1,298,200 tons, value 4.6 dwts over 47 ins, a small increase in quantity and decrease in value as compared with the figures of twelve months previously. The whole of this tonnage has been paid for out of past profits. With regard to the dividend outlook, the monthly profits suggest that for the current half-year there should be a reversion to the 1s rate paid for the first half of 1925-26.

South-West Africa Company.—Considerable disappointment was occasioned by the cut in the dividend from 2s to 1s per share. Actually the income from all sources of the year ended June 30th last, at £97,800, showed a small increase over that of the preceding period; the shrinkage in profit from £55,300 to £19,500 arose almost entirely from increase in the expenditure in Africa—apparently on "ore deposits other than Abenab." Although the additional plant sent out for the property just named has not yet come into operation, the output of vanadium expanded by 710 tons to 1,670 tons, yet the revenue from this source last year was scarcely so large as in 1924-25. Doubtless explanations on these two points will be given at the meeting which is to be held next Tuesday. But for the writing back of £15,000 reserve for income-tax not required, not even 1s could be paid in respect of last year, as the distribution will require £26,900. The company's investments—principally British Government securities—figure at £437,600, as against £479,900 twelve months previously. In addition, interests are, of course, held in the Otavi Mines and Railway and the Otavi Exploring Syndicate. The latter is stated to have greatly improved its mining plant; its prospecting concession, over 1,000 square miles, has been extended to November 17, 1931. A similar extension has been granted in respect of the South-West Africa Company's prospecting rights over about 20,000 square miles.

Santa Gertrudis.—At the meeting held on Monday the information contained in the annual report was supplemented, and in certain particulars clarified. One important point is the improvement which has taken place in the financial position. At the end of June, 1925, the company had outstanding 8 per cent. notes redeemable at a cost of £341,200, and income-tax arrears amounted to £105,000. Against these liabilities the cash assets stood at only £49,000. In the meantime a fresh note issue of £190,000 has been made at 7 per cent.; out of the proceeds and the profits earned the old note issue has been paid off, also the income-tax arrears, while a

dividend of 1s per share has been paid. On account of the current year one quarterly distribution of 9d has been disbursed and another is now declared. In future, however, on account of the labour and expense entailed, dividends are to be paid half-yearly; and in their amount the price of silver will be an important factor. The official view is that with silver as low as 52 cents per oz the company will be able to pay a minimum of 2s per share per annum. Another important point in the position consists in additions to the property. The original Santa Gertrudis Mine has now been worked out. Meantime, working arrangements in respect of other areas have resulted most satisfactorily, recent developments at deep levels in the Dos Carlos being particularly encouraging. This group has lately secured extra ground, and still more is available. The Santa Gertrudis, of course, is also interested in the Mexican Corporation and other undertakings.

Huronian Belt.—A noteworthy expansion in profits occurred last year, the total of £60,600 representing nearly three times the 1924-25 result, and comparing with £51,500 in respect of 1923-24, when 25 per cent. was paid upon the then issued capital of £150,000. For the past session 20 per cent. is to be disbursed, as against 10 per cent. previously—both upon £200,000; leaving the substantially enhanced balance of £54,900 to go forward. "Profit" being a blanket item, it is impossible to say how much was derived from share dealings in Toronto and how much from dividends and the like; it will probably not be far wrong to regard the former as the main factor. Of the undertakings in which the company is principally interested—the Keeley has maintained its 24 per cent. dividend rate, despite the fall in silver; the Vipond, although expanding its scale of operations, has not yet reached the dividend stage. The Canadian Lorrain and the Keeley Extension are merely prospecting; some encouraging discoveries have, however, been reported. Huronian Belt shares obviously embody a considerable element of the speculative.

Consolidated African Selection.—The financial year ended June 30th was marked by the entry of the company into the dividend list; the initial payment of 9d per share in February was followed up by one of 1s 6d in August, leaving a small balance to be carried forward. The year's revenue comprised £127,200 dividends from the affiliated African Selection Trust and interest from investments, plus £6,400 sundries. Debenture interest absorbed £12,000 in place of £6,600, the balance of the bonds having been issued. At the date of the report the combined liquid assets of the group are stated to show over £150,000 in excess of current liabilities. During the year the African Selection Trust expanded its diamond reserves to over 7,000,000 carats; the output was also greatly increased—no details, however, are given. The two additional plants brought into operation during the year are to be supplemented by a fifth, and a still further reduction in costs is looked for. Consequently there would appear to be the prospect of enhanced dividends on the part of the Consolidated Company. The 5s shares being quoted at 26s, the yield on last year's dividends is about 8½ per cent.

Malayan Tin Dredging.—This enterprise has been much in the public eye by reason of the raising of additional resources under the Trade Facilities Act, the splitting of the shares, and the flotation of a subsidiary. Additional dredge power being available, the output was increased, and realised a higher average price, the net profit coming out at £71,500, as against £51,400. The dividends totalled 30 per cent., in place of 25 per cent., and after the transfer of £5,000 to special reserve in accordance with the loan agreement, £68,300 remained to go forward, as against £56,500 brought in. In all, the company was guaranteed £250,000. Under the second mortgage of £150,000, about £100,000 was drawn, but has been repaid since the date of the accounts the balance of the capital—40,000 shares—has also been issued at 32s,

bringing the total up to a round £200,000. It would not be surprising if some questions on this transaction were to be asked at the meeting. The original property has been added to by the purchase of 58 acres, making the total 2,096 acres, whereof 600 have been worked out. Moreover, the company has acquired a further 1,680 acres some eight miles lower down the Kinta river; approximately 1,000 acres have so far been proved to carry payable values. This ground is to be worked by dredges Nos. 7 and 8, to which the recently installed electrical power will in due course be extended. On the basis of last year's dividend, the 5s shares at 30s yield only 5 per cent., but there is the prospect of considerably bigger things in the future.

Obersea Correspondence.

UNITED STATES.—STEADY MARKETS—THE TRADE POSITION—THE WHITE STAR DEAL.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 30.

WHILE little change has occurred in the markets during the past week, the undertone has continued steady. The share market has experienced a mild reaction during the past few days, possibly in sympathy with a firming-up in the call-rate on the Stock Exchange, but no considerable volume of liquidation has appeared, and the market could hardly be characterised as weak. Meanwhile the bond market has continued conspicuously strong, dealers reporting that the demand for new securities considerably exceeds supply. The lists for the \$120,000,000 issue of 20-year 5 per cent. Standard Oil Company debentures were closed with an over-subscription at the time when the preferred stockholders' opportunity to subscribe for the debentures expired. No public offering of the debentures was made. As for the money market, month-end demands lifted the call-rate on the Stock Exchange to-day to 5½ per cent., this being 1 per cent. above the rate that ruled last week. However, the time rate was undisturbed at 4½ per cent. Probably the firming-up in call-money was prompted partly by the large reduction in re-discounts at the Federal Reserve Bank, that had taken place during the past few weeks. At November 17 re-discounts at New York had fallen to \$90,000,000, which was \$58,000,000 less than at the same time last year. The report for November 24 showed that the member banks in this district increased their discounts during the preceding week to \$149,000,000. That a firming in the call-rate should attend this movement is only natural. Even with the increase in re-discounts the total on November 24th was still \$44,000,000 below the corresponding total for last year. Practically all of the week's increase in re-discounts occurred at New York, and as the bank here lost a corresponding amount in reserves it would appear that money flowed away from this centre. The Thanksgiving holiday demand for currency also probably played a part in the added demands that were made on the Reserve system. Brokers' loans remained practically unchanged, and the expectation is that the firming in call-money will be transitory, and that the money market will settle down comfortably until the Christmas demand for currency arises. Some \$10,000,000 in gold recently has been shipped to Canada, but the premium on the exchange is declining, and it is thought that the movement is over for the time being at least.

Meanwhile it seems likely that recent somewhat pessimistic judgments on the course of industry and business were in part a by-product of the October break in the share market. Such breaks generally have an adverse effect on business sentiment in this country, and the present instance seems to furnish a case in kind. It will be recalled that during October sources of steel trade news predicted that steel output for the month would show a decline. As a matter of fact, a 2 per cent. increase was recorded. Then it was predicted that operations would fall off rather rapidly to about 75 per cent. of capacity. Actually it seems that November steel production will be only slightly below that for October. Automobile pro-

duction showed a considerable decline in October as compared with a year ago. Now, however, it seems that fresh buying of steel by automobile makers is developing, and it is believed that this buying forecasts an increase in automobile production during January. Similarly, with retail trade; a short time ago there was talk of slowness; now it appears that the stores are busy and that the prospects for holiday trade are excellent. While the seasonal tendency is now bringing a diminution in the movement of freight by the railways, the totals are still running at record-breaking levels for the season of the year. Altogether, it would appear that business is holding up better than had been anticipated, and that money is cheaper than had been expected. Sentiment has recovered with the share market; and the possibility that high public purchasing power may, in the entire absence of inflation, keep prosperity going is now recognised.

Sale of the White Star Line by the International Mercantile Marine Company furnished a surprise only in so far as the identity of the purchaser was concerned. It has been no secret, of course, that the company has wished to dispose of this holding and to do something to relieve the somewhat anomalous position in which it has found itself. Its British connections have always been an embarrassment to it when it came to securing tonnage from the Shipping Board; and, while the British lines have represented excellent earning assets, the company has not exercised real control, merely receiving the dividends that the British directors have declared. The common assumption is that the company will take the proceeds of the sale of the White Star Line, and of the sales of any other of its British lines, and apply these to the purchase of some of the Shipping Board's big units, thus building up a strong fleet of American tonnage. It is observed, of course, that the White Star purchase will be paid for in instalments, but it is possible that the International Mercantile Marine Company might purchase new tonnage on a similar basis. The company has outstanding almost \$36,000,000 of an issue of 6 per cent. bonds due in 1941, and they are secured by all the company's property. It is understood that the mortgage is worded so that other security may be substituted. In any event, it does not seem that the company intends to retire the bonds. Nothing very definite is known with regard to the company's plans, but it is assumed that its future success would depend very considerably on the price at which it might obtain tonnage from the Government.

FRANCE.—M. POINCARÉ AND THE FRANC—PRICES—DEVASTATED AREAS.

(FROM OUR CORRESPONDENT.)

PARIS, December 8.

M. POINCARÉ, in spite of pressure by both a section of the Chamber and certain newspapers, still declines to state whether he proposes definitely to adopt a policy of stabilisation or one of revalorisation. The essence of his policy was summed up in a phrase used by the Premier and Finance Minister in his speech in the Chamber yesterday: "The restoration of healthy financial conditions does not yet include the restoration of healthy currency conditions, but the one is an essential and preliminary condition of the other." In allowing the franc to rise above existing economic parities and considerably above the level (150 to the £) on which the estimates of foreign debt and other expenditure is based in the Budget now under discussion, M. Poincaré has adopted a policy which has been compared in importance with his decision to occupy the Ruhr. It will be admitted, however, that his attention so far has been devoted primarily, and almost entirely, to the reform of the public finances, the freeing of the Treasury from the grave dangers that have repeatedly threatened it during the past two years, and the stabilisation of the debt. The fact that the franc has recovered over 120 points since M. Poincaré took charge of the situation is patent, but this is merely the result of the steps that have been taken in quite other directions. These include the creation of the Caisse d'Amortissement, the consolidation in two or three months of 5,000 millions of floating debt, the fixing of the maximum total of the latter by law at its present figure, the making of provision that will ensure

the payment of all foreign liabilities down to the end of next year, the assurance of a reduction of the debt to the Bank by 2,000 millions on December 31st next, the strict balancing of expenditure by taxation, and the accumulation of a *masse de manœuvre* in the form of foreign currencies, sufficient to enable the franc to stave off further ruinous crises. Under the influence of all these consolidating factors the franc has naturally improved from around 245 in July to the neighbourhood of 125, and confidence has largely returned.

Evidence of this is shown in the fact that the new issue of 7 per cent. ten-year Treasury bonds, designed to replace the 1,395,000,000 of 1922 Credit National bonds, whose holders (out of a total of 3,000 millions) have given notice of their intention to demand reimbursement on February 1st, has been entirely taken up. The new scrip was obtainable solely in exchange for the older issue, and many of those who originally applied for reimbursement (as well as a large proportion of those who were prepared to renew) have subscribed the new bonds. The demand for National Defence bonds has proved so satisfactory that it has been found necessary to check their absorption by the public by reducing the rate of interest, to keep the total within the maximum fixed when the duty of extinguishing the floating debt was handed over to the Caisse d'Amortissement.

The continued improvement in the franc is causing a good deal of alarm in some quarters, but opinion generally seems to be about evenly divided on the subject. Many leading industrialists are reported to be strongly in favour of the present tendency being allowed free course, no matter what levels may be reached, it being argued that, although this may result in an economic crisis, the effect would be to eliminate shaky concerns, and thereby strengthen the general position. On the other hand, it is argued that it is essential that the franc should be definitely stabilised as soon as possible, otherwise the whole situation may again get out of hand, with the resultant undoing of all the good work that has been accomplished. Many experts argued recently that the franc should be stabilised at 162.50. M. Francois-Marsal urged 160 as the figure. M. Chappedelaine, the Rapporteur of the Budget, when sterling was oscillating around 161 and 162, insisted that it would be perilous to budgetary bases to allow the franc to improve beyond that level. It is not surprising, therefore, that with the franc well below 130, M. Chappedelaine, a day or two ago, sought an interview with M. Poincaré on the subject. He is reported to have asked the Finance Minister what steps he proposes to take to maintain budgetary equilibrium, in the event of further improvement of the franc, and to assure national production against an economic crisis. M. Poincaré expressed the opinion that there are at present no symptoms suggesting the possibility of an economic crisis.

Here again opinion in general is sharply divided. M. Jouhaux, the moving spirit of the C.G.T., insisted a day or two ago, at a meeting of the Socialist group of the Chamber, that "an unemployment crisis, due to the revalorisation of the franc," has actually begun. Reports are certainly current as to lack of orders and reduction of labour in several industries, but these, as usual, are not confirmed by figures of the unemployment bureaux. Last week's returns showed that the total number in receipt of unemployment allowances throughout the country was only 571. In any case, it is usually necessary for several months to elapse before scarcity of orders can make itself felt sufficiently to result in reductions in labour, whereas the recovery of the franc is of quite recent date. Certain concerns, it is true, are known to be somewhat hampered through the restriction of banking credits, while the fact that the last weekly Bank statement disclosed that private current accounts had swollen to 4,800 millions, or 479 millions more than the previous week, may be regarded as indirect proof of a slackening in industry. Taken all round, however, there is little evidence as yet of serious difficulty, and a good many authorities are disposed to agree with M. Poincaré in the belief that, although there will probably be a certain amount of stringency, a serious economic crisis is by no means inevitable, provided the proper precautions be taken opportunely.

Prices tend steadily in the directions imposed on the

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one hand by the improvement in the purchasing power of the franc, and by the necessity on the other for bringing quotations for exports to the level of world values. Domestic prices are undoubtedly falling, while export prices are expected to continue to rise until they are more consistent with those prevailing elsewhere. The index figures for November are not yet available, but M. Poincaré was able to state in the Chamber a day or two ago that the figure for wholesale prices, which stood at 768 at the end of October, had fallen by November 27th to 700. Home products showed a drop from 745 to 699, while imported commodities fell from 808 to 701. Retail prices do not yet, of course, reflect the downward tendency to the same extent; nevertheless, the figure of 632, returned at the end of October, had been reduced by November 27th to 621. This fall, although not very marked, is general, as every class of shop demonstrates.

The discussion of the Budget for the liberated regions revealed that the Crédit National has so far effected total payments of 66,300,000,000 in liquidation of war losses and for reconstruction purposes. Of this total, however, only 24,000 millions have been paid in cash, while nearly as much—21,000 millions, in round figures—have been paid in securities of various descriptions. These consist of States Rentes, 1,200,000,000; thirty-year bonds, 10,900,000,000; Obligations de la Défense, 8,300,000,000; ten-year bonds, 656,000,000; and ten-year Obligations, 900,000,000. Many of these descriptions are unsaleable in the open market, with the result that needy sinistrés who have been forced to realise their holdings have been compelled to part with them at a discount of from 30 per cent. to 50 per cent. The total loss to sinistrés who have been obliged to sell in these conditions is estimated by M. Philippoteaux, the *rapporteur* of this particular Budget, at 5,000,000,000. According to the same authority the maximum amount still required to complete the reconstruction work is 15,000,000,000, of which it is proposed to pay (spread over the next three years) 4,000 millions in cash, 2,000 millions in material, &c. (at the rate of 600,000,000

worth per annum), and 9,000,000,000 in ten-year bonds. It was stressed, in this connection, that by the end of September, 1930 (corresponding to the date when the constitution work is expected to be completed), the annuities from the operation of the Dawes plan should have yielded to this country a gross total of 31,000,000,000, but the whole of this will not, of course, be applicable to the devastated regions account. The productive value of the restoration work accomplished is seen from the fact that the reconstituted area, whose population of 5,700,000 is already paying between one-fifth and one-quarter of the total yield from the income and land taxes. M. Tardieu, the Minister for the Liberated Regions, may be excused, perhaps, in view of the magnitude of the work accomplished, for having stated to the Chamber that in six years after her great calamity France has done more than the United States, after the Civil War, was able to carry out in 30 years.

The short discussion on the liberated regions Budget, by the way, appears to have definitely interred what its inventors a year or two ago termed "the huge devastated regions swindle." As the result of Socialist insistence that many industrials had flagrantly inflated their claims for war losses, special tribunals were set up to revise an enormous number of the dossiers. On a grand total of over 80,000,000,000 of claims that were originally granted, the total reductions ordered since the tribunals were set up two years ago amount to 39,000,000,000, of which 2,254,000,000 have actually been recovered, the rest apparently consisting of reduction in as yet unpaid awards.

GERMANY.—CREDIT POLICY—FINANCES—PRICES—INDUSTRY.

(FROM OUR CORRESPONDENT.)

BERLIN, December 8.

In the past week two measures were taken calculated to further the credit policy recommended against considerable opposition by the President of the Reichsbank. The exemption of foreign loans from taxation was withdrawn, and an expedient was announced for contracting the volume of short-term credit and increasing the volume of long-term. Dr Schacht has repeatedly criticised the excessive pace of borrowing from abroad, and he has also shown his disapproval of the extreme fluidity of the money market, both for itself and in connection with the independent lending policies pursued by departments holding accumulated public funds—in particular, the Federal and Prussian treasuries, the railways corporation, the posts, and the social-insurance organs. Foreign borrowing and the condition of the money market are directly connected. Part of the money borrowed from abroad by industrial concerns for long terms appears temporarily as short-term credit in Berlin. The foreign loans, according to Dr Schacht, act in an inflationist direction. That is not shown by the relatively stable price-indexes; but the loans, Dr Schacht declares, counteract various tendencies making for a price-fall. He further doubts whether the service of the foreign debt will be as easy as it is to-day once the flood of new foreign loans has abated; and figures so far published of the foreign payment-balance seem to justify this doubt.

The tax exemption has been in force since August, 1925. It consisted in reducing the tax on the capital transaction (Wertpapiersteuer) from the normal 2 per cent. to 0.5 per cent., and in remitting entirely the "capital yield tax." The latter is really the flat income-tax rate of 10 per cent., payable by non-resident foreigners on all income from Germany and deductible at the source. The Finance Ministry was empowered to remit this tax on the interest of individual foreign loans, with the approval of the Reichsrat and Reichstag Committee. The exemption had to be separately applied for each loan, and it was usually granted, though of late there has been a tendency to employ the Government's discretionary power in order, by refusing the exemption, to prevent the contraction of undesirable or too expensive loans. Ground for the exemption was the general

refusal of foreign lenders to bear any German taxation. Payment of the tax by borrowers would have been equivalent to increasing interest rates, which when the system was adopted were considerably higher than now. The withdrawal of the exemption will not affect past loans, and on loans already negotiated pending applications for exemption will be considered on their merits.

The influencing of the money market is to be attained through the issue by the Gold Discount Bank of three months' bills for sale in the open market to the bidder at the lowest discount rate. For Germany this system, best known from British precedents, is new. The bills will be in denominations of 50,000 marks and 100,000 marks, to a total of 100,000,000 marks. They will be discountable, and taken as security for advances by the Reichsbank at its current rates. The yield will be invested by the Gold Discount Bank in the 7 per cent. three to five-years' mortgage bonds issued by the Rentenbank, which, in turn, provides the means for 7½ per cent. mortgage loans to agriculture. This plan is unusual, in that it involves securing short-term debts with long-term investments; but that there is any practical danger in the novelty is not clear. The effect will be—if, as is expected, the dimensions of the bill issue are later increased—to draw a great deal of money out of the market and to diminish the effect of the lending out of accumulated public funds in what the Reichsbank considers excessive quantities.

The month-end settlements of November put a much severer strain on the market than usual. Day money rose to 8 per cent., the highest rate for many months. In part this was apparently due to the Rentenbank repayment transaction reported last week, and also, against expectations, the yields of the American Stinnes and Elevated Railway loans were not available. A good deal of money was borrowed over the year-end at rates up to 7½ per cent. The changed money market condition is reflected in the Reichsbank's return for November 30th, where, though discounts increased by only 74 million marks, advances made the unprecedented jump of 295 millions to 321 millions. The increase in circulation by 512 millions is also unusually large.

The Finance Ministry's monthly return shows on the ordinary Budget account:—

Revenue—	— Millions of Marks. —	
	October.	April-Oct.
From taxation.....	741.0	4,100.6
„ administration sources	45.0	229.5
	786.0	4,330.1
Expenditure—		
General administration.....	364.1	2,504.6
Reparations payments	51.4	188.4
Subventions to states and municipalities ..	203.8	1,486.1
	619.3	4,179.1

Including 219.9 million marks, seven months' share from the surpluses of 1924-25 and 1925-26, the ordinary Budget account for the period April-October shows a surplus of 370.9 million marks. On the extraordinary account there was a deficit in October of 63.7 million marks, in April-October 391.6 million marks. The Government has a good deal of money in hand from the surpluses of two financial years and also revenue from the last financial year which has not yet been spent on the objects for which it was voted. It will face heavy new expenditure as soon as its productive employment schemes are taken fully in hand, but it is generally believed that the long-delayed Reichsmark loan will not be floated until after the beginning of the next financial year, by which time the decline in interest rates may have proceeded further.

The cost-of-living index number for November is 143.6, against 142.2 in October, and 139.8 in January. The *Frankfurter Zeitung's* wholesale index for November 30th shows a further fall in the prices of standard manufactured articles. The decline here in the past two years has been very great, and it seems to be only partly due to cheaper textile materials. The Prussian Trade Ministry's report for November is favourable, showing improvement in nearly all the industrial branches dealt with. In addition to coal and iron—in which production has been increasing for some months—increased output is recorded in chemicals. The October postal returns indicate a great increase in business activity. Railway goods traffic in the

third week of November declined very considerably. The coal output continues high, having now been for six weeks continuously (Ruhr only) over 400,000 tons per working day, or more than 25 per cent. above the lowest output in April. Rolling-mill output in October was 978,285 tons, against 773,128 tons in October, 1925; in the first ten months of the year 8,191,174 tons, against 8,853,175 tons in the same months of 1925. Exports of heavy iron and steel in October were 13 per cent. higher than in September; exports of machinery 9 per cent. smaller. Increased activity is reported in the electro-technical branch, and further Russian orders are reported. Exports last year in this branch were 350,024,000 marks, against 324,121,000 marks in 1913; in 1926, on the basis of the first ten months' returns, they will be about 376,000,000 marks. The engineering industry reports an increase in both home and foreign orders; firms working more than eight hours a week short time are now only about 10 per cent. of all firms. The nucleus of the shipbuilding trust has been created by a decision to fuse the Hamburg Vulkan and Weser Tecklenborg yards in the A. G. Weser Company. The entry of the Deutsche Werft of Hamburg, the most modern of yards, into this trust is spoken of. The Steel Syndicate retains its 20 per cent. limitation of output. The Western Steel Trust (Vereinigte Stahlwerke) is forming a new minor trust of Siegerland works. The textiles industry reports a very great improvement.

ITALY.—NEW LOAN—PASSING OF THE TREASURY CRISIS—EXCHANGES, PRICES, AND WAGES.

(FROM OUR CORRESPONDENT.)

TURIN, November 27.

No new features have developed since my last letter in the stock exchange markets. The number of securities which change hands daily is small; as can be seen from the interesting figures which are for the first time summarised by the Treasury, foreign exchanges hover between relatively small limits, excepting the French franc, whose fluctuations are more pronounced. Public attention is focussed on the new 5 per cent. national loan issue. Although the price of the old 5 per cent. is only about 84 to 84.50 lire, which, with a coupon of 2.50 lire due a month hence, means about 82.50 net, the new issue is a success. At the date of writing subscriptions total 1,000 millions lire. Undoubtedly subscribers are moved by a patriotic sense of duty. They feel that the Treasury must be put in a strong position, so as to be able to pursue a definite policy of defence of the lira. It appears from the Treasury account of October 31st that during the month of October 725 million lire of Treasury short bills had to be repaid on falling due. The cash in the exchequer went down to 62 millions lire, and the Treasury current account at the Bank of Italy, which at the end of February was 2,669.7 millions, and was still 1,970.4 millions at June 30th, was reduced to 632.1 at September 30th, and had been turned at October 31st into an overdraft of 129.7 million lire. At present the crisis, thanks to the consolidation of the Treasury bills, is over. Effective revenue in the first four months of the fiscal year, from July to October, was 6,287.4 against 5,984.1 expenditure, with an excess revenue of 303.2 million lire. As the only cloud in the Treasury sky were the bills becoming due, the way is open, with good revenue coming in and the proceeds of the loan, to the solution of the monetary problem.

Public opinion is somewhat incensed by what seems to be unjustifiable resistance by the retail trade to the reduction of prices. At a meeting of the High Council of National Economy proposals were made for accelerating the process of adaptation of prices to the improvement in the gold price of the lira. It cannot be said, however, that wholesale and retail prices have been insensible to the improvement in the foreign exchanges. The following table was construed from the figures published in the new Monthly Bulletin of the Central Statistical Board (*Bollettino mensile di Statistica dell'Istituto centrale di Statistica del Regno d'Italia*, Numero 1., November, 1926, Libreria dello Stato). Hitherto current official figures had to be sought in the useful appendices to the monthly Treasury Account. Henceforth the Treasury Account will

again contain only budgetary, public debts, and bank of issue official statements. Economic and financial statistics will be published in the new Monthly Bulletin of the Central Statistical Board, which is put under the energetic direction of Professor Corrado Gini. The first number is a rich mine of data, from which it would be possible to quote at length. As to the problem of the relations between foreign exchanges and internal prices, the figures in the Bulletin are as follows:—

	Gold Price of the Lira.	Wholesale Prices (basis 1913 = 100).	Retail Prices Milan (basis 1st half 1914 = 100).	Wages (basis 1913 = 100).
January	477.9	658.6	665	552
February ..	479.0	654.7	661	
March	480.0	640.3	647	
April	479.6	636.4	642	567
May	500.3	642.9	652	
June	527.7	654.1	650	
July	575.7	676.7	649	584
August	589.2	691.3	652	
September ..	528.1	682.8	647	
October	470.9	654.6	672	..
November 8	458.9	638.1	..	..
„ 15	468.3	645.2	..	..

The conclusion is that the gold price of the lira fluctuated very much more than prices. Against an increase of 111.3 points between January and August in the gold price (i.e., dollar or sterling price) of the lira, wholesale prices increased only 32.4 points, and retail prices even fell 13 points. When foreign exchanges improved and the gold price of the lira diminished 130.9 points, from the end of August to November 15th, wholesale prices diminished only 46.1 points, and retail prices even increased (up to the end of October) by 20 points. It cannot be said that fluctuations of foreign exchanges do not reflect themselves on internal prices; but their influence is slow, and sometimes is not wholly spent when a new movement begins in the inverse direction. Probably wholesale prices would have gone up after August, if the direction of foreign exchanges had not been inverted. One must add that wholesale prices would make a better showing, from the consumers' point of view, if it were not for the British coal strike and its repercussions on prices of metals and on freights. The only group which marks an increase between January and the second week of November is the mineral and metals group from 625.0 to 767.3. Therefore, when the consequences of the coal strike are over, the general price index will go down. Wages are continually increasing, but are as yet lagging behind in comparison with the cost of living. There is, therefore, a just ground for the contention of the workers' corporations that wages must not be reduced, and that, although rising, they are not in equilibrium with the increase of prices. Prices will have to move a long way downward before wages can be touched.

SPAIN.—POLITICAL POSITION—BUDGET—TRADE AND PRICES.

(FROM OUR CORRESPONDENT.)

MADRID, November 30.

For more than three years now the country has been under Primo de Rivera's rule, and his grip on the nation seems to be stronger than ever. The outbreak of the artillery corps last September, one of the greatest difficulties he has ever met, was easily overcome by sheer energy, and from December 1st the officers who desire it will be reinstated to their posts and the corps reorganised on a more economic scale. These decisions, after the punishment of those mainly responsible for the outbreak, will contribute to the pacification of that important section of the Army. The proposed organisation of a national Assembly on new lines—quite different from the old "Cortes"—has been postponed time after time. Economic and financial matters appear to be the most serious for the Government, for they have for a long time been promising essential changes in the Budget and tributary system, but have only kept on altering the end of the fiscal year. This used to be March 31st, and was changed in 1924 to June 30th, a supplementary three months' Budget being introduced. From the beginning

of 1927 onwards the financial year will be made to coincide with the calendar year, and another supplementary Budget was introduced for the second half of the present year. The deficits of recent Budgets have been as follows:—

	Pesetas.
Full year, 1923-24 (to end of March)	576,315,000
Full year 1924-25 (July 1 to June 30)	414,565,000
Full year 1925-26 " "	567,500,000

The figure for 1925-26 is only provisional. The supplementary Budget approved for the present half-year shows a total expenditure of 1,445,518,000 pesetas, against a total income of 1,478,092,000 pesetas, giving an estimated surplus of 32,574,000 pesetas. The proposed expenditure figure represents economies at the rate of about 200 millions per annum compared with 1925-26. As there is also a calculated revenue increase of 50 millions in the six months, the total reduction of the deficit should reach fully 300 millions per annum.

But apart from the ordinary Budget the Government approved last July an extraordinary Budget dedicated to expenses of a permanent nature to be executed during the present half-year and in the ten following years, amounting to 3,539 million pesetas, and distributed as follows amongst the Government Departments:—Presidency, 72,880,000; Home Office, 65,640,000; Foreign Affairs, 29,000,000; Education, 200,000,000; War Ministry, 631,578,000; Public Works, 1,600,000,000; Navy, 877,630,000; Treasury, 32,219,000; Justice, 30,000,000. The total amount of this special ten years' Budget will be covered by the issue of funded debt. The issue corresponding to the first instalment of 225 millions was made on November 16th in 5 per cent. funded debt (amortizable), free of the 20 per cent. tax, at 99 per cent., with the full quarterly coupon payable on January 1st. Applications amounted to 570 millions, or $2\frac{1}{2}$ times the amount offered, and the issue was therefore a real success. The Government is now preparing the Budget for 1927 in connection with the full reform of the fiscal system, and with the intention of considerably reducing the deficit. The extraordinary Budget will require about 450 millions for each of the next three years, and the ordinary Budgets perhaps other 250 millions, which makes 700 millions for the State; the country's savings are estimated at about 1,500 millions per annum, which leaves 800 millions for industrial enterprise, including railway construction, which is now in a period of great activity. There is thus no possibility of any reduction in the yield of capital in the near future, but the prospects are rather on the side of an increase, which might be considerable, as soon as the present commercial stagnation is over.

Although the industrial field is generally suffering from depression, specially the textile industries, the railways are the bright exception, owing to the epoch of new constructions opened by the recent organisation with Government control and assistance.

The volume of foreign trade in the first half of this year amounts to 2,011 million pesetas, with a small increase of 78 millions over the same period of 1925, but still 328 millions under 1924 figure. This affords a confirmation of the slackness of trade during 1925 and 1926. Imports have increased 20 millions compared with the first half of 1925, but are 279 millions lower than in 1924. Exports, on the other hand, increased by 58 millions, and are only 49 millions under the 1924 figure. The unfavourable balance of trade is thus correcting itself; it was 524 millions in the first six months of 1924, 332 millions in same period of 1925, and 294 the first half of the present year—i.e., at the rate of 588 millions for the whole year. As that amount is more than offset by the remittances from Spaniards in North and South America, without taking into account other invisible exports, such as tourists' expenditure in Spain, increasing every year, it may be taken that the trade balance has ceased to be a burden on the value of the peseta. Prices are slowly increasing; the food index number rose from 176 to 180, and industrial materials from 177 to 180, from June to August, although they are still under the total mean index for 1925, which was 183.

DENMARK.—POLITICAL CRISIS—GENERAL ELECTION—GENERAL CONDITIONS—TRADE BALANCE—BACK TO THE GOLD STANDARD.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, December 4, 1926.

As foreshadowed in my last letter, the Bills proposed by the Government in order to support trade have led to a political crisis and a general election. This election took place on the 2nd instant, and gave the following result:—The Venstre party (farmers) will have 46 seats in the Folketing, against 44 previously; the Conservatives, who scored the greatest increase in votes, will have their number increased from 28 to 30. On the other hand the Radicals, who supported the previous Government, lost four seats, and are now reduced to 16; while the Socialists lost two seats, reducing their number to 53. The election on the Foroya Islands will take place later, and will no doubt result in the "Venstre" party retaining the seat in question. Consequently, the "Venstre" party and the Conservatives will have 77 seats between them, against 69 Radicals and Socialists. As the "Venstre" and the Conservatives have the majority of seats in the "Landsting," the possibility of a Government block on this basis is there, but the two parties have rather diverging ideas regarding certain economic matters. For instance, the "Venstre" party has hitherto been against the Conservative desire for an emergency duty in support of suffering industries.

On the day following the election the Prime Minister, Mr Stauning, handed in the resignation of his Cabinet to the King, who will negotiate with the party leaders in the Folketing and Landsting in the course of the next few days. Until these political problems have been resolved trade will adopt a tentative attitude. The situation is practically the same as a month ago, though industrial unemployment has increased. However, some hope is entertained that a Government of anti-Socialists will be able to create more favourable labour conditions for production and trade than a Socialistic one, and many are looking forward to the possibility of some relief of the tax burden under the new Government.

At the end of November the number of unemployed in this country was nearly 63,000, against just over 51,000 at the same time last year, and about 24,000 in 1924. The number was nearly equal to that experienced during the year 1921, the previous highest, and it illustrates the difficulties of industry in the present situation. During each of the first ten months of 1926 the percentage of unemployment has been considerably higher than last year; for instance, in October 18.6 per cent., against 13.5 per cent., in 1925.

The balance of trade still wears a favourable aspect, although this to a certain extent reflects the depression. In September imports had a value of Kr. 142,000,000, against exports of Kr. 126,000,000, and there was thus an excess of imports of Kr. 16,000,000. But in October imports were reduced to Kr. 135,000,000, while exports were increased to Kr. 128,000,000, and the deficit of the said month was therefore Kr. 7,000,000 only. For the nine months total imports were Kr. 1,304,000,000, and exports aggregated Kr. 1,271,000,000, resulting in an excess of imports of Kr. 33,000,000 only, or just over Kr. 3,000,000 per month. This difference is considerably less than during last year, and the excess of imports will in any case be easily covered out of invisible income, as, owing to the English coal strike, the Danish mercantile marine has made bigger profits than last year. On January 1st the freight index of the Statistical Department showed a figure of 103.1 (against 100 for January-March, 1925). Afterwards freights were on the decline until May, when the figure was as low as 93; but since then there has been a rise every month, 129.8 being reached in September and 159.5 in October.

As a consequence of the effects of the coal strike, Danish wholesale prices showed a rather big rise. The index of the *Finanstidende* for August was 141, while during the following month the figure rose to 145, and during October to 150. However, subsequently the figure has declined to 145, principally owing to the breakdown of the coal strike. Further, it may be mentioned that the wholesale price index of the Statistical Department

rose from 162 to 178 during the period September-October.

At the end of November the note circulation of the Nationalbank was Kr. 378,000,000, against Kr. 433,000,000 a year ago. It is expected that from the New Year the bank will reintroduce the gold standard, and lately it has been assured that this will be on a gold ingot basis. Concerning this, negotiations are in progress at present, but these cannot be finally completed until the Rigsdag again meets about the middle of the present month.

JAPAN.—BUDGET FOR 1927-28—DEBT REDEMPTION PLAN—TRADE BALANCE—MARKETS AND PRICES.

(FROM OUR CORRESPONDENT.)

TOKIO, November 8.

The Budget estimates for 1927-28 were approved by the Cabinet Council on Sunday afternoon. The total national expenditure in the new Budget was fixed at 1,730,373,000 yen. This figure shows an increase of 132,082,000 yen upon the current year. The increase is chiefly accounted for by the naval programme for cruiser construction (4.7 million yen for the first year's instalment), increased grants in aid to elementary education (5 millions), subsidy to the reclamation work in Hokkaido (6 millions), war pensions (3.3 millions), and debt service (44.4 millions). The estimated revenue for the next fiscal year is placed at 1,499,736,000 yen, or a deficit of 230,637,000 yen against the approved expenditure. Of this, 70 millions is to be met by a new loan, and the rest by the previous year's surplus. The departmental estimates for next year and the comparison with the current year are set out below:—

Departments.	Estimates for 1926-27. Yen.	Estimates for 1927-28. Yen.	Increase (+) or Decrease (—) in 1927-28.
Imperial Household..	4,500,000	4,500,000	..
Army	200,202,000	212,067,000	.. + 11,865,000
Navy	239,028,000	255,426,000	.. + 16,398,000
Foreign Office	18,103,000	19,360,000	.. + 1,257,000
Home Office	238,934,000	257,424,000	.. + 18,490,000
Treasury	337,874,000	399,316,000	.. + 61,443,000
Justice	32,490,000	37,361,000	.. + 4,871,000
Education	124,093,000	140,439,000	.. + 16,346,000
Agriculture	44,935,000	49,322,000	.. + 4,387,000
Commerce & Industry	12,095,000	11,640,100	.. — 455,000
Communications....	346,040,000	343,514,000	.. — 2,526,000
Total	1,598,294,000	1,730,373,000	.. + 132,082,000

A special feature of the new Budget estimates is a new loan-redemption policy. The Government proposes to increase the statutory amount to be added to the sinking fund by applying part of each previous year's surplus, which in our practice does not automatically go to the redemption of debt. The sum to be allotted yearly to repayment of debt out of the surplus is fixed at 25 per cent. of it, and 44.4 million yen, or a quarter of the previous year's surplus, is budgeted for the next fiscal year. Under this new scheme the national debt to be redeemed during next year will be increased from 54 millions to 98.5 millions. Though the new Budget has been severely criticised as virtual abandonment of the present Government's avowed policy of economy and financial retrenchment, the new loan policy has been greatly welcomed by all sides as a new departure in our national finance in view of ever-increasing national debt, which now totals 5,100 millions, as against 5,026 millions a year ago, and 4,770 millions two years ago.

Foreign trade figures for last month reveal a fairly satisfactory improvement. The returns for October show the first comfortable favourable balance of 49,668,000 yen, imports totalling 142,149,000 yen, and exports 191,817,000 yen. As compared with the corresponding month of last year, however, both imports and exports disclose a rather serious decline, imports decreasing by 24,501,000 yen, and exports by 35,709,000 yen. But these are largely accounted for by the sharply appreciated value of the yen. The export trade was rather active during the month. As a matter of fact, raw silk, which predominates Japan's export trade, show a very slight decrease in value, despite the fact that silk-reelers complain of heavy losses resulting from the fall in prices, and at the moment are agitating for a maintenance of prices. Though the adverse balance of trade for the ten months ended October is 353.5 million

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yen, as against 317.6 millions for the corresponding period of last year, if improvement continues for the remaining two months, the whole year's adverse balance on the visible trade figures should contract to close upon 300 millions, or an increase of only 50 millions, or less over that of last year.

Monetary ease continues. Despite the approach of the year-end, the discount market has not yet developed any appreciable hardening tendency. The note circulation contracted to the level of 1,150 million yen after the turn of the month; the fiduciary issue is nearly 20 millions below the statutory minimum. The stock market, after a temporary rise after the reduction in Bank rates, has been down to levels below the worst of the year. The Bank of Japan's wholesale index number for October recorded a still further drop of 1.79 points, the total being now 230.39, as against 232.18 in September and 265.14 in October, 1925.

Letters to the Editor.

INCOME-TAX AND PRICES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In the hope that I may draw Mr Sloan to support by some argument or evidence the statements in his letter which you publish in your issue of the 27th instant, I venture to suggest that they are entirely fallacious.

Your correspondent runs through every schedule of the Income-tax Act, and states dogmatically that the tax in each case is passed on by the payer by the simple expedient of adding it to the price of the goods or services he provides, thus raising the cost of living all round. There are many difficulties in the way of the apostle of such a doctrine.

In the first place, the tax is, in fact, levied on the surplus remaining after charging the cost of producing the income, and the manifest imperfections of the system by which this is achieved do not, I think, seriously affect the principle. The tax is, moreover, universal, subject to the statutory exemptions, and one aspect of Mr Sloan's theory is that *everyone* recoups from someone else the tax imposed on his (surplus) income. This is unconvincing as it stands.

If Mr Sloan is right, a rise in the rate of tax would be followed by a rise in all prices and remuneration for services, but if the producers sought to advance prices to cover their extra tax, could not the consumers justly retort that they were taxed to the same extent, and therefore were not even in the position to pay as much as before?

The theory that a seller can raise his prices to meet additional income-tax is dependent upon the assumption that he is not already getting the highest prices he can without injuring his business, and has a margin of price up his sleeve to meet possible rises in taxation, which, to say the least, is improbable.

If it happened that all producers attempted to raise prices to recoup their personal tax, it is reasonable to assume that the more enterprising would at once begin to cut, and be willing to bear more and more of the burden of the tax to secure custom, until the producers bore all the tax.

Admittedly, if the Government raided capital and used it to maintain people in idleness the falling off of production would raise prices; also if the money were used to provide useless work the resulting inflation of credit would have the same effect. Professor Jones has made this clear. This is, however, a different thing altogether.

There seems also to be something wrong with Mr Sloan's reference to the "disastrous effect in the wasting of assets and the destruction of capital." Allowance for renewals of capital assets is made in computing tax liability, though the alternative percentage deduction is often inadequate. One can

recall, moreover, the great extension of plant and other industrial capital which took place just after the war, when income-tax, corporation profits tax and Excess Profits Duty were taking the lion's share of the profits of industry.

It has been pointed out that taxation for repayment of debt definitely increases the supply of capital.

If all this is wrong, I err in good company, as the following short quotations show:—

"A tax on profits, like a tax on rent, must, at least in its immediate operation, fall wholly on the payer. If a tax were laid on the profits of any one branch of productive employment, the tax would virtually be an increase in the cost of production, and the value and price of the article would rise accordingly, by which the tax would be thrown upon the consumers of the commodity, and would not affect profits. But a general and equal tax on all profits would not affect general prices."—(J. S. Mill.)

"The extent to which income-tax payers in general can shift the incidence of the tax is, no doubt, so small as to be practically negligible."—(Professor Dalton.)

"This brings us back in a large degree to its non-transferability (i.e., of the income-tax); for taxes on rent, on the higher kinds of wages, or on employers' gains are not easily shifted. Therefore, speaking broadly, we may say that the shifting of income-tax is not to be expected." (Bastable.)

"The assertion is that income-tax is a charge upon the business which is transferred to the consumer in the form of a higher price, and that consequently a heavy income-tax raises the price-level. If it were true that such a tax was a charge which could be unloaded on the consumer the business man would have no complaint to make; as a seller his interest in the rate of tax would be merely academic. But income-tax is not passed on in that way; it is a tax upon realised income, that is (in the case of a business) upon the residue. And it is precisely because its incidence is upon the recipient or recipients of the residue that business men complain of the burden of the tax."—(Professor Jones.)

"The income-tax can hardly be said to enter into the fixing of prices in the class of business with which I am familiar."—(Mr. Gordon Selfridge.)

—I am, &c., H. F. CARPENTER.
"Oakfield," Shoal Hill, Cannock.

THE FRENCH FRANC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Mr Percy H. Joseph diagnoses the financial position in France with accuracy, but I doubt if his solution of stabilising the franc at reduced rates during the following years until the old parity is reached will meet the case. The object of stabilisation is to provide a certain measure of stability, and that would not be attained by adopting the suggestion. It is a difficult problem, but I venture to think justice would be meted out to the rentier by converting his bond into a new security with an additional income bond which would bear interest in later years, and would to some extent compensate the holder for some part of his lost capital. There is an expert committee in France, whose appointment I had the honour to suggest, to whom the whole matter should be referred, and who no doubt would provide the details of a settlement.

Stabilisation at or about the existing rate would be an immense boon to all interests, and all claims could, I believe, be adjusted to meet such stabilisation.—I am, &c.,
December 6th, 1926. D. M. MASON.

Books and Publications.

WHY AND HOW MEN MAKE MONEY.

SINCE most of us never succeed in making enough money to satisfy our assumed wants, the procedure of those who do has a fascination; we want to know how they do what we cannot, and what it feels like. On this question much more light is shown by the artless, but transparently sincere, autobiography of the late George Pauling than by the pseudo-psychological discourse of Mr Attwood. Mr Pauling, obviously, had drive, push, initiative: that combination of qualities—physical, mental, and moral—that go to the achievement of material success. The enormous appetite to which he naïvely refers more than once—on one occasion, for instance, he records how at breakfast at Delagoa Bay "three of us, I refrain from mentioning the names of my companions, had a thousand

"The Chronicles of a Contractor." Being the Autobiography of the late George Pauling. Edited by David Buchan, with an Introduction by J. O. P. Bland. Constable. 10s 6d.

"The Mind of the Millionaire." By Albert W. Attwood. Harpers. 7s 6d.

oysters with about eight bottles of champagne"—was only one sign of the lusty vitality of the man, which enabled him to rise, Antæus like, from the defeats of the earlier part of his career. He started with little enough else to help him. His father, an Indian engineer, had an odd trick of disappearing and leaving his family to fend for itself. He never had much of an education. One of his early jobs was that of a night watchman. But nothing daunted him then or later. Thus, in the early 'eighties, he put in for a Cape Government contract for 90 miles of very heavy railway work. He had not got the finance, but he had spotted a clause in the contract which meant that certain work, already done, would be credited to the successful contractor. "The difference meant that I got £17,000 practically before I did any work.....The contract I knew to be one out of which £100,000 to £150,000 might be made, and after I got the £17,000 on the first certificate I was able to keep financing the Kowie job, which otherwise would have been a source of continual worry to me." Incidentally, Mr Pauling's pages give a most vivid picture of the creation of the new South Africa, and throw some suggestive light on the large unscrupulousness of Cecil Rhodes and on the Jameson Raid. His South African pages are the most interesting, though there is a fresh quality in his accounts of railway and other constructional work in Syria, of his efforts in China, and of his engineering accomplishments at home. He says little about himself, except in the rather oddly touching references to his affection for his brother Harry; but a man emerges, and also a conception of motive. One sees pretty well why he went on and "made good." He enjoyed work; risk attracted him; the desire for self-expression moved, for him, along that line. Money was good, but not good merely in itself—rather as a sign and as an instrument. So long as money is the symbol of achievement and the implement of power men will go on amassing it beyond the limits of their enjoyment.

Mr Attwood brings back, all too vividly, those long journeys in American trains, when the eyes travel wearily up and down the long columns of the illustrated magazines and find the advertisements easier reading than the "stories." He has the fatigued and fatiguing "brightness" and the spurious fairmindedness that belong to magazine treatment. His subject is an interesting one: any honest illumination of motive is worth having; but his treatment is so scrappy and ill-organised, and his own point of view so uncertain, that interest evaporates as one turns over his discursive pages. The average American has, apparently, not made up his mind whether millionaires are a blessing or a pest; and Mr Attwood pretends to the same detachment, though one suspects him more and more of being the Devil's advocate. There is an appendix which contains some facts that are instructive as to the number and diffusion of millionaires in the United States; beyond that, his book is journalism.

AN OLD STORY RETOLD.*

In his "Economic History of England," whose second edition has just appeared, Mr M. Briggs has set himself to produce a useful compendium of facts. Unfortunately, the form which he has selected for their presentation prevents his book from being anything more. From the Elizabethan age onwards each group of facts is treated in splendid isolation—technical invention, agriculture, poor-law, banking, trade unionism, individualism, &c. The defects of this method are well illustrated in his chapter on the poor-law. Bentham and Utilitarianism, which are segregated in the chapter on "Laissez Faire," where their constructive and administrative aspects are wholly neglected, find no place in the poor-law section. There is no reference in this section (or, indeed, anywhere else) to public health. And the incident of the 1909 Royal Commission is treated without any reference to the development of local government organs outside the poor-law, whose coming precipitated the poor-law recommendations of the Minority Report. This is one example of a type of defect which characterises the book from start to finish. Their net result is to rob the reader

* "Economic History of England." By M. Briggs, M.A., B.Sc., University Tutorial Press. W. B. Clive. Price 8s 6d. Pp. vi. 548.

of any general grasp of the outlook, emphasis, and character of a particular period. Here and there small specific defects appear. Mr Briggs is singularly unfortunate in his summary of Malthus's population theory on page 232. Malthus's realisation of the prudential check did not destroy his objection to Utopian schemes, but rather strengthened it, on the ground that in a Socialist State the economic conditions for the exercise of such prudential checks would be absent. The Workhouse Test Act of 1722 is mentioned on page 247, and its importance emphasised, but its provisions are not indicated. On page 250 no suggestion is made that the "guardians" of Gilbert's Act differ from the guardians of to-day. On the same page reference is made to the "Justices of Speenhamland," and not to the Justices of Berkshire meeting at Speenhamland. The date of the first Coal Mines' Regulation Act is given on page 364 as 1814, instead of 1842. One could multiply such examples, whose net result is somewhat to diminish the value of Mr Briggs's book, even though it remains a useful compendium of facts.

BOOKS RECEIVED.

British and Foreign State Papers, 1923. Compiled and edited in the Librarian's Department of the Foreign Office. (London) H.M. Stationery Office, Kingsway. 17s 6d net.

A volume for the shelves of the intimate student of foreign affairs or of the international lawyer, this official publication contains the text of numerous international treaties and agreements concluded by Britain and other countries in 1923. This is the 117th volume of the series.

Traité Général de Science Economique. Par Christian Cornelissen. Vols. I. and II. (Paris) Marcel Giard, 16 Rue Soufflot, et 12 Rue Toullier. 120f.

These two volumes, aggregating well over 1,000 pages, are devoted to an examination of the theory of capital and profit.

Les Expériences Monétaires Contemporaines. Par George-Edgar Bonnet. (Paris) Librairie Armand Colin, 103 Boulevard Saint-Michel.

A review by a well-known French economist of the post-war monetary experiences of Britain and Europe.

La Banque à Succursales dans le Système Bancaire des Etats-Unis. Par Jean Steels. Introduction par Allyn A. Young. (Paris) Rousseau et Cie., 14 Rue Soufflot. (New York) Foreign Publications, Inc., 47 West 47th street.

One of the features of this book is Dr. Steels's comprehensive account of the problems of branch banking in the United States, which gains the special commendation of Professor Young, of Harvard, in the preface which he contributes to the volume.

The History, Law, and Practice of the Stock Exchange. By A. P. Poley and F. H. Carruthers Gould. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 7s 6d net.

This is a fourth edition, revised and enlarged, of a work which those who are intending to enter the Stock Exchange should study, and existing members might with advantage place upon their office shelves.

Theorie der Wirtschaftlichen Entwicklung. Von Dr. Joseph Schumpeter. (München) Duncker und Humblot. M. 14.50.

This book deals with the theory of economic development, and illustrates very clearly the part played by capital. Chapters on credit and capital, the money market, interest on capital, &c., may be mentioned as a guide to the ground covered.

Beiträge zur Theorie des Geldes. Von Béla von Jankovich. (Wien) Manzsche Verlags- und Universitäts-Buchhandlung, Kohlmarkt, 20.

A treatise on the theory of money, discussed in the light of developments during the period, 1914-1925. The author deals with inflation, of which, he says, there were three distinct periods, in the different countries of Europe: price movements, exchange fluctuations, the influence of inflation on the credit system, and, later, stabilisation in Germany and Austria-Hungary. Numerous statistical tables are appended.

Die Modern Geldtheorie und Währungssysteme. Von Dr. Bruno Moll. (Stuttgart) Ferdinand Enke. M. 5.70.

An enlarged edition of a former work, entitled "Die Modernen Geldtheorien und die Politik der Reichsbank." It includes an interesting discussion of the merits and demerits of a paper as opposed to a gold standard.

Working Days. Edited by Margaret A. Pollock, with an Introduction by the Rt. Hon. Lord Buckmaster. (London) Jonathan Cape, Limited, 30 Bedford square. 6s net.

This is a collection of personal records of 16 working men and women written by themselves. The aim of the book is to give to the general public a vivid glimpse of the conditions under which various sections of their fellow men and women earn their living. The list of occupations covered includes railways, mines, building, agriculture, blast-furnaces, electrical engineering, and textile factories.

European Economic and Political Survey. Vol. II. No. 6. November 30, 1926. (Paris) The Reference Service on International Affairs of the American Library in Paris. Inc., 10 Rue de l'Elysée.

Includes, amongst others, an article on "The French Budget for 1927."

Whitaker's Almanack, 1927. Complete edition 6s net. Abridged edition, 1s 6d net. (London) 12 Warwick lane.

The 59th annual volume of "Whitaker" is as indispensable as ever as a mine of general information, and a reference book to which one may turn with confidence for correct facts. Few offices or households can afford to be without it.

The South American Handbook, 1927. Edited by J. A. Hunter. (London) South American Publications, Limited, Atlantic House, Moorgate. 2s 6d net.

An informative reference book on the countries of South and Central America, and also usable by travellers as a guide-book.

The Bankers' Magazine. December, 1926. (London) Waterlow and Sons, Limited, London wall. 2s 6d net.

Includes articles on "The Gold Shortage Question" and "Back to Individualism," the latter being by Mr Harold Cox.

The Banker, December, 1926. (London) Eyre and Spottiswoode (Publications), Limited, 1 and 2, Goldsmith street, Fleet street. 1s.

Includes articles on "German Economy," by Lord D'Abernon, and "The Banker's Manifesto," by Lord Hunsdon.

The Economic Journal. December, 1926. (London) Macmillan and Co., Limited. 6s net.

Contains an article by Mr A. W. Flux on British export trade.

International Labour Review. November, 1926. (London) George Allen and Unwin, Limited, Ruskin House, 40 Museum street, W.C. 1. 2s 6d.

Includes articles: "The Constitutionality of Labour Legislation in the United States of America: 1," by William Gorham Rice; "The Conciliation and Arbitration of Industrial Disputes: 1," &c.

The Railway Gazette. First South American Railway Number. November 22, 1926. (London) 33 Tothill street. 2s 6d.

Contains a detailed and illustrated survey of the railway systems of Argentina.

Institut Internationale de Statistique: Bulletin Mensuel de l'Office Permanent. Novembre, 1926. (La Haye) W. P. Van Stockum et Fils. 1.50 florins.

Commerce Extérieur de la République Tchèque-Slovaque en 1923 et 1924. (Prague) L'Office de Statistique.

An official publication of the Czechoslovak Government, on the country's foreign trade, containing a short introduction and over 400 pages of statistics.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Bankruptcy, 1925. 43rd General Annual Report by the Board of Trade. 3s 6d net.

Report of the Royal Commission on Cross-River Traffic in London. (Cmd. 2772.) 4s net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
December 28.	December 30.

THE two chief causes that have recently spread depression over Stock Exchange markets, namely, the excited movements in the franc and the grave news from China, have made less play this week amongst the speculative and the semi-speculative sections. The approach of Christmas and the preparations for window-dressing at the end of the year are now cited as reasons for the quietude that prevails in parts of the House. Business is of the bread-and-butter order, though a good deal of activity continues to characterise some sections.

The War Loan has maintained three figures. Other gilt-edged stocks show a steadiness somewhat unusual at this season of the year. A few issues of very substantial amount, notably Amalgamated Press preference advertised this week-end, arouse attention, and interest in the foreign market is quickened by the expectation of an early advent of the Bulgarian Refugee Loan.

BARCLAYS BANK LIMITED.

Head Office: 54, Lombard Street, London, E.C.3.

This Bank is in close touch with leading Bankers in all parts of the world, and provides facilities for the financing of every description of Overseas business.

Traders interested in the Foreign Markets are invited to correspond with

THE FOREIGN MANAGER.

Foreign Branch: 168, Fenchurch Street, E.C.3.

European Reconstruction loans have increased in popular favour, daily improvements in price reflecting the steady demand that there is for the 7 per cent. and 7½ per cent. varieties now obtainable. The market in Chinese bonds has been a shade less nervous, and hardy buyers have come forward to take some of the better secured issues. Chileans still dwindle in consequence of the nitrate outlook. Mexicans remain out of favour. In Brazilians there are few changes worthy of note. Peruvian Corporation stocks have been fluctuating according to the moods of Paris. The Belgian 7 per cent. issued at 94 has reached its highest price so far of 7½ premium.

Railway stocks are better under the leadership of London, Midland, and Scottish, and the Underground group is also better. Argentine Railways have shaken off some of their recent weakness, prices having gone down to levels at which they offer attraction from the yield point of view. United of Havana improved by reason of the brighter prospect which now opens for the sugar industry, a factor which has had a favourable effect upon the prices of sugar-producing shares.

The rubber market has toned up, thanks to a recovery in the price of the produce, which is thought to be due to the announcement that an American pool has been formed for the purpose of stabilising the price of rubber from the point of view of the consumer. Tea shares are neglected. The oil market has been going very softly, much of the dealing being of the professional order. The public are not taking much practical interest in oil shares at the moment. Amongst textile shares Courtaulds have further reacted on fears regarding the final dividend for the year, and the English textile shares are dull as a reflex of the reduction in the Bleachers' dividend. Napiers have been a strong and lively market amongst motor shares on amalgamation and bonus rumours. Dunlops, on the other hand, went back, being sold by people who have substantial profits, and who deem it wise to take them in view of the cut in the price of tyres advertised by a competitor.

Hudson's Bays strengthened while Sudans reacted, in spite of a satisfactory meeting this week. The Aerated Bread meeting fell on the same day, and led to a brisk rise in the price of the shares. In the tobacco group British Americans gave way in consequence of the grave news from China, where the company is said to have large interests. There was a rally from the lowest, and, although the tobacco market remains extremely sensitive, prices are tolerably well maintained. The shipping list is steady, P. and O. improving a trifle on Lord Inchcape's statement that the break-up value of the deferred stock is above the current market quotation. The feature amongst insurance shares is a jump in Motor Union, rumour reviving some of its previous gossip in connection with the company. The break in Hongkong and Shanghai banking shares has been followed by prompt recovery. The London banking group is quiet. It is assumed that the forthcoming dividends will all be at the same rates as those of a year ago. The cement and road-making shares are a little dull, on apprehensions lest the coal strike may have seriously interfered with their operations during the past few months, and the iron and steel department also shows a tendency to decline for a similar reason.

The South African mining market still clings to the skirts of Paris, whose operations in De Beers, Chartered, and Tanganyika give the list their daily colour. With the franc up to 125, the Frenchmen again turned out a certain amount of stock, not great in volume, but sufficient, in the absence of speculative enterprise on this side, to depress prices a little. There is more doing in the tin share market, where Malaysians have been steering a somewhat erratic course, with fluctuations confined within narrow limits. San Francisco mines are better on dividend hopes, to be resolved immediately. Bolivian shares are unaffected by the reported resignation of the Government, and Bolivia Concessions have again been a marked feature of strength.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	213,160,515			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to December 4, 1926, Dr £2,700,000.				
Net sales week ended December 4, 1926, Dr £150,000.				
To the Public—				
Newcastle-upon-Tyne Corporation, £1,500,000 5% Cons. Stk. (red. at par July 1, 1947-57), issued at 99½% (Dec. 9), 1,500,000 ..	1,492,500	75,000	1,417,500	
Scottish and Southern Counties Investment Trust, 600,000 Shares, £1, at par (Dec. 9) ..	600,000	600,000	75,000	525,000
Home and Foreign Investment Trust, 50,000 Shares, £10, at par ..	500,000	500,000	50,000	450,000
Hutchinson Printing Trust, Ltd., 300,000 7½% Cum. Div. First Pref. Shares of £1 each at par (Dec. 6) ..	300,000	300,000	37,500	262,500
Total offered to the Public	2,892,500	237,500	2,655,000	
To Shareholders only—				
City of Santos Improvements, 200,000 Ord. £1 with 4s paid, remaining 16s, payable Dec. 15, 1926 ..	160,000	160,000	160,000	..
Melbourne Trust, 1,000,000 Shares, 4s, at 4s 6d ..	200,000	225,000	50,000	175,000
Second Alliance Trust, 50,000 Shares, £3, at 65 5s ..	150,000	262,500	112,500	150,000
United Automobile Services, 100,000 Shares, £1, at par ..	100,000	100,000	25,000	75,000
Eastwood's Cement, 50,000 Shares, £1, at 25s ..	50,000	62,500	6,250	56,250
General Securities Investment, 4,356 Shares, £10, at par ..	43,560	43,560	4,356	39,204
Total to shareholders only	853,560	358,106	495,454	
Total offered for subscription to date in—	1926	1925	1924	1923
216,756,575	219,310,750	271,391,173	271,391,173	271,391,173
194,618,824	269,927,045	388,978,203	388,978,203	388,978,203
370,141,418	367,549,656			

Newcastle-upon-Tyne Corporation.—This is an issue of £1,500,000 5 per cent. consolidated stock at £99 10s per cent., redeemable 1947-57. Principal and interest is secured upon all the property, rates, and revenues of the corporation, and provision has to be made for the redemption of the issue by means of sinking funds. The rateable value is £2,471,045, a penny rate producing £9,262. The total outstanding debt is £6,451,055, of which £4,528,205 is in respect of reproductive undertakings. The total assets of the Corporation amount to £11,499,944, and the total liabilities, including the debt of the city, according to the last published accounts, are £7,038,791. Of the present issue £396,286 is for the repayment of Corporation mortgages that will shortly expire, and the balance is for other capital purposes. This is an excellent trustee investment.

Amalgamated Press, Limited.—Authorised share capital £6,200,000, divided into 5,000,000 7 per cent. cumulative preference shares of £1 each and 2,400,000 ordinary shares of 10s each; the whole of the latter, having been applied for, will be allotted in full. There has been created £3,500,000 of 5½ per cent. first mortgage debenture stock. This is an issue of 4,500,000 7 per cent. cumulative preference shares of £1 each at par. The company has been formed to acquire (1) the business of the Amalgamated Press (1922), Limited, which includes: 512,500 ordinary shares of £1 each out of a total of 600,000 shares in the Imperial Paper Mills, Limited; the whole of the capital in the following publishing companies: the Educational Book Company, Limited, Fashions for All, Limited, and W. B. Horner and Son, Limited; investments in industrial companies of an ancillary character of the value of £393,374; the copyright and goodwill of wireless publications recently owned by Radio Press, Limited; (2) 68,350 of the remaining ordinary shares of £1 each in the Imperial Paper Mills, Limited; (3) twelve periodicals issued and owned by Cassell and Co., Limited, and the whole of the share capital of the Waverley Book Company, Limited. Combined profits, other than those from the periodicals to be acquired from Cassell and Co., Limited, and from the Radio Press, Limited, excluding inter-company dividends, after deducting the proportion of the profits of Imperial Paper Mills, Limited, attributable to the preference and ordinary shares not held, and after eliminating interest and dividends received in respect of certain cash and investments not to be taken over by the company, and after charging all expenses, including directors' remuneration and depreciation of buildings, plant, machinery, &c., but before deducting income-tax and corporation profits tax, are certified to have been as follows:—Year 1922-23, £863,707; year 1923-24, £801,965; year 1924-25, £870,004; year 1925-26, £857,388. The purchase consideration is stated to be £8,027,719, payable as to £5,310,003 in cash, as to £250,000 as a deposit, and as to the balance on

completion of purchase, and as to £2,717,716 in 5½ per cent. first mortgage debenture stock of the company. The capitalisation is inclined to be top-heavy. The information relating to assets might have been more informative, especially as this is obviously a flotation where there are assets other than goodwill. But the promoters have followed what is apparently now the practice among newspaper publishing firms—namely, capitalising concerns on recent profits. Whether or not the newspaper industry is at the zenith of its prosperity time alone will tell. It will be observed, however, that the above profit figures, since 1923-24, show a decline.

Scottish and Southern Counties Investment Trust, Limited.—Authorised share capital £600,000, divided into 600,000 shares of £1 each. This is an issue of these shares at par. When fully paid up the shares will be divided into 60 per cent. of preference stock and 40 per cent. of ordinary stock, the preference stock being entitled to a fixed cumulative preferential dividend of 5½ per cent. per annum. The company has been formed for the purpose of conducting the usual business of an investment trust company. The undertaking has a good board, and a London Stock Exchange quotation will be applied for.

Home and Foreign Investment Trust, Limited.—Share capital £500,000, divided into 50,000 shares of £10 each. This is an issue of these shares at par. When fully paid up the shares will be converted and divided into preference and ordinary stock in the proportion of 60 per cent. of the former and 40 per cent. of the latter, the preference stock being entitled to a cumulative preferential dividend of 5 per cent. per annum. The company has been formed in particular to conduct an investment trust business. The directors are influential men locally, and quotations are to be applied for on the Glasgow and Edinburgh Stock Exchanges.

Hutchinson Printing Trust, Limited.—Issued share capital £245,000, divided into 145,000 7½ per cent. cumulative preference shares of £1 each and 100,000 ordinary shares of £1 each. This is an offer of £300,000 7½ per cent. cumulative participating first preference shares of £1 each. The company has been formed in particular to acquire the entire issued share capital and control of several printing and bookbinding businesses. The net assets are certified to be £333,797. Combined profits, before charging directors' remuneration and expenses, income-tax, corporation profits tax, excess profits duty, interest on loans, bank charges, and certain expenses of a non-recurring nature, are certified to have been as follows:—1922-23, £50,516; 1923-24, £54,278; and 1924-25, £56,733. The total purchase consideration is stated to be £449,750, payable as to £204,750 in cash and as to £145,000 by the allotment of 145,000 7½ per cent. second preference shares, and as to £100,000 by the allotment of 100,000 ordinary shares. Based on the figures given, the preference shares appear to be fairly well covered, but it should be noted that the preference capital is top-heavy.

West Hampshire Water Company.—Issued share capital £99,996 4s, and issued loan capital £49,996 10s. This is an offer for sale by tender of £12,410 5 per cent. irredeemable debenture stock at the minimum price of £95 per cent. and 2,000 new ordinary £10 "B" shares, which rank for a maximum dividend of 7 per cent. per annum, the minimum price of issue being par. The company was incorporated by special Act of Parliament in 1893, and supplies a statutory area of about 132 square miles, including the borough of Christchurch and part of Bournemouth. The net revenue of the company for the year ended June 30, 1926, is stated to be £11,643, of which interest on the debenture stock, as it will exist after the present issue, requires £2,498. Dividends on the preference shares amount to £2,344, leaving £6,801 available for the ordinary dividends. The existing 7 per cent. maximum ordinary "B" shares, it is stated, last year received 6½ per cent. The present issue will be used for the repayment of debenture stock and the extension of works, plant, &c. Well-secured investments.

The following advertisements relating to public companies appeared in the Press during the week:—**Tetihe Mining Corporation, Limited**, having an authorised share capital of £425,000, divided into 1,700,000 shares of 5s each; of these 1,600,000 are issued, 1,200,000 being fully paid, and 400,000 to the extent of 2s 6d per share. **Fife Tramway, Light, and Power Company, Limited**, having an issued share capital of £1,000,000, divided into 500,000 6 per cent. cumulative preference shares of £1 each, and 500,000 ordinary shares of £1 each; there is also outstanding £214,585 5 per cent. debenture stock. **Kuala Kangsar Plantations, Limited**, having an authorised share capital of £350,000, divided into 3,500,000 shares of 2s each, of which 1,007,507 have been issued; the remaining 2,492,493 shares will be allotted in part payment of the purchase consideration.

To complete our record of new issues and summary of profit and loss accounts, company secretaries are requested to furnish us with copies of new prospectuses and reports and accounts. Our readers can also assist by forwarding copies of prospectuses and company reports and accounts which may fall into their hands.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
War 4½%, 1925-28 ..	98½	99½	+ 1	India 3½% Stock ..	69½	70	+ ½
Loans 5½%, 1925-45 ..	93½	95½	+ 2	Do 5½% 1932 ..	102½	102½	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	Do 4½% ..	91½	91½	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	N.S.W. 5½% 1922-31 ..	100	100	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	N. Zealand 3½% 1940 ..	85½	85½	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	Nigeria 6½% 1949-79 ..	110	110	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	Queensland 5½% 40-60 ..	96	96	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	U. of S.A. 6½% 1930-40 ..	102	102	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	S. Aust. 6½% 1930-40 ..	103	103	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	Victoria 5½% 1924-34 ..	100	100	..
Loans 5½%, 1925-47 ..	93½	95½	+ 2	W. Aust. 6½% 1930-40 ..	100x	101	+ 1

British Railways.

Great Western, Ord. ..	85½	87	+ 1½	Metropolitan District ..	55½	56½	+ 1
London & North-Eastern ..	50½	51½	+ 1	Southern, Pref. Ord. ..	77	77½	+ ½
5½% Pref. Ord. ..	50½	51½	+ 1	Do Def. Ord. ..	43	43½	+ ½
Do Def. Ord. ..	17½	18½	+ 1	Underground Electric (£1) ..	102½	102½	..
Do, Mid., and ..	71½	74	+ 2½	Do Inc. Bds. (£100) ..	102½	102½	..
Scottish, Ord. ..	71½	74	+ 2½				
Metropolitan ..	61½	63½	+ 2				

Colonial and Foreign Railways.

Asiatic Petroleum ..	80½	79	- 1½	Grand Trunk Pacific ..	58	58½	+ ½
B.A. & Pacific ..	92½	93½	+ 1	Hungarian ..	50½	47½	- 2½
B.A. & Pacific ..	92½	93½	+ 1	Leopoldina ..	50½	47½	- 2½
Buenos Ayres West ..	82	82½	+ ½	Mexican Railway ..	7	7	..
Canadian Pac. (£100) ..	169	169	..	Do 1st Pref. ..	7	7	..
C. & N. Argent. ..	72	73	+ 1	San Paulo ..	181½	181½	..
Cordoba Central New ..	34½	34½	..	United Havana ..	72½	73½	+ 1

American Railroads.

Chesapeake & Ohio ..	165	165	..	Southern ..	120xv	121	+ 1
Do ..	40	42	+ 2	Union Pacific ..	165x	167	+ 2
Do 4½% 1st Pref. ..	48	50	+ 2				

Foreign Government Securities.

Argentina 5½%, 1926-7 ..	101	101	..	Greek 7½%, 1924 ..	91½	92	+ ½
Brazil 5½%, 1926 ..	101	102	+ 1	Hungarian 7½%, 1924 ..	102½	103½	+ 1
Brazil 5½%, 1926 ..	101	102	+ 1	Japanese 5½% 1924 ..	94½	95	+ ½
Brazil 5½%, 1926 ..	101	102	+ 1	Mexican Cons. 1899 ..	42	42	..
Brazil 5½%, 1926 ..	101	102	+ 1	Peruvian Corp. Pref. ..	52	51	- 1
Brazil 5½%, 1926 ..	101	102	+ 1	P.L.M. 6% ..	88	87½	- ½
Brazil 5½%, 1926 ..	101	102	+ 1	Portuguese (New) ..	36½	36½	..
Brazil 5½%, 1926 ..	101	102	+ 1	Russian 5½%, 1906 ..	7	6½	- ½
Brazil 5½%, 1926 ..	101	102	+ 1	S. (Dep't) 7½% ..	99	99	..
Brazil 5½%, 1926 ..	101	102	+ 1	Siamese 7½% ..	104	104	..
Brazil 5½%, 1926 ..	101	102	+ 1	Turkish Unified ..	21	20½	- ½

Telegraphs.

Anglo-American "A" ..	24½	24½	..	Marconi Canada ..	1½	1½	..
Marconi Wireless ..	1½	1½	..	Marconi Marine ..	1½	1½	..

Banks.

Barclays B. (£1, f.p.d.) ..	24½	24½	..	National Provincial ..	12½	12½	..
Chartered Bk of India ..	19½	19½	..	Standard of S. Africa ..	13½	13½	..
City & County ..	3½	3½	..	Westminster Bank ..	18½	18½	..
Midland ..	8½	8½	..				
Bank of Egypt ..	35½	36	+ ½				

Miscellaneous.

Allied Newspapers (£1) ..	24½	24½	..	Imperial Tobacco (£1) ..	5½	5½	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Linggi Plantations (£1) ..	24x	24x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Liver Bre'ry & Cold Storage ..	1	1	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Do 8% Cm A Pref (£1) ..	18	18	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Do 8% Cm P Ord (£1) ..	18	18	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Lister (£1) ..	18	18	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Lobos Oilfields (£1) ..	8½	8½	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Lyons (J.) & Co. (£1) ..	31½	31½	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Mexican Eagle (£10) ..	18	18	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Nobel Industries (£1) ..	18	18	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Royal Dutch Petroleum (100 fl.) ..	30½	31½	+ 1
Anglo-Persian Oil (£1) ..	44½	44½	..	Rubber Plantations ..	24x	24x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Investment (£1) ..	24x	24x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Shell Transport (£1) ..	44x	44x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Siemens (£1) ..	17½	17½	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Swedish Match "B" ..	15	15	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Union Cold Storage ..	15	15	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Do 6% Cm Pref (£1) ..	34	34	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Do 7% Cm Pref (£1) ..	17	17	..
Anglo-Persian Oil (£1) ..	44½	44½	..	United Dairies (£1) ..	14½	14½	..
Anglo-Persian Oil (£1) ..	44½	44½	..	United Serdang (2½) ..	34	34	..
Anglo-Persian Oil (£1) ..	44½	44½	..	United Tobacco (£1) ..	44x	44x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	V.O.C. Holding (£1) ..	34x	34x	..
Anglo-Persian Oil (£1) ..	44½	44½	..	Vickers (6/8) ..	260	255	- 5
Anglo-Persian Oil (£1) ..	44½	44½	..	Watney Def. Stk. ..	260	255	- 5

Mines.

mines.							
Asbanti Gold (4)	11½	11½	..	Modderfont. Deep (5)	11½	11½	..
Brakpan (£1) ..	4½	4½	..	Mount Lyell (£1) ..	11½	11½	..
Broken Hill Prop. (£1)	4½	4½	..	North Star (£1) ..	2½	2½	..
Burns Corp. (Pa.10)	2½	2½	..	Randfontein Est. (£1)	2½	2½	..
Cam & Motor (£1) ..	2½	2½	..	Rand Mines (5) ..	3½	3½	..
Central Mining (£8) ..	15½	16½	..	Selukwe (2/6) ..	1½	1½	..
Chartered (15)	1½	1½	..	Shamva (£1) ..	1½	1½	..
City Deep (£1) ..	1½	1½	..	Rio Tinto (45)	37½	39½	+1½
Cons. Gold Fields (£1)	1½	1½	..	Ropp Tin (4)	5½	5½	..
Crown Mines (10)	3½	3½	..	San Francisco of			
De Beers Def. £24	16½	17½	..	Mexico (10) ..	1½	1½	..
East Rand Prop. (£1)	4½	4½	..	Siamese Tin (5) ..	1½	1½	..
Eduld (£1) ..	4½	4½	..	Spring Mines (£1)	5½	5½	..
Gov. Gold Areas (£1)	8½	8½	..	Tanganyika Cons. (£1)	2½	2½	..
Gold Mining Cons.	2½	2½	..	Trans. Cons. Ltd (10)	2½	2½	..
Malayan Tin (5) ..	2½	2½	..	Zambesia Expl. (£1)	2½	2½	..
Modderfontein (5) ..	2½	2½	..				

COMPANY MEETINGS, &c.

BRITISH OVERSEAS BANK.

SUCCESSFUL RESULTS OF THE YEAR.

INCREASED DIVIDEND—GOOD PROSPECTS.

IMPROVED TRADE PROSPECTS.

CHAIRMAN'S REVIEW OF CONDITIONS ON CONTINENT.

The seventh annual general meeting of the British Overseas Bank, Limited, was held at the bank premises, 33, Gracechurch street, London, E.C., on December 7th, the Right Hon. Viscount Churchill, G.C.V.O., the chairman, presiding.

The Secretary (Mr A. E. Thorne) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,

The report and accounts for the year under review have already been circulated to you. May I assume it is your pleasure that these should be taken as read?

When I addressed you a year ago I spoke of the menace which lay before us in the problem of our coal industry. How serious the menace then was has been more than borne out by subsequent events, and it is unnecessary for me to emphasise again these troubles from which we are not yet clear. All the same, the time has come, I think, when we can take stock of our position. And, even in the chastened mood in which we now are, we can feel that the worst is over. Given once more a spirit of co-operation between employers and employed, given the readiness which is gradually appearing, to appreciate on both sides the lesson of these last months, we can look with confidence to the future.

In this industrial dispute mistakes have been made, but there are features also to which we can look back with satisfaction. Faced with a general strike, the country as a whole combined spontaneously to throw off this menace to organised national life in a manner which, in my opinion, no other country could have done so successfully. When the coal strike unfortunately dragged on, the underlying good sense and feeling of responsibility in almost all concerned prevented the few extremists from forcing, as was their intention, an industrial dispute into the more dangerous forms of a political struggle. Then, again, badly hit as our industries have been, they have stood the strain, and, during this period of enforced inaction, many lessons have been learnt by them which will assist in their future recovery. I might also point out that, during this crisis, never has there been even a suspicion that the maintenance of the gold standard to which we returned the year before was for one moment threatened.

INTERNATIONAL AFFAIRS.

Although to a large extent we have been this year immersed in our own domestic troubles, we can, nevertheless, look back with satisfaction on the continued improvement in the atmosphere of international affairs. The work of reconciliation begun at Locarno has been completed by the admission of Germany to the League of Nations and by the marked change in the relations between Germany and France. Elsewhere there has been peace, although, unfortunately, in China internal disorder has grown more pronounced, with regrettable reactions on its foreign trade.

IMPERIAL CONFERENCE.

In the constitution of our own Empire, the recent Imperial Conference has accomplished what, in appearance at least, is a far-reaching revolution, with a surprising speed and economy in discussion. The full consequence of these measures cannot yet be foreseen, but the unanimity with which they have been approved, both by the representatives at the Conference, and throughout the Empire, indicates that the Conference itself has merely set the seal on what had already largely been acted upon in practice and approved by public opinion.

IMPROVED POSITION ON CONTINENT.

Our more immediate neighbours have in most cases profited from our misfortunes, and the coal trades of France, Germany, Belgium and Poland, in particular, have secured profits which have materially contributed towards the recovery of these countries. In Germany there has been steady progress, although, as I ventured a year ago to suggest would be the case, this progress has been less rapid than was generally expected. Belgium, after a period of acute currency difficulties, is to be congratulated on the bold and successful step of stabilisation. Of France it is more difficult to speak. For a time the new Government of M. Poincaré, and the recovery in national confidence which accompanied it, seemed to promise that at last the hard facts of the financial situation were to be faced. But recent developments have

given reason to fear that even yet the lesson has not been fully learnt, and that the undoubted economic resources of the country may be still further strained and dissipated.

In Italy a novel political experiment, which the outside world finds it hard to understand, has veiled to some extent the very real attempts that have been made there to restore the economic balance of the country, to reorganise the national finances, and to maintain the stability of the currency. In Poland, also, there have been dramatic political changes, but in this case the crisis, which to many seemed to be the beginning of serious internal disorder, has called out the best in the new national life of the country. With a self-restraint and self-sacrifice which has surprised those who looked only to the past history of Poland, all parties have sunk their particular aims and have worked together for the common good. Undoubtedly Poland in particular has been helped over a period of serious difficulty by the English coal strike. But the breathing space thus given has been wisely used, and we can, I think, expect with confidence in the not distant future those measures of financial reform which are required to give more permanent stability. In North-Eastern Europe progress has been slow, but, in Esthonia especially, careful measures of reform are being quietly introduced. In Russia the year has been marked by what would appear to be the defeat of the extreme Left groups, and a progress, very gradual it is true, but definite, towards a policy which may make the resumption of international intercourse more possible.

CO-OPERATION WITH NATIVE BANKS.

During the year under review we have strengthened our connections with existing banking friends abroad, and have formed several new ones of much promise for the future. I think I may refer here to the policy with regard to foreign countries which we adopted when we commenced business seven years ago, and which since then we have consistently followed. By this I mean the policy not of opening branches or of acquiring banking institutions abroad, but of co-operating as closely as possible with native banks in each country, instead of competing with existing banks for local business. Experience has fully borne out the wisdom of our original choice of policy, and has strengthened us in our determination to maintain it. In Poland in 1919 exceptional conditions necessitated a departure from the strict letter of this principle. But I am glad to say that this exception was itself successful, and that, with the return to a more normal state of affairs, we have here too been able to obtain active local co-operation, which is always our main object. The recent improvement in Polish conditions has reacted satisfactorily on the Anglo-Polish Bank, in which, as you are aware, we have a large interest. Although the bank was only able to have the advantage of the fresh capital issued for a comparatively short time, a dividend of 8 per cent. was paid for last year, and from information we have in regard to the activities of the bank we anticipate that they will issue a thoroughly satisfactory report at the end of the present year.

INCREASED DIVIDEND.

When addressing you last I did not anticipate that your approval of a further increase of dividend would be again requested at so early a date. You will, however, see from the report and balance-sheet before you that the board are fully justified, after having made all the usual allocations in a generous manner, in increasing the dividend on the "B" ordinary shares from 3 per cent. to 6 per cent. per annum. We have had again a successful year, as you can yourselves judge from those figures, and the prospects are good for the future. At the same time I should like to sound a warning note in regard to later dividends, and to make it clear to you that the board do not contemplate increasing the dividend annually, however pleasant such action might be for the shareholders.

MR DUDLEY WARD ELECTED TO THE BOARD.

This is the first occasion on which we pay a full dividend on all our capital and, in the view of the directors, the moment was appropriate to show in a practical form our high appreciation

of the services rendered by the management in reaching this happy condition. You will accordingly see from the report that we have elected Mr Dudley Ward to a seat on the board, which appointment you will shortly be asked to approve. As Mr Ward is the only manager to-day who was also a manager when the bank commenced business, the choice naturally fell on him. No doubt the qualities which Mr Ward brings to the board are well known to you. But I do not think it would be out of place for me to say that his knowledge of economic questions, coupled with his intimate personal experience of many European countries, has been of inestimable value, and the directors feel that the appointment you are asked to approve to-day will add still further to his usefulness. The appreciation felt by the board for the work of the other managers is equally great, and I should like to take this opportunity of acknowledging the care shown in dealing with the business that comes before us, as well as our confidence in their judgment and experience when dealing with questions abroad.

While on the subject of management, there is a point which I should like to emphasise as it has given us the greatest satisfaction and confidence. I refer to the excellent *esprit de corps* and cordial relations existing in the personnel of the bank. We recognise that this is only possible owing to the lead given by the management, and that the spirit throughout the bank of friendly feeling and mutual support that is so important is due to them.

BALANCE-SHEET ITEMS.

On referring to the balance-sheet you will see that our current and deposit accounts have increased by over a million. The steadiness with which this item has figured in previous balance-sheets has been the subject of a surprise which I have mentioned on several occasions, as it is an item which fluctuates very much in the ordinary course of business, although the tendency is steadily upwards on account of our increasing connections. Acceptances on account of clients show a shrinkage of about a million and a-half, but, our business being commercial, it is naturally very sensitive to trade conditions, and it is interesting to find that this item should have fallen from the end of March until the second week of October, since when there has been a steady and substantial increase. I do not suggest that this movement is directly due to the coal strike. Indeed, you will see from a footnote to the balance-sheet that our liability for endorsements on bills has shrunk by some seventeen hundred thousand pounds. This is chiefly in connection with our syndicates, and has nothing to do with our domestic trade. It is, however, interesting to find that not only the beginning of the shrinkage, but the renewed activity in our acceptance credit business, coincides approximately with the beginning and end of the coal strike. The items on the other side of the balance-sheet do not appear to call for any further explanation and merely represent the ordinary fluctuations of business.

THE RESOLUTION.

I now move the following resolution:—

"That the report and accounts for the year ended October 31, 1926, as audited and certified by your auditors, now before the meeting, be approved and adopted; that the dividends recommended of 3 per cent. (final) on the "A" ordinary shares and 6 per cent. for the year on the "B" ordinary shares be approved such dividends to be paid to shareholders on the register of members at the closing of the books on November 22, 1926."

I shall ask Mr Hird to second that resolution, and then I shall be very pleased to answer any questions or comments which shareholders may wish to make.

MR HIRD'S SPEECH.

Mr Norman L. Hird (advisory director): Viscount Churchill and gentlemen,—I have pleasure in seconding this motion, and in doing so I think it is scarcely necessary for me to speak at any great length. The chairman, as usual, has dealt very fully with the balance-sheet and with the European position. I should, however, like to say just a few words, and in the first place I would emphasise what our chairman has said to the effect that the report is an extremely strong one. At any time we should have considered it a most excellent showing, but, considering the extremely difficult times we have been through, I think that the board of management and the shareholders are to be very much congratulated on the splendid results. I think it shows very clearly the very broad basis on which this bank stands that in a year such as this, where there have been no abnormal transactions and where the business has been what one might call "bread and butter" business, the results should have been so very good.

Our chairman emphasised the policy that was adopted when the bank was started, and I think you will all agree that the results have justified that policy. Representing one-third of the ordinary "B" shares, I need scarcely say that those I represent are quite

pleased to receive a higher dividend. We should have been equally pleased to wait for that dividend, but we were quite satisfied that the position of the bank was so strong that we had no hesitation in accepting it. As a banker—and I know Mr Hindley agrees with me—one is very much struck by the excellent organisation of the British Overseas Bank, and there is no doubt that it is due to that excellent organisation that the present success has been arrived at. One is also very much struck by the excellent feeling that runs right through the staff, and to which the chairman also referred. The management sets a fine example, which is followed right through. They are a very happy family and a very enthusiastic family, and I think you will agree that their enthusiasm is tempered by prudence.

Before sitting down, I should just like to pay a tribute to our worthy chairman, who has been such a great help to the bank, to my old chief, Mr Cairdner, for whom, of course, I have a very affectionate regard—feeling very pleased indeed at the success of his bold experiment—to the management as a whole, and to the staff, to all of whom I think we can fairly give our thanks. I formally second the resolution put by the chairman.

The Chairman: If any gentleman would like to make any remarks or ask for any information, I should be pleased if he would do so now before I put the motion. (A pause.) Well, as there are no questions, I shall formally put the resolution which I proposed and Mr Hird has seconded, and which I have already read to you.

The resolution was carried unanimously.

The Chairman: I will now ask Mr Hindley to move a resolution.

RE-ELECTION OF DIRECTORS.

Mr R. T. Hindley (advisory director): Gentlemen,—I consider it an honour and a very great pleasure to have this next resolution placed in my hands—the resolution for the re-election of directors and the confirmation of the appointment of a director. It is an added pleasure to-day, because the retiring directors include the name of the Rt. Hon. Viscount Churchill, our chairman. He has himself referred in his speech, and Mr Hird has also referred, to the spirit displayed throughout the service of this bank. I cannot help feeling that we owe a great deal of the formation of the *esprit de corps* which characterises this service to Viscount Churchill. We find in him an ideal chairman, who gives unstintingly of his very valuable time. We have in him one whom everyone honours—in whom everyone has entire confidence, and in whom we have a representative of this bank who does honour to the bank.

I feel that to-day, when for the first time the full basic dividend is paid upon all classes of shares, it is a very happy ending to Viscount Churchill's term of office as chairman, and that it gives you an opportunity to-day of reinstating him in that position for a further term, during which, I have no doubt, consolidation upon that basis will be steadily carried out.

The chairman's colleague on the board who comes before you to-day for re-election is the Hon. Bernard Rollo. I think I might refer to him as a one-volume edition of the Directory and "Who's Who." It is very valuable indeed, especially in the initiation and first years of the building up of a public institution, to have a colleague to whom one can turn and ask "Who is so-and-so? What are his connections?" and to have the answer at once without having to go to an inquiry agency. Mr Rollo, during all the period the bank has been in existence, has been of very great service to the board, and I am sure we are grateful to him for it.

Then we have in the same resolution to confirm the appointment of Mr Dudley Ward as a director of the bank. He has been a manager of the bank ever since its commencement. He is now associated with the board, and I am sure we all feel that it is a well-deserved honour. Mr Dudley Ward is of great service to the bank in many ways: we should have been delighted to see him here and to be able to say this in his presence, but he is at present abroad. I have the greatest confidence, gentlemen, in asking you to support me in the resolution which I now move:—"That the directors retiring by rotation, the Right Hon. Viscount Churchill, G.C.V.O., and the Hon. Bernard Rollo, be re-elected, and that Mr Dudley Ward's appointment to the board be confirmed."

Mr James Caird (director): I have much pleasure in seconding that resolution.

The resolution was unanimously adopted amid applause.

RE-ELECTION OF AUDITORS.

The Chairman: I should like a shareholder to propose the next resolution with regard to the auditors.

Mr C. J. Brand, J.P.: Lord Churchill and gentlemen, I propose "That the retiring auditors, Mr A. W. Tait, C.B.E., C.A., and Mr A. S. Macharg, C.A., be reappointed as auditors of the com-

pany for the current year, and that their joint remuneration be increased from 500 guineas to £750." Both those gentlemen are well known to us; they have been the auditors ever since the inception of the bank. Mr Tait and his firm, Messrs George A. Touche and Co. have a high reputation in the City of London, and although we Southerners may not be quite so well acquainted with Mr Macharg, I am sure that shareholders North of the Tweed have every confidence in him.

Our bank, in the eight years it has been established, has grown steadily and with it the work and responsibility of the auditors. An examination of our report and the list of our correspondents shows that the business is world-wide, and, as it is so largely involved in transactions in foreign currencies, the accounts must necessarily give our auditors much and continuously increasing work. I therefore think that we shall all agree that the proposed increase in their remuneration is both fair and right, and I have much pleasure in proposing the resolution.

The Chairman: Will another shareholder kindly second that?

Mr G. L. Hodge: I have great pleasure in seconding that. The resolution was carried unanimously.

CHAIRMAN'S TRIBUTE TO MR GAIRDNER.

The Chairman: Well, gentlemen, that terminates our proceedings but before we part I should like for a moment to commit an irregularity in that it is not on the agenda. I wish to say just a word as to the very deep debt which we owe to my friend, our deputy-chairman, Mr Gairdner. It would be superfluous as well as impertinent for me to dilate on the many fine qualities which have been the means of his achieving great success in any business which he has adopted. I am sure that we are very proud to have him here. No one knows more than I do what an enormous asset he is to the bank, and how his high character and the esteem in which he is held by all foreign bankers and business men abroad as well as in this country are of very great advantage to us in our business. I hope he will forgive me for saying this. I generally catch it rather hot from him afterwards for making such statements, but, nevertheless, I wanted to say what I have said, and I am sure you will all join me in offering him our most sincere thanks.

VOTE OF THANKS TO THE CHAIRMAN AND BOARD.

Mr Edgar Horne (advisory director): I am sure, gentlemen, you would not like us to go without thanking Lord Churchill for his chairmanship of the bank, and also the other directors and the board of management. I came down here this morning prepared with very strong arguments in support of this proposal if there was any occasion to use them, but the whole of those arguments have been taken out of my mouth by preceding speakers, who have used them much better than I could have done. Therefore, I should just like to move that a vote of thanks be given to all those gentlemen for what they have done on behalf of the bank. (Applause.)

Mr Arthur C. D. Gairdner (deputy chairman and managing director), who was received with applause, said: Gentlemen, Lord Churchill has said that he would catch it afterwards for what he said, but, on the contrary, I appreciate most intensely what he has said and the extremely nice way in which you have received it, because, after all, it is not always easy to do the right thing, and it is very pleasing to feel that sometimes one has succeeded. I feel that perhaps I have not been altogether unsuccessful from the way in which you have received the very kind words which Lord Churchill has addressed to you, and that feeling will encourage me to try to deserve more fully in the future those kind words and the kindly feeling with which I am surrounded. Thank you very much.

The Chairman: That is all, gentlemen. Thank you very much for coming here.

The proceedings then terminated

HARRODS (BUENOS AIRES), LIMITED.

SUCCESSFUL YEAR—FAVOURABLE PROSPECTS.

The thirteenth annual general meeting of Harrods (Buenos Aires), Limited, was held, on the 6th instant, at Harrods, Limited, Brompton road, S.W., Sir Woodman Burbidge, Bt., C.B.E. (the chairman and managing director), presiding.

The secretary (Mr R. H. Griffith) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report, said: The accounts show the best profits for the past six years. The marked progress made during the year ended August 31st is indicative of a very real forward step in the affairs of the company. Including dividends received from our associated company and income from investments, the profit for the year amounts to £72,855, as against £224,624 in the previous year, showing an

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

improvement of £48,331, which is increased to £69,806 by the addition of £21,575 provided out of previous profits for liability under the Argentine Pension Law, since repealed. The total profit, therefore, amounts to £294,430. These results are obtained after charging all expenses as usual and making careful provision for depreciation. The profit earned is sufficient to pay the year's dividend upon the preference shares, also the full amount which is required annually for the interest and redemption of the funding certificates. After carrying nearly £7,000 to reserve, a balance is left of £62,826, which your board recommend should be carried forward to the credit of the ordinary shares. I am sure you will agree with the board's opinion that it is a sound policy to strengthen and consolidate our position before commencing to pay dividends on the ordinary shares.

Our buying houses in London and Paris handle the purchases for both this company and the South American Stores. We always purchase in the best international market, but, so far as is possible, we endeavour to purchase from British sources, and you will be glad to know that our purchases of British manufactured goods are larger than from any other country. I believe that when British trade recovers from the setback caused by industrial troubles, and when the competition of foreign countries with depreciated currency becomes normal, we shall be able to buy a yet larger percentage of our requirements in this country.

SOUTH AMERICAN STORES (GATH AND CHAVES).

The South American Stores (Gath and Chaves), Limited, have also shown an advance in their trading results for the year. The trading profits amounted to £452,543, compared with £426,407 for the previous year, and after deducting debenture interest and redemption, income-tax, &c., their distributable profit amounted to £217,327, being an improvement of £12,979 on the previous year. In addition, the sum of £50,073 arising from the provisions made in former years under the Argentine Pension Law, has been included in this year's accounts. The company has declared the same dividends as in the previous year, while their reserve has been increased to £150,000 by the addition of the substantial sum of £80,000.

The South American Stores new freehold building in Buenos Aires was opened in May of this year.

The Chilian Stores, a subsidiary of the South American Stores, made a profit of £20,504 during the past year, being an increase of £9,900 upon the previous year, and this profit has been retained in their business.

THE ACCOUNTS.

Dealing with the accounts, the Chairman said that the gross profit on trading was £475,426, an increase of £17,582. The total working expenses amount to £373,674, against £405,087 last year, so that we have made a saving of £31,413. The greater part of this comes under the heading of salaries, wages, and commissions, where we have an economy of £23,366. A part of the saving on this item arises from the repeal of the Pension Law. General expenses also show a substantial reduction. The net profit is £294,430, as against £224,624 last year, an improvement of £69,806 on the year. Adding the amount of our gilt-edged securities to the cash on fixed deposit and in hand, we have a total of nearly £600,000 liquid resources, an increase of £66,600.

The growth of the company's affairs is clearly demonstrated by the growth in the last three years of the combined profits of Harrods (Buenos Aires) and the South American Stores, after meeting all charges for debentures, depreciation, &c., but excluding any sum from the pension refund. These combined profits were for 1924, £213,000; for 1925 they rose to £252,000, while for 1926 they further advanced to £313,000. £80,000 has been placed to reserve in the South American Stores, and £62,000 is being carried forward to the credit of the ordinary shares in Harrods (Buenos Aires), thus paving the way for a dividend in respect of the current year. I am very pleased to be able to tell you that business for the current year is increasing satisfactorily, both in trade and profits, and there is reasonable hope of this improvement continuing. Should this position be maintained, your board are of opinion that we should earn in the current year sufficient profit to warrant the payment of a dividend upon the ordinary shares for that year, with a prospect of steadily increasing distribution.

The report was unanimously adopted.

THE BRITISH AND CHINESE CORPORATION, LIMITED.

CHAIRMAN'S REVIEW OF RAILWAY CONDITIONS IN CHINA.

The annual general meeting of the British and Chinese Corporation, Limited, was held on the 9th instant, at the Cannon Street Hotel, London, Major W. S. Nathan, C.M.G. (the chairman), presiding.

Mr E. R. Morriss (the secretary) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, and having dealt with the accounts, said:—

Our commitments with the Chinese Central Government under the heading of debtors and open accounts consist for the most part of advances on account of the Nanking Hunan Railway and on account of the Peking Mukden Railway for doubling the track from Tongshan to Chinwantao.

The first commitment is a silver advance of Kuping Taels 2,000,000, and Shanghai Taels 486,000, on which interest has accrued for one year and eight months. These advances were made in terms of the Nanking Hunan Loan Agreement of March, 1914, and are repayable from the first series of the bonds when issued. The European War then came, and conditions since have been such as to make a loan issue impracticable.

The second commitment, according to the terms of the Peking Mukden Railway Agreement of April, 1921, was repayable in monthly instalments of not less than £10,000 for principal and interest, and it should have been entirely extinguished by September of this year. Owing to the financial embarrassment of the Chinese Government and military interference with the railway, the repayments have had to be postponed.

STAFF.

I take this opportunity of informing you that the corporation has secured the services of Mr Boothby, lately engineer in chief of the Canton Kowloon Railway, who has already left for Peking, where his services and his valuable experience should be of great help to our representative.

GENERAL POSITION.

You will, I do not doubt, have been trying to keep yourselves in touch with what has been happening in China by following the Press telegrams and articles, but in view of the conflicting nature of the information, you may not be in a position to judge accurately the effect on our affairs. You will have read that chaos exists throughout a large part of the country. You will have an impression that there are warring factions which are damaging all commercial and industrial enterprises, but beyond that I cannot think you have been able to appreciate the true position. I will endeavour to show you what that position is, particularly with regard to the British and Chinese Corporation. Briefly it is this:—

RAILWAYS.

The railways are unable to withstand the interference of the military leaders. The Central Government, with whom all railway contracts and agreements have been made, has been reduced to a state of political impotency. It would take too much of your time to go into the general question of politics in China and I will therefore confine my remarks to the condition of railways and the probable future developments with regard to them.

PEKING MUKDEN RAILWAY.

At the present moment this railway is under the control of Chang-tso-lin, the Manchurian War Lord. It is working nearly to its normal capacity and earning enough not only to pay its loan services, but also to give a surplus on which it could meet the obligations guaranteed on its earnings. There is, however, a continual drain on its resources, firstly, for the conveyance of military traffic, and, secondly, for the provision of funds for military purposes. Pressure is always being brought to provide funds for the Tsuchuns.

CANTON KOWLOON RAILWAY.

The Canton Government has adopted a policy with regard

to this railway similar to that which they have shown towards all foreign institutions. They consider themselves to be the owners of the railway. They consider that the British staff is entirely under their orders, and that they are there on sufferance only. The earnings of the railway have increased partly owing to the divergence of seaborne traffic to the railway on account of the boycott, but the monthly earnings are used by the local Government as they consider desirable without regard to the loan obligations. In common with other railways, the line is badly in need of repair.

SHANGHAI NANKING RAILWAY.

This railway has enjoyed quite a long period of peace. On paper its total earnings exceed those of 1925, which was a record year. They include, however, transport rendered to the military at half rates, in terms of the loan agreement, which has not been paid for. The Chinese Government is withholding payment of one-fifth share of surplus profits for 1924 and 1925 until a decision is reached on the question of military arrears. The railway is badly in need of additional engines and wagons to cope with the enormous congestion of goods and produce awaiting transport.

SHANGHAI HANGCHOW NINGPO RAILWAY.

The earnings on this line have also exceeded those for the same period last year, but here, too, is the difficulty of coming to a settlement in respect of payment for military traffic.

It will be evident to you, gentlemen, from the foregoing remarks on the present position of the railways in which the corporation is interested, that the high hopes which we have always entertained of the inherent prosperity of Chinese railways are to-day clouded by the state of anarchy to which the country, and the zones of the railways in particular, have been reduced by internal strife. So far as this condition of chaos is being maintained and prolonged in the interests of individuals, whether in the North or the South, with hardly a pretence of consideration for the welfare of their country, it is to be unreservedly condemned.

RAILWAYS AND MILITARY OCCUPATION.

It has been abundantly proved in the past that there is no country in the world in which railway construction, under normal conditions of peace and ordered Government, is so successful and remunerative an enterprise as in China. Had the revolution afforded to China a stable Government, and the development of the railway programme followed its natural course, the picture I have drawn would have been a very different one. Unfortunately, the railways themselves, from which it was hoped the prosperity of the country would develop, have become both the prey and the weapon of the military forces of the conflicting parties. Each railway in turn has suffered from military occupation, during which the track has been torn up, bridges destroyed, and rolling-stock wantonly damaged and detached from service as barracks for troops. After actual hostilities on the line have ceased and traffic has resumed, revenues have been diverted to the uses of the military leaders.

But notwithstanding the disturbed conditions which have prevailed, the results obtained have been remarkable, and the earning capacity of the railways, after the theatre of war has shifted to another stage, has recovered with astonishing celerity. The railway staff have speedily repaired the damage suffered under military occupation, and solid construction and well-built rolling stock have lessened the effect of demolitions and neglect of maintenance.

I think, gentlemen, that the character of the Chinese people is reflected in the rapid recovery of the railways after the passing of the armed forces and the cessation of military movements. The Chinese are born travellers, and the long-suffering merchant or farmer, as soon as a lull in the fighting in his neighbourhood takes place, returns to his shop or to his fields and applies himself to recover lost time and opportunities. There ensues an insistent demand for the resumption of normal working of the railways, which immediately commence to earn an increasing revenue. Wherever railways have been constructed they have quickly become essential to the requirements of the people, and a large extension of the present system will be necessary for the progress and development of the country, and must occupy the foremost

place in the programme of that party which proves successful in establishing its control throughout China.

China offers the widest field for a prosperous railway system, and, considering the extent and great undeveloped resources of the country, only a small beginning has been made in the construction of that system. This corporation has taken no small part in the enterprises which have already been carried out, and I trust that our share in future development may be proportionately great.

You will see, gentlemen, from what I have stated, how the position of the British and Chinese Corporation stands to-day.

The board regret that they do not see their way to recommend the payment of a dividend which has been earned but not yet received in cash. In doing this they hope that you will not take a too pessimistic view of the position. We are merely marking time in the hope that some day, and we trust shortly, the innate sense of the Chinese will produce order out of chaos, and a governing body will be formed able to control the various forces now swaying the country. Then organisation will follow disorganisation, and the corporation will be in a position to assist railway development in China, which is much needed, in hearty co-operation with that country's Government and people.

The report and accounts were unanimously adopted.

TATE AND LYLE, LIMITED.

DIFFICULTIES OF THE INDUSTRY.

CONTINENTAL COMPETITION—HOME-GROWN SUBSIDY.

CONSERVATIVE FINANCIAL POLICY.

The twenty-fourth annual ordinary general meeting of the shareholders of Tate and Lyle, Limited, was held, on the 9th instant, at the Cannon-street Hotel, London, E.C., Sir Ernest William Tate, Bt. (the President), occupying the chair.

The President said: Gentlemen,—Before proceeding with the formal business of the meeting, I should just like to refer to the loss we have sustained in the past year by the death of our director, Mr John William Macdonald. Mr Macdonald had been associated with this company—more particularly with Tate's—for many years. He was a very able man, and we appreciated his services very much and deplore his loss. I must also refer to another loss which we have sustained—although not quite so directly concerned with the business. I refer to the death of Mr William Boyd, who was associated with Lyle's for many years. He also was a very valuable servant.

Mr A. W. Young (joint secretary) read the notice convening the meeting and the auditors' report.

TREND OF THE WORLD'S MARKET.

The President said: On the last two occasions I have had the pleasure of addressing you I had to report that our operations had been rendered difficult through the consistently downward course of the world's market.

During the year under review the trend of the world's raw market has been slightly upward, and with some approach to a normal balance between supply and demand. Raw sugar at its lowest was 9s 6d per cwt, and at its highest 13s 10½d per cwt c.i.f. U.K. This trend was chiefly due to the restriction of the large Cuban crop of this season by 10 per cent., or 450,000 tons below the estimate, and to the prospective arrangements for the delaying of the harvesting of next season's crop. In this respect the situation has been more satisfactory from a commercial point of view; but, on the other hand, other factors have arisen which have greatly intensified the difficulties of the British sugar refining industry. We have, of course, in common with all industrial concerns in this country, been adversely affected by the coal strike, which has added very substantially to our operating costs, and has also retarded the sugar consumption in this country.

"DUMPED" AND SUBSIDISED SUGAR.

But more far-reaching than this are the competition of the Continental sugar "dumped" here at prices much below the cost of production, and of the heavily subsidised white sugar of the British home-grown beet factories. The imports of dumped Continental sugar in the ten months of this year have risen from 327,000 tons last year to 501,000 tons this year. We have evidence to show that in the case of Czechoslovakia, which has sent us 247,000 tons of this quantity, the sale price in Great Britain was at one time as much as 5s per cwt below the price in Czechoslovakia. On the top of this the home beet industry is producing 140,000 tons this season of sugar subsidised to the extent of 10s 10d per cwt, which is more than the value of the sugar itself, as against 50,000 tons last year. When to this is added the

normal output of the British refineries, it results that during the four months October to January there is a supply of 195,000 tons per month, when the average consumption is only 142,000 tons per month. It is, therefore, little wonder that British refineries in London, Liverpool and Clyde should be compelled to curtail their output. The result of the present fiscal policy is to send gold out of England to pay for refining sugar on the Continent to let our own workpeople and machinery stand idle.

HOME-GROWN BEET-SUGAR INDUSTRY.

In connection with the home-grown beet-sugar industry, I do not think the magnitude of the taxpayers' assistance is generally understood. On the manufacture of 20,000 tons of sugar, the home-grown industry would receive approximately £540,000 in subsidy (quite apart from the £500,000 which would be realised on the sale of the sugar). This assistance, as you will see, is more than our net profits this year, which have accrued as a result of the manufacture of 600,000 tons, or 30 times as much, of refined sugar. Those are very startling figures, gentlemen.

Last year I explained our reasons for entering into the beet sugar industry at Bury St Edmunds, and spoke of our intention to erect another factory in Yorkshire. Since then we have very carefully reconsidered the whole position with the knowledge we have gained through working our Bury factory, and we have decided not to proceed with a second factory. Our reason for this decision is based on the fact that we are now convinced that the British sugar beet industry cannot hope to exist without a subsidy, and, while it is obvious that much money can be made on established factories with the enormous subsidy at present prevailing, with only one more year at the high rate and with a decreasing and ultimately ending subsidy, the prospect does not appear sufficiently inviting to warrant the large outlay of capital involved.

RESULTS OF THE YEAR.

In our accounts you will see that the net result of the year's working is only some £83,633 less than that of last year, but I may mention that this is due mainly to our raw sugar purchases, which have automatically appreciated in value. The trading profit on the output of our refined has been considerably reduced.

The directors have decided to put £100,000 to general reserve, and the properties having been efficiently maintained out of profits—a sum of over £300,000 having again been expended on renewals and repairs—and including the balance from last year, there is left £412,238 6s 4d to be allocated. The directors this year make what is to this company a new departure—the recommendation to place £90,000 to dividend reserve, and I wish to explain the reasons for this course. The balance-sheet before us gives the accounts to October 2, 1926. The conditions operating against us—namely, the dumping of foreign sugar and the competition of subsidised home-grown sugar, of which I have spoken—attain their fullest effect in October, November, and December, and it is the anticipation of the adverse effect of these two competitive sources of supply which induces us to keep in hand a reserve against it. It is true that the coal strike, happily now being over, puts an end to one source of loss, but its effects must, in our case, run on till the end of the year. It is also the case that the recent rise in the price of sugar shows a profit to-day on our stocks, as against the values on October 2nd, the date of our balance, but the directors think it wise to adopt a cautious policy until there is a further development of the situation.

THE DIVIDENDS.

I now beg to move: "That the directors' report and statement of accounts be adopted, and that the following dividends upon the company's issued capital be declared payable—namely, (1) to the holders of preference shares: interim dividend to March 31, 1926, at 6½ per cent. per annum, subject to tax, paid June 15, 1926; final dividend to September 30, 1926, at 6½ per cent. per annum, subject to tax. (2) To the ordinary shareholders: dividend for the year of 6 per cent., subject to deduction of income-tax."

Sir Leonard Lyle (the chairman) seconded the resolution, which was carried unanimously.

The President then moved: "That the four members of the board of directors—namely, Mr Philip Lyle, Mr J. J. Runge, Mr J. B. Crispin, and Mr C. E. Potter—who retire under the article No. 86 of the articles of association, be and are hereby re-elected directors of the company."

The motion was seconded by Mr Charles Lyle, and unanimously agreed to.

On the motion of Mr Duncan Macdonald, seconded by Mr C. J. L. Lyle, the auditors (Messrs Edmund D. White and Sons) were reappointed.

The President then announced that the dividend warrants would be posted on Tuesday, the 14th instant.

A cordial vote of thanks was given to the president and directors for the results which had been achieved, and the proceedings terminated.

J. AND P. COATS, LIMITED.

DIFFICULT YEAR'S RESULTS.

HOME AND FOREIGN MARKETS.

EXPLANATION OF REDUCED PROFIT.

FALL IN COTTON PRICES.

The thirty-sixth annual general meeting of J. and P. Coats, Limited, was held, on the 9th instant, within the Christian Institute, Bothwell street, Glasgow.

Mr W. H. Coats (the chairman) presided.

The secretary (Mr M. Neilson) having read the notice convening the meeting,

The Chairman said: Before going on to the next item, I have to record an apology for absence from my cousin, Lord Glentanar. He has unfortunately poisoned a foot, but a message to-day says he is getting on extremely well.

Mr W. H. Goff, C.A., read the auditors' report, and it was agreed to hold the directors' report and balance-sheet as read.

The Chairman, continuing, said: I must tell you quite frankly that I am rather disappointed. The figures in our profit and loss account for the year ended on June 30th are not so good as they were in the previous year, not because there was any material difference in either the volume of our business or the trading profit, but because prices of cotton began to fall in the early part of our fiscal year and continued to fall steadily thereafter, rendering it necessary to provide a large sum to write down our stocks to their market value at our balancing date.

WRITING DOWN OF STOCKS.

This writing down of value is by no means singular in our case, judging from what we have heard and read in the reports of other companies, and it accounts for much the greater part of the substantial difference between the figures in the balance-sheets of the previous year and the year under review.

In addition to this we had also to make provision for a further amount consequent upon the settlement of our liability to excess profits duty, which was recently effected with the Inland Revenue. It was fortunate, therefore, that your directors carried forward a larger sum than usual from the previous year's accounts, and this influenced them in coming to the decision to make no change in the payment of the dividend and bonus declared in the previous year without touching upon the dividend reserve fund.

The stock carried forward was not excessively large considering that it was designedly increased in view of the likelihood of trouble arising with transport facilities failing some settlement of the coal dispute before the end of April. The cause of the reduction in the prices of our raw material is attributed to the fact that two unusually large crops of American cotton were harvested in successive years, and considerable quantities remained unsold and were carried forward, owing to the smaller demand occasioned by dullness in the spinning trade. American cotton stands to-day at a substantially lower price than it did for some years before the war, and although we do not buy it in any large quantity, it has considerable influence on the prices of the finer Egyptian varieties which form our principal consumption, and although these have also fallen considerably, the prices of the grades necessary for the manufacture of our various products are still high in comparison with American cotton.

SETTLEMENT OF E.P.D.

You will have seen from our preliminary announcement that a settlement of the company's liability to excess profits duty has been arrived at with the Inland Revenue. The Commissioners duly stated the case concerning the method of valuing stocks, to which I referred last year. Two other points of difference were also the subject of stated cases, while there were a number of other points involving large sums, on which we and the Revenue were not agreed. After full consideration of the whole matter and again taking the opinion of counsel, which was to the effect that the results of appeals to the courts were uncertain, your board decided, in order to avoid protracted litigation, to approach the Revenue as to whether a settlement by compromise of all outstanding points could be arrived at. The Revenue authorities were found to be not unwilling, and accordingly negotiations were opened, which resulted in a complete and final settlement of all the points of difference. We did not get all we claimed, nor did the Inland Revenue. We did, however, effect a settlement much more satisfactory to the company than under the Com-

missioners' decision. I am advised that it would be injudicious for me to say more than this, and I will only add that I am very glad this long-standing matter is now finally out of the way.

Following my usual practice, I shall now say a few words about the course of our trade during the year under review, and first of all I may tell you that the long expected trade revival has not yet materialised. The usual fluctuations have been experienced. Some markets have done better, some have been just steady, and others backward.

FRANCE, HUNGARY AND RUSSIA.

After referring in detail to the trade in a number of countries, the Chairman mentioned that the mills which had been erected in France and Hungary were now completed and in operation. He continued: As regards Russia, there is no change in the situation since I addressed you at our last annual meeting. We have heard indirectly that Nevsky Mills are still being run by the Soviet authorities, but not up to their full capacity. Generally speaking, I am glad to say that the increases in some of the markets have more than balanced the decreases in others, and we have therefore little cause for disappointment when trade in general throughout the world is still not what we would like it to be.

THE FUTURE.

With regard to the outlook for the future, I have to say that so far there is little indication of any substantial revival of trade, but we are hoping that the settlement of the coal strike will put some life into business soon. I think it right to mention that the change in the date of the closing of our accounts, which you will be asked to sanction later, will necessitate our striking a balance for six months at the end of this year, and whatever the result of that may be, I would not advise you to multiply it by two in an endeavour to forecast what 1927 may yield, as that would be rather risky when the difference between one period and another may be more or less wide.

I wish to offer a word of explanation regarding the transfer of the sum of £100,000 from general pension reserve to the women thread-workers' benefit fund, which some of you may have noticed. Actuarially the further liability of the company to the latter is now calculated at £100,000, and by making the transfer from one account to the other of this amount the note as to contingent further liability which previously appeared in the balance-sheet can now be dispensed with.

Once more it is my privilege to ask you to join me in accord- ing a hearty vote of thanks to our staff and employees at home and abroad for their loyal service during the past year, and to assure them that this is highly valued. I now beg to move that the report and accounts for the year ending June 30, 1926, as submitted to this meeting be and are hereby adopted, and that the payments of dividends and of a bonus of 6d per share, less income-tax, on the ordinary shares, all as stated therein, be and are hereby confirmed.

Mr Robert Clark seconded the adoption of the report, which was agreed to amidst applause.

In reply to a shareholder, who asked a question regarding the war contingencies fund, Mr W. P. Stewart pointed out that the situation with regard to this was unchanged from last year. At the last meeting the Chairman explained that the greater portion had been earmarked for loss in Russia, and it was decided to keep the fund as it was in case of other things coming forward.

RE-ELECTION OF DIRECTORS.

The retiring directors, Lord Glentanar and Messrs Robt. Clark, P. Herbert Coats, John A. Coats, and A. H. Glen-Coats, were re-elected, as were the auditors, Sir R. C. Mackenzie, C.A., and Mr William H. Goff, C.A.

At an extraordinary meeting following the general meeting a resolution altering the date of balance from June 30th to December 31st was carried.

The proceedings closed with a vote of thanks to the chairman, by Mr Jas. Shields, of County Down, one of the shareholders.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.

LORD INCHCAPE'S REVIEW OF A DIFFICULT YEAR.

EARNINGS AFFECTED BY INDUSTRIAL UNREST.

PROSPECTS OF THE INDUSTRY.

The eighty-sixth ordinary general meeting of the Peninsular and Oriental Steam Navigation Company was held, on the 8th instant, at the offices of the company, 122 Leadenhall street, London, E.C.

The Rt. Hon. Viscount Inchcape, G.C.S.I., G.C.M.G., K.C.I.E. (chairman of the company), presided.

The secretary (Mr F. J. Abbott) having read the notice convening the meeting and the report of the auditors,

The Chairman said: He regretted the board were unable to place before the stockholders a more satisfactory statement. Like other shipowners, they had encountered difficulties in the past year, but fortunately they had, during the boom time, refrained from writing up their investments in allied concerns, which stood on their books at cost, and, with their assets, were worth to-day a good deal more.

Bills payable for new ships which stood a year ago at £6,779,000, stood at September 30th last at £3,906,241, a reduction of £2,872,759, while they held cash deposits from allied companies of about £5,311,000, which were treated in the accounts as a liability, although they were really the P. and O. Company's own property. Except a tender which would cost, delivered, £30,000, they had no commitments for new vessels, although they had it in contemplation, when things became normal, to replace some of their older tonnage. Since the year's accounts were closed they had paid off £150,000 of bills for new ships, and the sum outstanding was now £3,756,241. The shipbuilders and the discount market had not pressed them, but their determination was to discharge the outstanding bills for new ships as speedily as possible.

Just before the conclusion of the war they had contracted to occupy a certain number of berths in the yards of firms who had built for them for years; the slump came, and there was no prospect of building profitable ships at the ruling prices. In these circumstances the contracts were permitted to lapse, the builders refusing to exact any penalty. One good turn deserved another, and, when they came to build again for the P. and O. and its associates, the board's endeavour would be to help those who had helped them.

THE INSURANCE FUND.

The insurance account had increased during the year by £49,943, bringing the amount at credit to £3,328,223, from which nothing had been credited to profit and loss, the whole sum being treated as a liability. They could insure their outstanding risks to-day for a very much lesser sum. The board has under consideration the question of treating this fund as a reserve, and a year hence, his lordship added, he might have more to say on the subject.

WORKING COSTS.

For supplies, maintenance, and repairs they were paying averagely more by 75 per cent. than before the war. He had lately been scrutinising all the bills, which were staggering, and unless prices came down passage rates, much to his regret, would have to go up.

CHINA.

Many of their voyages had been disastrously short of cargo, and the condition of China had caused serious loss of traffic with that country.

Continuing, his lordship said that he believed antagonism to the British in China was largely due to the sending of our missionaries to that country. Christian missionary efforts among uncivilised peoples were doubtless fully justified, but China's ancient faiths were as sacred to the Chinese as Christianity was to ourselves, and the sooner our well-meaning people gave up their crusade in India and China the better it would be for all. Perhaps, he said, his hearers would think he had no more right to express these views than the Bishops had to barge into an industrial dispute. He could conceive no more mischievous speech than that delivered by Mr Lloyd George at Bradford on Saturday last. He agreed with every word of yesterday's leading article in the *Times*, and the castigation the ex-Prime Minister received at Nottingham on Monday from the Earl of Birkenhead was well deserved.

EXPANSION OF PASSENGER TRAFFIC.

Their passenger traffic, thanks to the efficiency of their commanders and the ships' companies, continued to expand in a

remarkable degree. No effort was spared to make the table attractive, and the change to the *à la carte* system of meals had been appreciated by passengers. While they got an occasional growl, they welcomed suggestions for the improvement of the ships' arrangements. Recently he had received a vehement expostulation against mixed bathing in the steamers.

On the other hand, they received every week a large number of appreciative letters. The cabin and public room equipment, decoration, and lighting of recent ships had been very carefully supervised; the passenger arrangements of many of their older vessels had been remodelled, and at the same time economy in every direction had been rigidly kept in view.

VALUE OF THE ASSETS.

A recent statement by their accountants showed that the P. and O. Company, if broken up to-morrow, would be able to discharge its entire obligations, and give the deferred stockholders a good deal more than to-day's market value of their holdings. But the P. and O. Company would not be broken up; it was, he said, a national institution, and their intention was to go on through bad times, giving good service to the public, in the conviction that good times would come again.

THE GENERAL STRIKE.

The general strike, although it lasted only 11 days, involved the company in serious loss. The "Kaisar-i-Hind" left for Bombay without an ounce of cargo, and had to embark her mails and specie at Plymouth. Many of the homeward passengers had to be landed at Plymouth and brought to town by rail. In this they were immensely assisted by the Great Western Railway, and for help in this connection the board's thanks were due to their colleague, Viscount Churchill, and his executive officers.

THE COAL STRIKE.

The coal strike, his lordship continued, has cost the P. and O. Company over £200,000; coal prices had risen, and the inferior quality of foreign coal had greatly increased consumption. Fortunately, nine of their steamers were oil-burners, and they proposed shortly to convert "Narkunda" and "Naldera" to burn oil.

While liners had suffered, tramp steamers had benefited by "carrying coal to Newcastle." Forty-nine tramp steamers owned by the P. and O. Company were, under these unnatural conditions, for the moment paying their way.

FREEDOM FOR TRADE UNIONISTS.

The unfortunate men, women, and children affected by the coal strike had suffered much hardship through Cook's consummate folly. His attempt to disregard economic laws had damaged the trade of the country to an extent from which it would take months, if not years, to recover. He observed Cook had now gone to Russia, and was going on to South Africa, doubtless to stir up trouble there. He thought, however, that he (Cook) had shot his bolt.

The extremists who had kept the miners idle for over six months had done as much material damage as could have been wrought by an enemy invader, and had, at the same time, sought to destroy the freedom of those whom they claimed to represent.

It was, his lordship continued, high time that trade unionists should be protected against the tyranny with which their movement had become infested, and the promised Government measures should be welcomed by all, unionists and non-unionists alike. There should be an end of picketing. Trade union benefit funds should be separately and independently audited. The members had now only power to contract out of the political levy, to do which made them marked men; instead they should be exempt from the levy unless they contracted in. If possible a secret ballot of each union should be instituted, not less than three-fifths total vote to be effective either to call or continue a strike. Speaking for himself, he was glad of Mr Baldwin's decision to withdraw the proposal for a compulsory tribunal, which would only have led to further trouble.

PEACE IN THE SHIPPING INDUSTRY.

During the year under review the shipping industry itself had run free of strikes. The leader of the Seamen's and Firemen's Union, Mr J. Havelock Wilson, had recently—he believed with the Prime Minister's blessing—initiated a campaign of working men in favour of industrial peace and conciliation, a movement which,

if it expanded, might well prove the country's economic salvation.

During the crisis of May last Mr Wilson, although dangerously ill, had spared himself no risk or effort to prevent his union from being drawn into the general strike, in which he (the speaker) was thankful to say he had been successful. There were other men—men such as Mr Brownlie, Mr J. H. Thomas, and Mr Frank Hodges—who stood out prominently and sanely in labour disputes. If the workmen of the country would be guided by such leaders, there would be a prospect of peace in industry for many years.

A few hare-brained, misguided beings were out to destroy the fabric of society. They would ignominiously fail. We have, he said, in the homeland, a population of 40 millions, every one free under the Crown to rise to any position; not a fraction of the people were disloyal to the throne. When we looked around us there was nothing in the world to equal the British Empire, with, at its head, a constitutional monarch, our beloved King.

COMPETITION.

It was, his lordship continued, prophesied that the company would be badly hit in a few years' time by aeroplanes and airships. He did not believe it, even if Empire Airways became a commercial proposition, which he greatly doubted, the P. and O. would hold its own for many a long day.

He noticed that someone, who so far as he knew had no experience of shipping, proposed to start a company with a capital of 11 millions to run seven 22-knot ships to India, Ceylon, and Australia. The promoter was a sanguine man. Steamers had a way of going out of commission; accidents happened; overhauls involving a lay-up of weeks or months were essential, and in a regular mail service stand-by ships were necessary. To provide 5 per cent. for depreciation, and 5 per cent. interest on capital, would demand a revenue of £1,100,000 a year. He had better put his money into War Loan, which would give him an assured £550,000 a year; his shareholders would never get as much out of the proposed venture. The P. and O. Company, with 400 ships and a capital of less than seven millions, found it difficult to provide £500,000 a year to pay its dividends. If the P. and O. and Orient companies, with their experience of the trade, had seen their way to cover expenses and a decent margin, they would have gone in for a 22-knot service long ago.

THE SUEZ CANAL.

Speaking for the P. and O. group, the largest contributors to the revenue of the Suez Canal Company, he would, he said, like to pay tribute to the courtesy and ready assistance extended by the Canal Company's capable officials to the owners and masters of all vessels passing through that great waterway. The transit of the canal had been shortened; its depth increased; the pilot service was excellent, accidents negligible, and everything done to give vessels expedition.

PUNCTUALITY OF THE STEAMERS.

Their mail steamers had run with fair punctuality throughout the year. One late arrival was due to a breakdown of the mail train in France, and to inferior foreign coal.

P. AND O. BOMBAY-CALCUTTA EXPRESS.

His hearers would, his lordship continued, be aware that a few years ago the Wagons-Lits Company built to the P. and O. Company's design, a new type of train for conveyance of the latter's passengers across France. That train, which they subsidised, gave great comfort and satisfaction to P. and O. passengers. Recently the board had arranged with the Great Indian Peninsula and East Indian Railway Companies to construct two very similar trains to run each way between Bombay and Calcutta in conjunction with the outward and inward P. and O. steamers. They were greatly indebted to the chairman of the railway board, Sir Clement Hindley, to Sir Robert McLean and Mr Colvin, agents respectively of the G.I.P. and East Indian Railways, for the enterprise they had shown in the matter. From reports received, the new trains and their general arrangements were proving very attractive.

THE YEAR'S WORK.

Together with their allies, they had had 433 steamers in commission. During the year these ships had traversed 17,000,000 miles of ocean, made 30,000 port entries, carried 15,000,000 tons of cargo, 350,000 animals, and over 2½ million passengers. The average daily number of their ships' companies was about 40,000, and the daily expenditure for wages and victualling of their crews was £15,000. It would be difficult to estimate the number of outside men to whom also these ships gave employment. To earn sufficient to cover the vast expenditure of these ships and to provide for depreciation and dividend was an anxious task in these times. They had, moreover, to meet the competition of foreign vessels, manned at lower wages than those in British ships.

So far as he was aware, the allied fleets had carried their 2½ million passengers without the loss of a single life, yet certain officials were pressing new and costly regulations, which it was

considered by the Chamber of Shipping would be of no practical utility. The cost of compliance with those regulations would eventually have to be borne by the public, and, in his opinion, it would be better to leave the mariners alone.

SIR GEOFFREY CLARKE, C.S.I.

He would, he continued, have great pleasure later in proposing the election to the board of Sir Geoffrey Clarke. They could have no better man as a colleague, for Sir Geoffrey knew the work of the P. and O. from A to Z.

PROFIT-SHARING SCHEME.

The amount invested in the company's profit-sharing scheme during the year was £300,000, on which interest at 7½ per cent. to be paid at the end of this year, had been charged in the accounts. The scheme provided a simple way of interesting their employees in the success of the company's operations.

APPRECIATION OF THE STAFF.

As a frequent traveller in the steamers, his lordship continued, he was lost in admiration of the skill and caution which permeated the bridge and the engine-room, between which departments there was now perfect harmony and co-operation, greatly to the comfort of all on board. It was no easy matter, in addition to keeping the engines moving, to maintain in perfect working order the electric light, the refrigerator plant, hot and cold water service, the ventilating system, &c., throughout the whole of the ship—with perhaps a thousand souls on board. Under their capable chief medical officer, Dr Chaplin, they had in the ships a fine body of medical men.

The work of the ships was carried on without noise; the vessels were kept like yachts with every part always tidy, and scrupulously clean. Civility and attention to passengers was observed; discipline as a rule left nothing to be desired. The skill, loyalty, and devotion of the staff were assets of which they had reason to be proud.

SOME SUGGESTIONS.

There were four suggestions which he would venture to make to their passengers, the first, not to leave the bath tap open and the plug in when vacating a bathroom, especially at night; the second, to insure their baggage and place valuables in charge of the purser; the third, to use ash receptacles, and not to place burning cigarette ends on the carpets or furniture; the fourth, to jerk their fountain pens on the blotting pads rather than on the floor. Speaking of this last recently to the wife of one of his colleagues, she remarked, "I am afraid it is a not uncommon practice, even ashore. I frequently have occasion to speak about it to my husband."

INDIA AND THE P. AND O.

Since they last met there had been a change of Viceroy in India. The Marquess of Reading, after five years' strenuous and successful work, had been succeeded by Lord Irwin, who appeared to be winning golden opinions from all classes of the community. Lord Reading came home and Lord Irwin went out by P. and O., and they had the honour, too, of bringing Mr Bruce, the Prime Minister, from Australia. All had been delighted with the ships in which they travelled.

A PERSONAL WORD.

He would conclude with a personal word. Looking the other day at the figures he had given them, and thinking of the numerous organisations which it fell to his lot to direct, and the amount of leisure and recreation he managed to secure—fishing and shooting in Scotland—he realised how much he was indebted to his capable, upright, loyal, and, if he might say so, affectionate coadjutors, in this country and all over the world.

Engaged in business from boyhood, he was rarely confronted by an emergency which he had not had to face before. He felt he did little real work nowadays; it was all done for him. But whether at home or abroad, he was kept informed, almost from hour to hour, of all that took place, and invariably had the opportunity to express his views. To proposals put before him his reply in most cases, though not in all, was the one word "approved." As Nelson said of his captains at the Nile, he (the speaker) and his coadjutors worked together as a band of brothers. To all those associated with him, at home and abroad, he expressed his grateful thanks. Before many years were over he would, he supposed, have to give up the work which he dearly loved. His one ambition was, when that time came, to leave every business of which he was the responsible head, including the old P. and O., in a sound financial condition.

The Chairman concluded by moving the adoption of the report and accounts.

Sir Charles S. Addis, K.C.M.G., seconded the resolution.

The Rev. H. G. Hoare expressed dissent from the chairman's views on missionary work in China.

In reply to a shareholder, the Chairman stated that under the

company's charter the directors' remuneration, divisible among the 15 members of the board, was fixed at a total sum of £5,000 per annum.

The resolution was carried unanimously.

On the motion of the Chairman, seconded by the Right Hon. Lord Kilbracken, G.C.B., dividends for the half-year ended September 30th last of 2½ per cent., less income-tax, on the Preferred

stock, and of 5 per cent., free of income-tax, on the deferred stock, were declared, payable on and after December 10.

The election of Sir Geoffrey R. Clarke, C.S.I., as a director was approved; Mr F. A. White and Colonel Sir Robert Williams, Bt., were reappointed auditors, and a hearty vote of thanks to the chairman and directors, as well as to the staff ashore and afloat, concluded the proceedings.

THE SCINDIA STEAM NAVIGATION COMPANY, LIMITED.

SATISFACTORY RESULTS OF DIFFICULT YEAR. QUESTION OF RESERVATION OF COASTING TRADE.

The seventh ordinary general meeting of the company was held, on October 30, 1926, at the Sudama House, Ballard Estate, Bombay, Mr Narottam Morarjee (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The profits of the company for the period of 11 months, including the amount of the balance of Rs.63,291-7-3 carried forward from the last year's accounts amount to Rs.11,85,636-5-1. Since I addressed you last December, the world conditions in the realm of shipping have not at all improved. There was a further decline in the general level of freights, and it was not without its effect on the level of freights on the coast. The basic rate of freight between Rangoon and Bombay was further reduced from Rs.13 to Rs. 12 net. Although the crops of rice in Burma were satisfactory, sudden and abnormal demand of this rice from China during the two busiest months of the season raised its price to an abnormal height. The result was that the demand for this rice from India completely fell off, and consequently ships had to lie idle at ports in Burma when cargo moves briskly. As you are all aware, the communal riots in Calcutta considerably dislocated the shipping trade of that port, and had not the growing export trade of Cocanada relieved that depression to some extent, the shipping on the coast would have been considerably affected. The railways have continued their policy of undercutting the rates of freight for the purpose of diverting the traffic from the sea to the rail route, and I may tell you that the piecegoods trade between Bombay and Calcutta has been almost entirely lost to shipping. Under these circumstances, I feel sure that the results of the working of the company would be regarded as satisfactory.

QUESTION OF NEW TONNAGE.

The shippers have continued to give their support to the steamers of the company, although they feel that we have not been able to place at their disposal all the tonnage that they required. We have, however, endeavoured as best as we could to meet their requirements with the help of chartered tonnage and have done all that was possible for us to do under the circumstances, to maintain the services that we have built up in the past. It is, however, obvious that the chartered tonnage is relatively not an economic proposition and cannot therefore effectively take the place of steamers owned by the company in supplying its shippers with suitable and regular tonnage required for the trade. Moreover, two of the old steamers of the company were sold during the year. They had also to be replaced by new steamers. Your directors, therefore, gave their careful consideration to the question of building new tonnage and requested one of their colleagues to proceed to England to study and settle various questions connected with the building of steamers on the spot.

There seems to be a considerable misapprehension in certain quarters in connection with this question. The company wanted to lay down a building programme to be determined finally in the light of financial facilities the company would be able to secure specially under the Trade Facilities Act. This was one of the main reasons that led your board to request Sir Lalubhai to proceed to England, but I regret to say that although the Trade Facilities Committee could see their way to help foreigners to build steamers in England, the Treasury had no money to give to an Indian company for the purpose of building steamers which would have given employment to people in the English shipbuilding yards. The building programme had, therefore, to be considerably curtailed, and ultimately, as stated in the report, orders were placed for the building of three steamers only in England, two steamers to replace those already sold and one steamer as a further addition to the fleet.

TRIBUTE TO WORK OF SIR LALUBHAI.

I have no doubt you will be pleased to learn that tenders for the building of steamers were invited from builders from different countries, and that all questions connected with the specifications, &c., of the steamers to be built were finally determined by the

board in the light of the opinion and suggestions received from London from recognised experts like Sir John Biles and others. I must here recognise the valuable service which Sir Lalubhai rendered to the company in this connection by a thorough discussion and close personal examination of all the complicated questions connected with the building programme with the help of both the experts and shipbuilders in England on the spot, and I may add that the lead given by Sir Lalubhai in this matter has considerably assisted your directors in forming their final conclusions.

The Chairman, after dealing with the question of Indianising the staff of officers and engineers employed by the company, and in dealing at some length with the speech of Sir Charles Innes in the Legislative Assembly last March, said:—Let me consider for a few minutes the way in which Sir Charles Innes treated the national demand for the reservation of the coasting trade in the Legislative Assembly last March. Let me, however, at the very outset make one thing very clear. There is now no question either as to the desirability or the necessity of creating an Indian mercantile marine. The Government have recognised the necessity for the creation of such an Indian marine as is amply indicated by the terms of reference given to the Indian Mercantile Marine Committee. One, therefore, expected that Sir Charles Innes would have laid down in his speech definite constructive proposals for the practical realisation of that national demand. There is, unfortunately, nothing in his arguments which reveal a real desire to help the Indians in building up an Indian mercantile marine. Let us, however, examine some of his main arguments against the policy of reservation.

Sir Charles Innes observes that the policy of reservation introduces the principle of expropriation. Is this really so? Even if the objection is admitted for the sake of argument, are the British companies really squeezed out, and is their property really depreciated? Sir Charles Innes naturally forgets that the reservation, as recommended by the Committee, is not to take place immediately, but during the course of 25 years. Can this be construed by any stretch of imagination as squeezing out? At a time when all countries, including important parts of the British Empire, are protecting their own industries for the purpose of promoting their own economic welfare, one fails to see where the principle of expropriation comes in when India wants to run its ships in its coasting trade, which has been universally recognised as the domestic preserve of each nation.

FLAG DISCRIMINATION.

And this naturally brings me to another argument advanced by Sir Charles Innes—namely, that the reservation of the coasting trade introduces the principle of flag discrimination. Mr Runciman, president of the Chamber of Shipping, London, who presided over that Conference, made the position clear in the following words:—

"May I point out that at the Conference last year resolutions which were carried referred in each case to international commerce, and I should gather that by international commerce was not meant the internal commerce of any power, but commerce conducted between nations? Under those circumstances, I think, it is clear that there was no intention on the part of the drafters to step into a purely domestic matter."

This makes it clear once for all that the most representative Conference—namely, the International Shipping Conference—composed of the leading shipowners of all the great maritime countries of the world, recognised in unmistakable language that the principle of flag discrimination had no application to the coasting trade of a country.

RESERVATION AND RATES OF FREIGHT.

Let us now turn to the argument of Sir Charles Innes that the policy of reserving the coasting trade will enhance the rates of freight on the coast. Complete reservation of the coasting trade of India is not going to come into existence on a given day. The process is going to be gradual, and would be spread over a period of 25 years, as recommended by the Mercantile Marine Committee.

Two different sets of shipping companies would be plying during the interval on the Indian Coast—Indian shipping and British shipping. Apart from other considerations, the existence of these two different interests side by side in the coasting trade in itself would be a sufficient guarantee to keep the rates of freight at a reasonable level. The process, as stated above, will be gradual, and the rates will, therefore, be maintained. Moreover, as soon as the principle of reservation is accepted, more Indian capital is likely to be invested in shipping in the coasting trade, and this internal competition is the best guarantee against any rise in the rates of freight. The fact of the matter is that it is not the policy of reservation that decides the rates of freight, but they are based on various factors which are independent of such a policy. One therefore regrets that Sir Charles Innes should have drawn such a frightening picture of the effect of the policy of reservation before the members of the Assembly and tried to impress upon their mind that the reservation of the trade on the coast would swell the rates of freight to a giddy height.

Another point which Sir Charles Innes tried to make was that the policy of reservation would adversely affect the coal trade of Calcutta. The fear that has been expressed by Sir Charles Innes about the difficulties which the coal trade will have to face is not borne out by actual experience.

I shall now only examine one more argument advanced by Sir Charles Innes before bringing these remarks to an end. Sir Charles Innes observes that the trade of India is a seasonal trade, and consequently nearly half the tonnage will lie empty during the slack season. No figures have been advanced by Sir Charles Innes in support of his contention.

The speech of Sir Charles Innes is a clear indication of the changed mentality of the Government of India towards the cause of Indian shipping. The work, therefore, that lies before us is really stupendous. I have, however, no doubt that my countrymen both inside and outside the Legislative Assembly will continue to put up a strong and continuous fight as they have done hitherto for the creation of this national industry and the development of a merchant fleet.

AERATED BREAD COMPANY, LIMITED.

SATISFACTORY RESULTS OF DIFFICULT YEAR.

The annual general meeting of the Aerated Bread Company was held, on the 8th instant, at the Cannon street Hotel, London, Sir Charles Cottier (chairman of the company) presiding.

The secretary (Mr A. G. Nisbet, C.A.) read the notice convening the meeting and the auditors' report.

The Chairman, in the course of his address, said: The gross profit on trading was £628,229, resulting (after deduction of working expenses and charges and including income from investments) in a net profit of £137,444, as against £157,416 last year. The gross profit is £29,727 below that of last year. You will have noted, however, that working expenses and charges over which a board of directors can exercise direct control are £10,330 less than last year. I, therefore, desire to draw particular attention to the causes contributing to the decreased gross profit and which, in many respects, are very much less capable of control. I refer in the first place to the general strike and the coal strike as particularly affecting your undertaking, because of the fact that the accounts before you have had to bear the effect of the whole period of those strikes and not a portion only, as in the case of some somewhat similar undertakings. In this connection it should be borne in mind that the accounts before you are made up to October 2nd last, and are, therefore, affected to the extent of practically five-twelfths of the whole.

Whilst the number of customers served by the company and its subsidiaries has been maintained, the amount spent per customer has shown a definite diminution.

WILTON ROAD SITE.

Secondly, I wish to deal with some other points which, whilst they have in this particular year been responsible for a reduction of profits, should in the near future advantageously reflect in additional profits. After some delay in obtaining physical possession of the Wilton road site, the old buildings have been demolished and a start made upon the new structure. As this valuable site is to be used for the erection of an important restaurant, which will mark a distinct departure from the company's ordinary depôts, and will possess facilities for all classes of restaurant and café business, a full licence was applied for, and I am pleased to say, on the plans submitted to the Justices, was granted. In the meantime, however, a very large capital expenditure involved in the purchase of the freehold is idle, the loss for the moment representing approximately an amount equivalent to one-half of the loss under review. In addition to this loss, the branch which the new building is replacing is for the time being out of action. This branch, under the old conditions, was, from the earning point of view, one of the best of the company's depôts. Notwithstanding the loss on the capital for the time being, and the tempo-

rary loss of the depôt, the board feel that the results from the new restaurant will abundantly justify the policy adopted. It having become necessary to carry out extensive structural alterations at Buszards' old-established business in Oxford street, in order to increase the seating accommodation and for further facilities for counter business, the board in January last commenced operations. Some delay occurred with regard to easements in connection with the buildings on either side. The freehold of one has been acquired, and all questions of difference with regard to the other have been amicably arranged. The development is nearing completion, and it is confidently anticipated that additional profits will arise from a long-overdue improvement in this old-established high-class restaurant. Here again, whilst the business has been carried on under a considerable handicap, having regard to the difficulties which must always arise in the maintenance of a business of this character whilst building operations are proceeding, there has necessarily been a temporary reduction in profits.

SOUND POSITION.

The last 12 months have been a very arduous period. It is a real pleasure, therefore, in the case of this company, to be able to recommend the payment of the same dividend as in previous years; to point out that your assets have been maintained and increased; and that your carry-forward is between £11,000 and £12,000 in excess of the figure brought in last year.

We look forward with confidence to the future, and fully believe that 1927 will prove a good year, not only for this business, but for the whole of industrial England. In 1926 our national and domestic difficulties were accentuated by the ruthless and criminal machinations of a few individuals, who, having themselves absorbed the demoralising nostrums of Moscow, have sought—and for a period with some success—to inject the British worker with their poisonous virus. Their deluded victims are now happily in revolt, and the nation is, we hope and believe, at long last emerging from the murk of this ill-conceived and wanton struggle.

The Chairman, towards the end of the meeting, mentioned that he had just received some statistics which showed that since the end of the coal strike, and the removal of the lighting restrictions, the company's business had shown distinct improvement.

The resolutions were unanimously adopted.

NELSON BROTHERS, LIMITED.

GOOD RESULTS—SOUND POSITION.

The forty-third ordinary general meeting of Nelson Bros., Limited, was held, on the 7th inst., in London, Mr. Harold Nelson (chairman and managing director) presiding.

Mr. W. A. Porter (secretary and director) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the capital account showed the result of the issue of the remainder of the authorised capital in April last—viz., 85,405 preference shares and 55,376 ordinary shares. The directors found that extra capital was needed to give more elasticity to the business and to obviate too great reliance on their bankers for their necessary requirements as a finance company.

The general reserve account had been increased to £575,000 by the addition of £32,841, being the bulk of share premiums account. The balance of the latter had been used internally to strengthen the position. The revenue reserve was increased by the addition of £25,000 from last year's profits, and now stood at £50,000. Coming to the profit and loss account, the balance for the year was £99,593, being an increase of £3,185, and in view of the difficult industrial conditions of the year he thought it was a matter for congratulation that they had been able to more than maintain their revenue and profits. The balance-sheet showed that there was a total increase in investments of £193,673, reflecting the employment of new capital.

The directors recommended a final distribution for the year of 5 per cent. and a bonus of 5 per cent. on the ordinary shares, both free of tax, making 15 per cent. for the year, equivalent to a gross dividend of 18½ per cent. They also proposed to transfer £10,000 to contingency reserve account, and the carry-forward was increased by £10,924 to £57,503. The shareholders were well aware of the disastrous effects of the dislocation of trade arising from the general strike and the prolonged coal strike, which was estimated to have cost the country some £300,000,000. These losses must be reflected in the balance-sheets of practically all industrial companies—at any rate those engaged in the basic trades of this country—and in making up the national balance-sheet next spring the task of the Chancellor of the Exchequer would not be a light one. Happily their company's interests were widespread, and in view of the recuperative power of this country the directors were not disposed to be unduly pessimistic.

The report was unanimously adopted.

CHINESE ENGINEERING AND MINING COMPANY, LIMITED.

COALFIELDS IN GOOD WORKING CONDITION.

INADEQUATE TRANSPORT RESTRICT SALES.

MORE ROLLING STOCK ORDERED.

The fourteenth annual ordinary general meeting of the Chinese Engineering and Mining Company, Limited, was held, on the 6th instant, at Winchester House, Old Broad Street, London, Mr W. F. Turner (the chairman) presiding.

The secretary (Mr Alf. W. Berry) having read the notice convening the meeting and the auditors' report to the shareholders,

The Chairman said: Gentlemen,—The report and accounts for the year ended on June 30th last, which are before you to-day, must be regarded as satisfactory in view of the difficult conditions which have existed during the year, to which I will refer presently. The net profit amounted to £235,607, and we propose to dispose of it by a final dividend of 5 per cent., free of income-tax, making, with the interim dividend paid in May last, a total for the year of 10 per cent., free of tax, the same as in the preceding year; that is £140,000; income-tax is £93,919; together £233,919, which leaves a small surplus.

The report shows that the gross profit of the Kailan Mining Administration for the past year amounted to \$5,336,408, compared with a gross profit of \$5,640,271 for the preceding year. After providing for interest on the 6 per cent. Kailan bonds, £54,000; redemption of bonds for the year, £24,000; reserve for depreciation, \$800,461; the proportion of profit to which the Chihli Provincial Government is entitled, \$105,771, and other items, there remains a net profit of \$2,839,290, as compared with \$3,116,238 in the preceding year.

DIVIDEND POLICY.

The proportion of this profit brought to credit of our profit and loss account, together with interest in China, is £230,732. The average rate of exchange for the year was 2s 2½d, compared with 2s 3½d. for the preceding year. Interest in Europe, and minor items, including £1,292 recovered in respect of a reparation claim, bring up the total credit to £256,513—£30,000 less than that of the preceding year. Administration and expenses of all kinds in Europe amount to £19,838, approximately the same as in the preceding year, but there is a debit this time on the exchange account of £1,066, leaving a net profit for the year of £235,607. The corresponding figure last year was £266,720. The balance brought forward from the previous year's account was £239,420, which makes a total credit of £475,028. Income-tax requires £93,919, so there remains a balance of £381,108 to be carried to the balance-sheet. The interim dividend of 5 per cent., free of tax, paid on May 26th last amounted to £70,000, which leaves available the sum of £311,108 shown in the balance-sheet.

The further dividend of 5 per cent., free of tax, to be declared to-day, takes £70,000, so there remains £241,108 to be carried forward to the next account, compared with £239,420 which was brought in. It has been suggested in the Press that a larger dividend might be declared. The answer is that we are distributing the whole of the profit of the past year, and to emphasise what we said a year ago as to the political and industrial situation in China necessitating the maintenance of a strong financial position on our part. The wisdom of this view has been confirmed by all that has happened since.

BALANCE-SHEET ITEMS.

The balance-sheet shows that there were practically no liabilities at June 30th other than those relating to income-tax, debenture interest and dividends outstanding, the total being £200,700 (inclusive of £22,213 reserve for income-tax at that date), compared with a total of £105,000 in the preceding balance-sheet. The 6 per cent. first mortgage debentures stood at £888,000 and the reserve for redemption of debentures at £324,000. On the other side, cash stood at £524,280, bills receivable were £30,094 and debtors £1,346. The property account is unchanged.

The next five items in the balance-sheet show our position vis-a-vis the Kailan Mining Administration. The first consists of stores, £13,382. This is the last of five annual instalments, and will therefore disappear. Then comes working capital, £288,795, which is practically the same as before. The loan account, £50,143, is unchanged. The current accounts, £272,186, consist mainly of our share of the profit for the past year. The last item, £33,651, railway car loan account, was explained to you last year. It is the balance of an advance for the purchase of railway wagons in Europe, which is being paid off by monthly instalments, and will be extinguished in a few months' time. The remaining items do not require any comment.

INADEQUATE TRANSPORT FACILITIES.

The sales of coal for the year are stated in the report to have been 2,898,000 tons, compared with 2,861,000 tons for the preceding year.

The next paragraph gives you in a condensed form the history of the year. It states that the business of the Kailan Mining Administration was restricted by military operations in North China in the late autumn and winter of 1925-26, and by the inability of the Peking-Mukden Railway to provide sufficient rolling stock for the transport of coal. At our meeting a year ago we gave you the sales up to the end of the third week of November, 1925, which showed an increase of 332,000 tons over the corresponding period of the previous year. This increase rose by the end of February, 1926, to nearly 600,000 tons, but from that time there was a steady decline, owing to insufficient supply of rolling stock, and the increase almost disappeared during the following four months, the sales for the year being only about 37,000 tons above those of 1924-25.

The general manager reports that "our sales were in every market limited by the amount of coal that we were able to transport."

The next paragraph of the report tells you that for the four months of the current year, July to October, the sales were 1,031,000 tons, compared with 1,249,000 tons for the same period of the preceding year. These figures are, however, more encouraging than appear at first sight. The sales for the four weeks of July were 172,000 tons, and for the four weeks of October 323,000 tons. For the four weeks of November the total is 332,000 tons, or an average of 83,000 tons per week. As the report states, the sales are limited to the present facilities for transportation, which consists solely of the cars owned by the Kailan Mining Administration. If the railway were able to supply locomotives and wagons we should be able to do a much larger business, notwithstanding the troublous times through which China is now passing.

FURTHER ROLLING STOCK ORDERED.

In order to meet this situation and provide for the future expansion of the business to something like the extent of the output capacity of the mines, orders have been placed in Europe for 12 additional locomotives and 300 wagons. Six of the locomotives were shipped in the month of August last, and should come into operation early in the New Year. Six more will be shipped in February next, and should come into operation before the end of the current financial year. To some extent these locomotives will serve to replace the shunting locomotives which, under stress of circumstances, had to be used for traffic on the main line as locomotive power was unobtainable. The first shipment of wagons should be made in February next, and the final one in March next. We cannot, therefore, expect to experience much appreciable benefit from this additional rolling stock during the current year, but it is obvious that in the year 1927-28, given something like normal conditions in regard to the railway, there should be a very marked expansion in our business. The Kailan Mining Administration entered into a new traffic agreement with the Peking-Mukden Railway in the month of September last for a period of five years. Hire-purchase agreements have also been entered into in respect of the new wagons and locomotives for terms of five and four years respectively, with an option of purchase by the Peking-Mukden Railway, the rolling stock in the meantime being used exclusively for the transportation of the Administration's coal and other products, subject to certain reasonable reservations.

I have not entered into particulars as regards the difficulties which have been encountered in carrying on the business during the past year. That these have been many and varied must be obvious to anyone who has followed, however cursorily, the course of events in China. It will be sufficient if I tell you that the general manager reports that, from every point of view, it has been the most difficult year in the history of the administration.

BENEFITS OF CO-OPERATION.

I do not consider it would be expedient or beneficial for me to dwell on the present political situation. It is, however, appropriate to say that in our case, as in every other field of trade and industry, the British and Chinese interests are really one. The Kailan Mining Administration is a joint British and Chinese combination, which has been in existence for 14 years. It is a shining

example of the benefits of co-operation, mutual confidence and good will. The natural resources of the Kaiping coalfields have been developed on a scale commensurate with their importance, markets have been found for the disposal of coal up to 4,250,000 tons in a year, a figure which we hope to see surpassed when the new rolling stock comes into full operation, and the general manager reports that the mines are equipped and developed up to a point which challenges comparison with coal mines anywhere in the world.

The engineer-in-chief reports that "the five mines now in service have never been in better working condition; their equipment is remarkable in every respect; their combined output capacity, given sufficient labour, is 20,000 to 22,000 tons a day, or easily a yearly production of 6,500,000 tons." We have stocks of coal ready for delivery amounting to about 1,300,000 tons.

TRIBUTE TO ADMINISTRATION STAFF.

Mr Young concludes his report with a reference to the administration's staff, whose loyalty, zeal and efficiency, he says, could scarcely be surpassed. I cannot conclude this short address better than by saying that we, as a board of directors, recognise

to the full our indebtedness and that of the shareholders to the general manager of the Kailan Mining Administration, the engineer-in-chief and other heads of departments, for the ability and devotion which they continue to show in the management of this great enterprise under most difficult conditions.

I now beg to move: "That the directors' report and accounts to June 30, 1926, be and they are hereby received and adopted, and that a final dividend be declared of 5 per cent., free of income-tax, making 10 per cent. for the year, free of income-tax, payable on December 7, 1926."

Colonel H. A. Micklem, C.B., C.M.G., D.S.O., seconded the resolution, which was carried unanimously.

Mr Edmund Davis proposed the re-election of Mr W. F. Turner, the Rt. Hon. Lord Southborough, G.C.B., and Mr Lambert Jadot as directors of the company.

Major W. S. Nathan, C.M.G., seconded the motion, which was passed unanimously.

On the proposition of Mr Dixon, seconded by Mr Gardner, Messrs Annan Dexter and Co., were reappointed auditors.

The proceedings then terminated.

THE SUDAN PLANTATIONS SYNDICATE, LTD.

NEW AGREEMENT WITH THE SUDAN GOVERNMENT.

DETAILS OF THE SCHEME.

SENNAR DAM IN OPERATION.

PROFIT AND LOSS ACCOUNT.

Having dealt with the balance-sheet, and referred to the investments in other companies, the Chairman proceeded: Turning now to the profit and loss account, our total receipts amounted to £706,000, compared with £305,000 last year, whilst our expenses, which include about £20,000 for increase of capital, writings off, bonus to staff, and £28,000 placed to reserve account, total £224,000, leaving us with a profit of £482,000, against £163,000 last year. Out of this amount we have paid you an interim dividend of 10 per cent. in September. We now propose to declare a final dividend of 15 per cent., but again postpone payment until January 13, 1927. We have made of late good headway in selling our cotton, but we would like to do just a bit more during the next few weeks. The amount carried forward will be £294,650, against £189,450 last year.

I now turn to the work done by us in the period under review.

Our Zeidab Station, for a change, did not do so well as in previous years. We had under cotton 5,240 feddans, and shipped 2,243 bales, all of which are disposed of.

This year we have practically the same acreage under cotton, and we have already picked 12,000 kantars, which is a considerable improvement as compared with last year's pickings at this date. Indications point to a final yield well in excess of that of last year.

In the Gezira we cropped last year 21,616 feddans of cotton, yielding 47,797 kantars, equal to 10,870 bales.

During the financial year ended June 30, 1926, we had under cotton 80,031 feddans, under durra 30,833 feddans, and under lubia 9,178 feddans.

The cotton crop amounted to 384,106 kantars, of which we shipped 89,641 bales to England, and sold locally 668 ..

making a total of 90,309 bales

In short, from four times the area we got eight times the crop of the preceding season—a very happy result, but not a result on which to base calculations of future prospects.

In addition to this, we shipped

34,900 tons of cotton seed to England, and 1,862 .. sold locally,

making a total of 36,762 tons, which are all disposed of at satisfactory prices.

For the coming season we have sown:

100,057 feddans of cotton,
50,188 durra,
50,000 lubia,

and our latest cables from our managing director tell us that the work done on all the crops has been good.

Owing to cold weather since the beginning of November, there has been some setback in the condition of the cotton, but granted warmer weather and favourable conditions for the remainder of the growing season, we may look forward to having a good crop.

The adjourned nineteenth ordinary general meeting of the Sudan Plantations Syndicate, Limited, was held, on the 8th instant, at River Plate House, Finsbury Circus, London, Mr F. Eckstein (the chairman of the company) presiding.

The Chairman said: In moving the adoption of the report and accounts at this our nineteenth annual general meeting, I do so with greater pleasure and more satisfaction than on any previous occasion. We have, indeed, every reason to be pleased, and the reasons for my satisfaction will be apparent when I tell you first that in this its first season the Sennar Dam and the somewhat complicated canal system dependent upon it have worked well and without serious hitch. This achievement is very creditable to the irrigation officials of the Sudan Government, and to our engineers and staff who collaborated with them. Secondly, that damage from bacterial diseases and insect pests was very slight; thirdly, that, in spite of the high proportion of our tenants who were new to the work, we had an exceptionally good crop—a much better crop, in fact, than we can expect to have every year; and, finally, that we have concluded negotiations with the Sudan Government for an extension of the period of our present concession, and for an increase of our present area from 300,000 feddans to a minimum of 450,000, and a possible maximum of 500,000 feddans.

Of these areas you will, of course, realise that under our present system of rotation, only one-third is grown in cotton in any one year.

This increase has been granted in view of the fact that it has been found possible in practice to make the volume of water allotted to the original project suffice for the irrigation of a larger area. There is thus no reason to apprehend difficulties resulting from opposition in Egypt, since the latter's rights are in no way infringed. There is, I would remind you, a definite allotment of water which cannot be exceeded without prejudice to Egypt, and the possibility of extending our area from 450,000 feddans to 500,000 feddans must, therefore, depend strictly on the economy in water which can be effected. The project has proved so beneficial to the native tenants on the original area that there has been a growing demand from the inhabitants of the adjacent areas for an extension of irrigation, and the Sudan Government on their part feel that this extension should be undertaken forthwith.

I shall give you further details as I proceed. In passing, I will say that in order to secure an extension of the area and of the period of our management, we have had to agree to make serious concessions. In all the circumstances, however, I believe that better terms were not obtainable, and that in agreeing to these sacrifices we have acted in your best interests. You will, however, be able to form your own opinion after I have explained to you fully what we have done in this respect.

On Thursday, January 21st, this year, Mr MacIntyre, our managing director, and I, accompanied by some senior members of our staff, as guests of the Sudan Government, attended the official opening ceremony of the Sennar Dam—certainly a red-letter day for us. This dam, two miles in length, a monument of foresight and engineering skill, will stand for all time as an achievement of which the British Empire may well be proud.

EXTENSION OF CONCESSIONS.

I come now to the really important part of my address. From the directors' report you have gathered that the Sudan Government are entrusting us with the task of not only continuing our present work for a longer period, but also of increasing the area of our activities. An extension of time was agreed to on the ground that it would be in the interest of all parties that we should be able to adapt our agricultural policy to a longer period than originally provided. We, on our part, have conceded in exchange a substantial reduction of our share of the proceeds. May I be permitted to say, at this stage, that in my opinion quite apart from financial considerations, the Sudan Government are thus setting a good example by making full use of private enterprise to collaborate with them in developing the natural resources of their country. In doing this I venture to say they are right, and they will be well served. I believe that an agricultural and commercial undertaking, such as we are engaged in can be better conducted by private enterprise than by any Government, however efficient, and that the trained man of business, provided he is competent, and has his heart in the right place, and provided he has the confidence of the Government he works for, and is supported by the shareholders of the company he serves, will be able to show the best possible results. It will be our endeavour to collaborate loyally with the Government as in the past, and to deserve the confidence which they have shown in extending the period of our management.

Now, under the old agreement, our limit of time was ten years from June 30, 1925, with a problematical further four years, and the limit of area was 300,000 feddans, of which 100,000 feddans had to be planted annually with cotton.

FEATURES OF NEW AGREEMENT.

The essential features of the new agreement which we have concluded—it will take some months yet to complete the final document—are as follows:

1. The period of the concession is extended to June 30, 1950, subject to certain rights of earlier termination which I will mention.
2. The area under our management is to be not less than 450,000 feddans, and may possibly amount to 480,000 feddans, or to 500,000 feddans.
3. The Government are to complete the major canalisation of not less than 45,000 feddans by July 15, 1928, a further area of not less than 75,000 feddans by July 15, 1929, and a further area of 30,000 feddans by July 15, 1930. It is not improbable that this programme may be accelerated.
4. Our syndicate has to complete within these periods the subsidiary canalisation and the other necessary works.
5. The proceeds of the crop are to be divided as follows:—

	Per cent.
For the seasons 1926-27 and 1927-28 ...	Government 37½
	Syndicate 22½
For the season following the completion of an additional area of 45,000 feddans	Government 38½
	Syndicate 21½
For the season following the completion of further 75,000 feddans ...	Government 39½
	Syndicate 20½
For the season following the completion of further 30,000 feddans ...	Government 40
	Syndicate 20

6. The Government have the right on June 30, 1939, or June 30, 1944, at their option, subject to giving one year's previous notice, to take over from the syndicate the management of the whole undertaking, assets, and liabilities, Gezira Light Railway and a reasonable sum for working capital. If this option is exercised, the Sudan Government has to compensate the syndicate adequately for loss of prospective profits, either by a lump sum or by yearly payments.

Provision is also made for termination of the agreement at any time in the event of serious and continued failure by either party to carry out its obligations.

7. Our pumping installations are to be taken over by the Government at an agreed price.

8. The syndicate is to repay the Government the £400,000 loan. There are, of course, a number of other clauses, including a general arbitration clause in case of disputes.

The main features of the proposed new agreement really follow those of the old agreement, inasmuch as the Sudan Government provides the land, the water, and the major canalisation, and the syndicate undertakes the subsidiary canalisation, the erection of additional ginneries, and arranges for ploughing, marketing of the cotton and seed, and general management as before.

The chief alteration is really the reduction of our percentage

of the proceeds of the cotton crop from 25 per cent. to eventually 20 per cent.

In addition to the above-mentioned areas we have come to an arrangement with the Government to put the Hag Abdulla pumping station once more in commission. This means for us a further area of 15,000 feddans, of which one-third will be under cotton.

The conditions of management for this additional area are exactly the same as for the 450,000 feddans.

Now, ladies and gentlemen, I have given you the essential points of the new agreement. The reduction of our percentage and the extension of period and area make it an entirely new business proposition.

Nobody realises more than I do the sacrifices your board has had to make. On the other hand we have now a fairly long life in front of us, and a larger area, and I ask you to give us the sanction of your approval for our action.

As in the past, your board will in the future do everything that is possible to make good, and we must hope that the good luck which we have enjoyed in the past may continue to follow us.

NEW ISSUE OF SHARES.

Naturally the new work we have to undertake costs money, and a good deal of money, apart from the additional floating capital. It is therefore the intention of your board to issue in the course of the next few months, at a modest premium, sufficient shares to produce the requisite funds. The exact date of this issue and the terms I am unable to fix to-day.

I must not conclude my address without placing on record the obligation under which we are to our staff in the Sudan for the magnificent results we have obtained during the past season.

At our headquarters at Barakat, in Mr McIntyre, our eminent managing director, in Mr Payntz-Wright, our able manager, in Mr Archdale, our indefatigable senior inspector, and in all their assistants, we possess a staff as good as can be found in a tropical country.

BONUS TO STAFF.

You will have noticed that we have set aside a sum of £12,500 as a bonus to our staff. Having established a provident fund to which we contribute on the £ for £ principle, we had intended to discontinue these bonuses. But in view of the exceptional efforts which our staff had to make during this first season under the new irrigation system, and of our exceptionally good crop, we feel that we ought to make an exception this year, and we trust that you will approve our action.

Ladies and Gentlemen, I end as I began in congratulating you on the continued prosperity of our syndicate. The baby born in 1904, after having gone through every possible and impossible infantile sickness, is now a strong youth, and will, I hope, in a few more years obtain vigorous manhood.

The Hon. Arthur M. Asquith, D.S.O., seconded the resolution, which was carried unanimously.

It was subsequently resolved by the shareholders—to mark their great appreciation of the exceptional services rendered to the company, and also to the Empire by the chairman—to ask his acceptance from the company of his portrait, painted in oils by an eminent British artist, as a token of their esteem, and as a memento of their admiration of his leadership in the great enterprise, beneficial to the shareholders, to the Sudan, and to the British Empire.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.

142 BRANCHES at all important business centres in Finland.

Capital	Fmk. 150,000,000
Reserve Fund and Profits	123,000,000
Total Assets (31/12/25)	2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

THE MEXICAN RAILWAY COMPANY, LIMITED.

INCREASED PASSENGER AND GOODS TRAFFIC.

POLITICAL AND ECONOMIC CONDITIONS IN MEXICO.

The 123rd ordinary general meeting of the Mexican Railway Company, Limited, was held, on the 8th instant, at Winchester House, Old Broad street, London, Mr Vincent W. Yorke (the chairman) presiding.

The secretary (Mr C. Tennant) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: At our last general meeting I was able to say that I believed we had turned the corner, and that the position was better and more hopeful than for some time past. Though Mexico during the last six months has not made any notable advance towards prosperity, she has been free from political disturbances of any consequence, and I do not wish to qualify anything that I said at our last meeting. There have been, as you are no doubt aware, two regrettable features, the dispute between the State and the Church, into the merits of which I am afraid I am not qualified to enter, and a fresh interchange of Notes with the United States of America. As regards the religious dispute, the crisis would appear to be over, though the boycott instituted by the Church party has undoubtedly had a bad influence on trade; and as regards the diplomatic situation, it is much to be hoped that the great improvement of late years in the relations between Mexico and the United States will not be interrupted by recent happenings. As regards ourselves, it is, at any rate, satisfactory that we have earned quite a respectable sum of money (over £100,000) from the operation of the line during last half-year. These earnings have resulted in a most welcome improvement in our finances, so much so that I believe that we shall be able to discharge the whole of our debenture interest due on January 1 next for the first time for many half-years without having recourse to our bankers.

ADVERSE FACTORS.

The most remarkable feature of the half-year under review is that we have carried substantially more passengers in number and more goods in tons than in any one of the preceding five half-years. In spite, however, of the increase in work done, the total gross receipts are \$146,000 less than in the corresponding half-year. This is due to two reasons. In the first place, the number of first-class passengers has fallen off, which would indicate that the spending power of the people has been less, and that many who used to travel first class have been travelling second class, and in the second place, a great quantity of cereals which, being articles of prime necessity, are justly rated low, has been carried. The competition of the National Railways has also necessitated the lowering of certain through rates. There has been a serious falling off in the amount of pulque carried, which is also due to keen competition on the part of the National Railways, but this has been to a certain extent compensated by a considerable increase in the amount of fuel oil carried.

REDUCTION IN EXPENSES.

It is satisfactory to be able to point at last to a substantial reduction in expenses, and not in one department only. These work out for the half-year at 84 per cent., as compared with 90 per cent. for the corresponding half-year, and more than 100 per cent. for the preceding half-year. For this improvement the reduction in shop hands, about which I had much to say at our last meeting, is largely responsible. There is still much room for improvement in the expenses of the transportation department, but it is difficult for us to move forward until the National Railways have given us a lead; but we understand that they are giving special attention to the abnormal and unnecessary expenditure which is being incurred under this head on both their system and our own.

SOUND CONDITION OF PROPERTY.

Of the condition of the property I need say very little. I have no doubt that it is in the same excellent condition in which I left it in April last. Very good evidence of the high state of perfection which it has attained was given by the disastrous hurricane which visited Vera Cruz in September last. While all the neighbouring railways suffered serious damages and interruptions, the whole of our track and buildings withstood successfully a very serious trial, and our traffic suffered no interruption whatever. Since our last meeting we have opened a further section from Orizaba to Cordoba to electric operation, and we still have seriously under consideration the further extension from Cordoba to Paso del Macho. Although this will entail further commitments for capital expenditure, the advantage of eliminating the whole of the heavy grades from steam operation which could thus be effected makes the proposition a very attractive one, and I hope

that I may be able to say at our next meeting that we have been able to put the necessary work in hand.

We have been in the habit of stating in our report whether or not any sum in respect of the earnings of the half-year is payable to the trustees of the registered stocks, "A" and "B," but on this occasion we have not been able to do so, as our auditors, who are responsible for ascertaining the amount so due, are awaiting further information from Mexico before giving their certificate. It appears unlikely, however, that there will be any available balance.

CURRENT HALF-YEAR.

As regards the results of the current half-year, I may say that the gross traffic, which have averaged about 35,000 pesos per week as compared with a level of about 40,000 pesos attained in recent half-years, have been distinctly disappointing. The boycott due to the religious controversy, and serious competition on the part of the national railways, have both affected our takings. We can, however, point to a satisfactory diminution in expenses for the first four months of the current half-year of about £9,000 per month. Since the publication of the report a further return of net earnings for the month of October has been received, which brings up the total net earnings for the four months to \$538,000. If they continue at the same rate until the end of the year we shall have earned about £70,000 in the whole half-year, which, though less than the half-year under review, will compare favourably with the corresponding half-year, when net earnings were a minus quantity.

As regards the political situation, no information whatever has reached us from Mexico in support of the many disquieting rumours which have recently emanated from New York and been given prominence in our Press, and I have no reason for believing that the Government of President Calles is less firmly established than it was six months ago.

ECONOMIC CONDITIONS IN MEXICO.

Turning to the economic position of the country, it is unfortunate that the price of silver should have fallen so heavily in the last few weeks. The mining of silver is a very important business to Mexico, which not only gives much employment, but brings in a large revenue to the State, and provides one of its most valuable exports. The large amount of imported cereals which we are carrying, and hope to carry, is an unsatisfactory feature. Mexico is a country of great agricultural possibilities, and could easily produce under settled agricultural conditions more than enough to feed herself. On the other hand, the Government finances would seem to be well managed and in good order. According to figures recently published by the National Bank of Mexico, the public revenue is showing a comfortable surplus over public expenditure, and it is most satisfactory that the payments to the International Committee of Bankers are being regularly maintained.

GENERAL MANAGER'S CABLE.

I will now read a cable from our general manager:—
"Dispute between State and Roman Church still unsettled. Boycott by devout of amusement and luxuries, and their determined restriction of unnecessary expenditure, though weakening still continues; consequence great loss to commerce, and almost ruin of small shopkeepers. Many large orders on Europe and United States cancelled by importing houses, and effect on us will be felt later unless situation improves. Passenger traffic, specially pilgrimage, greatly curtailed. Maize, wheat, coffee, sugar cane, and tobacco crops prospect normal; imports of wheat from United States continue, and we have secured movement 300,000 bushels. Fruit traffic increasing. Silver fell to 20 per cent. discount end last month, but has again risen to 5 per cent. owing, it is reported, to the energetic Government action, otherwise situation would have been very serious for us. Am discharging 375 men from workshops end of year at cost of three months' pay totalling about 220,000 pesos. Reported National Railways of Mexico about to take similar action. Hope to install co-operative system in Vera Cruz shortly, which ought to attract imports and benefit us. Trains running punctually and general situation normal."

Although he takes a somewhat gloomy view of the prospects of business, you will observe that he expresses no anxiety as to the general situation. The news which he gives with regard to the further reductions in the shops is most satisfactory, and I think that he is entitled to our warmest congratulations for having brought the long and anxious negotiations with the Unions to this successful conclusion. The ultimate savings to the company should be in the neighbourhood of £80,000 per annum. I should perhaps explain that the co-operative system in Vera Cruz of which he speaks is, to put it shortly, a glorified system of piece-work under which, though the men may work harder than they now do, they should earn much more money. It is a system which has been worked very successfully for some years past at the rival harbour of Tampico, and has given great satisfaction to the public. The report and accounts were unanimously adopted.

BWANA M'KUBWA COPPER MINING COMPANY, LIMITED. **VAST POTENTIALITIES—CAPITAL PROPOSALS.**

The ordinary general meeting of the Bwana M'Kubwa Copper Mining Co., Limited, was held, on the 7th inst., at Cannon street Hotel, London, Mr Edmund Davis (chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said: As the Bwana Mine is now developed many years ahead of the capacity of the plant, development is being practically concentrated on the N'Kana and its extensions. The results obtained are far in excess of any of our expectations, and are so satisfactory that it has become necessary to provide additional funds at a much earlier date than was originally contemplated, so that the N'Kana property may be developed rapidly and brought to the production stage as soon as possible. This is of very great importance from the point of view of the eventual increase of the capacity of the Bwana plant. Our intention is, subject to the continuance of satisfactory developments on the N'Kana, to arrange for the construction of a line about 33 miles long from the Bwana plant to a central position on the N'Kana property. Given satisfactory railway rates, a further plant to deal with the N'Kana sulphide ores will probably be erected at Bwana, so that we may avoid the duplication of metallurgical plants and reap the benefits of centralisation in the way of lessened overhead charges and technical staff.

The N'Kana and extensions have now been proved over a length of 7,740 feet by means of shafts sunk at intervals of 800 feet, all of which are down 100 feet.

Tonnage is being proved at a rapid rate. At the mid-year, work on the Shapatu extension of the N'Kana lode indicated 500,000 to 600,000 tons of oxidised ore averaging 5.4 per cent. copper, and on November 5th the extensions reserves were estimated at 810,000 tons, averaging 5.1 per cent. copper (including dilution) based on ore 100 feet depth, 35.8 feet width, and 3,390 feet length.

Present developments being so satisfactory, we may have to give early consideration to an increase in the capacity of the plant at Bwana to 1,500 tons per day. This would consist of 900 to 1,000 tons from the Bwana mine and 500 to 600 tons from N'Kana, and should result in a production of about 20,000 tons of copper per annum. We have reserved N'Kana and its extensions, as well as five miles on each end, exclusively for very active development on our own account, the area thus reserved being about 70 square miles and we have made an arrangement with the selection trust group, with which Mr Chester Beatty is so intimately connected, to prospect the outside portion of our grant. They are to expend certain amounts on prospecting, and we not only retain a one-third free interest in any discoveries, but also have the right to find up to one-third of the capital which may be raised by any company and/or companies which may be formed to acquire any property covering any ore discoveries made. We have accepted a 5 per cent. interest in this business.

We have received a cash payment of £25,000 in connection with this transaction, and have sold the mineral rights over about 1,665 acres for £25,500 cash, of which we had previously received £5,000, and have now received the balance of £20,500. In addition to these transactions we have given an option on a block of claims, for which we have been paid £5,000. The option holders are to expend £10,000 between now and November next. Should they then wish to extend the option a further £10,000 will have to be spent in the following year and £5,000 in the succeeding six months. If the option is exercised we are to receive £25,000 in cash and £25,000 in fully-paid shares in a company with a capital of £200,000, of which £40,000 is to be for working capital and £50,000 to be held in reserve.

We originally paid £60,000 in cash and £143,750 in fully-paid shares, making £203,750 for the N'Kana grant. In connection with the two sales referred to we have received £50,500 in cash and if the further option to which I have referred is exercised an additional £25,000 in cash, bringing this total up to £75,500, and also £25,000 in shares in the contemplated company. We retain the N'Kana area of about 70 square miles, which, in our opinion, is alone worth the whole issued capital of our company. We also retain a one-third interest in any further discoveries made.

With regard to finance they were proposing to increase the capital from £1,500,000 to £2,000,000 by the creation of 2,000,000 shares of 5s each. Of those they had arranged for the underwriting of an issue of 400,000 shares to be made to the shareholders at the rate of 1 in 15 at 7s per share. There would thus remain 1,600,000 shares in reserve, which, in the course of time, should prove ample to provide funds required in connection with a sulphide plant, and for additions to the Bwana plant, and should

at the same time give them the necessary capital to retire the £300,000 of outstanding notes.

The report and accounts were unanimously adopted, and the resolutions with regard to the increase of capital were also passed.

NEW MODDERFONTEIN GOLD MINING COMPANY, LIMITED. **RECORD RESULTS FOR THE YEAR.**

The twenty-ninth ordinary general meeting of shareholders of the New Modderfontein Gold Mining Company, Limited, was held in Johannesburg on November 4.

The Chairman, Mr A. W. Rogers, in moving the adoption of the report and accounts, after referring to the retirement from the chairmanship of Sir Evelyn Wallers, said: I am sure you will agree that the results for the year are extremely satisfactory, new records having been made in tonnage crushed, in gold recovered, in profit, and also in footage developed.

The net profit for the year amounted to £2,037,575, and thus for the third year in succession we have established a record in this respect. After adding the balance of £363,236 unappropriated at the commencement of the year and £1,919 in respect of forfeited dividends, we had a total of £2,402,730 to the credit of appropriation account. Dividends Nos. 39 and 40, amounting in all to 110 per cent., absorbed £1,540,000, Government and provincial taxes amounted to £283,190, and capital expenditure on shaft sinking and equipment was £133,378. The unappropriated balance at June 30th last was £423,961—an increase of £60,725 over the amount unappropriated at June 30, 1925.

INCREASED TONNAGE MILLED.

The tons milled for the year amounted to 1,532,000, an average of 127,600 per month—an increase of 4,400 a month over the previous year. The working profit was £1,992,527. This was £54,000 more than in the year before, although the average price of gold was about 2s 9d an ounce less than in the year 1924-25.

The yield for the year averaged 10.243 dwts, an increase of slightly over 0.3 dwt. This increased yield is the result of further progress in cleaner mining, in stopping operations, and in a higher rate of sorting. The average stopping width during the year was 52.9 inches, as compared with 59.4 inches in the previous year, and the percentage of sorting on the surface was 20.6 per cent., as compared with 18.2 per cent. in 1925.

Working costs for the year averaged 17s 10d per ton milled, which was an increase of 9d per ton on the previous year. In view of the narrower stopping width and increased sorting an increase in cost per ton milled was not unexpected, especially when regard is had to the fact that there was a large expenditure incurred for ore transport and stopping equipment, and that the additional facilities for sand-filling mentioned last year were provided.

The development footage was again increased, the total for the year being 43,244 feet, as compared with 41,412 feet in the previous year and 29,044 for the year ended June 30, 1924. Out of the total amount of development, 20,175 feet were sampled on the main reef leader, of which 16,390 feet exposed payable reef, with an average value of 662 inch-dwts. A considerable amount of prospecting work was also done in the upper leaders in the north-west section of the mine; 3,148 feet exposed payable reef, giving a value of 72 dwts over a width of 4 inches. The payable ore developed during the year amounted to 2,278,900 tons of an average value of 8.9 dwts per ton.

ORE RESERVES.

A revaluation of the ore reserves was made as at June 30, 1926, with the result that the estimated quantity at that date was 9,289,800 tons of a value of 8.6 dwts over a stopping width of 54.8 inches. This compares with 9,090,100 tons at June 30, 1925, valued at 8.5 dwts. Included in the ore reserves are 854,100 tons of a value of 6.8 dwts not at present available for stopping. The average width upon which the ore valuation has been calculated was 54.8 inches, as compared with 61.5 inches for the previous year. It will be noted that, although the stopping width has been reduced so substantially, the tonnage in the reserve has been increased by nearly 200,000 tons, while the average value shows an increase of 0.1 dwt.

No. 2 circular shaft has been equipped to deal with development rock, and all the rock from the development done from this shaft is being hoisted through it. The permanent winding equipment is being installed as rapidly as possible, but owing to the industrial disturbances in England the delivery of the engine has been delayed. It is hoped, however, that the erection of this will be completed about the end of the financial year.

Capital expenditure for the year has amounted to £133,378. The programme for the current year entails an expenditure of about £200,000, almost entirely for the completion of the equipment of No. 2 circular shaft and other work connected with the transfer and treatment of ore from this shaft. When this work is finished we do not foresee any further capital expenditure of magnitude.

CURRENT YEAR'S RESULTS.

The results for the first quarter of the current financial year have more than maintained the average of the results for the year we have been discussing. The average tonnage crushed has been 132,000 tons per month, and the working profit has also shown an increase. Development results during the same period have been satisfactory, 3,395 feet having been disclosed on the main reef leader over an average width of 19 inches, of a value of 39.3 dwts. This is equivalent to 747 inch-dwts.

I think it cannot be gainsaid that the results which I have been privileged to describe to you to-day are very gratifying. In a very great measure they are due to the unceasing efforts to improve mining methods. There has been a marked improvement in the drill steel available for use underground, which at the New Modder has now reached a high standard of perfection. In development the footage advanced per machine shift during the year under review shows an increase of 33.6 per cent. The recent improvement in stoping efficiency is equally marked, the fathoms broken per machine shift for the month of June, 1924, 1925, and 1926 being 1.50, 2.96 and 3.37 respectively.

While the greatest possible credit is due to the management of the mine for the improvements that have taken place, a very large proportion of the benefit attained is undoubtedly due to the work done by the research organisation of the Central Mining/Rand Mining Group, who are able to carry out investigations and research on a scale which would not be practicable for any single mine. Considerable progress has been made during the last few years, and it is expected that further benefits will be derived from continued study.

Mr S. Alexander seconded the motion.

There being no questions, the motion was put to the meeting and carried unanimously.

At an extraordinary meeting which followed a motion for the purpose of amending the articles of association in respect of the directors' fees was put and carried unanimously.

DJASINGA RUBBER AND PRODUCE COMPANY, LIMITED. **CHAIRMAN CONFIDENT OF THE FUTURE.**

The sixteenth ordinary general meeting of the Djasinga Rubber and Produce Co., Limited, was held, on the 9th inst., in the Council Room of the Rubber Growers' Association (Incorporated), 2, 3 and 4 Idol lane, London, Mr Eric Macfadyen (the chairman) presiding.

Mr J. Mitchell Thom, representing the secretaries (Messrs Harrison and Crosfield, Limited), having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Our rubber crop amounted to 1,000,561 lbs for the twelve months. As the whole planted area, except about 700 acres, is old enough to be tapped, this represents a low average yield. You were reminded last year by Mr Miller, who occupied the chair in my absence in Java, that most of our rubber is planted in soil which has carried previous cultivations, and compares poorly in natural fertility with virgin land. The growth and general appearance of trees is quite good for six or seven years, but, after being tapped for some time, their condition begins to fall off, bark renewal proves slow, and, unless the future is to be seriously prejudiced, it becomes necessary to follow a highly conservative crop policy. The future of our estates in this respect has, as you have repeatedly been told, for some considerable time been the subject of earnest consideration by your directors. Four or five years ago we embarked upon a policy of building up our soil by means of green manuring which we knew must ultimately improve its condition, and we have since been conducting various experiments, at first on a very small scale, with a view to testing the possibility of more rapid amelioration by means of chemical manuring. On the strength of the results obtained, your directors have felt justified in authorising an extended programme of manuring during the current year, and, while we cannot look for any increase in crop for the current year, during which prudence demands the continuance of highly cautious tapping methods, we look with confidence to the gradual but progressive rejuvenation of our soils and a steady return to normal outputs in future years.

FORWARD SALES.

The price realised for our rubber was better by 1.36d than for the previous year. For the current year I cannot, of course, prophesy as to the price of rubber, but we have sold forward 275,360 lbs, out of a total crop which we again estimate at 1,000,000 lbs, at prices which look well on the present market, averaging approximately 2s 3½d per lb. We have also sold 35,840 lbs for delivery out of next year's crop at an average of 2s 8.19d. The slight increase in f.o.b. cost of 0.48d is accounted for by necessary provision for Java income-tax. During the current

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.

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year we must anticipate some increase in cost owing to the manuring programme, the benefit of which we cannot expect to realise in increased crop during the period, though we fully believe it will be more than compensated for as time goes on.

Our tea estate, thanks to good forward sales, was again a source of some small profit in spite of a poor crop. Labour was not too plentiful, but the main cause for the disappointing output was the after effects of a protracted drought, followed by several attacks of helopeltis and red rust. With a normal crop last year we should have done very well out of tea, but a crop of 312,732 lbs from an area of 1,672 acres all mature inevitably means a high cost per lb. The cost, is 0.54d per lb, compares with a price realised of 1s 1.84d net—equivalent to, say, 1s 4.12d London landed terms. After last year's experience we do not care to estimate for more than 385,000 lbs in 1926-27. I cannot put forward even this figure with much confidence, although if we come off lightly in the matter of pests we should exceed it. To the end of November the crop harvested was 186,277 lbs, against 130,426 lbs to November last year.

PROMISE OF IMPROVED RESULTS.

I have thought it right to explain very candidly the special difficulties this company has to contend with, but I should be giving a false impression if I did not add that I came away from Djasinga nine months ago with a conviction that, agriculturally, we had turned the corner, thanks to the good work of the men on the spot, and that with liberal financial provision for every hopeful development in cultivation, the future contains a promise of improved results. And I would like once more to remind those of you who may be taking stock of the value of your holdings that, provided the Ned. Indies Government adheres to its policy of expropriating freehold lands, Djasinga is bound one day to receive a substantial sum by way of compensation on this account, which amount, when we get it, will be available for investment in new plantings, from which, in due course, the earnings of the company should be augmented without corresponding increase in share capital.

In spite of the difficulties which I have stressed, the profit for the year amounted to £42,232 18s 4d, to which has to be added the amount brought forward of £13,235, making a total of £55,467 18s 4d. Out of this we recommend writing to general reserve £5,000, and paying an increased dividend of 8 per cent., absorbing £35,290 5s 7d, which will leave an increased carry-forward of £15,177 16s 9d.

Mr Noel Bingley seconded the resolution, which was carried unanimously.

PETER WALKER (WARRINGTON) AND ROBERT CAIN AND SONS, LIMITED.

BISHOP OF LIVERPOOL'S BILL.

The fifth annual general meeting of this company was held, on the 10th instant, in London.

Sir Charles A. Nall-Cain, Bart. (chairman and managing director), said that the profit had fallen from £607,566 in 1925 to £570,057—a figure slightly less than the 1924 result. The directors, however, recommended the maintenance of the ordinary dividend at 9 per cent. for the year, the transfer of £50,000 to reserve, and the usual grant to the staff benefit fund of £3,000, carrying forward £48,822 as against £45,710 brought in. The falling off in profits arose from the cessation of work in the coalfields, following the general strike in May last. The consolidated balance-sheet showed that properties and investments now exceeded £11,000,000. During the year they had acquired, through Peter Walker and Son, Warrington and Burton, Limited, three additional concerns—namely the Oldfield Brewery, of Wigan, Airey's Brewery, of Wigan, and the business of Messrs Richard Barker and Co., of Huyton. The additional barrelage of some 150 licensed houses so acquired was substantial, and would prove useful in reducing the production costs at Warrington. The reserves now totalled £817,000, and the balance of the combined profit and loss account appeared in the balance-sheet at £289,787 as against £268,073. The balance of profit for the year was £820,413 as against £903,664, a decrease of £83,000. The amounts transferred to reserve were £70,000 as against £130,000 last year, while the amount which would go forward was £159,037 as against £142,824 brought in.

As to the immediate future, two months of the current year had passed in the shadow of depression, but he was pleased to say that there were already signs of improvement, which the directors hoped would continue. Outside and politically there was little to comment upon, except that a Liquor Control Bill had been deposited in the House of Lords by the Bishop of Liverpool. To all intents and purposes it was practically the same Bill as that of the Bishop of Oxford, which was defeated in 1924. The essence of the Bill was that the brewery trade should commit suicide and incidentally pay for the rope. He repeated what he wrote to the shareholders in 1924 in calling their attention to the former Bill: "If the property rights of brewery shareholders are to be treated in this confiscatory fashion, precedent would be set, and there would be no logical reason for not accepting the confiscatory principle in the case of all other kinds of property."

The report and accounts were adopted.

STRAND HOTEL, LIMITED.

RECORD RESULTS FOR THE YEAR.

The ordinary general meeting of the Strand Hotel, Limited, was held on the 10th instant, at the Trocadero Restaurant, London.

Major M. Gluckstein (the chairman) said, in the course of his speech: I am able to place before you the report of another satisfactory year's business.

Although the latter half of the period covered by the accounts has been exceedingly unsettled, and the conduct of business generally rendered difficult, I am very pleased to tell you that our turnover and the profit resulting therefrom have exceeded those of any previous year. If you will kindly turn to the report, you will see that the profit, after charging all expenses and making the customary provisions, amounts to £112,216, an increase of £867 over that of last year. When the balance brought forward from last year is added the sum to be allocated amounts to £122,608.

We now propose to pay on the participating preferred ordinary shares a dividend at the rate of 15 per cent. per annum, making, with the interim payment, a dividend on these shares of 11 per cent. for the year; and on the deferred shares of a sum equal to that distributed on the participating shares.

The accounts disclose the very satisfactory position which the company occupies. During the past year our turnover continued to expand, and this fact is, I think, all the more gratifying when it is remembered that the trade of the country during the latter half of the company's financial year was so seriously hampered as a result of the general strike and the coal dispute. The reason of your company's continued prosperity is that its hotels do represent exactly what the public looks for in hotels to-day, and the steady demand for our rooms is not, therefore, surprising.

Last year I referred to the preparations we were making for an extension of the present Strand Palace Hotel, which will ultimately occupy an entire island site. Negotiations have necessarily been protracted, but I am pleased to inform you that a building agreement with the Crown has now been signed, and I hope that before our next annual meeting work will be well in hand upon a portion of the site. In addition to the main hotel extension, our building scheme includes, as I outlined last year, the erection of new staff premises as an annexe to, and connected with, the Strand Palace Hotel, and this work has recently been commenced.

The report and accounts were unanimously adopted.

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GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Mar. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Mar. 31, 1927.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	14	13	13	13	13	13	13	13	13	13	13
5% Conversion Loan	..	..	256	684	666	709	764	760	760	760	760	760	760	760	760
14% Conversion Loan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14% War Stock	..	63	63	63	63	63	63	63	63	63	63	63	63	63	63
4% War Stock	..	13	13	13	13	13	13	13	13	13	13	13	13	13	13
4% and 5% War Stock	..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109	2,109	2,109	2,109	2,109	2,109
National War Bonds	..	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706	706
4% Funding Loan	..	409	401	399	396	394	394	390	390	390	390	390	390	390	390
4% Victory Bonds	..	360	335	325	314	303	303	292	292	292	292	292	292	292	292
Treasury Bonds	..	..	453	411	457	499	479	482	486	486	486	486	486	486	486
Exchequer Bonds	20	323	185	150	150	15	15	15	15	15	15	15	15	15	15
National Savings Certs.	..	267	342	354	366	369	373	375	375	375	375	375	375	375	375
"War Debt"	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	..	..	51	..	..	..	..	..	..	..	..	..	..	..	..
Treasury Bills	15	1,107	878	616	588	576	635	565	565	565	565	565	565	565	565
Temporary Advances	1	243	147	194	186	167	181	139	139	139	139	139	139	139	139
Other Capital Liabilities	654	57	46	66	70	66	84	75	75	75	75	75	75	75	75
Total Liabilities	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,633	7,633	7,633	7,633	7,633	7,633	7,633

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Dec. 5, '25.	Mar. 31, '26.	Dec. 4, '26.	Dec. 4, '26.
Outstanding—	£	£	£	£
Advances by Bank of England	15,500,000	11,500,000	11,500,000	11,500,000
Advances by Public Deposits	141,126,000	139,441,000	147,901,000	30,400,000
Treasury Bills Outstanding	644,990,000	564,855,000	671,510,000	1,915,000
Total Floating Debt	801,606,000	704,296,000	830,911,000	43,815,000

* Includes £61,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note.)	Total Receipts into the Exchequer from	Receipts.	Week Ended Dec. 4, 1926.	Week Ended Dec. 5, 1926.
	£	£	£	£	£
Balances in Exchequer on 1st April—					
Bank of England	6,680,249	5,341,778	..	..	..
Bank of Ireland	676,684	1,215,322	..	..	..
REVENUE.					
Customs	108,450,000	72,074,000	70,210,000	2,117,000	2,050,000
Excise	141,300,000	90,800,000	90,610,000	1,431,000	1,846,000
Motor Vehicle Duties	21,500,000	6,814,000	5,998,000	..	..
Stamps, &c., Duties	66,000,000	41,450,000	39,660,000	1,120,000	1,010,000
Stamp	25,000,000	15,150,000	14,690,000	440,000	270,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	150,000	190,000	10,800	..
Property & Income Tax	254,800,000	96,618,000	118,413,000	1,817,000	3,688,000
Super Tax	64,500,000	23,550,000	30,780,000	310,000	490,000
Excise Profits Duties, &c.	2,000,000	2,780,000	2,780,000	170,000	160,000
Corporation Profits Tax	6,500,000	38,900,000	38,000,000	1,100,000	1,000,000
Post Office	59,400,000	38,900,000	38,000,000	1,100,000	1,000,000
Crown Lands	950,000	..	740,000	..	..
Receipts from Sundry Loans	21,650,000	15,320,871	10,317,413	1,952,914	1,476,159
Miscellaneous	..	..	..	..	..
Ordinary Receipts	25,600,000	18,528,293	8,205,149	157,454	311,156
Special Receipts	26,000,000	13,429,424	24,433,021	690,000	1,232,333
Revenue	824,750,000	434,404,568	453,898,583	11,245,368	13,543,547
Total, Inc. Balance	..	440,961,521	466,455,643	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921	388,000	1,390,000	..	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues—					
Under the Telegraph (Money) Act, 1924 and 1925	5,450,000	5,950,000	..	..	..
Under the Housing Act, 1914	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	777,200	..	..	..	..
(b) Under the Unemployment Insurance Act, 1921	13,672,431	1,715,000	1,740,000	..	..
(c) For other issues:					
By Treasury Bills	1,761,138,000	1,705,342,000	56,227,000	43,598,000	7,525,000
By 5% Conversion Loan	..	53,619,560	..	..	..
By National Savings Certificates	19,850,000	2,650,000	500,000	..	..
By Treasury Bonds, 1925	..	20	..	..	..
By Treasury Bonds, 1926	3,512,150	5,055,707	..	..	..
(d) Ways and Means Advances	451,952,000	460,781,000	48,150,000	42,750,000	..
Repayments—					
In respect of Cunard Loan	130,000	130,000	..	..	..
In respect of Issues under Land Settlement (Facilities) Act, 1919 and 1921	160,110	137,925	11,462	11,294	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920	..	9,901,981	..	..	..
Interest received under Section 59 (5) of the Finance Act, 1920	..	299,785	..	..	..
Total	2,698,068,593	2,734,528,519	117,873,830	114,070,778	..

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27. (Including Supplementary Grants.)	Total Issues out of the Exchequer to meet Payments from	Week Ended Dec. 4, 1926.	Week Ended Dec. 5, 1926.
	£	£	£	£
EXPENDITURE.				
National Debt Services—				
Interest, &c.	304,000,000	252,617,366	247,515,534	46,530,395
Sinking Fund	60,000,000	20,339,228	26,096,686	407,763
Road Fund	17,500,000	5,010,044	5,251,044	..
Payments to Local Taxation Accounts, &c.	14,100,000	7,475,580	7,578,390	119,953
Payments to Northern Ireland Exchequer ..	5,200,000	3,325,194	2,967,526	75,000
Land Settlement	..	..	292,088	3,411
Other Consolidated Fund Services	2,600,000	1,524,000	1,579,612	17,224
Supply Services	425,872,000	273,712,257	269,726,609	8,850,000
Expenditure	829,272,000	564,003,689	561,003,589	56,000,335
OTHER ISSUES.				
Temporary Advances—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	..	73,782	73,782	..
Under the Unemployment Insurance Act, 1921	14,052,431	1,745,000	380,000	30,000
Issues to Meet Capital Expenditure—				
Under the Telegraph (Money) Act, 1924 and 1925	7,200,000	7,900,000	550,000	..
Under the Housing Act, 1914	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924	3,779	20,071	..	..
Under the Capital Expenditure (Money) Act, 1904:—Exchequer Bonds paid off, £1,553,300; less paid off by the National Debt Commissioners, £776,100 ..	777,200	..	..	..
Unemployment Insurance Act, 1921—				
Repayment of amounts borrowed ..	388,000	1,390,000	..	120,000
Redemption of Debt—				
Treasury Bills	1,654,535,000	1,635,980,000	54,365,000	51,325,000
Principal of National Savings Certificates	22,550,000	20,350,000	650,000	550,000
Principal of Exchequer Bonds paid off ..	..	306,667	..	..
Principal of National War Bonds paid off ..	..	8,344,789	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..
Ways and Means Advances Repaid ..	431,992,000	470,740,000	6,250,000	8,265,000
Total	2,695,575,881	2,731,502,763	118,195,335	114,243,665
Balances in Exchequer—				
Bank of England	1,978,166	2,016,638	81,241	15,307
Bank of Ireland	514,946	1,009,088	240,64	188,094
Total	2,493,112	3,025,726	321,505	172,787

NOTE.—Budget Estimate as in H.C. 69 of 1926.
Treasury, December 6, 1926.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Securi- ties.	Balance at End of
	£	£	£	£	£	%	£	£
1923.								
Mar. 28	285,616	12,318	7,000	27,000	22,450	173	241,294	190
June 27	286,503	12,516	7,000	27,000	22,460	173	242,446	123
Sept. 27	282,784	12,401	7,000	27,000	22,450	175	238,595	140
Dec. 26	299,070	12,571	7,000	27,000	22,450	165	255,032	159
1924.								
Mar. 26	281,538	11,998	7,000	27,000	22,450	176	236,867	130
June 25	290,316	12,472	7,000	27,000	22,450	170	246,198	140
Sept. 24	285,592	12,227	7,000	27,000	22,450	173	241,185	184
Dec. 31	296,261	12,312	7,000	27,000	22,450	182	248,111	132
1925.								
Mar. 25	284,256	11,882	7,000	27,000	22,450	189	235,076	112
June 24	292,278	12,265	7,000	..	53,950	185	243,474	119
Sept. 30	293,004	12,555	7,000	..	56,250	191	242,188	121
Dec. 30	296,777	12,551	7,000	..	56,250	189	245,896	192
1926.								
Mar. 31	295,337	12,226	6,550	..	56,250	190	244,585	178
June 30	294,036	12,295	6,550	..	56,250	193	243,667	136
Sept. 29	287,878	12,256	6,550	..	56,250	195	237,467	136
Dec. 29	285,783	11,813	6,500	..	56,250	196	234,863	184
1	289,414	12,030	6,500	..	56,250	194	238,622	72

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

Average Weekly Balances. NOVEMBER, 1926.	Bank of Liverpool and Martins Limited.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Milnes and Co.	Lloyds Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	West- minster Bank, Limited.	Willm's Deacons Bank, Limited.	Total.
ASSETS.											
Coin, bank and currency notes, and balances with the Bank of England ..	5,955	33,982	1,411	2,485	38,639	49,086	3,845	27,409	28,247	3,784	194,843
Balances with and cheques in course of collection on other banks in the United Kingdom ..	1,813	8,395	601	1,042	8,353	12,899	149	7,082	8,283	1,059	49,676
Items in transit ..	3,860	24,142	1,536	3,436	18,115	19,806	4,141	16,641	27,286	2,796	121,759
Money at call and short notice ..	2,936	39,612	1,124	1,128	52,075	43,928	2,478	34,689	42,478	1,748	222,196
Bills discounted ..	9,702	56,290	4,256	7,577	46,149	38,638	15,638	38,218	45,948	4,761	267,177
Investments ..	35,062	157,712	8,809	9,188	189,313	197,840	16,504	136,687	132,760	19,256	903,131
Advances to customers and other accounts Liabilities of customers for acceptances, endorsements, &c.	5,151	13,138	..	1,370	17,732	35,613	106	9,329	11,036	1,511	94,986
Bank premises account ..	1,587	5,269	346	695	6,554	6,803	754	4,961	4,310	933	32,212
Investments in affiliated banks ..	..	6,061	..	..	6,583	6,378	..	2,754	2,992	..	24,768
	66,066	344,601	18,083	26,921	383,513	410,991	43,615	277,770	303,340	35,848	1,910,748
LIABILITIES.											
Capital paid up ..	2,349	15,858	800	1,060	15,810	12,666	1,500	9,480	9,320	1,875	70,718
Reserve fund ..	1,850	9,250	800	530	10,000	12,666	1,320	9,480	9,320	1,300	56,516
Current, deposit, and other accounts ..	56,716	306,355	16,483	23,780	339,972	350,046	37,470	249,481	273,652	31,162	1,685,117
Acceptances, endorsements, &c.	5,151	13,138	..	1,370	17,731	35,613	106	9,329	11,036	1,511	94,985
Notes in circulation ..	..	..	..	..	..	..	3,219	..	12	..	3,231
Reduction of bank premises account ..	..	..	..	181	..	..	..	..	..	..	181
	66,066	344,601	18,083	26,921	383,513	410,991	43,615	277,770	303,340	35,848	1,910,748

U.S. FEDERAL RESERVE BANKS.—In \$'s (000's omitted.)

Assets.	Dec. 3, 1926.	Nov. 27, 1926.	Nov. 19, 1926.	Nov. 12, 1926.	Dec. 4, 1926.
Total gold reserves ..	2,829,630	2,829,730	2,821,090	2,841,760	2,742,610
Total bills discounted ..	645,480	627,600	566,930	581,410	613,380
Bills bought in open mkt ..	368,160	340,630	347,880	339,900	357,720
Total U.S. Govt. securities ..	305,910	299,900	308,130	300,370	339,430
Total earning assets ..	1,322,110	1,270,680	1,225,530	1,224,180	1,352,480
Total resources ..	5,132,520	5,045,900	5,197,120	5,027,230	5,078,800
LIABILITIES.					
Federal Reserve notes in actual circulation ..	1,771,630	1,774,050	1,750,280	1,750,790	1,742,710
Deposits—Member bank— reserve account ..	2,257,170	2,202,410	2,238,210	2,218,650	2,235,790
Total deposits ..	2,324,360	2,262,310	2,301,120	2,264,870	2,313,000
Capital paid in and surplus ..	344,770	344,750	345,220	345,200	334,710
Total liabilities ..	5,132,520	5,045,990	5,197,120	5,027,230	5,078,800
Ratio of total reserves to deposits and Federal Reserve note liabilities combined ..	72.2%	73.3%	73.7%	74.0%	70.5%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted.)

Assets.	Nov. 13, 1926.	Nov. 6, 1926.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Nov. 14, 1926.
Gold coin and bullion ..	6,981	7,043	7,040	7,083	6,031	7,089
Subsidiary coin ..	173	175	175	176	178	178
Bills discounted ..	7,075	6,900	6,849	6,630	6,731	6,865
Investments ..	649	649	649	649	649	529
LIABILITIES.						
Capital ..	1,000	1,000	1,000	1,000	1,000	1,000
Reserve ..	339	339	339	339	339	258
Notes in circulation ..	7,140	7,779	8,192	6,953	7,058	8,441
Bankers' deposits ..	5,547	5,666	5,941	5,649	5,653	5,819
Ratio of cash reserves liabilities to public ..	52.3%	51.3%	52.8%	54.1%	59.1%	58.5%

BANK OF JAPAN.—In yen (000's omitted)

Assets.	Oct. 30, 1926.	Oct. 23, 1926.	Oct. 16, 1926.	Oct. 9, 1926.	Oct. 31, 1926.	Position May 31, 1914.
Cash and bullion ..	1,131,546	1,132,471	1,132,507	1,132,450	1,126,539	221,320
Advances ..	306,785	205,957	199,613	222,643	311,990	41,740
Discounts ..	107,398	104,528	104,441	103,547	184,848	70,540
LIABILITIES.						
Notes ..	1,287,907	1,151,067	1,139,522	1,150,173	1,354,527	362,270
Govt. deposits ..	576,559	627,150	640,883	651,193	644,100	87,340
Other deposits ..	70,544	74,752	72,771	74,216	70,046	11,440

BANK OF FRANCE.—In francs (000's omitted.)

Assets.	Dec. 9, 1926.	Dec. 2, 1926.	Nov. 25, 1926.	Dec. 10, 1926.	Position May 28, 1914.
Gold coin and bullion ..	5,548,806	5,548,804	5,548,798	5,547,812	5,547,812
Of which held abroad ..	1,864,321	1,864,321	1,864,321	1,864,321	1,864,321
Silver coin and bullion ..	340,716	340,679	339,671	339,671	339,671
Discounts and advances ..	6,036,860	7,218,307	6,514,493	6,338,635	2,377,775
Advances to the State ..	36,700,000	36,700,000	35,700,000	33,700,000	..
LIABILITIES.					
Notes ..	53,294,363	53,331,798	53,282,726	49,536,001	6,811,875
Government deposits ..	30,493	13,549	60,008	30,937	183,700
Private deposits ..	5,262,422	4,804,837	4,325,156	3,230,452	845,950

NATIONAL BANK OF BELGIUM.—In Belgas (a) (000's omitted).

Assets.	Dec. 2, 1926.	Nov. 25, 1926.	Nov. 18, 1926.	Nov. 9, 1926.	Dec. 3, 1926.	Position May 28, 1914.
Coin (gold & silver and bullion) ..	1,050,518	1,088,338	1,088,965	1,070,964	395,207	322,650
Reserve ..	473,298	509,681	512,903	504,406	934,378	697,600
LIABILITIES.						
Notes in circulation ..	1,768,704	1,744,785	1,739,038	1,760,358	7,614,841	934,150
Current accounts ..	206,897	302,632	307,886	266,359	57,422	112,125

† Including foreign securities from October 28. (a) 1 Belga=5 francs.
(b) In thousand francs.

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

Assets.	Nov. 12, 1926.	Nov. 5, 1926.	Oct. 29, 1926.	Oct. 22, 1926.	Oct. 15, 1926.	Nov. 13, 1926.
Total securities ..	20,24,41	20,77,18	20,80,71	20,81,19	21,30,83	16,60,00
Loans ..	12,18,93	11,98,18	11,91,41	11,81,66	11,73,32	14,46,13
Cash ..	21,02,23	21,43,20	21,18,81	21,15,32	21,17,06	30,43,96
Inland bills ..	5,15,15	4,58,68	4,68,30	5,22,44	4,59,71	5,04,72
Foreign bills ..	20,18	16,93	22,24	37,11	37,83	44,99
Dead stock ..	2,77,60	2,77,63	2,77,63	2,77,63	2,77,63	2,77,63
Bal. with other banks ..	5,76	15,41	14,17	10,90	7,68	10,17
Cash ..	39,69,32	38,86,15	43,40,12	42,40,21	40,49,04	22,71,73
LIABILITIES.						
Capital paid up ..	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve ..	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50	4,92,50
Total deposits ..	90,21,09	89,64,19	91,03,12	93,60,93	91,06,5	81,64,41
These include—						
Deposits in Lond'n ..	913	926	888	898	892	1,116
Advances in Lond'n ..	997	933	935	920	931	1,107
Cash, &c., at other banks in London ..	37	105	89	64	53	69

NETHERLANDS BANK.—In florins (000's omitted.)

Assets.	Dec. 6, 1926.	Nov. 29, 1926.	Nov. 22, 1926.	Nov. 15, 1926.	Dec. 7, 1926.	Position May 31, 1914.
Gold ..	417,652	417,871	418,010	418,313	451,385	163,092
Silver ..	26,838	27,271	27,321	27,065	25,039	8,436
Depts. and advances ..	378,275	381,530	372,620	379,807	443,708	153,504
LIABILITIES.						
Notes in circulation ..	846,245	849,859	833,709	852,938	895,184	316,639
Deposits ..	21,844	17,971	21,912	25,541	36,945	5,016

BANK OF JAYA.—In florins (000's omitted.)

Assets.	Dec. 4, 1926.	Nov. 27, 1926.	Nov. 20, 1926.	Nov. 13, 1926.	Dec. 6, 1926.	Position May 31, 1914.
Gold ..	227,500	227,250	227,000	226,750	153,784	22,971
Silver ..	..	..	..	..	42,570	23,785
Discounts, advances, and other investments ..	142,150	148,300	148,830	149,680	145,871	77,567
LIABILITIES.						
Notes in circulation ..	328,500	327,000	331,500	337,000	352,539	109,499
Deposits and bills payable ..	73,000	70,000	69,000	63,500	36,564	11,250

SWISS NATIONAL BANK.—In francs (000's omitted.)

Assets.	Nov. 30, 1926.	Nov. 23, 1926.	Nov. 16, 1926.	Nov. 9, 1926.	Nov. 3, 1926.	Position May 31, 1914.
Gold ..	445,128	443,086	442,944	442,623	455,837	171,175
Silver ..	75,801	73,101	72,702	72,051	90,846	18,360
Assets & advances ..	327,532	324,235	303,714	316,157	300,569	103,000
LIABILITIES.						
Notes in circulation ..	807,376	758,076	773,413	797,872	819,036	275,925
Deposits ..	97,517	116,545	110,750	87,746	96,038	33,750

THE REICHSBANK.—In Reichsmarks* (000's omitted.)

Assets.	Nov. 30, 1926.	Nov. 15, 1926.	Nov. 9, 1926.	Nov. 3, 1926.	Nov. 27, 1926.	Position May 31, 1914.
Reichsbank shares not yet issued ..	177,212	177,212	177,212	177,212	177,212	177,212
Gold and bullion ..	1,764,959	1,764,722	1,736,972	1,736,972	1,736,972	1,736,972
Of which deposited abroad ..	1,764,959	1,764,722	1,736,972	1,736,972	1,736,972	1,736,972
Reserve in foreign currencies ..	418,406	340,661	412,538	412,538	402,420	402,420
Bills of exchange and cheques ..	1,286,298	1,280,908	1,317,982	1,317,982	1,649,738	1,649,738
Silver and other coin ..	1,30,219	125,518	116,114	116,114	65,515	65,515
Notes of other German banks ..	25,61	15,687	15,687	15,687	13,469	13,469
Advances ..	321,314	15,164	10,793	10,793	23,810	23,810
Investments ..	91,108	91,280	91,280	91,280	21,631	21,631
Other assets ..	581,447	791,555	711,302	711,302	578,378	578,378
LIABILITIES.						
Reduced capital ..	122,788	122,788	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued) ..	177,212	177,212	177,212	177,212	177,212	177,212
Reserve ..	237,085	237,085	237,085	237,085	185,807	185,807
Notes in circulation ..	3,314,470	3,009,666	3,184,775	3,184,775	2,770,881	2,770,881
Other daily maturing obligations ..	528,301	829,565	681,813	681,813	586,943	586,943
Other liabilities ..	33,517	233,365	216,235	216,235	495,833	495,833

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription
of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF DENMARK.—In kroner (000's omitted.)

Assets.

OVERSEAS BANK RATES.

Changed.	Oct. 3, 1925	%	Oct. 26, 1926	%
Amsterdam	Oct. 3, 1925	11	Oct. 26, 1926	7
Athens	July 7, 1926	11	July 31, 1926	7
Belgrade	June 23, 1926	7	Oct. 26, 1926	5
Berlin	July 9, 1926	6	July 21, 1926	10
Brussels	April 23, 1926	7	June 16, 1926	8
Bucharest	Sept. 4, 1926	6	June 16, 1926	7
Budapest	Aug. 26, 1926	6	Aug. 5, 1926	10
Calcutta	June 24, 1926	4	Oct. 8, 1926	4
Copenhagen	July 23, 1926	5	Oct. 22, 1926	3
Danish	June 24, 1926	5	Oct. 22, 1926	3
Helsingfors	Oct. 29, 1925	7	Oct. 4, 1926	6.57
Kovno	Feb. 8, 1925	7	Aug. 6, 1926	7
Lisbon	July 28, 1926	8	Dec. 9, 1926	9
New York Federal Reserve	Aug. 12, 1926	4	Dec. 9, 1926	9
Madrid	Mar. 23, 1923	5	Dec. 9, 1926	9

The Bank Rate of the South African Reserve Bank is 5 1/2% for first-class commercial bills (90 days), and 6% for agricultural bills (of not more than six months).

RATES OF EXCHANGE.

London on	Usance	Par.	Dec. 11, 1925	Dec. 3, 1926	Dec. 10, 1926
Paris	francs to £1	T.T.	25.22	131-131 1/2	124 1/2-124 1/2
Berlin	marks to £1	T.T.	20.43	20.35-38	20.39-39 1/2
Vienna	schillings to £1	T.T.	34.58	34.39-44	34.37-42
Frankfurt	marks to £1	T.T.	24.02	163 1/2-2	163 1/2-2
Warsaw	zlotys to £1	T.T.	25.22	40-45	42-45
Reval	estons to £1	T.T.	1800-1840	1800-40	1800-40
Riga	lats to £1	T.T.	25.22	25.00-25.25	25.15-35
Kovno	lats to £1	T.T.	25.22	48-50	49-50
Bukarest	lei to £1	T.T.	25.22	1055-65	915-20
Budapest	pengo to £1	T.T.	27.82	345/348.00	27.65-80
Constantinople	piastres to £1	T.T.	110	905-915	967-75
Bohemia	crowns to £1	T.T.	25.22	660-675	665-80
Belgrade	dinars to £1	T.T.	25.22	272-275	273-6
Amsterdam	florins to £1	T.T.	12.107	12.074-78	12.124-3
Brussels	francs to £1	T.T.	35.00	108.98-07.03	34.85-7
Oslo	kroner to £1	T.T.	18.159	23.77-80	19.98-19.01
Stockholm	kroner to £1	T.T.	18.159	18.12-13	18.14-15
Copenhagen	kroner to £1	T.T.	18.159	19.40-45	18.20-22
Helsingfors	marks to £1	T.T.	193.23	1928-1928	1928-3
Geneva	francs to £1	T.T.	25.22	375-380	373-5
Switzerland	francs to £1	T.T.	25.22	120 1/2-120 1/2	111 1/2-111 1/2
Madrid	pesetas to £1	T.T.	25.22	34.07-10	31.88-91
Lisbon	pence to £1	T.T.	53.1	24-25	23 1/2-22
Alexandria	piastres to £1	Sight	7 1/2	97 1/2-97 1/2	97 1/2
New York	dollars to £1	Cable	4.86	4.84-4.85	4.84-4.85
Montreal	dollars to £1	Cable	4.86	4.84-4.85	4.84-4.85
Buenos Aires	pence to £1	T.T.	47.62	46 1/2-47	45 1/2-46
Rio de Janeiro	pence to £1	T.T.	16	7-8	5 1/2-5
Montevideo	pence to £1	T.T.	51	50-50 1/2	49 1/2-50
Valparaiso	dollars to £1	T.T.	40	38-40	39-57
Lima	soles to £1	T.T.	10	23 1/2-24	24 1/2-25
Calcutta	rupees to £1	T.T.	10 to 12	1 1/2-1 1/2	1 1/2-1 1/2
Bombay	rupees to £1	T.T.	10 to 12	1 1/2-1 1/2	1 1/2-1 1/2
Madras	rupees to £1	T.T.	10 to 12	1 1/2-1 1/2	1 1/2-1 1/2
Hong Kong	dollars to £1	T.T.	2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Shanghai	dollars to £1	T.T.	2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Singapore	dollars to £1	T.T.	2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Yokohama	dollars to £1	T.T.	2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Manila	dollars to £1	T.T.	2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Mexico	pesos to £1	T.T.	24.66	24 1/2-25 1/2	23.60-23.60

† Rate for previous day. (b) Represents krone to £1 at a par value of 24.02 to £1.
‡ 1 krone = 5 francs. (c) 1 franc = 5 francs.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals 941-944 tchervonetz.

1,000 " " 194

1 tchervonetz = 10 gold roubles. £1 sterling = 9.46 gold roubles.

CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Dec. 10, 1925	Nov. 11, 1925	Nov. 18, 1925	Nov. 24, 1925	Dec. 2, 1925	Dec. 9, 1925
Call money	5	4 1/2	4 1/2	4 1/2	4 1/2	5
Time money (90 days mixed coll)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Bank acceptances:—						
Members—eligible, 90 days	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	4
Non-mem.—eligible, 90 days	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2
Ineligible, 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept. 90 days	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Rates of Exchange, New York on—	Par Level	Dec. 10, 1925	Nov. 11, 1925	Nov. 18, 1925	Nov. 24, 1925	Dec. 2, 1925	Dec. 9, 1925
London—							
60 days		4.86	4.80 1/2	4.80	4.80	4.78	
Cable		4.86	4.84 1/2	4.84	4.84	4.84 1/2	
Cheques		4.86	4.84 1/2	4.84	4.84	4.84 1/2	
Paris—							
60 days		19.30	3.77	3.51	3.51	3.51	
Cable		19.30	3.77	3.51	3.51	3.51	
Cheques		19.30	3.77	3.51	3.51	3.51	
Brussels—							
60 days		19.30	4.5325	13.89	13.89	13.91	
Cable		19.30	4.5325	13.89	13.89	13.91	
Cheques		19.30	4.5325	13.89	13.89	13.91	
Vienna—							
60 days		23.81	23.80	23.775	23.775	23.77	
Cable		23.81	23.80	23.775	23.775	23.77	
Cheques		23.81	23.80	23.775	23.775	23.77	
Madrid—							
60 days		14.07	14.125	14.14	14.125	14.125	
Cable		14.07	14.125	14.14	14.125	14.125	
Cheques		14.07	14.125	14.14	14.125	14.125	
Amsterdam—							
60 days		19.30	14.24	15.185	15.21	15.18	
Cable		19.30	14.24	15.185	15.21	15.18	
Cheques		19.30	14.24	15.185	15.21	15.18	
Copenhagen—							
60 days		40.196	40.17	39.96	39.96	39.96	
Cable		40.196	40.17	39.96	39.96	39.96	
Cheques		40.196	40.17	39.96	39.96	39.96	
Oslo—							
60 days		26.80	26.75	26.615	26.625	26.625	
Cable		26.80	26.75	26.615	26.625	26.625	
Cheques		26.80	26.75	26.615	26.625	26.625	
Stockholm—							
60 days		19.30	12.925	1.24	1.285	1.2775	
Cable		19.30	12.925	1.24	1.285	1.2775	
Cheques		19.30	12.925	1.24	1.285	1.2775	
Montreal—							
60 days		100	100 1/2	100 1/2	100 1/2	99 1/2	
Cable		100	100 1/2	100 1/2	100 1/2	99 1/2	
Cheques		100	100 1/2	100 1/2	100 1/2	99 1/2	
Yokohama—							
60 days		49.85	49.05	49.05	49.05	49.00	
Cable		49.85	49.05	49.05	49.05	49.00	
Cheques		49.85	49.05	49.05	49.05	49.00	
Hong Kong—							
60 days		75.90	59.55	58.50	58.75	58.75	
Cable		75.90	59.55	58.50	58.75	58.75	
Cheques		75.90	59.55	58.50	58.75	58.75	
Shanghai—							
60 days		103.86	108.30	108.60	108.60	108.10	
Cable		103.86	108.30	108.60	108.60	108.10	
Cheques		103.86	108.30	108.60	108.60	108.10	
Buenos Aires—							
60 days		38.42	14.25	12.32	12.30	11.65	
Cable		38.42	14.25	12.32	12.30	11.65	
Cheques		38.42	14.25	12.32	12.30	11.65	
Rio de Janeiro—							
60 days		12.166	12.25	12.125	12.125	12.125	
Cable		12.166	12.25	12.125	12.125	12.125	
Cheques		12.166	12.25	12.125	12.125	12.125	

† Cents for 1 franc.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From Close of Mail February 19, 1926.	From February 22, 1926.
	London on South Africa.	South Africa on London.
	Buying.	Selling.
T.T.	1 1/2% dis.	1 1/2% dis.
Demand	1 1/2% dis.	1 1/2% dis.
30 days	1 1/2% dis.	1 1/2% dis.
60 days	1 1/2% dis.	1 1/2% dis.
90 days	1 1/2% dis.	1 1/2% dis.
120 days	1 1/2% dis.	1 1/2% dis.

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador	Guineas to £	10.15	Sight London	Dec. 4 24.45
Venezuela	Bolivares to £	25.25	"	Dec. 7 25.70
Colombia (Bogota)	Pesos to £	100	"	Dec. 6 99.38
Nicaragua	Corrobos to £	4.8665	"	Sept. 25 4.80
San Salvador	Colonos to £	9.73	"	Nov. 28 9.75
Guatemala	Pesos to £	90.23	"	Nov. 22 291
Costa Rica	Colonos to £	10.45	"	July 29 19.50
Bolivia	Pesos to Bolivianos	19.20	"	Sept. 13 17 1/2

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Aus. tralia.	New Zealand.
	Aus. tralia.	New Zealand.
T.T.	99	100 1/2
Demand	99	100 1/2
30 days	99 1/2	100 1/2
60 days	99 1/2	100 1/2
90 days	99 1/2	100 1/2

BULLION.

The following statistics of imports and exports of gold for week ended December 8, 1926, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
British West Africa	Austria
Anglo-Egyptian Sudan	Netherlands
British Guiana	Germany
British South Africa	Switzerland
	Other countries
Total declared value of imports	Total declared value of exports
1,293,023	89,643

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.	WITHDRAWALS.
Dec. 4	4—Holland
6	6—Holland
7—Bars bought	7—Holland
8	8—Holland
9	9—Holland
10	10—Holland
Total	Total
462,000	20,000
Net withdrawals, £442,000.	

INDIAN TELEGRAPH TRANSFERS.

The Government of India announce that from April 1st to December 4, 1926, they have transferred £19,500,000 to the Secretary of State's balances from the currency reserve in England, and have sold in the week ending December 4th £500,000 Telegraph Transfers on London.

Messrs Samuel Montagu and Co. write on December 7th as follows:—

GOLD.

About £1,250,000 bar gold was available in the open market this week. Of this £627,000 was taken on German account, India and Egypt together taking about £30,000, and the home and Continental trade £140,000. The balance was secured by the Bank as shown in the figures below. The net receipt at the Bank during the week under review was £431,000, increasing the net influx since January 1, 1926, to £8,326,000, and decreasing the net efflux since the resumption of an effective gold standard to £3,269,000. It is reported that a Bill for the stabilisation of the Brazilian

paper milreis at a gold value of 6d has been provisionally approved by the Brazilian Chamber of Deputies. The new gold unit is to be styled a Cruzeiro, and will contain 800 milligrammes of gold 900 fine, and will be equivalent to 4 paper milreis.

SILVER.

The market has maintained a fairly steady tone throughout the week, although the undertone is still uneasy. This was shown on Monday, when free selling from China found few buyers about, and the price dipped to 24 1/2d for both deliveries, the lowest quotations for about six weeks. Yesterday a rally took place of 1/4d owing to business in India connected with options, and to a rather better feeling in China as to conditions in Hankow, but the market being heavy to-day quotations shed 1/4d. Cash supplies are now more plentiful and little wanted. The premium, therefore, on spot delivery, which had ruled to a greater or less degree for nearly two months, disappeared on the 3rd inst., and has not been obtainable since. United Kingdom imports and exports of silver during the week ending the 1st inst. were:—

	Imports.	£	Exports.	£
Norway		26,500	France	20,160
France		217,274	Egypt	35,773
Czecho-Slovakia		143,900	British India	213,818
U.S.A.		146,623	Other countries	14,033
Mexico		162,598		
Other countries		14,170		
		711,065		283,784

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.	
					Prefce.	Ordinary.	Rate.					
												Amount.
Banks.		£	£	£	£	£	%	£	£	£	%	
Ionian Bank	Aug. 31	13,193	65,059	78,252	..	48,000	8+	15,000	15,252	69,399	8+	
National Bank of Scotland	Nov. 1	64,221	284,777	348,998	..	140,800	16	140,000	68,198	252,005	16	
Breweries.												
Bell and Co.	Oct. 31	13,352	27,700	41,052	5,600	13,000	12½	9,000	13,452	31,361	12½	
Bentley's Yorkshire	Sept. 30	31,978	52,746	84,724	14,211	35,250	15	5,000	30,263	67,598	15	
Birkenhead	Sept. 30	4,815	60,746	65,561	..	34,281	15	25,000	6,280	53,764	14	
Farnham United	Sept. 30	16,181	17,530	33,711	6,000	8,000	10	..	19,711	18,911	8	
Ind. Coope and Co.	Sept. 30	161,779	226,638	388,417	..	139,875	25	75,000	173,542	230,919	25	
Officers'	Sept. 30	35,709	44,000	79,709	2,400	12,000	10	10,000	55,309	35,308	15	
Showells	Oct. 2	8,025	30,592	38,617	13,800	12,000	15	5,000	7,817	31,323	15	
Stretton's Derby	Sept. 30	39,014	80,396	119,410	12,600	30,000	15	50,000	26,810	77,777	15	
Tate's Castle	Sept. 30	14,514	31,098	45,612	22,500	5,000	5	2,500	15,612	30,496	nil	
Wenlock	Oct. 31	52,781	112,986	165,767	7,500	25,000	10+	50,000	83,267	84,198	10+	
Youngs, Crawshaw, and Youngs	Oct. 10	13,795	32,973	46,768	7,745	18,536	12	5,000	15,487	31,832	11	
Financial, Land, & Investment.												
Clitheroe Estate	June 23	4,433	10,421	14,854	6,000	1,000	1	1,170	6,684	8,718	nil	
Government & General Investmt.	Nov. 30	..	21,171	21,171	4,105	9,487	15	7,579	..	19,044	15	
Investors' Mortgage Security	Sept. 30	20,798	117,528	138,326	30,091	60,181	15	26,721	21,333	105,727	14	
Electric Lighting and Power.												
City of London Electric	Dec. 31	37,396	343,906	381,302	48,000	120,000	15	72,120	141,182	294,115	15	
Iron, Coal, and Steel.												
Amalgamated Anthracite Collier's	Sept. 30	45,104	127,633	172,737	..	..	..	..	172,737	151,831	7½	
Blaenavon Company	Oct. 2	Dr 112,976	Dr 13,681	Dr 126,056	..	..	..	..	Dr 126,056	Dr 13,681	7½	
Broomhill Collieries	June 30	37,603	25,782	63,385	8,400	7,000	5	10,000	37,985	29,635	7½	
Cargo Fleet Iron	Sept. 30	215,838	Dr 37,230	178,608	..	..	..	..	178,608	32,939	..	
Dorman, Long, and Co.	Sept. 30	122,055	Dr 410,996	Dr 288,940	23,313	..	..	Dr 312,255	..	21,326	..	
Millom and Askam Hematite Iron	Sept. 30	12,813	1,314	14,127	24,500	..	..	Dr 35,000	24,627	42,845	..	
Richard Hill and Co.	Sept. 30	Dr 10,739	Dr 8,531	Dr 19,270	..	..	..	..	Dr 19,270	Dr 13,640	2½	
Richard Thomas and Co.	Sept. 30	193,475	98,422	291,897	101,411	..	..	11,369	179,117	308,641	10	
South Durham Steel and Iron	Sept. 30	206,247	Dr 31,151	175,096	18,000	17,500	5	..	139,596	80,432	10	
Weardale Steel, Coal, and Coke	Sept. 30	64,874	44,882	109,756	30,000	13,500	6	20,000	46,256	94,675	10½	
Motor and Cycle.												
Rudge-Whitworth	Aug. 31	20,227	34,544	54,771	..	..	..	6,920	47,851	Dr 1,086	..	
Unic Motors	July 31	1,090	Dr 22,056	Dr 20,966	..	..	..	..	Dr 20,966	1,090	..	
Nitrate.												
Santiago	June 30	8,922	Dr 5,279	3,643	..	..	..	..	3,643	10,306	7½	
Oil.												
Steaua Romana (British)	June 30	2,980	83,934	86,914	..	64,000	4	..	22,914	30,717	3	
Rubber, &c.												
Bukit Kajang	June 30	9,311	59,616	68,927	..	45,000	30	10,000	13,927	36,832	25	
Bukit Pulai	June 30	2,193	6,121	8,314	..	3,559	3	..	4,755	17,655	10	
Gan Kee	June 30	2,339	19,178	21,517	3,000	9,900	30	..	6,755	7,682	10	
Killinghall (Rubber) Developm't	June 30	2,617	36,072	38,689	..	26,250	50	5,000	3,617	14,447	25	
Krubong (Malacca)	Sept. 30	1,319	7,234	8,553	..	6,628	22½	5,000	7,439	11,808	25	
Selatar Plantations	June 30	1,123	8,170	9,293	..	6,769	14½	..	1,906	5,543	27½	
Sembilan Estates	July 31	3,535	64,523	68,058	11,200	38,080	40	10,000	8,778	40,619	27½	
Sungei Puntar	Sept. 30	..	16,560	16,560	..	11,000	10	..	3,103	2,457	..	
Sungei Tukong	June 30	..	5,092	5,092	..	..	..	..	3,772	1,320	..	
United Temiang	July 31	11,793	54,305	66,098	..	45,000	22½	4,000	17,098	26,372	15	
Shipping.												
Orient Steam Navigation	June 30	32,196	368,550	400,746	14,602	130,110	12½	200,000	56,034	311,979	12½	
Shops and Stores.												
Cooper and Co.'s Stores	Oct. 12	17,375	81,606	98,981	28,000	20,000	5	30,000	20,981	83,567	4	
Palmer's Stores (1903)	Aug. 28	2,575	9,945	12,520	3,200	2,000	10	4,500	2,820	9,514	10	
Tea.												
Scottish Tea and Lands	Aug. 31	5,935	88,765	94,700	..	85,775	25	..	8,925	81,602	60½	
Textiles.												
W. and R. Cook	Oct. 31	3,714	2,677	6,391	..	2,750	5+	..	3,641	4,394	7½	
Wm. Fison and Co.	Oct. 31	1,646	3,107	4,753	3,300	..	..	..	1,453	Dr 10,943	..	
Tramways and Omnibuses.												
British Columbia Electric Rail- way	June 30	60,890	393,418	454,308	72,000	102,857	64½	80,000	67,794	360,792	64½	
East Kent Road Car	Sept. 30	7,663	31,274	38,937	..	25,750	10	1,000	12,187	25,875	10	
Trusts.												
Army and Navy Investment	Nov. 30	16,027	51,094	67,121	14,400	22,400	14	14,000	16,321	49,485	13	
Northern America	Nov. 1	74,387	144,820	219,207	28,800	86,400	18	31,000	73,007	114,537	17	
Other Companies.												
Amalgamated Cotton Mills Trust	Oct. 31	38,839	Dr 59,529	Dr 20,690	75,563	..	..	Dr 23,261	Dr 72,992	23,547	..	
Ashley Gardens Properties	Sept. 29	7,306	18,355	25,661	2,625	6,050	11	9,200	7,786	16,824	12½	
Bernard Hughes	Oct. 30	5,691	6,542	12,233	1,680	4,900	12½	856	4,797	7,481	12½	
Carreras	Oct. 31	362,413	1,026,628	1,389,071	20,000	300,000	50+	147,918	921,153	773,152	50+	
D. Jones, Dickinson, and Co.	Oct. 2	3,657	3,162	6,819	2,400	4,000	5	221	198	8,356	6	
Dreyfus and Co.	June 30	3,220	12,494	15,714	7,500	5,000	2½	..	3,214	10,534	16	
Fortnum and Mason	Aug. 31	7,626	36,056	43,682	3,499	13,750	18	17,246	9,187	31,288	7½	
Greenwich Inlaid Linoleum	Sept. 30	13,088	67,438	80,526	8,750	37,616	10	18,500	15,660	44,392	10	
Idris and Co.	Oct. 31	3,977	14,863	18,840	7,300	7,700	10	Ord	3,840	15,886	10	
John Mackintosh and Sons	Sept. 30	80,691	90,314	171,005	30,000	40,000	P.O. 20	10,300	80,705	60,126	P.O. 20	
Manbré Sugar and Malt	Sept. 30	134,799	249,473	384,272	7,000	122,436	Or. 22½	20,000	139,608	210,709	20	
P. McEvoy, Sons, and Pinnington	Oct. 31	68,238	7,415	75,653	1,800	6,000	20	..	67,853	10,435	20	
R. and J. Dick	Aug. 31	Dr 40,537	47,984	7,447	7,150	..	..	..	297	24,222	15	
R. Hood, Haggie, and Son	Oct. 31	48,243	38,217	86,460	4,000	36,000	15	..	46,460	51,066	15	
Turner and Newall	Sept. 30	19,127	287,080	306,207	45,152	159,537	10	86,356	15,162	186,646	10	
West Surrey Central Dairy	Sept. 30	14,627	27,861	42,488	6,400	3,000	21	10,000	23,088	29,136	21	

† Tax free.

a Including arrears.

b Paid on smaller capital.

m Paid on a capital of £75,000.

n £68,020 paid on a capital of £75,000.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

b) Week ended Dec. 3, 1926.	Miles Open.	Week ended Dec. 5, 1926.			Aggregate 47 Weeks, 1926.		
		Passen- gers, &c.	Goods, &c.	Total for Week.	Passen- gers, &c.	Goods, &c.	Total Receipts.
Great Western	3,778	188,000	278,300	466,300	1,142,500	1,237,400	2,379,900
Do for 1925	3,775	182,000	278,300	460,300	1,142,500	1,237,400	2,379,900
London & N. Eastern (a)	6,715	350,000	632,000	982,000	1,871,400	2,469,900	4,341,300
Do same period 1925	6,714	351,000	687,000	1,038,000	1,871,400	2,469,900	4,341,300
London, Mid., & Scottish	6,951	447,000	850,000	1,297,000	2,638,500	3,320,200	5,958,700
Do for 1925	6,950	447,000	850,000	1,297,000	2,638,500	3,320,200	5,958,700
Southern	2,180	248,000	122,000	370,000	1,521,000	4,859,000	6,380,000
Do for 1925	2,183	250,000	112,000	362,000	1,521,000	4,859,000	6,380,000
Metropolitan (a)	69	3,000	3,600	6,600	140,800	134,000	274,800
Do for 1925	68	3,000	3,600	6,600	140,800	134,000	274,800
Underground E.R. (a)	58	30,400	3,800	34,200	1,639,600	180,000	1,819,600
Do for 1925	58	30,400	3,800	34,200	1,639,600	180,000	1,819,600
London & Sub. Group (a)	..	..	..	..	229,600	..	229,600
Do for 1925	..	..	..	..	229,600	..	229,600
London & Sub. Group (b)	80	1,824	860	2,684	139,251	43,575	182,826
Great Northern (b)	552	116,550	16,750	133,300	732,450	768,700	1,501,150
Great Southern (b)	2,181	30,821	47,775	78,596	1,815,775	2,082,624	3,898,399

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
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DORMAN, LONG, AND CO., LIMITED.

September 30, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 30, 1925.	Amount.	Compared with Sept. 30, 1925.
Ord. shares	6,000,000 ..	Land, buildings, &c.	9,746,638 .. + 61,930
8% pref. ord.	1,500,000 ..	Investments	1,457,513 .. + 128,865
8% cum. pref.	518,055 ..	Stocks	3,063,482 .. + 218,563
4% perp. deb.	400,000 ..	Debtors	372,616 .. + 452,881
Interest accrued ..	4,000 ..	Cash	6,893 .. + 2,904
5% deb.	3,927,650 ..	Short rents	37,818 .. + 11,932
Interest accrued ..	90,009 .. + 10,768		
5% deb.	3,927,650 ..		
Interest accrued ..	90,009 .. + 10,768		
Creditors	1,160,806 ..		
Bank overdrafts ..	472,830 ..		
Reserve accounts ..	472,830 ..		
Profit and loss	129,826 ..		
Total	14,684,960 ..	Total	14,684,960 ..

ORIENT STEAM NAVIGATION.

June 30, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1925.	Amount.	Compared with June 30, 1925.
Ord. shares	243,380 ..	Book value of fleet, plant, and investments, including payments on account of steamer under construction ..	4,669,777 .. + 77,024
Def. shares	1,040,880 ..	Stores	79,421 .. + 18,513
Int. accrued	1,684 ..	Debtors	235,004 .. + 8,144
4% debentures	177,300 ..	Insurance on steamers' unexpired policies ..	25,274 .. + 308
Unclaimed divs.	53 ..	Cash	68,713 .. + 323
Creditors & contingencies ..	1,077,350 ..		
Freight and passage money ..	280,501 .. + 51,183		
Underwriting account	442,580 .. + 17,400		
Repair & renewal account	500,000 .. + 50,000		
General reserve	1,300,000 .. + 200,000		
Revenue account	193,445 .. + 23,838		
Total	5,078,189 ..	Total	5,078,189 ..

SOUTH DURHAM STEEL AND IRON COMPANY, LIMITED.

September 30, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 30, 1925.	Amount.	Compared with Sept. 30, 1925.
6% cum. prf. shrs.	300,000 ..	Capital expenditure	1,929,433 .. + 141,193
Ordinary shares	350,000 ..	Stocks	26,838 .. + 2,392
4% deb. stock	300,000 ..	Debtors	89,421 .. + 119,255
Interest accrued	2,700 ..	Cash	39,299 .. + 16,064
Reserve accounts	1,445,783 ..	Govt. securities	294,000 .. + 207,000
Creditors	78,912 ..	Other investments ..	20,000 ..
Profit and loss	161,596 ..		
Total	2,638,991 ..	Total	2,638,991 ..

WEARDALE STEEL, COAL AND COKE COMPANY, LIMITED.

September 30, 1926.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 30, 1925.	Amount.	Compared with Sept. 30, 1925.
6% cum. pref. ord. shares	500,000 ..	Properties	901,711 .. + 17,408
Def. ord. shares	225,000 ..	Expenditure on houses	45,858 .. + 6,113
4% deb. stock	287,302 ..	Investments	747,329 .. + 17,106
Int. accrued	4,788 ..	Cash	126,825 .. + 4,736
Reserve account	735,000 .. + 25,000	Debtors	11,741 .. + 59,106
Reserve for workmen's compensation	1,626 ..	Stocks	76,870 .. + 19,152
Creditors	67,705 ..	Short rents	5,843 .. + 1,393
Profit and loss	94,756 ..		
Total	1,916,177 ..	Total	1,916,177 ..

MINING OUTPUT STATISTICS FOR NOVEMBER, 1926.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Ounce Works.	Mill.	Ounce Works.		
Gold.						
Ashanti	8,424	..	..	..	7,708	32,742
Associated of W. Australia ..	5,541	..	..	..	2,560	5,874
Balaghat	3,050	3,500	2,460	100	2,560	6,509
Blackwater	3,761	..	..	..	21,418	5,093
Boulder Perseverance	5,431	..	..	..	11,418	22,708
Cam and Motor	21,000	..	..	..	8,071	2,977
Champion Reef	7,920	25,551	3,922	814	1,138	1,200
Gabait Tributing	821	704	615	192	5,274	8,244
Gam (Rhodesia)	1,800	..	..	..	21,695	195
Globe and Phoenix	6,010	..	..	..	18,415	77,343
Lake View and Star	13,687	..	..	..	15,344	3,339
Lena	17,437	..	..	..	10,770	10,770
Loupard's Vlei	15,347	..	..	..	8,801	8,801
Mexico of El Oro	19,287	25,803	9,397	873	6,103	99,000
North Anantapur	750	..	..	..	9,814	9,814
Nundydroog	10,400	2,051	4,848	856	3,245	416
Orogum	12,000	10,000	7,587	516	30,327	5,631
Oroya Links	3,928	..	..	..	5,112	1,451
Ranende	6,300	1,180	..	..	13,985	6,199
Sable	2,300	..	..	..	3,245	416
Shamva	49,000	..	..	..	30,327	5,631
Shawwood Star	2,400	..	..	..	5,112	1,451
Sons of Gwalia	15,340	..	..	..	13,979	3,028
South Kalguri	8,635	..	..	..	16,583	16,583
St John del Rey	..	..	..	..	33,500	33,500
Taqash and Abosso	8,700	..	..	..	3,352	14,246

* Loss.

Tin.

Tons.	Output.
Amari (Nigeria)	61
Anglo-Nigerian	30
Aramayo	316
Bangrin	224
Berenguela	32
Chenderiang	20
Filani	14
Geovor	50
Gopeng Consolidated	68
Idris Hydraulic	47
Iphoh	434
Jos	192
Junction	9
Kinta	30
Kramat Pulai	32
Kwapa	14
Lahat	15
Lower Bisichi	5
Madubi	4
Malayan	142
Mongu	50
Naraguta Extended	20
Northern Nigeria	130

Tons.	Output.
Pahang Consolidated	221
Pari	23
Pengkalan	304
Pusing Rubber and Tin	323
Rahman	9
Rambutan	45
Rayfield	34
Renong	103
Repp	23
Rukuba	89
Siamese	27
South Bukuru (Nigeria)	583
South Crofty	40

Tons.	Output.
Sungei Besi	42
Taipung	35
Tekka	30
Tekka-Taipung	42
Tongkah Harbour	27
Tronoh	40

Tons.	Output.
Chinese Engineering	81,000
Durban Navigation	53,781
South African	80,256
Wankie Colliery	58,835

Tons.	Output.
Messina	1,335
Poderosa	1,000

Lead.

Tons.	Output.
Rhodesia Broken Hill	500

Miscellaneous.

Tons.	Output.
Crown Diamond	1,740
Rhodesian & Gen. Asbestos	1,786
Tanganyika Diamond	910

Copper.

Tons.	Output.
Chinese Engineering	81,000
Durban Navigation	53,781
South African	80,256
Wankie Colliery	58,835

Coke.

Tons.	Output.
Chinese Engineering	81,000
Durban Navigation	53,781
South African	80,256
Wankie Colliery	58,835

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Durban Navigation	53,781
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Wankie Colliery	58,835

OIL OUTPUTS.

APEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of November are as follows:—Production of oil, 24,400 tons; deliveries, 25,350 tons. Note.—The above output compares with 11,950 tons for November, 1925, and makes a total of 50,350 tons for the first two months of the company's new financial year, against 24,700 for the corresponding period of last year.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED.—A cablegram has been received from Burma reporting that the production of crude oil by this company and the Rangoon Oil Company, Limited, for the month of November amounted to 45,024 barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For the week ending November 24, 1926: Production, 53,107 barrels; shipments, 40, barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—By cable for the week ending December 1, 1926: Production, 57,554 barrels; shipments, 6,800 tons.

HAMILTON'S OIL CONCESSIONS (ROUMANIA), LIMITED.—Production for November, 100 tons (October 130 tons).

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—The total production during November amounted to 121,831 barrels, or approximately 17

ordinary shares (less income-tax) amounting with tax to £12,000, to again carry to reserve account £5,000, to carry forward to next year £7,817. Turning to the balance-sheet we find cash has risen from £45,756 to £60,964. Debtors are lower at £29,326, against £37,485. Trade investments at cost stand at £35,247, against £31,550. The amount invested in Government securities at cost stands at £123,310, against £103,188. Stocks stand at £31,657, against £28,746.

WEARDALE STEEL, COAL AND COKE COMPANY.—The profit for the year ended September 30th amounted to £56,400, as compared with £106,200 for the preceding year. After payment of debenture interest and 6 per cent. preferred ordinary dividend a distribution of 6 per cent. is made on the ordinary shares, leaving £46,300, or £18,600 less, to be carried forward. A year ago an additional distribution of £10,000 was made on both the preferred and deferred ordinary shares.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Further rains over most parts of the country have not favoured the agricultural outlook. The finer grades of native wheat continue in request, but common qualities were neglected and tend easier. Imported descriptions were more firmly held in sympathy with higher forward offers, and a fair business transpired in spot and near-at-hand parcels. The demand for floating and forward cargoes fails to expand; in fact, there was little support forthcoming from this side, but prices ruled firmer owing to improved markets in America and Argentina. Sales included steamers of No. 3 Northern Manitoba mid-December loading from Vancouver at 52s 3d, No. 2 and No. 3 ditto arrived out to load 55s and 52s 9d respectively, white Pacific January 54s 9d, and Victorian early January 57s 9d to Mediterranean. Feeders quiet and generally lower to sell. Plate maize shipped sold 31s, and Dan-Gal-Foxanian mid-December loading at 31s 10½d per 480 lbs c.i.f. terms. Wheat firm. No. 1 Northern Manitoba quoted 62s 9d, No. 2 ditto 61s, No. 3 59s, No. 2 tough Manitoba 59s, No. 2 mixed Durum 57s 6d, choice white Karachi 60s ex-ship all per 496 lbs. English 11s 2d-12s per 112 lbs. Flour steady. London standard grade 48s, town whites 49s, patents 50s-51s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 46s-48s 6d, Minneapolis 46s-48s, Kansas patents 45s-46s, Australian 45s 6d-46s per 280 lbs ex-store. Maize easier. Plate landed 33s 3d, ditto ex-ship 31s 6d, Plate Cinquantina 36s 9d landed per 480 lbs. Barley steady, quiet. Californian 40s-47s, Chilian Chevalier 52s-62s, ditto brewing 38s-48s, Australian Chevalier 47s-50s ex-store per 448 lbs, No. 3 Canadian Western 34s 6d ex-ship, Persian ex-ship 29s 3d, landed 30s, Russian 32s 9d, Plate 31s 6d, both ex-ship, Plate landed 33s 9d per 400 lbs. English malting 9s 6d-18s 9d as to sample, feed 8s 9d-9s 6d per 112 lbs. Oats slow. La Plata landed 23s 3d, ditto ex-ship 21s 9d per 320 lbs. English 8s-8s 8d per 112 lbs. Millers' offals steady. Broad bran quoted 7s 6d, middlings 8s 3d, fine ditto 9s 6d, bags included, ex-mill, feed oatmeal 9s 3d, light oats 8s 3d, ground oats 13s 3d per cwt free on rail. Oatmeal unaltered. London-made flaked 17s 6d, rolled oats 16s 6d, medium also fine-cut 16s 6d, coarse pinhead and whole groats 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927.	1925-1926	1924-1925.	1923-1924.
Estimated sales of home-grown wheat—				
1 week to December 4	Gwts. 322,402	Gwts. 549,795	Gwts. 246,306	Gwts. 379,938
14 weeks to December 4	5,295,786	5,417,665	3,434,435	5,526,504
Average price of English wheat per cwt.	s d 12 1	s d 11 10	s d 12 5	s d 9 10

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.						
Nov. 27	393,794	509,798	82,404	s d 12 4	s d 11 4	s d 8 6
Dec. 4	322,402	531,211	66,189	12 1	11 1	8 4
1922	608,610	467,671	70,434	9 10	9 10	9 7
1923	379,938	688,675	82,566	9 10	10 7	9 2
1924	246,306	497,569	87,493	12 5	14 11	9 9
1925	549,795	457,465	77,065	11 10	10 9	9 3

AMERICAN WHEAT MARKETS.

The week's fluctuations have not been considerable. Despite fairly heavy country offerings, Winnipeg has presented a firm front, assisted by the buying policy of seaboard interests, while Chicago has been affected by the tightness of the December position, to which the ice-jamming on the Great Lakes has been a contributory factor.

	Jan. 2, 1925.	Dec. 10, 1925.	Jan. 7, 1926.	Dec. 2, 1926.	Dec. 9, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 15½	160	(a) 13½	(a) 13½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(a) 17½	176½	(a) 13½	(a) 13½

(a) December delivery.

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Visible supplies of wheat in Canada, at 39,490,000 bushels, show a decrease of 5,045,000 bushels as compared with the previous figures. Supplies a year ago stood at 29,222,000 bushels.

COAL.

Our Cardiff correspondent writes:—Work has not yet been resumed at all collieries, but production has steadily increased, and by the end of the present week amounted to between 50 per cent. and 60 per cent. of the normal. On Tuesday the embargo on steam coals was removed, and on Thursday that also on anthracite coal. Prices have been very unstable, but towards the end of the week were becoming stabilised between 31s 6d and 33s 6d for best Admiralty large, and between 22s 6d and 25s for best smalls. The system of maximum prices for house coals has been virtually abandoned, and producers are arranging their own pithead quotations. Foreign buyers are holding back, but many collieries are well stemmed over next week, and in some cases up to the Christmas holidays. There are large contracts on the market, but none of importance for supplies over 1927 has been concluded since the settlement.

Our Sheffield correspondent writes:—The local industrial situation is chaotic. Consumers are steadily refusing to place contracts, and with the collieries unable to dispose of their output, prices are constantly dropping. Several pits have ceased working owing to absence of demand. Shortage of wagons and delays in transport are also responsible for accumulations of coal at the collieries. The removal of the export embargo may steady the market.

Our Glasgow correspondent writes:—The Scottish coal market is returning to normal. To-day's prices are much below those ruling even a week ago, and with the decline a corresponding increase in demand has transpired both on home account and for shipment. Export business is as yet on a very small scale, but it is believed that values are not greatly above what foreign buyers will be prepared to pay, and shipments are expected to expand substantially from now on. Home business, although increasing daily, will not be normal until after the turn of the year, when the industrial works are again running fully. Market quotations are approximately as follows:—Screened steam, 25s to 27s 6d f.o.t. at pits, and 22s 6d f.o.b. for export; unscreened, 20s to 22s 6d and 20s respectively; trebles, 20s 6d and 25s; doubles, 27s 6d and 23s 6d; singles, 20s to 22s 6d and 22s 6d; pearls, 18s to 20s and 20s; dross, 17s to 19s 6d and 15s; house coal, 28s to 35s.

IRON AND STEEL.

The following is extracted from the weekly report of the London Iron and Steel Exchange:—Business is irregular, as buyers are waiting for British works to resume operations before entering into commitments. A very wide difference has developed in the ideas of the price of pig-iron for delivery before Christmas and in the first quarter of next year. For December delivery the high figures which have been quoted for several months are maintained, but the general view of prices is for a lower level for January-February delivery. This, of course, is on the assumption that a number of the British blast-furnaces will have started working by that time, and that supplies of English pig-iron will be once again upon the market. There is still considerable activity in the market for semi-finished material, and during the past week orders for a considerable tonnage have gone to Continental works. So far there is no indication as to when British semi-finished steel products will be available. Interest in the finished steel department centres chiefly upon the prices which the British works will quote when they resume operations. Everything depends upon how quickly the price of fuel becomes normal.

Our Middlesbrough correspondent's report, dated December 9th, is as follows:—Pig-iron: The continued scarcity of No. 3 Cleveland G.M.B. keeps the price high, the present quotation for prompt lots being 112s 6d per ton f.o.t. Eight more furnaces have been put into operation, but their output is required for the steel works. More furnaces will be started as fuel becomes more plentiful. By the beginning of next year it is expected that much more Cleveland iron will be available. Makers are therefore quoting 85s per ton for No. 3 G.M.B., January-February delivery, and 82s 6d for delivery further forward. Hematite production will probably not be resumed until the end of this year or the beginning of next. Makers are inclined to expect prices to be something like 90s per ton for East Coast mixed numbers during the first quarter of 1927. Manufactured iron and steel: The local steel works have good order books, but normal production is unlikely for some weeks yet. An advance of 10s per ton has occurred in the price of common iron bars, the quotation now being £12 5s per ton. Other minimum quotations are:—Steel ship plates,

£8 2s 6d; steel ship angles, £7 12s 6d; steel rails, £8 10s. Iron ore: Works have sufficient stocks for some time, but as soon as freights become more normal contracts already on the books will be fulfilled. Fresh purchases are unlikely yet awhile.

Our Sheffield correspondent writes:—Five local bar iron works which have been idle since the beginning of the strike restarted this week. The price of South Yorkshire Crown bars is £12 10s per ton, delivered, or 20s per ton more than in April. Two blast furnaces at the Staveley works are now operating, and the output is being consumed in the company's foundries. One blast furnace at Renishaw is to be started in a fortnight. The remainder in this district will not be put in blast until January. Derbyshire producers are quoting about 95s for foundry iron delivered Sheffield when the furnaces are working, which is about 15s per ton more than at the beginning of the year. Rolling mills report a falling off of orders, which is usual towards the close of the year. Sheffield steel makers report good prospects of business so long as prices can be kept at a reasonable level. The production of blast furnace coke is steadily increasing. No attempt will be made to restart the great open-hearth plants this year.

Our Cardiff correspondent writes:—The position generally is better than a week ago, but uncertainty exists as to the effect of the new stabilised coal prices on costs of production, and orders are being delayed. Prices, however, are much easier, and basis boxes are now ruling at between 21s 9d and 22s 6d. Galvanised sheets have been reduced to £17-£17 5s per ton, but tinplate bars are maintained officially at £6 15s, although with every prospect of an early resumption of work at the steel bar mills a decrease is likely, particularly in view of the fact that foreign bars are being imported at from 12s 6d to 15s per ton below local bars. Receipts from works last week totalled 31,716 boxes, compared with 27,664 boxes the previous week, but as shipments were 35,793 boxes, compared with 16,572 boxes, stocks have been slightly reduced.

Our Glasgow correspondent writes:—The iron and steel market continues quiet, consumers apparently holding off. Several iron furnaces have already been lit up, and Messrs Stewarts and Lloyds have relighted their steel furnaces. The other steel makers, however, have not yet come to a decision as to when they will resume, owing, it is understood, to difficulties regarding the price of fuel, and the fact that arrangements with the men as to the holiday period have not yet been completed. Order books are well filled, but supplies of finished and semi-finished materials cannot even under the most favourable conditions be available for several weeks. No. 3 pig-iron from stock in small parcels is quoted 110s per ton, and for the same quality for delivery ex-furnaces, the price is around 89s per ton delivered in trucks. The outlook on the Clyde is changed at £8 15s basis for plates. The outlook on the Clyde is somewhat better, a further batch of contracts having been placed this week, including two submarines for British Government, which Messrs Beardmore are to build; two motor-propelled oil tankers for the Standard Oil Co., New Jersey, to be built by Messrs Alexander Stephen and Sons, besides some Dutch naval work and several water tube boilers which have been secured by Messrs Yarrow and Co. Further shipbuilding orders have also been secured within the past week.

OTHER METALS.

TIN.—The market displayed quieter features, and values took a downward turn in sympathy with lower cable advices from the East, combined with freer offerings, particularly of cash and near positions. Some irregularity was noticeable at times, but the general tendency was in buyers' favour. Standard cash changed hands at £314 to £307, three months £297 15s, £299 5s and £296 15s. Sales in the East were reported at £311-£307 15s, £308 10s, and £307 5s.

COPPER.—General trading showed more activity, with a revival of speculative interest, and a better consumptive demand, which imparted a firmer tone to the market. Dealings were recorded in standard cash at £56 17s 6d to £57 7s 6d, and three months £57 11s 3d to £58 2s 6d and £58 1s 3d ton.

LEAD slightly irregular, due to liberal offerings, but sales were of fair extent. Good soft foreign pig. December, done at £28 13s 9d-£28 17s 6d, January £28 17s 6d to £29 1s 3d, February £29 3s 9d, March £29 5s-£29 10s, and £29 5s ton.

SPELTER opened steady, but later assumed a quiet tone. December sold £33 2s 6d-£32 16s 3d, £33 1s 3d, January £33 3s 9d-£32 17s 6d, £33 1s 3d, February £33 3s 9d, £32 17s 6d, March £33 3s 9d-£33 1s 3d, April £33 ton.

ANTIMONY dull. English special brands £74 10s-£75, foreign refined spot £57 ton.

ALUMINIUM quiet. Home delivery £107, export £112 ton. Quick-silver firm. Spot £17 15s to £18 per bottle. Tin plates easier as fuel supplies are more plentiful at lower prices. I.C. coke prompt, 22s-22s 6d, forward 20s 9d-21s 3d box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, December 9, 1926.

A moderate demand has been forthcoming for actual cotton, and values show but little change. Markets have been very quiet and featureless, but a little short covering took place during the week owing to the approach of the U.S.A. Agricultural Bureau Report.

The latter was issued yesterday, and gave an estimated crop of 18,618,000 bales, with 14,645,000 bales ginned; abandoned acreage, 2.9 per cent.; acreage harvested, 47,653,000 acres; yield per acre, 187 lbs, this being the largest yield for many years. The crop figures were smaller than was generally expected, and the slight rally after the publication of the figures has since been lost. Cotton is now well below the cost of production, and no matter what the size of the present crop may prove to be, prices in excess of those current to-day are likely to be seen in the future. America can and intends to see that cotton is not thrown away, and in view of the financial aid given to growers, next year's acreage is likely to be seriously reduced. Values for Egyptian cotton improved during the week on short covering and rumours that the Egyptian Government were likely to intervene to sustain prices. The latter having been disproved by events, prices have fallen back almost to the low level of last week. News from Cairo to-day is to the effect that the Chamber has passed a law limiting cotton acreage to one-third during 1927 and the following two years.

Spot sales for the week 3rd to 9th inclusive were 37,000 bales, of which 20,680 bales were American, 3,000 Brazilian, 7,500 Peruvian, 2,600 Egyptian, 2,900 African, 50 East Indian, and 270 sundries. Imports for the same period were 134,094 bales, including 116,720 American, 940 Brazilian, 6,610 Peruvian, 8,229 Egyptian, 1,555 African, 1 East Indian, and 39 sundries. Quotations to-day are:—Middling American 6.47d, Egyptian fully good fair saket 13.45d, fully good fair uppers 9.05d, Brazil good fair 6.72d, Peru good fair mod-rough 8.50d, smooth 7.72d, Tinnivelly fully good fair 6.00d, East African good fair 8.15d, and West African middling 6.32d.

MANCHESTER, December 9, 1926.

Trade has shown no expansion, the majority of buyers still being inclined to act with caution. The latest American crop statistics have not brought about any distinct change in values. The opinion is gaining ground that increased activity in yarn and cloth is not likely to show itself until there are indications of higher prices. A fair scattered business has been done in piece goods for India. Demand still runs chiefly on the lighter styles and fancies, although isolated transactions have occurred for Calcutta in grey shirtings. Political news from China has been a little more hopeful, but trade still lags. Home trade buying has been restricted. In American yarn quotations there has been increased irregularity, and, owing to the poor demand, spinners are experiencing some difficulty in clearing the production. Some falling off has shown itself in the business passing in Egyptian spinnings, buyers being afraid of lower rates.

(I.) Comparative Statement of the Cotton Trade.

	Price, Dec. 9, 1926.	Previous weeks in 1926.				
		Price, Dec. 2, 1926.	Price, Nov. 25, 1926.	Price, Nov. 18, 1926.	Price, Nov. 11, 1926.	Price, Nov. 4, 1926.
Raw Cotton—Mid. American	d 6.47	d 6.59	d 6.96	d 6.99	d 6.9C	d 6.88
— Sakellaridis Fully Good Fair	13.45	14.10	14.65	15.00	14.80	15.00
— Egyptian	12.4	12.3	13	13	13½	13½
Yarns—32's twist	per lb 12½	13	13½	13½	13½	14
— 40's twist	per lb 12½	13	13½	13½	13½	14
— 60's twist (Egyptian)	per lb 24	24½	25	25½	25½	25½
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	22 9	23 0	23 0	23 3	23 9
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25 9	26 0	26 6	26 9	27 3	27 9
38-in. ditto, 38 yds, 18 by 18, 10 lbs	12 6	12 6	12 9	12 9	13 0	13 3
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	12 0	12 0	12 0	12 0	12 3	12 6

Estd.



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(II.) Compared with Previous Years.

	Price, Dec. 9, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American.....per lb	6.47	10.13	13.02	20.83	14.60	11.04
—Sakellaridis Fully Good Fair						
—Egyptian.....per lb	13.45	18.20	28.70	24.40	17.65	20.75
Yarns—32's twist.....per lb	12.3	16.8	23.4	28.4	20.3	18
—40's twist.....per lb	12.3	17.8	24.4	28.4	20	17.8
—50's twist (Egyptian).....per lb	24	32	41.8	38	28	32
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	27 9	36 6	40 0	30 0	31 0
36-in. Shirts, 75 yds, 19 by 19, 32's and 40's	25 9	32 6	41 3	43 6	32 0	31 0
38-in. disto, 38 yds, 18 by 16, 10 lbs	12 6	15 9	19 0	23 0	18 0	18 6
39-in. disto, 37 yds, 16 by 15, 8 lbs	12 0	14 1	17 6	21 3	16 6	18 0

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—All sections of the industry appear to be taking a somewhat more optimistic view of the immediate outlook, but actual business conditions show little material improvement. The raw material is moving freely in all the world's markets, and values are firm, but this show of strength is not reflected in the demand for tops and yarns. Little improvement is expected till the holidays are over, and in the meantime most firms will be busier than usual with year-end "window-dressing." Stock-taking will be a depressing affair, and balance-sheets will show the effects not only of the loss of trade due to the miners' strike but also of the slump in values since the latter part of 1924. At the end of September, 1924, warp 64's tops were quoted at 82½d per lb; to-day the price is about 47d. The only consolation is that wool and its products are now on what may be regarded as a fairly sound basis, and with no heavy stocks in any country there should be scope for a steady business. So far as the home trade is concerned, improvement must come from the piece goods end; in other words, a much larger demand is wanted for cloth in order to bring more machinery into activity. Fortunately, the remarkable recovery in the franc is all to the good of spinners and manufacturers in this country, and if French currency can be stabilised much will have been done towards removing the unfair competition producers have had to meet during the last year or two. Meanwhile, users are only buying in comparatively small weights, but quotations for tops and yarns are steady.

COLONIAL WOOL.
(FROM A CORRESPONDENT.)

Competition was good during the last week of the London sales. Excellent clearances were made and the end came with values on about the same level as the opening. Two or three times French buyers seemed on the point of commencing extensive operations, but the further appreciation of the franc was the signal for retirement. The standard of values was established by German, Alsace and home trade buyers, each section giving support. It is not expected that the quantity of wool to be carried forward to the next series will be large, but it would have been much better if most of the second-hand parcels had been cleared. Several importers are anxious to sell, but refuse to face the loss involved in the acceptance of present market values. Next year prices may be somewhat higher, and an opportunity thus afforded to clear these wools at cost price.

We do not consider that values in the last week were at all times equal to the highest point of the beginning of the second week. In the case of clips offered in two portions, one earlier in the series and the other during the closing week, prices for the latter have not always been equal to the former, but taking the series as a whole, we are satisfied that some excellent work has been done. The decline in both merinos and crossbreds is covered by 5 per cent., except that scoured crossbreds have sold steadily at fully 10 per cent. less. The fall in shipes is mostly 5 per cent. American competition has been almost entirely missing, but the home trade has bought freely, paying well up to current prices in consuming centres. The majority of buyers are now willing to admit greater confidence in the future of prices than at any previous time this year. In certain respects, however, the outlook is none too bright. Spinners' margins are very narrow, and an extension of the demand for fully manufactured goods is urgently needed. The offering of these at attractive prices should, however, bring out more business. No one wishes to see higher prices for either raw materials or partly or fully manufactured goods, certainly not until a much larger consumption develops and machinery is far better employed.

THE JUTE TRADE.

DUNDEE, December 9.

The outstanding feature has been the very large demand for goods of 10 ozs 40 ins make. The urgent necessity of River Plate buyers to replace the goods damaged in the collision with another steamer of the ss. *Kumeric* at a point near Monte Video, effected a clearance of all stocks of Calcutta 10 ozs 40 ins at this centre, and buyers then turned their attention to the Dundee-made article. Manufacturers have sold practically the whole of their production of 10 ozs 40 ins goods for delivery in December, and even for the first fortnight in January business has been done on a fair scale. Manufacturers have raised their prices for all weights of 40 ins goods, and it would now be difficult to find a seller of 10½ ozs 44 less than 4½d and of 8 ozs at under 3½d. The value of

10 ozs 40 ins quickly rose from 4d to 4½d paid. Spot Calcutta goods commenced at 3½d for 10 ozs 40 ins, and there are buyers of further quantities at the highest price paid of 3½d, but only trifling lots available. Orders for cloth, previously withheld in anticipation of lower prices, may now come out. As regards the raw material, there are still no signs of a decline in values. Calcutta maintains a steady tone, with mills purchasing on moderate lines. First marks have been sold at £36 for a short group of good actuals. December and Lightnings are not obtainable at under £29 10s to £30 10s, though Daisee and Tossa sellers have accepted the lower rates of £27 15s and £31 10s respectively for assortment. Good jute continues scarce, arrivals in Calcutta being of poor quality. Yarns have been very slow. Common 8 lb cops are at 3s 2½d, and spools at 3s 4d to 3s 5d.

HIDE, LEATHER, AND ALLIED TRADES.

The three top weights in best ox and heifer hides were ½d per lb easier at the auctions held in Bermondsey last Thursday. Prices now range from 6½d to 8½d, with seconds selling from 6d to 8½d per lb. No change from the previous week was recorded in connection with cows, while second bulls made ½d per lb less money. The sheepskin market was stronger, wools selling from 6s 6d to 11s 6d and hogs from 2s 10d to 11s 6d per skin. The imported hide market is firmer, and fregorifics a shade dearer, probably owing to Russian buying. Argentine ox are now quoted at 8½d, but the home trade are very sparing buyers. Dry hides are firm, and quite a big business has been done in Africans. B.A. Americans are quoted at 11½d. The Chicago position is cabled as firm, with best heavy packers selling at 15 cents. In spite of the advance in price of many classes of sole leather, buying has been rather active this week. Light bends of 8 lbs average are almost unobtainable. Repairers are still very busy, and are taking good deliveries of their usual classes of bends. The upper leather position is very firm, advances of 2d to 3d per foot being obtained for coloured glacé kid. Carriers are more busy, orders having come to hand for wax kip leathers suitable for miners' and artisans' boots. The boot and shoe section is gradually improving, but orders for spring wear continue to come along very slowly. Russian boots have sold well, and makers have practically no stock on hand.

VEGETABLE OILS AND OILSEEDS.

Markets have been quiet. Linseed oil is in poor demand from consumers, but is maintained around £31 to £31 10s per ton naked ex Hull mill for spot and delivery forward to April, with business reported in London slightly below this figure. Cotton

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oils are slow and easier, crude Egyptian offering freely at £30 15s, and technical refined at £34 10s, ex Hull Mill. Other soft oils are also easier. Castor oil, however, is firm at an advanced price. The new crop of Plate linseed has engaged some attention, and up to £15 2s 6d has been conceded for January-February shipment. Reports as to the condition of the growing crop vary, the latest indicating that the yield is likely to be less than anticipated, and much below last season's bumper crop. Old seed on spot and in near positions is scarce and at a good premium over shipment. Crushers, however, are only small buyers in view of the poor trade in oil. Cottonseed is easier, black Egyptians having been done at £8 10s on passage, with Sakellarides at £8 for shipment to March. Soya beans have been sold to the Continent at £11 5s. Castor seed is firm, and Calcutta to Hull has been done up to £17 15s., December-January.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—With sustained inquiries the market continued firm. No change in quotations of British refined or English-grown, the latter ranging from 31s 9d to 32s 6d, according to mark, ex factory terms. Imported granulated moved against buyers. Czecho, also Dutch J. 31s 9d. Shipment parcels sparingly offered and firmer. Czecho granulated, ready, 18s 7½d to 18s 9d; December, 18s 10½d; January-March, 19s 3d; April-August, 19s 7½d, f.o.b. Hamburg. Dutch J. ready, 19s, f.o.b., Rotterdam. Polish crystals, December, 18s 3d; January-March, 18s 6d, f.o.b., Danzig. Belgian crystals, December, 18s 7½d, f.o.b., Antwerp. Cuban 96 per cent., February-March, 19s 9d; Peruvian, December-January, 16s; preferential, February-March, 19s 3d, c.f. and i., U.K. White Mauritius, December-January, 21s 4½d, c.f. and i., London. White Java, January-March, to Calcutta, quoted, 21s 6d; July-September, sold, 18s 1½d; October-December, 18s 3d, c. and i. terms. White Terminal section active and higher, though slightly irregular at times, while influenced by the report that the Cuban President was to sign the Decree governing restriction of the crop. December, sold, 18s to 18s 2½d; February, 18s 6d; March, 18s 6d, 18s 8½d, 18s 7½d and 18s 8½d; May, 18s 9½d. 18s 1½d, 18s 10½d and 18s 11½d; August, 18s 11½d, 18s 10½d and 18s 11½d; December, 17s 4½d per cwt.

COFFEE.—There is a good steady demand from the home trade for all suitable qualities, and these realise full rates, but with no extension in export requirements medium and common varieties are barely steady. Kenya, mid to good mid, sold, 142s to 148s 6d; bold, 159s 6d to 160s 6d; peas, 159s to 160s; Kilimanjaro, bold, 141s 6d to 146s 6d; peas, 146s to 149s; new crop, bold Mexican, 164s; peas, 181s. Futures idle.

COCOA.—Spot market firm with a fair demand, and fine Grenada sold, 65s; Trinidad, 68s; Bahia, 62s. Accra, for shipment, advanced sharply, but lately disclosed some irregularity. F/F, November-January to January-March, sold, 49s to 56s and 54s, f.o.b.

TEA.—Indian auctions during the week amounted to 53,790 packages. There was a good demand for all teas possessing character of leaf and flavour at full to dearer rates. Medium sold well at a steady range. Good clean common wanted at ½d decline, while commonest kinds ruled ½d per lb down. Quality of some invoices from Southern India disclosed an improvement, and in such cases realised higher prices. Pekoe, sold, 1s 0½d to 1s 7d; orange, 1s 2½d to 2s 3d; broken, 1s 2½d to 2s 3d. Ceylon sales of 22,200 packages also attracted good support with regard to fine teas and where quality of same was maintained, while fetching full to dearer prices. Common, however, declined ½d to occasionally ½d per lb. Pekoe, sold, 1s to 2s 2½d; orange, 1s 5½d to 2s 5d; broken ditto, 1s 6d to 2s 7d. China teas continue in but retail support. Ningchows, sold, 1½d; Keemuns, 2s to 2s 4d; Panyongs, 1s 4d; Souchong, 2s 5d to 2s 6d. 4,266 packages Java were catalogued in auction, which met a very irregular market, while the bulk of offerings consisted of parcels possessing poor liquor in the cup. These marked a decline of ½d to 1½d per lb, and many lots were withdrawn. A few fine invoices sold steadily. Pekoe, sold, 1½d to 1s 1½d; broken ditto, 8½d to 1s 4½d; pekoe souchong, 1½d to 1s 1½d; orange, 1s 1½d to 1s 2d; broken orange, 10½d to 1s 7d per lb, in bond.

RICE.—There is nothing fresh to note in this market. With quite a lack of support from all quarters, due in a measure to weakness in the freightage situation, quotations in most instances are quite nominal. Bran firm, quiet. Rangoon, afloat, £6 2s 6d per ton, ex ship. Beans quietly, steady. Peas dull. Japanese, spot, 28s 6d; afloat, 27s 6d; December-January, 27s 9d cwt.

SPICE.—Pepper quieter, and with sellers more in evidence prices took a downward turn. Black Singapore, f.a.q., January-March, 11½d; Lampong, October-December, sold, 10½d to 10¾d; January-March, 11s; Muntok, L.S., October-December, 10½d; January-March, 11s 7d. Cloves firmer, and Zanzibar, October-December, sold, 9½d; January-March, 8½d. Pimento, spot, 8½d lb. Sago flour firm, and Sarawak, December-February, also January-March, sold, 15s 9d. Singapore flake tapioca, December-February, to Havre, quoted 16s; Penang seed, to London, 18s cwt. Ginger quiet.

FRUIT (Dried).—Currants continue in request at full to dearer rates. Pyrgos quoted 35s 6d; Patras, 37s to 38s; Gulf, 39s to 44s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanias quiet, and prices barely steady. Smyrna, medium to good, 66s to 72s; medium to fine Cretan, 67s to 85s; Australian, sold, 60s to 78s. Raisins sell readily at full rates. Valencia, quarter-boxes, sold, 56s to 74s. Dates move off quietly. Hallowee, new crop, 30s; Khadowee, 20s; air, 16s 9d; cartons, 34s to 36s, landed terms, London. Figs firm. Lacouns, 105s to 140s; layers, 68s to 80s; genuine, 32s to 34s. Evaporated fruits quiet, apart from rather more interest in medium size plums. Californian apricots, extra choice, 125s; South African, first grade, 132s 6d. Plums, Californian, new, 30/40's, quoted 64s;

50/60's, 51s; Oregon, old, 30/40's, 62s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s per cwt. Almonds firmly held. Mazagan, 160s; Magador, 160s; Sicily, 172s 6d.

CANNED GOODS.

CANNED FISH.—Market generally quiet, as usual at this period of the year, moderate supplies being ample for requirements. Sardines—Portuguese clubs quoted 4s 6d per dozen tins. Salmon—red, tall, 1 lb, quoted 45s to 47s; tall pink, 26s to 27s; halves, 38s to 39s; Siberian halves, 34s to 35s. Lobsters—best ½'s, 160s; ¼'s, 80s to 85s. Crayfish—½'s, 76s to 77s; ¼'s, 49s to 50s per case. Japanese crab unaltered. Herrings 7s per dozen tins.

CANNED FRUIT.—There is no general improvement in demand, fresh business being retarded by the arrival of contract parcels, and prices occasionally the turn easier, particularly for secondary qualities of peaches and pears. Californian Bartlett pears, 24-2½'s, quoted, choice, 12s to 12s 6d; secondary, 9s 6d to 9s 9d. Californian peaches, choice, 11s 9d to 12s 3d; seconds, 8s 6d to 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s to 9s 3d per dozen tins. Singapore pines in quiet request on the spot, while forward business is restricted owing to high selling limits. Italian tomatoes quietly steady.

CANNED MEATS move off quietly, on about former terms. Corned beef, 6's, quoted 38s to 44s, as to quality. Danish lunch tongues, 112s to 128s; American, 140s to 147s 6d, as to quality. Danish boneless hams, cooked, 1s 6½d per lb, for cases of six tins.

CONDENSED MILK.—Machine-skimmed remains steady on lighter supplies, but full-cream quiet. Evaporated milk continues in request. Cases of 48/16 oz tins quoted 18s 6d; 96/6 oz, 20s per case. Danish cream, 48/6 oz, 20s per case.

HONEY.—Market firm, especially for white grades, with a fair demand. Jamaica, 40s to 55s; Haiti, 37s 6d to 50s; Cuban, 35s to 50s; Australian, 40s to 50s; Californian, fine bri ht golden liquid, 55s per cwt. New Zealand, 18/7 lb tins, 85s per dozen.

RUBBER.

Quiet, and prices moved against sellers. Plantation standard sheet, spot and December, sold, 1s 6½d to 1s 6¾d; January, 1s 6½d to 1s 6¾d; February, 1s 7d to 1s 6¾d; January-March, 1s 7d to 1s 6¾d; April-June, 1s 7½d to 1s 7¾d; May, 1s 7½d lb.

GENERAL.

JUTE.—Market generally quiet, but steady. Firsts, October-November, continent, quoted £30 5s; November-December, £29 15s; December-January, £29 12s 6d; January-February, sold, £26 10s; February-March, £26 17s 6d ton. Hessians firm, especially for 10 oz, and December, sold, 31s 100 yards.

HEMP.—Manila sparingly offered and firm, but consuming demand keeps quiet. J, October-December, quoted £48; K, November-January, sold, £46; L, ditto, quoted £46; M, 1, £43; D.L., sold, £35 15s ton. New Zealand, also African sisal unaltered.

THE STANDARD LIFE
ASSURANCE COMPANY

(Established 1825.)

TRIENNIAL INVESTIGATION
as at 15th November, 1926.

The Directors of The Standard Life Assurance Company have pleasure in declaring a Reversionary Bonus for all ordinary participating policies in force on 15th November, 1926, at the rate of

40/- %

PER ANNUM

in respect of the past triennium.

They also intimate that in future bonuses will be declared
ANNUALLY.

The next Investigation will therefore take place as at the 15th November, 1927.

THE STANDARD LIFE
ASSURANCE COMPANY

Head Office: 3, GEORGE ST., EDINBURGH.

LONDON: 110, Cannon Street, E.C.4.
and 15a, Pall Mall, S.W.1.

DUBLIN: 59, Dawson Street.

CONDITIONS in Lombard street have been irregular this week. On the first two days supplies of short credits were fairly plentiful, but calling in of a substantial amount by one of the joint stock banks on Wednesday occasioned considerable stringency, and eventually the market had to borrow a fair amount from the Bank of England, On Thursday the money called in was lent again for a week.

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and credits were consequently in ample supply. Loans into the New Year are now in good demand at about $4\frac{1}{2}$ to 5 per cent. The discount market has been influenced by the changing monetary situation, and by the week's fairly heavy efflux of gold, though the rate for three months' bills has not been perceptibly higher than last week, yesterday's quotation being $4\frac{1}{8}$ per cent. The payment this week of some £19 millions for the service on the debt to the United States for six months had no effect upon the market, the necessary arrangements for this transfer being in operation more or less continuously.

	Dec. 17, 1926.	Dec. 10, 1926.	Dec. 3, 1926.	Nov. 26, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	4 (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount Call	3	3	3	3	2 (Dec. 3, '25)
Houses Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

Thursday's Bank return showed a decline of £1,140,700 in the stock of coin and bullion and an increase of £254,200 in the note circulation, so that the Reserve declined by £1,394,900, the Proportion falling to 26.7 per cent. Government securities were reduced by £7,275,000, but Other securities increased by £7,588,200; Public deposits rose by £2,340,100, but Other deposits fell by £3,486,800. Currency notes were increased by £1,812,000 to £291,226,300, which includes £1,288,700 for notes called in but not yet cancelled. The fiduciary issue is £233,687,500, or £14,215,000 below the maximum for 1926.

The Bank of France on Thursday reduced its rate of discount from $7\frac{1}{2}$ to $6\frac{1}{2}$ per cent., and the rate of interest on advances from $9\frac{1}{2}$ to $8\frac{1}{2}$ per cent.

NEW YORK MARKETS.

Our New York correspondent cables:—The directors' recommendation of a 40 per cent. stock dividend for United States Steel represents a good melon-cutting, which has long been anticipated on account of the corporation's great surplus and strong cash position. It also reflects confidence in industrial prospects by well-posted conservative financiers. The security markets have been buoyant on cheap money and greater optimism; the turnover exceeds two million shares daily, and the speculative public is intrigued. The Federal Reserve statements are complicated by the tax date, with the usual big Government borrowing, chiefly at the local bank. The circulation is higher and the system's ratio is 2.4 per cent. lower, but 1 per cent. above a year ago. The Bureau of Labour's index number for November shows a decline of 1 per cent. at 148.1, which is the lowest for the past two years. The chief declines are in farm products, cotton and silk, with industrials fairly steady.

THE STOCK MARKETS.

Business in the stock markets has been on a small scale, activity being confined to a few particular sections. Gilt-edged stocks have remained unusually firm for the time of year. The new Belgian scrip has risen to nearly $8\frac{1}{2}$ premium and other European issues continue to attract attention; Chinese bonds have fluctuated with the daily news from China. Home Rails are neglected, but Argentine railway stocks have been good on anticipations of better traffics in the near future. Rubber shares have drooped, the market being out of favour, and tea shares arouse no public interest. The publication of the Armstrong, Whitworth scheme produced heavy falls in the company's debentures and shares. In the industrial market tobacco shares were strengthened by the British American Tobacco Co.'s dividend announcement. Dunlops have been active, but close slightly lower on balance. Shares of cable construction companies were active on amalgamation rumours. Kaffir shares were unaffected by the December dividend announcements. Sub Nigels have been good. The issues of new capital by the Amalgamated Press, Scottish and Southern Counties Investment Trust, Limited, New Zealand Loan and Mercantile Agency, and Snia Viscosa were over-

subscribed. Underwriters of the Phoenix Oil Products issue were left with 19 per cent.

THE COMMODITY MARKETS.

Good progress is being made with the resumption of production in those industries affected by the coal stoppage, but the imminence of Christmas and a general expectation of further reductions in coal prices are producing a certain tendency on the part of buyers to hold off the market. Fuel production has further increased, and exports are being resumed, chiefly on pre-strike contracts. There is a large volume of inquiry for iron and steel, but prices are not yet low enough to attract new business on a large scale. Cotton has been firmer, but business in yarn and cloth remains quiet. Wool tops and yarns are moving only in small volume, but more activity is recorded in the high-class worsted goods section. The wheat markets have shown no marked activity this week. Sugar is similarly a quiet market, and though tea offerings have been on a larger scale than of late, demand has shown no marked response. Rubber remains steady, with off-grades in request. Tin has been firmer this week, copper irregular, and lead easier after a strong opening.

FOREIGN EXCHANGES.

The week in the foreign exchange market was dull, and the business done was very small. The New York rate opened at $4.84\frac{1}{2}$ on the 10th, and was steady there until just at the close on the 11th, when it declined fractionally. On Monday it was harder at just over $4.84\frac{1}{2}$, on Tuesday better again at $4.84\frac{1}{2}$, and finished at 4.85 . Wednesday's closing rate was $4.85\frac{1}{2}$, and there it has since remained. Forward rates were at 1-32c premium on spot, for both one and three months. It is difficult to say definitely to what influence the rise in the dollar rate may be attributed, but it is not inconsistent with the recent German heavy buying of gold here. The suggestion is that Germany's dollar credits are being converted into sterling for this purpose. The Berlin rate was very firm throughout, forward reichsmarks being at $1\frac{1}{2}$ pf and 2 pf discount on spot for one and three months. The Paris rate opened on the 10th at $124\frac{1}{2}$, a little weaker than the previous close, and, after touching 125, closed at $124\frac{1}{2}$. On Saturday there was a fall to $121\frac{1}{2}$ -122, on Monday another to $121\frac{1}{2}$ -122, but Tuesday saw a reaction to $122\frac{1}{2}$ -123. On Wednesday the rate was better at $121\frac{1}{2}$ -122, and yesterday it was very steady at $121\frac{1}{2}$, with one and three months' forward rates narrower at $\frac{1}{2}$ and $2\frac{1}{2}$ pf discount on spot. The lira rate opened at $111\frac{1}{2}$ on the 10th, and jumped to $106\frac{1}{2}$ next day. The Italo-German treaty and Count Volpi's optimistic speech in the Senate are quoted as possible causes. There was a good deal of fluctuation subsequently, the rate hardening to $104\frac{1}{2}$ at one time on Monday, weakening to $109\frac{1}{2}$ on Tuesday, and to $110\frac{1}{2}$ at one time on Wednesday; but it closed the day, however, better at 108. Yesterday the rate was worse at 109; one and three months forward delivery being at $\frac{1}{2}$ lire and $2\frac{1}{2}$ lire discount on spot. Of the gold exchanges, Amsterdam moved against this country on Monday, Tuesday, and Wednesday to $12.12\frac{1}{2}$ -13, but yesterday the rate fell away again to the opening level of 12.13. The peseta was better on balance yesterday at 31.83, against an opening level of 31.91, after touching 31.70-75 on Tuesday and 31.75-80 on Wednesday. Oslo was weaker on balance at 19.20 after opening at 19.15, as was the drachma at 387 yesterday, against 383. Bukarest closed fractionally better yesterday at 950. Fluctuations and weakness characterised the Rio rate, a reflection of the general condemnation here of the attempt to stabilise the milreis at 6d. The rate fell at one time to $5\frac{1}{2}$ d, but came along better this week to $5\frac{1}{2}$ d-7 d on Tuesday and Thursday, and remained there yesterday. The Buenos Aires rate hardened up considerably. After opening at 45 31-32d-46 1-32d, it had improved to 46 3-32d-5 3-32d on Thursday, and again to 46 1-32d-46 1-32d yesterday. The Montevideo rate also improved considerably, being at $50\frac{1}{2}$ d-51 d on Thursday and $50\frac{1}{2}$ d-51 d yesterday, after opening at $49\frac{1}{2}$ d-50 d. In the Far East the rupee remained steady at

is $5\frac{1}{2}$ d-25-32d throughout. The yen was weaker on balance yesterday at $2.03\frac{1}{2}$ d, against the opening rate of $2.04\frac{1}{2}$ d. The silver market was quiet and dull, with a weakish tendency, only the absence of supplies preventing a further easing of prices owing to the disinclination of buyers to come forward. Some selling on India and China occurred, but small business was done, and prices fell slightly. The silver exchanges were dull but steady, and the rates remained unchanged on balance, after occasional slight fluctuations in either direction.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended December 11th:—

(000's omitted.)			
EXPENDITURE.		RECEIPTS.	
Supply Services	£ 7,714	From Revenue	£ 12,568
Interest, &c., on Debt	5,083	Increase in Debt	860
Sinking Fund	290		
Sundries	56		
Increase in Balances	279		
	13,428		13,428

The revenue for the week amounted to £12,568,300, as compared with £10,102,900 in the corresponding week last year. Customs were slightly lower at £2,634,000, against £2,714,000; but Excise amounted to £1,946,000, against £1,886,000. Property and Income-tax brought in £895,000, as compared with £1,278,000, while Super-tax at £560,000 was £10,000 higher. Ordinary receipts amounted to £16,200, against £33,100, and Special Receipts were £2,181,800, against £1,600. The week's operations increased the National Debt by £860,000, and caused the following changes:—

(000's omitted.)			
	£		£
National Savings Certificates ..	150	Treasury Bills	2,770
Bank of England Advances ..	9,500	Public Department Advances ..	8,600
Sundries	860		
	10,510		11,370

The floating debt was increased by £1,845,000 to £832,756,000.

FINANCIAL YEAR, 1926-1927 (April 1 to December 11, 1926).

£		£	
Total Expenditure ..	577,152,697	Raised by Revenue ..	446,972,873
		Decrease in Balances ..	3,784,544
		Amount borrowed ..	126,395,280
Total	577,152,697	Total	577,152,697

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
		Deficit	£977,000

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—British Columbia Electric Railway, Bank of London and South America, National Bank of Scotland, Western Australian Bank, Orient Steam Navigation Company, Dorman Long and Co., City of London Electric Lighting, Atlas Light and Power, Scottish Tea and Lands of Ceylon, Killinghall (Rubber) Development Syndicate, Singapore Para Rubber Estates, Richard Thomas and Co., Pekin Syndicate, Amalgamated Anthracite Collieries, Rudge-Whitworth, Steaua Romana (British), British Burmah Petroleum, Showell's Brewery, Mawchi Mines, Van Ryn Gold Mines Estate, and Johannesburg Consolidated Investment. An interesting review of conditions and prospects in South America was given at the meeting of the Bank of London and South America. The chairman of the Pekin Syndicate drew a gloomy picture of the situation in China. Both Sir Arthur Dorman, the chairman of Dorman Long and Co., and Mr. Arthur Dorman, the managing director, were optimistic in their remarks to shareholders. The latter mentioned that conversations have taken place to discuss a possible basis for participation in the European Steel Cartel, but that no decision has yet been reached.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

THE FUTURE OF THE LIBERAL PARTY.

If the session of Parliament which has just closed has not produced any decisive change in the immediate outlook of the political parties, it has at least thrown into clear relief certain problems, which for each of them may lead to important developments in the near future. The Conservative party, with its prestige enhanced by successes in the field of foreign policy, and by a very satisfactory Imperial Conference, need not perhaps feel any serious alarm at the dissatisfaction aroused by its ineffective and wavering handling of the coal crisis, or the decline in the Conservative poll at by-elections. It must feel, nevertheless, that it is entering on a period when two problems will be faced, on the handling of which its immediate future will largely depend, namely, the reform of the House of Lords, and the amendment of trade union law. For the Labour party the events of the last seven months have provided sufficient food for uneasy thoughts, and its chiefs must feel some anxiety as to the reflection which these events may produce upon the party strength. But for them the developments of the immediate future are to this extent beyond their control—that they depend more than anything else upon the methods adopted by the Government in relation to trade union questions. It is beyond doubt that any legislation which the working-classes could possibly interpret as an attack upon labour standards and organisation would swell the ranks and revive the strength of political Labour.

It is, however, the Liberal party whose domestic affairs and prospects have been most prominently canvassed during recent times. Considering its diminished numbers in the House of Commons and its alleged moribund condition outside, the Liberal party has managed to attract to itself an unusual share of public attention in the last few weeks. There is, however, universal agreement that the present state of the party is in no sense a true indication of the extent of "Liberal" opinion in the country. On the contrary, the feeling is widespread that, without going to the length of dramatic upheavals, there is nevertheless a need for important social changes which will give greater equality of opportunity, and also that in the sphere of industry there is room for considerable change in the relations of capital and labour, of producer and consumer, and of the State and industry, without losing the benefits of the incentive and freedom of private enterprise. In such matters the progressive reforming outlook which is typical of Liberalism has unquestionably permeated both of the other parties to a considerable extent. Or, again, who can fail to recognise that the results reached at the recent Imperial Conference in regard to the constitution of the Empire are the clear corollary of Liberal thought and policy in another sphere? The same is true of recent events in Ireland, Egypt, and in other parts of the world.

But if the nation is tending to adopt a liberal attitude in more important aspects of internal and external policy, is it desirable or—in the political circumstances of the day—is it possible that a separate Liberal party should continue in existence? The answer to these questions has a vital bearing on the future political structure of the nation.

On the whole, the more farsighted members of both the Conservative and the Labour parties recognise that it is desirable that the Liberal party should continue in existence. The Conservative realises that if the Liberal party were crushed out of existence it would leave as the only alternative to a Tory Government a Socialist Government which would be in grave danger of being unduly swayed by its left. At the same time no Government can expect to escape defeat for ever, and the Opposition must sooner or later take the reins. On the other hand, moderate Labour statesmen equally realise the danger of emphasising class conflict if the Labour party, based as it is on the trade unions, overthrows the Tory Government single-handed. They recognise that the outlook of the party must be broadened into a national one before they can properly undertake the government. In other words, the Labour party needs to imbibe the ideas which the

Liberal party is best fitted to supply. Neither Tories nor Labourites, however, seem able to translate this theoretical goodwill into actual help to the Liberal party by modifying in any way the party warfare in the constituencies or by agreeing to an electoral reform which would give fairer representation to minority parties. The future of the party must therefore depend on its own efforts, and on them alone. It is this fact which lends importance to the discussions of the last few weeks and to the efforts which have been made for restoring unity in the party.

The story of the division among the leaders of the Liberal Party, starting in the early years of the war and culminating—in spite of the effort to restore unity in 1923—in the dispute of June last, is a familiar story that need not be recalled here. It is all quite relevant when attempting to apportion credit or blame, but we do not propose to attempt that difficult task. Nevertheless, if recent events are to be understood, the important point to recognise is that the bulk of the Liberal Party, though disagreeing with many of the acts of Mr. Lloyd George in the last ten years, are not prepared to follow the action of Lord Oxford and break finally with Mr. Lloyd George and his supporters. In the country the partisans of both sides realise that for the most part they share a common outlook and common ideals; they are acutely apprehensive of being driven out of politics altogether or finding themselves compelled to choose between two parties, with both of which they are out of sympathy, and they feel that they have a policy of which the country stands in need. Hence arises an almost passionate determination to maintain the party in being. It was this that prompted the action of the National Liberal Federation at Weston when it declared its loyalty to Lord Oxford, but added, in effect, that it wished the party to be big enough to include Mr. Lloyd George. It was an attempt to "localise the conflict" and confine it to the leaders, while maintaining the party intact. But if there was to be one party there must be a single "neutral" organisation and one fund. The Administrative Committee of the National Liberal Federation has been giving effect to these clearly expressed wishes of the rank and file in discussing plans for a united organisation for the handing over of Mr. Lloyd George's fund to the central machine. The position of Lord Grey and those who think with him was made clear at Monday's dinner to Mr. Vivian Philipps. They cannot see their way to co-operate, but they do not propose to start a separate party or even a separate section of the party. This decision is wise, for the "non-co-operators" are rich in ability but poor in followers—a sort of Luxemburg army, with more officers than privates. They will continue to work for Liberalism in their own way, and, though refraining from taking part in the official organisation, will be found working for policies with which they agree.

The position would be clear if it were not for the individual case of Mr. Vivian Philipps, the chairman of the Organising Committee and the chief executive officer of the party. It is one thing for a man who cannot fall in with the majority wishes of the party to remain in it as a free-lance; it is quite another to dissent but to remain chief executive officer. It is unfortunate that Mr. Philipps should consider it his duty to insist that the Administrative Committee, consisting of men and women who have been his colleagues, must relieve him of his appointment; but they are left with no alternative. As the *Westminster Gazette* said in a leading article on Thursday:—"Those who wish him (i.e., Mr. Lloyd George) to be neither master nor paymaster have no option but to stand aloof from these transactions and maintain their freedom. That they will do with all possible charity to those who think differently, but they will do it with zeal and energy, believing that in this way alone it is possible to maintain the freedom and restore the fortunes of the Liberalism that they believe in." If the party is to continue as an active political force its affairs must be conducted by those who are willing to co-operate in the work of restoring its fortunes.

It is a mistake to assume that the Liberal Party has been bought, or that Mr. Lloyd George will henceforth control the machine. The "non-co-operators" include many famous Liberal names. But Liberalism is rich in

talent. Outside the list of the "12" there are many prominent Liberals, who are capable of taking a leading part in guiding the fortunes of the party, and their numbers have recently been reinforced by Sir H. Samuel, who has declared his intention of returning to politics, and Lord Reading, who is now taking an active part in running a Liberal journal. Moreover, though Mr. Lloyd George's money will form the greater part of the funds of the central office, the rank and file of the party is putting up a much larger sum in the local areas. The Liberal Party will be a really free party, capable of attracting back those who in recent years have tended to drift away from it, provided it can reveal internal sources of energy and enthusiasm.

GERMAN DISARMAMENT: A SOLUTION.

THE Council of the League are to be congratulated on having substantially settled a war-controversy which has been dragging on—as a dead weight upon the progress of reconciliation in Europe—ever since the Peace Conference. Once again, as at Locarno, Sir Austen Chamberlain has done his part by acting as a sympathetic and straightforward mediator; but the chief honours fall to M. Briand, who has borne the brunt of the negotiations. His position in Geneva—with M. Poincaré in the saddle in Paris—must at moments have reminded him unpleasantly of certain days at Cannes in 1922. Indeed, there were moments when it seemed as though another trial of strength between this strangely assorted pair of statesmen was inevitable. However, times change so inexorably that even a Poincaré cannot help changing with them. This time, M. Poincaré gave way; M. Briand received a distinct, though chilly, blessing from his Government, and the settlement for which he had been fighting so valiantly went through. Indeed, as a Geneva correspondent says on a later page, good business has been done there this week.

It will be remembered that, under the terms of the European peace treaties, the disarmament of Germany and her quondam allies was placed, in the first instance, in the hands of the victors in the war, who not unnaturally took extensive powers in a matter which they regarded as of capital importance for their security in the future. It was provided, however, that when the task of disarmament had been completed in this way, the permanent supervision necessary in order to prevent the work being undone should eventually be carried on by the League of Nations. The first phase, which proved even more complicated and controversial than had been foreseen, was repeatedly entangled in other controversies, particularly that over Reparations, and was finally interrupted altogether by the Franco-Belgian occupation of the Ruhr, since, so long as the German passive resistance lasted, it was made impossible for the French and Belgian members of the Inter-Allied Commission of Control to carry on their duties in unoccupied German territory. Nevertheless, before this interruption occurred a substantial part of the work had been done; and when the *détente* in Franco-German relations began in 1924 the prospect of concluding the Inter-Allied phase of the work of disarmament seemed sufficiently near at hand for the League to work out a scheme, in readiness for the moment when it would be called upon to take over responsibility. In fact, in the course of 1924, a scheme was not only drafted at Geneva, but was approved by the Council; but, unhappily, as the first phase drew towards a close, the mass of outstanding issues—for the most part relating to minutiae and technicalities which were incomprehensible to the layman—produced a volume of acrimonious controversy which threatened to poison the relations of the French and German Governments once again. It will be remembered how this weary controversy retarded,

though fortunately it did not prevent, the evacuation of the outermost of the three zones of Allied occupation in the Rhineland. In the informal memorandum, deposited with Sir Austen Chamberlain, in which the sense of the new agreement is put on record, it is apparently noted that, as lately as last June, more than a hundred issues were still unsettled. By the time when the late session of the Council opened the number of unsettled issues had been reduced to two—the question of the renovation of the fortifications of Königsberg in East Prussia and the question of the manufacture in Germany, for export, not only of war material but of plant intended to be used for the manufacture of war material elsewhere.

The former question does not seem very important to the lay mind. That Germany should pay special attention to fortifications in East Prussia, and should struggle to obtain the utmost scope that the most favourable interpretation of the Treaty would allow her, is an inevitable reaction to the creation of the Polish corridor. If the moral effect of the corridor upon the relations between Germany and Poland can be effaced by time and Locarno, Germany will lose her zest for spending money upon keeping the fortifications of Königsberg up to an efficiency equivalent to that which they possessed upon the coming into force of the Treaty. On the other hand, if the corridor remains an open wound, restraints upon the fortification of Königsberg will do nothing whatever to diminish the resulting danger to the peace of Europe. Königsberg is a secondary affair. The definition of war material, however, may be a matter of far-reaching importance; for if the definition desired by the German soldiers and manufacturers were to be accepted, it seems as though Germany might be able to assist every unstable or aggressive country in the world—from Mexico to China and from the U.S.S.R. to Abyssinia—to equip itself rapidly with the plant for turning out munitions on the grand scale. Thus Germany might build up arsenals for herself abroad, or she might wage war by proxy, or she might put herself in a position to re-equip at short notice herself as well as her neighbours. We do not for one moment suggest that these ideas are in the mind of the present German Government, but it is quite legitimate that other Governments should take them into serious account.

These two questions still remain to be dealt with by the Conference of Ambassadors, and we do not doubt that—slowly and painfully—they will be solved like the 98 others which have been scotched since last June. Meanwhile, it has been agreed that they shall not be allowed to hold up the execution of the main agreement concerning the transition from inter-Allied to League of Nations control. This transition is to be effected by the withdrawal of the Inter-Allied Commissions of Control at a date not later than January 31st next; and the 1924 scheme, unlike other dead mutton, has come out of cold storage in considerably better condition than its original state. The original scheme provided for a standing supervisory organisation, in which the severity of the supervision would be relaxed and the work would be conducted by representatives of the League and not of the Allied Powers, but in which the principle of constant control would be maintained. The revised scheme provides—and this is both a great concession and a great improvement—that while the new machinery shall be in constant readiness at Geneva, it shall only be brought into play upon a specific order for investigation, which will be given by the Council of the League proceeding on a majority vote. This arrangement ought to save much friction—the more so since the *amour propre* of the four countries to which the scheme applies is to receive consideration in various ways. For example, any one of these four countries may have a member serving on the Commission of Investigation when it is in one of the other three countries that the particular investigation is to be carried out.

This settlement has been accepted, though somewhat sullenly, by public opinion in France, and is causing embarrassment to the Conservatives in Germany, owing to the difficulty which they are finding in picking holes in it. These two facts should cause satisfaction to all good Europeans.

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THE OWNERSHIP OF BRITISH INDUSTRIAL CAPITAL.—I.

THE economic historian of the future, viewing in perspective the enormous expansion in the world's trade and industry during the nineteenth and twentieth centuries, may be inclined to assign to the nameless inventor of the principle of limited liability, as applied to trading corporations, a place of honour with Watt, Stephenson, and other pioneers of the Industrial Revolution. The genius of these men produced the means by which man's command of natural resources was multiplied many times over; the limited liability company the means by which the huge aggregations of capital required to give practical effect to their discoveries were collected, organised and efficiently administered. The main characteristics of the British limited company are its sharp differentiation between the provision and the management of capital; its compromise between the legitimate but partially conflicting desires of shareholders and creditors for the utmost degree of security; and its attributes of corporate personality and perpetual succession. For over sixty years English law has provided for the granting of such facilities to all who care to ask for them and abide by the rules of the game, and the limited company has long been the prevalent form of legal organisation for trading purposes. Over 220,000 concerns, with an aggregate nominal capital of nearly £10,000 millions, have been registered under the Companies' Acts since 1863, of which over 95,000 with a total paid-up capital of nearly £4,500 millions remain in existence to-day. It is true to say that much the largest share of British industrial resources is administered by British companies, whose earnings provide the lion's share of the nation's annual income, and whose "reserve allocations" are a substantial part of its annual savings.

Although the law insists on the registration, with a central authority, of fairly extensive particulars of internal organisation in the case of all companies, and presumes that everyone having dealings with these concerns is fully conversant with the information thus made available, public knowledge of the affairs of companies as a whole, as distinct from those of individual units, is meagre in the extreme. We do not know, for instance, whether their capital is mainly owned by many persons or by few—in other words, whether the holders of company shares are an oligarchy or a democracy. Nor can one state with confidence whether or no the control of company operations, which ultimately depends on voting power, is exercised by small bodies of "capitalists," or distributed over a host of smaller shareholders. No returns are available to show how far the capital of British companies is owned by persons domiciled in this country, or how far annual dividends fall to be remitted overseas, and thus constitute an "invisible" item on the import side of our trade balance. Many of these questions have a direct bearing on contemporary social issues, but the difficulties in the way of providing a satisfactory answer are well-nigh insuperable. In theory, any person may repair to Somerset House and study the record of every company registered. In practice the collation of information contained in some 95,000 files, some of which run

into several volumes, is too long and expensive a matter for any private inquirer.

While anything like an exhaustive survey of the subject would thus appear to be ruled out, there is no reason why a process of careful sampling should not yield useful results. The practice of judging bulk by sample is universal among merchants, and familiar to all statisticians. Provided the sample be not too small a part of the whole, and be taken without bias, it can legitimately form the basis of conclusions which, while falling many degrees short of exactitude, are vastly better than no conclusions at all. Applying the method of sampling to British joint-stock capital, we have examined the Somerset House files of a limited number of the best-known public companies of Great Britain, representing as many industries as possible. The results of the inquiry possess considerable interest, and will be summarised in this and succeeding articles.

The companies fall into two groups, as follows:—

Group 1.—Large-size Concerns:—Imperial Tobacco Company, Courtaulds, Anglo-Persian, Brunner Mond, Vickers, Dunlop Rubber, Cunard Steamship. Total paid-up capital examined,* £19½ millions.

Group 2.—Concerns of Moderate Size:—General Electric Company, Spillers' Milling, Phoenix Assurance, Ebbw Vale Steel, Bass, Ratcliff and Gretton, Marconi's Wireless Telegraph, English Sewing Cotton, Debenture Corporation, Cairn Line, Rover Company, Savoy Hotel. Total paid-up capital examined,* £32 millions.

Two sets of figures were taken in each case, viz.:—Series A: Every hundredth shareholding (approximately) in each company in Group 1, and every fortieth shareholding (approximately) in Group 2; Series B: All holdings of 10,000 shares (or £10,000 stock) or over.

We may first see what light is shed by these investigations on the question of the magnitude of average individual holdings of capital. The following table shows the number of shareholders (to the nearest hundred in each case) in relation to the total paid-up capital, as regards companies in Group 1:—

AVERAGE SHAREHOLDING.—GROUP 1.

Name of Company.	Class of Capital.	Total Paid-up Capital.	Total Shareholders.	Average Holding.
Imperial Tobacco.....	Preference..	£ 12,857,936	29,700	£ 430
	Ordinary ..	29,951,697	77,200	388
	Total ..	42,809,633	106,900	401
Courtaulds.....	Preference..	8,000,000	19,700	406
	Ordinary ..	12,000,000	28,200	426
	Total	20,000,000	47,900	417
Anglo-Persian Oil.....	Preference..	10,500,000	40,400	260
	Ordinary ..	8,950,030	17,100	524
	Total	19,450,000	57,500	338
Brunner-Mond.....	Preference..	4,000,000	11,000	364
	Ordinary ..	9,749,303	26,200	372
	Total	13,749,303	37,200	370
Vickers.....	Preference..	8,363,807	24,000	348
	Ordinary ..	4,105,161	46,400	89
	Total ..	12,468,968	70,400	182
Dunlop Rubber	Ordinary ..	6,723,042	51,600	130
	Ordinary ..	4,456,189	14,000	318
Total	..	119,657,135	385,500	310

The figures in the last column are instructive. The highest average holding—if the Anglo-Persian ordinary shares, of which a large block is held by the British Government, be omitted—is no more than £430, while the lowest (apart from the figures of Vickers and Dunlop, which are both affected by a recent writing down of capital) amounts to £260, and the mean figure for the £120 millions of capital examined to £310. The average holding of preference capital comes out at £350, and of ordinary at £291. The next table shows similar figures

* According to last statement filed in each case.

as regards the smaller companies, which are included in Group 2:—

AVERAGE SHAREHOLDING.—GROUP 2.

Name of Company.	Class of Capital.	Total Paid-up Capital.	Total Shareholders.	Average Holding.
General Electric Co. ..	Preference..	£ 3,600,000	13,000	£ 277
	Ordinary ..	2,141,975	10,100	202
	Total ..	5,741,975	23,100	249
Spillers' Milling	Preference..	1,159,986	2,400	483
	Ordinary ..	2,643,688	8,300	318
	Total ..	3,803,674	10,700	356
Phoenix Assurance	Ordinary ..	3,792,795	8,500	446
	Ordinary ..	1,200,000	4,400	273
Ebbw Vale Steel	Ordinary ..	2,500,000	7,800	321
	Total ..	3,700,000	12,200	303
Bass, Ratcliff, & Gretton	Preference..	1,360,000	2,000	680
	Ordinary ..	2,040,000	1,900	1,074
	Total ..	3,400,000	3,900	870
Marconi's Wireless Tel.	Ordinary ..	3,249,913	24,600	132
	Ordinary ..	1,000,000	6,300	159
English Sewing Cotton	Ordinary ..	2,000,000	9,700	206
	Total ..	3,000,000	16,000	188
Debenture Corporation..	Preference..	1,000,000	2,800	357
	Ordinary ..	1,000,000	2,000	500
	Total ..	2,000,000	4,800	417
Cairn Line.....	Ordinary ..	1,200,000	2,900	414
	Ordinary ..	1,050,000	8,300	127
Savoy Hotel	Preference..	250,000	1,000	250
	Ordinary ..	738,934	2,400	308
	Total ..	988,934	3,400	291
Total	..	31,927,291	118,400	270

Here the highest average is recorded by a brewery concern, and the lowest by a motor manufacturing company, but the spread of the remaining figures is not much greater than that recorded in the case of the bigger concerns in Group 1, and the average for the eleven companies is only 10 per cent. less. "Preference" holdings show a similar tendency to exceed "ordinary," the respective averages being £300 and £259. Taking all the companies in both groups together, the mean figures are: Average holding of preference capital, £340; of ordinary capital, £283; of all capital £301.

That £152 millions of industrial capital should be parcelled out among more than 500,000 holders, each possessing on the average no more than £300, does not necessarily prove that Great Britain is predominantly a nation of "small capitalists." It may be that investors are accustomed to keep their eggs in many baskets. The statistics do, however, suggest that the best known British companies tend to draw their individual supplies of capital, not from a few vast reservoirs, but from innumerable small streams. This highly important conclusion will be criticised and elaborated in a subsequent article.

THE NEW ELECTRICITY LEGISLATION.

(BY A CORRESPONDENT.)

AFTER many difficult months, the Electricity Bill has struggled past Scylla and Charybdis into the open sea beyond—scarcely the clean-cut vessel it was before entering the narrows, but still recognisably a vessel. In spite of the many obstacles to efficient performance which the opponents of the Bill in its original form have been able to create in the Committee and Report stages in both Houses of Parliament—notably the use of the machinery of arbitration on an excessive scale, and the direct limitation of the duties of the Central Board to co-ordination

rather than to complete executive control of electricity supply in this country—the foundations of a national system have been definitely laid. The constitution of the Central Electricity Board will decide the success or failure of the new legislation, and the great misfortune of the Electricity Bill as amended has been precisely its failure to protect the Central Board from pure obstructionism, or, at least, to give it a weapon powerful enough to overcome at once unjustifiable opposition.

The main principles incorporated in the new legislation are in line with the most advanced tendencies of modern economic thought. Centralisation of control, specialisation in the generation as apart from the distribution of electricity, concentration of output in the most efficient units, amalgamation of supply undertakings in joint electricity authorities acting in conjunction with the Central Board, standardisation and uniformity in production and in costing, regulation of price both to the distributor and the consumer, all enter into the new system, and have received the approval of engineering and financial experts. The electricity supply industry is in a peculiarly favourable position for reorganisation of this nature. In the first place, it has prepared and issued the fullest statistical records of production costs, output, and price, and its standards of efficiency can be measured with almost complete accuracy; in the second place, scientific and technical progress has been more rapid in it than in almost any other industry, especially since the end of the war, and such progress has been invariably towards the creation of larger productive units, more extensive transmission systems, and closer investigation of fuel economy resulting from more effective distribution of load; in the third place, it has no diversity of manufacture and no traditions to weaken seriously its power to advance steadily on a wide front; and, in the fourth place, it has enjoyed a monopoly, both regional and national, in production and price. Conditions were abnormally favourable to reorganisation on a scientific basis, and the Electricity Bill comes almost as the first stage in a natural process, which would in all probability have culminated without it in the formation of a great national system.

The magnitude of the task confronting the Central Electricity Board can be seen from the sixth annual report of the Electricity Commissioners now published. In six years only eight of the fifteen electricity districts provisionally determined have been finally approved and the work of reorganisation initiated: London and the Home Counties, South-East Lancashire, Mid-Lancashire, North Wales and South Cheshire, South-West Midlands, East Midlands, West Midlands, Edinburgh and the Lothians. The North-East Coast area, supplied by the Newcastle Electric Company and its subsidiaries, should be added to this list. The West of Scotland, West Riding (Aire and Calder), North-West Midlands, Mersey and West Lancashire, South Wales, Lower Severn and the North Lancashire districts have not yet been finally determined. In the nine areas where a central organisation, advisory or executive, has been set up, about 44 per cent. of the entire population of Britain is concentrated, and the output of electricity is equivalent to 63 per cent. of the total national output. The remainder of the country, including the seven electricity districts not yet approved, is responsible for 37 per cent. of the total output. In 1925-26 the production per head of population was, in the nine areas, almost exactly 270 units, and in the rest of Britain 125 units, the national average being 190 units. If we further develop our examination, reorganisation on what may be considered a permanent basis has taken place only in four areas, North-East Coast, South-East Lancashire, South-West Midlands, North Wales and South Cheshire; interconnection and selection of generating stations, long-distance transmission systems and pooling of power supplies have been almost completed, and the Central Board can do little more than recognise what has been done, concentrating its attention on other and less developed areas.

The first step would lie, therefore, in acceleration of the programmes already under discussion for the Mid-Lancashire, London and Home Counties, East Midlands, West Midlands, Edinburgh and the Lothians districts, creation of joint electricity authorities, wherever possible,

especially in the West of Scotland, West Riding, and North-East Midlands districts, so that some uniform plan of regional development can take place before the elaboration of the national scheme. The influence of reorganisation on the demand for electricity can be seen in the two averages of 270 units and 125 units noted above, while, in the four areas where scientific co-ordination is already in operation, the output per head of population is now in excess of 350 units. It will be difficult to ensure a general levelling-up of electricity production over the whole country (the concentration of industries in well-defined regions has been an important factor in causing diversity), but it is sufficiently clear that even in the most advanced districts considerable progress must still be made.

A disquieting feature in the situation has been, however, the decline in the rate of progress in electricity output during the last three years. The following table illustrates the position:—

THE GENERATION OF ELECTRICITY IN GREAT BRITAIN (1920-26).

Year.	New Generating Plant Sanctioned. (Kilowatts.)	Output of Electricity. (Millions of Units.)	Increase over Previous Year. (Per Cent.)
1920-21	687,247	5,167.3	..
1921-22	169,503	4,884.7	..
1922-23	422,338	5,738.7	17.5
1923-24	476,532	6,681.5	16.4
1924-25	479,877	7,415.3	11.0
1925-26	585,700	8,122.9	9.5

The assumption that saturation is being reached fairly rapidly might be justified on a cursory examination of these figures. If it is remembered, however, that industry, which accounts for 70 per cent. of the total demand, has been consistently depressed during the last four years, the decline in the rate of progress can be explained. It is quite possible that electricity has only reached about 20 per cent. of its potential demand in this country, and the position since 1921 must be considered as sub-normal.

In the year ending March, 1927, the increase recorded will probably be less than 2 per cent., owing to the coal strike; London and the Home Counties, South-West Midlands, North Wales, Edinburgh, and the Lothians have maintained their rate of progress, but the other areas have lost ground. In 1920-21 there was a definite shortage of generating plant, which the following years have gradually made good, 1925-26 being a record year, so that, at the moment, there is a surplus. The steady introduction of new generating plant has been one of the most remarkable developments. In April, 1925, the total capacity of the generating plant in the possession of authorised undertakers (apart from railway, tramway, and non-statutory authorities) was given at 3,723,514 kilowatts, while the new plant sanctioned over the period 1920-25 amounted to 2,076,146 kilowatts. If we add the total sanctioned for 1925-26—namely, 556,716 kilowatts—we can estimate the percentage of new plant at 60 per cent. of the total of all generating plant installed. Taking Britain as a whole, and allowing for the possibility that reserve plant (generally 33½ per cent.) will be composed preferably of older units, we can assume that practically the entire load on the generating stations is being taken, or will be taken in a short time, by plant not more than six years old. In this, the explanation for the swift rise in thermal efficiency may be found. In 1921-22 the average fuel consumption per unit generated was 3.11 lbs of coal, but in 1924-25 it had fallen to 2.53 lbs, and may be estimated at 2.42 lbs. in 1925-26—an improvement of 22 per cent. in five years. In South-East Lancashire the rise in efficiency from 1919-20 to 1925-26 was even greater than the national figure—in 1919-20 one unit of electricity required 3.11 lbs of coal, but in 1925-26 1.90 lbs sufficed, a reduction of 39 per cent. in six years. The net saving in coal due to higher efficiency can be calculated. The output of 1925-26, granted the thermal efficiency of 1921-22, would have taken 10,300,000 tons, instead of the 8,400,000 tons recorded.

The development of electricity supply, as recorded in the sixth annual report of the Electricity Commissioners, touches on many difficult and fascinating problems, which only the scientific and technical progress of the industry

will solve. The Central Electricity Board has before it a complicated task, but, if conceived on sound economic lines, its work must have a lasting significance for the industrial prosperity of the country.

THE SECOND DAWES ANNUITY.

THE Report of the Agent-General for the second completed year of the Dawes Plan, dated November 30, 1926, covers a period during which the German national economy has been passing through a phase of great difficulty. This very fact lends additional interest to the very elaborate and detailed exposition of the economic life of Germany, which, as we have had occasion to remark before, makes the Agent-General's Reports one of the most valuable international public documents to which students of European affairs can refer.

The total payment contemplated by the Dawes Plan for the second annuity year amounts to 1,220 million gold marks. The budgetary contribution and the transport tax were each to come to 250 millions, a sum of 500 millions being provided for the Reich by the sale of preference shares in the Railway Company, and, if necessary, a domestic loan was to be raised. Neither sales of shares nor a loan proved necessary; the German State holds shares to the amount of 500 million marks "in satisfaction of its right to the proceeds of sale of a corresponding amount of the shares, so that it has in substance chosen to invest such an amount in the preference shares of the Railway Company instead of attempting to use its right to the proceeds for the purpose of financing the Budget contribution and the payment from the transport tax." Further instalments were to come from the reparation bonds of the Railway Company, and from interest on the industrial debentures, to an amount of 595 and 125 millions respectively. As modified in practice, the annuity has been paid thus:—

	In Miln. Gold Marks.
Interest on German Railway Bonds	550
Budgetary contribution	250
Interest on German industrial debentures	125
Transport tax	242
	1,167

Whilst the *mode* of payment has thus been left unaffected, though the *source* of payment has in effect been somewhat modified, during the second year, what the Report itself describes as "a most important change in the arrangement of the annuities payable under the terms of the Plan" results from an agreement arrived at in the course of the present annuity year. In virtue of the original Plan, a rise in the yield of the controlled revenues made the German Budget liable for supplemental contributions.

The actual course of development, had the original Plan not been changed, would, in fact, have called for such supplemental contributions in the third and fourth years of the annuity. By an agreement concluded in September, 1926, Germany is to make a single payment of 300 millions in the third annuity year, instead of the two separate supplemental contributions. "The new arrangement.....means that the third annuity will amount to 1,500 million gold marks, as compared with 1,220 millions in the second annuity year, while the fourth annuity will stand at 1,750 million gold marks, and the fifth at 2,500 millions. The result is a better graduation of the annuities, which will reduce the danger of undue strain on the German economy and facilitate the even flow of deliveries and payments." Apart from the obvious technical advantages, the rearrangement is an interesting and convincing proof of that friendliness and mutual understanding which, as the Report remarks, is "indeed a growing tradition" of the actual working of the Plan.

Public opinion has already learnt the distinction between the budgetary problem and the transfer problem, and is in process of learning the distinction between the budgetary burden and the burden on the national economy. So long as the German Government raises the annuity by taxation, the budgetary burden remains, even though, from the standpoint of Germany as a whole, an

amount equal to the taxation so imposed is raised from abroad. The resources which Germany, through her taxpayers, is deprived of are made good, but the taxpayers still suffer a real loss.

During the second annuity year the net amount available for transfer came to 1,269.5 millions, in consequence of the carry-over from the previous year, and certain smaller items, being added to the actual annuity. The total amount transferred came to 1,175.9 million marks. Of this amount 760 millions represented payments in terms of gold marks for Army costs, deliveries in kind, and the like; 416 millions were transferred in foreign currencies, and, towards the end of the annuity year, an amount of 65 millions (included in the above total) was actually transferred in cash. Thus only about 5 per cent. of the total sum due has been a direct burden on the exchange. On the other hand, the position of the annuity, in relation to the German balance of payments, would appear to be other than that usually entertained. In the first annuity year the merchandise balance of 3,400 millions was increased by net payments made by the Agent-General, and additions to the stock of Reichsbank gold to a total of 4,500 millions. Against this the German loan of 1924 and earnings of shipping, totalling together 1,500 millions, reduced the net deficit to 3 milliards, conjecturally covered by short-term borrowings. In the second annuity year there was a favourable merchandise balance of 300 millions, increased to 600 millions through shipping earnings. Foreign long-term loans of 1,750 millions make the total 2,350 millions. The Reichsbank absorbed 495 millions more gold and devisa, the net Reparations payments came to 416 millions, so that Germany still had the right to draw 1,450 millions. But whilst in the first year foreign credits were the real source out of which foreign reparation payments were made, "in the second year of the Plan, reparation payments transferred in the form of foreign currencies, amounting in all to 416 million gold marks, were somewhat more than equalled by the surplus derived from the export of goods and services, amounting to somewhere around 600 million reichsmarks. It remains to be seen whether in the future a similarly fortunate result can be obtained.

Turning now to the internal German situation, there are various features of the German budgetary position rightly stressed by the Report. The financial position of the Reich has been greatly affected by the unemployment problem. This has involved not only considerable direct expenditure upon unemployment relief, but has stimulated the policy of capital investment for the purpose of providing "productive unemployment relief." Its further effects have been to make it necessary to include the proceeds of loans among the possible sources of income on the revenue side of the Budget, and to expand the "Extraordinary" Budget expenditure from 725 millions in 1924-5 to 1,308 millions in 1926-7. The expediency of the whole concept underlying the extraordinary Budget is questioned by the Agent-General, who raises the issue "whether it would not be sounder policy for the Reich, if it finds that its investment policy has led to a shortage in its working funds, to replenish its funds directly by realising on the investments themselves, instead of putting a further burden on the domestic capital market, by borrowing new money in the name of the Reich." The period of living on surpluses accumulated in the past having, for the time being at least, come to an end, the question of the financial relations between the Reich and the States is even more important than it was immediately after stabilisation, but though the Reich has called for returns in order that a definitive re-arrangement might be come to before March 31, 1927, "it now appears that the statistics already called for will not themselves be available for some time to come, and it has accordingly been announced that the present provisional status will have to be continued.....This further postponement, following several earlier delays, is cause for sincere regret, as a definite settlement is urgently necessary in the interests of the country as a whole."

The diminution in the financial resources of various Government departments has made the problem of the relation of the investment policy of these departments to the credit policy of the Reichsbank a less acute one, but there still appears to be room for improvement, especially

in regard to the activities of the Railway Bank, the "Verkehrs-Kreditbank," which makes most of its profits from interest on balances kept with other banks: "funds in such volume if invested primarily for profit and without due consideration for the Reichsbank's credit policy, are bound to have a disturbing and dislocating effect on the money markets. They are also bound to stimulate stock market speculation, if indeed they do not exert a dominating influence there. Under these conditions, the value of the Verkehrs-Kreditbank to the economic system is not apparent....."

The social and economic life of Germany has, of course, been dominated by the business depression. It is satisfactory, however, that widespread unemployment does not appear to have checked the growth of savings deposits, nor even produced a decline in wages, the facts seeming to indicate that "employers preferred to economise in the number of men employed rather than in the amounts paid to those retained. Toward the end of 1926 some small resumption of the upward tendency (of wages) was observed."

The depression has, of course, greatly stimulated the progress of the nationalisation movement, including under this head not only the elimination of inefficient concerns, but the tendency to horizontal instead of vertical combination, and the building up of the internal financial resources of enterprises. Wages have not risen, nor have lower prices been fixed for finished products; "industrial managers have evidently proceeded upon the theory that it was desirable first to pay off debts and increase working capital." Unfortunately, nationalisation is likely in the immediate future to keep up the level of unemployment, which "constitutes a social problem of the first importance.....Lasting relief is likely to come only when the economies made in production and distribution lead to the opening up of wider markets, and these in turn to greater production and the re-employment of workers."

INDUSTRIAL PEACE.—I.

(FROM A LABOUR CORRESPONDENT.)

THE question of industrial peace is again commanding considerable attention. The zeal of the supporters of this movement, however, leads them into two dangers. The first is the tendency to magnify the volume and intensity of open industrial warfare, and the second is to assume that there is some single royal road towards the establishment of a reign of industrial peace.

From 1910 to 1925 inclusive 292,730,000 working days were lost in Great Britain and Northern Ireland in consequence of strikes and lock-outs, or an average of about 18,295,000 working days per year. If we exclude the war years, the lowest figure for the past 16 years was 8,361,000 days lost in 1924 and the highest 82,269,000 in 1921, when there was a coal stoppage which lasted three months. The figures for 16 years are, of course, enormous in the aggregate, though on the average they work out at about one day per year per worker. The number of days for which sickness benefit is paid each year under the National Health Insurance Acts, in England and Wales alone, dwarfs into insignificance the time lost through industrial stoppages in the whole of Great Britain and Northern Ireland. According to the Chief Medical Officer of the Ministry of Health, the total number of weeks represented by the sickness and disablement payments in 1925 may be estimated at about eight million weeks' sickness and seven million weeks' disablement for men and at 5,500,000 weeks' sickness and 4,500,000 weeks' disablement for women. These figures, which do not include the first three days of incapacity, for which sickness benefit is not payable, give a total of 25 million weeks' work lost in 1925 through sickness.

It is impossible to compare the amount of lost time due to industrial disputes with the number of idle days due to enforced unemployment, but during the five years 1921-25 inclusive the number of unemployed has never fallen below a million, and has been much higher. It may be argued that at least some of this unemployment was

itself the outcome of industrial disputes; but, even so, it still remains true that there is far more enforced idleness arising from trade depression than there is lost time arising from strikes and lock-outs. It may also be urged that open or veiled industrial hostility is a factor in retarding the return of economic prosperity. The point, however, which is being made is that the leakage due to trade disputes is not nearly so large as the wastage due to other factors. These figures are given not to minimise the economic dislocation arising from industrial strife, but to put the problem in its true perspective so far as this can be done by the use of statistics.

Moreover, it is not to be assumed that industrial stoppages are spread over the whole of industry. In some trades they are infrequent and almost unknown. In others they are recurring phenomena. The table below shows the strikes and lock-outs of the 16 years, 1910-25, classified by groups of industries:—

Groups of Industries.	No. of Stoppages 1910-1925.	Percentage of Total.
Building.....	1,496	10.7
Mining and quarrying.....	2,816	20.1
Metal, engineering & shipbuilding.....	3,412	24.4
Textile.....	1,364	9.8
Clothing.....	762	5.5
Transport.....	1,062	7.6
Other industries and services.....	3,085	22.0

It will be observed that mining and quarrying, metal, engineering and shipbuilding account for nearly one half the disputes culminating in stoppages, and that the proportion of the total stoppages due to disputes in certain important groups of industries is relatively small. It may, of course, be argued that the number of people employed in these different groups varies, but even if we assume (though the assumption is not necessarily a sound one) that the more people there are engaged in an industry, the greater the likelihood of trade stoppages, the results still show a much heavier incidence of strikes and lock-outs in some groups of trades than in others:—

Group of Industries.	Percentage of Total Disputes. 1910-1925.	Percentage Employed of Total Population. (1921).
Building.....	10.7	4
Mining and quarrying.....	20.1	7
Metal, engineering, & shipbuilding.....	24.4	13
Textile.....	9.8	7
Clothing.....	5.5	5
Transport.....	7.6	7
Other industries and services.....	22.0	57

The foregoing table reveals the fact that building, mining and quarrying, metal, engineering, and shipbuilding are responsible for a greater proportion of the industrial stoppages which occur than the size of the industry—if this be a factor—would warrant. These figures, to those interested in the establishment and maintenance of industrial peace, call for an examination of the economic organisation and methods of negotiation, the general economic circumstances, and the psychology and outlook of the workers and employers in the various industries.

A national stoppage on the scale of those in the mining industry in 1921 and during the present year loads the total figures of time lost very heavily. Moreover, it is not generally recognised that, taking the past sixteen years, nearly one half of the 13,982 strikes and lock-outs in Great Britain and Northern Ireland recorded in the recently issued Abstract of Labour Statistics* lasted less than a week. Again, though the number of stoppages is large, it is small in relation to the large number of negotiations that take place about wages and other matters. The Ministry of Labour state, for example, that only 1.3 per cent. of the wage changes that took place last year involved a stoppage of work. Negotiation is, in fact, the normal method of settlement of outstanding differences. In general, though, of course, there may be exceptions, every practicable means of averting a stoppage is exhausted before a deadlock results in notices to strike or lock-out. Even where stoppages occur a settlement is reached in roughly three-quarters of the disputes in recent years by direct negotiation between the parties or their representatives, whilst subse-

* "Eighteenth Abstract of Labour Statistics of the United Kingdom." Cmd. 2740. 1926. 4s net. Obtainable from H.M. Stationery Office, Adastral House, Kingsway, W.C.2.

quent arbitration terminates only 2 or 3 per cent. of the strikes and lock-outs.

In any consideration of the problem of industrial peace it is important to bear in mind the various causes of stoppages. The following table analyses the causes of strikes and lock-outs from 1910 to 1925 inclusive.

Causes or Objects of Strikes and Lock-outs.	Percentage of Total Number of Disputes, 1910-1925.
Wage increases	41.7
Wage decreases	9.8
Other wage questions	13.5
All wages questions	65.0
Hours of labour	3.5
Employment of particular classes of persons	15.9
Other working arrangements, rules, and discipline	6.5
Trade unionism	7.1
Miscellaneous questions	2.2

It will be seen that about two-thirds of the industrial stoppages originate in wages questions, and of these two-thirds arise from demands for wage increases. All other questions are responsible for only a minority of the disputes resulting in stoppages.

It is, of course, difficult to arrive at any general agreement as to whether a particular dispute terminates in favour of the workers or the employers. But the Ministry of Labour have published their own analysis, which may be summarised as follows:—

Percentage of Disputes—	%
(a) Settled in favour of workers	25.8
(b) Settled in favour of employers	29.9
(c) Compromised	44.3

It will be seen that about a quarter of the stoppages of the last 16 years ended in favour of the workers, and rather more in favour of the employers, whilst over two-fifths terminated in a compromise. It is, of course, a hypothetical question whether the results would be substantially the same if the dispute had been settled without recourse to the strike or lock-out. It is, for example, open to argument that had there been no strikes the results would, on the whole, have been as favourable to the workpeople as they proved to be after a stoppage. On the other hand, it is equally a matter for argument that without a stoppage, and by resort to other methods, a proportion of the stoppages which terminated in favour of the employers might have swollen the percentage of settlements by compromise.

If we analyse the results of disputes further from the point of view of the numbers of workers involved in disputes over the past 16 years, the results are as follows:—

Stoppages Ended.	Percentage of Total Number of Workers Directly Involved.
In favour of workers	20.1
In favour of employers	15.4
By compromise	64.6

It will be observed that nearly two-thirds of the workers directly involved in stoppages during the years 1910-1925, inclusive, witnessed a settlement by compromise, and that the number of workers who emerged victorious was greater than the number for whom the settlement meant defeat. If the workers are convinced that the compromises reached after strikes are better than they would have been without a stoppage, and that compromised settlements, and even unsuccessful strikes, have averted worse evils, the strike weapon is hardly likely to be surrendered. On the other hand, if, as regards the great majority of stoppages which end in compromise, the employers believe that the results might have been less favourable to them had the lock-out not been used, they will not willingly surrender their right to lock out. Unfortunately, it is impossible to ascertain the nature of the compromises reached, which range from those in which the workers obtain nine points to those in which they lose all but one point. Nor is information available to show the character of the disputes in which compromises were reached. No doubt the greater number were wages disputes where, of course, compromise is much easier than in the case, say, of disputes on trade unionism which raise questions of principle that fall into the category of "non-justiciable" disputes. There is little of practical value to be drawn from the analysis of the results of industrial stoppages, except that the majority are settled

by compromise, and do not result in complete victory for either one side or the other.

The foregoing considerations, based upon the facts, must be borne in mind by industrial pacifists. A study of the facts goes to show that:—

(1) The vast majority of the issues on which there is disagreement between employers and workers are settled by direct negotiation, and a smaller proportion of cases by conciliation and arbitration, without resort to either the strike or the lock-out.

(2) The number of days' work lost by industrial stoppages is insignificant compared with the days lost through disease or enforced unemployment.

(3) A substantial proportion of the industrial stoppages are of short duration.

(4) There are certain groups of industries where strikes and lock-outs are more frequent than in the rest of industry.

(5) The majority of industrial disputes are settled by compromise.

THE ARMSTRONG-WHITWORTH SCHEME.

In our last issue, in commenting on the financial position of some of the important iron and steel companies of the North-East Coast, we gave figures showing the disastrous effect of the coal stoppage upon the results of these concerns. We did not suggest that financial reconstruction in the heavy iron and steel trades was inevitable, but the question naturally arises, and at the meeting of Dorman, Long and Co., Limited, the chairman, Sir Arthur Dorman, referred to it. "Rumours are rife about the position of the heavy steel trade," he said, "and we see many suggestions being put forward that there will have to be wholesale reconstruction," but added that he saw no reason to change the views he had expressed a year previously, which were to the effect that a writing down of capital was unnecessary.

The armament companies, however, are in different case. Vickers, Limited, has already been submitted to drastic reconstruction, and Armstrongs, whose accounts for the year 1925, published in June, showed a deplorable state of affairs, are faced with a similar process.

The scheme of arrangement put forward this week by the directors of Sir W. G. Armstrong Whitworth and Co., Limited, is something of an innovation. In such cases the rights of preference shareholders are usually the first to suffer, but in the present instance the position of ordinary and preference shareholders remains quite untouched—for the moment, at all events—the rights of the debenture holders being the subject of interference. Briefly, the scheme proposes a moratorium of five years on the debentures and notes other than the 4 per cent. first mortgage debentures. All profits until the moratorium is ended are to go to pay the interest on the securities affected.

It may be recalled that at the annual meeting in June the chairman gave a very frank review of the company's unhappy position, his remarks being largely based on a preliminary report made by Mr Frater Taylor and Sir Gilbert Garnsey. These gentlemen have now presented a supplementary report which says in effect that, as a result of their further survey during the current year, they are satisfied that the position as disclosed by them in their previous report was not exaggerated, and that, on the contrary, some matters have turned out to be worse than was expected. In the circular now issued to the debenture and note holders the directors, in a summary of the situation as disclosed at the annual meeting, state that "certain of the company's larger investments, and more particularly their civil engineering undertakings, have resulted disastrously. An outstanding example of the kind is undoubtedly the company's investment in the Newfoundland Power and Paper Company, Limited, which at the present time stands in the books of the company at £2,864,184, exclusive of guarantees, and on which there are little prospects of any return in the near future. It is not advisable, especially where a building-up policy is being attempted, to discuss critically the company's investments in detail, but, including S. A. Armstrong di Pozzuoli (Italy), Armstrongs have approxi-

mately £10,000,000 invested in undertakings foreign to their original business, on which no return is being made or is likely to be made for some time to come. It is appropriate here to say that there are certain companies, including the Newfoundland company, which have possibilities, but it is most obvious to all concerned that intensive work and considerable time must be spent on such enterprises."

Since 1922, debentures, notes and loans have increased from £5,109,100 to £14,393,600, the latter including bank and other loans for £5,292,900. The figures of profits given in the circular, which differ slightly from those disclosed in the annual reports, are as follows:—

Year.	Net Earnings Available for Interest.	All Interest Charges.	Surplus + or Deficiency.	Add Special Additions to Profits from Reserves, &c.	Balance as per General Profit & Loss Account.
1922	£ 436,342	£ 268,793	+ £ 167,549	£ 300,000	£ 467,549
1923	265,577	235,425	+ 30,152	406,224	436,376
1924	680,826	344,861	+ 335,965	169,285	506,250
1925	415,780				
Less—Provision for special losses	925,621				
	509,840	613,573	—1,123,413	1,131,911	8,498

Attention is called, first, to the seriously increased fixed charges which the company has to bear, and, secondly, to the disastrous results for the year 1925, in which special provision of £925,621 for actually ascertained losses had to be made. "The outlook for the years 1926 and 1927 is that full charges cannot possibly be earned. It will be appreciated that in any business connected with the iron and steel trade it is exceedingly difficult, under present circumstances, to forecast results with any degree of reliability. Further, any profits that may come from operations at Elswick, Openshaw, and the shipyards will be materially affected by losses sustained elsewhere, more especially on civil engineering contracts at home and abroad. As a result of the policy which is being pursued, no new civil engineering orders have been booked. Assuming that the company's request for temporary relief in respect of interest charges is granted, as well as the banking facilities which are being sought, it is believed that, with the financial provision which the company has been able to make through a satisfactory sale of its holding in the Armstrong Whitworth Development Company, sufficient funds will be available for carrying on the business." If the scheme is passed, the company's bankers have agreed not to demand payment during the moratorium period of the principal sum owing for advances up to £3 millions, or of the interest due, unless in any year there is a surplus, after paying interest on the debenture stock and notes, excluding the amounts held by the bank as collateral for the advance.

"It will be the company's deliberate aim to get rid of losing ventures on the best terms possible, and to encourage and aid those subsidiary companies where there are reasonable possibilities of protecting the investment. Generally, the policy will be to concentrate as far as possible upon the main works of the company on the Tyne and at Openshaw, but it is vital that the necessary opportunity should be given to the new management to re-study the situation, which, although admittedly very complicated, is still full of possibility, especially in view of the world-wide reputation of and goodwill attached to the name of 'Armstrong.'"

The effects of the main provisions of the scheme of arrangement are as follow:—

Under clause 1 the available net profits for the years 1926 to 1930 inclusive, and the six months ending June 30, 1931, will be utilised to pay the interest upon the second stock, the notes, and the consolidated stock in respect of the period ending July 1, 1931, together with interest at 5 per cent. per annum on any such interest which may not be punctually paid. The net profits will be applied in payment of, first, interest up to 5½ per cent. on the second stock, and the interest on the notes; secondly, the remaining 1 per cent. interest on the second stock and the additional interest of 5 per cent. upon any interest in arrear on the second stock and the notes; and, thirdly, interest at 6½ per cent. on the consolidated stock and the additional interest of 5 per cent. upon any interest in arrear on that stock. Interest will be payable within 14 days after the completion of the audited accounts of the company for each of the years 1926 to 1930 inclusive, and for the half-year ending June 30, 1931.

Under clause 2, in so far as such interest on the second stock, the notes, and the consolidated stock is not paid out of the net profits, the following amongst other provisions will have effect.

Under clauses 3 and 5 a calculation will be made as at July 1, 1931, of the amount which may then be due to each holder of second stock and each holder of consolidated stock for interest (including additional interest at 5 per cent. on any interest in arrear) and as soon as possible thereafter the company will issue to the holders of second stock registered "A" interest certificates and to the holders of consolidated stock registered "B" interest certificates equal in nominal value to the total amount of interest and additional interest for the time being remaining unpaid. The "A" and "B" interest certificates will carry interest at the rate of 6 per cent. per annum from July 1, 1931, until payment, and each series will be redeemed and paid in cash by 20 equal instalments on January 1, and July 1 in each year, commencing on January 1, 1932. The certificates redeemable on each occasion will be determined by drawings. The company will be at liberty to redeem all or any part of the "A" interest certificates and (provided that all the "A" interest certificates have been redeemed) all or any part of the "B" interest certificates at any time upon giving not less than one calendar month's notice. All interest to be represented by "A" and "B" interest certificates will be included in and secured by the mortgage or charge constituting the respective securities for the second stock and consolidated stock respectively. No further redemption fund payments in respect of the second stock will be made until November 1, 1932. The date for the redemption of the second stock will be extended from January 1, 1946, to January 1, 1956, and the date for the redemption of the consolidated stock will be extended from December 16, 1939, to December 16, 1949.

Under Clause 4 the principal of the notes and all interest thereon until payment, including the additional interest as mentioned in Clause 1 of Scheme will be payable on October 7, 1931, instead of April 7, 1927, and all such interest will be included in and secured by the charge constituting the security for the notes. The trustees for the note holders are to be authorised to agree to this scheme as holders of the £2,000,000 second stock, held as security for the notes.

Under Clause 7 the company is given power to mortgage or charge its assets (other than property and assets which are specifically mortgaged under the various trust deeds) in priority to the first stock, the second stock, and the consolidated stock provided that any such mortgage or charge shall be created for securing the repayment of advances to be made by bankers and/or others in the ordinary course of the business of the company and/or for securing guarantees or undertakings to be given by or on behalf of the company in favour of any Government or other customers of the company for the due performance of contracts or for work to be carried out, or for materials to be supplied by the company or by any of its subsidiary or controlled companies.

Under Clauses 8 and 9, until July 1, 1932, three-fourths of the directors of the company shall be representatives of the holders of the first stock, the second stock, the notes, and the consolidated stock nominated by the stockholders' committee, consisting of Sir George May, K.B.E., Mr Archibald H. Campbell, Mr J. H. Clifford Johnston, Mr R. P. Sloan, Mr J. Proctor Green, and Mr J. Frater Taylor, or their successors, and the company shall appoint any persons so nominated as directors of the company, and such of the present directors of the company as shall be required by the committee shall resign from the board. No meeting of the directors of the company will be effective unless at least a majority of the directors present thereat are directors nominated to the committee. The company shall make and retain all requisite alterations in its articles of association to give effect to this scheme.

Under Clause 10 the company shall not pay any dividend or any of its share capital until all postponed interest under the scheme and interest thereon have been paid.

Under Clause 12, if at any time before July 1, 1931, any of the events mentioned in this clause happen, and the said committee certifies that the scheme should in the interest of the holders of the second stock, the notes or the consolidated stock cease to have effect, the scheme shall immediately cease to have effect except as therein mentioned.

With reference to clause 7, which modifies the trust deeds securing the debenture stocks so as to allow the assets to be secured with bankers and others, the directors say that the want of the banking and other facilities has been found to handicap the carrying on of the company's business, and the granting of these facilities will be of considerable assistance in the future to the management.

The publication of the scheme was followed by a sharp fall in the prices of the company's securities on Monday, as may be seen from the following table, which compares Monday's and Tuesday's with those of last Friday and of the end of April:—

Name.	No. of Shares or Amt. of Stk. Quoted.	Middle Price End April, 1926.	Middle Price Dec. 10, 1926.	Prices.	
				Dec. 13, 1926.	Dec. 14, 1926.
Armstrong (Sir W. G.)	5,512,500	8/9	5/3	2/6—3/9	2/6—3/9
Whitworth and Co.	200,000	57/6	36/3	25/—35/—	20/—30/—
4% cum. pref. (£5)	1,000,000	9/3	6/3	2/6—5/—	2/6—3/9
5% non-cum. 2nd pref.	2,500,000	9/3	5/9	2/6—5/—	2/6—5/—
6½% non-cum. 3rd pref.	2,500,000	72½	66	55—65	52—62
4% 1st mort. deb.	£1,600,750	98	80	50—60	50—60
6½% 2nd mort. deb.	£3,300,000	94½	65½	42—52	38—48
6½% cons. mort. deb.					

The Consolidated Mortgage Debenture Stock, which was issued as recently as December, 1924, has lost over 50 per cent. of its market value since the beginning of the

coal stoppage, there having been a fall of over 20 points in the past week. The share capital is not touched upon in the present scheme "because it is considered that no useful trade purpose would be served by interfering with the share capital at the present time." Trade creditors will be satisfied in the normal way in the ordinary course of business. The necessary meetings have been called for Wednesday next, December 22nd. A letter from the Advisory Committee, recommending the adoption of the scheme, is circulated with the notices.

The directors point out that their great desire is to avoid default on any of the debenture stocks or other loan securities and the appointment of a Receiver. The concession already obtained from the company's bankers is of material advantage in this direction, and must help the company's standing from a credit point of view. The proposed scheme avoids the unsound policy of further borrowing to meet debenture interest, and the period of moratorium asked for is hardly unreasonable for a concern of such magnitude. Whether it will be sufficient, time alone can show. Much depends on how successful the company proves to be in its "deliberate aim to get rid of losing ventures on the best terms possible," and in adapting its armament plant to commercial purposes.

Notes of the Week.

The Aftermath of the Imperial Conference.—In attempting to appreciate the achievement of the Imperial Conference a few weeks ago, we suggested that its special importance—with which not only the delegates themselves, but the public in this country had become impressed as the work of the Conference proceeded—could best be measured by the difference in tone between the opening and closing speeches of General Hertzog. In this we did General Hertzog no more than justice, as the General himself has proved by the even more remarkable speeches which he has been delivering in South Africa since his return home. He has been telling his countrymen of all parties that the struggle for the complete independence of South Africa is over; that the old British Empire, which stood for the ascendancy of Great Britain over the Overseas Dominions, has ceased to exist; and that what remains is a free alliance between Great Britain and the six Dominions, "co-operating as friends and, so to speak, forming their own League of Nations." Nothing now keeps them within the Empire except their own free will, and any of them are free to leave the Empire at any moment; but, he added, that just for this reason, which removes the sentimental ground for a desire to secede, South Africa will be guided by her interests, which counsel her to remain where she is. The question of secession is postponed to an indefinite future. Still more striking is the gesture of reconciliation which he has made to his fellow-countrymen of English descent. He has told them that while he, naturally, cannot feel the same sentiment for England as they feel, yet the love and respect which he would feel for England if he was one of them would be strengthened by his pride in her as the country which, "through free institutions and a common-sense use of them," had brought the younger nations to being "as free as the Motherland and, at the same time, standing in the closest tie of affection." It would be difficult to praise too highly the manliness and statesmanship of General Hertzog's new attitude. Because he has been convinced by his own experience that the relation between South Africa and Great Britain has been transformed, he has had the courage to turn his back on his own political past and to cast into the melting-pot his political future. His speeches are reported to be producing "a political earthquake," and, for the moment, South Africans seem at a loss to know what the future alignment of political parties will be. General Hertzog will, of course, have alienated a few of the Dutch Nationalist "Die-Hards," and Mr Malan is reported to be persisting over the contentious question of the flag. Nevertheless, it now seems fairly safe to prophesy that the cleavage between the Dutch-descended and English-descended sections of the white population of South Africa will recede into the back-

ground of South African politics, and that social and economic questions will belatedly come into their own. The key question, on which all other social and economic questions in South Africa depend, is, of course, the question of colour. In grappling with this problem, South Africans will have ample opportunity to prove to the world that they have arrived at a political maturity corresponding to the status of full nationhood which they have acquired as self-governing members of the Empire. A curious contrast to General Hertzog's attitude is afforded by that of Mr Guthrie, the leader of the Conservative Party in Canada, who has criticised the resolutions of the Imperial Conference on the ground that they give the Canadian Parliament power to abolish existing constitutional safeguards which have hitherto been in the hands of the Parliament at Westminster. This somewhat captious criticism savours of party politics. We do not believe that it represents the considered opinion of Mr Guthrie's party. It assuredly does not represent that of the Canadian people as a whole.

The Civil War in China.—It looks as though we were on the verge of decisive operations in the struggle between the Nationalists and Sun Chuan-fang. Hangchow has now gone the way of Foochow, and this means that the Nationalists now command the whole of Fukien Province except the extreme north-eastern corner, where Sun Chuan-fang is collecting the forces that remain to him for a last stand at Kashing, on the Shanghai-Hangchow Railway, not more than 50 miles from Shanghai itself. It is probable that the Nationalist forces will converge upon Sun's forces from two directions simultaneously—an advance from Hangchow upon Kashing being accompanied by an advance down the Yangtse upon Nanking. Sun is reported to have informed the commander of the Shantung Expeditionary Force at Pukow, opposite Nanking, that he does not need his assistance. This may imply confidence that he can beat the Nationalists out of his own resources—and anything is always possible in the Chinese civil war, or has been so hitherto—or else it may simply mean that he would rather fight the Nationalists for the remnants of his domain, however heavy the odds against him, rather than surrender these remnants without a blow to the henchman of his rival, Chang Tso-lin. Certainly the odds are in favour of the Nationalists delivering a "knock-out blow" to Sun; and, in that event, what will be their policy towards Shanghai? Since the early days of its existence the International Concession at Shanghai has built up a tradition that its territory is neutral—both in Chinese civil wars and in wars of other kinds. The Municipal Council used jealously to prohibit the passage across their territory of Chinese troops under arms. Have they been refusing passage lately to the troops of General Sun Chuan-fang? Unless they have, it will be difficult for them to ward off the Nationalists, if these arrive at the border of the territory as victors. It is to be hoped that, before such a situation can arise, Mr. Lampson will have come to a satisfactory understanding with the representatives of the Nationalist Government.

Britain's Industrial Situation—Lord Weir's View.—A valuable contribution to current discussion of some of the more disquieting features of Great Britain's industrial situation was made by Lord Weir in the House of Lords last Tuesday. Taking as his text the events of the last few months, and the many outward and visible signs that mutual distrust and lack of confidence between the various partners in British industry are redounding to disadvantage of all concerned, Lord Weir made an eloquent plea that there should be "brought together in one council chamber a few men capable of concentrating on the industrial necessities of the time, apart entirely from political considerations—men of good intent, not coming as delegating organisations, but coming together as practical men to seek a solution of practical questions." One may venture to hope that those whose goodwill can do much to influence our industrial destiny during the coming crucial months will give the most earnest consideration to Lord Weir's suggestion. His preliminary picture may possibly be painted in unduly sombre colours; indeed, ex-

tant statistical evidence does not bear out his Lordship in all cases. His comparison between pre-war and post-war unemployment, for instance, is misleading, being based as to the earlier period on returns rendered to the Ministry of Labour by certain trade unions (in which the "heavy" trades and skilled workers generally were much more adequately represented than were other trades and unskilled workers), and as to the later period on the far more extensive figures obtained from weekly censuses under the Unemployment Insurance Acts. If the trade union figures are taken for the post-war period, the minimum percentage will be found to be 7.0 per cent. (in May, 1924), and not 10 per cent., as Lord Weir stated. The present total of 2,500,000 men, women, and children in receipt of Poor Law relief is admittedly abnormal, and will be substantially reduced as work is resumed in the mining areas and in other industries, particularly iron and steel, which were gravely affected by the coal strike. We venture, however, to join issue with Lord Weir, mainly as regards his statement that "the total productivity of the country, measured by any available test, is from 12 to 20 per cent. less than it was twelve years ago." This is probably true as regards the seven months of the coal dispute, but the context of Lord Weir's speech makes it clear that he was referring to conditions before that event. The exact ratio between productivity before and since the war is unascertainable, since the last census of production of which the results are available at the moment was taken as far back as 1907. But, as our readers are aware, we have from time to time endeavoured to make a broad comparison, in the light of a few leading indices, between the volume of pre-war and post-war British production, and are inclined to put the figure for 1925 at not very far below 100 per cent. of that of 1913. These slight defects do not, of course, invalidate an otherwise admirable case. If events prove that Lord Weir was speaking for employers generally, and his suggestion meets with a similarly frank response from representatives on the workers' side, a definite step will have been taken in the direction of improved relations in industry.

Overseas Trade in November.—On the whole the November trade returns are not so bad as might have been expected. Total exports are only £10½ millions less than in November, 1925, the decline in the previous month having been nearly £17 millions, and as imports fell by over £1 million, the excess of merchandise imports was only £9 millions greater than in November, 1925, or, in other words, November contributed far less than the preceding months to the increase in the visible adverse balance. A summary follows of the value figures of imports and exports for November and the eleven months of this year and last:—

MONTH OF NOVEMBER.					
	1925.	1926.	Increase (+) or Decrease (—) in November, 1926.		
	£	£	£	%	
Imports	114,595,037	113,293,397	— 1,301,640	— 1.1	
British exports	60,977,357	53,063,647	— 7,913,710	— 13.0	
Re-exports	13,538,265	11,001,326	— 2,536,939	— 18.7	
Total exports	74,515,622	64,064,973	— 10,450,649	— 14.0	
Excess of imports over total exports.	40,079,415	49,228,424	+ 9,149,009	+ 22.8	

ELEVEN MONTHS ENDED NOVEMBER.					
	1925.	1926.	Increase (+) or Decrease (—) in 1926.		
	£	£	£	%	
Imports	1,188,592,012	1,129,573,049	— 59,018,963	— 5.0	
British exports	707,317,749	602,185,110	— 105,132,639	— 14.9	
Re-exports	139,766,500	116,064,548	— 23,701,952	— 18.4	
Total exports	847,084,249	718,249,658	— 128,834,591	— 15.4	
Excess of imports over total exports.	341,507,763	411,323,394	+ 69,815,631	+ 20.0	

If we assume that the import excess for December is £54 millions, which was the figure for December, 1925, we get an estimated merchandise import excess of £467 millions for the whole year 1926, as compared with £393 millions for 1925. Last month's imports would have shown a substantial fall except for the coal dispute, which

compelled to country to import over £9 millions worth of coal, as compared with a negligible quantity a year ago; while on the export side our shipments of coal fell from £4 millions a year ago to a mere bagatelle last month, and iron and steel exports were £1½ millions down. The degree of disturbance caused by the coal dispute in the British export trade is illustrated in the following table, which shows the quantity figures for certain leading exports in the first four months of the year, before the dispute began, and in the succeeding seven months in comparison with the corresponding periods of 1925:—

	January to April.		May to November.	
	1925.	1926.	1925.	1926.
Coal	17,462,134	17,481,236	28,772,933	1,506,566
Cotton piece goods	1,575,121,000	1,407,533,100	2,476,439,600	2,187,139,000
Cotton yarn	65,339,500	62,884,000	105,245,500	90,637,800
Woolen tissues	47,466,100	40,861,900	75,761,500	69,877,800
Worsted tissues	18,822,800	15,940,200	23,705,200	24,323,300
Machinery	167,257	167,840	200,865	270,012
Motor cars	6,387	6,030	10,827	8,359
Iron and steel (total)	1,233,673	1,395,730	2,156,279	1,433,275
Pig-iron	162,436	176,680	264,521	97,369
Ferro alloys	46,905	15,923	58,211	18,076
Railway material	127,818	164,520	253,476	135,653

Machinery and worsted tissues alone show an increase for the seven months of the dispute, and in most of the other items the declines are formidable. In the seven months, May to November, imports of coal were valued at £37.2 millions, compared with a mere £11,594 in the same seven months of 1925; while coal exports for the same period at £825,412, compared with £15½ millions. Thus coal alone accounts for a swing over of £52 millions in the trade balance. Bullion and specie imports for the 11 months are £45 millions, against £33 millions exported. In the corresponding period of last year bullion and specie exports were £56½ millions and imports £45 millions. So far this year the United States has taken no gold from us, against £10 millions one year ago and £30 millions two years ago. Details of value figures of imports and exports under a number of categories are given on a later page of this issue.

Isle of Man and Channel Islands Taxation.—Mr Churchill has just announced in Parliament that he has accepted the offer of a lump sum of £500,000 from the Isle of Man as a contribution to the costs of the war, and this is in addition to the £260,000 already received, making £760,000 in all. This statement will be received with mingled feelings. The Committee of the Privy Council, under the chairmanship of the Duke of Atholl, which investigated this problem in the autumn of last year, pointed out the Isle of Man now makes a perpetual contribution of £10,000 per annum to the British Exchequer under the provisions of the Act of 1866, dealing with customs and renewable annually by the British Parliament. They argued that whether this payment was fixed with regard to the then existing yield of the insular Customs duties or in the light of the cost to the Exchequer of Imperial services, there could be no doubt that it was now disproportionately small. The Committee recommended that Parliament should be asked to amend the Act by increasing the permanent contribution of the island to £50,000, which appeared to them to be the smallest permanent contribution to the Exchequer which, in existing circumstances, the Isle of Man could properly make. It was also recommended that the additional payment of £50,000 necessary to make up a total contribution of £100,000 should be made for a period of 50 years; and that it should include the annual payment of £20,000 which the island now makes. The Committee added that their proposals involved for a limited period an additional payment of £70,000 to the British Exchequer, a sum which they were satisfied the Manx Government could raise without any difficulty, and which was only a fraction of the revenue derived in the island from persons resident in the United Kingdom. The permanent increase in the contribution would, under the Committee's recommendations, be £40,000 per annum—as distinct from the special and additional payment of £50,000 for 50 years. Stating it in terms of taxation at that time, the Committee remarked that their proposal involved the imposition for a limited period in respect of

Imperial or war burdens amounting to £2 per head in the Isle of Man; persons resident in the United Kingdom were then taxed to the extent of £11 10s per head in respect of Imperial and war services as a whole, of which £8 represented the war burden only. The Committee recommended that the Imperial contribution of Guernsey should be £75,000 per annum, payable for a period of a hundred years; and that Jersey should pay £120,000 annually for the same period. Agreement has not been reached with the Channel Islands, which have protested that the sums suggested are much too large. In all the argument constitutional issues have been carefully avoided, the sole aim being to get appropriate contribution towards the service of war burdens; and in that connection it is feared that the bargain which has been struck with the Isle of Man, which is very much less than what was recommended by the Privy Council Committee, may influence the agreement ultimately concluded with the Channel Islands.

Conditions in Northern Ireland.—Our Belfast correspondent writes:—The total gross tonnage launched from the Belfast shipbuilding yards during 1926 has been 92,525, as against 57,899 in 1925. The figures represent the combined output of the two firms, Harland and Wolff and Workman, Clark and Co., which have shipyards on the Lagan. The figures for the former firm's Belfast yards are 65,765 tons, while the tonnage launched from the yards of Messrs Workman and Clark was 26,760. Owing to the effect of the coal strike in stopping the delivery of steel material, it is stated that building was delayed, otherwise the output would have been greater. The Harland and Wolff firm has recently received some important orders, and a period of active construction is expected in 1927. Workman and Clark have six vessels under construction at present. Particulars regarding the yields of crops in Northern Ireland are not yet available, but in most cases it is believed that yields have been good. At a time when the potato crop in Great Britain and on the Continent has turned out poorly the production in Northern Ireland is expected to be above average. In a normal year approximately 140 to 150 thousand tons of potatoes are exported from Ulster ports to Great Britain, principally to Lancashire and South Wales. Up to the present the prices obtained this season have not been as remunerative to farmers as the shortage of the crop in Great Britain led agriculturists to expect, but with the settlement of the mining dispute it is hoped that prices will improve. Fair supplies of flax are reported to have been marketed, but there is no marked change in the linen trade.

Cotton Trade Short Time.—Our Manchester correspondent, telegraphing yesterday afternoon, says:—The Master Cotton Spinners' Federation reached an important decision to-day. Owing to the unsatisfactory way in which short time is being observed, it was decided to withdraw all restrictions upon working hours in the spinning mills using American cotton. A fortnight ago the hours were increased from 24 to 35 per week. This decision reflects an important change of policy on the part of the Federation. During the depression of the last few years the Federation has urged that output must be curtailed on an organised scale. Their attitude has now been altered, and in future individual firms will have to make their own arrangements as to production, and work out their own salvation.

Employment in November.—Employment during November remained bad, though some general improvement took place during the latter part of the month. According to the *Ministry of Labour Gazette*, among the 12 million workpeople insured under the Unemployment Insurance Acts in Great Britain and Northern Ireland, the percentage unemployed at November 22nd was 13.5,* as compared with 13.6* at the end of October, and 11.0 a year ago. The total number of registered unemployed at the end of November was approximately 1,545,000.* This compares with 1,610,000* a month ago, and 1,227,000 at November 30, 1925. Among the members

of trade unions the percentage unemployed at the end of November was 13.2,* against 13.6 at the end of October, and 11.0 a year ago. The following table gives the monthly movements in trade union figures for some years past:—

TRADE UNION UNEMPLOYMENT PERCENTAGES.								
	1913.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of—	%	%	%	%	%	%	%	%
January ..	2.2	2.9	6.9	16.8	13.7	8.9	9.0	10.6
February ..	2.0	1.6	8.5	16.3	13.1	8.1	9.4	10.4
March	1.9	1.1	10.0	16.3	12.3	7.8	9.0	10.1
April	1.7	0.9	17.6*	17.0	11.3	7.5	9.4	10.0
May	1.9	1.1	22.2*	16.4	11.3	7.0	10.1	13.2*
June	1.9	1.2	23.1*	15.7	11.1	7.2	12.3	12.9*
July	1.9	1.4	16.7	14.6	11.1	7.4	11.2	13.2*
August	2.0	1.6	16.3	14.4	11.4	7.9	11.4	13.3*
September ..	2.3	2.2	14.8	14.6	11.3	8.6	11.4	13.6*
October	2.2	5.3*	15.6	14.0	10.9	8.7	11.3	13.6*
November ..	2.0	3.7	15.9	14.2	10.5	8.6	11.0	13.2*
December ..	2.6	6.0	16.5	14.0	9.7	9.2	11.0	..

* Excluding workpeople in the coal-mining industry who were disqualified for unemployment benefit owing to the dispute.

Employment was still seriously affected by the coal dispute, this being particularly the case in the mining, iron and steel, tinplate, heavy engineering and shipbuilding industries. There was also a further seasonal decline in the building trades.

Cost of Living.—There was little change in the cost of living during November, as compared with the previous month. The index number of the Ministry of Labour remained at 79 per cent. above the level of July, 1914. This compares with 77 per cent. at December 1, 1925. The following table shows the monthly movement of the index figure over a number of years:—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items. (Food, Rent, Clothing, Fuel, and Light, &c.)								
1st Day of	1918.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Jan.	% 85.90	% 125	% 165	% 92	% 78	% 77	% 80	% 75
Feb.	90	130	151	88	77	79	79	73
March ..	90	130	141	86	76	78	79	72
April ..	90.95	132	133	82	74	73	75	68
May ..	95.100	141	128	81	70	71	73	67
June ..	100	150	119	80	69	69	72	68
July ..	100.105	152	119	84	69	70	73	70
Aug.	110	155	122	81	71	71	73	70
Sept.	110	161	120	79	73	72	74	72
Oct.	115.120	164	110	78	75	76	76	74
Nov.	120.125	176	103	80	75	80	76	79
Dec.	120	169	99	80	77	81	77	79

For food alone the index was also stationary at 69 per cent., as compared with 74 per cent. a year ago.

Iron and Steel Production and Exports.—The iron and steel production figures for November just published by the National Federation of Iron and Steel Manufacturers will prove, it may be hoped, the lowest for many years to come. The pig-iron output amounted to 12,700 tons, compared with 539,100 tons in April and 494,100 tons in November, 1925, and the steel output to 97,500 tons, compared with 661,000 tons in April and 653,800 tons in November, 1925. Two extra furnaces were blown in within the last few days of the month, making with the five which had remained in operation throughout the coal stoppage, a total of seven in operation at the end of the month. A few blast furnaces have resumed operations since the end of November, but the restarting of coke ovens and blast furnaces, especially after so long a period of inactivity, is a lengthy process, and many plants are not likely to be in full operation before the middle or end of January. Imports of iron and steel reached the high total of 422,700 tons, of which 75,500 tons were pig-iron, 75,700 tons billets, blooms and slabs, and 91,300 tons sheet and tinplate bars. The importation of semi-finished material has enabled the exports of iron and steel to attain an average of 171,100 tons in the last few months, the figure for November amounting to 166,400 tons, compared with 322,200 tons in November last year. Of the exports, 47,900 tons were galvanized sheets, 20,200 tons tinplates and sheets, and 15,200 tons wrought tubes,

pipes and fittings. Exports of galvanized sheets have been maintained to a remarkable extent, and since the commencement of the coal stoppage the average exports have been 75 per cent. of the pre-strike average. The recent issue of that part of the Annual Statement of Trade and Navigation of the United Kingdom for 1925 dealing with the destination of exports enables the exports of iron and steel in 1925 to be completely allocated to markets, and the following table compares these exports to the chief markets in 1925 with those in 1923 and 1924:—

EXPORTS OF IRON AND STEEL FROM THE UNITED KINGDOM,
1923, 1924, and 1925.

(In Thousands of Tons.)			
	1923.	1924.	1925.
Germany	312.2 ..	87.6 ..	76.1
Netherlands	97.4 ..	76.4 ..	101.7
Belgium	163.1 ..	165.5 ..	112.2
France	138.7 ..	123.1 ..	73.0
Italy	89.1 ..	92.9 ..	105.6
China	72.1 ..	63.5 ..	49.5
Japan	299.6 ..	238.1 ..	134.8
Argentina	173.8 ..	228.9 ..	272.4
U.S.A.	319.7 ..	135.2 ..	164.4
Total (includg. other foreign countries)	2,360.5 ..	1,923.5 ..	1,747.4
India and Ceylon	672.4 ..	595.7 ..	632.7
South Africa	184.3 ..	203.5 ..	217.5
Canada	120.9 ..	114.9 ..	102.1
Australia	488.1 ..	451.2 ..	432.4
New Zealand	132.9 ..	136.3 ..	152.7
Total (includg. other British possessions)	1,957.0 ..	1,927.9 ..	1,984.0
Total exported to all countries	4,317.5 ..	3,851.4 ..	3,731.4

In spite of a decline in the total volume of exports, the exports to countries within the British Empire show an increase, and now represent 53 per cent. of the total exports, compared with 50 per cent. in 1924 and 45.5 per cent. in 1923.

The Tin Position.—A correspondent writes:—As compared with the highest figures reached near the end of last month at £321 for cash and £304 for forward metal, the present price of tin is well down on balance, but prospects are nevertheless regarded more optimistically. The main reason for this is that the uncertainty and fears which existed a few weeks ago as to a contraction of the American outlet have been largely dissipated by the more encouraging reports as to American trade generally. The tinplate mills there are running again practically at a record rate, and the output for this year is expected to overlap all previous records. There is no doubt that America is disposed to make adequate provision for her heavy needs over the earlier part of next year, while particularly heavy buying of Straits tin was effected this week for shipment. There is, of course, now room for a recovery in the home outlet, since normal working conditions in the Welsh tinplate industry should be restored in the near future. When the price of the Welsh product becomes sufficiently attractive, and when more reliance can be placed on deliveries, there is no doubt that a much more active demand will come forward. For the moment the mills are still finding considerable difficulty in securing steel bars, but this should be remedied next month. The outlook as regards tin consumption is regarded as encouraging, although the price is admittedly high.

Imperial Chemical Industries, Limited.—Shareholders in the four companies concerned—Brunner, Mond and Co., Limited, Nobel Industries, Limited, United Alkali Company, Limited, and British Dyestuffs Corporation, Limited—have this week received circulars from their respective chairmen setting forth the offer to exchange their holdings into shares of the new Imperial Chemical Industries, Limited (the terms of which were set out in our issue of November 6th), and recommending acceptance. The boards of the four companies are unanimous in this recommendation, and say that: "We have no hesitation in asking our shareholders to follow the examples of ourselves and our boards, and to exchange their shares in the companies in which they are now interested for the shares in Imperial Chemical Industries, Limited. We feel confident that such an exchange will be beneficial to

them, that they will secure, from the wide scope of the new company's operations, an effective insurance against the results of fluctuations of prices or trade to which every individual company is subject, and that they will thereby be enabled to participate in the growing trade of the chemical industry and in the potential profits of its future developments." The estimate of the future income of the new company, if all the shares are exchanged, is in excess of £4 millions, a sum sufficient to cover the 7 per cent. preference dividend more than three and a-half times and to leave available for dividend on the remaining capital a sum of approximately £2,865,000. Assuming conversion of all the shares, the new company will have a paid-up capital of £56,802,996, of which £31,095,555 will be in ordinary £1 shares and £9,488,135 in deferred shares of 10s, the latter being entitled to one-third of the surplus profits after paying 7 per cent. on the ordinary shares, and the ordinary shares to two-thirds. The deferred shares have been created as a capitalisation of part of the estimated increase in future profits. A dividend of 7 per cent. on the ordinary shares would require £2,176,700, so that according to the estimate of profits there will be a substantial prospective surplus available for division between the ordinary and deferred shares. The exchange of shares will take place as at January 1st next, and shareholders in the separate undertakings will be entitled to any further dividends declared by them for the period ending on that date. In return for signed transfers, together with share certificates in the constituent companies, shareholders will receive allotment letters for the new shares, which will be negotiable in the ordinary way. In their circulars the directors of the four concerns point out to their respective shareholders that, quite apart from the obvious benefits to be derived from improved economic working and the pooling of financial, manufacturing, and technical resources, one of the advantages of an exchange is that there must inevitably be a much wider market for the shares in Imperial Chemical Industries, Limited, than exist at present for the shares of the participating companies. On the other hand, the market for the shares which are not exchanged must tend to become substantially restricted.

British-American Tobacco.—It falls to the lot of few companies to be able to record such a measure of progress as that achieved by the British-American Tobacco Company, Limited. The profits have risen continuously since 1921. The past year was a particularly prosperous one, the profits rising by more than £1,000,000 to £6,195,817, in addition to which there was a windfall of £755,299 on account of adjustment in respect of excess profits duty and United States taxation. The ordinary dividend has been reduced from 27½ per cent. to 25 per cent. This, however, does not mean a lowering of the return to the proprietors, as they are given this time, in addition to the dividend, a bonus of one new share for every four held. The following table affords a comparison of recent results:—

Sept. 30.	1914.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Profits, &c.	£ 2,177,022	£ 4,879,177	£ 4,323,481	£ 4,400,784	£ 4,494,972	£ 4,866,266	£ 5,145,238	£ 6,195,817
Pref. div'nd	188,297	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Ord. div'nd	1,532,308	3,745,492	3,842,493	4,010,709	4,014,821	4,258,921	4,487,734	4,956,725
To reserve.	1,500,000	nil	nil	1,122,000	..	..	..	..
Balance ..	Dr 104,353	908,685	255,788	1,387,075	254,894	382,345	432,504	1,014,092
B'ght for'd	1,973,902	727,778	1,634,200	1,889,877	3,276,952	3,531,770	3,914,116	4,054,361
Carr'd for'd	930,319	1,636,463	1,890,188	3,276,952	3,531,770	3,914,116	4,346,576	2,068,452

* After deducting £4,047,514 in respect of capitalised bonus of one in four.

The accounts, which are made up to September 30th last, show that loans to, and current accounts with, associated companies have increased during the year from £5,913,374 to £8,589,445, while the holding of British Government securities is now £49,460, against £29,426, and investments in associated companies figure for £16,919,375, compared with £16,155,231. Stocks, on the other hand, have declined, the total of £5,023,031 comparing with £5,725,515 a year ago, while the cash item is lower by nearly £750,000. Against this, however, a substantial increase occurred under the heading

of sundry debtors, the aggregate of which is £5,199,836, against £1,876,550. The rise is largely accounted for by the raising of the amount of short-term deposits from £1,250,000 to £4,250,000.

Samuel Allsopp.—Like a number of kindred undertakings, the Burton-on-Trent brewing undertaking of Samuel Allsopp and Sons, Limited, was able to maintain its position during the past year, in spite of the continuance of widespread unemployment and the reduced purchasing power of the public. The accounts now presented cover the 12 months to September 30th last, and show that, while trading profit declined from £220,366 to £208,572, an increase in the amount received in interest and dividends raised the total profit to £280,670, against £281,961. The net profit, as will be seen from the following table, amounts to £103,789, compared with £102,008:—

	1914-15.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
Gross profit.....	120,717	251,125	239,927	253,774	273,748	281,961	280,670
Debit interest, &c.	71,201	101,160	104,355	91,783	104,838	104,013	104,098
Depreciation & repairs	45,917	92,140	77,780	71,850	73,468	75,939	72,783
Net profit.....	3,599	57,825	57,792	90,141	95,442	102,008	103,789
Brought forward.....	13,046	19,324	19,324	20,714	19,325	19,324	19,324
Reserve.....	16,647	77,149	77,116	110,855	114,767	121,332	123,113
Preference dividend.....	..	47,107	47,107	53,913	55,564	55,564	55,564
Ordinary dividend.....	..	10,030	10,030	15,514	18,878	17,364	17,364
Carried forward.....	16,647	20,013	19,979	19,954	19,324	19,324	19,324

The participating preference shares receive a total distribution of 7½ per cent., and £1,709 is carried forward to their credit, while £801 is carried forward to the credit of ordinary shareholders. A dividend of 4 per cent. on the funded income certificates absorbs £541, and £1,846 is transferred to a sinking fund for their redemption. According to the balance-sheet, trade and other investments have gone up from £609,796 to £630,661, but the holding of 3½ per cent. Conversion Loan, taken at cost, has been reduced from £29,136 to £17,099. The cash item, also, is lower by about £8,000 at £143,811, while stocks have fallen from £279,919 to £252,705. The value of the breweries at Burton has declined from £540,033 to £530,093, but interests in freehold, leasehold, and other properties, &c., are £1,254,900, in contrast with £1,211,807. The financial position, as disclosed in the accounts, is fairly satisfactory, though goodwill still figures for £700,000. This is practically equivalent to seven years' net profits, and is more than double the amount of ordinary capital outstanding.

Oroville Dredging.—The shareholders in this company must heartily regret the action of the board in seeking fresh interests with a view to replacing the Nechi dredging subsidiary when the end of that enterprise came in sight. Not only has the company made large advances to the Colombian Corporation (which it formed), but it also took over from that concern a concession for the construction and operation of a road. The idea was that this road, besides facilitating transport to and from the property of the Colombian Corporation, would bring in a revenue in the shape of tolls. Failure has to be reported under both headings. The Constancia mine, having proved disappointing in all respects, has been shut down, and for some time past the directors have been endeavouring to get rid of the concession—also without success. Upon this undertaking nearly £160,000 has been expended, besides advances to the Colombian Corporation to the tune of £75,000. The case is one in which there has been mismanagement as well as misfortune; and it would not be surprising if criticism were heard at the meeting next Wednesday. During the year ended September 30th dividends totalling £102,000 were received from the company's holding in the Pato Dredging and other interests. After deduction of expenses—including a deficit of £12,950 on the operation of the road and £7,000 on the steamer—a balance of £61,000 remained. Of this £5,100 was absorbed by discount and stamp duty on one-year notes issued £5,400 loss resulted from the sale of an investment, and £27,000 from the sale of the steamer and barges. These items, however,

were more than offset by income-tax recoverable, leaving a net balance of £69,000, which increased the profit and less credit to £205,700. Against this book balance, however, the balance-sheet shows a cash deficit of £46,000, including loans from the bank and from the Pato Mines. The latter continues to make satisfactory returns; but, obviously no distribution to Oroville shareholders can be made while the balance-sheet is burdened with the losses above detailed. To clear the decks, it is proposed to write down the issued capital by four-fifths—i.e., reducing the £1 share to 4s. This scheme has been favourably received by the Stock Exchange, and will doubtless be approved by the shareholders. The last distribution was 3½ per cent. in December, 1923.

Sulphide Corporation.—Some months ago the expectation was entertained that for the year ended June 30th this company would be able to disburse 15 per cent. upon both classes of shares, the same as paid in respect of 1922-23—the year before the fire. The accounts now to hand indicate that the earnings in themselves would easily have provided the amount named; but they have been drawn upon to the extent of £83,000, "to cover the cost of water-powering and reopening operations at the Central mine." Moreover, £60,000 is added to the reserve for contingencies; thus only 10 per cent. can be disbursed. In respect of 1924-25, £60,000 was written off capital expenditure, and £32,500 off fire expenditure, the balance of £92,900 having been charged against reserve for contingencies. Upon the preference shares 7½ per cent. was paid; for the preceding year neither class of share received anything. As the reopening of the southern section of the Central mine is now proceeding—the reopening of the northern section was completed during the first half of 1925-26—increased supplies of ore are being obtained; progress is also reported in respect of other branches of the company's activities. It would therefore seem that better results may be expected during the current year. On the 1925-26 distributions the 15s ordinary shares, at 20s, yield about 8 per cent., while the £1 preference shares, at 25s., yield 8½ per cent. The latter are non-cumulative; after the ordinary have also received 10 per cent., both classes of shares rank alike for surplus profits.

Messina (Transvaal).—Last year's results benefited both from increased revenue and reduced expenditure. The reason for the former does not transpire. At 198,600 tons, the ore production shows an expansion of 20,300 tons, but, owing to the lower average contents, the copper produced amounted to 5,593 tons, in place of 5,640 tons. Probably the explanation is that the realisations do not correspond with the output. Mining and treatment costs are relatively lower than before, a saving of as much as 20 per cent. having been effected in the charges for smelting and converting. Thus the working surplus figures at £93,600 in place of £62,300. In 1924-25 debenture interest absorbed £6,900, and £35,600 was required for redemption. The issue having been reduced by purchase during the past session, and the balance paid off on June 30th out of the proceeds of an issue of shares, the amount needed for interest is less than before, and the appropriation in connection with redemption consists in £4,200 for premiums. Thus the company is able to pay dividends totalling 30 per cent., in place of 20 per cent., leaving £12,200 to go forward, as against a trifling sum brought in. On this dividend basis the shares yield nearly 13½ per cent. The outstanding features of the year's developments consisted in the extension of the stope areas in the Harper mine and the intersection at lower levels of the two principal ore bodies in the Messina mine. As a whole, however, the values disclosed showed an appreciable decline. Consequently, the ore reserves at 648,700 tons indicate an expansion of 20,600 tons, but the value of 3.15 per cent. copper compares with 3.18 per cent.

Southern Rhodesia Base Metals.—At the close of last week the £1 shares of this undertaking were sharply advanced to £6 7s 6d on it becoming known that a report—understood to be of highly favourable character—was

in process of issue. The document in question proved to be a statement by Mr P. K. Horner, consulting engineer to the general managers, and to have been compiled in connection with a new offer of shares at £4 each. 'Week-end reflection exerted a damping effect upon the enthusiasts; the price of the shares opened on Monday at about £6, and is now no better than £5 12s 6d. In point of fact, Mr Horner's report contains little that is new and much that is vague. Definite high assays are advised on one property at the bottom of No. 1 shaft (125 feet depth) and in a cross-cut at 100 feet. But in the main the report is of a very indefinite character. One reads that "there is no doubt that something like 19,000,000 tons of crude ore exists in these groups." "On the assumption that the actual outcrops are an indication of the importance of the ore bodies in depth." And so on. Without question, the possibilities in connection with the 65 ore bodies so far proved to exist are very considerable. Nevertheless, much money will have to be poured out and much time pass before the discoveries become translated into dividends.

Transvaal Gold Output.—The output of gold of the mines of the Transvaal during the month of November amounted to 840,276 ounces of fine gold, as compared with 853,296 ounces produced in October. The output during the month of November, 1925, amounted to 787,633 ounces. The following table shows the monthly output for the past seven years:—

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
January..	670,503	651,593	639,728	764,469	796,768	823,692	796,270
February..	625,330	558,137	639,728	704,970	760,617	753,925	753,924
March ..	707,036	671,123	639,728	761,586	795,671	825,479	834,340
April	686,979	681,382	639,728	743,651	768,582	787,519	803,303
May	699,041	687,776	639,728	786,564	809,063	813,249	849,214
June	715,957	678,490	639,728	755,309	773,053	780,251	852,145
July	736,099	689,555	639,728	754,306	829,437	818,202	860,134
August ..	702,083	711,526	639,728	752,490	809,571	808,218	843,854
September	682,173	691,026	639,728	739,505	799,422	797,247	839,939
October ..	662,472	707,825	639,728	778,159	827,583	812,832	853,896
November	633,737	704,236	639,728	780,639	802,313	787,633	840,276
11 months	7,521,410	7,432,669	6,223,398	8,354,211	8,782,361	8,808,247	9,126,695
December	632,215	681,847	790,712	778,849	825,273	791,455	..
Total	8,153,625	8,114,516	7,020,110	9,133,060	9,597,634	9,599,702	..

It will be noted that totals for the eleven months show that the output of gold has expanded year by year since 1923. The following table shows the number of natives employed at the end of the last few months by members of the Witwatersrand Native Labour Association and Contractors:—

	Dec., 1925.	May, 1926.	June, 1926.	July, 1926.	Aug., 1926.	Sept., 1926.	Oct., 1926.	Nov., 1926.
Gold mines	166,385	183,905	183,092	182,262	184,032	185,063	181,513	177,544
Coal mines	16,606	16,246	16,448	16,648	16,827	16,762	16,737	16,813
Diamond mines ..	3,705	5,766	6,054	6,099	5,818	5,500	5,274	4,971
Total	186,696	205,917	205,594	205,009	206,677	207,325	203,524	199,328

The number of natives employed at the gold and diamond mines continues to decline.

At a meeting of the Royal Statistical Society in the Hall of the Royal Society of Arts, John street, Adelphi, W.C. 2, at 5.15 p.m., on the 21st inst., Mr H. W. Macrosty, O.B.E., will read a paper on "Inflation and Deflation in the United States and the United Kingdom, 1919-23."

Oversea Correspondence.

LEAGUE OF NATIONS.—GERMAN DISARMAMENT—ECONOMIC CONFERENCE—DANZIG, ESTHONIA, AND BULGARIAN LOANS—SECURITY—MANDATES.

(FROM OUR CORRESPONDENT.)

GENEVA, December 14.

GOOD business was done in Geneva last week. Whatever may be said in criticism either of details or of broad principles, a big step forward was made, and it must be agreed that the Foreign Ministers of the three chief

Locarno Powers have shown a genuine determination to pursue the policy described by Sir Austen Chamberlain as marking a change from war mentality to peace mentality. Dr Stresemann and M. Briand (especially) had clear risks to face at home, and at the most delicate period of the negotiations there were whispers of a repetition by M. Poincaré of the Cannes coup against M. Briand; but the French Foreign Minister won through, and secured the approval at home of an agreement acceptable to all parties. Who would have expected that M. Poincaré would have lived to permit interpretations of the Versailles Treaty to be referred, if need be, to the League? It is also a fact which would have been difficult to believe several years ago that a Poincaré Government would, after several years' controversy, ultimately admit that its scheme for a special permanent régime in the demilitarised Rhineland zone had no warrant in the terms of the Treaty.

Perhaps it is not recognised as it should be in England that industrial interests in Great Britain are credited with pressing the second of the two outstanding points—namely, the exportation of certain semi-manufactured war material. It is asserted not only in Germany, but elsewhere, that this has little relation to armaments control, but is rather a matter of maintaining industrial advantages. There has been remarkable silence on the side of British authorities in this respect, and this has turned suspicion, rightly or wrongly, into a widespread belief. Anyhow, the road has been cleared, and one further stage in the return to normal relations with Germany has been achieved.

The League Council itself did a useful week's work, much of which related to financial and economic questions. It definitely decided that the International Economic Conference should take place on May 4th next at Geneva under the presidency of M. Theunis, former Belgian Prime Minister. Invitations are to be addressed to States members of the League and to the United States of America, Russia, Turkey, Mexico, Ecuador, and Egypt. The Council authorised the issue by the Free City of Danzig of an international loan under the auspices of the League, subject to verification by the Financial Committee of the execution of certain measures required by the Committee. It is anticipated that the loan will be issued before the next session of the Council. It amounts to £1,200,000, including provision for the payment of Peace Treaty charges.

The Council approved also the issue by the Estonian Government, under the auspices of the League, of a loan of £1,350,000 for the establishment of the currency on a gold or exchange basis, relieving the Estonian Bank of certain assets unsuitable for a bank of issue and founding a mortgage institute. The conditions of the loan, issue price, rate of interest, amortisation, &c., are to be submitted for approval to a person appointed by the Financial Committee, who is also to approve the amount of the annuity necessary for the service of interest and amortisation of the loan. Securities for the loan are excise duties on tobacco, beer, matches, and other minor articles. The Council of the League is to appoint a trustee of the loan, and there is to be an adviser to the bank of issue nominated by the League Council. A protocol containing all conditions has been signed by the Estonian Finance Minister.

Some practical points of a more or less political kind were settled in connection with the Bulgarian refugee settlement scheme. Various measures have already been taken to get the scheme going, and the Bulgarian Government has been negotiating the loan, which amounts to £1,250,000 net. A great part of the necessary legislation has been voted by the Bulgarian Government or is now being discussed by it.

The Council decided to set up a special committee to prepare a preliminary draft convention for the suppression of the counterfeiting of currency on which information has been sent to the Financial Committee by about twenty banks of issue. The Committee is to be composed of experts in international criminal law from Great Britain, Belgium, Italy and Roumania, prosecution authorities appointed by the American, Austrian and Netherlands Governments, delegates from banks of issue in France, Germany, Sweden and Argentine, and the chairman of the Financial Committee.

The Council took various decisions bearing on security

and reduction of armaments. An effort is being made to meet the case of those States who say that what they can do by way of reduction depends upon what they can expect by way of assistance under Article 16 (penalties), and in this connection studies are being made into means of quickening the procedure of summoning the Council, &c. (which is related more to Article 11 than to Article 16), and of carrying out the obligations of Article 16. One of the interesting tendencies of recent discussions has been to emphasise the preventive side of Article 11 as against the penal side of Article 16; the League's task is primarily to prevent war, and all tightening up of machinery in this respect is to be welcomed. Some of the lessons of the Greco-Bulgarian conflict are being made use of, and a small committee, including Lord Cecil, is to prepare an exposé on measures which might be followed under Article 11.

The Council sent the replies of the Mandatory Powers on the proposed new questionnaire back to the Mandates Commission, asking it to re-examine the list of questions. The only reply which showed a proper appreciation of the Commission's duties was the one sent by Belgium.

UNITED STATES.—BOND MARKET—INDUSTRIAL CONDITIONS—NEW CONGRESS AND THE PRESIDENT'S MESSAGE.

(FROM OUR CORRESPONDENT.)

NEW YORK, December 7.

DESPITE some flurry in call money, and a slight firming in the market for time money, the security markets have maintained a steady undertone. With the Standard Oil Company of New Jersey's new 5 per cent. debentures selling at a premium of better than two points over the issue price of 100½, considerable attention was attracted by the offering of \$50,000,000 debentures of the Standard Oil Company of New York on a basis to yield about 4.65 per cent. The low yield basis on which these bonds were offered was considered quite a compliment to a bond market that already had impressed Wall Street with its underlying strength. Meanwhile the share market has achieved new high average levels on a moderate turnover. Professional operations, supported by the large supply of investment and bank money, seem to have played a leading part in the upswing, but the public has shown signs of taking a greater interest in this market. With brokers prosperous, and with out-of-town firms seeking representation on the Stock Exchange, new high prices have been made for Stock Exchange seats. Two recently were sold for \$170,000 apiece, and a transfer of one has just been arranged at \$175,000. Coincident with the increased activity in the share and bond markets, brokers' loans have expanded. During the week ended December 1st local loans of this description, as tabulated by the Federal Reserve Bank, rose to \$38,000,000. As tabulated by the Stock Exchange, the increase during the month of November amounted to \$18,000,000, the total on November 30th being \$3,129,000,000. As for the money market, the firming in time money amounts to a division of business between 4½ and 4¾ per cent., whereas 4½ covered all transactions recently. A slightly firmer tone also has been manifest in the market for bankers' acceptances. Whether this tendency will hold remains to be seen; part of the change may be a reflection of the fact that time money loaned during the last month or so may have gone as concessions because of anticipations of extreme ease after the first of the year. The time loans being made now will, of course, mature later in 1927, when money rates again may have hardened.

Industrial news continues rather good, with the steel industry still making a showing that exceeds anticipations. Despite the many prophecies of curtailment, pig-iron production during November averaged slightly higher on a daily basis than during October. Steel prices maintain a firm tone, and the basis on which the trade rests seems pretty substantial. Automobile output has been considerably curtailed, but there are signs that activity at the motor plants will pick up again during January. Railway car loadings are continuing to decline in accordance with the seasonal tendency, but in the week ended November 20th—the latest for which data are available—still ex-

ceeded 1,000,000 cars, and ran well ahead of previous records for the week in question. With the security markets good, holiday trade promises to be excellent. Continuance of stability in commodity prices is indicated by the movement of the indices of Dun and Bradstreet during November. The former declined 0.1 of 1 per cent., while the latter advanced 0.3 of 1 per cent. In the previous month the two indices moved slightly in opposite directions, Dun's advancing and Bradstreet's declining.

The reconvening of Congress and the President's message are naturally coming in for attention, although Wall Street appears to be only moderately interested. The President's message is in his usual tone, and contains no surprises. He holds firmly to the doctrine of economy, although some of his advisers have been telling him that the public would like something else. He repeats his suggestion for a tax refund, expressing the belief that the surplus anticipated for the fiscal year ended June 30, 1928, is not large enough, and that sufficient experience has got to be gained with the present revenue law to make permanent tax reduction feasible. He indicates that if no reduction or refund is made the reduction in the national debt that will occur will be agreeable to him and beneficial to the nation. He holds firm on the tariff, and urges faster progress in the matter of railroad consolidations. The message does not mention the World Court. In this connection it is understood that sentiment in Congress is not at present favourably inclined toward foreign commitments, and it seems likely that the President will not attempt to force the issue. Altogether no great results are expected from this session of Congress. If the Appropriation Bills are passed most observers will be satisfied. Neither party has a real control of Congress, but the President can be relied on to veto any unsound legislation that might threaten business. And it may be repeated that what business in this country wants most from Congress is to be let alone.

Appointment of Pierre Jay, at present Federal Reserve Agent at New York, to take Joseph E. Sterrett's place as American member of the Transfer Committee, meets with universal approval here, where Mr Jay's intelligence, ability, and character are held in the highest esteem. When the change was announced Governor Strong, of the Federal Reserve Bank, issued a striking tribute to Mr Jay.

FRANCE.—BUDGET—CURRENCY PROBLEMS—PRICES AND EXPORT.

(FROM OUR CORRESPONDENT.)

PARIS, December 15.

THE Chamber, last Thursday shortly before midnight, after barely 40 hours of discussion, by 393 votes against 124, gave its approval of the Budget for 1927. The measure, which involves revenue and expenditure each surpassing the record total of 40,000 millions, was immediately sent up to the Senate, which is expected to pass it also in record time, so that both Chambers may adjourn for the Christmas recess either on Saturday or at the beginning of next week. The Upper House is proving even more expeditious in its methods than the Chamber. At yesterday's sittings alone no fewer than nine of the 18 departmental budgets of expenditure were disposed of, and there is every probability that the measure will be sent back to the Lower House on Friday, when the deputies will meet for the express purpose of considering the numerous small but useful reductions of estimated revenue and expenditure which the Revising Chamber has made. The Bill, as voted by the Chamber, provided for an estimated revenue of 40,099,161,036f, and estimated expenditure of 39,634,401,639f, thus anticipating a surplus of 464,759,397f (as compared with one of 699,616,404f arrived at by the Finance Commission of the Lower House). The Senate Finance Commission, on examining the Bill, recommended further cuts in both expenditure and revenue, the net result being to bring the estimated surplus down to a shade under 150 millions.

The most interesting portion of the report on the Budget drawn up by M. Henry Chéron, the Rapporteur of the Senate Finance Commission, is that in which he sets

forth the arrangements that have now been made to ensure the Treasury against a repetition of the difficulties with which it had to contend in 1925 and the earlier half of 1926. On July 21 last, it will be remembered, M. de Monzie, who was for a few days Finance Minister, had to inform the Chamber that he had received a letter from the Bank of France warning him that unless Parliament took immediate steps—"this very day even"—suspension of payment by the Treasury the next day would be inevitable. Socialist threats against acquired wealth had so alarmed investors that demands for repayment of National Defence Bonds that fortnight exceeded purchases by 1,500 millions. Thanks to the measures taken by the Poincaré Government since the fall of the Herriot Cabinet, the Treasury now has a margin of about 2,000 millions in the amount it can command at the bank, 3,000 millions of Defence bonds have been converted into long-term obligations, and provision has been made for the Treasury to be furnished during 1927 with 45,411,000,000f to meet liabilities that will not exceed 43,942,000,000f. The amount at the disposal of the Treasury, M. Chéron states, will be made up of 40,961,000,000f from the Budget (including outstanding revenue from this year), 4,000,000,000f from German reparation payments and 400,000,000f surplus receipts from the French railways, to be repaid to the common fund. The expenditure to be met will consist of the following items:—

	Francs.
Internal Budgetary expenditure.....	36,551,000,000
Foreign expenditure provided for in the Budget (on the basis of 150f to the £).....	2,831,000,000
Foreign commercial debts provided for in the Budget (on the same basis of 150f).....	1,542,000,000
British debt (Churchill-Péret agreement).....	300,000,000
To be reserved for eventual payments to Great Britain	450,000,000
Do do do United States	298,000,000
For advances to foreign Governments.....	240,000,000
Cost of army of occupation in Germany.....	555,000,000
Payments in cash to Crédit National.....	1,000,000,000
Extinction of six-year obligations.....	175,000,000
Total.....	43,942,000,000

The maturities of the coming year also include the reimbursement of 1,395,000,000f of 6 per cent. Crédit National Bonds, 1922, due for repayment on February 1st, whose holders had given notice of their decision not to renew, and of the issue of 4,387,000,000f of Crédit National Bonds, which fall due on September 25th. The maturity of February 1st has already been provided for by the successful issue of ten-year 7 per cent. bonds, and it is understood a similar method will be adopted in regard to the September maturity. Apparently the statutory annual reduction by 2,000 millions of the debt owing to the Bank by the State is not provided for in the Budget, but M. Chéron shows that no anxiety need be felt as to the ability of the Treasury to meet this obligation at the end of 1927. During the coming year the amortisation account will receive about 1,300 millions, which will be devoted to this purpose, and the Treasury will easily be able to furnish the balance of 700,000,000f out of its estimated available surplus of 1,469,000,000f.

While all real anxiety has ceased in regard to the ability of the Treasury to carry on comfortably during the coming year, the problems involved in carrying out a definite policy, either of stabilisation or of revalorisation, remain intact. It is universally recognised (except by the Socialist section) that it is useless to expect any substantial fall in production cost merely as the result of the very considerable fall that has already occurred in the cost of raw materials, and that unless wages are also brought to a lower level France will be left at an insuperable disadvantage in competitive markets abroad. The obstacle in the way of any scaling down of labour cost lies in the fact that so far, notwithstanding a drop of practically 35 per cent. since July in the index figure for wholesale prices, the cost of living is still on the up grade. Adequate up-to-date data as to the cost of living is not yet available beyond the end of September, but the index figure for retail prices in Paris at the end of November (based on 100 as representing the sale prices of 13 articles of common necessity, such as bread, meat, &c., of which only petroleum is of foreign origin) is returned at 628, as against 624 for October, 590 for September, and 574 for July last, a rise of slightly over 9 per cent. during the period in which the

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wholesale index figure has fallen nearly 35 per cent. Apparently the statement made recently by M. Poincaré, to the effect that the index figures for November would show that cost of living has already begun to fall, has not been justified by the facts. M. Poincaré's statement was made to refute the argument that the claims of the French public servants to increased pay, on the ground of the rising cost of living, were justified.

The fact that retail prices are continuing to rise is of much greater importance at the present juncture than its application merely to civil servants would imply. The French industrial world is now facing a dilemma for which no solution is as yet in sight. The official index figures are now regarded as the only data upon which any reliance can be placed, and these for November, so far as wholesale prices are concerned, are as follows (based on 100 as representing wholesale prices in 1914):—

	Commodities.	End of		
		Sept.	Oct.	Nov.
General index figure.....	45	804	767	698
French native products.....	29	743	744	698
Imported commodities.....	16	912	808	700
Foodstuffs (general figure)....	20	706	695	643
Vegetable foodstuffs.....	8	801	790	687
Meat, fish, &c.....	8	554	568	570
Sugar, coffee, cocoa.....	4	846	773	714
Raw materials (general figure)..	25	889	831	747
Minerals and metals.....	7	941	855	788
Textiles.....	6	939	823	706
Various.....	12	827	822	747

The record shows that while the monthly figure representing wholesale prices of imported products has dropped 347 points since July, when the franc stood at 240 (as against 122 to-day), that for native French products has shed only 35 points. The fact that the figures for imported and native products have now been brought to within two points of each other would seem to indicate that the purchasing power of the franc at home and its exchange value abroad are now on a common level in the wholesale market. If it be accepted, as a basis, that foreign wholesale prices represent a rise of 40 per cent. in relation to gold, the French wholesale prices expressed by 698 may be taken as corresponding approximately to sterling at 125, or slightly above the recent level of the pound.

The difficulty French manufacturers have to face is that wholesale prices in this country, expressed in gold, are now higher than those of several of the European countries in whose markets they have to compete. The index figure (gold) for wholesale prices in Germany and Austria is between 120 and 130, in Belgium 130, and in Poland 100. If raw materials are to continue to cost the Frenchman more than they cost his foreign competitors, it is difficult to see how any cut in wages to levels below those obtaining abroad can provide a satisfactory solution, except at the cost of serious conflicts with labour, which would be particularly dangerous in present conditions.

The strain of the effort France is now making to right the situation is undoubtedly being severely felt by all classes. Industry of all kinds is loud in its complaints of lack of orders, and of the impossibility to keep labour fully employed. Short time is reported from many parts of the country, while appreciable percentages of workers have been temporarily dismissed in the automobile and similar industries, particularly in the Paris area. A substantial proportion of the present slackness is, of course,

usual in December, but this year, owing to the general economic situation, little hope is at present entertained of the customary revival of business in the early spring. Much naturally depends upon M. Poincaré's next steps. The Premier and Finance Minister is reported to be waiting until speculators, who have latterly been gambling on the rise in the franc, as they formerly gambled on its further fall, shall have exhausted their efforts. This development M. Poincaré believes he will be able to gauge only when the franc is found to have remained for some appreciable time at its present level, or thereabouts. When that moment has come, it is reported, an effort will be made towards definite although not final stabilisation.

GERMANY.—POLITICS—NEW LABOUR COURT—CREDIT—WAGES—INDUSTRY—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, December 15.

THE settlement of the military control question has been very well received. It may extricate the Cabinet from a difficult position. The Social-Democratic Reichstag group has declared that its recently-concluded agreement to keep in touch with the Cabinet has lapsed as a result of certain provocative speeches by the leader of the People's Party, Dr Scholz. It threatens to raise the whole question of the constitution of the Cabinet on the occasion of the third reading of the Supplementary Budget Bill; it may submit its own vote of non-confidence, and it may support a Communist vote against the Minister of Defence, Dr Gessler. Negotiations to avoid a crisis, or to delay it until after Christmas by postponing the Supplementary Budget discussion have taken place so far without success. A Cabinet resignation, perhaps a Reichstag dissolution, may result. It was hoped that Dr Stresemann, who is now back, would repudiate Dr Scholz and bring the People's Party into line. The success at Geneva is important, because a debate concerning it would to some extent obscure the domestic issue, and the Social-Democrats could hardly refuse their support in a vote on this point.

The Social-Democrats have not been propitiated by getting their way in important disputed points of the new Labour Court Bill. This Bill has been passed after controversies lasting for years. The aim of the law is to provide a homogeneous, specialised system of jurisdiction in disputes arising out of employment contracts, whether individual or collective. The first instance of the new Labour Court (from which professional lawyers are excluded) is entirely independent; the second instance is attached to the ordinary *Landgerichte*; and the third or cassation instance is an independent "Senate" of the *Reichsgericht*, on a level with civil and criminal "Senates." "Labour," in the meaning of the law, includes clerical and technical employees and apprentices, also persons who without formal employment agreements work for others, and, in certain cases, intermediaries in their relations to persons who give them work. In general, one employer and one employee sit with the judges as assessors, but two of each when collective Labour agreements are involved. Presidents of Labour Courts may be qualified persons who are not professional judges.

The money market has been somewhat easier. The return of money after the month-end Bourse settlements this time lasted longer than usual, and there was a large demand for the purpose of repaying the exceptionally big advances granted by the Reichsbank in the last week of November. Some 143 million marks of these advances remained outstanding on December 7th. Month loans were in demand and scarce. The short-term private discount rate was raised by $\frac{1}{2}$ per cent. Tenders totalling 136 million marks were made for the first issue of 100 million marks gold discount bank bills; most of the bills were sold at $4\frac{1}{2}$ or $4\frac{3}{4}$ per cent., some at $4\frac{1}{2}$ per cent. The effect of this new measure upon the money market is not yet visible. The Reichsbank's clearings increased very much in October and November, being 5,204 and 5,454 million marks respectively, against 4,650 and 4,216 million marks in the same months of 1925. The monthly average of 1913 was 6,136 million marks. The "Depot

Law" limiting the right to open and conduct banks has been prolonged until the end of 1927. The Reichstag Budget Committee has sanctioned the increase by 175 million marks of the Republic's guarantees for furthering foreign trade. This concerns three different existing kinds of export-credit insurance and a new plan for granting loans to exporter firms. The date up to which the Russian 300 million marks credit may be taken advantage of is to be prolonged. Negotiations over a great many proposed Russian orders are pending. A Dutch syndicate, it is reported, is putting up 30 million gulden for the financing of this credit.

The term for the reduced food import duties has been prolonged from December 31 to March 31, 1927. The higher duties in the Swedo-German Commercial Treaty, which, however, are lower than the maximum rates of the 1925 Minor Tariff, will meantime not come into force. Bills have been submitted reducing the sugar tax from 21 marks to 14 marks per 100 kilos, and increasing the sugar import duties (Tariff No. 176) from 10 marks and 8 marks per 100 kilos to 15 marks and 13 marks respectively. The loss, estimated at 75 million marks, from the reduction of the sugar tax, is to be made good by increasing receipts per hectolitre from spirits from 280 marks to 380 marks. The monopoly sale price of spirits, at present 430 marks per hectolitre, will be correspondingly increased.

Wages, which were stagnant for a couple of summer months, show a very slow rising tendency. The movement of weekly nominal wages since immediately after the currency stabilisation in eleven industries and railway transport has been:—

	Skilled.	Unskilled.
1924, January	27.45	22.74
1925, January	36.77	27.95
1926, March	46.02	33.89
1926, November	46.43	34.27

The highest average skilled wages in November were 55 marks 3 pfennigs in building, 50 marks 94 pfennigs in mining, and 46 marks 8 pfennigs in the metal industries; the lowest 29 marks 90 pfennigs in textiles for men, and 23 marks 38 pfennigs for women. The average skilled wage in six industries producing raw and half-finished materials was 47 marks 60 pfennigs, in five industries producing finished articles for consumption 38 marks 59 pfennigs. A good deal of criticism has been levelled at the official cost-of-living statistics; but these, if correct, show that, since the currency stabilisation, the real wage has risen as much as the nominal. In December, 1923, and in October, 1926, the cost-of-living index (100 in 1913-14) was the same, 142.2, and in the intervening time it never rose above 145, while it sank as low as 119.9. The index for November was 143.6. In the second half of November the number of publicly supported unemployed increased from 1,316,000 to 1,369,000, or some 4 per cent. Local reports for the first fortnight of December indicate a further increase.

The coal output continues high, having been (Ruhr only) well over 400,000 tons per day for seven weeks continuously, a figure never reached earlier in the year. The first British coal for Hamburg importers was delivered at the beginning of this week. A sharp drop in German bunker coal prices is expected after the drop which took place in Rotterdam when British deliveries there were resumed. German coal consumption figures (which are based, however, loosely upon production, stocks of producers, and import and export statistics) show an upward tendency in the last months, and reached 8,910,000 metric tons in September, against a monthly average of 8,683,000 tons in 1925, and 10,388,000 tons in 1913 (in the present area); the average monthly consumption of all fuel, reckoned at its coal value, in 1925, is returned at 11,335,000 tons, against 12,325,000 tons in 1913 (present area). The iron and steel home market is fairly active. The export market is much quieter; but the syndicate of the Iron and Steel Industries Association calculates that there is still a deficit in the quantity produced this year, due to the English strike, and declares that German works are ensured of sufficient orders for months to come. Imports of iron and steel and wares thereout (machinery excepted) in October were 126,897 tons, exports 509,762 tons; in the first ten months of 1926 947,854 tons and 4,398,390 tons respectively. Imports of machinery in

the ten months were 28,945 tons, exports 333,697 tons. Against the expectations of a few years ago, Germany's export trade in coal and heavy iron and steel has increased more rapidly than her exports of finished metal goods. The entry of Czechoslovakia, Austria and Hungary into the International Steel Cartel is not expected to affect markets much. Czechoslovakia, which is the most important producer of the three, is suffering badly from Polish underselling in South-east Europe, and as long as Poland remains outside the Cartel, the new member countries will not profit much. The railway-car construction trust is being enlarged to embrace about 30 manufacturing firms. It will be practically a compulsory trust, its existence depending upon a long-term arrangement for orders from the Railways Corporation under rigid conditions; among other things, it will be forbidden to sell to general consumers at below the prices charged to the Corporation. The North German Lloyd Company has decided to build two fast 46,000-ton steamers, which will cover the voyage Bremerhaven-New York in six days.

Bourse quotations last week dropped considerably, leaving some leading stocks below the levels of early September, when the last phase of the year's bull movement began. Trading in the first three days of this week was firm but quiet. To-day saw heavy buying of coal-steel stocks, particularly of Vereinigte Stahlwerke, and stocks closed at the highest prices.

AUSTRIA.—STATE FINANCES—ECONOMIC POSITION—MUNICIPAL EXTRAVAGANCE—BANKING—MONEY AND STOCKS.

(FROM OUR CORRESPONDENT.)

VIENNA, December 1.

THE new Chancellor, Dr Seipel, has given a splendid proof of good statesmanship by restoring peace amongst the parties within a short time and setting Parliamentary work afloat again, so that it was possible to pass the Budget estimate for 1927 and the much-contested so-called "Centralbank-bill." The ordinary Budget for 1927 shows a surplus of about A.S. 45 million (£1,300,000); as, however, an extraordinary expenditure for various works of public utility, amounting to A.S. 180 million (£5,230,000), will be needed the estimate results in a deficit of about A.S. 135 million (£3,930,000). The outstanding features in this Budget are the increase of expenditure for unemployment doles from A.S. 11,900,000 (£346,000) to A.S. 38,700,000 (£1,125,000), and the expansion of the revenue—in spite of the present economic depression—amounting to A.S. 124,500,000 (£3,620,000).

Through the "Centralbank-bill" the Treasury gets back the funds, amounting to A.S. 80,000,000 (£2,323,000), which it had placed at the disposal of the Centralbank in July last in order to avoid a public panic among small investors. The Bill provides for raising this money by an issue of Treasury bonds, which have to be taken over by all Austrian banks and savings banks. Interest and sinking fund on this loan will also be paid by the banks, which, for this purpose, will be entitled to deduct a certain percentage from all interests on deposits which become payable to their clients. Undoubtedly, this way of making good a public loss, which, after all, is only a concealed tax on deposits, will have a disadvantageous effect on the development of savings.

The "Centralbank" affair was hardly settled, when the investigation of the position of the Post Savings Bank ordered by the Government showed that this bank has suffered heavy losses. They were mainly due to unfortunate business transactions with the well-known financier, Mr Bosel, who had repeatedly received big loans against securities, which in the meantime have considerably depreciated. These securities were chiefly shares in the Unionbank, of which Bosel had become chairman two years ago after having acquired the control of this bank. As Bosel is not able to make good the losses, amounting to at least A.S. 110,000,000 (£3,200,000), the Government in its capacity as guarantor of the Post Savings Bank will have to find means to refund them and to reconstruct this bank.

Apart from the coal and lignite mines which have

been taking advantage of the consequences of the English coal strike, the situation of all Austrian industries leaves much to be desired. Many of the smaller firms especially suffer from the credit restrictions to which their banks were forced by the fall in bank deposits caused by the Centralbank and the Post Savings Bank "affairs." In Vienna the situation of industries and traded is made particularly difficult through the unbearable over-taxation on the part of the Municipal Council. This authority, which, as it is known, is controlled by the Social Democrats, still sticks to the wrong policy of carrying through a vast programme of public workmen's houses and all sorts of social innovations which even the richest countries cannot afford at present, such as luxurious public baths, the expenditure being paid out of current municipal tax revenue instead of contracting a loan. How far the infatuation of the Socialist despots goes may be proved by the fact that, in spite of the terrible economic conditions of industries and trade, and the general impoverishment of the population, in 1927 the sum of over A.S. 200,000,000 (£6,000,000) will be pressed out from the taxpayers for the continuation of this demagogic "social programme." In 1923, when the deceptive boom produced by inflation was at its height, the total of municipal taxes per head of the population (including children) amounted to A.S. 44 (£1 6s; now, in the time of deepest economic depression, it has risen to A.S. 130 (£3 15s) per head! It is true that in the Social Democratic Party itself the opposition to this financial policy is growing, as it is feared that it might have an undesired reaction on next year's general elections. Even the orthodox Chamber of Labour has stated recently that the financial policy of the Vienna Municipal Council has an unfavourable influence on unemployment. As a matter of fact the number of unemployed has again risen during last month from 140,000 to 160,000.

Through the failure of Mr Bosel, the Unionbank, which, it is true, was the least important of the big Vienna banks, has come into an awkward position. The majority of its shares are now in the hands of a public institute, the Post Savings Bank, and Mr Bosel has resigned from the post of chairman. Negotiations are at present in progress with two German banks, viz., Messrs. Speyer, Elissen and Co., Frankfurt, and the Commerz- and Privatbank, Berlin, which both wish to acquire the control of the Unionbank. Also the project of a merger of this bank with the Wiener Bankverein is under consideration.

During November there was a noticeable reaction on the Vienna Stock Exchange, owing to considerable holdings of securities from liquidating banking firms having been offered for sale and subsequent attacks of the bears. With the exception of mining shares all other securities fell by from 15 to 10 per cent., as compared against the average level of prices in October. Conditions on the money market continued to remain stiff during last month. Discount rates, which in the middle of September had fallen to $5\frac{1}{2}$ per cent., have risen to $6\frac{1}{2}$ per cent., which, however, is still $\frac{1}{2}$ per cent. below the official Bank rate. Business on the foreign exchange market was quiet, sterling moving between 34.35 and 34.40.

GREECE.—THE TASK OF RECONSTRUCTION—FINANCIAL PROBLEMS—BUDGET AND THE DRACHMA—SECOND REFUGEE LOAN.

(FROM OUR CORRESPONDENT.)

ATHENS, December 3.

THE news that the Council of the League of Nations would not deal at its December meeting with the issue of the supplementary loan for the settlement of the refugees was expected. When the first loan for the refugees was authorised, the Greek Government had undertaken to adopt the necessary measures to balance the State's Budget and obtain stabilisation of the currency. Neither of these conditions has been fulfilled. The Finance Committee of the League of Nations has duly informed the Greek Government, in the course of the year, that in order to recommend the raising of a second loan, political stability, equilibrium of the Budget, and stabilisation of the currency are required. It is anticipated that this

time all the necessary measures will be taken to ensure that these requisites will be effectively obtained. Political stability presupposes two things: (1) Settlement of the definitive form of the constitution, i.e., Republic or Monarchy, and (2) abstention of militarists from any further interference in politics. If, as seems now almost certain, a coalition Government of the five principal political parties is formed, and a spirit of sincere co-operation prevails among them, it may be said that a satisfactory arrangement of these two capital problems, on which the solution of the others more or less depends, will become feasible. The second requisite, viz., equilibrium of the Budget, will require a drastic curtailment of expenditure, and, perhaps, also a reduction of taxation—at least of indirect taxes, which are assessed at highly oppressive rates. The task of the future Minister of Finances will be extremely difficult. Professor Andreades wrote the other day that, financially, Greece had "fallen into a pit." However exaggerated this assertion might be, it is none the less true that the financial situation is grave. Excluding receipts from loans and book-keeping credits, the deficit for the last financial year exceeded Dr. 1,000,000,000, while that of the current year with increasing expenditure and declining revenue may reach Dr. 1,500,000,000. The picture becomes more gloomy if one takes into consideration the economic crisis through which Greece, like all countries which have indulged in currency and credit inflation, is passing, and which is bound to become severer with the effort to restore its finances and to stabilise its currency. To cut down a budget total of nine milliards by at least two milliards in order to obtain equilibrium, to make a scientific readjustment of existing taxation; to create fresh revenue, without imposing new taxes, in order to meet the burden of the war debt and of the proposed refugee loan; to do this under the present social, political and economic conditions of the country constitutes a gigantic task, which only a coalition Government with a strong man at the Ministry of Finance can possibly perform.

Once political stability and balancing of the State's revenue and expenditure have been achieved, stabilisation of the currency will be effected automatically—provided, of course, a sound monetary and credit policy is followed. The remittances of Greeks residing abroad, especially in America; the profits of the merchant marine; the income on important Greek funds deposited abroad and invested in foreign securities; and the repatriation of a considerable part of that capital, which has flown away from the country owing to the lack of confidence created by the political disturbances and their financial consequences; all these are factors which will swiftly turn the balance of foreign accounts in favour of Greece. This will be made easier by the restricted imports of goods from abroad, which the economic crisis and a high tariff entail, and which the growing industrial and agricultural development of the country will help to maintain, even after the economic situation has become healthy again. In the light of recent experience, one might even fear a sharp improvement of the currency, which, if left unchecked, would aggravate the economic and financial situation by lifting, perhaps temporarily, the external value of the drachma to a point not warranted by its internal value. While the cost-of-living index number has been steadily rising and is now 18 times higher than in 1914, exchange on London, after having reached 450 drachmæ in the course of the past months, has been fluctuating recently around 400—i.e., 15 times higher than the parity of exchange—has declined now to 378, and is showing signs of falling further should the political situation be satisfactorily settled. The price at which stabilisation of the currency will be eventually effected will have to be fixed after mature reflection. It will be the test of the Finance Minister's ability and firmness of purpose, for experience teaches that few Ministers can resist the temptation of demagogic policy, by preventing an undue rise of the external value of their country's currency. In view of the fact that Greece imports from abroad considerably more goods than it exports, it is clear that an important factor in the fixing of the internal level of prices is the rate of foreign exchanges. If, therefore, the invisible items of export at the moment of stabilisation were such

as to warrant the expectation that the external value of the drachma would remain for a long time at levels considerably higher than its internal value, it would perhaps be advisable to stabilise the drachma at a better rate in relation to the gold currencies than the internal price level would indicate. But, on the other hand, the eventual adoption of too low a rate of stabilisation might defeat its own end, through the large discrepancy between the internal and external value of the currency, by bringing into play the economic laws which tend to restore equilibrium of the two prices at the proper level. Some Greek experts aim even at a gradual revalorisation of the drachma to its pre-war gold parity. When the power of the currency to remain at the point of stabilisation has been tried for a reasonable time, a return to the gold standard might be made by the creation of a new monetary unit and the conclusion of an external loan, the proceeds of which would serve as a guarantee of the convertibility of the note issue.

As regards the issue of the second refugee loan, it was roughly estimated that a sum of £5,000,000 would be sufficient for the purpose. It is now considered, however, after careful examination, that the amount should be increased to £8,000,000, in order to meet all the expenses needed for completing the settlement of the refugees. Of course, the amount to be borrowed depends mainly on the resources of the Greek Treasury, which will be taxed, in addition, with the annual service of the War Debt to England and the United States. This debt amounts to some £25,000,000. The proceeds of the new loan will be used for completing the works already done, for settling 8,000 agricultural families, and reclaiming large areas covered by marshes and needed for the refugees, and for building houses for 35,000 urban families. These works are believed to be indispensable. In view of the economic difficulties of Greece and of the pitiable situation of the refugees, whom the agents of Communism are trying to exploit, it is imperative that the League of Nations should take up the matter as early as possible, and, by authorising the issue of the projected loan, enable the Refugee Settlement Commission to bring its task to an end.

CANADA.—ADVENT OF WINTER—CROP RETURNS—MARKETING PROBLEMS—GENERAL BUSINESS CONDITIONS—MOTOR PRODUCTION—MERGERS IN THE PULP AND PAPER INDUSTRY—RAILWAY EARNINGS—STOCKS—BRAZILIAN TRACTION COMPANY.

(FROM OUR CORRESPONDENT.)

OTTAWA, November 30.

WINTER has now definitely set in, but in Eastern Canada its incidence has so far been abnormally mild; the ground is frozen hard, but the snowfall has been light, and has disappeared in many places. Outdoor work on the farms has been suspended, but the forests are humming with activity, due more to the demands of the pulp and paper mills than of the lumber companies. The navigation season on the St. Lawrence is in its final stages, and on the inland waterways it promises to close earlier than usual. In business circles there is general relief at the termination of the British coal strike, for its effects upon Canada's export trade in foodstuffs were beginning to be quite serious. Moreover, it has resulted in at least a temporary forfeit of a large part of the valuable market which British coal exporters had built up in Canada; with the last shipment for the year now arrived, British coal imports to Montreal for the season reach a total of 106,015 tons, as compared with 438,841 tons in 1925.

The fate of the Western grain crop—which, imperilled as it was by inclement weather, was causing anxiety to the business community—has now been settled, and although much damage has been done, the crops which have been garnered throughout Canada are on the whole satisfactory, and represent a purchasing power for the farming communities which is but slightly below that of the crops of 1925. The latest official estimate of the wheat crop of the prairie provinces places it at only 1,685,000 bushels less than last year, which is a decline of about half of 1 per cent. The yield of oats is, how-

ever, much less satisfactory, having declined from 513 to 365 million bushels, a loss of 29 per cent., and most of the other field crops show a slight reduction in comparison with last year, but the Bureau of Statistics composite index of the yield per acre of the field crop, weighted according to values during the 10-year period from 1915 to 1924, and expressed as a percentage of the average for the same period, is 110, as compared with 112, the final index of yields for 1925. Despite the lateness of the harvest, the movement of the grain to the Great Lakes and tidewater has been remarkably active, and from August 1 to November 12 the farmers of Western Canada marketed 200,092,000 bushels of wheat, or 5 million bushels more than in the parallel period of 1925. But the export demand from Europe has been spasmodic and disappointing in volume, and as a consequence, at the middle of November the elevators at Montreal were filled almost to capacity, and the stocks of wheat at Fort William and Port Arthur were nearly 11 million bushels in excess of the quantity in store at the same date in 1925. Inevitably grain prices have shown a downward tendency on the Winnipeg market, and the problem of the disposal of the balance of the crop may present some difficulties. The rush of Canadian wheat down the lakes to be sold before the close of the navigation season has resulted in large demands for bulion in Canada, and early in November, when quotations for sterling in Montreal fell below the import gold point, shipments of sovereigns from London to Montreal were reported. Also, during the last week of November, when the Canadian dollar stood at $\frac{1}{16}$ premium in New York, a shipment of \$10,000,000 in gold was made to Canada by American banks.

The general improvement in commerce and industry which has been a feature of the current year has not been checked, and certain seasonal declines do not materially affect the generally favourable trend. The month of October established a new record for car-loading, exceeding by some 16,500 cars the best previous figure, attained in November, 1925. The gain for the week ending November 20th—only 194 cars—was trivial, but the total gain for the year has now reached the imposing figure of 263,230 cars, or roughly 10 per cent. Retail trade in winter specialties has been adversely affected by the mild weather, and country storekeepers complain that bad roads, due to prolonged wet weather, have kept the farmers from making their usual volume of purchases. But the purchasing power is still in reserve, and a very brisk Christmas trade is everywhere anticipated. Wholesalers report that the flow of orders is appreciably better than a year ago, and manufacturing operations are on the whole satisfactory. The iron and steel and the allied equipment and machinery plants have all an adequate volume of orders on hand, and are satisfied with prospects for the winter. The cloud of gloom which has hung over the industrial areas of Nova Scotia has at last been lifted, and both the coal mines and steel plants are busy, but the problem of the financial plight of the British Empire Steel Corporation has yet to be solved.

The outlook is decidedly better for the boot and woollen industries, which had been encountering difficulties, and the cotton, rubber, sugar, and motor industries are all in a healthy condition. The production figures of the motor plants are illuminating in light of their owners' lamentations in the spring that their ruin was imminent, owing to tariff reductions. There was the usual seasonal decline in October, when their output numbered 14,670 vehicles, a decline of 16 per cent. from September's production; but the aggregate production for the first ten months of 1926 totals 187,536 vehicles, with a sales value f.o.b. plant of \$114,450,116, as compared with an output of 142,567 units, worth \$92,434,978, for the parallel period of 1925. Out of the October production of 14,670 cars no fewer than 7,546, or more than half, were exported. The pulp and paper industries also continue to show a wonderful record of prosperity, and the increased output of newsprint is being easily disposed of at satisfactory prices; but in the finished paper lines competition appears to be stiffening. However, the newsprint manufacturers do harbour some apprehensions that over-production may bring difficulties to their industry next year and force

down prices to an unprofitable level. So rumours have lately revived of a series of mergers in the newsprint industry which would leave it under the control of three very powerful corporations.

The railway earnings continue to be extraordinarily good. In a recent speech Sir Henry Thornton, the president of the Canadian National system, asserted that its net earnings for the year would reach 45 million dollars. The net earnings of the C.P.R. for October were \$7,947,199, which is a gain of \$503,172 over the earnings of October, 1925, and has only been exceeded by one October in their history—viz. in 1923. Also, the earnings for the first ten months of 1926, placed at \$36,579,221, show a gain of $7\frac{1}{2}$ million dollars, and are the best showing for that period since 1917. One important event in the railway world is the completion of the new branch line which gives the valuable new mining field at Rouyn in Western Quebec a link with the Canadian National system. Although nominally built by a private corporation, its bonds were guaranteed by the C.N.R., which will operate it; and heavy traffic is anticipated in the transportation of large quantities of heavy materials and supplies which numerous mining companies like the Noranda are eagerly awaiting to make possible the development of their properties. Activity in the Northern mining fields shows no signs of abating, and some of the old-established mines like Dome and McIntyre have recently reported very valuable fresh strikes; again, the shares of the Noranda Company, which has not produced a single ounce of metal yet, have already been given a market value of about 37 million dollars.

During the past month there has been no definite trend in the Canadian stock markets apart from the Power group, which has shown steady strength. There has, however, been a sharp fall in Brazilian Traction, a very popular stock in Canada, due partly to the fall in the exchange value of the milreis and partly to some uncertainty about the future control of the company.

Letters to the Editor.

THE SITUATION IN CHINA.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The articles which appeared recently in your paper on the situation in China contain numerous grave errors of fact and give an entirely wrong idea of that situation and of the possibilities of finding a satisfactory solution. That these articles have been published by a financial paper of your standing greatly increases the danger of misleading the public into the facile belief that by a stroke of the pen and by some easy gestures of goodwill are to be solved all the great difficulties and the real dangers which face British interests in China.

You state that the comparatively high quotations of the 1896 or 1898 Customs loans as compared with other Customs loans, prove that there is "method in the Chinese madness."

It proves nothing of the kind, for the simple reason that the Chinese have nothing whatever to do with the payments of loans secured on the Customs. This is completely in the hands of the foreign Inspector-General, who is backed by the foreign Powers. An investor who buys Chinese loans secured on the Customs is gambling purely and simply on the will of the foreign Powers to maintain control of the Customs. The moment they give up this control and hand it over to the Chinese the Customs loans will fall to the same level as that of the unsecured loans and other debts for railway material, &c., which have been incurred by various Chinese authorities (both central and local). And the less said about them the better.

You attempt to belittle the importance and danger of Bolshevik influence in China.

Most people out here totally disagree with you, and believe that Bolshevik intrigues are the main cause of all the anti-British agitation, and constitute a very grave menace both to the foreigners and to the Chinese themselves. I shall not trouble to refer to the experiences of British merchants in Canton and Swatow, and now in Hankow, but would simply ask you how, if Bolshevik influence is only of a temporary nature, you explain the following facts:—

1. That, wherever the Nationalists spread, there at once anti-British agitation, boycotts and strikes break out, Labour unions, councils of workmen and peasants and all the other paraphernalia of Bolshevism are at once set up.

2. That the Nationalists have organised the Canton Govern-

ment on Soviet lines with Committees, Commissars, and everything else.

3. That Russian Soviet officers are attached in large numbers to the Nationalist forces which are conquering China, and that the Soviet Government has been steadily supplying them with money, arms, and munitions.

4. That the other parts of China which have not yet come under Nationalist control are still free from the symptoms mentioned in (1.), or that as soon as the Nationalists retire from an area these symptoms die away.

You have no evidence to prove that this is all a temporary phase. It is pure surmise on your part. Only the future could show whether you had been right. Whereas the actual existing facts show that Bolshevik influence is an all-powerful factor in the present Chinese situation.

Nor does it serve any purpose to talk about the conservatism of the Chinese masses. In all countries a small, energetic vocal group conducts the policy and governs. The masses simply follow. As well argue that Soviet Russia herself, after nine years of Soviet misrule, is not Bolshevik, because the millions of peasants are not Bolsheviks.

Nor are you even logical in your arguments in this matter: For in one place you quote the ancient civilisation of China as an argument against the possibility of Bolshevik ideas gaining a hold, and later on you are to be found lecturing the British merchant out here on the new spirit which has come over the Chinese. Which is correct?

It is a pity that you should have thought it necessary to raise the stale old cry about the "Treaty Port mind." I will not argue this point, which seems to me more one of opinion than of fact. And, besides, I might appear to be biased. But if you must speak in such a patronising and superior way about the attitude and mentality of the British out here, you might at least make your own views quite clear, especially on the very question for which you appear to be taking them to task. Yet I defy any reader to tell me what are your real views on the "when" and "how" of rendition of foreign privileges and control. Do you advocate gradual and conditional rendition, based on the progress made in government, administration and justice, which is all that the British merchants out here ask for, and which is what is being recommended by the Commission? Or do you advocate the immediate, complete and unconditional rendition, which is, as they have repeatedly announced, the minimum that the Nationalists will be content with and which presumably is therefore required to bring about the goodwill of the "Chinese people" on which you lay so much stress?

You tell us out here that the "gun-boat policy" is all nonsense and invite us to doff our armour and come out into the open and assure us that we shall not be shot at. Unfortunately you do not produce a single fact in order to substantiate your very generous guarantee, whereas foreigners out here, looking across from the safety of their concessions, which are further protected by garrisons and gun-boats, see all about them a perfect orgy of banditry, piracy, looting of foreign property in the interior, judicial murders, and brutal executions in every part of China, quite apart from all the pleasant incidentals of a few civil wars. I will quite admit that the safety and peace of a London office may give you a much less "prejudiced" mind than we are able to afford out here.

And now I come to your main thesis: That we British, having lost the goodwill of the Chinese, can only regain it by relinquishing our so-called special privileges, &c.

As usual you do not quote a single fact to prove your contention. If these privileges are at the root of the Chinese ill-will, why is it that all their demonstrations are directed against the British alone, who are only one of the numerous nations enjoying these privileges?

Again, if this feeling is so nation-wide, as you would have your reader imagine, why don't the merchants all over China simply refuse to have any dealings with the British or their goods? How is it that these anti-British demonstrations only manifest themselves in those parts of China under Nationalist and Bolshevik control?

And, on the other hand, if it is all a mere matter of giving up the privileges, how is it that the Germans and other nationals who have long ago had to forgo these rights are not doing the biggest trade and capturing all the business in China?

For myself, I have not noticed any special anti-British feeling amongst the Chinese. I have been called "foreign devil" hundreds of times, but have never been insulted as a Britisher.

The Chinese are one of the most race-conscious people in the world, and all through history have been tinged with anti-foreign feeling. And this, like a tap that can be turned on and off at will, is used by the politicians one moment against one nation and one moment against another, just as it suits their plans.

You state that the conciliatory policy of Japan has pacified the Chinese, and with the help of Customs figures seek to prove that this is reflected in her trade. You even go so far as to leave the reader to infer that what the British have lost in Canton the Japanese have gained in Manchuria.

Anyone who has the very slightest knowledge of China must

know that the two territories have absolutely nothing whatever to do with one another. The great increase in Japanese trade in Manchuria recently is entirely due to the excellent bean crops which are the staple produce of that country. So that has nothing whatever to do with your argument.

As to the conciliatory policy of Japan—which, by the way, was forced on her by America and England much more than by any Chinese boycott—having had any permanent influence on the Chinese, I myself as late as 1923 have seen anti-Japanese demonstrations here in Peking got up by the Government, with Feng Yu Hsiang's soldiers marching in the parade, to demand the rendition of Dairen and the S.M.R. What has happened since then is simply that the Nationalists under Bolshevik advice have singled us out as the more distant, more war-worn, and therefore less dangerous enemy, and have concentrated their attention on us. Naturally, the Japanese have been clever enough to keep out of the row, and have been making hay whilst the sun shines. Even you yourself will perhaps admit that the Chinese can hardly boycott every foreign country at the same time and still continue their economic life.

And now to consider your proposals for restoring order in China. There is, of course, the dear old story of a round-table conference of the fighting parties. Excellent, only you apparently forget to tell us exactly how they are to be brought together, or how, when brought together, they are to be made to adhere to their agreement, seeing that even amongst themselves within their parties they can never keep faith for more than a few months at a time.

Then there is your advice to the British Government to get the Powers together and stop the civil war and create a responsible Government in China. Excellent again, and I am really almost with you there. Only, unfortunately, you have left two quite important points unexplained: Firstly, how do you propose to get the Powers together? Secondly, when you have done so, how do you propose to stop the civil war and install a responsible Government without armed foreign intervention, which, of course, is not what you intend?

And, finally, you have the brilliant idea of "enlisting Chinese public opinion in the cause of peace by holding out to them as a prize the abolition of foreign privileges and the promise of large credits."

Sir, were it not for the reputation of your journal, I might really be led to believe that you were writing a satire.

As if the unfortunate Chinese people (as distinguished from the militarists and politicians) were not long ago heartily sick of the whole business, and would be only too glad to get peace on any terms, without any extraneous inducements, if they only knew how it was to be done! Not to mention the small fact that, in the present state of Chinese credit and with the abandonment of foreign control of the Customs, you might have more difficulty than you imagine in finding those large credits.

With your third article I have no great quarrel. It is a piece of fine writing, and the only fault I have to find is that it does not give a single fact to support the alluring picture of a regenerate, peaceful, flourishing China with unbounded opportunities for foreign trade.

What you have hoped to achieve by these articles it is difficult to understand. Certainly you will have deceived no one who has the slightest knowledge of the country, least of all the Chinese, who are quite aware that they have got us out the run. For that is what it really all amounts to.

As I read it, the position is as follows:

For the last fifteen years the Chinese have shown themselves totally incapable of establishing an ordered, civilised government on Western lines, nor is there the slightest indication to show that they are capable of doing so on their own. The Bolshevik system of a few clever rogues ruling over the masses with a hand of iron and using the slogan of anti-Imperialism (i.e., anti-foreignism) as their war-cry is more akin to the temperament and the history of the Chinese than the democratic and parliamentary governments of the West. It seems, therefore, highly probable that a Bolshevik government will soon be established all over China. But unfortunately, even this is not likely to be the end. For as the history of the last few years proves, the strong clan feeling of the provinces, the economic differences of interest between North and South, the inability of Chinese politicians to work together loyally for more than a very short period will prevent anything but a very temporary unity. Within a few months the Bolshevik leaders will be fighting amongst themselves again, and the confusion will be worse than ever.

As to this anti-British agitation, it is merely that the Nationalists availing themselves of the present exhaustion of the West, have adopted a policy of force and aggression—for what else are these artificially inspired boycotts and strikes?—to gain their political ends and put themselves in power. And under the advice of their Bolshevik friends from Russia they have concentrated first on us.

In that case the abolition of foreign privileges and control is going to settle nothing. While, on the one hand, such a step will, to say the least, imperil the vast capital invested in

Chinese loans and in property in the Concessions, will make conditions of trade vastly more difficult, and will make the conditions of life out here for foreigners still more insecure, it will, on the other hand, not have done the slightest towards stopping the civil wars, restoring order, or establishing good government. Nor will it in any way have allayed the hostility of the Nationalists, who will merely regard it as a further sign of weakness, and will, as all history shows, grow more aggressive and put forward fresh impossible demands.

Somewhere you will have to draw the line and make a stand or otherwise be prepared to be driven, not only out of China, but out of Asia altogether.

I see no other way of restoring peace and order in China but by foreign armed intervention.

If you consider that to be an impossible policy, then there is really nothing to be done but to prepare for the inevitable retreat. But in that case you should face the facts squarely, and prepare the public for an extended period of disorder in China, with ever-decreasing trade, instead of luring it on to throw away further capital and effort by painting an entirely false picture of the situation and of the future which has not the slightest basis in fact.—Enclosing my card, I am, yours, &c.,

NON-TREATY-PORT.

Peking, November 26th, 1926.

[To deal with "Non-Treaty-Port's" long letter point by point would require another article of the kind that displeases him; but the gist of his letter is contained in the last two paragraphs, in which he implies that there are two possible alternative policies, and two only, towards China: either "foreign armed intervention" or else "the inevitable retreat" (by which he presumably means the evacuation of the foreign trading communities from the treaty ports and concessions). If that were true, "Non-Treaty-Port" had better pack his trunks forthwith, since "foreign armed intervention" is out of the question, except for the strictly limited purpose of protecting foreign lives and property; and this would certainly be a prelude, not to the conquest of China by foreign armies, but to the evacuation of the foreign communities under naval convoy. "Non-Treaty-Port" accuses us of not knowing, or ignoring, the situation in China; but our ignorance cannot be more profound than his ignorance of the state of feeling in Great Britain and the other foreign countries concerned; and to our mind his letter is a perfect illustration of that "Treaty port state of mind" which we persist in regarding as one of the most dangerous elements in the Chinese situation. The foreign Powers will not go to war with the Chinese for the purpose of maintaining the economic and political privileges of their nationals in China, and this for several reasons: it would not be morally defensible; it would not pay even if it were practicable, since the cost of such a war would exceed many times over the value of our China trade; and it would not be practicable, since a war fought on behalf of this trade would infallibly give it the *coup de grâce*. What was obtained by war in 1839-1843 cannot be retained by war to-day. "Non-Treaty-Port," who is outraged because the Chinese contemplate depriving the foreigners of their privileges by force, ignores the fact that these privileges were acquired by force in the first instance. No doubt that was 83 years ago, and our presence in China since then has conferred benefits on her which offset the high-handed action by which we originally forced our way in; but "under-dogs" have immortal memories. This is, of course, the root difficulty of the third alternative which we advocate, of taking the initiative in attempting to reach an understanding with the Chinese. This attempt may fail, but at any rate both his Majesty's Government and the China and Far East section of the Manchester Chamber of Commerce (see the *Manchester Guardian*, December 17, 1926) consider that it is very well worth while to make it. That is why Mr Lampson has gone to Hankow. We should like to ask "Non-Treaty-Port": Does he approve of Mr Lampson's mission or no? If he does not, there is no more to be said; but if he does, then nothing could do more to embarrass his Majesty's Government and to militate against the success of their efforts to deal with a delicate and complicated situation than the display, by British residents in China, of just such a temper as "Non-Treaty-Port" displays in his letter to us.—ED. *Econ.*]

THE FRENCH FRANC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I note from your last issue that Mr Mason is strongly in favour of the proposal that the French franc should be stabilised at around present values, and I have been wondering if this is the same Mr Mason who is chairman of the Sound Currency Association, and who has claimed a good deal of credit for having influenced our own Government to get our currency back to par value without delay. If so, I, and many others, would like to know how it was right that the pound sterling, which was worth anything between 14s and 15s, should be forced by artificial means up to its face value, and that it can also be right for France to stabilise at to-day's values.

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In the one case it meant a large bulk of British paper money being given the same value as gold and the value of British commodities reduced in proportion, and in the other case fixing the value of French paper money at its present market value, and thus leaving the price of French commodities at to-day's value.—Yours, &c., R. GRAHAM.
"Highfield," Offerton, Stockport, December 15th, 1926.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Whilst Mr D. M. Mason must be thanked for ingeniously suggesting the issue to the holders of the French currency loans of a supplementary income bond in connection with the anticipated stabilisation of the exchange, his expressions "to some extent" and "for some part" are much to be deprecated. The holder of French Rentes was not relieved of any part of his anxieties when the franc tended precipitously downwards, and no one has a right to disappoint him of any particle of his hopes when there is a prospect of recovery. He has carried his risks, and he demands his chances. He must be allowed to enjoy the latter not merely "to some extent" or in "some part," but to the full.—Yours, &c., F. O'HALLORAN.

Hampstead, N.W. 3, December 15th, 1926.

COALOWNERS AND SELLING ORGANISATIONS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Has it really come to this, that a paper bearing the name of the *Economist*, and claiming, I suppose, to represent the opinion of economists, thinks the policy of raising by combination the price of coal to the coal-using public, both householders and manufacturers, so obviously right that only crass ignorance or ineptitude could oppose it? You say (*Economist* of December 4th), "Optimism on this point is somewhat damped when we find that to the report of the Committee on the marketing of coal a minority report is appended, two of the three signatories of which are coal-owners, who, in effect, say that no improvement is needed and nothing required to be done. Sincerely do we trust that the coming months will show this *dolce far niente* attitude to be unrepresentative of the mineowners as a whole." As has been said, "something must be done" is the almost certain prelude to doing something superlatively foolish.

As the coalowners presumably stand to gain in their pockets by a scheme for raising the price of coal, this is only one more instance where that much-abused class has stood forth as the defenders of the public against the interests of their own pockets.

If it be said that the majority report of the Committee is on the lines of the Samuel Report, the answer is that the value of the Samuel Report is weakened because, as has been said (and never, so far as I know, answered), the Royal Commission seems not to have been able to see in the coal industry anything but a fund for paying wages to miners, and to have ignored the interests of the coal-using public (including, among others, the workmen in the iron and steel industries). If either can be said to be a public interest it is certainly not dear, but cheap coal.—I am, &c., A. A. MITCHELL.

7 Huntly gardens, Glasgow, December 14th, 1926.

Books and Publications.

ARBITRATION.*

DURING the past year or two the amazing prosperity of the U.S.A. has been the wonder, and perhaps also the envy, of an impoverished world, and all eyes are now turned to the Golden West as to an industrial Mecca. It is therefore the more gratifying to hear, amid the universal paeans on transatlantic achievement, a faint echo of

* "Arbitration and Business Ethics." By Clarence F. Birdseye. New York and London) D. Appleton and Co. \$2.50 net. 1926.

England's former greatness. It is indeed something more than an echo, for in this excellent work on arbitration by an American author it is roundly stated that this country is still first in the philosophy and practice of arbitration:—"In England substantially all the trades have been formed into self-governing associations doing a homogeneous business, and hence the organisation of business upon an elaborate and scientific basis has been carried very much farther than in the United States." There can be no doubt that in any sound scientific economic structure arbitration and conciliation must play a leading rôle, and we in this country have a thoroughly healthy and well-rooted tradition of arbitration in industry, going right back to the old mediæval guilds. Also, although we are sufficiently harassed by Government interference, there is not in this country an over-zealous Federal Trade Commission going fussily round with lantern and ferret to unearth all trade associations and bring their activities into the fierce light of the F.T.C. inquisition. Among these activities arbitration rules should not be suspect, but amid the shifting sandbanks of American law it is difficult for a trade association to find firm foothold, and its beneficent actions re arbitration are compromised by persecution in other directions.

This is a real difficulty in the U.S.A., especially in regard to arbitration of the common law type, owing to the extreme complexity and variability of the law in the U.S.A. There is no general uniformity in regard to arbitration among all the different States and the legal machinery is cumbersome. This is well emphasised in the present work, and Mr Birdseye, in fact, is severe in his condemnation of common law arbitration.

Both in this country and in the U.S.A. resort to the courts is avoided, and everywhere the commercial type of arbitration by trade associations, chambers of commerce, and other tribunals is growing rapidly in favour. Mr Birdseye gives a very interesting account of the history and present practice of commercial arbitration in its many and varied forms, including, in particular, the valuable work done by the Chamber of Commerce of the State of New York. Collective bargaining and arbitration between labour and capital, the supreme importance of attempted conciliation before arbitration, difficulties of compulsion, commercial courts, small claims courts, and a summary of general conclusions complete a very painstaking piece of work.

There are several valuable appendices, of which the Hart Schaffner and Marx labour agreement merits special notice. These are perhaps the most useful part of the book, showing the actual and practical working of arbitration and conciliation; whereas the text is apt to be platitudinous in places, with a certain amount of tautology and over-elaboration of statement; also we find a wearisome reiteration of the terms "ethical" and "ethical basis." There is, however, little ground for criticism, and the author is undoubtedly right in emphasising the ethical basis, so that we can take comfort in the reflection that although modern industry appears superficially to be little else than gross materialism, there is, nevertheless, unlimited scope for the highest ethical activity.

BOOKS RECEIVED.

History of Barclays Bank, Limited. Compiled by P. W. Matthews. Edited by Anthony W. Tuke. (London) Blades, East and Blades, Limited, 17 Abchurch lane. 2 guineas.

A well-produced and beautifully illustrated volume. It not only gives a comprehensive and most interesting account of the history and development of one of our greatest banks, but is also a welcome addition to general banking history.

German Currency: Its Collapse and Recovery. 1920-6. The Presidential Address of the Rt. Hon. Viscount D'Abernon. (London) Royal Statistical Society, 9 Adelphi terrace. 2s.

A verbatim report in pamphlet form of Lord D'Abernon's important address, on which comment was made in the *Economist* of November 20th.

Indian Administration to the Dawn of Responsible Government. By B. K. Thakore. Revised edition. (Bombay) D. B. Taraporewala, Sons and Co. Rs.6.

An historical review, with practical suggestions on the present phase. The author was formerly Professor of History and Political Economy in Deccan College, Poona, and his orientation towards Indian problems may be illustrated by the fact that he inscribes his book to the "sacred memory" of Burke, Bright, Mill, Gladstone, Hume, Morley, and Montagu—"great Englishmen, who were also great lovers of freedom as the most spiritual force in the uplift of humanity in every race and clime."

The Marketing Problem. By E. T. Elbourne. With a foreword by Sir Josiah Stamp. (London) Longmans, Green and Co., Limited, 39 Paternoster row. 10s.

A concise summary of American marketing devices, based on a survey made by the author in America in July, August, and September of this year. The aim of the book is, avoiding technicalities, to enable the British manufacturer or merchant to weigh up the significance of American practice.

The Consumers' Co-operative Movement in Illinois. By Colston E. Warne. (London) Cambridge University Press, Fetter lane. 17s 6d net.

The author, who is Assistant Professor of Economics in the University of Pittsburgh, opens with a description of the nature of the Co-operative Movement, and passes to his main subject, namely, the history of the consumers' co-operative movement in Illinois. He tells the story of the development of the American Rochdale plan, its failure, and its revival.

Fertilisers. By Herbert Cave. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 3s net.

Presents in readable form and without undue use of technicalities an account of the sources, manufacture, and uses of fertilisers.

Bourne's Insurance Directory, 1926-27. (London) Stone and Cox, Limited, 188-9 Strand. 17s 6d net.

In its latest edition this old-established annual remains as indispensable as ever to all who are concerned with insurance matters.

Statistique Intellectuelle de la France. Par Tatiana Bercovski-Chestov. Année 1923-24. (Paris) Les Presses Universitaires de France, 49 Boulevard Saint-Michel. 35f.

A volume of statistics referring to public education, libraries, publications, and places of entertainment in France, compiled by the Statistical Institute of the University of Paris.

A Review of the Rubber Position. By Lt.-Col. C. G. Kunhardt. With an introduction by A. W. Still. (London) *Investors' Chronicle*, 8 Drapers gardens. 6d.

Colonel Kunhardt predicts a very considerable rise in the average price of rubber during the next four or five years.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

China No. 3 (1926): Report of the Commission on Extra-territoriality in China. Cmd. 2774. 2s 6d net.

Report of the Industrial Assurance Commissioner for the year ended December 31, 1925. 2s 6d net.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET.	ACCOUNT.
December 28.	December 30.

ACTIVITY in Stock Exchange markets during the past week has been mainly confined to half-a-dozen sections. There continues to be a fair amount of money available for investment. New issues offering good stock have found a ready welcome from the public. Well-secured debenture stock and preference shares are not easy to obtain at reasonable prices. Gilt-edged issues remain firm, the War Loan round about 100½. The strength of investment securities is the more notable by reason of the fact that the last weeks of December usually produce selling orders rather than buying; people prefer as a rule to have cash instead of shares at this particular time of the year.

The new Belgian scrip is nearly 8½ premium, and other European issues continue to attract favourable attention. The forthcoming Bulgarian Refugee Loan is assured of, at any rate, an attentive reception. Chinese bonds have been marked up and down according to the news of the day, without there being much business to produce the fluctuations. Peruvian Corporations kept fairly steady on the eve of the meeting next Monday, at which the chairman is expected to make an announcement in regard to the manner in which arrears of preference dividend may be dealt with. Lively fluctuations occurred in Turkish Unified. French and German bonds are quiet.

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Chief Foreign Branch	168, Fenchurch Street, London, E.C.8
West End Foreign Branch	1, Pall Mall East, S.W.1.
Liverpool Foreign Branch	45, Castle Street, Liverpool.
Manchester Foreign Branch	94, Portland Street, Manchester.
Bradford Foreign Branch	13, Market Street, Bradford.

Home railway stocks have sunk back into neglect. Grand Trunk Pacific debentures have gained a point or two. The Argentine railway list is strong, it being contended that the season of the year which is more particularly dangerous to the coming crops is nearly over, and that the outlook is promising for good traffics from the early part of the New Year. Other foreign rails show steadiness, and nitrate rails are better, in spite of the heaviness that continues to characterise shares in the nitrate-producing companies.

The most spectacular feature in the industrial market has been the result of the issue of the Committee's report on the Armstrong-Whitworth Company. This led to falls of about 25 points each in the company's two junior debenture stocks; the shares have also suffered severely. The rubber market remains dull and out of favour, nor do tea shares arouse any public interest. Prices therefore tend to sag. The most excited market of the week has again been that for Dunlops, in which the price has been rattled up and down, leaving a fall on balance due to sales by people rendered apprehensive by the cut in tyre prices made by some of the Dunlop competitors. Motor shares keep steady, with Napiers in the ascendant on bonus hopes.

The British American Tobacco dividend, making 25 per cent. net, though lower than that of last year, will be paid on a larger capital, and served to impart strength to the market, Imperial Tobacco shares being the chief gainer, on the consideration that the Imperial Company holds a very substantial amount of B.A.T. shares. Courtaulds have slipped under £5, and the English textile shares are dull. The electric lighting group is heavy, disappointment being expressed with the bonus share distributions to be made by the City of London, the County of London and the South London Companies. Gas stocks, on the other hand, are rather better. The shipping market is practically unchanged. Movements amongst banking shares are narrow, and in the case of the Far Eastern companies rather irregular. Sudan Plantations, Hudson's Bays and other land shares have suffered from neglect. The Brazilian Traction group is somewhat passive. Swedish Match shares enjoyed another sharp rise, on the expectation of the company acquiring Continental monopolies. A boomlet in shares of the cable construction companies is due to vague talk of possible amalgamations. The oil market remains firm as regards the good shares in its list. There is no change worth mentioning in wireless issues. Publication of their December dividend announcements by a number of South African mining companies has had little effect upon the Kaffir Circus. The outstanding feature of strength is Sub Nigel, where the developments reported from the property are exceptionally good. Apart from Sub Nigels, the market has been listless, with prices showing a dull tendency, in which Rhodesians have become involved as well as a few of the principal platinum descriptions. There is less doing than usual in diamonds. Amongst the base metal shares, Malayan tins are inclined to go back in price, apparently from want of public interest at the end of the year. West Africans have followed the same uninteresting track. There is so little business going on in Canadian, Mexican, Russian and other miscellaneous mining shares that movements have been nearly negligible.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded		216,756,575		
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to December 11, 1926, Dr £2,850,000.				
Net sales week ended December 11, 1926, Dr £150,000.				

To the Public—				
The Amalgamated Press, 4,500,000 7% Cum. Pref. Shares of £1 each, at par (Dec. 13)	4,500,000	4,500,000	562,500	3,937,500
"Snia Viscosa," £1,400,000 7½% Bonds, at 95 (Dec. 16)	1,400,000	1,302,000	70,000	1,232,000
City and International Trust, 100,000 Shares, £10, at par (Dec. 15)	1,000,000	1,000,000	100,000	900,000
Scottish Drapery Corporation, 600,000 7% Cum. Pref., £1, at par	600,000	600,000	75,000	525,000
Do 650,000 Ord. Shares, £1, at par	650,000	650,000	81,250	568,750
Phoenix Oil Products, 600,000 8% Cum. Pref. Shares of £1 each, at par (Dec. 13)	600,000	600,000	60,000	540,000
New Zealand Loan and Mercantile Agency, 500,000 6½% Cum. Pref. Shares of £1 each, at par (Dec. 14)	500,000	500,000	25,000	475,000
Australian Estates & Mortgage Co., 500,000 6½% Cum. Pref., £1, at par (Dec. 15)	500,000	500,000	62,500	437,500
Hamill Brick Co., 60,000 8% Pref. Fig. Shares, £1, at par (Dec. 16)	60,000	60,000	7,500	52,500
Pattani Consolidated Alluvial Tin, 310,000 shares, 5s, at par	85,000	85,000	21,250	63,750
Total offered to the Public	9,797,000	1,065,000	8,732,000	

To Shareholders only—				
Investor's Mortgage Security, 25,000 Shares of £10 each, at £16 per Share	250,000	400,000	100,000	300,000
British Investment Trust, £250,000 5% Deb. Stk. (red. at 102½, Jan. 1, 1927), issued at 97½	250,000	242,500	242,500	
Meadow Dairy, 150,000 Pref. Shares of £1 each, at 22s per Share	150,000	165,000	15,000	150,000
Do 15,000 Ord. Shares of 1s each, at par	750	750	750	
Scottish Investment Trust, 100,000 Shares of £1 each, at par	100,000	100,000	100,000	
Sungei Tukong Rubber Plantations, 100,000 Shares of 2s each, at par	10,000	10,000	10,000	
Total to shareholders only	918,250	468,250	450,000	

Total offered for subscription to date in—	Total offered for subscription for whole year—
1926	227,324,825
1925	229,414,290
1924	207,054,575
1923	269,927,045
1922	571,887,650
1921	370,141,418
1920	231,914,268
1919	209,326,100
1918	271,393,173
1917	573,675,650
1916	388,978,203
1915	367,549,656

"Snia Viscosa."—Share capital, 1,000,000,000 lire, divided into 6,666,666½ shares of 150 lire each, of which 5,000,000 shares have been issued and are fully paid and 1,666,666½ have been offered for subscription at par to the existing shareholders. This is an offer for sale of £1,400,000 7½ per cent. sterling first mortgage bonds at 93 per cent. The bonds will be redeemed in or before 1951 by an annual sinking fund of £61,000, beginning in 1929. The bonds will be secured as a first specific mortgage or charge under Italian Law on the land and buildings (other than the office buildings of Snia Viscosa, in Turin), now owned by the company and Unione Italiana Fabbriche-Viscosa and the Società Italiana Seta Artificiale, two of its subsidiary companies, and upon the entire share capital of these subsidiaries. The company, which was incorporated in 1917, "is the largest manufacturer in Italy of artificial textile fibre." The production of artificial textile fibres in 1925 amounted to 20,952,270 lbs. Combined profits, after charging all working and administrative expenses, but before charging interest on advances and current accounts, depreciation of buildings, plant and machinery, and profits taxes, and before crediting interest, dividends and other special profits, are certified to have been as follows:—15 months ended December 31, 1923, £675,586; year 1924, £1,546,992; year 1925, £1,575,023; seven months ended July 31, 1926, £406,485. The net assets (exclusive of goodwill and patents) are certified to be £8,078,960. The object of the present issue is to pay off all present bank loans and other similar liabilities, and to complete the development of the company's programme. The high rate of interest offered must be regarded as indicating the measure of risk involved. The value of the security is chiefly dependent upon a stable economic and political environment, while the immediate outlook for the artificial silk market is somewhat uncertain.

Scottish Drapery Corporation, Limited.—Authorised capital £1,500,000, divided into 750,000 7 per cent. cumulative preference shares of £1 each and 750,000 ordinary shares of £1 each. This is an issue of 600,000 of the preference shares and 650,000 of the ordinary shares, both at par. The prospectus states, however, that the number of ordinary shares offered for public subscription is limited to 150,000. The company has been formed particularly to acquire shares and other interests in drapery businesses. Arrangements have been made by which the company will acquire, directly or indirectly, controlling interests in Pettigrew and Stephens, Limited, Glasgow; Patrick Thomson, Limited, Edinburgh; Mr D. M. Brown, Dundee; and Messrs Watt and Grant, Aberdeen. Combined profits applicable to the interests to be acquired, after providing for all the charges and expenses of carrying on the businesses, but before allowing for Imperial taxation and depreciation of heritable properties, are certified to have been

New Zealand Loan and Mercantile Agency Company, Limited.—Issued capital £2,000,000, consisting of £1,000,000 5 per cent. cumulative preference stock and £1,000,000 ordinary stock; there is also £2,000,000 debenture stock, consisting of £1,000,000 4 per cent. first mortgage debenture stock and £1,000,000 4 per cent. second mortgage debenture stock. This

Argentina 5 1/2, 1906	7.101	101			
Austrian 6 % Guar.	99	99			
Belgian 7 1/2, 1926	102	102 1/2	+		
Brazil 5% Fund, 1914	78	78			
Chilian 4 1/2, 1896	74	75	+	1	
Do 7 1/2 %	102	102			
China 5 1/2, 1913	45	45			
Egyptian 4 %	119	119			
French 5 %	118	118			
Do 4 %	118	118			
German 7 1/2, 1904	104	104 1/2	+		
United Havana	73 1/2	74	+		

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Lat'st Year.	Previous
Railways.				%	%
Rio Claro	6%†	..	Less tax	9	..
Banks.					
Barclays (Dominion, Col., and Overseas) "A" and "B"	3%	Jan. 21	Less tax	..	..
National Bank of New Zealand	6%*	..	Tax free	..	..
Western Australian	..	..	..	16‡	..
Mining.					
Brakpan	25%*	..	..	..	..
Burma Corporation	6an.pa.*	..	..	..	..
Geduld Proprietary	20%	..	..	20	18‡
Gold Mines Investment	1/p.s.†	..	Less tax	..	..
Gopeng Consolidated	..	Jan. 7	..	1/9pa.	1/9pa.
Government Gold Mining	4%	Feb. 9	..	..	..
Johannesburg Consolidated	7‡	Mar. 9	Tax free	..	..
Kamunting Tin	1/2 p.s.*	Jan. 31	Tax free	..	..
Langlaagte Estates	7‡	Feb. 9	..	..	..
Leeuwpoort Tin	5%	..	Less tax	..	..
Meyers and Charlton	10‡†	..	..	35	70
Modderfontein Deep Levels	..	..	..	70	70
New Era Consolidated	20%*	..	..	..	..
New Primrose	5%	Feb. 9	..	..	..
New State Areas	7‡	Feb. 9	..	..	..
Panekalen	..	Jan. 25	..	1/6pa.	..
Rambutan	..	Dec. 21	..	8 p.s.	8 p.s.
Rezende	15%*	..	Less tax	..	..
Robinson Deep, "A" shares	1/6 p.s.	Feb. 3	..	..	..
Do "B" shares	1/6 p.s.	Feb. 3	..	..	..
Serebman	1‡ p.s. bonus	..	Less tax	..	..
Shamva	2‡	Jan. 11	Less tax	..	..
Simmer and Jack	10%	Feb. 17	..	..	..
Spring	17‡*	..	..	..	..
South African Coal (Witbank)	2‡	..	..	..	..
South African Townships Mining	15%	..	Less tax	..	..
Sub Nigel	12‡	Feb. 17	..	..	..
Sungei Timah (Perak)	5%*	Jan. 5	Less tax	..	..
Van Ryn	2‡	Dec. 3	Tax free	..	..
Van Ryn Deep	2‡*	Feb. 9	..	..	..
West Spring	5%*	..	..	..	..
Witwatersrand	7‡	Feb. 6	..	..	..
Witwatersrand Deep	11‡*	..	..	..	..
Tea and Rubber.					
Adams Peak Tea	3%*	..	Less tax	..	..
Assam Frontier Tea	2%*	..	Less tax	..	..
Borelli Tea	10%*	Dec. 15	Less tax at 3/6	..	..
Borjan Tea	5%*	Dec. 30	Less tax at 3/6.32	..	..
Brit. Nth. Borneo Rubber Trust	40%	..	..	..	..
Doloo Tea	5%	..	..	..	..
Duckward Tea and Rubber	15%*	Dec. 17	Less tax	..	..
Dullins Tea	..	..	..	7‡	7‡
Kali Glagah (Java) Rubber	7‡*	Jan. 11	Less tax	..	..
Kanung (Malay) Rubber	15%*	Dec. 31	Less tax	..	..

				%	%
Kong Lee Plantations			Less tax	10	10
Malay Rubber Planters	40%†			55	55
Maloker Tea	4%*	Dec. 31			
Mosambud Tea	5%*	Jan. 5	Less tax at 3/5.73		
Mount Austin Johore Rubber	10%*	Jan. 19	Less tax		
Nirmala (Java) Plantations and Lands	3%*	Dec. 31			
Pathini Tea	5%*	Dec. 31			
Pontian (Malay) Rubber	17%†			30	
Pundaloja Tea	10%*		Less tax		
Ragalla Tea Estates	10%*				
Rungjaun Tea	5%*	Dec. 24	Less tax		
Star Tea, Def.	6%*			50	125
Sumah Valley Tea	5%*		Less tax		
Tingri Tea	5%*	Jan. 5	Less tax at 3/6		
Tijiliwoeng Java Plantations	4%*	Dec. 31			
Tremelbye (Selangor) Rubber	5%*	Jan. 12	Less tax		
United Serdang (Sumatra) Rubber	27%†	Dec. 23		40	
Vallambrosa Rubber	37%†		Less tax		
Waterfall (Selangor) Rubber	12%†			22½	
Way-Halim (Sumatra)	10%*	Jan. 12			
Other Companies.					
Airedale Collieries			Less tax	5	7½
Ashley Gardens Properties	6/ p.s.†	(&bonus	2/ p.s.)		
Australian Pastoral	7%†		Tax free	10	10
Barclay, Perkins.	£2 p.s.†		Tax free		
Bertrams, Limited.			Less tax	7½	
Bluemel Bros.	7½%†	(&bonus	of 5%)	15	15
Boots' Pure Drug	6%*	Jan. 1	Quarterly		
British American Tobacco	1/8 p.s.†		Tax free	25	
Do	10p.s.†	Jan. 17	Tax free		
British Burmah Petroleum				7½p.s.	4½p.s.
Burgon and Ball			Tax free	2½	
Burgon & Co.	4/ p.s.	Dec. 31	Tax free		
Cadena Cafés	12½%†			20	20
Daily Mail Trust				2/6p.s.	
D. Jones Dickinson	2%†		Less tax	5	6
Dominion and General Trust	2%*			3½	10
Drake Spinning	4%*				
Dundee and London Shipping			Less tax		
Eastern Extension Telegraph	5/ p.s.†		Tax free		
Eastern Telegraph	2%*		Tax free		
Edinburgh and Dundee Investm.	9%*		Less tax		
Finlay and Co.				9	8
Hotel Belgravia			Less tax		
Hyde's Bird Seeds	15%*	Dec. 31	Quarterly		
Imperial Property Investment				10	10
Imperial Tobacco Co. of Canada	1½%†				
Do do do	1½%†			25	15
Invercargill Paper	17½%†			11½	7½
John and Edwin Wright			Less tax		
John Williams and Sons (Cardiff)	8%†		Tax free	10	9
J. W. Cameron	10†			11½	13
Kapp and Peterson	10%*	Dec. 21			
Met. Railway Country Estates				6	5
Milner's Safe	2½%*	Dec. 31			
Newcastle Breweries	2%†		Less tax	4	8
Newton Chambers	2%†		Tax free		
North-East Improved Dwellings	4½%†			7	7
Northern Mexico Power	1%*	Jan. 15	Less tax at 2/		
Osborne's Cattle Brewery	2½%*		Less tax		
Parent Trust, Def.	7½%*		Less tax		
Pisamson and Co.	5%*	Dec. 20	Less tax		
Redpath Brown			Less tax	14	8
Rossleigh				20	20
Sanders Bros. (Stores)	2½%*	Dec. 24	Less tax		
Santa Rosa Milling	2½%*	Dec. 31	Less tax		
Scottish-American Mortgage	2/ p.s.†		Less tax		
Scottish Industrial and General Investment	4%†		Less tax	7	
Sheffield Pure Ice	6%*	bonus	Tax free		
Sir H. W. Trickett				2½	2½
Standard Motor				10	15
Stoll Picture Theatre (Kingsway)	5%†		Less tax	10	10
Third Scottish-American Trust	5½%*		Less tax		
Thomas Salt				7	7
Triumph Cycle Works	7½%†		Tax free	10	10
Truswell's Brewery	6%†		Less tax	10	10
United Wire Works			Tax free	5	7½
Van den Berghs	1/ p.s.	Jan. 15			

SAMUEL ALLSOPP AND SONS.

September 30, 1926.					
LIABILITIES.			ASSETS.		
	Amount.	Compared with Sept. 30, 1925.		Amount.	Compared with Sept. 30, 1925.
	£	£		£	£
Ord. stock	315,707 ..	..	Breweries	530,093 ..	— 9,940.
Pref. stock	753,710 ..	..	Freehold, lease- hold, and copy- hold properties ..	1,254,900 ..	+ 43,093.
4½% lat deb.	1,195,000 ..	..	Trade and other investments	630,562 ..	+ 20,866.
Interest accrued ..	5,189 ..	— 9,841	Debtors	127,533 ..	+ 20,667
5% deb.	410,886 ..	— 122	Stocks	261,704 ..	— 18,215
Interest accrued ..	13,426 ..	+ 9,964	Cash	143,811 ..	— 8,148.
Deb. sinking fund..	91,062 ..	+ 30,917	British Governmt. Securities	17,099 ..	— 12,037
Creditors, &c.	502,886 ..	..	Deb. acct. & invest. Goodwill	32,319 ..	+ 1,804
Contingent acct. ..	36,821 ..	..		700,000 ..	..
Reserve account ..	265,090 ..	+ 25,000			
Ord. sha. div. acct. ..	87 ..	+ 74			
Pref. sha. div. acct. ..	90 ..	+ 89			
Profits and loss	104,271 ..	+ 1,781			
Total	3,698,121 ..	— 3,244	Total	3,698,121 ..	— 3,244

BRITISH AMERICAN TOBACCO.

LIABILITIES.		September 30, 1926.	ASSETS.	
Amount.	£	Compared with Sept. 30, 1925.	Amount.	Compared with Sept. 30, 1925.
Ord. shares, £1 ..	23,480,767	.. + 7,409,322	Real estate and bldgs., at cost	517,023 .. + 27,719
6% cum. pref., £1	4,500,000	.. ..	Plant, &c.	603,304 .. + 34,711
Creditors	4,432,672	.. - 323,654	Goodwill, &c.	200,000
Reserves for building, &c.	500,000	.. ..	Loans to and current accounts with associated companies ..	8,589,445 .. + 2,676,071
Premium on ord. shares	539,658	.. + 77,825	Investments in British Govt. securities	49,460 .. + 20,034
Provision for redemption of coupons	56,301	.. - 143	Investments in associated companies	16,919,375 .. + 764,144
Special reserve ..	1,714,242	.. + 361,487	Stocks	5,043,031 .. - 702,484
Profit and loss ..	4,026,173	.. - 2,129,565	Sundry debtors ..	5,199,836 .. + 3,321,286
			Cash, &c.	2,148,339 .. - 749,809
Total	39,249,813	.. + 5,394,672	Total	39,249,813
				.. + 5,394,672

COMPANY MEETINGS, &c.

DORMAN, LONG, AND COMPANY, LIMITED.

RESULTS OF THE STRIKE AND COAL STOPPAGE.

PLEA FOR INDUSTRIAL CO-OPERATION.

PROGRESS OF BRIDGE CONTRACTS.

BRIGHTER PROSPECTS—FULL ORDER BOOKS.

The thirty-seventh ordinary general meeting of the shareholders of Messrs Dorman, Long and Co., Limited, was held at the registered office, Zetland road, Middlesbrough, on Tuesday, December 14th, Sir Arthur Dorman, Bart., K.B.E., presiding.

The Chairman, in moving the adoption of the directors' report and balance-sheet, said:—

The capital of the company has been increased during the year by the issue of £500,000 5½ per cent. debenture stock, bringing the total issue of that stock up to £4,000,000, less £72,350, which has been redeemed under the operation of the sinking fund. This issue was necessitated by the requirements of Messrs Pearson and Dorman, Long, Limited, in their development work in the Kent coalfield, to which I will make further reference later on.

Trading debts due by the company have been reduced from £1,132,346 to £611,609, but on the other side debts due to the company have been brought down from £825,497 to £372,616. These alterations are due to the restricted trade conditions brought about by the coal stoppage. The amount due to our bankers stands at £1,160,806, £168,736 above last year's figures, caused principally by additional expenditure on bridge contracts amounting to £475,000, plus a further investment in Pearson and Dorman, Long, Limited, of £67,500, and less the amount placed to our credit by the debenture issue I have mentioned.

On the assets side additions to capital expenditure during the year amount to £61,930.

Investments are increased by £128,864, the main increase being £67,500 paid in respect of calls on shares held in Pearson and Dorman, Long, Limited, £25,000 paid for the acquisition of further debentures in Wade and Dorman, Limited, who are the company's representatives in South Africa, and £25,000 in shares in the Hughes, Bolckow Shipbreaking Company, Limited, which investment was made with the view of improving our supply of scrap.

THE PEAK PASSED.

The assets also include expenditure on bridge contracts amounting to £1,147,600 in excess of receipts, so that the amount due to our bankers is practically accounted for by this item alone. We have now passed the peak of expenditure on the contracts we have in hand and the tendency henceforward will be towards a reduction in this item. I may say that nothing has been brought into the balance-sheet on account of profit on any of the bridges.

The net result of the year's operation is a loss of £178,962, to which we have to add £255,345 on account of debenture interest, interest on the 6 per cent. cumulative preference shares up to June 30th, and directors' fees. These figures, after deducting the balance brought forward from last year and after including £33,279 for redemption of the 5½ per cent. debentures, make necessary transfer of £345,532 from the general reserve.

It will be observed that it is not proposed to pay the dividend on the 6 per cent. cumulative shares, which in the ordinary course would have been paid on December 31st next. In coming to this decision your directors have had under consideration an adjustment of the period in respect of which this dividend has hitherto been paid, so as to make the dividend periods correspond with the company's half-yearly periods. If, as we may hope, matters improve during the next six months, your directors propose to pay a dividend for the period of three months from July 1st to September 30th and thenceforward to pay the dividend on June 30th and December 31st in each year in respect of the six months periods ending March 31st and September 30th respectively. I may remind you that the interest on this class of share is cumulative, and that when not paid it has to be carried forward as a liability.

EFFECTS OF THE STRIKE.

The result of the year's working is bad. I make no excuse for it nor do I offer any explanation beyond the deplorable upheaval through which we have passed during the last seven months. In the early part of the year the outlook seemed to have become brighter, and there appeared to be before us a prospect of returning prosperity, but unfortunately our hopes were rudely dispelled by the misguided tactics which led up to the general strike, followed by the coal stoppage.

For my part I cannot bring myself to believe that either of these

events had the wholehearted support of the majority of the workmen involved in them, and I cannot but look upon them as being to a large extent political. Is it too much to hope that the experience through which we have passed may have opened the eyes of our Labour leaders and shown them the danger towards which they were heading in following a band of political extremists whose sole object is to force upon the country an economic policy for which the country as a whole has shown no desire?

This country can only with difficulty support 40 per cent. of its population out of its own resources, and it depends for the needs of the remainder on a machinery of finance and credit which has taken centuries to build up. I do not believe it is the wish of the country that this machinery should be scrapped and something new and untried substituted for it.

In the iron and steel trade we have had in operation for many years a system of payment by results. In spite of extreme fluctuations that have been experienced in trade, the system has stood the test of time well, and the number of disputes has been remarkably few. Each side has trusted the other to observe honourably the terms of the agreement. We meet one another at frequent intervals to discuss our respective difficulties openly and frankly, and with the feeling that they will be recognised by the other side.

That this mutual trust has not been in vain I attribute largely to the fact that our problems have been purely industrial, and have been examined invariably without the introduction of political considerations.

Why cannot the same spirit be introduced into the coal industry, a spirit which recognises the right of either side to fair treatment by the other? I believe it can be, and already I see in many districts evidence of a feeling that the almost perpetual warfare that has gone on during the last seven years must stop before it leads to disaster. If out of the recent coal dispute there emerges a new and better spirit of genuine industrial co-operation, then I for one will say that our time of trouble has not been in vain.

A WORD TO THE MEN.

I have been engaged in the iron and steel trade for upwards of 50 years. I may fairly claim to have an intimate knowledge of its many problems, and I feel that I should be failing in my duty to our men if I did not take this opportunity of warning them with all the earnestness which I can command against being led away by the false preaching of those whose only aim is destruction, and who have never in their lives created anything of importance.

The effect of the coal stoppage on our business was direct and immediate. Our consumption of coal runs to about 7,000 tons a day, and no amount of foresight would have enabled us to overcome the physical difficulties of stocking even a few weeks' supply. We were thus compelled almost at once to close down our producing departments—namely, the blast furnaces, steel works, and rolling mills, and such stocks of coal as we had in hand, supplemented by purchases abroad and elsewhere, have been employed in keeping our coke ovens warm wherever possible, and in maintaining a limited output in our constructional department and the sheet and wire works.

The general result has been disastrous. We have not only had to suffer the loss of the profit we were earning when the stoppage began, but we have had to bear the heavy standing charges of our idle collieries and producing departments and the heavy increase of rates brought about by the amount of relief paid out by boards of guardians. I hope very earnestly that our business may never again have to withstand such a blow as the coal stoppage has proved to be, coming on top of many years of depression and of other troubles in the coal industry.

TIME USEFULLY EMPLOYED.

Advantage was taken of the enforced idleness to carry out a good deal of necessary overhaul and repair. This has added to the cost of standing idle, but it is work which cannot well be done at times when the works are in full operation, and it enabled us also to keep many of our staff at work instead of discharging them.

I think the policy was a wise one, and we are now resuming operations with our works in better order than they have been for years past. I will not enter into details, but will ask my son, our managing director, to address you more fully on this matter at a later stage.

Our constructional departments and our sheet and wire works have done well during the year, in spite of the coal stoppage. During the later months they were naturally affected to an increasing degree by the shortage of steel, but they have been kept in operation and have contributed materially towards lessening the effect on our revenue brought about by the suspension of our producing departments.

Our overseas branches in Australia, South Africa, and South America have also shown results which are satisfactory. Australia, in particular, where we have branches in Melbourne and Sydney, independent altogether of the Sydney Harbour bridge contract, has taken from us increased quantities of material, and the output of fabricated steelwork from the shops in those cities comes up to our expectations.

NEW SOUTH AFRICA MOVE.

In South Africa, Messrs Wade and Dorman are opening a new branch in Capetown, and here again the demand upon us for material is of great assistance to us. The situation in South America is somewhat different, because it is difficult there to compete against the low prices of Continental material. Nevertheless, our company in Buenos Ayres, the British Structural Steel Company, is doing very well, and justifying fully the step we took in acquiring so large an interest in that country.

THE BRIDGE CONTRACTS.

Our bridge contracts have proceeded almost normally, although here again difficulty has been experienced latterly with regard to the supply of steel. Progress on the Sydney Harbour Bridge has been entirely to our satisfaction. The foundations are nearing completion; the shops have been erected and equipped, and have commenced to turn out fabricated material, which we hear comes up in every respect to the highest standard. The granite quarry at Moruya has reached the final stage of development, and we have now commenced erection of the first part of the steelwork of the bridge. I am glad to say that the work has proceeded without serious hitch of any kind other than the trouble brought about by labour disputes in this country and in Australia.

Judging by the results up to the present, there is every reason to expect that the favourable estimate we formed of this contract will be fulfilled. Good progress has also been made on the other contracts.

At Newcastle-on-Tyne the situation is very much the same as at Sydney, the foundation work has been finished and erection of the steelwork commenced. At Khartoum four spans out of the eight have been erected, and it is expected that this bridge will be completed during the coming year. The bridge over the Nile at Dessouk in Northern Egypt is nearing completion, and we confidently expect that it will be finished in the early part of January.

During the year a further contract has been secured for the construction of a bridge over the Atbara in the Sudan. The staff and plant that have been employed at Khartoum will be available for this contract, and there should be no difficulty in completing it by the due date.

FUTURE SOURCE OF REVENUE.

Altogether, I am satisfied with the progress of the new department, and I look to it being a satisfactory source of revenue in the future.

As I have already stated, no credit has been taken on account of the profits already earned on these contracts, as we think it wise that this should be deferred until each contract has been finally closed.

Progress by Pearson and Dorman, Long, Limited, in Kent during the year has been very satisfactory, in spite of the many difficulties. The reconstruction of Snowdown Colliery is now almost completed, and coal is being worked in quantities which are increasing weekly. It is expected that a large output will be reached in a few months' time, and that with the facilities and appliances which are being provided it will be produced at a cost which will prove advantageous both to the firm and to their men.

It will interest you to know that several hundred tons of Snowdown coal were sent to our coke ovens in Middlesbrough during the stoppage, and that the results compare favourably with those we obtain from the best Durham coal.

At Bettshanger some little difficulty was experienced in passing through the water-bearing sands, but sinking has now reached a depth of some 1,800 feet, and it is expected to get down to the first important seam some time next month. Seams have already been passed through which are generally in accordance with borehole results, and one of which, a 3-foot seam, presents a good workable coal. They correspond closely with those at Snowdown, and we believe with confidence that the one to be reached next month will prove to be similar to that now being worked at Snowdown, and on which I have just commented so favourably.

PEARSON AND DORMAN, LONG'S.

During the year Messrs Pearson and Dorman, Long, Limited, obtained a guarantee from his Majesty's Treasury under the Trade Facilities Act for the issue of a loan of £2,000,000, which was fully subscribed. Among other conditions attaching to the loan

was the reorganisation of the capital of that company, which up to then had consisted in £500,000 of ordinary share capital, the rest of the expenditure having been found as and when required by the purchase of debenture stock by the two partners, ourselves and Whitehall Securities Corporation, Limited.

The reconstructed capital consists in £3,000,000 ordinary shares of £1 each and 1,000,000 deferred shares of 1s each, and in exchange for the moneys already subscribed by us for shares and debentures each of the partners received at par 500,000 £1 ordinary shares and 500,000 deferred 1s shares, all fully paid. They also received 1,000,000 ordinary shares of £1 each, paid up as to 5s, leaving a balance of £750,000 remaining uncalled from each of us to meet future requirements.

The sum furnished under the Trade Facilities Guarantee has provided Pearson and Dorman, Long, Limited, with funds sufficient to enable them to carry out the first stage of their programme of development, which will take some few years to complete. During that period further calls upon us for money will be small in amount.

ORDER BOOKS FULL.

Turning now to the future, as I foreshadowed last year there has been a great improvement in the shipbuilding trade, which I hope may continue, in view of the long period which has elapsed during which but little new building has been undertaken.

Thanks to a demand which already was increasing when our works were stopped, and to the accumulation of orders during the period of idleness, our order books are full for several months to come, so that for the first time for many years we shall be enabled to work at full capacity. This will help us materially in reducing the cost of production.

It may even prove that the present temporary shortage of supply may stimulate demand still further and afford the necessary impetus to carry us on well beyond the period of our present commitments. I would remind you, however, that the coal stoppage has lasted through well over two months of the current financial year, and that much leeway has to be made up before we begin to reap the benefit of these improved conditions.

Nevertheless, I think I may safely say that the prospects of the immediate future are brighter than they have been at any time during the last five years.

As regards the more distant future, conditions on the Continent are moving steadily in our favour, and there is evidence of an improvement in the world's demand for steel, which once it commences will, I think, increase rapidly.

Last year I said that the real remedy for our troubles was to come to an understanding with our Continental competitors which should be to our mutual benefit. We have not yet reached that stage, but, as you all know, the Continental makers have formed a pact between themselves with the object of controlling production. Great Britain has been invited to join in this arrangement.

A QUESTION OF TERMS.

We are in close touch with all that is happening, as our managing director has taken a leading part in the discussions which have taken place. The matter is receiving very careful and sympathetic consideration, but you will readily appreciate that, however desirable such an arrangement might be, much must depend on the terms offered to us. If they are not such as we can accept, we must go on along our own course confident of our ability sooner or later to restore the iron and steel trade of Great Britain to its proper place in the industry of the world.

During the last few months discussions of supreme importance have taken place between the Government of this country and representatives of the Dominions. I will not dwell upon the political results of the Imperial Conference, which are of the highest magnitude. From our point of view the industrial results may be equally far-reaching in their effect, and it is my earnest hope that out of the conference there may ultimately emerge a scheme of effective Imperial preference which will put the industries of Great Britain and the Dominions on the same level of comfortable security as that enjoyed by the industries of the United States. If this desirable result comes to pass, no one can be better placed than we are for taking full advantage of the improvement which will at once arise in these markets.

Rumours are rife about the position of heavy steel trade, and we see many suggestions being put forward that there will have to be a wholesale reconstruction. I will not repeat all I said last year when I went into this subject very fully, and I will content myself by saying that nothing has occurred during the twelve months to make me alter the opinion I then expressed.

COMPANY'S POSITION.

Your company is sound, it is not over-capitalised, and if our cash position may appear to be a bad one, it does not represent a series of heavy losses, but is due very largely to expenditure which must come back to us with profit. We have passed through a long period of unprecedented stress, and until this

year there has been no serious drain on our general reserve, which is still considerable. As for our investments, it is not our practice to publish a list of them, but I have one here for the inspection of any shareholder who wishes to see them and convince himself that the total value is not overstated.

It has been my practice annually to refer to the work done by our staff of every grade. This has not been a hollow compliment, but this year I want to pay them a special tribute. The conditions under which they have been working have been more than ever disheartening, yet no one has shown any signs of relaxing his efforts. During the coal stoppage many of them have been diverted to work other than their own. Some of our officials have been working in the collieries, even at the face, and the amount of coal that they have sent up has proved of enormous value to us in maintaining our works in a state of efficiency.

All ranks from directors downwards have consented readily to a reduction on their salaries, and while this in itself makes but a small difference towards reduction of the loss we have incurred, it nevertheless shows the spirit which pervades the whole organisation from top to bottom.

Sir Hugh Bell seconded the resolution.

THE STEEL CARTEL.

The managing director (Mr Arthur Dorman), in supporting the resolution, said: Before I refer to the company's works I would like to make a few remarks about the European Steel Agreement, to which the chairman has already alluded.

I am of opinion that one of the chief reasons for the adverse trade conditions which have existed during the last few years has been the lack of confidence created by the ever-changing level of prices. It is possible that some agreement with Continental makers may bring about the stability which is so necessary for the undertaking of new enterprises.

It is by no means certain that European countries will be satisfied in future merely to send cheap semi-finished material in large quantities into this country for fabrication here. In all probability their intention will be to develop further their finished trades, and so affect us even more seriously than they have in the past. If this view is correct, and a satisfactory arrangement can be made, I feel it is to the interest of all concerned that this country should have some voice in the general policy of the European Steel Agreement.

The agreement in no way controls prices, but only influences production after each country has produced the total quantity allocated to it.

You will be interested to hear that conversations have taken place to discuss a possible basis for participation, but the steel-makers of this country have not yet come to any decision.

We are fully alive to the requirements of our customers, and certainly have no intention of entering into any agreement which may be to their disadvantage.

RAIL-MAKERS AGREED.

During the year an understanding has been arrived at with the Continental rail makers, and the "European Rail Makers' Association" has been formed. Negotiations were of a lengthy and difficult description, but I am glad to say at the moment the various differences have been overcome. The object of the understanding has not been to get the better of our customers, but rather to maintain a more stable level of prices, and at the same time to leave a fair return to the manufacturer.

In June of this year I visited America in company with Mr W. L. Johnson, one of your directors, and Mr E. D. Morgan, general works manager of the Clarence Iron and Steel Works.

The reason of our visit was mainly to investigate American blast-furnace practice, and we were able to gather much useful information. Generally we formed the opinion that this country is behind America in blast-furnace methods, but with regard to steel furnace and rolling mills practice we did not consider that they have very much to teach us.

We intend to improve gradually our blast-furnaces by adopting mechanical charging and by the installation of larger blowing units. A great deal has been done in this direction, and we think that by continuing this policy we can considerably increase the present outputs. I mention these matters because criticism is levelled at the efficiency and management of our trade at the present time, and this criticism is usually of a very ignorant nature.

In the past year we have spent money in the further utilisation of blast-furnace and coke-oven gases, which we anticipate will result in considerable economies on the resumption of full operations.

EFFICIENCY PITCH.

We have made alterations at our coke ovens which have effected economies of labour, and have also carried out improvements to the soaking pits which heat the ingots for our rolling mills. In this connection I am glad to say that the majority of our workmen now understand that in the end these improvements are as much

to their advantage as to the interest of the shareholders of the company. We must continue this policy, as efficiency in our works is the real keynote of ultimate success.

Another question we have taken up is the unloading of ore at the wharves. Undoubtedly we cannot yet compare with a port like Rotterdam, where marvellous records in unloading are effected, but you must remember that they discharge into barges from both sides of the boat simultaneously. These barges are then towed up the Rhine and unloaded at the wharves of the various works in the Ruhr district. In our case we are only able to unload from one side of the boat, but the ore is discharged by grabs into trucks, and goes either for immediate consumption at the blast-furnaces or into the ore-stocking gantries, which have recently been improved. We have already succeeded in substantially increasing the rate of discharge, and intend to make further improvements in this respect.

IMPROVEMENTS AT THE PITS.

At our collieries we have also taken steps which we expect will tend to greater efficiency. In several places we have installed systems of intensive mining, such as belt conveyors and suction-filling plants, which we anticipate will reduce the working costs.

Another question which we have looked very closely into during the past year is the rating assessments of our various works. As you know, local rates are now a very heavy burden indeed, and are likely to be so for some considerable time. In many cases by agreement we have been able to obtain reductions which we considered fair, but in one case we were compelled to lodge an appeal at quarter sessions. We are quite ready to carry out our fair share of local taxation, but when I tell you that the total rates paid during the year under review amounted to approximately £160,000, you will understand that we are driven to protect ourselves to the fullest possible extent.

In the early part of this year our commercial manager (Mr J. A. Russell) paid a visit to India, which is one of the largest markets for our products. Their policy to-day is to encourage those firms that have establishments in that country, and it is our intention to open a branch there in the near future, with the ultimate object of establishing stock yards and constructional engineering works.

The year under review has been a very anxious one for us all, and we feel a great sense of relief that the end of the disastrous coal strike has now been reached. Our works are already in partial operation, eight blast-furnaces having been blown in. The Britannia and Redcar Steel Works have commenced rolling, and I hope that another week will see a resumption of operations at Acklam and Clarence. We have a good order book, with the prospect of working at full output for some months ahead, although it will be early in the New Year before we will be able to reach normal production.

AN OPTIMISTIC OUTLOOK.

Our works are in a very efficient state, and I look forward to better outputs than we have had in the past. At the same time considerable leeway has to be made up, especially as the first three months of the financial year will be adversely affected by the coal strike and the expense of restarting the works. Our output, however, is large, and should the world's conditions improve, as appears probable, I hope when we meet a year hence that a very much more satisfactory statement will be put before you.

You will be interested to hear that in addition to the officials and foremen of our collieries about 200 members of the staff volunteered for service at the collieries during the stoppage, where they rendered invaluable assistance by taking on all classes of work, including the hewing of coal. We have been able as a result of their efforts to keep the majority of our coke oven plants warm, and those are now in operation, enabling us to blow in blast-furnaces much earlier than would otherwise have been possible. We very much appreciate their loyal assistance, and I think that the time they spent at the collieries has not been wasted, for most of them obtained very useful knowledge of the inside working of a colliery.

In conclusion I would like to thank the staff for the loyalty they have shown to me and to the firm during what undoubtedly has been the most trying year of our history.

In this connection, I would like to make a special reference to our senior general works manager, Mr C. Moody, who, as president of the Iron and Steel Trades Employers' Association, has had a very difficult time, particularly during the general strike and the chaotic condition which followed. Many of these difficulties, I am happy to say, have now been surmounted, and we are looking forward to a better understanding with our men, as I think it is being slowly brought home to them that their own prosperity is bound up with the prosperity of the shareholders and of the management.

The resolution on being put to the meeting was carried unanimously.

The proceedings terminated with a vote of thanks to the chairman and staff.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED.

"SPLENDID POSITION" OF THE COMPANY. INCREASE OF CAPITAL SANCTIONED.

The thirtieth ordinary general meeting of the members of the British Columbia Electric Railway Company, Limited, was held on the 16th instant, at the Great Eastern Hotel, Liverpool Street Station, London, Mr J. Davidson (deputy-chairman) presiding.

The secretary (Mr R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman, after paying a tribute to the late Sir Ernest Harvey, said: I am happy to say that we have with us to-day the president of the company, Mr George Kidd, who is here on a visit from Vancouver. Mr Kidd has been in charge of the company's affairs in British Columbia for the past 12 years, and it is primarily to him that you owe the present splendid position of the enterprise which is illustrated in the report and accounts now in your hands. I know that Mr Kidd very generously attributes the success of the company to the co-operation of his colleagues and his assistants in British Columbia, but they in turn have told me that the credit is due to Mr Kidd. At any rate, it is a happy controversy, and the more I hear of it the more I am sure that Mr Kidd must accept a very large measure of responsibility for the splendid position in which the enterprise is to-day. On to his able shoulders I propose to place the task of addressing you to-day.

MR GEORGE KIDD'S SPEECH.

Mr Kidd: Mr Davidson has said I am to have the task of addressing you to-day. I would say, however, that it is not a task but a very great pleasure to be able to meet you to-day. Many of the stockholders are known to me personally, because they have visited British Columbia and seen for themselves the properties they own. I wish a great many more of you could do the same, because I have never yet met a stockholder who has visited us and seen for himself the properties of the company and the activities of the communities we serve, who has not returned home satisfied with the present and full of enthusiasm for the future. Turning to the report and accounts which are now before you, we and your auditors, Messrs Price, Waterhouse and Co., have laboured to present these in the clearest form so as to give you a full and proper picture of your company's affairs. I think, and I hope you will agree, that we have succeeded so well that it is unnecessary for me to explain the figures in detail.

I think you will also agree that the results are eminently satisfactory, especially when I remind you of the very substantial reduction in our rates for commercial and domestic consumers of electricity which were put into force during the year under review. Capital required for present expenditure on further extensions and developments is well provided for. The physical condition of your properties is well maintained, and our relations with the local authorities and the public whom we serve are satisfactory. The trade and commercial activities of the Province of British Columbia show continued and stable expansion. The statistics relating to the production of minerals and forest products reveal substantial increases, and the development of the business of the Port of Vancouver tells the same story of progress and expansion. I do not want to trouble you with a lot of figures. One striking example will be sufficient—viz., that of lumber exported. The published figures show that for the first nine months of 1925 lumber exported from the Province of British Columbia was approximately 401,000,000 feet, whereas in the first nine months of 1926 approximately 545,000,000 feet were exported, an increase for the nine-month period of 144,000,000 feet, or over 35 per cent. These happy conditions are reflected in the report which is in your hands.

RANGE OF ACTIVITIES.

Due probably to the name of our company, which in no way indicates that we are engaged in selling electric current for commercial, manufacturing, and domestic uses, and that we also carry on a large and satisfactory gas business, the quotations for our securities appear in the London Stock Exchange official list under the heading of "Tramways and Omnibuses." No one acquainted with the character of your undertaking would think of looking for its securities under this classification. I propose, therefore, as briefly as possible, to give you some description of the services we render to the public of British Columbia. A population of approximately 375,000 persons is entirely dependent on your enterprise for the generation and distribution of electricity and the manufacture and distribution of gas for commercial and domestic uses, as well as for local transportation. As will be seen from our report, during the past year our hydro-electric power plants developed 389,418,400 kw.h., and we served 89.270 light and power consumers. We manufactured 891,304,100 cubic feet of gas for the consumption of 33,158 gas customers, and we carried 72,547,367 passengers, and hauled 417,003 tons of freight over our transportation system. In addition to the foregoing, we are gradu-

ally acquiring a number of motor coaches and lorries for the transport of passengers and freight. These motor vehicles act very largely as feeders to our railway system, and supply the rapidly growing demand for a service of this character. It will be apparent from the foregoing that such an extensive and varied system depends very largely for its success upon the character and capacity of the officials and staff who are responsible for its operation. I am glad to say that we have every reason to congratulate ourselves on having a first-class body of men, whose courtesy and efficiency are fully recognised by the public.

PENSIONS FUND.

You will see from the report that we recommend setting aside a sum of £40,000 as the nucleus of a fund for the payment of pensions to employees who have been in the service not less than 25 years, and who have reached the age of 65 years. This recommendation follows the modern practice of large companies who recognise the expectation of long and faithful service to some protection in old age. We have for some time granted loans to responsible and established employees for the purpose of building houses. We charge interest at the rate of 6 per cent. per annum, and require repayment by instalments spread over a period of approximately 15 years. This concession has been very much appreciated by the staff, and up to date some 142 homes have been provided by this means. We also carry a blanket life insurance policy, under which relatives of deceased members of the staff receive \$1,000 at a time when expenses are immediate and heavy. This policy towards our employees, together with the continued and substantial reduction in rates granted from time to time to the public as circumstances warrant, combined with the first-class character of our service, have resulted in an exceptional measure of public confidence, which was proved by the almost unique response to our issue of securities locally, to which I will now refer.

During the past few years public utility corporations on the North American Continent have experienced exceptional development and prosperity, due, in the main, to the continually increasing demands for electricity for both commercial and domestic purposes, but due also to the confidence which they have inspired in both the investor and consumer. This confidence has resulted very largely from a close study of what are generally described as "public relations," combined with the policy of offering their securities to their customers and employees. In the spring of this year your company followed this admirable example, which, as you will see from the report, was attended with unique success, and testifies as nothing else can to the confidence reposed in your company by the population we serve. Briefly, we offered \$2,250,000 6 per cent. preference stock in a subsidiary company called the British Columbia Electric Power and Gas Company, at 99 per cent., limiting the amount of any one subscription to \$5,000, and confining the application entirely to residents in British Columbia. Within six days of the opening of the lists we had applications for considerably over \$7,000,000, and were compelled to cease advertising and announce the closing of the lists. In order not to disappoint the public, we accepted \$5,000,000, which were allotted to some 10,523 applicants, of whom 1,359 were employees of the company. These facts, I think, sufficiently indicate the standing of the company in the communities where its operations are carried on.

PROVISION FOR INCREASED DEMAND.

In addition to the work and supervision involved in the operation of a system such as ours, it will be apparent that in the cities, towns, and districts of a province in which the population is rapidly increasing provision must be made some years ahead for the additional demand which will come upon our services. It takes at least three years to develop a hydro-electric power plant, and we must therefore always maintain a surplus of power to ensure continuity of service during construction periods. The average annual increase in the consumption of electricity has, for many years, been approximately 8 per cent. per annum. During the year with which we are now dealing this increase has exceeded 10 per cent., which if maintained means that the capacity of our hydro-electric system must be doubled every eight or ten years. Such a rapid rate of increase places a very heavy responsibility on your company to provide the capital necessary for development. So long, however, as the public depend upon us for their transportation, lighting, electric power and gas utilities, this is a responsibility which we must face, relying, as I feel sure we may with confidence, on the continued and steady growth of the territories we serve.

The growth of cities and towns brings with it other responsibilities involving heavy expenditure. In the early days of a community the practice is to distribute light and power by overhead lines carried on poles, this being the cheapest form of distribution. But with the growth of a city like Vancouver, when the central districts tend to become congested, it becomes necessary to eliminate overhead lines and substitute underground cables or

ducts for the carrying and distribution of electricity, and this can only be done gradually and at relatively heavy cost. In certain districts your company is faced with this condition of affairs, and has to make provision accordingly.

INVESTMENTS IN CANADA.

No doubt some of our stockholders have heard adverse criticisms of Canada as a field for investment due to the fact that unfortunately some undertakings which have raised their capital here for investment in Canada have failed or have proved only partially successful. Should any of you feel at all anxious with regard to our own or any other Canadian securities, I suggest that if in inquiry were made into the reasons for these failures it would frequently be found that insufficient investigation in the first place, or an unreasonably inflated capital, or mismanagement, or possibly all three, were generally responsible for the trouble.

I think a rebuttal of any such criticisms in a general sense can be found in the history of our company, which has now carried on business in Canada for 30 years, during which time we have had innumerable dealings with Governments, municipalities, and other public bodies whose respect and confidence I believe we have earned, as they certainly have ours, and to-day we are one of the most prosperous of Anglo-Canadian enterprises.

The Chairman:—Gentlemen,—I am sure that you have all listened with great pleasure to Mr Kidd's speech on conditions in British Columbia. Before inviting questions or comments I should like to move:—"That the balance-sheet as at June 30, 1926, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr Kidd seconded the resolution.

The Chairman, in reply to questions, stated that there was no intention of making any further capital issue at present. The president had told the stockholders how rapidly the business was increasing, and it was desirable to have a substantial amount of authorised capital available for issue if required.

The resolution was carried unanimously, and the dividends recommended were declared.

A resolution was passed unanimously increasing the capital of the company to £5,320,000 by the creation of 320,000 new shares of £1 each, and an extraordinary resolution was also passed altering the memorandum of association so as to enlarge the company's facilities for the issue of securities by its subsidiaries.

BANK OF LONDON AND SOUTH AMERICA, LIMITED.

DIVIDEND MAINTAINED AT 11 PER CENT.

CHAIRMAN'S REVIEW OF CONDITIONS IN SOUTH AMERICA.

The sixty-fourth ordinary meeting of the shareholders of the Bank of London and South America, Limited, was held, on the 14th inst., at the head office, 6, 7 and 8 Tokenhouse yard, London, Mr J. W. Beaumont Pease (the chairman) presiding.

The secretary (Mr J. A. Stark) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, referring to the balance-sheet, said:

I will deal first with the item acceptances—account branches. I referred last year to a fall of nearly £2,000,000 in these, and a fall of about £1,800,000 has taken place this year. This is attributable not only to the reason which I mentioned last year—that is, a greater tendency to remit by cable—but to restricted trade with South America, and this latter cause is also responsible for the decrease in the next item on the balance-sheet.

Current accounts and deposits in currency at branches show a falling off of over £5,000,000. This, however, is more apparent than real, as this heading includes operations in exchange, certain of which have to appear on both sides of our sheet, and I will deal with them when I discuss our assets. Apart from these credit accounts connected with exchange, our deposits from the public stand at practically the same figure as last year. Bills for collection show a decrease of only about half-a-million, notwithstanding the depression in trade both in South America and, through the coal strike, in this country also. Rebate on bills not due is about £21,000 more than last year.

To turn to the asset side of the sheet, cash in hand is nearly £700,000 more than last year. The notable reduction in the next item is practically entirely due to exchange, our outstanding operations in this department having been very greatly reduced by the stability of the rate on New York, on Belgium, and on other countries, which has naturally precluded, or at least greatly diminished, the necessity to close exchange ahead for business concluded for payment at a future date. Our loans, advances, and discounts, you will be glad to hear, are fully maintained.

Bank premises, which stood last year at £1,835,000, now stand at £1,355,000, a reduction of £480,000, which is the result of the disposal of certain of our premises abroad in places where both the London and River Plate Bank and the London and Brazilian Bank were established.

Depreciation on capital employed abroad is £30,000 less than

in the preceding year, and will be further reduced by the sum of £81,218, which we recommend allocating to this item in order to write down the capital employed in Chile to the newly-established parity of 6d. I foreshadowed the desirability for this when I addressed you a year ago.

YEAR'S PROFIT.

Turning to the profit and loss account, our gross profit shows an increase of £60,000 over that of the previous year, which, however, is offset by the increase in our charges, amounting to £65,000. Comparison of these figures for one year with another is always subject to the rate of exchange ruling at September 30th in all countries where we are established, and as the reduction in our depreciation on capital employed abroad clearly shows, rates have, on balance, been higher this year than they were last year, which circumstance has contributed to the slight increase shown both in gross profits and in charges. The available balance of profit, including the sum of £411,300 brought in from last year, is £719,600, which compares with £725,100 last year. We propose to pay the same dividend as last year—11 per cent. per annum, to devote the sum of £81,218 to depreciation of capital employed in Chile, and to carry forward to profit and loss new account the balance of £390,605.

Last year I concluded my remarks on Argentina by quoting a cable from Buenos Aires, which warned us that the brilliant prospects for the wheat harvest had been dispelled by later conditions affecting the crop. The general quality of the grain proved to be poor and shipments have been lower than last year. On the other hand, exports of linseed and maize have been considerably greater than in 1925; both were heavy crops. There has been a marked decrease in the values of almost all Argentine products during the year, in sympathy with the general tendency of world prices to revert to pre-war levels, and pastoral interests, although prosperous on the whole, have also come under the influence of lower prices. Nevertheless, an atmosphere of greater contentment appears to have prevailed among cattle breeders than has been manifest in recent years, and this industry at any rate seems to have settled down definitely to post-war readjustment. Business in wool has been quantitatively on a high level, but here also values continued low. The position at the opening of the new season is substantially a sound one, the carry-over being comparatively small, whilst reports from European markets point to a firming up of prices. While lower values have ruled, the quantity of exports has increased, for the decline in wheat and meat shipments is more than offset by large increases in the volume of linseed, maize, wool, and other products, and the total weight of exports for the first nine months of 1926 was 607,354 tons (or say 7 per cent.) greater than in the same period of 1925. The fall in general values may be seen in the valuation of these exports, that of 1926, according to official figures, amounting to \$618,000,000 gold, or about \$75,000,000 less than the 1925 valuation of a lesser quantity. The year has hardly been a good one for importers for earlier expectations of an exceptional harvest, which failed to some extent to materialise, induced them to make heavy importations at the end of last year and the beginning of this, and the market became overstocked, with a consequence of pool sales as the result of a restricted purchasing power. A subsequent steady reduction of imports has gradually brought about more healthy conditions, and signs are noted of a reviving demand.

LATEST ARGENTINE REPORT.

A cable from Buenos Aires received yesterday states that "the Government estimate production cereals for this harvest just published gives 5,860,000 tons wheat, 1,820,000 linseed, 1,137,000 oats, 400,000 barley, being increases of 658,000 tons wheat, 29,000 barley, and decrease by 88,000 tons linseed, and 30,000 oats, as compared with last year. Estimated surplus for export 3,900,000 tons wheat, 1,400,000 linseed, 900,000 tons oats. Harvesting in Northern wheat zone well advanced, and grain good quality and weight. Southern zone not so far advanced, but equally promising. New maize crop reported in good condition. Grape vines in the district of Mendoza severely affected by recent frosts."

BRAZIL.

Doctor Bernardes, the outgoing President, handed over his office on November 15th to his successor, Dr Washington Luiz, who on that date outlined his policy, and promised to pay special attention to national finances, to stabilise exchange, and to guarantee paper currency by gold. He stated that stimulus would be given to agriculture and national industries, and that transport would be extended and the merchant marine increased, and, finally, that public expenditure would be restricted to essential services, and revenue raised to a level sufficient to meet this expenditure, and to maintain budgetary equilibrium and meet external obligations. In the last ten days an announcement has been made concerning the monetary policy of Brazil, and the proposed stabilisation of her currency. I understand that these proposals are put forward by the Finance Committee of the Brazilian Government, and that they are now before the Brazilian Parliament for approval or amendment.

Brazil's foreign trade during the last year showed less favourably than in the previous year, as her balance of trade fell from £26,750,000 to £18,500,000. For some months past the State of Sao Paulo has passed through one of the most severe industrial crises which has ever oppressed that State, and, indeed, a condition of trade depression actually pervades the whole of Brazil. There are two main reasons for this. One is the fall in the values of cotton, both raw and manufactured, and the second reason is the enforced limitation of coffee sales.

Weather conditions in Uruguay during the year have again been most favourable, and cattle and sheep are in excellent condition. The price of cattle from the estanciaero's viewpoint was somewhat less remunerative than during the previous year, and there would appear to be no immediate prospect of an improvement. The realisation of the wool clip, the quantity and quality of which is reported to be above the average, should assist the producers, as news from the consuming markets is favourable. The public finances of Uruguay are in a satisfactory condition, and for two years in succession revenue has exceeded expenditure. Trading in general has not been brisk during the year, a dullness, I believe, that is less due to lowered agricultural benefits than to the readjustment of business conditions to which I referred last year.

Although sharing the trade depression that is affecting South America generally, Paraguay is still making good progress, both economically and financially. The 1924-25 Budget showed a surplus of revenue over expenditure; interest on the external debt continues to be regularly met, and the quotation for Paraguayan bonds has materially appreciated during the year.

CHILEAN NITRATE INDUSTRY.

The nitrate industry in Chile has recently received a serious set-back. The check is the outcome of the economic law which rules that, other things being equal, the cheaper article must inevitably oust the dearer from the market. The association which controls the Chilean output of nitrate endeavoured to stimulate the sale of the staple by a reduction in the price of 10s per ton, but this has not been sufficient to meet the competition from the synthetic product, which, through continuous and successful experiments, has been greatly improved, and the sales for the current nitrate year in Chile will be, it is estimated, a million tons less than last year. The new banking law places certain restrictions on both native and foreign banks operating in Chile, such as, for instance, the limitation of the amount of public deposits that each bank may hold, to four times the amount of its paid-up capital and reserves in Chile, and the further limitation of the amount that may be advanced to any individual borrower, which is also based solely on the capital and reserves in Chile and not on the resources, as a whole, of the bank.

COLOMBIA.

The soundness of affairs in Colombia was put to the test during the year by the unprecedented drought which rendered the River Magdalena unnavigable for many months. This waterway is the chief freight artery of the country, and its paralysation caused accumulations of imports at its mouth, and of exportable goods at the various towns along its length. It speaks well for the commercial situation that merchants were able to meet the obligations relating to the suspended imports and to tide over a period that ultimately became very difficult through circumstances which a few years ago might have proved financially insuperable. Rains and the melted snow from the Andes have made matters almost normal again, and the congested goods are being gradually dispersed. Another serious fire occurred in the centre of Manizales in March last, and the premises, to which we had moved after the first fire, were burnt out. Fortunately, owing to the zeal and ability of Mr Donnet, the manager of our branch, aided by a loyal staff, no loss of books, cash, or documents was incurred, and our business was again carried on without interruption in other premises. Coffee-growing continues to be a profitable undertaking in Colombia, and the many new regions that are being cleared and planted with the trees are evidence of the healthy expansion of the industry. Coffee and bananas form the Republic's principal exports, and to these cotton may be added in the near future, as it has been decided to lend official assistance to cotton-growing, the possibilities of which were favourably reported upon by the British experts who visited the country during the year. The Government programme for the completion and improvement of the railways is proceeding steadily, and the improved credit of the Republic has made it possible to raise the loans necessary for the work. To assist in the further development of the country we are shortly opening a branch of the bank at Cali.

Our branches in Lisbon, Oporto, Paris, and Antwerp, and our agency in New York continue to show satisfactory progress, and are of great assistance to our business with South Africa.

The report was unanimously adopted.

ORIENT STEAM NAVIGATION COMPANY, LIMITED.

RESULTS OF DIFFICULT YEAR.

The annual general meeting of the Orient Steam Navigation Company, Limited, was held, on the 17th instant, at 3 and 5 Fenchurch avenue, London.

Mr Irvine C. Geddes, who presided, said that the profit on the year's working, after providing for depreciation, was £371,327 against £320,790 the previous year, but, whereas in the earlier year they had been able to make provision for contingencies before arriving at the balance, this year they had had to draw upon the reserves previously made in order to mitigate somewhat the adverse effect on the accounts from the loss of revenue and increased expenses incidental to the unofficial strike of seamen in Australia during the autumn of last year. But for that transfer, which was possible only because of the self-denying policy adopted in previous years, they would not have felt justified in recommending the same rate of dividend as for last year.

Last year the chairman had mentioned that the directors had in contemplation the capitalisation of a portion of the company's reserves. This year of grave industrial unrest had not been favourable to the realisation of that project, but the managers still had the subject under consideration.

PAST YEAR'S CONDITIONS.

The strike already referred to had been a disturbing feature in the year's trading, and rendered it difficult to give any realistic comparison with former years, but, taken broadly, there was no material change in the volume of passenger traffic. Their experience emphasised two features in the Australian passenger trade—its inelasticity and the seasonal character of its movement, which became more pronounced. Those features were unfortunate. An expanding traffic and a steadier load factor would make reductions, in rates or higher speeds, or both, economically possible. Third-class traffic followed the seasonal trend, though outward the position was helped by a steady, though relatively small, flow of migrants. It was to be hoped that as years went by they would be able to record a steady increase in that class of passenger.

Shippers of outward cargo continued to give the company good support, but thereto there was still a lamentable disparity between tonnage offering on the berth and the cargo available. That was also apparent in the homeward trade. In the early summer a reduction of approximately 10 per cent. in homeward rates had become operative, and subsequent events had shown that an increase, not a decrease, would have been justified.

The cost of bunker coal had risen by leaps and bounds, and, although with the resumption of work in the coalfields the reason for that increase was passing, they were committed to high-priced coal for some time ahead. Much of the coal used had been of inferior quality.

Their pleasure-cruising services had been well patronised, and arrangements made had been approved and appreciated by their clients. The "Otranto" had proved a most satisfactory addition to the fleet. They had placed an order with Vickers, Limited, for a fourth new ship of 20,000 tons to be named the "Orford." Representations made to the Port of London Authority regarding the provision of suitable dock facilities in Tilbury were at last bearing fruit. They understood that work had been commenced, and they could only hope that there would be no further delays. A start had also been made on the ocean landing stage, and on the completion of those improvements London would at last be in a position to cater for a modern passenger ship.

22-KNOT SERVICE IMPRACTICABLE.

With regard to the proposed 22-knot service to Australia, to which a good deal of publicity had been given, there was no reason to alter the views expressed by the chairman two years ago, that such a service could only be maintained, if at all, at the cost of a most formidable subsidy. Traffic in the Australian trade was neither of the character nor of the dimensions to support the North Atlantic standard of speed and fares. For the relatively small number of passengers, and the relatively small percentage of mail matter to which the maintenance of such a standard was a matter of urgent moment, they believed that the future lay in the air rather than on the ocean. Whether the Orient Company would ever be concerned with the manning of airships he did not know. In any event, they would not be a substitute for, but the complement of, ocean transport, and they would continue to maintain an efficient and up-to-date service.

Their future depended on the commercial position in Australia. The backbone of Australian prosperity was wool, and it was expected that this year the total clip would not fall far short of that of the previous season. The outlook for wheat was also good, and promised an exportable surplus considerably in excess of last year's, so that on the whole they could look forward with reasonable optimism to the immediate future in Australia. It was to be hoped that some of that prosperity would be reflected in the profit and loss accounts of shipowners who served Australia; a little encouragement was sorely needed.

The report and accounts were unanimously adopted.

THE SCOTTISH TEA AND LANDS COMPANY OF CEYLON, LIMITED.

SUCCESSFUL RESULTS OF YEAR'S WORKING. BOARD'S SOUND POLICY—GENERAL OUTLOOK.

The forty-ninth ordinary general meeting of shareholders was held within the company's registered office, Edinburgh, on Wednesday, December 15, 1926, Mr T. J. Carlyle Gifford, W.S., presiding.

Mr William Sime C.A., secretary, having read the notice calling the meeting and the auditor's certificate,

The Chairman said: Gentlemen,—I presume that, as usual, I may take the report and accounts as read.

While this is the forty-ninth annual general meeting of this company, it is the first under our new name of "The Scottish Tea and Lands Company of Ceylon, Limited." It is also the first at which we present a report and relative accounts bearing upon a full year's working of the amalgamated estates of over 6,000 acres of mature tea which this company now owns.

The past year has seen the completion of the changes in the company's capital resulting from the acquisition of the Haputale and Madulseema Estates. Our issued capital is now £428,875, in shares of £1 each, and we have neither debentures nor preference shares. It may be well to remind you of the actual changes since the close of the 1924-25 year, when our issued capital stood at £91,700. Two separate steps have since been taken. We allotted 79,850 shares of £1 each to the sellers of the Haputale and Madulseema Estates.

Our issued capital was thus increased to £171,550. We then capitalised a sum of £257,325, part of the reserve fund, and issued to our shareholders three new fully-paid shares for each two shares held, thus issuing 257,325 shares and raising the issued capital to its present figure of £428,875. That is a capital which makes it possible to have a proper market in the shares, a valuable convenience not formerly enjoyed by the constituent companies.

These operations have caused changes in the reserve fund, which in last year's balance-sheet stood at £89,899 10s 2d, and in this year's report stands at £175,809 4s 8d. Out of last year's profits we transferred £5,000 to the reserve fund, and the purchase of estates costing £435,457 by an issue of 79,850 shares added £355,607 to the fund, which then stood at £450,506 10s 2d. We capitalised and distributed to the shareholders £257,325, and have charged against the fund the expenses connected with carrying into effect the agreements with the Haputale and Madulseema companies, including stamp duties, which amounted to £17,372 5s 6d, thus leaving the figure of £175,809 4s 8d which you see in the balance-sheet.

PAST YEAR'S WORKING.

The results of the past year's working have been most satisfactory, and have enabled your board to recommend a total dividend for the year equivalent to 25 per cent. on the present capital. That is equal to an increase of 2½ per cent. on last year's dividend. It cannot be said that climatically the year was very favourable. On the Uva side of Ceylon, where lie all our new estates and Sarnia—the largest of our old estates—as well as Brookside and Alnwick, the rainfall for the year was below average, and a severe drought occurred. On the Kandy side the failure of the South-West monsoon of 1925 led to poor returns at the end of the year, and in 1926 we had a severe drought in the early months, though the rain when it did come, in May, was severe. Conditions of drought naturally cause disappointing crops, and the crop from our old estates was 87,000 lbs less than in the previous year. Cost of production also suffered. The average cost of production on revenue account for all our estates was 53.63 cents per lb. That is a comparatively high figure, and in considerable measure our new estates are responsible for it. But we were aware that their average crop per acre was lower and their costs higher than on our older estates, and that was taken into account in the terms of amalgamation. We are hopeful that in time their crops will increase under the present system of cultivation. The question of a reduction of costs has been considered by your board, and is receiving very close attention from Mr Hyde. Prices, on the other hand, have been good, the average for all Ceylon teas having been nearly ½d per lb. better than in the previous year. Our estates have done even better than that, as you will see by comparing the figures in the last two reports. Our highest average price has been obtained for the tea from Haputale—one of the new estates—the produce of which is sold in London under the mark of Kelliebedde. The average for the whole Haputale crop—all grades—was 1s 1½d per lb.

BOARD'S SOUND POLICY.

These last four years have been so successful, and the dividends

distributed have been so good, that I wish to explain what the directors' policy has been and is in these good times. We cannot hope to be able to forecast how long good prices will last. What we can do is to maintain a system of liberal cultivation and fine plucking, and that we are doing. Further, we have in view that our estates are situated at elevations at which a high class of tea can be grown, and that the land available for extensions of planting at such elevations in Ceylon is very limited. We have, therefore, been steadily planting such suitable land as we have, and if you look back over the company's reports you will see that in 1921 we had 2,788 acres planted in tea. To-day, apart from the Haputale and Madulseema Estates we have 3,193 acres in tea, so that in five years the area has increased by 405 acres. Of that 112 acres are the Kinloch Estate, bought in 1922, and we are left with 293 acres of extensions which have been financed entirely out of revenue. We have been able to buy good land suitable for planting adjoining Sarnia to the extent of about 170 acres in the last two years. We hope to plant a further 70 acres on Plaiderie this year. Extensions are also being taken in hand on the reserve land of the new estates, and we hope to plant this year 30 acres on each of Haputale and Mahadawa.

EXPENDITURE ON BUILDINGS AND MACHINERY.

In these good years, too, we have paid and made provision for paying for the cost of reconditioning or extending the cooly lines on all our estates in order to bring them up to the new Government standard. We have also replaced the old engines in the factories on most of our old estates. We have improved and extended several of the factories, and we have built a new bungalow on Plaiderie. Thus to-day Mr Daniell is able to report to us that the estates under his charge have all the power they require now, and that generally capital outlay should show a marked reduction in each of the next few years. In due time we may have to face some heavy expenditure on buildings and machinery on our new estates. However, up to date we have paid for all these extensions and improvements out of revenue, and this year we have made a substantial addition to the reserve for that purpose. In these ways and by liquidating the Kanganies debts out of revenue we have tried to make provision for a rainy day should it come. The net return from the company's estates and factories thus differs from the figure which would be shown by deducting the cost of production per lb from the average net sale price and multiplying the resulting figure by the number of lbs produced in the year. But I am sure that you will agree that in good times the wise policy is to meet such expenditure as I have referred to out of revenue rather than write up capital account.

TRIBUTE TO STAFF.

Before arriving at the net return from the estates, we have again made provision for what we believe to be liberal bonuses to the staff in Ceylon, and I am sure you will approve. The services of the staff will be the subject of a special motion at a later stage, but I cannot fail to record the board's high appreciation of the services of the staff, and in particular of Mr. Daniell and Mr. Hyde, our two general managers.

I would also like to express our gratitude to Mr Sime, our secretary. The recent amalgamation and the subsequent changes in the capital of the company have thrown much heavy work on his shoulders, and it has, of course, been very efficiently performed.

GENERAL OUTLOOK.

I shall only touch very lightly on the general outlook. We have Mr Dickson, of Messrs Dickson Anderson and Co., our selling agents in London, here to-day, and he will tell you something of the position from the point of view of those in direct touch with the market. But we are evidently faced with a heavy increase in the production of common teas this year in India, Java, and Ceylon, and though such tea does not directly compete with the finer teas we produce, and India has fortunately not increased her production of finer teas, still we shall be more at ease when we see that increased production out of the way. Russia has been disappointing as a consumer in 1926, and the habit of tea drinking does not grow so quickly in the United States as we could wish.

I now beg to move the adoption of the report and of the directors' recommendations contained therein, and I shall be glad to try to answer any questions any shareholder may wish to ask or to hear any remarks from shareholders. Meantime Dr. M'Kenzie Johnston will perhaps second my motion.

Dr R. M'Kenzie Johnston: I have to second the adoption of the report which has been put by you to the meeting, and I will do so without any comments, because you have dealt with it so fully and so widely.

The resolution was put to the meeting and carried unanimously.

Mr J. Maxtone Graham moved a vote of thanks to the staff in Ceylon, which was seconded by Mr Thomas Dickson, and cordially agreed to.

Mr. Thomas Dickson, in referring to the tea market, said the company had done exceedingly well up to date. Although crops from India, Java, and Ceylon for 1926 were heavier than last year, they were mostly of an inferior quality. This company was favourably placed, however, as it produced teas of the finest quality, and these are not likely to depreciate to any great extent.

The rest of the business was formal.

KILLINGHALL RUBBER DEVELOPMENT SYNDICATE, LIMITED.

SPLENDID RESULTS—INTERESTS IN TIN SYNDICATE.

The seventeenth annual general meeting of the Killinghall (Rubber) Development Syndicate, Limited, was held, on the 15th instant, at the registered offices of the company, 7 Martin's Lane, Cannon Street, London, Mr W. Arthur Addinsell, chairman of the company, presiding.

Mr J. Lewis, on behalf of the secretaries (Messrs Bright and Galbraith, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I move: "That the directors' report and accounts in respect of the year ended June 30, 1926, as submitted to this meeting, be approved and adopted; and that a final dividend of 30 per cent., making a total dividend of 50 per cent. for the year, be declared and paid."

My colleagues and I consider it a privilege to submit to you the statement of accounts for the year. Our net profit was £36,000; our capital is only £52,500.

That we were able to secure an average net price of approximately 2s 1½d per pound for our rubber is, of course, mainly responsible; also, the increase in the export rate, allowed by the restriction enactment, enabled an output of 463,193 lbs to be harvested, as compared with 267,017 lbs for the previous year.

Although we have secured a higher standard production on reassessment the exigencies of the restriction enactment must result in a lower output for the current financial period, and in the present state of the rubber market we can hardly expect to equal the amount of net profit.

You will observe, however, that the amount required to meet the total dividend of 50 per cent. for the year under review is approximately £10,000 less than the profit earned. If, when I meet you next year, I am able to submit a resolution which provides for a dividend of 50 per cent., it will, I hope, be at such a rate as in all the circumstances will be considered equally satisfactory.

THE ESTATE.

I am sure you will not expect me to comment upon the accounts in detail; also there is very little to be said in connection with the estate, where all works have been carried out in a systematic, efficient and economic manner.

You will see from the report that the board have authorised a slight extension to the planted area, and we shall continue this policy so long as there is any land available. The expenditure required for opening a comparatively small area year by year can be met out of revenue without affecting dividends, and does not necessitate a call on shareholders for additional capital.

Some few weeks ago you received a circular giving details of this company's interest in a syndicate which has been formed to prospect for tin in the locality of this company's estate. Operations are at present confined to an area on the Hongkong estate, which adjoins the southern boundary of Killinghall, and I anticipate that in the early months of the New Year you will receive further particulars and an invitation to subscribe for shares in a company to be formed to work that area.

I have pleasure in again recording the board's appreciation of the services rendered by the estate staff, including our local agents, and in expressing to them our thanks.

Mr Harold C. Rendle seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected, and a vote of thanks to the chairman and directors, and to the staff and agents in the East, concluded the proceedings.

CITY OF LONDON ELECTRIC LIGHTING COMPANY, LIMITED.

SATISFACTORY RESULTS.

CAPITALISATION OF RESERVES.

The ordinary general meeting of the City of London Electric Lighting Company, Limited, was held, on the 15th instant, at the registered offices, Falcon House, Aldersgate Street, London. Mr J. B. Braithwaite, the chairman, presided.

The secretary (Mr A. F. Harrison), having read the notice convening the meeting and the report of the auditors,

The Chairman, after expressing regret at the death of Sir David L. Salomons, who had been a director, with a brief interval, ever since the inception of the company, and explaining that the lateness of the meeting was due to their having awaited the settlement of outstanding questions in connection with the Act of 1925, said that it would be seen that the balance-sheet was presented in a changed form; that was to comply with the requirements of the Act of 1925. Dealing with the balance-sheet, he said that it would be seen that the capital expenditure from the inception of the company to June, 1925, was £4,151,919. Of that they had already written off in respect of demolition £980,784. It had always been the policy of the company whenever improvements were made in the generating plant to scrap their old plant and put in the very latest thing they could in order to secure the maximum of economy. In addition to the figure he had mentioned, they had written off £469,271 in respect of depreciation. In the revenue account it would be seen that the proceeds of sale of current stood at £750,271, as compared with £743,853, an increase of only about £7,500, but, if they had had the same average price as in 1924, the figure would have been £830,992, or an increase of £87,000. That showed the effect of the policy which they had always pursued of reducing the price to their consumers as rapidly as they possibly could. They had given away to the consumers £495,000 up to December 31, 1924, and in 1925 they had made them a further present of £87,000, so that within the last three or four years they had made reductions in the price of current which resulted in their consumers being £582,000 better off than they otherwise would have been.

FUEL ECONOMY.

The cost of coal and fuel was £112,575, as compared with £134,967, a decrease of £22,392, and yet, in spite of that decrease, they had sold 6,550,000 units more than in the previous year. When it was realised that they had generated and sold over 6,500,000 additional units for an economy in coal of £22,392, he thought it would bring very clearly before their eyes the wisdom of their adopting the most up-to-date plant and effecting the greatest economies possible. That result reflected the very greatest credit on their chief engineer, Mr. Frank Bailey, who was also one of the managing directors, and the whole of the staff at the Bankside Power House. He ventured to say that there was no power-house in the country that was generating electricity more cheaply.

The whole of the generating expenses, taking generation and distribution together, showed an economy of £19,000, as compared with the previous year's figure. Management expenses were practically the same. It was interesting to note that the bad debts were only £457, which he thought was a very satisfactory figure with a revenue not far short of £1,000,000. As they had over 18,000 consumers, he thought that reflected great credit on the commercial side of the undertaking. They had placed to provident fund £2,553 and to the benevolent fund £20,000.

The result was that in the new form of presenting the accounts they carried £397,696 to the net revenue account, as compared with £349,276, but that did not represent the position quite clearly, and, if they made the necessary adjustments in order to compare with the previous year's accounts under the old system of arrangement, the real improvement in the profit, as compared with that of 1924, was £73,065.

UNIFYING THE GENERATING RESOURCES.

With regard to generating arrangements as between themselves and the rest of the companies forming the Eastern Group, under the schedule to the Act of 1925 they had to make some arrangements for pooling or unifying their generating resources. They had suggested to the Electricity Commissioners a committee to deal with that, but the Commissioners were not quite satisfied with the proposal and had asked the directors to prepare certain figures and curves, which were being prepared. As a matter of fact, the directors of this company had taken time by the forelock and anticipated most of those things. When the Act of 1908 was passed he was chairman of the County of London Supply Company, and they at once interconnected their generating stations as far as possible, and, later, the Bankside station was connected up with Wandsworth, with the result that they had been supplying current to the County Company recently, and were doing so at the present time, so that, so far as the pooling of generating

resources was concerned, they had gone a very long way in the direction which the authorities had found to be desirable.

CAPITAL REQUIREMENTS.

With regard to capital requirements, the directors had thought it wise to provide for that by creating 5 per cent. consolidated debenture stock, £220,000 of which they had sold. He believed that stock was obtainable in the market free of stamp and fee at 99, at which it was a very fine purchase. In addition, they had offered the 4½ per cent. second debenture stockholders an opportunity to exchange into the new stock, receiving 95 per cent. of it for every £100 of their stock. Up to that morning holders of about £167,000 of the second debenture stock had sent in their requests to exchange. That represented about half the total, and they still had until the end of the year to decide, so that the directors did not yet know what the total would be.

The object of that issue was to provide for additional plant and for the enlargement of sub-stations. Owing to the increase of their load and the demand in the City, they had been compelled to face the question of providing additional space in their sub-stations. They thought that the £220,000 of new stock which they had sold would provide for their immediate capital requirements right into next year.

With regard to the Government Bill of 1926, which he saw from the papers that morning was supposed to be ready to receive the Royal Assent, it was a mystery Bill. They would naturally have supposed that before a complicated measure like that was introduced there would be some urgent public demand for it, either from the industry or from the consumers, but the report of the Electricity Commissioners, issued a day or two ago, only deepened the mystery, for it stated that since 1922 there had been an increase of 51.3 per cent. in sales of electricity; that did not sound as if the industry was at a standstill. It might be thought that no progress was being made in putting up new generating stations, but that report stated that during the year to March 31, 1926, they had authorised no fewer than 16 new generating stations and 585,700 kw. of additional generating plant; that, again, did not look as if the industry was at a standstill.

LOANS SANCTIONED.

As to capital, they found that the Commissioners sanctioned loans during the same period amounting to £9,683,301. It might be said that the cost of electricity was going up, but the report showed that the decrease in the cost was going on, and it was rather gratifying to those engaged in companies like theirs to find that the company's costs were lower than the municipal costs. From what he had said, the shareholders could see that the Bill was an absolute mystery. He could only say that he deeply regretted the measure. From all that one knew of the industry and saw in the Commissioners' report, the industry was at last beginning to go ahead and make satisfactory progress. Now there was introduced a new central electricity board which would be a further obstruction to progress, and would only result in raising the cost of electricity to the consumers and checking the development of the industry. He moved the adoption of the report and statement of accounts.

The Marquess of Winchester seconded the resolution, which, after the Chairman had replied to a number of questions put by Mr Hedges and other shareholders, was unanimously adopted.

ALTERATION OF ARTICLES.

The Chairman then moved an extraordinary resolution, having for its object the alteration of the articles of association to enable the reserves to be capitalised. He said that as the articles stood at present the company had no power to capitalise their reserves, and it was very desirable that they should obtain the power which the proposed alterations in the articles would give them. Whatever reserves they capitalised they were not entitled to get a penny more in the way of dividend. All they could get until 1932 was £120,000 a year, *plus*, if they could earn it, an amount equal to one-sixth of the consumers' benefit. That benefit was the difference between the standard price and the average price paid by the consumer. It was rightly called the consumers' benefit because it was in the consumers' pocket. The shareholders could not get it. If the resolutions were passed at that meeting and confirmed at the meeting in January, the board proposed, to begin with, to capitalise £400,000. That was to say, that the holder of 1,000 shares would get another 500 shares, but would get the same amount in dividend. Instead of getting 15 per cent., he would get 10 per cent., but the money received would be the same. It was not quite true to call the new shares bonus shares, because they did not increase the actual dividend by a single penny. All they did was to spread over a large area the amount the shareholder was entitled to receive.

Mr Frank Bailey, M.Inst.C.E., one of the joint managing directors, seconded the resolution, which was unanimously adopted, and the proceedings terminated with a cordial vote of thanks to the chairman and directors.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

POSITION AND PROSPECTS OF THE PLATINUM AND DIAMOND INDUSTRIES.

The Johannesburg Consolidated Investment Company, Limited, announces the receipt of the following cabled report from Johannesburg of the proceedings at the adjourned annual meeting held on December 14, 1926:—

At the annual meeting of shareholders adjourned from November 30th the permanent chairman, Mr S. B. Joel, presiding over an enthusiastic meeting, expressed pleasure at meeting the shareholders again in annual meeting. He was greatly impressed by the progress in every direction since his last visit to Johannesburg five and a-half years ago.

The report and accounts for the year ended June 30th last were unanimously adopted.

The net profit for the year was £743,538. The reserve fund was increased to £700,000, and dividends amounting to £592,500 had been paid. The carry-forward amounted to £179,200. The total value of the assets was £6,043,747, and the liabilities to the public £918,296, leaving £5,125,450 as the value of assets in excess of liabilities. These figures disclose an exceptionally strong financial position.

Speaking collectively of the mines of the group, the Chairman stated that the ore crushed for the year ended June 30th last totalled 7,783,700 tons, and the gold won 2,558,814 fine ounces, approximately the same as the previous year. Dividends totalling £1,814,703 had been paid, and the group had recently taken the premier position of profit-earners on the Rand. The total cost of production was £6,965,637, of which over £3,000,000 represented wages and £3,000,000 stores; a large proportion of which was for South African products, demonstrating the paramount importance of the industry to the Union. The previous year's average working costs for the group was 18s 7d per ton, and for the whole of the Witwatersrand 19s 3d. This year it was 17s 11d for the group and 18s 11d for the Witwatersrand. Improved machinery and methods might lead to a further reduction, though this depended largely on conditions outside the control of the group.

PLATINUM.

The company now possesses a controlling interest in Potgietersrust Platinums, Limited, which has recently absorbed the Rustenburg Platinum Company and the Premier Rustenburg Company. According to the consulting engineer's report, the enlarged company holds very valuable areas, in which a good deal of exploratory work has been done. In the Potgietersrust district development is in progress on certain farms on wide ore bodies carrying notable quantities of platinoids. One such body has been opened up along the surface for 2,500 feet, and on the first level its width has been ascertained by crosscuts for 800 feet along the strike in sulphidic ore. The vertical shaft has been sunk to the second level, 200 feet below the surface, and a crosscut is being driven to the ore body. A conservative estimate of the average width is 15 feet to 18 feet, and the dip is 35 to 40 degrees. A great tonnage is indicated in this ore body, and a small amount of development on the first level has exposed 75,000 to 100,000 tons of ore, from which a milling grade of over 7 dwts of platinoid should be maintained. Further north other ore bodies with a higher platinoid content are being opened up on the surface and first level with good results. In addition to platinum, the ore contains a considerable amount of palladium and little iridium. A crushing plant has been in operation for some little time, with a capacity of 100 tons per day, but experimental work has taken precedence of output. In the extraction accomplished by flotation plant, at present, 60 per cent. of platinoid is recovered, which is satisfactory in view of the difficulty of treating dolomitic serpentine, where sulphides are very finely disseminated. Better results are anticipated with certainty. The grade of ore crushed in November was 7.5 dwt, of which 3.2 was platinum and 4.3 palladium. Twenty-five tons of concentrates have been shipped to European firms for smelting and refining, and the future disposal depends on the results obtained from these shipments. The recently acquired areas in Rustenburg contain platiniferous occurrences of different nature, the precious metal carrier being a thin reef with very regular appearance. The strike dip and content outcrop can be followed many miles, and has been exposed by pits and trenches on one continuous stretch for 13 miles. The platinoid content over long stretches approaches that of Potgietersrust. The occurrences and percentage of platinum is higher, being in the vicinity of 75 per cent. The area is easy to develop, and rapid progress can be assured, giving unlimited tonnage in both Rustenburg and

Potgietersrust areas, and, as far as can be judged at present, the probability is that these districts will be able to supply all the platinum and palladium the world can absorb at a price which will leave a very satisfactory margin of profit.

DIAMONDS.

Referring to last year's meeting, the chairman stated that the hopes then expressed as to the benefits likely to result from the new syndicate and the more complete control of the diamond trade which it secured had been fully realised. The syndicate had now their own building in London, where diamonds were disposed of and handled in one office. The syndicate also had a building in Kimberley, where the diamonds were first sorted and shipped from. Great confidence had been created; sales had been of a satisfactory nature; and the industry had enjoyed a prosperous period. The control was further strengthened by the establishment of most friendly relations with Belgium and Angola producers, who recognised the importance of limitation of output and control. The chairman said he could not leave the subject without also referring to the production of alluvial diamonds in South Africa. This now only uncontrolled production of diamonds in the world of diamonds meant more to South Africa than to any other country in the world, both from the point of view of revenue and of employment; still, the Government had not yet brought it under control, a factor which might conceivably undermine the corner stone of the industry. The chairman further stated that it was hard to understand why the Government continued to throw open to public digging new areas of diamondiferous ground. There was some temporary gain perhaps to small numbers of diggers, but the majority fared badly, and large numbers were attracted who would otherwise continue to make a living at farming or other occupations. The problem of diggers was one which might give this or future Governments grave anxiety if allowed to grow, and the chairman hoped it would not be long before the present Government gave the subject careful consideration and decided on a new policy.

The maintenance of the price of diamonds, the chairman stated, was, if anything, more important to alluvial diggers than to big producers. Both the alluvial and the mine production branches were one industry, and it was only right that it should in some measure assist other producers in limiting production to conform to world's demand, and thus share in the sacrifice demanded of all producers in the common interest of the trade. The chairman said he felt sure, however, that when once the digging community realised the position it would be possible, with the assistance of the Government, to arrive at a satisfactory solution, which was absolutely essential for continued prosperity of the diamond trade, upon which both mining and alluvial producers were dependent, and South Africa in general. The diamond mining industry, the chairman continued, for many reasons deserved active support from the authorities. Next to gold mining it was the most important mining industry in South Africa, and had played, and was now playing, a very important part in the development and prosperity of the whole country. It was possible to estimate fairly accurately the amount of direct taxation paid by the four big producers. On the basis of their last published balance-sheets, under three headings—"income-tax," "export duty," and "owners' share of profits"—alone the State benefited by considerably over £2,000,000. The export tax collected from small mines and alluvial producers, taking as a basis 1925-6 figures, which constituted normal production, must bring the total revenue derived to over £3,000,000. It was important to note that the South-West Africa administration derived the bulk of its revenue from diamond mining, and it must view with concern the increase in alluvial production in the Union while its production, also alluvial, was limited, an anomaly made even more striking when it was realised that the new alluvial fields produced a considerable quantity of diamonds, which competed in the market with the production of the Premier Diamond Mine, in which the Union Government owned a 60 per cent. share.

The chairman refrained from dealing with the amount of indirect revenue contributed to the State derived from the diamond industry, but had no doubt it totalled a considerable sum. The prosperity of the industry had been achieved very largely by maintaining world's prices through the limitation of output, which had thrown a heavier burden than was generally realised upon the shareholders of the big producers. The alluvial production in the Union having risen as it had, it was reasonable that alluvial producers should share with other producers in the Union and outside the Union the responsibility of seeing that the quantity of diamonds put on the market was not larger than the market could consume. Concluding, the chairman expressed confidence that when the authorities and the alluvial diggers themselves realised the position means would be found to protect this important industry for the common benefit of all concerned, and the first opportunity after the return of the Premier would be taken to bring these facts before the Government. In the meantime the syndicate had been purchasing the bulk of these alluvial productions in order to protect this great industry.

WESTERN AUSTRALIAN BANK.

The annual meeting of shareholders of the Western Australian Bank was held on Wednesday, November 3rd, at the Banking House, St George's terrace, Sir E. H. Wittenoom (chairman of directors) presiding.

The directors in their report stated that the net profit was £116,180 8s 4d. An interim dividend at the rate of 17½ per cent. per annum was paid in May last, and the directors had decided to pay a final dividend at the rate of 15 per cent. per annum, making the distribution for the year equal to 16½ per cent., and the reserve fund figured at £1,269,240.

The Chairman, in moving the adoption of the report and balance-sheet, stated: With reference to the notice appearing in the report of a reduction of the dividend from 17½ per cent. per annum to 15 per cent. per annum for the half-year just closed, the directors desired to explain that they had decided upon that course in order to make provision for the outlay that must take place in the establishment and maintenance of new branches and agencies in the agricultural areas.

The pastoral country had had good useful rains, so much so that a large proportion, especially on the Murchison, had almost recovered its original excellence. The consequence had been a good lambing and shearing. It would, however, take some time to replace the number of sheep that had been lost in the drought. Wool was realising fair prices, though the British coal strike had had a lowering influence on rates at the last sales. It was hoped, however, that this was only temporary. Both store and fat sheep were in good demand, and fat marketable beef was readily saleable at remunerative rates.

With regard to agriculture, this must be looked upon as one of the best seasons on record. It was anticipated the harvest would be a record one, and it was hoped that these anticipations would be realised.

Mr H. Hocking seconded the motion, which was carried unanimously.

VAN RYN GOLD MINES ESTATE, LIMITED.

DEVELOPMENTS ON MODDER WEST SECTION.

The thirty-first ordinary general meeting of the Van Ryn Gold Mines Estate, Limited, was held on the 15th instant, Mr L. E. Burns presiding.

The Chairman, in moving the adoption of the report and accounts, said that the gross profit from mining operations reflected, unfortunately, an appreciably less satisfactory result than for the previous year. That figure, at £73,024, showed a decrease of £33,453 which was accounted for by two main factors. During the early part of 1924-25 they were still disposing of their gold at a premium which had resulted in an addition of £12,500 to the revenue over and above the standard price of gold. In the year under review that premium was obtainable no longer, and they had reverted to the standard price for their gold. The other factor was the gradual exhaustion of the high-grade foot-wall leaders which formed the mainstay of the mine during the many years of its successful career.

Fortunately, it had been possible to replace the tonnage from that source by ore derived from what they termed the upper leaders, as the result of the far-sighted policy of the management in South Africa of utilising a portion of the high profits obtained from the foot-wall leaders, and thoroughly to prospect and develop the upper or hanging-wall leaders. That policy had been amply justified, as those upper leaders had been proved to be payable over large stretches, and had furnished during the past few years, and would continue to furnish, large tonnages of payable ore to the mill. The policy adopted of exploiting those areas had added very materially to the life of the mine.

With regard to the results of development work on the Modder West section, a considerable amount of further work at the 100 feet level had been done with satisfactory results. The latest information received by cablegram was as follows:—"No. 1 (100 feet) level exposures of upper (or 10 feet) reef in three cross rises, showing 9 dwts over 60 inches, and 7 dwts over 54 inches, and 8.6 dwts over 57 inches respectively. No. 2 (200 feet) level exposures of upper reef in cross rises 35 feet south from shaft 8.2 dwts over 32 inches, 60 feet south from shaft 7.7 dwts over 42 in. No. 3 (300 feet) level the two reefs appear to have converged into one, and have been fully exposed over the exceptional width of 133 inches. The top portion—corresponding to the upper or 10 feet reef—assays 10.3 dwts over 30 inches." It would be seen that those figures indicated a gradual improvement in depth of the principal gold carrier, the upper reef, and he considered that they had every reason to be hopeful.

The report and accounts were adopted.

PEKIN SYNDICATE, LIMITED. EFFECT OF CONDITIONS IN CHINA.

The ordinary general meeting of the Pekin Syndicate, Limited, was held, on the 14th instant, at the Cannon street Hotel, London.

Major Walter S. Nathan, C.M.G. (the chairman) said that in regard to the profit and loss account, on the debit side, the London expenditure was £15,282, as compared with £14,964; Paris expenditure £1,478, as against £1,304; and China expenditure £11,663, as against £13,803; a total of £28,423, as against £30,071 last year. There was an amount of £3,945 reserved against shares in other companies, and he regretted to say there was this year a loss of £31,265 on the collieries, as against a profit of £56,304 last year and £114,000 for the previous year. On the credit side of the profit and loss account, the receipts from interest on loans, investments, &c., amounted to £29,927, leaving a debit balance of £33,707 on profit and loss account.

Turning to the credit side, the cash at bankers stood at £45,490, as against £68,990 last year, a decrease of £23,500; investments, £167,460, as against £76,050, an increase of £91,410; loans against security £279,000, as against £153,000, an increase of £126,000. If those three items—cash at bank, investments and loans against security—were added together, they amounted to £491,950, as against the total of these items in last year's accounts of £298,040, showing an increase of £193,910 in the cash assets of the company, which, he thought, should be considered as being quite satisfactory. This considerable increase in the assets of the company is due to the settlement arrived at with the Banque Industrielle de Chine during the past year, thus allowing the amount shown in last year's balance-sheet in regard to shares in and debt due from the Banque Industrielle de Chine to be cleared up.

CONDITIONS IN CHINA.

He addressed the meeting with rather mixed feelings. On the one hand, he had the satisfaction of presenting a balance-sheet which showed a very steady improvement in the financial position of the syndicate. On the other hand, the profit and loss account showed a considerable loss as a result of the year's operations in China. That loss was not due to any cause within the syndicate, but entirely to the political conditions in the country. Given peaceful conditions and consequent improvement in transport, there was no doubt whatever that their mines would have given better results than they had ever been.

Last year he was able to state that the position had been improved by the eradication of the Kuomintang influence in the area in which their mines were situated. That influence was still absent from the area, but he feared the possibility of its re-establishment. There was no reason to assume that the Cantonese army, well disciplined and led by its Soviet instructors, was going to stop where it was, or that its advance into Honan would be delayed. As far as at present could be foreseen there was no element in China capable of resisting that advance. If they considered what chance there was of any combined action by the Powers to confront the evils which they foresaw they must recognise the great difficulties in the way. Granted that the outside influence to restore order was absent, they could only rely on an indefinite hope that the Chinese themselves would grow to appreciate the necessity for foreign help in the development of their country, and would assert their sense of expediency by abolishing the elements which were doing such injury to their country.

SOUND CONSERVATIVE POLICY.

He was afraid he was drawing a gloomy picture, but he did not think it would be right for him to depict what was happening out there other than as it appeared to him after a deep study of the situation, he might enter into a great deal of argument as to what should be done by the Government to help them in their hour of need, but he thought no useful purpose would be served. He saw no immediate prospect of amelioration of present conditions. Their sympathy must be extended to their staff in China still working under such distressing conditions. It might be necessary shortly to consider their position, in view of the possible isolation of the somewhat remote district in which they were working. This matter would receive the most careful consideration of the board, and steps would be taken as soon as it was necessary to do so. In conclusion, he could only say that they must preserve their financial position by adopting a conservative policy. The board, therefore, was still unable to advise a dividend distribution. They must hope for better conditions, with the knowledge that, should events occur by which peace is restored to the country, their basis was sound financially, and that the earning capacity of their property was there, and only awaited a favourable turn of the tide to make it increasingly prosperous.

Colonel O. C. Armstrong, D.S.O., seconded the motion, which was carried unanimously, and the formal business having been transacted the proceedings terminated with a vote of thanks to the chairman and directors.

THE NATIONAL BANK OF SCOTLAND, LIMITED. SATISFACTORY RESULTS OF DIFFICULT YEAR.

The one hundred and first annual general meeting of the proprietors was held in the bank's head office, Edinburgh, on the 16th instant, the Right Honourable Lord Ronaldshay, P.C., the governor, presiding.

Lord Ronaldshay, in moving the adoption of the report and accounts, after dealing with the situation in Europe and the disastrous effects of the coal stoppage, said: Coming to the balance-sheet, the total figures are much the same as last year.

Note circulation shows little change, the amount current being £134,000 less than in 1925. Treasury notes continue to be taken in increasing numbers by the public in place of the notes of the Scottish banks, and this, to some extent, accounts for the fall, although present trade conditions are a factor in this respect.

Deposits have maintained a more steady level than during recent years—the total current being almost £31,000,000—a reduction during the year amounting to about £300,000. While, to some extent, this is due to restricted trade, it may be otherwise accounted for by the fact that small deposits are now finding their way into Government securities and other investments which did not obtain in pre-war years.

Turning to the assets side of the balance-sheet you will note that the liquid position, as regards cash in hand, bankers' balances, and money lent on short notice in London, is a very satisfactory one, the ratio against the bank's liabilities to the public being 23 per cent.

Investments have been slightly reduced during the year, but the total holding of Government securities, a large proportion of which is short dated, stands at £11,200,000, or over 30 per cent. of the bank's current liabilities.

The trade advances, namely, bills discounted, loans against stocks and advances on current account of a total of £16,240,000, stand at much the same figure as last year, and, while applications for credit during the past six months have, to some extent, fallen away, it is anticipated that now when trade is being resumed after the serious dislocation of the strike, they will again be forthcoming, and your directors are in a position to give every case their sympathetic consideration.

The profit and loss account shows little change, the net profit being £284,777, a reduction of £3,620 compared with 1925. Allocations of £50,000 to the reserve fund, £30,000 to the property account, £55,000 to the officers' pension fund, and £5,000 to the bank's annuity fund, allow of a carry forward to next year of £68,198.

The report and accounts were unanimously adopted.

STEUA ROMANA (BRITISH), LIMITED. INCREASED PRODUCTION.

The sixth ordinary general meeting of the Steaua Romana (British), Limited, was held, on the 15th instant, at Winchester House, Old Broad Street, London, Sir Charles Greenway, Bart., presiding.

The Chairman, in moving the adoption of the report and accounts, said: The dividend paid by the Roumanian Company for the year ended December 31, 1925, was 20 per cent. Their production for the year ended June 30, 1926, was 352,637 tons, as compared with 290,387 tons in the previous year. Since the above date production has again considerably increased. 31,000 metres were drilled during the year, being an increase of 36 per cent. Twenty-nine wells were drilling on the company's State lands; 7 were productive, and production was expected from a number of others in the spring. At Ceptura production was maintained, and pipeline communication had been established between that field and the refinery. Further wells were expected to come into production on this field early in the New Year.

No serious trouble has been encountered by the Steaua in the conveyance of its products during the year.

The production and export position of the Roumanian oil industry continues to improve, and it is estimated that the total production of the country this year will be about three million tons. Sir Charles Greenway pointed out that the Roumanian Government could materially assist oil exporters by the further reduction of export taxes.

Although British companies working in Roumania have come to an arrangement as to the payment of their war damage claims, and it is understood that French and Belgian companies have agreed to accept the same terms, no arrangement has yet been made with the Steaua Romana Company or with the American and Dutch companies operating in Roumania.

Turning to the accounts of the British company, the chairman said that 210,752½ shares in Steaua Romana were held, costing £1,146,531, which represented a substantial reduction in the average cost of the holding. The profit for the year, before making

provision for taxation, was £103,299 5s 2d. After providing for taxation the balance remaining was £83,934 5s 2d, which, added to the balance of £2,979 12s 5d brought forward from last year, made a total of £86,913 17s 7d.

Sir Albert Stern seconded the resolution, which was carried unanimously.

RICHARD THOMAS AND COMPANY, LIMITED. COAL STOPPAGE AND ITS RESULTS.

IRON AND STEEL INDUSTRIES AND EUROPEAN COMPETITION.

The annual general meeting of the above company was held on December 17, 1926, at the Cannon street Hotel, London, E.C.4. Mr H. C. Bond (chairman, who is also president of the National Federation of Iron and Steel Manufacturers) presided.

The Chairman, in moving the adoption of the report and accounts, after having dealt with the accounts, drew attention to the fact that during the year under review, ending September 30, 1926, the results included five months of the coal stoppage.

The company took steps, he said, to obtain supplies of steel and coal from abroad, and, in spite of difficulties of transport, a substantial number of the tinplate and sheet mills had been kept in operation.

IMPORTATION OF COAL AND STEEL.

The company had imported 56,451 tons of coal and 49,256 tons of steel during the five months, with the result that employment was given to a large number of people, and the wages paid out between May 1st and September 30th had amounted to £318,000.

In the main the company had kept its markets, and its customers appreciated the great efforts made, but the cost had been heavy, and the loss owing to the strike had been considerable.

While the loss to the company had been serious, it was, of course, small compared with the enormous loss sustained by the country as a whole.

POLITICAL AIM OF COAL STOPPAGE.

The Chairman then expressed the opinion that the aim of those responsible for the coal stoppage was a political one—to obtain control of the mines in order to cause them to be worked at the expense of the country. In his opinion, the only sure way to industrial peace in this or any other country was mutual understanding between employers and employed. He believed that the stoppage was largely due to a comparatively small minority, which did not represent the views of the great majority of workmen.

The company had made considerable progress in improving the quality of its manufactures, and had installed much new machinery with that object in view. The works in South Wales were fully capable of dealing with the modern requirements of customers. Tinplates were increasingly used, particularly in America.

The normal production of tinplates by the company exceeded 7,000 tons per week, making it the largest producer in Europe.

Through its subsidiary, the Grovesend Company, they had an important output of galvanized and black sheets, and they were confident as to the future of this business.

On the other hand, the company had in Lincolnshire a very large undertaking, embracing blast furnaces, coke ovens, by-product plant, steel works, and rolling mills which were erected during and after the war at a very high cost, and the value of this property stood in the books of the company much in excess of the figure at which the directors would wish it to stand. In consequence of the severe depression which set in in 1920 it had been impossible to set aside sufficient depreciation to provide for this fall in value.

QUESTION OF EUROPEAN COMPETITION.

The Chairman then referred to the necessity for the prevention of ruinous competition in Europe, economy in production by a greater concentration of similar products in those plants most suited to their manufacture, and an intensive campaign to increase the demand for iron and steel in the world's markets. In his position as president of the National Federation of Iron and Steel manufacturers he had taken a leading part in the recent negotiations between Germany, France, Belgium, and Luxemburg for the control of the production of steel. At this stage he could not do more than express his personal opinion that the solution of the difficulties of the industry lay in a closer understanding and co-operation.

He believed that the prospects of the pig-iron industry and the steel industry were more promising than they had been for some years.

THE COLLIERIES.

As regards the collieries, the position of the industry had been so abnormal that no comparison with previous years would be of any value. During the strike every effort had been made to maintain the underground workings in as good a state as possible, and the company owed much to the officials and staffs, who had again shown their loyalty and courage under difficult conditions.

Mr Bond then referred to the growing burden of local rates and social services, pointing out that these cost the company £102,000 per annum, equal to 2 per cent. on the share capital.

As regards the future, the effect of the coal strike was still being felt, but there was every reason to believe that the company would quickly resume its normal rate of profit.

The report and accounts were unanimously adopted.

RUDGE-WHITWORTH, LIMITED.

GOOD RESULTS DESPITE INDUSTRIAL UNREST.

The thirty-second ordinary general meeting of Rudge-Whitworth, Limited, was held at Coventry, on the 17th instant, Mr John V. Pugh, J.P., the chairman and managing director, presiding.

In moving the adoption of the report, the Chairman said: The net profit for the year of £27,680 was arrived at after writing off depreciations to the amount of £23,481. In the previous year, owing to the revaluation of buildings and plant, no depreciation was shown, and the depreciations written off in 1924 and 1925 were under £4,500. A comparison of the balance-sheet with that of the previous year showed that the liabilities to creditors and bank had been reduced by £76,523. On the other hand, the total assets were only decreased by £41,979.

Although the terms of the £37,500 second mortgage debentures demanded that 25 per cent. of any profits should be ear-marked for redemption and paid out, all or nearly all the second debenture-holders had waived their right to redemption, though, of course, a quarter of the profits would be put to this redemption fund.

The result of the year was a clear net profit of £27,680 and a surplus on disposal of depots of £6,862.

The total £34,543 was, of course, an agreeable contrast to last year, particularly having regard to the exceptional industrial difficulties of last year and their exceptional effect on a season trade. The industrial dislocation, step by step, was utterly unexpected, including the ability of the country to carry on with all mines shut.

EFFECTS OF STRIKE.

The immediate effect of that blow on industry was not so great as was expected. On the other hand, he thought it was now realised that the effect would last some time, that there would not be a sudden awakening, but that there would be what after all was better, a gradual and a sure development of big trade.

During this difficult time the company had been developing its products. As regarded motor-bicycles, they had done a lot of racing with their standard machines, and had put up an extraordinary series of reliability; that was to say, not winning but finishing at high speeds with every single machine entered, and with the machines perfect at the end of every event. This had told the world how fast and reliable their standard product was. In preparing these machines on the road, the track, and the bench, a lot of testing had been done, which had found out, under these extreme conditions, weaknesses which were not even suspected, and they had corrected all these weaknesses. They believed these corrections were necessary, because a year ago with the 500 c.c. engine they could only get 18 h.p., while to-day they had got no less than 30 h.p. He need hardly add that while they had been striving after speed and reliability, they had not neglected silence and had produced and standardised a simple silencing arrangement which they believed complied with the law in the strictest possible sense. On the industrial side of motor-bicycles they had done a good deal of development work, and had devised a trailer to be drawn behind an ordinary motor-bicycle and sidecar. It was a very efficient machine, suitable for the transport of all kinds of goods up to 8 or 9 cwt, and capable of being fitted with a great variety of bodies for different trades.

NEW PEDAL BICYCLE.

For 1927 they had changed their attitude altogether towards pedal bicycle design, and had gone through the whole thing from one end to the other from the riders' point of view. They had made drop-out wheels universal. They had gone further, and had made an oilbath gear-case which could be used in conjunction with these, not interfering with the drop-out principle. So that actually a wheel could be changed, i.e., one wheel taken out and another put back in its place with a machine with an oilbath gear-case on, and the total time taken was substantially less than half a minute. This time included the springing out of the brake stirrup. To permit the wheel to pass they had also developed rolling brake levers on such lines that they could be fitted to machines with grips well forward, giving a proper riding position. The chairman added that the past policy in selling and marketing their goods had been to run a series of their own depots or shops to do part of their business, and to do the rest through the regular dealers. No doubt when this system was inaugurated more than 30 years ago it was a very good system, and met the

conditions then prevailing. To-day in reviewing all their methods they had come to the conclusion that the mixed system was not suitable, and that they would mark their goods best by marketing them through the recognised and established dealers. They had taken no half-measures, but had stepped out of the retail trade absolutely and entirely. They believed the dealers not only appreciated this, but could handle the selling side much better.

Mr R. Percy Taunton (vice-chairman) seconded the motion, which was adopted, and Mr C. Herbert Smith was reappointed a director.

AMALGAMATED ANTHRACITE COLLIERIES, LIMITED. AMALGAMATION SCHEME APPROVED.

The third annual general meeting of the Amalgamated Anthracite Collieries, Limited, was held, on the 15th instant, at the Hotel Victoria, Northumberland avenue, London, the Right Hon. Sir Alfred Mond, Bart., M.P. (chairman of the company), presiding.

The Chairman, in moving the adoption of the report and accounts, said that as the balance-sheet showed, the cash in hand at September 30th last was £227,101 7s 10d. Including that balance, the liquid assets of the company as at September 30th last exceeded £300,000. The net profit for the year, after allowing for substantial depreciation for wagons and steamers, had amounted to £127,632 15s 6d, and that although the collieries of the company were idle for three and a-half months. The whole of the net profits, together with the balance brought forward from last year, had been carried to capital reserve account, which account now stood at £242,291 16s 6d. That had been done under the scheme of amalgamation, in order that when the scheme was finally approved a bonus issue of shares (one share for every ten held) might be made.

COAL STOPPAGE AND FOREIGN COMPETITION.

Although the collieries were idle throughout the whole of the seven months' stoppage, the merchanting side of the company's business did a very extensive trade in the importation and disposal of foreign coals, thereby rendering valuable assistance both to the essential services of the country and to important industrial undertakings. The profits arising from that business had been substantial, and had largely offset the heavy expenditure of maintaining the collieries during their period of idleness. In that the company had been indeed fortunate. The loss in wages to the men employed in the mining industry of this country during the seven months' stoppage had been appalling. Some idea of that loss could be obtained from the wages lost by the men normally employed in the collieries of the company since July, 1925, to the present date. They had had eight and a-half months of strike and stoppage, and the loss in wages had been £600,000, and apart from that there had been very heavy expenditure which had had to be incurred in maintaining the collieries in a state of repair pending resumption of work. Their markets abroad, owing to the fact that the coal industry of this country had been out of business, had been in the hands of their competitors in Germany, Silesia, Russia, and the United States of America, and while, owing to the superiority of Welsh anthracite this interference with their markets was probably only of a temporary character, yet but for the stoppage, these foreign coals would never have been considered in serious competition with theirs.

They opened their Canadian market three years ago, and but for the recent stoppage they would this season have more than quadrupled their first year's tonnage. They had firmly established there the superiority of their anthracite over the coals of their foreign competitors, and on his visit to Canada three months ago he was greatly impressed by the extent to which they had developed that market.

SCHEME OF AMALGAMATION.

The outlines of the scheme of amalgamation with United Anthracite Collieries, Limited, were set out in the circular sent out to the shareholders. Equalisation of share values between the two companies would be met by the issue to the shareholders of the Amalgamated company of one bonus share for every 10 shares held, and this equalisation was consequent on the payment of dividends for the past year on the preference shares of United Anthracite Collieries, Limited, and for the preference rights of those shares and also in respect of the profits the Amalgamated Company had made from imported coals during the general stoppage. The scheme would be submitted for the approval of the Board of Trade and Railway and Canal Commission under the Mining Industry Act, 1926, which was passed this year to facilitate amalgamations of that character in the coal industry. This Act exempted from Stamp Duty the aggregation of the capital of the amalgamating companies, and also exempted from Stamp Duty the necessary transfer of shares which were not transfers in the true sense of the term, and were not Stock Exchange transactions. In that way

the Act encouraged desirable amalgamations in the coal industry which had been discouraged in the past by reason of the heavy Revenue duties involved, and to which amalgamations in other industries were still subject.

Their collieries had restarted on December 6th, and he had been informed that morning that they had got their output back to about 90 per cent. of normal. That was a result which reflected extreme credit on the management of their collieries. They were quite convinced of the great future of the anthracite industry in its utilisation in this country. They had in South Wales, in anthracite, the best smokeless fuel in the world, and nobody need wait for the invention of a smokeless fuel.

The report and accounts were adopted, and the amalgamation scheme approved.

SINGAPORE PARA RUBBER ESTATES, LIMITED. SUCCESSFUL YEAR—JORAK ESTATE.

The seventeenth annual ordinary general meeting of the Singapore Para Rubber Estates, Limited, was held, on the 14th instant, at 2, 3 and 4 Idol lane, London, Mr H. de C. Hamilton, the chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year amounted to £31,589, and after providing £500 for depreciation of buildings and machinery the net profit amounted to £31,089, as compared with £15,317 for the previous year. The board now recommended the payment of a final dividend of 7½ per cent., making, with the interim already paid, 15 per cent. for the year.

The cost of harvesting the crop amounted to £19,376, an average cost of 9.25d per lb, compared with 9.5d last year. Rubber actually sold averages 2s 4.85d, per lb, against 1s 8d per lb in the previous year.

The total planted area was now 3,623 acres, and a further 140 acres were in course of planting, and when completed the total planted area would be 3,772 acres, equivalent approximately to £59 per acre, which would be a considerable improvement on the previous figure, which was £75 per acre.

The crop harvested was 502,482 lbs, of which 444,314 lbs came from Perhentian Tinggi. The crop from Perhentian Tinggi fell short of expectation, and the manager, in his annual report to the directors, gave the following reason: "Up to and including December, everything went well, but thereafter we experienced weather such as I have never known during my 25 years' experience in the Malay States. First, it was too dry to get any rubber, and then it was too wet." The directors were not entirely satisfied with that explanation, and Mr Bannon, one of the directors, who was out there on the spot, was looking into that particular matter.

As regards the Jorak Estate, when the company took possession the price of rubber was just about at the zenith of last year's sensational rise, and local labour was very scarce, very difficult, and very expensive. Mr Hadow, who visited the estate in January last, had recommended the cessation of tapping until proper organisation was provided and the regular labour force secured and trained. The board had adopted Mr Hadow's recommendation. The crop for the current year would depend on two factors: (1) The percentage exportable under the restriction scheme; and (2) the rate of progress in bringing new areas into the tapping round at Jorak.

The report and accounts were adopted.

SHOWELL'S BREWERY COMPANY, LIMITED. COMPANY'S STRONG FINANCIAL POSITION.

The annual meeting of Showell's Brewery Company was held at Winchester House, Old Broad street, London, on the 16th inst., Mr James Davenport (the chairman) presiding.

Mr W. G. Holland (general manager and secretary) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report and accounts, said that was the fortieth annual meeting, and they celebrated the occasion by submitting the strongest balance-sheet in the history of the company.

On the revenue account the amount to be dealt with was £38,617, as against £38,825, results practically identical with those of the previous year. The dividends on the preference stock absorbed £13,800, the dividend on the ordinary shares £12,000, and the transfer to reserve £5,000, leaving £7,817 to carry forward to next year.

He submitted that in a year of severe industrial disturbance these results were highly satisfactory. They said a great deal for the loyal and efficient work of Mr Holland and his staff. They certainly had had no strikes and no trouble with their men—in fact, when the general strike was called not a single man of theirs ceased work for a day.

They had not heard as much as usual of possible further legislative interference with their trade. Now that the coal strike was

out of the way he thought it would be too optimistic to think that this welcome rest from controversy would continue much longer. In fact, he was afraid it was already beginning. In the last few weeks they had had introduced in the House of Lords the "Liquor (Popular Control) Bill." He would like to suggest that a better title would be, "Liquor (Fanatic Control and Confiscation) Bill." The Bill, which was backed by the Bishop of Liverpool, proposed to set up machinery for a compulsory poll in each district in the third year after the passing of the Act on the three questions: (1) No change; (2) reorganisation; (3) no licence. The Memorandum of the Bill definitely stated that an area voting for no licence or for reorganisation was not committed to such system in perpetuity. That statement was grossly misleading and totally unfair. It meant to the ordinary man that by a subsequent vote any district misguided enough to have voted for no licence or reorganisation could by another vote go back to where it was. That was definitely barred. If the Bill was proceeded with it would be opposed vigorously, and he had so much confidence in the fair-mindedness of the people of this country that he was confident it would not get on the Statute Book just yet.

Mr J. J. Calder seconded the resolution, which was carried unanimously.

ATLAS LIGHT AND POWER COMPANY, LIMITED.

An extraordinary general meeting of the Atlas Light and Power Company, Limited, was held, on the 16th instant, at Winchester House, London. Sir George A. Touche, Bart., who presided, explained that the negotiations referred to at the recent annual general meeting of the company, designed to give the company an opportunity of enlarging the scope and basis of its business and extending its operations, related to the consolidation of the present interests of the company with those of the United Electric Tramways of Montevideo. These include not only the business previously owned by that company, but, in addition, the other large tramway system in the City of Montevideo, arrangements for the acquisition of which have recently been completed.

The Chairman indicated that, on the completion of the arrangements, the Atlas Company will own electric lighting and power supply business and an electric traction system in the City of Cordoba; an electric lighting and power business and an electric traction system in the City of Santa Fé, and the combined electric traction systems in the City of Montevideo, the latter having concessions which run until the years 1978 and 1980.

The Chairman stated that the profits of the companies about to be acquired have been steadily progressive of late years, and savings from combined operation in the City of Montevideo are expected. It is expected that the combined companies will be able to offer to the public of that city an even more efficient service than it has hitherto had. He expressed confidence that the position of the ordinary shareholders will be improved by the amalgamation, and looked forward to the company being able to pay a gradually increasing rate of dividend. He intimated that a large majority of the shareholders, both preference and ordinary, had already expressed themselves in favour of the scheme by sending their proxies to the board, while no one had expressed disapproval.

The resolutions were passed approving the conditional agreement, increasing the capital to £5,500,000, and making certain alterations in the articles of association.

At subsequent meetings of the preference shareholders and debenture stockholders resolutions confirming the above proposals were duly passed.

MAWCHI MINES, LIMITED.

The adjourned eighth ordinary general meeting of Mawchi Mines, Limited, was held, on the 16th instant, at Winchester House, London, Major F. W. D. Gwynne presiding.

The Chairman, having dealt with the figures for 1925, said that at the meeting on December 30th last shareholders were informed that Major Ball anticipated milling at the rate of 4,000 tons of ore monthly by February, 1926, and expected to produce about 210 tons of concentrates each month. Those estimates, however, had not been realised up to the present. The veins being developed commenced in shale, and while in the shale were comparatively soft and easily driven on, but as they entered the granite they became harder and the rate of driving decreased. The question of installing power drilling plant was receiving the attention of the board.

The average production of concentrates for the eleven months January 1st to November 30th, including output from the mill and concentrates brought in by native workers, was 143½ tons per month. In addition to the concentrates reported in the monthly milling statements, there was approximately 228 tons of buddle

product awaiting retreatment. It was anticipated that this would produce about 23 tons monthly, and that about 3½ tons per month of a concentrate containing 65 per cent. combined tin and wolfram would be obtained.

Transport had been very difficult during the greater part of the year. Their latest cable stated that on December 4th last there were 520 tons awaiting transport. There was also about 300 tons at various points in transit, making in all about 820 tons. Taking tin and wolfram at about to-day's current prices, that represented a money value of about £98,000 gross. Transport, however, was now moving more freely, so far 66 tons having been shipped this month, and it was expected that the remainder of the accumulation would shortly be *en route*.

As regarded ore reserves, Mr Euan-Smith, their local resident director, estimated the reserves of ore were:—Developed 53,500 tons, probable and possible 103,500 tons, making a total of 157,000 tons. There was reason to hope for a life of about four years from known ore bodies which would be developed and worked. As to prospecting, arrangements had been made and funds provided for prospecting to be carried out in other parts of the company's lease during the dry season.

Replying to questions, the Chairman stated that from restarting up to November, 1926, the output was 1,760 tons of concentrates, and, assuming the balance unsold realised about the present market prices of tin and wolfram, a profit of about £44,000 on working costs might be made for 1926. He emphasised that that must be considered purely as a rough estimate.

The report and accounts were unanimously adopted.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED. INCREASED PROFIT AND DIVIDEND.

The sixteenth ordinary general meeting of the British Burmah Petroleum Company, Limited, was held, on the 17th instant, at the Cannon street Hotel, London.

The Hon. Lionel Holland, the Chairman, said that there had been no outstanding feature during the 12 months under review. Conditions in the oil business generally, and with the company, remained much the same as they were at the last meeting. The demand for oil products continued satisfactory. The kerosene output was readily taken in India, where the consumption of petrol also was on the increase, while wax was disposed of without difficulty in the world's markets. Prices remained steady, but always at the low level which had prevailed since 1922.

Consumption, which even under unfavourable trade conditions increased rapidly, would, with any solid revival in trade, be increased with still greater rapidity, and although so long as the industry was given a free hand no shortage of supply need be feared, they might reasonably expect then more remunerative prices, which would enable the oil industry to enjoy its full share of an improving level of prosperity. In the meantime they had been able, by dint of economies and improved methods, not only to maintain the financial strength of the business, but once to increase the trading revenue as compared with that of the preceding year, and also the resulting profits.

Their trading profit for the year was £301,846, which was over £20,000 better than the figure for 1925, itself an improvement of over £85,000 on 1924. After providing for various allocations and charges they were left with a balance of profit of £83,230, against £53,149. They recommended a dividend of 7½d per share, free of tax. In view of the continued drop in the crude oil production and the absence of any improvement in prices, he thought he was justified in regarding it as a matter for satisfaction that they were able to declare a higher dividend than that for 1925.

The report and accounts were unanimously adopted.

THE BANK OF TAIWAN, LIMITED. (Registered in Japan, 1899.)

Capital Subscribed : : : £45,000,000
Capital Paid Up : : : £39,375,000

Head Office - - TAIPEH, FORMOSA.
London Office - 25 OLD BROAD STREET, E.C.2

BRANCHES:
Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government, issues its own notes in Formosa, conducts general Banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Mar. 31, 1919.	Mar. 31, 1920.	Mar. 31, 1921.	Mar. 31, 1922.	Mar. 31, 1923.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Dec. 1, 1926.
Funded Debt	588	315	315	318	314	314	314	314	314	314	314	314	314	314
Term Annuities	30	20	16	14	13	13	13	13	13	13	13	13	13	13
5% Conversion Loan ..	..	..	266	684	666	709	764	760	760	760	760	760	760	760
4% Conversion Loan ..	..	..	..	..	..	210	210	211	211	211	211	211	211	211
5% War Stock	..	63	63	63	63	63	63	63	63	63	63	63	63	63
4% and 5% War Stock ..	..	2,047	1,953	2,095	2,166	2,052	2,052	2,109	2,109	2,109	2,109	2,109	2,109	2,109
National War Bonds ..	..	1,509	1,201	953	820	778	771	706	706	706	706	706	706	706
4% Funding Loan	..	409	399	396	394	394	394	390	390	390	390	390	390	390
4% Victory Bonds	..	360	335	325	314	303	303	292	292	292	292	292	292	292
Treasury Bonds	..	453	411	457	499	479	479	482	482	482	482	482	482	482
Exchequer Bonds	..	323	185	150	150	15	15	15	15	15	15	15	15	15
National Savings Certs...	..	267	342	354	366	369	372	375	375	375	375	375	375	375
Other Debt	..	1,306	1,087	1,157	1,128	1,124	1,124	1,111	1,111	1,111	1,111	1,111	1,111	1,111
American Loan (Anglo-French)	..	51	..	..	..	..	..	..	..	..	..	..	..	..
Treasury Bills	..	1,107	878	616	588	576	635	565	565	565	565	565	565	565
Temporary Advances ..	..	1	243	147	186	167	181	139	139	139	139	139	139	139
Other Capital Liabilities ..	..	654	8,033	7,655	7,742	7,641	7,598	7,703	7,558	7,689	7,689	7,689	7,689	7,689
Total Liabilities	..	711	8,079	7,721	7,812	7,707	7,666	7,787	7,633	7,762	7,762	7,762	7,762	7,762

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Dec. 12, '25.	Mar. 31, '26.	Dec. 11, '26.	Week ended Dec. 11, '26.
Ways and Means Advances ..	9,500,000..	2,000,000..	9,500,000..	9,500,000..
Advances by Bank of England ..	147,926,000..	139,441,000..	155,501,000..	8,600,000..
Advances by Public Deposits ..	646,230,000..	*564,855,000..	*674,255,000..	+ 2,745,000..
Treasury Bills Outstanding ..	803,656,000..	704,296,000..	832,756,000..	+ 1,845,000..

* Includes £36,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1926-27. (See Note)	Total Receipts into the Exchequer from Dec. 1, 1926.	Total Receipts into the Exchequer from Dec. 1, 1925.	Receipts. Week ended Dec. 11, 1926.	Receipts. Week ended Dec. 11, 1925.
Balances in Exchequer on 1st April:—					
Bank of England ..	..	5,880,249	5,341,778	..	..
Bank of Ireland ..	..	676,684	1,215,322	..	..
..	..	6,556,933	6,557,100	..	..
REVENUE.					
Outsoms	108,450,000	74,708,000	72,924,000	2,634,000	2,714,000
Excise	141,300,000	92,746,000	92,496,000	1,946,000	1,886,000
Motor Vehicle Duties ..	21,800,000	6,834,000	6,598,000	..	..
Stamps	68,000,000	42,560,000	40,940,000	1,110,000	1,280,000
Land Tax, House Duty & Mineral Rights Duty ..	254,800,000	97,513,000	119,691,000	895,000	1,278,000
Super Tax	64,500,000	24,110,000	31,330,000	560,000	550,000
Excise Profits Duties, &c.	2,000,000	2,830,000	7,780,000	50,000	150,000
Corporation Profits Tax	6,500,000	40,100,000	38,900,000	1,200,000	900,000
Post Office	59,400,000	820,000	740,000	..	..
Crown Lands	950,000	..	..	..	..
Receipts from Sundry Loans	21,650,000	15,326,202	10,357,620	5,331	20,207
Miscellaneous	25,600,000	18,544,488	8,238,246	16,195	33,097
Ordinary Receipts ..	25,600,000	15,611,183	24,436,609	2,181,759	1,588
Special Receipts	824,750,000	446,972,875	470,001,475	12,568,285	10,102,892
Revenue	..	453,529,806	476,558,575	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921 ..	..	388,000	1,470,000	..	80,000
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues:—					
Under the Telegraph (Money) Act, 1924 and 1925 ..	..	5,450,000	5,950,000	..	..
Under the Housing Act, 1914 ..	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	3,779	20,071	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	777,200	..	..	..
(b) Under the Unemployment Insurance Act, 1921 ..	..	13,672,431	1,715,000	..	..
(c) For other issues:—					
By Treasury Bills	1,816,173,000	1,760,001,000	55,035,000	54,659,000	..
By 3% Conversion Loan ..	..	53,667,561	48,001	..	..
By National Savings Certificates ..	20,400,000	24,250,000	550,000	600,000	..
By National War Bonds ..	..	15	..	..	..
By Treasury Bonds, 1925 ..	..	3,512,150	5,055,707	..	..
By 4% Treasury Bonds, 1931-33 ..	..	..	..	..	..
(d) Ways and Means Advances ..	464,052,000	469,531,000	12,100,000	8,750,000	..
Payments—					
In respect of Cunard Loan ..	..	130,000	130,000	..	..
In respect of issues under Land Settlements (Facilities) Act, 1919 and 1921 ..	..	160,110	137,925	..	..
In respect of issues under Section 59 (f) of the Finance Act, 1920 ..	..	..	9,901,981	..	..
Interest received under Section 59 (g) of the Finance Act, 1920 ..	..	..	299,785	..	..
Total	..	2,778,322,278	2,808,768,412	80,253,285	74,239,893

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1926-27 (Including Supplementary Grants).	Total Issues out of the Exchequer to meet Payments from Dec. 1, 1926.	Total Issues out of the Exchequer to meet Payments from Dec. 1, 1925.	Issues. Week ended Dec. 11, 1926.	Issues. Week ended Dec. 11, 1925.
EXPENDITURE.					
National Debt Services—					
Interest, &c.	304,000,000	257,706,037	250,956,604	5,088,671	3,441,070
Sinking Fund	60,000,000	20,292,228	26,364,686	290,000	275,000
Road Fund	17,500,000	5,010,044	5,251,044	..	..
Payments to Local Taxation Accounts, &c. ..	14,100,000	7,525,580	7,843,583	50,000	265,193
Payments to Northern Ireland Exchequer ..	5,200,000	3,325,194	2,967,626	..	3,798
Land Settlement	..	..	300,886	..	..
Other Consolidated Fund Services	2,600,000	1,530,357	1,590,710	6,337	11,098
Supply Services	425,872,000	281,426,457	277,409,602	7,714,000	7,684,993
Expenditure	829,272,000	577,152,697	572,684,741	13,149,008	11,584,152
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921 ..	..	14,382,431	1,745,000	330,000	..
Issues to Meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1924 and 1925 ..	..	7,600,000	8,300,000	400,000	400,000
Under the Housing Act, 1914 ..	..	..	6,000	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	..	3,779	20,071	..	..
Under the Capital Expenditure (Money) Act, 1904:—Exchequer Bonds paid off, £1,553,300; less paid off by the National Debt Commissioners, £776,100 ..	..	777,200	..	..	..
Unemployment Insurance Act, 1921—					
Repayment of amounts borrowed ..	..	388,000	1,390,000	..	..
Redemption of Debt—					
Treasury Bills	1,706,800,000	1,689,400,000	52,265,000	53,420,000	..
Principal of National Savings Certificates ..	23,250,000	20,900,000	700,000	550,000	..
Principal of Exchequer Bonds paid off ..	..	306,667	..	..	..
Principal of National War Bonds ..	..	8,344,789	..	..	..
Principal of Treasury Bonds paid off ..	..	23,645,865	..	..	..
Ways and Means Advances Repaid ..	444,992,000	478,690,000	13,000,000	7,950,000	..
Issues to National Debt Commissioners to Reduce Debt—					
Cunard Loan Repayments	130,000	130,000	130,000	130,000	130,000
..	2,775,549,889	2,805,636,935	79,974,008	74,134,152	..
Balances in Exchequer—					
Bank of England	2,118,442	1,998,409	+ 140,700	..	18,259
Bank of Ireland	653,947	1,135,088	+ 139,001	..	24,000
Total	2,772,389	3,133,497	+ 279,277	..	5,741

NOTE.—Budget Estimate as in H.C. 69 of 1926.

Treasury, December 13, 1926.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Securi- ties.	Balance at Bank of England.
1923.								
Mar. 28.	285,616	12,318	7,000	27,000	22,450	17-3	241,294	150
June 27.	286,503	12,516	7,000	27,000	22,460	17-3	242,446	123
Sept. 27.	282,784	12,401	7,000	27,000	22,450	17-5	238,596	140
Dec. 26.	299,070	12,571	7,000	27,000	22,450	16-5	255,032	159
1924.								
Mar. 26.	281,538	11,908	7,000	27,000	22,450	17-6	236,867	130
June 25.	290,316	12,472	7,000	27,000	22,450	17-6	246,198	140
Sept. 24.	285,592	12,227	7,000	27,000	22,450	17-3	241,185	184
Dec. 31.	296,261	12,812	7,000	27,000	26,950	18-2	248,111	138
1925.								
Mar. 25.	284,256	11,882	7,000	27,000	26,950	18-9	235,076	112
June 24.	292,278	12,265	7,000	..	53,950	18-5	243,474	119
Sept. 30.	293,004	12,555	7,000	..	56,250	19-1	242,188	121
Dec. 30.	296,777	12,561	7,000	..	56,250	18-9	245,896	192
1926.								
Mar. 31.	295,337	12,226	6,550	..	56,250	19-0	244,585	178
June 30.	294,036	12,567	6,550	..	56,250	19-1	243,667	136
Sept. 29.	287,858	12,295	6,300	..	56,250	19-5	237,467	138
Dec. 8.	289,414	12,030	6,300	..	56,250	19-4	238,422	72
Dec. 15.	291,226	12,075	6,300	..	56,250	19-3	240,615	136

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,000,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £246,145,400, and for 1926 at £247,502,500.

TREASURY BILLS AND BONDS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Dec. 17, 1926, and the total amount applied for was £45,230,000. For bills at 3 months, dated Monday, £98 17s 4d, and above in full. Tuesday to Friday, £98 17s 0d, about 85 per cent, and above in full. The amounts allotted were in bills at 3 months, £38,500,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.	4% Treasury Bonds Average Price.
1926.	\$	\$	\$ m d	\$ m d
Oct. 15.....	45,000,000	45,945,000	4 16 3 46	nil
Oct. 22.....	40,000,000	45,805,000	4 16 11 12	nil
Oct. 29.....	40,000,000	49,635,000	4 17 1 06	nil
Nov. 5.....	45,000,000	49,490,000	4 17 6 74	nil
Nov. 12.....	45,000,000	58,100,000	4 16 7 69	nil
Nov. 19.....	40,000,000	62,145,000	4 15 8 83	nil
Nov. 26.....	45,000,000	67,660,000	4 14 4 16	nil
Dec. 3.....	45,000,000	56,245,000	4 13 4 23	nil
Dec. 10.....	40,000,000	55,855,000	4 11 6 91	nil
Dec. 17.....	40,000,000	45,230,000		nil

SILVER.

Although the price of silver has been fairly well maintained, the market is not robust. A feature has been, and is, the shyness of buyers; this would have been shown by still easier prices had supplies been as plentiful as usual. Conditions, however, have been against free selling from China at this period. Possibly a certain amount of steadiness will be felt for a week or so until the next Bombay settlement steamer's consignment has been arranged. America has not had much opportunity to sell here owing to buyers usually being satisfied at "fixing." United Kingdom's imports and exports of silver during the week ending the 8th inst. were:—

	Imports.	Exports.
Mexico.....	338,630	38,500
U.S.A.....	43,534	55,200
British West Africa....	18,320	12,103
Other countries.....	644	
	401,128	105,803

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	Nov. 22.	Nov. 30.	Dec. 7.
Notes in circulation.....	19,388	18,915	18,790
Silver coin and bullion in India..	10,496	10,556	10,498
Silver coin and bullion out of India			
Gold coin and bullion in India..	2,232	2,232	2,232
Gold coin and bullion out of India			
Securities (Indian Government)...	5,260	5,127	5,110
Securities (British Government)...	1,400	1,000	950

No silver coinage was reported during the week ending the 7th inst. The stock in Shanghai on the 11th inst. consisted of about 71,300,000 ounces in sycee, 69,100,000 dollars, and 2,180 silver bars, as compared with about 74,100,000 ounces in sycee, 67,300,000 dollars, and 3,780 silver bars on the 4th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1926.	s d	d		d
Dec. 11....	84 11½	24½	Dec. 24, 1920.	..
13....	84 11½	24½	23, 1921..	..
14....	84 11½	24½	22, 1922..	30½
15....	84 11½	24½	21, 1923..	33½
16....	84 11½	24½	19, 1924..	32½
17....	84 11½	24½	18, 1925..	31½

NOTICES.

The Commercial Bank of Australia, Limited, announce that branches of their bank have been opened at Manangatang (Victoria) and Woodville (South Australia).

The National Provincial Bank, Limited, announce that a branch of the bank is now open at Church hill, Lynton, under the management of Mr P. H. White.

Lloyds Bank, Limited, announce that attendance is now given at the sub-offices at Kelsall and Tarvin on Mondays, Wednesdays, and Fridays instead of Mondays and Thursdays as hitherto.

The Bank of Adelaide, Sydney branch, has removed from 105 Pitt street, to its new and more commodious premises at 279 George street, Sydney, New South Wales.

Barclays Bank, Limited, announce the opening of a new branch at 23 Grosvenor gardens, S.W. 1, under the management of Mr F. C. Dickinson, hitherto manager at 185 Wardour street branch.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELD, LIMITED.—By cable for the week ending December 8, 1926:—Production, 54,241 barrels; shipments, 3,820 tons. Total production for the calendar month of November, 218,000 barrels. Total shipments for the calendar month of November, 24,451 tons.

CALTEX OIL COMPANY.—Production for November: Cia de Petroleo Caltex, S.A., 2,121 barrels, or 336 tons; Anglo-Texas Oil Company, 5,733 barrels or 819 tons.

DACIA ROMANO PETROLEUM SYNDICATE, LIMITED.—Production for the month of November, 1,629 tons. 12 wells were in production, 12 wells are in drilling, and 2 are being fitted up.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended December 4, 1926, was 132,000 barrels.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Output for the week ending Wednesday, December 8, 1926, amounted to 1,344 tons.

VENEZUELAN OIL CONCESSIONS, LIMITED, announces its production for the week ended December 11, 1926, was as follows:—Bolívar District, 41,298 metric tons; Maracaibo District, 5,886 metric tons.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Dec. 10, 1926.	(c) Week ended Dec. 11, 1926.	Miles Open.	Passenger.	Goods.	Total for Week.	Passenger.	Goods.	Total for Week.	Aggregate 49 Weeks, 1926.
			Per 1,000.	Per 1,000.	Per 1,000.	Per 1,000.	Per 1,000.	Per 1,000.	Per 1,000.
Great Western.....	3,778	09,000	312,300	521,000	116,550	126,860,000	24,321,000	24,321,000	
Do for 1925.....	3,775	212,000	349,000	561,000	129,940,000	159,750,000	28,969,000	28,969,000	
London & N. Eastern (c)	6,715	39,000	665,000	1,004,000	191,530	253,610,000	41,417,000	41,417,000	
Do same period 1925	6,714	352,000	751,000	1,106,000	214,200,000	327,330,000	54,159,000	54,159,000	
London Mid. & Scottish	6,951	468,000	875,000	1,343,000	268,530	340,770,000	60,930,000	60,930,000	
Do for 1925.....	6,950	496,000	913,000	1,409,000	306,500	419,910,000	72,357,000	72,357,000	
Southern.....	2,180	55,000	114,000	373,000	156,700,000	4,970,000	20,443,000	20,443,000	
Do for 1925.....	2,183	259,000	514,000	773,000	165,220,000	5,738,000	22,260,000	22,260,000	
Metropolitan (c).....	59	30,900	3,600	34,500	1,437,600	138,400	1,576,000	1,576,000	
Do for 1925.....	58	31,300	3,800	35,100	1,670,900	183,800	1,854,700	1,854,700	
Underground E.R. (c)	..	..	..	256,600	..	..	12,222,900	12,222,900	
Do for 1925.....	..	..	..	243,100	..	..	12,349,000	12,349,000	
Lon. & Sub. Group (c)	..	..	..	37,300	..	..	1,843,400	1,843,400	
Do for 1925.....	..	..	..	35,600	..	..	1,867,200	1,867,200	
Belfast & Co. Down (b)	80	1,756	796	2,552	141,007	44,371	185,378	185,378	
Great Northern.....	562	11,550	28,800	744,000	785,450	1,529,450	1,529,450	1,529,450	
Great Southern.....	2,181	29,411	48,530	77,941	1,815,184	2,131,154	3,976,338	3,976,338	

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1926.	1926.
				+ or -	+ or -

INDIAN.

	Week.	Nov. 13.	Rs.	Rs.	Rs.	Rs.
Assam Bengal.....	32 weeks	1,072	4,59,000	6,314	1,12,73,807	4,22,297
Barsi L. Ry.....	33 weeks	20	118	6,540	10,93,900	37,500
Bengal & N. Western	7 weeks	2,076	8,41,103	1,10,805	43,81,349	4,47,378
Bengal-Nagpur.....	31 weeks	6,861	14,14,000	3,07,217	4,71,60,464	3,77,758
Bombay, Bar., & C.I.	36 weeks	11,533	24,01,000	1,21,000	7,49,51,000	58,60,000
Burma.....	31 weeks	1,349	5,46,777	2,65,197	2,22,50,166	27,42,694
Madras & S. Mahr.	33 weeks	29	5,048	15,16,000	5,242	7,68,742
Nizam's Guaranteed (a)	33 weeks	29	99	3,53,530	4,564	1,17,64,514
Rohilk'd & Kumaon	6 weeks	13	259	37,774	7,679	2,81,187
Do Lucknow-Brelly	6 weeks	13	290	57,784	11,170	4,29,303
South Indian.....	33 weeks	20	1,876	10,03,016	88,481	3,31,15,641

(a) Total receipts of all lines.

ARGENTINE (a).

	Week.	Dec. 11.	£	£	£	£
Argentine N.E.....	24 weeks	754	12,500	1,670	305,000	37,000
B.A. and Pacific.....	24 weeks	11,265	146,000	3,000	3,22,000	73,000
B.A. Central.....	24 weeks	12	11,923	2,001	3,9,005	1,714
B.A. Gt. Southern.....	24 weeks	11,472	250,000	2,000	4,918,000	64,000
B.A. Western.....	24 weeks	11,888	110,000	5,000	2,128,000	152,000
Central Argentine.....	24 weeks	11,305	227,000	27,000	5,118,000	152,000
Cordoba Central.....	24 weeks	11,202	65,000	4,930	1,724,500	40,100
Entre Rios.....	24 weeks	11	728	22,200	1,300	524,300

CUBAN.

	Week.	Dec. 11.	£	£	£	£
Havana Central.....	23 weeks	11	11,186	1,718	242,846	42,130
United of Havana.....	24 weeks	11	1,301	47,550	12,426	1,108,588

URUGUAYAN.

	Week.	Dec. 11.	£	£	£	£
Central Uruguay.....	24 weeks	273	32,500	215	613,281	14,963
C. Urug. (East. Ext.).....	24 weeks	11	311	6,435	701	119,556
C. Urug. (North. Ext.).....	24 weeks	11	185	3,770	372	61,786
C. Urug. (West. Ext.).....	24 weeks	11	211	3,292	420	65,332

CANADIAN.

	Week.	Dec. 7.	£	£	£	£
Canadian National.....	49 weeks	7	22,065	5,089,148	474,495	247,944,136
Canadian Pacific.....	49 weeks	7	14,373	4,203,000	465,000	184,243,000

BRAZILIAN (b).

	Week.	Dec. 11.	£	£	£	£
Gt. West. of Brasil.....	50 weeks	1,018	19,200	2,600	884,500	138,700
Leopoldina.....	50 weeks	11	1,856	40,687	1,688	2,200,156
Leopoldina Terminals.....	50 weeks	11	1	6,355	796	372,364
San Paulo.....	50 weeks	12	153	43,049	900	2,884,080

CHILEAN.

	Week.	Dec. 12.	£	£	£	£
Antofagasta.....	50 weeks	838	27,460	17,050	1,773,215	258,925
Nitrato (4-monthly).....	48 weeks	398	16,934	33,018	655,784	252,027

OTHER OVERSEAS.

	Week.	Dec. 11.	£	£	£	£
Alcoy and Gandia.....	50 weeks	33	Ps. 33,000	2,000	1,230,200	36,800
Egyptian Delta.....	35 weeks	600	£12,643	220	214,879	3,850
Gt. Southern of Spain.....	49 weeks	4	Ps. 43,695	41,655	3,957,540	1,027,256
Mexican Railway.....	27 weeks	7	£259,000	7,900	5,706,000	258,900
Paraguay Central.....	24 weeks	11	874	£5,590	650	108,790
Salvador.....	24 weeks	11	100	£4,615	564	102,220

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.	
				1926.	+ or -	1926.	+ or -
Anglo-Argentine.....	49 weeks	Dec. 9	329	\$88,984	2,432	4,131,943	153,800
B. Aires Lacrosse.....	24 weeks	12	12	\$13,968	873	307,929	11,660
Burley Corporation.....	1 week	11	12	\$3,142	7	..	..
Calcutta Tramways.....	1 week	11	354	Rs. 108,129	17,558	..	..
Chatham & District.....	48 weeks	9	15	\$1,304	89	68,092	3,980
Egyptian Markets.....	38 weeks	2	1	\$4,098	250	87,883	13,700
Glasgow Corporation.....	30 weeks	4	134	\$44,049	1,834	1,182,117	8,650
Isle of Thanet Trams.....	49 weeks	8	1	\$2,708	321	138,225	6,070
Liverpool Corp.....	37 weeks	15	124	\$28,992	1,228	965,324	69,460
L.C.C. Tramways.....	37 weeks	15	164	\$82,566	1,504	2,873,920	55,490
Pernambuco Trams.....	50 weeks	12	12	\$5,438	802	305,545	11,660

* Combined revenue.

MINING OUTPUT STATISTICS FOR NOVEMBER, 1926.

	Tons Crushed.	Gold Recovered.	Value.	Profit.
	Mill.	Cyande Works.	Mill.	Cyande Works.
	Tons.	Tons.	Oz.	Oz.
			£	£
Gold.				
Abbotkirk.....	8,807	..	..	11,623
Great Boulder Proprietary	7,176	..	..	16,505
La Noria.....	7,510	..	..	\$65,176
Lena (December 1st to 8th)	..	..	4,177	17,543
Lonely Reef.....	5,380	..	2,807	2,396
Lyndhurst.....	416	..	296	1,131
Oriental Consolidated (Oct.)	20,967	..	..	\$89,627
Santa Gertrudis.....	59,634	..	..	\$16,974
Tomboy.....	18,500	..	..	\$44,000
Vipond.....	8,104	..	..	..
Tin.				
Argus.....	4	..	..	..
Briseis.....	30	..	..	..
Ex-Lands, Nigeria.....	70	..	..	..
Kaduna Syndicate.....	29	..	..	..
Kaduna Prospectors.....	104	..	..	..
Kaleri.....	4	..	..	..
Karri.....	5	..	..	..
Mawchi.....	145	..	..	..
United Tin Areas.....	17	..	..	..
Copper.				
Bwana M. Kubwa.....	383	..	..	..
Namaqua.....	254	..	..	..
Tanganyika Union Minière	6,700	..	..	..
Coal.				
Chinese Engineering.....	96,000	..	..	..
Miscellaneous.				
Keeley Silver.....	..	125,097 ozs.	..	..

TRANSVAAL GOLD OUTPUT STATISTICS.

	October, 1926.	November, 1926.
	Ore.	Ore.
	Est. Yield.	Est. Yield.
	£	£
Aurora W. United (10s shares) ..	12,500	12,618
Brakpan.....	133,885	53,005
City Deep.....	98,500	143,563
Consolidated Main Reef.....	55,000	77,933
Crown Mines (10s shares) ..	222,000	312,442
Durban Roadport Deep.....	39,300	54,797
East Rand Proprietary.....	135,500	147,663
Ferris Deep.....	33,900	33,136
Geduld Proprietary.....	83,000	119,

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ended.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.	
					Prefce.	Ordinary.						
						Amount.	Amount.					Rate.
		£	£	£	£	£	%	£	£	£	%	
Banks.												
Commercial Bank of Scotland....	Nov. 1	75,149	326,695	401,844	..	160,000	16 A	125,000	76,844	334,897	16 A	
Western Australian Bank	Sept. 27	39,181	116,180	155,361	..	113,750	16 1/2	..	41,611	..	..	
Breweries.												
Benskin's, Watford	Sept. 30	39,355	118,776	158,131	19,500	57,000	18 1/2	40,000	41,631	110,393	15	
Chicago Breweries	Nov. 30	..	Dr 12,761	Dr 12,761	..	..	..	Dr 12,761	..	Dr 14,930	..	
Newcastle Breweries	Oct. 31	57,720	14,077	71,797	12,000	16,000	4	..	43,797	58,840	8	
Samuel Allsopp and Sons	Sept. 30	19,324	103,789	123,113	56,528	17,905	5 1/2	26,845	21,835	99,782	5 1/2	
Thomas Salt and Co.	Aug. 31	160,098	60,363	220,461	9,728	3,217	7	17,750	189,766	57,426	7	
Financial, Land, &c.												
Western Canada Investment	June 30	3,062	7,296	10,358	5,000	1,250	2 1/2	1,000	3,108	..	..	
Hotels, Restaurants, &c.												
Cadena Cafes	Sept. 30	6,420	33,915	40,335	5,808	19,685	20	..	14,842	28,379	20	
Iron, Coal, and Steel.												
Arncliffe Coal	Sept. 30	24,764	Dr 12,456	12,308	1,200	..	..	..	11,108	9,959	20 1/2	
Bertrams	Sept. 30	2,125	5,094	7,219	..	3,375	7 1/2	2,000	1,844	6,610	10	
Cleveland Bridge and Engineering ..	Sept. 30	7,631	24,880	32,511	1,972	17,537	6 1/2	5,000	8,002	23,279	6 1/2	
Henry Briggs, Son, and Co.	June 30	32,141	81,056	113,197	..	65,575	10	..	47,622	57,742	10 1/2	
James Nimmo and Co.	Sept. 30	75,096	Dr 29,267	46,829	6,300	13,450	5 1/2	..	27,079	..	..	
North Lonsdale Iron and Steel ..	Oct. 31	17,566	Dr 1,431	16,135	..	..	..	..	16,135	..	..	
Redpath, Brown, and Co.	Oct. 31	9,773	84,381	94,154	10,500	49,000	14	25,000	9,654	54,482	8	
Motor and Cycle.												
Rossleigh	Sept. 30	15,764	27,651	43,415	480	14,400	20	..	28,535	10,479	20	
Rover Company	Aug. 31	11,539	Dr 123,450	Dr 111,911	..	..	..	Dr 60,604	Dr 127,543	..	..	
Standard Motor	Aug. 31	61,011	46,681	107,692	..	24,000	10 1/2	..	83,692	108,945	15	
Swift of Coventry	July 31	Dr 29,079	Dr 71,497	Dr 100,576	..	..	..	Dr 100,576	..	..	..	
Triumph Cycle	Aug. 31	30,003	31,204	61,207	2,600	24,000	10 1/2	1,000	33,607	60,144	10 1/2	
Oil.												
British Burmah Petroleum	July 31	6,450	187,447	193,897	..	77,835	7 1/2 ps	110,666	5,396	141,217	7 1/2 ps	
Rubber, &c.												
Kong Lee (Perak)	Aug. 31	1,154	3,500	4,654	..	3,250	10	..	1,404	3,826	10	
Pontian (Malay)	Sept. 30	416	18,423	18,839	..	14,813	30	2,838	1,188	10,272	20	
Shops and Stores.												
Finlay and Co.	Sept. 30	3,186	20,128	23,314	854	8,845	9	4,500	9,115	16,588	8	
Telegraphs and Telephones.												
Bogota Telephone	June 30	8,153	23,063	31,216	..	17,951	12 1/2	5,000	8,265	..	..	
Tramways, &c.												
United Automobile Services	Sept. 30	6,539	39,028	45,567	..	22,457	10	10,000	13,110	33,369	10	
Other Companies.												
British-American Tobacco m	Sept. 30	1,054,362	6,195,816	7,250,178	225,000	4,956,725	25 1/2	..	2,068,453	5,145,238	27 1/2	
British Goodrich Rubber	Sept. 30	Dr 2,703	18,769	16,066	7,500	..	..	629	7,937	..	..	
British Ropes	Aug. 31	21,839	59,820	81,659	59,659	..	..	22,000	122,870	..	5	
E. W. Tarry and Co.	June 30	3,325	17,900	21,225	9,000	7,500	5	..	4,725	..	..	
Findlater Co.	Aug. 31	11,679	46,424	58,103	9,600	..	..	32,000	16,503	..	..	
Fletcher and Cartwright	July 31	10,036	26,600	36,636	..	16,800	8	8,400	11,436	..	..	
General Billposting	Sept. 30	14,691	7,738	22,429	2,767	12,897	17 1/2	5,000	17,665	12,186	15	
Inveresk Paper	Nov. 30	41,809	76,137	117,946	14,464	43,699	25	12,072	47,711	47,992	15	
Major and Co.	Mar. 31	12,460	15,103	27,563	11,500	..	..	..	16,063	14,310	..	
Power Gas Corporation	Sept. 30	19,599	6,233	25,832	..	11,985	4	1,222	12,625	..	..	
Sir H. W. Trickett	Nov. 30	258	11,083	11,341	5,625	3,468	2 1/2	2,000	248	6,850	2 1/2	
Star Tea	Oct. 2	150,583	71,855	222,438	60,000	10,000	50	..	152,438	..	..	

† Tax free. m British-American Tobacco.—The dividend of 25 per cent., free of income-tax, absorbed £4,956,725. The dividend of 27 1/2 per cent., free of income-tax, in preceding year absorbed £4,487,734.

form no criterion of the future earnings of the company, and the dividends likely to be received from its investments which should greatly exceed in the future any past figures. With reference to the balance-sheet figures of the cost of the investments (£1,105,399), the directors are satisfied that the value thereof very considerably exceeds the figures in the balance-sheet. Cash stands at £169,622, against £72,927. Net profit has risen from £47,992 to £101,405. The ordinary dividend is 25 per cent., against 15 per cent. The sum of £59,785 is carried forward.

LONDON ELECTRIC SUPPLY CORPORATION, LIMITED.—We are informed that the company proposes to capitalise £199,800 out of reserves, and to distribute a share bonus of two new ordinary shares for every five ordinary shares held.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Friday Evening.

Climatic conditions were mostly favourable to agriculture this week, and early wheat presents a healthy appearance in most districts, while present indications point to a rather larger acreage than last year. Native wheat was in moderate supply, and all good milling samples encountered steady support. Prices, however, tend in buyers' favour in sympathy with the weakness of foreign descriptions. In the floating and forward cargo section a dull tone continues, the small business being chiefly on Continental account. Plate qualities were rather pressed for sale, and extensive charters of new season's grain have been made during the week. Freight rates from North America have fallen heavily, due to liberal offerings of cancelled coal vessels, and was reflected in prices for the commodity. Feeding stuffs also presented quiet

features, though Plate maize closed steady in view of small Argentine shipments. Wheat weaker. No. 1 Northern Manitoba quoted 60s, No. 2 ditto 59s, No. 4 53s 6d, No. 2 tough Manitoba 56s 6d ex ship, all per 496 lbs. English 11s 2d-11s 6d per 112 lbs. Flour quiet, and tendency easier. London standard grade 48s, town whites 49s, patents 50s-51s per sack delivered in the home counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 44s-47s, Minneapolis 45s-46s 6d, Kansas patents 43s-44s, Australian 43s 6d-44s per 280 lbs ex store. Maize closed firmer. Plate landed 32s 3d, ditto ex ship 30s 6d, Plate Cinquantina 36s 6d, landed per 480 lbs. Barley steady. Californian 40s-47s, Chilean Chevalier 52s-62s, ditto brewing 38s-48s, Australian Chevalier 47s-50s, ex store, per 44s lbs. No. 3 Canadian Western 34s ex ship, Persian landed 30s, Russian 32s 6d, Plate 31s 3d both ex ship, Persian landed 30s, per 400 lbs. English malting 9s 6d-18s 9d as to sample, feed 8s 9d-9s 6d per 112 lbs. Oats steadier on lighter offerings. La Plata landed 22s 9d, ditto ex ship 21s 9d per 320 lbs. English 8s-8s 6d per 112 lbs. Millers' offals quiet. Broad bran quoted 7s 6d, middlings 7s 6d-8s, fine ditto 9s 3d, bags included ex mill, feed oatmeal 9s 3d, light oats 8s 3d, ground oats 12s 9d per cwt free on rail. Oatmeal maintained. London made flaked 17s 6d, rolled oats 16s 6d, medium also fine cut 16s 6d, coarse pinhead and whole groats 16s ex mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-27.	1925-26.	1924-25.	1923-24.
Estimated sales of home-grown wheat—				
1 week to December 11.....	Cwts. 305,637	Cwts. 588,905	Cwts. 209,134	Cwts. 442,203
15 weeks to December 11.....	5,601,433	6,006,570	3,643,569	5,968,707
Average price of English wheat per cwt.....	11 10	12 3	12 3	9 10

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended November 30.		Eleven Months Ended November 30.	
	1925.	1926.	1925.	1926.
	£	£	£	£
I.—Food, Drink, and Tobacco—				
A. Grain and flour	8,808,995	7,647,248	100,079,433	91,073,356
B. Feeding stuffs for animals	736,287	608,727	8,104,756	6,111,639
C. Meat	9,050,266	8,859,243	110,359,748	104,725,664
D. Animals, living, for food	2,125,112	1,810,185	16,148,803	15,435,538
E. Other food and drink, non-dutiable ..	35,954,559	13,707,580	159,181,022	152,809,501
F. " " dutiable	11,784,895	10,741,642	105,260,693	98,038,045
G. Tobacco	2,583,535	1,987,416	14,448,928	15,910,550
Total, Class I.	51,044,649	45,402,041	513,593,383	484,104,293
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,324	9,037,254	18,761	37,177,033
B. Other non-metallic mining and quarry products and the like	474,948	407,478	5,243,336	5,096,275
C. Iron ore and scrap	389,270	30,927	4,685,817	2,723,660
D. Non-ferrous metalliferous ores and scrap	1,335,445	1,395,743	15,162,149	14,337,083
E. Wood and timber	4,376,672	3,911,037	43,094,120	35,944,849
F. Raw cotton and cotton waste	14,631,316	9,510,452	108,893,393	74,542,919
G. Wool, raw and waste, and woollen rags	4,255,269	4,309,541	68,553,394	60,348,672
H. Silk, raw, knubs and noils	121,531	218,269	1,533,259	1,817,968
I. Other textile materials	2,175,303	1,050,083	14,725,916	12,207,502
J. Oil seeds, nuts, oils, fats, & mince ..	3,950,592	2,602,848	50,574,925	41,759,036
K. Hides and skins, undressed	1,860,060	1,636,742	19,882,642	17,722,420
L. Paper-making materials	999,296	997,249	9,847,975	10,791,888
M. Rubber	3,578,110	2,566,226	23,574,161	31,204,113
N. Miscellaneous raw materials and articles mainly unmanufactured ..	999,669	998,350	10,459,831	9,586,369
Total, Class II.	39,147,805	38,682,199	376,245,609	355,263,787
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	691	1,045,732	4,461	2,042,314
B. Earthenware, glass, abrasives, &c. ..	979,419	1,164,260	9,108,783	10,306,893
C. Iron and steel and manufactures thereof	1,826,745	3,249,817	21,762,302	25,623,254
D. Non-ferrous metals and manufactures thereof	3,053,191	2,594,063	34,573,823	33,474,101
E. Cutlery, hardware, implements, and instruments	667,686	603,682	8,611,665	5,887,454
F. Electrical goods and apparatus	425,648	437,870	3,859,137	3,388,111
G. Machinery	891,910	1,166,261	10,720,452	11,610,221
H. Manufactures of wood and timber ..	381,013	561,220	5,500,951	6,218,595
I. Cotton yarns and manufactures	735,819	786,973	9,089,080	9,987,720
J. Woollen and worsted yarns and manufactures	1,529,838	1,177,586	13,654,616	13,799,595
K. Silk and silk manufactures	1,150,593	1,269,604	21,463,552	15,692,284
L. Manufactures of other textile materials	1,086,918	1,217,803	16,886,779	13,809,634
M. Apparel	1,461,522	1,384,022	19,749,422	16,025,883
N. Chemicals, drugs, dyes, & colours ..	1,268,503	1,589,738	13,088,088	14,002,844
O. Oils, fats, and resins, manufactured ..	2,232,222	4,082,432	33,819,992	40,119,259
P. Leather and manufactures thereof ..	1,373,533	1,391,912	13,601,873	12,856,286
Q. Paper and cardboard	1,335,086	1,266,653	13,576,755	14,384,238
R. Vehicles (including locomotives, ships, and aircraft)	654,637	614,441	11,627,955	6,895,906
S. Rubber manufactures	482,776	577,192	5,801,460	6,940,198
T. Miscellaneous articles, mainly or wholly manufactured	2,354,947	2,631,640	26,429,922	24,945,916
Total, Class III.	24,082,767	28,812,901	292,939,068	286,070,696
IV.—Animals, not for food	147,086	167,087	2,100,764	1,934,137
V.—Parcel post, non-dutiable articles ..	172,330	229,169	3,713,188	2,200,136
Total	114,595,037	113,293,397	1,188,920,122	1,129,573,049

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

		QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
		Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Owse.	Cwts.	Cwts.	Cwts.	s d	s d	s d
Dec. 4		322,402	531,211	66,189	12 1	11 1	8 4
11		305,637	460,285	63,747	11 10	11 0	8 3
1927		577,954	420,911	74,710	9 8	9 6	9 6
1928		442,203	456,362	66,999	9 10	10 7	9 2
1929		209,134	395,360	77,168	12 3	14 5	9 8
1930		588,906	423,709	60,961	12 3	10 10	9 3

Our Sheffield correspondent writes:—Coal prices continue to drop, but the decline in coke is more gradual. There is a large quantity of foreign coke still to be used. Foundry coke is being offered at 50s delivered. Special coke for melting crucible steel has been reduced to 65s delivered, compared with 40s before the dispute. Some cheapish lots of boiler slacks can be picked up occasionally. Coalowners are finding it difficult to sell their output.

Our Workington correspondent writes:—Conditions have not yet been stabilised. The demand for the time of the year is surprisingly small. Householders are buying sparingly, and Irish merchants have no large requirements to place until they have disposed of their stocks of Continental coal. Round coal for shipment is quoted between 30s and 40s per ton f.o.b., and small coal 21s per ton f.o.b. Best house coal locally stands at 42s 4d per ton at pit, and best house nuts at 41s per ton at pit. Gas coal is 33s 6d per ton. Coke is in brisk demand.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange: There is still more activity than is general at this season of the year under normal conditions, and feeling is optimistic that in the New Year, when the British steel industry is in a position to fully resume operations, busy trading conditions will develop. For the time being the volume of inquiry, both on home account and from abroad, is the most noticeable feature of the market. A further reduction in fuel prices is expected, and a consequent reduction in the price of iron and steel, and this is one of the principal reasons why buyers for the time being are disinclined to place large orders. A number of fresh furnaces have restarted operations, and dealings in British pig-iron have been resumed on a limited scale for the first time for many weeks. Steel furnaces have also been restarted in many districts. The change in the position of the British market since the end of the coal strike has had the effect of causing a general reduction in Continental prices, but excepting in the case of semi-finished steel, buying of this material has been on the light side. The demand for finished steel is not too active, although British works have taken some good contracts of late.

Our Middlesbrough correspondent's report, dated December 16th, is as follows:—Pig-iron: Foundry iron is still almost unobtainable, and only very small parcels are being made up to cover urgent requirements, on the basis of 110s per ton for No. 3 G.M.B. Two more furnaces have been started on foundry iron this week, but the output is to be used for their own steel plant. For delivery over the first three months of next year, sales have been made at 85s per ton. The makers' quotation is now 87s 6d per ton. There is very little hematite on offer for prompt delivery. For the first quarter of next year from 90s to 92s 6d is being quoted for East Coast mixed numbers. Manufactured Iron and Steel: There is enormous pressure for steel, and consumers are paying advanced prices to obtain delivery. Local steel plants are being gradually restored to activity, and a substantial increase in production should be reached by the end of the year. The principal quotations are as follows:—Steel ship plates, £8 7s 6d; steel ship angles, £7 12s 6d; iron bars, £12 5s; steel rails, £8 10s. Iron ore: No new business is yet reported.

Our Sheffield correspondent writes:—Progress towards normal trade conditions is slow, although there is increased activity at many steel works. Urgent and special orders for high-grade steel are being pushed forward, but production generally is being held back until coal is cheaper. Pig-iron producers are quoting for delivery in January and February. The price for Lincolnshire and Derbyshire foundry pig is 85s at furnaces. This is 20s higher than before the dispute. The largest of the open-hearth steel firms of the district is starting eight high-capacity furnaces next week.

Our Glasgow correspondent writes:—The half-dozen blast furnaces which were lit up a week ago in Scotland have not yet been added to, and the available amount of pig-iron is very limited. Until fuel and pig-iron are obtainable at economic prices the steel works have decided to make no attempt at a general resumption. Only one works is now making steel plates; some others are preparing to make a start in a small way, but it is now unlikely that manufacture will be in full swing until January. Business outlook is, however, showing a distinct improvement, work in hand in all branches of iron and steel manufacture being sufficient to justify optimism as regards the near future. Prices are being held very firm, except in the sheet trade. The prospects in the shipbuilding trade continue to improve, further contracts having been reported this week. The well-known Greenock Shipyard, formerly Caird and Co., now owned by Messrs Harland and Wolff, is to re-open shortly, after having been closed down for over a year. Two vessels are to be built there, one a large tug for the P. and O. Steam Navigation Company, and the other a cargo vessel. Further orders are also reported this week as having been secured by Messrs Lithgows and Co., Limited, Greenock, and by Messrs the Burntisland Shipbuilding Company, Limited, Burntisland, Fifehire. The demand for galvanised sheets has fallen slightly, and somewhat easier prices are heard of, especially for corrugated sheets.

Our Cardiff correspondent writes:—The position in the tinplate trade is rapidly improving, and it is expected that next week approximately 70 per cent. of the mills will be operating. Prices

are easier at about 21s 9d per basis box f.o.b. works port, for prompt plates, but for delivery early in the New Year 22s 6d is being quoted. Welsh bars are unchanged at £6 15s, while galvanised sheets have been ruling from £16 10s to £17 per ton. Some of the heavier plate rolling mills have restarted, and it is expected that several of the blast furnaces will be blown in early next month.

CUMBERLAND IRON. (WORKINGTON CORRESPONDENT.)

There is quite a confident feeling that six months' full production lies before iron and steel makers in the north-west of England. Hematite pig-iron smelters are already assured of disposing during the first three months of the year of a larger output than they obtained for some months before the coal stoppage began, and they are now booking orders, delivery on which will be spread over the second quarter of the year. It will be almost a month, however, before the 13 furnaces that were blowing in April can be put into blast, the main difficulty, of course, being that of getting the local coke supplies. A start is to be made next week, when the United Steel Company will relight two furnaces at Workington. There is no change in prices. Bessemer mixed numbers being quoted at £4 19s 6d at Glasgow, £5 3s at Sheffield, and £5 7s 6d to £5 17s 6d at Birmingham. For low-phosphorus iron 5s per ton has to be added to these figures. Business in the steel trade is hard to come by, but a few small orders for railway material are being booked. Rails are £8 10s, sleepers £10 10s, fish-plates £12 10s. Some of the iron ore mines have been re-opened, and a normal production is expected next month.

OTHER METALS.

TIN.—The market displayed firmer features, values responding to higher advices from the Straits, combined with active buying of both near and forward dates. Profit taking at times resulted in some irregularity, and the improvement was mostly lost. Dealings in standard cash were recorded at £307 to £311 and £307 15s, and three months £297 10s to £310 10s and £298 10s. Sales in the East were reported at £305 15s to £310 and £307 15s.

COPPER slightly irregular, with dealings on a liberal scale, and values barely steady on balance. Standard cash was dealt in at £57 10s-£57 11s 3d and £57, three months £58 5s-£57 17s 6d. LEAD opened firm, but after liberal dealings a quieter and easier tone set in, particularly with regard to forward positions. Good soft foreign pig December sold £29 3s 9d to £28 17s 6d and £29 2s 6d, January £29 5s to £29 6s 3d and £29 3s 9d, February £29 8s 9d to £29 10s and £29 5s, March £29 7s 6d to £29 11s 3d and £29 7s 6d, April £29 8s 9d ton.



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SPELTER in fairly good request, but liberal offerings imparted a weaker tone. December sold £33 15 3d to £33 3s 9d and £32 13s 9d. January £33 15 3d, £33 5s, and £32 16s 3d, March £33 15 3d to £33 5s, and £32 13s 9d, April £32 18s 9d to £33 3s 9d, and £32 12s 6d ton.

ANTIMONY quiet. English special brands quoted £74 10s to £75, China regulus December-January sold £51 ton c.i.f. ALUMINIUM quiet. Home delivery £107, export £112 ton. WOLFRAM dull. December-January quoted 17s-17s 3d per unit c.i.f.

QUICKSILVER firm. Spot £17 15s to £18 per bottle. TIN PLATES easier. I.C. coke prompt 21s 6d to 22s, forward 20s 9d to 21s 3d per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, December 16, 1926.

Spot demand has continued moderate, but prices are about 25 points higher on the week. The future markets have shown a little more activity, but only for short intervals. With practically no hedge selling, and the basis in actual cotton continuing firmer, the small demand has forced prices up a little. This was accentuated yesterday by short covering, in the anticipation that small ginning figures, owing to bad weather, will be published next week. Spot sales for the week December 10th to 16th (inclusive) were 33,000 bales. These were composed of 20,300 American, 1,150 Brazil, 5,250 Peru, 3,400 Egyptian, 2,350 African, 10 East Indian, and 540 sundries. Imports for the same period were 108,606 bales, composed of 88,618 bales American, 2,126 Brazil, 1,023 Peru, 12,182 Egyptian, 4,415 African, 125 East Indian, and 117 sundries. Quotations to-day are: American middling, 6.80d; Egyptian Sakel, 13.80d; uppers, 9.40d; Brazil fair, 7.05d; Peru G.F. mod.-rough, 8.50d; smooth, 8.05d; Tinnivelly F.G.F., 6.25d; West African middling, 6.65d; and East African G.F., 8.50d.

MANCHESTER, December 16, 1926.

The market has continued to present a quiet appearance, and spinners and manufacturers have derived very little encouragement from the orders secured. Raw cotton rates have been rather firmer, and this development has resulted in more inquiry in piece-goods. The China market has displayed more interest, and in addition to a substantial contract in grey shirtings rather more lines have been put through in bleaching and finishing cloths. For India not more than a miscellaneous trade has been reported, chiefly in light fabrics. Operations for the minor outlets East and West have been restricted, and there has not been much activity in home trade goods. American yarns have been dull of sale, with considerable irregularity in prices. A fair demand continues to be met with in Egyptian yarns.

(I.) Comparative Statement of the Cotton Trade.

	Price, Dec. 16, 1926.	Previous weeks in 1926.				
		Dec. 9.	Dec. 2.	Nov. 25.	Nov. 18.	Nov. 11.
Raw Cotton—Mid. American	6.80	6.47	6.59	6.96	6.99	6.90
— Sakellaridis Fully Good Fair Egyptian	13.80	13.45	14.10	14.65	15.00	14.80
Yarns—32's twist	12 1/2	12 1/2	12 1/2	13	13	13 1/2
— 40's twist	12 1/2	12 1/2	13	13 1/2	13 1/2	13 1/2
— 60's twist (Egyptian)	24 1/2	24 1/2	24 1/2	25	25	25 1/2
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	22 6	22 6	22 6	23 0	23 3
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25 9	25 9	26 0	26 0	26 9	27 3
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	12 6	12 6	12 9	12 9	13 0
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs.	12 0	12 0	12 0	12 0	12 0	12 3

(II.) Compared with Previous Years.

	Price, Dec. 16, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American	6.80	9.74	13.36	20.05	15.08	11.30
— Sakellaridis Fully Good Fair Egyptian	13.80	16.75	29.10	22.90	17.80	20.75
Yarns—32's twist	12 1/2	16 1/2	23 1/2	28	21	18 1/2
— 40's twist	12 1/2	17	24 1/2	28 1/2	20 1/2	17 1/2
— 60's twist (Egyptian)	24 1/2	30 1/2	42	37	28	32
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	27 0	36 6	39 0	30 0	31 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25 9	31 9	41 3	42 6	32 3	31 6
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	15 6	19 1/2	14 2/2	18 3	18 0
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs.	12 0	14 0	17 6	20 6	16 9	18 0

THE WOOL TRADE.

Our Bradford correspondent, writing on Thursday, says:—A moderate amount of business is being done, and though there are no signs of any real activity a fairly general feeling of confidence exists. One of the most hopeful features is that wool values are on what is considered to be a reasonable level. The requirements of foreign mills are still considerable, and notwithstanding financial stringency Continental and Japanese importers appear to be able to finance their purchases. The firm hand which the banks are keeping on credits is naturally curtailing speculative buying, and this also tends to inspire confidence in current values. In Hawick and Galashiels machinery is well employed, while as regards the West Riding there is decidedly more activity in the worsted mills

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engaged on the production of high-class goods. At present demand for piece goods favours novelties and fancies, and if only with the turn of the year more trade can be done in plain goods the position of the entire industry will be materially improved. At present both tops and yarns are moving only in small weights, but prices are very steady and the firmness of the wool markets encourages sellers to hold out for quoted rates.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The total quantity of wool sold this year in London is 712,000 bales, which is 11,000 bales more than during 1925, and the takings of both the home trade and the Continent this year have been substantially larger. The large home Continental operations have been the direct outcome of the activity during August and the buying done for Russia, the latter country having since made its influence felt in both Bradford and London. At the recent auctions Russia purchased considerable quantities of the best scoured wools from Queensland, and paid the highest price of the series. In all probability Russia will be a steady buyer in Coleman Street next year.

The interest already shown in scoureds is a forcible reminder of what took place before and during the first two years of the war. The fact that Russia does not purchase a bigger quantity of greasy combing wool shows that the mill equipment is not yet as efficient as either on the Continent or in this country. No doubt as time goes on Russian mills will become so well equipped that any class of raw material can be dealt with, and greasy Australian merinos will then appeal to buyers as strongly as scoureds. At present they are obtaining the best wool at the lowest price possible through the buying brokers. London is undoubtedly providing adequate supplies of really good wool, and this may be expected to continue. The following shows the total quantity of wool sold at each series in London this year and the proportion taken by the home trade, the Continent, and the United States:—

	Home Trade. Bales.	Continent. Bales.	U.S.A. Bales.	Total Sold. Bales.
First series	70,000	62,500	6,000	138,500
Second series	48,000	66,000	4,500	118,500
Third series	33,500	61,000	1,000	96,500
Fourth series	43,300	53,200	1,000	97,500
Fifth series	75,000	93,000	1,000	169,000
Sixth series	44,000	48,000	1,000	93,000
Totals	313,800	383,700	14,500	712,000
Total disposals in 1925	248,100	337,900	16,000	602,000

HIDE, LEATHER, AND ALLIED TRADES.

Heavy market hides were weaker on Thursday last, tanners having neglected this class of late. Best ox sold from 6½d to 8½d, the two heavy weight selections falling ½d per lb, and the two medium ¾d and ¾d. Seconds sold from 6d to 8d per lb, three classes declining ¼d to ½d. Calfskins were steady, best selections making 7½d to 12½d. Wools made 6s 4d to 11s 6d, and hogs from 2s 10d to 11s 6d each. Fregorifics remain very firm, and best Argentine ox have sold up to 9d, although the bulk of the business done has been on foreign account. The Chicago position remains steady, with best heavy packers still selling at 15 cents. Trade in sole leather has fallen flat in view of the approaching holidays, although manufacturers and repairers are still taking fair quantities of bends and offal. The scarcity of light bends is pronounced. The upper leather market is quieter, but with prices very firm. The demand for coloured glacé kid continues, and as first grade skins are scarce and prices of raw skins are advancing high prices will probably have to be paid for the finished article in the near future. Patent is selling well for spring shoes, and prices are advancing for certain imported tannages. Kip leathers are selling better owing to the increased demand for artizan boots, whilst there is a fair demand for box and willow of the cheap and medium grades. The boot and shoe trade is moderately well employed, and makers of Russian boots have been very busy in getting out orders prior to the holidays.

THE TIMBER TRADE.

(FROM A CORRESPONDENT.)

Thanks to the mild weather prevailing in the north of Europe, timber for building purposes has been imported very freely during the past month. Thus, with good arrivals in October and November (high freight costs notwithstanding), there need be little fear of any inconvenient shortage of supplies, as would certainly have been the case had the cold snap in early November been maintained. Taken on the whole, however, the supplies of wood in the country on January 1st next will not be of great volume if trade generally shows any great expansion. All industries (even including the building trade) are expected to consume at least a little more timber next year.

The increase in last month's imports was principally attributable to larger supplies from Finland, Russia, Sweden, and Danzig, in which all qualities, inferior to firsts, were represented. The fine qualities of Russian timber are valued on the U.K. market for joinery work, and are in keen demand, as are the Swedish shipments. Inferior woods will be in good request this winter for the cheaper class of houses, as well as for other timber work that does not allow of heavy expenditure on raw material. Spot prices for building timbers, naturally, must be somewhat irregular for the present, as new arrivals have paid enhanced freight rates compared with the wood purchased earlier this year. Prices have not made any sudden rise, but are steadily advancing, and their future progress will depend largely upon the extent of the deliveries into consumption week by week.

The Canadian section of the market is decidedly firm, and although imports of pine and spruce and Douglas fir decreased in November, these woods are in satisfactory demand, generally, with stocks on the whole small. Stocks of Canadian pine in London, however, are rather large in relation to the consumption, but this may be only temporary. All shipbuilding woods are in moderate supply, but demand is fair, with shippers' rates firm. Hardwoods are also firm in value, but the large stocks of the American varieties have been supplemented by increased arrivals, which have added to the anxieties of holders of stocks. American lumbermen, however, have a very good opinion of early future trade in Great Britain, and quote very firm rates for future business, supported by the much larger domestic consumption of States lumber compared with export. Mahogany logs are good sellers; fresh supplies have fallen in volume materially this year, stocks in first hands being very light, and further shipments of the better grades are invited.

Taking the wood market on the whole, supplies of both hard and soft varieties are fairly plentiful, particularly the poorer qualities, at present rates of delivery.

VEGETABLE OILS AND OILSEEDS.

Markets are quiet and somewhat depressed. Linseed oil is in poor demand from consumers, and is down 20s per ton on the week, current value being £34 3s per ton, naked, ex Hull mill, spot, and for delivery to April. Cotton oils are dull and inclined easier, crude Egyptian offering at £30 15s and technical refined at £34 5s. Other vegetable oils are also quiet, and trade slow.

In the oilseed section, Plate linseed for shipment has eased, £14 10s having been accepted for old crop, December loading, and £15 10s for new crop, January-February. The first official estimate of the new Argentine crop places the probable yield at 1,820,000 tons, which is a higher figure than generally expected. It is, however, 88,000 tons below the final estimate last season. Argentina has still about 200,000 tons old crop to ship, as against 45,000 tons at the same date last year. Another factor affecting prices is freight rates, which are much higher than last December. Calcutta to London has been done at £17, December shipment.

Crushers are only slightly interested, owing to the poor demand for oil. Egyptian cotton seed is easier, black offering freely at £8 12s 6d for this month's loading.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market for actual parcels again disclosed general quietness, manufacturers and distributors alike being disinclined to embark upon fresh engagements at this advanced period of the year. Prices, however, were unaltered with regard to British refined, also all makes of British-grown granulated. Imported granulated easier. Czecho, also Dutch J, 31s 10½d. Shipment parcels slow but steady, on reserved offers from Continental refiners. Indian demand still slow, but previous rates were quoted for both Hungarian crystals and white Java for shipment thence. Raw refining kinds dull. 500 tons Brazilian, basis 80 per cent., December-January, sold, 12s 9d; 96 per cent., ditto, December-January, quoted 16s; Cuban, February-March, 16s; Peruvian, December-January, 16s 1½d, c.f. and i. terms, U.K. A quiet and easier tone governed the white terminal section. December delivery, sold, 18s 3d to 18s 1½d; March, 18s 8½d to 18s 6d; May, 18s 1½d to 18s 9d; July, 19s 1½d; August, 19s to 18s 10½d; September, 18s 6d; October, 17s 9d; December, 17s 3½d to 17s 3d per cwt.

COFFEE.—The spot market continues very firm for all the finer qualities suitable to the home-trade, and East African kinds are dearer. This is due more to supplies being in narrow compass than actual strength of demand. Common and medium export varieties are easier while still very slow of sale. Kenya, bold sizes, sold, 14s 6d to 16s 7d; peas, up to 170s. Costa Rica, new crop, bold, 176s to 185s 6d; Colombian, ditto, 151s. Futures idle and easier.

COCOA.—Spot market firm to dealer, with fair clearances during the week. Accra, sold, 65s to 68s; Grenada, 70s; Trinidad, 72s. Accra F/F, in forward positions, sold, 56s to 65s, f.o.b. terms.

TEA.—Indian auctions during the week were on a larger scale, while amounting to 58,450 packages. Generally good competition prevailed at opening, but a quieter tone set in later, which resulted in prices showing a good deal of irregularity, and in weakness in most cases. Common useful tea, however, engaged good support. Pekoe, sold, 11½d to 1s 7d; orange, 1s 1½d to 2s 3d; broken orange, 1s 2½d to 2s 9d, as to quality. Ceylon sales of 21,000 packages came to a very quiet market, and prices were ¾d to 1d per lb lower, particularly with regard to common kinds. Pekoe, sold, 1s 0½d to 2s 2½d; orange, 1s 6d to 2s 5½d; broken orange, 1s 2½d to 2s 6½d per lb in bond. The market for China teas ruled quiet. Keemuns, sold, 1s 7d to 2s; Monings, 8d to 10d. 7,820 packages Java and Sumatra offered met a quiet market at irregular and easier prices. General decline amounted to ¾d to 1d per lb. Pekoe, sold, 11½d to 1s 3½d; broken ditto, 8d to 1s 5½d; pekoe souchong, 10½d to 1s 0½d; orange pekoe, 1s 0½d to 1s 6½d; and broken orange from 8d to 1s 9d per lb, in bond.

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RICE.—The Governmental forecast of the crop was received by cable to-day regarding Burma, and the total of 3,225,000 tons constitutes a heavy record out-turn, and compares with 3,100,000 last season. Market conditions still very quiet and featureless. Two Stars, Rangoon, spot, 16s 6d; new crop, January to March, 14s 3d. Italian and Spanish steady, quiet. Bran firm. Beans move off slowly. Peas quieter. Japanese, spot, 28s; December-January, 27s to 26s 3d paid; January-February, 27s 9d to 27s; February-March, 28s 3d to 27s 6d per cwt, c.f. and i., U.K.

SPICE.—Pepper quietly steady. Lampong, October-December, sold, 10½d; January-March, 11½d; Muntok, October-December, buyers, 1s 5½d; January-March, 1s 6d. Pimento, spot, 8d. Zanzibar cloves, spot, 9½d; October-December, 9½; January-March, 8½d; and affo lots sold, 9½d per lb. Tellicherry pepper, January-March, quoted, 10s; Aleppy, 100s cwt, c.f., i. terms. Singapore flake tania, December-February, to Havre, quoted 16s. Sago flour, January-February, to the U.K., sold, 15s 6d cwt, c.f. and i. terms.

FRUIT (Dried).—Currants sell steadily at full rates. Pyrgos quoted 35s 6d; Patras, 37s to 38s; Gulf, 39s to 44s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanas generally quiet. Smyrna, medium to good, 66s to 72s; medium to fine Cretan, 67s to 85s; Australian sell better at 60s to 76s. Raisins firm and only a few secondhand parcels available. Dates quiet. Hallowee, new crop, 30s; Khadrowie, 20s; air, 16s; cartons, 34s to 3s, landed terms, London. Figs slow. Lacouns, 95s to 130s; layers, 60s to 75s;

genuine, 32s to 34s. Evaporated fruits quiet, though there is rather more interest in large size plums. Californian apricots, extra choice, 125s; South African, first grade, 132s 6d. Plums, Californian, new, 30/40's, quoted 64s; 50/60's, 51s; Oregon, old, 30/40's, 62s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s per cwt. Almonds firm. Mazagan, 162s 6d; Mogador, 160s; Sicily, 175s.

CANNED GOODS.

CANNED FISH.—Market quiet, but generally firm, with moderate supplies on offer. Sardines—Portuguese clubs quoted 4s 6d per dozen tins. Salmon—red, tall, 1 lb, quoted 45s to 48s; tall pink, 26s to 27s; halves, 38s to 39s; Lobsters—best halves, 160s; quarters, 80s to 90s. Crayfish—halves, 76s to 77s; quarters, 49s to 50s per case. Japanese crab firm, and available supplies limited. Herrings 6s 9d per dozen tins.

CANNED FRUIT.—Market remained quiet, and general position unaltered. Californian Bartlett pears, 24-2½s, choice, 12s to 12s 6d; secondary, 9s 6d to 9s 9d. Californian peaches, choice, 11s 9d to 12s 3d; seconds, 8s 6d to 8s 9d; Californian apricots, choice, 12s 6d; seconds, 9s to 9s 3d per dozen tins. Singapore pines quiet on spot, but forward positions firm. Italian tomatoes quiet, but held for full recent figures.

CANNED MEAT.—I slow demand, and barely steady. Californian beef, 6s, quoted 38s to 44s, as to quality. Danish lunch tongues,

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, FRIDAY.		DYE STUFFS, &c.		METALS—B. Copper		SUGAR—per cwt, duty, 11s 8d,	
COCOA—Duty, British grown,	s d	Galls, China, per cwt	nom	Best selected	63 0 64 5	per cent. polarisation	s d
9s 4d, foreign, 14s cwt	s d	Turmeric, Bengal, per cwt	nom	Sheets (strong)	92 0 0	B.V.I., muscovado	nom
Trinidad, per cwt 69	0 76 0	Madras, finger, per cwt	20 0 21 0	Standard	57 0 0 57 2/6	Crystallised	34 6 35 0
Grenada, 59 0 67 0		Gambier, block, per cwt	35 0 37 6	Lead Eng. Pig per ton	0/0 0 0/0	Java, white, Jan-Mar.	20 9 0 0
Ceylon, plantation, 75 0 85 0		Cutch, ord. to fair	0 0 0 0	Soft Foreign	28 17/6 29 0/0	REFINED—London—	
Guayaquil, 80 0 110 0				Spelter G.O.B.	32 11/3 32 12/6	Yellow Crystals	30 10 0 0
Bahia, finest, 62 0 68 0				Tin—English ingots	309 0/0 0/0	Cubes	37 9 38 3
				Do do bars	0/0 0 0/0	Crushed	35 6 36 0
COFFEE—British grown,	s d			Standard cash	310 15/0 311 0/0	Granulated	33 10 34 4
9s 4d, foreign, 14s cwt	s d			OILS—Fish, per ton	4 8 8	Castor	36 3 38 10 1/2
Do good to fine	162 0 168 0			Seal, pale	45 10 0 0	Clees	27 6 32 3
Costa Rica, ord. to mid	126 0 158 0			Lined, s. ton net, naked	30 15 0 0	Granulated, home grown	31 9 32 9
Good to fine	162 0 195 0			Rape, refined	47 10 0 0		
Central American, gd. ord.	115 130 0			Crude	45 10 0 0	SPICES—Pepper, lb—	
Mid to fine	135 145 0			Cotton-seed, crude	31 0 31 10	Muntok, fair white	1 7 1/2 0 0
Colombian, ordinary	110 0 116 0			Edible, refined	38 0 0 0	Black Singapore	0 11 1/2 0 0
Do gd. ord. to low mid	120 0 130 0			Coconut, crude	45 10 0 0	White Siam	1 7 1/2 0 0
Do mid to fine	135 0 166 0			Deodorised	34 10 35 10 0	Pimento	0 8 0 0
				Palm American	70 0 78 0	Cinnamon—1st sort	2 11 0 0
CHEMICALS—				Paraffin American	10 0 10 0	Do 2nd	2 9 0 0
Acid, citric, per lb	1 3/4 less 5%			Paraffin Oil, per 8 lbs	1/1 0/0 1/2 0/0	Do 3rd	2 8 0 0
Nitric	0 2 1/2 0 4			Water-White	1/2 0/0	Cassia Lignea	50 0 0 0
Oxalic, net	0 3/4 0 4			Oil Cakes, Lined, Eng.	21 10/0 21 10/0	Cloves—Zanzibar	0 9 1/2 0 0
Tartaric, English	1 0 1 1/2 0			per ton	21 10/0	Penang	2 6 0 0
Foreign	0 1 1/2 0			Oil Seeds—Lined—	s d	Madagascar	0 10 0 0
Cream of Tartar				La Plata, per ton Dec. Jan.	15 0 0	Ginger—per cwt	65 0 0 0
English, per cwt	81 0 82 0			Bombay, per ton Dec. Jan.	18 7 0	Cochin, small rough	65 0 0 0
Foreign, 98% 100%	74 0 75 0			Calcutta, per ton Dec. Jan.	17 0 0	Do wormy	0 0 0 0
Alum lump, per ton 10/10/0	11 0/0 12 0/0			Do Sicilian	9 0 30 0	Japan	60 0 0 0
Do ground	11 10/0 12 0/0			Do Malaga	0 0 0 0	Jamaica, ord. to good	63 8 85 0
Ammonia, carb.	35 0 37 6			Grapes, Lisbon, boxes	0 0 0 0	Mace	3 8 4 6
Muriate, White	22 0 25 0			Almeria	0 0 0 0	Nutmegs, 65's	3 0 0 0
Sulphate	12 0 13 0			Egyptian Ona	8 0 11 6	110's and 80's	1 11 2 3
Ammonia, lump	65 0 70 0			Apples: American	13 6 24 0	Chillies—per cwt	55 6 105 0
Powder	16 0 16 6					TALLOW—per cwt	
Asbes, pot	65 0 70 0			HIDES—Wet salted—		Good mutton	39 0 0 0
Bleaching powder, per ton	9/0 9/10/0			Australian	0 5 1/2 0 6 1/2	Beef	37 0 0 0
Borax, gran.	19 0 0 0			West Indian	0 4 0 7 1/2	TAPIOCA—per lb—	
Do crystals	19 10 0 0			Cape	0 6 0 2 1/2	E. I. Flake, fair, spot	0 2 0 0
Do powder	36 0 0 0			Lisbon	1 5 1/2 0 6 1/2	Medium Pearl	21 6 25 0
Calomel	5 0 5 3			Oporto	0 4 0 7 1/2	Seed	18 6 26 0
Iodine, dry	1 0 1 1			Dry & Drivelled Cops	0 8 0 12 1/2	TEA—duty 3½d, British,	
Nitrate of Soda, per ton 13/0/0	13 2/6 13 2/6			Madagascar	0 6 0 12 1/2	foreign, 4d per lb—	s d
Potash—Chlorate, net.	0 33 0 4			Central American	0 7 1/2 0 12 1/2	Pekoe	0 11 1/2 2 2
Prussiate	0 8 0 9			Buffaloes, Singapore	0 4 0 10 0	Broken Pekoe	0 11 1/2 2 3
Do Foreign	0 7 1/2 0 8			Penang	0 5 0 9 2	Orange Pekoe	1 1 2 5
Sulphate	11 0 12 0			E. I.	0 5 1 0 0	Broken Orange	1 2 1 10
Sal-Acetos	10 1 10 2			Market Hides, London—		Pekoe Souchong	1 0 1 3
Sal-Ammoniac	42 45 0 0			Best dry, ox & heifer	7 1/2 0 9		
Soda Bleach.	10 10/0 10 10/0			Do light	0 5 0 7 1/2	TIMBER—ex yd—	s d
Crystals	5/0 5/0 5/0			2nd ox, heavy	0 5 0 8 1/2	Swedish u/s 3 x 8, Pt. Std.	19 0 0
Alkali	5/17/6 6/15/0			Do light	0 5 0 6 1/2	Do 2 1/2 x 4	19 0 0
Caustic	14/2/6 16/10/0			Best cow	0 4 1/2 0 6 1/2	Do 2 x 4	19 0 0
Sugar of lead, white	0/0 0/0 0/0			2nd do	0 4 1/2 0 5 1/2	Can'dn Spruce, Dls.	17 10 0
Foreign white	0 46 0 0			Best calf	0 8 0 12	Pitchpine	per load 9 0 0
				2nd do	0 6 0 10	Rio Deals	per std. 32 0 0
Sulphate Quintine						Teak	per load 20 0 0
English Brands	1 9 1 10			INDIA RUBBER—lb—		Honduras Mahg logs, c.ft.	0 11 6
Foreign do	1 8 1 9			Para, fine hard spot	1 4 1/2 0 0	African	0 6 6
Sulphate Copper per ton 34/10/0	35 10/0 36 0/0			Plantation sheet	1 6 1/2 0 0	American Oak Boards	0 6 0
Zinc, out	nom					Do Ash	0 6 0
Sulphur Flour	9/0 9/10/0			INDIGO—per lb—		English Oak Planks	0 7 0
Do Roll	8/0 8/10/0			Bengal, good red violet to		Do Ash	0 6 6
Vermillion, Chinese, per lb	4 9 5 0			fine	5 6 6 0	TOBACCO—	
English	4 9 5 0			Mid. ord. vio. to good	5 0 5 6	Duty 8 1/2—10 1/4 per lb, Empire	
Oil Peppermint, E.G.H.	35 0 37 6			Low to good ord.	4 0 5 0	Virginia leaf—	s d
COPRA—per ton, c.f. i.	s d			Madras, dry leaf, good	2 6 6 0	Common to fine	1 3 2 6
Malabar, Dec. Jan.	nom			Do low to ord.	1 0 2 6	Strips	2 0 3 6
Ceylon	27 2 6			Kurpah, gd. mid. to gd.	4 0 4 6	Kentucky leaf—	
FMS Singapore	24 10 0			Low to mid.	3 0 4 0	Common to fine	1 0 1 6
FM Straits	24 10 0			HEMP—per ton—		Strips	1 3 1 9
				Italian P.C.	55 0	China	0 9 2 6
COCHINEAL, per lb	2/9 3/6			Manila, Nov. Jan. "J"	48 0	Borneo and Sumatra	1 0 7 0
DRUGS—				Grade		Nyasaland	0 10 3 6
Aloes, fine E.I.	per cwt 140 0			N.Z. high points, fair	38 10	Seedling	1 6 4 6
Cape, good to fine	41 0 42 6			Oct-Dec.	30 5 0	Havana	0 10 1 6
Balaam Peru	per lb 5 6 6 0			JUTE—Native first mks. Nv.-Dec.	30 5 0	East Indian	0 6 1 6
Capivi	1 10 1 11			" " " " " " " "	30 7 6	Cigars, duty 15/7 per lb.	3 0 0 0
Camphor				" " " " " " " "		Cigarettes, duty 12s 7d per lb.	
Japan, refined	2 10 0 0			LEATHER—per lb—		TURPENTINE, p. cwt	60 9 0 0
Cardamome, Ceylon	5 0 8 0			Sole Bends 6/9 lb.	1 3 1 1/2	WOOL—per lb—	d
Cardamome, China, per lb	2 6 0 0			Do 10/12	1 2 2 2	English, Southdown, washed	21
Castor-oil	85 0 95 0			Do 12/14	1 5 2 7	Lincoln bog	15 1/2
Gum Benjamin Sumatra	5/0 5/0 5/0			Do 14/16	1 5 3 7	Queensland, s.d. super omg.	45
Olibanum, drops, fair to				Do 17 lb and up.	1 5 3 6	N.S.W. greasy, super	24
good	80 0 100 0			Bark Tanned Sole	2 8 4 0	N.Z. grav. half-bred 50-56	21
Ipecacuanha	14 6 0 0			Shoulders full US Hides	0 9 1 0 8	Crossbred 40-44	13 1/2
Jalap.	2 0 0 0			Do Eng. or WS do	1 0 1 1/2		
Must pod, China	os 67 6 70 0			Sellies from DS do	0 2 0 9		

1128 to 1288; American, 1408 to 1478 6d, as to quality. Danish boneless hams, cooked, 18 6d per lb, for case of six tins.

CONDENSED MILK.—Machine-skimmed steady on light supplies, but full-cream quiet. Evaporated milk meets with good attention. Cases of 48/16 oz tins quoted 18s; 96/6 oz, 20s per case. Danish cream, 48/6 oz, 20s per case.

HONEY.—Market quiet, but prices firm for all the better grades while manufacturing kinds tend dearer owing to large offers made on Continental account. Good greyish set, Jamaica, sold 46s; bright golden set, 45s; Haiti, quoted 35s to 50s; San Domingo, 35s to 50s per cwt. New Zealand, 18/7 lb tins, 85s per dozen.

RUBBER.

Market quiet, but steady, for standard, but good attention is still given to off-grades, and these remain comparatively high in price—in fact, some are much above their intrinsic value, particularly where any speckiness is absent. Plantation standard sheet, spot, and December, sold, 18 6d; January-March, 18 6d to 18 6d; April-June, 18 7d to 18 7d lb.

GENERAL.

JUTE in fair request, and, while sparingly offered, prices ruled dearer. Firsts, November-December, sold, £30 5s; December-January, £30; January-February and February-March, £30 5s; March-April, sold, £30 5s. Lightnings, November-December quoted £25 10s ton. Hessians and twills firm, quiet.

HEMP.—Manila descriptions firm, and marked paucity of offers from the other side tends to curtail business. J, November-January, quoted £48; K and L, Q, £46 10s to £47; M 1, £43 10s; M 2, £38. New Zealand, fair, November-January, nominally £36 ton. African sisal unaltered. No. 1, f.a.q., November-January, £43 ton, and Kenya, £42 10s.

SHELLAC.—Market quiet. Fair T.N., spot, 185s; March, 190s; May, 191s to 187s cwt.

COPRA reservedly offered and market firm. Straits, F.M.S., December-January and January-February, to Rotterdam, quoted £25 17s 6d; February-March, sold, £26; Dutch East Indies, December-January, £25 11s 3d; Ceylon, ditto, £27 10s; South Sea, sundried, £24 5s; ditto, to Versailles, £24 5s; and smoked £23 17s 6d. Palm kernels, November-January, quoted £18 13s 9d ton.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

(Incorporated in the Transvaal.)

Notice is hereby given that the Directors have DECLARED a DIVIDEND of seven-and-one-half per cent., free of income tax, for the six months ending 31st December, 1926, payable to all shareholders registered on the Company's books at that date.

The TRANSFER BOOKS of the Company will be CLOSED from the 1st January to the 10th January, 1927, both days inclusive.

The Dividend Warrants will be posted on the 9th March. By Order of the Board, JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LTD., T. HONEY, Secretary.

10/11 Austin Friars, London, E.C.2.
15th December, 1926.

IMPERIAL JAPANESE GOVERNMENT

4% LOAN OF 1899.

Coupons due 31st December, 1926.

IMPERIAL JAPANESE GOVERNMENT
4% LOAN OF 1905.

Coupons due 1st January, 1927.

Notice is hereby given that the above COUPONS will be PAID on the 31st December, 1926, and 1st January, 1927, between the hours of 11 and 3 and 11 and 12 respectively, and subsequently (Saturdays excepted) between the hours of 11 and 3, at the Yokohama Specie Bank Limited, where lists may be obtained.

Coupons must be left three clear days for examination prior to their payment.—For the Yokohama Specie Bank Limited, K. YANO, Manager.

9 Bishopsgate, London, E.C.2.
16th December, 1926.

THE CHINESE ENGINEERING AND MINING COMPANY LIMITED.

SIX PER CENT. FIRST MORTGAGE DEBENTURES (KAILAN BONDS).

Notice is hereby given that COUPON No. 29 for the half-year's interest due on the 1st January, 1927, will be PAID, less Income Tax, on and after that date at the following places:—In London: At the Transfer Offices of the Company, 3 London Wall Buildings, E.C.2. In Brussels: At the Banque d'Outremer, 48 rue de Namur, Brussels. In Shanghai: At the Russo-Asiatic Bank; The Hongkong and Shanghai Banking Corporation; The Chartered Bank of India, Australia and China; and others. The Coupons must be left four clear days for examination.—By Order of the Board,

ALFRED W. BERRY, Secretary.
22 Austin Friars, London, E.C.2.
14th December, 1926.

TALLOW.—Messrs Colchesters and Woolner write on December 15th as follows:—The tallow market was a little steadier during the week, and prices were fully maintained to-day, except for mutton. Rather more inquiry was experienced, but there was not much eagerness to take advantage of last week's reduction in values. At auction, to-day 945 casks tallow were offered, and 215 were sold. Quotations are:—Australian mutton: Fine, 40s; good to fair, 39s to 37s; dull to dark, 35s to 34s; hard, 38s. Australian beef: Fine, 40s; good to fair, 37s to 36s; dull to dark, 35s to 34s; sweet, 40s. Present shipment from Australasia: Good mixed, 37s 6d. Present shipment from South America, 38s. The market letter is unchanged. Town tallow, 34s 6d per cwt; rough fat, per 8 lbs, 1d; melted stuff, 24s per cwt. Quotations are: Town, 34s 6d, net cash, naked, ex works. Country—Frail casks, 34s; home melted, shipping casks, net f.o.b., good coloured, 37s; fair to dull, 35s to 34s. Bone fat: white, none; pale, none; benzine, 30s; melted stuff, 29s, f.o.b.

MISCELLANEOUS.—Cocoanuts quoted 25s per 100. Coir yarn, Ceylon, £22 to £38; Cochin, £26 10s to £45; Ceylon bristle, £18 to £23 10s; cinnamon leaf oil, 5d; citronella, Ceylon, 1s 3d; Java, 2s 1d.

METROPOLITAN CATTLE.—December 16.

British Beasts, per stone of 8 lbs to sink the offal. Sheep, per stone.			
Beasts—Norfolk	s	d	s
Irish	6	10	7
Cambridge	..	..	..
Short Horns	6	0	6
Herefords	6	4	6
Devons	7	0	7
Beasts—Heavy Bulls	s	d	s
Canadian	..	..	..
Sheep—Downs	8	0	9
Ewes	5	0	5
Crossbred	..	..	..
Scottish	..	..	..
Lamb—Downs	9	6	10

LONDON POTATO MARKETS.—December 16.

Per Cwt.			
English King Edwards	s	d	s
British Queens	8	0	8
Eclipse	7	0	8
Majestic	7	0	8
Irish	7	0	8
Dutch	6	0	7
Belgian Edwards	4	0	6

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Vol. CIII.

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No. 4,348.

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E. CONSOLO, Manager.

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THE MONEY MARKET.

As a result of last week's borrowings from the Bank of England, market supplies of credits were comfortable and sufficient for all requirements on the first two days of the week, short loans being obtainable at 3½ to 4 per cent., but on Wednesday the Bank had to be repaid, and currency demands for Christmas also had a slight effect, but conditions remained fairly comfortable. There was a little discounting of short bills at

the Bank of England at the official minimum. The discount market has been steady, being influenced by gold withdrawals from the Bank, much of which is believed to have been taken for Germany. The Continental demand for commercial bills has slackened, and on Wednesday the general rate for three months' bills was $4\frac{1}{8}$ per cent.

	Dec. 22, 1926.	Dec. 17, 1926.	Dec. 10, 1926.	Dec. 3, 1926.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	$\frac{1}{4}$ (Dec. 3, '25)
Banks' Deposit Rate	3	3	3	3	2 (Dec. 3, '25)
Discount, Call	3	3	3	3	2 (Dec. 3, '25)
Houses' Notice	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$3\frac{1}{2}$	$2\frac{1}{2}$ (Dec. 3, '25)
Market rate (3 months' bills)	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

THE STOCK MARKETS.

A feature of a quiet week, so far as business is concerned, has been the strength of the gilt-edged market under the lead of Five per Cent. War Loan. In the foreign section Chinese bonds have been better, and Belgian Sevens have risen further to $9\frac{1}{4}$ premium, but there has been little real activity in French issues. Home Rails have been quiet, with a tendency to droop, but Argentine rails have been good. Rubber shares show a slight improvement, but in the industrial section Courtaulds and Dunlops have fluctuated. Newspaper shares, on the other hand, continue strong, and tobacco issues are firm. Bass ordinary shares advanced sharply on the announcement of a fusion of interests with Worthington. Armstrongs are again lower. The Rand dividends failed to stimulate the Kaffir market, and the tin share market is uncertain. The Bulgarian 7 per cent. Settlement Loan for $\pounds 1\frac{1}{2}$ millions, issued on Wednesday at 92, was rapidly oversubscribed, as was also the Nottingham Corporation issue of $\pounds 1$ million in 5 per cent. stock.

THE COMMODITY MARKETS.

Business has been below normal this week, owing to the imminence of the Christmas holidays. Coal prices are easier, production having shown a further increase, while transport difficulties are still in evidence. A few more blast furnaces have been lighted, but most iron and steel producers are awaiting the New Year before resuming normal production, and the market has a quiet appearance. Inquiry for cotton textiles has tended to broaden. Raw wool maintains its recent firmness. A large business has been done in hessian yarns at Dundee during the last few days, and prices have risen smartly. Rather more interest has been taken in wheat. Sugar is steady, coffee firm, tea quiet. A fair business has been done in the rubber market at prices showing little change from those of last week. Tin and copper have been irregular, after a firm opening, while lead prices have risen slightly on improved trade demand.

FOREIGN EXCHANGES.

The franc started the week firmly, and closed on Monday at 119 $\frac{3}{4}$, after having been at one time 119 $\frac{1}{4}$, or nearly two francs better than the opening rate, the forward rate for three months falling to $2\frac{1}{4}$ francs over the spot quotation. On Tuesday fairly heavy offering towards the end of the day depressed the rate to 121, and on Wednesday further selling sent the quotation up to 122. The Italian lira has this week moved in close sympathy with the franc; elsewhere movements have been small. The belga hardened a little on Monday, but lost the improvement on Tuesday, and is practically unchanged on balance. The New York Exchange eased a little on Monday, but has since been quite steady at just over 4.85 $\frac{1}{8}$. The rupee has shown an upward tendency, while the Far Eastern exchanges were generally steady. The price of silver has eased slightly in the absence of demand, and with India a seller. In the South American group the general tendency was to harden, but changes were very small.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended December 18th:—

EXPENDITURE.		RECEIPTS.	
(000's omitted.)		(000's omitted.)	
Supply Services	8,100	From Revenue	14,775
Interest, &c., on Debt	15,246	Increase in Debt	14,665
Sinking Fund	5,531		
Sundries	475		
Increase in Balances	88		
	29,440		29,440

The revenue for the week amounted to $\pounds 14,775,400$, as compared with $\pounds 14,555,000$ in the corresponding week last year. Customs and Excise were lower at $\pounds 1,506,000$ and $\pounds 7,989,000$, against $\pounds 1,795,000$ and $\pounds 8,099,000$ respectively. Property and Income-tax brought in $\pounds 848,000$, as compared with $\pounds 674,000$, while Super-tax amounted to $\pounds 460,000$, against $\pounds 500,000$. Ordinary receipts were higher at $\pounds 391,000$, against $\pounds 294,300$, and Special receipts at $\pounds 1,002,500$, against $\pounds 178,900$. The week's operations increased the National Debt by $\pounds 14,665,000$, and caused the following changes:—

(000's omitted.)		(000's omitted.)	
Bank of England Advances ..	2,000	Treasury Bills	3,175
Sundries	460	Public Department Advances ..	13,950
	2,460		17,125

The floating debt was increased by $\pounds 15,125,000$ to $\pounds 847,881,000$.

FINANCIAL YEAR, 1926-1927 (April 1 to December 18, 1926).

£		£	
Total Expenditure ..	606,504,528	Raised by Revenue ..	461,748,228
		Decrease in Balances ..	3,696,020
		Amount borrowed ..	141,060,280
Total	606,504,528	Total	606,504,528

ESTIMATES for FINANCIAL YEAR 1926-7.†

£		£	
Expenditure	825,727,000	Revenue	824,750,000
Deficit	£977,000		

† Revised in Exchequer Return dated July 26, 1926.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Ionian Bank, Carreras, W. Abbott and Sons, Camp Bird, Oroville Dredging, Colombian Corporation, and Anglo-Ecuadorian Corporation.

ECONOMIST INTELLIGENCE BRANCH.

In order to meet a demand from many of our readers, we have made arrangements which will enable us to supply statistical or other information from our records, and to answer economic inquiries. A charge will be made (with a minimum of half-a-guinea) to cover the cost of any special work involved.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a review of the world's crops in 1926.

TOWARDS PEACE.

PROLONGED and persistent civil war in China and the biggest industrial dispute on record in this country seem to belie the suggestion that 1926 will be known as the year of "peace." Yet this may well be the verdict of history, for the admission of Germany to the League of Nations marks the real end of the Great War and introduces a new epoch in which the nations of the world will once more have an opportunity of concerting measures to preserve peace, and by so doing establish civilisation on a firm and permanent foundation. Will they succeed in a task of which they have made so sorry a failure in the two thousand years which have elapsed since the first Christmas?

Clearly all the moral forces which the world contains must be marshalled in this struggle.

It is doubtless always possible for the casuist to set up some kind of an argument in defence of brutality, and there are never wanting those who can reconcile so successfully the horrors and brutalities of war with the message of Bethlehem and the Sermon on the Mount. But whatever ingenious argument may be used to accommodate the Christian teaching to the continuance of war, the discerning mind must surely say that the moral as well as the material future of the world will largely depend upon our success or failure in eradicating international hatred and international war. In particular, it is to-day the supreme duty of the churches to fight to remove the spirit of hatred which alone makes war possible.

At the present time in this and in most European countries there is probably a greater horror of war, a stronger desire for peace than ever before. The memory of the four years' suffering and bitterness and torture is still so fresh in our minds that a new adventure in the same field is to most of us unthinkable. But generations come and go, and within a few years power will have passed into the hands of those who remember nothing of the war, who were children in 1918, and will think of the war as a piece of history to be learnt or not learnt, like the rest of history, as a task. It is with these young people and their succeeding generations that the future destiny of the world rests. If the present desire for peace is nothing more than a reaction from remembered agony, the distaste and repentance that marks the morning after the orgy; if our love of peace and dislike of war are based on nothing firmer than this emotion, what hope can there be of a secure peace for those who are to follow us?

It is commonly alleged that you can never change human nature, and that it is, therefore, hopeless to try to eradicate war. Such an argument is, of course, entirely contrary to the lessons of history and of science. While human physique is slowly but surely changing, the standards of human conduct are changing with startling rapidity. Is this evolution tending to make war a thing that no civilisation with any moral standards may even contemplate? In many other directions recent civilisation has produced changes of comparable importance. We have, for example, only to carry our minds back a hundred and fifty or two hundred years and see how slavery was regarded as a necessary evil or an actual good, only to read the life of Wilberforce and the story of the opposition and the indifference that he faced and overcame and compare it with the light in which the civilised world regards slavery to-day, to realise how great a moral change can be worked by the practical idealist. The irremovable evil and the economic necessity of the eighteenth century is the unclean thing, the impossible horror to the twentieth. Is it too much to hope that war may go the way of slavery, and that just as we cannot enter into the minds of our forefathers, who defended and justified the slave trade, so our successors will stand aghast at the thought of twentieth-century Europe settling its differences with the bombing aeroplane and the machine-gun?

To those who hope for this change in the moral outlook the past year has not been without encouragement. Black spots show up here and there; adventurous statesmen still toy with the thought of war, and another outburst in the preparation of armaments is threatened by the competitive naval programmes of Europe and the United States. In the laying of the foundations of mutual trust and co-operation, on which alone enduring peace can be built, the United States has the power to play, one may almost say, the decisive rôle. Is America's future policy towards Europe's struggles for peace to be that of President Coolidge's cruiser bill or that of the Columbian professors? However that question may be answered, there is, in any case, much in 1926 to be thankful for. The bonds of harmony and co-operation have been drawn tighter between the members of the British Commonwealth. Moreover, in Europe itself the sky is clearer and the atmosphere less heavily charged with hatred. The League of Nations is stronger, the relations of Germany to her old enemies, and especially to France, have improved to a point beyond the expectations of 1925, and the prospect of a general reduction in armaments,

though still remote, is not so distant as to be desperate. At the beginning of this week, Herr Stresemann declared in Hamburg that the ups and downs of domestic politics in Germany would make no difference to the foreign policy followed by Germany, which was supported by the overwhelming majority of the German nation, and added:—

Perhaps the most valuable success of Geneva lay in the fact that the method of open discussion for which the League offered so excellent an opportunity had once again fully proved its efficiency. They were still in the early stages of a new European development, and at this stage particularly it was important for the statesmen to provide food for their nations' belief in this development as often as possible.

No one would be bold enough to say, on the strength of this speech or any other speech, that the spirit of militarism is dead in Germany, or in France, or in Great Britain, but it is a great thing that responsible politicians in any European country should use this language of reconciliation, and if the "nations' belief" in open discussion instead of war is fostered continuously by the leaders of politics and the leaders of religion; if, moreover, those who rule our industrial fortunes can evolve from the disasters of this year a similar tone and spirit; then we may hope to move more quickly than we have hitherto dared to hope towards those higher standards in the conduct of human affairs which alone can assure peace in our children's time.

AMERICAN PROFESSORS ON INTERNATIONAL DEBTS.

ALL who come into touch with Americans on either side of the Atlantic have all along been aware that if the question of the settlement of Europe's war debts to America had been in the hands of certain expert or highly-educated sections resident in the East, the policy pursued would have been very different from the one actually adopted by Washington, with, no doubt, the support of an overwhelming preponderance of opinion over the length and breadth of the United States. Britain and other European debtors could not afford to leave the whole question of international debts indefinitely in chaos in the hope that a more liberal view of the problem would permeate American public opinion. They have, therefore, made their settlements, and having done so, can sit down with a certain sense of proud detachment and watch the lengthy process of such permeation. There are those who believe that nations will not, as the present settlements prescribe, continue through several generations to pay and receive from each other large annual tributes arising out of a war in which all were partners. Those who have made their compositions look vaguely for the day when a modification more helpful to world progress will be evolved, and accept the position that such modification can come only from the creditor. On the other hand, France, whose proposed settlement has not yet been ratified, is still in a position to attach immediate political importance to any straw which shows a change of wind.

Although, therefore, different nations will view it through different spectacles, all Europe will feel its interest quickened and its admiration aroused by the courageous step taken this week by Dr Nicholas Murray Butler and forty Professors of Columbia University in issuing a long and reasoned memorandum calling for a reopening of the debt settlement problem. The practical value of this document is not easy to assess, and time alone will show the power of its influence upon American public opinion. Clearly, however, it is of more than academic importance. If, in our country, the Professorial staff of Oxford or Cambridge, irrespective of party association, were to issue a statement condemning the settled policy of the Government of the day in a matter of first-rate international importance, the effect on British public opinion would be far from negligible. But the Columbia Professors, who sign this week's manifesto, are something more than ordinary University "dons." They are, as Dr Butler says, "no closet philosophers, but men in active touch with every phase of practical life, including finance, industry, commerce, and legislation." This claim is

sufficiently borne out by the inclusion among the authors of men like Dr Butler himself, and Professors Seligman, John Bates Clark, Wesley Mitchell, and Parker Willis, to mention only a few.

The Manifesto is a lengthy document, and we can only here attempt a brief summary. The keynote is struck in the opening sentences:—"In our judgment the war debts settlements are unsound in principle. Certainly they have created and are fostering a deep sense of grievance against us. We do not urge that the debts be completely cancelled. Whether there should be cancellation in whole or only in part depends on many complicated factors yet to be studied. What we do urge is a complete reconsideration in the light of present knowledge. To this end we believe that an international conference should be called to review the entire problem of debt payments and make proposals for readjustment." Having thus stated the purpose of their action, the signatories proceed to emphasise the "unprecedented effort" made by the nations of Europe in the last few months "to rid themselves of the menace of war," an effort which is also the subject of eulogistic appreciation in Dr Butler's explanatory note. "It is unthinkable," says Dr Butler, "that the people of the United States, with their traditions and their historic policies of international friendship and co-operation, will withhold any possible measure of support from this epoch-making movement." But, as the text of the Manifesto goes on to state, "the prime condition of the success of any such movement is mutual trust and understanding. Our war debt settlements have produced distrust and misunderstanding."

We in this country are wearily familiar with the facts and arguments in this debt controversy; and we feel like spectators in the gallery of the debating chamber as we hear the Professors faithfully reproducing them for the benefit of their own countrymen. They cover, indeed, almost the whole well-worn ground. On the moral side of the question they go almost further than British official argument has ventured to go. "Our declaration of war was followed by the mobilisation, not only of our manpower, but also of our material and financial resources. From the latter we made extensive advances to nations fighting a common enemy. . . . That the borrowers used the credits to help win their own wars is undoubtedly true; but the reason that we loaned the money was the fact that by so doing they were also helping us to win our war." Some credits, the Manifesto continues, were for military purposes, some for food and clothing, some were made after the Armistice. Too little account, it is argued, has been taken of the differences. Next the Professors quote the Secretary of the Treasury to the effect that Washington has, in fact, cancelled £1,007 millions of debt, but this is not so generous as it would have been "if these had been merely business transactions." In fact, it should be remembered, they say, that during this period America was fighting with money only, and the Allies, who were borrowing, were holding the trenches in the crisis of the war.

We will not follow the Professors further over this ground, refreshing though it is to hear them repeat the thoughts and arguments of millions of European "men in the street." It is when they turn from ethics to finance that they really contribute something new to the discussion. They begin with a devastating attack on the formula of "capacity to pay." Most of the settlements, they point out, are for 62 years. How, they ask, can the capacity of any nation to pay be assessed over 62 years? And they enforce the point by looking back over 62 years of the past. Nor can they reconcile with justice, or even with the "capacity to pay" formula, the fact that of their whole debts France is asked to pay 50 per cent., Belgium 54 per cent., Great Britain 82 per cent., and Italy only 26 per cent. In all this the signatories find causes of a dissatisfaction which "may easily wreck the plans for world order and peace, according to which Europe is rebuilding its shattered economic fabric." "Our debt settlements," they continue, "are part and parcel of a whole network of settlements between the other Powers. It is clear that the whole matter should be re-examined on a basis, not of immediate expediency, but of justice and of generous intention that would give no reasonable ground for misunderstanding."

The final sections of the Manifesto deal mainly with the "material interests" involved. It is stated that debt payment receipts in the next few years will constitute less than one-third of 1 per cent. of the American national income, or a matter of 2 dollars annually per head of population. "Payments that could at best mean a paltry gain for most American taxpayers mean to the over-taxed debtors a crushing load." In order to obtain this "paltry gain" at the expense of a "crushing load" for the debtors, the Professors continue, the United States incurs a "growing odium" in Europe. This point, in our view, they over-stress, especially when they connect this "odium" with the formation of European industrial cartels; but it is reassuring to see the realisation of the present position that is implied in the following sentence: "Already it is being pointed out that the reparation payments which threaten to hold Germany in financial bondage for two or three generations are necessary to permit the Allies to pay their war debts to us."

And so the Manifesto runs to its conclusion: "Thus the demands of justice are reinforced by the dictates of political expediency and the counsels of economic self-interest in urging us to meet halfway the countries of Europe in the international debts and reparations conference, which we here propose." If we do not look for sensational results from this Manifesto, or expect it to bring about a revolution in international finance, we may, however, regard it as a most hopeful sign of the trend of enlightened American opinion. In any case we may congratulate Dr Butler and the Professors of Columbia on their brave and practical contribution to the discussion of international relations, which is the more welcome and the more appropriate because it coincides with the traditional season of "peace and goodwill among men."

THE OWNERSHIP OF BRITISH INDUSTRIAL CAPITAL.—II.

In an earlier article we gave a brief outline of the methods adopted in a recent inquiry into the ownership of industrial capital in Great Britain. We may recall that two series of figures were taken from the Somerset House records of seven large-size concerns (Group 1) and eleven concerns of moderate size (Group 2), viz.:—Series A: Every hundredth shareholding (approximately) in each company in Group 1, and every fortieth shareholding (approximately) in Group 2; Series B: All holdings of £10,000 or over. We found that the aggregate capital of the 18 concerns, £152 millions, was shared among more than 500,000 shareholders, each holding £301 on the average, and came to the tentative conclusion that the best-known British companies tended to draw their individual supplies of capital from a multitude of small streams rather than a few vast reservoirs. This statement will be examined in somewhat greater detail in the paragraphs which follow.

In the first place we may inquire as to how shareholdings are distributed as between small, moderate, and large individual amounts. Is there any particular type of holding more popular with the British investor than any other? To use a technical term, what is the "Mode" as distinct from the "Mean" in this case? The following table throws light on these matters, as regards the large concerns in Group 1:—

DISTRIBUTION OF SHAREHOLDINGS.—GROUP I.

Company.	Total Shareholders.	Proportion of Total Shareholders, whose holdings are—						Total Holdings.
		Less than £100.	£100 to £500.	£500 to £1,000.	£1,000 to £1,500.	£1,500 to £10,000.	Over £10,000.	
Imperial Tobacco	106,900	36.7	48.4	8.3	3.2	3.1	0.3	100
Courtaulds	47,900	42.6	48.1	4.8	2.7	1.6	0.2	100
Anglo-Persian Oil	57,500	38.8	48.6	8.0	2.6	2.0	0.03	100
Brunner, Mond	37,200	29.2	55.0	10.2	3.1	2.3	0.2	100
Vickers	70,400	31.3	54.2	8.1	3.2	3.1	0.07	100
Dunlop Rubber	51,600	28.8	52.0	9.9	4.8	4.2	0.3	100
Cunard Steamship	14,000	25.0	47.4	12.1	3.5	11.7	0.3	100
Total—Large size concerns	385,500	34.6	50.6	8.3	3.3	3.0	0.2	100

* This column is based on Series B data.

As the figures are based on a sample of one holding in every hundred, precise exactitude cannot be claimed for them; but certain broad inferences may nevertheless be drawn with fair confidence. In every case we find shareholders "crowded" at the lower levels. Taking the seven companies as a whole, it will be seen that one-third of the total holdings are individually less than £100 (par value), 85 per cent. are less than £500, and 93½ per cent. less than £1,000. The precise proportions vary from company to company, but the tendency is the same throughout. The corresponding figures for the concerns with a moderate capital are:—

DISTRIBUTION OF SHAREHOLDINGS.—GROUP II.

Company.	Total Shareholders.	Proportion of Total Shareholders, whose holdings are—						Total Holdings.
		Less than £100.	£100 to £500.	£500 to £1,000.	£1,000 to £1,500.	£1,500 to £10,000.	Over £10,000.	
General Electric Co.	23,100	34.4	55.9	6.6	1.9	1.1	0.09	100
Spillers' Milling	10,700	26.8	58.9	8.2	2.1	3.7	0.3	100
Phoenix Assurance	8,500	49.0	37.0	7.6	2.2	4.0	0.2	100
Ebbw Vale Steel	12,200	29.5	58.9	6.7	3.4	1.4	0.1	100
Bass, Ratcliffe, & Gretton	3,900	15.5	61.9	12.9	2.6	6.4	0.7	100
Marconi's Wireless Tel.	24,600	54.0	37.0	6.3	1.8	0.9	0.03	100
English Sewing Cotton	16,000	46.0	46.6	5.8	0.6	1.0	0.02	100
Debtenture Corporation	4,800	15.2	50.4	17.7	10.1	6.4	0.2	100
Cairn Line	2,900	20.4	64.6	3.4	6.8	4.5	0.5	100
Rover Company	8,400	31.8	53.8	5.5	5.5	3.4	0.1	100
Savoy Hotel	3,400	22.9	60.0	8.6	5.7	2.7	0.1	100
Total—Moderate size concerns	118,400	37.8	50.0	7.2	2.7	2.2	0.1	100
Total—All concerns	503,900	35.3	50.4	8.1	3.1	2.9	0.2	100

* This column is based on Series B data.

In the case of these eleven companies, about 38 per cent. of the total holdings are less than £100, 88 per cent. less than £500, and 95 per cent. less than £1,000. The spread as between different companies is somewhat wider than in Group 1, but the averages throughout show a remarkable degree of similarity. That of the total investors in the 18 British companies over one-third own less than £100 of capital will come as a surprise to most people. These investors are probably "small capitalists" in appearance and in fact. The purchase of £100 of shares on the Stock Exchange may cost as much as £2 10s in fees, commission, and stamps, and the large investor who is "spreading his risks" over a number of companies usually regards £100 as an uneconomically small holding, for this and other reasons. The shares of some concerns in both groups stand, of course, at a substantial premium to-day, but others are at a discount, while in certain instances issues of bonus shares have gone to swell the total outstanding capital in recent years.

We may conclude, then, that if the companies in our list are representative of the majority of British industrial organisations whose securities are freely marketed on the Stock Exchange, capital ownership in this country is truly a democratic business. It is still possible, however, that the relatively small groups of shareholders at the higher levels may own such large individual amounts as to "swamp" the multitude of small holders. In other words, if 1 per cent. of the total shareholders in any company own 50 per cent. or more of its capital, they can regularly outvote the other ninety-and-nine per cent., and govern the company's affairs as they will. In order to ascertain how far this state of affairs obtains, we have extracted from the various registers particulars of all large holdings (i.e., holdings running into five figures), with a view to determining to what extent these tend to dominate the financial organisation of the different companies. The following table shows, as regards concerns in Group 1, the numbers of such holdings, and the percentage of the total issued capital which they control. The last four columns show the total large holdings responsible for one-tenth, one-fifth, one-third, and one-half of each class of capital respectively:—

LARGE SHAREHOLDINGS—GROUP I.
(i.e., Separate holdings of £10,000 or over.)

Company.	Nature.	Capital Examined.	Amount Issued.	Large Holdings.					
				No. of Holdings.	Proportion of Total Capital.	No. of Large Holdings comprising:—	One-tenth of Capital.	One-fifth of Capital.	One-third of Capital.
Imperial Tobacco	"A" Pref.	£4,959,249	32	32.8	2	7	7	7	31
	"B" Pref.	2,260,469	39	51.7	2	2	2	2	13
	"C" Pref.	2,682,218	25	59.4	1	1	1	1	4
	Ord.	29,951,697	233	43.0	3	11	75	75	75
Courtaulds	Pref.	8,000,000	42	28.4	4	10	10	10	10
	Ord.	12,000,000	57	26.2	5	23	23	23	23
Anglo-Persian Oil	1st Pref.	7,000,000	11	2.5	1	1	1	1	1
	2nd Pref.	3,500,000	3	0.9	1	1	1	1	1
	Ord.	8,950,000	4	14.1	1	1	1	1	1
Brunner, Mond	Pref.	4,000,000	17	8.9	1	1	1	1	1
	Ord.	9,799,303	56	31.4	1	9	9	9	9
Vickers	Cum. Pref.	6,863,807	16	4.2	1	1	1	1	1
	Ord.	4,105,161	30	4.8	1	1	1	1	1
Dunlop Rubber	Ord.	6,723,042	162	20.3	25	137	137	137	137
Cunard Steamship	Ord.	4,456,189	39	30.4	5	12	12	12	12

* The above figures exclude British Government's holding of £5,000,000 ordinary.

Only as regards the preference shares of a single company do we find the largest shareholders controlling more than half the issued capital, while in a number of cases the proportion of the whole represented by such holdings is extremely small. The large Government holding of 56 per cent. of the ordinary capital of the Anglo-Persian Company is, of course, an exception. The corresponding figures for Group 2 companies are:—

LARGE SHAREHOLDINGS—GROUP II.
(i.e., Separate Holdings of £10,000 or over.)

Company.	Nature.	Capital Examined.	Amount Issued.	Large Holdings.					
				No. of Holdings.	Proportion of Total Capital.	No. of Large Holdings comprising:—	One-tenth of Capital.	One-fifth of Capital.	One-third of Capital.
General Electric Co.	Pref.	£3,600,000	10	3.2	10	10	10	10	10
	Ord.	2,141,975	11	10.3	12	12	12	12	12
Spillers' Milling	Pref.	1,159,986	12	32.8	4	4	4	4	4
	Ord.	2,643,688	20	21.5	18	18	18	18	18
Phoenix Assurance	Pref.	3,732,755	18	26.4	5	12	12	12	12
	Ord.	1,200,000	1	0.8	1	1	1	1	1
Ebbw Vale Steel	Pref.	2,500,000	15	29.8	1	2	2	2	2
	Ord.	1,360,000	7	16.8	3	3	3	3	3
Bass, Ratcliffe and Gretton	Pref.	2,040,000	21	59.8	1	2	4	10	10
Marconi's Wireless Telegraphy	Pref.	3,249,913	7	3.8	1	1	1	1	1
English Sewing Cotton	Pref.	1,000,000	1	0.8	1	1	1	1	1
	Ord.	2,000,000	5	2.7	1	1	1	1	1
Debtenture Corporation	Pref.	1,000,000	1	12.2	7	7	7	7	7
	Ord.	1,200,000	8	20.1	2	8	8	8	8
Cairn Line	Pref.	1,050,000	1	1.6	1	1	1	1	1
Rover Company	Pref.	250,000	2	18.2	7	7	7	7	7
Savoy Hotel	Pref.	738,934	1	1.6	1	1	1	1	1

Shareholdings of £10,000 or over have a controlling interest only in one case, and only in a minority of instances do they represent as much as one-fifth of the total capital. It may be that some of the most influential investors in particular companies prefer to split up their holdings and to borrow the names of other persons for that purpose, but that this tendency will be sufficient seriously to affect the above broad conclusions is unlikely.

The facts elicited in the course of this article suggest several interesting speculations. One usually assumes, for instance, that financial control is a *sine qua non* of effective administrative control of a given company. The figures suggest that, in practice, this may not always be the case. Provided that the mass of shareholders receive their dividends regularly, the directors may hold their power indefinitely, and even when affairs go wrong, the board may have even more than the customary opportunities of a Government in power for influencing an incoherent body of electors. Experience seems to show that sitting boards of directors are overthrown only when some determined outside shareholding interest raises the standard of rebellion, and goes to considerable expenditure of time and money to organise the thousands of small shareholders whose votes are, in the last resort, the controlling factor. In other words, the figures raise the question whether the spreading of capital ownership does not make for inertia in the expression of corporate opinion. The question has many facets, but cannot be developed at greater length here.

THE DYESTUFFS POSITION.

(BY A CORRESPONDENT.)

THE air of mystery that has hitherto surrounded the world statistical position in dyestuffs is steadily being dissipated, and the recent publication of British production figures now permits a general review of the international situation. These figures are of particular significance in view of the inclusion of the British Dyestuffs Corporation in the recently formed chemical combine. The main fact which emerges is that the actual output of the various countries producing coal-tar dyestuffs is in excess of consumption. In addition, the potential capacity of the works now in existence is far more than sufficient to take care of any possible increase within the next several years. Brief reference to the position as it existed before the war helps to emphasise the significance of the situation at present. In 1913 the world production amounted to upwards of 150,000 tons of dyestuffs, of which about 125,000 tons were made in Germany, with exports accounting for more than 100,000 tons. Second in importance came Switzerland, with about 10,500 tons annually before the war, 90 per cent. of which was exported. In the United Kingdom production of dyestuffs in 1913 had attained 4,000 tons, about one-half being made from imported intermediates. Production in America in that year was not more than 3,000 tons, and the balance of the world total was spread over other countries in varying, but always small, amounts. The war brought about great changes, forcing producing countries other than Germany to increase output as rapidly as possible in order to cope with the unique opportunity offered by the more or less complete stoppage of German supplies. Further, and apart from the large-scale operations developed in America, Great Britain, and France, dyestuffs industries were built up in Italy, Japan, Poland, Spain, Czechoslovakia, &c. But in Germany also, where the dyestuffs factories had been temporarily converted into munition works, developments proceeded in the way of financial reorganisation, plant extensions, and technical improvements, thus preparing the way for a resumption of the pre-war monopoly that had been enjoyed. With the 25 per cent. increase in German output capacity, war and post-war expansion has resulted in approximately doubling the world's capacity production.

In regard to Germany, which, despite every effort on the part of other producers in the way of tariffs, subsidies, import prohibitions, and the like, still remains the most important factor in the international position, it is interesting to observe that great assistance was given to her dyestuffs industry in its post-war difficulties by the Allies themselves. In 1921 the output amounted to approximately 51,800 tons, rising in 1922 to 86,000 tons, or more than two-thirds of the pre-war total. In 1923 came the Ruhr occupation and consequent disorganisation, but this setback was counterbalanced by the Reparations paradox, through which Germany was relieved of several thousands of tons of dyestuffs, to the inevitable detriment of the industries of those of the Allies who took them. In 1924 German production recovered again to about 75,000 tons, from which figure it has varied little since, according to the recent report of the I.G. Farbenindustrie. There are many indications, however, that Germany is anticipating the ultimate recapture of the dyestuffs markets of the world. After consolidation of the manufacturing end, attention has been, and is being paid, to the perfection of the selling arrangements in foreign countries. In some cases, notably Russia, Japan, and Spain, national agreements have been concluded, while in others efficient centralised agencies have been formed, of which the recently constituted I.G. Dyestuffs, Limited, in this country is an example. This last instance is, indeed, typical of the patient methods adopted by the German industrialists, for the Dyestuffs (Import Regulation) Act of 1920 has still four years to run, and

proves an effective barrier to any immediate large-scale activity on the part of the new company. Much, however, can be done in preparation for the future in this respect. One other point in connection with the German combine is the wide embrace of its operations, for, besides comprising all the dyestuffs firms, it has interests in more than 40 other concerns all bearing upon the chemical industry—a factor which is frequently lost sight of by competing dye interests.

It is in America that the most remarkable developments in the dyestuffs industry have taken place within the last decade. From 2,940 tons in 1914 production advanced until in 1918, at 26,000 tons, it equalled the pre-war importation. In 1923 actual output amounted to the "peak" total of 41,700 tons, falling to 30,520 tons in 1924, but recovering to 38,400 in 1925. More than 90 per cent. of the home consumption is satisfied by domestic manufacturers, and about 11,500 tons were exported last year. The increased production has caused this large export trade, which is not, however, very remunerative. Very severe competition has resulted from the excess capacity for production, and several firms have been absorbed or eliminated during the past few years. There is a distinct possibility that amalgamation will be more resorted to in the future in order to reduce costs to meet the more insistent competition in the better qualities, for it is in these higher-priced commodities that the industries outside Germany find their greatest difficulty. Synthetic indigo and sulphur blacks, which comprise the bulk of the American exports, are among the cheaper colours, but progress, nevertheless, is being made in the manufacture of the more expensive vat dyestuffs.

In the case of Great Britain, in spite of import prohibition, financial assistance and other forms of nursing, the position is by no means so favourable. Immediately before the Dyestuffs (Import Regulation) Act came into force in January, 1921, the market was flooded with various products which had, of course, to be absorbed. By 1922 matters were more normal, and British production amounted to over 9,000 tons, more than twice the pre-war figure. In 1923 the occupation of the Ruhr by the French resulted in a reduction in the German output, and the production in this country rose to 14,670 tons, accompanied by a 350 per cent. increase in exports. But by this time the question of price had become acute here, and constant pressure was exerted by using interests to secure reductions, with some success. Quality was higher on the average, and 1924 saw a further improvement in volume to 14,780 tons. In 1925 a decline in British output took place, the actual figure being 14,420 tons, and had it not been for the increase of some 990 tons in synthetic indigo, which is to-day vastly overproduced, the position would be even less healthy than it is. Certainly British exports have been larger than imports since 1923, but the total exported has steadily declined, and this year is not likely to be more than two-thirds of the quantity shipped abroad in 1925, while imports (under licence) have advanced.

Turning to other producers, it is found that post-war developments in France have been excellent, production rising to 14,979 tons in 1924, but falling to 14,549 tons in the following year, owing to difficulties in the export markets similar to those being experienced by America. Current output in Switzerland is only about one-half of the pre-war figure. Japan has fallen off considerably from the 7,100 tons made in 1919, due to German competition. In Italy present production amounts to nearly 4,500 tons, with the outlook considered promising for future expansion. Poland, with a capacity for production of 2,000 tons, is making 600 tons. For all these, and other, national industries to succeed, it is absolutely essential that production should be satisfied by a much larger export market in non-producing countries than is at present the case. In the largest of such markets, China, ruthless competition has resulted in a situation bordering on the farcical, even before the present unrest in that country became so acute. It is almost certain that the only alternatives before the British industry, at any rate, are the elimination of certain producers, internal amalgamation followed by an agreement with Germany, or a gradual change over to the manufacture of other fine chemicals to which existing plant might be adjusted.

THE DIFFICULTIES OF RUSSIAN TRADE.

(BY A CORRESPONDENT.)

AT this time last year the Russian authorities were faced with the certainty that the 1925-26 grain export plan was a failure, and that they had been over-buying against it on the foreign markets. The balance of trade, an elusive conception as regards Great Britain, is readily calculable in the case of Russia. The State Planning Department budgets for the agricultural year to September. Invisible imports are non-existent; there are no long-term obligations abroad to be considered; the Planning Department simply estimates the value of exports for the coming year, and within the limit of that figure authorises such imports as are most urgently required.

Everything depends on the correctness of the estimate of exports, especially of grain, and in the autumn of 1925 this was badly miscalculated. After five years' persistent effort and careful management, short-term credits could be obtained abroad for permitted imports, and in anticipation of a large grain surplus, extensive purchases were made in foreign markets from August onwards. By December the authorities realised that the trade balance would show a heavy deficit instead of the expected surplus, and immediate steps were taken to make the deficit as small as possible.

The methods adopted are illuminating. First of all every effort was made to stimulate other exports, such as timber, flax, and dairy produce. These failed for the same reasons that caused the collapse of the grain export plan. The crops were excellent, but the peasants refused to sell for export. The Russian peasant has travelled far in the past seven years. The Soviet authorities have tried hard to cultivate a feeling of class-consciousness among the agricultural classes, and they have succeeded. The peasant is beginning to realise his power. For the first time in his history he now pays his rent and taxes in money only; his tenure is secure; a paternal government is teaching him to read, and for his reading is supplying him through the Press with very complete reports of prices and conditions in the world's markets. He knows the quantities of grain that the Grain Control Commission is authorised to sell abroad, he knows the sales that have been effected, and the approximate prices; he knows the shipping arrangements that have been made, and when he is offered what he considers too low a figure for his produce, he refuses to part with it. He has become so strong that he cannot be coerced. The peasant problem is at the bottom of all the political troubles in Russia this year. The thorough-going Communist of the old school, who is the driving force of the Opposition, sees the only hope of the survival of the present régime in the coercion of the peasant. The Stalin-Rykov group realise that such coercion is now impossible. The support of the peasant, negative though it be, is their sure bulwark against any attempt at counter-revolution.

The position was, and is, complicated still further by the increasing disparity between the external and internal value of the chervonetz. The chervonetz has been stabilised abroad, but the artificiality of the methods adopted has been shown once more by this year's decree prohibiting Russian banks from accepting chervontzi notes from their foreign correspondents. Chervontzi notes cannot be exchanged for foreign currency in Russia, and it is strictly forbidden to take or send any over the frontier. The continuous rise of prices in Russia is not a result of inflation; it is due to two main causes—distrust of the chervonetz in Russia itself, and the effect of the foreign trade monopoly. Russia is recovering fairly rapidly from the prostration of 1917-20, but the average Russian, with these years in mind, has no confidence in the chervonetz. He does not recognise it as a store of value; it is something which, when obtained, should at the earliest possible moment be exchanged against goods. The rapidity of its circulation is extraordinary. Luxury shops are springing up in all the large towns, and a suit of clothes may cost £50 or £60!

One of the effects of the foreign trade monopoly is to

create a scarcity value for all imported goods. Only a bare fraction of Russian needs are met by the imports allowed. The State trading organisations have to pay heavily for their credits abroad, their working expenses are big, and the State charges a large margin of profit so as to build up reserves. The prices charged by them are high, those charged by the co-operative societies to their members are higher still, while those charged by the private trader are much the highest of all. The State shops ration their customers severely; when the man in the street wants anything he goes to the private trader.

The prices of home products are affected sympathetically. Before the revolution the peasant reckoned that a pood, i.e., 36 lbs., of grain bought him a pair of boots. To-day he has to pay £5 for the pair of boots, so he demands more and more for his grain. The tendency is for agricultural products to fetch prices even higher than those obtaining abroad. This year, for instance, the export of eggs, which in 1925 was assuming very considerable proportions, collapsed almost entirely. Prices in the home markets were at times as much as 20 per cent. above London quotations. When one considers that the working expenses of the unwieldy exporting organisations amount to 30 per cent. or 50 per cent. of the sale price, one can appreciate the difficulties the Government had in trying to force exports.

Failing any method of stimulating exports, the authorities turned their attention to imports. As from the beginning of December, 1925, the Department of Foreign Trade stopped completely the issue of import licenses, unless, of course, in the case of deliveries under contracts placed prior to December, which could not be cancelled. The embargo was not lifted until October of this year, and then only to a very limited extent. We have therefore had the extraordinary spectacle of this great country buying nothing abroad for fully ten months.

What is the position to-day? Almost everything again depends upon the amount of grain that can be exported. The harvest is a good one. It is estimated that it exceeds last year's by over 3,000,000 tons, yet the Grain Control Commission announces that it has collected for export little more than for the same period last year. The rigid system of economy that has been introduced, the prohibition of private traders to compete with the State or Co-operative organisations in buying for export, the appeals to the peasants by every responsible member of the Government, have availed nothing. The same economic factors that militated against last year's export programme are even stronger to-day.

Every effort is being made to force the export of other products such as naphtha, and to simplify the working of the foreign trade monopoly. New organisations have been created to export coal, metals, flax, and so on, and sell directly abroad. It is supposed that in this manner foreign buyers will be brought into closer touch with the producers in Russia, and a certain number of economies effected. Such specialisation has, in fact, been in progress for some time, but the example of, say, the Grain Commission does not hold out many hopes of drastic savings in this direction. To foreign eyes the only remedy seems to be the relaxation of the foreign trade monopoly, but without the foreign trade monopoly the system of communist government would not last a year. Any attempt to discuss its modification is therefore instantly suppressed.

It appears probable that the volume of Russian foreign trade will be even smaller in 1926-27 than it was in 1925-26, but of what there is Great Britain will have a large share. We have so much greater a proportion of Russian business than before the war because, notwithstanding the political tension between the countries, and the official attitude of the banks, credits are cheaper here than anywhere else in Europe. This year the Russian authorities are adopting a very cautious attitude. They realise the importance of maintaining and extending their present credits, and they know only too well the desperate efforts it took in the winter and spring of this year to meet the bills for last autumn's purchases. They are no longer buying in anticipation of exports; they are waiting until the exports are in sight. Import licenses are granted very sparingly, and only for the most urgent requirements. It may perhaps be true, therefore, that sellers in this country can to-day accept Russian obligations with fewer misgivings than last year.

INDUSTRIAL PEACE.—II.

(BY A LABOUR CORRESPONDENT.)

THERE is a widespread disposition to assume that industrial disputes are due to the waywardness or recalcitrance of the workers. The only real way of regarding the problem of industrial warfare is as a problem of industrial relationships in which both the primary parties are involved. It is, moreover, an incomplete view which implies that all the error is on one side, and that whilst the workers are the dragons of war the employers are the doves of peace. In the recent mining dispute the "act of aggression" (whatever may be the merits of it) was committed by the employers, who demanded district agreements, longer hours, and lower wages, and the stubbornness of the miners in resisting this degradation of terms and conditions was fully matched by the coal-owners in their stubborn refusal to compromise or listen to conciliatory influences. This example not only illustrates the view that industrial peace is not a simple problem to be solved by a greater reasonableness on the part of the workers, but indicates that there are deep underlying influences which mere appeals for "peace in our time" will not remove.

There is general agreement as to the ultimate goal of industrial peace, but there is a divergence of opinion as to how it should be attained, and as to the terms on which it may be attainable. The question can perhaps be best considered in two stages—firstly, the improvement of the machinery already in existence for the peaceful settlement of disputes, and, secondly, the possibility of preventing stoppages of work.

In every industry, in more than ninety-nine cases out of every hundred, claims for the settlement of grievances or the adjustment of existing contracts of employment are the subject of negotiation between the representatives of the workers and the employers. The "lightning strike" is almost invariably the result of a new grievance, and in the majority of cases is foreign to the spirit of existing agreements. Negotiation is the normal method of disposing of industrial differences, and the settlement which is reached is incorporated in the vast body of "law" which governs wages, hours and conditions of employment, the relations between various groups and grades of workers, and the relations between workers and employers. The large number of industrial agreements duly recorded and signed by the parties is the code of "law" supplementing statute law regulating industry. These negotiated agreements, complex and often detailed in their application, are too often ignored by the industrial pathologists, whose methods are centred upon the eruptions known as strikes and lock-outs.

The constitutional machinery which exists for the regulation of a large sphere of industry and industrial relationships varies in both form and complexity from industry to industry. In some cases no provision is made for external assistance in the event of a deadlock between the parties, but in many of these instances the method of negotiation proves successful. In some cases, again, where negotiators fail to reach agreement, some prescribed method of conciliation is resorted to, whilst in others there is reference to arbitration. There is every reason why the various types of negotiating machinery should be examined with a view to the adoption in each industry of the methods of organising and conducting negotiations and deciding a settlement of differences most suitable to its circumstances. It may be that the machinery in those industries where stoppages have been most frequent could with advantage learn from the methods and procedure adopted in other industries. But mere machinery will not of itself ensure the peaceful settlement of disputed questions. It is obvious that negotiations must be conducted with patience and restraint. It is, moreover, equally important that both the disputants should meet on equal terms. This brings us to one of the roots of our industrial troubles. It is common in negotiations for the workers' side to be without the relevant facts on which the dispute turns. The worker's investment of his skill, labour, and life in an industry does not at present entitle his representative to the knowledge which is possessed by the investors of capital.

It is safe to say that many industrial stoppages in the past have been the direct result of the reticence of employers and their unwillingness to disclose the financial and other information on which alone successful negotiations depended. The first antecedent condition for the prevention of industrial stoppages is a full disclosure of the relevant facts. In other words, the employers must place all their cards on the table.

In the next place, and closely connected with the foregoing consideration, is the need for fuller consultation with the trade unions on the conduct of industries and industrial policy. Employers have delimited the "frontiers of control" so as to exclude from the subject matter of discussions all questions which do not directly affect wages, hours, and conditions of employment. The whole realm of commercial and financial questions is claimed to be within the indisputable jurisdiction of the employers. But, clearly, methods of production and management, methods of trading and financial considerations may determine whether a worker goes on short time, is dismissed, or suffers a reduction of wages. And trade union leaders, who for the most part are men of some experience and judgment, are clearly entitled to satisfy themselves that the workers' standard of life is not imperilled by unenlightened and unprogressive industrial leadership, more especially as so large a proportion of strikes and lock-outs arise from wages questions. There is now a welcome and growing movement in the trade union world to insist upon more efficient management and direction in industry. The tendency now, as may be seen from the coal crisis, is for the workers' representatives to demand that employers shall place their house in order before they claim sacrifices from the workers. Industrial peace will remain an unsubstantial dream so long as it is believed that improved economic conditions for the worker are unobtainable because of short-sighted and inefficient industrial management.

Whether the existing methods of dealing with industrial disputes are successful or not in the future in preserving the truce depends upon the general attitude of employers and the public towards the worker. There are still considerable numbers of workers whose wages are inadequate to maintain a reasonable standard of life, whilst insecurity is the common lot of all but a minority in industry. Moreover, though in recent generations the standard of life has been raised, yet, in spite of the enormous increase in our wealth and productivity during the past century or more, the workers' share of the annual national income has remained stationary. This, of course, raises many far-reaching and difficult problems, but, nevertheless, poverty in the midst of luxury, low wages and huge fortunes, inevitably create deep-seated discontent. Until the claim of the worker for more generous consideration is frankly accepted, and the expressions of goodwill towards the worker translated into a constructive policy, injustice will breed discontent, and discontent industrial conflict.

It cannot be too strongly emphasised that wages questions accounted for two out of every three strikes and lockouts during the past 16 years, and that two-thirds of such stoppages arose out of demands for wage increases. Demands for wage increases fall into two categories—those which seek in a time of rising prices to maintain real wages, and those which are a demand for an increase in real wages. During the years from 1910 to 1925 the majority of stoppages due to claims for wage increases were of the former kind. Some policy of price stabilisation, or some method of automatic readjustment of money wages to prices would remove the mere maintenance of real wages from the arena of industrial strife, and such wages disputes as occurred would be confined to those which arose from unsettled claims for an increase or decrease in real wages.

The improvement of existing methods, greater publicity, and an open agenda in industrial discussions and negotiations, a constructive policy for the improvement of wages standards, and the adjustment of wages to prices without recourse to stoppages would do something to minimise the risk of open industrial strife, though it is not suggested that these things would abolish strikes and lockouts.

But the industrial pacifist wishes to eliminate open

warfare from industry, and proposals have been made for some organisation in industry comparable with the League of Nations. The question as to whether the League will in existing circumstances prevent war, should a dangerous situation arise, need not be discussed; but it is necessary to point out that the analogy between the League of Nations and machinery for industrial arbitration, though plausible, is a false one.

Industrial arbitration involves the denial of the right of the employer to dispense with his workers if the terms of employment are such that he is unwilling or unable to accept them. It equally implies the abrogation of the worker's right to withdraw his labour if the terms offered him are in his view inadequate or unjust. In the last resort, though the employer may perhaps evade the logic of industrial arbitration, to the worker it means industrial conscription. Although the desire for industrial peace is strong in the hearts of certain employers and Labour leaders, compulsory arbitration is not accepted by all the leaders on both sides.

This is not to say that the trade unions repudiate industrial arbitration as a device for the determination of claims after the resources of direct negotiation and mediation have been exhausted. If we omit the abnormal war years arbitration may be said to end about one in thirty stoppages. But this is voluntary arbitration—the parties of their own free will agreeing to refer a dispute to arbitration on terms jointly agreed by the parties. This method will, no doubt, continue to be used when those engaged in a dispute feel that the issue is one which can be put to arbitration, but it stands on an entirely different footing from the imposition of arbitration compulsorily on the parties to a dispute.

Whether arbitration is likely to be acceptable depends upon whether the parties have confidence in it as a method of determining the issue in question. This is the fundamental problem. From the Labour point of view compulsory arbitration does not inspire confidence. Its real place is to be found where the opposing parties enjoy equality of status, and when the system—whatever it may be—in which the issue has arisen is one which in principle both parties accept. In industry neither condition is fulfilled. Labour is a subordinate partner, and as an organised movement does not accept the justice of the existing industrial order. Indeed, by a series of resolutions the Trade Union Congress is pledged to far-reaching changes in the industrial system, and in the status of the workers.

In general, the Labour Movement mistrusts compulsory arbitration. As a method it inevitably assumes the continuance of the *status quo*; in all its essentials it operates within the four corners of the existing order. It may be palatable to employers who themselves support the *status quo*, and the workers who are prepared to acquiesce in the existing system, but it cannot be regarded as a satisfactory method to those trade unionists who are seeking to raise their status and extend their influence in industry. The employers' view of industry is static. The organised workers are pursuing a policy of "encroaching control."

It is, of course, true that statistics show the inconclusiveness of strikes and lock-outs in the great majority of cases, and indicate that nearly half the industrial stoppages are ended by compromise. It may also be urged that the gains which accrue to the workers from strikes do not compensate for the losses involved. It may, moreover, be said that industrial stoppages involve non-combatants in losses. These arguments may be true, but the waste of industrial warfare calls rather for a recognition of the needs of a changing and developing industrial system than for attempts to stabilise the *status quo* by compulsory arbitration. The industrial system is changing, and will continue to change, and it is natural to suppose that the workers and their representatives will come to enjoy an improved status, take increasing responsibilities, and wield greater power. Unless this is accepted (even though its realisation may be gradual) and industrial relationships are put on a new basis, industry will be subject to recurring crises.

There is a further consideration to be borne in mind. The prohibition of industrial stoppages has been tried. It has increased the number of law-breakers without establishing the reign of industrial peace. And if some form

of compulsory arbitration were established it would be more likely to embitter industrial relationships than to achieve industrial harmony.

NEWSPAPER PROFITS.

THE trend of events in the newspaper world is giving considerable anxiety to many thoughtful people in two directions. The first is the continuous process of amalgamation, which many regard as a movement threatening the expression of free and independent opinion. From this movement arises another problem. As newspaper concerns grow in size, they catch the eye of the investor more and more, and a proper estimate of the risks and merits of newspaper investments is added to the tasks of the investor.

During recent years, and particularly in the last few months, many newspapers have been taken over and grouped together, to be followed by the formation of new companies appealing to the public to take up shares. In February, 1926, the Industrial Newspapers was formed with an authorised capital of £1,300,000. The company was formed to acquire and develop a group of eleven industrial publications, and the goodwill of E. S. Caton, Limited, as organisers and proprietors of the Tobacco Trade Exhibition. In October, 1926, the Illustrated Newspapers was formed to acquire the *Graphic*, *Drapers' Record*, the *Sphere*, the *Tailor*, *Men's Wear*, the *Bystander*, *Eve*, and part-interest in *Illustrated London News* and *Sketch*, and the whole of the issued share capital of Horton Kirby Paper Mills, Limited. The Amalgamated Press have been bought by Graphic Publications, Limited. On November 23rd it was announced that Mr Lloyd George has parted with his controlling interest in the newspapers owned by United Newspapers (1918), Limited, to a group represented by the Marquis of Reading, Sir David Yule, and Sir Thomas Catto. The Marquis of Reading will become chairman of the company. Finally, within the past fortnight we have seen an issue of £4½ millions in 7 per cent. cumulative preference shares of £1 each at par, by the Amalgamated Press, Limited, carrying the process of consolidation a step further.

In this article we confine ourselves to examining the recent financial results of a number of important newspaper undertakings. Our first table shows for seventeen concerns the net profit after payment of debenture interest during the past two years, and how the available balance was utilised:—

Name.	Year Ends.	Brought In.	Net Profit after Payment of Deb. Int.	Preference Dividend.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
Allied Newspapers	Dec. 31, '24	£	£	£	£	£	£
Amalgamated Press	June 30, '25	194,879	830,202	154,249	256,348	481,074	194,879
Associated Newspapers	June 30, '25	400,285	541,543	38,780	407,657	326,974	102,353
Country Life	Dec. 31, '24	11,651	25,120	5,500	12,500	3,000	15,711
Daily Mail	Sept. 30, '25	1,484	158,232	..	..	110,000	49,716
Daily Mirror	Feb. 28, '25	..	288,894	28,000	217,628	20,000	23,266
D. Sketch & Sun. Herald	June 28, '25	..	293,506	28,000	210,000	30,000	25,506
Financial News	Dec. 31, '24	15,575	34,076	15,807	..	17,058	15,575
Illustrated Ldn. News and Sketch	Dec. 31, '24	2,631	58,445	23,438	16,406	18,601	2,631
Irish Times	Sept. 30, '25	9,212	37,968	17,011	17,500	2,000	10,669
Lon. Express Newspaper	June 30, '25	10,669	35,625	17,500	17,500	2,000	10,234
Ourram (G.) Glasgow	June 30, '24	1,774	26,116	8,875	1,980	17,000	35
Sporting and Dramatic Publishing	Dec. 31, '24	27,791	196,642	..	113,178	80,500	30,755
Su. Pictorial	Sept. 30, '25	2,664	8,666	4,200	2,347	3,500	2,664
Newspapers	Feb. 28, '25	15,296	269,442	40,000	187,500	40,000	17,238
The Times	June 30, '25	30,135	176,271	24,014	80,625	50,000	51,767
Publishing Co.	June 30, '25	51,767	213,103	25,856	80,625	100,000	53,390
Untd. Nwsp'rs	Dec. 31, '25	105,399	142,774	24,032	61,149	40,000	122,992

b Includes amount brought in from preceding year's accounts.

The year, from the profit-earning point of view, has been a fairly good one. Of the thirteen companies whose comparative figures are available, nine record higher net profits. Allied Newspapers, Country Life, the Irish

Times, and the Sporting and Dramatic did not do so well as in the previous year. In the case of Allied Newspapers, however, the profits in respect of 1925-26 were arrived at after making provision for taxation. This was not done on the previous occasion. Thus comparison is vitiated, and the only indication of the progress achieved is the statement made by the directors that "profits are in excess of those for the previous year." Among the smaller companies the Financial News has done well in increasing its net profit from £11,828 to £34,076, while the London Express has also enjoyed a satisfactory experience, the profit figure in this instance being £26,116, compared with £10,266. The Times is another undertaking whose 1926 results show a decided improvement on those of a year earlier. The allocations made to reserve have, on the whole, been fairly generous. In particular, Allied Newspapers are taking advantage of the opportunity to build up the financial position, as much as £326,974 being set aside for contingencies, following the previous year's appropriation of £481,074. The Amalgamated Press, Country Life, and Irish Times made no changes in their reserve allocations, but while that of Associated Newspapers was reduced from £210,000 to £120,000, the Daily Mirror transferred £30,000, against £20,000; the Illustrated London News £21,850, against £18,601; Outrams £100,500, against £80,500; the Sunday Pictorial £45,000, against £40,000; and the Times £100,000, against £50,000. The London Express, which a year ago made no transfer, was able to set aside £17,000.

The following table shows principal liabilities and assets in the last two balance-sheets:—

Name and Date of Balance-Sheet.	Share Capital and Reserves.	Debentures and Loans.	Creditors.	Properties &c.	Stocks.	Cash.	Investments.	Debtors.
Allied Newspapers— Dec. 31, 1924 .. Dec. 31, 1925 ..	£ 7,790,741 7,264,833	1,366,274 995,401	263,597 586,078	7,917,402 7,939,420	178,221 72,316	154,266 308,931	3,007 3,007	365,603 371,419
Allied Northern Newspapers— June 30, 1925 .. June 30, 1926 ..	An issue of £22,500,000 in 6½% deb. stock at 98½% was made early in June, 1925. Report and ac counts not yet issued	..	..	..	..	..	..	..
Amalgamated Press— June 30, 1925 .. June 30, 1926 ..	3,581,716 3,641,716	..	522,525 401,274	2,067,474 1,932,144	81,221 78,504	701,911 791,632	1,302,584 1,422,114	386,442 390,000
Ass. Newspapers— March 31, 1925 .. March 31, 1926 ..	3,080,095 3,100,000	..	c 762,584 c 1,161,397	1,474,367 1,620,280	414,005 541,046	736,721 629,393	2,105,512 1,515,749	555,597 515,517
Country Life— Dec. 31, 1924 .. Dec. 31, 1925 ..	223,000 226,000	..	42,540 46,831	185,142 184,654	13,389 17,475	44,075 46,452	17,756 17,756	34,200 37,677
D. Mail Trust— Sept. 30, 1925 .. Sept. 30, 1926 ..	801,450 Report	1,158,779 and ac counts not yet issued	8,890 ..	..	..	75,130	1,929,431	414,274
Daily Mirror Newspapers— Feb. 28, 1925 .. Feb. 28, 1926 ..	1,110,000 1,140,000	..	c 867,809 c 1,007,214	530,798 431,918	165,579 85,842	145,415 186,249	1,062,565 1,283,514	108,429 197,241
Daily Sketch & Sunday Herald— June 28, 1925 .. June 28, 1926 ..	110,000 Report	1,600,000 and ac counts not yet issued	366,276 ..	1,265,139 ..	30,932 ..	560,574	..	235,378
Financial News— Dec. 31, 1924 .. Dec. 31, 1925 ..	273,139 273,139	..	7,527 16,474	198,232 198,232	355 ..	8,803 748	73,757 102,185	15,398 22,655
Financial Times— Now a private company.	..	..	..	..	..	..	..	..
Illus. Lon. News and Sketch— Dec. 31, 1924 .. Dec. 31, 1925 ..	549,336 569,399	242,100 238,040	46,669 54,669	740,821 767,935	19,758 20,499	29,817 33,985	39,279 37,703	73,112 70,252
Illustrated Newspapers— Issue made in Oct. 1925, of 1,800,000 7½% cum. pref. shares, £1 each, at par, and 300,000 ord. shares, £1 each, in Feb., 1926.	..	..	..	..	..	..	..	..
Industrial Newspapers— Issue made in Feb., 1926, of 250,000 7½% cum. pref. shares, £1 each, at par, and 250,000 ord. shares, £1 each, in Feb., 1926.	..	..	..	..	..	..	..	..
Irish Times— Sept. 30, 1925 .. Sept. 30, 1926 ..	505,769 507,164	..	27,154 20,809	448,027 448,273	8,914 8,470	24,249 26,100	45,649 46,149	45,329 37,432
London Express— June 30, 1925 .. June 30, 1926 ..	336,341 355,227	362,939 365,179	179,804 172,822	608,089 675,492	25,577 17,379	36,790 31,780	..	219,475 198,391
Outram (George). Glasgow Herald— Dec. 31, 1924 .. Dec. 31, 1925 ..	746,147 826,647	..	50,763 51,333	284,900 301,197	9,728 11,036	77,258 81,103	376,906 437,065	129,917 138,330
Sporting and Dramatic Publishing— Sept. 30, 1925 .. Sept. 30, 1926 ..	102,291 105,291	..	5,664 9,850	57,300 50,609	4,626 13,755	13,258 34,703	32,928 34,703	12,689 23,026
Sunday Pictorial Newspapers— Feb. 28, 1925 .. Feb. 28, 1926 ..	1,370,000 1,415,000	..	c 288,916 c 409,899	749,991 700,000	598 40,593	113,671 139,231	674,521 923,101	158,265 60,496
The Times Publishing Co.— June 30, 1925 .. June 30, 1926 ..	1,065,000 1,065,000	..	252,086 c 395,821	793,469 772,514	19,417 23,719	58,810 44,020	443,504 663,925	218,291 221,313
United Newspapers— Dec. 31, 1925 ..	1,494,000	135,961	387,394	1,427,443	26,776	35,819	532,513	194,494

a Preliminary and Formation Expenses stand in balance-sheet at £69,674. b Preliminary and formation expenses stand in balance-sheet at £526,648. c Includes reserves against contingencies. d Loan account.

The directors of Country Life, Limited, are to be congratulated upon giving a list of their investments. They are shown in the balance-sheet at £17,756. Their market

value on December 31, 1925, was £18,207. In an article on "Newspaper Balance-Sheets" in our issue of December 26, 1925, page 1083, we congratulated the Financial News on showing its investments in two items in their balance-sheet for December 31, 1924—i.e., investments at cost (unquoted securities), £53,688; £20,000 5 per cent. War Loan, 1929-47, at cost, £20,069. In the December 31, 1925, balance-sheet the directors have taken a retrograde step, merely showing investments £102,185. The directors of the Daily Mirror Newspapers and the Sunday Pictorial Newspapers are to be commended upon the provision of more information in their latest reports. Instead of issuing a four-page report with the balance-sheet and statement as to profits both these companies now provide an eight-page report with profit and loss account, and also an appropriation account.

A number of alterations were effected in capitalisation during the year. Particulars of these are given in the foregoing table. The decline under the heading of "Debentures and Loans," shown by Allied Newspapers, is accounted for by the fact that advantage was taken of the favourable conditions in the money market to fund the bank loan of £1,350,000. This was effected by the issue of £1,000,000 of 5 per cent. debentures and the repayment of the remaining £350,000 "supplied out of the company's own cash resources." In addition to this, the company assumed a further obligation in respect of the formation of a new subsidiary called Allied Northern Newspapers. This undertaking was formed to acquire interests in Newcastle, Glasgow, and elsewhere. Debentures were issued by this concern to the extent of £2,300,000, and these are guaranteed by Allied Newspapers. The latter holds all the ordinary share capital of Allied Northern Newspapers, and this is included in the parent company's balance-sheet at a "nominal value" under the heading of "Investments," which total £3,007. No reason is given by the directors of Associated Newspapers in their report for the substantial rise in the item of investments. The increase in the Sunday Pictorial's investments also goes unexplained; but, in this case, the balance-sheet title of the item is, "Trade investments at cost or under a secured loan." It is, apparently, the secured loan which is responsible for the rise. This undertaking reduced its goodwill item during the year by £49,991 to £700,000, the requisite sum being transferred from the reserve for contingencies. The Sunday Pictorial, it may be mentioned, is one of the few companies which show their goodwill and copyright separately. The other undertakings which do so are:—George Outram, the Sporting and Dramatic, the Financial News, Country Life, and The Times. The Allied Newspapers, United Newspapers, Illustrated London News, Daily Mirror, Amalgamated Press, London Express, Associated Newspapers, and Irish Times do not. This is regrettable for the goodwill of a newspaper is its most important asset, and, as such, should be stated separately. Our final table show dividends in the past two years, the present prices and yields and the price of shares a year ago:—

Name.	Dividends.			Price.		Present Yield.
	1923-4.	1924-5.	1925-6.	Dec. 21, 1925.	Dec. 21, 1926.	
Allied Newspapers, Ord. (£1) ..	%	%	%	1½	2½	4 5 0
Do 8% Cum. Pref. (£1) ..	..	8	11	1½	2½	6 14 9
Allied Northern Newspapers, 6½% Deb. Stk.	..	..	..	1½	1½	..
Amalgamated Press, Ord. (£1) ..	15	6½	6½	101	102	6 7 6
Do 7% Cum. Pref. (£1) ..	7	15	15	2½x	3½	4 14 0
Associated Newspapers, 7% Cum. Ord. (£1) ..	7	7	7	1½x	1½	5 18 0
Do Deferred (£1) ..	40	40	40	1½	1½	6 4 6
Do 5% Cum. Pref. (£1) ..	5	5	5	1½	1½	4 9 3
Daily Mail Trust, Ord. (£1) ..	..	..	..	1½	1½	5 10 9
with 7s 6d paid) ..	..	..	..	..	..	..
Daily Mirror Newspapers, Ord. (£1) ..	30	30	30	6½	8½	3 19 0
Daily Sketch and Sunday Herald, 6½% Deb., rd. 1944 ..	..	..	..	..	..	..
Irish Times, Ord. (£1) ..	120	125	125	10½	105	6 1 0
Outram (George), Ord. (£1) ..	20	25	25	No quotation	..	..
Sunday Pictorial (Ord. (£1) ..	23	25	25	5½	4½	5 8 0
Newspapers 18% Cum. Pref. (£1) ..	12½	12½	12½	3½	4½	5 8 0
The Times Publishing Co., United Newspapers, 7½% Cum. Pref. (£1) ..	..	..	7½	1	1½	7 1 0

(a) A capital bonus of 5s 6d per share making £1 shares 7½ paid. (b) Subject to 2s 6d per share tax (free is declared). A capital bonus of 2½ per share is proposed, making the shares 10½ paid. † Free of income-tax.

The Northcliffe will case has disclosed many possible methods of valuing newspaper shares, but few, apparently, were regarded as satisfactory. The growth in newspaper values and profits may be regarded as one of the remarkable aspects of post-war industrial conditions. Whether it is wise to base share values on the profits of the last few years is doubtful, especially in view of the fact that in many cases assets consist of that elusive item—goodwill.

THE RAND DECEMBER DIVIDENDS.

(BY OUR MINING CORRESPONDENT.)

In the earlier portion of the current half-year the idea was entertained that the December announcements of the Witwatersrand gold mining companies, as a whole, might compare favourably with those of June. Native labour was abundant, and on two or three properties developments of an encouraging character had occurred. Recently, however, a change came over the scene. The seasonal exodus of Kaffirs set in with unusual severity—one factor, it would appear, being the exceptional rainfall. In making their returns for November, quite a number of the companies explained that the results had been seriously affected by shortage of native labour. Operations have also suffered in two or three cases from accidents of one sort or another. Hence the declarations ceased to be awaited with any particular enthusiasm.

To this rule one prominent exception has stood out—Government Areas; and here the event exceeded expectations, a distribution of 40 per cent. being declared as against 32½ per cent. for several preceding half-years. Towards the end of the June period additional plant came into operation, increasing the profits by £20,000 to £30,000 per month; the November total was £230,000. In commenting upon the June announcements we remarked that "the expansion in the treatment plant will doubtless be reflected in the distribution for the second half of the current year."

Our usual tabulation of companies which have figured in the list during the past two years is appended:—

Company.	June, 1925.	Dec., 1925.	Total, 1925.	June, 1926.	Dec., 1926.	Total, 1926.
Aurora West	%	%	%	%	%	%
Brakpan	10	25	10	25	25	50
City Deep	22½	15	30	47½	10	17½
Consolidated Main Reef ..	15	2½	5	3½	..	3½
Crown Mines	2½	30	60	30	30	60
Geduld Proprietary	30	18½	35	17½	20	37½
Geldenhuis Deep	16½	..	..	..	5	5
Government G.M. Areas ..	32½	32½	65	32½	40	72½
Langlaagte Estate	2½	2½	5	5	5	12½
Meyer and Charlton	35	35	70	25	10	35
Modderfontein "B"	40	35	75	40	40	80
Modderfontein Deep	65	70	135	65	65	130
New Modderfontein	60	55	115	55	60	115
New Primrose	..	2½	2½	..	5	5
New State Areas	7½	7½	15	7½	7½	15
New Unified	..	2½	2½	..	..	..
Randfontein	5	..	5	..	..	..
Robinson Deep "B"	7½	7½	15	7½	7½	15
Rose Deep	7½	5	12½	3½	2½	6½
Simmer and Jack	..	10	10	..	10	10
Springs Mines	15	16½	31½	16½	17½	33½
Sub Nigel	3½	5	8½	7½	12½	20
Van Ryn Gold	7½	5	12½	2½	2½	5
Van Ryn Deep	27½	22½	50	22½	22½	45
Village Deep	2½	2½	5	..	..	..
West Springs	..	7½	7½	..	5	10
Witwatersrand Deep	7½	10	17½	12½	11½	23½
Witwatersrand Gold	5	..	5	2½	7½	10
Johannesburg Consol. ..	15*	7½*	..	7½*	7½*	15*
Rand Mines	50	50	100	50	50	100

* Tax free. † See text.

This table does not include declarations made at dates other than June and December.

The "Johnnies" group enjoys the distinction of presenting three examples of increase—that of the Government Areas, already referred to, the Langlaagte Estate and

Witwatersrand Gold. A year ago the last-named company passed its dividend altogether, mainly owing to the special appropriation required in connection with miners' phthisis. The Langlaagte is at length beginning to feel the benefits of the amalgamation and reorganisation of 1923. Unfortunately, owing to reduced earnings, and special expenditure, the Randfontein has not been able to make any distribution for 18 months. The dividend of the Johnnies Co. remains at 15 per cent., tax free, per annum. Possibly if the diamond position becomes clearer, the directors may be a little more liberal next June. Interim dividends were not, of course, in vogue before December, 1925.

On the whole the results of the Rand Mines group must be regarded as somewhat disappointing. True the Crown maintains its 1925 rate; Modder "B" total shows a small increase, and the Geldenhuis Deep re-enters the dividend list—from which it has been absent since 1924—with a declaration of 5 per cent. But the Rose Deep returns continue to dwindle, and the shareholders in the Durban Deep, the Nourse, and the Village Deep continue to receive no returns. The Consolidated Main Reef, which improved its interim distribution, now makes no declaration owing to the loss incurred through the breakage of a rock hoist, the cost of replacement, and the large capital expenditure on equipment to which the company is committed.

An agreeable impression was produced by the increase on the part of the Geduld, notwithstanding the company's engagements in connection with the lease area. The fresh expansion in the Sub Nigel rate was regarded as an earnest of still better things to come. It should be remembered that the last two dividends relate to the modified capital of £678,750 in 10s shares, as against £950,000 in £1 shares previously. As regards the Anglo-American Corporation group, the Brakpan maintains and the Springs slightly improves upon its 1925 total. People who had been hoping for an increased declaration from the West Springs met with disappointment. It is officially explained that of last year's profits £51,000 has been required for capital outlay. We may also recall that the initial announcement of December, 1925, represented more than six months' earnings, and was paid upon less than the present issued capital.

Of the General Mining subsidiaries, only two figure in the dividend list, and in each case a substantial cut has occurred. With the Meyer and Charlton the reason consists in the gradual exhaustion of the richer ore in the original mine, and its replacement by lower-grade material from the City and suburban section. With the Van Ryn Gold further special appropriations have been called for.

THE AUTOMATIC TELEPHONE.

(BY A CORRESPONDENT.)

WHEN Professor Fleming at the Royal Institution described the automatic telephone as the device which most nearly approached the human brain, it might seem to the lay-mind that no one could possibly indicate, in non-technical language, how the machine functions. Yet, paradoxically enough, it is in itself not a very difficult device to understand. In its development it is amazingly complex, for the automatic machine is to be called upon to notify the calling subscriber if the subscriber he wants is engaged or unresponsive, it is to be called upon to collect the appropriate number of pennies from coin-boxes and to do other differentiations. But apart from these embroideries, as we may call them, in itself it is not a difficult machine to understand. Let us imagine that a number of impulses can be sent over a subscriber's line and that each of these impulses exercises a relay, and that the armature of that relay works a series of cogs on a rod or a wheel. Then let us conceive of what are called "banks" of contacts, whereby each subscriber's line or each connecting line presents a terminal point ready to be touched by a brush, which, in turn, is directed both vertically and horizontally by the impulses. If we have a machine (a "dial") at the subscribers' end in order that the impulses may be sent out in a regular sequence,

then we have the essence of the arrangement. Impulses pick the thousands, the hundreds, the tens, and the units in sequence, being passed on from stage to stage immediately the individual sequences have been completed.

There are more ways than one of using the power of sequential impulses to make a choice. Some systems use both upright and horizontal motion. There are some which use upright only, some which use horizontal only, and some which eliminate motion by the use of relays. In fact, at the moment a wealth of research is being given to the subject. But what, perhaps, is most intriguing is the application of the principle to London. Most of us have already seen that the first three letters of the exchange name, in the new directory, are printed in capitals. As explained on the opening page of the directory, this has been done to pave the way for the general adoption of the automatic principle in London. Apparently for each of us in London seven digits will be needed, and the human memory revolts against the labour of carrying seven digits from the telephone book to the directory. So an ingenious method has been adopted whereby the first three digits are translated into letters in such a way that the three letters represent the subscriber's exchange. From the point of view of the mechanism itself, it is precisely the same thing as if seven figures had been used. In respect of London, however, with its vastness and its telephonic density—an increasing density—there is a particular problem. Manifestly, if a call comes from Croydon to Hampstead there must be the possibility of alternative routings should the direct routes, at any moment, all be occupied. The choice of alternatives is possible to an operator, but clearly presents difficulties to a machine. Those difficulties have been faced by several ingenious means, and these are the characteristic of the application to London of the automatic principle. Similarly, the difficulty of providing for the transition period has been surmounted by the provision of a flash indicator whereby demands originating at an automatic exchange are visually communicated to the operator at an exchange which is not automatic. Apparently, from the announcements made by the Post Office, this transition stage will take about 15 years, at the end of which there will be no fewer than 138 exchanges within London.

Here lies the real problem for all telephone administrations, and here lies, too, the economic problem. The future intensive growth of telephones is indisputable. It looks as if it would develop with increasing momentum. So the experts have to take a long vision and to consider all sorts of social, commercial, and industrial factors in order that they may calculate the number of subscribers at any future point, up to, say, 40 years. Thus the expenditure of capital in the provision of new plant must be with very wide considerations, and is not the merely immediate substitution of machines for hand labour. Then, again, the economic issue is by no means so simple as it looks. The intensive development has two aspects. It increases the consumption, and hasty thinkers may imagine that on that account it will cheapen the cost. But while it increases the consumption it offers a different article. If there are 100 subscribers, each of them has potential communication with 99; if there are 1,000, each of them has potential communication with 999. The organisation must provide for that potential communication, as at any moment there may be a demand for the potential to be made actual. It is for this reason that in most cases of telephone systems in large cities the tariff has actually increased with the telephone density. New York is an outstanding case of this development, and the tariff has been raised on more than one occasion, for the density-increase has been remarkable. Certainly one cannot conceive of the telephony of the future, in large cities, being run on the old lines, and the substitution of new plant, taking a number of years in the process and facing an increasing intensity of demand during the period of transition, must be a task of appalling difficulty. So we would conclude by saying that there is much more than meets the eye in the printing of the first three letters of the exchange in capitals.

Notes of the Week.

A British Move in China.—Last Saturday Mr O'Malley—who, in the absence of Mr Lampson on the Yangtse, is the British *Chargé d'affaires* in Peking—read to the diplomatic representatives of the other foreign Powers a note from the British Government, suggesting a new departure in the policy of the Powers towards China. The British Government is, of course, anxious to obtain the concurrence of the other Powers, in order that whatever action is taken may be taken in unison, and pending their reply to the suggestions contained in the note, its terms are officially being kept secret, and are not being communicated to the Nationalist Government in the South. It is stated that this new policy had been thought out before the recent meeting between Mr Lampson and the foreign minister of the Nationalist Government, Mr Eugene Chen, and that its terms may not be agreeable to the Nationalists in all respects. Nevertheless, the friendly tone of the recent conversations at Wuchang will assuredly give the new British policy a more favourable start than it might otherwise have had; and while it would no doubt be extremely hard to satisfy in every respect the somewhat exuberant demands of a youthful Nationalist Party, flushed with their recent sensational successes in the civil war, it is obvious, from such information as is yet available, that the new policy goes farther towards meeting the Nationalist demands than any suggestions that any foreign Government has put forward hitherto. The gist of the British note appears to be that, while Great Britain cannot commit herself to supporting any one of the present warring factions in China against others, she is prepared to make substantial concessions to the Chinese people forthwith—especially on the two capital questions of extra-territoriality and of customs tariff maxima—without waiting for the eventual elimination of all the present rival Governments in China except one. This presumably means that Great Britain will not at this stage recognise the Nationalist Government as the *de jure* Government of China, but that she will make the concessions which she contemplates to the several *de facto* Governments in the regions which they respectively control. This will not, however, involve recognition of these Governments as *de jure* Governments, even locally. The British Government does not wish to take any action, which might have the effect of retarding the reunion of China. Great Britain simply wishes to display her goodwill towards the Chinese people without waiting for the civil war to work itself out to its conclusion. At the same time this British gesture—especially if it is taken up by the other Powers concerned—ought to act as a powerful incentive to the Chinese to hasten the end of the civil war, in order that they may be able, at the earliest possible moment, to respond as a united nation to proposals which evidently go a long way towards satisfying their national aspirations.

The Change of Government in Germany.—The overthrow of the Marx Cabinet in Germany, which had long been foreshadowed, was opportunely delayed until the substantial settlement at Geneva of the chief outstanding international question of the moment—that is, the *régime* for the supervision of the disarmament of Germany by the League of Nations, which has now been settled and is to come into operation at the close of next month. Though the internal effect in Germany of Herr Marx's fall will probably be a shift towards the right, there is little fear that this will have an untoward effect on the international situation. To begin with, it is taken for granted that whatever coalition Government may be formed between whatever parliamentary groups, Herr Stresemann will once again be Minister for Foreign Affairs. It is also extremely probable that whatever the complexion of the next Government may be, the Ministry of Defence will no longer be occupied by Herr Gessler—the representative of the Democratic Party, whose weakness in face of the illegalities committed by General von Seeckt, the late head of the Reichswehr, has embarrassed Germany in her foreign relations, besides creating con-

siderable internal tension in Germany itself. Herr Marx has been overthrown technically by the Social-Democrats, but really by the Conservatives, whose votes give the Social-Democratic motion its majority, though the Conservative leader, Count Westarp, expressly dissociated himself from the speech in which the motion was presented to the Reichstag by Herr Scheidemann. The overthrow of the Government in this fashion forestalled the introduction of a second Social-Democrat vote of censure directed specifically against Herr Gessler—a matter in which the Conservatives might have taken a different line. Pending the formation of a new Ministry, the present Ministry is carrying on the business of Government. It is reported that President Hindenburg is inclined to entrust the formation of the new Cabinet to the former Chancellor, Herr Luther, who is at this moment on his way back to Germany from a tour in Latin-America.

Bankers and Deflation.—In an important paper read to the Royal Statistical Society on Tuesday last Mr H. W. Macrosty examined in great detail the history of inflation and deflation in the years 1919 to 1923. Mr Macrosty does not acquit the banks or the Treasuries of either country of responsibility for allowing the inflation to go too far; but he considers it inconceivable that stabilisation could have been attained at anything like the top level. He does not, however, consider the authorities mainly responsible for the rate or extent of deflation that subsequently occurred. Though in both cases a gradual return to the gold standard was favoured, "it is a different matter to admit that they took deliberate steps to bring the change about, or that, if they did, those steps were the effective cause of the economic débâcle that ensued" Mr Macrosty concludes:—

The preceding narrative should have made it clear that after the collapse of trade began and during at least the greater part of the depression there was no restriction of credit by the banks, either in the United Kingdom or in the United States. If banking statistics mean anything at all they mean this. When prices began to fall the banks found it necessary to "carry" their debtors in order to prevent an even more hideous collapse than what happened. In both countries they had to deflate speculation and apply the money to essential purposes. In both countries they supported the sorely stricken agricultural industries with great generosity. In both countries they had, at the end, to force the liquidation of "frozen" loans, where goods were held up for higher prices, and by thus compelling the circulation of commodities they enabled the recommencement of production. At the conclusion of the period under review the purchasing power placed at the disposal of the community by the banks was, considering the change in the levels of prices, not less than it was when prices were at their peak. From the spring of 1920 onwards there appears no reason for attributing our economic misfortunes to the banks.

So far as the Treasury are concerned, Mr Macrosty observes that "there was no hope of restoring the money market to health so long as it was dominated by the exigencies of the Government in keeping afloat a thousand millions of bills and so long as the market by refusing to renew could force the Treasury to inflate. . . . The position, of course, was that the public, unable to employ their money profitably in business, were glad to invest in the new Government securities and so allow the Treasury to retire bills which offered no attraction to the investor. The Treasury may have been willing and anxious to deflate, but in reality they only took advantage of the opportunities afforded by the monetary situation." Mr Macrosty does not deny that the policy of the banks and the Treasury affected prices. "What is here asserted is that that policy was not the only, or even a main, cause of the fall in prices." This reading of recent monetary history runs directly counter to that which is given in the latest edition of Mr Hawtrey's book on *Monetary Reconstruction*,* in which the variations in economic activity in England and America right up to 1925 are traced to central bank policy. So far, however, as the period with which Mr Macrosty was dealing is concerned, we have always held that the non-monetary influences were of greater importance than the monetary influences, and that no cheapening of credit could have restored production in this country until the fundamental conditions of economic health (notably efficient production and an appropriate balance between industries as well as between wages, prices, profits, and consumption)

* "Monetary Reconstruction." By R. S. Hawtrey. Longmans, Green and Co. London, 1926.

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had been restored, not only at home, but in our foreign markets. Mr Macrosty mentions neither Mr Hawtrey nor Mr Keynes, but aims his shafts at Mr McKenna. We hope the chairman of the Midland Bank will take an opportunity of replying, for though the controversy may seem a matter of past history, it really goes to the root of an important question—namely, the rôle which monetary policy plays in economic life.

The Bulgarian Loan.—The London portion of the Bulgarian 7 per cent. Settlement Loan, 1926, amounting to £1,750,000, was issued on Wednesday, and, as anticipated, promptly oversubscribed. The terms—7 per cent. at 92—are the same as those of the recent Belgian loan, but the security, of course, is not of the same class. The loan is issued with the approval and under the authority of the Council, the Financial Committee and Assembly of the League of Nations, and has the consent of the Reparation Commission and of the Inter-Allied Commission, established under Article 130 of the Treaty of Neuilly. It amounts to £2,400,000 in sterling and \$4½ millions in dollar bonds issued in New York. The balance of £650,000 in sterling bonds not issued in London is being offered in Holland, Italy and Switzerland. The loan is a direct obligation of the Bulgarian Government, and the revenues hypothecated as security include the excise duty on salt and other articles, the net receipts of the match monopoly, and such other revenue (excluding Customs) as may be assigned if at any time the revenues mentioned should fall below 150 per cent. of the annual sum required for service of the loan. The revenues in question are to be paid into a special account under the sole control of a Commissioner appointed by the League of Nations. Redemption is at par on or before January 1, 1967, by an accumulative sinking fund of ½ per cent. per annum, but the Government reserves the right to redeem at par on January 1, 1939, or thereafter on giving six months' notice. The sums received from refugees as payment for the purchase of land, buildings or material, or as repayment of advances in cash or in kind are to be applied to additional amortisation in the same manner as the sinking fund. In a recent issue (November 13th) we reviewed briefly the scheme drawn up by the Financial Committee of the League of Nations for settling the large number of refugees which have become a social and political danger to the country. This reduced the total expenditure originally proposed by the Bulgarian Government from £2,650,000 to £2,250,000, and took two precautions to safeguard the stability of Bulgarian currency against a depreciation which might diminish the gold value of the assigned revenues. The first revised the statutes of the National Bank, bringing it into harmony with the accepted principles of central banking, and the modifications come into force on January 1st next. Secondly, an arrangement was made with the Reparations Commission under which payments of reparations over the exchange will, if the need arises, be controlled by a Transfer Committee. Recent figures of the revenues hypothecated for the service of the loan show that it is covered more than three times, and the control established in the interest of bondholders is satisfactory.

The Government and the Finance of Empire Development.

—It is understood that the recent proceedings in Parliament with reference to the Palestine and East African

Loans Guarantee Bill may be regarded as involving a definite and important Government decision regarding the finance of schemes of Empire development. In the past these schemes have relied frequently either on loans from the British Government or on grants in aid; within recent years contributions have been made to interest or other charges. In 1924, for example, the Government supported the £3½ million loan to East African territory interest-free. In the same year it adopted a recommendation of the Imperial Economic Conference of 1923 and set aside £5 millions, to be expended at the rate of £1 million a year in payment of three-quarters of the interest on loans raised in the open market by Dominion, Colonial, and other Governments, including protectorates, for works of public utility character in these areas, subject to the condition that orders were placed in this country. These examples encouraged the view that the Mother Country should assist overseas development, especially in the first few years of the schemes; and that, as a rule, the contribution would be most effective in the form of liability for the interest charges. In the case of East Africa the Ormesby-Gore Commission made a similar recommendation; but later the Schuster Committee and the Government definitely decided that the harbour, railway, port and other proposals should bear all their interest charges from the start; in other words, they should be *ab initio* on an economic basis. It has been urged that on this footing some of the proposals may not succeed. But the Government and the Treasury have apparently concluded that the time has arrived for a definite stand; and since the Palestine and East African schemes are only the beginning of innumerable others within the Empire, it is more important than ever that the liability of the British taxpayer should be limited to the contingency in the guarantee as to principal and interest. There, however, he is safeguarded, for it is intended that each scheme shall be carefully analysed by an advisory committee similar to that under the Trade Facilities Acts, and the guarantee will only be available when the Treasury are satisfied as to the application of the proceeds of the loans, the arrangements for sinking fund and other provision, and the position of prior claims within the territories which are assisted. Incidentally, it will be remembered that when it was decided not to renew the Trade Facilities Acts critics urged that provision should be made at least for schemes of Imperial development. Formally the Government were unable to agree; but in practice, if the Palestine and East African loans are taken as a precedent, the benefits of the guarantees under the Trade Facilities Acts will be available for specific promotions. The general policy has not been received with enthusiasm in some parts of British East Africa, mainly on the ground that unless there is initial gift the territories financially and otherwise will find it difficult to make progress. But the position of British finance is such that the decision must be regarded as final, and as indicating the method that succeeding Governments will be expected to adopt.

The Revolution in Lithuania.—The revolution which was carried out last week in Lithuania has passed off quietly, and little change is to be expected either in the internal condition of the country or in her relations with her neighbours. The revolution was made by elements of the Right, on the ground that the Government then in power, which inclined towards the Left, was showing itself too complacent towards Communist propaganda, which was said to have been organised from Russia. It is not improbable that such propaganda was taking place, considering that in the two adjoining Baltic States—Latvia and Estonia—there has been constant and well-authenticated trouble of this kind, which culminated in Estonia in the almost successful Communist outbreak of 1924. On the other hand, it is unlikely that such propaganda is being conducted by the Bolsheviks in Lithuania as earnestly as in these neighbouring countries. In Latvia and Estonia the aim of the Bolsheviks is not simply to convert two little bourgeois countries to the true faith, but to incorporate in the U.S.S.R., as federated Soviet Republics, two now independent countries which formerly belonged to the Russian Empire, and which contain Riga and Reval—the Baltic ports which are the natural outlets for the great

Russian hinterland. Though Lithuania (apart from the Memel district) likewise belonged to the Russian Empire before the war, it contains no port which is of vital importance for Russian trade, and it is also now isolated from Russia by a corridor of Polish territory which runs northward, through Vilna, to the frontier of Latvia, on the River Dvina. This Polish corridor creates a powerful bond of sympathy between Russia and Lithuania, for so long as it exists it gives them a common enemy in Poland. The Russian border of this Polish corridor is part of the Russo-Polish frontier fixed by the Treaty of Riga in 1921, which has incorporated large White Russia and Ukrainian territories in Poland. The Lithuanian border of the corridor leaves the city of Vilna in Poland. Neither Russia nor Lithuania are reconciled to this state of affairs, and their common desire to change it has brought them into alliance—notwithstanding the difference in their social creeds. In 1920, when the Red Army was marching on Warsaw, the Soviet Government concluded a treaty with Lithuania in which a common frontier between the two countries was laid down along a line which assigned Vilna to Lithuania. After the Polish victory, it will be remembered, the Poles not only compelled Russia to accept a Russo-Polish frontier considerably to the east of Vilna, but drove the Lithuanians out of Vilna by General Zeligowski's *coup de main*, which eventually received the endorsement of the Conference of Ambassadors. The Lithuanians have never recognised the title of Poland to Vilna, and the territorial terms of the Russo-Lithuanian Treaty of 1920, assigning Vilna to Lithuania, were reaffirmed in a further Treaty between the same two countries this year. It is significant that the members of the new Lithuanian Government are reported to be all supporters of this Treaty with the U.S.S.R., although they have overthrown the late Government on the ground of its alleged leanings towards Communism. The fact is that, while the propagation of Communism in Lithuania is a Lithuanian party question, the maintenance of an alliance with Russia against Poland is a national policy on which all Lithuanian parties are agreed. In this matter it makes no difference to the Lithuanians whether Russia is a Soviet Republic or an Empire, so long as she is as hostile to the Poles as the Lithuanians are. The present revolution shows, however, that a clear-cut separation between a pro-Russian foreign policy and an anti-Communist home policy is not always easy to maintain.

Co-Partnership in Industry.—In the course of the considerable publicity which has recently been given by the Press to the idea of improving the relations between Capital and Labour, reference has occasionally been made to the scarcity of concrete evidence of the spirit of industrial peace in the concrete form of co-partnership schemes. On this question the new Abstract of Labour Statistics (Cmd. 2740 of 1926)* contains some significant figures. Before 1881, 35 co-partnership schemes are known to have been started. Of these, five were still in operation at the end of 1925, the number of workpeople entitled to participate in them being 2,500. Progress during the next 40 years (always exclusive of schemes in co-operative societies) has been as follows:—

Decade.	Schemes Started.	† Discontinued by the End of 1925.	Still in Operation.	Numbers Entitled to Participate.
1881-1890.....	79	68	11	14,200
1891-1900.....	77	63	14	7,100
1901-1910.....	81	44	37	53,500
1911-1920.....	192	60	132	57,100

† Including a few "suspended."

Between 1920 and 1925, 55 schemes (covering 56,300 participants) were started, of which all but two were in operation at the end of the latter year. The total number of schemes, therefore, in existence a year ago was 252, with an aggregate of 190,700 employees entitled to participate. Of these workpeople, 38,500 were employees of gas companies and kindred undertakings, while 37,000 came under the category of insurance, banking, and finance. The

* H.M. Stationery Office. 4s net.

only other groups whose numbers were substantial in proportion to the total numbers in the respective industries were: Soap, chemicals, &c., with 28,100; and food and drink manufacture, with 24,300 participants. The classification of "dead" schemes under "cause of discontinuance" yields no striking uniformity of reason for non-success. The period of highest "mortality" appears to lie between the second and fifth year of operation. The fact, however, that less than 200,000 workpeople out of 17½ million "gainfully occupied employees" were covered by the co-partnership schemes surviving a year ago indicates only too clearly that this particular method of materialising industrial peace has done little more than touch the fringe of the problem as yet.

Swiss Budget for 1927.—Our Geneva correspondent writes:—The Swiss Parliament is now discussing the Federal Budget for 1927, which had already been examined by the Finance Committee and slightly altered, but which will be passed without any important modification. Receipts for 1927 are estimated at £12,387,000 and expenditure at £12,938,000, leaving a deficit of £551,000. By reducing certain expenses, the Committee brought down expenditure to £12,916,680, so that the deficit will be reduced to £529,680, a figure which it is hoped to reduce further in the course of the year if the Federal Council is allowed to increase certain taxes, such as the tax on coupons, the Stamp Duty, and the tax on malt. The Government outlines a programme providing for the financial reconstruction of the country, which includes four chief points: the progressive redemption of the Debt, the balancing of the accounts, the maintaining of the gold parity of the Swiss franc, and the gradual repayment of the deficit of the Pensions Fund for Federal officials. The National Debt stood at £92,175,304 in 1924, it was brought down to £90,204,807 in 1925 and to £86,738,800 in 1926. The Debt was reduced by £6,436,504 between January 1 and November 30, 1926, and the surplus of the Extraordinary War tax made it possible to repay a loan of £4,400,000 issued in the United States. In 1927 the Budget will for the first time include an allocation of £82,000 for debt repayment. The plan for the redemption of the National Debt, adopted last year, provides for its total repayment by the end of 1966. Between now and 1934 the surplus of the Extraordinary War tax will permit the reimbursement of £11 millions. As for the yearly deficits on the ordinary accounts, they have been reduced during the last few years. In 1921 the deficit reached £5,102,874, in 1922 it was £3,176,307, in 1923 it was reduced to £1,818,750, in 1924 to £864,251, in 1925 to £360,894, and it is estimated at £250,000 for the current year. The financial situation of the Confederation can therefore be considered as favourable. It was a relief to everybody here when, the other day, Mr. Musy, the chief of the Finance Department, declared that the Government would grant no subsidy whatever to the Federal Railways, but would help them to issue loans for meeting their requirements. The financial position of the railways is by no means satisfactory, and it was very much feared that the Government would comply with the wishes of certain high officials and agree to finance the railways; this would have meant that the taxpayer would have been called upon to make good the deficits of the railways. Up to the end of October, the Federal Railways' receipts totalled £12,566,000—compared with £12,969,000 during the corresponding period of 1925—and they registered a surplus of £3,994,000, as against £4,366,000 in 1925. This is not too bad considering that the goods traffic was very much affected by the trade slump; but, owing to the difficulties that had to be faced during the war, owing to the expenditure on electrification, increase in wages, &c., the railways' debt, which totalled £64,608,080 in 1915, reached £104,006,720 at the end of 1925, the interests to be paid on it being over £4,500,000 a year. It is, therefore, expected that the accounts for 1926 will leave a deficit of £480,000—the Budget for 1927 estimates the deficit at over £480,000, and this sum will be raised by £400,000 if the new rates of officials' salaries are accepted, and if it is decided to pay into the Rail-

waymen's Pensions Fund a yearly sum of £320,000 in order gradually to reconstitute the capital of that fund, which shows a deficit of £12,500,000. Railway fares are exceedingly high in Switzerland, and it is felt in some quarters that they ought to be lowered in order to encourage industry and commerce and to facilitate travelling. The Railways Board certainly lacks a certain boldness in this direction.

The Fall in Petrol.—For the second time within two months the price of the standard brands of petrol has been cut, and the Press is therefore talking of "a petrol war." At the beginning of November the retail prices "ex-pump" were reduced by 1½d per gallon, and on December 20th by ½d per gallon, and it is now so arranged that outside the London metropolitan police area petrol from the pump is 1d per gallon cheaper than petrol in the can. The following table shows the new prices per gallon according to the different zones:—

	Ex Pump.		In Cans.	
	s	d	s	d
London Metropolitan Police area.....	1	5½	1	5½
Outer London area.....	1	5½	1	6½
Rest of England and Wales.....	1	6½	1	7½
Scotland.....	1	7½	1	8½
Northern Ireland.....	1	8½	1	9½

These reductions are not the result of any fall in the world prices of petrol or of tanker freights. As regards the latter, tanker tonnage, which last June used to be chartered from the Gulf to this country at about 27s 6d per ton, is now fetching from 40s to 50s per ton. And American petrol prices, which did not fall this autumn by as much as they had risen in the early part of the year, have now begun to rise again. It is one of the curious features of the present oil situation in America that, although there is a record-breaking production of crude oil, the refined oil markets are keeping firm. This must be explained by the increase in consumption and the decline in gasoline (petrol) stocks. Taking the first nine months of the year, the production of gasoline in the United States at 213,676,000 barrels, increased by 10.7 per cent., and imports at 4,240,000 barrels by 45 per cent., while the domestic consumption at 189,796,000 barrels increased by 12.9 per cent. and exports at 33,654,000 barrels by 46 per cent. in all cases, as compared with the corresponding period of 1925. The net result was that stocks of gasoline fell from 38,875,000 barrels at the beginning of the year to 33,341,000 by September 30th. During the corresponding period of 1925 gasoline stocks had increased by 4,749,000 barrels. This is the first time since 1920 that these stocks have been lower at the end of September than they have been at the beginning of the year. It is probable that during the last quarter of the year stocks will increase by as much as 5½ million barrels, so that this year is likely to be the first since 1918 that the United States has disposed of more gasoline than it has manufactured and imported. A substantial increase in crude oil production has occurred since the end of September, but this is the period when the refiners take larger quantities of crude oil and manufacture ahead of current requirements in order to meet the estimated huge demand for gasoline next summer. For these reasons the price of gasoline in America has been rising. In this country the reductions in prices have merely followed upon the economies effected by the large companies in the distribution of petrol in bulk. It is not necessary to invent "a petrol war." The reductions made at the beginning of November differentiated against petrol from the can, and the present reduction merely fulfils the promises made to the garages that petrol from the pump should be cheaper than petrol supplied in bulk direct by the companies to commercial consumers. Competition is certainly not negligible, but the costs of distribution of the large petrol companies in this country are undoubtedly coming down with the growth of the pump system, and the consumers are getting some of the benefit.

Cotton and Artificial Silk Mixtures.—A correspondent writes:—Exports of cotton and artificial silk mixtures have improved during November, and the total for the month was 5,718,901 sq yds, against 4,980,614 sq yds in October. For the eleven months the total exports of

these mixture piece-goods is 55,499,734 sq. yds, from which fact the growing importance of this branch of Lancashire industry may be fully appreciated. The chief market is India, but Canada and Australia are also important, as well as the many minor markets to which Lancashire usually supplies ordinary cotton piece-goods. It is rather remarkable, in view of the present situation, that exports to China should have increased from 58,325 sq. yds in October to 172,809 sq. yds in November. It is, however, not safe to dogmatise on these figures, as variations are inevitable from a host of minor causes and delays. China is a large potential market for artificial silk, and as sales there at present are only equal to about 1-10th of a penny per head, there is room for vast improvement.

Artificial Silk and Price Changes.—A correspondent writes:—The recent reduction in the price of artificial silk yarn announced by the leading American producers is a matter of vital importance to the industry in this country, directly through the interest of Messrs Courtaulds, Limited, in the American Viscose Company, and indirectly through the possible alterations in prices here in sympathy with American charges. The reasons given for the somewhat sudden move on the part of the American producers are varied, but it is obvious that in some measure this was due to slackened demand, and, on the other hand, to the rapidly increasing import trade with the European countries. Artificial silk prices have in the past remained stable over considerable periods, and this factor has been pointed out to be very much in favour of the industry. Inevitably, however, with the multiplicity of companies and the increasing production, prices will tend to vary more, and it is by no means impossible that within a year or so, we may see established a market in artificial silk such as has been instituted in the case of all the older textiles. Despite the effects of the coal dispute, the English industry, in common with that of other European nations, is doing moderately well at present, and although imports into this country reached the highest figure for the year in the month of October, this was materially reduced in November, and, furthermore, there was no indication from the official figures that further price cuts had been effected on the European continent. Exports both of yarn and manufactured goods also improved in November, and altogether there was no justification for any immediate reduction in sympathy with the American move. It is understood that no change will therefore take place for some weeks at least. The last important reduction in English prices took place in July, and as the amount of yarn excised during the quarter ending September 30th rose to 6,722,074 lbs, against 5,951,953 lbs in the June quarter, it may be inferred that a large proportion of the loss of profit incurred by the reduction was made up by an increased turnover, or, rather, would have been, had it not been for the increased costs due to the coal trouble. From the investor's standpoint, therefore, the preservation of the present level of prices for a short while until the effects of the coal stoppage have been wiped off is very important, and there seems to be every likelihood of this being possible. Another factor which is at the moment exerting an influence on this question of prices is the low level to which cotton has fallen. There is always danger that if the price of cotton is low and the price of artificial silk is high, the public may revert to mercerised cotton as a decorative material. This factor alone is sufficient reason to justify the belief that though a price reduction is not likely immediately to follow the American move, it is still a matter which will have attention early in the New Year. If, however, by that time some compensation has been obtained for the coal dispute costs, then the next decrease in price will probably be effected without further danger to the profits of the larger firms.

Amalgamations and New Issues.—A Stock Exchange correspondent writes:—Stock Exchange markets are being kept in a state of lively animation by rumours of amalgamations, working agreements, and other such combined movements amongst various branches of industry. The modern tendency leans towards centralisa-

tion. Last month's amalgamation of the four chemical firms, Brunner Mond, Nobel Industries, United Alkali, and British Dyestuffs, excited the imagination of the speculator. The issue last week of the Amalgamated Press Company's $\frac{1}{4}$ million preference shares of £1 each is a step in the same direction. Amalgamation talk has had a sharp effect upon the prices of Henleys, Callenders, Enfield Cables, British Insulated, and shares of several of the other cable construction concerns, rises being based upon optimism regarding the likelihood of a combine in this branch of business. Selfridge's on the one hand and the Drapery Trust on the other, have been buying up drapery businesses in various parts of the country, giving such prices as have caused the mouths to water of people who hold shares in other concerns that have not yet, apparently, been the object of desire to either group. The conclusion of the coal stoppage unfolded a scheme for a working agreement between some of the principal companies, and the word "amalgamation" is as blessed to the ordinary shareholder as ever was Mesopotamia to the old lady of classical memory. Why there should be this glamour shed around the prospect of amalgamation, a good many people admit that they are puzzled to understand. In cases where shares in an existing company are bought outright by another company that desires to obtain control, the price given by the latter is usually so substantially in advance of the market figure for it to leave no doubt as to the reason for the earlier demand in the market. But where companies are amalgamated, or are content with a working agreement, there would seem to be no especial reason why prices should advance, other than that of the saving of expense and waste. It is, in the first place, the hope of being taken over at a price decidedly higher than that which rules in the market which brings about rises in the shares of companies around which rumour rings the nimbus of possible amalgamation. Speculation enters with zest into the game, its appetite edged with prospects of new issues of shares suitable for staggering purposes. Public interest becomes quickened: the market broadens. Here, then, are explanations for the popularity of amalgamations, so far as market prices are concerned. Closely akin to this matter is another point that perplexes the investor, who cannot see why a new issue, unless made at a price well below the market quotation for the existing shares, should be hailed as a bull point. Such increase in capital as is involved, for instance, in the distribution of a company's reserves through an issue of new shares is often deemed by the public as likely to reduce, automatically, the annual dividend. If a company paying 10 per cent. on its ordinary shares issues 50 per cent. more ordinary capital, the logical result should apparently be to lower the dividend to 6 2-3 per cent. on the whole amount. But speculation treats logic with a laugh, and points out that dividends upon increased capitals have been known to continue at the same rate as before. A company makes profits out of the employment of its reserves, and, human nature being incorrigibly bullish, the watering of capital is accepted hopefully. Nor do directors of most companies discourage the idea. More money implies more earning power; that is the theory, and one which is justified with just sufficient frequency to explain the fact that amalgamations, new issues, and distributions of capitalised reserves, are dear to the speculative element that lurks somewhere in the mind even of the austere investor.

Barclays (Overseas) Bank.—The first report of Barclays Bank (Dominion, Colonial and Overseas) gives a balance-sheet dated September 30, 1926, while the profit and loss account incorporates the profits of the Colonial Bank and of the Anglo-Egyptian Bank, Limited, for fifteen months, and of the National Bank of South Africa, Limited, for eighteen months. Any comparison with the profits of the individual banks for preceding years is therefore impossible. A net profit of £637,000 is now shown, and to this is added £27,400, being the undivided profit of the Colonial Bank as at June 30, 1925. Expenses of amalgamation and provision for income-tax absorb £230,200, the reserve fund is credited with £100,000 and the dividend on the 8 per cent. cumulative preference

shares requires £143,400. The A and B shares each receive a dividend of 3 per cent., which takes £76,400. This leaves a balance of £114,300 to be carried forward. These figures show that the cautious and conservative policy, to which the chairman referred at the time of the fusion, is being followed. The balance-sheet shows a total paid-up capital of £4,975,500, and a reserve fund of £1,100,000, while deposits figure at £51,838,300, and acceptances at £3,940,100. The credit side shows a liquid position, cash at £8,407,900 representing 16½ per cent. of deposit liabilities. Money at call stands at £2,705,000, remittances in transit at £2,854,800, and bills discounted at £14,088,100. Investments total £6,232,000, of which £5,611,100 consist of British and Dominion Government stocks. Advances stand at £22,754,000. The position disclosed appears to be thoroughly satisfactory, and although the dividend distributed on the ordinary shares may have meant a slightly lower return for the former shareholders of some of the amalgamated banks, there can be no cause for complaint if the directors choose in the new concern's early days to adopt a sound and cautious policy which is in keeping with the traditions of English banking.

Bass and Worthington.—It was announced on Wednesday that the two brewing firms of Bass, Ratcliff, and Gretton, and Worthington and Co., Limited, have entered into arrangements whereby their interests will be united. The arrangements have been carried through by the purchase and interchange of ordinary shares on the basis of a valuation made by Sir Arthur Whinney, who has been called upon to act in the negotiations and advise in the interest of both companies. The ordinary capital of Worthington and Co. amounts to £804,000, and is privately held. A dividend of 12 per cent. was paid for each of the years to September 30, 1925 and 1926. Bass, Ratcliff and Co. has an authorised ordinary capital of £2,720,000, of which £2,040,000 has been issued. The dividend for the past three years has been at the rate of 11 per cent., together with a bonus of 2 per cent. Under the new arrangement, each company will have seven directors, of which five will be common to both companies.

Palmer's Shipbuilding Reorganisation.—Special meetings of stock and share holders of Palmer's Shipbuilding and Iron Co., Limited, have been called for December 30th to vote upon a scheme of capital reorganisation which has been put before debenture holders and shareholders. The last annual report of the company, covering the year 1925, showed a debit balance at profit and loss account of £462,800, while the 5 per cent. cumulative preference dividend was in arrears since 1921. The directors, in their circular to stock and share holders now state that, with orders to the extent of over £2 millions on hand in the shipyards and engine works, and with the starting up of the blast furnaces and ironstone mine, the businesses of the company can only be continued if fresh capital is forthcoming. They have arranged with the company's bankers to make the requisite advances, and in addition not to require payment by the company under its guarantee for £500,000 in respect of advances to subsidiary companies before the end of 1929 if (a) accumulated revenue losses are written off, (2) values of certain assets are written down, (3) relief in respect of loan charges is afforded over a period of years, (4) no receiver or liquidator of the company is appointed, and (5) a scheme of arrangement is adopted and continues in force until December 31, 1929. An advisory committee has examined the position of the company, and approves the scheme now put forward, which, briefly, is as follows:—The issued share capital will be reduced from £1,454,080 to £513,520 by reducing the £1 ordinary shares to 5s. All arrears of preference dividend up to December 31, 1926, are cancelled, and the cumulative participating rights are done away with. In return an extra 2½ per cent. in dividend is given to the preference shares and a 10 per cent. premium on capital on a winding-up. It is proposed to create a new first debenture stock up to an amount not exceeding £650,000, and holders of the existing 5 per cent. stock are asked to exchange their holdings (£1 for £1) for the new stock,

which bears interest at an increased rate of 6 per cent. per annum. Holders of consolidated stock are asked to grant a moratorium for a period of three years. Interest at an increased rate will as far as possible be paid out of profits, and until all interest for the moratorium period is paid or provided for no dividends will be paid on share capital. Both classes of debenture stockholders are requested to agree to postponement of their date of repayment, to suspend the sinking fund for a period of years, and to grant banking facilities which the company requires to enable it to borrow on floating assets in the ordinary course of business, and to give guarantees to Governments and other customers in respect of shipbuilding and other contracts. The advisory committee strongly recommends acceptance of the scheme, the only alternative to which is the appointment of a receiver.

De Beers Dividend.—Our mining correspondent writes:—The anxiously awaited interim dividend proves to be at the rate of 15s per share. For the first half of 1925-26 12s 6d was paid, and for the second half 17s 6d. Some months ago the hope was entertained that the interim distribution on account of 1926-27 would be at the rate of 17s 6d, but in the meantime the situation has been changed by the rapid expansion in the output from alluvial sources, to which reference has lately been made in our columns. To keep its command over the price the Diamond Syndicate is under the necessity of purchasing the bulk of these alluvial stones, and of selling them in preference to the product of the mines. How long this condition of affairs will continue it is, of course, impossible to say; according to the latest available information, a distinct falling off has occurred in the alluvial yield. At the moment, however, the De Beers directors have obviously deemed it advisable not to be too liberal; indeed, it is rumoured that some of them favoured a cut to 12s 6d. On the basis of the current market price the shares give the fairly attractive yield of about 8½ per cent. A purchaser or holder must, however, be prepared for considerable fluctuations in the market price in accordance with the trend of the French franc. When the latter was on the downward track De Beers, Central Mining and similar international securities were heavily bought by French speculators and others as an insurance against the depreciation of the franc. As a result, prices were in some cases carried up to a level far beyond that warranted by the yield afforded. For example, De Beers 40 per cent. preference shares of £2 10s each touched £15 12s 6d, at which price the return did not much exceed 6 per cent.

Malayan Tin Dredging.—At the recent annual meeting an interim dividend of 7½ per cent. supplemented by a bonus of 10 per cent. was declared. Although this compares with a total of 10 per cent. a year ago, it failed to satisfy some of the shareholders, who took the view that too large a proportion of the profits had been devoted to the liquidation of indebtedness. As mentioned in a "Note" last week, the whole of the £100,000 raised under the second Trade Facilities loan arrangement has been paid off, although the instalments were not due to start until next year. It is possible that this procedure was followed by the directors in connection with the flotation of the property upon which the money had been spent; if so, an explanation to that effect might very well have been given. In dealing with the point the chairman remarked that "it is always a sound policy when conditions are favourable to put one's finances in order," and the bulk of the proprietors appeared to be in agreement with this contention. It was made clear that the Tanjong Tualang property—the one floated off—was identical with the new area acquired lower down the Kinta River, to which reference was made in the report of the manager; the Nos. 7 and 8 dredges are to operate upon this area. The purchase consideration of £210,000 in shares represented the cost to the Malayan Dredging Company of the land and equipment. The current market price of Southern Malayan Tin Dredging shares is 50s, hence the parent company already sees a handsome profit upon the flotation; it also holds an option until the end of 1928 upon 20,000 shares at par. Dredging by the subsidiary is expected to start in about three months' time. On a conservative basis earnings are estimated at 40 per cent.

Ferreira Deep.—From the earnings standpoint this company did not fare so badly last year, the shrinkage in the revenue per ton being largely offset by the treatment of an increased quantity of ore and a substantial economy in costs. The working profit of £57,900 was supplemented by £10,600, proceeds of assets realised during the period, and £3,600 Bewaarplaatsen money. In view, however, of the short remaining life of the property, a further £36,300 had to be appropriated for miners' phthisis, and after providing for taxes only 2½ per cent. dividend could be disbursed, as against 5 per cent. for 1924-25, and 8½ per cent. in respect of each of the two preceding years. The company's total outstanding liability in respect of phthisis compensation as per July 31st was fixed at £144,000, towards which £106,000 has so far been provided. Of 252,800 tons the ore reserves show a fresh reduction; the total represents little more than half a year's supply for the mill, and of it 53 per cent. is represented by shaft pillars and broken ore in the form of packs. As regards the outlook, the manager considers that under normal conditions it should be possible during the current year to continue operations on much the same scale as in 1925-26, but he foreshadows a further decline in the grade of ore sent to the mill. Irrespective of contingent liabilities on the one hand, and of the property and equipment on the other, the balance-sheet shows a surplus of £53,400, equal to a little over 1s per share, now quoted at about 3s. Ferrer's appear, therefore, scarcely worth holding.

Bankruptcy in 1925.—The forty-third general annual Report by the Board of Trade on Bankruptcy in 1925* shows that there were 4,708 receiving orders and administration orders under the Bankruptcy Acts in England and Wales, liabilities being estimated by the debtors at £10,617,900, and assets at £2,025,500. These figures represent decreases of 86 in the number, of £1,999,200 in liabilities, and of £328,400 in the assets as compared with 1924. Under the Deeds of Arrangement Acts there were 1,877 deeds, a decrease of 24, liabilities being estimated at £4,455,600, an increase of £127,300, and assets at £1,973,800, an increase of £7,500. The following table shows insolvency in England and Wales under both the Bankruptcy and Deeds of Arrangement Acts for a number of years past:—

	No. of Cases.	Liabilities. £	Assets. £
1919	910	2,373,798	949,691
1920	2,016	6,853,308	3,048,993
1921	4,840	21,887,373	8,898,253
1922	6,580	24,918,995	7,503,086
1923	6,856	16,003,435	4,840,889
1924	6,695	16,945,385	4,320,132
1925	6,585	15,073,468	3,999,231

Failures in Scotland numbered 248, against 247 in 1924, with liabilities of £690,100, against £1,993,500, and assets of £148,100, against £199,500. There were 22 cases of bankruptcy in 1925 in which the liabilities exceeded £40,000. In 13 of these, with liabilities amounting to £1,593,600, the failures are classified as "ordinary trade failures"; in eight cases, with liabilities amounting to £1,760,200, the failures were due to "financial and speculative enterprise apart from ordinary trading." The aggregate liabilities in the larger cases, viz., £3,453,800, are about one-third of the estimated liabilities under the whole of the receiving orders for the year, as compared with £5,227,200 in 1924, in which year the proportion was over one-third. The Bankruptcy Amendment Act received the Royal Assent on June 16, 1926, and came into operation forthwith, except for a provision making failure to keep proper books of account a criminal offence in the case of a first bankruptcy, which comes into force two years after the date of the Act. The Act embodies almost all of the recommendations of the Bankruptcy Committee, 1924-25, which related mainly to the detection and punishment of offences, and in addition the opportunity was taken of making a few amendments to the 1914 Act to meet difficulties that have arisen in the course of administration.

* H. M. Stationery Office. 3s 6d net.

The Finances of Costa Rica.—In our issue of November 6th we published a note from a correspondent on the position in Costa Rica. Owing to confusion in transcription of manuscript, unfortunately unchecked owing to the sudden and serious illness of the correspondent, some erroneous figures regarding the finances of that country appeared in the note. Since 1922 annual budget surpluses have been achieved. In 1924 revenue was 23,259,050 colones and expenditure 19,549,401 colones, leaving a surplus of 3,709,649 colones. The estimates for 1925 (in colones) were: revenue 20,520,470, expenditure 20,025,510, leaving a surplus of 494,960. The total debt of the country in 1924 was 63,670,167 colones, of which upwards of 28 million colones was external debt (2.15 colones = the U.S. dollar).

Oversea Correspondence.

FRANCE.—POLITICAL OUTLOOK—TRADE STAGNATION—REVENUE—OVERSEAS TRADE.

(FROM OUR CORRESPONDENT.)

PARIS, December 21.

THE Budget, for the first time in 40 years, having been disposed of by the middle of December, the Chambers have risen for the Christmas recess, and will not meet again until well into January. The chief preoccupation of members of both houses meanwhile will be the impending renewal of one-third of the seats in the Senate. These contests are of exceptional importance on this occasion, in view of the present chaotic situation of the various political parties, and of the guide the senatorial elections are expected to furnish in regard to the general elections for the Chamber, which must take place in rather over twelve months from now. There is every indication that the coming elections will decide the fate of the once all-powerful Radical and Radical Socialist party, which for so many years ruled France, as against the Nationalist Right on the one hand, and the Socialist and Communist Left on the other. The financial débacle brought about by the return to power of the Bloc des Gauches at the elections of 1924, thanks to the alliance of the Radicals and Socialists, has now brought the disappearance of the great Centre Party to within measurable distance. Three recent important by-elections have apparently shown that the Radical and Radical Socialist party is hopelessly split into two antagonistic halves, the one inclining definitely towards the Right and the other to the Left.

All indications now support the general belief that the economic and industrial crisis that was expected to follow the earlier stages of M. Poincaré's or any other plan for righting the financial situation has been reached. Manufacturers are everywhere complaining of cancelled orders to an extent never before experienced, and are either putting their plants on short time, or reducing labour forces to the lowest possible minimum. Unemployment is steadily increasing, the number of workers in receipt of unemployment pay last week being 3,549 (as compared with 1,396 the previous week, and some 500 a month ago). The Minister for Labour reports that 10,440 applicants for work last week failed to find employment, of which total over 10,000 were in the Paris area, 2,061 being shop assistants and clerks. (Unemployment during the last crisis in 1921 reached a maximum of 91,225 persons.) During the past two months the weekly amount of bills discounted by the Bank of France has fallen from 5,024,000,000 to 3,562,000,000 last week; private deposit accounts have swollen from 2,948,000,000 to 5,283,000,000 (indicating the increased amount of capital awaiting employment), while the note circulation has fallen from 55,431,000,000 to 52,536,000,000.

The Bank of France discount rate—which, after having for a long time stood at 6 per cent., was raised to 7½ per cent. as a protective measure at the period of the cataclysmic drop in the franc last July—has been brought

down to 6½ per cent. This is regarded by many as being still too high, in view of the present situation and of the lower rate prevailing in some other countries. Business remains stagnant on the Bourse, however, and price changes have been insignificant, unless in the downward direction. Another significant measure has been the stoppage of further issues of one-month National Defence bonds, and the decision by the Caisse d'Amortissement, which is now in supreme control of the floating debt, to replace them as from January 1st with two-year bonds bearing 6 per cent. interest, deducted in advance. The rate of interest on three, six, and twelve-months bonds of this kind has been reduced respectively to 4 per cent., 4½ per cent., and 5½ per cent. The reason for the latter step was that, with the return of confidence, the public has latterly been absorbing these bonds so satisfactorily that the limit fixed by the law creating the Caisse d'Amortissement was nearly reached. The suspension of further issues of one-month bonds is obviously due to prudential reasons, in accordance with the rest of the Poincaré policy.

It is somewhat puzzling to note, however, that simultaneously with the suspension of further issues of one-month National Defence bonds, which yield 3 per cent., the Treasury announces the creation of a service for accepting cash deposits, subject to one month's notice of withdrawal on which 4 per cent. interest is offered. No one will dispute the convenience of this method of furnishing the Treasury with liquid cash for use in case of need. What appears to be paradoxical, nevertheless, is that although the issue of further one-month bonds has been suspended, on the ground that the legal limit has been reached, there is apparently no limit to the amount that may be received of deposits subject to a month's notice. It is difficult to see how these new private deposit accounts with the Treasury can be regarded as anything but a disguised form of additional floating debt, the situation of which (unlike the debt to the bank) will escape public attention.

The revenue returns for November show that the total received by the Treasury during the month from all sources was 4,234,364,000, of which 4,175,322,800 was from "normal and permanent resources" (as compared with 5,016,100,800 in October and 3,035,921,200 in September). The degree to which the recovery of direct taxation has been speeded up by the present Government is strikingly shown by the official returns. The demand notes in respect of general and scheduled income-tax for 1926 (which were sent out only during September, October, and November) totalled 5,987,889,400, distributed over the following categories:—

	Francs.
General income-tax	2,762,534,400
Commercial and industrial profits	2,063,609,300
Incomes from salaries and wages	409,397,300
" " liberal professions	98,842,600
" " agricultural profits	76,652,300
" " developed real estate	641,684,200
" " undeveloped land	195,249,300
Cost of delivering demand notes	749,800

Of these total assessments in connection with income-tax for 1926, some 60 per cent., or 4,210,091,000, had been recovered by November 30th, leaving 1,777 millions outstanding. Demand notes levied down to November 30th for other direct taxation, including for local government purposes, totalled 5,144,188,400, of which 1,217,941,000 was called for on behalf of the State and 3,926,247,400 for the departments, communes, &c. The portion of these imposts due to the State this year includes the "civic tax," created specially for the current year and representing a total of 650,605,600. Of these 5,144 millions of "other direct taxes," 3,490,987,700, or over 65 per cent., was recovered by the end of November. The 3,926 millions levied for on behalf of the departments, communes, &c., although collected by means of the same demand notes, are not included in the figures of the annual national Budget.

The foreign trade returns for November disclose a heavy drop in exports and an appreciable falling off in imports, but still leave a favourable balance of over 330,000,000 on the month (as compared with one of practically 1,000 millions in October). The detailed figures,

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Capital Paid up	\$25,000,000
Surplus	\$35,000,000
Undivided Profits	\$6,000,000

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showing the value of both imports and exports, as compared with those of the previous month and with those of November, 1925, are as follows:—

	November, 1926.	As Compared with	
		Nov., 1925.	Oct., 1926.
Imports—			
Foodstuffs	1,091,361,000	+ 261,324,000	+ 139,974,000
Raw materials	3,324,761,000	+ 75,890,000	+ 267,400,000
Manufactured goods ..	578,205,000	+ 79,051,000	+ 15,333,000
Totals	4,994,327,000	+ 416,265,000	+ 112,093,000
Exports—			
Foodstuffs	486,259,000	+ 88,379,000	+ 30,070,000
Raw materials	1,476,378,000	+ 252,028,000	+ 464,900,000
Manufactured goods ..	3,366,632,000	+ 768,294,000	+ 279,040,000
Totals	5,329,269,000	+ 1,108,701,000	+ 774,010,000

As in previous months, nearly 70 per cent. of the imports consisted of raw materials and only 11½ per cent. of manufactured goods, while exports comprised over 63 per cent. of manufactured goods and only about 28 per cent. of raw materials.

	First Eleven Months.		Inc. or Dec. in 1926.
	1925.	1926.	
	Francs.	Francs.	Francs.
Total imports	38,566,023,000	54,391,845,000	+ 15,825,822,000
Total exports	40,941,220,000	54,139,803,000	+ 13,198,583,000

The eleven months, therefore, have resulted in an unfavourable balance of 252,042,000, as compared with a surplus of exports, during the corresponding period of last year, amounting to 2,375,197,000. The drop of 774,010,000 in exports last month, or over 12½ per cent., was the result of (1) the general rising of commodity prices towards rates obtaining in sound money countries and (2) the operation of the new tax on exports.

GERMANY.—POLITICS—CREDIT—FINANCES— INDUSTRY—CROPS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, December 20.

THE formation of a new Cabinet has been postponed until after the holidays. The Reichstag reassembles on January 19th, and no solution of the crisis is expected until at the soonest a few days before. The prospect of a majority Cabinet is small. The German-Nationals were willing last week to save the Cabinet from being overthrown by the Left on condition that they were taken in; but their nearest neighbours in the Cabinet, the German and Bavarian People's parties, while they negotiated in this sense, rejected the National party's demand that they should enforce this by a threat to secede from the Cabinet. The relations between the People's party and the Nationals are now bad; and the Centre and German-Democrats are against any alliance with the Nationals. The "Great Coalition," that is, an alliance between the present Cabinet parties and the Social-Democrats, will also not be easy to form; and a Cabinet on this basis is hardly likely to last.

The money market last week was more strained than it has been for many months. Large demands were made for holiday expenditure, and for the year-end. The market is still to some extent under the influence of the Rentenbank repayment of 293 million marks at the close of November, and the Gold Discount Bank's new bill issue has diverted a good deal of money from the ordinary market. The mid-month settlements did not pass as smoothly as usual, and prolongation credits were dear. Relatively large sums in private discounts were offered. Persons needing cash tended to realise their exchange holdings, causing a slight decline in the dollar exchange. Day money at the end of the week was 4½-6 per cent., and month-money rose to 7-8 per cent., the demand far exceeding the supply. A certain nervousness is shown as to the year-end settlements. In some quarters the market phenomena of December are taken to indicate an approaching termination of the period of cheap and abundant money.

Taxation receipts in November totalled 625.3 million marks, as against 741 million marks in October, which sum, however, contained taxes falling due quarterly. The tax yield in the first eight months of the financial year, and the estimated totals for the whole financial year 1926-27 were:—

(Millions of Marks.)

	April- November.	Estimated Whole Year.
All taxes	4,726	6,555
Thereof—		
Direct	3,173	4,506
Customs and excise	1,553	2,049
Thereof Reparations—pledged...	1,513½	1,997

The yield of all taxes to date is 357 million marks more than the estimated share of the eight months. Some taxes, among them the corporation income and motor-car taxes, brought in more than the whole year's estimate, and the securities tax brought in nearly twice as much. The yield of railways' passenger and goods traffic taxes was 214 million marks out of 325 million marks, estimated for the whole year. Income-tax brought in 1,553½ million marks, its estimated share for the eight months being 1,400 million marks. The yields of the Reparations pledged taxes were:—

(Millions of Marks.)

	April- November.	Estimated Whole Year.
Customs	567½	670
Tobacco	448	655
Sugar	187½	265
Beer	184	235
Spirits monopoly	126½	172

The industrial situation has not changed materially, but there are reports of increasing seasonal unemployment. The weakening of the iron and steel export market continues; the home market is fairly active. Output of pig-iron in November was 983,298 metric tons, as against 760,353 tons in November, 1925; output in the first eleven months of the year, 8,578,728 tons, against 9,459,688 tons in the same months of 1925. Steel output in November was 1,257,007 tons, against 873,484 tons in November,

1925; in the first eleven months 11,037,036 tons, against 11,429,858 tons. The output of iron and steel has risen month by month, with only slight breaks, since last winter, when the lowest point was reached. The preceding high point was reached in March, 1925. The Western Steel Trust (Vereinigte Stahlwerke A.G.) has united all its export operations under a new company, the Eisen Union Export Company, with headquarters at Düsseldorf, and has reorganised its home trade under three companies, with seats in different cities. The plan to found a Potash Trust has been furthered by the purchase by the Burbach group of interests in the Wintershall Company. The present plan is to unite all potash concerns into a single company, and it is considered possible that the Alsace potash companies may come in. The Reichsgericht has rendered an important decision to the effect that employees must work overtime to the limits legally allowed, and this not merely in times of emergency, but also in ordinary times. The practical effect of this is that refusal to work overtime becomes good ground for dismissal.

The final crops report for 1926 shows a considerable decline as compared with 1925, which, however, was an exceptionally good year. Against the decline in wheat and rye there was a considerable increase in oats. The potato crop was about one quarter less than in 1925:—

Thousands of Metr. Tons.

	1925.	1926.	Average 1911-13 on Present Area.
Wheat	3,217	2,598	3,765
Rye	8,063	6,406	9,585
Oats	5,585	6,325	7,680
Barley	2,599	2,463	2,870
Potatoes	41,718	30,031	37,962
Sugar beet	10,326	10,495	13,986

Railways Corporation receipts in October were 439,485,000 marks, of which 288,345,000 marks was from goods traffic; expenditure 389,516,000 marks, this including 44,907,000 marks for service of the Reparation bonds, and payments to reserves.

The bourse last week was firm, with the chief demand for coal, steel, banking, and, as a result of the progress towards a trust, potash shares. Dealing was not very active. Bankers and other authorities differ as to whether the upward movement which began on the first day of January, 1926, is at an end. In some quarters the decline which began early in November is represented as being due to considerations of yield at last being taken into account, that is, to the purely speculative public being replaced on the market by investors. The *Berlin Tageblatt* publishes an analysis of balance-sheets and profit and loss accounts of 563 companies published for December 31, 1925, or later. The chief figures are:—

	Thousands of M.
Capital	1,167,803
Reserves	214,767
Long-term debts	363,880
Short-term debts	719,247
Net profits	28,960

The net profits figure is arrived at by deducting 34,397,000 marks losses of 258 companies from 63,357,000 marks profits of 305 companies. On all the 563 companies the net profits were 2.5 per cent. on capital, gross profits 10.3 per cent. The chief groups showing profits were the mining, iron and steel, chemicals, gas, water, and electricity, banks, transport, electrical and optical. The finished metals group, the engineering and motor-car, textiles, and clothing groups show losses. The figures as a whole are not promising; but examination shows that heavy average losses were suffered by a large number of small companies, whereas companies representing 1,045,525,000 marks capital out of the total 1,167,803,000 marks dealt with earned on an average over 6 per cent. net profits on their capital. The Disconto Gesellschaft's report shows that all stocks quoted on the Berlin Bourse rose on an average to 118.1 per cent. between December 31, 1925, and October 30, 1926, which was about the highest point, and declined to 113.8 per cent. on December 10th. On December 31, 1925, the quotation value of all shares was 70.9 per cent. of the capital. October 30, 1926, 161.7 per cent.; December 10th, 151.6 per cent. The total capital on October 30th was 10,390½ million marks; the quotation value on December 10th, 15,752 million marks.

HOLLAND.—EFFECTS OF BRITISH COAL RESUMP- TION—THE HOLLAND-BELGIAN TREATY—STOCK EXCHANGE—MONEY MARKET.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, December 17.

THE termination of the mining dispute in Great Britain has banished the fears which were entertained in certain quarters in Holland of the possibility of a coal shortage developing during the coming winter. Recently when the question of such a contingency was raised in Parliament the Minister of Mines spoke reassuringly of the situation. Though the Dutch collieries have entered into engagements for the supply of large quantities to foreign markets for a considerable time to come, home consumers came in for their share of the offers, and were consequently at liberty to conclude contracts with the Dutch mines if they so desired. Moreover, as the bulk of the Dutch output of house coal is consumed in the country itself, there was at no time any justification of fears regarding the supply of domestic coal.

It is evident that in the near future some of the recently acquired export channels will be closed to the Dutch collieries, and if the coming months see a return to a normal state of affairs in the coal market, we may assume that the shipping companies will have to face altered conditions. As a matter of fact, the freight market has of late shown a tendency to weaken, and Dutch owners, and those interested in the tramp trade in particular, must inevitably feel the consequences, especially when the demand for tonnage for grain cargoes has slackened. In addition, there is sure to be less activity in the port of Rotterdam than has been the case during the past half-year. In this period many vessels proceeded to Rotterdam—or, in order to avoid dock dues to the new waterway—only—to replenish their bunkers. The extent to which the port of Rotterdam has benefited will be seen from the following table, in which a comparison is drawn with Antwerp and Hamburg:—

	Rotterdam.		New Waterway.		Antwerp.		Hamburg.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
11 months—								
1926	13,347	19,467,973	18,639	26,554,671	10,607	17,737,619	13,544	15,975,664
1925	10,206	15,265,943	12,749	18,681,139	9,126	15,637,058	12,270	15,345,116
Advance	3,141	4,202,030	5,890	7,873,532	1,479	2,100,561	1,274	630,548

If it is considered that the great increase in the returns for Rotterdam and the new waterway is to be attributed purely to the dislocated state of the coal market, it is evident that the trade of the port of Antwerp has made great strides. It was this factor which came into consideration during the numerous discussions respecting the treaty between Belgium and Holland, which has given rise to so much comment. The treaty has been responsible for a great deal of dissatisfaction among the public, and this dissatisfaction reflected itself in the voting which took place in the Second Chamber. After a masterly speech by the Foreign Secretary, who confined himself purely to a statement of the facts, which he considered must warrant the adoption of the treaty, it was passed by 50 votes to 47. Only three members were absent. If it is borne in mind that of these three members two were certainly against the treaty, and if one considers the great impression made upon the Chamber by the Minister's speech, the keen opposition experienced by the Government will be apparent. Considerations of an economic, and not of a political nature, have had the greatest influence. Any agreement which might tend to strengthen relations with Belgium would be most welcome in Holland, and if concessions are to be made the Dutch will not be found wanting; but the opposition is mainly directed against the proposed construction of a canal from Antwerp to Moerdijk (about 30 miles north of Antwerp). It is contended that this will cause a great deal of the river traffic to be diverted to Antwerp to the detriment of Rotterdam, and the present prosperity enjoyed by the Belgian port is cited in justification of these objections. The discussions in the First Chamber have not yet taken place, and public agitation continues to manifest itself. Petitions against the treaty have come in from various quarters, and several Chambers of Commerce have protested against its adoption, pointing out that their opposi-

tion is not directed against a treaty with Belgium, but against the present treaty, or rather against certain vital clauses contained in it.

Trade and industry and also the Stock Exchange are marked by relative quietude, and all concerned appear to be awaiting the further course of events. But in general a certain degree of optimism may be said to prevail. The increase in the rate of interest, which has been noticeable during recent months, has not produced any uneasiness. Nevertheless both the "prolongation rates" (advances on the collateral of stocks and shares and the private discount rates have been marked by a rise of some proportions. The "prolongation rates" are fixed under the supervision of the Stock Exchange committee, and consequently serve as a good guide to the general tendency. The rise set in during November, and appears to some extent to be due to a reflux of foreign capital which had sought shelter against a depreciation of certain foreign currencies. It is probable, too, that the steady flow of foreign issues offered to the public via the Dutch market has not failed to have its effect. During the last few days "prolongation rates" have been moving between 3½ and 4 per cent., the private discount rate being more or less maintained at 3½ per cent.

In connection with the "prolongation rates" the approaching close of the year is a factor which naturally tends to contribute to a rise in this direction. As regards the private discount market the fairly recent decision of the Netherlands Bank to extend its discount facilities to the bills of certain foreign banks has so far had but limited effect on the discount market. The opinion is held generally that though the measure may serve to promote the growth of the Amsterdam discount market, such a market must find its strongest help through foreign transactions being concluded in Dutch guilders. In addition it is desirable to have cheaper money at Amsterdam than in other discount markets, which, as a matter of fact, has so far been the case. Developments in the money market both here and abroad are consequently being followed with interest.

BELGIUM.—PUBLIC DEBT—TAXATION—RAILWAY TARIFFS—BOURSE—CAPITAL EXPORTS.

(FROM OUR CORRESPONDENT.)

GHENT, December 18.

THE aggregate ordinary and extraordinary receipts for 1927 are estimated at 9,578 million francs, of which about half will go to the service of public debt; 2,958 millions, or 30 per cent., are required for payment of interest and pensions; moreover, 1,789 millions, or nearly 20 per cent., will be available for debt redemption.

The position of the long and medium term debt stands as follows as compared with August 1, 1914 (in millions of gold francs):—

	1914.	1926.
Capital Amount—		
Internal debt	4,182	3,400
External debt	294	4,158
Total	4,476	7,558
Yearly Burden (Interest and Redemption)—		
Internal debt	147	190
External debt	17	199
Total	164	389

The external debt, which was practically negligible before the war, now exceeds the internal debt. The total public debt on October 31, 1926, amounted to 57,165 million paper francs, which included only 11 per cent. floating and medium term debt.

The service of the aggregate debt (excluding pensions) requires 177 million francs in 1914, against 3,255 millions in 1927, corresponding to 465 million gold francs, or 260 per cent., of 1914. The latter amount does not include the extraordinary grant of 1,663 million francs to the fund for amortisation of public debt.

Receipts from taxation for 1927 are estimated at 6,762 million francs, or 966 million gold francs, against 351 millions in 1913, which brings the average of taxation for 1927, in gold value, to 278 per cent. of 1913. The gold index for the yield of the different taxes in 1927 is, as compared with 1913, about 430 for direct taxation, 160

for Customs, 900 for excise, 470 per cent. for registration and stamp duties. It is generally expected that the improved financial situation will enable the Government to make a reduction in this heavy rate of taxation next year.

In order further to adapt railway rates to the lower value of the franc, a new increase amounting to 10 per cent. will take place on January 15th; this will still leave the average railway rates 10 to 20 per cent. below their pre-war gold value. In 1913 the passenger fares per kilometre were 0.046f for second and 0.038f for third-class, with a reduction of 20 per cent. for return tickets. Single tickets will now be on the average 560 per cent. of the pre-war monetary figure, but as return fares are now exactly double the price of a single journey, they will cost 700 per cent. of the pre-war price, which puts them at exactly the same gold value as in 1913. The transport of coal for 100 kilometres has increased from 4f in 1914 to 24f in 1927 (or 600 per cent. of 1914), which in gold is still one-seventh below the pre-war rate.

Industrial activity has somewhat slowed down. This is ascribed partly to the end of the British coal strike and partly to the effects of monetary stabilisation. The Bourse shows little strength, with the exception of Government stocks, which reflect growing confidence in the improvement of Government finance. The 6 per cent. consolidation loan has risen between October 1st and December 17th from 56 to 82.

The regulations restricting dealings in exchange and foreign securities have recently been abolished, and since December 16th the export of capital has been again free from restriction.

NORWAY.—LABOUR POLITICS—BUSINESS OUTLOOK—MONETARY CONDITIONS.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, December 16.

POLITICAL events of importance have been few and far between in the last few months, and recent developments in Labour quarters are therefore causing some stir. Rumours had been current for some time that a coalition between two of the sections of the party was under contemplation, and yesterday a manifesto was issued by the Norwegian Labour Party and the Social Democrats in conjunction with the National Labour Union, containing the outlines of the programme for a politically united Labour Party. The programme will be discussed at the annual conferences of the Labour Party and the Social Democrats in January next year, and there is every reason to believe that the consolidation will materialise. It is obvious that a strong Labour Party, which will be the result of this coalition, will prove a powerful factor in economic and social struggles, the issues of which have been, and very likely will continue to be, of such extraordinary importance to industry as well as to our whole national life. Next year's elections, with a view to which this step has been precipitated, will probably show to what extent the new movement has taken hold of the labourers, but beyond doubt the psychological moment has been very well chosen.

The general outlook for industry and trade has not materially altered during the last two or three weeks, although the collapse of the British coal dispute has contributed to bring about a better business feeling, at least as far as certain export markets are concerned, such as wood, pulp, and paper. It is too early as yet to expect a real improvement, but if things do not take an unfavourable turn, one may expect increased activity and better prospects after the Christmas holidays.

The Norges Bank return of December 15th shows an expansion in the note circulation of nearly 8.5 million kroner. Loans and discounts have likewise increased, and deposits have been slightly reduced. The position is, of course, influenced by the usual increased demand for Christmas financing.

After the sharp appreciation of the krone which took place during November, with the quotation for sterling as high as 18.80, a reaction set in about two weeks ago, and with the official Norges Bank quotation at 19.25 the market now seems to have steadied down. The last stage back to gold parity, which recently seemed a question of days only, will probably be a long one after all. The stock

market remains rather quiet, and the share market is also featureless, with a minimum of business done.

Some rather serious cases of foot-and-mouth disease have been reported from a district in the neighbourhood of Arendal, but the authorities have taken all necessary steps to prevent the further dissemination of the disease, such as isolation of the farms in question and slaughtering of the cattle.

JUGOSLAVIA.—DEATH OF M. PASHITCH—POLITICAL OUTLOOK—TRADE AND TRADE BALANCE—BUDGET.

(FROM OUR CORRESPONDENT.)

BELGRADE, December 11.

THE political and therefore the economic position of Yugoslavia is bound to remain uncertain for some time, because of two simultaneous and important events. One is the Government crisis, which has been impending for some time, and which has been hastened by the publication of the Italo-Albanian pact; the other is the death of ex-Premier Pashitch, the leader of the Radical party. There can be no doubt that the disappearance of M. Pashitch will cause a regrouping of the factions within the Radical party, which has for some time been torn by dissensions, and may possibly also bring about a regrouping of parties later on. How long this will take it is impossible to foretell, but until this crystallisation has been accomplished there is little hope of any thorough economic reform such as the country so sorely needs.

In the meantime the stagnation in business, due on the one hand to a heavy and ill-distributed fiscal system and on the other to the fall in the price of agricultural products, still persists. The only liveliness appears to be in the coal trade and the building industry. The coal trade has suffered a long crisis, owing to high costs of production, and the competition of better foreign, chiefly British and Silesian, coal. But, as a result of the stoppage in the British coalfields, Italy appeared as a large buyer in Yugoslavia, and in most of the collieries in Slovenia, Bosnia, and Croatia stocks have run low, while in many cases contracts for advance sales have also been concluded. Thus, e.g., Trbovlje, the largest mine in the kingdom, has an order for 50,000 tons by February. The activity in the building trade, especially at Belgrade, is explained by the enormously high rents. The average rent per room at Belgrade is £3 per month, so that money invested in houses brings in anything from 16 to 20 per cent. This is due to the rapid growth of the city, which in 1921 numbered 111,000 inhabitants, and now, in 1926, has reached 243,000. Finally, catering for tourists is beginning to develop into an industry, the number of tourists during the first eight months of 1926 being calculated at 30,000, or 50 per cent. above the total for the whole of last year. The money left by tourists, chiefly in Dalmatia and Slovenia, is reckoned at 300 million dinars for 1924, 375 million for 1925, and 600 million in the first eight months of 1926.

Trade is dull, both imports and exports having shrunk in volume since last year, as is obvious from the following figures:—

	1925.			1926.		
	Tons.	Mill. Gold Dins.		Tons.	Mill. Gold Dins.	
Exports.						
September	421,812	.. 79.8		371,838	.. 59.3	
October	437,084	.. 77.4		418,944	.. 74.8	
Imports.						
3rd quarter		.. 197.5			.. 172.2	
First 9 months ..		.. 585.0			.. 517.0	

The shrinkage of exports applies only to value, and not to tonnage, the volume for the period January to October, 1926, being 4,085,151 tons, as against 3,666,007 for the same period of 1925. Trade for the first nine months shows a slight deficit, exports amounting to 509 million gold dinars, as compared with 517 million of imports. Considering the absolute lifelessness of the months June to September, when floods and storms prevented export, and also the increase in exports during October, there is a likelihood that the trade balance will be just favourable.

Under such conditions, it is natural that the Budget for 1927-8 submitted to Parliament should be smaller than its

predecessor, or in other words, that it should be the first "deflationist budget" rendered necessary by the decline in State revenue. The proposed Budget is balanced, and amounts to 11,690 million dinars, as against last year's Budget of 12,300 million, excluding supplementary credits. The main items of expenditure are as usual the Ministries of Communications (2,530 million), Army and Navy (2,350 million), and Finance (1,600 million). Revenue is anticipated chiefly from State industries (forests, mines, posts, domains, &c. (3,628 million), indirect taxation (3,531 million), monopolies (2,362 million), and direct taxation (1,618 million). Many eminent economists consider even this Budget too large, and feel doubtful whether the Minister of Finance will be able to realise his estimates.

INDIA.—THE ELECTIONS—THE RATIO—THE RESERVE BANK—TRADE FIGURES AND CONDITIONS—THE MONEY POSITION.

(FROM OUR CORRESPONDENT.)

CALCUTTA, November 25.

THE elections for the Councils and the Legislative Assembly have so far failed to provide any unexpected or sensational results. The local Council bids fair to return the non-Swarajists in a majority sufficiently comfortable to enable the House to work up to the reforms. As regards the Legislative Assembly, the general trend of returns to date has been satisfactory, and shows Responsivist successes in the Central Provinces, an equal division of votes between Independents and Congressmen in the Bombay Presidency, and further Swarajist victories in the Madras Presidency, while in the United Provinces the Liberals are gathering strength. The recent act of the Swarajist Calcutta Corporation in refusing an address of welcome to the Viceroy, and the refusal of the Congress party in the Madras Council to accept office, augur badly for that change of heart which would justify a revision of the reforms before the prescribed date of 1929.

It is expected that H.E. the Viceroy will open the winter session of the Council of State and the new Legislative Assembly on January 24th. The first measure to engage the attention of the Assembly will probably be the report of the Civil Justice Committee, while the recommendations of the Taxation Inquiry Committee, postponed from the last session, will inevitably take up a great deal of time. The most contentious measure to be debated, however, will probably prove to be the Currency Bill, embodying the recommendations of the Hilton Young Commission on Indian Currency and Finance. Last week the Finance Department issued a communiqué announcing that the Secretary of State and the Government of India were "prepared to accept on a whole the recommendations of the Commission, subject to such further consideration of details as may prove necessary. Legislation to give effect to these recommendations will be introduced in the Indian Legislature during the forthcoming Delhi Session." This communiqué was followed up this week by a trenchant speech by the Finance Member at Delhi University, when he covered most of the ground of the controversy. He confuted the Bombay 1s 4d school and the Currency League out of their own mouths from the evidence given before the Young Commission. Their lately assumed rôle of protectors of the agriculturist by ensuring through a reversion to the 1s 4d ratio that he receives 15 rupees for his produce instead of the meagre 13 which the 1s 6d ratio entails, is unconvincing when viewed in the light of the evidence given before the Commission by a prominent champion of the Currency League, and a Bombay millowner to boot, who admitted that a 1s 4d ratio would enable him to reduce the real wages of his employees without reducing their money wages, and at the same time enable him to sell his products to the consumers, who consist mainly of the agriculturist and the employees, for a larger number of rupees. The charge that the 1s 6d ratio is an artificial one, secured by Government's "manipulation" of the currency, was dexterously countered by the plea that the maintenance of a 1s 4d rupee would have meant an even more intense "manipulation." Many sincere advocates of the 1s 4d rupee are driven to admit that the postponement of the Currency Bill last autumn, with its conse-

BANCO ALEMAN-ANTIOQUENO

Head Office:

Medellin, Republic of Columbia, South America.

Established 1912.

On June 30th, 1926:

Capital Paid up - - - - - \$2,000,000
Reserves and Undivided Profits - - - - - \$1,015,700

Branches: Armenia C., Barranquilla, Bogota, Bucaramanga, Cali, Honda.

European Office: Bremen (Germany), Domshof 17/18.
GENERAL BANKING BUSINESS.

quences of giving further time in which internal prices may adjust themselves to the new ratio, has removed much of the sting from the protests against a 1s 6d rupee. The Finance Member reiterates that the question of the ratio is a dead issue, and that Government's reserves and other resources are ample to maintain the rupee at 1s 6d—witness Government's recent action in strengthening the reserves by paying off five crores of created securities out of balances. Further, the ratio has survived the acid test applied by recent bad trade conditions, a very easy money market, and the adverse effects of a heavy drop in the price of silver.

There seems little doubt that Government's present hope is that the recommendations, lock, stock, and barrel, will be incorporated into law and placed on the Statute Book with a minimum of delay.

The debate on the ratio has rendered one signal disservice to critics of the Bill. It has occupied such a disproportionately large area of the canvas that the other two main recommendations of the report, viz., the establishment of a gold bullion standard and a Central Reserve Bank, have scarcely been allowed into the picture at all. Yet these are the really important and epoch-making recommendations of the report, involving, as they do, the setting up of Indian currency autonomy and the substitution of untrammelled control in India of Indian monetary, credit, and currency policy in place of the present dyarchy shared by Simla and Whitehall. The debate on the best means of attaining this desideratum will evoke strong criticism of the Reserve Bank scheme, centring on the compensating privileges to be given to the Imperial Bank of India in consideration of the loss of its control of Government balances. These privileges will be watched with a jealous eye, both by the indigenous banks and the exchange banks incorporated in the United Kingdom. The shareholders in the Imperial Bank are to be given preference in subscribing the capital of the Reserve Bank—a privilege which should, within a reasonable time, prove to be the equivalent of receiving at par a gilt-edged security yielding 8 per cent. With the Indian money market in its present state this is a very handsome compensation. The suggestion is that the Reserve Bank should be the main Government bank in the financial centres, with the Imperial Bank acting as its agent in "mofussil." Judging by the suggested constitution of the directorate of the Reserve Bank, the two banks would appear to be virtually under the same control. It is agreed that the Imperial Bank must continue its excellent work of opening up new branches, and to do so it must be supplied with funds against its expenditure on non-self-supporting branches. Its prestige, too, must not be in any way impaired, while its charter must be so altered as to permit its incursion into the arena of competitive commercial banking. Of the 14 directors of the Reserve Bank, nine are to be elected by the shareholders of the Imperial Bank. It will be a matter of nice adjustment to decide the privileges and limitations of the reconstituted Imperial Bank; to decide between the number of sops to be thrown to Cerberus, and (to mix the metaphor) to what extent the wind must be tempered to the lamb, shorn of its chief asset—the free use of Government funds.

Trade conditions continue very dull, and trade figures for October are, on the whole, disappointing. Imports of private merchandise totalled Rs. 19,97,00,000, an in-

crease of Rs. 1,03,00,000 over the preceding month. The value of Indian export of produce and manufactures increased from Rs. 22,83,00,000 in September, 1926, to Rs. 23,13,00,000 in October, and re-exports increased by Rs. 20 lakhs to Rs. 80 lakhs. Treasure on private account, including currency notes, showed a net import of Rs. 3,01,00,000 in October, as against Rs. 1,89,00,000 in the preceding month and Rs. 5,74,00,000 in October, 1925. Over the seven months, April-October, the gold imports this year were Rs. 12.22 crores, as against Rs. 20.62 crores last year, while silver imports are Rs. 10.63 crores, as against Rs. 10.77 crores respectively. This year the visible balance of trade in merchandise and treasure, over the same seven months, is Rs. 17.70 crores, as against Rs. 57.68 crores over the same period last year. It is hoped that during the current month raw jute exports may reach six lakhs of bales, and that in quantity exports this season may, by the end of January next, overtake last season's. This month's hessian export may not exceed 10½ crores of yards, which will mean an addition of two crores to stocks. Coal is being exported at the rate of some 8,000 tons a day from Calcutta, but recent indications are that the consignees of at least one of the Port Said cargoes are negotiating a resale.

Money is practically unobtainable, and the call money rate is ½ per cent. The sustained demand for silver is bringing money into Bombay, and as considerably more than half of the jute crop has been financed and marketed, money is also coming back into Calcutta from the jute districts. It may be said that the jute crop this year has been moved without having the least noticeable effect on the money market. It remains to be seen whether the financing of the late cotton crop will affect the market. Banks seem to be sitting on over-bought exchange positions for near deliveries, and there is a considerable conversion of rupee securities into sterling securities at present owing to the impossibility of utilising rupee balances.

ARGENTINA.—GOOD CROP OUTLOOK—OVERSEAS TRADE—ANGLO-ARGENTINE COMMERCIAL RELATIONS.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, November 19.

THE end of the year approaches with a favourable outlook for the wheat crop, notwithstanding damage caused by frost in the Pampa and parts of the Cordoba and Buenos Aires provinces. Reports during the last few days of further mischief, due to hail and rain storms in certain districts, are not taken in authoritative quarters as meaning any appreciable reduction in the yield. Harvesting has already commenced in the North, and so far the accounts coming in are satisfactory. On the whole, some setback must be admitted from the position as it stood a few weeks ago; but then some little writing down from the earlier estimates is anything but a new experience. The condition of the growing maize is officially described as magnificent, and given favourable weather conditions during the critical period from now to February, there should again be an excellent crop. Opinions as to linseed are somewhat contradictory, but the probability is that there will be a falling-off of no very serious nature from the last splendid production. Altogether, while it is too early as yet to build hopes on anything in the way of new records, the signs are that 1927 will be at least well up to average, especially as the final estimate of the Ministry of Agriculture confirms an increase of 2.1 per cent. in the area under cultivation. On the other hand, lugubrious reports have come in from the Mendoza district of extensive havoc caused by frost to the grape vines, and to add to the troubles of the wine industry, those who legislate for the province have considered this the right moment to hit it with a heavy increase in taxation.

There will, of course, be considerable stocks of grain to carry over as a result of the abnormal shipping condi-

tions, so that once a regular supply of tonnage at reasonable rates is again available there will be ample cargoes to keep the vessels busy. The freight market has been enjoying a relative amount of activity during the past few days, but obviously export on any considerable scale must await conditions far different from those ruling at present, and, pending a return to normality, shippers will perforce have to possess their souls in patience. The dearth of forward bookings, with its consequent reduction in the number of export bills coming into the market, has had the inevitable adverse reaction on exchange at a period of the year when an improvement is looked for as a matter of course, and the current rates are no better than they were last month. The evil, of course, is merely temporary, but it serves to illustrate how the sins of Mr Cook are visited upon a distant community.

The exports during the first ten months of the year amounted to a total of 10,278,531 tons, being an increase of 1,142,247 tons, or 12.5 per cent., as compared with the corresponding period of 1925, but their value was only 680,834,817 gold pesos, a decrease of \$70,028,029 (9.3 per cent.). The figures to the end of September showed a rise in volume of 607,354 tons (7 per cent.), with a drop in value of \$74,707,262 (10.7 per cent.), so that in spite of everything matters are left a little better.

So far from there being any improvement as regards bankruptcies, the declared liabilities for October, \$16,806,370, marked a new high record for the year, comparing with \$11,267,550 in September and \$12,156,312 in October of last year. The total for the ten months is brought up to \$139,225,970, an increase of \$37,192,040 in comparison with the same period of 1925.

The situation of Anglo-Argentine commercial relations was the main topic at the annual meeting of the British Chamber of Commerce this month. The chairman of the Chamber having drawn attention to the Board of Trade figures showing that the trade with Great Britain in 1923, 1924, and 1925 had left balances in Argentina's favour of 182, 258, and 198 million gold pesos respectively, the British Minister, Sir Malcolm Robertson, followed with a vigorous speech, in which he maintained that we were a long way from doing our fair share of the export trade with this country. "Do you suppose," he said, "that if one or two of our trade rivals, whom I need not specify, were in our position, that is to say, owning three-fourths of the railways of the country, the bulk of the shipping, public utility concerns all over the Republic, vast properties like those of the Forestal, Bovril, and Liebig's, besides innumerable private estancias; having financed the Government for the best part of a century through one of our leading and most highly respected banking houses; having taken, and still taking, by far the greatest proportion of all the main products of the country—do you suppose, I say, that if our rivals were in that position we should be able to sell even a hairpin in Argentina? And yet our export trade appears to be gradually giving way to that of other countries." Analysing the reasons for this, Sir Malcolm thought they could be summed up in the phrase that we did not study the market. We had mislaid our selling capacity, and it was time we found it again and were quick about it. He advocated that the British manufacturer should by all means keep up his first-class standard and finish, but that side by side with this he should go in for cheaper mass production with less finish, and sell his goods frankly for what they were. Then, turning to the Argentine side of the problem, the Minister recalled his argument in a speech delivered in July last on the same text, that the British consumer, who is mainly the working man, must always be the principal consumer of this country's produce, and that if he were out of a job and earning no money he must reduce his purchases of meat and other foods. "Buy from us that we may buy from you," said Sir Malcolm, should be the advice given by the one country to the other. These words have made an impression here, and our two British commercial weeklies criticise what they read as a threat, or at any rate a plea, to the Argentine consumer which is probably the last thing which Sir Malcolm had in his mind. On the other hand, *La Prensa*, for the Argentine Press, arrives at the conclusion that if the Englishman is Argentina's best customer it is for the Argentines to study him.

Letters to the Editor.

THE FRENCH FRANC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I presume I had better reply to your correspondent, Mr R. Graham, who refers to my letter and wishes to know whether I am "the same Mr Mason who is chairman of the Sound Currency Association," that I have that honour. Your correspondent wishes to know why it was right that the pound sterling should be forced by artificial means up to its face value, and that it can also be right for France to stabilise at to-day's exchange. In the first place, the pound was not forced up by artificial means. It was debased by artificial means or by inflation of the currency, and was restored by the natural remedy for inflation, i.e., a gradual contraction of the currency. The simple reason why it has been possible in the one case, and I am afraid will be impossible in the other is, that the disease was, fortunately, attended to and cured in its early stages in this country, whereas it has gone so far in the case of France that an operation is necessary. In other words, the cure would be worse than the disease if the franc was forced up to the old parity. I admit this last restoration means a partial repudiation, and to meet that moral obligation I suggested a supplementary income bond as compensation. I wish I could add in full part, as your correspondent, Mr F. O'Halloran, no doubt would desire, but we have to face the facts of the case as they exist to-day, and in full part would, I believe, entail too great a burden upon the future revenues of France.—I am, &c.,

D. M. MASON.

December 20th, 1926.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your issue of the 4th inst. you were good enough to print a letter from me on the above subject, to which Mr D. M. Mason did me the honour to reply in your issue of the week following, in which he states that I have diagnosed the financial position in France with accuracy, but he doubted whether my scheme for stabilising the franc would meet the case. Perhaps you will grant me the privilege of stating the position as I see it more fully in your valuable columns.

France is confronted with the double problem of how to treat her enormous debt with justice to everyone in relation to her present and future means, and at the same time not to injure the trade of the country.

Appreciating, as one must, the mentality of France in her just pride for all she has done for civilisation in the past, it is certain that her great wish is never to default in the debts she has incurred—incurred though they were through a war into which she was forced. I feel sure she intends at some future fixed date to bring her franc to the same parity in relation to the U.S. dollar and pound sterling, as obtained in the past, but unless she adopts some such scheme as I have formulated, it will be impossible for her to pay the enormous yearly interest charge on her debt. For although I have not the figures by me, I daresay at the old parity of 25.22 francs to the £ sterling her debt must be twenty thousand millions sterling, which, even at 5 per cent. interest, means an annual charge of one thousand million sterling. But with my scheme—and it is a very rough one—for the periods of interregnum and the initial price of franc stabilisation, can be fixed solely by those parties cognisant of France's resources and condition—viz., M. Poincaré's Government—when the franc has appreciated in course of years to 25.22 to the £ sterling, I do not suppose her annual charge would amount to more than one-third or even one-quarter of the above sum. I would point out how well also this would work out for France's foreign bondholders, as they would be receiving a gradually increasing rate measured in sterling, and would eventually be able to obtain, anyhow, the price at which the bonds were issued for their capital. Before the war a writer on economics stated that such a war as we have witnessed would never occur for the reason that it would bankrupt the world. History tells us that, given the will to fight, the question of finance never stopped a nation from fighting. The war took place. Then our Government, recognising that the first step to be taken to avoid disaster for the world was the stabilisation of exchanges, seized the psychological moment and stabilised ours, notwithstanding they foresaw a temporary upset to the trade of our country.

Not for the first time has our country sought to give a lead to the world. Cobden and Bright, recognising that the trade barriers of tariffs were a source of danger to the world's peace, successfully urged the policy of Free Trade, believing the world would follow in our footsteps. Unhappily, the world did not follow our example. We have again taken the lead in this first step by the stabilisation of our currency, and I feel sure that France, with her glorious past, recognising the duty she now owes to the world, will seize this favourable opportunity to do likewise. Should she see fit to adopt some such scheme as I have set out, she would not only be taking a worthy part in helping to set the world on its feet, as an unstable currency in a great country like hers makes trade most difficult for all, but I do not believe she would thereby see any great unemployment of labour such as we have, because her internal and external prices would be maintained at about a parity.—Yours, &c.,

PERCY H. JOSEPH.

West Bay Bungalow, Westgate-on-Sea, December 20th, 1926.

THE NEED OF ELECTORAL REFORM.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Is it too much to hope that during the lengthy Parliamentary holiday extending well into the New Year, "reformers" of all parties may be induced to give consideration to an urgently needed reform?

The redress of grievances remains one of the three great principles won by the early Parliaments of England in the first hundred years of their existence—and fought for with varying success during the next 300 years. But at the present time so little attention is paid to matters of principle in the chaos of conflicting interests, that not only the violation of the three basic principles of Parliamentary Government, but also of the new one, of "one man, one vote," with its corollary, or aim at a fair representation in the House of Commons of those voters who poll, arouses no public interest.

As a result of the by elections contested since October, 1924, the Liberals have not gained a seat, although they have polled 22,000 more votes than they did in October, 1924, not including the 18,000 votes they polled at Ripon and Howden-shire.

The Conservatives have held twelve seats (five by majority polls and seven by minority polls). The Labour Party have won four seats (two by majority polls), and have held three others (two by majority polls).

The total decrease in the Conservative polls in these bye-elections (plus the loss at the three seats at Dundee, Oldham, and Stockport) amounts to 85,128, or almost one-fourth of their poll in October, 1924.

The Labour Party have added 24,868 to the total of their polls in these constituencies in 1924.—Yours, &c.,

H. JAMES ROBINSON.

Southall, Middlesex, December 15th, 1926.

Books and Publications.

BOOKS RECEIVED.

Volkswirtschaftliche Bilanzen. Von Dr P. Hermberg. (Leipzig) Akademische Verlagsgesellschaft, Markgrafenstrasse, 4. 5.70 marks.

This is the fifth volume in the series "Probleme des Geld-und Finanzwesens," edited by Dr Moll, of Leipzig. The first part is devoted to a general study of the balance of trade, the balance of payments, and the economic balance, i.e., the balance of production and consumption, and the part they play in determining the standard of economic success. In the second part, the growth of the balances of trade in different countries of the world is considered in detail.

Vom Nationalismus zu den Vereinigten Staaten von Europa. Von Arpad Török. (Wien) Moritz Perles, Seilergasse, 4. Mk. 6.00.

Written by an ardent supporter of a "United States of Europe," this book gives a critical survey of the growth of nationalism, capitalism, &c., and concludes by elaborating the idea of Pan-Europa.

The Fifty-eighth Annual Co-operative Congress. Edited by A. Whitehead. (Manchester) Co-operative Union, Limited.

A comprehensive annual report, running to over 700 pages, on the British Co-operative Movement.

The Groundwork of Economics. By H. A. Silverman. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 4s 6d.

The author is External Lecturer in Economics at the University of Birmingham, and his aim is to meet the requirements of the ordinary reader who wishes to obtain a general introduction to economics. The book is also intended for candidates for the London Matriculation and the Higher School Certificate Examination of the Northern Universities.

The People's Year-Book, 1927. (Manchester) Co-operative Wholesale Society, Limited, 1 Balloon street. 3s net.

"An annual of facts and figures on Co-operative, Labour, and allied subjects," this volume, as in previous years, contains a wealth of general information and a number of interesting articles and illustrations.

Handy Insurance Chart, 1926-7. 6th Edition. (London) Post Magazine and Insurance Monitor, Limited, 9 St Andrew street. 3s 6d.

A standard reference book of great practical value to all who are interested in insurance companies and their finance.

Histoire Economique et Sociale de la Guerre Mondiale. La Santé et le Travail des Femmes pendant la Guerre. Par Marcel Frois. 2of. *Politique et Fonctionnement des Transport par Chemin de Fer pendant la Guerre.* Par Marcel Peschaud. 35f. *Paris pendant la Guerre.* Par Henri Sellier, A Bruggeman, et Marcel Poète. 10f. (Paris) Les Presses Universitaires de France.

Three more volumes in the French series of works in the Economic and Social History of the World War, produced under the auspices of the Carnegie Endowment for International Peace.

The Trade Balance. By Harold Storey. Reprinted from the *Liberal Magazine*, December, 1926. (London) Liberal Publication Department, 42 Parliament street. 2d.

An interesting study of the movements of our trade balance over recent years and an explanation of what the phrase "trade balance" means.

Standard Co-operative Book-keeping, Part II. By F. Hall. (Manchester) Co-operative Union, Limited, Holyoake House, Hanover street.

A text-book for students in classes organised by Co-operative Societies and a guide for secretaries of societies and their staffs.

International Year Book of Agricultural Statistics, 1925-26. (Rome) International Institute of Agriculture. 90 lire.

The International Year Book is well known to students of agriculture throughout the world as a standard reference work. The present edition contains the usual detailed tables of territorial area and population, agricultural production, live-stock, international trade, freight rates, fertilisers, &c., relating to all countries of the world. The text is given in both English and French. The years covered, in most cases, are 1909-13 (average), 1922, 1923, 1924, and 1925-26. The Year Book is unique among the world's agricultural publications.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:

Colonial Reports: No. 1,319. Unfederated Malay States under British Protection, 1925. 6s 3d net.

War Compensation Court. Sixth report. 1926. 3s net.

Sixth Annual Report of the Electricity Commissioners. April 1, 1925, to March 31, 1926. 3s net.

Containing statistics of the generation of electricity, consumption of electricity, and number of authorised undertakers during the year ended March 31, 1926, and an account of the work of the Commissioners.

Annual Statement of Trade of the United Kingdom with Foreign Countries and British Countries, 1925, compared with the years 1921 to 1924. Vol. I., 14s net; Vol. II., £1 5s net; Vol. III., £1 5s net; Vol. IV. to be published shortly.

The "annual statement" tells the full story of our overseas trade during the last five years, item by item, country by country, and part by part, and is invaluable to traders and others desiring adequate information relating to special branches of commerce in which they are interested. This wealth of detail makes the work unique amongst statistical records of British trade. Volume I. includes abstract tables showing imports and exports by volume and value and by ports of entry or destination; transshipments under bond; Customs revenue received; and transit traffic. Volumes II. and III. contain tables giving fuller information as to imports (with re-exports) and exports respectively. Volume IV. will be concerned chiefly with detailed tables of trade by ports.

Sixth Annual Report of the Controller of the Clearing Office, the Administrator of German, Austrian, Hungarian, and Bulgarian Property, and the Director of the Russian Claims Department. 1926. 2s net.

BARCLAYS BANK

LIMITED.

Head Office: 54 Lombard Street, London

AUTHORISED CAPITAL - £20,000,000
ISSUED CAPITAL - £15,858,217
RESERVE FUND - £9,250,000
DEPOSITS, etc. (30th June, 1926) - £304,247,460

FOREIGN EXCHANGE TRANSACTIONS ARRANGED.

CHIEF FOREIGN BRANCH:
168 Fenchurch Street, London, E.C. 3.

STOCK EXCHANGE NEWS.

SETTLING DAYS.

TICKET. ACCOUNT.
December 28. December 30.

The strength of gilt-edged stocks stands out as a noticeable feature in the penultimate week of the old year. The War Loan is up to 100½, and this has a good effect upon gilt-edged and investment stocks as a whole. From the domestic point of view, the Stock Exchange has started Christmas quietly, and its past experience has demonstrated the desirability of placing a check upon horse-play that in previous years became a source of real danger to unwary members.

Belgian 7 per cent. scrip has risen to 9½ premium above the issue price of 92. A welcome to the Bulgarian Refugee 7 per cent. loan, to be offered at the same price, is considered assured in advance. The security is, of course, very different. Peruvian Corporation stocks gave way slightly after the meeting on Monday, but recovered later on. The chairman's statements in regard to arrears of dividends on the preference stock were considered a little intangible, although they indicate the board's intention to formulate a definite plan for settling the matter shortly. Chinese loans are better. In South Americans interest fell away considerably, nor has there been any real activity in French issues.

Home railway stocks are declared to be the subject of good buying, but if this is the case it is not reflected in the course of prices, which is generally downwards, although the declines are of a limited extent. Argentine Railway stocks have been, on the contrary, in good fettle, Central Argentines, Cordoba Central, and Argentine North-Eastern being singled out for special favour. Brazilian railways are steady, and other stocks in this section have been quiescent.

The rubber market went a mere shade better on the assumption that next February there will be another 10 per cent. cut in the exportable allowance. Tea shares were weak. The main excitement has centred around Courtaulds and Dunlops. Liquidation was said to be responsible for the drop in Courtaulds, and selling for that in Dunlops on behalf of people rendered apprehensive by the cut in tyre prices by competitors. A swift recovery followed, bears deeming it discreet to get back their engagements on the drop. Swedish match shares are strong, thanks to the impression that the company is about to secure the French as well as the German monopoly in matches. Insurance shares show a tendency to dullness, and in the shipping lists scarcely anything has moved. Banking shares are almost equally quiet. Nuclea Artificial Silk shares gained 3s in a day upon cessation of previous heavy sales. The textile market is inclined to go back. Tobacco shares remain hard and newspaper shares are very much in the ascendant. Marconis fell back on fears of what the auditors' report will show. It should be out early in January.

The electric construction group is not quite so good as it was, partly owing to the disclaimer of amalgamation by Sir George Hutton at the Henley's meeting, though he confessed to conversations between various companies. Armstrongs are lower, the ordinary shares standing at 2s 10½ and the 6½ per cent. consolidated debentures at 40. There has been a moderate advance in some of the gas stocks, and two or three nitrate producing shares are harder. London Electricity shares remain dull.

The South African market is irresponsive to a batch of good dividends declared by the gold-producing companies. Paris has had a good deal to say in the matter of moving prices, and the French have been sellers for choice. Chartered have gone back a few pence, and Globes, amongst other Rhodesians, eased off. The tin share market is uncertain, although here also the tendency has been for holders to lighten their books in anticipation of the end-December settlement. West African, Cornish, Indian and Canadian mining issues show few alterations.

NEW ISSUES.

The new issues of the week, and the current year, and date of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
ISSUES OF THE WEEK—				
Amount previously recorded	227,321,825			
NATIONAL SAVINGS CERTIFICATES.				
April 1, 1926, to December 18, 1926, Dr £2,850,000.				
Net sales week ended December 18, 1926, Nil.				

To the Public—				
Kingdom of Bulgaria, 7% Settlement Loan, 1926, £1,750,000	1,750,000	1,610,000	87,500	1,522,500
7% Sterling Bonds at 92½, red. at par on or before Jan. 1, 1927 (Dec. 22)				
City of Nottingham, £1,000,000 5% Red. Stk., 1943-March 31, 1952, issued at 99½ (Dec. 20) ..	1,000,000	995,000	50,000	945,000
City of Lancaster, £100,000 5% Deb. Red. at par, July 1, 1952, issued at 97½ (Dec. 21) ..	100,000	97,500	5,000	92,500
Total offered to the Public		2,702,500	142,500	2,560,000

To Shareholders only—				
Australian Bank of Commerce, 368,000 Shares, £1, at £1 7s 6d	368,000	504,000	92,000	412,000
Bwana M'Kubwa Copper, 400,000 Shares, 5s, at 7s	100,000	140,000	140,000	
Rajawalla Produce, 64,276 New Ord., 10s, at 20s	32,138	64,276	64,276	
Total to shareholders only		708,276	296,276	412,000

Total offered for subscription to date in—				
1926	230,732,601	1925	231,914,268	
1925	231,914,268	1924	209,326,100	
1924	209,326,100	1923	271,393,173	
1923	271,393,173	1922	573,675,650	
1922	573,675,650	1921	388,978,203	
1921	388,978,203	1920	367,549,659	

City of Nottingham.—This is an issue of £1,000,000 5 per cent. stock at 99½ redeemable 1943-1952. Principal and interest are secured upon all the property, rates and revenues of the Corporation and provision is made for redemption by means of a sinking fund. The rateable value is £1,661,376, a penny rate producing £6,400. The total assets amount to £17,308,555, and the total liabilities, including the debt of the City, according to the last published accounts, are £10,885,552. The outstanding debt is £8,044,922, of which £5,044,319 is in respect of reproductive undertakings; the estimated population is 270,600. The proceeds of the present issue will be applied for electricity works, street improvements, housing and other purposes and for paying off existing loans. This is an excellent trustee investment.

Kingdom of Bulgaria.—This is an issue of £1,750,000 7 per cent. sterling bonds to bearer at £92 per cent., redeemable 1967. Bonds are also being offered in Holland, Italy, Switzerland and the United States of America. The loan is issued with the approval of the League of Nations, and the payment of principal and interest is the direct obligation of the Bulgarian Government, and in accordance with the protocol the Bulgarian Government, with the approval of the Inter-Allied Commission and the Reparation Commission, has undertaken to furnish as security for the bonds the following revenues:—The excise duty on alcohol and other articles; the excise duty on salt and other articles; the net receipts of the match monopoly; all sums received after November 1, 1928, in respect of rent or interest due from persons assisted out of the yield of the loan, and also all sums received from such persons as payment for the purchase of land, buildings or material or as repayment of advances in cash or in kind; such other revenue or revenues, if any (excluding the Customs), as may from time to time be assigned if at any time the total yield of the above-mentioned revenues should fall below 150 per cent. of the annual sum required to meet the service of the loan. The first three revenues for the last completed year are stated to have totalled £800,000. There is an accumulative sinking fund of ½ per cent. per annum. The loan is being issued for the settlement of refugees, and all assistance given will be on terms of repayment. The proceeds of the loan will be under the direct control of a Special Commission appointed by the League of Nations. This issue is dealt with in a Business Note.

City of Lancaster (Tasmania).—This is an issue of £100,000 5 per cent. debentures at 97½ per cent., redeemable 1952. The interest is guaranteed by the Government of Tasmania, and the loan is secured upon all the corporate rates and revenues of the city. The loan is free of all Tasmanian taxes, present and future, unless held by persons domiciled in the State of Tasmania. The debt of the Council is £733,100, the population within the metropolitan area being 30,000. The unimproved capital value of lands is £7,367,900 and the annual value £368,395, while the revenue of the city for the year ended June 30, 1925, amounted to £215,993 and the expenditure to £203,628, including annual interest and sinking fund payments. The proceeds of the loan will be used to provide funds for loan redemption and municipal works, mainly sewerage, electricity, tramways and water. It is somewhat curious that the interest only is guaranteed by the Government of Tasmania. The information relating to the sinking fund is rather vague, and we notice that no mention is made of a Stock Exchange quotation.

The following advertisements relating to public companies have appeared in the Press during the week:—**Lightwood Concrete Aggregates, Limited**, having a capital of £40,000, divided into 40,000 shares of £1 each, of which 28,000 are issued. **Santa Rosa Milling Company, Limited**, having an issued capital of £400,000, divided into 137,500 7 per cent. non-cumulative preference shares of £1 each and 262,500 ordinary shares of £1 each; there have been issued an additional 100,000 ordinary shares. There is also outstanding £241,000 6 per cent. first mortgage debentures. **Suloh Rubber Estates, Limited**, having an authorised capital of £1,000,000, divided into 1,000,000 shares of £1 each, of which 550,000 were issued at par on December 4, 1925.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—
British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
India 3½% Stock	70½	71	+
Do 5½% 1933	101½	101½	+
Do 4½%	92	92	+
N.S.W. 5½% 1922-33	100	100	+
N. Zealand 3½% 1940	85	85	+
Nigeria 6% 1949-71	110	110	+
Queensland 5½% 40-60	96	96	+
U. of S.A. 6% 1930-40	102	102	+
S. Aust. 6½% 1930-40	103	103	+
Victoria 5½% 1924-34	100	100	+
W. Aust. 6% 1930-40	101	101	+

	Price Last Week.	Latest Price.	Rise or Fall.
Great Western, Ord.	85½	86	+
London & North-Eastern	50½	50½	+
5% Pref. Ord.	50½	50½	+
Do Def. Ord.	18½	18	-
Do Def. Mid. and	72½	73½	+
Scottish, Ord.	72½	73½	+
Metropolitan	63	63	+

	Price Last Week.	Latest Price.	Rise or Fall.
Asotagasta Cons	78½	78	-
B.A. and Pacific	87½	88	+
B.A. 6% Southern	101½	101½	+
Buenos Ayres 5% 1924	170	173	+
Canadian Pac. (£100)	75½	77½	+
Central Argentine	75½	77½	+
Cordoba Central New	38½	40	+

	Price Last Week.	Latest Price.	Rise or Fall.
Chesapeake & Ohio	170	173	+
Erie	42	43	+
Do 4% 1st Pref.	53	55	+

	Price Last Week.	Latest Price.	Rise or Fall.
Argentine 5%, 1888-7, 101	101	101	+
Austrian 6% Guar. 99½	99½	99½	+
Belgian 7%, 1926	102½	102½	+
Brazil 5% Fund., 1914	75	77	+
China 4½%, 1895	102	103	+
Do 7½%	45	45	+
Chinese 5%, 1912	81½	81½	+
Egyptian 4%	131	131	+
French 5%	111	111	+
Do 4%	104½	104½	+
German 7½, 1924	104½	104½	+

	Price Last Week.	Latest Price.	Rise or Fall.
Anglo-American "A"	24½	24½	+
Marconi Wireless	13	13	+

	Price Last Week.	Latest Price.	Rise or Fall.
Barclays & Co. (Ld.)	21½	21½	+
Chartered Bk of India	20	20	+
Lloyds (£5 with £1 paid)	3½	3½	+
Midland (£12, with £4 paid)	82	82	+
Nat. Bank of Egypt (£10)	35½	35½	+

	Price Last Week.	Latest Price.	Rise or Fall.
Allied Newspapers (£1)	2½	2½	+
Amal. Cottons (£1)	4½	4½	+
Anglo Persian Oil (£1)	5½	5½	+
Apex (Trin.) Oil (£1)	5½	5½	+
Armstrong (Sir W.G.) and Co. (£1)	3½	3½	+
Ass. Paint. Cement (£1)	3½	3½	+
Baker, John (£1)	3½	3½	+
Bham's Small Arms (£1)	2½	2½	+
Bleachers (£1)	2½	2½	+
Bradford Dyers (£1)	10½	10½	+
Brazil Traction (£100)	107	107	+
British-American	48½	48½	+
Tobacco (£1)	48½	48½	+
British Controlled Oil (£5)	2½	2½	+
Bryant and May (£1)	6½	6½	+
Cumsh Oil (£1)	4½	4½	+
Coats (J. and P.) (£1)	4½	4½	+
Courtauld (£1)	4½	4½	+
Guarant (£1)	4½	4½	+
Dorman, Long (£1)	1½	1½	+
Dunlop Rubber (6/8)	1½	1½	+
Fine Cotton Spins (£1)	2½	2½	+
Forestral Land (£1)	1½	1½	+
Furness Withy (£1)	1½	1½	+
Gramophone (£1)	3½	3½	+
Highland and Lowlands Rubber (£1)	2½	2½	+

	Price Last Week.	Latest Price.	Rise or Fall.
Andros Bay (C.I.)	5½	5½	+
Imperial Tobacco (£1)	5½	5½	+
Linggi Planina (£1)	2½	2½	+
Lever Bros 7% Cm Pr (£1)	1	1	+
Do 8% Cm Pr (£1)	1	1	+
Do 10% Cm Pr (£1)	1	1	+
Lister (£1)	1½	1½	+
Lobitos Oilfields (£1)	8½	8½	+
Lyons (J. & Co.) (£1)	3½	3½	+
Mexican Eagle (£10)	13½	13½	+
Nobel Industries (£1)	13½	13½	+
Royal Dutch Petroleum (100 fl)	31½	31½	+
Rubber Plantations	2½	2½	+
Investment (£1)	2½	2½	+
Shell Transport (£1)	4½	4½	+
Siemens (£1)	1½	1½	+
Swedish Match "B" (£100)	15½	15½	+
Union Cold Storage	8½	8½	+
5% Cum. Pref. (£1)	8½	8½	+
Do 7% Cm. Pr. (£1)	1½	1½	+
United Dairies (£1)	1½	1½	+
United Dairies (2)	4½	4½	+
United Tobacco (£1)	4½	4½	+
V.O.C. Holding (£1)	3½	3½	+
Vickers (6/8)	3½	3½	+
Watney Def. Stk.	254	255	+

	Price Last Week.	Latest Price.	Rise or Fall.
Modderfont. Deep (5)	1½	1½	+
Mouss Lyell (£1)	1½	1½	+
New State Areas (£1)	2½	2½	+
Randfontein East (£1)	2½	2½	+
Rand Mines (5)	3½	3½	+
Selukwe (2/6)	3½	3½	+
Shamva (£1)	1	1	+
Rio Tinto (25)	39	39	+
Ropp Tin (4)	32	32	+
San Francisco of Mexico (10)	1½	1½	+
Siamese Tin (5)	1½	1½	+
Spring Mines (£1)	1½	1½	+
Tanganyika Cons (£1)	2½	2½	+
Trans. Cons. Ltd (10)	2	2	+
Zambesia Expl. (£1)	2	2	+

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the ECONOMIST, 3 Arundel street, Strand, London, W.C.2.

COMPANY MEETINGS, &c.

IONIAN BANK, LIMITED.

ECONOMIC AND FINANCIAL CONDITIONS IN GREECE.

The eighty-seventh annual general meeting of the Ionian Bank, Limited, was held, on the 21st instant, at Basilidon House, Moorgate, London, Sir John Stavridi (the chairman) presiding.

The secretary (Mr R. H. Fry) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report and accounts, said that, when addressing the shareholders in January on the subject of the bank's work in Egypt, he referred to the increasing competition with which they were meeting, and spoke of the rate-cutting and increased credits used as a means to attract clients. He also said that it was against the board's policy to follow such methods; that their experience had taught them that "safety first" should be their maxim, even at the price of a temporary reduction of turnover. They had acted on their principles, and their decision had been fully justified, as the bank had suffered practically no loss through bad debts in Egypt during the past year. At the same time, the profits of the bank as a whole had been somewhat affected.

He visited Greece early this year, and spent several weeks in Athens in touch with the principal officers of the bank. He was greatly interested in the improvement he found, both in the country in general and in their own activities in particular. There was no doubt whatever in his mind that what was required to bring about an important revival of trade, business, and prosperity was a stable constitutional Government. They appeared on to be on the eve of seeing such a Government established.

As to the bank's activities during the past year, they showed continued expansion.

FINANCIAL CONDITIONS IN GREECE.

In Greece the year under review had been one of financial instability. It was impossible to describe how quickly financial and economic conditions could change, and the serious difficulties the managers out there had to face. Notwithstanding the hopes of the well-wishers of Greece that a status of budgetary equilibrium had been reached, it must, unfortunately, be admitted that this had not yet been attained. Repeated increases of taxation had raised the revenue from Drs. 76,500,000 (about £3,000,000) in 1912 to Drs. 4,158,000,000 (about £10,500,000) in 1925-26, but the comparison between these figures in drachmæ and in their respective approximate equivalents in sterling clearly showed the havoc and vicious circle created by a depreciating currency. Whereas revenue in drachmæ had increased 55-fold, when expressed in sterling it had only increased to three and a-half times the value of the 1912 revenue, when drachmæ were at par. Meanwhile, expenditure had also increased in a still larger proportion. During the year the external debt and the floating debt in gold had increased by about £12,000,000. The internal debt had increased by about Drs. 750,000,000. The fiduciary circulation showed no material increase in 1925. The cost of living in Greece had increased to 18½ times the pre-war level. It was higher than the ratio of exchange of the drachmæ to the £, which was about 16 times its par value.

The balance of trade and the economic balance continued unfavourable. Monetary conditions had been very stringent throughout the year. Maximum rates for interest and commission to be charged by banks had been fixed by Decree at 12 per cent. and 3 per cent. per annum respectively. This persistent stringency was attributable to the influx of the refugees and to the high cost of living.

AGRICULTURE.

Agriculture prospered in 1925. It was disappointing, however, that the production of wheat and other cereals had not shown the larger increase expected from the additional labour of the refugees. As a consequence, Greece would have to import a quantity of wheat about equal to her production, and a portion, 20 to 50 per cent., of other cereals. The reason for this disappointing result appeared to be that the refugees had turned their energies to the cultivation of tobacco, which was more profitable. It was high time that the Government should take in hand and remedy this most vital question, on the solution of which depended to so large an extent the rehabilitation of the economic position of the country. Fortunately, the monetary position had been somewhat eased recently through the return to more normal political conditions.

Referring to the cotton position in Egypt, the chairman said that the 1925-26 season had been most disappointing owing to the

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

6 HEAD OFFICES: LIVERPOOL AND LONDON.

fall in prices. The policy adopted by the bank saved them from capital losses, which were reported to have been considerable in Egypt last year. It had enabled them to husband their resources against such time as might appear favourable for a renewed expansion of their operations, and they would not be slow in availing themselves of the first favourable opportunity.

In conclusion, the chairman dealt with the accounts, and said that the board felt fully justified in maintaining the dividend and bonus at the same figure as last year on the increased capital. The bank continued to show a very strong position as regarded cash in hand, at bankers, and in transit, the figure at August 31st being £657,351.

The report and accounts were unanimously adopted.

CAMP BIRD, LIMITED.

IMPROVED POSITION AND PROSPECTS.

The twenty-fifth ordinary general meeting of Camp Bird, Limited, was held, on the 20th instant, at River Plate House, Finsbury circus, London, Mr F. W. Baker (chairman of the company) presiding.

The secretary (Mr E. C. Leaman) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report and accounts, said:—I am sure it will be of interest to you to realise how completely our financial position has changed for the better consequent on the reduction of capital and as a result of the issue of the new shares at the premium at which they were placed. At the present time our authorised capital stands at the figure as appearing in the present balance-sheet; the issued capital as regards preference shares stands at the same figure, but the issued ordinary, instead of standing at 1,100,051 shares of 2s each, now stands at 2,528,848 shares, equalling £252,884. This issue produced on capital account £142,879, and on premium account £160,740, a total of £303,619. At July 1, 1926, we were owing in respect of arrears of preference dividend £250,105, which has since been liquidated as to approximately £137,420 in cash and as to £112,684 by the issue of funding certificates which the preference shareholders have accepted under the scheme of reorganisation, so that this large amount of indebtedness has been liquidated. Furthermore, as at July 1st we were owing a half-year's preference dividend, which has since been paid, and the current dividend payable for the period ending December 31st will be paid in January. In addition, as previously explained, the bank loan of £50,000 has been repaid, so that we are now operating with a clean sheet, and have no indebtedness of any kind.

It will be seen, therefore, that our cash resources have been strengthened by the addition of the proceeds of 2s per share on the new issue of shares, which realised £143,000 on capital account, after satisfaction of the preference dividend arrears, six-elevenths of which were paid in cash.

SANTA GERTRUDIS.

I will now deal with the position at the Santa Gertrudis group of mines, and with the interests of the Mexican Corporation. The proceedings at the meetings of these two companies held recently have been fully reported in the Press, and have doubtless been read by a number of shareholders here. Should, however, any of the shareholders desire a copy of the proceedings at these meetings the secretary will be very glad to furnish same on application.

The Santa Gertrudis company's financial position has been very materially changed for the better as a result of the successful operations at the mine. After meeting obligations, that company has paid, and we have received ourselves, a dividend of 1s per share in July. There has been paid, and we have received, a dividend of 9d per share in October, and I announced at the recent meeting a further dividend of 9d for the period ending December 31st, to be paid in January. Future dividends, as I explained to the Santa Gertrudis shareholders, will be dependent on the trend of silver.

Mr Rose has advised that, with silver at 52 cents, he can earn from \$100,000 to \$110,000 per month. This should enable a dividend—which in future will be paid half-yearly—of 1s for each six-monthly period. Any increase from 1s to 1s 6d, or even 2s per half-year, will depend on an enhancement in silver price over 52 cents per ounce.

MEXICAN CORPORATION.

I have now to turn to the Mexican Corporation. The ore reserves as at June 30 are estimated in the existing ore bodies at 5,861,000 tons, estimated to contain 47,960 ounces gold and 34,000,000 ounces silver. The cyanide mill treated 1,267,000 dry tons of oxide ore, containing 8,631 ounces gold and 6,000,000 ounces silver. The average milling rate was 3.473 dry tons per day. The sulphide concentrate ores are estimated at 129,000 tons. These reserves are on a conservative basis, and further large additions may be expected. The concentrating mill treated by selective flotation over 61,000 dry tons of sulphide ore, producing 4,576 tons of lead concentrates and 1,694 tons of zinc concentrates.

The result of the year's operations at the Fresnillo Unit has been disappointing, due to three main reasons. First, heavy fall in the price of silver; secondly, the delay in removing 700,000 tons of over-burden, to make possible the extraction of the higher silver values in the oxide ore bodies at the Catillas section of the mine; and, thirdly, the change in the mineralisation in the Cueva Santa sulphide vein system. Had silver prices remained at the average for the previous year, the Mexican Corporation's share of the profits in the treatment of the oxide silver ores above mentioned, together with the anticipated profits estimated at about \$7 per ton from the sulphide ores, would have enabled remittances from the Mexican Corporation S.A. to the London company of approximately £200,000 in a full year's operation. The amount actually earned by the local company was £60,000.

Mr Rose has reported that even with silver at 52 cents an ounce, and taking zinc and lead at present prices, the Mexican Corporation should earn at the rate of £10,000 per month as from February, 1927, based on the monthly treatment of 88,000 tons of oxide ores and 11,000 to 12,000 tons of sulphide ores. This sulphide tonnage is more than double the average monthly rate of last year. The profits should be increased as development opens up further sulphide ores, enabling a larger monthly tonnage treatment.

NEW INVESTMENTS.

I stated to you when the reorganisation scheme was sanctioned, and the new issue of capital made, that we should utilise the fresh working capital in making this company an active mining investment company, and with this end in view we have since July made several investments, which I will now deal with. We have taken advantage of the recent offer to subscribe for fresh capital in the Chemical and Metallurgical Corporation. We have made an investment in Lena Goldfields Notes, which we secured at a good price. They carry 8 per cent. interest, and we secured with them a large bonus in shares.

The business of the Durango Timber Company, Limited, was offered to us by Mr Rose, who is a director of the local company. An immediate income will accrue to the company from this investment, and the prospects for a substantial return in the future are good. We have with associates secured an option on the Lake George Mine, near Canberra, New South Wales. The outlook so far as we have gone is distinctly encouraging, and I hope when I address you next year that I shall be in a position to tell you that we have secured a large interest in a big base metal mine.

We have in co-operation with other mining interests joined in a working option of a tin property in Portugal. The prospects of this mine are favourably reported on, and should developments continue as satisfactorily as now showing, the public will be invited in due course to participate in this enterprise. In addition, we have acquired an interest in the V.O.C. Holding Company and other small interests, and we have £100,000 in Treasury bonds.

DIVIDEND PROSPECTS.

Gentlemen, I would now like to deal with the question of dividend prospects. When we issued to you our prospectus in July last, your board estimated and stated in that prospectus that the results for the current financial year—viz., the financial year ending June, 1927—should justify a dividend of 20 per cent., clear of income-tax, on the issued ordinary capital of the company, based upon the maintenance of normal conditions and on the price of silver at its then quotation, which was over 64 cents per ounce. Unfortunately, since July last there has been a steady fall in silver prices from the figure just given to its present quotation of approximately 54 cents. This fall has been reflected in the earnings of the Santa Gertrudis Company and the Mexican Corporation, and has in turn reacted on our earning capacity. But for this fall in the price of silver a dividend distribution at the rate of 20 per cent. for the current year on our ordinary share capital would have become an accomplished fact.

At the present price of silver the share of Santa Gertrudis and the share of Mexican Corporation's earnings coming to us should be sufficient to enable us to meet our preference dividend obligations, and unless there is some substantial appreciation in silver prices the prospects for dividends on the ordinary shares would

FIRE INSURANCE

covers the material damage to your buildings, stock and machinery, but it

DOES NOT COVER

the payment of rent, rates, taxes, salaries to permanent officials, interest and other standing charges during the period of reconstruction, nor does it guarantee your expected net profit. This is covered by insurance against

LOSS OF PROFITS

which begins where Fire Insurance ends.

May we send you a copy of our new explanatory leaflet?

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD.

Head Office: 1, Dale St., Liverpool. London: Chief Office: 1, Cornhill, E.C.3.
General Manager & Secretary—Hugh Lewis.

be dependent, in my judgment, mainly on your directors' efforts to utilise to profitable advantage the new working capital now at our disposal.

ORDINARY DISTRIBUTION PROSPECTS.

It will be of interest to you to know that our efforts in this direction for the period from June to the end of this year have been sufficiently encouraging to warrant the statement that if we are as fortunate for the remaining six months of the financial year yet to run the prospect of a dividend distribution on the ordinary shares will be reasonably assured. In making this statement I naturally count on the Santa Gertrudis Company receiving the monthly remittances indicated by Mr Rose at the rate to which I have previously referred, and that that company in turn will have paid us the anticipated half-yearly dividends, so that from this source alone our preference dividend payments can be provided for.

Gentlemen, this company has been in existence 26 years. We have during this period paid in dividends on our preference and ordinary capital the sum of £2,566,000, which does not include dividend payable on January 1st next. A further £72,000 has been satisfied out of profits for equipment of the Camp Bird Mine. In making these distributions we have exhausted the old Camp Bird Mine. We have exhausted the old Santa Gertrudis Mine, and are to-day entering a new field of activity; we have substantial assets and are free of debt, and are now able as a small unit to utilise our resources in carrying out that world pioneer work that has so materially helped in the past to build up the wealth of the Empire.

Mr L. W. Harris seconded the resolution, which was carried unanimously.

W. ABBOTT AND SONS, LIMITED.

GOOD RESULTS DESPITE ADVERSE CONDITIONS.

The seventeenth annual general meeting of W. Abbott and Sons, Limited, was held at the registered offices of the company, 34 and 36 Gresham street, London, on Wednesday, December 22, 1926, Mr O. H. Abbott, the chairman and managing director, presiding.

The Chairman, in moving the adoption of the report and accounts, said that, with the shareholders' permission, he would adopt the usual procedure and take the report and accounts as read. The company had now reached the seventeenth year of its existence, and in the year under review it was gratifying to find that, in spite of the general adverse conditions affecting theirs and similar businesses during that period—he referred to the general and coal strikes—the company had shown such a satisfactory result.

THE ACCOUNTS.

In reviewing the accounts, it would be seen that the year which ended August 31, 1926, after charging all trading expenses, and writing off £6,122 8s 10d for depreciation of leases, fixtures and furniture, had resulted in a balance of £43,884 2s 11d, and after deducting the further sum of £4,167 9s 5d charged against the gross profit there remained a balance of £39,729 17s 6d; to that must be added the sum of £18,863 15s 2d, the amount of the carry forward from last year, less the sum of £20,000 transferred to a special fund to meet loss on exchange, making a total of £58,593

12s 8d, which it was proposed should be dealt with as shown in the report.

The directors had pleasure in again recommending payment of a final dividend, making for the year 15 per cent.

The reserve account stood at £66,500, and, as stated in the report, the directors took the view that this must be considered as permanent capital employed in the business, it was therefore proposed to capitalise a sum of £30,000 of that reserve, by the distribution among the ordinary shareholders of a capital bonus at the rate of one ordinary share of £1 each to every three held by them.

IMPROVED POSITION IN FRANCE.

The violent fluctuations in the franc had been very disturbing to the smooth running of their business, but happily France now had a very strong Government, which it appeared was determined to balance the Budget, and the value of the franc to-day was sure evidence of the success of its policy. Whether that policy was leading to stabilisation or revalorisation, time would tell, but in either even their business stood to gain, as it was most improbable that any rate would be fixed higher than 165 to the pound, the rate ruling at the end of their financial year. They could therefore look forward with a reasonable amount of confidence that the nightmare of the franc had at last disappeared, so far as their business was concerned.

During the year they had opened among others a very fine branch in the heart of Oxford street, which should become an important acquisition, and was undoubtedly one of their finest advertisements.

The stocks showed an increase of £20,422 11s 3d, and was accounted for by the stocking of three new branches. The policy of drastically marking down selling prices, through sudden change in fashions, enabled them to keep all their stock on the move, they therefore carried no stagnant stock.

BOARD'S POLICY.

The directors' policy was to continue to acquire new premises where the position showed promise of a good return. There was no such thing as a "stand-at-ease" policy for a successful business to-day, it must either go forward or gradually become a back number. Business had become a science and the best brains in the world were pitted one against the other in evolving new and progressive ideas. They might rely on their directors being amongst the leaders and not the laggards.

Optimism was a tonic, pessimism was a poison, he was therefore subscribing to the former in looking forward to the current year being a bumper one.

The Chairman stated that he would like on behalf of the board, and he felt sure he might do so on behalf of the shareholders, to thank their staff, both in London and Paris, for their loyal services. He would especially mention the former for their steadfastness and voluntary offers of help during the General Strike, help which would have involved them in a considerable monetary loss.

The report and accounts were adopted.

CARRERAS, LIMITED.

RECORD YEAR—GOOD PROSPECTS.

The twenty-third annual general meeting of Carreras, Limited, was held, on the 20th instant, at Arcadia Works, 238 City road, London, Mr Bernhard Baron (chairman and managing director) presiding.

The secretary (Mr H. W. Danbury) having read the notice convening the meeting and the report of the auditors,

The Chairman said: I am pleased to be with you again, and take great pleasure in congratulating you on the year's business of the company. As you see, the available balance is £1,390,000, which is no doubt a record in the tobacco trade considering the small amount of capital with which we started and the small amount of cash that has ever been put into the business from outside. We have made the largest proportion of our working capital out of profits, and whatever bonus shares have been issued were issued for the benefit of the shareholders out of the profits earned in the business.

Some of the shareholders who have held shares since the inception of the company will remember that 15 or 18, or maybe 20, years ago I told them that the company had not touched the fringe of the business which I hoped in time we should get. Well, I may tell you now that we have only just about touched the end of the fringe, as the future is just as great as it has ever been. Our business for the two months of the new year is larger than it has ever been in any corresponding period, and I am satisfied that, as far as I can see, we will have a much better year this year than we did last year. I see no serious industrial troubles ahead for the next few years.

ESTABLISHED OVER ONE HUNDRED YEARS.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS £13,500,000.

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James' Street, S.W.1.

POPULARITY MAINTAINED DESPITE COMPETITION.

The competition which we have experienced is of the greatest benefit to our business, and with all the great guns which have been shooting at us by means of the heaviest advertising which has ever been known, and which must have cost millions, it has been proved that we are fortified by the appreciation of the public for our goods. They had not penetrated at any place, but have helped to increase our business all the time, not only here but all over the world, and I only hope that they will not stop it, as it keeps us all the time on guard.

The faithfulness of our workers is one of our greatest assets, as they do their work so conscientiously that the public get the best value and the best article—always the same, never varying.

FIVE FACTORIES OUTGROWN.

Since the company was formed we have outgrown five factories, and we have now started to build what I think will be the largest factory in London. We have secured a magnificent freehold site in Hampstead road, and we are now erecting a building which will be worthy of this great business. It will be equipped with the most up-to-date machinery and appliances for our manufacturing purposes and with every possible advantage for our people to work under the most hygienic conditions. Sixteen years ago, at our first meeting in this building, I told you that we should endeavour to outgrow the capacity of this factory. We did that over two years ago, when we had to secure an additional factory in New North street, to which we have added several floors since we started there. The enormous building we are putting up in Hampstead road will probably enable us to go ahead without interruption for a good many years, but it is quite possible that we may even outgrow that.

WORKERS' WELFARE—SOUND POLICY.

I cannot help but repeat again that we have as loyal a body of workers as any employer could desire, and I am pleased to bear testimony to the splendid efforts they have put forth during the past year. They work hard and they work cheerfully, and they take a real interest in co-operating for the progress of the business. I think as shareholders we should all be thankful to them, and I go still further and say that if all the manufacturers would treat their workers well, pay them a good living wage, so that they could have what they want in their homes, they would not alone have happiness, but they would make more money.

It has been a great pleasure to me to buy a large house, with grounds adjoining, situated in the healthiest part of Brighton, opposite Queen's Park, which I am having equipped with 20 beds so that our working people can go there for convalescence and recuperation, as may be necessary, and I hope it will be of great benefit to our people.

The Chairman concluded by moving the adoption of the report and accounts, and the payment of a dividend of 35 per cent., free of income-tax, making with the interim dividend 50 per cent, free of income-tax, for the year.

Mr Louis B. Baron seconded the resolution, which was carried unanimously.

ANGLO-EQUADORIAN OILFIELDS, LIMITED. GOOD PROGRESS—PRODUCTION DOUBLED.

The eighth annual general meeting of this company was held, on the 21st instant, in London.

The Right Hon. Lord Forbes, P.C. (the chairman), said that a profit and loss account had been opened, covering the second six months of the financial year to June 30th last, and the profit during that period provided adequately for depreciation. The result of the six months was a small loss of about £2,000. In view of the size of the undertaking and the pay-roll, and the fact that they were only just beginning to get oil in quantity, they were glad to start a profit and loss account so nearly square. He visited the property in December and January last, and was impressed with the growth which had taken place since his preceding visit. The foundations had been laid—he thought satisfactorily and efficiently laid—for entering upon the production stage. It was a remarkable fact that they had been so uniformly successful in finding oil in each well.

Production for the year was 27,632 tons, as compared with 12,230 tons for the previous year, showing an increase of over 100 per cent. Efficient preparations were being made to supply

the local market, which should not be an unprofitable one. The chief outlet, however, for the produce of the field would be overseas. Shareholders were informed at the last meeting that the first cargo of 5,000 tons had been successfully loaded. This had been followed by several others, and the quality of the oil was now becoming known in the market. Satisfactory contracts had been made for the disposal of the anticipated production of 1927. Recently the field had been visited by the President of Ecuador, and friendly relations existed between the company and the authorities. It would be seen from what he had said that solid and satisfactory progress had been made in all directions, and that the only drawback had been the slowness in arriving at a profit-earning stage, caused mainly by the lack of any local facilities and the hard stratum, which had made drilling somewhat slow.

Having paid a warm tribute to the field manager and his staff for their unabated keenness to make the company a success and to the agents for their capable management of the business side of the company's local interests, the chairman said that the latest telegram received from the field manager was as follows:—"Well No. 25 struck oil at 1,570 feet, and, in geologist's opinion, indicates large productive area to the east, with prospect of shallow drilling. Estimate production for the month of December at 4,500 tons." He then moved the adoption of the report and accounts.

Sir John B. Wimple, K.B.E., seconded the motion, which was unanimously adopted.

OROVILLE DREDGING COMPANY, LIMITED.

REDUCTION OF CAPITAL AGREED TO.

The 15th ordinary general meeting of this company was held, on the 22nd instant, at Winchester House, Old Broad street, London, E.C.

The Chairman (Mr F. W. Baker) said that the result of the past year's operations had, he was sorry to say, falsified any hopeful view expressed last year. The board of the Colombian Corporation decided that, owing to failure to prove any substantial additions to ore reserves, the difficulties occasioned by labour shortage, and the inability to then operate profitably, the best interests of shareholders would be served by closing down. The management in Colombia had been instructed to dismantle the mill and remove the plant and machinery to the storage depot at the Dos Bocas terminal, in the hope that negotiations could be satisfactorily terminated to transfer this plant to another property in Colombia on the basis that they secured an interest in this mine for supplying equipment.

At last year's meeting he pointed out that the balance-sheet of the Oroville Dredging Company did not show a really true position, because they were still carrying the cost of their original purchase of the American Oroville shares in their books at cost, amounting to £629,172, this item having then no value, as the Oroville properties had been exhausted, and before they could resume dividend distributions some steps would have to be taken to meet the losses sustained through their interests in the Colombian Corporation, and that in due course proposals would be submitted for the writing down of the capital to bring such capitalisation more into line with the actual value of the assets. The scheme now to be submitted was based on the maintenance of the capital at the same number of shares as it now stood at, but writing off 16s, making the new share a 4s fully-paid share. The price of 4s had been fixed because this represented what the directors considered a fair value for the company's holdings of Pato Mines,

and was based upon the price at which they had recently acquired an increased holding, so that to-day this company practically owned all the Pato capital. The effect of the reduction of the capital would be that the directors would be placed in a position to distribute the earnings coming through their holdings in the Pato Company.

The report and accounts were unanimously adopted, and at the extraordinary general meeting which followed the resolutions dealing with the reduction of the capital were unanimously agreed to.

GOVERNMENT RETURNS, &c.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.				
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Balance at Bank of England.
1923.							
Mar. 26.....	285,616	12,318	7,000	27,000	22,450	17.3	241,294
June 27.....	285,503	12,516	7,000	27,000	22,460	17.3	242,446
Sept. 27.....	282,784	12,401	7,000	27,000	22,450	17.5	238,595
Dec. 26.....	299,070	12,571	7,000	27,000	22,450	16.5	255,032
1924.							
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17.6	236,867
June 25.....	290,316	12,472	7,000	27,000	22,450	17.0	246,198
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17.3	241,185
Dec. 31.....	296,261	12,812	7,000	27,000	26,950	18.2	248,111
1925.							
Mar. 25.....	284,256	11,882	7,000	27,000	26,950	18.9	235,076
June 24.....	292,278	12,265	7,000	..	53,950	18.5	243,474
Sept. 30.....	293,004	12,555	7,000	..	56,250	19.1	242,188
Dec. 30.....	296,777	12,561	7,000	..	56,250	18.9	245,896
1926.							
Mar. 31.....	295,337	12,226	6,550	..	56,250	19.0	244,585
June 30.....	294,036	12,567	6,550	..	56,250	19.1	243,667
Sept. 29.....	287,858	12,295	6,300	..	56,250	19.5	237,467
Dec. 8.....	289,414	12,030	6,300	..	56,250	19.4	238,222
15.....	291,226	12,075	6,300	..	56,250	19.3	240,615

since July 31, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000. for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, and for 1926 at £247,902,500.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

Balances in Exchequer on 1st April.	Estimate for the year 1926-27 (See Note)	Total Receipts into the Exchequer from		Receipts.	
		Apr. 1, 1926, to Dec. 18, 1926.	Apr. 1, 1925, to Dec. 19, 1925.	Week Ended Dec. 18, 1926.	Week Ended Dec. 19, 1925.
Bank of England... ..	5,880,249	5,341,778	..	..	..
Bank of Ireland... ..	676,684	1,215,322	..	..	..
.. ..	6,556,933	6,557,100	..	..	..
REVENUE.					
Customs.....	108,450,000	76,214,000	74,719,000	1,506,000	1,795,000
Excise.....	141,300,000	100,735,000	100,595,000	7,989,000	8,099,000
Motor Vehicle Duties ..	21,600,000	6,834,000	5,998,000	..	..
Estate, &c., Duties.....	66,000,000	43,810,000	42,150,000	1,250,000	1,210,000
Stamps.....	25,000,000	15,390,000	16,260,000	270,000	280,000
Land Tax, House Duty & Mineral Rights Duty	1,000,000	150,000	190,000	..	..
Property & Income Tax	254,800,000	98,361,000	120,365,000	848,000	674,000
Super-Tax.....	64,500,000	24,570,000	31,830,000	460,000	500,000
Excise Profits Duties, &c.	2,000,000	..	..	..	..
Corporation Profits Tax	6,500,000	2,860,000	7,930,000	30,000	150,000
Post Office.....	59,400,000	41,000,000	40,000,000	900,000	1,100,000
Crown Lands.....	950,000	820,000	740,000	..	..
Receipts from Sundry Loans.....	21,650,000	15,454,974	10,631,461	128,772	273,841
Miscellaneous.....	25,000,000	18,935,535	8,532,535	391,048	294,289
Ordinary Receipts...	26,000,000	16,613,718	24,615,475	1,002,535	178,866
Special Receipts...	..	..	..	..	..
Revenue.....	894,750,000	467,748,228	484,556,471	14,775,355	14,554,896
Total, Inc. Balance ..	..	468,305,161	491,113,571	..	..
OTHER RECEIPTS.					
Temporary Advances Repaid—Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	73,782	73,782	..	..
Under the Unemployment Insurance Act, 1921 ..	388,000	1,510,000	..	..	40,000
Money Raised by Creation of Debt—(a) For Capital Expenditure Issues: Under the Telegraph (Money) Acts, 1924 and 1925 ..	5,450,000	5,950,000	..	..	..
Under the Housing Act, 1914 ..	..	6,000	..	..	..
Under the West Indian Islands (Telegraph) Act, 1924 ..	3,779	20,071	..	..	..
By Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	777,200	..	..	..	..
Under the Unemployment Insurance Act, 1921 ..	13,672,431	1,715,000	..	..	..
(c) For other issues: By Treasury Bills ..	1,863,063,000	1,807,531,000	46,890,000	47,530,000	..
By 3½% Conversion Loan ..	..	53,667,987	..	426	..
By National Savings Certificates ..	21,000,000	24,750,000	600,000	500,000	..
By National War Bonds ..	20	15	..	..	..
By Treasury Bonds, 1925 ..	3,512,150	5,055,707	..	..	..
By 4% Treasury Bonds, 1931-33 ..	..	..	..	..	..
(d) Ways and Means Advances ..	487,302,000	496,231,000	23,250,000	26,700,000	..
Repayments—In respect of Cunard Loan ..	130,000	130,000	..	..	..
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	160,110	137,925	..	..	..
In respect of Issues under Section 59 (4) of the Finance Act, 1920 ..	..	15,174,767	..	5,272,786	..
Interest received under Section 59 (5) of the Finance Act, 1920 ..	..	299,785	..	..	..
Total ..	..	2,863,837,633	4,903,356,620	85,515,355	94,598,208

KANSALLIS-OSAKE-PANKKI (National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.
142 BRANCHES at all important business centres in Finland.

Capital	Fmk. 150,000,000
Reserve Fund and Profits	" 123,000,000
Total Assets (31/12/25) ..	" 2,101,000,000

All descriptions of banking business transacted.
Telegraphic Address: KANSALLISPANKKI.

BANK OF DANZIG.—In Danzig gulden (000's omitted).

	Nov. 20, 1926.	Nov. 10, 1926.	Oct. 31, 1926.	Oct. 20, 1926.	Oct. 10, 1926.
Assets.					
Total reserve (A) ..	2,456,295	2,456,895	2,456,672	2,425,125	2,415,515
Other cash	239,212	229,356	334,785	235,496	247,717
Inland bills	5,211,180	5,266,306	5,208,510	5,364,857	5,482,731
Advances to the					
Treasury	4,229,412	4,229,412	4,229,412	4,229,412	4,229,412
Other advances	2,369,070	2,621,368	2,905,024	2,777,186	3,027,275
Securities	374,323	347,625	346,910	349,429	350,000
LIABILITIES.					
Notes in circulation	18,014,970	(x) 18,347,916	**w 18,165,495	**v 18,146,168	**x 18,481,411

OVERSEAS BANK RATES.			Changed.		
Amsterdam	Oct. 3, 1925	34	Oslø	Oct. 26, 1925	
Athens	July 7, 1926	11	Paris	Dec. 16, 1926	
Belgrade	June 23, 1922	7	Prague	Oct. 26, 1926	
Berlin	July 9, 1926	6	Reval	Oct. 1, 1926	
Brussels	April 23, 1926	7	Riga	Feb. 15, 1924	
Bucharest	Sept. 4, 1926	6	Rome	June 18, 1925	
Budapest	Aug. 26, 1926	6	Sofia	Aug. 5, 1924	
Calcutta	June 10, 1926	4	Stockholm	Oct. 8, 1925	
Copenhagen	June 24, 1926	5	Swiss Bank		
Danzig	July 29, 1926	5½	places	Oct. 22, 1925	
Helsingfors	Oct. 29, 1925	7½	Tokio	Oct. 4, 1926	
Kovno	Feb. 8, 1925	7	Vienna	Aug. 6, 1926	
Liubon	July 28, 1926	8	Warsaw	Dec. 13, 1926	
New York Federal Reserve	Aug. 12, 1926	4			
Madrid	Mar. 23, 1923	5	Irish	Dec. 3, 1925	

As the *Economist* goes to press earlier this week, in consequence of the Christmas holidays, we are unable to give the returns of the Bank of England and other customary statistical matter.

(a) 1 Belga=5 francs.	(b) In thousand francs
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CURRENT RATES IN NEW YORK.

The Irving Bank and Trust Company cable the following money and exchange rates in New York:—

	Dec. 22, 1925.	Nov. 24, 1925.	Dec. 2, 1925.	Dec. 9, 1925.	Dec. 16, 1925.	Dec. 21, 1925.
Call money.....	5 1/4	4 1/4	4 1/4	5	5	5
Time money (30 days' mixed coll.)	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Bank acceptances:—						
Members—eligible, 90 days.....	3 1/2	3 1/2	3 1/2	4	4	4
Non-mem.—eligible, 90 days.....	3 1/2	3 1/2	3 1/2	4	4	4
Ineligible, 90 days.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Commercial accept. 90 days.....	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

Rates of Exchange.	Par Level.	Dec. 22, 1925.	Dec. 9, 1925.	Dec. 16, 1925.	Dec. 21, 1925.
London—					
60 days.....	Dollars for £1	4.8666	4.8025	4.78	4.7975
Cable.....					
Cheques.....					
Paris.....	Cents for 1 franc	19.30	19.30	19.30	19.30
Brussels.....	Cents for 1 franc	19.30	19.30	19.30	19.30
Switzerland.....	Cents for 1 franc	19.30	19.30	19.30	19.30
Italy.....	Cents for 1 lire	19.30	19.30	19.30	19.30
Berlin.....	Cents for 1 mark	23.80	23.80	23.80	23.80
Vienna.....	Cts. for 1 Aust. shlg.	14.07	14.125	14.125	14.125
Madrid.....	Cents for 1 peseta	19.30	19.30	19.30	19.30
Amsterdam.....	Cents for 1 guilder	40.195	40.195	40.195	40.195
Copenhagen.....	Cents for 1 kroner	26.80	26.80	26.80	26.80
Oslo.....					
Stockholm.....					
Athens.....	Cents for 1 drachma	19.30	19.30	19.30	19.30
Montreal.....	Can. Cents for \$1	100	100	100	100
Yokohama.....	Cents for 1 yen	49.85	49.85	49.85	49.85
Hong Kong.....	Cents for H. Kong \$	75.90	75.90	75.90	75.90
Shanghai.....	Cents for 1 Shng. tael	36.68	36.68	36.68	36.68
Calcutta.....	Gold pesos for \$100	103.65	103.65	103.65	103.65
Buenos Aires.....	Cents for 1 milreis	32.42	32.42	32.42	32.42
Rio de Janeiro.....	Cents for 1 peso	12.66	12.66	12.66	12.66
Valparaiso.....					

RATES OF EXCHANGE.

London on	Usance	Par.	Dec. 23, 1925.	Dec. 17, 1925.	Dec. 22, 1925.
Paris.....	francs to £1	T.T.	25.22 1/2	131 1/2—131 1/2	122 1/2
Berlin.....	marks to £1	T.T.	20.43	20.37 1/2	20.37 1/2
Vienna.....	schillings to £1	T.T.	34.58 1/2	34.35-40	34.35-39
Prague.....	kroner to £1	T.T.	24.02	163 1/2—163 1/2	163 1/2
Warsaw.....	zlotys to £1	T.T.	25.22 1/2	1800—1840	1800-40
Riga.....	latas to £1	T.T.	25.22 1/2	25 00-25 1/2	25 1/2-35
Kovno.....	litas to £1	T.T.	48.66	49—49 1/2	49 1/2
Bukarest.....	lei to £1	T.T.	25.22 1/2	1010—1015	945-55
Budapest.....	pengo to £1	T.T.	27.82	345/347,000b	27.72-82
Constantinople.....	piastres to £1	T.T.	110	910—920	957-63
Sofia.....	leva to £1	T.T.	25.22 1/2	665—680	667-80
Belgrade.....	dinars to £1	T.T.	25.22 1/2	272—275	274-6
Amsterdam.....	florin to £1	T.T.	12.107	12 06 1/2	12 13 1/2
Brussels.....	belga to £1	T.T.	35.00	108 95—107 1/2	34 81.9
Oslo.....	kroner to £1	T.T.	18.159	23 82-87	19 19.22
Stockholm.....	kronor to £1	T.T.	18.159	18 06-08	18 15-4
Copenhagen.....	kroner to £1	T.T.	18.159	19 53-56	18 20 1/2
Helsingfors.....	F. marks to £1	T.T.	193.25	192 1/2—192 1/2	192 1/2-60
Greece.....	drachmas to £1	T.T.	25.22 1/2	377 382	390-3
Italy.....	lire to £1	T.T.	25.22 1/2	120 1/2—120 1/2	108 1/2
Switzerland.....	francs to £1	T.T.	25.22 1/2	25 11 1/2	25 08-09
Madrid.....	pesetas to £1	T.T.	25.22 1/2	34 30-35	31 80-82
Lisbon.....	pence to escu.	T.T.	53 1/2	24—25	23 1/2
Alexandria.....	piastres to £1	Sight	97 1/2	97 1/2—97 1/2	97 1/2
New York.....	dollars to £1	Cable	4.86 1/2	4.84 1/2—5 1/4	4.85 1/2
Montreal.....	dollars to £1	Cable	4.86 1/2	4.85 1/2—5 1/4	4.85 1/2
Buenos Aires.....	pence to peso	T.T.	47.62 1/2	46 1/2—46 1/2	46 1/2
Rio de Janeiro.....	pence to mils.	90 days	16	7 1/2—7 1/2	5 1/2
Montevideo.....	pence to peso	T.T.	51	50 1/2—50 1/2	50 1/2
Valparaiso.....	dollars to £1	90 days	40	39 30—39 30	39 30
Lima.....	Eng. to Per. \$1	90 days	par	2 1/2 prem.	34 1/2 prem.
Calcutta.....	ster. to rupee	T.T.	10 to	1s 6 1/2 d—1 1/2 s	1s 5 1/2 d
Bombay.....	ster. to rupee	T.T.	10 to	1s 6 1/2 d—1 1/2 s	1s 5 1/2 d
Madras.....	ster. to rupee	T.T.	10 to	1s 6 1/2 d—1 1/2 s	1s 5 1/2 d
Hong Kong.....	ster. to dollar	T.T.	2s 4 1/2 d	2s 4 1/2 d	2s 4 1/2 d
Shanghai.....	ster. to tael	T.T.	2s 4 1/2 d	2s 4 1/2 d	2s 4 1/2 d
Singapore.....	ster. to dollar	T.T.	2s 4 1/2 d	2s 4 1/2 d	2s 4 1/2 d
Yokohama.....	ster. to yen	T.T.	24.58d	1s 9 1/2 d—1 1/2 s	2s 0 1/2 d
Manila.....	ster. to peso	T.T.	24.65d	1s 9 1/2 d—1 1/2 s	2s 0 1/2 d
Mexico.....	pence to dol.	T.T.	24 1/2 d	22 60—23 60	22 85-23 35

† Rate for previous day. (b) Represents krone to £1 at a par value of 24.02 to £1.
† 1 belga = 5 francs. (c) Francs to £1.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£1,000 sterling equals 912.945 tchervontzi.
\$1,000 " " 194

1 tchervonetz = 10 gold roubles. £1 sterling = 9.46 gold roubles.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From Close of Mail February 19, 1926.	From February 22, 1926.
London on South Africa.		
	Buying.	Selling.
T.T.	1 1/2 % dis.	1 1/2 % dis.
Demand	1 1/2 %	1 1/2 %
30 days	1 1/2 %	1 1/2 %
60 days	1 1/2 %	1 1/2 %
90 days	1 1/2 %	1 1/2 %
120 days	1 1/2 %	1 1/2 %

CENTRAL AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Par Value	Usance.	1926.	Rate.
Ecuador.....	Sucres to £	10-15	Sight London	Dec. 20 23.05
Venezuela.....	Bolivares to £	25-25	"	Dec. 15 25.95
Colombia (Bogota).....	Pesos to £20	100	"	Dec. 15 99.00
Nicaragua.....	Corobas to £	4-8665	"	Sept. 25 4.80
San Salvador.....	Colonos to £	9-73	"	Nov. 28 9.75
Guatemala.....	Pesos to £	90-23	"	Nov. 22 291
Costa Rica.....	Colonos to £	10-45	"	July 29 19.50
Bolivia.....	Penos to Boliviano	19-20	"	Sept. 13 17 1/2

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Aus. New Zealand.	Aus. New Zealand.
T.T.	100 1/2	100 1/2
Demand	99 1/2	99 1/2
30 days	98 1/2	98 1/2
60 days	97 1/2	97 1/2
90 days	97 1/2	97 1/2

BULLION.

The arrivals and withdrawals of gold during the past week as announced by the Bank of England, have been as follows:—

ARRIVALS.	WITHDRAWALS.
Dec. 18.....	£ nil
" 20—South Africa.....	500,000
" 21.....	20—Bars sold..... 79,000
" 22.....	21—Bars sold..... 353,000
" 22.....	22—Bars sold..... 221,000
Total.....	500,000
	Net withdrawals, £153,000.
	Total..... 653,000

From April 1 to December 18, 1926, £23,425,000 has been transferred from the paper currency reserve in England to the Treasury account of the Secretary of State for India in Council. Of this amount £1,425,000 was on account of telegraphic transfers on London sold by the Government of India.

Messrs Samuel Montagu and Co. write, on December 22, 1926, as follows:—

GOLD.

Gold to the value of £260,000 became available in the open market yesterday. About £60,000 was secured for India and the trade, the balance being absorbed by Germany. During the week under review £158,000 on balance has been withdrawn from the bank, reducing the net influx since January 1, 1926, to £7,091,000, and increasing the net efflux since the resumption of an effective gold standard to £4,504,000.

SILVER.

The silver market has been rather quiet during the week. China bears have done some covering, and a certain amount of inquiry has arisen for shipment to India, Calcutta as well as Bombay. Speculation is rather active in Calcutta, and purchases in connection with it have to-day rallied the market, which otherwise was inclined to be languid. Whether speculation has power to reanimate the depressed condition seen, for no fresh favourable factors, based on actual demand, have as yet been made manifest. America has been a seller on most days. United Kingdom imports and exports of silver during the week ended the 15th inst. were:—

Imports.	Exports.
U.S.A.....	£ 142,459
Other countries.....	8,944
	151,403
Germany.....	£ 27,720
Austria.....	19,220
Egypt.....	10,510
British India.....	562,889
Other countries.....	11,139
	631,478

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	Nov. 30.	Dec. 7.	Dec. 15.
Notes in circulation.....	18.915	18.790	18.626
Silver coin and bullion in India.....	10.556	10.498	10.460
Silver coin and bullion out of India.....	2.232	2.232	2.232
Gold coin and bullion in India.....	5.127	5.110	5.077
Securities (Indian Government).....	1.000	950	857
Securities (British Government).....			

No silver coinage was reported during the week ended the 15th inst. The stock in Shanghai, on the 18th inst., consisted of about 68,600,000 ounces in sycee, \$70,700,000, and 1,000 silver bars, as compared with 71,300,000 ounces in sycee, \$69,100,000, and 2,180 silver bars on the 11th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1926.	s d	d		d
Dec. 18....	84 11 1/2	24 1/2	Dec. 31, 1920..	40 1/2
20....	84 11 1/2	24 1/2	30, 1921..	34 1/2
21....	84 11 1/2	24 1/2	29, 1922..	31 1/2
22....	84 11 1/2	24 1/2	28, 1923..	33 1/2
23....	84 11 1/2	24 1/2	24, 1924..	32 1/2
24....	84 11 1/2	24 1/2	23, 1925..	31 1/2

NOTICES.

The directors of the Bank of Liverpool and Martins, Limited, announce that Mr H. Mancknols Walton, of Walverden House, Nelson, has been elected to a seat on the general board of the bank.

Lloyds Bank, Limited, announce that branches of the bank are now open at 12 Sydenham road, Sydenham, S.E. 26, under the management of Mr A. T. Bradley; at 146-148 Rye lane, Peckham, S.E. 15, under the management of Mr B. W. Haws; and at 160-162 High street, Acton, W. 3, under the management of Mr E. D. Bailey.

Barclays Bank, Limited, announce the opening of new branches at Parade buildings, 391 Shirley road, Southampton, under the management of Mr R. W. Cornes, who is also manager of 12 Above Bar, Southampton branch; and at 46 Lime street, E.C. 3, under the management of Mr F. D. Stanwell.

The appointment is announced of the Rt. Hon. Lord Strathcona and Mount Royal as a member of the advisory committee, Bank of Montreal, at London. The London committee of the bank now consists of His Grace the Duke of Devonshire, K.G., chairman, F. R. S. Balfour, Esq., Sir Hardman Lever, Bart., K.C.B., and the Rt. Hon. Lord Strathcona and Mount Royal.

Mr Matthew McConville has been appointed secretary to the London office of the Guaranty Company of New York, and Mr George A. Nickerson assistant secretary.

A branch of the Commercial Banking Company of Sydney, Limited, was opened at Guyra, in the State of New South Wales, on November 15th.

The National Bank of Commerce in New York have opened a representative office in Berlin at Unter den Linden 39, Berlin, N.W. 7, Germany. Mr Gustav Brunkman, who has previously had his headquarters at Copenhagen, will close his representative office in that centre and take charge of the representative office in Berlin.

MINING OUTPUT STATISTICS FOR NOVEMBER, 1926.

	Tons Crushed.	Gold Recovered.	Value.	Profs.
	Mill.	Ounce.	Mill.	Ounce.
Gold.	Tons.	Tons.	Ounc.	Ounc.
Lena.....	98,245	..	5,736	24,091
Mexican Corporation—	..	..	..	..
Fresnillo Unit.....	66	..	87	8,557
North White Feather.....	4,000	..	1,072	4,550
Ouro Preto.....	..	..	..	..

	Output.	Other Notes in Return.
	Tons.	
Tin		
Naraguta Karama.....	3 1/2	..
Naraguta Korot.....	10	..
Naraguta (Nigeria).....	40	..
Renong.....	17 1/2	(First half of December.)

OIL OUTPUTS.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, December 15, 1926, amounted to 937 tons.

Everyday Requirements
in the way of provision for
one's dependants are met by the
Ordinary Forms of Life Assurance.

THE NATIONAL PROVIDENT INSTITUTION
also Issues Policies Adapted to Meet Special Needs
and Individual Circumstances.

Write for particulars to:—
48, GRACECHURCH STREET, LONDON, E.C.3.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per annum, except where marked % or stated in Cash.			Dividend for Whole Years.	
	Interim or Final.	Date of Pay- ment.	Method of Payment.		
Railways.					
New York Central Railroad ...	1 1/2 %	Feb. 1	..	%	%
Banks.					
I alo-Belgian	..	..	..	15	10
Ulster	..	..	..	21 1/2	21 1/2
Insurance.					
Colonial Mutual Fire	..	..	..	12 1/2	12 1/2
Mining.					
Anglo-Nigerian Tin	..	..	..	10	nil
Apex Mines	6 p.s.*	Feb. 9	Less tax	..	..
Chendergah Tin	10%*	Jan. 15	Less tax	..	..
City Deep	1/6 p.s.	Feb. 4	Less tax	..	..
Crown Mines	3/ p.s.	Feb. 4	Less tax	..	..
De Beers Consolidated Def.	15/ p.s.	..	Less tax	..	..
Ferreira Deep	..	..	..	2 1/2	5
Geldenhuis Deep	1 p.s.	Feb. 4	Less tax	..	..
Modderfontein B. Gold	2 p.s.	Feb. 4	Less tax	..	..
Natal Navigation Collieries	7 1/2 %	..	Less tax	..	..
New Modderfontein Gold	6/ p.s.	Feb. 4	Less tax	..	..
Rand Mines	50%†	..	..	100	100
Rooiberg Minerals Development ..	7/9 p.s.*	Feb. 9	Less tax	..	..
Rose Deep	6 p.s.	Feb. 4	Less tax	..	..
San Francisco de Mexico	2/6 p.s.†	Jan. 12	Less tax at 4/	40	..
Transvaal Consolidated Land, &c. ..	17 1/2 %	Feb. 10	Less tax	..	..
Tea and Rubber.					
Ampat (Sumatra) Rubber	20%*	..	Less tax at 4/	33	3 4/5
Cicely Rubber	10%*	Jan. 4	Less tax	..	..
Devon Estates (Malacca) Rubber ..	2 1/2 %	Jan. 31	Less tax	10	6
Do	5 %*	Jan. 31	Less tax	..	..
Galpheze Tea and Rubber	5 %*	Jan. 11	Less tax	..	..
Hong Kong (Selangor) Rubber ..	10 %	Jan. 4	Less tax	..	..
Lamut Rubber	35%†	..	Less tax at 4/	6	35
Majeidie (Johore) Rubber	..	..	Less tax	16 1/2	12 1/2
Malayan Plantations	7 1/2 %*	Jan. 21	Less tax at 4/	..	..
Pegoh	15%†	..	Less tax	25	30
Simo Rubber	40%*	Dec. 31	Less tax	..	..
Other Companies.					
Aberthaw, Kc., Cement	6 %*	Jan. 1	Less tax	..	..
Allied Produce, "A" & "B" Shrs. ..	..	..	..	2	2
Bemberg	8 %	Jan. 1	Less tax	..	..
Benn Brothers	6 %	Jan. 15	Tax free	..	..
Chili Telephone	..	Jan. 1	..	10	10
East India Distilleries	..	..	..	10	10
Edison Swan Electric	..	..	..	10	10
Falkirk Iron	5 %*	..	Less tax	..	..
Hall and Co.	5 %*	Jan. 31	Less tax	..	..
Hardy's Crown Brewery	5/ p.s.*	..	..	..	..
Huggins and Co.	..	..	..	12 1/2	10
Imperial Colonial Finance	2 1/2 %*	Jan. 1	Less tax	..	..
J. F. and H. Roberts	33%†	(&bonus of 2 1/2 %)	Less tax	10	10
Josiah Smale and Son	4 %*	Jan. 4	Less tax	..	..
Leeds and Wakefield	..	..	Tax free	10	11
Lobitos Oilfields	10 %*	Jan. 15	Less tax	..	..
New Investment	2 1/2 %*	Jan. 1	Less tax	..	..
New Zealand and River Plate ..	..	..	Less tax	8	7 1/2
Reeves and Sons	2 1/2 %*	Jan. 20	Less tax	..	..
Scottish Heritable Trust	4 1/2 %†	..	..	8	..
Do Def.	5.52 p.s.†	..	Less tax	45.9	..
Shawining Water and Power	..	..	..	..	..
Com. Stock	\$2 p.s.	..	..	..	..
Sheepbridge Coal	6 p.s.*	..	..	..	..
Spanish River Pulp, Com.	1 1/2 %	Jan. 15	..	..	..
Tamplin and Son's Brewery	1/ p.s.*	..	Less tax	..	..
The Scottish Northern Invest.	5†	..	Less tax	5	..
Tredgeard Iron and Coal, "A" and "B"	2 1/2 %*	..	Tax free	..	..
Victoria Place	2 1/2 %*	..	..	20	20
W. and T. Avery	2 1/2 %*	Jan. 1	Less tax	..	..

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.	Rate				
		£	£	£	£	£	%	£	£	£	%
Banks.											
Barclays Bank (Dominion, Colonial, and Overseas)	Sept. 30	27,330	406,785	434,115	143,440	76,380	3	100,000	114,295	..	..
Ulster Bank	Nov. 30	73,895	210,727	284,622	..	85,000	21½	150,000	49,622	216,380	21½
Breweries.											
Huggins and Co.	Sept. 30	29,404	56,066	85,470	..	40,781	12½	15,000	29,689	53,649	10
Leeds and Wakefield	Sept. 30	16,147	39,361	55,508	11,700	11,330	10½	11,000	21,478	38,448	11½
North-Eastern	Oct. 31	42,419	60,248	102,667	12,500	43,312	11½	5,422	41,433	85,762	15
Seabrooke and Sons	Sept. 30	17,952	26,388	44,340	3,385	13,230	15½	7,500	20,285	..	..
Financial, Land, &c.											
Imperial and Foreign Corporation	Nov. 30	Dr 22,711	£11,566	Dr 11,145	..	..	..	..	Dr 11,145	..	..
New Zealand and River Plate	Oct. 31	39,177	71,662	110,839	..	56,000	8	10,000	44,839	66,076	7½
Land Mortgage	June 30	Dr 53,021	2,500	Dr 50,521	..	..	..	..	Dr 50,521	Dr 12,502	..
Oilfields Finance Corporation....											
Rubber, &c.											
Baling	Sept. 30	..	3,489	3,489	..	..	..	2,185	1,304	..	..
Lumut	Sept. 30	19,105	107,906	127,011	..	95,167	45	13,000	18,844	61,060	35
Sungei Raya	Sept. 30	..	24,232	24,232	..	20,000	20	3,000	1,292	..	..
United Serdang (Sumatra)	Aug. 31	33,591	363,801	397,392	..	313,909	40	22,000	61,483	209,567	25
Waterfall (Selangor)	Sept. 30	30,639	115,353	145,992	..	75,383	22½	35,922	34,687	83,427	20
Shops and Stores.											
W. Abbott and Sons	Aug. 31	18,864	39,030	57,894	4,200	12,690	15	4,000	37,004	21,896	15
Other Companies.											
Allied Produce Co.	Oct. 15	8,576	19,436	28,012	..	5,319	2	10,000	12,693	..	..
Edison-Swan Electric Co.	June 30	24,276	71,405	95,681	7,500	19,144	10	40,000	29,037	88,344	10
Murex	June 30	..	1,150	1,150	..	..	..	..	1,150	..	..
Peck Bros. and Winch	June 30	212	71,224	71,436	9,900	..	..	61,262	274	..	..
Stoll Picture Theatre (Kingsway)	Nov. 3	15,977	28,335	44,312	19,125	6,746	10	5,000	13,441	..	..

† Tax free. ‡ 18 months.

about eight times interest and sinking fund requirements on the Series "C" bonds. The bankers' representative collects 100 per cent. of the import and export duties, all of which is available for bond service, if needed, and 70 per cent. of which is physically pledged for that purpose. Full interest and sinking fund requirements on the "A," "B," and "C" bonds for the year were met out of collections remitted by the fiscal agent by May 15th.

3 PER CENT. DIPLOMATIC DEBT OF VENEZUELA, 1905.—The forty-fourth application of the sinking fund available for the above debt was carried out to-day by the Council of Foreign Bondholders on behalf of themselves and the Disconto-Gesellschaft by public tender, the amount to be applied being £78,196 10s 7d. Tenders amounted to £120,740, ranging from 86½ to 90 per cent. Tenders at and under 87½ per cent. were accepted.

BANKS.

ITALO-BELGIAN BANK.—The accounts for the year ended June 30th last show gross profits of 21,147,055f and net profits of 10,767,654f, to which is added 1,212,784f brought forward from the previous year. A dividend of 75f per share absorbs 7,500,000f, directors' remuneration 1,240,148f, and special reserve 3,000,000f, leaving 240,290f to be carried forward. Current and deposit accounts figure in the balance-sheet at 434,059,823f, and depositors at 302,985,225f. Cash stands at 159,895,837f, bills receivable at 225,413,732f, Government stocks and Treasury bonds at 13,583,407f, and loans at 216,391,435f.

ULSTER BANK, LIMITED.—The net profit for year ended November 30, 1926, amounted to £210,727, against £216,380 in preceding year. The ordinary dividend is again 21½ per cent. The sum of £100,000 is put to superannuation fund and £50,000 to contingent fund. The carry-forward is £49,621. All ascertained bad and doubtful debts have been written off or fully provided for. The old-established agency of the bank at Crumlin has been converted into a branch. The investments of the bank total £10,116,898. Of this sum £9,568,057 is in War Loan and other securities of, or guaranteed by, the British Government. The remaining £548,841 is in Colonial Government stocks and other securities. Deposits and credit accounts amount to £20,823,751. Notes in circulation stand at £1,703,922. Advances stand at £11,261,533.

RUBBER, &c.

LUMUT RUBBER ESTATES.—The crop of rubber for year ended September 30, 1926, amounted to 1,515,669 lbs, against 843,262 lbs for preceding year. The net profit was £108,906, against £62,060. The sum of £13,000 is put to taxation and general reserve, against £10,000 in preceding year. The ordinary dividend is 45 per cent., against 35 per cent. The carry forward is £18,844. Cash is at £14,229, against £21,088. Investments stand at £100,209, against £50,185 in preceding balance-sheet. Out of the total of £100,209 the sum of £95,968 is in British Government securities.

PONTIAN (MALAY) RUBBER.—The yield of rubber for year ended September 30, 1926, was 297,951, an increase of 94,573 lbs. Estate costs of production were 10.65d per lb, against 9.74d per lb, the "all-in" cost being 11.64d per lb, against 11d. The net profit is £18,424, against £10,272. The ordinary dividend is 30 per cent., against 20 per cent. in preceding year. The total assets are £70,567, against £65,013. Cash is at £9,331, against £11,064. The company has £10,055 in Government securities at cost, against £3,949 in preceding balance-sheet.

UNITED SERDANG (SUMATRA) RUBBER.—The report and balance-sheet for the year ended August 31, 1926, shows that the total of all receipts amounted to £658,170, against £396,764. Cost of production amounted to £239,222, against £156,214. Profit amounted to £365,301, against £211,067. The ordinary dividend is raised from 25 per cent. to 40 per cent. The sum of £22,000 is put to reserve, against £12,736 a year ago. The carry-forward is £61,483, against £33,591 brought in. The balance-sheet shows total assets £1,338,077. The company has increased its holding of British Government securities from £269,813 to £377,942. The holdings are set out separately in the balance-sheet. Cash is at £27,020, against £22,509.

WATERFALL (SELANGOR) RUBBER ESTATES.—The crop of rubber harvested during year ended September 30, 1926, was 1,882,739 lbs, costing all-in 8.56d per lb. This crop was sold at any average price of 2s 0.17d per lb. The profit for the year amounts to £115,353 against £83,427, making, with the balance of £39,639 brought forward from last year, a credit balance of £145,992. The interim dividend of 10 per cent., less tax, paid to the shareholders on June 26, 1926, amounted to £33,493, leaving £112,499 to be dealt with. The directors recommend the payment of a final dividend of 12½ per cent., less tax (making 22½ per cent. for the year against 20 per cent., absorbing £41,890. Net expenses of debenture issue, £5,922, have been written off. The sum of £5,000 has been put to income-tax reserve account and £25,000 has been put to reserve. A balance of £34,687 is to be carried forward, subject to directors' additional remuneration (£2,500) in accordance with the articles of association. Total assets £679,895. Cash is at £53,270 against £46,957.

MISCELLANEOUS.

COLUMBIA GRAPHOPHONE COMPANY, LIMITED.—We are informed that Columbia Graphophone Company, Limited, has offered, subject to the consent of its shareholders, to purchase the outstanding shares of Columbia (International), Limited, by means of an exchange of shares, the basis to be one Columbia Graphophone Company, Limited, ordinary share for every two Columbia (International), Limited, shares, and also to purchase the options on shares of Columbia (International), Limited, on the basis of every six options. An extraordinary general meeting of Columbia Graphophone Company, Limited, has been called for December 29th to sanction these offers and to authorise an increase of the company's capital by the creation of 400,000 new ordinary shares of 10s each, part of which increase will be utilised for the above purpose. The new shares issued in respect of these offers will only rank for dividend from April 1, 1927.

EDISON SWAN ELECTRIC COMPANY, LIMITED.—The profit for the year, after making provision to the extent of £8,302 for redemption of debenture stock, is £71,405, against £88,344 for year ended June 30, 1925. Preference dividend absorbed £7,500. The ordinary dividend is again 10 per cent., absorbing £19,143. The sum of £40,000, against £50,000, goes to reserve. The carry forward is reduced from £20,276 to £29,037. Total assets are £1,110,393. Cash has risen from £75,436 to £86,201.

MARCONI'S WIRELESS TELEGRAPH COMPANY, LIMITED.—The directors of Marconi's Wireless Telegraph Co., Limited, have been informed by Sir Gilbert Garnsey, K.B.E., F.C.A. (of Messrs Price, Waterhouse and Co.), and Messrs. Cooper Brothers and Co. (the company's auditors) that the report of the results of their

investigation into the position of the company and of its associated and subsidiary companies will be completed early in January. When the report is received the directors will proceed to consider the proposals to be placed before the ordinary general meeting of shareholders. It is impossible at present definitely to fix the date of the meeting, but it will be held at the earliest possible moment.

SHAWINIGAN WATER AND POWER.—At a special general meeting of shareholders Shawinigan Water and Power Company gave unanimous approval to bylaw previously adopted by directors providing for conversion of shares of the company into shares without par value on the basis of four shares without par value for every share of par value one hundred dollars. 163,267 shares were represented at meeting. Presently outstanding 275,000 shares will be changed into 1,100,000 shares without par value. Date fixed for exchange of shares, February 1, 1927.

W. ABBOTT AND SONS, LIMITED.—The seventeenth annual report to August 31, 1926, shows a balance of profit of £39,739, against £23,096 in preceding year. The directors carried forward last year £38,863, but it should be pointed out that owing to the extraordinary fluctuations in the value of the franc during the year the directors decided to entirely eliminate all loss on exchange from the trading account. They have taken £20,000 from the carry forward, out of which this year's loss on exchange has been provided. There is, therefore, £58,594 available for distribution. Preference dividend absorbed £4,200. The ordinary dividend is again 15 per cent., absorbing £12,690. The sum of £4,000 is put to reserve and £700 is for directors' remuneration, while £37,004 is carried forward. The total reserve is now £66,500. The directors propose that £30,000 be taken from reserve to distribute a bonus to ordinary shareholders of one ordinary share for each three ordinary shares held. Total assets are £397,327. Goodwill stands at £30,000.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Tuesday Evening.

Weather conditions have been cold and dry, but generally favourable to cereal crops. With threshings on a more liberal scale of late, supplies of native wheat were adequate for requirements, and prices for the most part remained steady, in sympathy with imported descriptions. In the floating and forward cargo section the general tone remained quiet, higher cables from America and Argentina finding little response on this side, consequently initial advances were not maintained. Continental shippers continue to book space freely from the River Plate in order to cover recent liberal purchases, while there is also more interest in grain tonnage from North America. Two steamer cargoes of No. 2 Northern Manitoba early January shipment were sold to Portugal at 55s U.K. basis, and Pacific January 54s. Feeding stuffs tend firmer, demand being stimulated by colder weather, and a steamer of La Plata maize January sold at 20s 4½d c.i.f. per 480 lbs. Wheat steady. No. 1 Northern Manitoba quoted 60s, No. 2 ditto 59s, No. 4 53s 6d, No. 2 tough Manitoba 56s 6d ex-ship, all per 496 lbs. English 11s 2d-11s 10d per 112 lbs. Flour steady, quiet. London standard grade 47s, town whites 48s, patents 49s-50s per sack delivered in the Home Counties, with 6d-1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 44s-46s 6d, Minneapolis 45s 6d-46s 6d, Kansas patents 43s-44s, Australian 43s 6d-44s per 280 lbs ex-store. Maize again firmer. Plate landed 32s 6d, ditto ex-ship 31s, Plate Cinquantina 36s 6d landed per 480 lbs. Barley steady, but inactive. Californian 40s-47s, Chilean Chevalier 52s-62s, ditto brewing 38s-48s, Australian Chevalier 47s-50s ex-store per 448 lbs. No. 3 Canadian Western 34s ex-ship, Persian landed 30s, Russian 32s 6d, Plate 31s 3d, both ex-ship. Plate landed 32s 9d per 400 lbs. English malting 9s 6d-18s 9d as to sample, feed 8s 9d-9s 6d per 112 lbs. Oats firmer. La Plata landed 23s, ditto ex-ship 22s per 320 lbs. English 8s-8s 6d per 112 lbs. Millers' offals maintained. Broad bran quoted 7s 9d, middlings 7s 9d-8s, fine ditto 9s 3d, bags included, ex-mill, feed oatmeal 9s 3d, light oats 8s 3d, ground oats 12s 9d per cwt, free on rail. Oatmeal steady. London-made flaked 17s 6d, rolled oats 16s 6d, medium also fine cut 16s 6d, coarse pinhead and whole groats 16s ex-mill per cwt.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1926-27, 1925-26, 1924-25, 1923-24:—

	1926-1927.	1925-1926	1924-1925	1923-1924.
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to December 18	353,520	771,420	209,134	442,203
16 weeks to December 18	5,954,953	677,990	3,643,569	5,968,707
Average price of English wheat per cwt.	s d	s d	s d	s d
	11 10	12 7	12 3	9 10

^a Those figures refer to the period ended December 12.

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1922 to 1925:—

	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1926.	Cwts.	Cwts.	Cwts.	s d	s d	s d
Dec. 11	305,637	460,285	63,747	11 10	11 0	8 3
" 18	353,520	482,067	78,214	11 10	10 9	8 2
1922	539,927	369,157	58,587	9 6	9 3	9 5
1923	365,682	472,247	76,386	9 9	10 7	9 2
1924	273,589	371,675	75,605	12 2	14 4	9 6
1925	771,420	388,401	74,989	12 7	10 8	9 4

AMERICAN WHEAT MARKETS.

An upward movement of prices has been recorded this week. Buying has been stimulated by an improved cash demand, and export inquiry is promising. Further frost and absence of snow covering has caused some uneasiness as regards the present crops. Cold weather is also retarding ploughing operations in Kansas.

	Jan. 2, 1925.	Dec. 22, 1925.	Jan. 7, 1926.	Dec. 16, 1926.	Dec. 21, 1926.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	183	(a) 146½	160	(a) 129½	(a) 133½
Chicago (No. 2 Winter)—Cents per 60 lbs	177	(a) 167½	176½	(a) 138½	(a) 142½

(a) December delivery.

COAL.

Our Cardiff correspondent writes:—Current business has been restricted to the sale and purchase of small parcels to complete cargoes sailing before the holidays. With output daily increasing and the supply of empty wagons scarce, quotations have shown an easier tendency all round, and for some qualities have been weak. Large foreign consumers have continued to hold off, but tenders have been opened for the supply of 160,000 metric tons to the Egyptian State Railways for the three months ending April, 1927. The lowest price tendered is for second quality South Wales coals, chiefly Monmouthshire, on the basis of 36s, c.i.f. Alexandria, but the contract has not yet been definitely fixed. The following are the approximate current quotations:—Best Admiralties, 30s to 31s 6d; seconds, 28s 6d to 29s 6d; best dries, 27s to 28s; Black Veins, 28s to 29s; Western Valleys, 28s to 28s 6d; best Eastern Valleys, 27s 6d to 28s 6d; best bunker smalls, 20s to 21s; ordinary cargo smalls, 17s to 18s; coking smalls, 21s to 21s 6d; anthracite best large, 47s 6d to 49s 6d; Red Vein large, 37s 6d to 39s 6d; French nuts, 57s 6d to 60s; stove nuts, 62s 6d to 65s; rubbly culm, 11s to 11s 6d; coke, special foundry, 50s to 52s 6d; patent fuel, 32s 6d to 37s 6d; pitwood, ex ship, 37s 6d to 40s.

Our Sheffield correspondent writes:—Owing to the refusal of industrial users to buy and the absence of demand from railway and gas companies, who have heavy tonnages of foreign coal in stock or on order, many of the colliery owners are unable to dispose of their outputs. They are now willing to accept contracts at 1s or 1s 6d per ton above the April rates, and business is being freely placed at such figures. Blast furnace coke has now dropped to 18s or 19s per ton for contracts. This being only 5s per ton above the pre-strike prices, pig-iron producers have begun to order.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The approach of the Christmas holidays has had less influence upon the market than usual, and the general feeling is optimistic regarding the prospects of the coming year. As yet only a comparatively small proportion of the plants of the British iron and steel works have resumed operations, as the makers are still waiting until adequate supplies of fuel and raw materials are available. The home trade business has slackened somewhat; but this is not surprising, as probably most of the orders which had been held up until the conclusion of the coal strike have now been placed. The effect upon the Continent of the re-entry of the British works into the market has been considerably to weaken prices. Competition between the Continental works is keen, and as a consequence during the last week or ten days the prices of several descriptions of steel have fallen to the extent of two or three shillings per ton.

Our Middlesbrough correspondent's report, dated December 21st, is as follows:—Pig-iron: There is still no substantial increase in the production of foundry pig-iron. Most of the furnaces which have been relighted are producing for steelworks' requirements. There is, however, no great pressure to buy. For fairly prompt delivery Cleveland No. 3 G.M.B. is 87s 6d per ton, while for forward 89s is asked. East Coast hematite ranges from 90s to 92s 6d, but is practically unobtainable. Some time must elapse before supplies are available in any quantity. Manufactured iron and steel: Steelworks are steadily being brought into operation, but outputs are not yet approaching normal; makers, however, have good orders on their books. Current quotations are as follows:—Steel ship plates, £8 17s 6d; steel ship angles, £7 12s 6d; iron bars, £12 5s; steel rails, £8 10s. Iron ore: No new business is being done. Only one or two shipments have been made.

Our Sheffield correspondent writes:—A little pig-iron is already being made, but none is procurable in the market. Supplies should be normal either in the last week of January or the first week of February. Current quotations are still high, the prices of foundry pig being 92s 6d or more delivered Sheffield. A number of large open-hearth furnaces in this district have been restarted on stocks of pig-iron and scrap on hand at the works. Resumption will not, however, be general until the middle of January. The accumulation of work is so large that the output of acid and basic steel of the next three months is certain to exceed that of any period during the present year. The various mills have been without billets for a long time, and will need great quantities for immediate use and to replenish their stocks. Makers of railway tyres, axles, and springs have considerable arrears of work. The Christmas stoppage will be shorter than usual this year.

Our Glasgow correspondent writes:—The position in the iron and steel market is slowly improving. A few more works have restarted, and arrangements for relighting furnaces are well far.

ward. Fuel prices are approaching normal, and it is probable that a fair number of blast furnaces will be at the production stage this week. Meantime there is a scarcity of pig-iron, some foundry grades being practically unobtainable, and stockholders are still getting high prices for small lots. Re-rolled steel bars are in good request to take the place of bar iron and works are well employed, foreign billets being used. Heavy steel sheets find a ready market and command good prices for quick delivery. Galvanised and corrugated sheets have dropped further from the strike level, and are now quoted £16 15s to £17 per ton f.o.b. for 24 gauge. Shipbuilding and engineering firms have a fair amount of work in hand. New contracts reported during the past week include a motor-propelled 20,000-ton vessel for the Clan Line placed with the Greenock Dockyard Company, and another two motor oil tankers have been booked by Messrs. Harland and Wolff.

Our Cardiff correspondent writes:—There has been a further improvement in the tinplate industry, more mills having resumed. Shipments have been more active, but prices are practically unchanged. Arrangements are being made for blowing in some of the blast-furnaces in the first and second weeks of the New Year.

OTHER METALS.

TIN.—The market for tin displayed firm features at opening session, and values responded to firm foreign advices combined with reserved sellers, but trading was on a reduced scale, and later prices declined on realisations. Standard cash sold £308 10s, £309 5s, and £306 10s., three months £300, £299, £299 15s, and £298. Sales in the East were reported at £306 5s to £307 10s per ton c.i.f.

COPPER commenced with a steadier tone, despite discouraging American advices, and a large business transpired, considerable attention being given to forward dates. Later, however, increased offerings resulted in slight irregularity and weakness. Standard cash sold £57, £57 2s 6d, and £57, and three months £57 17s 6d, £57 15s 10d.

LEAD values registered a slight improvement under a better trade demand. Good soft foreign pig, December, sold £29 3s 9d, £29 5s, January £29 5s to £29 7s 6d and £29 6s 3d, February £29 7s 6d to £29 8s 9d, March £29 7s 6d to £29 11s 3d ton.

SPELTER opened quiet, but improved later on buyers becoming more numerous. December-January, also February, sold £32 15s to £32 17s 6d, March £32 16s 3d, £32 17s 6d, and April £32 15s to £32 16s 3d.

ANTIMONY dull. English special brands quoted £74 10s to £75 foreign spot £55 to £56 ton.

ALUMINIUM quiet. Home delivery £107, export £112 per ton.

QUICKSILVER firm. Spot £17 15s to £18 per bottle.

WOLFRAM quiet, and quoted 17s 6d per unit c.i.f.

TIN PLATES steady. I.C. coke prompt quoted 21s 6d to 22s, and forward 20s 9d to 21s 3d per box, f.o.b. Swansea.

THE COTTON TRADE.

MANCHESTER, December 21, 1926.

(I.) Comparative Statement of the Cotton Trade.

	Price, Dec. 21, 1926.	Previous weeks in 1926.				
		Dec. 16.	Dec. 9.	Dec. 2.	Nov. 25.	Nov. 18.
Raw Cotton—Mid. American per lb	6 67	6 80	6 47	6 59	6 95	6 99
— Sakellaridis Fully Good Fair Egyptian per lb	13 60	13 80	13 45	14 10	14 65	15 00
Yarns—32's twist per lb	12 1/2	12 1/2	12 1/2	13	13 1/2	13
— 40's twist per lb	12 1/2	12 1/2	12 1/2	13	13 1/2	13 1/2
— 60's twist (Egyptian) per lb	24 1/2	24 1/2	24	24 1/2	25	25 1/2
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	22 6	22 6	22 9	23 0	23 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25 9	25 9	25 9	26 0	26 6	26 9
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	12 9	12 6	12 6	12 9	12 9
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs	12 0	12 0	12 0	12 0	12 0	12 0

(II.) Compared with Previous Years.

	Price, Dec. 21, 1926.	Corresponding dates in				
		1925.	1924.	1923.	1922.	1921.
Raw Cotton—Mid. American per lb	6 67	9 72	13 34	21 28	15 34	11 81
— Sakellaridis Fully Good Fair Egyptian per lb	13 60	16 70	29 25	24 30	17 90	21 50
Yarns—32's twist per lb	12 1/2	16 1/2	23 1/2	28 1/2	21 1/2	18 1/2
— 40's twist per lb	12 1/2	17 1/2	24 1/2	28 1/2	20 1/2	18 1/2
— 60's twist (Egyptian) per lb	24 1/2	30 1/2	42 1/2	38 1/2	28 1/2	32 1/2
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	22 6	27 0	36 6	39 9	30 6	31 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25 9	31 6	41 3	43 3	32 9	31 0
38-in. ditto, 38 yds, 18 by 18, 10 lbs.	12 9	15 6	19 13	23 0	18 9	18 6
39-in. ditto, 37 1/2 yds, 16 by 15, 8 1/2 lbs	12 0	14 0	17 6	21 0	16 9	16 0

In some quarters inquiry has tended to broaden, and there is a confident feeling that trade will develop after the holidays. More evidence is accumulating that piece goods are wanted in certain markets abroad. Much interest has been taken in political developments in China, and a few more transactions have been arranged in cloth, most of the buying being in bleaching descriptions. For India a steady business has been done, chiefly for Calcutta and

Madras, in light whites. Sales of any importance for the minor outlets East and West have been few and far between, but a little more activity has been shown in home trade fabrics. The industrial situation in Blackburn tends to improve, but wretched reports are still being received from Burnley. American yarns have been dull of sale, and prices when tested have favoured buyers. Although organised short-time has been abandoned, it is doubtful whether production will increase to any material extent at present. A useful business has been obtained by Egyptian spinners, and rates all round remain steadier.

THE WOOL TRADE.

Our Bradford correspondent, writing on Tuesday, says:—The tone of the market remains good. For months past all business has been conducted on hand-to-mouth lines, and the general impression is that stocks are light. If, therefore, increased machinery consumption develops early in the New Year, there should be a fair amount of covering in both tops and yarns. The continued firmness of raw material values is also a bull factor of some importance. Indeed, the cable reports from New Zealand regarding the last sale for the first part of the season indicate a distinct hardening in prices of crossbreds. This will do no harm provided it is not carried too far, but it would be disastrous at this stage if values in the primary markets were forced up to any extent. The one thing needed more than any other in the West Riding is a steady raw material market with firm values; pronounced fluctuations one way or the other only tend to destroy confidence and restrict buying. There is still a big weight of wool to be lifted, and experience has proved over and over again that the prices of tops, yarns, and cloth cannot be forced up in sympathy with an advance in the raw material. In other words, business can be done at a price, but buyers cannot be persuaded to follow the market to a higher level when they are unable to pass on any of the advance. Quotations for tops and yarns are firm, but there is very little new business passing, and little or no change is expected for the remainder of this year.

COLONIAL WOOL.

(FROM OUR CORRESPONDENT.)

The holidays are approaching with the wool trade in fairly good heart, even though prices are now showing any upward tendency in consuming centres. Some crossbred topmakers are quoting a fraction more in consequence of the stronger advices from New Zealand, but it is doubtful if spinners will accede anything, because of the generally poor demand for yarns, some very low prices indeed having been taken for export. As low as 1s 11d has been taken for 2-12's delivered Leicester. When one reckons carriage, 2 1/2 per cent. discount, and agent's commission, the spinner is receiving about 1s 10d, and as the yarn is spun from a 44's top it is a mystery how any firm can accept such a price. Another example is that as low as 1s 10d has been taken for 1-16's for Germany. Neither wool nor tops have been bought anywhere for any spinner to get back his own on that basis. In the meantime, cables from Dunedin, where the last sale of the first half of the New Zealand selling season was held last Monday, show prices for wool exceedingly firm, and for medium and fine crossbreds slightly against the buyer. South American crossbreds also remain firm to slightly dearer, but several home trade firms are buying these in preference to New Zealand crossbreds. About 1,150,000 bales have been disposed of in Australia during the first half of the Colonial selling season, in New Zealand about 115,000 bales, and, according to our calculations, something like 275,000 bales in South Africa. This cannot but mean a considerable quantity of new clip wools arriving in consuming centres from now onwards, and most wants will therefore be well satisfied. In the meantime, values generally are steady. Nobody seems to be attempting to rush values, though we are surprised that New Zealand prices are still tending upwards. Consumption proceeds Both Australia and South Africa are enjoying a very favourable summer season. Further rains have fallen in Australia, and the drought has completely broken in Cape Colony.

THE JUTE TRADE.

DUNDEE, December 22. An outstanding feature has been the very large business in Hessian yarns. On Friday last Calcutta mills were buying large quantities of the raw material. Prices were raised, and a rush was made to 3s 2d for common 8-lb cops and 3s 3d for 8-lb spools. As a result, spinners have been able to increase their rates to 3s 3d and 3s 4d respectively, at which firm figures there is now less business. Other yarns, though not to the same extent, are all firmer. The price of 24-lb sacking web is now 4d to 4 1/2d, after having been at less than 5 1/2d to 5 3/4d for 3-ply 8-lb. Rove is from £22 for 200-lb and £32 for 48-lb.

Raw jute continues to display uncertainty, but there is little doubt that really good fibre will be held for high prices during the remainder of the season. Imports into up-country markets are still sparingly offered at from £16 10s to £18, lightnings at £30 to £31 10s, Daisee assortment at £28 to £29 and threes at £25 10s to £26, while Tossa is now at £32 10s for assortment, quantities during the past week. Dundee spinners have purchased fair buyers are at last realising that prices will not go lower. Prices are steady at 4 1/2d to 4 3/4d for 10-ounce 40-inch Hessians and 3 1/2d to 3 3/4d for 8-ounce. Heavy goods makers are booking larger orders.

especially for sacking, and there is less inclination to shade terms to secure business. Calcutta goods have advanced on large consuming demand in Calcutta, the mills selling forward well into next year.

HIDE, LEATHER, AND ALLIED TRADES.

No sales of market hides were held in Bermondsey this week, but at the provincial auctions prices of heavy hides were again weaker, all other selections maintaining recent prices. Overseas hides are quiet, tanners awaiting a fall in prices. Best Argentine fregorifics are quoted at 8 1/2d, the United States, Canada, and the Continent being the chief buyers. The Chicago market remains steady, with no important alteration in prices for packer hides. Business in sole leather has fallen off, shoe manufacturers being unwilling to buy more leather before stock-taking. The year, however, is closing in a hopeful fashion for tanners; stocks of bends and butts in the yards are low, and users have become reconciled to a higher range of prices. Light bends of 6-8 lbs average are now almost unobtainable. Orders for upper leathers have been small, but there are signs that shoe manufacturers are ready to place contracts for the New Year. Coloured kid is advancing in price, and black improving. Willow and box calf are in demand at firm prices. There has been a certain amount of activity in the shoe centres this week, owing to pressing orders. Russian boots have been sent out in volume, but the demand is fitful. Spring orders for utility and fancy goods are coming through in fair volume.

VEGETABLE OILS AND OILSEEDS.

Markets are unusually quiet, and business passing is on a very modest scale. Consumers of linseed oil are only buying to meet urgent requirements, and apparently are looking forward to lower prices. Meanwhile, value remains steady around £30 10s per ton naked ex-Hull mill for prompt and January-April delivery. Cotton oils have been in better request, and prices are steadier, crude Egyptian quoting £31 5s and technical refined £34 10s. Soya oil is steady, but palm oil is in poor request, both on home and export account. In the oilseed section linseed on spot and in near positions is scarce and at a substantial premium. Plate about due to arrive is quoted £16 7s 6d, while £15 10s has been paid for more distant seed, and £14 17s 6d for December-January shipment. New crop Plate has further declined, and £14 12s 6d has been accepted for January-February and £14 10s February-March, but very little actual business has been done, as the tendency is to believe that lower levels are in prospect in view of the big yield estimated. For Calcutta to London £16 17s 6d has been paid, December loading. Egyptian cottonseed has been fairly active, and £8 12s 6d freely paid for black on passage and all positions to March.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market quietly steady. British-grown granulated, also British refined, sold to a moderate extent at unchanged rates. Of imported Czecho, also Dutch J, held for 31s 10d. Continental granulated for shipment fully steady, but buyers indifferent. Czecho, ready, 18s 10d; January-March, 19s 2 1/2d; April-August, 19s 7 1/2d, f.o.b., Hamburg. Dutch J, ready, 19s, f.o.b., Rotterdam. Polish crystals, December, 18s 6d, f.o.b., Danzig. Raw refining kinds slow. Brazilian, 96 per cent., January, sold, 15s 10d; and 80 per cent., ditto, sellers, 12s 9d. Peruvian, 96 per cent., December-January, c.f. and i., U.K., 15s 10d. White terminal section generally steadier, with business of fair dimensions. December, sold, 18s 2 1/2d; March, 18s 6 1/2d to 18s 7 1/2d and 18s 6 1/2d; May, 18s 10d, 18s 9 1/2d, and 18s 10d; August, 18s 11 1/2d to 19s; December, 17s 3d cwt.

COFFEE.—The market continues very firm for all the finer qualities, but common quiet. In auction, Kenya, common to good bold, sold, 142s 6d to 150s 6d; peaberry, 132s 6d to 157s. Kilimanjaro, good middling, 126s 6d; fair to good bold, 135s 6d to 145s 6d. Costa Rica, common to fine, 158s 6d to 184s; peaberry, 180s. Congo, small to common bold, 106s 6d to 127s; peaberry, 128s cwt. Futures inactive and nominal.

COCOA.—Market firm. Accra, F/F, January-March, sold, 63s to 62s per cwt, f.o.b.

TEA.—Auctions postponed until the 3rd proximo for the Christmas recess. Private market generally quiet but steady for all desirable liquoring parcels. There is only a quiet inquiry in force regarding China descriptions. Some medium keemuns sell at 1s 8d to 1s 10d; finest, 2s 8d; Souchongs, 1s 10d; Monings, 10d per lb, in bond.

RICE.—General demand still quiet, but quotations for Burma grain steady. Two stars, spot, London, 16s 6d; January to March shipments, 14s 1 1/2d, c.f. and i. terms. Other descriptions call for no comment. Beans selling slowly at previous rates. Japanese peas firmer, while influenced by reports that measures may be taken to restrict exports thence. Afloat parcels quoted 25s 5d; December-January, 27s 6d; January-February, 28s; February-March, 28s 6d; March-April, 28s 9d cwt.

SPICE.—Pepper dearer, with buyers well to the fore. Lampong, October-December, sold, 11 1/2d to 11 3/4d; January-March, 1s to 1s 0 1/2d; Muntok, L.S., October-December, 1s 6 1/2d; January-March, 1s 7d. Cloves dull, unaltered. Sago flour, January-March, 15s 4 1/2d cwt, c.f. and i. Tapioca unaltered.

FRUIT (Dried).—Trade quiet, requirements being filled for the Christmas trade. Pyrgos quoted 35s 6d; Gulf, 39s to 44s; Vostizza, 46s to 55s; Australian, 35s to 42s, as to quality. Sultanas, Smyrna,

66s to 72s; Cretan, 67s to 85s; Australian, 60s to 78s. Dates Hallowee, 30s; Khadowie, 20s; Sair, 16s; cartons, 34s to 36s. Anded terms, London. Figs Lacoums, 95s to 130s; layers, 60s to 75s. Evaporated fruits dull. Californian apricots, extra choice, 125s; South African, first grade, 132s 6d. Plums, Californian, new, 30/40's, quoted 64s; 50/60's, 51s; Oregon, old, 30/40's, 62s 6d. Pears, Californian, extra choice, 62s 6d; fancy, 72s 6d; Lake County, fancy, 80s. Apple rings, Californian, spot, 50s to 60s per cwt.

CANNED GOODS.

CANNED FISH quiet, but late rates were maintained in most instances. Sardines—Portuguese clubs quoted 4s 6d per dozen tins. Salmon—red, tall, 1 lb, quoted 45s to 48s; tall pink, 26s to 27s; halves, 38s to 39s; Lobsters—best halves, 160s; quarters, 90s. Crayfish—halves, 76s to 77s; quarters, 49s to 50s per case. Japanese crab realise full rates, and forward offers sparingly made. Herrings, 6s 9d per dozen tins.

CANNED FRUIT.—Market quiet, but an improvement in demand is anticipated after the holidays. Californian Bartlett pears, 24-2 1/2's, choice, 12s to 12s 6d; secondary, 9s 6d to 9s 9d. Californian peaches, choice, 11s 9d to 12s 3d; seconds, 8s 6d to 8s 9d. Californian apricots, choice, 12s 6d; seconds, 9s to 9s 3d per dozen tins. Singapore pines in limited supply, and forward quotations firm. Italian tomatoes quietly steady.

CANNED MEAT.—Market dull. Corned beef, 6's, quoted 38s to 44s, as to quality. Danish lunch tongues, 112s to 128s; American, 140s to 147s 6d, as to quality. Danish boneless hams, cooked, 1s 6 1/2d per lb, for case of six tins.

CONDENSED MILK.—Machine-skimmed steady on reduced supplies. Full-cream unaltered. Evaporated milk meets with good attention. Cases of 9 1/2 oz, 20s per case. Danish cream, 48/6 oz, 20s per case.

HONEY.—Market steady, with a fair demand. New Zealand, 18/7 lb tins, 85s per dozen; Jamaica, 33s to 55s; Haiti, 35s to 50s; San Domingo, 35s to 50s; Australian, 40s to 50s per cwt.

RUBBER.

A moderate amount of business was effected, and market disclosed no essential change. Plantation standard sheet, spot, and December, sold, 1s 6 1/2d to 1s 6 3/4d; January, 1s 6 1/2d, 1s 6 3/4d, and 1s 6 1/2d; January-March, 1s 7 1/2d, 1s 6 1/2d, and 1s 7d; April-June, 1s 7 1/2d, 1s 7 1/2d, and 1s 7 1/2d per lb.

GENERAL.

HEMP.—Manila quiet but firm, at full recent rates, as offers from the Philippines are still made with considerable reserve. J. November-January, quoted £48 10s; K and L 1, £47 5s per ton. New Zealand, also African sisal quiet, unaltered.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

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SUBSCRIBED CAPITAL ...	£8,916,660
PAID-UP CAPITAL ...	£2,229,165
RESERVE FUND ...	£2,893,335
UNCALLED CAPITAL ...	£6,687,495
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The following notes on conditions in various trades and

countries call attention to some of the most startling tendencies:—

HOME INDUSTRIES.

Iron and Steel.—Supplies of domestic iron are now very scarce. Midland pig-iron is practically unobtainable, while Cleveland products show a steady advance in price week by week. Fair quantities of Continental pig-iron are on order, but early delivery is difficult to obtain. On the steel side more business is being done, resort being had to Continental imports, a number of re-rolling works having increased their output in this way. The galvanised sheet trade is more active, and a few tinplate manufacturers have restarted their works on imported fuel, but the amount of business that can profitably be transacted is limited.

Coal.—The posting of the mineowners' new terms under the eight-hour day has not been followed by any return of the men in large numbers, although in South Wales, Warwick, and other districts work of a partial character is going on in isolated cases. The continuance of operations in a large number of industries is becoming more and more dependent on the volume of foreign imports, local stocks under the control of the distributing authorities having now reached a significantly low point. The absence of a settlement in the next week or two may seriously affect next winter's business, since contracts for delivery up to the end of the year would under normal conditions be being made at the present time.

Engineering.—The increasing difficulty of obtaining raw material supplies has involved some further curtailment of operations during the last few weeks, though transport facilities have improved. Boiler makers and locomotive firms are among the most favourably situated, and the railways are placing a few rolling stock orders against the time when operations can be resumed. A certain amount of work is being carried out by textile machinery and machine tool makers, but the position is not as good as a month ago.

Electrical Industry.—The following index of production is copyright by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association. An explanation of the manner in which it has been computed will be found on page 888 of the *Economist* of November 28, 1925:—

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	1924.			1925.			1926.		
	Home.	Exp't.	Total.	Home.	Exp't.	Total.	Home.	Exp't.	Total.
January	96	95	96	78	102	84	75	110	84
February	100	83	95	77	102	83	74	106	82
March	107	96	104	67	105	76	80	101	85
April	106	105	106	60	95	69	83	100	87
May	108	107	108	50	87	62	83	104	88
June	105	89	101	58	86	65	82	110	89
July	102	79	96	58	119	73	...	...	...
August	92	79	88	61	119	76	...	...	...
September	89	94	90	61	121	76	...	...	...
October	83	92	85	67	125	81	...	...	...
November	91	96	92	68	124	81	...	...	...
December	80	80	80	76	117	86	...	...	...

Activity is, on the whole, extremely well maintained, the difficulty of obtaining fuel being less than in most other industries owing to the high proportion of electrically driven plant. A number of small orders have recently been placed in the home market, and a number of more important contracts for generating plant are in prospect. Export activity maintains its recent recovery, Russian and Japanese inquiries being a noteworthy feature. The most active branches of the industry at the moment are those concerned with switchgear, transformers, meters, and household appliances.

Motor Industry.—The volume of output compares favourably with that of some other branches of engineering, but present conditions are appreciably affecting the amount of new business. The hopes of an extraordinarily good year, based on the results of last winter's exhibition, will not now be realised. On the overseas side, however, business is better, in the Dominions particularly, the British car having apparently done much to consolidate its position recently.

Cotton.—Our Manchester correspondent writes:—The position of spinners and manufacturers is no better than a month ago. All producers have experienced increasing difficulties in maintaining output, and the scarcity of coal has become more pronounced. Experiments with foreign coal have not been successful, and many firms have paid exorbitant prices for coal of very poor quality. The rise in values during the past fortnight has brought out more inquiry in yarn and cloth, but buyers have been slow in placing orders on a freer scale. Inquiry in piece goods for India has been fairly extensive. The China market is an unknown quantity, and trade of importance just at present cannot be expected. Production of American yarns is somewhat below 50 per cent. of capacity. A quiet demand continues for Egyptian counts, and spinners are working at about 75 per cent. of the full production.

Woollen and Worsted Trades.—Although the British woollen textile industry is not working at more than half the level prevailing before the strike, raw material values remain

remarkably steady, home buyers evidently expecting a considerable demand on the termination of the strike. Current business in the West Riding is very restricted, purchases of tops and yarns being confined to the minima for current requirements. Most mills are working only three days a week. The recent hot weather has caused an unexpected spurt in summer goods.

Chemicals.—Business was rather more difficult last month, with prices generally unaltered in the absence of large scale demand. Export inquiries are a little more numerous. Demand is chiefly for "seasonal" products, and prices for the coal tar group show firmness, supplies being recently difficult to obtain.

Building Trades.—Building operations have been hampered by difficulty in obtaining supplies of materials, and although the recent improvement of transport services may ameliorate its condition, the volume of activity remains somewhat below this time last year.

Agriculture.—Haymaking had a somewhat late start last month, but the subsequent hot dry weather greatly improved the prospects of the crop. Corn crops have made very satisfactory progress, wheat promising a full average and barley an average yield, while the oat crop is expected to be over the average in most parts of the country.

Shipping.—The continued absorption of tonnage for transportation of American coal to this country has produced an acute shortage of vessels in the grain markets normally supplied with shipping outward-bound with British coal. In consequence, certain homeward rates have soared to a level describable as a minor "freight-boom." Grain from North America, including Montreal, has moved slowly.

Retail Trade.—A large London store informs us that although the effect of lessened purchasing power, particularly among the lower middle and working classes, is noticeable, the fine end of the retail trade has been surprisingly good, especially at the sale period, some houses having maintained a level of business comparable with that of a year ago. A seasonal feature has been the demand for washing silks of all qualities, while the fine weather has given impetus to sales of linen and cotton goods.

UNITED STATES OF AMERICA.

Trade prospects continue to be optimistically regarded. The moderate recession since the early months of the year is now regarded as an inevitable feature of the normal annual cycle, and the results for the first half of 1926 show the national

THE STRIKE AND UNEMPLOYMENT.

We give below a summary of the effect of the general strike and the coal stoppage on employment in other industries, based on the weekly totals of workers registered at unemployment exchanges in Great Britain. The figures for corresponding weeks during the 1921 coal stoppage are appended to facilitate comparison:—

(000's omitted.)

Date.	1921.		1926.		Corresponding Weeks of 1925.	Total.
	No. Registered.	No. Unemployed.	No. Registered.	No. Unemployed.		
Pre-Strike—						
Three months preceding	Jan.-Mar.	1,370	Feb.-April	802	1,076	1,215
Week preceding	Mar. 25	1,698	April 26	736	982	1,187
Strike Period—						
Beginning	April 1	1,817	May 31	744	1,106	1,180
2nd week	" 8	1,948	" 10	884	623	1,576
3rd "	" 15	2,040	" 17	891	652	1,613
4th "	" 22	2,145	" 24	853	662	1,597
5th "	" 29	2,216	" 31	877	660	1,614
6th "	May 6	2,329	June 7	878	651	1,609
7th "	" 13	2,402	" 14	882	668	1,630
8th "	" 20	2,514	" 21	866	688	1,635
9th "	" 27	2,558	" 28	866	692	1,639
10th "	June 3	2,580	July 5	870	693	1,645
11th "	" 10	2,448	" 12	867	694	1,644
12th "	" 17	2,430	" ..	" ..	" ..	" ..
13th "	" 24	2,438	" ..	" ..	" ..	" ..
End	July 1	2,508	" ..	" ..	" ..	" ..
Post-Strike—						
Month succeeding	July	2,173	" ..	" ..	" ..	" ..
16 months succeeding	July-Dec.	1,790	" ..	" ..	" ..	" ..

* Average figure.

† General strike, May 4-11, 1926.

Three facts should be noted in connection with the above table:—(1) The figures do not include the million-odd workers involved in the coal dispute, or the further 1½ to 1½ millions who ceased work during the general strike. (2) The three-fold classification of unemployed persons was adopted only in the present year. (3) In comparing the 1926 statistics with those of 1921, it should be remembered that the earlier period was one of increasing trade depression, apart altogether from the effects of the coal stoppage, while the trend of industrial activity in the early months of 1926 was definitely upward.

production and consumption at a higher level than ever before. Steel production was from 75 to 80 per cent. of capacity last month, as against 68 per cent. in 1925, the continued decline in the Steel Corporation's unfilled orders being checked by buying in anticipation of an increase of prices, which has now taken place. Building operations remain in advance of last year's, though the ratio has been falling steadily over recent months. The wholesale and retail movement of goods is steady, commodity stocks show no tendency to increase, money is easy, and prices firmer.

BRITISH EMPIRE.

The Canadian crop position is generally satisfactory. Drought and high winds caused anxiety in some prairie regions in the first part of last month, but subsequent heavy rainfall, followed by warmer weather, relieved the position. Slight change has taken place in the Australian situation, which shows normal seasonal quietude. Indian monsoonal rains show normal strength and extension for the most part, except in certain areas, such as the United Provinces, where the opening of the monsoon was reported feeble.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8) we described a new index of electrical production in the chief industrial areas of Great Britain, and set out the results for each month from January, 1924, to April, 1926. We are now able to give the figures for May and June of this year—a period of special interest, since it comprises both the general strike and the prolonged stoppage in the coal industry.

The effect of these disturbances of the free flow of industry and commerce is shown quite clearly in the index, although at first sight it would appear rather less marked than might have been expected. It is important to note, however, that even a reduction of 20-25 per cent. in industrial activity is sufficient to cause a serious crisis, and that among the basic industries shown in the index only coal mining, iron and steel and marine transport were directly affected by the general strike. The coal, iron and steel areas suffered the greatest reduction in activity. Compared with May of last year the index showed a fall of 33 points, which, allowing for the natural growth of the industry over the period (May, 1925-May, 1926), we may consider as equivalent to a reduction in activity of about 40 per cent. In June no recovery took place. General engineering showed a reduction of 21 points in May, equivalent to a fall in activity of 25 per cent., but the recovery which resulted in June was almost sufficient to bring the index back to normal again. Textiles showed a decline of 16 points, equivalent to a fall in production of about 19 per cent., with an almost complete recovery in June. Chemicals were affected least of all, and were steadily active during May and June. Marine transport showed a reduced activity in

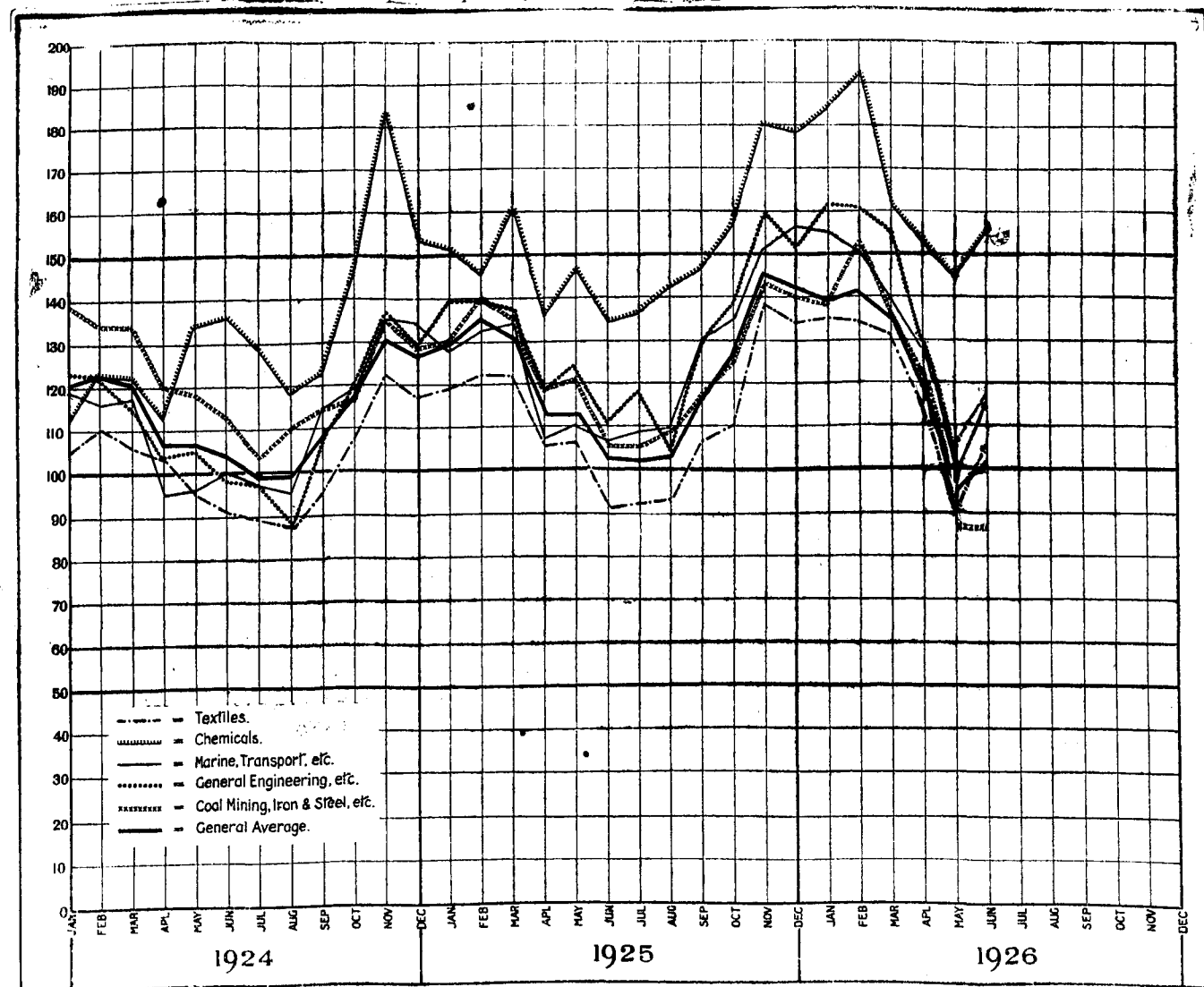
June compared with other industries, even if it was less seriously affected in May than iron and steel. On the basis of the index, and allowing for the natural growth in the use of electrical power, we can estimate the reduction in industrial activity at 25 per cent. in May, and 10 per cent. in June.

The following table shows the figures under the various headings for each month of the current year, while the results since the beginning of 1924 are shown graphically in the annexed chart. For details of the earlier period, and a description of the method of compilation of the index, readers are referred to the article already mentioned:—

INDEX OF PRODUCTION OF ELECTRICITY.*
(Monthly Average 1923-24 = 100.)

Date.	Britain, Excluding London and Wales.	Coal Mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
1925.						
January	139	138	162	184	155	135
February	141	153	161	192	150	134
March	135	136	155	161	139	131
April	119	121	128	153	127	114
May	91	88	103	145	99	90
June	100	88	119	157	114	105

* Prepared by the economic and statistical department of the British Electrical and Allied Manufacturers' Association.



PRESENT POSITION OF RUSSIAN AGRICULTURE.

(BY A RUSSIAN CORRESPONDENT.)

THE period of the "militant communism" of the first year of the Russian Revolution is admitted to have been disastrous for agriculture. The direct exchange of production between country and town which was part of the scheme actually took the form—as little or no manufactured goods were available—of a requisition without compensation on the part of the Government of all food and other necessities of life in excess of the bare needs of the country population. In consequence, the peasants reduced the areas sown, grew only as much as sufficed for their own requirements, and by so doing gradually deprived the towns of food.

In the spring of 1921 a new agrarian policy was inaugurated based on a truer conception of life. Requisitioning was abolished, and the peasants were allowed freedom in the disposal of their produce. The Agrarian Code of 1922 further offered the peasants the fullest liberty in the choice of the system of farming their holdings, whether as collectivist "communes," or as single farms managed on an individual basis. The decree of the beginning of 1925 sanctioned the employment of hired labour in agriculture and also the renting of land. In one point only the earlier legislation remained unaltered, namely, in the land nationalisation; the sown land remains as before the property of the State which grants it to the peasants in usufruct without stipulations as to time or money payments.

Very rapid strides have been made in agriculture since 1922. The sown areas show a yearly increase, the harvests have become larger, and in 1925 amounted to 180 million tons, as compared with 205 million tons, which represents the average of the pre-war period 1909-1913. In 1922 the export of grain was resumed, after many years of isolation from the world market, and reached 40,000,000 poods. In 1923 the export amounted to nearly 140,000,000 poods of grain, including 45 per cent. of rye and 20 per cent. of wheat. In consequence of the failure of crops in 1924 there was little or no export of the principal kinds of grain. The first nine months (July to April) of the agricultural season, 1925-26, resulted in an export of some 125,000,000 poods, of which barley formed 31.7 per cent., wheat 27.4 per cent., linseed cakes 15.4 per cent., rye 9.7 per cent., &c. (*Economic Life*, No. 96, Moscow, April 27, 1926). The potential export of the years 1925-26 will, however, be much larger than the actual export. For reasons which are highly characteristic of the Russian village of to-day the peasants are keeping back and not sending to market large quantities of grain.

At the present time in the budget of the peasant farmer the various agricultural taxes and expenditure for land take a smaller part than before the war. Purchase and sale of land no longer occur, and for the present leasing of land takes place only in comparatively few cases. As regards the taxes, according to the inquiries made by A. L. Weinstein (*The Burden of the Taxes falling on the Peasantry and their Payment before the War and after the Revolution*: Moscow, 1924) they amounted before and after the revolution to the following sums (in pre-war roubles) per head of the agricultural population:—

	1912.	1918-1919.	1920-1921.	1921-1922.	1922-1923.
Direct taxes	1.80	3.90	10.30	6.11	4.72
Customs and Excise	4.56	...	...	0.10	0.93
Loss from depreciation of currency ..	...	3.00	0.40	1.10	1.40
Totals	6.36	6.90	10.70	7.31	7.05
In percentages of the farming income	10.8	16.7	26.1	20.9	18.6

The agricultural taxation was heaviest, both absolutely and relatively, in the year 1920-21, just before the proclamation of the new economic policy, when it was even higher than the pre-war taxation (not counting here the expenditure on purchase and renting of land). Since that year there has been a steady diminution of the

amount. The single agricultural tax which was introduced on May 10, 1923, had a markedly progressive character (which was still further strengthened by the Decree of April, 1926), and was also more easily borne by the mass of the peasantry. The burden of taxation is not so great as to be, in itself, a reason impelling the tenant to dispose of his grain.

On the other hand, in consequence of the improved economic circumstances of the country, the total peasant consumption has increased. Before the war 240.96 kilograms of breadstuffs were available per person in the "producing regions," and in the "consuming regions" 278.31 kilograms.

The increased consumption of breadstuffs, and with it the advance in the physical strength of the most numerous class of society, is of very great significance, especially when it is remembered that the U.S.S.R. of to-day is a nation of peasants in a much fuller sense than was the Russia of former days. The peasantry of the steppe land, which before the war was compelled by the burden of taxation to sell the greater part of its grain and suffered often from long-continued hunger, now eats its fill.

The Russian village of the present day suffers from quite another kind of privation, viz., a shortage of goods, an important demand for manufactured products. The old weakness of the Russian national economy is again manifest, the disproportion in the development of its different sides, industry and agriculture. This is now the more noticeable as the purchasing power of the country people for manufactured goods has considerably increased. According to the approximate calculations of the People's Commissary for Internal Trade (an office which has lately been combined with that of the Commissary for Foreign Trade), the receipts and the outgoings of the peasant community amount to the following sums (in millions of roubles):—

Sources of Income.	1924-25.	1925-26.
Sale of agricultural products	1,678	2,367
Sale of the products of the small (home) industries ..	175	285
From forests	225	258
Earnings of migratory labourers	160	200
Totals	2,238	3,110
Deductions to be made for agricultural single tax ..	340	280
Local charges, insurances, education, &c.	100	140
Net receipts	1,798	2,690

Of the receipts of the year 1925-26, which are about 50 per cent. higher than in the previous year, in order to satisfy the demand of the peasant class for manufactured goods, 145 million roubles (7.6 per cent.) would have had to be applied to the purchase of agricultural machinery, 255 million roubles (13.3 per cent.) for various metal products, 618.7 million roubles (32.4 per cent.) for cotton goods, 350 million roubles (18.3 per cent.) for shoes and furs, 304.6 million roubles (15.9 per cent.) for sugar, &c. The home industry is not, however, equal to this demand: metal goods come short by nearly 85 million roubles, cotton goods by 75 millions, agricultural machinery by 40 million roubles, and so on. As regard ploughs in particular, on every 100 farms in the Crimea in 1924 there were 35.4 ploughs, in the Ukraine 42.3, in Siberia 49.9 in the grain-consuming region 56.3. The worst shortage was in the grain-producing region, where only some quarter of all the farms were provided with ploughs. The rural population, not finding on the market any of the manufactured goods it requires, has no special economic inducement to place its own produce on it. Of the former fetish belief in money as a means of payment for the produce of his land the peasant who has witnessed as though in a dissolving view the ceaseless depreciation of the rouble, whether of the Czar, of Kerenski, of the Soviets, of the various Ukrainian Governments, has now but little.

The Russian peasantry will benefit from the agrarian revolution when the agrarian revolution is followed by industrial development. This, however, depends on the capital which can in the near future be made available for investment.

PRODUCTION. (Thousands of Metric Tons.)

Period. Monthly Average.	COAL.										LIGNITE.				
	United Kingdom.	Belgium.	Czechoslovakia.	France.	Germany.	Nether-lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czechoslovakia.	Hungary.
1913	24,336	1,903	1,189	3,404	15,842	156	748	1,135	665	1,311	1,776	43,088	...	1,918	...
1918	19,283	1,158	...	2,188	13,776	285	...	1,133	747	1,681	2,336	51,272	...	1,918	...
1921	13,822	1,181	971	2,188	9,491	327	632	890	662	1,558	2,185	38,283	206	1,792	474
1922	21,135	1,767	826	2,596	9,999	381	1,849	882	735	1,540	2,308	36,257	259	1,579	515
1923	22,646	1,947	1,197	2,596	5,185	440	3,009	1,014	901	1,589	2,199	49,706	222	1,351	571
1924	20,694	1,928	1,063	2,596	4,916	490	2,693	755	944	1,710	2,315	43,355	231	1,709	478
1925	20,694	1,928	1,063	2,596	5,085	571	2,423	...	983	1,682	...	44,240	255	1,566	419
1925—July	21,551	1,899	1,071	4,509	11,240	601	2,101	568	995	1,363	2,405	43,659	256	1,451	352
August	16,726	1,845	994	4,893	11,061	590	2,101	760	959	1,362	2,334	48,775	238	1,447	343
September	19,010	1,914	1,125	5,188	11,355	618	2,320	859	1,009	1,602	2,098	42,829	253	1,709	448
October	21,231	2,054	1,212	5,503	11,950	653	2,549	891	975	1,906	2,431	48,326	264	1,807	531
November	20,690	1,878	1,197	5,168	11,189	628	2,457	973	992	1,874	2,733	48,117	287	1,783	553
December	22,882	1,937	1,244	5,207	11,189	653	2,549	891	1,007	1,555	2,559	46,204	260	1,807	515
1926—January	21,539	1,976	1,203	5,364	11,190	631	2,456	769	868	1,812	2,385	48,838	277	1,643	526
February	21,657	1,894	1,034	5,190	10,611	592	2,142	688	927	2,101	2,225	44,143	249	1,523	414
March	24,235	2,133	1,078	5,833	11,424	706	2,295	792	996	2,016	...	49,829	252	1,628	447
April	21,923	1,984	936	5,272	10,086	665	2,182	...	956	1,799	...	45,813	220	1,469	358
May	...	1,846	900	3,942	10,678	667	...	...	1,049	...	...	42,740	...	1,334	...
June	...	2,101	...	...	...	...	...	...	...	...	...	...	...	...	...

a Including lignite. c Including the production of Lorraine and Saar. d Saleable coal only. Irish Free State production omitted since 1921. g From 1919 excluding Alsace-Lorraine and from 1920 excluding Saar and Palatinat: from June, 1922, excluding Upper Silesia. h Since July, 1922, including Upper Silesia. i Excluding Rhine mines. n Upper Silesia only. p Excluding Saar.

PIG IRON.

Period. Monthly Average.	PIG IRON.										STEEL.				
	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.
1913	869	207	434	102	1,609	212	61	85	2,601	649	205	496	172	1,578	101
1918	768	...	109	...	989	106	64	90	3,260	812	1	1,248	...	1,248	...
1921	222	73	280	96	654	81	26	51	1,401	314	66	259	77	833	64
1922	415	134	427	96	783	140	22	32	2,276	494	130	373	105	976	117
1923	636	182	442	85	411	117	24	75	3,392	719	d 190	415	83	d 525	100
1924	620	234	658	114	651	180	43	50	k 2,634	696	238	576	119	d 820	157
1925	528	212	706	121	848	195	35	48	k 3,082	626	201	618	131	d 1,016	174
1925—July	501	168	724	100	886	203	38	21	2,707	600	155	625	112	1,031	184
August	452	166	713	117	766	202	33	27	2,748	485	150	617	123	900	174
September	456	170	717	123	735	196	31	35	2,710	650	165	632	139	880	180
October	481	174	739	130	742	205	30	75	3,072	660	165	632	139	880	180
November	502	169	740	125	760	200	31	70	3,072	660	165	632	139	880	180
December	511	161	748	124	717	200	31	58	3,369	651	116	661	127	791	174
1926—January	542	138	763	130	689	204	35	58	3,369	651	116	661	127	791	174
February	578	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196
March	548	288	767	130	668	197	40	69	3,505	671	268	683	141	869	181
April	89	300	783	...	736	195	...	74	3,537	46	272	667	...	901	170
May	42	295	...	...	...	...	...	...	3,287	33	298	...	...	...	...
June	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

e Excluding Luxembourg, including Alsace-Lorraine and Saar, from 1913 to October, 1918; for 1920-1923 figures not official. figures based on returns from works responsible in 1923 for 95% of total production. d Ingots and castings. k Corrected.

WHOLESALE PRICES.

Monthly Average.	U.K.		Belgium.	Czechoslovakia.	Denmark.	France.	Germany. ("Frankfurter Zeitung")	Holland.	Italy (Bacchi).	Norway.	Poland.	Russia.	Spain.	Sweden.	Switzerland.	Australia.	British India.	Canada.
	Board of Trade.	Economist.																
1913	100	100	h 100	n 100	d 100	100	h 100	100	100	100	h 100	...	100	100	h 100	100	h 100	100
1918	...	224.9	...	...	292	339.2	...	373	409.1	...	...	...	207	...	169.7	177.8	180	199.0
1921	197.2	181.0	366	...	178	345.0	4,217	182	577.5	...	57,046	...	...	222	191.2	174.9	181	171.8
1922	158.8	159.5	367	1,334	181	326.6	205,417	160	562.3	...	72.5	j k d 0.96	176	173	167.5	161.6	180	152.0
1923	158.9	162.1	497	977	210	418.9	140.1	151	574.6	232	85.4	k d 1.69	172	163	180.6	178.7	176	153.0
1924	166.2	173.9	573	997	234	488.5	146.9	156	585.0	267	109.7	k d 1.72	183	162	174.6	173.3	177	155.0
1925	159.7	166.5	558	1,001	157	550.7	143.0	155	689.8	253	125.7	k d 1.83	188	161	161.6	161.6	161	160.1
1925—July	157.5	165.1	559	993	189	556.8	143.3	155	707.1	254	119.6	...	...	161	169.6	169.7	160	158.4
August	157.0	165.2	567	996	168	557.2	144.3	155	730.6	249	124.1	...	...	173	184	189.9	157	155.5
September	156.0	164.4	577	989	163	555.7	144.5	155	720.8	237	127.2	...	...	174	185	159.2	169.6	158
October	154.8	160.7	575	977	158	572.3	144.0	154	716.4	223	127.7	...	...	175	187	154	170.1	160
November	153.7	160.5	569	977	160	605.5	144.7	154	711.7	220	136.5	...	...	179	186	155	156.7	164
December	153.2	157.9	565	966	157	632.4	143.0	155	714.8	220	154.8	...	...	183	187	156	155.5	168.2
1926—January	151.3	155.6	560	930	151	633.5	140.7	153	707.7	214	142.1	...	...	190	186	153	154.5	167.8
February	144.8	151.8	556	938	145	636.6	138.7	149	703.8	211	146.1	...	...	194	183	152	150.8	168.2
March	148.8	153.7	553	923	141	631.8	137.5	145	693.4	205	145.7	...	...	196	183	149	148.4	170.6
April	144.4	151.8	561	928	141	650.2	136.8	143	691.9	199	166.6	...	...	197	179	150	146.6	175.7
May	144.9	149.6	692	926	140	687.5	136.2	143	698.1	197	181.2	...	...	190	179	151	145.1	175.0
June	146.4	149.7	...	...	141	738.9	134.9	...	706.0	194	...	...	...	...	...	...	150	157.1

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugoslavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichsbank and Darlehensbanknotes.	Bank Notes.	Bank Notes.	Bank Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marks.	Marks.	Drachme.	Korona.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marks.	Marks.	Drachme.	Korona.
1913.....	29.6	..	..	1,067	189	..	152	113	5,714	2,593	149	..	313
1918.....	70.2	323.2	..	3,210	2,299	..	450	1,156	31,055	22,188	10,599	..	69
1921.....	107.1	325.6	174,115	3,210	2,299	12,150	471	1,356	36,359	113,639	8,523	1,013	33
1922.....	102.9	295.4	140,000,177	6,701	3,886	10,064	459	1,421	36,359	128,096	13,663	1,012	32
1923.....	105.1	292.7	173	7,460	4,139	9,599	473	1,352	39,114	149,650,424,772	800	1,066	32
1924.....	101.3	296.5	839	7,590	4,530	8,810	478	1,250	40,885	1,941	1,835	935	23
1925.....	88.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	2,960	1,476	875	17
1925-June	92.7	293.5	828	7,562	4,155	7,587	468	1,286	43,800	2,474	1,672	889	18
July	90.3	301.0	837	7,688	4,129	7,549	449	1,252	44,496	2,530	1,701	900	18
Aug.	88.7	295.8	836	7,653	4,221	7,695	442	1,268	45,445	2,595	1,713	899	18
Sept.	88.5	293.0	841	7,760	4,290	7,839	430	1,279	46,354	2,649	1,713	899	18
Oct.	86.7	289.4	853	7,653	4,074	7,919	454	1,271	46,679	2,603	1,543	940	17
Nov.	87.0	289.4	827	7,615	3,820	7,921	434	1,253	49,184	2,771	1,480	906	17
Dec.	88.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	2,960	1,476	875	17
1926-Jan.	85.7	287.3	823	7,462	3,460	7,245	403	1,292	50,618	2,649	1,450	865	16
Feb.	85.5	287.0	812	7,415	3,410	7,074	399	1,350	50,991	2,842	1,335	851	16
Mar.	86.5	295.5	816	7,589	3,466	7,147	411	1,362	52,127	3,160	1,121	821	16
Apr.	87.8	294.5	830	7,924	3,807	7,024	411	1,362	52,208	3,086	1,157	817	15
May	84.7	299.2	820	8,346	..	6,930	400	1,320	52,735	2,878	1,367	844	14
June	85.5	294.0	836	8,514	..	7,220	401	1,298	53,914	2,971	1,373	809	14

Period.	Italy.	Norway.	Poland.	Roumania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Mark p.	Zloty.	Zloty.	Leil.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.
	Lire.	Lire.	Kroner.	Mark p.	Zloty.	Zloty.	Leil.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.
1913.....	2,284	499	108	..	..	..	437	..	..	234	314	10.0	227
1918.....	11,750	2,124	431	..	..	..	2,489	..	..	814	976	58.9	530
1921.....	19,209	2,267	410	229,538	..	..	13,722	..	..	628	1,009	55.5	444
1922.....	18,012	2,267	385	793,437	..	..	15,126	..	..	584	976	51.8	414
1923.....	17,247	2,428	396	125,371,955	..	..	17,917	..	..	576	982	52.2	408
1924.....	18,114	2,400	391	3,514,000	551	151	19,397	229	411	537	914	56.9	411
1925.....	19,349	2,100	363	92,770,000	581	440	20,222	388	727	530	876	53.9	399
1925-June	19,017	2,100	387	..	503	269	19,536	258	461	523	834	56.9	355
July	19,276	2,100	384	..	462	325	19,669	274	505	494	824	53.9	354
Aug.	19,431	2,100	378	..	440	332	20,153	308	567	511	819	53.9	356
Sept.	19,474	2,100	372	..	397	395	20,683	341	652	551	845	53.9	355
Oct.	19,480	2,100	367	..	382	410	20,369	373	719	523	841	53.9	385
Nov.	19,201	2,100	351	..	362	410	20,216	393	738	522	819	53.9	391
Dec.	19,350	2,100	363	..	381	440	20,126	388	727	530	876	53.9	385
1926-Jan.	18,651	2,100	335	..	362	415	19,881	380	716	475	776	53.9	361
Feb.	18,198	2,100	330	..	377	415	19,899	368	725	469	775	53.9	347
Mar.	18,295	2,100	350	..	389	426	20,595	..	693	587	808	53.9	334
Apr.	17,898	2,100	343	..	393	436	20,871	..	709	498	797	53.9	334
May	17,717	2,100	335	..	413	407	20,988	..	663	498	781	53.9	334
June	..	..	343	..	448	426	20,991	..	727	528	800	53.9	334

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily. c Including Austro-Hungarian and other notes, converted after the War into national currency. d Gross issue, without deduction of notes held by Banking Department. e Excluding notes held on redemption account in respect of Currency Notes. Includes notes called in, but not cancelled. f May 31, 1925: Ceased to be exchangeable against Zloty notes. g Until February, 1923, Julian Calendar. h Including notes of the Bank of Crete, amalgamated with the National Bank of Greece in 1919, and those of the Ionian Bank, amalgamated in April, 1920. i Circulation in Union only. j Millions. k Rentenmarks issued by Rentenbank. l 1 Zloty = 1,000,000 P. Marks. m In pence. n One pence = 12,500 paper crowns. o In Reichsmarks. p Kronen. One schilling = 10,000 paper kronen. q Fall due to forced loan of Jan. 24, 1926.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Italy.	Switzerland.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
Monthly Average.	Francs to £1.	Francs to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Krone to £1.	Dollars to £1.	Pence to £1.
1913.....	25.224	25.224	25.224	25.224	25.224	12.107	18.159	18.159	18.159	20.41	24.02	4.868	47.58
1918.....	120.25	139.00	113.30	23.20	35.35	17.87	32.92	28.26	28.26	22	340.000	4.74	46.4
1921.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1922.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1923.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1924.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1925.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1925-June	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
July	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Aug.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Sept.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Oct.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Nov.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Dec.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
1926-Jan.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Feb.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Mar.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
Apr.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
May	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8
June	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	295,000	4.20	39.8

Period.	Rio de Janeiro.	Monte Video.	Valparaiso.	Bombay.	Hong Kong.	Shanghai.	Yokohama.	Singapore.
Monthly Average.	Pence to £1.	Pence to £1.	Pence to £1.	10 to Gold Sovereign.	Sterling to Dollar.	Sterling to Dollar.	Sterling to Yen.	Sterling to Dollar.
1913.....	16	51	13.33	1 6 1/2	2 6	3 5 1/2	2 0 1/2	2 4 1/2
1918.....	8 1/2	52	45.30	1 6 1/2	2 6	3 5 1/2	2 0 1/2	2 4 1/2
1921.....	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1922.....	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1923.....	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1924.....	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1925.....	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1925-June	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
July	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Aug.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Sept.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Oct.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Nov.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Dec.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
1926-Jan.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Feb.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Mar.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
Apr.	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
May	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2
June	5	41 1/2	38.60	1 4 1/2	2 3 1/2	3 1 1/2	2 7 1/2	2 3 1/2

1 Pence to Peco.

1 Schilling to £1.

Daily rates.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bulgaria.	Denmark.	Estonia.	France.	Finland.	Germany.	Greece.	Italy.	Jugoslavia.	Netherlands.	Poland.	Sweden.	Switzerland.	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Eesti Mark.	Francs.	Markat.	Mark.	Drachme.	Lire.	Dinars.	Gulden.	Zloty.	Kronor.	Francs.	£

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	Belgium	India	Japan	United States
Monthly Average.	£	Kronen	Koruna	Francs	Mark	Lira	Gulden	Zloty	Lei	Kronor	Francs	Rupias	Yen	Dollars	
1913.....	16.3	...	...	...	103	23	13	...	20	18	44	56	45	137	
1918.....	116.1	39	...	105	138	251	33	...	27	102	77	18	153	112	
1921.....	32.4	717	164	1,100	2,353	288	42	1,139	244	27	70	63	207	220	
1922.....	47.8	4,227	98	1,214	7,059	232	33	2,190	245	27	67	37	180	285	
1923.....	22.6	18,206	48	1,049	4,563	332	19	15,964	320	19	62	21	176	300	
1924.....	17.4	26,992	31	709	2,228	504	30	...	262	20	51	19	219	268	
1925.....	17.0	2.3	21	313	1,110	796	19	...	219	16	56	29	...	304	
1924.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
April-June.....	22.6	42,366	12	543	28.7	516	55	7.3	216	19	40	26	179	246	
July-Sept.....	12.6	20,326	18	407	20.5	526	38	3.0	108	12	54	29	156	276	
Oct.-Dec.....	24.9	19,891	36	518	22.3	525	11	0.6	430	8	53	11	167	297	
1925.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Jan.-Mar.....	15.4	4.8	27	270	91.3	735	11	6.8	121	15	93	23	181	394	
April-June.....	21.4	0.9	21	464	51.1	923	22	0.3	265	12	70	34	269	270	
July-Sept.....	7.6	0.8	17	159	57.7	518	29	5.3	266	11	15	46	176	249	
Oct.-Dec.....	23.7	2.7	20	358	244.1	808	14	0	370	25	48	11	...	301	
1926.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Jan.-Mar.....	25.0	0.5	...	327	47.6	611	21	2.3	442	13	34	19	...	400	
April-June.....	10.1	0.0	...	238	54.8	657	4	1.7	442	7	8	...	...	438	
July-Sept.....	9.8	0.0	...	1,214	38.1	471	15	1.1	...	12	112	...	...	254	
Oct.-Dec.....	30.5	...	...	496	...	472	...	...	...	...	...	...	...	278	

a Including Government loans. b Excluding Treasury Bills and foreign issues. c Ex. Govt. and large railway issues. d Company issues. e Gold marks. f New companies only. g Nom. value. h Issue value. i Ex. bonus shares. j Ex. conversions. k No issues. l Thous. billions. m In schillings. n Paper marks.

UNEMPLOYMENT.

Percentage persons unemployed in trade unions or in official or employment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Switzerland	Austria	Canada
1920-June.....	2.6	...	2.1	3.9	5.9	0.8	3.4	6.9	2.1	...
December.....	5.2	17.4	15.1	4.1	13.4	6.8	15.8	7.2	13.1	...
1921-June.....	17.8	9.9	16.8	3.0	8.1	20.6	27.7	12.5	13.1	...
December.....	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1	...
1922-June.....	12.7	2.6	13.2	0.6	9.1	15.6	21.5	9.6	5.3	...
December.....	12.2	1.7	20.3	2.8	17.0	15.1	21.7	8.6	6.4	...
1923-June.....	11.3	0.8	8.1	4.1	10.8	7.9	9.8	7.1	7.4	...
December.....	10.7	1.7	19.6	28.2	17.3	14.0	14.1	8.2	14.9	...
1924-June.....	9.4	1.0	5.1	10.4	7.2	4.3	7.3	8.3	11.6	...
December.....	10.7	1.5	13.2	8.1	12.3	12.5	15.5	10.3	6.1	...
1925-June.....	11.9	1.0	9.3	3.5	6.6	8.9	8.2	10.2	5.2	...
July.....	11.2	1.1	8.3	3.7	8.3	8.3	7.6	...	4.4	...
August.....	12.1	0.9	9.2	4.3	8.5	10.1	7.6	...	5.1	...
September.....	12.0	0.8	9.9	4.5	7.7	13.5	8.5	7.9	5.7	...
October.....	11.4	0.7	12.7	5.8	7.1	16.4	10.0	...	5.1	...
November.....	11.0	2.3	18.3	10.7	9.1	19.0	11.8	...	5.7	...
December.....	10.5	2.8	31.1	19.4	16.0	23.7	19.4	8.1	7.9	...
1926-January.....	10.5	2.8	31.1	22.6	17.7	23.4	15.7	...	8.1	...
February.....	10.5	1.6	28.3	22.0	10.5	24.2	14.8	...	8.1	...
March.....	9.8	1.4	23.2	21.4	7.9	24.1	16.7	...	7.3	...
April.....	9.2	1.2	17.7	18.6	6.5	...	12.2	...	7.3	...
May.....	14.5	1.0	15.6	18.1	...	...	9.7	...	7.3	...
June.....	14.7	...	...	...	...	...	...	...	...	...

Number of Workers Covered by Last Returns.

Millions.....	11.9	0.6	0.3	3.5	0.3	0.04	0.2	0.4	0.1	
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(Ex. Irish Free State since Mar., 1923.)
Workpeople in the coal mining industry, who ceased work on account of the dispute, are not included in this figure.

BANK RATES.

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of	June	Dec.	June	Dec.	June	Dec.	June
London.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Paris.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Berlin.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
New York.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Amsterdam.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Brussels.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Rome.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Switzerland.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Vienna.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Warsaw.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Tokyo.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Calcutta.....	6.5	6.5	6.5	6.5	6.5	6.5	6.5

* Federal Reserve.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
1913.....	14,191,275	855,648	1,369,481	16,416,404
1922.....	32,780,635	1,574,661	2,806,165	37,161,461
1923.....	32,270,373	1,546,565	2,810,654	36,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	35,801,265	1,678,347	2,957,508	40,347,119
1925 (July 22).....	20,306,464	949,567	1,684,482	22,940,513
1926 (July 21).....	19,679,134	936,239	1,594,604	22,209,977

U.K. IMPORTS AND EXPORTS.

(000,000 omitted.)

	Food.		Raw Materials.		Manu- factures.		Including Imports of			Including Exports of		
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.	Iron and Steel.	Coal.
	£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.	Tons.	Tons.
Monthly average, 1913	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.67	589	0.41	6.1
" 1920	63.9	4.2	59.2	12.1	37.8	93.3	9.1	1.6	0.73	359	0.27	2.1
" 1921	37.2	2.3	34.2	5.3	20.4	49.1	6.7	1.0	0.63	342	0.14	2.0
" 1922	39.3	3.0	36.8	8.5	19.1	47.3	8.0	1.2	0.92	349	0.28	5.3
" 1923	42.5	3.7	37.1	10.9	21.4	48.3	8.4	1.1	0.62	345	0.38	5.1
" 1924	47.6	4.7	43.4	8.9	25.0	51.5	9.9	1.3	0.64	370.4	0.39	5.1
" 1925	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.61	369.5	0.31	4.2
February, 1926	40.3	4.3	32.2	6.6	23.8	50.8	5.5	1.5	1.00	366	0.34	4.3
March	45.6	4.2	31.9	7.2	29.0	53.5	8.1	1.4	0.81	403	0.41	4.7
April	42.2	3.9	32.9	6.0	27.1	41.5	7.6	1.3	1.08	282	0.31	4.3
May	36.4	3.0	24.6	3.2	19.9	39.1	5.9	1.1	0.79	304	0.27	1.4
June	43.9	4.0	27.6	2.1	25.6	42.2	8.8	1.0				

* Yards.

RAILWAY STATISTICS.—GREAT BRITAIN.

(000,000's omitted.)

	Gross Receipts.		Freight Traffic (f).				Austria.		Germany.		Italy.		Canada.		United States.	
	Passengers.	Freight.	Merchandise.*	Coal, &c.	Other Minerals.	Total.	(b)	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1925-February.....	3.69	8.41	5.14	16.64	5.04	26.82	955	4,714	960	4,490	33,575	33,575	33,575	33,575	33,575	33,575
March.....	4.05	9.29	5.59	17.61	5.65	28.86	1,082	5,026	1,029	5,022	35,335	35,335	35,335	35,335	35,335	35,335
April.....	5.49	8.34	5.18	15.78	5.26	26.22	1,388	4,545	996	4,371	33,577	33,577	33,577	33,577	33,577	33,577
May.....	5.31	8.60	5.30	15.86	5.65	26.81	1,422	4,657	1,038	4,156	37,147	37,147	37,147	37,147	37,147	37,147
June.....	6.27	8.00	4.85	13.86	5.24	24.05	1,290	4,478	1,021	4,164	35,863	35,863	35,863	35,863	35,863	35,863
July.....	8.66	9.28	5.34	17.74	5.43	28.51	1,581	5,127	1,021	4,583	41,723	41,723	41,723	41,723	41,723	41,723
August.....	7.58	8.71	4.91	12.50	4.79	22.00	1,255	4,958	986	4,142	41,723	41,723	41,723	41,723	41,723	41,723
September.....	6.14	9.22	5.83	16.57	5.46	27.85	1,523	5,037	1,014	4,129	44,062	44,062	44,062	44,062	44,062	44,062
October.....	3.87	8.81	5.42	16.55	5.13	27.09	1,441	4,643	1,129	4,275	40,786	40,786	40,786	40,786	40,786	40,786
November.....	4.93	8.63	5.29	18.26	4.78	28.33	1,483	4,554	1,034	4,169	37,678	37,678	37,678	37,678	37,678	37,678
December.....	4.17	8.72	5.18	17.59	4.95	27.72	1,516	4,635	1,034	4,169	35,414	35,414	35,414	35,414	35,414	35,414
1926-January.....	3.63	8.62	5.16	17.03	4.29	27.48	1,484	4,635	1,034	4,169	35,414	35,414	35,414	35,414	35,414	35,414
February.....	4.39	9.93	6.06	18.72	6.07	30.85	1,618	4,830	1,034	4,169	35,414	35,414	35,414	35,414	35,414	35,414
March.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
April.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

* Inc. live-stock. (a) "Reichsbahn." Ex. free-hauled. Until Nov. 15, 1924, figures incomplete owing to the occupation of the Ruhr, which in 1922 accounted for 30% of total freight traffic. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenue of £500,000. (d) Short tons = kg. 907.18; mile = metres 1,609.34. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34. London: Printed for the Proprietors, THE ECONOMIST NEWSPAPER, LIMITED, by G. E. HART, St. Clements Press, Ltd., Newspaper Buildings, Portland street, Kingsway, W.C.2; and Published by the Proprietors at Granville House, Arundel street, Strand, W.C.2.

The Economist

France recent tendencies have made for decreased trade activity.

The following notes on conditions in various trades and countries call attention to some of the most striking features:—

HOME INDUSTRIES.

Iron and Steel.—August is usually a slack period in these trades, and in the absence of regular fuel supplies the industry remains in a state of suspended animation. Partial resumption of work in the Warwickshire and Cannock Chase mines has enabled a number of North-West Midland forges and mills to reopen, but coal supplies from abroad are too dear and too uncertain to permit of extensive operations elsewhere. Tin-plate factories have obtained increased supplies of foreign coal, and are endeavouring to overtake the orders on their books. Galvanised sheets remain in good demand. The settlement of the strike will probably be followed by marked activity all round as the accumulation of orders is fairly considerable.

Coal.—Interest remains chiefly centred in foreign coal imports, which continue to be dealt with at all the main ports. Prices, however, have shown a tendency to advance, and the quality of many cargoes still leaves something to be desired. Such supplies as are obtained from partially reopened Midland pits and from outcrop operations are being consumed locally, and do not affect the general position. There is a tendency to defer further forward orders for foreign coal in anticipation of an early termination of the dispute.

Engineering.—Activity in engineering remains below normal, but apart from holiday influences there has been no marked deterioration in the general position since our last report. Orders continue surprisingly satisfactory, all things considered, but difficulty frequently arises in fulfilling them owing to uncertainty as to fuel and raw materials, and occasionally through the curtailment of electrical power. The machine tool trade has received further new orders, while locomotive engineering will benefit from the placing of important Indian contracts. The home railways are continuing their programme of replacements. Textile machinery makers report quiet business. Shipbuilding and constructional engineering have suffered from the dearth of material.

Electrical Industry.—The industry is beginning to be affected by the reduction of coal stocks, and the normal seasonal lull was accentuated last month. The small motors and domestic apparatus sections are best employed, but the demand for industrial motors is stagnant. Makers of switchgear and transformers have a fair volume of orders in hand, but are less well employed than a year ago. There is, however, a prospect that certain deferred orders from Scotland and the North-East coast will take definite form shortly. The export side is slack, despite a few scattered orders for electric locomotives for the Dominions. Increased competition from German and Italian firms is being experienced in Near Eastern markets.

Cotton.—Our Manchester correspondent writes:—All engaged in the industry have experienced another difficult month. Although supplies of coal do not appear to be quite so scarce as a few weeks ago, spinners and manufacturers are harassed by high prices. An event of importance has been the inauguration of the Basic Prices Scheme for American yarns. So far spinners have been loyal to the rates issued by the Masters' Federation, but numerous buyers are resisting the advances required. Further progress has been made in the formation of the American Yarn Association, which is being established to grade yarns and fix minimum prices, a strong feature of the proposals being that the association will have power to impose penalties upon members who do not carry out the instructions of the board of directors. Buying in piece goods for the most part has been confined to small lots. India has given fair support, chiefly in the lighter styles of goods. Merchants with connections in China are despondent as to the outlook.

Woollen and Worsted Trades.—The raw material position remains satisfactory, current indications pointing to adequate though not over-abundant supplies during the coming season, and fairly steady prices. Activity in the manufacturing districts is restricted by local holidays and the continuance of the coal stoppage, but the general feeling is a little more optimistic. Stocks are believed to be of less than normal dimensions, and an expansion of business is looked for as soon as the industrial outlook has been clarified.

Boots and Shoes.—The trade remains quiet, many factories running half-time only. Holiday orders have been disappointing, and it is clear that buyers will not place large orders for coming months until the coal dispute is over.

Pottery.—The pottery districts have benefited from the partial resumption of work at neighbouring coal mines. More ovens have been fired recently, and a start made with the overtaking of arrears of orders.

Chemicals.—The industry maintains a satisfactory output, though business is restricted, and prices in some instances have fallen. The shortage of spot supplies of coal tar products is

very marked. The export figures for last month were surprisingly good, however, an increase of 5 per cent. being recorded, as compared with July, 1925.

Building Trades.—There was a slight increase in building activity last month, although in some districts a shortage of materials was still experienced as a result of the continuance of the coal stoppage. Operations remained on a larger scale than a year ago, a shortage chiefly of plasterers and bricklayers being reported from some districts.

Agriculture.—July was a good month for corn crops, and yields above the average are expected, particularly of oats. The greater part of the hay crop was secured in good condition before the break in the fine weather. Potatoes are generally healthy except in certain Eastern counties where disease has appeared.

Shipping.—A good deal of "tramp" tonnage is still employed conveying coal cargoes from North America. Chartering from the River Plate has fallen off, but the movement of new season's grain from Australia is providing a demand for cargo space at improved values. Elsewhere markets show no great change, the position having still a large element of artificiality in the absence of outward coal cargoes.

Retail Trade.—A large London store informs us that retail trade has been less brisk than is usual at this season. Hosiery continues to sell steadily, but short time in the factories may interfere with autumn deliveries. Among silks demand is centred chiefly on printed crêpe-de-Chines and georgettes, while artificial silks have shown signs of increased popularity after eighteen quiet months. Trade in men's wear has been less satisfactory than usual, there being a tendency for demand to shift from the better to the cheaper grades.

UNITED STATES OF AMERICA.

The absence of the usual slackening of business activity last month came as a surprise to most observers. The iron and steel industry, for instance, operated from 75 per cent. to 80

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8) we described a new index of electrical production in the chief industrial areas of Great Britain. We show below the results achieved up to July last.

INDEX OF PRODUCTION OF ELECTRICITY.*
(Monthly Average 1923-24 = 100.)

Date.	Britain, Excluding London and Wales.	Coal Mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
January 1925.						
January	129	130	139	151	128	119
February	135	140	139	145	132	122
March	131	135	137	160	134	122
April	113	118	117	135	107	105
May	113	121	124	146	110	106
June	102	105	110	134	106	91
July	102	105	118	136	108	82
August	103	109	104	142	109	83
September	116	117	129	146	129	106
October	126	125	139	157	135	110
November	145	143	159	180	151	138
December	142	140	151	178	156	134
January 1926.						
January	139	138	162	184	155	135
February	141	153	161	192	150	134
March	135	136	155	161	139	131
April	119	121	128	153	127	114
May	93	88	103	145	99	90
June	100	88	119	157	114	105
July	91	77	123	147	110	97

* Prepared by the economic and statistical department of the British Electrical and Allied Manufacturers' Association.

The partial revival of activity which took place in June after the general strike in May was purely temporary, as the Index shows, and the depression has become more intense in every industry, with the possible exception of general engineering and automobile construction. The coal mining, iron and steel, shipbuilding and heavy engineering industries group reached the record low point of 77, 11 points below the previous record in May, and 25 points below the corresponding index figure for 1925. Other industries in the group, such as heavy engineering and shipbuilding, are now suffering from the depression in coal mining and iron and steel. The fall in the index from 88 to 77 illustrates this point quite clearly. General engineering is still improving, and can show now a higher figure than even in July, 1925. Textiles suffered a relapse from the June figures, but were still better than in May. Chemicals also lost much of the advance in June, although they have been less adversely affected than almost any other industry. For the country as a whole the decline in activity in July was equivalent to 9 points compared with the previous month and 2 points compared with May. In making comparisons with last year the influence on the figures of the increasing "electrification" of British industry should constantly be borne in mind.

per cent. of capacity, as against 65 per cent. in July, 1925. Prices were maintained at the former levels established in June, and the Steel Corporation's order books showed an increased total figure for the first time in the last six months. Although the automobile industry has not maintained the pace of the early part of the year, building remains at a level little short of extraordinary. Textiles are rather more active, though some factories are working much below capacity. The wheat crop is about 30 per cent. above that of last year, and as prices have not fallen to the extent anticipated, and satisfactory results from other crops, including cotton, are more or less assured, farming demand in the autumn should be good. The usual indices—railway traffic, banking business, electrical power consumption, &c.—all indicate a higher level of business than a year ago, and all appearances are favourable to a continuance of satisfactory conditions over the next few months.

BRITISH EMPIRE.

Excessive heat in the Prairie Provinces of Canada towards the end of July to some extent affected the prospects for what had previously been a moderately good crop, and harvesting has since been interrupted by broken weather. Elsewhere, however, prospects are on the whole good. Employment is better than at this time last year, industrial operations being well maintained, especially in the automobile section. The Indian monsoon, for the fifth year in succession, has given good results, except in certain restricted areas, and with money at lower levels than a year ago, the next few months should witness a steady improvement in trade conditions. Australian reports show slight change, wheat prices being a little firmer and the outlook for the next season's wool crop favourable. Floods have caused considerable damage in Western Australia. South African business remained dull last month, largely as a result of adverse farming conditions and the comparative failure of the maize crop. The gold mining industry maintains a record volume of activity.

SOUTH AMERICA.

The mid-year season in Argentina has opened with a slight lifting of the depression which has existed during the last few months. Prospects for the new crops are favourable. Brazilian business remains dull, with credit greatly restricted. Chilean agricultural prospects are improving, but the nitrate industry remains under a cloud. Mining activity in Mexico is above last year's level, but business in general has suffered considerably as a result of the conflict between Church and State.

EUROPE.

Although there is no well-marked slackening in French production, business is rather more restricted than a month ago, various factors, such as exchange movements, increased railway charges, the raising of the discount rate of the Bank of France, &c., being chiefly responsible. Higher autumn prices for iron and steel are expected, but buyers are not inclined to increase their commitments. The textile trades have been unsettled by exchange fluctuations. Belgian industry shows seasonal quietude. German conditions are improving, especially in the heavy trades where the British coal stoppage is greatly stimulating activity. Engineering conditions are still largely unsatisfactory, but chemicals and textiles have marked a slight advance, and the unemployment figures are slowly declining. The Swedish situation remains sound, and Finnish prospects

have improved, but in Norway industrial activity remains below normal. Poland, like Germany, has benefited from the British coal stoppage, but many branches of industry remain stagnant in Czechoslovakia and Austria. The engineering and textile industries of Italy are maintaining a large output, though in some cases difficulty is being experienced in financing it. Spanish trade again shows a firmer tendency.

FAR EAST.

Trade in North China is slowly reviving, though confidence in the stability of present political conditions is still lacking. Favourable weather conditions have improved Japanese crops, and there is a generally hopeful feeling regarding autumn prospects, though markets are at present on the dull side.

UNEMPLOYMENT AND THE COAL DISPUTE.

We give below a summary of the effect of the coal stoppage on employment in other industries, based on the weekly totals of workers registered at unemployment exchanges in Great Britain. The figures for corresponding weeks during the 1921 coal stoppage are appended to facilitate comparison:—

(000's omitted.)

	1921.			1926.					Corresponding Weeks of 1925. Total.
	Date.	No. Registered.	Date.	No. Registered.					
				Wholly Un- employed.	Temp- orarily Stopped.	"Casual" Trades.	Total.		
Pre-Strike—									
* Three months pre- ceding	Jan.-Mar.	1,370	Feb.-April	802	202	73	1,076	1,215	
Week preceding	Mar. 25	1,698	April 26	736	173	73	982	1,187	
Strike "in" week—									
Beginning	April 1	1,817	May 3	744	286	76	1,106	1,180	
2nd week	" 8	1,948	" 10	884	623	69	1,576	1,184	
3rd "	" 15	2,040	" 17	891	652	70	1,613	1,185	
4th "	" 22	2,145	" 24	863	662	72	1,597	1,186	
5th "	" 29	2,246	" 31	877	660	77	1,614	1,247	
6th "	May 6	2,329	June 7	878	651	80	1,609	1,291	
7th "	" 13	2,402	" 14	882	668	80	1,630	1,290	
8th "	" 20	2,514	" 21	866	688	80	1,635	1,230	
9th "	" 27	2,558	" 28	866	692	80	1,639	1,204	
10th "	June 3	2,580	July 5	870	693	82	1,645	1,300	
11th "	" 10	2,448	" 12	867	694	83	1,644	1,248	
12th "	" 17	2,430	" 19	861	689	81	1,631	1,222	
13th "	" 24	2,438	" 26	859	670	78	1,605	1,198	
14th "	July 1	2,508	Aug. 2	861	681	78	1,619	1,290	
15th "	" "	" "	" 9	876	642	76	1,594	1,269	
16th "	" "	" "	" 16	884	641	76	1,581	1,298	
Post-Strike—									
* Month succeeding	July	2,173	" "	" "	" "	" "	" "	" "	
* 6 months succeeding	July-Dec.	1,790	" "	" "	" "	" "	" "	" "	

* Average figure. † General strike, May 4-11, 1926. ‡ End of 1921 stoppage.

Three facts should be noted in connection with the above table:—(1) The figures do not include the million-odd workers involved in the coal dispute, or the further 1½ to 1½ millions who ceased work during the general strike. (2) The threefold classification of unemployed persons was adopted only in the present year. (3) In comparing the 1926 statistics with those of 1921, it should be remembered that the earlier period was one of increasing trade depression, apart altogether from the effects of the coal stoppage, while the trend of industrial activity in the early months of 1926, previous to the stoppage, was definitely upward.

THE SWISS BALANCE OF PAYMENTS.

By virtue of her position as a land-girt "island" State, with frontiers marching with those of the greatest Continental Powers, together with the proverbial enterprise of her people, Switzerland has long been famous among the world's trading nations. The *per capita* value of her foreign commerce was exceeded in 1913 only by New Zealand and Belgium, and in 1924 only by New Zealand, Cuba, Australia, and, possibly, Holland. Her geographical situation, indeed, has been a predominant factor in shaping her political and economic destinies, more especially during the last twelve troubled years. During the war she filled the rôle, partly embarrassing and partly profitable, of a neutral entirely surrounded by belligerents, and later became the seat of a stable currency, while the exchanges of her neighbours were subject to the wildest fluctuation. These conditions have reacted on Swiss trade to a marked degree, particularly as regards those "invisible" items which loom so largely in the national balance-sheet. Into the statistical measurement of the changes under the various headings,

since 1913, the element of conjecture must largely enter, but the results of a painstaking inquiry recently carried out by the Swiss Bank Corporation show that the ultimate balance of payments has lately been much more in Switzerland's favour than in the pre-war year.

A "passive" merchandise balance is a permanent feature of Switzerland's situation, no less than of that of the United Kingdom. In 1913 imports exceeded exports by 543 million francs. During the war the adverse balance fell at times to a very low figure, exports actually exceeding imports by 69 million francs in 1916. The subsequent rapid growth on the import side was instrumental in producing an adverse balance of no less than 966 millions in 1920, but the figures have since shown marked improvement, the excess of imports in succeeding years attaining the following dimensions:—1921, 156 million francs; 1922, 153 millions; 1923, 483 millions; 1924, 434 millions; 1925, 595 millions.

The Customs service is probably one of the most

efficient in Europe, but as each year sees a large influx and efflux of tourists, and there has been an important augmentation in the price of many articles, more or less clandestine trade, which does not figure in the returns, may be of appreciable importance. Another unrecorded item concerns the export of electrical energy, which, negligible in 1913, rose from 6 million francs in 1920 to about 14 millions last year. The movement of the precious metals is a far more important factor to-day than in 1913. Very heavy gold imports in 1921-23 were succeeded by an efflux which in 1925 had reached large proportions. The following table sums up the results under the heads so far considered:—

"COMMERCIAL" BALANCE, 1913, 1924, 1925.

(Million Francs.)

	1913.	1924.	1925.
Merchandise.....Imports	1,979	2,504	2,634
Exports	1,358	2,070	2,039
Unrecorded Items ....Imports	10	15	20
Exports	50	50	60
Precious Metals .....Imports	(58)	10	26
Exports	(34)	70	198
Electrical Power .....Exports	..	13	14
Total "Passive" Balance ..	605	326	367

Thus, despite the 33 per cent. increase in the value of imports last year, as compared with 1913, the net adverse trading balance was decidedly less than in the pre-war year.

Of all "invisible" items, tourist receipts are among the most vital for Switzerland. In this respect the years following the war were only a shade less disastrous than the war itself. Not only did many of Switzerland's impoverished neighbours find it necessary to economise in the matter of holidays, but the maintenance of a stable currency in Switzerland involved a high cost of living compared with that of surrounding countries. The numbers of visitors at the chief centres in the last two years, however, have shown a sensible recovery, and, taking the country as a whole, are probably not very different from those of the pre-war year. But the proportion of foreign to domestic holiday-makers has appreciably fallen. The records of certain of the most popular regions show that Swiss visitors accounted for over 40 per cent. of the whole tourist population last year, as against 20 per cent. in 1913. The proportion of Germans has fallen from 28 to 22 per cent., that of Frenchmen from 11½ to 4 per cent., and, curiously, that of Americans from 10½ to less than 8 per cent. The English percentage has risen slightly from 9½ to just over 10, but as the Englishman tends more and more to travel in conducted parties, his net expenditure in the country is found to be a declining quantity.

The number of visitors whose expenditure is a relevant item in the balance (i.e., those of non-Swiss nationality) is therefore probably less than before the war, but hotel charges are higher, as are other features in the Budget of the average tourist—railway, motor, and steamer charges, "souvenir" purchases, &c.—though visitors from countries with depreciated currencies are noticeably more parsimonious in their expenditure under these latter heads than in pre-war times. The net effect would seem to be that last year's tourist receipts did not differ greatly in absolute amount from those of 1913, though the 1924 receipts were certainly much lower. In 1912 Dr Zollinger estimated that Switzerland was a beneficiary to the extent of 265-270 million francs, while the Swiss Bank puts the corresponding figures for 1924 and 1925 at 205 and 270 millions. Against these receipts must be set the expenditure of Swiss residents abroad (estimated at 50, 55, and 65 million francs in 1913, 1924, and 1925 re-

spectively), so that the final result of the co-ordination of the beauties of nature and one-and-a-half milliard francs of Swiss capital, so far as it affects the "external" balance of payments, was a net gain of something like 215 million francs in 1913, 150 millions in 1924, and 205 millions last year.

Receipts from other services rendered by Swiss nationals to those of foreign countries fall largely into one or other of the following groups:—(a) Railway transit traffic, (b) insurance transactions, (c) minor items. Transit trade was unfavourably affected last year by the almost complete cessation of reparation coal deliveries by Germany to Italy, while the enhancement of the rates charged by the Federal railways produced a marked falling-off in West to East traffic. The net receipts accruing to Switzerland from insurance business are difficult of assessment. There has probably been an augmentation in the amount of such business accepted by Swiss companies on foreign account, while the operations of foreign companies in Switzerland itself are certainly less extensive than before the war. Under the sub-head (c) above may be grouped such items as commissions earned by Swiss banks, &c., less the remittances of workmen and other permanent or seasonal immigrants into Switzerland from Italy and elsewhere. The following table shows the estimated "favourable" balance under the three heads:—

BALANCE OF SERVICES, 1913, 1924, 1925.

(Million Francs.)

	1913.	1924.	1925.
Transit traffic.....	(40)	..	30-35
Insurance business	?	50	20-25
Minor services.....	?	15-20	30
Total	(? 110-150)	85-90	80-85

Coming next to receipts in the form of interest on investments, we encounter the same difficulty which has confronted inquiries into the British balance of payments since the war. The last attempts at valuation of security holdings abroad date from before the war, and the situation has since been radically altered. Authoritative estimates of foreign holdings in Switzerland are similarly lacking. The earlier years of the post-war period witnessed a very considerable shrinkage in the value of Swiss capital abroad, since so large a part of it was invested in countries such as Germany, which suffered the ills of inflation. Recently, however, results have been more favourable from the Swiss point of view. Monetary stability is now a less exceptional state of affairs among European nations, and Swiss investors have given increasing attention to issues of high-yielding foreign securities. Swiss external borrowings have diminished, and the American debt has been reduced. The outcome of these and other movements of a like nature was a balance in Switzerland's favour, put at 305 million francs last year, as against 210 millions in 1924, and something between 260 and 315 millions in 1913. The Swiss Bank presents these figures with reserve, and further details as to their make-up would seem to be called for.

Summing up the various categories, a final "credit" balance is struck of 223-228 million francs in 1925, comparing with one of 120 to 124 millions in the previous year. In 1913 the favourable balance was smaller, probably not exceeding 100 million francs at the outside. It is quite clear that the results of the past two years make a hopeful showing, as against those of earlier periods, and particularly those of the anxious years following the war. It should be pointed out, however, that account has been taken only of the permanent elements in the balance of payments. Temporary movements of capital, which may affect the balance one way or another, have been ignored.

PRODUCTION. (Thousands of Metric Tons.)

Period. Monthly Average.	COAL.										LIGNITE.				
	United Kingdom.	Belgium.	Czechoslovakia.	France.	Germany.	Netherlands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czechoslovakia.	Hungary.
1913	24,336	1,903	1,189	3,404	15,842	156	748	1,135	665	1,311	1,776	43,088	..	1,918	..
1918	19,283	1,158	..	2,188	13,376	283	..	1,133	747	1,681	2,336	51,272	..	..	..
1921	13,822	1,813	971	3,213	9,491	327	632	890	882	1,558	2,185	38,283	206	1,792	474
1922	21,133	1,767	826	3,596	9,929	381	1,849	882	735	1,540	2,308	36,057	259	1,579	515
1923	23,450	1,910	969	3,978	5,185	440	3,009	1,014	901	1,589	2,199	49,706	222	1,351	571
1924	22,646	1,947	1,197	4,316	9,902	480	2,693	755	944	1,710	2,315	43,355	231	1,709	478
1925	20,694	1,928	1,063	5,085	11,061	571	2,423	..	983	1,682	..	44,240	255	1,566	419
1925—August	16,726	1,845	994	4,893	11,061	590	2,101	760	959	1,362	2,334	48,775	238	1,447	343
September	19,010	1,914	1,125	5,188	11,355	618	2,320	845	1,009	1,602	2,098	42,829	253	1,709	448
October	21,231	2,054	1,212	5,503	11,950	653	2,582	891	975	1,906	2,431	48,326	264	1,807	531
November	20,690	1,878	1,197	5,168	11,189	628	2,549	943	1,007	1,555	2,559	45,204	260	1,807	515
December	22,882	1,937	1,244	5,207	11,567	632	2,457	973	922	1,874	2,735	48,117	287	1,783	553
1926—January	21,539	1,976	1,203	5,354	11,193	631	2,456	769	869	1,812	2,385	48,838	277	1,643	526
February	21,557	1,894	1,034	5,130	10,511	592	2,142	688	927	2,101	2,215	44,143	249	1,413	447
March	24,235	2,133	1,078	5,833	11,424	706	2,295	792	996	2,016	2,585	49,829	252	1,628	414
April	21,923	1,984	936	5,272	10,086	665	2,182	752	956	1,805	2,458	43,813	220	1,469	358
May	m	1,846	900	4,997	10,678	667	..	..	1,049	1,670	..	42,740	216	1,334	349
June	m	2,101	978	4,430	11,756	724	..	..	1,065	1,622	..	46,202	..	1,343	..
July	m	2,132	..	..	..	..	..	..	..	..	..	..	..	..	..

a Including lignite. b Including the production of Lorraine and Saar. c Saleable coal only. d Irish Free State production omitted since 1921. e From 1919 excluding Alsace-Lorraine and from 1920 excluding Saar and Palatinat: from June, 1922, excluding Upper Silesia. f Since July, 1922, including Upper Silesia. g Excluding Rhine mines. h Upper Silesia only. i Excluding Saar. m Coal strike. Probably about 1½ million tons will be produced in August.

PIG IRON.

Period. Monthly Average.	PIG IRON.										STEEL.				
	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.
1913	869	207	434	102	1,609	212	61	85	2,601	649	205	396	172	1,578	101
1918	768	..	109	..	989	106	64	90	3,260	812	1	151	..	1,248	73
1921	222	73	280	96	654	81	26	51	1,401	314	66	259	77	833	64
1922	415	134	427	96	783	140	22	32	2,276	494	130	373	105	976	117
1923	638	182	442	85	411	117	24	75	3,392	719	d 190	415	83	525	100
1924	620	234	638	114	651	180	43	50	2,634	696	238	576	119	d 820	157
1925	528	212	706	121	848	195	35	48	3,082	626	201	618	131	d 1,016	174
1925—August	452	166	713	117	766	202	33	27	2,748	485	150	617	123	900	174
September	456	170	717	123	735	196	31	35	2,770	650	165	632	139	880	180
October	481	174	739	130	742	206	30	75	3,072	663	171	668	139	928	185
November	502	169	740	125	760	200	31	70	3,072	664	156	647	130	873	174
December	511	161	748	124	717	200	38	56	3,303	617	158	659	128	764	176
1926—January	542	138	763	130	689	204	35	58	3,369	651	116	661	137	791	174
February	510	202	707	118	631	185	35	51	2,970	715	167	630	124	816	170
March	578	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196
April	548	288	767	130	668	197	40	69	3,505	671	268	683	141	869	181
May	m 90	300	783	..	736	195	43	74	3,537	m 46	272	667	..	901	170
June	m 42	295	778	..	720	211	40	72	3,287	m 33	298	694	..	977	190
July	m 18	307	..	..	768	..	..	..	3,275	m 32	296	..	..	..	..

e Excluding Luxembourg, including Alsace-Lorraine and Saar, from 1913 to October, 1918; for 1920-1923 figures not official. f Ingots and castings. g Corrected figures based on returns from works responsible in 1923 for 95% of total production. m Coal strike.

WHOLESALE PRICES.

Monthly Average.	U.K.		Belgium.	Czechoslovakia.	Denmark.	France.	Germany. ("Frankfurter Zeitung")	Holland.	Italy (Bacchi).	Norway.	Poland.	Russia.	Spain.	Sweden.	Switzerland.	Australia.	British India.	Canada.
	Bo'd of Trade.	Economist.																
1913	100	100	h 100	h 100	d 100	100	h 100	s 100	100	c 100	h 100		1	100	h 100	100	h 100	100
1918	224.9	224.9	..	..	..	292	339.2	..	373	409.1	..	..	207	..	177.8	180	180	199.0
1921	197.2	181.0	366	..	178	345.0	..	4,217	182	177.5	..	57,046	190	222	191.2	174.9	181	171.8
1922	158.8	159.5	367	1,334	181	326.6	205,477	160	562.3	..	72.5	k d /	0.96	176	173	167.5	161.6	180
1923	158.9	162.1	497	977	210	418.9	140.1	151	574.6	232	85.4	k d	1.69	172	163	180.6	178.7	176
1924	166.2	173.9	573	997	234	488.5	146.9	156	585.0	267	109.7	k d	1.72	183	162	174.6	173.3	177
1925	159.7	166.5	558	1,001	157	550.7	143.0	155	689.8	253	125.7	k d	1.83	188	161	161.6	..	160.1
1925—August	157.0	165.2	567	996	168	557.2	144.3	b m 155	730.6	249	b l 124.1	d k	1.73	184	159	159.4	169.9	157
September	156.0	164.0	577	989	163	557.7	144.5	155	720.8	237	127.2	h d	1.74	185	157	159.2	169.6	158
October	154.8	160.7	575	977	158	572.3	144.0	154	716.4	223	127.7	k d	1.75	187	154	157.0	171.1	160
November	153.7	160.5	569	977	160	605.5	144.7	154	711.7	220	136.5	h d	1.79	186	155	156.7	172.6	164
December	153.2	157.9	565	966	157	632.4	143.0	155	714.8	220	154.8	h d	1.83	187	156	155.5	168.2	163
1926—January	151.3	155.6	560	950	151	633.5	140.7	153	707.7	214	142.1	h d	1.90	186	153	154.5	167.8	163
February	148.8	153.7	556	938	145	635.6	138.7	149	703.8	211	146.1	h d	1.94	183	152	150.8	167.8	158
March	144.4	151.8	583	923	141	631.8	137.5	145	693.4	205	145.7	h d	1.96	183	149	148.4	170.6	155
April	143.7	150.5	621	911	141	650.2	136.8	143	691.9	199	166.6	h d	1.97	179	150	146.6	175.7	153
May	144.9	149.6	692	926	140	687.5	136.2	143	698.1	197	181.2	h d	1.89	179	151	145.1	175.0	150
June	146.4	149.8	761	948	141	738.3	134.9	144	708.1	194	174.6	h d	1.83	177	150	145.0	..	150
July	148.7	150.0	876	..	143	836.2	133.8	..	724.0	192	..	..	..	..	145.5	..	..	155

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.		Austria.	Belgium.	Bulgaria.	Czecho-slovakia.	Denmark.	Finland.	France.	Germany.		Greece.	Hungary.	Jugo-Slavia.	Netherlands.	
End of	Bank of England Notes.	Currency Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichs- und Darlehens-kassenscheine.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marks.	Marks.	Drachmas.	Korona.	Dinara.	Golden.	Golden.
1913.....	29.6	..	..	1,067	189	..	152	113	5,714	2,593	149	h 245	..	..	313	..
1918.....	70.2	333.2	..	3,210	2,299	..	450	1,156	31,055	22,188	10,599	1,274	..	..	..	69
1921.....	e 107.1	325.6	174,115	6,290	3,615	12,130	471	1,356	36,359	113,639	8,523	2,161	2,175	4,688	1,069	..
1922.....	e 102.3	295.4	14,080,177	6,701	3,586	10,064	459	1,421	36,359	1,280,095	15,663	3,149	75,887	5,040	1,013	33
1923.....	e 103.1	71.5	7,460	9,569	9,569	9,569	473	1,352	39,134	496,507,424,772	800	4,681	931,337	5,040	1,012	32
1924.....	e 101.3	296.3	839	7,471	3,590	8,810	476	1,350	40,885	s 1,941	1,835	4,866	4,513,990	6,002	335	23
1925.....	e 88.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	s 2,960	m 1,476	5,395	o 416	6,063	875	17
1925-July	90.3	301.0	837	7,688	4,129	7,549	449	1,252	44,496	2,530	1,701	5,303	379	5,661	900	18
Aug.	88.7	295.8	836	7,653	4,221	7,695	442	1,268	45,445	2,590	1,703	5,303	399	5,965	899	18
Sept.	88.5	293.0	841	7,760	4,130	7,833	430	1,279	46,354	2,649	1,713	5,303	408	6,097	873	18
Oct.	86.7	291.6	853	7,653	4,074	7,919	454	1,271	46,354	2,603	1,543	5,637	435	6,158	940	18
Nov.	87.0	289.4	827	7,615	3,820	7,921	434	1,253	49,184	2,771	1,480	5,493	406	6,017	906	17
Dec.	88.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	2,960	1,476	5,395	416	6,063	875	17
1926-Jan.	85.7	287.3	823	7,462	3,640	7,225	403	1,292	50,618	2,649	1,455	u 4,195	405	5,783	875	17
Feb.	85.5	287.0	812	7,415	3,410	7,074	399	1,350	50,991	2,682	1,430	4,195	394	5,718	865	16
Mar.	86.5	295.3	816	7,639	3,466	7,147	411	1,386	52,127	2,882	1,355	4,257	385	5,683	851	17
Apr.	87.8	294.5	830	7,924	3,807	7,024	411	1,362	52,208	3,086	1,157	4,271	380	5,683	821	16
May	84.7	299.2	820	8,346	3,619	6,930	400	1,320	52,735	3,386	1,373	4,357	411	5,767	817	15
June	85.5	294.0	836	8,514	3,569	7,220	401	1,298	53,914	2,971	1,388	4,476	388	5,627	844	14
July	85.8	293.9	885	8,975	3,633	7,199	389	1,289	56,022	3,107	1,501		395	5,494	809	14

Period.	Italy.		Norway.	Poland.			Roumania.	Russia.		Sweden.	Switzer-land.	Australia.	Canada.	South Africa	Egypt	United States.		Japan.
End of	Bank Notes.	State Notes	Bank Notes.	Bank Notes.	Token Notes and Coins.		Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.	Total Dominion & Bank Notes.	Bank Notes	Bank Notes	Bank Notes.	State Notes	Bank Notes.
	Lire.	Lire.	Kroner.	Marki p.	Zloty.	Zloty.	Lel.	Gd. Rbls	Rbls.	Kronor.	Francs.	£	Dollars.	£	£s	Dollars.	Dollars.	Yen.
1913	<i>b</i>			<i>a</i>	<i>n</i>							<i>d</i>		<i>k</i>				
1918	2,284	499	108	..	..	..	437	..	..	234	314	10'0	227	2'3	2'2	726	34.	426
1921	11,750	2,124	431	..	..	..	2,489	..	..	814	976	58'5	530	6'3	44'5	3,402	291	1,145
1921	19,209	2,124	431	229,538	..	..	13,722	..	..	628	1,009	55'9	444	8'3	35'3	3,402	291	1,145
1922	18,012	2,257	385	229,538	..	..	15,126	..	..	584	976	51'8	414	8'3	31'1	2,881	281	1,547
1922	18,012	2,257	385	229,538	..	..	15,126	..	..	584	976	51'8	414	8'3	31'1	2,881	281	1,547
1924	18,114	2,400	391	125,371,955	551	151	19,397	229	411	537	914	56'9	411	8'1	40'2	2,951	281	1,558
1924	18,114	2,400	391	125,371,955	551	151	19,397	229	411	537	914	56'9	411	8'1	40'2	2,951	281	1,558
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
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1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
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1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
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1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
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1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	876	56'9	..	7'2	33'5	2,555	297	1,704
1925	19,349	2,100	363	2,77														

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily. c Including Austro-Hungarian and other notes, converted after the War into national currency. d Gross issue, without deduction of notes held by Banking. e Excluding notes held on redemption account in respect of Currency Notes. Includes notes called in, but not cancelled. f May 31, 1925: Ceased to be exchangeable against Zloty notes. g Until February, 1923, Julian Calendar. h Including notes of the Bank of Crete, amalgamated with the National Bank of Greece in 1919, and those of the Ionian Bank, amalgamated in April, 1920. i Circulation in Union only. j Millions. k Rentenmarks issued by Rentenbank. l 1 Zloty = 1,800,000 P. Marks. m In Reichsmarks. n One schilling = 10,000 kronen. o In pengö. One pengö = 12,500 paper crowns. p All due to forced loan of Jan. 24, 1926.

LONDON RATES OF EXCHANGE.

	Paris.	Brussels.	Italy.	Switzer- land.	Madrid.	Amster- dam.	Stock- holm.	Oslo.	Copen- hagen.	Berlin.	Vienna.	New York.	Buenos Aires.
	Francs to £1.	Francs to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kroner to £1.	Kroner to £1.	Marks to £1.	Krone to £1.	Dollars to £1.	Pence & Dollars.
Par level	25-22½	25-22½	25-22½	25-22½	25-22½	12-107	18-159	18-159	18-159	20-43	24-02	4-86	47-58
Highest, 1924	120-25	139-00	113-30	25-00	35-35	11-87	17-58	32-92	28-26	22	340,000	4-70	47-58
Lowest "	63-30	73-75	94	23-20	30-90	11-29	16-14	29-60	24-40	17	295,000	4-70	47-58
Beginning of—													
July, 1914	25-15	25-35½	25-25½	25-19½	26-10	12-11½	18-30	18-25	18-30	20-49½	24-65	4-87	47-58
January, 1919 ..	27-97½	27-97½	30-31½	27-95	32-67½	11-15	16-29½	16-85	17-67½	..	18-60	4-76	47-58
January, 1920 ..	40-06½	40-42½	50-00	21-16½	19-72½	10-07	17-59	22-42½	19-66½	..	18-60	3-78½	47-58
January, 1921 ..	61-06½	58-07½	104½	23-55	27-46½	11-36½	17-56	22-42½	22-17½	187½	1-500	3-78½	47-58
January, 1922 ..	52-32½	54-65½	97½	21-70½	28-19½	11-44½	16-97½	26-99½	21-19½	791½	13,000	4-20	47-58
January, 1923 ..	66-30	72-85	93½	27-73½	29-73½	11-79	17-37½	25-12½	23-40	194	48,600	330,000	4-68
January, 1924 ..	87-85	99-45	100½	24-63½	33-58½	11-36½	17-62½	29-82½	24-44½	194	billions	305,500	4-23
January, 1925 ..	87-40	94-79	112-35	33-56½	34-34	11-71½	17-64	31-37½	24-44½	1994½	glmarka	337,000	4-74½
January, 1926 ..	126-51½	107-00	120-08	34-31½	32-26½	12-08	18-08	22-05	19-60½	20-37½	..	34-45½	4-85½
May	154-56½	154-87½	121-10	25-10	33-77	12-08½	18-16	22-05	18-59½	20-39½	..	34-45½	4-85½
June	155-87½	154-87½	128-37½	25-12	32-26½	12-10½	18-17½	22-05	18-39	20-43	..	34-44½	4-85½
July	181-12½	182-12½	137-62½	25-14	30-35½	12-11½	18-13½	22-15	18-34	20-43½	..	34-44½	4-85½
August, "	160-25	169-25	144-50	25-17	32-31½	12-11½	18-17	22-20½	18-33½	20-44½	..	34-44½	4-85½

	Rio de Janeiro.	Monte Video.	Valparaíso.	Bombay.	Hong Kong.	Shanghai.	Yokohama.	Singapore.	Place.	Method of Quoting.	July Quotations.		
	Pence to Milreis.	Pence to Dollars.	Pesos to £.	10 to Gold Sovereign	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest.	Lowest.	Average.
Par level	16	51	13.53	s d	s d	s d	s d	s d	New York.				
Highest, 1924	6½	52	45.30	1 6½	2 6	5 6½	2 2½	2 4½	July, 1925	Dollars	4.86½	4.85½	4.860
Lowest "	5	41½	38.60	1 4½	2 3½	3 1½	2 1½	2 3½	June, 1926	to £1.	4.86½	4.86½	4.866
									July, 1926		4.86½	4.86½	4.863
Beginning of—									Paris.				
July, 1914	16½	51½	13.53	1 3½	1 10½	2 6½	2 0½		July, 1925				
January, 1919	13½	61½	10.45	1 6½	3 4½	5 2	2 4	2 4	June, 1926	France	109.20	101.20	103.472
January, 1920	17½	65½	12.45	2 4½	4 10½	7 8½	2 8	2 4	July, 1926	to £1.	180.25	147.25	166.009
January, 1921	9½	50	12.45	1 5½	3 2½	4 1½	2 8½	2 3½			245	175½	197.567
January, 1922	7½	41	40.20	1 4	2 7½	3 6½	2 3½	2 3½	Amsterdam.				
January, 1923	5½	44	34.70	1 4½	2 3½	3 0½	2 1	2 4½	July, 1925				
January, 1924	5½	43½	40.30	1 5½	2 4½	3 4½	2 1½	2 4½	June, 1926	Florins	12.14½	12.09	12.117
January, 1925	5½	50	40.30	1 6½	2 3½	3 1½	1 7½	2 4½	July, 1926	to £1.	12.12	12.09½	12.111
January, 1926	7½	50½	39.80	1 6½	2 4½	3 1½	1 9½	2 4½			12.12½	12.09½	12.105
May, "	7½	50½	39.80	1 5½	2 3½	2 11½	1 11½	2 4½	Berlin.				
June, "	7½	50½	39.80	1 5½	2 3½	2 11½	1 11½	2 3½	July, 1925				
July, "	7½	49½	39.90	1 5½	2 3½	2 11½	1 11½	2 3½	June, 1926	Reichm.	20.45	20.38	20.415
August, "	7½	49½	39.50	1 5½	2 3½	2 10½	1 11½	2 3½	July, 1926	to £1.	20.45	20.42	20.439
											20.45	20.41	20.428

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

IMPORTS for Domestic Consumption—Merchandise Only. (See a footnote.)																		
Period.	U.K.	Irish Free State.	Belgium.	Bul- garia.	Den- mark.	Es- thonia.	France.	Fin- land.	Germany.	Greece.	Italy.	Jugo- Slavia.	Nether- lands.	Poland.	Swed'n.	Switz'r- land.	Egypt.	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Eesti Mark.	Francs.	Markat.	Mark.	Drach- mae.	Lire.	Dinars.	Gulden.	Zloty.	Kronor.	Francs.	£s.	Dollars.
1913.....	54,931	..	386,333	15,775	64,785	..	701,778	41,035	897,475	14,828	303,802	..	325,231	..	70,545	159,985	2,271	147,932
1918.....	107,100	..	..	47,268	75,851	..	1,858,416	38,944	..	61,159	1,336,551	..	50,696	..	102,776	200,122	4,147	245,961
1919.....	81,548	..	849,617	243,424	129,058	373,551	1,836,992	294,844	9,815,963	143,800	1,438,885	345,508	186,695	..	104,893	311,357	4,109	215,072
1922.....	74,950	..	m 767,035	336,472	121,322	465,785	1,199,194	328,254	d 516,700	527,122	1,313,730	536,823	168,966	70,375	92,847	159,539	3,382	256,042
1923.....	81,474	..	m 1,045,866	426,122	158,949	777,690	2,724,067	381,105	d 512,020	502,937	1,432,431	692,470	167,436	95,040	107,877	186,925	3,642	310,981
1924.....	94,789	5,632	m 1,463,963	463,109	184,874	683,684	3,327,334	385,641	d 759,097	663,807	1,614,972	685,145	196,961	123,184	118,708	207,000	4,068	297,926
1925.....	97,371	5,334	m 1,481,825	..	160,634	804,552	3,657,542	457,640	d 1,035,679	..	2,179,745	..	204,605	133,751	119,671	219,513	4,076	348,942
1925—July ..	87,369	5,273	1,327,458	628,147	174,943	815,821	3,033,549	448,443	1,154,067	734,340	1,851,146	719,411	223,551	173,257	116,782	205,556	4,201	332,018
Aug.	78,433	5,054	1,421,274	580,003	147,289	774,708	3,297,316	466,452	1,178,511	629,725	1,823,557	719,411	192,241	116,445	118,621	212,106	4,839	341,272
Sept.	87,399	5,218	1,507,192	669,746	133,972	823,640	4,317,029	538,117	1,054,522	710,912	1,698,553	719,411	194,509	72,842	124,833	223,501	5,256	362,583
Oct.	95,462	5,624	1,551,170	683,625	144,266	862,366	4,476,245	529,092	1,174,182	904,916	1,910,705	663,941	254,579	80,083	131,285	294,818	5,977	374,104
Nov.	101,155	5,145	1,482,943	521,177	144,246	848,543	4,574,119	533,931	855,451	876,638	2,005,634	665,901	196,752	84,129	147,986	239,402	5,376	377,832
Dec.	119,624	5,230	u 2,032,680	514,312	140,973	779,453	5,445,725	695,115	755,475	950,409	2,442,303	665,901	205,353	83,004	120,355	253,014	5,372	393,117
1926—Jan. ..	105,947	4,638	1,516,246	478,125	140,039	701,854	4,483,033	286,300	707,518	..	1,953,580	614,124	186,922	68,341	107,402	220,623	4,052	410,564
Feb.	83,624	5,009	1,355,327	347,765	125,019	593,943	5,294,515	271,646	661,740	..	2,219,410	614,324	197,470	68,869	99,074	200,237	4,067	389,503
Mar.	94,778	6,508	1,300,819	480,265	131,283	645,983	5,095,370	381,169	643,264	..	2,432,200	614,324	212,582	110,559	129,219	208,697	4,342	429,473
April	91,228	5,006	1,353,184	247,733	106,664	863,677	5,020,015	480,463	723,085	..	2,444,668	..	199,797	118,760	151,600	182,141	4,030	386,988
May	86,751	3,687	1,605,758	542,127	19,314	836,682	4,390,408	483,055	702,760	..	2,484,286	..	194,707	106,338	136,388	191,427	5,528	511,088
June	86,751	..	2,825,799	747,987	124,283	664,171	5,180,955	511,533	791,924	..	2,685,430	..	212,598	63,485	114,800	220,640	3,444	327,289
July	90,841	..	1,614,539	..	..	..	5,016,083	..	..	..	..	..	..	..	..	..	..	..

EXPORTS of Domestic Produce—Merchandise Only. (000's omitted.)

1913.....	43,771	..	302,882	7,778	53,113	..	573,351	33,482	841,583	4,917	209,303	..	255,453	..	68,112	114,700	3,276	204,024
1918.....	41,785	..	..	..	59,207	..	393,561	15,797	..	29,738	278,726	..	31,768	..	112,536	163,599	3,728	503,590
1921.....	58,617	..	605,408	144,777	117,518	..	190,553	0,184,770	278,691	8,209,713	630,784	205,062	..	..	178,282	178,282	4,028	..
1922.....	59,159	m	615,635	..	..	..	..	..	330,833	207,090	775,197	307,597	101,769	54,596	96,143	146,798	4,059	31,758
1923.....	63,838	m	618,553	194,761	128,217	..	475,936	0,253,609	363,787	4,508,523	912,802	670,737	108,620	99,632	95,175	146,684	4,863	340,930
1924.....	66,747	m	1,156,740	408,519	184,874	..	655,483	0,345,697	406,663	4,545,705	289,173	1,193,192	794,898	138,388	105,447	105,079	166,128	4,742
1925.....	64,424	4,190	1,206,177	..	149,584	..	805,385	0,378,463	462,358	7,332,202	..	1,522,886	..	150,641	116,931	110,091	169,895	4,928
1925-July ..	64,826	3,688	1,136,492	514,745	163,637	..	980,665	3,848,373	800,915	742,860	25,133	1,391,497	566,970	161,535	86,903	133,942	153,121	1,791
Aug.....	61,038	4,506	1,001,573	522,143	145,706	..	858,421	3,858,311	686,137	72,812	1,147,854	707,001	175,917	102,396	126,832	153,338	1,990	372,479
Sept.....	60,735	3,698	926,467	566,675	136,971	..	849,878	3,858,311	686,137	76,566	1,460,815	1,596,300	867,583	177,747	108,905	131,705	181,000	2,484
Oct.....	67,077	4,608	938,553	578,553	119,253	..	841,508	3,741,751	605,224	846,462	1,521,348	1,801,763	842,348	163,025	131,508	170,610	7,004	4,127
Nov.....	60,977	4,152	1,145,382	415,000	116,946	..	909,296	4,193,243	488,343	791,097	516,976	1,707,338	687,747	148,462	154,514	127,411	151,349	8,037
Dec.....	65,769	3,698	1,805,976	489,045	119,660	..	1,003,679	4,628,613	324,991	793,931	420,114	1,784,237	668,424	141,243	186,704	171,208	157,041	6,729
1926-Jan ..	62,810	3,052	939,705	378,738	114,314	..	683,221	3,868,345	196,195	793,658	1,118,665	1,661,592	121,579	159,154	75,753	124,187	4,732	388,141
Feb.....	62,884	2,821	1,101,119	580,673	115,258	..	648,160	4,400,182	189,413	782,952	1,535,207	1,939,746	131,257	78,389	146,335	146,335	4,494	4,175
Mar.....	66,400	2,895	1,470,026	440,504	121,275	..	786,809	4,969,316	226,137	923,591	1,866,000	2,801,000	189,000	101,812	81,812	146,335	4,732	368,143
April.....	52,748	3,091	1,470,026	440,504	121,275	..	786,809	4,969,316	226,137	923,591	1,866,000	2,801,000	189,000	101,812	81,812	146,335	4,732	368,143
May.....	52,748	2,285	1,470,026	440,504	121,275	..	786,809	4,969,316	226,137	923,591	1,866,000	2,801,000	189,000	101,812	81,812	146,335	4,732	368,143
June.....	50,107	..	1,599,681	331,155	118,649	..	904,575	4,671,554	579,349	758,756	..	1,646,961	612,000	133,218	102,867	128,400	14	..
	57,264	..	1,436,605	..	..	..	..	5,241,187	..	..	..	..	..	..	..	..	..	18,078

d Since January, 1922, gold marks valuation. e Until February, 1923, Julian Calendar. f Old Greece only. g Since January, 1924, the value of imports is based on declarations of importers, instead of official evaluations previously used. h Since May, 1922, figures refer to "Union Economique Belgo-Luxembourgeoise." i Official values. j From January to October, 1923, official figures for November, 1923, provisional figures based on merchants' declarations, which may differ considerably from final figures based on official quarterly valuations. k From April 1, 1923, including trade of Great Britain and Northern Ireland with the Irish Free State, and excluding the direct foreign trade of the Irish Free State. l Including precious stones during previous six months.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Value.								Quantity (Metric Tons).									
Period.	Australia.	British India.	Canada.	New Zealand.	South Africa.	Japan.	Brazil.	Belgium.	Czechoslovakia.	France.	Germany.	Greece.	Hungary.	Netherlands.	Poland.	Switzerland.	Brazil.
Monthly Average.	£'s.	Rupees.	Dollars.	£'s.	£'s.	Yen.	Milreis.										
1913.	6,355	152,725	54,917	1,785	3,365	60,474	83,958	2,721	..	3,685	4,076	..	..	5,041	..	661	467
1918.	7,636	137,704	75,583	1,966	3,768	137,221	82,450	..	..	2,446	..	29	..	404	..	295	145
1921.	8,222	130,729	66,616	3,461	4,447	132,481	140,820	1,472	333	3,339	2,175	77	194	1,435	404	357	205
1922.	9,850	199,622	63,528	2,817	4,008	153,956	137,719	q 1,772	266	4,285	3,822	87	279	1,623	344	411	260
1923.	11,088	185,068	75,253	3,575	4,584	161,924	188,930	q 2,203	349	4,572	3,915	112	313	1,612	266	556	285
1924.	11,852	196,166	67,350	3,995	5,302	240,726	232,463	q 2,783	482	4,716	3,211	150	376	1,888	201	568	362
1925.	12,123	185,878	74,189	4,339	5,445	209,887	285,225	q 2,744	553	3,952	4,332	..	370	2,125	284	572	..
1925—June	11,452	158,127	75,592	3,712	5,148	a 204,065	352,698	2,592	481	3,730	4,821	190	354	1,953	352	526	451
July	12,024	174,007	81,492	4,268	5,506	a 168,981	274,428	2,528	445	3,709	4,835	177	378	2,359	443	608	367
Aug.	12,132	185,068	82,074	4,636	5,890	a 192,581	268,515	2,735	571	3,809	5,265	165	374	2,301	246	996	410
Sept.	9,200	180,195	78,663	4,163	4,940	a 166,053	255,748	2,834	752	4,691	4,183	152	458	2,471	197	601	385
Oct.	11,896	194,193	80,800	4,693	5,696	a 168,154	232,203	2,936	794	4,643	4,043	184	487	2,536	166	675	390
Nov.	15,173	185,562	75,286	4,777	5,385	a 183,693	214,310	2,677	810	3,958	3,815	197	520	2,204	189	606	406
Dec.	14,544	180,926	76,918	4,777	5,385	a 183,693	214,310	2,843	725	4,007	3,323	190	483	2,016	156	633	469
1926—Jan.	13,170	225,642	69,736	4,624	5,917	a 208,255	225,530	2,525	418	3,629	2,828	..	368	1,870	109	539	487
Feb.	11,147	185,142	70,909	4,250	6,363	a 245,467	219,403	2,650	489	4,145	3,041	..	418	2,022	183	563	380
Mar.	14,902	226,630	100,855	4,593	7,122	a 287,281	267,644	3,301	559	3,946	2,838	..	378	2,228	201	598	522
April	11,147	185,142	70,909	4,250	6,363	a 245,467	219,403	2,650	489	4,145	3,041	..	418	2,022	183	563	380
May	10,976	203,817	86,052	3,365	5,353	a 223,730	..	2,005	484	3,607	3,167	..	383	2,374	155	591	..
June	10,376	205,672	91,513	3,717	5,128	a 219,403	..	3,127	600	3,894	3,573	..	..	2,551	168	643	..

EXPORTS of Domestic Produce—Merchandise Only. (000's omitted.)

Year	1913	1918	1921	1922	1923	1924	1925	1925-June	July	Aug.	Nov.	Sept.	Oct.	Dec.	1926	Jan.	Feb.	Mar.	April	May
	6,070	200,993	36,333	1,751	2,294	52,393	81,814	1,740	..	1,840	a6,147	..	..	3,753	..	71	115			
	8,488	203,534	102,000	2,510	2,594	160,218	94,758			310		13	..	476	..	70	148			
	9,930	180,741	66,894	3,578	2,434	102,371	142,477	1,438	812	1,336	1,714	27	70	566	169	46	160			
	10,053	73,522	73,637	3,425	8,476	132,884	194,340	q 1,346	791	1,887	1,797	26	87	576	762	62	177			
	8,975	75,981	84,561	3,718	3,034	117,884	274,753	q 1,411	942	2,075	1,064	36	101	725	1,471	60	186			
	11,235	308,478	88,171	4,275	3,154	146,741	321,963	q 1,680	1,037	2,449	1,324	34	141	844	1,312	68	153			
	12,766	332,480	105,916	4,504	3,586	187,632	334,491	q 1,756	1,012	2,513	3,194	..	182	1,028	1,134	67	..			
	9,004	332,048	93,463	3,266	2,190	181,616	394,702	1,766	1,011	2,578	3,123	24	137	810	1,348	75	172			
	6,798	283,356	101,609	3,951	3,105	210,911	359,483	1,996	1,063	2,442	3,505	29	161	1,097	824	71	171			
	9,582	281,798	111,410	2,397	2,581	226,212	423,470	1,793	871	2,293	3,540	24	233	1,136	959	65	188			
	10,043	272,811	108,498	1,136	3,573	232,956	39,034	1,987	949	2,667	3,423	47	268	1,087	922	73	178			
	14,455	283,468	143,548	1,846	5,217	227,973	579,651	1,745	937	2,453	3,645	58	253	1,259	1,086	66	199			
	14,459	297,156	140,279	4,395	6,488	213,188	533,231	1,643	1,137	2,537	3,477	39	277	1,178	1,265	56	182			
	14,534	308,505	175,555	4,512	5,908	207,991	506,872	1,448	1,148	2,438	3,488	36	298	1,163	1,263	49	196			
	14,256	346,326	84,712	4,252	2,503	166,186	252,711	1,417	795	2,271	3,227	..	175	918	1,197	67	143			
	15,847	344,479	87,512	4,562	4,103	160,747	271,101	1,516	803	2,272	3,664	..	149	951	1,045	47	145			
	13,067	373,052	112,264	6,681	2,500	187,748	261,934	1,814	828	2,919	3,826	..	153	1,173	1,042	63	156			
	9,430	268,900	60,167	5,038	1,735	161,616	205,757	1,758	812	2,593	3,558	..	158	1,087	1,171	62	..			
	9,443	245,832	91,353	3,940	1,816	161,537	..	1,635	825	2,625	4,078	..	147	1,105	1,293	62	..			
	9,943	241,572	118,189	3,870	1,617	156,200	..	2,045	782	2,745	4,795	..	..	1,515	1,809	69	..			

^a General trade. ^b Sea-borne trade only. ^c Including Luxembourg. ^d Including goods declared by number only and
^e Expressed in the unit of weight. ^f Since May 1922, figures refer to "Union Economique Belgo-Luxembourgeoise," ^g Merchandise only.

CAPITAL ISSUES.—(000,000's omitted.)														
Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	United States	Japan	Others
Monthly Average.	£	Kronen	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor.	Francs	Ruppes.	Yen.	Dollars.
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...	...
1918.....	116.1	39	105	138	251	33	...	...	...	...	...	...	...	...
1921.....	32.4	717	164	1,100	2,353	288	42	1,139	244	27	70	63	207	220
1922.....	47.8	4,227	98	1,214	7,059	232	33	2,190	245	27	67	37	186	285
1923.....	22.6	18,206	48	1,049	4,563	332	19	15,964	320	20	51	19	219	268
1924.....	17.4	26,992	31	709	2,288	504	30	30	262	20	51	19	219	268
1925.....	17.0	2.3	21	313	1,110	746	19	39	219	16	56	29	...	304
1926.....	17.0	2.3	21	313	1,110	746	19	39	219	16	56	29	...	304
July-Sept. 1924.....	12.6	20,326	12	407	26.5	526	38	3.0	108	12	54	29	156	276
Oct.-Dec. 1924.....	24.9	19,891	36	518	22.5	525	11	0.6	430	8	53	11	167	297
Jan.-Mar. 1925.....	15.4	4.8	27	270	91.3	735	11	6.8	121	15	93	23	181	394
April-June 1925.....	21.4	0.8	21	464	51.1	923	22	0.3	265	11	15	46	176	249
July-Sept. 1925.....	7.6	0.9	17	159	57.7	518	29	5.3	265	11	15	46	176	249
Oct.-Dec. 1925.....	23.7	2.7	20	358	24.1	808	14	0	370	11	48	11	...	301
Jan.-Mar. 1926.....	25.0	0.5	...	327	47.6	611	21	2.3	442	13	34	19	...	400
April-June 1926.....	16.8	0.0	...	449	348.3	533	16	3.1	...	9	...	...	...	323
July-Sept. 1926.....	9.8	0.0	...	1,214	38.1	471	15	1.1	1042	12	112	7	...	254
Oct.-Dec. 1926.....	30.5	0.0	...	496	952.0	472	29	6.6	...	9	...	...	...	278
Jan.-Mar. 1927.....	22.6	0.0	...	275	...	...	...	...	...	...	...	...	...	...

a Including Government loans. b Excluding Treasury Bills and foreign issues. c Excl. Govt. and large railway issues. d Company issues. e Gold marks. f New companies only. g Nom. value. h Issue value. i Excl. bonus shares. j Excl. conversions. k No issues. l Thous. billions. m In schillings. n Paper marks.

* Federal Reserve. † 4% from August 12, 1926.

BANK RATES.

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of	June	Dec.	June	Dec.	June	Dec.	June
London	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Paris	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Berlin	7.7	7.7	7.7	7.7	7.7	7.7	7.7
New York	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Amsterdam	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Brussels	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Rome	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Switzerland	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Vienna	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Warsaw	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Tokyo	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Calcutta	4.4	4.4	4.4	4.4	4.4	4.4	4.4

* Federal Reserve. † 4% from August 12, 1926.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
1913.....	14,191,275	855,648	1,389,481	16,436,404
1922.....	32,780,635	1,574,661	2,806,165	37,161,461
1923.....	32,770,373	1,546,565	2,810,654	35,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	35,801,264	1,678,347	2,937,508	40,347,119
1926 (Aug. 25).....	23,437,017	1,105,108	1,947,674	26,490,799
1926 (Aug. 25).....	22,930,291	1,087,638	1,842,786	25,860,715

U.K. IMPORTS AND EXPORTS.

		Food.		
		Imports.	Exports.	I
		£	£	
Monthly average,	1913	24.2	2.7	
"	1920	63.9	4.2	
"	1921	47.2	3.1	
"	1922	39.3	3.0	
"	1923	42.5	3.7	
"	1924	47.6	4.7	
"	1925	47.6	4.6	
March,	1926	45.6	4.2	
April,	"	42.2	3.9	
May,	"	36.4	3.0	
June,	"	43.9	4.0	
July,	"	43.5	4.6	

* Yards.

RAILWAY STATISTICS.—GREAT BRITAIN.

	Gross Receipts.	Freight Traffic (f).	Passengers.	Freight.	Merchandise.	Coal, &c.	Other Minerals.	Total.
1925—March.....	4.05	9.29	5.59	17.61	5.65	28.86	1.549	1,082
April.....	5.49	8.34	5.18	15.78	5.26	26.22	1,388	1,057
May.....	5.31	8.60	5.30	15.86	5.65	26.81	1,422	1,105
June.....	6.27	8.00	4.85	13.86	5.24	24.05	1,290	1,165
July.....	8.66	9.28	5.34	17.74	5.43	28.51	1,581	1,257
August.....	8.99	7.58	4.91	12.50	5.29	22.00	1,255	1,277
September.....	6.45	8.71	5.61	14.58	5.29	25.59	1,404	1,211
October.....	5.14	9.22	5.83	15.57	5.46	27.85	1,521	1,183
November.....	3.87	8.81	5.42	16.55	5.13	27.09	1,441	1,111
December.....	4.83	8.63	5.29	18.26	4.78	28.33	1,483	1,127
1926—January.....	4.17	8.72	5.18	17.59	4.95	27.72	1,516	1,088
February.....	3.63	8.62	5.16	17.03	5.29	27.48	1,484	1,020
March.....	4.39	9.93	6.06	18.72	6.07	30.85	1,618	1,083
April.....	5.29	8.77	5.41	17.20	5.48	28.09	1,474	1,062
May.....	3.15	3.29	2.82	0.91	2.16	5.89	437	1,166

* Inc. live stock. (a) "Reichsbahn." Excl. free-hauled. Until Nov. 15, 1924, figures incomplete owing to the occupation of the Ruhr, which in 1922 accounted for 30% of total freight traffic. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of £500,000. (d) Short tons = kg. 907.18; mile = metres 1,609.34. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34.

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UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Switzerland	United States	Canada
1920—June.....	2.6	...	2.1	3.9	5.9	0.8	3.4	6.5	2.1	2.1
December.....	5.8	17.4	15.1	4.1	13.4	6.8	15.8	7.8	13.1	13.1
1921—June.....	7.8	9.9	16.8	3.0	20.6	27.7	12.5	13.2	13.2	13.2
December.....	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1	15.1
1922—June.....	12.7	9.6	13.2	0.6	9.1	15.6	21.5	9.6	5.3	5.3
December.....	12.2	1.7	20.3	2.8	17.0	15.1	21.7	8.6	6.4	6.4
1923—June.....	11.3	0.8	8.1	4.1	10.8	7.9	9.8	7.3	3.4	3.4
December.....	10.7	1.7	19.6	28.2	17.3	14.0	14.1	6.2	7.2	7.2
1924—June.....	9.4	1.0	5.1	10.4	7.2	4.3	7.3	8.3	5.9	5.9
December.....	10.7	1.5	13.2	8.1	12.3	12.5	15.5	10.3	11.6	11.6
1925—June.....	11.9	1.0	9.3	3.5	6.6	8.9	8.2	10.2	6.1	6.1
December.....	12.1	0.9	9.2	4.3	8.5	10.1	7.6	...	4.4	4.4
1926—January.....	12.0	0.8	9.2	4.5	7.7	13.5	8.5	7.9	5.7	5.7
February.....	11.4	0.7	12.7	5.8	7.1	16.4	10.0	...	5.1	5.1
March.....	11.0	2.3	18.3	10.7	7.1	16.4	11.8	...	5.9	5.9
April.....	10.5	2.8	31.1	19.4	16.0	23.7	15.7	8.1	7.9	7.9
May.....	11.1	2.7	31.1	22.6	17.7	23.4	14.8	...	8.1	8.1
June.....	10.5	1.6	28.3	22.0	10.5	24.2	12.2	...	8.1	8.1
July.....	9.8	1.4	23.2	21.4	7.9	23.4	14.7	8.2	7.3	7.3
August.....	9.2	1.2	17.7	18.6	6.5	25.0	12.2	...	7.3	7.3
September.....	14.9	1.0	15.6	18.1	6.3	...	9.7	...	4.9	4.9
October.....	14.7	0.9	16.3	18.1	8.3	...	9.5	...	4.1	4.1
November.....	14.6	...	...	...	...	...	...	...	...	...

Number of Workers Covered by Last Returns.

Millions.....	11.9	0.6	0.3	3.5	0.3	0.04	0.2	0.4	0.1	0.1
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Ex. Irish Free State since Mar., 1923.

Workpeople in the coal mining industry, who ceased work on account of the dispute, are not included in this figure.

SECURITY VALUES.

	United Kingdom.	Netherlands.	Sweden.	Switzerland.	Canada.	United States.
	"Banker's Magazine."	Official.	Official.	Official.	Official.	"Wall Street Journal."
365 representative securities.	...	...	...	...	...	...
Base.	Dec. 1921 = 100.	1921-1925 = 100.	Nominal value = 100.	1913 = 100.	...	...
1925—March.....	111.9	127.2	116.9	92	114	106.6
April.....	111.5	126.9	116.5	92	116	105.0
May.....	109.9	125.6	115.1	93	115	104.9
June.....	108.6	125.5	114.1	96	113	104.6
July.....	109.6	124.2	114.4	93	116	106.7
August.....	110.8	127.1	116.2	93	125	109.0
September.....	110.9	126.6	116.0	93	125	109.1
October.....	110.5	126.5	116.7	96	125	110.6
November.....	109.3	132.2	116.8	97	129	110.4
December.....	108.8	132.5	116.5	95	131	112.1
1926—January.....	110.2	132.6	117.5	95	134	114.9
February.....	110.8	131.6	117.6	97	136	117.1
March.....	109.6	129.2	116.0	96	134	130.7
April.....	110.1	128.7	116.2	93	139	130.2
May.....	110.2	131.0	117.0	91	141	130.9
June.....	110.2	133.6	117.9	91	145	133.4

(a) Fixed interest. (b) Variable dividend. (c) Total. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday, year 1924, provisional figure. (f) Shares of the most important industrial undertakings defined by the Stock Exchange as Class A. The composition of this class, therefore, is of this index, is not invariable. (g) Month ending 25th.

The Economist MONTHLY SUPPLEMENT.

New Series.

SATURDAY, SEPTEMBER 25, 1926.

No. 40.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics," 1s 6d. Constable.

THE STATE OF TRADE AT HOME AND ABROAD.

THE outward and visible signs suggest, at a first glance, that the state of trade this month is no worse—is possibly even slightly better—than a month ago. The unemployment figures for Great Britain show a decline of nearly 30,000 in the last four weeks, and are over 90,000 below the highest point reached during the present coal stoppage. From all the chief iron and steel centres

duction is still on a very small scale, except in certain branches, such as re-rolling, which can use supplies of imported steel, but the volume of orders recently obtained is of encouraging dimensions, and it is now practically certain that a period of marked activity will follow a settlement of the coal question. English iron and steel are almost unobtainable, but a fair amount of foreign material is on offer, while the reopening is announced of a large South Wales plate mill, imported fuel being utilised.

Coal.—Although the miners generally continue firm in their refusal to return to work without instructions from their Federation, about 80,000 have returned in Nottingham, Warwick, and other Midland areas, and production of all kinds is now estimated at about 500,000 tons a week, against some 4-5½ millions in normal times. A corresponding improvement has occurred in the position of certain local trades, but industry as a whole continues largely dependent on coal supplies from abroad, which are coming in fairly regularly, but are definitely dearer than a few weeks ago.

Engineering.—Activity is well maintained, all things considered, increased receipts of foreign iron and steel having assisted productivity in cases where the state of order books was satisfactory. A number of fair-sized contracts, including some from overseas, continue to be placed in this country. The constructional and equipment branches are among the best employed, and textile machinery is fairly active, but seasonal falling-off is being experienced in the demand for agricultural machinery, and marine engineering remains depressed in spite of a few notable orders for new ships.

Electrical Industry.—The following index of production is copy-right by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association. An explanation of the manner in which it has been computed will be found on page 888 of the *Economist* of November 28, 1925:—

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	1924.			1925.			1926.		
	Home.	Exp't.	Total.	Home.	Exp't.	Total.	Home.	Exp't.	Total.
January	96	95	96	78	102	84	75	110	84
February	100	83	95	77	102	83	74	106	82
March	107	96	104	67	105	76	80	101	85
April	106	105	106	60	95	69	83	100	87
May	108	107	108	55	87	62	83	104	88
June	105	89	101	58	86	65	82	110	89
July	102	79	96	58	119	73	80	79	80
August	92	79	88	61	119	76	84	83	84
September	89	94	90	61	121	76	..	..	..
October	83	92	85	67	125	81	..	..	..
November	91	96	92	68	124	81	..	..	..
December	80	80	80	76	117	86	..	..	..

The export figures for July and August, 1926, are affected by the dropping-out of the twelve months' moving average of an unusually large order received in July, 1925. The rise in August, as compared with July last, reflects the placing of important contracts for Lancashire and the North of England and for Indian railway electrification, but apart from the prospect of early approval for a new large power station at Coventry, the outlook for the next few months is not as promising as might be desired. Until the Electricity Bill is passed and in practical operation, no large power developments can take place, and in the meantime it has been computed that new schemes involving a total of 700,000 kilowatts are held up. The most active sections of the industry are concerned with transformer and switchgear production, capacity in these branches being distinctly less than demand.

Motor Industry.—Some manufacturers are finding difficulty in obtaining prompt delivery of raw materials, but otherwise most makers are busy. Notable price reductions have been announced in the 1927 programmes, and a tendency towards increased production of six-cylinder models, with high ground clearance, reflects the growing importance of the export market, which now takes about 20 per cent. of the whole output of the industry.

Cotton.—Our Manchester correspondent writes:—The industry, to an increasing extent, is feeling the effects of the continuance of the coal dispute. Although supplies of fuel can be obtained, the high prices required are harassing all spinners and manufacturers. Spinners of American yarns have held firmly to the minimum basic prices, but the volume of trade has been disappointing, and the Masters' Federation is considering the question of restricting output on a larger scale. Since the middle of June the mills have worked about 50 per cent. of full production, but it is now suggested that the factories should run only one week in three, thus reducing output to 33 per cent. Manufacturers of piece-goods have again been full of complaints. Contracts for more than retail lots have been decidedly scarce. Inquiry for India has kept up fairly well, but most of the bids have been too low.

Woolens and Worsteds.—The London wool auctions have witnessed the anticipated increase of 5 to 10 per cent. in prices, but the impetus came from French and German buying, the West Riding being unwilling to operate extensively in view

of the difficulty of "passing on" higher prices, and the uncertainty of the home manufacturing situation pending a coal settlement. Yarn and piece-goods prices are firm, but the turnover is not very large, hand-to-mouth buying being the rule.

Boots and Shoes.—Apart from the sports section, trade is distinctly dull, the effect of the strike being very noteworthy as regards heavy footwear.

Pottery.—The curtailment of business over the last four months has resulted in the inability of many makers to meet the normal seasonal increase of demand. Production has progressively expanded recently, but deliveries are nevertheless being delayed in some cases.

Agriculture.—Cutting of corn was complete in most parts by the latter days of August, but although yields of barley and oats were good, wheat was less satisfactory than had been expected a month earlier. Potatoes have suffered from blight in some districts, but turnips, swedes, mangolds and sugar beet promise well.

Retail Trade.—A large London store informs us that retail trade has shown a slight improvement recently. The warm weather has elicited a demand for cotton goods, but checked the usual movement in woollens.

Shipping.—Continued heavy chartering of coal tonnage for the United Kingdom, coming in direct competition with the seasonal movement of grain, has enabled shipowners to make hay while the sun shone. A large amount of idle tonnage has been absorbed, but rates have nevertheless risen sharply, our Index showing a 30 per cent. advance since April last, exclusive of coal-carrying tonnage.

UNITED STATES OF AMERICA.

Reports continue optimistic, the usual seasonal falling-off in demand being somewhat conspicuously absent last month. The year is expected to produce a new "record" in steel production, and although building activity has fallen off, the automobile trade is expecting increased export business with the new models, and the textile group anticipates a steady improvement over the next few months. "Indicators" on the distribution side, such as cheque payments, car-loadings, and retail sales point to a healthy condition of affairs, and with the autumnal pressure beginning to be in evidence, money has tightened. The generally favourable crop situation promises that the balance between agriculture and manufacturing may be fairly evenly held, and that the favourable forecasts put forward regarding conditions as a whole may not be belied, at least so far as the next few months are concerned.

BRITISH EMPIRE.

Although the Canadian wheat crop largely recovered last month from the damaging heat of July, harvesting has been hampered by rain in some parts. Wool continues to reach the Australian ports in larger quantities than last year, but wheat is largely inactive. The monsoon has yet again proved very satisfactory in most parts of India. Jute and tea are expecting good results, and the situation in the cotton districts is likely to show an early improvement. Business in South Africa remains on the quiet side.

SOUTH AMERICA.

The expected favourable reaction in Argentine conditions has not made conspicuous progress, but a more favourable tone characterises reports from Chili and Brazil. Peruvian business remains sluggish. The "boycott" in Mexico is more effective in the country districts than in the capital, but declining oil production and the low price of silver are adversely affecting economic progress.

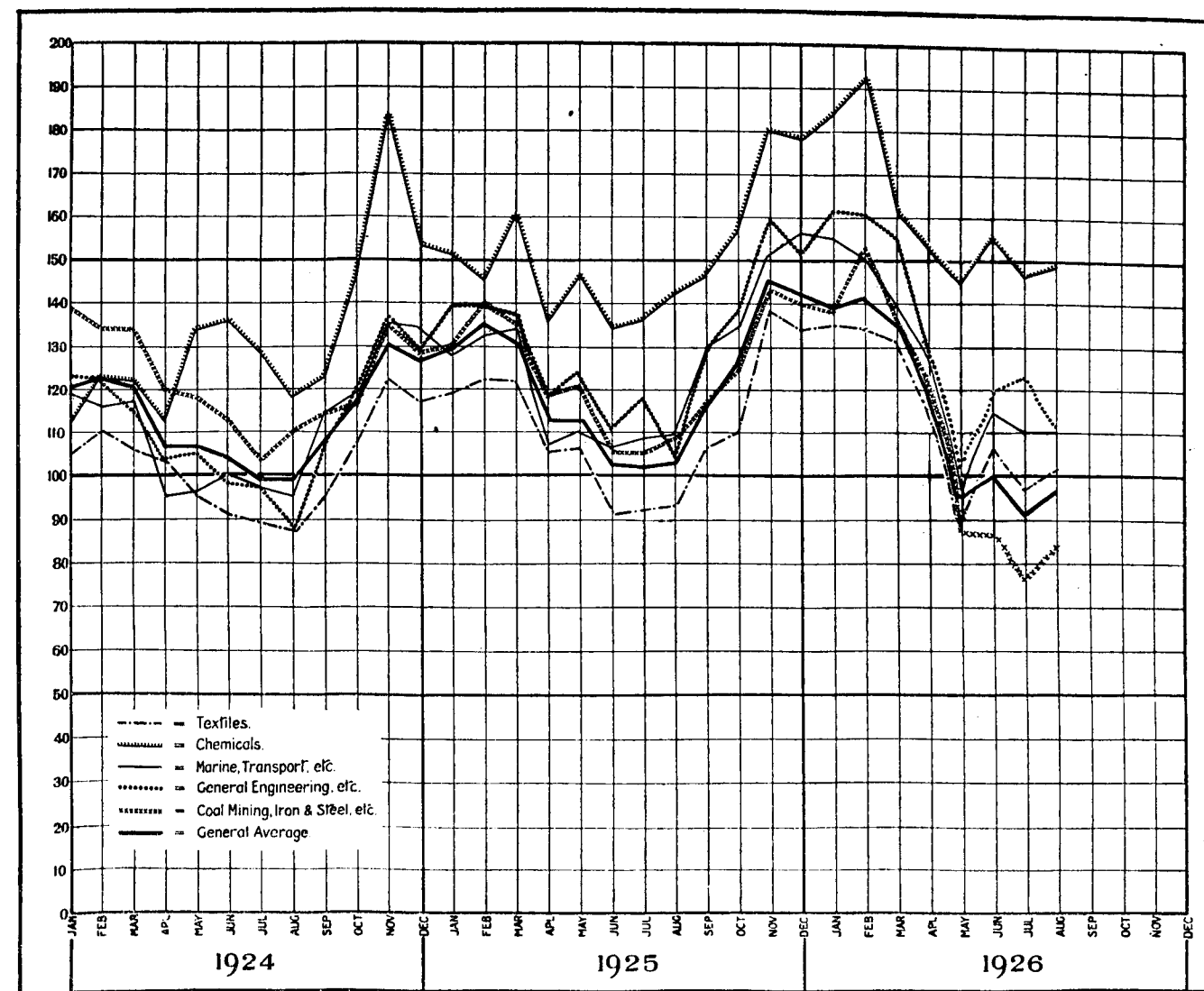
EUROPE.

The French metallurgical trades have lost the almost feverish activity of recent weeks. The wool textile industry is very busy, but silk is dull. Belgian trade is steady, while in Germany the amelioration of the recent depression continues, which are benefiting from conditions in Great Britain. Scandinavian conditions show slight change, Denmark and Norway showing a certain slow improvement, despite the generally depressed situation, while reports from Sweden and Finland all that was expected of it. Harvest prospects in these countries are, however, generally good. Polish industry maintains its recent improvement, and Czechoslovakian and Austrian conditions are somewhat better than of late. The Italian wheat, wine, and silk yields are less than last year's, but the hemp crop is excellent. Conditions are generally good as regards the textile trades, silk having recovered some of the ground recently lost, but the tightness of money still exercises a restraining influence.

FAR EAST.

Chinese business remains gravely handicapped by the unsettled state of many parts of the country. Japanese trade has not maintained its recent levels, the continued appreciation of the yen and the fall in silver having had a markedly prejudicial effect.

ELECTRICAL PRODUCTION.



In the *Economist* of July 10, 1926 (pages 57-8) we described a new index of electrical production in the chief industrial areas of Great Britain. We show below the results achieved up to August last:—

INDEX OF PRODUCTION OF ELECTRICITY.*
(Monthly Average 1923-24 = 100.)

Date.	Britain, Excluding London and Wales.	Coal Mining, Iron and Steel, Shipbuilding, Heavy Engineering, and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
1925.					
January	129	130	139	151	128
February	135	139	139	145	132
March	131	135	137	160	134
April	113	118	117	135	107
May	113	121	124	146	110
June	102	105	110	134	106
July	102	105	118	136	92
August	103	109	104	142	93
September	116	117	129	146	106
October	126	125	139	157	110
November	145	143	159	180	151
December	142	140	151	178	134
1926.					
January	139	138	162	184	155
February	141	153	161	192	150
March	135	136	155	161	139
April	119	121	128	153	127
May	93	88	103	145	99
June	100	88	119	157	114
July	91	77	125	147	110
August	96	84	112	149	101

* Prepared by the economic and statistical department of the British Electrical and Allied Manufacturers' Association.

Apart from the chemical group, which was unchanged, and engineering, which showed a seasonal decline, the figures reveal a perceptible gain as compared with the previous month, though the general level remains well below that prevailing before the beginning of the coal dispute. Some idea of the general fluctuations of the index during the last two and a half years can be obtained from the above chart.

UNEMPLOYMENT AND THE COAL DISPUTE.

We give below a summary of the effect of the coal stoppage on employment in other industries, based on the weekly totals of workers registered at unemployment exchanges in Great Britain. The figures for corresponding weeks during the 1921 coal stoppage are appended to facilitate comparison:—
(000's omitted.)

	1921.		1926.		Corresponding Weeks of 1925.	
	Date.	No. Registered.	Date.	Wholly Unemployed.	Temporarily Stopped.	Total.
Pre-Strike—						
Three months preceding	Jan.-Mar.	1,370	Feb.-April	802	202	1,076
Week preceding	Mar. 25	1,698	April 26	736	173	982
Strike Period—						
Beginning	April 1	1,817	May 31	744	286	1,056
2nd week	" 8	1,948	" 10	884	623	1,576
3rd "	" 15	2,040	" 17	891	652	1,613
4th "	" 22	2,145	" 24	863	662	1,597
5th "	" 29	2,246	" 31	877	660	1,614
6th "	May 6	2,329	June 7	878	651	1,609
7th "	" 13	2,402	" 14	882	658	1,630
8th "	" 20	2,514	" 21	866	638	1,630
9th "	" 27	2,558	" 28	866	692	1,635
10th "	June 3	2,580	July 5	870	693	1,634
11th "	" 10	2,448	" 12	867	694	1,644
12th "	" 17	2,430	" 19	861	683	1,631
13th "	" 24	2,438	" 26	859	670	1,605
14th "	July 1	2,508	Aug. 2	861	681	1,619
15th "	" ..	" ..	" 9	876	642	1,594
16th "	" ..	" ..	" 16	884	621	1,581
17th "	" ..	" ..	" 23	884	598	1,559
18th "	" ..	" ..	Sept. 30	887	565	1,550
19th "	" ..	" ..	" 6	892	590	1,560
20th "	" ..	" ..	" 13	895	579	1,552
Post-Strike—						
Month succeeding	July	2,173	" ..	" ..	" ..	" ..
6 months succeeding	July-Dec.	1,790	" ..	" ..	" ..	" ..

* Average figure. † General strike, May 4-11, 1926. ‡ End of 1921 stoppage.
It should be noted in connection with the above table that the figures do not include the million-odd workers involved in the coal dispute, or the further 1½ to 1¾ millions who ceased work during the general strike.

WAGE CENSUS: TEXTILE TRADES.

IN March, 1925, the Ministry of Labour undertook an inquiry into the average weekly earnings and hours of labour of workpeople in Great Britain for the year 1924; this is the first time a comprehensive survey of wages has been made since the well-known wage census of 1906. The year 1924 was selected in order that the results might relate to the same period as the Census of Production which the Board of Trade had been authorised to undertake by the Census of Production Act, 1923.

On this occasion questions were not asked, however, as to the wages of different kinds of workers, or even for a separation of skilled and unskilled, but were confined to average earnings in four selected weeks during the year. Inquiry forms were addressed to nearly 300,000 employers, of whom 200,000 replied, and although a proportion of the replies did not contain information suitable for tabulation, it is expected that 150,000 returns will eventually be tabulated. Results have so far been issued regarding textiles, brick, cement, pottery, glass, &c., and the iron and steel and other metal industries. These three industries include approximately 2,200,000 insured workpeople, of whom 1,694,000 are covered in the Wages Census; results for engineering, the clothing trades and the remaining industries will be awaited with interest. It is not possible to compare exactly the numbers covered by the returns with the numbers of insured workpeople in the different trades, because the classification of industry adopted for the wage census follows that of the Census of Production, which is, by statute, confined to the industries in the Board of Trade's import and export list, whereas the classification of insured workpeople follows the classification adopted for the Population Census. Making the best comparison possible, however it would appear that the returns for the textile industry cover about 75 per cent. of the workpeople in the trade, brick, cement, &c., nearly 70 per cent., and iron and steel and other industries approximately 80 per cent. Information was sought and tabulated in respect of the four weeks ended January 19, April 12, July 12, and October 18, 1924. The figures for the metallurgical trades will be discussed in a subsequent article. The present review is concerned with the results for the textile group.

The following table shows the average weekly earnings in each of the four specified weeks for the males and females employed by those firms who gave separate particulars; in many cases, however, firms were unable to give information for males and females separately:—

AVERAGE WEEKLY EARNINGS.

Industry.	Males.		Females.	
	No. of Work-people Covered.	Average Earnings in 4 Weeks.	No. of Work-people Covered.	Average Earnings in 4 Weeks.
Cotton	80,698	s d 47 0	140,912	s d 28 3
Woolen and worsted ..	60,496	53 10	86,001	30 7
Lace	3,780	53 1	7,123	24 5
Silk	10,075	59 10	16,924	28 0
Linon	11,816	41 0	36,210	22 9
Jute	6,769	41 6	13,423	28 7
Hosiery	7,876	54 8	40,425	28 8
Carpet	3,535	49 11	4,761	26 0
Bleaching, printing, dye- ing, and finishing....	58,793	56 9	14,725	27 3
Making-up and packing ..	4,389	56 6	2,534	28 3
Other textiles	9,607	47 11	20,421	24 0
	257,834	51 6	383,459	27 11

Among females, earnings are highest in the woollen and worsted, hosiery, jute, cotton, and "making-up and packing" industries and the lowest in linen, "other textiles," and lace; among males the earnings are highest in silk, bleaching, "making-up and packing," and hosiery, and lowest in linen and jute.

The Ministry's figures, as published, do not attempt to make any comparison between earnings in 1924 and earlier years. No previous official investigation of wages on a grand scale has been made since 1906, and the length of the interim is sufficiently great to destroy much of the value of the figures for comparative purposes. As a

matter of interest, however, we may set out the respective results side by side:—

AVERAGE WEEKLY EARNINGS of all WORKERS, 1906 and 1924.

Industry.	1906.*		1924.†	
	No. of Workers Covered.	Average Earnings.	No. of Workers Covered.	Average Earnings.
Cotton	212,503	s d 19 3	435,448	s d 36 10
Woolen and Worsted	110,554	15 10	216,392	40 5
Lace	8,025	21 10	12,215	34 2
Silk	13,920	13 11	31,325	39 1
Linon	45,699	11 9	68,209	27 7
Jute	14,060	14 1	32,698	33 0
Hosiery	19,555	15 5	71,203	34 9
Carpet	11,067	16 2	15,650	35 10
Bleaching, printing, &c.	55,925	21 5	87,831	50 2
Making-up and packing	..	..	8,661	45 0
Other textiles	..	..	37,749	31 5
	514,867	17 4	1,017,381	37 9

* Average of 12 returns, covering last pay-week in each month.

† Average of four returns, covering last pay-week in January, April, July, and October.

The 1924 figures are based on a much larger sample of the total workers concerned than are those of the earlier year, but as both may be taken as broadly representative of the various industries, comparison is not necessarily vitiated on that account, though the figures must for a variety of reasons be viewed with much reserve. There has clearly been considerable variation in wage movements as between different groups over the last eighteen years. While textile wages as a whole show an increase of nearly 120 per cent. in 1924, as compared with 1906, the increase in the case of cotton amounts to only 90 per cent., in woollens and worsteds to 150 per cent., and in silk—an industry with relatively low earnings in 1906—to no less than 180 per cent. Linon, on the other hand, another "low-paid" industry in 1906, remains one of the lowest paid to-day, while bleaching, &c., a branch which has long been regarded by some other sections of the textile trades as enjoying a privileged and quasi-monopolistic position, and enjoyed the second highest earnings of any group in 1906, has secured an increase of 130 per cent. and showed much the highest earnings in the group during 1924. These movements would seem, in many cases, to call for closer investigation than is possible in the absence of satisfactory data. In the case of the two most important groups, however—cotton and wool, which together accounted for nearly two-thirds of the workers included in the respective censuses—we can obtain a continuous picture over the whole period by examining the returns made by certain firms to the Ministry of Labour each month, and published in the *Labour Gazette*. These returns covered, in the case of cotton, about 130,000 workers in the pre-war and about 90,000 in the post-war year, while in that of wool the figures are about 70,000 and 45,000 respectively. To facilitate comparison the various amounts are stated in decimals of £1:—

AVERAGE WEEKLY EARNINGS of ALL WORKERS EMPLOYED by CERTAIN FIRMS, 1906 to 1925.

	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.
Cotton	0.96	0.97	0.91	0.92	0.97	0.98	0.99	1.02	0.91	1.03
Woolen & worsted ..	0.79	0.79	0.77	0.80	0.84	0.84	0.86	0.87	0.84	0.98
	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
Cotton	1.13	1.26	1.49	2.20	2.60	2.04	1.91	1.72	1.77	1.85
Woolen & worsted ..	1.10	1.29	1.61	2.03	2.44	1.96	2.07	1.92	1.95	1.88

It would appear that from 1908 to the outbreak of war earnings in both industries showed a slow but steady upward movement, which, after a slight setback in 1914, became much more marked during the war years—especially after 1917—and reached a high peak in 1920. After a rapid decline in 1921 the trend has been somewhat obscured by quite considerable annual fluctuations, but, on the whole, earnings showed no great falling off last year as compared with three or four years ago.

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.			
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.
	<i>d</i>			<i>a</i>	<i>g</i>										<i>g</i>	
1913	24,336	1,903	1,189	3,404	15,842	156	748	1,135	665	1,311	1,776	43,088	..	1,918	7,269	..
1918	19,283	1,158	..	2,188	13,376	283	..	1,133	747	1,681	2,336	51,272	..	..	8,389	..
1921	15,822	1,813	971	c 3,213	9,491	327	632	890	862	1,558	2,185	38,283	206	1,792	10,253	474
1922	21,133	1,767	826	c 3,596	9,929	381	1,840	882	735	1,540	2,308	36,057	259	1,579	11,434	515
1923	23,450	1,910	969	c 3,978	5,185	440	3,009	1,014	901	1,589	2,199	49,706	222	1,351	9,854	571
1924	22,646	1,947	1,197	c 4,916	9,902	490	2,693	755	944	1,710	2,315	43,555	231	1,709	10,363	478
1925	20,694	1,928	1,063	c 5,085	11,061	571	2,423	..	983	1,682	..	44,240	255	1,566	11,649	419
				<i>e</i>											<i>k</i>	
1925—September ..	19,010	1,914	1,125	5,188	11,355	618	2,320	845	1,009	1,602	2,098	42,829	253	1,709	11,949	448
October	21,231	2,064	1,212	5,503	11,950	653	2,582	891	975	1,906	2,431	48,326	264	1,807	12,759	531
November	20,690	1,878	1,197	5,168	11,189	628	2,549	943	1,007	1,555	2,559	46,204	260	1,807	11,940	515
December	22,882	1,937	1,244	5,207	11,367	632	2,457	973	992	1,874	2,733	48,117	287	1,783	12,712	555
1926—January	21,939	1,976	1,203	5,364	11,190	631	2,456	769	869	1,812	2,385	48,838	277	1,643	12,222	526
February	21,657	1,894	1,034	5,190	10,611	592	2,142	688	927	1,812	2,215	44,143	249	1,523	11,077	414
March	24,235	2,133	1,078	5,833	11,424	706	2,295	792	996	2,016	2,585	49,829	252	1,628	11,835	447
April	21,939	1,984	936	5,272	10,086	665	2,182	752	956	1,805	2,458	43,813	220	1,469	10,067	358
May	m	1,846	900	4,997	10,678	667	..	962	1,049	1,670	..	42,740	216	1,334	9,894	349
June	m	2,101	978	5,524	11,756	724	..	..	1,065	1,623	..	46,202	212	1,343	11,202	381
July	m	2,132	977	p 4,381	13,074	777	..	..	..	1,449	..	47,328	..	1,537	11,482	..
August	m	2,118	..	..	..	..	..	..	..	..	..	..	..	..	..	..

a Including lignite. b Including the production of Lorraine and Saar. c Salesable coal only. d Irish Free State production omitted since 1921. e From 1919 excluding Alsace-Lorraine and from 1920 excluding Saar and Palatinat; from June, 1922, excluding Upper Silesia. f Since July, 1922, including Upper Silesia. g Excluding Rhine mines. h Upper Silesia only. i Excluding Saar. j Coal strike. k Weekly production, mid-September, about 500,000 tons.

PIG IRON.

STEEL.

Period. Monthly Average.	PIG IRON.										STEEL.									
	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	United Kingdom.	Belgium.
1913	869	207	434	102	1,609	212	61	85	2,601	649	205	396	172	1,578	101	62	88	2,564	869	207
1918	768	..	109	..	989	106	64	90	3,460	812	1	151	..	1,248	73	53	142	3,645	768	..
1921	222	73	280	96	654	81	26	51	1,261	314	66	259	77	833	64	19	57	1,628	222	73
1922	415	134	427	96	783	140	22	32	2,276	494	130	373	105	976	117	29	41	2,947	415	134
1923	630	182	442	85	411	117	24	75	3,392	719	190	415	83	1,525	100	25	75	3,682	630	182
1924	620	234	638	114	651	180	43	50	2,634	696	238	576	119	1,820	157	45	55	3,103	620	234
1925	528	212	706	121	848	195	35	48	3,082	626	201	618	131	1,016	174	43	62	3,741	528	212
1925—September ..	456	170	717	123	735	196	31	35	2,770	650	165	632	139	880	180	45	38	3,546	456	170
October	481	174	739	130	742	205	30	75	3,072	663	171	668	139	928	185	44	111	3,951	481	174
November	502	189	740	125	760	200	31	70	3,072	664	156	647	130	873	174	43	74	3,966	502	189
December	511	161	748	124	717	200	38	56	3,303	617	158	659	128	764	176	43	63	4,035	511	161
1926—January	542	138	763	130	689	204	35	58	3,369	651	116	661	137	791	174	37	70	4,217	542	138
February	510	202	707	118	631	185	35	51	2,970	715	167	630	124	816	170	40	54	3,863	510	202
March	578	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196	44	60	4,560	578	281
April	548	288	767	130	668	197	40	69	3,505	671	268	683	141	869	181	41	81	4,150	548	288
May	590	300	783	134	736	195	43	74	3,537	746	272	667	135	901	170	46	91	4,009	590	300
June	542	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196	44	60	4,560	542	281
July	510	202	707	118	631	185	35	51	2,970	715	167	630	124	816	170	40	54	3,863	510	202
August	578	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196	44	60	4,560	578	281

a Excluding Luxemburg, including Alsace-Lorraine and Saar, from 1913 to October, 1918; for 1920-1925 figures not official. b Ingets and castings. c Corrected figures based on returns from works responsible in 1923 for 98% of total production. d Coal strike.

WHOLESALE PRICES.

Monthly Average.	U.K.		Bel- gium.	Czecho- slovakia.	Denmark.	France.	Germany. ("Frank- furter Zeitung")	Hol- land.	Italy (Bacchi).	Norway.	Poland.	Russia.	Spain.	Sweden.	Switzer- land.	Australia.	British India.	Canada.
	Bo'd of Trade.	Econo- mist.																
1913	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1918	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8	224-8
1921	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1	197-1
1922	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8	158-8
1923	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1	162-1
1924	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2	166-2
1925	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7	159-7
1926	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1	155-1
September	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9	153-9
October	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7	152-7
November	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1	152-1
December	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1	150-1
January	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6	147-6
February	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3	144-3
March	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6	143-6
April	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9	144-9
May	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4	146-4
June	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7	148-7
July	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1	149-1

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugoslavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichsbank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marka.	Marka.	Drachma.	Korona.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marka.	Marka.	Drachma.	Korona.
1913.....	296	..	..	1,087	188	..	152	113	5,714	2,593	149	..	313
1918.....	702	321.2	..	3,010	2,299	..	450	1,156	31,055	1,274	..	..	1,069
1921.....	1071	325.6	174,115	8,330	3,615	12,130	471	1,356	36,359	2,161	25,175	..	1,069
1922.....	1029	285.4	140,817	6,701	3,886	10,064	459	1,421	36,359	2,161	25,175	..	1,069
1923.....	1051	292.7	140,817	6,701	3,886	10,064	459	1,421	36,359	2,161	25,175	..	1,069
1924.....	1013	296.3	839	7,590	4,530	8,810	478	1,250	40,885	1,941	21,835	4,866	5,395
1925.....	885	296.8	890	7,471	3,655	8,408	438	1,309	51,085	1,941	21,835	4,866	5,395
1925-Aug.	887	295.8	836	7,653	4,221	7,695	442	1,268	45,445	1,941	21,835	4,866	5,395
Sept.	885	293.0	841	7,760	4,190	7,839	430	1,279	46,394	1,941	21,835	4,866	5,395
Oct.	887	291.6	853	7,853	4,074	7,919	424	1,271	46,679	1,941	21,835	4,866	5,395
Nov.	870	289.4	827	7,615	3,820	7,921	434	1,253	49,184	1,941	21,835	4,866	5,395
Dec.	865	296.8	890	7,471	3,655	8,408	438	1,309	51,085	1,941	21,835	4,866	5,395
1926-Jan.	857	287.3	823	7,462	3,460	7,245	403	1,292	50,618	1,941	21,835	4,866	5,395
Feb.	855	287.0	812	7,415	3,410	7,074	399	1,350	50,991	1,941	21,835	4,866	5,395
Mar.	865	295.3	816	7,689	3,466	7,147	411	1,386	52,127	1,941	21,835	4,866	5,395
Apr.	878	294.5	830	7,924	3,807	7,024	411	1,362	52,208	1,941	21,835	4,866	5,395
May	847	299.2	820	8,346	3,619	6,350	400	1,320	52,735	1,941	21,835	4,866	5,395
June	856	293.9	835	8,514	3,569	7,020	401	1,328	53,914	1,941	21,835	4,866	5,395
July	858	294.0	835	8,975	3,548	7,199	389	1,289	56,022	1,941	21,835	4,866	5,395
Aug.	850	291.1	858	9,237	3,657	7,161	376	1,296	55,346	1,941	21,835	4,866	5,395

Period.	Italy.	Norway.	Poland.	Romania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.
	Lira.	Lira.	Kroner.	Marki p.	Zloty.	Lei.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	Yen.
1913.....	2,284	499	108	..	..	..	..	..	234	314	10.0	227	343
1918.....	11,750	2,124	431	..	..	..	..	..	814	976	58.9	530	281
1921.....	19,309	2,567	410	229,538	..	..	..	..	628	1,009	66.5	444	818
1922.....	18,012	2,567	385	723,437	..	..	..	..	584	976	51.8	418	818
1923.....	17,247	2,428	396	125,371,955	..	..	..	..	237	576	52.2	404	818
1924.....	18,114	2,400	391	3,314,000	551	151	19,397	229	411	537	914	56.9	411
1925.....	19,349	2,100	363	2,770,200	581	140	20,222	288	727	530	876	55.9	411
1925-Aug.	19,433	2,100	378	..	440	332	20,153	308	567	511	819	53.9	356
Sept.	19,474	2,100	372	..	397	395	20,683	341	652	551	845	53.9	355
Oct.	19,480	2,100	367	..	382	410	20,369	373	719	523	841	53.9	385
Nov.	19,201	2,100	351	..	362	410	20,216	393	738	522	819	53.9	391
Dec.	19,350	2,100	363	..	381	440	20,126	388	727	530	876	53.9	385
1926-Jan.	18,651	2,100	335	..	362	419	19,881	370	716	475	776	53.9	361
Feb.	18,198	2,100	330	..	377	415	19,389	368	723	489	775	53.9	347
Mar.	18,295	2,100	350	..	389	426	20,595	356	735	527	808	53.9	334
Apr.	17,898	2,100	343	..	393	436	20,871	360	709	498	797	53.9	334
May	17,728	2,100	335	..	412	442	20,988	347	673	489	781	53.9	319
June	18,343	2,100	343	..	448	460	20,971	359	697	528	800	53.9	327
July	18,319	2,100	340	..	511	470	21,000	359	722	494	803	53.9	327
Aug.	18,305	..	334	..	560	446	..	..	803	502	803	..	297

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily. c Including Austro-Hungarian and other notes, converted after the War into national currency. d Greece issue, without deduction of notes held by Banking Department. e Excluding notes held on redemption account in respect of Currency Notes. Includes notes called in, but not cancelled. f May 31, 1925: Ceased to be exchangeable against Zloty notes. g Until February, 1923, Julian Calendar. h Including notes of the Bank of Crete, amalgamated with the National Bank of Greece in 1913, and those of the Ionian Bank, amalgamated in April, 1920. i Circulation in Union only. j Millions. k Rentenmarks issued by Rentenbank. l 1 Zloty = 1,800,000 P. Marks. m In pengö. One pengö = 12,500 paper crowns. n In Reichsmarks. o Kronen. One schilling = 10,000 paper kronen. p Fail due to forced loan of Jan. 24, 1926.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Italy.	Switzerland.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
End of	Francs to £1.	Francs to £1.	Lira to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marka to £1.	Krone to £1.	Dollars to £1.	Pence to £1.
Par level.....	25.22	25.22	25.22	25.22	25.22	12.07	18.159	18.159	18.159	20.43	24.02	4.86	47.58
Highest, 1924.....	120.25	139.00	113.30	25.22	35.35	11.87	17.58	32.92	28.26	25	340,000	47.40	464
Lowest ".....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	17	25,000	47.40	391
Beginning of—													
July, 1914.....	25.15	25.35	25.25	25.19	26.10	12.11	18.20	18.20	18.30	20.49	24.55	4.87	47.58
January, 1915.....	27.97	27.60	27.30	27.97	27.67	11.15	16.29	16.29	16.29	..	..	..	..
January, 1920.....	40.92	40.42	40.00	40.92	40.72	10.07	17.50	17.50	17.50	..	..	..	..
January, 1921.....	61.06	58.07	104	61.06	58.07	11.36	17.56	17.56	17.56	..	..	..	..
January, 1922.....	52.32	54.68	97	52.32	54.68	11.70	17.74	17.74	17.74	..	..	..	..
January, 1923.....	66.30	72.85	93	66.30	72.85	11.79	17.37	17.37	17.37	..	..	..	..
January, 1924.....	87.85	99.45	100	87.85	99.45	11.36	16.26	16.26	16.26	..	..	..	..
January, 1925.....	87.40	94.79	112.35	87.40	94.79	11.71	17.62	17.62	17.62	..	..	..	..
January, 1926.....	129.31	107.00	120	129.31	107.00	12.05	18.08	18.08	18.08	..	..	..	..
June.....	155.87	154.87	128.37	155.87	154.87	12.10	18.17	18.17	18.17	..	..	..	..
July.....	181.12	182.12	137.52	181.12	182.12	12.11	18.17	18.17	18.17	..	..	..	..
August.....	160.25	162.25	144.50	160.25	162.25	12.11	18.17	18.17	18.17	..	..	..	..
September.....	164.87	175.12	131.75	164.87	175.12	12.11	18.17	18.17	18.17	..	..	..	..

	Rio de Janeiro.	Monte Video.	Valparaiso.	Bombay.	Hong Kong.	Shanghai.	Yokohama.	Singapore.	Place.	Method of Quoting.	August Quotations.		
	Pence to Milreis.	Pence to Dollars.	Pesos to £.	10 to Gold Sovereign.	Sterling to Dollar.	Sterling to Taal.	Sterling to Yen.	Sterling to Dollar.			Highest.	Lowest.	Average.
Par level	16	51	13.33	s d	s d	s d	s d	s d	New York.				
Highest, 1924	64	52	45.30	1 6 ³ / ₄	2 6	3 6 ³ / ₄	2 0 ⁹ / ₁₆	2 4 ⁵ / ₈	Aug. 1925	Dollars to £1.	4.85 ¹ / ₂	4.85 ¹ / ₂	4.85 ¹ / ₂
Lowest "	5	41 ¹ / ₄	38.60	1 4 ³ / ₄	2 3 ¹ / ₂	3 1 ¹ / ₂	2 7 ¹ / ₁₆	2 3 ¹ / ₈	July, 1926		4.86 ¹ / ₄	4.86 ¹ / ₄	4.86 ¹ / ₄
									Aug. 1926		4.86 ¹ / ₂	4.85 ³ / ₄	4.85 ³ / ₄
Beginning of—									Paris.				
July, 1914	16 ¹ / ₂	51 ¹ / ₂	13 ¹ / ₂	1 3 ³ / ₄	1 10 ¹ / ₂	2 6 ¹ / ₂	2 0 ⁹ / ₁₆	2 4 ⁵ / ₈	Aug. 1925	Francs to £1.	104.90	102.20	103.56
January, 1919	13 ¹ / ₂	61 ¹ / ₂	104 ¹ / ₂	1 6 ³ / ₄	3 4 ¹ / ₂	6 2	2 1 ¹ / ₂	2 4 ⁵ / ₈	July, 1926		245	175 ¹ / ₂	197.567
January, 1920	17 ¹ / ₂	65 ¹ / ₂	124 ¹ / ₂	2 4 ¹ / ₂	4 10 ¹ / ₂	7 8 ¹ / ₂	2 1 ¹ / ₂	2 4 ⁵ / ₈	Aug. 1926		185 ¹ / ₂	156	171.292
January, 1921	9 ¹ / ₂	50	194 ¹ / ₂	1 5 ¹ / ₂	3 2 ¹ / ₂	4 1 ¹ / ₂	2 8 ¹ / ₂	2 3 ¹ / ₈	Amsterdam.				
January, 1922	7 ¹ / ₂	41	40.70	2 4 ¹ / ₂	2 7 ¹ / ₂	3 6 ¹ / ₂	2 3 ¹ / ₂	2 3 ¹ / ₈	Aug. 1925	Florins to £1.	12.10	12.01	12.067
January, 1923	54 ¹ / ₂	44	34.70	1 4 ¹ / ₂	2 3 ¹ / ₂	3 0 ¹ / ₂	2 1 ¹ / ₂	2 4 ⁵ / ₈	July, 1926		12.12	12.01	12.105
January, 1924	59 ¹ / ₂	43 ¹ / ₂	40.30	1 5 ¹ / ₂	2 4 ¹ / ₂	3 4 ¹ / ₂	2 1 ¹ / ₂	2 4 ⁵ / ₈	Aug. 1926		12.13	12.02	12.111
January, 1925	59 ¹ / ₂	50 ¹ / ₂	40.30	1 5 ¹ / ₂	2 4 ¹ / ₂	3 4 ¹ / ₂	1 7 ¹ / ₂	2 4 ⁵ / ₈	Berlin.				
January, 1926	7 ¹ / ₂	50 ¹ / ₂	39.80	1 6 ³ / ₄	2 3 ¹ / ₂	3 1 ¹ / ₂	1 9 ¹ / ₂	2 4 ⁵ / ₈	Aug. 1925	Reichmarks to £1.	20.42	20.38	20.404
June, "	7 ¹ / ₂	50 ¹ / ₂	39.80	1 5 ¹ / ₂	2 3 ¹ / ₂	2 11 ¹ / ₂	1 11 ¹ / ₂	2 4 ⁵ / ₈	July, 1926		20.41	20.41	20.428
July, "	7 ¹ / ₂	49 ¹ / ₂	39.90	1 5 ¹ / ₂	2 3 ¹ / ₂	2 11 ¹ / ₂	1 11 ¹ / ₂	2 4 ⁵ / ₈	Aug. 1926		20.44	20.35	20.406
August, "	7 ¹ / ₂	49 ¹ / ₂	39.90	1 5 ¹ / ₂	2 3 ¹ / ₂	2 10 ¹ / ₂	1 11 ¹ / ₂	2 4 ⁵ / ₈					
September, "	7 ¹ / ₂	49 ¹ / ₂	39.40	1 6	2 2 ¹ / ₂	2 9 ¹ / ₂	1 11 ¹ / ₂	2 4 ⁵ / ₈					
1 Pence to Peso. 1 Shilling to £1.													

1 Pence to Peco.

3 Schilling to £1.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bul-garia.	Den-mark.	Es-thonia.	France.	Fin-land.	Germany.	Greece.	Italy.	Jugo-Slavia.	Nether-lands.	Poland.	Sweden.	Switz-er-land.	Egypt.	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Esti Mark.	Francs.	Markat.	Mark.	Drach-ma.	Lira.	Dinars.	Gulden.	Zloty.	Kronor.	Francs.	£s.	Dollars.
1913.....	54,931	..	386,333	15,775	64,785	..	701,778	41,035	897,475	14,828	303,802	..	325,231	..	70,545	159,985	2,271	147,932
1918.....	107,100	..	849,617	47,268	75,851	..	1,858,416	38,944	1,830,953	61,159	1,336,551	..	50,696	..	102,776	200,122	4,147	245,961
1921.....	81,548	..	m 767,035	129,058	375,551	..	1,838,958	294,841	9,815,983	143,802	1,438,685	343,508	186,695	..	104,893	191,357	4,109	213,072
1922.....	74,950	..	m 767,035	129,058	375,551	..	1,838,958	294,841	9,815,983	143,802	1,438,685	343,508	186,695	70,375	92,847	159,539	3,582	256,042
1923.....	81,474	..	m 1,045,866	426,722	158,949	777,690	2,724,067	381,105	512,020	502,937	1,432,431	692,470	167,336	93,040	107,877	186,522	3,643	310,981
1924.....	94,789	5,632	m 1,463,963	463,109	184,874	683,584	3,327,334	385,641	759,057	663,807	1,614,972	685,145	196,961	123,184	118,708	207,000	4,082	297,926
1925.....	97,371	5,134	m 1,481,825	..	160,334	804,552	3,657,542	457,640	1,033,679	..	2,179,743	..	204,603	138,751	119,671	219,513	4,678	348,942
1925—Aug.	78,233	4,504	1,421,274	580,003	147,789	774,708	3,297,316	446,632	1,478,511	629,725	1,823,557	719,411	192,241	116,445	118,801	212,106	4,839	341,272
Sept.	87,399	5,214	1,507,992	669,746	132,878	823,640	3,317,029	538,117	1,054,952	714,912	1,638,553	719,411	194,509	72,842	124,833	229,501	5,262	358,583
Oct.	95,462	5,368	1,541,170	683,625	144,418	862,366	3,446,245	529,092	1,074,182	930,395	1,910,705	663,901	254,579	80,083	131,285	294,848	5,977	374,104
Nov.	101,165	5,145	1,482,943	521,177	144,418	862,366	3,446,245	533,931	855,451	876,638	2,005,673	663,901	196,752	84,129	147,986	239,402	5,376	377,832
Dec.	119,624	5,230	1,532,680	514,312	140,973	779,453	3,446,245	695,115	757,757	950,490	2,442,303	663,901	205,365	83,004	120,335	252,014	5,122	393,117
1926—Jan.	105,247	4,813	1,516,246	348,127	140,039	704,554	3,446,245	695,115	757,757	950,490	2,442,303	663,901	205,365	83,004	120,335	252,014	5,122	393,117
Feb.	83,624	5,039	1,355,327	478,765	125,210	592,544	2,544,535	271,646	661,740	..	1,933,580	614,324	205,029	68,834	107,402	200,802	4,462	410,507
Mar.	94,778	6,508	1,900,819	560,261	131,265	642,583	5,093,730	381,169	614,264	..	2,417,200	614,324	212,582	110,559	129,219	208,697	3,867	389,303
April.	91,428	6,006	1,552,748	247,753	106,646	863,677	5,020,015	480,469	723,085	..	2,414,668	..	199,797	118,760	131,060	182,141	4,030	386,068
May	73,667	3,687	1,605,059	542,127	119,314	836,682	4,390,408	483,055	702,760	..	2,484,286	..	194,707	106,338	116,388	191,427	3,528	311,988
June	86,751	5,481	2,823,163	747,987	124,283	664,171	5,180,955	511,533	791,924	..	2,685,430	..	212,160	63,483	114,771	200,640	3,200	327,289
July	90,841	4,813	1,614,539	..	98,428	831,284	5,016,088	469,356	942,077	..	..	..	206,039	65,862	119,094	220,419	4,130	331,367
Aug.	92,567	..	..	..	..	..	..	..	..	..	..	..	..	..	..	194,946	..	..

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Roumania	Sweden	Switzerland	Belgium	India	Japan	United States
Monthly Average.	£	Kronen	Koruna	Francs	Mark	Lira	Gulden	Zloty	Lei	Kronor	Francs	Ruppes	Yen	Dollars	
1913.....	163	39	103	138	251	33	13	27	102	77	18	153	112	137	
1918.....	1161	717	164	1,100	2,353	288	42	1,139	244	27	70	63	207	230	
1921.....	4227	98	1,214	7,059	232	33	2,190	244	27	67	37	180	285	285	
1922.....	18,206	48	1,049	4,563	332	19	15,964	320	19	62	21	176	300	300	
1924.....	174	26,992	31	709	228	504	30	30	262	20	51	215	268	268	
1925.....	170	23	21	313	111-0	746	19	30	16	56	29	304	304	304	
1926.....	170	23	21	313	111-0	746	19	30	16	56	29	304	304	304	
July-Sept.	126	20,326	12	407	5	528	38	10	108	12	54	29	156	276	
Oct.-Dec.	249	19,891	35	518	22-3	525	11	0-6	430	8	53	11	167	297	
1925.....	154	4	27	270	91-3	735	11	6-8	121	15	93	23	181	394	
Jan.-Mar.	214	0-8	21	464	51-1	923	22	0-3	265	12	70	34	269	270	
April-June	76	0-9	17	159	57-7	518	29	5-3	266	11	15	46	176	249	
July-Sept.	237	2-7	20	358	244-1	808	14	0	370	25	48	11	191	301	
Oct.-Dec.	250	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
1926.....	168	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
Jan.-Mar.	168	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
April-June	305	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
July-Sept.	226	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
October	226	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	
August	226	0-5	28	327	32-9	611	21	2-3	442	13	34	19	9	400	

* Including Government loans. * Excluding Treasury bills and foreign issues. d Exo. Govt. and large railway issues. f Company issues. g Gold marks. h New companies only. i Nom. value. j Issue value. k Exo. bonds shares. l Exo. conversions. m No issues. n Thous. billions. o In shillings. p Paper marks. q Emissions 0-6; net withdrawals Saving Certificates, 0-9

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Switzerland	Belgium	India	Japan	United States
1920-June.....	26	17	15	39	59	08	34	69	21	78	131	131
December.....	17	9	15	41	134	68	158	78	125	125	125	125
1921-June.....	16	8	15	30	81	208	277	125	125	125	125	125
December.....	16	8	15	30	81	208	277	125	125	125	125	125
1922-June.....	12	7	13	26	91	156	215	96	63	63	63	63
December.....	12	7	13	26	91	156	215	96	63	63	63	63
1923-June.....	11	3	10	8	108	79	98	71	34	34	34	34
December.....	10	7	19	23	173	140	141	62	72	72	72	72
1924-June.....	10	7	19	23	173	140	141	62	72	72	72	72
December.....	10	7	19	23	173	140	141	62	72	72	72	72
1925-June.....	11	9	13	8	123	125	155	103	116	116	116	116
August.....	11	9	13	8	123	125	155	103	116	116	116	116
September.....	11	9	13	8	123	125	155	103	116	116	116	116
October.....	11	9	13	8	123	125	155	103	116	116	116	116
November.....	11	9	13	8	123	125	155	103	116	116	116	116
December.....	11	9	13	8	123	125	155	103	116	116	116	116
1926-January.....	11	9	13	8	123	125	155	103	116	116	116	116
February.....	11	9	13	8	123	125	155	103	116	116	116	116
March.....	11	9	13	8	123	125	155	103	116	116	116	116
April.....	11	9	13	8	123	125	155	103	116	116	116	116
May.....	11	9	13	8	123	125	155	103	116	116	116	116
June.....	11	9	13	8	123	125	155	103	116	116	116	116
July.....	11	9	13	8	123	125	155	103	116	116	116	116
August.....	11	9	13	8	123	125	155	103	116	116	116	116

Number of Workers Covered by Last Returns.

Millions.....	119	06	03	34	03	04	02	04	04
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* Workpeople in the coal mining industry, who ceased work on account of the dispute, are not included in this figure.

SECURITY VALUES.

	United Kingdom.	Netherlands.	Sweden.	Switzerland.	Canada.	United States.
"Banker's Magazine."	Official.	Official.	Official.	Official.	Official.	"Wall Street Journal."
365 representative securities.	Ordinary and Industrial Shares.	Ordinary and Industrial Shares.	Ordinary and Industrial Shares.	Ordinary and Industrial Shares.	Ordinary and Industrial Shares.	Common Industrial Shares.
Base.	Dec. 1921 = 100.	1921-1925 = 100.	Nominal value = 100.	1913 = 100.	1913 = 100.	1913 = 100.
1925-May.....	106.9	125.6	115.1	115	104.9	143.4
June.....	108.6	125.5	114.1	113	104.6	143.5
July.....	109.6	124.2	114.4	116	106.7	150.9
August.....	110.8	127.1	116.2	125	109.0	161.8
September.....	110.9	126.6	116.0	125	109.1	163.4
October.....	110.6	129.5	116.7	126	110.6	171.6
November.....	109.3	132.2	116.8	129	110.4	171.0
December.....	108.8	132.5	116.5	131	112.1	175.5
1926-January.....	110.2	132.6	117.5	134	114.9	185.6
February.....	110.8	131.6	117.6	136	117.1	197.0
March.....	109.6	129.2	116.0	134	116.8	189.6
April.....	110.1	128.7	116.2	139	116.6	186.7
May.....	110.2	131.0	117.0	141	117.2	182.8
June.....	110.2	133.6	117.9	145	119.5	187.7
July.....	110.0	132.8	117.5	141	123.0	193.7
August.....	110.2	135.4	118.4	141	127.2	193.7

(a) Fixed interest. (b) Variable dividend. (c) Total. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday, year 1924, provisional figure. (f) Shares of the most important industrial undertakings defined by the Stock Exchange as Class A. The composition of this class, therefore of this index, is not invariable. (g) Month ending 25th.

U.K. IMPORTS AND EXPORTS.

(000,000 omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of				Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.	Iron and Steel.	Coal.
Monthly average, 1913.....	242	27	25	58	161	34	88	18	0.67	1.58	0.41	6.1
" 1920.....	639	42	59	121	378	93	9	1.6	0.73	359	0.27	2.1
" 1921.....	472	31	23	53	204	49	7	1.0	0.63	242	0.14	2.0
" 1922.....	393	30	24	8	191	47	8	1.2	0.92	349	0.28	5.3
" 1923.....	425	37	27	109	214	48	8	1.1	0.62	345	0.26	6.6
" 1924.....	476	47	33	89	250	51	9	1.3	0.64	370.4	0.32	5.1
" 1925.....	476	46	35	70	267	51	8	1.6	0.61	369.5	0.31	4.2
April, 1926.....	422	39	39	60	271	41	7	1.3	0.78	282	0.31	4.3
May, ".....	364	30	24	32	199	39	5	1.1	0.79	304	0.27	1.4
June, ".....	439	40	27	21	256	42	8	1.0	0.71	328	0.23	0.03
July, ".....	435	46	30	23	256	42	9	1.0	0.52	360	0.24	0.01
August, ".....	430	40	30	19	270	42	10	0.8	0.35	298	0.16	..

* Yards.

RAILWAY STATISTICS.

(000,000's omitted.)

	Great Britain (g).						Austria.	Germany.	Italy.	Canada.	United States.
	Gross Receipts.		Freight Traffic (f).								
	Passengers.	Freight.	Merchandise.*	Coal, &c.	Other Minerals.	Total.	(b)	(a)	(c)	(d)	(d)
1925-May.....	5.31	8.60	5.30	15.86	5.65	26.81	1,422	1,105	1,038	4,156	37,147
June.....	6.27	8.00	4.85	13.86	5.24	24.05	1,230	1,165	1,022	4,164	35,863
July.....	8.66	9.28	5.34	17.74	5.43	28.51	1,581	1,257	1,021	4,583	37,988
August.....	8.99	7.58	4.51	12.30	4.79	22.00	1,277	1,211	1,021	4,583	41,723
September.....	6.45	8.71	5.61	14.62	5.46	27.85	1,404	1,211	1,021	4,583	41,723
October.....	5.14	9.22	5.83	16.57	5.46	27.85	1,404	1,211	1,021	4,583	41,723
November.....	4.93	8.61	5.29	18.26	4.78	28.33	1,483	1,127	1,021	4,583	40,788
December.....	4.17	8.72	5.18	17.59	4.95	27.72	1,483	1,127	1,021	4,583	37,869
1926-January.....	3.63	8.62	5.16	17.03	5.29	27.48	1,483	1,127	1,021	4,583	37,869
February.....	4.39	9.93	6.06	18.72	6.07	30.85	1,648	1,020	1,016	5,395	37,869
March.....	5.29	8.77	5.41	17.20	5.48	28.09	1,474	1,083	1,016	5,180	35,414
April.....	3.15	3.29	2.82	0.91	2.16	5.89	437	1,062	4,372	4,626	36,317
May.....	4.43	5.33	4.65	1.92	3.63	10.21	704	1,166	4,544	5,840	39,833
June.....	4.43	5.33	4.65	1.92	3.63	10.21	704	1,166	4,544	5,840	39,833
July.....	4.43	5.33	4.65	1.92	3.63	10.21	704	1,166	4,544	5,840	39,833

* Inc. live-stock. (a) "Reichsbahn." Exo. free-hauled. Until Nov. 15, 1924, figures incomplete owing to the occupation of the Ruhr, which in 1922 accounted for 30% of total freight traffic. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of £500,000. (d) Short tons = kg. 907.18; mile = metres 1,609.34. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34.

The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, OCTOBER 23, 1926.

No. 41.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics," is 6d. Constable.

THE STATE OF TRADE AT HOME AND ABROAD.

The usual quickening of business at this season is making what headway it can against a number of depressing factors. That in the twenty-fifth week of the coal stoppage trade would maintain even its present level is certainly more than one would have ventured to prophesy six months ago. The unemployment figures have fluctuated considerably during the past month, but are at the moment very little above the lowest point reached since the strike began. The tendency, on the other hand, for the numbers in the "Wholly Unemployed" category to increase, to which attention was drawn last month, still persists. Our index of electrical production shows signs of a seasonal quickening of business, which has doubtless been assisted by the large supplies of raw material obtained from overseas last month. The fuel situation is, however, causing anxiety. Supplies of coal from those mines which are at work have enabled local industries to augment their production, but industry throughout the country as a whole is still largely dependent on foreign supplies. As

It should be noted in connection with the above table that the figures do not include the million-odd workers involved in the coal dispute, or the further 1½ to 1¾ millions who ceased work during the general strike.

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.		Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.		Greece.	Hungary.	Yugo-Slavia.	Netherlands.	
End of	Bank of England Notes.	Currency Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichs- und Darlehens-kassenscheine.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Stat. Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markka.	Francs.	Marks.	Marks.	Drachmas.	Korona.	Dinars.	Gulden.	Gulden.
1913.....	29'6	..	..	1,067	189	..	152	113	5,714	2,593	149	<i>h</i> 245	..	..	513	..
1918.....	70'2	333'2	..	3,210	2,299	..	450	1,156	31,065	22,188	10,599	1,274	..	..	1,069	69
1921.....	<i>e</i> 107'1	326'6	<i>f</i> 174,115	6,290	3,615	12,130	471	1,356	36,369	113,639	8,523	1,264	..	..	1,069	69
1922.....	<i>e</i> 102'9	295'4	<i>f</i> 140,017	6,701	3,886	16,064	459	1,421	36,369	128,009	13,663	1,319	25,175	4,688	1,069	69
1923.....	<i>e</i> 106'1	292'7	..	7,460	4,139	9,599	473	1,352	39,114	149,650	14,772	1,481	75,887	5,040	1,012	32
1924.....	<i>e</i> 101'3	<i>f</i> 296'6	839	7,960	4,530	8,810	478	1,250	40,885	149,650	14,772	1,481	75,887	5,040	1,012	32
1925.....	<i>e</i> 88'5	<i>f</i> 296'8	890	7,471	3,655	8,408	438	1,309	51,085	149,650	14,772	1,481	75,887	5,040	1,012	32
1925-Sept.	88'5	293'0	841	7,760	4,130	7,839	430	1,279	46,354	2,649	1,713	5,518	406	6,097	879	18
Oct.	86'7	291'6	853	7,653	4,074	7,919	454	1,271	46,679	2,803	1,543	5,637	435	6,158	940	18
N v.	87'0	296'8	827	7,615	3,820	7,921	434	1,253	49,189	2,771	1,480	5,493	406	6,011	875	17
Dec.	88'0	298'4	890	7,471	3,655	8,408	438	1,309	51,085	2,960	1,476	5,539	416	6,063	875	17
1926-Jan.	85'7	287'3	823	7,462	3,460	7,245	403	1,292	50,618	2,649	1,450	5,416	406	5,783	865	16
Feb.	85'5	287'0	812	7,415	3,410	7,074	399	1,350	50,991	2,882	1,335	5,237	391	5,783	865	16
Mar.	86'5	295'3	816	7,689	3,466	7,147	411	1,318	52,127	2,960	1,476	5,539	416	6,063	875	17
Apr.	87'8	294'5	830	7,924	3,807	7,024	411	1,362	52,208	3,086	1,157	4,271	388	5,627	844	14
May	84'7	299'2	820	8,346	3,619	6,900	400	1,320	54,735	2,878	1,373	4,367	411	5,767	817	15
June	85'5	294'0	836	8,114	3,569	7,220	401	1,298	53,914	3,101	1,388	4,530	398	5,627	844	14
July	85'8	293'9	838	8,975	3,548	7,192	389	1,289	56,422	2,977	1,363	4,729	398	5,627	844	14
Aug.	85'0	291'1	858	9,237	3,627	7,161	376	1,246	55,446	3,225	1,260	..	432	5,470	836	14
Sept.	84'5	289'9	869	9,507	..	7,510	377	1,335	55,010	3,251	1,497	..	441	5,719	824	14

Period.	Italy.		Norway.	Poland.			Roumania.	Russia.		Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.		Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Token Notes and Coins.		Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.	Total Dominion & Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Mark p.	Zloty.	Zloty.	Lei.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	£	£s	Dollars.	Dollars.	Yen.
1913	b	2,284	499	108	a	n	437	..	..	234	314	d	227	h	3			
1918	11,750	2,124	431	..	..	..	2,469	..	..	814	976	585	530	63	2 2	726	34.	426
1921	19,209	2,267	410	229,538	..	..	e 13,722	..	..	629	1,009	669	444	8 3	34 5	3,402	261	1,145
1922	18,012	2,267	385	793,437	..	..	e 15,126	..	4	584	976	518	414	8 3	35 3	3,265	281	1,547
1923	18,447	2,428	396	125,371,955	..	..	e 17,917	..	237	576	982	562	414	8 3	31 7	3,117	288	1,558
1924	17,114	2,400	391	3,114,000	551	151	e 19,397	229	411	537	914	52 9	411	8 3	34 3	2,951	308	1,704
1925	19,349	2,100	363	p2,770,200	381	440	e 20,222	388	727	530	876	53 9	..	9 1	40 2	2,555	297	1,652
1926 Sept.	19,474	2,100	372	..	397	395	e 20,683	341	652	551	845	53 9	355	7 3	35 0	2,341	305	1,227
Oct.	19,480	2,100	367	..	382	410	20,369	375	719	523	841	53 9	385	7 4	35 8	2,381	306	1,234
Nov.	19,201	2,100	351	..	362	410	20,216	395	738	522	819	53 9	391	7 1	34 6	2,415	307	1,234
Dec.	19,530	2,100	363	..	381	440	20,183	388	727	530	876	53 9	385	7 2	33 5	2,458	304	1,234
1926 Jan.	18,651	2,100	332	..	362	419	19,861	370	716	475	775	53 9	361	6 7	32 1	2,316	290	1,387
Feb.	18,198	2,100	330	..	377	415	19,989	368	721	469	775	53 9	347	6 6	32 1	2,331	295	1,393
Mar.	18,95	2,100	350	..	389	426	21,595	356	693	527	808	53 9	334	6 6	30 5	2,291	290	1,181
Apr.	17,898	2,100	343	..	393	436	20,671	360	709	498	797	53 9	339	6 5	30 0	2,373	294	1,236
May	17,724	2,100	335	..	413	442	20,988	347	673	498	781	53 9	319	6 4	28 7	2,360	292	1,178
June	18,343	2,100	343	..	448	460	20,971	359	697	528	800	53 9	327	6 4	27 5	2,336	296	1,279
July	18,328	2,100	340	..	511	470	21,003	359	722	494	803	53 9	331	6 4	25 5	2,339	297	1,265
Aug.	18,002	2,075	334	..	560	447	21,049	..	800	502	803	..	..	6 0	..	2,339	302	1,233
Sept.	17,973	..	328	..	581	..	21,014	..	857	549	834	..	..	..	..	..	..	..

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily.
c Including Austro-Hungarian and other notes, converted after the War into national currency. d Gross issue, without deduction of notes held by Banking
Department. e Excluding notes held on redemption account in respect of Currency Notes. Includes notes called in, but not cancelled. f May 31, 1925: Ceased
to be exchangeable against Zloty notes. g Until February, 1923, Julian Calendar. h Including notes of the Bank of Crete, amalgamated with the National
Bank of Greece in 1919. a d those of the Ionian Bank, amalgamated in April, 1920. i Circulation in Union only. j Millions. k Rentenmarks issued by Rentenbank.
1 1 Zloty = 1,800,000 P. Marks. o In pengö. n Pengo = 12.50 paper crowns. c In Reichsmarks. t Kronen. One schilling = 10,000 paper kronen.
a Fall due to forced loan of Jan. 24, 1926.

LONDON RATES OF EXCHANGE.

	Paris.	Brussels.	Italy.	Switzer- land.	Madrid.	Amster- dam.	Stock- holm.	Oslo.	Copen- hagen.	Berlin.	Vienna.	New York.	Buenos Aires.
	Francs to £1.	Francs to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kroner to £1.	Kroner to £1.	Kroner to £1.	Marks to £1.	Krone to £1.	Dollars to £1.	Pence & Dollars.
Par level	25.22½	25.22½	25.22½	25.22½	25.22½	12.107	18.159	18.159	18.159	20.43	24.02	4.86½	47.58
Highest, 1924	120.25	139.00	113.30	25.00	30.35	11.87	17.58	32.92	28.26	22	340.000	46½	46½
Lowest "	63.50	73.75	94	23.20	30.90	11.29	16.14	29.66	24.40	17	295,000	4.20	39½
Beginning of—													
July, 1914	25.15	25.35½	25.25½	25.19½	26.10	12.11½	18.30	18.25	18.30	20.49½	24.55	4.87½	47½
January, 1919	27.97½	27.60	30.31½	22.96	23.67½	11.15	16.94½	16.85	17.67½	..	..	4.76½	51½
January, 1920	40.42	40.42	50.00	21.16½	19.72½	10.07	17.50	18.60	19.66½	..	..	3.78½	62½
January, 1921	61.06½	58.07½	104½	23.55	27.46½	11.36½	17.56	22.49½	19.66½	18.7½	..	5.48½	51½
January, 1922	54.65½	58.07½	97½	21.70½	28.19½	11.44½	16.97½	26.99½	21.1½	26½	1,500	3.58½	62½
January, 1923	66.30	72.85	95½	24.72½	29.73½	11.79	17.37½	25.12½	23.40	791½	15,000	4.20	45½
January, 1924	87.85	99.45	100½	24.63½	33.58½	11.36½	16.26½	29.82½	24.44½	48,500	330,000	4.68	44½
January, 1925	97.40½	94.93	112.35	24.35½	31.71½	17.62½	13.37½	26.85½	19.94½	billions	306,500	4.29	40½
January, 1926	129.31½	107.00	120	25.08½	34.51½	12.05	13.08	23.63½	19.60½	20.37½	337,500	4.74½	46½
July, "	181.12½	182.12½	137.62½	25.14	30.56½	12.11½	18.13½	22.15½	18.94½	20.37½	3.34.37½	4.85½	46½
August, "	160.25	161.25	144.50	25.17	32.31½	12.11½	18.17	22.2½	18.31½	20.42½	3.34.42½	4.86½	46½
September, "	164.87½	175.12½	131.75	25.14	31.98½	12.11½	18.14½	22.14½	18.27½	20.39½	3.34.37½	4.86½	46½
Oct. ber, "	174.18½	178.87½	128.50	25.10	31.97½	12.11½	18.14½	22.15	18.27½	20.39½	3.34.37½	4.86½	46½

	Rio de Janeiro.	Monte Video.	Valparaíso.	Bombay.	Hong Kong.	Shanghai.	Yokohama.	Singapore.	Place.	Method of Quoting.	Sept. Quotations.		
	Pence to Milreis.	Pence to Dollars.	Pesos to £.	10 to 100 Sovereign	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest.	Lowest.	Average.
Par level	16	51	13.33	s d	s d	s d	s d	s d	New York.				
Highest, 1924	64½	52	45.30	1 8½	2 6	3 6½	2 2½	2 4½	Sept. 1925	Dollars to £1.	4 85½	4 84 7/8	4 84 7/8
Lowest "	5	41½	38.60	1 4½	2 3½	3 1½	2 7½	2 3½	Aug. 1926		4 86½	4 85 1/8	4 85 1/8
									Sept. 1926		4 85½	4 85 1/8	4 85 1/8
Beginning of—									Paris.				
July, 1914	15½	51½	89	1 3½	1 10½	2 6½	2 0½	2 4½	Sept. 1925	Francs to £1.	103.65	101.96	102.35
January, 1919	15½	61½	103½	1 6½	3 4½	5 2	2 1½	2 4½	Aug. 1926		185½	156	171.292
January, 1920	17½	65½	124½	2 4½	4 10½	7 8½	2 8½	2 4½	Sept. 1926		177½	160	169.895
January, 1921	9½	50	99½	1 5½	3 2½	4 1½	2 8½	2 3½	Amsterdam.				
January, 1922	7½	41	40.70	1 4	2 7½	3 6½	2 3½	2 3½	Sept. 1925	Florins to £1.	12.06½	12.04	12.05½
January, 1923	5½	44	34.70	1 5½	2 4½	3 6½	2 1½	2 4½	Aug. 1926		12.13	12.09½	12.11½
January, 1924	5½	40	32.40	1 6½	2 3½	3 1½	2 1½	2 4½	Sept. 1926		12.12	12.10	12.11½
January, 1925	5½	40	30.30	1 6½	2 4½	3 1½	2 1½	2 4½	Berlin.				
January, 1926	7½	50½	39.80	1 6½	2 4½	3 1½	2 1½	2 4½	Sept. 1925	Reichmks. to £1.	20.41	20.32	20.36½
July,	7½	49½	39.90	1 5½	2 3½	2 1½	1 11½	2 3½	Aug. 1926		20.44	20.35	20.40½
August, "	7½	49½	39.50	1 5½	2 2½	2 10½	1 11½	2 3½	Sept. 1926		20.41	20.36	20.38½
September, "	7½	49½	39.40	1 6	2 2½	2 9½	1 11½	2 3½					
October, "	7½	49½	39.40	1 5½	2 0½	2 7½	2 0½	2 3½					
§ Pence to Peso.				§ Schilling to £1.									

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bul- gar- ia.	Den- mark.	Es- tho- nia.	France.	Fin- land.	Germany.	Greece.	Italy.	Jugo- Slavia.	Nether- lands.	Poland.	Swed'n	Switzer- land.	Egypt.	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Esti Mark.	Francs.	Markat.	Mark.	Drach- ma.	Lire.	Dinara.	Gulden.	Zloty.	Kronor.	Francs.	£s.	Dollars.
1913.....	54,931	..	386,333	15,775	64,785	..	701,778	41,035	897,475	14,828	303,802	..	325,231	..	70,545	159,985	2,271	147,933
1918.....	107,100	..	..	47,268	75,851	..	1,858,416	38,944	..	61,159	1,36,551	..	50,696	..	102,776	200,122	4,167	245,366
1921.....	81,548	..	849,617	243,424	129,058	373,551	1,838,992	294,844	9,815,963	113,800	1,348,884	343,501	186,695	..	104,893	191,357	4,109	218,361
1922.....	74,950	..	767,035	336,472	121,322	465,785	1,994,194	328,254	516,705	257,122	1,132,730	536,823	168,966	70,375	92,847	159,539	3,324	256,041
1923.....	81,474	m	m 1,045,866	426,722	158,243	707,690	2,724,067	381,165	512,022	502,937	1,132,131	692,470	167,436	35,040	107,877	186,923	3,643	310,901
1924.....	94,789	5,632	m 463,963	463,109	144,874	683,181	3,327,334	385,541	753,257	663,837	1,614,972	655,145	196,961	123,184	114,704	207,000	4,086	297,922
1925.....	97,371	5,134	m 481,825	..	160,334	804,552	3,627,542	457,610	1,035,579	..	2,173,753	..	204,603	138,751	119,671	219,513	4,678	318,941
1925—Sept.	87,399	5,214	m 1,507,992	669,746	133,972	823,640	4,317,029	538,117	1,653,292	714,974	1,698,555	713,411	194,509	72,842	124,833	229,501	5,256	332,584
Oct.	95,426	5,368	1,541,170	683,625	144,816	882,666	4,476,241	529,021	1,744,151	714,093	1,919,795	693,991	254,878	80,609	131,285	294,818	5,377	374,103
Nov.	101,155	5,145	1,482,943	514,177	144,246	848,543	4,574,119	533,931	855,349	876,638	2,046,653	663,901	195,752	84,129	147,986	239,402	5,376	373,810
Dec.	119,624	5,100	m 2,032,680	512,312	140,773	779,453	5,415,721	616,115	757,577	870,249	2,412,305	663,901	205,804	83,004	120,355	252,014	5,122	393,111
1926—Jan.	105,977	4,638	1,516,246	348,127	140,039	701,654	4,483,033	2,63,000	737,181	..	1,911,533	611,324	203,692	68,31	107,402	201,802	4,462	410,507
Feb.	83,624	4,009	1,355,327	347,715	125,012	592,411	5,025,335	271,643	691,749	..	2,229,410	514,524	197,470	68,869	99,071	200,237	4,607	389,300
Mar.	94,708	5,588	1,908,819	560,281	134,285	812,583	5,020,015	180,469	615,267	..	2,414,226	611,324	212,542	110,559	123,219	208,697	4,342	429,187
April	91,228	5,006	1,552,748	247,733	106,664	863,677	5,020,015	180,469	703,760	..	2,414,226	611,324	212,542	110,559	123,219	208,697	4,342	429,187
May	73,667	3,687	1,605,059	542,127	119,314	838,632	4,390,408	483,055	..	..	..	..	..	..	..	..	..	..
June	86,751	5,481	2,823,163	754,031	121,283	654,171	5,180,955	511,531	791,921	..	2,653,702	646,374	212,010	63,485	117,731	200,640	4,395	311,888
July	90,841	5,813	1,611,539	..	98,428	831,284	5,016,041	4,9,336	928,359	..	2,051,429	..	205,899	65,850	119,934	220,419	5,395	337,285
Aug.	92,567	4,328	1,796,081	..	112,711	872,126	5,235,332	497,460	919,727	..	2,032,578	..	195,571	92,025	112,961	194,941	5,395	337,285
Sept.	93,642	..	..	..	..	..	..	..	..	..	..	..	..	..	..	181,896	..	336,000

EXPORTS of Domestic Produce—Merchandise Only. (C00's omitted.)

[illegible]

d Since January, 1922, gold mark valuation. e Until February, 1923, Julian Calendar. f Old Greece only. g Since January, 1922, the value of imports is based on declarations of importers. Instead of official valuations previously used. h Figures refer to "Union Economique Belgo-Luxembourgeoise." i Official values. j January, 1923, October, 1922, and November, 1922, official valuations. k From November, 1922, valuations based on declarations, which may differ considerably from final figures based on official quarterly valuations. l From April 1, 1923, including trade of Great Britain and Northern Ireland with the Irish Free State, and excluding the direct foreign trade of the Irish Free State. m Including precious stones during previous six months.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	Value.							Quantity (Metric Tons).									
	Aus- tralia.	British India.	Canada.	New Zealand	South Africa.	Japan.	Brazil.	Bel- gium.	Czecho- slovakia.	France	Ger- many.	Greece	Hun- gary.	Nether- lands.	Poland.	Swit- zerland.	Brazil
Monthly Average.	£'s.	Rupees.	Dollars.	£'s.	£'s.	Yen.	Milreis										
1913.....	6,355	152,725	54,917	1,785	3,365	60,474	83,958	2,721	..	3,685	h 6,076	..	..	5,041	..	661	467
1918.....	7,696	137,704	75,583	1,966	3,768	137,221	82,450	..	..	2,446	..	29	..	401	..	235	145
1921.....	8,222	230,729	66,616	3,461	4,447	132,481	140,420	1,472	333	3,359	2,175	77	194	1,435	404	357	205
1922.....	9,850	199,622	63,528	2,817	4,008	153,936	137,719	q 1,772	266	3,285	3,822	87	279	1,623	344	441	260
1923.....	11,088	185,088	75,253	3,575	4,584	161,994	188,940	q 2,203	349	4,712	3,915	112	313	1,612	266	556	285
1924.....	11,852	196,516	67,350	3,995	5,302	240,726	232,463	q 2,783	482	4,76	3,211	150	376	1,898	201	568	362
1925.....	12,123	185,878	74,189	4,339	5,445	209,887	285,225	q 2,744	553	3,952	4,332	..	370	2,125	284	572	..
1925—Aug.	12,132	185,068	82,074	4,636	5,890	192,581	268,513	q 2,733	571	3,809	5,266	165	374	2,301	246	596	410
Sept.	9,200	180,195	78,653	4,163	4,940	166,053	235,748	2,834	752	4,651	4,183	152	458	2,171	197	601	386
Oct.	11,886	194,193	80,800	4,693	5,699	168,154	232,205	2,936	794	4,613	4,013	134	487	2,356	166	675	390
Nov.	15,173	185,562	75,286	4,777	6,385	184,623	244,310	2,677	810	3,955	3,815	137	520	2,204	189	606	406
Dec.	14,544	160,926	76,918	4,551	6,270	187,782	251,190	2,843	723	3,607	3,243	190	483	2,016	156	633	469
1926—Jan.	13,170	225,642	69,36	4,644	5,917	208,253	223,530	2,525	419	3,609	2,838	..	368	1,870	109	539	487
Feb.	11,147	186,142	70,909	4,250	6,365	245,467	219,403	2,670	488	4,145	3,041	..	413	2,022	183	563	380
Mar.	14,202	226,650	100,855	4,593	7,122	287,281	267,644	3,301	559	3,946	2,834	..	378	2,228	201	598	522
April	11,928	200,887	67,801	3,783	5,817	239,441	238,373	2,889	442	4,18	3,311	..	335	2,204	161	521	539
May	11,978	203,817	86,052	3,365	5,353	223,734	220,613	2, 05	484	3,607	3,167	..	388	2,374	155	591	449
June	10,315	165,552	91,513	3,615	5,128	199,118	..	3,127	600	3,444	3,373	..	421	2,951	168	613	..
July	12,936	210,478	88,610	4,3574	6,348	185,856	..	2,707	558	3,608	4,038	..	431	2,769	175	617	..
Aug.	..	197,400	89,670	4,075	6,453	158,900	..	2,757	455	3,583	4,232	..	..	2,499	273	622	..

EXPORTS of Domestic Produce—Merchandise Only. (000's omitted.)

EXPORTS of Domestic Produce—Merchandise Only. (000's omitted.)

[illegible]

^a General trade. ^b Sea-borne trade only. ^c Including Luxembourg. ^d Including goods declared by number only and reduced at the unit of weight.
^e Since May 1972, figures refer to "Union Economique Belgo-Luxembourgeoise." ^f Merchandise only. ^g Imports 582 and exports 71 in September.

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	Belgium	India	Japan	United States
Monthly Average.	£	Kronen	Koruna	Francs	Mark	Lire	Guilder	Zloty	Leu	Kronor.	Francs	Rupia.	Yen.	Dollars	
1913.....	16.3	..	..	..	103	23	13	..	20	18	44	56	45	137	..
1918.....	116.1	39	..	105	138	251	33	..	27	102	77	18	153	112	..
1921.....	32.4	717	164	1,100	2,353	288	42	1,139	244	27	67	65	207	220	..
1922.....	47.8	4,227	98	1,214	7,059	232	33	2,190	245	27	67	37	180	285	..
1923.....	22.8	18,206	48	1,049	4,563	332	19	15,964	320	19	62	21	176	300	..
1924.....	17.0	26,992	31	709	2,278	504	30	30	262	20	51	19	219	268	..
1925.....	17.0	22.3	21	313	1,110	746	19	39	219	16	56	29	219	304	..
1926.....	17.0	22.3	21	313	1,110	746	19	39	219	16	56	29	219	304	..
July-Sept.	12.6	20,326	12	407	20.5	526	38	3.0	108	12	54	29	156	276	..
Oct.-Dec.	24.9	19,891	36	518	22.3	525	11	0.6	430	8	53	11	167	297	..
1925.....	15.4	4.8	27	270	91.5	735	11	6.8	121	15	93	23	181	394	..
Jan.-Mar.	21.4	0.8	21	464	51.1	923	22	0.3	265	12	70	34	189	270	..
April-June	7.6	0.9	17	159	57.7	518	28	5.3	246	11	45	46	176	249	..
July-Sept.	23.7	2.7	20	358	244.1	808	14	0	370	25	48	11	191	301	..
Oct.-Dec.	25.0	0.5	28	327	32.9	611	21	2.3	442	13	34	19	..	327	..
1926.....	16.8	0.0	..	649	65.6	733	16	3.1	771	9	85	8	..	649	..
Jan.-Mar.	22.6	0.6	..	275	97.7	710	29	..	543	17	51	17	..	275	..
April-June	16.2	..	..	282	98.0	738	..	..	..	15	..	..	..	99	282
July-Sept.	13.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..

a Including Government loans. b Excluding Treasury bills and foreign issues. c Exo. Govt. and large railway issues. d Company issues. e Gold marks. f New companies only. g Nom. value. h Issue value. i Exo. conversion. j No issues. k Thous. billions. l In shillings. m Paper marks. n Emissions 06; net withdrawals Saving Certificates 09

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Switzerland	Austria	Canada
1920-June.....	2.6	17.4	2.1	3.9	5.9	0.8	3.4	6.7	2.1	..
December.....	17.8	9.9	16.8	4.1	13.4	6.8	15.8	7.8	13.1	..
1921-June.....	16.2	6.6	25.2	3.0	8.1	20.6	27.7	12.5	13.2	..
December.....	12.7	2.6	13.2	0.6	9.1	15.6	21.5	9.6	5.3	..
1922-June.....	12.2	1.7	20.3	2.8	17.0	15.1	21.7	8.6	6.4	..
December.....	11.3	0.8	8.1	4.1	10.8	7.9	9.8	7.1	3.4	..
1923-June.....	10.7	1.7	19.6	28.2	17.3	14.0	14.1	6.2	7.2	..
December.....	9.4	1.0	5.1	10.4	7.2	4.3	7.3	8.3	5.9	..
1924-June.....	10.7	1.5	13.2	8.1	12.3	12.5	15.5	10.3	11.6	..
December.....	11.0	1.0	9.3	3.5	6.6	8.9	8.2	10.2	6.1	..
1925-June.....	12.0	0.8	9.9	4.5	7.7	13.7	8.5	7.9	5.7	..
September.....	11.4	0.7	12.7	5.8	7.1	16.4	10.0	5.1	5.1	..
October.....	10.5	2.8	31.1	19.4	16.0	23.7	19.4	8.1	7.9	..
1926-January.....	11.1	2.7	31.1	22.6	17.7	23.4	15.7	8.1	8.1	..
February.....	10.5	1.6	28.3	22.0	10.5	24.2	14.8	8.2	7.3	..
March.....	9.8	1.4	23.2	21.0	7.9	25.4	14.7	7.3	4.9	..
April.....	9.2	1.2	17.7	18.6	6.5	25.8	12.2	6.7	4.1	..
May.....	14.5	1.0	15.6	18.1	6.3	23.7	9.7	..	..	..
June.....	14.7	0.9	16.5	18.1	5.9	22.6	9.5	..	..	..
July.....	14.6	0.9	17.4	17.7	7.4	20.7	8.5	..	..	..
August.....	13.9	..	..	..	..	..	..	..	..	..
September.....	..	..	..	..	..	..	..	..	..	..

Number of Workers Covered by Last Returns.

Millions.....	11.9	0.6	0.3	3.4	0.3	0.04	0.2	0.4	0.2	..
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(a) Ex. Irish Free State since Mar. 1923. (b) Workpeople in the coal mining industry, who ceased work on account of the dispute, are not included in this figure.

BANK RATES.

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of	End of	End of	End of	End of	End of	End of	End of
June	June	June	June	June	June	June	Sept.
London.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Paris.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Berlin.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
N.Y. York.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Amsterdam.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Brussels.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Rome.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Switzerland.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Vienna.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Warsaw.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Tokyo.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Calcutta.....	5.5	5.5	5.5	5.5	5.5	5.5	5.5

* Federal Reserve. † 6.5% from October 4, 1925.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metro.	Country.	Total.
1913.....	14,191,275	855,648	1,389,481	16,436,404
1922.....	2,780,635	1,574,561	2,810,654	37,161,461
1923.....	32,270,373	1,546,565	2,810,654	36,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	35,801,264	1,678,747	2,957,578	40,437,119
1926 (Oct. 21).....	28,635,718	1,350,435	2,390,381	32,377,154
1926 (Oct. 20).....	28,153,391	1,327,969	2,263,069	31,744,429

SECURITY VALUES.

	United Kingdom.	Netherlands.	Sweden.	Switzerland.	Canada.	United States.
	"Banker's Magazine."	Official.	Official.	Official.	Official.	"Wall Street Journal."
365 representative securities.	Base.	1921=100.	1921=100.	1921=100.	1921=100.	Common Industrial Shares.
1920-June.....	108.6	12.5	114.1	108.6	146.3	124.8
July.....	109.6	12.4	114.4	108.7	150.9	133.6
August.....	110.8	12.7	116.2	109.0	161.8	139.6
September.....	110.9	12.6	116.0	109.1	161.8	139.6
October.....	110.5	12.9	116.7	110.6	171.6	144.0
November.....	110.3	13.2	116.8	110.4	171.0	153.9
December.....	108.8	13.5	116.5	112.1	175.5	144.2
1921-June.....	110.2	13.2	117.5	114.9	185.6	156.6
July.....	110.8	13.1	117.6	117.1	197.0	159.2
August.....	109.6	12.9	116.0	116.8	189.6	146.4
September.....	110.1	12.8	116.2	116.6	187.7	149.2
October.....	110.2	13.1	117.0	117.2	187.7	149.2
November.....	110.2	13.5	117.9	119.5	187.7	156.6
December.....	110.2	13.5	118.4	122.2	203.6	..
1926-January.....	110.0	13.5	118.7	..	..	..
February.....	110.0	13.5	118.7	..	..	..
March.....	110.0	13.5	118.7	..	..	..
April.....	110.0	13.5	118.7	..	..	..
May.....	110.0	13.5	118.7	..	..	..
June.....	110.0	13.5	118.7	..	..	..
July.....	110.0	13.5	118.7	..	..	..
August.....	110.0	13.5	118.7	..	..	..
September.....	110.0	13.5	118.7	..	..	..
October.....	110.0	13.5	118.7	..	..	..
November.....	110.0	13.5	118.7	..	..	..
December.....	110.0	13.5	118.7	..	..	..

(a) Fixed interest. (b) Variable dividend. (c) To all. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday, year 1924, provisional figures. (f) Shares of the most important industrial undertakings defined by the Stock Exchange as Class A. The composition of this class, therefore of this index, is not invariable. (g) Month ending 25th.

U.K. IMPORTS AND EXPORTS.

(000,000 omitted)													
		Food.		Raw Materials.		Manu- factures.		Imports of			Exports of		
		Imports	Exports	Imports	Exports	Imports.	Exports	Wheat.	Raw Cotton	Sheep's Lambs' Wool.	Cotton Piece Goods.	Iron and Steel.	Coal.
		£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.	Tons.	Tons.
Monthly average, 1913		24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.67	589	0.41	6.1
"	1920	63.9	4.2	59.2	12.1	37.8	93.3	9.1	1.6	0.73	359	0.27	2.1
"	1922	47.2	3.1	23.3	5.3	20.4	49.1	6.7	1.0	0.62	248	0.14	2.0
"	1923	39.3	3.0	24.8	8.5	19.1	47.3	8.0	1.2	0.93	349	0.28	5.3
"	1924	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.62	345	0.35	6.6
"	1925	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.64	370.4	0.32	5.1
"	1926	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.61	369.5	0.31	4.2
May,	"	36.4	3.0	24.6	3.2	19.9	39.1	5.9	1.0	0.79	304	0.27	1.4
June,	"	43.9	4.0	27.6	2.1	25.6	42.2	8.8	1.0	0.71	328	0.23	0.03
July,	"	43.5	4.6	30.8	2.3	25.6	49.2	9.0	1.0	0.52	350	0.24	0.01
August,	"	43.0	4.0	30.8	1.9	27.0	42.7	10.5	0.8	0.35	298	0.16	
September,	"	44.9	4.3	30.0	1.9	26.3	43.2	8.7	0.8	0.24	312	0.16	0.01

RAILWAY STATISTICS.

	Great Britain (g).	Austria.	Germany.	Italy.	Canada.	United States.
	Gross Receipts.	Freight Traffic (f).				
	Passengers.	Freight.	Merchandise.*	Coal, &c.	Other Minerals.	Total.
1925-June.....	6.27	8.00	4.85	13.86	5.24	24.05
July.....	8.66	9.28	5.34	17.74	5.43	28.51
August.....	8.99	7.58	4.91	12.20	4.79	22.03
September.....	6.15	8.71	5.61	14.68	5.29	26.99
October.....	5.14	9.22	5.83	16.57	5.46	27.85
November.....	3.87	8.81	5.42	16.55	5.13	27.09
December.....	4.93	8.61	5.29	18.26	4.78	28.43
1926-January.....	4.17	8.72	5.18	17.59	4.95	27.72
February.....	3.63	8.62	5.16	17.03	5.29	27.48
March.....	4.39	9.93	6.06	18.72	6.07	30.85
April.....	5.29	8.77	5.41	17.20	5.48	28.09
May.....	3.15	3.29	2.82	0.91	2.16	5.89
June.....	4.43	5.33	4.65	1.92	3.63	10.21
July.....	7.53	5.31	4.27	2.55	3.28	10.10
August.....	..	..	..	..	..	..
September.....	..	..	..	..	..	..
October.....	..	..	..	..	..	..
November.....	..	..	..	..	..	..
December.....	..	..	..	..	..	..

* Inc. live stock. (a) "Re ch.-bahn." Exo. free hauled. Until N v. 15, 1924, figures incomplete owing to the occupation of the Ruhr, which in 1922 accounted for 30% of total freight traffic. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of £50,000. (d) Short tons = kg. 907.18; mile = metres 1,609.34. (e) Including free hauled. (f) Excluding free hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34.

be obtained, and a more widespread belief in their continuance. The wool trade is anxiously awaiting the coal settlement, with fair confidence as regards the possibility of profitable business with wool at its present value. The chemical trades, however, are less active, and the effect of the recent spurt in pottery manufacture is subsiding. The boot and shoe trade are more actively employed, and retail business generally has responded to the more hopeful general outlook.

Outside this country conditions in the United States have so far shown no signs of any immediate recession in trade. Production and distribution are not in all cases fully up to last year's levels, but there is no evidence of stock accumulation or impending tightness of money. Except in Argentina, South American trade shows no appreciable improvement. Nearer home, France and Italy are experiencing the first signs of reaction, following a national deflationary policy, and in Northern Europe trade is inclined to dullness. In Germany, however, recovery from the depths of depression has made further headway. Trade is a little better in Southern China, but remains quiet in Japan.

The following notes on conditions in various trades and industries call attention to some of the most striking features:—

HOME INDUSTRIES.

Iron and Steel.—The heavy iron and steel trades have continued largely out of action in recent weeks. Interest is centred chiefly in the prospects of general resumption of operations in the near future. Many works have already made progress towards this end, but in all probability a general start will not take place before the New Year. Much depends upon the price at which fuel supplies can be obtained. A period of decided activity is indicated by the state of order books, but the presence of a number of pre-strike contracts on which little or no profit is to be expected makes for a certain caution.

Coal.—The steady return to work of miners in the inland districts has been reflected in a rise in home production to nearly two million tons a week. Imports show a less than proportionate falling off, but while chartering has proceeded much more cautiously this month, shipments will continue to arrive in fair quantities during the next two months. Many inquiries, both domestic and foreign, are being received for post-strike delivery, but very little actual business has as yet been actually concluded. On a final settlement of the dispute production may be expected to increase with very slight delay, pits throughout the country being in good order above and below ground.

Engineering.—Orders have continued to come in at a satisfactory rate, but the difficulty of obtaining material, particularly British material, has lately been somewhat accentuated, and deliveries have shown some degree of irregularity. Locomotive manufacturers are working on quiet though steady lines, although a number of important contracts recently secured from India and South America will make for more active production with the turn of the year. Agricultural machinery remains quiet, but the machine tool trade is rather better employed, and the improved outlook in the world's cotton trade as a whole has already been reflected in a somewhat better feeling in the textile machinery branch. Shipbuilding contracts have been placed in fair volume during the last few weeks, the prospect of a coal settlement having caused a certain "speeding up."

Electrical Industry.—The following index of production is copyright by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association. An explanation of the manner in which it has been computed will be found on page 888 of the *Economist* of November 28, 1925:—

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	1924.			1925.			1926.		
	Home.	Exp't.	Total.	Home.	Exp't.	Total.	Home.	Exp't.	Total.
January	96	95	96	78	102	84	75	110	84
February	100	83	95	77	102	83	74	106	82
March	107	96	104	67	105	76	80	101	85
April	106	105	106	60	95	69	83	100	87
May	108	107	108	55	87	62	83	104	88
June	105	89	101	58	86	65	82	110	89
July	102	79	96	58	119	73	80	79	80
August	92	79	88	61	119	76	84	83	84
September	89	94	90	61	121	76	87	70	83
October	83	92	85	67	125	81	89	86	88
November	91	96	92	68	124	81	..	..	..
December	80	80	80	76	117	86	..	..	..

The outlook for the home market was favourably affected last month by the placing of substantial contracts by authorities in Manchester and the Midlands. Demand for generating plant increased, numerous orders held back during the coal stoppage having matured. The industrial motors section reported a

slight accession of activity, but makers of switch-gear and transformers, though moderately busy on export account, were less favourably placed than during the previous month. German and Swiss competition has somewhat fallen off, and substantial contracts in South Africa and Australia have been secured by British manufacturers.

Motor Industry.—The majority of manufacturers are busy on orders placed at the Olympia Motor Show. Difficulties are reported as regards supplies of certain raw materials, but the position is otherwise satisfactory. The exhibition was well attended by traders and the general public, overseas traders in particular buying more largely than in previous years.

Cotton.—Our Manchester correspondent writes:—Spinners and manufacturers in Lancashire have again been harassed by the high price and scarcity of coal. Inquiry in piece goods has been of larger dimensions, and in certain quarters an increased turnover has taken place. The bulk of the demand has been for India in light fabrics, and certain Blackburn manufacturers have sold more freely than for a long time past. The Chinese market remains disabled, and trade is unimportant. In the American spinning section the Masters' Federation continues to maintain its short-time policy, the official weekly hours being 24. There has been a tendency, however, for spinners to increase output, and production recently has been nearly 65 per cent. of spindle capacity.

Woolens and Worsteds.—On the results of recent wool sales, in London and abroad, the trade is inclined to base its belief that a fair business may be done after the strike is settled. The price of tops has lately shown an advance, with more satisfactory clearances. Demand from consuming areas is rather better, though there is little change in the volume of production in spinning and manufacturing as compared with a month ago.

Boot and Shoe.—The position has taken a turn for the better, partly owing to improved coal supplies and partly to increased home demand in which recent weather conditions have played a part. The heavy section is better employed, and the Russian boot, the popularity of which has hung in the balance, appears to have again established itself in favour.

Pottery.—The improvement of recent weeks seems for the present to have reached its limit, and with the completion of arrears of home orders a slight slackening in production has taken place.

Chemical Industry.—Quiet conditions have prevailed in the chemical industry. Trade in coal tar products shows fair activity, due to a scarcity which is becoming world-wide rather than to an increased rate of business. This scarcity is reflected in a further decline in ammonium sulphate and coal tar sales.

Building Trades.—A seasonal decline in activity was recorded last month, and has since been accentuated by continued unfavourable weather. Employment in London and South-Eastern districts is slightly better than at this time last year, but elsewhere, particularly in areas most markedly affected by the coal stoppage, such as South Wales and the North-East Coast, the numbers employed are less than a year ago.

Agriculture.—Field work made good progress in most districts last month, and the lifting of root crops was greatly facilitated. The potato crop is light, but of good condition. Sugar beet has given a rather heavier yield than last year, the sugar content being as a rule good.

Retail Trade.—A large London store reports that retail business shows signs of steady improvement even in provincial centres adjoining mining areas. Recent cold weather has stimulated the demand for woollens and hosiery, but maintenance of supplies, pending a resumption in the coal trade, is becoming more difficult.

Shipping.—With much tonnage still engaged in the transport of American coal to Great Britain, homeward freights have remained for the most part firm on the high level established last month. The resumption of outward chartering from this country will be the signal for a gradual relapse in homeward rates, but it is likely to be two or three months before the tonnage is re-distributed normally.

BRITISH EMPIRE.

More favourable weather has facilitated the completion of wheat harvesting in Canada under better auspices than were expected. Australian wool is firm in tendency, chiefly as a result of European buying. Despite favourable auguries, Indian trade has been duller than was expected, with monetary conditions easy, but up-country clearances have lately been on a large scale, and the situation is expected to develop favourably. South African business was generally quiet last month, but in view of the better agricultural outlook, improvement is expected.

UNITED STATES OF AMERICA.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London, and may serve as an indication of the month:—

AMERICAN TRADE STATISTICS.—OCTOBER, 1926

	SEPT.	OCT.	Compared with Oct., '25
EMPLOYMENT† (June, 1914=100)	115.3	116.8	0.1
PRODUCTION—			
Bituminous coal (Thous. tons)	45,179..	*49,374..+	2,812
Pig-iron (" ")	3,136..	3,314..+	291
Steel (" ")	3,931..	4,093..+	204
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)	3,594..	3,684..—	425
Building permits (Thous. \$)	302,185..	*201,000..—	187,154
FOREIGN TRADE—			
Imports (Thous. \$)	343,479..	*350,000..—	24,074
Exports (" ")	448,724..	*480,000..—	10,567
TRANSPORT—			
Freight car loadings (Thous. cars)	4,552..	4,820..+	374
COMMODITY PRICES—			
Bureau of Labour (1913=100)	150.5	150.0..—	9.7
SECURITIES—			
20 industrial stocks—Highest quotations;	166.10..	159.69..+	3.17
Lowest quotations;	156.26..	145.66..+	0.89
Thous. shares sold during month —(New York)	36,904..	40,213..—	13,210
New securities issued (Thous. \$)	277,210..	244,841..—	33,255
BANK CLEARINGS—			
New York (Million \$)	21,360..	24,333..—	1,619
Other cities (" ")	18,043..	19,754..—	800
RETAIL BUSINESS—			
Total sales, mail order houses (Thous. \$)	37,907..	46,994..—	7,345

* Preliminary estimate made by Messrs. Moody, subject to revisions. † Based on reports of U.S. Labour Bureau and of Bureaux of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices.

Trade last month continued good in almost every section. The iron and steel output showed a moderate increase, car loadings continued at high levels, and indices of retail business showed a seasonal rise. An expert observer has

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8) we published a new index of electrical production in the chief industrial areas of Great Britain. We show below the results achieved up to October last:—

INDEX OF PRODUCTION OF ELECTRICITY.*
(Monthly Average 1923-24 = 100.)

Date.	Britain, Excluding London and Wales.	Coal-mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
1925.						
January	129	130	139	151	128	119
February	135	140	139	145	132	122
March	131	135	137	160	134	122
April	113	118	117	135	107	105
May	113	121	124	146	110	106
June	102	105	110	134	106	91
July	102	105	118	136	108	92
August	103	109	104	142	109	93
September	116	117	139	146	129	106
October	126	125	159	180	151	138
November	145	143	159	178	156	134
December	142	140	151	178	156	134
1926.						
January	139	138	162	184	155	135
February	141	153	161	192	150	134
March	135	136	155	161	139	131
April	119	121	128	153	127	114
May	93	88	105	145	99	90
June	100	88	119	157	114	105
July	96	84	112	149	110	101
August	105	88	132	163	127	112
September	91	88	148	149	148	131
October	125	110	148	149	148	131

* Prepared by the economic and statistical department of the British Electrical and Allied Manufacturers' Association.

The changes in the various indices reflect a movement towards the resumption of normal manufacturing conditions last month. Allowing for seasonal changes and the natural growth of the industry, the decline in October, 1926, compared with October, 1925, was about 12 per cent. for the whole country; in coal mining, iron and steel and heavy engineering, 25 per cent.; in chemicals, 18 per cent. In textiles and in marine transport a slight increase was registered last month as compared with October, 1925, reflecting a considerable recovery from the worst effects of the coal stoppage. Resumption of activity in shipbuilding has raised the index for the North-East Coast area and the West of Scotland, but the areas manufacturing steel products are still in a state of paralysis. The process of adjustment to the special conditions caused by the lack of fuel and raw materials is now coming to an end.

summed up the situation by declaring that while certain maladjustments have appeared in a situation of general prosperity, no tendency exists towards rising prices or tightening credit, and there is nothing to show that the necessary adjustments cannot be made without serious disturbance.

SOUTH AMERICA.

Further improvement has taken place in Argentine conditions. Wheat exports have increased, and the wool situation is regarded as promising. The cattle market, however, is inactive. Brazilian monetary conditions are easier, but business remains slow. Peruvian trade continues in the grip of depression, and the promise of better things recently experienced in Chile has not been borne out in recent weeks. Mexican trade remains dull. A further contraction has taken place in the production of the silver mines.

EUROPE.

The appreciation of the franc's exchange value has already tended to bring about a slackening of French production. Belgian business is hampered by increased coal scarcity, and the necessity of making adjustments on the attainment of currency stability. The German coal industry continues active. Employment has improved in most industries, wages are again showing a rising tendency, and all indications point to a steady though not rapid trade revival. Polish trade continues on the more satisfactory lines lately established, but Czechoslovakian trade conditions remain unfavourable, apart from a certain seasonal improvement in the metallurgical sections. In Austria also improvement is seasonal. Monetary stringency is becoming more marked in Italy.

FAR EAST.

Japanese trade is not progressing so well as was hoped for earlier in the year. The continued decline in raw silk prices is causing some apprehension, and producers are limiting their output. North Chinese business is dull, but signs of revival are in evidence in the Shanghai district, while in the South generally an improvement in communications has been reflected in a greater volume of business.

UNEMPLOYMENT AND THE COAL DISPUTE.

We give below a summary of the effect of the coal stoppage on unemployment in other industries, based on the weekly totals of workers registered at unemployment exchanges in Great Britain. The figures for corresponding weeks during the 1921 coal stoppage are appended to facilitate comparison:—

(000's omitted.)

	1921.		1926.				
	Date.	No. Registered.	Date.	No. Registered.	Temporarily Stopped.	"Casual" Trades.	Total.
Pre-Strike—							
* Three months preceding week ending	Jan.-Mar. 25	1,370	Feb.-April 26	802	202	52	1,076
Strike period—							
Beginning	April 1	1,817	May 3†	744	286	76	1,106
2nd week	" 8	1,948	" 10‡	884	623	69	1,576
3rd "	" 15	2,040	" 17	891	652	70	1,613
4th "	" 22	2,145	" 24	863	662	72	1,597
5th "	" 29	2,246	" 31	877	660	77	1,614
6th "	May 6	2,329	June 7	878	651	80	1,609
7th "	" 13	2,402	" 14	882	668	80	1,630
8th "	" 20	2,514	" 21	866	688	80	1,635
9th "	" 27	2,558	" 28	866	692	80	1,639
10th "	June 3	2,580	July 5	870	693	82	1,645
11th "	" 10	2,448	" 12	867	694	83	1,644
12th "	" 17	2,430	" 19	861	689	81	1,631
13th "	" 24	2,438	" 26	859	670	78	1,605
14th "	July 1	2,508	Aug. 2	861	681	78	1,619
15th "	" 8	2,500	" 9	876	642	76	1,594
16th "	" 15	2,484	" 16	884	621	76	1,581
17th "	" 22	2,484	" 23	884	598	77	1,559
18th "	" 29	2,484	" 30	887	586	77	1,550
19th "	Sept. 6	2,484	Sept. 6	892	590	78	1,560
20th "	" 13	2,484	" 13	895	579	78	1,552
21st "	" 20	2,484	" 20	893	560	78	1,531
22nd "	" 27	2,484	" 27	915	544	79	1,438
23rd "	Oct. 4	2,484	Oct. 4	917	576	79	1,573
24th "	" 11	2,484	" 11	920	537	79	1,536
25th "	" 18	2,484	" 18	925	515	81	1,520
26th "	" 25	2,484	" 25	924	510	82	1,516
27th "	Nov. 1	2,484	Nov. 1	933	547	80	1,560
28th "	" 8	2,484	" 8	939	544	78	1,563
29th "	" 15	2,484	" 15	939	533	79	1,552
Post-Strike—							
* Month succeeding	July	2,173	"	..	..	..	..
* 6 months succeeding July-Dec. 1920	July-Dec.	1,790	"	..	..	..	..

* Average figure. † General strike, May 4-11, 1926. ‡ End of 1921 stoppage.

It should be noted in connection with the above table that the figures do not include the million-odd workers originally involved in the coal dispute, or the further 1½ to 1¼ millions who ceased work during the general strike.

WAGE CENSUS.

MISCELLANEOUS TRADES.

In recent issues of this *Monthly Supplement* we have dealt with the results of the Wage Census of 1924, as regards the textile, iron and steel, engineering, shipbuilding, and metal industries. We now propose to examine the figures which have appeared in recent issues of *The Labour Gazette*, dealing with some of the smaller groups, namely: pottery, brick, glass and chemicals (covering 276,000 workers), paper and printing (233,500 workers), wood-working (174,400 workers), and clothing (486,600 persons). For considerations of space details are given in our tables only of those industries in which the Returns cover upwards of 20,000 persons. The figures are based on the results of the four weeks ended January 19th, April 12th, July 12th, and October 18th, 1924, particulars of which were collected by the Ministry of Labour.

Our first table compares the average wages of males and of females in the different branches of the various industries:—

AVERAGE NUMBERS EMPLOYED and WAGES PAID in 1924.

Industry.	Males.		Females.	
	No. of Work-people Covered.	Average Earnings in the 4 Weeks.	No. of Work-people Covered.	Average Earnings in the 4 Weeks.
Paper, Printing, &c.—				
Paper making	22,162	57 2	7,384	25 6
Manufactured stationery....	7,459	59 3	12,815	25 11
Newspaper & general printing	85,571	75 3	38,023	28 8
All paper making, &c. ...	120,963	69 11	69,473	27 4
Woodworking—				
Furniture	46,867	57 1	12,093	27 3
Mill-sawing, machine-joinery, &c.	60,877	51 0	1,814	24 5
All woodworking	144,060	53 6	18,225	26 2
Clothing—				
Tailoring (retail and bespoke) ..	6,706	55 11	8,197	28 2
Tailoring (readymade)	15,436	58 0	43,824	26 7
Dressmaking	746	52 3	30,130	28 4
Mantle and costume	2,095	65 11	11,849	29 8
Shirt, blouse, &c.	2,962	53 10	38,516	25 2
Boot and shoe (readymade)....	43,425	54 11	28,534	30 10
Laundries	10,012	48 2	53,692	26 8
All clothing	113,756	54 10	283,623	27 5
Pottery, Brick, Glass, Chemical, &c.—				
Pottery	13,852	55 6	10,601	22 3
Brick, tile, &c.	41,819	51 10	3,015	23 4
Glass	25,421	56 1	4,721	23 8
Soap, candle oil, &c.	15,504	60 5	6,451	26 1
Chemical	42,595	59 7	8,892	24 5
All pottery, brick, &c. ...	171,702	56 6	45,914	24 8

It will be seen that among males wages are much the highest in the paper and printing trades, due largely to the high wages in "newspaper and general printing," where the average wage of the 85,571 males employed amounted to 75s 3d. It would be interesting to know what proportion of this total is engaged in "newspaper printing," and what in "general printing," and it is hoped that the Ministry of Labour will make this analysis in their final report. The lowest weekly earnings shown in the table apply to "mill sawing, machine-joinery, &c.," with an average wage of 51s per week, and although the lowness of this average is partly due to short-time in the January week, the highest average is only 52s 2d for the week ending October 18th. The average wage for males in the clothing industries is 54s 10d, varying from 44s 11d for the 646 males engaged in millinery and 48s 2d for the 10,012 in laundries, to 64s 3d for the 2,349 engaged in furriery and 65s 11d for the 2,095 engaged in mantle and costume making. It is interesting to note that the wages of tailors in the ready-made branch of the industry are higher by 2s 1d than in the retail bespoke branches; the average size of the firms in the bespoke trade is under 5, compared with 33 in the ready-made trade. The average wage in the pottery, brick, glass, chemical group, is 56s 6d, and varies from 51s 10d for brick, tile, &c., making, to 60s 5d for soap,

candle, oil, and tallow making. The low level in brick and tile-making is partly due to the seasonal character of this trade, the numbers employed in the January week being nearly 7,000 less than in the July week, and the average wages in the January week 6s 6d less than in the July week.

Among females the highest wages are earned by those engaged in the ready-made boot and shoe industry (30s 10d), mantle and costume making (29s 8d), newspaper and general printing (28s 8d), and dressmaking (28s 4d). The lowest earnings occurred in the pottery, brick, &c., group, where the average wage was 24s 8d per week, and as low as 22s 3d in pottery and 23s 4d in brick, tile, &c., making. Those engaged in explosives receive on the average 28s 11d per week, while the few females in cement manufacture earn on the average 29s 6d per week.

The following table compares wages in 1906 with those in 1924. In comparing the two periods allowance must be made for changes in the proportion of the sexes employed at the two periods, and variations in the numbers of juveniles and adults. It is clear that the 1924 figures relate to a much larger sample than the 1906 figures, for all groups are more than twice as big, and the woodworking group nearly three times as big, as in the former year. How far the increase is due to an actual increase in the numbers employed and how far to a greater number of returns is another question on which the Ministry of Labour may afford enlightenment in their final report.

COMPARISON OF AVERAGE WAGES, 1906 and 1924.

Industry.	1906.		1924.	
	No. of Work-people Covered.	Average Weekly Wage.	No. of Work-people Covered.	Average Weekly Wage.
Paper, printing, &c.—				
Paper making	15,402	20 10	36,757	28 3
Manufactured stationery....	20,473	15 3	23,679	38 0
Newspaper & general printing	50,317	25 5	153,025	59 8
All paper, printing, &c. ...	108,168	21 1	233,483	53 7
Woodworking—				
Packing case, box, &c., mill sawing, machine, joinery, &c.	25,574	22 1	65,010	50 5
All woodworking	60,133	23 8	174,383	50 6
Clothing—				
Tailoring (retail and bespoke) ..	17,612	21 5	16,863	41 0
Tailoring (readymade).....	23,237	14 3	82,699	35 0
Dressmaking			33,408	29 3
Mantle and costume	45,914	12 2	18,646	35 4
Millinery			13,356	29 0
Shirt, blouse, &c.	34,440	12 0	47,675	27 3
Boot and shoe making (ready-made)	37,919	18 8	93,145	45 4
Laundries	33,631	12 3	71,704	30 1
All clothing	217,471	14 10	486,658	35 7
Pottery, brick, glass, chemical, &c.—				
Pottery	16,967	19 7	56,283	38 8
Brick, tile, &c.	24,136	22 1	51,243	49 9
Glass	10,449	24 7	32,452	50 10
Soap, candle, oil, &c.	9,642	20 7	28,569	50 5
Chemical	19,763	27 5	56,711	32 11
All pottery, brick, &c. ...	124,130	23 6	276,014	48 2

* Includes bookbinding and process blockmaking. † Average of 12 weeks in 1906. ‡ Average of the 4 weeks in 1924.

The effect of the working of the Trades Boards is very evident in the clothing group, where wages have risen on the average 141 per cent., the increase varying from 92 per cent. in bespoke tailoring to 146 per cent. in ready-made tailoring. Wages in the paper and printing trades have risen on the average by 154 per cent., from 95 per cent. in wall-paper manufacture to 172 per cent. in cardboard box manufacture; in woodworking the average increase of wages was 114 per cent., and in pottery, brick, glass, chemicals, &c., 105 per cent.

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.				
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.	
	<i>d</i>			<i>a</i>	<i>g</i>												
1913	24,336	1,903	1,189	3,404	15,842	156	748	1,135	665	1,311	1,776	43,088	..	1,918	7,269	..	
1918	19,283	1,158	..	2,188	13,376	283	..	1,133	747	1,681	2,336	51,272	..	..	8,389	..	
1921	13,822	1,813	971	3,213	9,491	327	632	890	862	1,558	2,185	38,283	206	1,792	10,253	474	
1922	21,133	1,767	826	3,596	9,929	381	1,849	882	735	1,540	2,308	36,057	259	1,579	11,434	515	
1923	23,450	1,910	969	3,978	5,185	440	3,009	1,014	901	1,589	2,199	49,706	222	1,351	9,854	571	
1924	22,646	1,947	1,197	4,916	9,902	490	2,633	755	944	1,710	2,315	43,355	231	1,709	10,363	478	
1925	20,694	1,928	1,063	5,085	11,061	571	2,423	..	983	1,682	..	44,240	255	1,566	11,649	419	
1925—November ..	20,690	1,878	1,197	5,168	11,189	628	2,549	943	1,007	1,555	2,559	46,204	260	1,807	11,940	515	
December	22,882	1,937	1,244	5,207	11,367	632	2,457	973	992	1,874	2,733	48,117	287	1,783	12,712	553	
1926—January	21,939	1,976	1,203	5,364	11,190	631	2,456	769	869	1,812	2,385	48,838	277	1,643	12,222	526	
February	21,657	1,894	1,034	5,190	10,611	592	2,142	688	927	2,101	2,215	44,143	249	1,523	11,077	414	
March	24,235	2,133	1,078	5,833	11,424	706	2,295	792	996	2,016	2,585	49,829	252	1,628	11,835	447	
April	21,923	1,984	936	5,272	10,086	665	2,182	752	956	1,805	2,458	48,813	220	1,469	10,067	358	
May	m	1,846	900	4,997	10,678	667	2,235	962	1,049	1,670	2,452	42,740	216	1,334	9,894	349	
June	m	2,101	978	5,524	11,756	724	2,661	1,177	1,065	1,625	2,431	46,202	212	1,343	11,202	381	
July	m	2,132	977	5,573	13,074	777	3,482	1,107	1,103	1,450	2,440	47,084	232	1,537	11,482	422	
August	m	2,118	1,270	5,500	12,879	759	3,680	1,048	1,072	1,346	..	49,511	222	1,509	11,421	668	
September	m	2,174	1,383	5,518	12,876	770	..	..	1,032	1,749	..	52,090	..	1,650	11,713	..	
October	m	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	

a Including lignite. c Including the production of Lorraine and Saar. d Saleable coal only. Irish Free State production omitted since 1921. e From 1919 excluding Alsace-Lorraine and from 1920 excluding Saar and Palatinat: from June, 1922, excluding Upper Silesia. f Since July, 1922, including Upper Silesia. g Excluding Rhine mines. m Coal strike. Weekly production, mid-Sept., about 500,000 tons; mid-October, about 800,000 tons; mid-November about 1½ million tons.

PIG IRON.

Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	
1913	869	207	434	102	1,609	212	61	85	2,601	649	205	396	172	1,578	101	62	88	2,564	
1918	768	73	109	..	989	106	64	90	3,260	812	151	151	124	1,248	73	53	142	3,645	
1921	222	73	280	96	654	81	26	51	1,401	314	66	259	77	833	64	19	57	1,628	
1922	415	134	427	96	783	140	22	32	2,276	494	130	373	105	976	117	29	41	2,927	
1923	630	182	442	85	411	117	24	75	3,392	719	d 130	415	83	d 525	100	25	75	3,682	
1924	620	234	638	114	651	180	43	50	k 2,634	696	238	576	119	d 820	157	45	55	3,103	
1925	588	212	706	121	848	195	35	48	k 3,082	626	201	618	131	d 1,016	174	43	62	3,741	
1925—November ..	502	169	740	125	760	200	31	70	3,072	664	156	647	130	873	174	43	74	3,966	
December	511	161	748	124	717	200	38	56	3,303	617	158	659	128	764	176	43	63	4,035	
1926—January	542	138	763	130	689	204	35	58	3,369	651	116	661	137	791	174	37	70	4,217	
February	510	202	707	118	631	185	35	51	2,970	715	167	630	124	816	170	40	54	3,863	
March	578	281	772	134	717	213	39	54	3,497	797	268	683	141	869	181	41	81	4,190	
April	548	288	767	130	668	197	40	69	3,505	671	272	667	135	901	170	46	91	4,009	
May	m 92	300	783	134	736	195	43	74	3,537	m 47	35	298	694	137	977	190	40	83	3,811
June	m 43	295	778	136	720	211	40	72	3,287	m 33	311	718	150	1,022	192	47	66	3,710	
July	m 18	307	792	140	768	211	41	68	3,275	m 34	318	704	..	1,143	184	47	46	4,069	
August	m 14	318	814	..	850	210	39	60	3,252	m 34	318	704	..	1,144	189	50	60	3,994	
September	m 13	313	785	..	880	215	39	65	3,187	m 35	312	706	..	1,144	189	50	60	3,994	
October	m 13	..	..	..	..	..	..	..	3,385	m 35	..	..	..	..	..	..	..	4,140	

c Excluding Luxemburg, including Alsace-Lorraine and Saar, from 1913 to October, 1918; for 1920-1923 figures not official. d Ingots and castings. e Corrected figures based on returns from works responsible in 1923 for 95% of total production. m Coal strike.

WHOLESALE PRICES.

Monthly Average.	U.K.		Belgium.	Czechoslovakia.	Denmark.	France.	Germany. ("Frankfurter Zeitung")	Holland.	Italy (Bacchi).	Norway.	Poland.	Russia.	Spain.	Sweden.	Switzerland.	Australia.	British India.	Canada.
	Board of Trade.	Economist.																
1913	100	100	h 100	h 100	d 100	100	h 100	100	100	100	h 100	1	100	100	h 100	100	100	100
1918		224.9					h 100	373	409.1				207			177.8	180	199
1921	157.2	181.0	366		292	178	4,217	182	577.5		57,046		190	222	191.2	174.9	181	171
1922	158.8	182.9	367	1,334	181	336.6	205,417	160	569.3		72.5	k d	9.96	176	173	167.5	168	152
1923	158.9	182.1	497	977	210	418.9	140.1	151	574.6	232	85.4	k d	1.69	172	163	180.6	178.7	176
1924	166.2	173.9	573	997	234	488.5	m 146.9	156	585.0	267	l 109.7	k d	1.72	183	162	174.6	173.3	177
1925	159.7	166.5	558	1,001	157	550.7	m 143.0	155	689.8	253	l 125.7	k d	1.83	188	161	161.6	164	160
1925—November	152.7	b 5	b 5	b 5	d 17	b 1	b 1	b 1	b 1	b 1	b 1	b 1	b 1	b 1	b 1	b 1	b 1	a
December	152.1	160.5	569	977	160	605.5	144.7	154	711.7	220	136.5	1.79	186	155	156.7	172.6	164	160
1926	January	152.1	157.9	565	966	157	639.2	144.0	155	714.8	220	154.8	1.83	187	156	155.5	168.2	163
	February	147.6	153.6	560	951	154	633.5	140.7	153	707.7	214	142.1	1.90	186	153	154.5	167.8	163
	March	144.3	151.8	556	938	145	635.6	138.7	149	703.8	211	146.1	1.94	183	152	150.8	167.8	158
	April	143.6	150.5	621	928	141	650.2	136.2	143	691.9	199	166.6	1.97	179	150	146.6	175.7	153
	May	144.9	149.6	692	926	140	687.5	136.8	143	638.1	197	181.2	1.89	179	151	145.1	175.0	150
	June	146.4	149.8	761	948	141	738.3	134.8	141	708.1	194	174.6	1.83	177	150	148.0	171.0	146
	July	148.7	159.2	876	963	143	838.4	134.4	141	724.0	192	166.6	1.82	178	148	145.5	169.4	145
	August	144.4	154.3	836	973	144	763.7	133.7	139	740.0	193	173.2	1.80	180	147	146.0	169.9	147
	September	150.9	157.7	859	972	145	787.5	134.4	140	730.9	193	177.2	1.79	178	146	144.9	165.9	145
	October	152.1	157.2			150	749.9	137.6		713.0	198					146.9		152

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugoslavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichsbank and Darlehensbank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Markat.	Drachmas.	Korona.	Dinars.	Gulden.
1913.....	29.6	..	1,067	189	..	152	113	5,714	2,593	149	..	..	313
1918.....	70.2	323.2	3,210	2,399	..	450	1,156	31,055	22,188	10,599	1,274	..	69
1921.....	107.1	325.6	174,115	6,290	3,615	12,130	471	1,156	113,639	8,523	2,161	25,175	1,069
1922.....	102.9	295.4	140,800,177	6,701	3,886	10,064	459	1,421	128,095	13,663	3,149	75,887	1,015
1923.....	105.1	292.7	713	7,460	4,139	9,599	473	1,352	39,114	800	4,681	931,337	1,012
1924.....	101.3	296.3	839	7,590	4,530	8,810	478	1,250	40,885	1,941	4,866	4,513,990	1,066
1925.....	86.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	2,960	5,395	4,116	875
1925-Oct.	86.7	291.6	853	7,653	4,074	7,919	454	1,271	46,679	2,803	5,637	4,355	940
Nov.	87.0	289.4	827	7,615	3,820	7,921	434	1,253	49,184	2,771	5,493	4,165	906
Dec.	88.5	296.8	890	7,471	3,655	8,408	438	1,309	51,085	2,960	5,395	4,116	875
1926-Jan.	85.7	287.3	823	7,462	3,660	7,245	403	1,292	50,618	2,960	5,395	4,116	875
Feb.	85.5	287.0	812	7,415	3,410	7,074	399	1,350	50,991	2,882	5,335	4,257	865
Mar.	86.5	296.3	816	7,689	3,466	7,147	411	1,386	52,127	3,160	5,718	4,271	851
Apr.	87.8	294.5	820	7,924	3,807	7,024	411	1,362	52,208	3,086	5,683	4,157	821
May	86.7	294.0	820	7,924	3,807	7,024	411	1,362	52,208	3,086	5,683	4,157	821
June	85.7	294.0	820	7,924	3,807	7,024	411	1,362	52,208	3,086	5,683	4,157	821
July	85.8	293.9	885	8,975	3,548	7,199	389	1,289	56,022	3,107	5,767	4,157	817
Aug.	85.0	291.1	858	9,237	3,627	7,161	376	1,296	55,346	3,225	5,767	4,157	846
Sept.	84.3	287.9	865	9,507	3,708	7,510	377	1,335	55,010	3,251	5,767	4,157	838
Oct.	83.3	289.4	890	1,753	..	7,543	395	1,327	54,578	3,326	5,767	4,157	824

Period.	Italy.	Norway.	Poland.	Romania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Mark p.	Zloty.	Lel.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	Yen.
1913.....	2,284	499	108	..	..	437	..	..	234	314	10.0	227	2.3
1918.....	11,750	2,124	431	..	..	2,489	..	..	814	978	58.9	530	6.3
1921.....	19,209	2,267	410	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1922.....	18,012	2,267	385	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1923.....	17,947	2,267	385	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1924.....	18,114	2,400	391	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1925.....	19,349	2,100	363	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1925-Oct.	19,480	2,100	367	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Nov.	19,201	2,100	351	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Dec.	19,350	2,100	363	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
1926-Jan.	18,651	2,100	335	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Feb.	18,198	2,100	330	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Mar.	18,295	2,100	350	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Apr.	17,898	2,100	343	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
May	17,724	2,100	335	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
June	18,343	2,100	343	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
July	18,328	2,100	340	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Aug.	18,002	2,075	334	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Sept.	18,532	1,900	328	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3
Oct.	18,842	..	328	..	..	13,722	..	..	1,009	1,009	58.9	530	6.3

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily. c Including Austro-Hungarian and other notes, converted after the War into national currency. d Gross issue, without deduction of notes held by Banking Department. e Excluding notes held on redemption account in respect of Currency Notes. Includes notes called in, but not cancelled, of May 31, 1925: Cashed Bank of Greece in 1915, and those of the Italian Bank, amalgamated in April, 1920. f Circulation in Union only. g Millions. h Rentenmarks issued by the National Bank of Germany in 1923. i One penny = 12,500 paper crowns. j In Reichsmarks. k Kronen. One schilling = 10,000 paper kronen. l Pence to Peco. m Fail due to forced loan of Jan. 24, 1926. n In belgas. o belga = 5 paper francs.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Italy.	Switzerland.	Madrid.	Amsterdam.	Stockholm.	Oso.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
Monthly Average.	Francs to £.	Francs to £.	Lire to £.	Francs to £.	Pesetas to £.	Florins to £.	Kronor to £.	Kronor to £.	Kronor to £.	Marks to £.	Krone to £.	Dollars to £.	Pence to £.
1913.....	25.22	25.22	25.22	25.22	25.22	12.107	18.159	18.159	18.159	20.43	24.02	4.86	47.68
1918.....	120.25	139.00	113.30	25.00	35.35	11.87	17.58	32.92	28.26	20.42	340.00	4.74	47.68
1921.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1922.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1923.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1924.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1925.....	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1925-Oct.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Nov.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Dec.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
1926-Jan.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Feb.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Mar.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Apr.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
May	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
June	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
July	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Aug.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Sept.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68
Oct.	63.30	73.75	94	23.20	30.90	11.29	16.14	29.60	24.40	22	296.00	4.74	47.68

1 Pence to Peco. 2 Schilling to £. 3 Lira to £. 4 Daily rates.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bulgaria.	Denmark.	Estonia.	France.	Finland.	Germany.	Greece.	Italy.	Jugoslavia.	Netherlands.	Poland.	Sweden.	Switzerland.	Egypt.	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Eesti Mark.	Francs.	Markat.	Mark.	Drachma.	Lire.	Dinars.	Gulden.	Zloty.	Kronor.	Francs.	£s.	Dollars.
1913.....	54,931	..	386,333	15,775	64,785	..	701,778	41,035	897,475	14,828	303,802	..	325,231	..	70,545	159,985	2,271	147,932
1918.....	107,100	..	849,617	243,424	129,058	373,551	1,858,416	38,944	9,815,963	143,800	1,438,885	343,508	186,695	..	102,776	200,122	4,147	245,961
1921.....	81,548	..	767,035	336,472	121,322	465,785	1,994,194	328,254	516,700	257,122	1,313,730	536,823	168,966	70,375	104,893	191,357	4,109	213,072
1922.....	74,950	..	767,035	336,472	121,322	465,785	1,994,194	328,254	516,700	257,122	1,313,730	536,823	168,966	70,375	104,893	191,357	4,109	213,072
1923.....	81,474	..	767,035	336,472	121,322	465,785	1,994,194	328,254	516,700	257,122	1,313,730	536,823	168,966	70,375	104,893	191,357	4,109	213,072
1924.....	94,789	5,632	m1,463,963	463,109	184,974	683,684	3,327,334	385,641	759,057	665,307	1,614,972	685,145	136,961	123,184	118,708	207,000	4,086	297,926
1925.....	97,371	5,134	m1,481,825	..	160,334	804,552	3,657,542	457,640	1,035,679	..	2,179,743	..	204,603	138,751	119,701	219,513	4,678	348,942
1925—Oct.	95,462	5,368	m	683,625	144,418	862,366	4,476,245	529,092	1,074,182	900,036	1,910,765	663,901	254,579	80,083	131,285	294,848	5,977	374,104
Nov.	101,155	5,145	1,482,943	521,177	144,246	848,543	4,574,119	533,931	855,451	876,638	2,030,634	663,901	196,752	84,129	148,298	339,409	5,376	377,302
Dec.	119,624	5,230	2,032,680	514,312	140,973	779,453	5,445,725	695,115	757,575	950,409	2,412,303	663,901	205,365	83,004	120,335	252,014	5,122	393,517
1926—Jan.	105,947	4,638	1,516,246	348,127	140,074	701,854	4,483,033	286,300	707,518	..	1,953,580	614,324	205,092	68,834	107,402	200,802	4,462	410,507
Feb.	83,624	5,009	1,355,327	478,765	125,200	592,944	5,244,535	271,645	661,740	..	2,219,410	614,324	197,470	68,869	99,074	200,237	4,067	389,303
Mar.	94,778	5,068	1,900,819	560,261	131,285	642,583	5,095,370	381,163	675,264	..	2,417,700	614,324	212,582	110,599	129,219	208,697	4,342	429,174
April.	73,229	5,006	1,552,798	247,733	116,666	683,677	5,020,015	469,707	723,088	..	2,414,668	616,374	193,797	118,760	131,069	182,141	4,030	386,088
May	73,229	5,687	1,605,059	542,127	119,814	836,682	4,390,408	483,055	702,760	..	2,441,286	616,374	193,797	118,760	131,069	182,141	3,528	311,988
June	86,751	5,081	2,823,163	754,031	124,238	664,171	5,180,955	511,533	791,924	..	2,639,702	616,374	212,160	123,467	114,771	200,640	3,500	355,763
July	90,841	4,813	1,612,162	546,935	98,428	831,284	5,016,083	469,356	928,959	..	2,051,429	..	205,899	120,492	119,094	220,419	3,935	337,542
Aug.	92,567	4,275	1,791,511	..	112,711	872,126	5,235,532	497,860	919,727	..	1,932,381	..	195,571	161,350	122,961	194,946	4,617	330,480
Sept.	93,642	5,040	2,311,379	..	132,338	882,674	4,629,357	536,217	823,419	..	1,763,854	..	208,057	148,407	140,462	181,891	..	343,479
Oct.	105,635	..	..	..	..	..	5,106,420	..	..	..	..	..	..	..	..	208,290	..	350,000

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	Belgium	India	Japan	United States
Monthly Average.	£	Kronen.	Koruna.	Francs.	Mark.	Lire.	Gulden.	Zloty.	Lei.	Kronor.	Francs.	Rupies.	Yen.	Dollars.	
1913.....	163	38	105	103	23	13	20	18	44	56	45	137			
1918.....	118	33	100	100	23	13	20	18	44	56	45	137			
1921.....	324	717	164	1,100	2,353	288	42	1,139	244	27	70	63	207	220	
1922.....	478	4,227	98	1,214	7,059	332	33	2,190	245	27	67	37	180	285	
1923.....	226	18,206	48	1,049	4,563	332	19	15,964	320	19	62	21	176	300	
1924.....	174	26,992	31	709	2,228	504	30	15,964	320	19	62	21	176	300	
1925.....	170	23	21	313	1,110	746	19	59	219	16	56	29	304		
1926.....	170	23	21	313	1,110	746	19	59	219	16	56	29	304		
July-Sept.	126	20,326	12	407	265	526	38	30	108	12	54	29	156	276	
Oct.-Dec.	249	19,891	36	518	223	525	11	06	430	8	53	11	167	297	
Jan.-Mar.	154	48	27	270	913	735	11	68	121	15	93	23	181	394	
April-June	214	08	21	464	511	732	22	03	265	12	70	34	269	270	
July-Sept.	76	09	17	159	577	518	29	53	266	11	48	16	176	249	
Oct.-Dec.	237	27	20	358	2441	808	14	0	370	25	48	11	191	301	
1926.....	250	05	28	327	329	611	21	23	442	13	34	19	400		
Jan.-Mar.	168	00	21	649	666	533	16	31	771	9	85	8	287	323	
April-June	120	64	27	337	2470	389	5	04	500	17	63	31	25	99	155
July-Sept.	162	13	26	337	2470	389	5	04	500	17	63	31	25	99	155
October	133	23	13	173	5451	218	00	00	707	19	127	11	277		

a Including Government loans. c Excluding Treasury Bills and foreign issues. d Exo. Govt. and large railway issues. e Company issues. f Gold marks. g New companies only. h Nom. value. i Issue value. m Exo. bonus shares. n Exo. conversions. o No issues. p Thous. billions. q In shillings. r Paper marks. s Emissions 06; net withdrawals Saving Certificates. 09

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Austria	Canada
1920-June.....	26	174	151	41	134	68	158	78	131
December.....	178	99	168	30	81	206	277	125	139
1921-June.....	162	66	253	16	166	234	332	95	151
December.....	127	26	132	06	91	156	215	96	53
1922-June.....	122	17	203	28	170	151	217	86	64
December.....	113	08	81	41	108	79	98	71	34
1923-June.....	107	10	196	282	173	140	141	62	72
December.....	94	10	132	81	123	125	103	116	
1924-June.....	119	10	93	35	66	89	82	102	61
December.....	114	07	127	58	71	164	148	81	79
1925-June.....	105	28	311	194	160	237	194	157	81
December.....	111	27	311	226	177	234	157	81	81
1926-January.....	105	16	275	220	105	242	148	81	81
February.....	98	14	214	214	79	234	148	81	81
March.....	92	12	166	186	65	258	122	73	73
April.....	*145	10	148	181	63	237	97	49	49
May.....	*146	09	170	177	69	226	95	67	41
June.....	*142	12	170	167	81	203	85	23	23
July.....	*137	12	168	152	75	203	82	25	25
August.....	*136	12	168	152	75	203	82	25	25
September.....									
October.....									

Number of Workers Covered by Last Returns.

Millions.....	11.9	0.6	0.3	3.4	0.3	0.04	0.2	0.4	0.2
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4 Ex. Irish Free State since Mar. 1923.
* Workpeople in the coal mining industry, who ceased work on account of the dispute, are not included in this figure.

SECURITY VALUES.

	United Kingdom.	Netherlands.	Sweden.	Switzerland.	Canada.	United States.
"Bankers' Magazine."	Official. 49	Official. 49	Official. 49	Official. 49	Official. 49	Official. 49
365 representative securities.	Official. 49	Official. 49	Official. 49	Official. 49	Official. 49	Official. 49
Base.	Dec. 1921 = 100.	1921-1925 = 100.	Nominal value = 100	1913 = 100.	1913 = 100.	1913 = 100.
1925-June.....	108.6	125.5	114.1	104.6	146.3	128.8
August.....	110.8	127.1	116.2	109.0	151.8	139.6
September.....	110.9	126.6	116.0	109.1	151.4	144.0
October.....	110.5	129.5	116.7	106.6	171.6	149.9
November.....	109.3	132.2	116.8	109.4	171.1	153.9
December.....	108.8	132.5	116.5	97	121.2	154.2
1926-January.....	110.2	132.6	117.5	95	134	156.6
February.....	110.8	131.6	117.6	96	136	159.2
March.....	109.6	129.2	116.0	96	134	159.2
April.....	110.1	128.7	116.2	93	139	146.4
May.....	110.2	131.0	117.0	91	141	140.5
June.....	110.2	133.6	117.9	91	145	140.2
July.....	110.0	132.8	117.5	91	149	149.2
August.....	110.2	135.4	118.4	91	149	156.6
September.....	110.0	136.5	118.7	91	146	163.2
October.....	110.2	134.5	118.2	91	146	160.1

(a) Fixed interest. (b) Variable dividend. (c) Total. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday, year 1924, provisional figure. (f) Shares of the most important industrial undertakings defined by the Stock Exchange as Class A. The composition of this class, therefore, of this index, is not invariable. (g) Month ending 25th.

U.K. IMPORTS AND EXPORTS.
(000,000 omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of		Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.
Monthly average, 1913	24.2	2.7	25.5	5.8	16.1	34.3	Cwts. 8.8	Centals. 1.8	Centals. 0.67	Sq. Yds. 589
" 1920	63.9	4.2	59.2	12.1	37.8	93.3	91	1.6	0.73	559
" 1921	47.2	3.1	23.5	5.3	26.4	49.1	67	1.0	0.63	359
" 1922	39.3	3.0	24.8	8.5	19.1	47.3	80	1.2	0.92	248
" 1923	42.5	3.7	27.1	10.9	21.4	48.3	84	1.1	0.62	345
" 1924	47.6	4.7	33.4	8.9	25.0	51.5	99	1.3	0.64	370.4
" 1925	47.6	4.6	35.4	7.0	26.7	51.4	81	1.6	0.61	369.5
June, 1926	43.9	4.0	27.6	2.1	25.6	42.2	88	1.0	0.71	328
July, "	43.5	4.6	30.8	2.3	25.6	49.2	90	1.0	0.52	360
August, "	43.0	4.0	30.8	1.9	27.0	42.7	105	0.8	0.35	298
September, "	44.9	4.3	30.0	1.9	26.3	43.2	87	0.8	0.24	312
October, "	46.9	4.5	34.8	2.6	29.0	44.9	70	1.6	0.34	308

* Yards.

RAILWAY STATISTICS.
(000,000's omitted.)

	Great Britain (g).		Austria.		Germany.		Italy.		Canada.		United States.	
	Gross Receipts.		Freight Traffic (f).		(b)		(a)		(c)		(d)	
	Passengers.	Freight.	Merchandise.*	Coal, &c.	Other Minerals.	Total.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Ton-Miles.	Ton-Miles.	Ton-Miles.
1925-June.....	6.27	8.00	4.85	13.86	5.24	24.05	1,290	1,165	1,022	4,164	35,863	35,863
July.....	3.66	9.28	5.34	17.74	5.43	28.51	1,581	1,257	1,021	4,583	37,968	37,968
August.....	8.99	7.58	4.91	12.30	4.79	22.00	1,255	1,277	1,021	4,142	41,723	41,723
September.....	6.45	8.71	5.61	14.68	5.29	25.59	1,404	1,211	1,021	4,583	37,968	37,968
October.....	5.14	9.22	5.83	16.57	5.46	27.85	1,523	1,183	1,014	7,110	41,322	41,322
November.....	3.87	8.81	5.42	16.55	5.15	27.09	1,441	1,111	1,129	8,273	44,062	44,062
December.....	4.93	8.63	5.29	18.26	4.78	28.33	1,483	1,127	1,065	8,311	40,786	40,786
1926-January.....	4.17	8.72	5.16	17.03	5.29	27.48	1,516	1,088	1,037	5,889	37,869	37,869
February.....	3.63	8.62	4.39	17.59	4.95*	27.72	1,464	1,020	1,037	5,395	37,876	37,876
March.....	5.29	8.77	5.41	17.20	5.48	28.09	1,474	1,062	1,016	4,954	35,414	35,414
April.....	3.15	3.69	2.82	0.91	2.16	5.89	437	1,062	4,372	5,180	38,772	38,772
May.....	4.43	5.33	4.65	1.92	3.63	10.21	704	1,261	5,080	4,626	36,317	36,317
June.....	7.53	5.31	4.27	2.55	3.28	10.10	701	1,261	5,080	4,626	36,317	36,317
July.....	7.53	5.31	4.27	2.55	3.28	10.10	701	1,261	5,080	4,626	36,317	36,317
August.....	7.53	5.31	4.27	2.55	3.28	10.10	701	1,261	5,080	4,626	36,317	36,317

* Inc. live stock. (a) "Reichsbahn." Exo. free-hauled. Until Nov. 15, 1924, figures incomplete owing to the occupation of the Ruhr, which in 1922 accounted for 30% of total freight traffic. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of \$500,000. (d) Short tons = kg. 907.18; mile = metres 1,609.34. (e) Including free hauled. (f) Excluding free hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34.
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The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, DECEMBER 25, 1926.

No. 43.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics," 1st 6d. Constable.

THE STATE OF TRADE AT HOME AND ABROAD.

THE return to work in the mines has occurred too close to Christmas to permit the recovery of trade in the heavy industries to get into full swing before the holidays. Production even now is not normal. There has been a certain difficulty in clearing coal from the pit head and in securing the unloading and rapid return of trucks from coal merchants. Seeing that the coal wagons of the country were distributed in a quite abnormal manner

in many districts at the beginning of the dispute, this trouble has been less than was expected. It will not be entirely overcome until prices have settled down to a new level, for until this happens buyers are keeping out of the market as long as possible. In the iron and steel industry the steel furnaces got off the mark very promptly, but the blast furnaces have been slower in lighting up, partly for technical reasons and partly because the price of coal and coke is still very high. In the circumstances it is not surprising that the composite firms controlling their own fuel supplies have got away quicker than those which have to buy in the market. A number of shipyards have more orders than they have had for some time past. In this industry, in motor engineering, and in other branches of engineering it is possible that the pace will be set by the rate at which material is forthcoming. Orders in the electrical industry show a fair increase both at home and abroad, while electricity production in the chief industrial districts rose in November, though it is still somewhat below the corresponding figure for November, 1925. But for the abnormal figure in the area in which the heavy industries are mainly situated, however, the figure would be well above that of last year.

An important feature of the month is the abandonment of short time by the cotton industry. It is clear that Lancashire could hardly hope for lower prices than those which have accompanied the present abnormal cotton crop in America. If she is ever to free herself from the expensive and disorganising system of short time she must do so now. Whether the new low level of prices will stimulate export buying to the extent required to keep Lancashire busy remains to be seen. The

wool and worsted industry has not yet experienced any definite change, but better trade in the New Year is looked for. The boot and shoe industry, on the other hand, is busy with spring orders. Retail trade is well satisfied with the Christmas demand. The pottery and chemical industries are expecting large orders in the New Year.

The unemployment figures are of less value than usual as an indicator of a change in the volume of industry, since there is the possibility of the transfer of large numbers of miners to the ordinary unemployed category, from been excluded. The foreign trade figures are also not of much importance, except to indicate our losses consequent upon the coal dispute. The figures for the eleven months of the year, however, call attention to the fact that the adverse visible trade balance at 413 millions is 72 millions larger than for the corresponding eleven months of 1925. Railway receipts are recovering, but the shipping freight boom is over. Industrial securities are steady, the market having discounted in advance the effects of the end of the dispute. Any tendency towards a psychological boom in industrials, moreover, has been damped down by the series of depressing industrial reports which have recently been issued by large concerns. The monetary statistics show next to no significant changes.

HOME TRADE STATISTICS—NOVEMBER, 1926

figure that will not involve deflation. In the Far East the political difficulties to trade remain as great as ever. In Europe the impetus given to trade by the British coal stoppage has come to an end, and France, Italy, and Belgium are all facing the consequences of stabilisation or of an appreciating currency. In Scandinavia conditions are still difficult, and it is only in Germany that the recovery from a low level of production is making substantial headway. There has been, however, a certain industrial improvement in Austria and Czechoslovakia.

The following notes on conditions in various trades and industries call attention to some of the most striking features:—

HOME INDUSTRIES.

Iron and Steel.—Events so far have largely borne out the views of those who predicted that production would not be under way until well into the New Year. Fuel supplies are coming forward fairly well but makers are inclined to hold out for further reductions. The restarting of steel furnaces has been more in evidence than the lighting of blast furnaces. Supplies of pig-iron are still extremely scarce, some producers intimating that they will have none to offer in the open market before March, 1927. Most of the blast furnaces at present blowing belong to companies possessing steel plant in addition. Most concerns have good order books, but present uncertainty as to future prices and dates of delivery is preventing much of the extensive inquiry of the moment from crystallising into definite orders. Finished steel is more readily available than a month ago, and prices have fallen. The tinplate industry is now working at about 70 per cent. of its normal capacity.

Coal.—About 730,000 workers were in employment early this month—possibly about 80 per cent. of the total expected to be employable in the near future—and production reached a level of 3½ million tons a week, or some two-thirds of the production in the last week before the stoppage. Exports have been resumed, but are in many cases in fulfilment of old contracts at prices which show very little profit. Imports of foreign coal ordered before the end of the strike are coming in in greatly reduced quantities, and will in a few weeks be negligible. British prices have not yet attained stability. Although large reductions have been made, the expectation of further concessions militates against the placing of long-period orders. A shortage of wagons has caused difficulty, particularly in Yorkshire, but this should be of a temporary character.

Engineering.—Many firms have an accumulation of orders, but are waiting until better supplies of material become available in the New Year before increasing their activity. The end of the strike has also encouraged the placing of numerous contracts, generally of fair size. Mining engineering firms have been busy carrying out adjustments necessary after the seven months' stoppage. The locomotive and carriage trades are fairly busy on orders secured some time ago, but textile engineering is quiet. The machine tool trade reports slightly improved conditions with a prospect of increased activity in the New Year. Shipbuilding contracts have been forthcoming in decidedly encouraging fashion during the last few weeks, particularly for oil-carrying tonnage.

Electrical Industry.—The following index of production is copyright by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association. An explanation of the manner in which it has been computed will be found on page 888 of the *Economist* of November 28, 1925:—

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	1924.			1925.			1926.		
	Home.	Exp't	Total.	Home.	Exp't	Total.	Home.	Exp't	Total.
January	96	95	96	78	102	84	75	110	84
February	100	83	95	77	102	83	74	106	82
March	107	96	104	67	105	76	80	101	85
April	106	105	106	60	95	69	83	100	87
May	108	107	108	55	87	62	83	104	88
June	105	89	101	58	86	65	82	110	89
July	102	79	95	58	119	73	80	79	80
August	92	78	85	61	119	76	83	84	84
September	83	94	90	61	121	76	87	70	83
October	83	92	85	67	125	81	89	86	88
November	91	96	92	68	124	81	93	103	95
December	80	80	80	76	117	86	..	..	..

Several important orders on home and export account matured last month, but there is a tendency for inquiries to slacken on home account as a result of seasonal factors. The demand for small apparatus, meters, heating and cooking and other domestic appliances continues, while there are prospects of greater activity in the industrial motor and switchgear sections. India, South America, and the East have been the source of orders for traction material, complete power plant equipment and switchgear.

Motor Industry.—A feature of the last few weeks has been the volume of foreign orders, but shortage of materials is tending to hold back the industry. Although some of the larger works have recently secured fair supplies, many firms have

been unable to proceed with the mass production of new models exhibited at the last Olympia Show.

Cotton.—Our Manchester correspondent writes:—Trade has shown no great expansion during the last month, the majority of buyers still being inclined to act with caution. The latest American crop statistics have not brought about any distinct change in values, but have probably played an important part in the decision of the master spinners to abandon organised short time. A fair scattered business has been done in piece goods for India. Political news from China has been a little more hopeful, but trade still lags. Home trade buying has been restricted. In American yarn quotations there has been increased irregularity, and, owing to the poor demand, spinners are experiencing some difficulty in clearing their production. **Woolens and Worsteds.**—The end of the strike has induced a hopeful tone, which has not yet, unfortunately, taken any material shape. Raw wool prices are expected to be well maintained in the New Year, manufacturers having no large stocks on hand. Some improvement has been recorded in the demand for tops and yarns, but not very large quantities are moving. The makers of the better-class worsteds are more active than a month ago, but the piece goods end of the industry is still working on very restricted lines.

Boots and Shoes.—A welcome influx of spring orders has made for fuller employment in this industry, and the outlook is encouraging. Orders for the Russian boot have synchronised with the revival of colder weather, while arrears of the last seven months on the heavy side are beginning to be made up. **Pottery.**—The pottery industry is quiet, and is not expected to resume full activity until the New Year. The sections best employed are those with a large export business and makers of sanitary ware.

Chemical Industry.—Although business is generally limited to near requirements, extensive long-dated contracts are expected after the holidays. Stocks in most cases are moderate. **Building Trades.**—Activity showed a seasonal decline last month, accentuated by abnormally wet weather and a shortage of materials in some districts. Employment remains below last year's level, particularly in Wales and the North-East.

Agriculture.—Agricultural activity was greatly impeded last month owing to the heavy rainfall. The lifting of potatoes was, however, completed, the crop, though small, being generally in a clean and dry condition. Corn crops sown early have germinated well, but the condition of the later sowings is less satisfactory.

Shipping.—Since the end of the coal stoppage a fair amount of tonnage has been fixed for the coal export trade, frequently at rates above those of April last, but with a declining tendency later. Apart from heavy charterings of homeward grain tonnage from the Plate, freights have shown considerable irregularity, available tonnage being again in excess of requirements on many routes.

UNITED STATES OF AMERICA.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London, and may serve as an indication of the main features in the business situation as it existed last month:—

AMERICAN TRADE STATISTICS.—NOVEMBER, 1926.

EMPLOYMENT†—(June, 1914=100) Oct. 115.9 Nov. 116.1
PRODUCTION— Compared with Nov. '25.
Bituminous coal (Thous. tons) .. 50,947 .. 54,602 .. + 5,188
Pig-iron (" ") .. 3,334 .. 3,237 .. + 213
Steel (" ") .. 4,093 .. 3,722 .. + 241

Unfilled orders, U.S.
Steel Corporation (Thous. tons) .. 3,684 .. 8,807 .. + 775
Building permits (Thous. \$) .. 366,739 .. 379,000 .. + 49,235

FOREIGN TRADE—
Imports (Thous. \$) .. 378,350 .. 375,000 .. + 1,462
Exports (") .. 455,955 .. 460,000 .. + 12,986

TRANSPORT—
Freight car loadings (Thous. cars) .. 4,820 .. 4,429 .. + 202

COMMODITY PRICES—
Bureau of Labour (1913=100) .. 149.7 .. 148.7 .. - 9.0

SECURITIES—
20 industrial stocks—Highest quotations .. 159.69 .. 157.37 .. - 2.02
Lowest quotations .. 145.66 .. 150.51 .. + 2.33

Thous. shares sold during month
—(New York) .. 40,213 .. 31,183 .. - 17,798
New securities issued (Thous. \$) .. 244,841 .. 271,579 .. + 20,198

BANK CLEARINGS—
New York (Million \$) .. 24,333 .. 22,252 .. - 1,225
Other cities (") .. 19,754 .. 18,236 .. - 362

RETAIL BUSINESS—
Total sales, mail order houses (Thous. \$) .. 46,994 .. 47,868 .. + 3,250

† Preliminary estimates made by Messrs Moody, subject to revision.
† Based on reports of U.S. Labour Bureau and of Bureau of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices.

Moderate optimism still obtains, but signs of increasing irregularity have recently appeared. The volume of business is still very large, but comparisons with this time a year ago are no longer uniformly favourable. Steel production declined last month to about 75 per cent. of capacity, as against about 87 per cent. in October. Curtailment of automobile production continues, and the falling off in building operations has become more pronounced. Railway freight figures, on the other hand, have made new records, and labour is well employed throughout the country. Distributive and retail business is naturally most in the limelight at this time of the year, and here no large falling off is evident. The consensus of opinion is that while no fresh "records" are in prospect, a continuance of easy monetary conditions, high individual and collective purchasing power and improved conditions abroad should ensure sound conditions for some time.

BRITISH EMPIRE.

Canadian business is satisfactory, many branches of industry and trade being busy on Christmas orders. Indian monetary conditions remain abnormally easy, and little difficulty is expected in financing a low-priced and slow-moving cotton crop, a moderate jute crop, and a satisfactory Burma rice crop. The tendency of cotton cultivators to hold back this year's crop for higher prices has made for slow business conditions. Australian trade holds up well, and with steady wool prices and a heavy wheat crop the New Year opens propitiously. South African business is dull, though retail trade has improved seasonally with the approach of Christmas.

SOUTH AMERICA.

The decline in freight rates on the settlement of the British coal strike has improved cereal export prospects in Argentina, where trade during the past month has shown slow but consistent improvement. The decision to stabilise Brazilian currency and bring to an end the period of monetary deflation is expected to result in a betterment in the volume of general

business next year. Chilean conditions are quiet, and Mexican business is hampered by unsatisfactory prevailing conditions, but a slight improvement is reported from Peru.

EUROPE.

The continued rise in the French franc's exchange value, accompanied and evidenced by falling wholesale and rising retail prices, has put an end to all expansion in most branches of French industry. Home demand in iron and steel is limited, buyers holding off in the hope of further price reductions. The export trade is most active, but shipments are mainly against contracts made some weeks ago. Similar hand-to-mouth buying obtains in the wool and silk textile trades. Belgian trade has not come up to expectations. German trade has made further headway, coal and iron production having steadily increased, while textiles and chemicals have made a further gain. The unemployment figures, however, show a slight increase. Business in Denmark and Norway is still restricted and unsatisfactory, but the Swedish lumber situation is more promising than for some time past. Polish trade has maintained more or less the level of a month ago, but the dearth of money and uncertainty regarding the Government's financial intentions are limiting factors. Depression is less severe in Czechoslovakia, though some industries are short of fuel. Demand in Austria for textiles and metallurgical products has improved, but money remains tight. Italian business is limited by conditions of active deflation. The cotton and wool industries are quiet, but the silk trade shows a slight seasonal improvement.

FAR EAST.

The obstacles to Chinese trade brought about by political conditions have increased rather than diminished of recent weeks, but over the country as a whole, both North and South, the volume of trade has shown much of its accustomed tenacity. Japanese business shows no revival, the cotton industry being depressed, while the silk trade has found the results of the Government's recent efforts disappointing.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8) we published a new index of electrical production in the chief industrial areas of Great Britain. We show below the results achieved up to October last:—

INDEX OF PRODUCTION OF ELECTRICITY.*

(Monthly Average 1923-24 = 100.)

Date.	Britain Excluding London and Wales.	Coal mining, Iron and steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, &c.	Textiles, Cotton and Wool.
January 1925.	129	130	139	151	128	119
February	135	140	139	145	132	122
March	131	135	137	160	134	122
April	113	118	117	135	107	105
May	112	121	124	146	110	106
June	102	105	110	134	106	91
July	103	109	118	135	108	93
August	116	117	129	146	123	106
September	126	125	139	157	135	110
October	145	143	159	180	151	138
November	142	140	151	178	156	134
December 1926.	139	138	162	184	155	135
January	141	153	161	192	150	134
February	135	136	155	161	139	131
March	119	121	128	153	127	114
April	85	88	103	145	99	90
May	100	88	119	157	114	105
June	91	77	125	147	110	97
July	96	84	112	149	110	101
August	105	88	132	165	127	112
September	125	110	148	149	148	131
October	136	119	159	167	161	145

* Prepared by the economic and statistical department of the British Electrical and Allied Manufacturers' Association.

The movement towards resumption of manufacturing activity, which was illustrated in the various indices for October, continued throughout November on a less marked scale. Comparison with November, 1925, would be misleading owing to the very rapid improvement in industrial conditions which took place in that month, but it is still fairly correct to state that subnormal conditions generally obtained in November, 1926. Textiles showed a rapid increase, however, and have more than recovered the loss on previous months, the index being now definitely higher than in 1925; marine transport is still active, with a tendency towards less prosperous conditions in the North-West; chemicals remain slightly depressed; general engineering maintains its rate of demand for electricity, while improvement, due to the higher output of coal and the resumption of work in blast-furnace plant, has characterised the North-East Coast and the West of Scotland. Sheffield, however, remains inactive. With the exception of the index for coal-mining, iron and steel, &c., all the indices came even closer together in November than in October, a fairly sure indication of reviving trade over the entire country.

UNEMPLOYMENT AND THE COAL DISPUTE.

We give below a summary of the effect of the coal stoppage on unemployment in other industries, based on the weekly totals of workers registered at unemployment exchanges in Great Britain. The figures for corresponding weeks during the 1921 coal stoppage are appended to facilitate comparison:—

(000's omitted.)

	1921.		1926.					Corresponding Week of 1925. Total.
	Date.	No. Registered.	Date.	No. Registered.			Total.	
				Wholly Un- employed.	Temp- orarily Stopped.	"Casual" Trades.		
Pre-Strike—								
* Three months pre- ceding	Jan.-Mar.	1,370	Feb.-April	802	202	52	1,076	1,215
Week preceding ..	Mar. 25	1,698	April 26	736	173	73	982	1,187
Strike ended—								
Beginning	April 1	1,817	May 3	744	286	76	1,108	1,180
2nd week	" 8	1,948	" 10	884	623	69	1,576	1,184
3rd	" 15	2,040	" 17	891	652	70	1,613	1,185
4th	" 22	2,145	" 24	863	662	72	1,597	1,186
5th	" 29	2,246	" 31	877	660	77	1,614	1,247
6th	May 6	2,329	June 7	878	651	80	1,609	1,291
7th	" 13	2,402	" 14	882	668	80	1,630	1,280
8th	" 20	2,514	" 21	866	680	80	1,635	1,290
9th	" 27	2,558	" 28	866	692	80	1,639	1,304
10th	June 3	2,580	July 5	870	693	82	1,645	1,300
11th	" 10	2,448	" 12	867	694	83	1,644	1,348
12th	" 17	2,430	" 19	861	689	81	1,631	1,292
13th	" 24	2,438	" 26	859	670	78	1,605	1,198
14th	July 1	2,508	Aug. 2	861	681	78	1,619	1,260
15th	" ..	" ..	" 9	876	642	76	1,594	1,269
16th	" ..	" ..	" 16	884	621	76	1,581	1,298
17th	" ..	" ..	" 23	884	598	77	1,559	1,344
18th	" ..	" ..	" 30	887	586	77	1,550	1,345
19th	" ..	" ..	Sept. 6	892	590	78	1,560	1,388
20th	" ..	" ..	" 13	895	579	78	1,552	1,396
21st	" ..	" ..	" 20	893	560	78	1,551	1,312
22nd	" ..	" ..	" 27	915	544	79	1,478	1,396
23rd	" ..	" ..	Oct. 4	917	576	79	1,573	1,298
24th	" ..	" ..	" 11	921	537	79	1,536	1,299
25th	" ..	" ..	" 18	925	515	81	1,520	1,298
26th	" ..	" ..	" 25	924	510	82	1,516	1,292
27th	" ..	" ..	Nov. 1	933	547	80	1,559	1,298
28th	" ..	" ..	" 8	939	54	78	1,553	1,198
29th	" ..	" ..	" 15	939	533	79	1,552	1,196
30th	" ..	" ..	" 22	939	46	80	1,515	1,175
31st	" ..	" ..	" 29	950	466	80	1,496	1,165
Post Strike—								
* Month succeeding ..	July	2,173	" ..	" ..	" ..	" ..	" ..	" ..
* 6 months succeeding ..	July-Dec.	1,790	" ..	" ..	" ..	" ..	" ..	" ..

* Average figure. † General strike, May 4-11, 1926. ‡ End of 1921 stoppage.

§ Work resumed in most districts. Total unemployed, Dec. 6, 1926, 1,506,320; Dec. 13, 1926, 1,410,700.

It should be noted in connection with the above table that the figures do not include the million-odd workers originally involved in the coal dispute.

WORLD CROPS IN 1926.

TAKEN as a whole, the world's crops have made a satisfactory showing this year. In a few cases, notably maize and potatoes, yields have fallen below the average, but against them must be set plentiful harvests of wheat and rice, the staple foodstuffs of the human race, and a cotton crop which has surpassed even last year's high figures. The returns are based in numerous instances on estimates of a provisional character, and are subject to modification in the light of the results of those countries for which, as yet, no figures are available. The necessary adjustments will probably, however, be insufficient to upset the general conclusions drawn in the following paragraphs, which are based on data given in the last Bulletin of the International Institute of Agriculture.*

The following table shows the acreage and yield of the world's main cereals in 1925 and 1926, as compared with those of the quinquennium 1920-1924:—

ACREAGE and YIELD of CEREALS.
(000's omitted.)

Crop.	No. of Countries.	Area (Acres).			Production (Centals of 100 lbs.)		
		Average 1920-1924.	1925.	1926.	Average 1920-1924.	1925.	1926.
Wheat	35	195,251	195,296	202,290	1,718,037	1,823,54	1,855,220
Rye	23	41,217	44,330	43,215	446,008	550,164	470,659
Barley	33	45,805	49,501	49,462	477,485	560,695	530,922
Oats	29	9,335	102,397	102,170	1,050,940	1,175,484	1,106,061
Maize	14	124,231	124,713	127,170	1,850,545	1,897,587	1,808,122

Interest in Europe and America is chiefly centred on the results as regards wheat, the "noble cereal." Broadly speaking, the average yield in the 35 countries included above showed no considerable change as compared with the previous year, the increase in total production being accountable to the putting under cultivation of a somewhat larger acreage than in 1925. The return per acre, however, remains well above the 1920-24 average. Results have, as usual, varied considerably from country to country. Canada, with a slightly larger acreage than last year, has harvested a somewhat smaller crop, of possibly lower average grade than that of 1925, but of very satisfactory dimensions nevertheless. Spring-sown wheat has given disappointing results in the United States, but the more important winter crop, which is nearly 60 per cent. larger than in 1925, has more than counterbalanced this factor. India's harvest is slightly less than last year's, as a result, mainly, of a drop in acreage. European yields, while generally above the average, fall appreciably short of the "bumper" results of 1925. The French estimates show a drop of nearly 25 per cent., the Italian of 8 per cent., the German of 5 per cent., the English of 2½ per cent. Of the Danubian States, Hungary is down by 3 per cent., but Roumania, with a larger acreage, has increased her production by 6 per cent. No Russian figures are available, but that country is expected to figure amongst wheat exporters during the present season. The present Australian crop approaches "record" dimensions, and Argentine prospects are good, though no figures for that country are included in the table above. The International Institute estimates the world's exportable wheat supplies for 1926-27 at about 530 million centals, and the probable requirements of importing countries at 450-460 million centals, so that a fairly large carry-over may be expected at the end of the season.

The acreage and yield of the minor cereals—rye, barley, and oats—all show a certain falling off this year, though the figures in every instance are above those of the 1920-24 quinquennium. The disappointing nature of the maize figures is due to a 7 per cent. drop in the production of the United States, which normally accounts about two-thirds of the world's total out-turn.

The next table is concerned with a second group of crops destined, in one form or another, for human consumption:—

* International Crop Report and Agricultural Statistics. Compiled by the Bureau of Statistics, International Institute of Agriculture, Rome, November, 1926.

PRODUCTION of RICE, POTATOES, TOBACCO, &c.
(000's omitted.)

Crop.	No. of Countries.	Area (Acres).			Production (Centals of 100 lbs.)		
		Average 1920-1924.	1925.	1926.	Average 1920-1924.	1925.	1926.
Rice	7	24,138	24,477	24,719	458,715	469,024	498,380
Potatoes	23	22,487	22,079	22,126	2,173,208	2,446,713	2,042,157
Sugar-beet	16	3,378	3,847	3,927	696,328	897,232	739,504
Tobacco	8	2,003	2,089	1,946	16,253	17,151	16,310
Hops	4	72	75	76	769	894	896

The data as regards rice are too incomplete to be of great practical service, since they do not include any figures from India or China, the world's largest rice-growing areas. A small decline has been recorded in the Indian acreage this year, but yields should be fairly satisfactory. Japanese production is approximately equal to last year's and about 2 per cent. above the 1920-24 average, while the Javan crop is much the best of recent years. The potato crop must be counted a comparative failure this year, the abnormal summer rainfall in Europe (where about five-sixths of the world's tuber cultivation is carried on), and the subsequent drought having proved most detrimental to development. The sugar-beet figures cover about two-thirds of the world's harvests, and are less satisfactory than in 1925. The decreased tobacco yield is due largely to a decline in the area under cultivation, and will probably have as little effect on the price paid by the consumer as had the increased yields of earlier years. Hops are chiefly of European cultivation, and the figures may be modified when estimates for Germany, France, and Poland are available. So far, a fall of 6½ per cent. in England and 11 per cent. in Belgium has been set off by a 20 per cent. increase in Czechoslovakia, where improvement has in the last few years been very rapid.

The most interesting figures in our last table are those relating to the world's cotton:—

PRODUCTION of COTTON, &c.
(000's omitted.)

Crop.	No. of Countries.	Area (Acres).			Production (Centals of 100 lbs.)		
		Average 1920-1924.	1925.	1926.	Average 1920-1924.	1925.	1926.
Cotton	6	38,330	50,167	51,322	59,904	88,906	96,807
Flax and linseed	13	6,417	8,580	7,906	24,200	31,607	26,062
Silk	5	6,657	7,234	7,248	1650,270	1822,571	1815,639

* Quantities of eggs prepared for incubation, thousand ounces.
† Yield of cocoons, thousand pounds.

Although the statistics of cotton acreage and production are based on returns from six countries only, they include all producers of the first rank except India (whose cotton acreage is slightly less this year than last, but well above the average for 1920-24) and the South American States. The American figures, which are the highest in the history of that country, are the more remarkable in that they follow two seasons of more than average crops. Since 1921, when the yield per acre had fallen much below its pre-war level, owing to decreased use of fertilisers and to other conditions, a marked recovery has taken place. Prices having fallen during the last month or two to a level below that of 1913, efforts are being made to secure a considerable reduction in acreage next year, but that the "bumper" nature of the 1926 results is due, in part, to other factors is shown by the fact that while acreage this year was some 33 per cent. greater than the average for 1920-24, the crop was actually about 65 per cent. greater. The Egyptian figures were appreciably less this year than in 1925, but prices have, nevertheless, declined in sympathy with those of the American product.

The silk figures include about 90 per cent. of the ascertained world's production, apart from that of China, for which no trustworthy data are in existence. Italy has had a fairly satisfactory out-turn, despite the unfavourable season, but in many Asiatic countries the effect of excellent spring hatchings has been negated by a serious falling off in summer and autumn hatchings. Such figures as are available show a cocoon production about 25 per cent. greater than during the earlier post-war years, and nearly twice as high as in the quinquennium 1909-1913.

PRODUCTION. (Thousands of Metric Tons.)

COAL.											LIGNITE.					
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.
	<i>d</i>			<i>a</i>	<i>g</i>										<i>g</i>	
1913	24,336	1,903	1,189	3,404	15,812	156	748	1,135	665	1,311	1,776	43,088	..	1,918	7,269	..
1918	19,283	1,158	..	2,188	13,376	283	..	1,133	747	1,681	2,336	51,272	..	..	8,359	..
1921	13,822	1,813	971	3,213	9,491	327	632	890	862	1,558	2,185	38,233	206	1,792	10,253	474
1922	11,135	1,767	826	3,596	9,959	381	1,849	882	735	1,540	2,308	36,057	259	1,579	11,434	515
1923	23,450	1,910	969	3,978	5,185	440	3,009	1,014	901	1,589	2,199	49,705	222	1,351	9,854	571
1924	22,646	1,947	1,197	4,916	9,902	490	2,693	755	944	1,710	2,315	43,355	231	1,709	10,363	478
1925	20,694	1,928	1,063	5,085	11,061	571	2,423	..	983	1,682	..	44,240	255	1,566	11,649	419
1925-December ..	22,882	1,937	1,244	5,207	11,367	632	2,457	973	992	1,874	2,733	48,117	287	1,783	12,712	553
1926-January	21,939	1,976	1,203	5,364	11,190	631	2,455	769	869	1,812	2,385	48,833	277	1,643	12,222	596
February	21,657	1,894	1,034	5,190	10,611	692	2,142	698	927	2,101	2,215	44,143	249	1,523	11,077	414
March	24,235	2,133	1,078	5,833	11,424	706	2,295	792	996	2,016	2,585	49,829	252	1,628	11,835	447
April	21,923	1,984	936	5,272	10,086	665	2,182	752	956	1,805	2,458	45,813	220	1,469	10,967	358
May	<i>m</i>	1,846	900	4,597	10,678	667	2,235	902	1,049	1,670	2,452	42,740	216	1,334	9,894	349
June	<i>m</i>	2,101	978	5,524	11,756	724	2,651	1,177	1,065	1,623	2,431	46,202	212	1,343	11,202	381
July	<i>m</i>	2,132	977	5,573	13,074	777	3,482	1,107	1,103	1,450	2,440	47,094	232	1,337	11,482	422
August	<i>m</i>	2,118	1,270	5,500	12,879	753	3,648	1,051	1,072	1,345	2,108	49,511	222	1,309	11,421	447
September	<i>m</i>	2,174	1,383	5,518	12,876	770	3,781	..	1,092	1,780	..	52,090	213	1,630	11,713	550
October	<i>m</i>	2,274	1,521	4,569	13,517	..	..	..	..	1,651	..	57,343	256	1,568	13,223	..
November	7-7	..	..	..	..	..	..	..	..	..	..	60,600	..	..	..	..

a Including lignite. c Including the production of Lorraine and Saar. d Saleable coal only. Irish Free State production omitted since 1921. g From 1913 excluding Alsace-Lorraine and from 1920 excluding Saar and Palatinat: from June 1922, excluding Upper Silesia. h Since July, 1922, including Upper Silesia. i Excluding Rhine mines. m Coal strike. Weekly production, mid-Sept., about 500,000 tons; mid-October, about 800,000 tons; mid-November about 1½ million tons.

PIG IRON.

Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.
1913	869	207	434	102	c 1,609	212	61	85	2,601	d 649	205	396	172	c 1,578	d 101	d 62	d 88	2,564
1918	768	..	109	..	963	106	64	90	3,260	812	1	151	..	1,248	73	53	142	3,645
1921	222	73	280	96	654	81	26	51	1,461	314	66	259	77	833	64	19	57	1,628
1922	415	134	427	96	783	140	22	32	2,276	494	130	373	105	976	117	29	41	2,927
1923	632	182	442	86	411	117	24	75	k 3,399	719	d 190	415	83	d 525	100	25	75	3,682
1924	620	234	638	114	651	180	43	50	k 2,634	696	238	576	119	d 820	157	45	56	3,103
1925	528	212	706	121	848	135	35	48	k 3,082	626	201	618	131	d 1,016	174	43	62	3,741
1925-December ..	511	161	748	124	717	200	38	56	3,303	617	158	659	128	d 764	176	43	63	4,035
1926-January ..	542	158	763	130	689	204	35	58	3,369	651	116	661	137	791	174	37	70	4,217
February	510	202	707	118	631	185	35	51	2,970	715	167	630	124	816	170	40	54	3,863
March	578	281	772	134	717	213	39	54	3,497	797	261	726	153	950	196	44	60	4,560
April	548	288	767	130	668	197	40	69	3,505	671	268	683	141	869	181	41	81	4,190
May	m 32	300	783	134	736	195	43	74	3,537	m 47	272	694	137	977	190	46	91	4,009
June	m 43	295	778	136	720	211	40	72	3,287	m 35	238	694	137	977	190	40	83	3,811
July	m 18	307	792	140	768	211	41	68	3,275	m 33	311	718	150	1,022	192	47	66	3,710
August	m 14	318	814	139	850	210	39	60	3,252	m 34	318	704	146	1,143	184	47	46	4,069
September	m 13	313	785	137	880	215	39	65	3,212	m 98	312	706	151	1,144	189	50	60	3,994
October	m 15	315	816	..	935	223	..	..	3,288	m 95	322	742	..	1,174	195	..	65	3,800
November	m 13	..	..	..	..	..	..	..	..	m 99	..	..	..	..	..	..	..	..
1925-October 1918: for 1920-1923 figures not official. d Ingots and castings. * Corrected																		

c Excluding Luxemburg, including Alsace-Lorraine and Saar, from 1913 to October, 1918; for 1920-1923 figures not official. d Ingot and castings. k Corrected figures based on returns from works responsible in 1923 for 95% of total production. m Coal strike.

WHOLESALE PRICES.

Monthly Average.	U.K.		Belgium.	Czechoslovakia.	Denmark.	France.	Germany. ("Frankfurter Zeitung")	Holland.	Italy (Bach).	Norway.	Poland.	Russia.	Spain.	Sweden.	Switzer- land.	Australia.	British India.	Canada.
	Bo'd of Trade.	Econo- mist.																
1913	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1918	224.9	224.9	..	..	292	339.2	..	373	479.1	..	57,046	..	207	190	222	191.2	177.8	130
1921	197.2	181.0	366	..	178	345.0	4,217	182	577.5	..	72.5	..	176	173	167.5	161.6	180	152.0
1922	158.8	159.5	367	1,334	181	336.6	206,417	160	562.3	..	85.4	..	169	172	163	180.6	178.7	176
1923	158.9	161.9	497	977	210	418.9	71.1	151	585.0	232	109.7	..	162	162	174.9	174.9	177.1	153.0
1924	166.2	173.9	573	997	234	488.9	..	156	585.0	267	125.7	..	161	161.6	..	..	164	160.1
1925	159.7	166.5	578	1,001	197	550.7	..	143.0	689.8	253	..	..	183	188	161	161.6	..	..
1925—December ..	152.1	157.9	565	966	157	632.4	143.0	155	714.8	220	154.8	..	183	187	156	155.5	168.2	163
1926—January	150.1	155.6	560	950	151	615.5	140.7	153	707.7	214	142.1	..	190	186	153	154.5	167.8	163
February	147.6	153.7	556	938	145	635.6	138.7	149	703.8	211	146.1	..	194	183	152	150.8	167.8	162
March	144.3	151.8	583	923	141	631.8	137.5	145	693.4	205	145.7	..	196	183	149	148.4	170.6	155
April	143.6	150.5	621	928	141	650.2	136.8	143	691.9	197	166.6	..	197	179	150	146.6	175.7	153
May	144.9	149.6	632	926	140	687.5	136.2	143	698.1	197	181.2	..	189	179	151	145.1	175.0	150
June	146.4	149.8	761	948	141	738.3	134.8	144	708.1	194	174.6	..	183	177	150	145.0	171.0	150
July	148.7	150.2	876	963	143	838.2	137.7	143	691.9	192	166.6	..	182	178	148	145.5	169.4	146
August	149.1	154.3	836	974	141	768.7	135.7	139	740.0	193	173.2	..	160	180	147	146.3	169.9	147
September	150.9	157.7	839	972	145	787.3	134.4	140	730.9	193	177.2	..	179	178	146	145.3	165.9	146
October	152.1	157.3	856	978	150	751.0	137.6	143	712.2	198	177.2	..	178	..	148	146.9	..	144
November	152.4	155.3	855	..	145	675.1	137.8	..	709.4	199	..	..	..	..	148.3	..	..	..

Source: New figures compiled by Central Statistical Bureau middle of each month. d Beginning of the following month. e Beginning of the following month. f Beginning of the following month. g Beginning of the following month. h Beginning of the following month. i Beginning of the following month. j Beginning of the following month. k Beginning of the following month. l Beginning of the following month. m Beginning of the following month. n Beginning of the following month. o Beginning of the following month. p Beginning of the following month. q Beginning of the following month. r Beginning of the following month. s Beginning of the following month. t Beginning of the following month. u Beginning of the following month. v Beginning of the following month. w Beginning of the following month. x Beginning of the following month. y Beginning of the following month. z Beginning of the following month. aa Beginning of the following month. ab Beginning of the following month. ac Beginning of 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FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czecho-slovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugo-Slavia.	Netherlands.
End of	Bank of England Notes.	Currency Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	Reichs- und Darlehensbanknotes.	Bank Notes.	Bank Notes.	Bank Notes.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marks.	Drachmas.	Korona.	Dinars.
	£	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Marks.	Drachmas.	Korona.	Dinars.
1913.....	296	..	..	1,067	189	..	152	113	5,714	2,533	149	..	..
1918.....	702	323.2	..	3,210	2,299	12,130	471	1,356	31,055	22,168	10,599	1,274	..
1921.....	1071	325.6	174,115	6,290	3,615	10,064	459	1,421	111,559	8,523	2,151	25,175	4,688
1922.....	1029	295.4	14,080,177	6,701	3,886	10,064	459	1,421	128,008	13,663	3,149	75,887	5,040
1923.....	1051	292.7	713	7,460	4,139	9,599	473	1,352	149,507,424,772	1,941	1,835	931,337	5,790
1924.....	1013	296.3	839	7,590	4,530	8,810	478	1,350	1,941	1,835	931,337	5,790	1,066
1925.....	885	296.8	890	7,471	3,655	8,408	478	1,309	2,960	1,476	5,395	416	6,063
1925-Nov.	870	289.4	827	7,615	3,820	7,921	434	1,253	2,771	1,480	5,493	406	6,017
Dec.	885	296.8	890	7,471	3,655	8,408	478	1,309	2,960	1,476	5,395	416	6,063
1926-Jan.	857	287.3	823	7,462	3,660	7,921	434	1,253	2,771	1,480	5,493	406	6,017
Feb.	855	287.0	812	7,415	3,410	7,074	399	1,350	2,649	1,450	5,139	406	5,783
Mar.	865	295.3	816	7,689	3,468	7,147	411	1,386	2,802	1,535	5,257	394	5,718
Apr.	878	294.5	830	7,924	3,807	7,024	411	1,362	3,086	1,577	5,421	380	5,683
May	847	299.2	820	8,246	3,619	6,930	400	1,320	3,367	1,733	5,767	381	5,677
June	855	294.0	835	8,514	3,569	7,220	401	1,298	3,591	1,788	5,830	381	5,677
July	858	293.9	885	8,975	3,548	7,199	389	1,289	3,602	1,787	5,830	381	5,677
Aug.	850	291.1	858	9,237	3,527	7,161	376	1,266	3,602	1,787	5,830	381	5,677
Sept.	843	287.9	865	9,507	3,708	7,510	377	1,335	3,602	1,787	5,830	381	5,677
Oct.	833	289.4	890	9,753	3,804	7,543	395	1,327	3,602	1,787	5,830	381	5,677
Nov.	834	285.8	873	9,769	3,796	7,442	378	1,296	3,602	1,787	5,830	381	5,677

Period.	Italy.	Norway.	Poland.	Roumania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.	State Notes.	Bank Notes.
	Lira.	Lira.	Kroner.	Marki p.	Zloty.	Lel.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	Yen.
	Lira.	Lira.	Kroner.	Marki p.	Zloty.	Lel.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	Yen.
1913.....	2,284	499	108	..	..	..	..	..	234	314	100	227	2.3
1918.....	11,750	2,124	431	..	..	..	..	..	628	1,009	556	434	3.402
1921.....	19,209	2,267	410	..	..	..	..	..	576	976	618	414	3.566
1922.....	18,013	2,267	385	..	..	..	..	..	584	982	524	408	3.517
1923.....	17,247	2,428	396	125,371,555	551	151	19,397	229	411	537	914	569	411
1924.....	18,114	2,400	391	3,314,000	551	151	19,397	229	411	537	914	569	411
1925.....	19,349	2,100	363	2,770,200	381	440	20,222	388	727	530	539	7.2	3.55
1925-Nov.	19,201	2,100	351	..	..	..	..	..	522	819	539	391	7.1
Dec.	19,350	2,100	363	..	..	..	..	..	522	819	539	391	7.1
1926-Jan.	18,651	2,100	335	..	..	..	..	..	522	819	539	391	7.1
Feb.	18,198	2,100	330	..	..	..	..	..	522	819	539	391	7.1
Mar.	18,295	2,100	350	..	..	..	..	..	522	819	539	391	7.1
Apr.	17,838	2,100	343	..	..	..	..	..	522	819	539	391	7.1
May	17,724	2,100	335	..	..	..	..	..	522	819	539	391	7.1
June	18,343	2,100	343	..	..	..	..	..	522	819	539	391	7.1
July	18,328	2,100	340	..	..	..	..	..	522	819	539	391	7.1
Aug.	18,002	2,075	334	..	..	..	..	..	522	819	539	391	7.1
Sept.	18,332	1,900	328	..	..	..	..	..	522	819	539	391	7.1
Oct.	18,165	1,875	328	..	..	..	..	..	522	819	539	391	7.1
Nov.	18,587	1,875	321	..	..	..	..	..	522	819	539	391	7.1

a Including German, Russian, and Austro-Hungarian notes, converted into national currency. b Three banks of issue: Banks of Italy, Naples, and Sicily. c Including Austro-Hungarian and other notes, converted after the War into national currency. d Gross issue, without deduction of notes held by Banking Department. e Excluding notes held on redemption account in respect of Currency Notes. f Includes notes called in, but not cancelled. g May 31, 1925. h Since January, 1922, the value of imports is based on declarations of importers, instead of official valuations previously used. i Since May, 1922, figures refer to "Union Economique Belgo-Luxembourgeoise." j Official values. k From January to October, 1923, official figures. l From November, 1923, provisional figures based on merchants' declarations, which may differ considerably from final figures based on official quarterly valuations. m Since April 1, 1923, including trade of Great Britain and Northern Ireland with the Irish Free State, and excluding the direct foreign trade of the Irish Free State. n Including precious stones during previous six months.

LONDON RATES OF EXCHANGE.

	Paris.	Brussels.	Italy.	Switzerland.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
	Francs to £1.	Francs to £1.	Lira to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Krone to £1.	Dollars to £1.	Pesos to £1.
Par level.....	25.224	25.224	25.224	25.224	25.224	12.107	18.159	18.159	18.159	20.43	24.02	4.864	47.58
Highest, 1924.....	120.25	139.00	113.30	25.00	35.35	11.67	17.58	32.92	28.26	22	340.00	4.794	47.58
Lowest ".....	63.30	73.76	94	23.90	30.90	11.29	16.14	29.50	24.40	17	295.000	4.794	47.58
Beginning of—	25.15	25.35	25.25	25.19	25.10	12.11	18.30	18.35	18.30	20.49	24.55	4.871	47.58
July, 1914.....	27.97	27.60	30.31	25.95	23.67	11.15	16.29	16.85	17.67	..	..	4.794	47.58
January, 1919.....	40.92	40.42	50.00	21.16	19.72	10.07	17.50	18.60	19.66	..	..	4.794	47.58
January, 1921.....	41.06	40.92	50.00	21.16	19.72	10.07	17.50	18.60	19.66	..	..	4.794	47.58
January, 1922.....	58.07	58.07	104	23.55	27.46	11.36	17.56	22.42	22.17	187	1,500	3.540	47.58
January, 1923.....	58.07	58.07	104	23.55	27.46	11.36	17.56	22.42	22.17	187	1,500	3.540	47.58
January, 1924.....	66.30	72.85	93	21.70	28.19	11.44	16.97	26.99	21.12	194	1,500	3.540	47.58
January, 1925.....	87.85	99.45	100.75	24.63	33.58	11.56	16.26	29.82	24.44	194	1,500	3.540	47.58
January, 1926.....	87.40	94.79	112.35	24.34	33.58	11.71	16.26	29.82	24.44	194	1,500	3.540	47.58
January, 1926.....	129.31	107.00	120	25.08	34.31	12.05	17.62	31.37	26.85	194	1,500	3.540	47.58
September.....	164.87	178.87	131.75	25.14	31.98	12.11	18.08	23.83	18.27	194	1,500	3.540	47.58
October.....	172.18	178.87	128.50	25.10	31.97	12.11	18.14	22.15	18.22	194	1,500	3.540	47.58
November.....	145.75	145.81	112.62	25.13	32.11	12.12	18.15	19.35	18.22	194	1,500	3.540	47.58
December.....	124.62	124.62	112.37	25.13	31.84	12.12	18.17	18.99	18.22	194	1,500	3.540	47.58

	Rio de Janeiro.	Monte Video.	Valparaiso.	Bombay.	Hong Kong.	Shanghai.	Yokohama.	Singapore.	Place.	Method of Quoting.	Nov. Quotations.
	Pence to £1.	Pence to £1.	Pence to £1.	Rs to Gold Sovereign.	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest. Lowest. Average.
Par level.....	16	51	13.33	1.63	2.6	5.6	2.08	2.4	New York.	Dollars to £1.	4.81 4.84 4.86
Highest, 1924.....	64	52	45.30	1.63	2.6	5.6	2.08	2.4	Nov., 1925		4.81 4.84 4.86
Lowest ".....	5	41	38.60	1.48	2.52	5.12	2.08	2.4	Oct., 1926		4.81 4.84 4.86
Beginning of—	16	51	13.33	1.63	2.6	5.6	2.08	2.4	Nov., 1926		4.81 4.84 4.86
July, 1914.....	16	51	13.33	1.63	2.6	5.6	2.08	2.4	Paris.	Francs to £1.	130.12 153 122.190
January, 1919.....	13	51	13.33	1.63	2.6	5.6	2.08	2.4	Nov., 1925		130.12 153 122.190
January, 1920.....	17	51	13.33	1.63	2.6	5.6	2.08	2.4	Oct., 1926		130.12 153 122.190
January, 1921.....	17	51	13.33	1.63	2.6	5.6	2.08	2.4	Nov., 1926		130.12 153 122.190
January, 1922.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Amsterdam.	Florins to £1.	12.05 12.05 12.05
January, 1923.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Oct., 1926		12.05 12.05 12.05
January, 1924.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Nov., 1926		12.05 12.05 12.05
January, 1925.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Berlin.	Reichmarks to £1.	20.38 20.38 20.38
January, 1926.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Nov., 1925		20.38 20.38 20.38
September.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Oct., 1926		20.38 20.38 20.38
October.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4	Nov., 1926		20.38 20.38 20.38
November.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4			20.38 20.38 20.38
December.....	7	41	40.20	1.4	2.7	5.6	2.08	2.4			20.38 20.38 20.38

1 Pence to Peco.

1 Schilling to £1.

a Belg to £1.

* Daily rates.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bul- garia.	Den- mark.	Es- thonia.	France.	Fin- land.	Germany.	Greece.	Italy.	Jugo- Slavia.	Nether- lands.	Poland	Swed'n.	Switz'r- land.	Egypt	United States.
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Esti Mark.	Francs.	Markat.	Mark.	Drach- mas.	Lira.	Dinars.	Gulden.	Zloty.	Kronor.	Francs.	£s.	Dollars.
1913.....	54,931	..	386,333	15,775	64,785	..	701,778	41,035	897,475	14,828	303,802	..	325,231	..	70,545	159,985	2,271	147,932
1918.....	107,100	..	47,268	75,851	129,058	373,551	1,858,416	38,944	915,963	61,159	1,366,551	..	50,696	..	102,776	200,122	4,147	245,951
1921.....	81,548	..	849,617	243,424	129,058	373,551	1,858,416	294,844	9,815,963	143,800	1,438,885	343,508	186,695	..	104,793	191,357	4,109	211,351
1922.....	74,950	..	m 767,035	356,472	121,322	465,785	1,199,194	328,254	d 516,700	257,122	1,313,730	536,823	168,966	70,375	92,847	159,539	3,382	256,092
1923.....	81,474	..	m 1,045,866	422,528	158,949	777,690	2,724,067	381,105	d 512,020	502,937	1,432,431	692,470	167,436	93,040	107,877	186,923	3,634	310,981
1924.....	94,789	5,632	m 1,463,963	463,109	184,874	683,664	3,327,334	385,641	d 759,057	663,807	1,614,972	685,145	196,961	123,184	118,708	207,000	4,083	297,962
1925.....	97,571	5,134	m 1,481,825	..	160,334	804,552	3,657,542	457,640	d 1,035,679	..	2,179,743	..	204,603	138,751	119,671	219,513	4,678	348,942
1925—Nov.	101,155	5,145	1,482,943	521,177	140,246	848,543	4,574,119	533,931	855,451	876,638	2,005,634	663,901	196,752	84,129	147,986	239,402	5,376	377,832
Dec.	119,624	5,230	2,032,680	514,312	140,773	779,453	5,445,725	695,115	757,950	950,492	2,413,304	663,901	205,365	83,004	120,335	252,014	5,126	393,117
1926 Jan.	105,947	4,638	1,516,246	348,127	140,039	701,854	4,483,033	286,300	707,518	..	1,953,580	614,324	205,092	68,34	107,402	200,802	4,462	310,507
Feb.	83,624	5,099	1,355,327	478,765	125,2	592,54	5,244,535	271,646	661,746	..	2,219,410	614,324	197,470	68,869	99,074	200,237	4,067	388,305
Mar.	94,778	6,508	1,900,819	560,261	131,285	642,583	5,095,370	381,169	645,264	..	2,417,200	614,324	212,582	110,559	129,219	208,697	4,342	429,178
April	91,228	5,006	1,552,748	247,733	106,664	863,677	5,020,015	480,469	723,085	..	2,414,668	646,374	199,797	118,760	131,060	182,141	4,030	368,084
May	73,667	3,687	1,605,095	542,127	113,314	836,662	4,390,408	483,053	702,760	..	2,494,286	646,374	194,707	106,338	116,368	191,427	3,528	311,988
June	86,751	5,481	2,823,165	754,031	124,283	894,171	5,180,955	513,533	791,924	..	2,689,702	646,374	212,160	123,467	144,771	200,640	3,500	333,765
July	90,841	4,813	1,612,162	546,935	98,428	831,284	5,101,083	469,356	928,953	..	2,551,423	..	205,899	120,192	119,094	220,419	4,355	345,542
Aug.	92,567	4,725	1,791,511	456,320	112,711	872,126	5,235,332	497,860	919,727	..	1,932,381	..	195,571	161,330	112,961	194,946	4,631	341,191
Sept.	95,642	5,040	2,311,739	..	132,338	882,674	4,625,367	536,217	823,419	..	1,763,696	..	208,001	148,407	140,462	181,891	4,304	336,914
Oct.	100,653	5,047	1,913,709	..	125,356	919,145	5,106,420	569,423	990,116	..	1,757,645	..	202,600	176,826	132,411	208,290	5,019	371,278
Nov.	102,292	..	..	..	..	..	..	..	..	..	..	..	..	..	201,470	..	..	375,000

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Roumania	Sweden	Switzerland	Belgium	Denmark	Japan	U.S.A.
Monthly Average.	£	Kronen	Koruna	Francs	Mark	Lire	Guilder	Zloty	Leu	Kronor.	Francs	Rupies.	Yen.	Dollars	
1913.....	163	..	..	103	23	15	..	..	..	..	..	..	..	..	..
1918.....	116.5	38	..	105	138	251	33	1,139	244	27	102	77	18	153	112
1921.....	32.4	71.7	164	1,100	2,353	288	42	2,190	245	27	67	37	203	220	220
1922.....	47.8	4,227	98	1,214	7,059	239	33	2,190	245	27	67	37	203	220	220
1923.....	22.6	18,206	48	1,049	4,563	332	19	15,964	320	19	62	21	176	300	300
1924.....	17.4	26,992	31	709	22.8	504	30	3.0	262	20	51	19	219	268	268
1925.....	17.0	2.3	21	313	111.0	746	19	3.9	219	16	56	29	..	304	304
1926.....	17.0	2.3	21	313	111.0	746	19	3.9	219	16	56	29	..	304	304
July-Sept.	12.6	20,326	12	407	20.5	526	38	3.0	108	12	54	29	156	276	276
Oct.-Dec.	24.9	19,891	36	518	22.3	525	11	0.6	430	11	53	11	167	297	297
1925.....	15.4	4.8	27	270	91.3	735	11	6.8	121	15	93	23	181	394	394
Jan.-Mar.	21.4	9.6	21	464	51.1	923	22	0.3	255	12	70	34	269	270	270
April-June	17.6	0.9	20	159	57.7	518	29	5.3	266	11	45	46	176	249	249
July-Sept.	23.7	2.7	20	358	244.1	808	14	0	370	25	48	11	191	301	301
Oct.-Dec.	25.0	0.5	28	327	32.9	611	21	2.3	442	13	34	19	..	400	400
1926.....	16.8	0.0	..	649	66.6	533	16	3.1	771	9	85	8	287	323	323
Jan.-Mar.	12.0	6.4	..	237	247.0	389	..	0.4	500	17	63	22	164	234	234
April-June	13.3	2.3	11	175	54.5	218	30	0.0	707	19	127	23	195	277	277
July-Sept.	26.6	1.5	16	342	61.4	169	..	..	16	..	..	..	..	245	245
Oct.-Dec.	26.5	..	..	650	..	511	..	..	..	..	..	..	..	272	272

a Including Government loans. c Excluding Treasury Bills and foreign issues. d Excl. Govt. and large railway issues. f Company issues. g Gold marks. i New companies only. k Nom. value. l Issue value. m Excl. bonds shares. n Excl. conversions. o No issues. p Thous. billions. q In schillings. s Paper marks.

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Switzerland	Austria	Canada
1920-June.....	2.6	17.4	2.1	3.9	5.9	0.8	3.4	6.9	2.1	2.1
December.....	5.8	17.4	15.1	4.1	13.4	6.8	15.8	7.8	13.1	13.1
1921-June.....	17.8	9.9	16.8	5.0	8.1	20.6	27.7	12.5	13.2	13.2
December.....	16.9	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1	15.1
1922-June.....	12.7	2.6	13.2	0.6	9.1	15.6	21.5	9.6	6.3	6.3
December.....	12.2	1.7	20.3	2.8	17.0	15.1	21.7	8.6	6.4	6.4
1923-June.....	11.3	0.8	8.1	4.1	10.8	7.9	9.8	7.1	3.4	3.4
December.....	10.7	1.7	19.6	28.2	17.3	14.0	14.1	6.3	7.2	7.2
1924-June.....	9.4	1.0	5.1	10.4	7.2	4.3	7.3	8.3	5.9	5.9
December.....	10.3	1.5	13.2	8.1	12.3	12.5	15.5	10.3	11.6	11.6
1925-June.....	11.9	1.0	9.3	3.6	6.6	8.9	8.2	10.2	6.1	6.1
December.....	10.5	2.8	31.1	19.4	16.0	23.7	19.4	8.1	7.9	7.9
1926-January.....	11.1	2.7	31.1	22.6	17.7	23.4	14.8	8.1	8.1	8.1
February.....	10.5	1.6	27.5	22.0	10.5	24.2	14.8	8.1	8.1	8.1
March.....	9.8	1.4	21.4	21.4	7.9	25.4	14.7	8.2	7.3	7.3
April.....	9.2	1.2	16.6	18.6	6.5	25.8	12.2	..	..	..
May.....	*14.5	1.0	14.8	18.1	6.3	23.7	9.9	..	..	..
June.....	*14.7	0.9	15.8	18.1	5.9	22.6	9.6	6.7	4.9	4.9
July.....	*14.6	0.9	17.0	17.7	6.9	20.7	8.6	..	2.3	2.3
August.....	*14.2	1.2	17.0	16.7	8.1	20.3	8.3	..	2.5	2.5
September.....	*13.7	1.2	16.8	15.2	7.5	..	9.1	..	3.3	3.3
October.....	*13.6	1.3	18.6	14.2	..	..	11.2	..	..	..
November.....	*13.5	..	22.0	..	..	..	..	..	..	..

Number of Workers Covered by Last Returns.

Millions.....	11.9	0.6	0.3	3.4	0.3	0.04	0.2	0.4	0.2	0.2
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* Ex. Irish Free State since Mar., 1923.

* Workpeople in the coal mining in industry, who ceased work on account of the dispute, are not included in this figure.

BANK RATES.

	1920.	1921.	1922.	1923.	1924.	1925.	1926.
End of	June	Dec.	June	Dec.	June	Dec.	June
London ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Paris ..	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Berlin ..	5.0	5.0	5.0	5.0	5.0	5.0	5.0
New York ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Amst'dam ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Brussels ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Rome ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Switzerland ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Vienna ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Warsaw ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Tokyo ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Calcutta ..	4.5	4.5	4.5	4.5	4.5	4.5	4.5

* Federal Reserve. † 9% from Dec. 9, 1925. ‡ 6% from Dec. 16, 1925.

LONDON BANKERS' CLEARING RETURNS.

(000's omitted.)

Town. Metropolitan. Country. Total.

1913.....	14,191,975	855,648	1,389,481	16,436,404
1922.....	12,780,635	1,574,661	2,806,165	37,161,461
1923.....	32,270,373	1,546,565	2,810,654	36,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	35,801,264	1,678,347	2,957,508	40,437,119
1926 (Dec. 15) ..	34,353,143	1,611,134	2,852,387	38,817,664
1926 (Dec. 15) ..	33,855,163	1,590,080	2,707,719	38,152,962

SECURITY VALUES.

	United Kingdom.	Netherlands.	Sweden.	Switzerland.	Canada.	United States.
"Banker's Magazine."	Official.	Official.	Official.	Official.	Official.	Official.
365 representative securities.	Ordinary Industrial Shares.	Ordinary Industrial Shares.	Industrial and Shipping Shares (f).	Ordinary Industrial Shares.	Common Industrial Shares.	Common Industrial Shares.
Base.	Dec. 1921 = 100.	1921-1925 = 100.	Nominal value = 100.	1915 = 100.	1915 = 100.	1915 = 100.
1925-June.....	(a) 108.6	(b) 125.5	(c) 114.1	(d) 96	(e) 113	(f) 128.8
September.....	110.9	126.5	116.0	93	125	129.1
October.....	110.5	126.5	116.7	96	125	129.1
November.....	109.3	132.2	116.8	97	129	129.1
December.....	108.8	132.5	116.5	95	131	129.1
1926-January.....	110.2	132.6	117.5	95	134	129.1
February.....	110.8	131.6	117.6	97	136	129.1
March.....	109.6	129.2	116.0	96	134	129.1
April.....	110.1	128.7	116.2	93	139	129.1
May.....	110.2	131.0	117.0	91	141	129.1
June.....	110.2	133.6	117.9	91	145	129.1
July.....	110.0	132.8	117.5	91	149	129.1
August.....	110.2	135.4	118.4	91	149	129.1
September.....	110.0	136.5	118.7	91	146	129.1
October.....	110.2	134.5	118.2	92	146	129.1
November.....	109.3	135.9	118.0	..	146	129.1

(a) Fixed interest. (b) Variable dividend. (c) Total. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday, year 1924, provisional figure. (f) Shares of the most important industrial undertakings defined by the Stock Exchange as Class A. The composition of this class, therefore, of this index, is not invariable. (g) Month ending 25th.

U.K. IMPORTS AND EXPORTS.

(000,000's omitted.)

		Food.		Raw Materials.		Manu- factures.		Imports of			Exports of		
		Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.	Iron and Steel.	Coal.
		£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.	Tons.	Tons.
Monthly average,	1913	24.2	2.7	23.5	5.8	16.1	34.3	18	1.8	0.67	589	0.41	6.1
"	1920	63.9	4.2	59.2	12.1	37.8	93.3	9.1	1.6	0.73	359	0.27	8.1
"	1921	47.2	3.1	23.3	5.3	20.4	49.1	6.7	1.0	0.63	244	0.14	2.0
"	1922	39.3	3.0	24.8	8.5	19.1	47.3	8.0	1.2	0.52	349	0.28	5.3
"	1923	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.52	345	0.36	6.6
"	1924	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.64	370.4	0.32	5.1
"	1925	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.61	369.5	0.31	4.2
July,	1926	43.5	4.0	38.8	2.3	25.6	49.2	9.0	1.0	0.52	366	0.16	0.01
August,	"	43.0	4.0	39.8	1.9	27.0	47.7	10.5	0.8	0.35	298	0.16	"
September,	"	44.9	4.3	30.0	1.9	26.3	43.2	7.0	0.8	0.24	312	0.16	"
October,	"	46.9	4.5	34.8	2.6	29.0	44.9	7.0	1.6	0.31	308	0.19	"
November,	"	45.4	4.9	38.7	2.7	28.8	44.1	6.9	2.4	0.55	278	0.17	"
* Yards													

* Yards.

RAILWAY STATISTICS.

(000,000's omitted.)

	Great Britain (g).										Austria.	Germany.	Italy.	Canada.	United States.
	Gross Receipts.		Freight Traffic (f).												
	Passengers.	Freight.	Mer- chandise.*	Coal, &c.	Other Minerals.	Total.									
						Tons.	Ton-Mile.								
1925-June	£ 6.27	£ 8.00	Tons. 4.85	Tons. 13.86	Tons. 5.24	Tons. 24.05	Ton-Mile. 1,230	Tonnes-Km. 1,165	Tonnes-Km. 4,478	Tonnes-Km. 1,022	Ton-Miles. 4,164	Ton-Miles. 35,863			
August	8.99	7.58	4.91	12.20	4.79	22.00	1,255	1,277	4,958	986	4,142	41,723			
September	6.45	8.71	5.61	14.68	5.29	25.59	1,404	1,211	5,037	1,014	4,142	41,322			
October	5.14	9.22	5.83	16.57	5.46	27.59	1,523	1,163	5,493	1,299	8,273	44,062			
November	3.87	8.81	5.42	16.55	5.13	27.09	1,441	1,111	4,643	1,065	8,311	40,786			
December	4.93	8.61	5.29	18.26	4.78	28.33	1,483	1,127	4,554	1,037	8,589	37,869			
1926-January	4.17	8.72	5.18	17.59	4.95	27.72	1,484	1,088	4,559	974	8,589	37,678			
February	3.63	8.62	5.16	17.03	5.29	27.48	1,516	1,088	4,554	1,037	8,589	37,678			
March	4.39	9.43	6.06	18.72	6.07	30.85	1,484	1,088	4,554	1,037	8,589	37,678			
April	5.29	8.77	5.41	17.20	5.48	28.09	1,618	1,083	4,830	1,016	8,589	35,414			
May	3.15	3.29	2.82	0.31	2.16	5.89	1,474	1,062	4,372	1,177	5,180	38,72			
June	4.43	5.33	4.65	1.92	3.63	10.21	437	1,166	4,544	1,087	4,626	36,317			
July	7.53	5.31	4.27	2.55	3.28	10.10	701	1,202	5,080	1,151	5,840	39,833			
August	7.55	5.38	4.30	3.41	3.17	10.89	720	1,261	5,401	1,132	5,399	39,237			
September	5.71	6.20	4.79	4.11	3.48	12.39	843	1,275	5,201	1,203	5,201	41,705			

1867

1925



PEGASUS.

the winged horse of Greek Mythology, who, with Bellerophon, destroyed the three-headed Chimera, and was afterwards taken by the gods to Mount Olympus as the reward of great

ACHIEVEMENT

The growth of the Co-operative Insurance Society since its establishment in 1867 and the signal achievement attained during the last five years, may be best observed by a study of the following figures:—

YEAR	PREMIUM INCOME	ASSETS
1869	£276	£1,915
1880	£3,936	£15,986
1900	£27,201	£116,567
1918	£587,023	£995,003
1920	£1,384,933	£1,685,307
1921	£1,653,322	£2,082,579
1922	£1,704,699	£2,369,363
1923	£2,052,278	£2,987,160
1924	£2,489,109	£3,859,022
1925	£2,896,467	£4,929,057

Classes of business transacted—

LIFE ♦ ANNUITY ♦ PENSION
HOUSE PURCHASE ♦ BURGLARY
FIRE, WORKMEN'S COMPENSATION
HOUSEHOLDERS' COMPREHENSIVE
PERSONAL ACCIDENT ♦ LIVE
STOCK ♦ PLATE GLASS ♦ MOTOR
♦ FIDELITY ♦ WIRELESS ♦

Full particulars, with specimen rates of any of the above classes of Insurance will be gladly given. The C.I.S. has Branch and District Offices in all the Principal Towns.

CO-OPERATIVE INSURANCE SOCIETY LIMITED.

The Joint Insurance Dept. of the C.W.S. and S.C.W.S.
ESTABLISHED 1867.

Chief Office:
109, CORPORATION STREET,
MANCHESTER.



Other People's Opinions

THE DAILY TELEGRAPH (April 12)

A premium income increase of nearly £1,500 a week all the year round, succeeding past successful years, shows that the Society is well organised to undertake still larger increases in the future, and part of this organisation is the wise and safe investment of the funds that are entrusted to the Society and that will one day be needed to meet claims.

THE POLICY HOLDER (April 14)

Here we have proof of continued progress, for in the space of three years the new business of the ordinary Department has more than doubled in extent. This we regard as a beginning only of a forward movement which will reward the Wesleyan & General for its social services.

THE POLICY (April 17)

The year 1925 was a record period as regards new business in the Ordinary Branch. The number of new policies reached the large total of 8,881, assuring new sums amounting to £1,130,722 for single premiums of £1,262 and new renewal premiums of £65,645.

FINANCIAL WORLD (April 17)

A Society that has succeeded in building up such a strong position and is handling a business of such magnitude is obviously being administered with energy and sound judgment and has possibilities in the future that are . . . absolutely unlimited.

INSURANCE INDEX (May, 1926)

The eighty-fifth annual report of the Wesleyan & General Assurance Society strikes a very optimistic note, and deservedly so, for the operations of the Society during 1925 have been signalised by progress all along the line. The year has been one of excellent work and steady consolidation.

WESLEYAN & GENERAL ASSURANCE SOCIETY

(Arthur L. Hunt, F.S.S., F.C.I.I., General Manager)
Principal Offices Birmingham.

INSURANCE IN 1925.

A Review of Progress and Prospects.

Vol. CIII.

SATURDAY, JULY 10, 1926.

No. 4,324.

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GENERAL RESULTS OF THE YEAR.

In this introduction to the detailed figures for 1925 of British life, fire, marine, accident, and miscellaneous insurance business, we are concerned with the broad financial results. We show the net underwriting surplus of 22 leading companies, after allowing for claims paid and outstanding, expenses and commission, reserves for unexpired liabilities on the usual accepted scale, and expenses charged in profit and loss accounts. We have included the proprietors' share of life profits carried to profit and loss, and have taken the marine insurance profits or losses as stated by the companies. The net result for the 22 companies—including the principal non-tariff offices—is an aggregate underwriting profit of £6,740,594. In accordance with the financial principles of the insurance companies, principles upon which their security and earning capacity have always been based, the greater part of this profit has been carried to reserve undivided. This is invariably done in years good and bad. Apart from income taxes, which are properly chargeable against net profits, dividends to shareholders are to a very large extent based upon the interest earned by invested reserves, and not upon the underwriting profits.

During last year those interest earnings, net after deducting taxes and debenture interest paid out, amounted in the aggregate to £6,335,592, in addition to the underwriting profits of £6,740,594 given below. The total earnings from underwriting and interest therefore amounted to more than 13 millions for the year. Except for the four companies starred in our table, the taxes in the third column are British taxes on profits, or refunds of British taxes. Included in the figures for these four companies are colonial and foreign taxes, not chargeable on profits, but really part of the expenses of carrying on business in Dominion and foreign countries. The companies, other than these four, charge these colonial and foreign taxes to underwriting accounts instead of to profit and loss, and we suggest that this practice be generally adopted. The net amount of the taxes as shown in our table is £1,622,955:—

UNDERWRITING RESULTS, INTEREST, TAXES, and DIVIDENDS.

Company.	Net Underwriting Surplus.	Interest Net, less Debenture Interest.	Taxes.	Dividends for 1925.
Alliance	£424,871	£304,717	£79,766	£445,667
Atlas	241,267	123,041	38,106	165,000
British Dominions	88,585	128,830	*40,765	146,561
British General	74,017	61,034	4,830	44,672
Caledonian	44,387	74,874	26,151	76,755
Commercial Union	1,099,427	773,220	254,781	914,500
Employers' Liability	180,429	243,313	*193,074	287,818
General Accident	173,235	224,094	*158,191	116,323
Guardian	205,649	160,108	34,635	167,514
Liverpool and London and Globe	423,343	412,313	50,000	465,816
London Assurance	199,383	255,420	75,000	236,097
London and Lancashire	756,467	417,429	173,363	443,541
Motor Union	41,156	53,969	45,000	86,995
North British	646,948	429,666	92,224	401,827
Northern	141,357	283,919	40,588	304,483
Norwich Union	193,655	157,485	13,366	204,600
Phoenix	301,382	475,198	98,816	518,517
Royal	785,183	1,154,368	175,000	1,204,752
Royal Exchange	165,226	169,472	21,526	157,829
Scottish Union	125,680	132,241	55,660	119,062
Sun	321,642	192,183	26,586	190,500
Yorkshire	107,305	96,698	*42,259	112,548
Total (22 companies)	6,740,594	6,335,592	1,622,955	6,708,427

* Including colonial and foreign taxes.

In the fourth column we give the amount, less tax, payable to shareholders on account of 1925. In many instances these dividends show increases on those of the previous year. The accepted practice is to increase dividends gradually as earnings from interest increase. The total amount set aside for dividends was £6,708,427. A glance at column two reveals the interesting fact that the whole of this large sum set aside for dividends, except £372,835, was provided by the net earnings from interest.

The drain upon the underwriting profits of £6,740,594 consisted, therefore, of this excess of dividends over interest receipts, and the sums required to meet taxes—in all £1,995,790. The balance of the underwriting profits, £4,744,804, remained in the hands of the companies as reserves or profit and loss balances, and became available as invested funds for the earning of interest in the future. These four and three-quarter millions of increased resources also made a substantial addition to the security upon which all the policy contracts are ultimately based. It is by following out, year after year, the principles illustrated by these figures for 1925 that British insurance companies have achieved their world-wide reputation for stability.

LIFE ASSURANCE.

NEW BUSINESS GOOD; EXPENSES LESS.

The popularity of life and endowment assurance, so marked a feature of recent years, shows no sign of abatement. The worse the trade depression the more steadily do men's eyes seem to turn towards life assurance as the one sure rock among shifting sands. We retain in our table given below the figures for 1920, the famous bumper year for new business, though in the case of many offices its records have been surpassed. Last year was emphatically good, the outstanding features being the public appreciation of non-profit life assurance at the low rates which have now become severely competitive between offices, and that strange rush after short-term endowment assurance at single premiums (the greater part borrowed from the offices) upon which we commented last year. Some details of this single premium business—colloquially known as super-tax dodging—are given in a separate section. We are not able to isolate non-profit new business except in the case of the Legal and General, which has given up issuing new policies with profits. Here we see surprising results. The new business of 1925 consisted of 6,958 policies assuring £3,811,562, as compared with 5,252 policies assuring £3,083,942 in the bumper year of 1920. Another example of largely increased business, though we cannot separate non-profit from with-profit assurance, is seen in the figures of the Sun Life office. Here we find the new business for last year 10,336 policies assuring £7,899,225, as against 12,630 policies assuring £5,312,477 in 1920. An interesting example is furnished by the National Mutual, which, while limiting the amount of new with-profit assurances accepted to £500 and upwards in the case of new entrants, revised downwards the non-profit tables. The result was a larger new business and a considerably higher average policy. The figures for 1925 were 645 new assurances for £758,672, as compared with 794 policies for 1924 assuring £672,038. The 1920 results were easily surpassed.

Our calculations of expense ratio, the proportion which the total outgoings from commission and expenses of management bear to net premium income, reveal reductions in nearly all offices. But circumstances have made these figures rather misleading. The rush for short-term endowment assurance at single premiums has added largely to the net premium incomes without involving corresponding increases on the expense side of the accounts. Should this single premium business continue as a regular assurance feature, then some adjustment will need to be made on the expense side—as has already been done by one mutual society—if only to save "expense ratios" from becoming wholly misleading. We may take it that there has been a real reduction in working costs since the high level of 1920—when commodity prices were nearly double what they are now—though that reduction in terms of premiums has not been so great as our unadjusted figures would suggest.

Company.	Year.	New Business.		Premium Income.	Expenses % of Premiums.
		Policies.	Amount.		
Abstainers.....	1920	2,093	706,687	165,198	25.8
	1924	2,447	719,622	226,472	25.0
	1925	2,864	808,325	243,639	22.4
Alliance.....	1920	4,082	2,613,903	1,168,514	9.9
	1924	3,213	2,096,208	1,299,117	9.9
	1925	3,329	2,218,974	1,436,080	9.9
Atlas.....	1920	2,780	1,972,269	347,891	10.8
	1924	3,238	2,715,829	501,030	12.9
	1925	3,993	2,918,757	625,147	12.5
Britannic, Ordinary....	1920	15,087	1,943,222	459,397	16.5
	1924	10,644	1,714,839	652,051	14.8
	1925	13,705	2,141,588	762,249	14.6
British General.....	1923	2,306	467,004	57,178	10.0
	1924	725	428,626	100,110	10.0
	1925	699	430,081	114,340	10.0

Company.	Year.	New Business.		Premium Income.	Expenses % of Premiums.
		Policies.	Amount.		
Caledonian.....	1920	1,912	1,511,829	429,565	14.5
	1924	1,476	1,128,215	475,679	13.5
	1925	1,649	1,197,872	580,125	11.7
Clerical, Medical.....	1919-20	2,089	1,650,996	542,650	16.2
	1923-24	1,518	1,324,691	609,492	15.1
	1924-25	1,889	1,389,369	672,332	14.37
Commercial Union.....	1920	7,689	4,226,794	941,878	13.9
	1924	6,286	3,618,600	1,261,154	11.5
	1925	6,134	3,702,490	1,513,343	10.8
Co-operative, Ordinary	1923	9,501	1,619,481	878,307	11.2
	1924	11,282	1,795,525	1,007,314	11.2
	1925	10,373	1,686,561	1,087,981	11.6
Eagle, Star, and British Dominions.....	1920	6,099	3,170,234	1,257,774	10.9
	1924	3,980	1,755,494	1,108,576	14.0
	1925	3,038	1,288,748	1,095,107	14.4
Equitable.....	1920	617	576,056	271,634	8.3
	1924	770	604,710	358,639	6.2
	1925	1,286	774,291	387,152	6.5
Equity and Law.....	1920	579	983,118	377,208	16.7
	1924	449	1,091,184	708,127	9.15
	1925	485	1,399,290	971,969	8.5
Friends' Provident and Century.....	1920	2,764	1,131,344	325,172	18.3
	1924	2,116	1,383,586	530,540	16.3
	1925	2,071	1,305,111	608,627	14.6
General.....	1920	1,370	503,859	197,984	24.8
	1924	1,065	504,801	211,581	22.1
	1925	..	957,726	303,960	22.3
Gresham.....	1920	6,684	4,061,370	1,104,916	31.6
	1924	4,123	2,082,277	852,897	23.9
	1925	4,635	1,936,390	766,162	24.96
Guardian.....	1920	2,134	1,509,345	413,097	13.1
	1924	1,600	1,152,905	484,503	13.5
	1925	1,478	1,159,975	496,776	13.3
Law Union and Rock ..	1920	3,540	1,595,636	629,041	18.9
	1924	2,938	1,668,802	729,256	16.5
	1925	2,511	1,574,024	819,381	14.3
Legal and General.....	1920	5,252	3,083,942	1,212,516	14.9
	1924	6,308	3,087,517	1,368,836	14.7
	1925	6,958	3,811,562	1,504,455	15.2
Liverpool and London and Globe.....	1920	3,873	1,852,901	464,522	10.0
	1924	3,042	1,551,603	657,922	10.0
	1925	2,986	1,478,351	703,742	10.0
London and Manchester, Ordinary.....	1920-21	10,909	1,014,231	227,828	17.4
	1924-25	16,711	1,530,041	425,348	15.0
	1925-26	17,388	1,664,971	500,735	14.9
London and Scottish ..	1920	2,753	1,408,930	457,796	20.5
	1924	2,264	1,108,897	494,978	23.7
	1925	1,348	724,761	466,673	21.7
London Assurance.....	1920	1,613	1,302,997	308,699	21.5
	1924	2,044	1,692,072	472,822	13.9
	1925	1,732	1,515,910	514,596	13.4
*London Life.....	1920	1,644	1,454,204	625,183	7.03
	1924	1,410	1,887,499	1,340,569	5.35
	1925	1,363	2,456,006	1,476,614	5.38
Marine and General ..	1920	1,184	492,673	207,638	18.4
	1924	768	338,808	225,784	16.9
	1925	862	382,115	253,629	16.9
Metropolitan.....	1920	221	269,211	174,758	7.8
	1924	258	246,083	188,939	7.11
	1925	226	281,329	209,495	6.8
National Mutual.....	1920	1,011	635,046	265,856	17.9
	1924	794	672,038	316,050	16.6
	1925	645	758,672	426,247	12.7
National Provident	1919-20	2,311	1,283,635	598,861	13.8
	1923-24	1,315	1,282,876	787,611	10.9
	1924-25	1,822	1,340,566	924,897	9.5
North British.....	1920	10,355	4,810,711	1,449,071	17.5
	1924	6,290	2,935,455	1,774,590	16.2
	1925	7,644	4,055,018	2,224,856	14.1
Northern.....	1920	2,312	1,110,734	366,302	10.3
	1924	1,599	825,094	394,131	12.1
	1925	1,657	873,734	417,846	11.9
Norwich Union.....	1920	13,572	5,586,010	2,268,056	17.9
	1924	12,272	9,124,616	2,779,763	16.4
	1925	12,146	9,063,314	3,016,148	15.6
Pearl, Ordinary.....	1920	47,774	7,292,446	2,082,473	14.1
	1924	40,594	7,905,531	2,910,948	11.8
	1925	44,152	9,077,064	3,482,137	11.4
Phoenix.....	1920	3,622	2,513,378	858,334	17.1
	1924	2,664	1,516,458	1,122,442	11.9
	1925	2,601	2,260,975	1,173,941	10.9
Pioneer, Ordinary.....	1923-24	773	77,750	37,853	12.7
	1924-25	917	93,175	38,863	13.0
	1925-26	906	96,881	39,721	13.7
Prov. Mutual.....	1920	28,214	3,080,551	398,668	21.2
	1924	18,812	1,953,365	651,555	15.3
	1925	16,277	1,817,907	703,620	14.2
Prudential, Ordinary ..	1920	142,163	23,528,225	8,800,749	12.9
	1924	83,410	14,217,481	10,012,236	12.5
	1925	76,796	14,641,970	10,676,733	11.7
Refuge, Ordinary.....	1920	66,311	7,817,703	2,359,292	13.7
	1924	45,339	5,300,393	2,931,570	16.2
	1925	45,192	5,330,091	3,179,120	15.8
Royal.....	1920	8,082	4,778,332	1,192,089	17.0
	1924	5,922	3,231,488	1,426,844	13.6
	1925	5,506	3,091,622	1,561,299	12.2

Company.	Year.	New Business.		Premium Income.	Expenses % of Premiums.
		Policies.	Amount.		
Royal Exchange.....	1920	3,720	2,061,193	527,423	21.1
	1924	3,098	1,861,807	640,958	17.0
	1925	3,190	1,972,193	717,112	16.2
Scottish Amicable.....	1920	1,809	1,334,777	525,614	14.9
	1924	1,469	1,223,807	658,307	12.5
	1925	1,473	1,285,738	749,232	11.66
Scottish Equitable.....	1920-21	2,115	1,329,598	560,912	14.6
	1924-25	1,489	1,435,609	682,178	12.1
	1925-26	1,409	1,454,835	792,649	10.7
Scottish Life.....	1920	1,578	1,085,634	337,703	16.6
	1924	1,166	945,690	458,487	13.9
	1925	1,111	946,253	513,899	12.9
Scottish Provident	1920	3,938	2,930,680	930,960	15.8
	1923	3,714	2,580,847	1,120,784	15.4
	1925	3,489	2,548,922	1,144,611	14.5
Scottish Temperance	1925	1,587	1,164,252	672,144	10.5
Scottish Union.....	1920	3,335	1,775,708	645,471	18.1
	1924	2,529	1,405,714	674,744	15.3
	1925	2,238	1,290,618	690,456	14.1
Scottish Widows.....	1920	5,603	3,373,789	1,582,659	13.5
	1924	3,831	2,551,959	1,694,035	11.8
	1925	3,710	2,306,991	1,681,051	11.8
Standard.....	1919-20	3,623	2,510,797	954,591	21.7
	1923-24	3,402	2,023,997	916,238	20.5
	1924-25	3,420	1,978,767	989,820	19.2
Sun Life.....	1920	12,630	5,312,477	1,320,696	19.9
	1924	15,833	6,853,323	2,102,214	16.3
	1925	16,336	7,899,225	2,843,254	13.4
United Kingdom Prov..	1920	5,014	2,002,491	936,871	14.0
	1924	4,778	2,551,635	1,212,600	13.3
	1925	4,913	3,141,969	1,484,828	11.7
Wesleyan and Gen., Ord.	1920	9,390	936,310	357,773	17.8
	1924	8,807	1,054,840	426,157	18.4
	1925	8,881	1,130,722	464,122	19.2
Yorkshire.....	1920	2,350	1,587,781	334,294	14.9
	1924	1,878	1,167,698	425,773	14.2
	1925	2,198	1,323,508	460,782	14.0

* For 1924 and 1925 the figures include those of the Clergy Mutual.

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depreciation. Since 1921, however, life offices have been sailing in comparatively peaceful waters. The spectre of continual depreciation has been laid, and as income-tax has been brought down, net yields from interest have tended to rise. Life assurance companies do not pay the whole rate of tax upon their interest income. They are permitted abatement in respect of expenses of management; nevertheless, any reduction in the standard rate of tax does benefit them, or rather their policyholders, immediately and directly.

In the tables published below we give the funds and net interest yields for the years 1920, 1924, and 1925. Roughly, the improvement in net yield since 1920 has been round about $\frac{1}{2}$ per cent. per annum—less in some cases and more in others. As compared with a valuation rate of 3 per cent., the offices have a net yield from interest, after allowing for tax, of $4\frac{1}{2}$ per cent., and even more. As a general rule the life departments of the big composite offices do not show so large an advance in this respect as the mutual life offices, though there are exceptions. Taken as a whole, the margin of interest available for profits is highly satisfactory to policyholders.

FUNDS AND INTEREST YIELD.

Company.	Year.	Life Funds.	Net Interest.	Yield %.
		£	£	£ s d
London Life.....	1920	6,284,886	244,507	4 0 11
	1924	13,672,911	695,061	4 9 3
	1925	14,732,974	731,013	4 9 0
Marine and General.....	1920	2,263,987	91,838	4 4 11
	1924	2,756,691	125,578	4 14 2
	1925	2,845,659	131,435	4 16 1
Metropolitan.....	1920	2,312,454	83,547	3 13 0
	1924	2,472,634	104,038	4 5 0
	1925	2,538,583	107,418	4 5 9
National Mutual.....	1920	3,155,048	126,384	4 8 9
	1924	4,106,743	172,397	4 11 3
	1925	4,424,165	184,286	4 11 6
National Provident.....	1919-20	7,573,800	298,247	4 1 3
	1923-24	8,467,977	375,122	4 12 11
	1924-25	9,049,879	405,300	4 14 9
North British.....	1920	18,124,630	751,303	4 3 5
	1924	22,090,561	1,009,384	4 13 8
	1925	23,332,766	1,031,995	4 11 0
Northern.....	1920	4,708,385	226,796	4 14 3
	1924	5,593,570	238,691	4 6 5
	1925	5,954,518	254,354	4 8 0
Norwich Union.....	1920	17,065,572	760,018	4 12 4
	1924	23,369,545	1,113,268	5 1 4
	1925	25,530,157	1,204,947	5 1 0
Pearl, Ordinary.....	1920	8,711,952	326,453	4 3 9
	1924	15,867,670	681,154	4 11 10
	1925	18,500,793	794,129	4 12 5
Phoenix.....	1920	11,128,284	455,876	4 3 6
	1924	12,627,038	548,348	4 8 5
	1925	13,705,893	593,849	4 10 2
Pioneer, Ordinary.....	1923-24	237,601	9,391	5 0 9
	1924-25	263,961	9,714	4 10 8
	1925-26	278,644	11,818	4 15 10
Provident Mutual.....	1920	3,261,214	133,494	4 6 11
	1924	4,701,807	206,141	4 12 3
	1925	5,435,550	238,590	4 18 0
Prudential, Ordinary.....	1920	58,786,311	2,215,679	3 19 2
	1924	72,595,918	3,288,287	4 12 10
	1925	76,667,882	3,474,712	4 11 1
Refuge, Ordinary.....	1920	13,568,723	501,392	3 19 2
	1924	20,004,401	907,989	4 15 1
	1925	21,929,325	1,033,421	4 17 3
Royal.....	1920	13,348,515	531,426	4 2 8
	1924	16,477,520	674,958	4 4 0
	1925	17,353,038	716,100	4 4 8
Royal Exchange.....	1920	5,052,187	205,902	4 4 8
	1924	6,452,623	308,552	4 18 10
	1925	6,863,932	329,248	4 18 3
Scottish Amicable.....	1920	7,104,973	278,062	4 1 8
	1924	8,447,240	363,628	4 10 7
	1925	8,948,097	392,458	4 12 3
Scottish Equitable.....	1920-21	6,476,573	255,011	4 1 9
	1924-25	7,353,174	307,922	4 7 6
	1925-26	7,833,245	339,828	4 11 7
Scottish Life.....	1920	3,039,940	126,072	4 7 8
	1924	4,111,758	183,506	4 13 2
	1925	4,501,991	202,281	4 14 0
Scottish Provident.....	1920	16,681,113	657,460	4 1 5
	1924	18,252,194	781,172	4 8 7
	1925	18,521,904	820,841	4 10 5
Scottish Temperance.....	1925	4,847,148	212,697	4 14 9
Scottish Union.....	1920	8,474,238	366,620	4 9 7
	1924	9,323,268	424,356	4 12 1
	1925	9,557,571	424,857	4 10 0
Scottish Widows.....	1920	22,520,643	908,762	4 2 5
	1924	24,754,187	1,064,390	4 7 0
	1925	25,422,809	1,106,531	4 8 8
Standard.....	1919-20	13,311,119	622,698	4 15 0
	1923-24	14,332,647	705,254	4 19 11
	1924-25	14,978,881	716,741	4 18 0
Sun Life.....	1920	12,720,041	496,235	4 0 10
	1924	15,844,839	683,158	4 12 10
	1925	17,800,605	766,912	4 12 10
United Kingdom Provident.....	1920	10,187,032	426,462	4 1 17
	1924	13,704,877	545,468	4 3 6
	1925	14,634,801	599,032	4 6 4
Wesleyan, Ordinary.....	1920	2,050,201	80,300	4 4 5
	1924	2,916,615	126,295	4 10 0
	1925	3,177,638	142,603	4 13 7
Yorkshire.....	1920	3,352,305	135,760	4 5 5
	1924	4,609,982	199,249	4 9 10
	1925	4,958,646	216,082	4 10 6

* Gross yield, excluding funds in reversions.

† For 1924 and 1925 the figures include those of the Clergy Mutual.

INVESTMENTS IN GOVERNMENT SECURITIES.

Since we began, in our Insurance Review for 1924, to give particulars of the amounts of life office funds invested in British and Colonial Government securities there have been rather marked changes in practice. In 1924 and again last year British Government securities tended to become less popular, while Indian and Dominion Govern-

ment investments, on the whole, gained in popularity. The proportion of total funds held in securities of the British Government is distinctly lower, and in a good many instances the actual holdings are less. The offices, though showing this general tendency, differ very widely in their attitude towards the securities offered by our home Government. Among composite offices, for instance, which publish separate balance-sheets for their life departments we find the Commercial Union with 52.2 per cent. of its life funds invested with the Government, while the Alliance has 30.5 per cent. and the London Assurance has 31.5 per cent. It is much the same with the proprietary life offices. The Prudential had last year 38.2 per cent. of its funds (as against 44.7 per cent. in 1923) in Government stocks, while the Pearl had 49.3 per cent., the Sun Life 46.1 per cent., and the Clerical, Medical and General 24.7 per cent. The practice of the mutual life offices shows even greater diversities. The National Mutual had last year 52.7 per cent. and the Scottish Widows 51.9 per cent., while the London Life was content with 32.4 per cent. and the Old Equitable with no more than 15.5 per cent. The Eagle, Star, &c., company is a steady supporter of Government securities with 52.6 per cent., whereas the Friends' Provident holds no more than 8.2 per cent., and that was an increase on the previous year. The biggest change is seen in the holdings of the Norwich Union Life—which paid the Phoenix £6,088,174 in Government stock for the shares of the Norwich Union Fire—and in consequence shows a reduction in its holdings from 31.3 per cent. in 1924 to 5.9 per cent. in 1925.

HOLDINGS IN GOVERNMENT SECURITIES.

Companies or Life Departments.	Life Assurance Funds.	British Government Securities.	Indian and Colonial Government Securities.
	£	£	%
Abstainers.....	1924 1,872,557	672,417	36.0
	1925 2,044,732	654,452	32.0
Alliance.....	1924 11,640,478	3,649,151	31.3
	1925 12,509,911	3,809,925	30.5

Companies or Life Departments.	Life Assurance Funds.	British Government Securities.	Indian and Colonial Government Securities.
	£	£	%
Britannic.....	1924 9,561,938	2,336,930	24.4
	1925 10,565,487	2,353,957	22.3
Caledonian.....	1924 5,038,494	1,194,577	23.7
	1925 5,442,150	1,045,441	19.2
Commercial Union.....	1924 11,696,199	6,293,221	53.8
	1925 12,990,794	6,786,995	52.2
Co-operative.....	1924 3,284,824	1,035,744	31.6
	1925 4,251,101	1,255,356	29.5
Clerical, Medical.....	1923-4 8,213,621	2,388,414	29.1
	1924-5 8,704,491	2,150,814	24.7
Eagle, Star, &c.....	1924 14,484,388	7,720,822	49.1
	1925 15,329,109	8,073,711	52.6
Equitable.....	1924 5,752,353	695,800	12.1
	1925 5,809,795	903,115	15.5
Equity and Law.....	1924 6,167,044	1,264,114	20.5
	1925 6,950,868	1,131,939	16.3
Friends' Provident.....	1924 4,728,332	316,841	6.7
	1925 5,186,477	429,498	8.2
Gresham.....	1924 6,263,909	1,556,016	24.8
	1925 6,445,627	1,730,193	26.8
Guardian.....	1924 5,001,237	1,499,391	29.9
	1925 5,168,187	1,269,262	24.6
Legal and General.....	1924 15,418,057	2,557,470	16.6
	1925 16,476,379	2,818,292	17.1
London and Manchester.....	1924 5,083,553	1,076,439	21.2
	1925 5,888,769	1,230,685	20.9
London Assurance.....	1924 3,972,501	1,224,273	30.8
	1925 4,326,525	1,361,180	31.5
London Life.....	1924 13,672,911	4,839,486	35.4
	1925 14,732,974	4,767,666	32.4
Marine and General.....	1924 2,756,691	668,232	24.2
	1925 2,845,659	670,896	23.6
National Mutual.....	1924 4,106,743	1,466,130	35.7
	1925 4,424,165	2,331,655	52.7
National Provident.....	1923-4 8,467,977	2,660,817	31.4
	1924-5 9,049,679	2,812,920	31.0
North British.....	1924 22,090,561	7,570,459	34.3
	1925 23,332,766	7,669,070	32.9

THE LONDON ASSURANCE

A.D. 1720

FIRE
MARINELIFE
ACCIDENT

1, KING WILLIAM STREET, E.C.4.
Marine Dept.: 7, ROYAL EXCHANGE, E.C.3.

ASSETS EXCEED £11,000,000.
THIRD CENTURY OF ACTIVE BUSINESS.

LIFE BONUS 1925—Compound reversionary addition of £2% per annum.

BRANCHES AND AGENCIES THROUGHOUT THE WORLD.

APPLICATIONS FOR AGENCIES INVITED.

Companies or Life Departments.	Life Assurance Funds.	British Government Securities.	Indian and Colonial Government Securities.
	£	£	%
Norwich Union Life	1924 23,369,545 1925 25,530,157	7,308,032 1,506,731	31.3 5.9
Peart	1924 31,608,984 1925 36,314,842	16,216,252 17,886,722	51.3 49.3
Phoenix	1924 12,627,038 1925 13,705,893	3,250,543 4,065,332	25.8 29.4
Pioneer	1924-5 622,179 1925-6 650,320	172,834 242,740	33.1 36.7
Provident Mutual	1924 4,404,266 1925 5,235,550	851,647 900,398	17.5 17.2
Prudential	1924 165,130,645 1925 178,409,609	70,398,328 68,189,643	42.6 38.2
Refuge	1924 28,790,494 1925 32,012,553	9,404,843 9,448,409	32.6 29.5
Royal Exchange	1924 5,618,881 1925 6,005,288	2,267,537 2,178,980	40.4 36.3
Scottish Amicable	1924 8,447,240 1925 8,948,097	5,086,322 4,756,206	60.2 53.1
Scottish Equitable	1924-5 7,353,174 1925-6 7,833,245	3,430,084 3,120,242	46.6 40.0
Scottish Life	1924 4,111,739 1925 4,501,951	1,645,904 1,488,460	40.0 33.0
Scottish Provident	1924 18,252,194 1925 18,521,904	7,931,984 8,053,225	43.4 43.5
Scottish Temperance	1925 4,847,148	823,050	17.0
Scottish Widows	1924 25,122,042 1925 25,792,333	13,771,853 13,379,917	54.8 51.9
Standard	1923-4 14,332,648 1924-5 14,978,881	6,964,674 5,913,970	48.6 39.8
Sun Life	1924 17,702,981 1925 19,725,611	8,572,593 9,265,948	48.4 46.1
United Kingdom Provident	1924 14,004,877 1925 14,934,804	4,879,621 4,621,4.8	34.8 31.0
Wesleyan	1924 6,002,276 1925 6,595,357	2,912,870 2,890,033	48.8 43.8

* Royal Exchange: includes Bank of England stock.

MORTALITY EXPERIENCE FAVOURABLE.

The new life annuitants' table of the Institute of Actuaries has come into use for current valuations, but some time will pass before the British Offices' Life Tables, which represent the mortality of past generations, are superseded by more modern data. Their faults are on the right side, but how far they misrepresent twentieth century rates of life assurance mortality may be seen in almost every life office report. Therein we find the statement, sometimes illustrated by precise figures, that the mortality experienced during the past year has been much less than that shown by the tables employed. In some few instances offices have revised their non-profit premium rates in a downward direction—with-profit rates are corrected by bonus distributions—by making use of their own recent experience in death rates.

The divergence between actual deaths paid for and deaths "expected" by the British Offices Tables continues

to widen, and, as usual, we bring together examples taken from the latest reports of life assurance companies. The greatest divergence is shown by the temperance departments of companies like the United Kingdom Provident and the Abstainers. Here, in addition to improved medical selection at entry, and generally improved mortality, we get the self-selection of careful folk who, when giving up intoxicating liquors, give up many other seductive interferences with good health. We print below some figures of mortality experienced in comparison with mortality shown by tables.

ABSTAINERS AND GENERAL.—In the abstainers' section during the period of 42 years, 1884-1925, the actual deaths numbered 2,194, against the number expected of 4,446, or less than 50 per cent.

CLERICAL, MEDICAL, AND GENERAL.—For last year the claims by death were 61 per cent., and for the past four years 60 per cent. of the amounts expected.

EQUITY AND LAW.—The deaths claims last year were 36 per cent. of the amount expected.

NATIONAL PROVIDENT.—During last year the death claims were 58 per cent. of those expected by the tables.

NORWICH UNION.—The mortality experienced in the five years 1921-25 was 66 per cent. of that shown in the tables.

LONDON LIFE.—The death claims were 59.6 per cent. of the amounts expected.

SCOTTISH AMICABLE.—The rates of the mortality last year were approximately 74 per cent. of those expected.

SCOTTISH PROVIDENT.—In the case of this company the mortality experienced worked out at 68 per cent. of that shown in the tables.

SCOTTISH TEMPERANCE.—During the 40 years 1883-1922 the mortality rates, including war claims, were 54 per cent. of those expected.

SCOTTISH WIDOWS.—The death claims in 1925 were 68 per cent. of the expectation.

UNITED KINGDOM PROVIDENT.—In the temperance section last year the actual to expected claims were 58.4 per cent., and in the general section 83.2 per cent. The average for both sections, taken together, was 66.9 per cent.

VALUATIONS: HIGH BONUSES DECLARED.

Several important offices made their periodical valuations as at the end of last year, and the results are extremely favourable. The bonuses declared have either reached the highest previous level of the office distributions, or have surpassed them. Instead of the depreciation which worked such havoc for many years before 1921 we have many stories of an appreciation for which credit has not been taken. Again and again comes the statement that the market values of securities substantially

exceed the balance-sheet values, and have been allowed to remain as a hidden reserve to meet possible depreciation in the future. High rates of interest, providing a handsome margin of interest earnings over those assumed in the calculations; a very low mortality among assured lives; and a fall in the rate of expenditure to premiums, have all contributed to the satisfactory results. The general practice has been to declare a handsome, though not lavish, bonus, and to carry forward a liberal part of the ascertained margin between assets and liabilities.

Among the notable life offices or life departments to publish their valuation results this year are the Atlas, the London Assurance, the North British, the Northern, the Norwich Union, the Phoenix, the Royal Exchange, and the Scottish Amicable. We give below summaries of the results and bonuses, and also those of the companies which value annually. These summaries make agreeable reading, and indicate that life assurance has become established upon a sound and profitable basis, which, in so far as one can see, should endure for several years to come!

VALUATION RESULTS AND BONUSES.

ATLAS.—A valuation as at December 31, 1925, was made at 3 per cent. interest for with-profit policies and immediate annuities, and at 3½ per cent. for non-profit policies and deferred annuities. The OM (5) and British Offices' Life Annuity Tables were used. The surplus was £273,890, including £112,896 brought forward. The valuation basis was strengthened by £46,000, and £29,325 written off securities. A compound reversionary bonus for the three years 1923-25 was declared at the rate of 36s per cent. per annum, and £30,100 carried forward.

The interim bonus remains at 36s per cent per annum compound.

BRITANNIC.—In the ordinary branch the annual valuation for 1925 was made by the OM table at 3 per cent. interest. The surplus was £240,591, including £61,066 brought forward. The reversionary bonus in the immediate profit class was at the rate of £2 per cent. on sums assured, the same rate as in 1924. In the industrial department the bases were as follows:—(1) Weekly business.—All endowment assurance policies were valued on a net premium basis by the English Life Table No. 8 (males) at 3½ per cent. interest. All whole-life policies were valued on a gross premium basis by the English Life Table No. 6 (males) at 3½ per cent. interest—the margin thrown off as a provision for future expenses being 40 per cent. After eliminating negative values, the resulting margin for all classes averaged 40.4 per cent., as compared with 39.5 per cent. a year ago. (2) Monthly business.—All policies were valued on a net premium basis at 3½ per cent. interest—the Tables of Mortality being English Life No. 8 (males) for endowment assurance policies and English Life No. 6 (males) for whole-life policies. A surplus of £148,521 is disclosed, which included £35,611 brought forward from the previous year. The total surplus was £389,112, of which £131,264 went in bonuses to ordinary branch policyholders, £25,000 to ordinary branch contingency fund, £30,000 to staff pension fund, £89,584 to profit and loss, and £113,264 was carried forward.

CO-OPERATIVE.—A valuation for five years ended December 31, 1925, was made at 3½ per cent. on considerably strengthened bases. In the ordinary branch the surplus was £329,341, and in the industrial branch £42,005. A sum of £221,296 was divided



SECURITY - £11,839,056.

Accidents - Fire - Marine.

Head Offices: { 45, DALE STREET, LIVERPOOL.
155, LEADENHALL STREET, E.C.3.

Chief Administration: 7, CHANCERY LANE, W.C.2.

GOVERNOR: F. W. PASCOE RUTTER.



NORWICH UNION FIRE OFFICE

FOUNDED 1797.

Head Offices: NORWICH and 50, FLEET ST., E.C.4
FIRE · ACCIDENT · MARINE

Sickness. Employer's Liability. Third Party. Fidelity. Burglary.
Plate Glass. Property Owners. Hailstorm. Motor. Loss of Profits
following Fire. Live Stock. Engine, Boiler, and Electrical
Machinery. Baggage Insurance. Petrol Pump Installations.

BRANCHES AND AGENCIES THROUGHOUT THE WORLD.

LOSSES PAID EXCEED - - - £55,000,000

among participating policyholders entitled to share in the ordinary branch, £70,000 reserved for future bonuses to policyholders under the deferred bonus plan, and £38,045 carried forward. The immediate reversionary bonus was at the rate of £1 18s per cent. per annum on sums assured since the last distribution, and in addition a special reversionary bonus of 10s per cent. on sums assured "to holders of such policies which were in force on December 31, 1925, for every year a bonus was allotted at the 1920 valuation." At the 1920 valuation the reversionary bonus was at the rate of £1 per cent. on sums assured for each year's premium paid since the 1910 valuation. Of the industrial branch surplus of £42,005 the sum of £32,513 was apportioned to policyholders and £9,492 carried forward.

GENERAL.—Valuations for the five years ended December 31st last were made for the life business of the General Accident, &c., Company, and for three years in regard to the business of the allied General Life Company. The reversionary bonuses allotted to General Accident policyholders were at the rate of £1 15s per cent. per annum on sums assured, and the compound reversionary bonuses allotted to General Life policyholders (who entered on and after January 1, 1898) were at the rate of £1 5s per cent. per annum on sums assured and existing bonuses. The reversionary bonus allotted to General Accident life policyholders five years ago was at the rate of 10s per cent. per annum on sums assured, and the compound reversionary bonuses to General Life policyholders three years ago was at the rate of £1 5s per cent. per annum on sums assured and existing bonuses.

LONDON ASSURANCE.—The valuation for the five years ended December 31, 1925, was made by the OM table at 3 per cent. interest. No credit was taken for the appre-

ciation in the values of investments. The surplus was £576,800, including £98,595 brought forward. A compound reversionary bonus at the rate of £2 per cent. per annum on sums assured and existing bonuses was declared, £205,500 being carried forward. The interim bonuses payable during the current five years are to be at the full valuation rate. No bonus was declared on account of the five years 1916-1920.

LONDON AND MANCHESTER.—The annual valuation for the year ended March 24, 1926, was made by the OM table with net premiums in the ordinary branch and by the English Life No. 6 table in the industrial branch at 3 per cent. interest. In the industrial branch not more than 61 per cent. of the office premiums in the case of whole life assurances, and not more than the net premiums in other cases were taken credit for. The surplus was £270,801, including £74,294 brought forward. The sum of £85,644 was distributed to ordinary branch policyholders as a reversionary bonus at the rate of £2 per cent. on sums assured, £36,000 was carried to staff pension fund, £49,399 distributed in dividends to shareholders, and £89,758 carried forward. The above reversionary bonus was at the same rate as for 1924-25.

LONDON LIFE.—The annual valuation at 3 per cent. interest by the OM (5) table permitted of an increase by two for the third successive year in rates of reduction of premiums, so that for the year beginning July 1, 1926, the rates for fully-participating policies will range from the equivalent of 135 per cent. for the First Series to 52 per cent. for the Twentieth Series. The reversionary bonus in respect of policies with full participation was 36s per cent. on sums assured and existing bonuses, the same rate as for 1924.

METROPOLITAN.—The annual 3 per cent. valuation by

the OM (5) table enabled the directors to increase the respective rates of abatement of premiums by 2 per cent., carrying forward £26,646 unappropriated. The rates of abatement for the several series for the year ending April 4, 1927, will be:—First Series, 89 per cent.; Second Series, 74 per cent.; Third Series, 59 per cent.; Fourth Series, 49 per cent.; Fifth Series, 44 per cent.; and Sixth Series, 39 per cent. when entitled.

NATIONAL MUTUAL.—The annual valuation for 1925 was made by the OM tables and British Officers' Life Annuity Tables at 3 per cent. interest. The assets were revalued. The gross surplus was £686,815, including £870 paid in interim bonuses. A compound reversionary bonus was declared for 1925 at the rate of 44s per cent. on sums assured and existing bonuses, £595,648 being carried forward, as against £575,290 brought in. Interim bonuses payable during 1926 are to be at the full valuation rate. The compound reversionary bonus declared a year ago was at the rate of 42s per cent.

NORTH BRITISH.—A valuation of life assurances for the three years ended December 31st last was made by the OM tables at 3 per cent. The surplus was £1,304,704, including £43,745 paid in interim bonuses. It was decided to divide £1,250,268, leaving £54,436 to be carried forward. North British policyholders received for the three years 1923-25 a compound reversionary bonus at the rate of £1 16s per cent. per annum on sums assured and existing bonuses.

NORTHERN.—A valuation of the participating branch for the two years ended December 31st was made by the OM table, with 2½ per cent. interest (with net premiums at 3 per cent.). The securities were re-valued, but no security was taken in excess of its cost price or market price, whichever was lower. The surplus was £289,838. Policy-

holders received reversionary bonuses at the rate of £2 15s per cent. on the original sum assured for each of the years 1924 and 1925, leaving £17,529 to be carried forward. Interim bonuses for the current five years are to be at the rate of £2 per cent. per annum. Policies do not receive bonuses until after five years' premiums have been paid. The non-participation endowment and annuity branches (of which the profits belong to the shareholders) showed an aggregate surplus of £183,456, in addition to an appreciation in securities of £71,910.

NORWICH UNION.—A valuation for the five years ended December 31st last was made by the OM table with 2½ per cent. interest. The total surplus was £2,846,217, including interim bonuses of £133,423. The reversionary bonuses (the largest in its history) allotted to policyholders under the society's system will cost £2,458,409, and, after allowing for the interim bonuses paid, the sum of £254,385 was carried forward. The new series whole-life bonuses range from £2 6s per cent. per annum at age 22 up to £4 10s at age 85; for endowment assurances they range from £1 10s per cent. per annum at age 40, to £2 3s at age 60, and up to £2 16s at age 75 and over. The interim bonuses payable in 1926 will be at the full 1925 rates.

PEARL.—The annual valuation for 1925 was made in the ordinary branch by the HM table with 3 per cent. interest, and showed a surplus of £572,790, including £51,248 brought forward. The reversionary bonus for the year was at the rate of £2 per cent. on sums assured, the same rate as for 1924. In the industrial branch the basis was the English Life Table No. 6, with 3 per cent. interest, the percentage of premiums reserved for expenses being 39.5 per cent. on the whole life class. The surplus was £292,760, including £77,942 brought forward. The



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Personal Accident, Disease and Sickness Assurances.

STANDARD SCHEMES—Granting a wide range of combinations of benefits.

SELECTIVE SCHEMES—Under which benefits may be selected.

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For the Five Years ending 31st December, 1925, a Reversionary BONUS at the rate of 45s. per cent. per annum has been declared.

New Reduced Rates for Non-Profit Policies.

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THE STANDARD LIFE ASSURANCE COMPANY

BONUS YEAR - - - 1926

The Valuation of The Standard will take place as at 15th November next, and With-Profit Policies effected before that date will share in the divisible surplus then declared.

The Standard is a Mutual Company, and the profits belong to the Policy-holders.

A strong Valuation means strong Reserves.

Strong Reserves mean a large interest profit. Interest Profit is the largest factor in Bonus results. The Standard values on a stringent 2½% basis. There is no stronger basis used by any British Life Company. The prospects are therefore excellent.

The Directors have increased the Intermediate BONUS

on all With-Profit Policies becoming claims by death or maturity on and after the 15th February, 1926, to 40/- % per annum.

Write for copy of latest prospectus, "A.J.5."

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(Established 1825.)

Head Office: 3 GEORGE ST., EDINBURGH
LONDON - - 110 Cannon Street, E.C.4
and 15a Pall Mall, S.W.1

DUBLIN - - - 59 Dawson Street

ESTABLISHED 1821.

GUARDIAN ASSURANCE COMPANY LIMITED.

Subscribed Capital - - £2,015,000

Capital Paid up - - - £1,015,000

Total Income - - - £2,670,000

Total Assets - - - £10,750,000

All the principal classes of Insurance Business are Transacted by the Company.

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LONDON, E.C.4.

Law Courts Branch: 21, FLEET STREET, E.C.4.

Westminster Branch: 28, KING STREET, COVENT
GARDEN, W.C.2.

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Managing Director - NORMAN M. WALKER, F.C.I.I.

total surplus of £865,550 was allotted as follows:—£394,714 to ordinary branch policyholders, £228,225 to profit and loss, £100,000 to staff pension fund, and £142,611 carried forward.

PHENIX.—A valuation was made for the five years ended December 31st. The market values of the assets were in excess of the balance-sheet values. The basis was the OM table for assurances and OA for annuities, with 3 per cent. interest. In the participating section the reversionary bonus declared was at the rate of £2 5s per cent. per annum on sums assured, a rate higher than that declared on any former occasion. In the non-participating section £100,000 was carried to profit and loss. The balances carried forward were £128,045, as against £84,369 brought in. Interim bonus for the current five years has been provisionally fixed at £2 per cent. per annum on death claims and £2 5s on endowment assurances maturing. There was no bonus distribution on account of 1916-1920.

PIONEER.—The bases for the valuation as at March 31, 1926, are stated to have been again improved, the proportion of office premiums reserved for future expenses being raised from 34 per cent. to 34.5 per cent. over the whole industrial business, representing 27.5 per cent. in respect of monthly premium policies and 35.05 per cent. for weekly premium policies. A special reserve of £5,000 has been created towards meeting additional liabilities accruing in 1928 imposed by Industrial Assurance Act, 1923. The life assurance funds, valued at £536,584, showed a surplus over liabilities of £8,731. The valuation rate of interest was 3½ per cent.

PRUDENTIAL.—For the past year the ordinary branch was valued by the OM table at 3 per cent. interest. The surplus was £2,727,974, including £330,111 brought for-

ward. The reversionary bonus for 1925 allotted to ordinary branch policyholders was at the rate of £2 2s per cent. of sums assured (the rate for 1924 was £2 per cent.). The ordinary branch surplus was apportioned as follows:—£500,000 to investments reserve fund, £1,837,308 in bonuses as above, £202,718 to profit and loss, and £187,948 carried forward. In the industrial branch the surplus was £4,359,811, including £160,402 brought forward; the English Life Table No. 8 was used with 3 per cent. interest. The net ratio of expenses to premiums in the industrial branch last year was 26.59 per cent., as against 27.86 per cent. in 1924 and 40.5 per cent. in 1920. The industrial branch surplus was apportioned:—£500,000 to investments reserve fund, £2,097,737 set aside to provide a bonus for industrial policyholders, £647,282 carried to profit and loss, £440,945 reserved as a bonus to the outdoor staff, £250,000 transferred to common contingency fund, £167,979 to special contingency fund, and £255,868 carried forward. The bonus to industrial policyholders took the form of a contingent reversionary bonus, vesting after 10 years from the date of the policy, of £1 10s per cent. on the sum assured, added to all with-profit policies issued on and after January 1, 1923, and on which premiums were being paid on December 31st last. It was decided that the reversionary bonuses declared for 1923 and 1924 should vest after 10 years instead of after 15 years.

REFUGE.—The annual valuation for last year of the ordinary branch was made by the HM table, with 3 per cent. interest. The surplus was £1,340,848, including £545,669 brought forward. A reversionary bonus of £2 per cent. was declared for the year in the ordinary branch (the same rate as for 1924), £565,768 being carried for-

ward. The industrial branch was valued by the English Life Table No. 8, with 3½ per cent. interest for weekly whole-life assurances and 3 per cent. for the remainder. The valuation was on a net premium basis, except for weekly whole-life assurances, in which the reductions in the office premiums before valuation averaged 36.29 per cent. The surplus was £49,121.

ROYAL EXCHANGE.—A surplus of £754,350 was shown by the valuation for the five years ended December 31st last. A compound reversionary bonus has been allotted to participating policyholders at the rate of £1 15s per cent. per annum on sums assured and existing bonuses, costing £551,888. The proprietors' share in the surplus was £75,435, and £127,027 was carried forward. There was no distribution of bonuses at the 1920 valuation.

SCOTTISH AMICABLE.—A valuation was made for the five years ended December 31st last. The balance of profit on realisation of securities was applied in writing down the remaining assets, and the market values were then substantially in excess of the amounts in the balance-sheet. Assurances were valued by the OM and OM (5) tables, at 3 per cent. interest, and annuities by the new Annuity Table, at 3 per cent. The total surplus was £1,079,699, including £52,166 paid in interim bonuses. Ordinary with-profit policies received reversionary bonuses at the rate of £2 per cent. per annum on sums assured and existing bonuses, £100,000 was carried to general reserve, and £189,024 forward, as against £101,443 brought in. Interim bonuses will be at the rate of £1 15s per cent. per annum. Five years ago the bonus was at the rate of £1 10s per cent. per annum.

SCOTTISH LIFE.—The valuation for the five years ended December 31st last was by the OM table, with 3 per cent. interest. No credit was taken for appreciation in the

value of assets. The surplus was £615,731, including interim bonuses paid of £30,009. On policies effected in and since 1920 the reversionary bonus declared is at the rate of £2 2s per cent. per annum. The interim bonus for the current five years will be at the rate of £2 3s per cent. per annum. In respect of policies effected before 1920 there was a special bonus at the rate of £2 7s per cent. per annum. Interim bonuses will be £2 3s per cent. per annum on whole-life policies, and £2 7s on endowment assurances matured. The balance carried forward was £25,376, as against £11,550 brought in. At the 1915 and 1920 valuations the bonus was at the rate of £1 per cent. per annum.

STANDARD.—In connection with this company's centenary and new Act of Parliament, under which the management and control have become vested in the policyholders, a special valuation was made as at November 15, 1925. The basis for assurances was the OM (5) table, with 2½ per cent. interest (3 per cent. for net premiums valued). The results permitted the directors to increase the rate of intermediate bonus payable on claims to 40s per cent. per annum. Under the new Act of 1925 £850,000 of 5 per cent. perpetual stock was created and allotted to the shareholders in lieu of their share capital and of their right to a proportion of the profits.

WESLEYAN AND GENERAL.—The annual valuation for last year was made in the ordinary branch by the OM table, at 3 per cent. for with-profit, and 3½ per cent. interest for non-profit assurances. The surplus was £130,019, including £31,402 brought forward. A reversionary bonus of £2 per cent. (becoming effective when a policy has been two years in force) was declared, the same rate as for 1924. After transferring £5,000 to investment reserve and £10,000 to staff pension fund,

THE
MERCANTILE & GENERAL
INSURANCE COMPANY, LIMITED

*Reinsurance only—
Home and Foreign*

by Treaty and/or Facultatively.

**FIRE. LIFE.
ACCIDENT. MARINE.**

Net Premium Income for 1925, £661,825

Investments and Cash at Bankers on 31st December, 1925, exceeded £580,000.

**25-31, MOORGATE,
LONDON, E.C.2.**

Accident Supt.: CARLTON HALL.
Sub-Manager: FREDK. G. POOK.
Secretary: H. P. HEWITT.
General Manager: ROLAND A. ELLIOT.

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Total Funds Exceed £32,520,000
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GROUP LIFE AND STAFF ASSURANCE SCHEMES.
COMPREHENSIVE POLICIES FOR PRIVATE RESIDENCES.

**RESOURCES OF THE COMPANY EXCEED
£10,000,000**

£38,867 was carried forward. In the industrial branch, valued by the English Life Table No. 6, with $3\frac{1}{2}$ per cent interest, the provision for future expenses was 35.13 per cent. of the premiums. The industrial surplus was £34,645. After transferring £5,000 to investment reserve, and £10,000 to staff pension fund, £19,645 was carried forward, as against £18,704 brought in.

FIRE INSURANCE.

A FAVOURABLE YEAR OUTSIDE AMERICA.

Apart from the experience of British companies and their American subsidiaries in the United States last year, the fire insurance results were favourable. But the business done by many companies in America is so large that the profits or losses made there in any year dominate the accounts and determine the general character of the "fire insurance year." We give in our next section details of the American results; in this general article we are concerned with the results as a whole over the world-wide business of the British offices.

The aggregate premiums of 21 companies, after deducting re-insurance premiums, amounted to £53,157,936, and in nearly all cases there was an increase in premiums during the year. After allowing for claims paid and outstanding, expenses and commissions, and the increase in the reserves for unexpired liabilities, the aggregate underwriting surplus amounted to £4,048,651, or 7.6 per cent. of the premium income. This was the trading profit. All the companies, except the Motor Union in its fire account,

showed a profit. We welcome back into the ranks of the companies showing independent returns that fine old office the Norwich Union Fire, of late years absorbed by the Phoenix, but last year sold by the Phoenix to the Norwich Union Life Assurance Society. The most successful company last year was the Alliance, which does no fire business in the United States, with a surplus of 19.3 per cent. of the premiums against 22.5 per cent. in 1924 and 15.2 per cent. in 1923. These are remarkable results, and are due to the Alliance's very choice and carefully-managed home fire connections. Next comes the London and Lancashire with a surplus of 14.6 per cent. against 13.1 per cent. in 1924 and 13.4 per cent. in 1923. The London and Lancashire has been notably successful in the United States in recent years. The Guardian, which, like the Alliance, keeps out of the United States, had a surplus for last year of 14.5 per cent. as against 14.9 per cent. in 1924 and 11 per cent. in 1923. The Sun, which did not do well in America, so far recovered on the rest of its business—it has old and very valuable connections at home—as to show a surplus of 12.1 per cent. as against 12.2 per cent. in 1924 and 11.9 per cent. in 1923.

The very big companies more nearly approached the average in their surpluses or fell below it. The Royal had a surplus of 7.3 per cent., as against 7.9 per cent. and 8.4 per cent. in the two previous years; the Commercial Union showed a surplus of 6.8 per cent. as compared with 7.1 per cent. and 7.4 per cent.; the North British did well with a surplus of 9.1 per cent. as against 9.6 per cent. and 8.8 per cent.; the Phoenix (for last year shorn of the Norwich Union Fire) had on its smaller premium income a surplus of 6.6 per cent. as against 6.4 per cent. in each of the years 1924 and 1923; and the Liverpool and London

and Globe (now owned by the Royal) had a small surplus of 4.4 per cent. as compared with 5.9 per cent. in 1924 and 5 per cent. in 1923.

In our tables below we give comparative figures in most cases for the four years 1922, 1923, 1924, and 1925. It will be observed that, taken as a whole, last year's results do not compare unfavourably with those of the previous three years.

	Pre- miums.	Claims.	Ex- penses.	Underwriting Surplus or Deficit.
Alliance—	£	%	%	£
1922	1,908,611	46.8	43.9	196,754
1923	1,877,392	41.5	43.9	285,934
1924	1,923,817	33.0	43.5	433,020
1925	1,935,146	36.5	43.8	374,829
Atlas—				
1922	2,136,188	50.4	43.4	128,158
1923	2,271,494	50.2	42.3	115,842
1924	2,079,612	50.6	44.5	179,707
1925	2,211,614	45.1	43.8	194,357
Brit. Dominions—				
1922	1,452,558	62.0	38.0	Deft. 61,141
1923	992,006	70.2	40.9	14,086
1924	1,031,571	56.1	41.3	10,734
1925				
British General—				
1922	342,752	55.5	36.0	28,657
1924	388,972	56.1	35.5	13,681
1925				
Caledonian—				
1922	767,951	61.0	38.9	31,988
1923	880,853	49.8	38.7	55,527
1924	851,490	55.1	40.8	45,952
1925	935,041	52.5	40.5	31,379
Commercial Union—				
1922	6,742,172	49.1	40.6	442,856
1923	7,084,093	51.5	39.1	525,283
1924	8,322,667	52.6	40.9	595,755
1925	8,680,541	51.4	40.2	591,932
Co-operative—				
1922	162,040	35.9	40.1	37,722
1924	173,737	30.2	40.1	46,827
1925				
Guardian—				
1922	964,199	54.0	42.9	49,090
1923	898,324	48.0	44.5	93,228
1924	921,811	40.7	43.4	136,691
1925	1,063,463	39.2	43.0	145,396
Liverpool and London and Globe—				
1922	4,230,020	60.0	42.4	Deft. 32,821
1923	4,761,038	49.7	40.8	238,154
1924	4,678,254	52.0	42.8	274,979
1925	4,928,131	50.7	42.8	218,782
London and Lancashire—				
1922	2,904,408	51.1	39.3	320,574
1923	3,015,995	45.9	39.2	404,906
1924	3,093,406	46.6	39.8	398,538
1925	3,277,878	42.6	39.9	477,659
London Assurance—				
1922	1,480,153	51.4	45.3	82,399
1923	1,601,505	46.4	45.5	80,745
1924	1,643,609	47.0	47.3	75,891
1925	1,817,141	44.7	45.7	108,447
Motor Union—				
1922	379,748	65.1	45.0	Deft. 43,147
1925				
North British—				
1922	3,746,353	49.0	41.1	282,471
1923	3,902,031	49.6	39.9	344,588
1924	3,993,906	48.2	41.2	384,297
1925	4,223,377	48.6	40.1	384,840
Northern—				
1922	2,384,138	55.7	42.9	110,967
1923	2,533,300	54.8	41.4	34,528
1924	2,337,464	56.5	43.2	84,767
1925	2,649,024	50.7	44.7	106,410
Norwich Union—				
1922	2,115,068	50.5	40.1	135,300
1923	2,147,174	60.1	44.1	109,518
1924	2,155,164	51.6	43.1	110,243
1925				
Phoenix—				
1922	4,747,557	57.3	42.2	18,337
1923	5,478,432	47.8	40.5	348,859
1924	5,371,668	49.4	44.9	343,583
1925	5,143,408	51.4	43.0	208,253
Royal—				
1922	6,427,122	53.2	40.8	382,480
1923	6,709,350	48.9	40.9	563,578
1924	6,820,959	49.6	41.8	538,402
1925	6,895,382	49.9	42.3	503,904
Royal Exchange—				
1922	1,480,013	46.1	46.6	129,706
1923	1,414,548	47.5	46.5	110,528
1924	1,365,542	46.8	48.3	86,774
1925	1,554,149	43.5	43.7	125,010
Scottish Union—				
1922	1,091,095	53.9	38.1	85,733
1923	1,121,269	48.5	40.6	109,266
1924				
1925				

SCOTTISH AMICABLE

LIFE ASSURANCE SOCIETY
Founded 1826.

THIS OLD MUTUAL OFFICE
NOW IN ITS

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MAINTAINS ITS RECORD AS A

GREAT BONUS-PAYING OFFICE

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offer you a better
investment?

THREE REASONS:

Its management is strikingly efficient
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EXPENSES, 1925, 11.36 %

Skill in the control of its investments
gives high interest with perfect security.

NET INTEREST YIELD, 1925, £4 : 14 : 7

The Reserves are ample and Profits
are divided ANNUALLY. £2 PER
CENT. BONUS was declared for
each of the years 1924 and 1925.

PEARL

ASSURANCE COMPANY, LIMITED,
HIGH HOLBORN, W.C.1

Assets exceed . . . £38,500,000

	Pre-miums.	Claims.	Ex-penses.	Underwriting Surplus or Deficit.
Scottish Union—	£	%	%	£
1924	1,147,469	45.4	39.8	159,524
1925	1,234,414	48.8	42.0	91,028
Sun—				
1923	2,202,438	49.3	43.8	155,071
1924	2,304,940	43.4	42.8	276,285
1925	2,328,845	44.2	43.1	284,419
Yorkshire—				
1923	834,455	53.6	42.0	41,479
1924	872,957	53.0	40.8	37,715
1925	881,124	49.9	41.7	70,424
	971,424	49.9	41.5	46,821

PROFITS AND LOSSES IN THE UNITED STATES.

Although there was no conflagration of moment in the United States last year, and premium incomes generally increased with the large expansion in building operations, the severe competition tended to keep down rates and to make fire insurance business rather unprofitable. The aggregate net premiums of 21 British companies and groups (of American subsidiaries) amounted to £32,924,051, as compared with £31,153,604 in 1924, an increase of £1,770,447. The claims were 51.5 per cent. of the premiums, as against 53.9 per cent., and the total expenses were 45.1 per cent., as against 45.6 per cent. After allowing for the increase in liabilities for unexpired risks on the standard British basis of 40 per cent. of the increase in premiums, there was an aggregate surplus of £382,863, or 1.2 per cent. of the premiums, as compared with an aggregate surplus for 1924 of £720,064, or 2.3 per cent. of the premium income. These profits can only be described as poor when we set them against the large amount of business done and the huge risks undertaken.

The results for the individual companies have been calculated on the same basis as for the aggregate results, the reserves for unexpired risks being taken at 40 per cent. of the premiums. Of the companies whose figures for the three years 1923, 1924, and 1925 are given in our tables, the most successful was the London and Lancashire, with a surplus of 6.9 per cent. of the premiums, as against 6.7 per cent. in 1924 and 11.3 per cent. in 1923.

Next came the Scottish Union, with a surplus of 6.4 per cent., as against 8.2 per cent. and 5.4 per cent. Of the big companies, the Royal did well to achieve a surplus of 4.5 per cent., as against 3 per cent. in 1924 and 7.2 per cent. in 1923; the North British also did fairly well with a surplus of 3.9 per cent., as against 5.3 per cent. and 6.1 per cent.; and the Phoenix, with 3.8 per cent., as compared with 5.9 per cent. and 3.4 per cent. Many of the other companies or groups showed underwriting deficiencies.

	Pre-miums.	Claims.	Ex-penses.	Underwriting Surplus or Deficit.
Atlas—	£	%	%	£
1923	1,026,979	55.0	44.5	Def. 10,380
1924	821,088	61.0	49.3	Def. 14,601
1925	930,458	54.1	46.6	Def. 60,229
British Dominions—				
1923	1,301,434	61.4	36.2	Def. 109,971
1924	726,230	90.5	42.5	Def. 9,878
1925	790,426	57.2	40.7	Def. 7,678
British General—				
1924	153,319	54.5	38.6	3,887
1925	206,391	59.5	43.9	Def. 8,950
Caledonian—				
1923	725,517	46.1	42.3	43,671
1924	726,531	52.0	45.3	32,317
1925	744,223	53.1	45.4	Def. 9,301
Commercial Union Group—				
1923	5,314,826	48.2	42.8	209,058
1924	4,947,514	57.7	45.5	Def. 13,477
1925	5,249,749	52.9	43.4	61,317
Employers' Liability—				
1925	359,502	56.3	44.7	Def. 34,005
Liverpool & London & Globe Group				
1923	3,294,465	50.3	40.7	95,351
1924	3,061,989	55.4	45.7	57,506
1925	3,264,328	53.4	46.0	Def. 60,175
London Assurance—				
1923	968,395	41.0	45.1	106,373
1924	1,037,180	49.0	47.0	13,830
1925	1,168,096	49.7	44.8	11,912
London and Lancashire Group—				
1923	1,602,307	40.6	44.4	181,613
1924	1,522,502	48.9	46.5	102,233
1925	1,689,131	44.6	44.5	117,402
North British Group—				
1923	4,023,067	47.6	43.6	243,650
1924	4,049,774	48.1	46.4	213,238
1925	4,374,657	47.5	45.5	170,669

	Pre-miums.	Claims.	Ex-penses.	Underwriting Surplus or Deficit.
Northern—	£	%	%	£
1923	1,471,338	52.5	42.2	19,106
1924	1,370,857	63.2	45.3	Def. 76,826
1925	1,311,515	57.8	46.9	Def. 38,267
Phoenix Group—				
1923	2,831,577	43.5	46.7	95,660
1924	2,589,997	49.7	48.2	152,651
1925	1,675,370	46.8	47.5	64,262
Royal Group—				
1923	5,619,763	46.9	43.8	393,049
1924	6,237,436	50.6	43.5	187,475
1925	6,059,731	51.6	45.0	270,786
Royal Exchange—				
1923	600,048	52.0	45.2	19,788
1924	628,509	58.5	52.7	Def. 37,392
1925	806,780	54.0	47.8	Def. 52,829
Scottish Union—				
1923	824,826	46.5	44.9	44,852
1924	845,589	46.2	44.6	69,642
1925	923,133	46.7	43.5	59,150
Sun—				
1923	1,085,845	41.7	47.3	65,010
1924	1,113,737	51.2	47.1	38,502
1925	1,097,950	53.9	47.6	Def. 10,261
Yorkshire—				
1923	422,676	46.8	43.1	20,669
1924	504,952	54.0	44.0	2,957
1925	596,019	54.8	44.0	Def. 29,152

ACCIDENT AND MISCELLANEOUS INSURANCE.

FAIRLY GOOD RESULTS.

A very great expansion has taken place in recent years in the motor car, accident, employers' liability, and miscellaneous sections of insurance business. Some of the British companies—notably the Employers' Liability, Commercial Union, Royal, Liverpool and London and Globe, Phoenix, and General Accident—do a big "casualty" business in the United States, and the ex-

pansion in the use and insurance of motor cars, both private and commercial, has made motor car insurance second only in volume and importance to fire insurance itself. The importance of the once despised miscellaneous branches was seen during the late British general strike, when the insurance offices stepped in and powerfully assisted road transport by covering, without extra premium, the risks of private motor cars against damage in riot and civil commotions. These risks, in so far as they affected property, were generally covered during the strike at 3d per cent.

Workmen's compensation business in the United States has been improving since 1923 by the official revision upwards of notoriously unprofitable rates, and the general results for last year over the whole of the accident, motor car, and miscellaneous categories have been fairly satisfactory. The margin of profit has not been large, but for all companies in our tables it has been on the right side. This is in striking contrast with the long list of deficiencies in American fire underwriting.

The aggregate net premiums of 22 companies for last year came to £46,948,670, and the aggregate surplus—after allowing for claims, expenses, and unexpired risks—was £2,003,760, or 4.2 per cent. of the premiums. The Alliance did well with a surplus of 11.5 per cent., as against 9.6 per cent. in 1924 and 9.3 per cent. in 1923. The North British, through its valuable subsidiary the Railway Passengers' Company, had a surplus of 9.6 per cent., as compared with 10.3 per cent. and 13.7 per cent. in the two previous years. The London and Lancashire's 8.8 per cent. surplus also was fairly good, though the 9.5 per cent. of 1924 and the 12.2 per cent. of 1923 were better. The very large Commercial Union (with the Ocean) yielded the average surplus of 4.2 per cent., against 3.9 per cent. and 2.1 per cent., and the Phoenix (which has been revising the acquired business of the London Guarantee and Accident) did better in 1925 with a surplus of 2.3 per cent., than in the previous years, when deficiencies were shown. The Scottish Union, with 9.3 per cent. surplus, and the Atlas, with 9 per cent., had

REFUGE ASSURANCE CO. LTD.

ESTABLISHED 1864



Chief Office:
OXFORD STREET
MANCHESTER



(For the Year ending December 31st, 1925)

ANNUAL INCOME EXCEEDS

£8,500,000

ASSETS EXCEED

£32,000,000

CLAIMS PAID EXCEED

£46,000,000

IS YOUR INCOME SAFE?

Dividends have a habit of crumbling. No matter how carefully you arrange your investments, you can never be sure that next year will not find you worse off than you are to-day. Can you afford to take the risk?

You can get a guaranteed income for life if you purchase a Canada Life Annuity. It is, humanly speaking, equivalent in safety to a Government pension. It cannot shrink. What you contract to get is paid you punctually. And you get a much larger income.

FOR INSTANCE—

A man of 62 who takes out a Canada Life Annuity for £1,000 gets a yearly income of £100 12s. 1d. A woman of 67 gets a yearly income of £101 12s. 6d. for the same investment.

OVER 10% PER ANNUM

Other ages pro rata, on equally generous terms. You can invest any amount from £100.

The Assets of the Canada Life Company are over £23,000,000, and are under direct Government supervision. Write at once for full particulars to the Canada Life—the oldest Colonial Life Assurance Company, and the office that gives the best value for Annuities.

Write to-night (stating age) to J. R. Wandless, F.I.A.

CANADA LIFE ASSURANCE CO.

Assets over £23,000,000.
(Established 1847.)

2 St. James's Square, LONDON, S.W.1.

BONUS YEAR 1926.

UNITED KINGDOM PROVIDENT INSTITUTION.

Chairman:

THE RT. HON. WALTER RUNCIMAN, M.P.

Funds exceed - £15,000,000

Highly attractive terms for
Child's Deferred Assurances.

Policies without Medical
Examination up to £1,000.

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THE LICENSES AND GENERAL INSURANCE Co., Ltd.

24, 26 & 28, MOORGATE, E.C.2.

Telephone - - London Wall 4227/30 (4 lines).

favourable years—though the Scottish Union did much better in 1924 and 1923—and the Royal's 4.7 per cent., as against 3.9 per cent. in 1924 and 3.2 per cent. in 1923, yielded a handsome surplus on its large business.

	Pre-miums.	Claims.	Ex-penses.	Underwriting Surplus or Deficit.
	£	%	%	£
Alliance	1923 602,225	45.1	42.3	56,146
	1924 652,323	47.5	38.7	62,737
	1925 745,393	46.5	35.9	85,854
Atlas	1923 280,144	53.9	40.7	5,864
	1924 323,062	61.6	40.7	18,376
	1925 339,898	49.1	39.9	30,638
British Dominions	1923 1,117,226	46.1	45.9	82,723
	1924 1,117,871	53.0	45.6	15,961
	1925 1,199,619	54.4	43.5	22,021
British General	1923 389,704	49.4	32.6	39,431
	1924 441,937	48.8	32.6	60,336
	1925 313,091	47.8	39.4	22,780
Caledonian	1923 334,188	51.1	40.7	18,376
	1924 349,627	56.6	40.5	4,254
	1925 7,047,450	56.5	38.9	149,736
Commercial Union (inc. Ocean Acc.)	1923 7,721,403	54.4	38.5	300,144
	1924 8,397,162	55.2	37.2	365,233
	1925 4,000,373	49.7	39.0	Def. 14,877
Co-operative	1923 544,792	55.5	35.0	Def. 6,093
	1924 4,687,826	69.0	34.3	Def. 228,679
	1925 4,692,651	64.4	33.6	88,863
Employers' Liability	1923 5,017,606	62.0	32.8	121,622
	1924 4,184,210	57.3	33.3	117,258
	1925 5,698,360	58.6	34.1	105,342
General Accident	1923 475,238	40.9	44.0	71,094
	1924 514,079	41.4	42.0	69,673
	1925 572,621	46.7	42.6	37,621
Guardian	1923 3,862,664	56.4	37.1	70,108
	1924 4,226,210	54.6	37.6	181,660
	1925 4,754,230	55.7	36.2	172,533
Liverpool and London & Globe	1923 1,544,756	44.5	40.7	188,922
	1924 1,695,966	46.1	40.8	161,835
	1925 1,913,503	46.1	40.5	168,587
London	1923 286,234	44.9	47.0	Def. 8,350
	1924 374,584	43.5	45.4	9,489
	1925 411,143	44.8	45.8	24,425
Motor Union	1923 1,149,354	49.3	44.3	47,126
	1924 1,223,968	50.3	42.6	60,213
	1925 895,542	46.0	39.6	122,858
North British (Railway Passengers)	1923 1,038,392	49.0	38.0	98,900
	1924 1,032,855	49.4	38.2	98,622
	1925 974,202	41.7	42.3	128,043
Northern	1923 1,046,700	46.5	40.7	105,066
	1924 1,333,129	49.7	43.0	85,419
	1925 1,451,434	56.2	38.8	33,689
Norwich Union	1923 1,482,351	55.9	39.4	57,579
	1924 1,566,716	52.8	39.4	90,185
	1925 6,157,389	58.1	38.0	70,740
Phoenix (inc. London Guar. & Acc.)	1923 6,112,921	63.3	38.1	Def. 69,566
	1924 5,959,585	64.5	39.6	93,129
	1925 4,255,476	49.0	40.9	136,865
Royal	1923 4,568,734	53.5	39.8	180,766
	1924 5,035,284	52.2	39.3	238,280

	Pre-miums.	Claims.	Ex-penses.	Underwriting Surplus or Deficit.
	£	%	%	£
Royal Exchange	1923 726,986	46.8	41.9	56,610
	1924 771,284	49.8	40.4	57,450
	1925 879,753	46.7	40.9	64,990
Scottish Union	1923 124,974	39.8	39.9	25,009
	1924 138,939	40.6	39.9	21,571
	1925 157,059	45.0	41.1	14,662
Sun	1923 804,464	44.6	44.8	Def. 17,584
	1924 879,944	58.1	42.3	Def. 12,595
	1925 866,749	49.6	40.2	87,171
Yorkshire	1923 922,816	49.9	40.7	63,731
	1924 960,634	52.8	40.4	48,845

MARINE INSURANCE.

CONDITIONS STILL UNPROFITABLE.

Marine insurance, immensely profitable during the war, has become of late years rather a melancholy subject. Although many efforts have been made to improve the conditions under which time risks upon hulls are written, this important branch is still regarded as unprofitable. The market is too big for the business offering, and though underwriters are showing more willingness to reduce their lines, the conditions remain unfavourable for any real improvement in rates. The companies are marking time and trying to keep themselves from suffering losses.

We give below the figures for five closed years of the companies which present their accounts on the Liverpool form, under which underwriting accounts are kept open for two years and are then closed with a transfer to suspense account. The year 1924 for these five companies closed with two small profits, two "as you were's," and one considerable deficiency. The Merchants' Marine Company, since its purchase by the Employers' Liability, has turned out so badly that the purchasing company is prudently writing down the purchase price in its balance-sheet.

	Account.	Pre-miums.	Claims & Suspense.	Expenses.	Surplus or Deficit.
		£	£	£	£
British and Foreign	1920 1,237,914	1,067,346	156,866	13,702	
	1921 827,477	830,540	141,135	55,819	
	1922 619,964	448,805	130,566	40,591	
	1923 589,465	451,080	118,646	19,739	
	1924 592,961	455,558	123,395	14,007	
Indemnity	1920 2,297,340	2,464,990	32,350	Def. 200,000	
	1921 1,206,315	1,139,754	34,440	32,121	
	1922 941,830	834,195	35,119	72,516	
	1923 845,289	811,294	33,995	None	
	1924 750,229	718,123	32,106	None	
Merchants'	1920 587,075	545,257	41,818	None	
	1921 423,373	353,723	47,800	21,850	
	1922 464,476	418,284	46,192	None	
	1923 446,401	399,695	46,706	Def. 85,000	
	1924 395,466	365,985	45,734	Def. 101,253	
Ocean	1920 760,178	901,793	35,511	Def. 177,126	
	1921 358,435	474,490	33,945	Def. 150,000	
	1922 339,544	306,460	35,084	None	
	1923 373,889	340,961	32,928	None	
	1924 395,723	363,977	31,746	None	
Sea	1920 954,959	901,260	55,550	Def. 1,672	
	1921 501,760	440,504	49,553	11,603	
	1922 416,775	348,842	41,773	26,219	
	1923 424,268	365,477	41,929	16,912	
	1924 405,209	339,797	37,520	27,892	

For eight other companies, which adopt the fire insurance practice of presenting premiums, claims, and expenses for each year, we give the results for eight years, and then reckon the aggregates of premiums, claims, and expenses. It would appear from the remarkable results achieved by the Commercial Union—with claims and expenses in eight years amounting to no more than 72.3 per cent. of the premiums—and the favourable figures of the London and Lancashire (which includes the fine business of The Marine Company), that there is still money to be made out of marine insurance, especially in cargo business, by the careful selection of risks underwritten. The consistent earning capacity of the Commercial Union, in bad as in good years, always has been a bit of an insurance market mystery for 30 years past. In the eight years 1918-25 all the companies, except the British Dominions, which just about balanced premiums against claims and expenses, come out with a margin on the right side. Two of these years, 1918 and 1919, were profitable.

Year.	Pre-miums.	Claims.	Expenses.
	£	£	£
Alliance—			
1918	1,628,583	1,013,603	137,512
1919	1,183,123	713,936	129,163
1920	1,352,414	1,172,206	155,621
1921	550,819	855,452	123,620
1922	509,951	592,796	96,518
1923	494,752	395,046	95,645
1924	510,281	413,219	102,248
1925	490,412	360,198	112,945
	6,720,335	5,516,456	953,269
		= 82.1 %	= 14.2 %

Year.	Pre-miums.	Claims.	Expenses.
	£	£	£
British Dominions—			
1918	1,675,908	1,104,854	353,155
1919	1,543,404	869,157	414,872
1920	1,175,112	1,174,391	167,664
1921	453,716	743,673	75,763
1922	664,004	407,155	75,201
1923	643,191	641,131	85,424
1924	567,249	537,787	85,087
1925	524,939	468,420	78,741
	7,247,523	5,946,568	1,343,907
		= 82.0 %	= 18.6 %
Commercial Union—			
1918	821,279	328,444	113,826
1919	855,924	269,331	138,475
1920	987,850	561,193	183,115
1921	270,646	354,118	124,058
1922	388,388	208,514	94,075
1923	424,557	218,268	94,118
1924	440,990	262,854	73,872
1925	496,881	288,112	80,862
	4,686,515	2,490,834	902,401
		= 53.1 %	= 19.2 %
Liverpool and London and Globe—			
1918	742,609	552,458	32,833
1919	716,968	483,450	43,602
1920	812,650	656,294	54,907
1921	377,016	530,764	57,589
1922	353,688	357,016	60,460
1923	340,712	257,973	44,744
1924	341,560	265,814	41,975
1925	366,666	278,933	42,509
	4,041,869	3,382,802	377,619
		= 83.7 %	= 9.3 %
London and Lancashire—			
1918	2,910,720	1,306,813	258,507
1919	2,201,893	1,616,890	226,134
1920	2,669,515	1,839,442	225,495
1921	1,383,306	1,914,004	173,180
1922	1,144,592	1,041,736	124,123
1923	1,209,124	893,031	131,121
1924	1,096,764	946,378	163,900
1925	1,133,404	845,148	164,691
	13,749,125	10,403,442	1,475,151
		= 74.9 %	= 10.8 %
London Assurance—			
1918	1,213,551	766,919	165,736
1919	850,588	690,864	180,180
1920	1,219,825	1,016,160	201,500
1921	678,232	707,398	149,044
1922	869,279	541,173	148,682
1923	944,601	588,306	185,154
1924	1,122,004	794,610	202,831
1925	1,098,455	865,374	193,952
	8,006,535	5,970,807	1,427,079
		= 74.6 %	= 17.8 %
Maritime (Scottish Union)—			
1918	816,574	475,655	78,660
1919	374,866	272,394	85,449
1920	563,991	363,531	74,833
1921	307,492	345,793	56,129
1922	300,484	301,519	60,230
1923	289,603	269,620	55,417
1924	274,837	217,534	56,243
1925	279,475	206,489	51,467
	3,207,322	2,452,535	518,428
		= 76.5 %	= 16.1 %
Royal Exchange—			
1918	1,250,498	529,316	68,434
1919	955,218	740,206	96,989
1920	1,070,952	649,930	127,803
1921	248,364	379,283	108,343
1922	369,068	448,555	88,056
1923	517,806	521,300	99,513
1924	635,481	573,846	90,800
1925	639,867	573,846	88,252
	5,687,254	4,672,238	768,194
		= 82.1 %	= 13.5 %

London & Manchester Assurance Company, Ltd.

ESTABLISHED 1869.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

CHIEF OFFICE:
50, FINSBURY SQUARE, LONDON, E.C.2.

YEARLY INCOME EXCEEDS

£2,000,000.

FUNDS EXCEED

£6,000,000.

ORDINARY AND INDUSTRIAL BUSINESS TRANSACTED.

LIFE AND ENDOWMENT ASSURANCES AND ANNUITIES.

FIRE & GENERAL BUSINESS (except Marine).

CLAIMS PAID EXCEED

£9,000,000.

PROMPT SETTLEMENTS.

AMPLE SECURITY FOR POLICYHOLDERS.

Royal London

Mutual Insurance Society, Ltd.

Founded 1861.

A Strictly Mutual Office transacting assurance business at the lowest possible rates consistent with prudence and safety.

ASSETS EXCEED

£14,000,000

Ordinary and Industrial Life and Endowment Assurances.

ALL PROFITS TO PARTICIPATING POLICYHOLDERS

THE PRUDENTIAL ASSURANCE COMPANY, LTD.

What the Prudential is doing for Industrial Assurance

	1921	1923	1925
Percentage of premiums absorbed in expenses ...	36.92	29.74	26.59
Sums assured at age 11 for a Weekly premium of One Penny ...	£10.5/-	£12	£14.12/-
Profits allocated to Industrial Branch policyholders in each of these years ...	£200,000	£906,650	£2,097,737

Free policies are now granted under both weekly and monthly premium policies, provided they have been 3 years in force.

Extract from Chairman's Speech—4th March, 1926.

"It is an economic fact that a properly organised and adequate system of insurance costs a nation far less than haphazard and expensive palliatives to which it is otherwise compelled to resort after the event. We do seriously contend that the achievements of the Prudential in the past, and its possibilities for the future, contain a guarantee that the Prudential system can and will provide, for all sections of the community, assurance at an economic cost which is not attainable by any other means."

CHIEF OFFICE—HOLBORN BARS, LONDON, E.C.1

P.P. 62

MUNICH REINSURANCE COMPANY of MUNICH

MÜNCHENER RÜCKVERSICHERUNGS-GESELLSCHAFT

BALANCE SHEET per 30th of June, 1925.

ASSETS :		LIABILITIES :	
I. Real Estate ...	M6,005,250.00	I. Ordinary and Pref. Capital fully paid ...	M12,007,500.00
II. Mortgages ...	135,455.00	II. Capital Reserve Fund ...	2,000,000.00
III. Securities ...	19,355,211.16	III. Special Reserve Fund ...	3,000,000.00
IV. Property under Sequestration in the United States ...	5,000,000.00	IV. Reserve in respect of sequestrated property in the United States ...	5,000,000.00
V. Outstanding Balances:—		V. Mortgages ...	533,538.00
1. Cash at Banks and in Hand	8,581,716.33	VI. Reserves for unexpired Risks:—	
2. Due from Insurance Companies and others	27,534,627.64	1. Life Insurance ...	31,097,693.09
VI. Interest accrued, but not yet payable ...	162,604.19	2. Other Branches ...	23,819,545.38
VII. Deposits of Premium Reserves with ceding Companies:—		VII. Reserves for Outstanding Losses:—	
1. Life Insurance ...	61,076,005.85	1. Life Insurance ...	569,587.92
2. Other Branches ...	12,415,025.23	2. Other Branches ...	13,618,481.84
		VIII. Due to Insurance Companies and others ...	12,621,721.94
		IX. Premium Reserves held in trust on behalf of Retrocessionaires	34,288,485.93
		X. Other Liabilities ...	306,197.55
		XI. Profit, disposed of as follows:—	
		(a) Dividend ... M960,450.00	
		(b) Employees' beneficiary Fund ...	100,000.00
		(c) Directors' Remuneration ...	38,925.00
		(d) Carried to next year ...	303,768.75
			1,403,143.75
	M140,265,895.40		M140,265,895.40

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The Economist FRENCH FINANCIAL SUPPLEMENT.

SATURDAY, JULY 31, 1926.

REPORT OF THE EXPERT COMMITTEE.

Whatever may be the immediate fate of the Report produced by the Committee of Financial Experts appointed by M. Peret, there can be no question but that it marks an important milestone in the post-war financial history of France, and will occupy in the French banking, economic, and financial sphere a place similar to that held by the Cunliffe Reports in this country. It is an authoritative statement of French banking and economic opinion, and whether it is adopted in full or not, it will be a standard by which to judge future French policy. In view of its importance we, therefore, give our readers the following verbatim translation of the report.

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INTRODUCTION.—THE WORK OF THE COMMITTEE.

THE Committee of Experts, appointed by the decree of May 31st, has been entrusted with the task of advising on the questions submitted to it by the Ministry of Finance, especially on the measures necessary to secure the re-establishment of a sound financial position.

It has, in fact, been bound to examine the whole broad problem, which it considered incapable of sectional treatment, embracing, as it does, questions of money, of public credit, of the Treasury, of the general economic position of France. During its daily sittings it has conducted a detached and methodical examination of the problem.

It gladly recognises that all the documentary evidence required has been placed at its disposal. The help which it has received from the Ministry of Finance and various technical advisors has been valuable, and for this assistance the Committee expresses its gratitude.

In the solutions put forward in this report, little that is new will be found. The range of available solutions is, indeed, extremely limited, long familiar to experts, and freely discussed both in economic circles and by the general public.

Need it be said that no political bias or doctrinaire preference has restricted the outlook of the men of widely differing views to whom this task has been committed?

The recommendations which they make will perhaps dispel certain illusions. They imply, in effect, new sacrifices from all classes, or rather they reveal clearly the true nature of the burdens which, though not fully perceived, are already crushing the nation, whose very unawareness may prove its undoing.

The Committee considers that the time for half-truths is past.

It has endeavoured to disentangle the essential features of the financial situation, and to present a complete and orderly plan. It feels bound to state, at the outset of its report, that it is useless to undertake the work of reconstruction without the will to carry it through to the end, or to separate particular parts of its plan from the rest, since such omissions might compromise everything. The report forms an integral whole.

In the present phase of monetary disorganisation the carrying out of a programme of financial restoration demands a rapidity and decision, and often a discretion, hardly to be reconciled with the inevitable delay and uncertainty of Parliamentary procedure. When it is a question of defending the national currency, the executive power, with its machinery for action, is alone equal to the task of meeting emergencies, repelling attacks, and taking advantage of favourable circumstances. The

adoption of the reorganisation scheme as a whole, and the voting of the necessary resources, can only come from Parliament. But this once quickly accomplished, it is essential that Parliament should hand over to the Government, in the fullest measure permitted by the Constitution, the duty and the responsibility of carrying out the plan of restoration.

I.—FEATURES OF THE PRESENT SITUATION: OBJECT OF THE REPORT.

The essential feature of the present situation is monetary instability. Its origins have frequently been described; its consequences are felt by everyone who, as regards his patrimony, his business, and even the conditions of his daily life, experiences the reactions of national impoverishment.

Nevertheless, public opinion remains strangely blind on this subject. Many foreigners misunderstand the underlying causes of the French situation. As the result of a superficial survey, they go on repeating, all round the world, that France is rich; that it has not been impoverished by the war; that it is merely the victim of bad financial policy; that the recovery of a stable currency lies in its own hands. To deal faithfully with these facile critics, it is necessary to repeat once again that the fall of the franc originated in the frightful destruction of wealth resulting from the war, the enormous expense of defending an invaded country and protecting the freedom of the world, and the necessity of bearing alone the burden of restoring the devastated territories.

No one thinks of denying that the legislature has been too slow in voting necessary taxes, that there have been abuses of inflation and of loan policy. Indubitably, mistakes have been committed. But, when all is said and done, these mistakes are trifling in effect in comparison with the decisive cause of the fall of the franc—namely, the crushing burdens due to the war and its consequences.

Many Frenchmen long hugged the illusion that Germany would bear a large part of these burdens, and that the Allies would generously wipe off the state debts contracted for the defence of a common cause.

To-day, these illusions are shattered. Our claim upon Germany is fixed. Our debts to the United States and Great Britain are about to be fixed likewise. It is doubtful whether the net result of these settlements will leave any substantial margin in our favour. Compensation to war victims, reconstruction of devastated areas and of the nation's industrial equipment, will, for the most part, be ultimately paid for by French capital. It is not in the Committee's province to frame protests on this matter. It does, however, believe that one clear conclusion

emerges from the above brief recapitulation—we must rely upon our own efforts to put our financial house in order, to restore our credit, and to protect our economic independence. The more clearly we demonstrate our determination to put matters right, the more favourable will be the terms upon which foreign assistance will be made available.

The task is not impossible, but it will be long and painful. Before considering the stages through which it can be accomplished, it is first necessary to determine the end to be attained. This end, the Committee states emphatically, is monetary stability. The fall of the franc has seriously damaged the economic life of the nation. It has aggravated the destruction of capital wrought by the war. The country has been under the impression that it was maintaining its spending power, while it was actually dissipating its heritage.

Trade and industry, it is true, have enjoyed apparent prosperity. Even now there is no unemployment, sales are easy, export is active. Many French people are living in a fool's paradise. Enlarged paper profits, in many cases, do not represent any real profits at all. The people of France are working and producing; the majority of them, unawares, are growing poorer.

Some new fortunes have been made. They are too often the unwholesome and perishable fruit of franc depreciation, which, by automatically lightening debts, brings easy profit to debtors; but creditors grow weary, the spirit of thrift disappears, credit becomes impossible, production is threatened.

In France, a country of middle classes, a country whose industrialisation is limited, a country whose prosperity depends, above all, upon the ability to save, monetary instability is particularly serious. If prudence were to be discredited, if the attraction of speculation and gambling were to take the place of devotion to effort and productive work, we should very soon see an end of our best national traits.

In order to protect the economic life of the country it is necessary to restore to the franc the fundamental characteristic of a currency stability.

This appears all the more essential as one reflects upon the reactions of the fall of the franc in the sphere of public finance. If currency depreciation lightens the real burden of the charges of the National Debt, it at the same time makes more burdensome the liabilities of the State in the rôle of consumer or foreign debtor; it is the creator of the disorganisation which it accentuates; Budget forecasting and reasoned fiscal policy become impossible; public credit disappears.

The State cannot live without credit. If it is resolved not to have recourse to borrowing to meet new expenditure, the renewal and consolidation of debts previously contracted must be assured.

This necessity has been overlooked in the course of the last few years. After an abuse of appeals for credit, which has undermined all confidence in the execution of State engagements, new apprehensions have been excited by various threats in relation to capital. Thus Budget deficits, together with the cost of Reparations, have encouraged an abuse of share issues, and an even graver evil, inflation. This has caused the rise in the exchanges and the rise in prices which, in turn, by shaking the position of the Treasury and compromising the balance of the Budget, produces fresh inflation. An end must be put to this process.

The Committee's Report shows how public finance can be put straight, in its view, by balancing the Budgetary and Treasury accounts. It adds, however, that these recommendations are not to be separated from the basic problem to which all its other recommendations are specifically addressed—the stabilisation of the currency.

The diffusion of National Defence Bonds has made the Treasury the greatest of deposit banks. It can only recover the confidence of its clients and meet its engagements when the holders no longer see the value of their scrip melting away in their hands. To renew and consolidate the bonds the State must offer its lenders a security guaranteed by a stable currency. This conclusion inspires the entire Report. Before reaching it the Committee examined the hypothesis of a return of the franc to pre-war parity. It rejected this on grounds that appeared to it to be decisive.

The integral revalorisation of the franc is chimerical to-day, because it implies a continuous and systematic deflation ruinous to the taxpayer, who would be crushed by the burden of a National Debt equal in nominal value to the entire wealth of France, and not less ruinous to industry, commerce and agriculture, which could support neither an indefinite reduction of prices nor the effect of engagements contracted since depreciation began.

Incessant adjustments of prices, wages, and interest would cause perpetual economic crises so severe as to involve a constant upheaval of social life. For a very long period the worker would be deprived of any security for the morrow. Such a policy would not conduce to increased justice, since those who profited by this new period of instability would not be the victims of the earlier period. Actually, in modern economic life, contracts are renewed, shares change hands, and goods pass too rapidly to afford any hope of redressing injustice by a long process of revalorisation of the franc.

These reflections have convinced the Committee that the franc must be stabilised as soon as possible; its task has been to determine the conditions in which that can be done.

II.—CONDITIONS OF A STABLE CURRENCY.

The franc will not be completely stabilised until the holder of notes has the right to demand a sum in gold corresponding to the nominal value of his note—until, that is to say, forced circulation has been abolished. As the Committee will show later, such abolition does not necessarily imply the return of the franc to pre-war parity; it demands solely a new legal definition of the value of the franc. This legal stabilisation is the logical consummation of all the reforms recommended by the Committee; it will set the sanction of definite accomplishment on the work of rehabilitation and re-establish French currency on a wholly sound basis. But the Committee refrains from advocating the immediate passage of such a stabilisation law; it regards it as essential that it should be preceded by a considerable period of actual stabilisation. The conditions of such a stabilisation are partly moral and partly technical.

From the moral point of view, confidence in the currency needs to be established by appropriate measures, such as the Committee will set out. Frenchmen and foreigners alike must have absolute confidence in the security of capital, in respect for engagements, and in a continuity of policy, without which the plan is impracticable. From the technical point of view, actual stabilisation pre-supposes—

1. Equilibrium in the trade balance, obtained by arresting the escape of French capital, securing of exceptional and provisional foreign credits, and ensuring a progressive return of expatriated French capital.
2. Absolute realisation of budget equilibrium.
3. Treasury equilibrium.
4. A definite settlement of our foreign debts.
5. Adaptation of the general economy of the country to the new monetary situation.
6. The existence, in the bank of issue, of cover in gold and foreign currency sufficient, with its commercial assets, to back the note circulation.

In the following chapters the Committee examines these technical conditions in detail. The problem presents serious difficulties, but it will be seen that it is not insoluble, provided that the measures recommended are accepted and carried out as a whole.

III.—THE BALANCE OF PAYMENTS.

The state of the French trade balance is a basic factor in currency stabilisation, but its analysis permits of more or less approximate results only; nevertheless, the following general conclusions may be drawn:—

I.

Before 1914, France generally had a favourable trade balance. It exported less than it imported, but the adverse balance was more than compensated by income drawn from investment abroad, and every year showed a credit balance of capital capable of fresh investment abroad.

II.

This state of things was profoundly altered by the war. On the one hand, our holding of foreign stocks diminished considerably in amount, many of our debtors

having repatriated or refunded the securities; moreover, it depreciated either as a result of the total default on the part of certain borrowers, or of the failure of others to meet their contractual obligations (payment in gold, for example). On the other hand, the adverse trade balance, which averaged 1,500 millions before the war, rose from 1914 to 1920 to a total of 109 milliards of francs. The steady piling up of this adverse trade balance made us foreign debtors on a large scale. If, during the war, the exchange preserved a certain measure of stability, this was wholly due to the extensive credits granted us from abroad. The exchange crisis of 1919-20 was caused by the cessation of these credits.

III.

Since 1920, the trade balance has stood round about equilibrium, and other important elements (invisible exports, expenditure in France by foreigners, &c.) have come in to reduce our debt burden.

During the last three years the foreign trade position ought to have been easily enough balanced, but the sale of francs on a large scale by foreigners, and the export of French capital, to an amount very difficult to estimate, have had the most disastrous reactions on our national economy, and acted as a determining factor in the fall of our exchange.

At the same time, the foreign holdings thus built up form an available reserve capable of rendering effective assistance to maintaining the stability of the franc, when that has been rendered possible by other measures.

Measures designed to facilitate the repatriation of such capital will, *pari passu*, rectify our adverse trade balance. The actual position of that balance does not appear to be of a nature to prevent the work of stabilisation.

IV.—BUDGETARY SITUATION.

The Committee heard the Director of the Budget, who put before it a document on the Budget situation, of which the main features will be found in the Annex.†

The Committee recalls that in the 1926 Budget the distinctions between ordinary, extraordinary, and special Budgets was abolished.

The general Budget for 1926 is as follows:—

Receipts	37,498,739,468
Expenditure	37,338,389,202
Surplus	160,350,266

Outside the general Budget, 12 subsidiary Budgets amount to a total of 6,636,523,202. Of these 12, the most important are: Posts, Telegraphs, and Telephones (2,662 millions); State Railways (2,140 millions); Alsace and Lorraine Railways (1,013 millions).

The summary survey of the budgetary position may be completed by recalling that the net receipts accruing from payments made by Germany in execution of the Peace Treaties do not appear in the Budget, and are carried to the credit of a special Treasury account.

In Annex (2) a detailed note will be found on the utilisation of the sums paid by Germany. Here the Committee need only note that the Treasury from now on is released from any indemnity payments to sufferers from war losses (*Sinistrés*) in the devastated areas; an important result secured, for the first time, in the 1926 Budget.

Examination of the Budget situation led the Committee to the following conclusions:—

(a) The Actual Situation.

1. A serious effort has been made to balance the Budget for 1926, but the Budget actually voted shows a very narrow margin of receipts over expenditure—160 million francs on a total of 37 milliards, or about 0.43 per cent. Indirect taxation, whose yield was estimated on the basis of 1924 collection, has already appreciably exceeded that estimate, to an extent which, it may be hoped, will, by the end of the year, cover the additional credits granted during the financial year.

2. Three essential reservations must be made from the generally satisfactory impression left by an examination of the Budget position.

(a) There is a danger that the balance of the Budget may be upset by the variations of the exchanges and the rise of prices.

(b) From now on expenditure votes are likely to increase to meet the increase of salaries, and the expense of the expeditionary forces in Morocco and Syria (second half-year).

(c) Certain expenses, left to the Treasury account in the 1926 Budget, ought to be incorporated in the Budget.

(a) *Budget, Balance, Exchanges, and Rising Prices.*—The Budget provision, whether under receipts or under expenditure, dates from a time when neither exchanges nor prices had reached their present level. It was fixed at a moment when

† Annex 1.

the £ sterling was quoted at 125f, whereas to-day it stands about 170. Every upward movement of the exchange and of prices which carries with it an immediate increase in certain expenses (foreign debts, purchase of commodities, material, &c.), compromises the balance of the Budget; therefore, it is essential to remove it as far as possible from the effects of variations in prices and exchanges. The Committee's views on this subject will be found in the chapter on fiscal questions.

(b) *Credits Increased for the Second Half-Year.*—In the same Annex will be found an estimate of the increased credits necessary to meet the increased cost of official salaries, and the expenses of the expeditionary forces in Morocco and Syria for the second half-year.

(c) *Expenses to be Incorporated in the Budget.*—For too long the budgetary deficits and extra budgetary expenses have been met by appeals to the Treasury. Such a method should be definitely abandoned. Even now the Treasury assumes certain charges which it cannot and ought not to bear, which should be met either by special measures, or by the special Budget credit. The Committee's views on this head will be found in the chapter on the Treasury.

(b) Questions Relating to the Budget.

So far as 1926 is concerned, it is necessary that a real balance should be secured by immediate economies and increases in receipts to meet both the supplementary expenses occasioned by the rise in exchanges and prices, and the cost of the Moroccan and Syrian campaigns, and to cover payments improperly left to the Treasury account. Before, however, measuring the extent of this new budgetary effort, the Committee thinks it necessary to lay down for the future a whole series of measures, some of which are no more than a return to the application of principle.

In the view of the Committee, budgetary methods must be profoundly modified, if order is to be restored to the public finances.

It attaches special importance to the following recommendations:—

(a) *Preponderance of the Finance Minister in all Financial Questions.*—To the full extent permitted by the constitution, the Finance Minister ought to be the Minister in effective control of Budget equilibrium; his rôle should not be confined to finding receipts to meet the expenditure proposed by his colleagues. No doubt he already exercises control over the estimated expenditure of all the Ministries. The law of June 27, 1925, reinforced his authority in this connection. But it is necessary to go further in this direction.

(b) *Timely Voting of the Finance Bill, i.e., before the Opening of the Financial Year.*—The system of "provisional twelfths" is a source of disorder and deficit. The Budget ought to be drawn up in its entirety, and voted before the opening of the financial year. To allow it to be prepared and voted under favourable conditions, the opening of the financial year ought to be fixed with due regard to the session of the Chamber. The Budget is always discussed at an extraordinary session, that is to say, in the last two months of the year. These two months are manifestly insufficient for a thorough examination; that is why the opening of the financial year should be fixed for April 1st, as was proposed by the Finance Minister on January 13, 1920.*

(c) *Unity of the Budget.*—The Budget ought to include all the receipts and all the expenses of the State. A serious effort has been made in the course of the last few years to return to a unified Budget. This aim, however, has not been pursued far enough. On the one hand, certain receipts are subject to a special appropriation which does not appear to be justified; for example, deductions allowed on the receipts from gaming and lotteries, and on the total of the sums due from the Bank of France;† on the other, certain services have been erected into autonomous departments,‡ and so withdrawn from the economies demanded by actual circumstances. A severe revision is required; the Treasury must have restored to it all the receipts deflected from the Budget, and the organisations which are benefiting by grants from public funds must submit to the control of the Finance Minister and of Parliament.

The actual administration of communal funds,§ which withdraws from the body of the Budget an important portion of the receipts coming in from hygienic drinks, alcohol, motor-cars, business turnover, royalties, &c., calls for sharp criticism. An annually mounting total is badly distributed, and often serves to encourage expenditure on the part of local bodies.

This administration can only be modified by undertaking a reform of departmental and communal finance. This reform demands immediate study by the Finance Ministry. From now on the surpluses above estimates made on the 1925 Budget basis ought to be carried forward to the 1926 Budget.

(d) *Parliamentary Initiative in Expenditure. New Expenditures.*—With a view to putting the brake on increase of expenditure, Parliament ought to limit, much more strictly, its rights of initiative in matters of expenditure. While respecting the constitutional rule, it would be well to leave initiative in expenditure as far as possible to the Government, which is re-

* Chamber Doc. 166, page 128 *et. seq.*

† Annex 3, Budget. ‡ Annex 4, Budget. § Annex 5, Budget.

sponsible for balancing the Budget. In present circumstances certain expenses, useful in themselves, and even covered by new receipts, demand resources which would be better employed in the reduction of the Debt. A number of expenses indispensable for the improvement of the industrial equipment of the country, and therefore actually productive, should be met, as far as is at all possible, out of resources other than those of the State. At the present moment, the extension of the State's industrial enterprises should be avoided.

(e) *Publicity of Budgetary Operations.*—Public credit rests essentially on a knowledge, at once precise, detailed, and easily verifiable, of all the essential elements of financial administration. This publicity is insufficiently organised. It would be desirable to enforce the strict application of the law of April 30, 1921 (Art. 45), and even to publish monthly in the *Journal Officiel* the tabular statement then laid down. The Committee also notes that the receipts and expenditure effected in France under the Dawes scheme do not receive sufficient publicity.

(c) New Budgetary Effort.

The various operations of consolidation and amortisation, which are the conditions of the financial restoration of the country and of its monetary reconstruction, will necessitate the creation of new and important resources. Thus, the Committee emphasises the fact that an energetic reduction of public expenditure should at once take place. This is a *sine qua non*. The taxpayer must be given the certainty that he is not being asked for useless sacrifices.

(a) *Reduction of Expenditure.*—Can expenditure be reduced otherwise than by economies? The Committee pronounces firmly against any reduction in expenses of an obligatory, contractual character, such as the service of the Debt. In particular, it rejects any forcible reduction in the rate of interest on Government stocks, and any suspension of the sinking fund. It considers that any such failure by a State to honour its engagements would bring about the ruin of public credit. That credit should be fortified by respect for obligations duly contracted.

At the actual rate of exchange, the service of the Consolidated Debt does not appear to constitute an excessive burden; at the same time, its lightening is extremely desirable. It seems that, so soon as a favourable moment arrives, a means of ensuring the progressive extinction of the public debt, to the mutual advantage of the State and of the Bondholders, might be sought along the lines of submitting, to those holders, a purely voluntary proposition. If the rate of capitalisation of the redeemable debts remained much below that of the perpetual debts, this fact might offer the elements for such a proposition.

Since the Debt service cannot be reduced from now on, the lessening of the Budget burden must be sought through economies. In this connection, the Committee can only suggest a general method of work. It has not the time to undertake a detailed and profound analysis of a plan of economies; it can claim neither to trace the outline of such nor to estimate its possible results. At the same time, it is clearly of opinion that if an immediate effort is not made along these lines, and pursued with tenacious and persevering will, the work of restoration will be compromised. Such a reduction of expenditure is the more indispensable since there is reason to anticipate a falling off in the yield of taxation in the crisis caused by stabilisation.

Opinion, both at home and abroad, regards the sterile attempts at reform made hitherto with disappointment. The Committee recalls that a Report was presented by the Commission instituted by decree of August, 1922, and that nothing seems to have happened as the outcome of that Report. It notes, further, that the Higher Committee of Inquiry, set up in 1925, recommended measures which do not appear to have been all followed.

The Committee is under no illusion as to the possibility of immediate and important economies being effected by way of budgetary reduction, within the actual classification of the Budget. Real economies can only be secured by a modernisation and simplification of administrative methods, by a fusion of services, and, at times, by the suppression of entire services. The first act in such a reform would be a reduction in the number of Under Secretaries of State and also of Ministries. Some of them perform a double task. Others, like that for the Liberated Areas, ought not to survive the exceptional reasons which brought them into existence. A special commission, with a small personnel, composed of experienced administrators, should be charged with the duty of initiating the suppression of all useless public bodies. As for local services, the development of transport ought to permit their reduction and adaptation to the needs and the wealth of diverse regions. The enlargement and regrouping of a large number of administrative units (departments and arrondissements) gives the basis for such a reorganisation of local services, of which some could be suppressed *en bloc*. This important work ought to be confined to a small commission of technical experts. The alleviation of the burden imposed on the National Budget by the various categories of subsidies to departments and communes (expenses of constructing cross-

roads, public relief, &c.) is to be sought by making the local budgets bear a larger share of these expenses. In such a case there is no other method of preventing abuse.

One other point should be mentioned here: the final reconstitution of the liberated regions. The expenses that remain to be met on January 1, 1927, appear to be in the neighbourhood of 12 to 14 milliards. It will be possible, in the course of subsequent financial years, to continue to charge annually on the receipts under the Dawes Plan: (a) Payments in gold amounting to 1 milliard. (b) Payments in kind amounting to 400 millions. The Sinistrés will also receive, in various forms, amortisable stock whose service (interest and sinking fund) will be charged against the Budget or the receipts of the Dawes Plan. In such circumstances, the gigantic effort of reconstruction could be completed in a small number of years. Such a result, however, could only be retarded if the uncertainty at present weighing on the Sinistrés were not removed, as soon as possible, by the questions that concern them being at last definitely settled.

(b) *Increase in Receipts.*—To secure that the Budget balances, that the Treasury is freed, and that necessary operations of consolidation and amortisation are carried through, a considerable increase in receipts is indispensable. The sums to be found are of the following order of magnitude: 2,500 millions for the 1926 Budget, and nearly 5 milliards in all for the 1927 Budget. The Treasury position is such that resources adequate to disentangle it ought to be procured immediately.

V.—FISCAL PROBLEMS.

(a) General Considerations.

Before entering upon a detailed examination of the observations suggested by our fiscal system, the Committee must make the point that, at a period of monetary instability, a country is not entirely free to choose what taxes to impose. The example of other nations which have passed through similar crises shows that the only taxes capable of ensuring a balanced budget, in the present circumstances, are those levied on general consumption, which have an immediate and regular yield, increasing with a rise in prices. Direct taxes, on the other hand, are, of course, collected on the basis of demand notes, normally made out before the collection takes place; these notes in their turn correspond either to lump sum incomes estimated far ahead, or to effective incomes realised one or two years previously.

M. Jéze cannot accept a certain number of the recommendations contained in this chapter on fiscal questions, which appear to him to be based on exclusively technical considerations. He records his opinion that the choice of taxes is a purely political problem; public burdens must be distributed among the different social classes. Technically, productivity is the primary quality of a tax. It is not the only one to be taken into account. The distribution of burdens in accordance with the economic capacity of each taxpayer must also be kept in mind. In a period of deflation, whatever precautions be taken to accelerate collection, the value of the tax contracts, so to speak, gradually, at the rate of the depreciation of money between the period of assessment and actual collection. If stern measures are taken, or rates raised, the effect will be to encourage the export of capital, and so indirectly hasten the exchange crisis. When normal conditions are re-established, it will be the business of the legislator to decide whether he will admit extraneous considerations into the determination of his fiscal policy, but so long as monetary instability is not definitely at an end, the Treasury runs grave risks if it commits itself to a system principally based on direct taxation.

Moreover, the Committee is not of opinion that a system of heavy direct taxation, striking, as it does, at production and work, does, in fact, spare the great mass of consumers. Fiscal charges which, in the form of direct taxes, burden agriculture and commercial and industrial activity, finally enter into price, raising it, often, by more reaction on the cost of living of the new indirect taxes recognised as being technically necessary for the balancing of the budget, it is trifling in comparison with the effects of a new and rapid devaluation of money.

It is necessary to insist upon the fact that the variable expenses in the Budget, which may rise with a rise in prices, must be wholly covered by receipts equally variable, whose yield will follow the rise in prices. Since no such category exists, and a portion of the variable expenses are covered by fixed receipts, if a rise in the exchange, and a consequent rise in prices, takes place while

the Budget is being carried through, its initial equilibrium is liable to be upset.

The following conclusions emerge from the studies of the Committee:—

Out of a total expenditure, including that of the Budget proper and the principal annexed budgets (State railways, railways and manufactures of Alsace-Lorraine, B.T.T.), it is clear that expenses on material and works (8,494 millions) vary directly with the price index; expenses on personnel and pensions (14,900 millions) may likewise vary, subject to a more or less marked lag, with exchanges and prices; finally, our payments abroad, accounting for 1,678 millions in the 1926 Budget, are directly and automatically variable with the exchanges. This gives a grand total of 25,072 millions of variable expenses. On the other side, for the same budgets, there are 1,080 millions of receipts varying automatically with the exchanges, and 19,064 millions estimated by the departments as susceptible of variation with prices, making a total of 20,144 millions—or a deficit of five milliards in variable receipts against variable expenditure. It should be noted that this calculation is based upon the assumption that the major portion of direct taxes (5,734 millions out of 8,314) constitute variable receipts. At the same time, if it be strictly accurate to say that a portion of direct taxes are capable of varying from one financial year to another, in consonance with the general price movement, though at a flattened curve, and at an interval of one or two years, it must equally be recognised that taxes of this type, collected on the basis of demand notes, necessarily remain unalterable within a given financial year. Thus, if, in the course of a year, a marked rise of the exchange, leading on to a rise in prices, and wage adjustments, takes place, no compensation can be anticipated, within that year, in the yield of direct taxes.

So, considering each Budget year by itself, it may be stated with truth that the insufficiency of variable receipts in relation to variable expenditure is not 5 but 10 milliards. The annex on the Budget problem shows the modifications of receipts suggested by the Committee to meet the major part of this inconvenient feature of our actual Budgets.

(b) Specific Observations on Certain Taxes.

Direct Taxes.—The yield of income-tax does not correspond to its nominal scale—60 per cent. It was hoped to increase the yield by such more or less automatic methods of control as the collection or coupon book (*le bordereau ou le Carnet des coupons*) and the affidavit. The Committee's inquiries, however, show that such devices are incapable of producing any appreciable increase of receipts for the Treasury. The collection-book system overwhelms the already overburdened administration by accumulations of papers. Fraudulent persons would not fail to distribute their coupons among numerous establishments and between various localities in such a manner that it would be largely impossible for the banks, owing to the large attendances on days when payments fell due, to check the identity of the bearers or verify the names and addresses. As for the coupon book, the Treasury itself is apprehensive of the frauds to which it would give rise, and declares that it sees no way of meeting the case where an unscrupulous taxpayer claims a new book on the pretext that he has lost his old one. Further, nothing but harm to that spirit of economy so necessary for the economic revival of the country could result from the subjection of the mass of smallholders, not liable to general income-tax, to all these formalities. Such measures could not but encourage the export of scrip and capital. The Committee is convinced that they should be abandoned. By way of compensation, internal checking should be strengthened by a complete and rapid grouping of the direct taxation and registration departments, and even, as soon as circumstances permit, by their fusion. The result of such a step would be that the collectors of income-tax would have at their disposal the complicated and full information possessed by the registration department. This strengthening of control would be more efficacious than vexatious expedients that cause a flight of capital.

The yield of income-tax could further be notably increased if the collecting authorities (*régies*) had the neces-

sary personnel. As it is, the registration department—more acutely still the income-tax department—are suffering from a crisis of which the Committee has taken due note; there are some hundreds of vacancies in the checking grade, representing a fifth of this grade in direct taxes (in Paris a quarter); there is, above all, a dearth of officials in the higher grades, on whom the efficiency of collection in large measure depends. Hamstrung by the principle of the equalisation of remuneration, which leaves out of account the severe competition for entry, the qualifications required, and the needs of the service, the department cannot attract the officials whom it needs. Nor can it retain them, for the salaries of the middle and higher staff have been raised to a degree proportionate neither to the rise of prices nor the rise acquired by the subordinate agents of the State. It is urgent that, all other considerations apart, steps should be taken such as may be necessary to safeguard the recruitment, professional quality, and authority of the agents of the finance department, if effective measures are to be taken to suppress fraud and get out of the income-tax the large surplus which it is capable of yielding. Further, the Committee anticipates good results from the putting into practice of Article 9 of the law of July 13, 1925, permitting a taxpayer whose apparent expenses exceed his declared resources to be officially levied for income-tax. It does not hold that any automatic ready-reckoner need be substituted on the basis of the rent paid, the number of domestic servants, &c. Rent restriction has engendered such confusion that the most shocking inequalities would result from any effort to take rent as an index of income.

As to the checking of income derived from securities, its view is that it should be possible, by generalising the payment of coupons by transfer to the credit of the account of the recipients either in banks, Ministerial offices, public departments, &c., to obtain results which could not be secured by other methods. The nominal rate—60 per cent. (increased by 25 per cent. in the case of bachelors)—is in itself very high. True, owing to various deductions, this is not the effective rate; it does, however, discourage saving and the spirit of initiative; it impedes the accumulation of capital; it encourages fraud and the export of capital. A reduction in the rate is desirable; it would indubitably cause a rapid development of the subject of taxation, lead to more truthful returns, and gradually bring about an improvement in the yield. This has been the experience of many countries.

On the other hand, it appears that the social effect of increases in indirect taxation might be offset by raising the exemption level from 7,000f to 10,000f. This would relieve the administration from the necessity of checking a mass of troublesome and not very productive returns, and enable it to concentrate its attention on taxpayers of more interest to the Treasury. The reform thus suggested might be balanced, internally, either by a revision of the graduation scales or by a very slight rise in the rate applicable to capital incomes and mixed incomes. Incomes derived from unimproved land and from agriculture certainly do not make an adequate contribution to the Budget. The land-tax on property other than buildings is based on rental values fixed at the time of the 1910-12 revision. That is to say, these cadastral rents no longer correspond with actual facts. Owing to important fluctuations in rents, consequent on the depreciation of money, it is hardly probable that a serious revision can be undertaken for some considerable time. All that can be done is to increase by a lump sum assessment the rental value which serves at present as basis for the tax. An increase of 100 per cent. in the principal would produce an increased yield of some 200 millions.

The tax on agricultural profits in 1925 affected 354,138 taxpayers and produced 72,635,274f. The rate of tax, 7.20 per cent. when the 20 per cent. increase is included, is applied, subject to certain abatements at the base, to an assumed profit equal to the rental multiplied by a variable co-efficient. In default of getting from all cultivators a return which showed their real profit, the general suppression of the lump sum system cannot be advised; but a revision and simplification of these co-efficients would make it easy to obtain from this tax a supplementary yield of 100 millions, which seems far from excessive. The Committee draws attention to the fact

that persons assessed for taxation of agricultural profits are to-day entitled to prove that their real profits are less than the amount of the lump sum assessment, while, in the contrary case where the real profits exceed the lump sum assessment, the tax collector is not permitted (even if he has the means) to act upon the proof; the lump sum system operates solely to the detriment of the Treasury. Return should be made, as speedily as possible, to the system authorised by the law of August 12, 1919, abrogated by the law of June 25, 1920, permitting cultivators to be taxed on their real profits, wherever the collector can establish their amount.

Succession Duties.

The maximum of 80 per cent. decreed by the law of June 25, 1920 (Art. 30) practically never operates; it acts merely as a useless scarecrow, and ought to be reduced. Further, the rates on the higher scales, in direct line of succession where there are fewer than four children, and even for collateral succession, might also be reduced. Their productivity is trifling in a country like France, where very large fortunes are rare, and they encourage dissimulation. The Committee holds that the duties might be revised so as to maintain the yield of the tax while reducing some of its exaggerated features. It also seems to it desirable to authorise the deduction of debts on a more generous scale, and so avoid certain obvious abuses.

French Securities.

French securities are subject to a series of taxes, whose rates have been successively raised, and whose total to-day amounts, in a large number of cases, to an imposition so exorbitant that saving tends to avoid investments of this form. There should, as soon as possible, be a complete overhauling of a system which tends, in its excesses, to encourage speculation at the expense of a spirit of thrift, and to make the financing business of enterprise exceedingly onerous, if not impossible. At the existing rates, without taking into account the temporary increases resulting from the law of December 4, 1925, the total tax burden on the coupons of bearer bonds generally and markedly exceeds 20 per cent. of their amount; on share certificates the tax reaches and often exceeds 30 per cent. or 35 per cent. (apart, of course, from the general income-tax). A substantial reduction in the transfer tax would meet the most crying evils. It is necessary to restore French stocks to public favour and bring capital back to our market. The momentary loss of revenue would be rapidly compensated by gains accruing from the revival of the market and a resumption of new capital issues.

Foreign Securities.

The grave inconvenience of the system of composition for foreign securities has long been known. The Committee can only recommend the adoption of the principles laid down in the Bill introduced by the Government in 1921. The composition system ought to be suppressed. All foreign securities, without distinction, should be subject to a single system—stamps in ready money, a tax of 8 to 10 per cent. in addition to the 12 per cent. income tax. This tax would be collected on the lines fixed by the law of March 29, 1914, for non-compounded securities. The exchange tax should be maintained, provisionally. Securities exchanged for an inscribed certificate handed over by a bank designated by the company issuing the stock and sanctioned by the Minister of Finance might be exempt from the additional tax. Composition might be kept, voluntarily, for shares belonging to a series already compounded for.

Fixed Registration Duties.

A certain number of fixed registration duties, whose rates were fixed by old laws, might, without inconvenience, be adjusted to the depreciated value of money. In the matter of stamps, the *ad valorem* duties should be further increased.

Transfer of Real Property.

The Committee feels obliged to say that, especially in the case of transfer of real property, the duties at present in force, sometimes prohibitive, seem designed to produce a falling off in business, and act detrimentally to the productivity of the tax.

Indirect Taxes.

As regards indirect taxes, a large number of specific

duties could be increased. In the case of sugar, a rise in the duty is particularly justified; the rate, 25 francs before the war, is now 50 francs; by raising it to 100, or only four times the pre-war rate, the Treasury would tap 400 millions of additional receipts. An increase of 0.05 francs per litre on wine, with corresponding increases for beer and cider, would yield 300 million francs. Were these proposed modifications of duties submitted to Parliament, they ought to be passed rapidly, to prevent forestalling.

Customs Duties.

The last adjustment of Customs duties took place in 1922. At the moment, these duties, taken as a whole, represent less than half the 1913 tariff, if the rise in prices and depreciation of money be taken into account. If stability in the yield and in the degree of protection are to be secured, an immediate and thoroughgoing reform is necessary without delay. Without undue delay, and, in any event, before the close of the year, a new tariff ought to be adopted, based upon the actual currency position, and automatically adjusted in accordance with a general index of internal prices. Such a tariff, not too protectionist, should be appropriate to the economy of the country and facilitate negotiations with foreign countries. One might reasonably expect to see the present yield doubled.

Business Turnover.

The law of April 4, 1926, completely upset the turnover tax in the most unfavourable sense from the point of view of yield, while making its application exceedingly difficult, whether to home or export business. Taxes on production at present co-exist with the tax on turnover. No less than 14 different rates have to be applied; the distinction between these various categories raises countless problems and endless discussions with the payers; the personnel of the civil service, paralysed by examining useless classification questions and the individuals who contest them, is distracted from the detection and prosecution of fraud, to the great loss of the Treasury. The goodwill of the taxpayer is exhausted in sterile controversy with officials, and more irritated by this perpetual friction with authority than by the tax itself. A compromise system which gives satisfaction to no one should be put an end to, and the turnover tax given its proper character of a very simple and highly productive impost. The 2 per cent. rate ought to be uniformly applied at home, without any distinction as to the character of business. As regards the export taxes, which yield at present under 80 millions, the Committee's view is that on the eve of a stabilisation that may alter the trade balance, it is preferable to give them up altogether.

Transport Tax.

French railway rates, despite the recent increases, remain at an extremely low level, and one that, if monetary depreciation be taken into account, does not correspond to the value of services rendered; they are 50 per cent. below the lowest European rates, with the exception of the Belgian. They ought to be raised, first, by an amount sufficient to enable the companies to cover their costs of working and financial charges. Then, without aiming at raising our tariffs to a gold level equal to the lowest European, it ought to be possible to raise them by a percentage, the fruits of which would swell the Treasury receipts. As an indication, a further increase of 15 per cent. on passenger and goods rates would give the State a supplementary revenue of about 1,800 millions. Such a step ought to be accompanied by an equivalent tax on canal transport, and an increase in the duties on public motor transport.

State Manufactures.

The Committee has not had time to examine thoroughly the tobacco and match monopolies. By referring to a report of March 30, 1925, presented by the Commission d'Etudes appointed in 1923 by the Finance Minister, it finds that effect has been given to the Commission's view on the necessary raising of prices. The sale prices of tobacco were raised in April, 1926, and are to-day five times what they were in 1913. In this connection it is to be hoped that Parliament will do as it has done in the case of matches and authorise the Finance Minister to raise the selling price by stages corresponding to the

depreciation of money. In this way the piling up of stocks, which causes delays and inconvenience every time these prices are discussed in the Chamber, will be avoided. Otherwise, although it is opposed to the principle of independent offices and budgets which destroy budgetary unity, the Committee is of opinion that the necessities of good industrial management of the tobacco monopoly justify the grant of financial autonomy to the tobacco administration. It therefore recommends the institution of a National Tobacco Office. This step, already outlined by the Commission referred to (a draft bill is attached to its report), ought to be accompanied by the necessary precautions.

Posts, Telegraphs, and Telephones.

The Minister should be authorised, as in the case of the products of State manufactures, to raise prices and rates within the limits of the general price index.

Land, Arsenals, Ports, and Stocks.

The Committee holds that in the present circumstances the increased taxes that must be imposed make it a duty more than ever incumbent upon the Government to proceed to a rigorous revision of the constituent elements of the private domain and the stocks not immediately utilisable held by it under various claims, and to the necessary realisations, and it would also suggest that so far as the equipment of the ports and the work of the arsenals is concerned, effort should be concentrated on some well-chosen point, instead of being scattered in accordance with considerations that have nothing to do with wise management of our finances or the real interests of national economy. Finally, it must never be forgotten that since the return to monetary stability must of necessity provoke a certain industrial and commercial crisis, and lead to a contraction of business, there may, during its course, be a falling off in the yield of certain taxes. Therefore, to insure the maintenance of Budget equilibrium, energetic steps ought, as has already been said, to be taken from now on to reduce, provisionally at all events, every public expenditure, to cut out any which are not strictly indispensable, and thus compensate, during the months ahead, for the possible adverse reaction on the tax yield by immediate and effective economies.

VI.—THE TREASURY.*

The attention of the Committee of Experts has been particularly directed to the position of the Treasury, since its embarrassments are the origin of a large part of our difficulties.

The Treasury may be influenced by the four following factors:—

1. Demands for repayment of the Floating Debt and of the Short-Term Debt.
2. Extra-budgetary expenses.
3. Budget deficits.
4. A temporary want of balance between Treasury receipts and expenditure.

A favourable element is the fact that no payment on the short-term debt falls due before the month of February, 1927, when a facultative maturity of the 6 per cent. Bonds, February, 1922, of the Credit National (total amount in circulation, 3,018 millions) falls due. (See Annex for the table of maturities of the short-term debt.) The measures proposed by the Committee will enable the delay before this payment to be utilised so as to reduce its inconvenience to a minimum. Profoundly convinced that an end must be put to inflation, the Committee has sought for means calculated to fix the State's advances at a definite figure, to give every possible guarantee for repayment, and to insure the earliest possible consolidation.

(a) Repayment of the Floating and Short-Term Debt.

(See Annex for the position of the Floating Debt.)

The Committee has concerned itself with the following elements in these debts:—(a) Special Current Accounts of the Treasury. (b) National Defence Bonds. (c) Ordinary Treasury Bonds (maximum, 1 year). (d) Short-Term Treasury Bonds (3-10 years) and Short-Term Credit National Bonds. (e) Advances of the Bank of France.

(a) *Special Current Accounts of the Treasury.*—The total of these current accounts to-day is about 1,600 millions. A few months ago this figure was much higher; it is still too large for a normal period, and is due to certain preoccupations which should disappear with the restoration of sound finance. Accounts of this nature are particularly unstable and finance. Accounts of this nature are particularly unstable and finance. Accounts of this nature are particularly unstable and finance. Their inopportune moment, to cause considerable withdrawals. Their reduction must be accomplished, and, if necessary, assisted by a modification of the governing conditions.

* See Annex. Treasury.

(b) *National Defence Bonds.*—The volume of National Defence Bonds constitutes the most important problem since, in the past, the Treasury has been in difficulties when the volume of repayments exceeded that of subscriptions. Two causes for the non-renewal, on maturity, of this category of Treasury Bonds can be distinguished: apprehensions of various kinds, and commercial needs. Among the causes of apprehension, outside monetary instability, must be mentioned such as arise from the prospect of certain compulsory measures contemplated at certain moments, and, notably, of compulsory consolidation. The holders of State scrip, even if the measures in question do not apply to the special category which they hold, expect that they will, in the long run, be extended to it. Confidence in the execution of State promises is indivisible. The Committee, after reviewing all the hypotheses of this nature, has rejected compulsory consolidation, the capital levy, the forced loan, and the reduction of interest on State securities, since such measures are contrary to the end it has in view. If the State will resolutely renounce such solutions, if it will declare its intention to meet all its engagements (and the measures here recommended, taken as a whole, should enable it to meet them), and if it will make a start on monetary stabilisation, such apprehensions will gradually vanish and the bonds will be renewed.

Application for payment of bonds paid up may equally arise from the needs of commerce, either in the case of rising price levels or of an economic crisis. The rise in prices ought to be checked in the near future by stabilisation; an economic crisis is inevitable in the event of stabilisation, but it is unnecessary to exaggerate its effect on the circulation of National Defence Bonds, and, in particular, of the One-year bonds, the great proportion of which is held by the rural population. Moreover, it is only at the first onset of the crisis that this phenomenon seems possible; as soon as its first effects have passed off a certain monetary ease ought to present itself. Despite these considerations, the Committee is of opinion that it is absolutely indispensable to pursue a policy of progressive voluntary consolidation of the National Defence Bonds. To this end, it recommends that the holders be offered, so soon as the circumstances appear favourable, a first consolidation loan, corresponding to the conditions of the market and the legitimate desires of subscribers for security. It might likewise be of advantage to offer holders of National Defence Bonds (and of short-term bonds of 3-10 years) the opportunity of exchanging them for existing securities or securities of new types. Until these operations are carried through it will be well to take a series of steps calculated to give every possible guarantee of the redemption of National Defence Bonds. To this end it seems of primary importance to separate sharply from the Treasury the National Defence Bond which may be regarded as a legacy from the past. The administration of National Defence Bonds should be entrusted to a "*Caisse de gestion des bons de la Défense Nationale*" administered by the *Caisse des dépôts et consignations*, which possesses the necessary machinery. This "*Caisse de Gestion*" would undertake the interest, renewal, and redemption of the bonds. The terms of issue would be fixed by the Finance Minister on the proposal of the supervisory commission of the *Caisse des Dépôts et Consignations*. The presence on this commission of representatives of the general direction of funds, and of the Bank of France, provides assurance that the rates and dates would be fixed with due regard for all the elements of the market, and especially, of the conditions governing the Treasury's other liabilities, and of commercial operations. Rates and dates should be adjusted with the utmost flexibility. The maximum fixed for the Floating Debt by the law of June 27, 1925, is both vague and variable. It exceeds by more than 10 milliards the actual Floating Debt of the Treasury. The Committee proposes to reduce the maximum total of bonds, of which the *Caisse de Gestion* shall take charge, to 49 milliards, that is to say, to its actual total. The one practical means of limitation available for the *Caisse* is the movement of rates of interest, which will not give immediate results in view of the very large number of offices delivering the bonds. It will, therefore, be well to allow the *Caisse* a margin of 6 per cent. of the amount of the bonds in order to give time to allow its steps to take effect. After each redemption operated by the *Caisse de Gestion*, as will be pointed out below, the limit should be lowered at the close of the year by the amount of such redemption. If, when the *Caisse* comes finally to be liquidated, there is any balance, it should revert to the State.

The resources of the *Caisse* will be as follows:—

1. A *budgetary annuity* equal to the total interest of the bonds in circulation, taken over by the *Caisse* at the opening of the year. The excess of such annuity, where it is not wholly used up, will go to the redemption of the bonds. Where, on the other hand, the annuity proves insufficient in the course of the year, supplementary credits may be demanded.
2. A *redemption annuity* of at least 500 millions, equally charged to the Budget. Such annuity to be applied to the due amount to the extinction of the Defence Bonds.
3. An *original endowment*. From the start the *Caisse* should be provided with a substantial reserve, which might grow in

the future and would permit it to meet the eventual demands of redemption.

To this end the Committee proposes the following solution:—As will be set out further on, one of the preliminary measures to be taken with a view to stabilisation is the placing of loans of as long term as feasible in the great international markets. The State will then hand over to the Bank of France the foreign currencies accruing from these operations, or previous operations, and the corresponding value of these currencies, in francs, will, up to a sum of 4 milliards, be placed to the credit of a special account opened by the Bank of France in the *Caisse de Gestion* of the National Defence Bonds. This special account, by its very existence, will be calculated to reassure holders of bonds, and in all probability will only function to a very small extent, since the regular redemption of the bonds is guaranteed by the budgetary annuity.

In the last resort, when other financial operations of an analogous nature have been carried through by the State—notably, the issue of shares provided by the Dawes Plan—50 per cent. at least of the franc-value should, under the same conditions, be carried to the credit of the *Caisse de Gestion*, until the credit balance of its account amounts to 20 per cent. of the National Defence Bonds in circulation. As for the shares issued under the Dawes Plan, a note explaining the nature of their guarantee will be found in the Annex.

4. *Appropriation of Tobacco Receipts.*—Apart from these resources the *Caisse* will receive, under a special guarantee, the net product of the tobacco monopoly, which has been set up as an independent office. By a special appropriation the whole net receipts of the office will be turned over to the *Caisse de Gestion* of the National Defence Bonds, and added to the sum provided in the Budget for the interest and redemption of the Defence Bonds. (See Annex for a survey of the receipts of the Tobacco monopoly.) This appropriation will enable the *Caisse* to obtain, if necessary, either on commission or from the public, or from the private banks, or, if the worst came to the worst, from the Bank of France, temporary advances on the home market. Lenders, in such cases, would merely discount certain receipts. Obviously, where such advances are employed, the replacement of the corresponding receipts would have to be provided in the Budget. The Bank of France would continue to discount National Defence Bonds on the terms now in force. Thus guaranteed, the bonds ought to keep public favour. The *Caisse de Gestion* of National Defence Bonds would publish a balance-sheet every fifteen days, showing: the figure of the maximum limit in force for Defence Bonds; the amount of Defence Bonds in circulation; the amount of the credit account with the Bank of France, or, eventually, the loans contracted by the *Caisse* in the form of advances from the receipts from the tobacco office; the rates in force for each maturity; similar figures covering the preceding period and since the opening of the *Caisse's* operations.

(c) *Ordinary Treasury Bonds (1 year maximum).*—The ordinary Treasury Bonds actually in existence, amounting to 2,600 millions, ought likewise to be regarded as a legacy from the past, and on that ground handed over to the administration of the *Caisse de Gestion* of National Defence Bonds on the same terms as the National Defence Bonds themselves. These Treasury Bonds would not be renewed in this form by the *Caisse de Gestion*. Later on, the conditions under which the Treasury may be authorised to issue new bonds for its ordinary needs will be indicated.

(d) *Short-Term (3-10 years) Treasury Bonds and National Credit Bonds.*—It is desirable that these bonds should be progressively reduced, either by consolidation loans or by redemption. The first consolidation operations in relation to the Defence Bonds ought, in the view of the Committee, to be devoted preferably to Treasury or Credit National Short-Term Bonds falling due in February and September, 1927. Further operations will be undertaken in view of later maturities. The Committee is convinced that the improved atmosphere which will follow on the restoration of sound finance and monetary stabilisation will allow such loans to secure good results. A redemption fund for the extinction of this short-term debt does not seem necessary: it seems preferable to charge it to the Treasury.

The Committee thinks that the steps to be taken by the Treasury for the maturities of 1927 should be governed by the following considerations:—It may be recalled, in the first instance, that the February cancellation is merely facultative and applies only to some 3 milliards of bonds, and that the proportion of demands for redemption actually reached on previous occasions was hardly above 50 per cent., in spite of specially unfavourable circumstances. Therefore, unforeseen events apart, one is entitled to assume that claims for redemption will fall far short of the nominal total; on any hypothesis, the sums which the Treasury will actually have to pay out will be indubitably far below the demands for redemption, since a large portion of the latter will be mere book-keeping transactions, or subscriptions to other Treasury issues. For the same reason the February, 1927, maturity of 1922 Treasury Bonds, second series, amounting to 4 milliards, is by no means alarming, although in this case redemption is obligatory. The operations of voluntary consolidation, whose realisation ought,

if possible, to occur in the near future, will, without doubt, have sensibly reduced the number of shares of this issue in circulation. On the other hand, the Committee is informed that various public banks hold considerable blocks of short-term Treasury Bonds of various issues.

Immediate negotiations with these organisations ought to enable a friendly arrangement to be reached for the voluntary conversion of these bonds into terminable annuities. This operation was effected several times before the war.

It is further desirable that the *Caisse des Dépôts et Consignations* should, from now on, devote a considerable proportion of its resources to the repurchase on the market, in virtue of analogous arrangements with the Treasury, of short-term Treasury Bonds: such purchasing to be directed by preference to bonds of the nearest date of maturity. To give the greatest possible scope to such purchasing, the Committee suggests the employment, through the *Caisse des Dépôts et Consignations*, of such supplementary resources as may be available in the war pensions account, thanks to the termination of pensions, and of the Budget annuity of 500 millions which the Committee proposes to assign, from 1927 on, to the redemption, by repurchase on the Bourse, of short-term bonds and, ultimately, of consolidated *rentes* (see Annex, Treasury).

Finally, reference should be made to the paragraph which follows, on "Temporary want of balance between payments into and out of the Treasury," where proposals are made for the constitution of a margin of 3 milliards to back new advances to the State.

(e) *Advances to the State by the Bank of France.*—New advances to the State shows a debit balance of 37.3 milliards, while the legal maximum is 38.5 milliards. The Committee recognises the necessity of a progressive reduction in these advances. Their disappearance will improve the cover of bank notes; gradually the backing of the note will be the reserve and commercial assets only.

At the same time, the taxpayer must not be overburdened. Keeping both these sets of considerations in mind, the Committee estimates that the annual reduction in advances by the Bank of France should be limited to the amount of the interest earmarked for the sinking fund account. Further, the Committee holds that it would be well to make uniform the conditions under the heading of new advances to the State and of bonds discounted for foreign Governments. The agreement to be reached on this subject between the State and the Bank of France might, at the same time, ease the burden of the next few years at the expense of those following stabilisation, in view of the fact that after stabilisation a considerable proportion of the advances made to the State will actually be extinguished by the revaluation of the metallic stock.

Subject to these observations, the Committee proposes to provide an annuity of, say, 1 milliard in the Budget.

(b) Expenses outside the Budget.

Thanks to an effort, to which the Committee desires to pay homage, the 1926 Budget has been charged with a number of expenses previously left to the Treasury. The latter, however, has still to support the following:—(a) Expenses of the State railways and those of Alsace-Lorraine. (b) Interest on advances from the Bank of France. (c) Reduction of advances by the Bank of France to the State. (d) Partial redemption of foreign debts. (e) Advances to foreign Governments.

(a) *Expenses of the State Railways and those of Alsace-Lorraine.*—The Committee holds that all the main lines, including those of the State and of Alsace and Lorraine, ought to make such adjustments, as automatic as may be, of their rates as will enable their profit and loss accounts at least to under this head.

So far as works on capital account are concerned, it does not seem reasonable in present circumstances to count on share issues which, as a matter of fact, have for some time past only been realised by the State Railway to a very modest extent, and with the assistance of various banks, no public issue having been practicable.

Although in normal times it is legitimate to have recourse to loans for expenses of this character, the Committee recommends that until the new order is installed the absolutely indispensable minimum for works shall be covered in the Budget. Works that are not thus urgent should only be carried out to the extent to which funds can be obtained by financial operations.

In any event, no payment ought to be left charged to the Treasury.

(b) *Interest on Advances from the Bank of France.*—This ought likewise to be incorporated in the Budget.

(c) *Reduction of Advances by the Bank of France to the State.*—This question has been treated in connection with the Floating Debt. (d) *Partial Redemption of Foreign Debts* (see Annex for table of payments). The sums already charged to the Budget ought, of course, to remain so charged. The other payments of this nature which to-day remain charged to the

Treasury are too irregular to allow of their inclusion in the Budget.

It will be well, in relation to all sums of importance, to negotiate such arrangements with the creditors that the annuities to be paid under this head, the disbursements of lesser importance required to meet various maturities, and such as result from the debt arrangements come to with the various foreign Governments, shall be charged against the anticipated receipts from the Dawes Plan.

Then the Budget would not have to carry any new charge under this head except such as might be caused in the credits already included in it by a rise in the exchange. Here again, then, there ought in the future to be no recourse to the Treasury.

(e) *Advances to Foreign Governments.*—The Committee envisages the inclusion in the Budget of the credits necessary to meet expenses already contracted.

(c) Budget Deficits.

The measures taken to secure that in all circumstances the Budget shall balance ought, for the future, to obviate the recurrence of Budget deficits and remove altogether this source of Treasury embarrassment.

(d) Temporary Want of Balance between Treasury Receipts and Payments.

The Treasury may be momentarily thrown out of equilibrium for the following reasons:—(a) The yield of taxation is less substantial in the first half-year than in the second. (b) During the first half of the financial year the Treasury has to make advances to departments and communes on account of their taxes; such taxes come in during the second half of the financial year. (c) The Treasury has to meet end of the month demands. (d) Certain important items of expense, such, for example, as the service of the Debt, are unequally divided between the different months of the year.

The Committee once more lays stress on the vexatious consequences from this standpoint of the late date at which the Budget is voted. The reduction in the Treasury's current accounts, recommended elsewhere, will have a favourable influence on the scale of the end-of-the-month settlement.

In any event, however, no Treasury can live without a certain, sufficiently elastic, supply of cash in hand. Before the war, on a Budget of about 5 milliards, Parliament authorised the Finance Minister to issue annually 600 millions of Treasury Bonds. The expansion of Budget figures, and the multifarious new obligations which the Treasury of the State has got to meet, seem to-day to justify a power to issue bonds up to 5 milliards, as the Treasury's normal supply of cash in hand.

In virtue of the annual authorisation by Parliament, the Treasury would be able to issue, up to the level of this total, ordinary Treasury Bonds at the rate and maturities corresponding to its needs and its receipts, so as to make their normal redemption certain. Such bonds would be quite separate from the ordinary Treasury Bonds now in existence, which the Committee would have transferred to the *Caisse de Gestion* of National Defence Bonds as a preliminary to their speedy extinction. It appears that by varying the rates of the new Treasury Bonds as suited it, the Treasury would be able to achieve the desired result.

As a supplementary means of securing elasticity for the Treasury, the Committee suggests that out of the product of the first financial operations abroad, referred to in connection with the National Defence Bonds, a sum of 3 milliards should be carried by the same mechanism to the credit of the account of new advances to the State in the books of the Bank of France. This transaction would reduce, by the same amount, the debit total of the account, without, as a consequence, lowering the limit of advances to the State. There would thus be built up a total margin of several milliards, to which the Treasury resources, up to the limit of the 5 milliards mentioned, would be added.

Taken in combination, these measures ought to free the Treasury from its present anxieties, place at its disposal the temporary credit instrument which it requires, and permit the redemption of the floating and short-term debt, and, progressively, of the advances made by the Bank of France.

VII.—STABILISATION.

(a) Its Necessity.

Behind all the Committee's proposals is the presumption of monetary stability.

On the one hand, their object is to render it possible. On the other, their execution is conditional on exchange stability. Without stabilisation neither the balance of the Budget nor of the Treasury can be re-established, nor the trade balance restored. Inversely, unless the Budget is rigorously balanced, unless there is a definite limitation of advances to the State from the Bank, and unless measures are taken first to balance and then to redeem the Floating Debt, monetary stabilisation is impossible.

Stabilisation demands courage, for whatever be

the method adopted the future economy of the country must be modelled on the rate finally reached. The rise of prices, then their arrest; the slackening off of internal consumption and of exports; the adaptation of wages; the eventual rise in discount and interest rates; here are the elements of an economic crisis which will compel the reorganisation of business. Many enterprises of the inflationary period will have to be modified or disappear. The habit of working with sound currency will have to be resumed, and that presupposes changes in mentality and in method.

The present appearance of great economic prosperity cannot go on. There will be undoubted difficulties, but they are inevitable to-morrow, and will be worse if they are postponed.

The real choice is not between a continuation of the present economic condition and stabilisation, but between the necessary crisis and a system of monetary disorder, with all the disasters involved in the accelerated fall of the franc—unbridled speculation, moral deterioration of the nation, impoverishment, social disorders, and a period that, willy-nilly, must one day end in a stabilisation crisis. The longer it is put off the more serious will it be. Whatever choice be made, it is inevitable.

To-day, courage to undertake stabilisation may save what still remains of the patrimony of France, a portion of its savings, and, in consequence, the reserve of credit which French production requires for its development.

If this courage is not forthcoming the depreciation of the currency is bound to grow worse. When, after this failure, the necessary effort is at last undertaken, the French economic system will be incapable of standing alone. Capital will be gone, annihilated by depreciation, and only obtainable for production at prohibitive rates of interest; the cumulative rise in commodity prices would close foreign markets against us. Neither industry, agriculture, nor commerce will find in France the ready money they require. There can be no other result than a fatal development of dependence upon foreign capital.

Such are the effects, as disastrous as they are certain, of a policy of temporisation. It must be avoided. The stabilisation crisis is not part of stabilisation in itself; it is the result of the period which precedes stabilisation, and the longer such period has been the greater the suffering it causes. To-day the necessary task can be accomplished in relatively favourable conditions. No effort ought to be neglected in undertaking it.

(b) *Mechanism of Stabilisation and its Stages.*—Stabilisation presupposes the possession by whosoever is to carry it through of a considerable stock of (1) foreign exchange to prevent a fall in national money; (2) francs, so that the surplus foreign exchange on the market can be absorbed.

The State is not in a position to undertake this operation. In almost every country which, in the last few years, has achieved stability, the task of ensuring it has been confided to the Bank of issue (Austria, Hungary, Czechoslovakia, Finland, Great Britain). Only the Bank has at its disposal a sufficient stock of foreign exchange, obtainable on the basis of its gold, and the power of reconstituting that stock by attracting foreign capital. Again, only the Bank has the necessary resources in national money to buy the surplus foreign exchange offered on the market.

Intervention in the exchange market does not presuppose grand strategic operations, but rather a constant watching of rates, the Bank one day absorbing an excess of foreign exchange, and selling the next, when offers are insufficient.

In England the Bank, legally released from the obligation to redeem notes in gold at home, merely supports the *international value* of the notes by using, directly or indirectly, its metallic reserves, which its discount policy puts it in a position to defend. It is to a system analogous to this that we in France should turn. Stabilisation raises questions of the moment, the level, the method, and the means.

The *moment* is, obviously, the earliest possible moment, that at which the totality of other measures proposed by the Committee come into action; the operation ought to be undertaken in immediate connection with the carrying out of the general plan which the Committee suggests. The

recommendations would not work without a simultaneous stabilisation; without the execution of these recommendations stabilisation would be impossible.

The level can neither be selected now nor publicly announced. There is a choice between two extreme limits; the franc rate resulting from the cost of living index at the decisive moment of the operation; and the actual franc rate at the same moment on the exchange market. The figure of stabilisation must be sought between these two limits, account being taken of all the circumstances, notably of the necessity of retaining or attracting foreign capital, and inducing the rapid return of expatriated French capital. From this standpoint, as well as from many others, it seems desirable to choose a rate more favourable than the actual rate.

The method. In all probability a pre-stabilisation period must be envisaged, long or short, during which a policy of regulating rates and of approaching, little by little, to the desired rate, as and when circumstances favour, must be accepted. The tactics to be followed by the Bank cannot be laid down in advance. Evidently its conduct will, to some extent, be dictated by the degree of facility with which it obtains foreign credits. It is, however, worth recalling that the sooner fixation of the rate is accomplished the sooner will the gap between interest rates on the French and on foreign markets begin to exercise its attractive effect on foreign resources, an action which should be accelerated, and which will in high degree facilitate the success of the operation. Such action is impossible so long as persistent exchange variations threaten to annihilate the advantage accruing from the gap in rates.

The means. All the means available for a Bank of issue depend on the existence of its own reserve (gold and currency), reinforced by the long or short term credits which it can secure, whether directly or by the intervention of Government. Until that natural repatriation of exported French capital takes place, which will definitely assure stabilisation, instruments of exchange on a large scale must be put at the disposal of the French market in the next few months. From the exclusively commercial point of view, these means ought to be all the more considerable because the first months after stabilisation will be those in which the seasonal demands for currency will be most acutely manifested (July-September for corn and silk, August-December for cotton, September-January for wool).

These needs are important, but they must be looked at in relation to the annual commercial balance as a whole; the problem mainly consists in carrying over to the spring months, which are generally better supplied for familiar reasons, a part of the demands which overload the autumn market, and at certain times weigh down the international value of French currency.

What, then, in addition to the normal supplies of exchange derived from our export trade are the resources upon which it will be possible to rely to meet the exchange demands that will arise on our market in the spring of 1927? They are of three kinds:—1. Long-term loans already obtained and to be obtained by the French Government (Morgan loan of 1924, Stabilisation loans). 2. Credits to be obtained by the Bank of France. 3. Private and commercial credits.

It is not for the Committee to fix the scope and methods of the means contemplated under 1 and 2. It is, however, essential that the facilities obtained should be as extensive as possible, since their magnitude is an element in the success of stabilisation. The first operations might extend to the sum of 200 million dollars or their equivalent.

In relation to the loans contemplated under paragraph 1 an agreement must be arrived at between the Government and the Bank of France that the currency acquired as the result of these financial operations be devoted to stabilisation. Such agreement will regulate the questions of the interest accruing on deposits of currency abroad and of the exchange risks.

Looking at the question simply and solely from the point of view of the financial restoration of the country and the monetary stabilisation called for by the country as a whole, the Committee is convinced that these ends cannot be achieved unless a considerable body of exchange media is at once available. There are objec-

tions to the use in the first line of the metallic reserve of the Bank of France.

The indispensable resources must, therefore, be furnished by foreign aid. Such aid, of which we must at the outset be assured, is conditional on the conviction, which we must give to all, that we are firmly determined to stabilise the franc and to take all the necessary steps to that end.

Further, it implies the settlement at the earliest possible moment of the amount of all our debts to our Allies, and the spreading of the instalments over a long period of years. Should we find lenders in the existing state of uncertainty, if only on account of the heavy maturity of 400 million dollars which, apart from any new arrangements, we have to face in 1929?

The Committee, while fully seized of the considerations on the other side, unanimously take the view that these facts make it indispensable to ratify at once the Washington agreement, and proceed with the smallest possible delay to arrive at a definite settlement with Great Britain.

So far as private credits are concerned, the Committee is of opinion that by appropriate measures contemporaneous with stabilisation, it would be possible to facilitate the investment in France of foreign capital already attracted by the high ruling rates of interest, and also to hasten the return of the French capital actually available.

Thus the Bank of France could receive all deposits in appreciated currencies, whether from abroad or from its own nationals. These deposits would help to strengthen its foreign exchange reserve, and so reduce the sums to be employed out of the credits at its disposal, resulting from 1 and 2.

The question of the return of expatriated French capital raises that of the suppression of the law on the export of capital. The abrogation of this law could be realised in the near future without inconvenience. It does not, as a matter of fact, appear that the said law has really, so far, had any useful results. It has certainly sometimes impeded natural movements which assist the national currency. In any event, it would require to be modified as soon as the plan comes into operation, in directions which should prepare the way for a progressive return to a completely free circulation of capital.

To this end the Committee suggests that the Bank of France should afford every facility for the opening in its books of foreign currency accounts, whether in the name of industrials and business houses or of individuals; accounts of which the holders would have entire freedom to dispose, whether they re-export the currency, sell it in France, or change it into francs. The Bank of France could allow such depositors advances in francs at a rate to be settled, with a margin of guarantee sufficient for itself, against the foreign currency deposits of this kind which it received.

The Committee further suggests a new amnesty for the offence of exporting capital in favour of persons or companies resident in France, who own foreign currency and are willing to place that currency at the disposal of the Bank of France.

Further, the redundant texts bearing on the application of the law of April 3, 1918, ought to be unified and simplified.

Finally, a better organisation of commercial credits is to be recommended to remedy to some degree the inconvenience caused by the concentrated demands for currency arising out of seasonal requirements. This would facilitate the task of our bank of issue in the defence of the national currency, which it must undertake. (See Annex on commercial credits.)

So much having been laid down, the operations of stabilising the franc divide themselves into three periods: (a) *Pre-stabilisation* period, with the exchange oscillating about a rate more or less fixed in advance; (b) *Period of stabilisation in fact*, during which the Bank at a fixed rate. (c) *Period of stabilisation in law*, dating from the moment when the situation already existing, in fact, has been legalised and confirmed; at this stage the problem of the monetary standard and of the definitive regulation of the advances made by the Bank to the State must be solved.

First Period—Pre-Stabilisation.—This period should be as short as possible.

From the moment when the plan is put into operation steps must be taken to restore public confidence in the national money, and to restore, at once, a necessary and perfectly legitimate elasticity to its circulation.

These steps are as follows:—

1. The maximum of advances to the State must be definitely fixed at the present actual figure.

2. This done, there is no longer any call for fixing a rigid maximum circulation. To do so, in fact, seriously inconveniences commercial activity, and may hamper the Bank of France in its purchase of the foreign exchange and gold necessary to strengthen its reserve. From now on it is the business of the State and of the Bank of France to discover a more flexible system, until legal stabilisation permits the fixing of a proportion between the reserve (gold and exchange) and the circulation. In any case the notes that may in future be issued against purchases of gold or currency will not count towards the maximum circulation.

3. The reserve should be strengthened by the acquisition of gold coin at home, at a rate near the current exchange rate. The 1916 law forbidding the sale of gold pieces at a premium should be suspended, the Bank being given a monopoly of purchase. The Treasury should lend its departmental assistance to the bank in such purchases. The gold export embargo should remain in force, the Bank alone being authorised to effect such exportation.

Second Period—Stabilisation in Fact.—This period will begin at the moment when the Bank, having definitely selected a rate at which to stabilise, decides to purchase and to sell gold at a fixed rate, and to sell foreign exchange with a gap between the selling and buying prices corresponding closely to the export and import goldpoints.

If, as is probable, with a well-organised purchase of gold at home, the reserve continues to grow (the circulation not covered by gold and exchange rather remaining stationary, as is normal in a period of economic deflation) the return to internal convertibility may be fairly rapid. The eventual inconveniences of such a return might be met by deciding to limit the operation of conversion to the head office of the Bank.

Let us state at once that, in our view, no practical importance attaches to a speedy return to the internal convertibility of the note; but the demonstration of its possibility may have an important effect on general confidence in the note. It is, doubtless, during the second period that it will be wise to restore a complete freedom of circulation to capital.

Third Period—Stabilisation in Law.—When stabilisation in fact has once been established the transition to stabilisation in law will be relatively easy. Laws must be passed, notably to fix the new monetary unit, to regulate the advances of the Bank of France on the basis of a revalorised reserve, and to give permanence to the state of things created during the second period by transforming into a legal obligation the duty assumed by the Bank of maintaining a fixed rate of exchange up to the moment of the re-establishment of simple convertibility.

On the *monetary law* all that need be said is that the choice of the weight and fineness of the new gold monetary unit will be determined by the effective stabilisation rate in combination with commercial convenience.

As for the advances by the Bank to the State, the revaluation of the reserve already referred to will automatically liquidate a portion of this debt, as the entry "new advances to the State" will be diminished by the whole amount added to the reserve. There will remain a much reduced total of advances represented in the circulation by notes constituting the "residue of inflation," secured only by a credit against the State.

It has been proposed that these notes should be separated from the others, the State being charged to assure their gradual conversion and amortisation. This solution should, we think, be rejected; either the two kinds of note will be interchangeable, and so, in practice, constitute a single circulation; or their mutual values will be variable, and the internal exchange thus set up will merely aggravate the situation.

The one problem is the gradual amortisation of what will remain, at this juncture, of the advances to the State. The Committee is of opinion that such amortisation should proceed at a rate so moderated that the notes

which are backed by a credit against the State may be gradually replaced by notes with a commercial backing.

The process should stop at such a point that the State will be assured, to meet the normal needs of the Treasury for cash in hand, of a "permanent advance" above the actual advance—200 millions only—and adapted to the depreciation of the franc.

Such are the successive steps which will enable the monetary stability which is indispensable for the country's economic life to be definitely assured.

VIII.—ECONOMIC CONSEQUENCES OF FINANCIAL RESTORATION.

The economic consequences of the Committee's proposals have already been touched on in the chapter dealing with stabilisation. It is, however, necessary to repeat them briefly here, and indicate the suggestions for the future to which they give rise.

(a) The Industrial Crisis

While the restoration of sound finance is urgent and indispensable, it cannot be denied that it will provoke a grave economic crisis, which, however, will be brief, and such as has been passed through by all the nations which have carried through a monetary reform. The constant fall in the value of French currency ever since the Armistice has only been followed at a considerable distance by rising wholesale and retail prices. While complicating working conditions, this fact has nevertheless made it easy for businesses to extend their sales. Indeed, it has allowed some of them to develop abnormally in responses to the needs of a home consumption, which developed all the more rapidly because of a decline in saving due to the fall in the value of the franc and to meet foreign demands facilitated by the depreciation of our money. Statistics of imports and exports prove this; they show a decline in the import and an increase in the export of "manufactured goods."

(b) Consequences of the Crisis.

Inevitably, exchange stabilisation will be followed by a readjustment of internal prices. The increase in cost of production which will result will reduce exports at the moment when internal consumption will be restricted by the rise in the cost of living. A temporary but severe disturbance of markets will follow, with excessive competition as the result of a scramble to realise. When to this one adds a probable rise in discount rates a restriction and stringency of credit at a moment when sales are falling off, one must face the prospect that a certain number of enterprises will be endangered, the weakest of them will fail, and those whose prosperity has been artificially supported by the fall of the franc will drop out altogether. Such is the heavy price that those whose lives are bound up with the national industry will have to pay for the financial rehabilitation of the country! The sound elements in production and distribution, if they are to survive, must improve their conditions of work. Those on the margin of normal industry and business will doubtless have to disappear.

The severity and duration of the crisis will depend on the rapidity of this evolution, and on the assistance which the enterprises that deserve it can obtain. Nevertheless, long or short, it is not to be expected that it can be accomplished without causing unemployment and all its social consequences, so true is it that all workers—labourers, employees, and employers—are dependent on one another. This solidarity means that they will profit or suffer together, according as business flourishes or fails.

The reaction of the crisis will affect the State itself in a falling-off in the yield of taxes paid by the productive forces of the country. Whether on the schedule of industrial and commercial profits, on the income-tax, on the turnover tax, the transfer and registration taxes, the Treasury's returns will be directly affected by the momentary slackening of trade. The State will have to seek compensation in the reduction of expenditure. At the same time, the prospect of an economic crisis should not delay the application of measures designed to secure financial health.

The present situation, in fact, falsifies normal conditions of trade; creating an illusion of prosperity, it really involves an impoverishment of business owing to

the decline in real profits and the progressive diminution of working capital. If it is prolonged, working capital will completely disappear; the crisis will be aggravated in intensity and duration. There will, moreover, be the risk that important elements in the country's production will pass into foreign hands.

It is impossible to over-emphasise the fact that there is no escaping the necessity of monetary stabilisation, and that the longer it is delayed the more formidable will be its effects.

(c) Remedies.

Finally, it is to be hoped that if, from now on, trade and industry will face the danger, they may be able to mitigate and overcome its consequences.

I.—In order to organise themselves they ought to know how to take advantage of the period that will elapse between the application of the measures herein set out and the rise of the cost of living to the level of world prices.

Internal organisation of each industry and each business might be set up, tending: (a) To reduce cost of production by technical improvements; (b) to reconstitute working capital partially eaten up by inflation, by the return and mobilisation of capital and by financial assistance.

Organisation on a combined plan permits: (a) Closer and more regular relations, and more active collaboration between the different branches of organised production and the great administrative services of the country; (b) *rapprochements* between nations which will help to regularise their trade; (c) centralisation of foreign purchases and sales, with a view to securing important commercial credits such as will relieve the exchange market. In the annex will be found a plan by which chambers of commerce and syndical organisations may be enabled, with the support of the banks and of the Bank of France, and on the basis of acceptances granted to French buyers by their foreign sellers, to insure their purchases and sales of foreign exchange being set off against one another, the exchange market being concerned only with the final balance. (d) The adoption of a general scheme which should mitigate the unemployment crisis by a better distribution of work and a new distribution of foreign labourers, of whom a larger proportion than is the case to-day might assist towards reconstituting the rural population, and another portion might return to its country of origin.

II.—These various measures require to be supplemented by action on the part of the public authorities. It is more especially in their province to: (a) Increase, for the future, and improve, from now on, the productive possibilities of the country, not by repealing the Eight Hour Day, but by permitting it to be applied with sufficient flexibility to remove restrictive regulations by which national effort is liable to be paralysed; (b) end the system of export and import prohibitions which sterilises initiative; carry on a policy of free expansion and moderate protection, by the readjustment of the Customs tariff in the light of the new situation of the country, agricultural and industrial, and by the adoption of principles of agreement (return to the most-favoured-nation clause, for example) which would make the conclusion of commercial treaties easier; (c) assist the use throughout the country of raw materials derived from French soil (displaced at present, too often, in certain areas, by imported supplies) by modifying railway rates; (d) encourage the development of colonies which could supply the mother country with numerous commodities now purchased abroad; (e) give more elasticity, as has been suggested above, to the tax system applied to capital employed in production; limit, as far as possible, for the moment, every sort of burden which may be imposed by the new arrangements on such production, which, though they make no appearance in the Budget, do nevertheless constitute actual taxes.

III.—The employment of these measures will assist in reducing the intensity and duration of the crisis. They will not, however, suffice unless the country recovers, contemporaneously with monetary equilibrium, the two

ruling qualities on which was based its prosperity in the past—the spirit of work and the spirit of thrift.

To work harder and save more—such is the obligation imposed upon all. Work harder, because the reconstruction of national wealth implies increased production. Save more, because this is the sole means of insuring the formation of new capital, which will, in turn, generate new productive resources.

Saving implies the power of self-restraint. Before the war the country was enabled to be self-sufficient by its harmonious balance. Its agricultural wealth, its work, and its savings maintained a level of prices at home substantially below the world level. It can be so again, for its powers of work are not destroyed, its habits of saving are discouraged rather than seriously impaired, and its native reserves, although in flight, have not disappeared.

All these forces must co-operate to redeem and reduce the inevitable crisis. They will ensure to the country both the means of preserving large export possibilities and the certainty of reverting rapidly to normal life and the restoration of prosperity.

CONCLUSIONS.

Distinguished as it is by monetary instability, the present crisis originates in Budget deficits, the abuse of short-term loans, and inflation.

The Committee in its report has laid down a series of measures capable of insuring a rigorous balance of the Budget, relief to the Treasury, and monetary stability.

In broad outline these measures can be summed up as: an energetic reduction of State expenditure; the establishment of expanding receipts of immediate yield; the restoration of the independence of the Bank of France, by shutting off resort, direct or indirect, to advances from the Bank as the means of covering new expenses of the State; the gradual reduction of the advances from the Bank of France to the State; guarantee of sound functioning of the Treasury; its return to its normal rôle by freeing it of a large part of the floating debt; the transformation, by voluntary consolidation operations, of national defence and short-term bonds into securities, subject to gradual amortisation; the realisation, within a limited period, with the assistance of the Bank of France, of that monetary stability which alone can make the preceding measures at once possible and of lasting efficacy; an effort to retain attract, and cause the return of capital, and pave the way for its free circulation in the near future; the contracting, with a view to stabilisation, of loans in foreign currencies of as long a term as possible, and of foreign credits; the pursuit of an economic policy calculated to mitigate the inevitable crisis resulting from a return to sound money, and to restore the prosperity of the country.

This programme assumes the faithful observation by the State of its obligations, and the settlement of inter-Allied debts.

The members of the Committee are unanimous in holding that: the measures they recommend, logically and progressively applied, are capable of retrieving the situation; continuity of view and effort is necessary; fragmentary programmes and partial solutions will be fragile and ineffective.

It should not be concealed that financial reconstruction will be accompanied by difficulties and suffering; postponement will merely aggravate them.

If France is able to accept discipline, to work with ardour and constancy at the task of its own re-establishment, to produce and to economise, economic order and prosperity will not be long in reviving.

Paris, July 3, 1926.
Sergeant, Duchemin, Fougère, Jèze, Lewandowski, Masson, Moreau, Oudot, de Peyerimhoff, Philippe, Picard, Rist, Joseph Simon.

The annexes to the report include numerous and valuable statistical tables and charts dealing inter alia with the following:—The effect of franc depreciation on security values, private fortunes, &c.; foreign trade figures, 1911 to 1925; Budget details; monopolies; methods of taxation; debt position; reparations.

The Economist

DANUBIAN SUPPLEMENT.

SATURDAY, SEPTEMBER 18, 1926.

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The aim of this Supplement is to give our readers a summary of the principal data relating to the economic life of the Danubian countries, and, in particular, to outline the progress of economic reconstruction in a part of Europe which was particularly affected by the war and the Treaty settlement. These States, old and new, have many problems in common. An attempt has, therefore, been made to treat the region as a whole; to give a short

account of the particular features of each State in turn; and, lastly, to review the general tendencies of the past seven years for the light they throw on the factors determining the course of further reconstruction in the future. The Supplement has been prepared by Mr I. L. Evans, M.A., Fellow of St. John's College, Cambridge, and Lecturer in the Economics of South-Eastern Europe at King's College, London.

I.—THE DANUBIAN STATES.

The work of economic reconstruction in the Danubian Succession States is still far from complete. Four and a-half years of war played havoc with the whole region. Vast areas actually came within the fighting zone, and countries like Serbia and most of the Old Kingdom of Roumania suffered from the extortions of hostile armies of occupation. This, as is only too often forgotten in more favoured lands, was the prelude to national independence: to a redrawing of frontiers which, even in normal times, would of itself have been the source of very considerable difficulty in the economic sphere. Moreover, the old economic order had broken down under the strain of the war, while the new did not even exist on paper in the year of grace 1918.

Under the old régime, by far the greater part of this Danubian area acknowledged the sway of the Habsburgs. It is this fact, combined with a certain natural unity given to the whole region by the River Danube, which calls for a general survey of the six Danubian countries—Austria, Czechoslovakia, Hungary, Roumania, Bulgaria and Yugoslavia—despite the great variety in economic development and general civilisation. History and geography combine to justify such a procedure, though it must be admitted that variations in local frontiers, no less than the general inaccuracy of official figures, make it difficult to give a reliable series of statistical pictures. The following summary of the Austro-Hungarian monarchy, together with the three Balkan States which touch the Danube, as comprised within the frontiers established in 1878, and the former Russian province of Bessarabia, will serve as an introduction to our subject:—

THE DANUBIAN LANDS IN 1910.

Country.	Area.	Population.		Railways.	
	Thous. Square Miles.	Total (Mill'ns)	Per Square Mile.	Thous. Miles.	Miles per 1,000 Sq. Miles.
Austrian Empire	115.8	28.6	247	14.1	121
Austria (excluding Galicia)	85.5	20.5	240	11.5	135
Hungary	125.6	20.9	166	12.8	102
Bosnia-Herzegovina	19.8	1.3	96	1.1	54
Roumania	50.5	7.0	138	2.2	44
Bessarabia	17.6	2.4	139	0.5	31
Bulgaria	37.2	4.3	116	1.1	28
Serbia	18.6	2.9	156	0.4	23
Total Danubian Lands (excluding Galicia)	354.8	59.9	169	29.6	83

These figures, naturally, relate to the areas of the Balkan States prior to the outbreak of the Balkan Wars, which, incidentally, completely disorganised the statistical

returns of the States concerned. They thus exclude Macedonia ("Southern Serbia") and the net additions made to Bulgarian territory in 1912-13. It should, however, be added that they include those parts of the old Austria which were ceded to Italy.

For our present purpose it will suffice to point out that, taking these lands as a whole, approximately two-thirds of the total area and something less than three-quarters of the total population was under Habsburg rule. With the exception of Bosnia, the density of population was here greater, and the railway equipment much more developed, than in the small national States. Industry was expanding rapidly in the Dual Monarchy in the decade leading up to the war, for something in the nature of an "industrial revolution," to use a much-abused term, was then taking place in the lands of the Middle Danube. Around the Habsburg dominions themselves a high tariff wall had been built, and, within this, there was also a common currency system, and, to some extent, a common system of law and administration. It is true, however, that ever since the famous "Compromise" of 1867, the kingdom of Hungary had been forging ahead on its own lines. In particular, its railway system was quite distinct from that of Austria and what were virtually discriminatory railway rates formed one of the many weapons with which the Magyars were busily building up a specifically national Hungarian industry. Moreover, the two halves of the Dual Monarchy had different tariff interests (as witness, for example, the burning question of duties on iron), and in this, as in many other economic matters, the gulf between Budapest and Vienna was growing steadily wider in the years immediately preceding the war. The fate of the ten-yearly agreement between the two countries, which was to have come up for revision in 1917, was in some doubt before the outbreak of hostilities. In other words, economic nationalism was already rampant in the Habsburg dominions by 1914, though the principal line of cleavage was the frontier separating the Austrian half of the Empire—that curious conglomerate stretching from the Bucovina in the far North-East, through Galicia, the lands of the Bohemian Crown, Austria proper, and the Slovene country to Dalmatia and the Montenegrin border in the South-East—and the compact kingdom of St Stephen, whose economic life was being centred more and more on Buda-Pest and the Middle Danube. This line, be it noted, cut across the ethnic limits of Roumanians, Czechoslovaks, and Southern Slavs, and was far from being acceptable to the majority of the subjects of Francis Joseph. Moreover, the national frontiers of Roumania separated the Roumanians of the old kingdom from their fellows in Transylvania and the Bucovina; while the Danube and the Save at Belgrade cut off the little

kingdom of Serbia from millions of Serbs and Croats who lived under Habsburg rule.

It is clear, then, that the abundance of frontiers and the predominance of economic nationalism are no new features of Danubian economic life. From the economic point of view, however, it is interesting to remember that the changes that were taking place in the old Dual Monarchy in consequence of the existence of this frontier between the two halves of the Habsburg dominions, were geographically not the same as those which have come as a result of the Peace Conference. Moreover, the Austro-Hungarian Empire had itself existed in its dual form since 1867, while the modern economic development of Austria and of Hungary had both been directed with a view to the furtherance of a political system.

By the end of 1918 the old order had collapsed. The financial position was more than precarious; the transport services were completely disorganised; and agriculture and industry were alike exhausted after the excessive burdens that had been laid upon them by the war. It was, therefore, from the ruins of the old order that the new was to arise, and that during a period of general impoverishment in most parts of the world which inflation and profiteering made to appear like prosperity. From these inauspicious beginnings, and in spite of a whole series of blunders due to generations of suspicion and hatred no less than to inexperience and ignorance, a new economic system is gradually being evolved in the Danubian lands.

Before considering the general work of reconstruction which has already been accomplished, it may be as well to begin by summarising the available data relating to the area and population of the six Danubian countries in their new form. These statistics vary considerably in reliability, while the figures relating to Roumania are estimates only, as no census has been taken since the war. Moreover, the returns as to the relative share of the rural and the urban elements in the total population are not strictly comparable with one another, owing to different methods of calculation. The following table does, nevertheless, give a sufficiently accurate general picture of these countries, while a comparison with the corresponding figures for Germany and France is not without interest:—

Country.	Area Thous. Square Miles.	Population.			
		Census of	Total (Millns.)	Per Square Mile.	Per- centage Rural
Austria	32.4	1923	6.5	202	51
Czechoslovakia	54.9	1921	13.6	248	57
Hungary	35.8	1921	8.0	222	70
Roumania	114.3	1920*	16.0	140	83
Bulgaria	39.8	1920	4.9	122	89
Jugoslavia	96.1	1920	12.0	125	..
Total Danubian States	373.3	..	61.0	164	..
France	212.7	1921	39.2	184	54
Germany	182.2	1919	59.9	328	..

* Estimate.

It will be seen that, although the area of the Danubian region as a whole is over twice that of Germany, the average density of population is only half that of the Reich. Conditions, from this point of view, remind one rather of the situation in the Germanic States towards the middle of last century. At the same time, it may come as something of a surprise to see that, in three of these Danubian States, the population per square mile is considerably in excess of that of France.

From the point of view of density of population and general economic development the Danubian States fall into two main groups. Urbanisation has proceeded furthest in the two Western States of Austria and Czechoslovakia. The figure of density of population in the case of Austria would be much higher than it is but for the great expanse of Alpine land, which is included in the territory of the Republic. Both countries possess highly developed industries which, in Habsburg days, had grown up, in large measure, in mutual interdependence upon one another. Hungary, which in many respects occupies a position intermediate between Austria and Czechoslovakia

on the one hand and the countries of the Lower Danube on the other, is predominantly an agricultural country. Its territory, however, is rich and, in the main, thickly settled, while the industrial life of the country is already past the initial stages. In all these three States the population is over 200 to the square mile.

To the other group belong Roumania, Bulgaria, and Yugoslavia. The new kingdom of Roumania is easily the largest in area of all these countries and also has the largest total population. Indeed, Roumania, with over 114,000 square miles, is almost as large as the old Austrian half of the former Empire, which had an area of 115,832 square miles. The country, however, despite its great natural resources, is relatively under-populated, and remains predominantly agricultural. The low density of population in Bulgaria and Yugoslavia is clearly due, above all, to the very mountainous nature of these two countries, though it seems certain that there is considerable scope for further economic development, more especially in the latter case. In all three countries the process of urbanisation has not as yet proceeded very far, and industry on a factory basis is as yet in its infancy, with one or two prominent exceptions, such as the Roumanian oil industry and the ironworks at Reshitza in Transylvania, which formerly belonged to the Hungarian State.

A further guide to the general economic development of these countries is afforded in the following table, which summarises the position in regard to railway transport:—

Country.	Thousand Miles of Line.	Approximate Mileage.	
		Per 1,000 Square Miles of Area.	Per 10,000 Inhabitants.
Austria	4.1	127	6.3
Czechoslovakia	8.5	156	6.2
Hungary	5.3	150	6.6
Roumania	7.3	64	4.6
Bulgaria	1.6	41	3.3
Jugoslavia	6.2	65	5.2
Total Danubian States..	33.0	88	5.4
France	25.8	121	6.6
Germany	34.3	188	5.7

Here, again, it will be seen that Germany, with an area less than half that of the Danubian region, has a greater railway mileage, while the three Western Danubian States have a greater railway equipment, per 1,000 square miles of area, than has France. On the other hand, the distinction between the Western and the Eastern group of Danubian States is even more marked in this table than it was in the case of the figures of population, which were given earlier.

This rough survey of general economic development should be borne in mind when we come to consider the main trends of reconstruction in these countries. Generally speaking, it is natural to expect that a wholesale re-drawing of frontiers will lead to greater disturbance in an advanced than in a more primitive economic society. Industrial countries like Austria and Czechoslovakia will be likely to be faced with more difficult problems than the rural lands to the South and East; and this remains true even when allowance has been made for the greater direct war losses suffered by Roumania and Serbia.

II.—CURRENCY STABILISATION.

No sphere of economic life attracted quite so much public attention in the years immediately following the war as did that of currency and exchange. The Central Powers had financed military operations very largely by recourse to almost unlimited inflation. The actual note circulation of the Austro-Hungarian Bank, which stood at 2,325 million crowns at the end of June, 1914, rose to 5,137 millions by the end of that year; to 10,889 millions by the end of 1916; and to 35,589 millions by the end of 1918. This wholesale inflation was only partially reflected in the Zürich rate for the crown. The average of 104f 79c Swiss for 100 crowns in 1913 had only fallen to an average of 44f 40c Swiss for the last year of hostilities. At the very best, therefore, the Austro-Hungarian Succession States found themselves faced with a greatly inflated and rapidly depreciating currency at the very difficult moment

of national reconstruction. By the end of 1918, indeed, the value of the crown had fallen to about a quarter of its parity, and, moreover, State deficits continued to be met by ever-increasing issues of new banknotes. The old order had broken down, and the Austro-Hungarian Bank was quite unequal to the problems of the new situation.

CZECHOSLOVAKIA.

The first move towards a restoration of sane financial conditions was made by the new Czechoslovak Republic under the leadership of its energetic Finance Minister, Dr Rasín. The sudden stamping of all the Austro-Hungarian banknotes on Czechoslovak territory in February, 1919, led to the establishment of an independent exchange rate for the Czechoslovak crown and the Banking Office of the Ministry of Finance in Prague took over the administration of the notes circulating in Czechoslovakia. At the time of stamping, one-half of the private holdings of banknotes was withheld and converted compulsorily into non-transferable State bonds bearing interest at the rate of 1 per cent. This measure, which did not apply to public funds or to such liquid funds of the banks as were advanced to the State on current account, reduced the total note circulation on Czechoslovak territory by about one-third. The resultant stringency on the money market was met by the issue of notes against bills of exchange and loans. In this manner the market itself came largely under the control of the Banking Office and the first step was taken towards establishing a new national currency.

To meet the Treasury bills and current accounts that had been taken over by the State, and to pay off the 1 per cent. bonds which had been withheld on stamping, a capital levy and increment tax was introduced early in 1920, though it was some years before the proceeds began to flow in in really appreciable amounts. Of greater immediate importance were the various measures adopted to increase revenue and diminish expenditure on State administration, which finally led to a balancing of the Budget in 1921.

Meanwhile the new currency had been fluctuating rather violently. The lowest quotation of 4 Swiss centimes had been reached in 1919. In the following year it moved for a considerable period round about 10 centimes, only to fall again in 1921, when at one moment it actually stood as low as 6 centimes, owing to the political uncertainty resulting from the attempted restoration of the Habsburgs in Hungary. Immediately after the war the country was importing raw materials in large quantities, though the boom in trade during 1921 greatly helped Czech exporters. It was not until the third quarter of that year that the Czech crown broke away from the German mark, which had been leading the new Central European currencies in their downward rush; while, over the turn of the year, the new Republic achieved a favourable trade balance for the first time. In the first half of 1922 the crown rose as high as 12 centimes, and the loan which was successfully issued upon the London market towards the middle of that year drove the exchange up still further to about 19 Swiss centimes.

To ensure that this advance should be well maintained, the Government decided upon a policy of deflation, and this was carried out with considerable vigour. Some idea of the currency and banking side of this process is given in the following brief summary:—

(In Millions of Czech Crowns.)

End of January.	State Notes in Circulation.	Bullion and Foreign Holdings.	Bills Discounted.	Cumulative Net Proceeds of Capital Levy.
1921	10,888	330	1,794	205
1922	11,230	1,444	1,092	862
1923	9,222	1,230	496	2,157
1924	8,810	2,165	722	3,462
1925	7,917	1,672	1,083	4,128
1926	7,245	2,251	1,113	4,722

The cumulative net proceeds of the capital levy do not, of course, represent any very considerable sum when

compared with the total budget receipts for meeting current expenditure during these years (cf. p. 16). They have been included in this table as representing an important stage in the gradual liquidation of the difficult currency situation which was inherited from the days of the old Dual Monarchy.

The general consequences of the policy of deflation, which lasted throughout 1922 and 1923, will be considered later. By the following year, however, the idea of forcing up the value of the currency still further was definitely abandoned, and since then the exchange rate has been maintained at around 30 Czech crowns to the dollar.

The fall in world prices has naturally been reflected in Czechoslovakia, and this, in turn, has led to a gradual reduction in the note circulation. The currency position now appears to have been definitely stabilised, and the introduction of a legal gold standard is only a matter of time. It may be added that, in April last, a new National Bank of Issue commenced operations, and the former Banking Office thus came to an end.

AUSTRIA.

In marked contrast with Czechoslovakia, where the nation's will to live made itself felt almost from the start, even when serious financial sacrifices were demanded from the individual citizen, is the story of currency stabilisation in Austria, that tiny remnant of a once mighty Empire. As we have seen, the policy initiated by Dr Rasín was based on the assumption that the final solution of the currency question could only be achieved when the whole complex of economic and financial problems had first been solved. In so far as any clear view was held at all in the new Austria, this theory also found acceptance there. Before very long, however, it became abundantly clear that Austria was most unlikely to succeed in the difficult task of economic reconstruction if left to her own unaided resources.

The Austro-Hungarian Bank continued its war-time policy of inflation. The Austrians appeared willing to go on printing so long as any foreigner was prepared to give more for the notes than they actually cost to produce. Vienna became a prey to international speculators of the most dubious character, and the phenomenon of an exchange rate falling even faster than prices could rise became the order of the day. At the beginning of 1920 100 Austrian crowns were still worth 2.25 Swiss francs at Zürich. By the following January this figure had fallen to 1.30 Swiss francs, while in January, 1922, 100 crowns were only worth 8 centimes. From the start the Austrians themselves had no confidence in their own currency, and the catastrophic fall which took place during the summer of 1922, when the dollar rate actually rose as high as 83,600 crowns (August 25th), made it perfectly clear that international action alone could save the situation.

As early as the previous summer the Financial Committee of the League of Nations had made a study of the Austrian situation, and had recommended a far-reaching scheme of financial reconstruction. It was not possible, however, to obtain the credits which formed an essential part of the scheme until the various Governments which had claims against Austria, whether in respect of relief credits, reparations, or the cost of the armies of occupation, were prepared to forgo them, and thereby free the assets. Great Britain, France, Italy, and Japan had already done so in March, but the necessary consent of the other Governments was not obtained until the summer of 1922. Meanwhile, Great Britain had advanced 2½ million sterling, all of which was swallowed up in the first half of the year, and credits made available by France, Italy, and Czechoslovakia had, in large measure, met with a similar fate.

In August, 1922, the question came once more before the League, and the Financial Committee stressed the essential importance of reforming the various State enterprises (which between them involved an annual loss of nearly 7 millions sterling), together with a wholesale reduction in the number of officials. It also considered that the Customs and tobacco monopoly alone would

provide sufficient security for the service of the proposed loan. Everything depended, therefore, upon the acceptance by the Austrian Government itself of a certain well-defined measure of outside control over its own internal affairs in order to guarantee that the reconstruction plan should, in fact, be carried through.

By October 4, 1922, an arrangement was arrived at, and the complete scheme, comprising three Protocols, with their annexes, was concluded and signed at Geneva by the Governments of Great Britain, France, Italy, Czechoslovakia and Austria. It is not possible here to give more than the merest outline of the organisation and working of the League plan, which led immediately to currency stabilisation, laid the basis for a new organisation of Austrian economic life, and is, perhaps, above all important in that it constitutes a significant new departure in international relations.

Austria undertook to carry out a programme of reform, both by reducing expenditure and by increasing the revenue from taxation, which was expected to lead to a balanced Budget by 1924. The deficit anticipated during the first two years of reconstruction was to be covered by a loan guaranteed by certain foreign Governments. In particular, Great Britain, France, Italy, and Czechoslovakia between them undertook to guarantee a little over four-fifths of the sum required.

On the other hand, the Austrian Government surrendered its right to issue paper money, and undertook not to negotiate further loans without special authorisation. For the future, the currency of the country was to be under the control of a new bank of issue.

To ensure that the scheme should be properly applied, the Council of the League of Nations was to appoint a Commissioner-General, who would be an officer of the League and would live in Vienna in order to supervise the actual work of reconstruction. He was to be aided by a "Committee of Control of the Guaranteeing Governments" to look after their special interests. The rights and powers both of the Commissioner-General and of this Committee were, naturally, clearly defined.

A special delegation appointed by the Council of the League arrived in Vienna in October, 1922, charged with the preliminary work of supervision, and on December 15th of that year Dr Zimmerman, the Commissioner-General, entered upon his duties in Austria. Meanwhile, the Austrian Government had passed the necessary legislation envisaged in the Geneva Agreement, and the reconstruction plan was in full swing.

The acceptance of the League scheme had an immediate effect upon the Austrian currency. As we have already seen, the dollar rate reached its maximum towards the end of August, 1922. The Geneva discussions were at once instrumental in restoring confidence, and the crown actually appreciated. On November 18th the inflationary issue of notes by the Government itself came to an end, and from that time up to the present the variations in the value of the Austrian currency on the New York market have not exceeded 1 per cent.

A further step was taken in an Austrian Federal law of December 20, 1924, which established the *schilling* as the new currency unit. This is equal to 10,000 paper crowns, and has a par value of 34.58½ to the pound sterling. It was introduced for almost all public purposes in the following March, and during the course of the year 1925 became the universal medium of circulation.

The further progress of the reconstruction scheme in the realm of public finance will be referred to in a later section. For the present it is interesting to note that the introduction of a stable exchange for the national currency was made at a time when its external purchasing power had fallen far below the internal. No attempt was made to force up the value of the crown on foreign centres, and so, reckoned on the new basis, with prices rising towards the general world level, the country was faced with a considerable shortage of currency. An increase in the note issue, now that it would no longer be used to make good a Budget deficit, became both possible and desirable, and, provided that it did not proceed too rapidly or too far, would not affect the exchange value of the currency. A short summary of the relevant entries in the balance-sheets of the Austrian National Bank, which was opened on January 2, 1923, is given in the following table:—

First Week of	(In Million Schilling.)				
	Liabilities.		Assets.		
	Bank Notes.	Call Deposits, &c.	State Debt.	Cash Reserve.	Bills Discounted.
Jan., 1923 ..	405	42	256	120	73
July, 1923 ..	537	63	255	283	70
Jan., 1924 ..	681	86	253	437	125
July, 1924 ..	776	94	224	335	319
Jan., 1925 ..	790	90	218	352	182
July, 1925 ..	805	49	203	445	86
Jan., 1926 ..	826	91	188	502	167
July, 1926 ..	844	57	183	533	85

It will be seen that the cash reserve has increased about twice as fast as the note issue, while there has been a steady diminution in the volume of State debt held as security for the notes themselves. The movements in bills discounted reflect the extent to which the bank has been obliged to step in and help the market through its worst difficulties. During the first half of 1924 the country passed through a serious financial crisis, due in no small measure to the unsound speculation prevailing on the Stock Exchange and to considerable profit-taking by foreigners and others, but actually precipitated by the speculation in the French franc which came to a climax in April. At this period the National Bank discounted fairly freely, but immediately thereafter withdrew to its proper sphere as a National Bank. A similar policy was adopted, but on a much smaller scale, during the severe economic depression which characterised the second half of 1925 and the first few months of the present year, though now things are nearer normal once again.

The contrast between the process of currency stabilisation in Austria and Czechoslovakia is very striking. In the latter case the equilibrium of revenue and expenditure came first, to be followed by the achievement of a favourable balance of trade. These things accomplished, a foreign loan was used, in part, at least, to force up the exchange value of the Czech crown. After two years of deflation, a policy of stabilisation was adopted, and the final adoption of a definite rate of convertibility into gold is now only a matter of time. In Austria this process was reversed. The prospects of a foreign loan arrested the downward rush of the crown, while the proceeds enabled budgetary equilibrium to be established. Moreover, stabilisation was followed by an increase in the amount of money in circulation. The foreign trade situation remains a matter of some anxiety, but the convertibility of the new currency seems amply guaranteed by the reserves. Finally, while Czechoslovakia struggled through to more normal conditions by taking the financial situation in hand in good time, Austria was only saved from imminent disaster by the application of an interesting plan of international control over some of the most important of her own internal affairs.

HUNGARY.

The currency history of the new Hungary affords many interesting points of contrast and of resemblance with that of Austria. The problem of economic readjustment in a predominantly agricultural State like Hungary was, of course, much simpler than that of the two largely industrialised countries which we have just been considering. On the other hand, the political situation in the first year of national existence was one of extreme difficulty. On March 21, 1919, a Soviet Republic was proclaimed. The Austro-Hungarian Bank, which was still functioning for Hungary as well as for Austria, declined to afford any credits to the new Government, which, for its part, obtained control of the Postal Savings Bank (Postsparkasse), and issued the so-called "green notes" as fast as it could print them. For the four months of its existence the Bela Kun régime did its best, in accord with the best Moscow precedents, to discredit the whole structure of monetary economy.

Unfortunately, the counter-revolutionary Government which followed not only had recourse to new issues of Austro-Hungarian Bank notes, but actually continued to issue Postal Savings notes. These two issues circulated at different rates, and it was not until the Treaty of Trianon that the affairs of the Austro-Hungarian Bank were liquidated, with the result that in the summer of 1921 a new national currency was introduced in the place

of the notes of both kinds which had hitherto been in circulation.

In contrast with the action of Czechoslovakia, the stamping of notes circulating in Hungary came too late, and wholesale inflation, with its unpleasant cumulative effects, was already in full swing at the time of the introduction of the new Hungarian crown. As the exchange rate of the crown played a considerable rôle in determining the action of the Government, it is as well to begin by summarising the Zurich quotation during the inflation period:—

(Swiss Francs for 100 Hungarian Crowns.)

Year.	End of January.	End of July.
1920	2.75 ..	3.40
1921	1.20 ..	1.55
1922	0.775 ..	0.29
1923	0.2025 ..	0.0205
1924	0.0128 ..	0.0069

During the first half of 1921 the Budget reform plan of the Finance Minister Hegedüs was sufficiently successful to make it unnecessary for the Government to have recourse to the printing press for a considerable period. But the capital levy scheme proved disappointing in application, and inflation on Government account started anew, even though not to quite the same extent as in certain other inflationist countries. The fall of the currency in the second half of 1921, however, soon led to ever-increasing demands for credit accommodation on the part of the market, and, unfortunately for Hungary, the Bank Office (Noteninstitut) met this demand by constantly adding to the note issue. By the end of 1922 this had risen to a legal maximum of 37 milliards; but sanction was continually obtained to raise the maximum, and, in its last weekly statement, on June 23, 1924, the Bank Office rejoiced in an issue of 1,455 milliards.

The disastrous consequences of currency depreciation and the dangers of the vicious circle of inflation had already made themselves felt in 1923. The neighbouring State of Austria, however, seemed to offer an example which Hungary might do well to follow. The conclusion of a foreign loan was, nevertheless, a matter of greater difficulty than in the case of Austria. For a variety of reasons, Hungary was an object of the greatest suspicion on the part of the neighbouring States of the Little Entente. They felt, above all, that the country should be able to carry through the necessary reforms without impairing their claims to Reparations, while the proposal for a League reconstruction plan on the Austrian model was regarded merely as a device for avoiding her obligations. Accordingly, long and weary negotiations were necessary before the Reparations Commission finally consented (on February 21, 1924) to modify its claims sufficiently to enable a foreign loan to be obtained.* Meanwhile, however, much had happened. In the previous September a Hungarian delegation, led by the Prime Minister, Count Bethlen, had gone to Geneva to invite the League to elaborate a plan for the financial restoration of the country. The representatives of the Little Entente accepted the principle involved, and the Financial Committee in due course proposed a scheme which was accepted by the Council of the League on December 20, 1923. Some delay ensued until the Committee of Reparations gave its final decision, but, on March 14, 1924, the Geneva Protocols were signed during the session of the Council of the League, and a new chapter opened in the financial history of the new Hungary.

In the main the scheme followed that which had proved successful in the case of Austria, but there were certain modifications due to experience gained in this type of reconstruction work and to the special necessities of Hungary. The principal points of divergence were the following:—

(1) The Austrian loan (of a maximum of 650 million gold crowns) was guaranteed by foreign countries. The Hungarian loan (of a maximum of 250 million gold crowns) was to be issued by the Hungarian Government, with the

* The payments to be made by Hungary on Reparation account were to be as follows:—Down to the end of 1926, the equivalent of 880 tons of coal per working day. For the following 15 years a schedule of payments beginning with 2½ million gold crowns for the first half of 1927 and rising to 7 millions for the half-year ending December 31, 1943.

blessing of the League, it is true, but without any further guarantee.

(2) While the various liens held by foreign countries on Austria were completely lifted for a period of 25 years, Hungary was left with certain Reparation charges to meet, though these were greatly reduced in amount.

(3) For Austria a "Committee of Control of the Guaranteeing Governments" was appointed, while in Hungary its place is taken by a Committee of Control appointed by the Reparations Commission.

(4) Of some interest is the fact that, whereas the Austrian National Bank must see to it that the currency "shall at least not depreciate," the rôle of the Hungarian Bank is to maintain the "stability" of the Crown. In practice this distinction has not been of any importance.

(5) The Hungarian Bank, unlike the Austrian, is empowered to discount agricultural bills, up to six months, provided this does not interfere with the general liquidity of the Bank.

In Hungary, as in the case of Austria, it was an essential part of the League scheme that a National Bank should be set up which should be, so far as possible, independent of the Government. The Delegation of the League which went to Hungary in March, 1924, advised the Government not merely as to the budgetary reforms to be introduced, but also as to the law creating the new National Bank, which was actually passed in the following month. On June 24th this institution commenced operations, but the situation was one of some difficulty, as the Bank had virtually no funds available for maintaining the exchange, and the League loan could not be placed immediately. The situation was saved by the intervention of the Bank of England, which made an advance of four million pounds. This action did much to determine later policy, for, in consequence of so close a collaboration, it was decided to link the Hungarian crown to the pound—a currency which at that time had not itself been stabilised. Since the beginning of August, 1924, the National Bank of Hungary has maintained the exchange at the new parity of 346,000 crowns to the pound sterling. It should be noted, however, that the arrival of the Commissioner-General of the League in Budapest in May did not prevent a very considerable increase in the note circulation during the first few months of the application of the reconstruction scheme. Moreover, some little time elapsed before the definite stabilisation of the currency was taken in hand. The later development of the currency situation is outlined in the following table:—

	(Milliard Crowns.)		
	Note Circulation.	Cash Reserve.	Treasury Advances.
End June, 1924.....	2,894	938	1,980
Dec., 1924.....	4,514	2,479	1,975
June, 1925.....	4,583	2,737	1,959
Dec., 1925.....	5,194	3,341	1,954
June, 1926.....	4,943	2,865	1,897

Unlike the case of Austria, the great increase in the note circulation came mainly in the initial stages of the work of reconstruction. While advances made to the Treasury have been slightly reduced, the cash reserve (including holdings of foreign currency) increased enormously down to the end of last year, though not relatively as much as that of the Austrian National Bank. Perhaps the greatest difference between the two schemes in their practical application has been the fact that, whereas the Austrian currency was brought almost immediately on to a gold standard, the Hungarian crown, through its association with the English pound, continued to appreciate for several months, and only achieved a final gold parity with the restoration of the gold standard in this country in April, 1925. The disadvantages of this arrangement appear to have been quite slight, whereas it is certain that the close association of the Hungarian Bank with the Bank of England has greatly simplified the task of financial consolidation.

The last step towards establishing a definite currency policy was taken in March of the present year, when the new "Pengö" currency was introduced, the unit adopted being equal to 12,500 of the old paper crowns, and having a par value of 27.82 to the pound sterling. It seems most unfortunate that this ratio should have been accepted rather than the simpler one of 10,000 paper crowns to the new unit, which would have made the pengö approxi-

mately equal to the Austrian schilling. The multiplication of new currency standards has been one of the many regrettable consequences of wholesale inflation in post-war Europe.

The main stages of Hungarian currency history have thus been similar to those of Austria. The preponderance of the rural element has, however, greatly simplified the task of economic reconstruction, which must proceed hand in hand with currency reform, and has helped to ensure a brilliant success for the League plan. At the same time, the tact of the Commissioner-General, Mr Jeremiah Smith, jun., of Boston, U.S.A., no less than the political sense of the Hungarian Prime Minister, Count Bethlen, have greatly expedited the process of recovery.

BULGARIA.

The only other Danubian country which has as yet stabilised its currency is Bulgaria. Like the other enemy States, this smallest of Germany's Allies had indulged fairly freely in inflation to meet her military expenditure. Her note circulation, which stood at 189 million leva (francs) at the end of 1913 had risen to 2,299 millions by the end of 1918. Like Austria and Hungary, moreover, her credit was greatly weakened and the general position rendered insecure by the existence of a large burden of Reparations, which would presumably have to be met at some time or other. Under these conditions, further inflation was virtually inevitable, and the exchange value of the lev depreciated merrily for the first four years after the conclusion of hostilities. In the following table will be found the Sofia selling rates for the dollar (maxima, minima, and mean; parity, one dollar = 5.1825 leva), together with some indication of the movements in the quantity of notes in circulation since 1919:—

Year.	One Dollar = Leva.			Notes in Circulation at End of the Year. (Million Leva.)
	Max.	Min.	Mean.	
1919	42.00	10.97	24.17	2,858
1920	97.00	42.00	64.44	3,354
1921	191.00	77.00	112.75	3,615
1922	180.00	126.00	150.18	3,886
1923	185.00	77.00	126.76	4,139
1924	140.10	134.30	139.17	4,530
1925	139.00	139.00	139.00	3,655

It will be seen that the situation grew steadily worse down to 1922, a year which witnessed the lowest mean quotation reached by the lev. In March of the following year, however, the Inter-Allied Commission in Sofia signed a Reparations agreement with a schedule of immediate payments clearly within the then capacity of the country*; while in June the ugly weapon of assassination removed the Prime Minister and leader of the Peasant party, M. Stambouliski, who, whatever his other merits might have been—and they were undoubtedly many—was hardly the man to win the confidence of financial circles either in Sofia or abroad. The "revolution" was of short duration, and the "bourgeois" Government which followed succeeded in re-establishing order, while a good harvest in 1922 and in the following year combined to bring about a marked rise in the lev exchange. Moreover, the budgetary deficit for the year 1921-1922 was turned into a surplus in 1922-23, and this satisfactory situation has since been maintained.

Bulgaria, by the end of 1923, had thus taken the necessary preliminary steps, and, though a considerable increase in imports had slightly lowered the value of the currency, the time for stabilising the lev appeared to have arrived. The rate aimed at was somewhere about the actual level, and was finally fixed at 139 leva to the \$. It should be noted that a law of June, 1924, re-defined the status of the National Bank, which is, however, a State institution. Its advances to the State must not exceed a maximum of 4,700 million leva; while the maximum fiduciary issue is defined as being the total of the State debt plus a sum equal to 12 times the cash

* Payments were to be made in gold francs as follows:—
1923.. 2.5 Millions | 1926.. 7.0 Millions | 1928-33.. 10.0 Millions.
1924.. 5.0 " | 1927.. 8.0 " | 1934-35.. 43.2 "
1925.. 6.0 "

reserve. According to the balance-sheet of March 31st last, advances to the State stood at 4,602 millions, and the fiduciary issue, which might legally have reached a maximum of 5,400 millions, actually stood at 3,465 millions. The currency stability which has been maintained for over two years, has been accompanied by a very great shortage of currency within the country. The notes in circulation on March 31st last only represented some \$25 millions, as against a circulation of over \$36 millions at the end of 1913. The population has meanwhile slightly increased, though, of course, the internal purchasing power of the gold lev remains considerably above what it was before the war.

Financial reconstruction in Bulgaria is nearing completion, though the problem of the refugees, to which reference is made in a later section, has recently caused great anxiety. With the assistance of the League of Nations, the solution of this question will probably not long be delayed, and the scheme of financial reconstruction, which the Government has carried through unaided, should not be imperilled thereby.

ROUMANIA.

The recent currency history of Roumania is, in many ways, one of the most curious in the strange tangle of post-war European finance. At the end of 1913 the Old Kingdom of Roumania, with a population of some seven millions, had a total note circulation of 437 million lei (the lei being equal to the gold franc). The expenses of the period of armed neutrality added considerably to the circulating medium; but their effect was nothing compared with the costs of the war itself, and, above all, of the enemy occupation of the country. The German military administration, through the intermediary of the Banca Generala, left new Roumania with a legacy of 2,173 million lei of uncovered banknotes, while by the end of 1918 the note issue of the Roumanian National Bank itself had increased to 2,489 million lei. The currency chaos was further added to by the existence of vast quantities of Austro-Hungarian notes, which circulated in Transylvania and the Bucovina, and of Russian roubles in the other new territory of Bessarabia. Crowns and roubles alike were converted into lei as from 1920 at the rate of two to the lei; this meant a further addition of 5,562 million lei to the currency.

The general situation after the war was far from being one of peace and normal development. The country had suffered cruelly from the effects of foreign occupation, and, in 1919, was at war with Hungarian Bolsheviks, while the proximity of Russia was a constant nightmare. Under these conditions, Budget consolidation and financial reconstruction were virtually impossible, and inflation proceeded merrily. The following table gives the dollar rates and the total of notes in circulation since 1919:—

Year.	One Dollar = Lei at Bucharest. (Monthly Averages: Par \$1 = 5.18 Lei.)			Notes in Circulation at End of Year.
	Highest.	Lowest.	Average.	
1919	36.0	21.5	26.3	..
1920	80.3	37.5	57.4	10,933
1921	152.5	55.5	90.4	13,722
1922	173.5	137	151	15,162
1923	230	177	205	17,917
1924	241	185	204	19,397
1925	226	191	..	20,126

Down to the end of 1921 the Government had continual recourse to the printing press to make good budgetary deficits. From the beginning of the following year down to the present time, however, all printing on Treasury account has ceased. Further increases to the note circulation since that date have been for commercial purposes, discounting of bills, and the like.

From 1922 to 1924 the balance of trade was favourable, while the excess of imports last year was too small to have any important lasting influence on the currency. Throughout the period, moreover, the Budget has been balanced. What, then, is the real explanation of the very large fluctuations which have taken place in the exchange rates since that time?

The year 1922, the first year in which the return to more normal conditions was being accomplished, could hardly

have been expected to have witnessed an immediate return of confidence, more especially as the harvest was decidedly mediocre. The situation in the following year was certainly better on the whole, and yet there was a very marked fall in the lei exchange. It seems highly doubtful whether the increase in the note issue had any share in this movement. Not only was the gold value *per capita* of the currency infinitely smaller than that of pre-war days (approximately one-fourth at the end of the year), but, in a country like Roumania, where hoarding is fairly common, it is unlikely that so small an increase would have any appreciable effect upon the volume of currency in actual circulation. At this point it is as well to notice that, whereas the annual average quotation for the dollar at Bucharest has remained fairly constant since 1923, fluctuations became greater rather than less in the following year, while the collapse of the lei, which occurred earlier in the present year, although quotations are now back to somewhere near the average level, has shown how unstable is the general exchange position.

As in most other Continental countries since the war, and more especially in those of Central and Eastern Europe, the real difficulty has certainly been a lack of confidence in a discredited currency. Elsewhere stabilisation has come to be regarded as the inevitable solution, to be followed by the accumulation of an adequate cover for the revalued note issue, and, finally, by the introduction of a new currency. In Roumania, however, the Government has throughout been influenced by the desire to increase the value of the currency. Strange though it may sound, it is nevertheless true that it was long hoped in official circles that the lei might be brought back to its pre-war parity. In consequence a restrictive trade policy was adopted. Export prohibitions, export duties, and import restrictions were combined with an elaborate scheme of official maximum price-fixing within the country itself. Internal prices were not to be allowed to rise to meet world prices, calculated at the ruling rates of exchange; the ultimate objective being to increase the external purchasing power of the lei.

Roumania is, of course, a predominantly agricultural country, and therefore strongly influenced by seasonal movements. When grain exports are taking place, there is a keen foreign demand for the lei, and the exchange rises. At other months of the year the position is reversed, while the same is true if, as was the case over the turn of last year, anything happens to prevent the grain from being moved from the Danubian ports (as, for instance, when the river freezes earlier than usual). After the harvest each year the Government has regained faith in the future of the lei, and during the first few months of 1924, for example, actually chose this moment for attempts at deflating the note issue. Such action was necessarily followed by a corresponding reaction, with the result that exchange fluctuations were thereby increased. In addition, regulations restricting dealings in foreign exchange have proved annoying rather than effective; the inelastic application of export regulations have hindered trade; while the policy of keeping down home prices by Government decrees has broken down in practice. At long last the desirability of stabilisation is being seriously considered, and the excellent harvest this year should afford a first-class opportunity for the accumulation of foreign reserves. The moment for a satisfactory solution of the lei exchange seems now at hand, though it remains to be seen whether advantage will be taken of it.

JUGOSLAVIA.

The currency history of the new kingdom of the Serbs, Croats, and Slovenes is in many ways intermediate between that of Roumania on the one hand and that of Czechoslovakia on the other. At the end of June, 1914, the Serbian National Bank had a note circulation of 91 million dinars (gold francs). This was increased enormously during the war, and when the bank itself was transformed into the national bank of the kingdom of the Serbs, Croats, and Slovenes on February 1, 1920, it had already risen to 813 million dinars. Meanwhile, however, the Austro-Hungarian Bank had also flooded the new territories with its banknotes; and, although Jugoslavia was the first of the Succession States to break

away from the old currency unit—which it did by carrying through the stamping of all Austro-Hungarian notes on its territory, without previous warning, in January, 1919—it was none the less faced with a heavy legacy of paper money. The first year after the war was a period of financial chaos—two currencies were in circulation, and exchange regulations merely increased the fluctuations of the dinar on foreign markets. The founding of the new bank was the first step forward. This institution issued its notes in place of the old Austro-Hungarian stamped notes in the ratio of one dinar to four crowns. This was, perhaps, less generous than the policy adopted by Roumania in her new territories, but had at least the advantage of bringing the total note issue within more manageable proportions. At the end of 1920, despite inflation on Government account—which lasted, incidentally, down to the beginning of 1923—the note issue only amounted to 3,344 million dinars. Movements in the exchange and the circulating medium are summarised in the following table:—

Year.	Annual Average in New York. One Dollar = Dinars. (Parity—\$1 = 5.18 D.)		Notes in Circulation at end of the Year.
1920	26.2	.....	3,344
1921	42.2	.....	4,688
1922	73.7	.....	5,040
1923	93.3	.....	5,790
1924	77.9	.....	6,002
1925	58.6	.....	6,063
1926 (six months)	56.7	.....	5,494

(end of June)

The dinar exchange moved fairly steadily in a downward direction until the end of August, 1922. A temporary improvement was registered during the next few months, owing to the use made by the Government of the first section of the loan which had been negotiated through the New York firm of Blair. This was not, however, lasting in its effects, and the close of the year witnessed a very rapid fall, which continued down to the month of February, 1923.

The advent of the new Finance Minister, M. Stojadinovic, marked the end of the old inflationist policy, which henceforward gave place to attempts at deflation, and, above all, to the gradual abolition of all the hindrances which had weighed so heavily on the foreign trade of the country. Economy in national expenditure, discouragement of imports, and, almost more than all this, an active policy of encouragement to exporters, combined to bring about an improvement in the national currency. The appreciation of the dinar was, of course, enormously helped by the excellent harvest results in 1924, when world prices for cereals were high, and since then there has been a tendency for the rates to fluctuate much less violently.

For many months past, the exchange rate has been maintained at around 275 dinars to the pound, and the time now seems to have come for a definite revaluation of the currency. Adjustments to the new price level within the country, necessitated by the appreciation of the dinar, have already taken place, and a further reduction in the note issue could not fail to be a great inconvenience. It is extremely gratifying to see that the chaotic currency conditions which prevailed up to less than four years ago have now given place to a state of affairs which, if not completely satisfactory, nevertheless affords an excellent basis for a final regulation of the currency problem.

III.—AGRICULTURAL PRODUCTION.

The prosperity of the Danubian lands depends, above all, on their agricultural production. This influences their general purchasing power, determines, in large measure, the volume of their foreign trade, and is the most important factor in their economic and financial life. The war, however, caused much indifferent cultivation, drained the rural districts of their labour supply, and sadly reduced the live-stock equipment. This was particularly true of Roumania, the richest granary of the Danubian lands, where warlike operations and the ensuing military occupation wrought havoc with the whole economic structure of the country. In addition, moreover, the war years disorganised the transport equipment of all these States, in greater or lesser degree, and in many parts there was actually a great shortage of

seed corn for the spring sowings of 1919. Finally, in several of the Danubian countries the turmoil of war-time and the influence of the Russian revolution necessitated a complete change in the system of landholding, and led to a whole series of measures of expropriation of the large landowners. This wave of "Agrarian Reform"—or "Agrarian Revolution," as it is sometimes called—will be considered briefly in a separate article. For the moment, it has to be referred to as one of the many disturbing factors in the rural economy of this part of Europe, though it is as yet too soon to attempt an estimate of its probable effects upon agricultural production in the long run. One point, however, stands out at the outset. As a consequence of years of war and all that this implies, large areas had passed out of cultivation by the year 1919, and the first great problem was to restore these to production.

The progress towards more normal conditions is shown in the following table. A word of caution will not, perhaps, be out of place as to the interpretation which may be placed upon these figures. The pre-war average, in particular, cannot be regarded as beyond suspicion. The figures are compilations of estimates for the present area of these six countries, which do not all refer to exactly the same period. Moreover, no satisfactory estimate has as yet been published of the pre-war production of Yugoslavia, and the margin of error is here considerable. It should also be pointed out that there is no good reason for regarding the five years before the war as "normal," for cereal production in parts, at least, of South-Eastern Europe was being forced during that period at the expense of a more rational husbandry. Finally, agricultural statistics in these countries seem to be even less reliable than other official figures. Despite all these reservations, however, our table of the area down to the principal cereals in the six Danubian countries does suggest that a striking recovery has taken place since the war.

AREA DOWN TO THE PRINCIPAL CEREALS in the SIX DANUBIAN STATES.*

(In Million Hectares.)

	Pre-War	1920.	1921.	1922.	1923.	1924.	1925.
Wheat	8.6	6.2	6.8	7.3	7.3	8.2	8.4
Maize	7.5	6.7	7.0	7.0	7.0	7.4	7.9
Rye	3.0	2.5	2.4	2.5	2.5	2.5	2.6
Barley	3.5	3.3	3.4	3.6	3.7	3.7	3.5
Oats	3.1	2.9	3.2	3.3	3.3	3.2	3.1
Total	25.7	21.6	22.8	23.7	23.8	25.0	25.5
As % of pre-war ..	100	84	89	92	93	97	99

* The situation in the individual countries will be referred to in later sections.

At the present time, then, the area down to the principal cereals is virtually back to that of earlier days, and this fact is, of course, the basis of all hope for economic reconstruction in the Danubian lands.

The actual harvest results have naturally been more variable, and climatic conditions have not been particularly favourable since the war. This is perhaps particularly true of Roumania, where up to the present year the weather has been far from kind to the crops. A summary of cereal production in the region as a whole will be found in the following table:—

PRODUCTION of the PRINCIPAL CEREALS in the SIX DANUBIAN STATES.
(In Million Metric Tons.)

	Pre-War	1920.	1921.	1922.	1923.	1924.	1925.
Wheat	9.7	5.5	7.0	7.3	8.5	6.8	9.7
Maize	11.0	9.3	6.2	7.3	8.3	10.8	11.7
Rye	3.6	2.2	2.8	2.8	3.1	2.5	3.5
Barley	4.2	3.3	3.1	4.1	3.8	2.6	3.7
Oats	3.5	2.8	3.0	3.4	3.5	2.8	3.4

Until last year, though with one or two exceptions, such as that of barley and oats in 1922 and 1923, and maize in 1924, the yield of the principal cereal crops, taking the area as a whole, remained considerably inferior to the pre-war average. The area devoted to the bread crops and maize, which between them provide the main food of the people—rye being most important in the North-West and maize in the South and East—was also less than that of earlier days. The reason for this is, in part at least,

the restrictive policy adopted with regard to the export of these cereals by several of the Governments. The objective was to guarantee the supply of food for the home market. The actual result was to reduce the area down to these crops. As a consequence of this, we find Roumania exporting barley and oats instead of the more valuable wheat and maize, for which the country was so well known before the war. With the passing of the régime of export prohibitions, however, things have returned to a much more normal state. In particular the principal crop—maize—has improved enormously since the disastrous harvest of 1921, which, it will be remembered, was the year of the Russian famine. In spite of the good showing last year, it may be, however, that the increase in peasant proprietorship will tend to diminish the area and the output of wheat, since this cereal is rather more risky than maize. This latter is the peasant crop *par excellence*, as it is easy to grow and provides an abundance of fodder.

In no respect, however, has improvement been so marked as in the general livestock position. Here the ravages of the war were particularly felt, and reconstruction was a matter of the very greatest urgency. It is unfortunately impossible to give a general table showing this development, since the data for the different countries refer to different years. The following figures relating to Roumania are, however, of interest as showing what has been accomplished in a territory particularly hard hit by the war in this respect. The figures relate throughout to the present area of the country:—

LIVE STOCK in ROUMANIA. (In Thousands.)				
	Last Pre-War Census.	1919.	1924.	1925.
Cattle	5,743	4,634	5,399	5,049
Horses	2,267	1,381	1,845	1,875
Pigs	3,471	2,289	3,133	3,088
Sheep	13,020	7,790	13,612	12,950

It seems probable that both the fall in the number of horses and the increase in the number of sheep should be regarded as a consequence of the agrarian reform, though a comparison between the figures of the last two years would seem to suggest that this tendency may not be permanent.

Apart from cereals and livestock there are two other aspects of agricultural production in the Danubian region which call for special mention. These are sugar-beet, which is, of course, particularly developed in Czechoslovakia; and tobacco, which is a very important crop in Bulgaria, and, to a lesser extent, in the other countries of the Lower Danube. It is unfortunately not possible to give the pre-war figures for the whole region, but the following tables outline the progress that has been registered since 1921:—

SUGAR BEET.
(Returns for the Six Danubian States.)

	1921.	1922.	1923.	1924.	1925.
Area in thousand hectares	322	314	375	517	486
Production in million metric tons ..	5.4	6.9	8.3	12.4	12.9

Czechoslovakia accounts for over two-thirds of the total, and here, at any rate, the figures have quite definitely caught up with those of pre-war times. The reduction in acreage last year was due almost entirely to Bulgaria, where the 1924 season was marked by a temporary over-production of this crop.

TOBACCO CULTIVATION in BULGARIA, ROUMANIA, JUGOSLAVIA, and HUNGARY.

	1921.	1922.	1923.	1924.	1925.
Area in thousand hectares	75	85	108	129	119
Yield in thousand metric tons	57	64	80	118	86

The production in Bulgaria is well above that of pre-war days, and it seems likely that tobacco, which is a favourite peasant crop, will develop still more in the future, provided, always, that proper measures are taken to avoid undue exhaustion of the soil.

This brief summary has afforded some indication of the extent to which agricultural production was injured by the war, and has also given a gratifying picture of the

gradual return to more normal conditions which has taken place since the termination of hostilities. Progress, it is true, has been slow. Indeed, in this part of Europe things hardly ever do move fast. At the same time, the ravages of the war seem, at long last, to have been made good, and the basis of the purchasing power of the area has been largely restored. To understand the changes which have occurred in the distribution of this purchasing power as compared with that of earlier days it is, however, necessary to outline briefly the profound modifications which have been effected in the system of landownership in certain of these countries.

IV.—AGRARIAN REFORM.

Down to the middle of last century serfdom predominated throughout the Danubian countries. The revolution of 1848, however, led to its abolition in the Habsburg dominions, while the same result was achieved in Roumania by the decree of Prince Cuza in 1864. With the exception of Bosnia and the Herzegovina and parts of Southern Serbia, where a variant of the old Turkish system of land tenure still survived, servile status had disappeared from this part of the world long before the war. The distribution of land, however, varied enormously in the different parts of the region. In the territory of what is now the Austrian Republic, peasant proprietorship has long predominated. Indeed, landowners with more than 250 acres of agricultural land only accounted for a fraction over 6 per cent. of the total of agricultural land. In Bulgaria the proportion was still smaller (approximately 5.5 per cent.), while in the old kingdom of Serbia owners of over 50 acres actually represented less than 3½ per cent. of the total. The contrast between conditions in these mountain lands and those ruling in the rich Danubian plains in Hungary and Roumania was, indeed, most striking. In the old kingdom of Roumania, for instance, between 48 and 49 per cent. of the agricultural land was in the hands of owners of 250 acres and over, while over 7 million acres (out of a total of something under 20 millions) was owned by persons with estates of 1,250 acres and over. These latifundia found their counterpart in Hungary, where estates of over 100 yokes (140 acres) accounted for approximately 56 per cent. of the total agricultural area in 1913. The situation in the territories now included within the Czechoslovak Republic was, to some extent, intermediate between these extremes. Large estates (of over 250 acres) formed 37 per cent. of the total in the former Austrian lands, but considerably more in Slovakia.

Before the war, then, the concentration of land in the hands of a few large landowners, and the existence, side by side with these large estates, of a class of small peasantry whose holdings were tending to become smaller with each succeeding generation, was thus a fairly general phenomenon through wide areas of this Danubian region. Long years of hostilities, however, created considerable discontent among the masses, while in Russia the overthrow of the Tsarist régime, in 1917, was followed almost immediately by the wholesale confiscation of the large estates in that country. The example was not altogether lost on the new Governments, and legislation aiming at "agrarian reform" was hastily introduced in several of the Succession States. The expropriation of the large landowners was thus, in part at least, an insurance against the spread of Bolshevism. In some cases, moreover, the landowners belonged to the former ruling races, whether German or Magyar, and their dispossession was regarded by many as a necessary condition for guaranteeing the predominance of the "new" nations in their own national States. The motives were thus in the main political, national, or social rather than economic; and much of the legislation itself was hastily conceived and badly applied. A broad historic movement of this kind, however, cannot be measured by quite the same standards as ordinary domestic legislation. Moreover, the time has not yet come for an impartial estimate of its effects even in the purely economic sphere. In this short article we cannot, therefore, do more than give the briefest of summaries of the course of the movement itself, and indicate one or two of its more obvious consequences.

In Austria and Bulgaria, where peasant proprietorship already predominated, this "green wave" has not led to

any material modification of the conditions of landownership. In Roumania, on the other hand, a decree issued at the end of 1918, supplemented by a series of laws enacted in 1921, led to the passing of nearly twelve million acres of land into peasant hands. In consequence, estates of over 250 acres only represent some 14 per cent. of the total of agricultural land, while the compensation paid to the dispossessed owners has dwindled away to almost nothing as a result of currency depreciation. In Yugoslavia, expropriation was confined mainly to the territories formerly under Hungarian rule. Between two and three million acres of land have changed hands, while, in addition, the servile status which still survived in Bosnia and Macedonia was finally abolished.

Agrarian reform in Czechoslovakia has taken much longer to apply, owing to the fear of disturbing the more highly developed organisation of agriculture in the country. Land liable to ultimate expropriation (i.e., estates of over 375 acres of arable, or 625 acres of land of any description) was "sequestered" in 1919, though the process of allotment only proceeded very slowly down to the end of 1923. By the end of the following year, however, 513,265 hectares of arable land has been allotted, and this had risen to 746,136 hectares by December, 1925. There then remained a further 154,504 hectares for distribution.

The case of Hungary is quite different from that of the other countries, since, by a law passed in 1920, expropriation is in the main permissive. Down to the end of last year approximately one and a quarter million acres of land had passed into peasant hands and holdings of 140 acres and under now constitute rather more than half the total area.

Taking the Danubian region as a whole, this extension of peasant proprietorship at the expense of the former large landed proprietors is certainly one of the most striking and significant events in its whole history. In all of these countries, with the solitary exception of Hungary, large estates are now virtually a thing of the past. The centre of social power has already shifted, and the centre of political power is bound, sooner or later, to follow suit.

It is not easy to say to what extent this wholesale change in landownership has affected agricultural production. In some parts there was a very wide discrepancy between the unit of ownership and the unit of cultivation. Thus, in the Old Kingdom of Roumania, approximately half the area of the large estates was farmed out to peasants either as cash tenants or as metayers. In these cases it is difficult to see how changes in the legal ownership can have much influence on the economics of production. In general, however, it would seem as though peasant proprietors in this part of the world will tend to increase the animal contingent even at the expense of cereals. The quality of the livestock, moreover, usually leaves very much to be desired. Peasants also show marked preferences in the crops they cultivate. Thus, in the Lower Danube lands, wheat is likely to suffer at the expense of maize. While they certainly do not cultivate as well as the best of the former large proprietors, it should not be forgotten that many of these latter provided but poor examples of scientific agriculture. Moreover, while agrarian reform has diminished the size of the large estates, it has also increased that of the small holdings, many of which, before the war, were hopelessly inadequate, and, owing to their diminutive size, almost impossible to cultivate well. The final results of recent legislation will, however, depend very much upon whether the clauses in the various laws relating to the consolidation of the peasant strips (commassation) are seriously applied.

Whatever may be the future of agricultural production under a régime of peasant proprietorship, it seems clear that the actual amount of food consumed by the peasantry is likely to increase. Accordingly, the amount available for export cannot be expected to attain the pre-war level for many years to come, if, indeed, it ever will. This, in turn, naturally affects the demand for manufactured goods, and, in particular, for luxuries and semi-luxuries, the market for which, in these countries, used to be confined to the large landlords and their retainers, or else to the middle classes, who have been particularly hard hit by inflation. It is, of course, true that a class of prosperous "medium" peasants is already springing up in many of

In pre-war days the Danubian countries were far behind the States of Western Europe in the volume of their foreign trade. This can best be illustrated by a summary

table of imports and exports in the year 1912. In the case of Bulgaria and Serbia, which were then already in the throes of war, the previous year has been taken:—

Country.	Total. (In Million £'s.)		Per Head. (In Shillings.)	
	Imports.	Exports.	Imports.	Exports.
Austria-Hungary	153.1	122.1	62/-	49/-
Austria	189.1	168.7	132/-	118/-
Hungary	92.3	81.9	88/-	78/-
Roumania	25.3	25.5	71/-	72/-
Bulgaria	7.9	7.3	36/-	33/-
Serbia	4.6	4.6	31/9	32/3
Germany	522.9	438.1	160/-	134/-

The figures relating to Austria-Hungary are for the trade of the Dual Monarchy with the rest of the world. Those for Austria alone are for foreign trade, *plus* trade with Hungary; and those for Hungary alone, for trade with the rest of the world, *plus* that with Austria proper. By way of further elucidation of these figures, the following facts may be added:—In 1912: 32 per cent. of Austrian imports came from Hungary; 39 per cent. of Austrian exports went to Hungary; 72 per cent. of Hungarian imports came from Austria; 74 per cent. of Hungarian exports went to Austria. Hungarian trade was thus confined principally to the former Austrian Empire, while trade with Hungary formed well over one-third of the total foreign commerce of Austria proper. The lion's share of the trade of the Austro-Hungarian Monarchy with the rest of the world (approximately 84 per cent. of both imports and exports) fell to the lot of Austria, and in this, of course, the lands now comprised within the frontiers of German Austria and Czechoslovakia were together responsible for far and away the greatest part.

It is interesting to notice that the foreign trade of the Old Kingdom of Roumania, *per capita*, was greater than that of the Dual Monarchy. Indeed, the essential features of Austro-Hungarian economy were, firstly, the trade within the different parts of the old Austria proper, and more particularly between Galicia and the Bohemian lands, on the one hand, and the Vienna district and Styria on the other; and, secondly, the trade movements between Austria and the former kingdom of Hungary. As to trade with the outside world, approximately 40 per cent. of both imports and exports came from or went to Germany, and here the Bohemian lands were naturally the most important factor. The three States of the Lower Danube between them did not account for 7 per cent. of Austro-Hungarian exports, and, strange though it may sound, German trade with these countries in the last two years before the war was actually greater than that of Austria. This was due mainly to the tariff policy adopted by Austria-Hungary, but, in part, also to other political considerations.

Serbia, with no outlet of its own to the sea, did a little over 40 per cent. of its foreign trade with the Dual Monarchy. On the other hand, less than a quarter of the imports of Roumania and Bulgaria came from that country, while the overwhelming proportion of their exports went elsewhere—to Western Europe in the case of Roumania, and to the Levant in that of Bulgaria.

Taking all these Danubian States together, and ruling out trade within the region itself, we find that the total foreign commerce of Danubian Europe before the war amounted to about £174 millions of imports and £143 millions of exports. This only represented an average *per capita* of some 53s in the case of imports, and 44s in that of exports.

The pre-war position may be summed up by saying that the high tariff wall surrounding the Dual Monarchy cut off these lands from the countries of the Lower Danube, and, at the same time, encouraged a large internal trade within the Austro-Hungarian Empire itself. This was the basis of the prosperity of the industries of the Czech lands no less than of those now comprised within German Austria, though trade with Germany was also of particular importance in the former case. It is true that Austria and Hungary were rapidly drifting apart in economic

matters, and that the survival of the Customs Union between them was becoming more problematic with each decennial treaty. It existed, however, down to 1914, and was maintained, of course, during the war years. Moreover, the cleavage in economic matters, as we have already pointed out, came between the two halves of the Monarchy, and thus was on political, and not ethnographic lines. So long as it survived, this Customs Union enclosed within its frontiers one of the largest free-trade areas in the world.

With the establishment of the new national States all this was changed. The essential feature of the new order was not merely the multiplication of frontiers, for old ones were removed as well, but rather their redrawing and, more particularly, their establishment across areas which had for long been interdependent. The new States inherited the high-tariff policy of the old Empire, and in most cases went further in this direction than even the Habsburgs had done. Each State had a currency of its own, and its "defence" became a matter of political prestige. This, in turn, seemed to necessitate a limitation of imports—a policy also encouraged by the violent desire of each nation-State to become entirely self-sufficing in the economic sphere. The first chapter in the post-war commercial history of these countries is thus an era of import prohibitions, side by side with high tariffs on other commodities. These duties were partly protective, and partly intended to yield revenue—a very urgent matter in the first few Budgets after the termination of hostilities. In some cases, exports were curtailed by means of prohibitions and export duties.

The results of this suicidal policy soon began to make themselves felt. Trade with extra-Danubian countries could not adequately compensate for the falling-off in what was formerly internal trade, although Czechoslovakia achieved a fair measure of success in this direction. Moreover national self-sufficiency led to a duplication of factories in the different States, without leading to a corresponding increase in output. In certain branches six factories now exist to cover the same geographical area as that formerly served by one undertaking. This has happened, moreover, at a time of general impoverishment and financial crisis, and has increased still further the demand for, and therefore the price of, capital, which would, in any case, have been high enough in consequence of the prevailing shortage and the needs of legitimate reconstruction after the ravages of the war.

It would be idle to suppose that these rather obvious considerations have as yet been realised in the Danubian States. Slowly, however, people have come to see that restrictions on international trade sometimes hit hardest those they are intended to benefit. In any case, the era of prohibitions is now at an end, and freedom in exchange dealings has been virtually re-established everywhere. Recent tariffs, however, seem to be moving upwards. On the other hand, a network of commercial treaties has sprung up, slowly but surely, between the different Danubian States. Relations between Austria and Czechoslovakia, in particular, have improved enormously, and even Hungary, which has been the most vigorous exponent of high tariffs, recently concluded a commercial treaty with Austria, and has negotiated a temporary

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agreement with Czechoslovakia, which it is hoped will soon lead to something definite at long last.

It is impossible, in a limited space, to describe this network of commercial treaties. It must suffice to say that, with the passing of import prohibitions and the spread of the most-favoured-nation clause, matters are slowly becoming more tolerable. At the same time, the rates of duty remain inordinately high, and the volume of foreign trade is still regrettably low. In the following table we have summarised the trade returns of these six countries in 1925, reducing all the figures to a common sterling basis. In the case of Roumania, the figures are only very approximate, as the exchange has been fluctuating widely and returns are only made quarterly:—

FOREIGN TRADE in 1925.

	Totals. (Million £'s.)			Per Head. (Shillings.)	
	Imports.	Exports.	Balance.	Imports.	Exports.
Austria	83.5	56.5	— 27.0	257/-	174/-
Czechoslovakia	106.8	114.1	+ 7.3	157/-	168/-
Hungary	30.8	29.1	— 1.7	77/-	73/-
Roumania	30.0	29.0	— 1.0	37/-	36/-
Bulgaria	10.8	8.4	— 2.4	44/-	34/-
Jugoslavia	30.5	31.0	+ 0.5	51/-	52/-
France*	426.3	448.8	+ 22.5	218/-	229/-
Germany	608.5	430.7	— 177.8	203/-	144/-

* Total of monthly figures converted at the average of daily rates for the month.

The volume of Austrian imports gives some idea of the extent to which this little Republic depends upon foreign trade. As we have already indicated, her industries in pre-war days were engaged, even more than those of Czechoslovakia, in satisfying the demands of what was then the home market, but has now become foreign territory. It is natural, therefore, that she should suffer acutely from the exaggerated tariff policy of the other Succession States. The Czech export trade is helped by the world demand for sugar and coal, though this latter has not been an unmixed blessing of recent years. Both these products, and more particularly the former, loom large in the exports of the country. Moreover, Czechoslovak industries have the advantage of a much larger home area to serve than the Austrian, and they are also better placed for competing on the world market. Dependence upon trade with Germany, however, is making itself felt in a rather unpleasant fashion in Czechoslovakia this year, as the purchasing power of this, her principal customer, is, for the time being, sadly diminished by the serious crisis through which the country is passing. The recrudescence of Protectionist sentiment in the Reich, as shown in the new tariff passed last year, is also causing considerable difficulty to Czechoslovakia and Austria alike.

The foreign trade figures of the other Danubian States in any year are largely dependent upon the harvest conditions in the year in question and the carry-over from the previous year. In 1925 the situation was decidedly favourable in Hungary and Jugoslavia, though conditions in Roumania were exceptionally bad, and made all the worse by transport difficulties in the late autumn. A comparison with our table of foreign trade in pre-war days is, unfortunately, almost impossible to make. In the case of Roumania, for example, the home market has expanded enormously. The new provinces appear as buyers of oil from the old kingdom, while, so far as cereals are concerned, Bessarabia is a large exporter, whereas Transylvania and the Bucovina are almost certainly cereal importers on balance. When all allowances have been made, however, the foreign trade figures for 1925 cannot be regarded as satisfactory, and are certainly well below those of pre-war days.

Taking the six countries as a whole, and ruling out trade between themselves, the total foreign commerce of the Danubian area with the rest of the world last year may be estimated approximately at some £193 millions of imports and £164 millions of exports. These totals cannot strictly be compared with those given for the year 1912, as the area is not identical in the two cases. The 1912, as the area is not identical in the two cases. The rough estimates *per capita*, however, may be used with greater safety. These work out, for 1925, at 64s of imports and 55s of exports, as against 53s and 44s respectively in 1912. If we bear in mind the change in

the general world price level, it will be seen that trade with the extra-Danubian countries last year could not have been more than about 75 to 80 per cent. of that of 1912. The internal trade within the Danubian region itself, however, has almost certainly diminished considerably more than this, though it is, unfortunately, impossible to give even a rough estimate of the actual fall.

It seems quite clear that the volume of trade with the extra-Danubian countries has fallen considerably as compared with pre-war days, while trade between the Danubian countries themselves still remains far from normal. The causes of this state of affairs are, firstly, the fall in agricultural production—this being the basis of the purchasing power of the region; and, secondly, the series of measures which have been adopted by the new States to hamper trade. The relaxation of import prohibitions has led to an increase in trade, and the same result is slowly being achieved by the growth of commercial treaties between these States and one another. Nevertheless, Customs duties remain inordinately high.* This leads to a contraction in the volume of trade, and, in consequence, to a diminution of industrial production. The more immediate sufferers are the highly industrialised States like Austria and Czechoslovakia, though even they do not as yet seem prepared to work as closely together as the economic needs of the two countries demand. The attempt to foster industries artificially in the other States is making for an unwise and inefficient distribution of their national resources; helps to keep the rate of interest unnecessarily high; and, in general, acts as a check to economic reconstruction.

The period of economic chauvinism, however, is slowly passing. In its turn has come the age of rather more moderate economic nationalism. It may be that the time is not now very far distant when enlightened self-interest will point the way to economic co-operation as the only sure method of bringing prosperity once again to a region that has had more than its fair share of suffering from the war and the legacy it has left of hatred and cupidity.

PART II.

I.—AUSTRIA.

The political life of the Republic of German Austria, which, despite its small size, is none the less a Federal State, has arrived at something like stalemate. In Vienna the Social Democrats have a stronghold which guarantees them some place in the Austrian political world. Elsewhere the Christian Socialists seem secure, and, as Vienna is not Austria, enjoy a majority in the Federal Parliament. The two wings of this party—the one urban and clerical, the other a peasant party in embryo—work fairly harmoniously together, and a relatively stable Government seems assured in consequence.

The main event of the present year has been the termination of the work of the Commissioner-General of the League of Nations, who had exercised some measure of control over Austrian affairs since the reconstruction plan was inaugurated in 1922. As from June 30th last Austria regained her independence in fiscal matters—provided always that the bondholders' claims are satisfied. Thus ended a remarkable experiment in international affairs, and one which, despite its difficulty, has been crowned with a very considerable measure of success. A crumbling currency has been stabilised, and budgetary

* As an example, we may cite the following estimates of the level of the tariff burden on Austrian goods in the adjoining States, which are given by the Commission of Inquiry into Austria last year. Two methods of calculation were adopted, the one giving a minimum, the other a maximum figure. The actual burden is probably somewhere between these extremes.

	Min.	Max.		Min.	Max.
Germany	14	17½	Hungary	28	40
Italy	16	21	Roumania	19	23
Czechoslovakia ..	21½	30½	Jugoslavia	27	41

Calculated in this manner, the Austrian rate would be about the same as that of Italy, and thus the lowest of any of the Succession States.

NATIONAL BANK OF CZECHOSLOVAKIA.

The National Bank of Czechoslovakia was established by an Act of Parliament which was passed on April the 25th, 1925, and came into force about a year later. The functions of this bank comprise the administration of the currency, the recording of bank credits, the transaction of clearing operations and the management of the State Treasury. With regard to the currency, one of the duties of the bank is to maintain the relation of the Czechoslovak crown to foreign undepreciated currencies at the average level of the last two years before the passing of the Act, in the preamble to which this level is specified as being between 2.90-3.03 dollars per Kc 100 on the New York Exchange. The bank has to carry this out by other means than the redemption of notes, the process which is suspended for the present and which will be introduced later by a special enactment. The main resource in carrying out the gold standard exchange policy is a metallic covering prescribed by law, and representing 20 per cent. of the banknotes in circulation. For a period of fifteen years this covering is to increase at the rate of 1 per cent. annually, so that when the first charter of the bank expires the total covering will amount to 35 per cent. The whole of the present State note circulation ranks as banknotes, so that the banknotes of the National Bank are covered on the one hand by claims on the State to the amount of the uncovered State note debt and on the other hand by precious metals and commercial paper (bills, loans and commercial claims abroad). The obligation to maintain the prescribed covering is not absolute, as a breach of the duty is only subject to a tax on a progressive scale. The metal covering, however, is not the sole basis of the currency policy of the bank, which administers also a loan of 50,000,000 dollars borrowed from America for this express purpose. The State note debt consists of the banknotes, the current accounts and the Treasury notes of the former Austro-Hungarian Bank on Czechoslovak territory, which were taken over and converted into Czechoslovak State

notes by a process of stamping. This debt was reduced by withholding half the notes presented by private persons for stamping, and by converting the notes thus retained into State bonds bearing 1 per cent. interest. The debt has been further reduced by payments on account of the tax on property. Persons assessed for this tax have paid it partly by means of the 1 per cent. bonds referred to and partly in cash. Up to the end of June, 1925, the amount yielded by this tax was 4,361 million crowns, and the uncovered State note debt now amounts to 5,368 millions.

The administration of the currency is fully concentrated, for, as already mentioned, the National Bank is granted the privileges of a bank of issue for a period of fifteen years. During this period the State undertakes to issue no State notes, and to declare the State notes already in circulation as banknotes, subject to the exception already indicated with regard to covering. For the present, the banknotes are not exchangeable for coin, and their circulation is compulsory. The bank attends to the circulation of coin in the country by taking over the coins from the State authorities, placing them in circulation, exchanging them, withdrawing them. Another duty of the bank is to keep a record of commercial credits throughout the State. The abuse of credit and the obtaining of credit from several banks who are mutually unaware of the various advances are prevented by the bank, which is entitled for this purpose to ask for all vouchers and other particulars deemed necessary in this connection.

The joint-stock capital of the bank is 12,000,000 dollars, and each share, the nominal value of which is 100 dollars, bears the name of the owner. The head of the bank is the Governor, nominated by the President of the Republic, together with a board of nine directors. Six of these directors are elected at the general meeting and three are nominated by the President of the Republic. The tenth member may be co-opted. The general meeting elects an audit committee for a period of five years.

The following table shows the financial position of the bank on August the 31st, 1926:—

ASSETS.

(In Czechoslovak Crowns, 000's Omitted.)

	Statement.	Changes as Compared with the Statement on August 23, 1926.
Gold and silver holdings	1,033,550	 + 37
Balances abroad and foreign currencies	1,323,522	 + 9,698
Other cash	6,243	 — 535
Bills discounted	129,874	 + 2,559
Securities discounted	960	 + 805
Advances on collaterals	59,669	 — 2,828
State notes debt balance	4,883,746	 — 918
Assets of the Banking Office of the Ministry of Finance in liquidation, in charge of the Czechoslovak National Bank	653,933	 — 673
Other assets...	783,566	 + 241,387
	8,885,063	 + 267,532

LIABILITIES.

Capital fully paid up (\$12,000,000)	406,800	.....
Bank notes in circulation	7,161,203	 + 618,289
Check account balances and other sums due at sight	1,030,195	 — 351,510
Other maturities: Short term cash vouchers	2,965	 — 17
Other liabilities	283,900	 + 770
	8,885,063	 + 267,532

BANK RATE SINCE JANUARY 13, 1926.

Bills	6 per Cent.
Advances	7 to 7½ per Cent.
METALLIC COVER—Precious metals	Gold Kc 916 064,420.82
	Silver Kc 112 363,041.57

Gold foreign currencies	Kc 1,028,428,270.39
	Kc 1,274,486 571.49

Metallic cover	Kc 2,302,914,841.88
	69.6 per Cent.

reform is now an accomplished fact. The following table summarises the closed accounts for the past three years:—

	(In Millions of Schillings.)	1923.	1924.	1925.
Budget Administration—				
(a) Ordinary transactions—				
Expenditure	779 65	809 99	741 38	
Receipts	697 45	900 62	908 47	
Surplus	— 82 20	— 90 63	— 167 09	
Deficit	— 76 08	— 103 67	— 90 64	
(b) Investments				
Budget surplus	— 158 28	— 13 04	— 76 45	
Budget deficit				

The improvement outlined in these figures is most remarkable. The era of budgetary chaos ended in 1922. While expenditure remains higher than that anticipated in the reconstruction plan, Budget equilibrium has been achieved, thanks to the large increase in receipts. Last year there was a surplus, in spite of very considerable investments of a more or less productive nature. For the first six months of the present year there will probably be a deficit of about 36½ million schillings, though this is due to expenditure on investments during the period amounting to over 74 million schillings. This satisfactory state of affairs has only been brought about by reform in many directions. The State railways have been reorganised, and although they remain in a difficult position, are well on the way to complete recovery. This is largely due to the creation of an autonomous administration for the railways, under the chairmanship of Herr Gunther, a leading figure in Austrian industry. Large numbers of officials have been dismissed, more especially on the railways, and this application of the axe, though painful, has certainly prepared the way for sounder administration. At the end of last year the Federal Government employed 164,310 persons, of whom 65,414 were railwaymen. By that date 81,702 officials had been discharged, 38,357 being railwaymen, since the applications of the reconstruction scheme in October, 1922.

The total of the international loan necessary for the work of reconstruction was 650 million gold crowns, or 936 million schillings. By the end of the period of control the net yield of this loan—879.8 million schillings—had been accounted for as follows:—

	Million Schillings.
1. For repayment of credits granted during the inflation period	175 60
2. Security for service of loan for first six months	51 50
3. Cover for investment expenditure	332 56
4. Cover for current deficits	115 44
The amount unused, with accumulated interest, stood, in June last, at	217 60

It will be seen that the cover for current deficits only amounts to about 13 per cent. of the total loan. The investments include expenditure incurred for the electrification of some of the railways and the reorganisation of the dairy industry of the country.

Financial reconstruction, however, has also necessitated a whole series of readjustments in the economic sphere, and these have not been by any means easy to accomplish. They are due in part to the after effects of inflation, and also to the difficult process of post-war reconstruction in Europe as a whole. It is hard, indeed, to say to what extent they may be regarded as a specifically Austrian problem.

In agriculture much has already been done to make good the damage caused by the war, as the following table, reviewing the cereal production of the last two years, shows:—

	Area.	Yield.
	(In Thousand Hectares.)	(In Thousand Metric Tons.)
	Pro-War. 1924. 1925.	Pro-War. 1924. 1925.
Wheat	198 .. 195 .. 197	271 .. 231 .. 326
Rye	419 .. 375 .. 381	568 .. 411 .. 623
Barley	136 .. 138 .. 141	169 .. 157 .. 228
Oats	344 .. 309 .. 317	405 .. 332 .. 485
Maize	49 .. 60 .. 56	73 .. 94 .. 120
Potatoes	155 .. 167 .. 173	1,296 .. 1,647 .. 2,230
Sugar beet	16 .. 19 .. 21	325 .. 433 .. 548

The comparison with the pre-war figures (average, 1909-13) are somewhat misleading, since they do not include the Burgenland, which has since been incorporated in Austria. The increase in root crops like potatoes and sugar-beet is, however, well established, and is a most welcome sign. Considerable progress has been made

in Austrian agriculture since the war. Credits have been made available out of the remainder of the League loan for the purchase of fertilisers and seeds, and a long-term loan has also come from the same source for the reorganisation of the dairy industry of the country. In a word, agriculture, which is by far the greatest industry of the country, has already done well, and promises still better for the future.

The source of greatest anxiety in present-day Austria is, perhaps, the foreign trade situation, and here the situation still leaves much to be desired. We may begin by summarising the figures for the past four years:—

	(In Million Schillings.)	Imports.	Exports.	Deficit.
1922	2,464	1,544	920	
1923	2,688	1,591	1,097	
1924	3,473	1,988	1,485	
1925	2,882	1,948	934	
1st. Quarter,				
1925	626	450	176	
1926	681	394	287	

Down to 1925 imports increased at an alarming rate without there being any adequate increase in exports to correspond. Last year, however, the situation changed considerably for the better, and the slight fall which occurred in the value of total exports was more than accounted for by the general fall in prices. Indeed, the quantities exported actually increased by about one-third. It is unfortunately true, however, that the quantity of raw materials exported rose more than that of finished goods, while several important exporting industries registered a decline both in quantity and in value—notably the woollen trade, ladies' dresses, furniture, leather and shoes. As compared with the same quarter of 1925, the figures for the first three months of the present year are rather disturbing. While imports were greater, exports were considerably less. The figures for April, which are the latest at present available, do not do much to dispel the gloom. Imports stood at 217.7 million schillings, and exports at 137.6 millions, thus leaving an adverse balance of over 80 million schillings on the month's trade.

The changes that have taken place in the direction of Austrian trade of recent years are indicated in the following summary:—

AUSTRIAN TRADE.

	Imports.				Exports.			
	1922.	1923.	1924.	1925.	1922.	1923.	1924.	1925.
	%	%	%	%	%	%	%	%
Danubian States	40.1	41.3	41.2	39.8	42.1	37.3	36.8	35.6
North Central Europe	26.9	24.2	22.5	24.4	23.9	21.0	23.0	23.4
Western Europe	15.8	18.7	19.7	17.1	23.0	23.4	25.9	23.4
Other countries	17.2	15.8	16.6	18.7	11.0	14.3	14.3	17.6

Although the Danubian States may be regarded as Austria's "natural" market, it will be seen that their share of Austrian exports has grown progressively less—precisely at a time when the purchasing power of the region as a whole has been gradually rising. The most striking feature of these figures is the steady expansion of trade with extra-European countries. In a word, Austria, which previously relied upon Danubian trade, is now being forced more and more on to the world market.

If we bear in mind the protective duties in force in the neighbouring States, it is, perhaps, not altogether surprising—though none the less regrettable—that Austria herself should recently have turned towards higher duties. In July last a new Customs Bill was passed, envisaging a large measure of protection for the iron and steel and textile industries, and extending the protective principle to agricultural products as well. The duties are to come into force by way of administrative decree, and appear to be intended primarily as a bargaining counter in commercial negotiations with other States.

II.—CZECHOSLOVAKIA.

Until quite recently the political life of Czechoslovakia has been dominated by the coalition of Czech parties, organised, in spite of widely diverging social aims, on the basis of the will to live of the Czech people and the need for consolidating the new nation-State. The Opposition was thus made up of representatives of the German and Magyar minorities, together with a certain number of Slovak malcontents. This continuation of a nationalist

orientation, although, in many ways, a perfectly natural legacy from Habsburg days, hardly constituted the best possible basis for a sound political life, and, moreover, ran counter to the equally natural cleavage of opinion on economic issues. This year, with the advent of a tariff embodying a whole series of concessions to the agrarian interests, the economic moment has come much more to the fore. The old national bloc has been very much shaken, and, for the moment, a Government of officials is in power. It appears as though the division between Right and Left, irrespective of national allegiances, will gradually become the dominant feature in the Parliament and government at Prague, and this is probably to be welcomed in the interests of political and economic consolidation.

Financial reconstruction has proceeded apace since the foundation of the Republic in October, 1918. Figures of the actual revenue and expenditure will be found in the following table:—

(In Millions of Czech Crowns.)				
Year.	Actual Expenditure.	Actual Revenue.	Balance.	
1919	7,449	4,736	— 2,713	
1920	13,538	12,735	— 803	
1921	18,156	20,727	+ 2,571	
1922	18,335	18,939	+ 604	
1923	16,605	15,664	— 941	
1924	15,360	16,691	+ 1,331	

The first task of creating a revenue-raising machine for the new State had been virtually accomplished by 1921. With the appreciation in the crown which took place in the following year, every effort had to be made to bring the budgetary position into accord with the new value of the currency. Expenditure was reduced, thereby enabling the burden of taxation to be reduced also. The difficulties of the present situation, however, would seem to call for still further reductions, in order that the fiscal burden on industry should be made easier to bear. This year there will probably be a small surplus, even when investment expenditure is included. In the main, this record is one of very remarkable achievement, and is, of course, the basis of the sound currency and credit position enjoyed by the country.

As in the other Danubian countries, though not to the same extent as in most of them, agriculture is much the most important industry of the country. Here, also, considerable progress has been made, though, until last year, the yield of the principal cereals remained well below the pre-war level. This is accounted for in large measure by the reduction which has taken place in the area sown with these crops:—

	Area (In Thousand Hectares).			Yield (In Thousand Metric Tons).		
	Pre-War	1924.	1925.	Pre-War	1924.	1925.
Wheat	703	606	617	915	877	1,070
Rye	1,041	838	846	1,443	1,136	1,476
Barley	944	678	694	1,466	971	1,246
Oats	993	846	837	1,226	1,204	1,304
Maize	145	157	156	217	260	306
Potatoes	768	634	639	7,516	6,514	7,499
Sugar beet	289	303	307	6,994	8,374	9,075

The increase in the area down to sugar beet, no less than the increased yield of this crop, is an outstanding feature of Czechoslovak agriculture of recent years. It is true that this tendency has made itself felt on a world-wide scale. Its working in Czechoslovakia, one of the principal sugar-exporting countries of the world, is none the less interesting on that account. In the following table will be found the relevant data for the post-war years:—

SUGAR PRODUCTION.				
Season.	(Thousand Hectares.) Area Down to Beet.	(Thousand Metric Tons.) Production of Raw Sugar.	(Thousand Metric Tons.) Exports of Refined Sugar.	
1912-13	318	1,423	....	
1918-19	201	624	....	161
1919-20	183	507	....	341
1920-21	193	717	....	414
1921-22	192	663	....	376
1922-23	185	744	....	389
1923-24	226	1,002	....	658
1924-25	303	1,429	....	1,015
1925-26	307	....	....	....

The steady increase which has taken place since 1921 has been continued into the present year (1925-6). During

the first nine months of the sugar year (i.e., down to the end of June last) the production of raw sugar totalled 1,504,563 tons, as against 1,408,498 tons during the corresponding period of the previous year. This is already the highest figure ever attained in any one year. Exports over the nine months stood at 884,245 tons, as against 894,757 during the previous year. This enormous production, however, has coincided with a fall in world sugar prices. The position during the coming year will not be up to this standard. The area down to beet is slightly less, and the yield is expected to be inferior to that of last year.

If we turn next to the foreign trade returns, we shall find still further evidence of the success with which the country has adapted itself to changing world conditions:—

(In Million Czech Crowns.)				
	Imports.	Exports.	Surplus.	
1922	12,650	17,873	5,222	
1923	10,222	12,573	2,351	
1924	15,855	17,022	1,167	
1925	17,594	18,799	1,205	
Six months—				
1925	8,045	8,920	874	
1926	7,510	7,907	397	

It will be seen that the situation this year has presented great difficulties to the Czech export trade, the volume of which has fallen considerably in comparison with the corresponding period last year. In particular, the surplus of exports over imports has been very greatly diminished—a state of affairs not altogether satisfactory to a debtor nation like Czechoslovakia.

The direction of foreign trade is summarised in the following table:—

(In Million Czech Crowns.)									
	Imports.				Exports.				
	1921.	%	1925.	%	1924.	%	1925.	%	
Danubian States—									
Austria	1,245	7.9	1,294	7.4	3,523	20.7	3,258	17.3	
Hungary	880	5.5	1,121	6.4	1,134	6.7	1,178	6.3	
Roumania	467	2.9	369	2.1	796	4.7	840	4.5	
Jugoslavia	418	2.6	502	2.9	830	4.9	820	4.4	
Other States—									
Germany	5,583	35.2	5,497	31.2	3,318	19.5	4,232	22.5	
Poland	729	4.6	1,238	7.0	558	3.3	658	3.5	
Great Britain	448	2.8	653	3.7	1,586	9.3	1,534	8.2	
United States	689	5.6	1,117	6.4	718	4.2	756	4.0	

It will be seen that nearly a third of Czechoslovak exports go to the other Danubian Succession States. The percentage share of these four countries together has moved as follows of recent years:—

	1921.	1922.	1923.	1924.	1925.
Imports	17.7	18.7	14.5	18.9	18.8
Exports	51.5	37.9	34.1	37.0	32.5

The general distribution of Czechoslovak exports offers striking resemblances with those of Austria. In 1924, indeed, Czech exports to the Danubian countries were, both absolutely and relatively, greater than those of Austria, though the figures for last year show that the steady fall in the percentage share of these countries, which was so marked down to the year 1923, has continued still further. The relative importance of this market to Czechoslovakia is thus, on the whole, slightly less than it is in the case of Austria. Exports to Germany and Poland (North Central Europe) have increased relatively more from Czechoslovakia than they have from Austria; while Austrian exports to the rest of the world have, on the whole, risen more than have those of Czechoslovakia. In both cases the percentage share of Western and extra-European countries amounts to about 40 per cent. The importance of trade with the neighbouring countries is thus quite apparent, and any hope of a permanent revival must perforce be based upon greater facilities for international commerce.

III.—HUNGARY.

The political life of Hungary has always been one of considerable excitement, and characterised, amongst other things, by the existence of a large number of political parties. In the main, however, the personal element predominates, and, in the present case, the Government bloc is held together mainly by the personality of the Prime Minister, Count Stephen Bethlen. For Hungary, of course, the Peace Treaties brought a reconstruction of political frontiers which cut up the old kingdom of Saint

Stephen beyond all recognition, and proved a very bitter pill indeed for the dominant Magyar aristocracy to swallow. The Bolshevism of Bela Kun at least offered a pretext for the overthrow of the new order, but when this was countered by the Roumanian occupation of Buda-Pest the days of the Hungarian Soviet were at an end. The political pendulum swung to the opposite extreme, and plans for a restoration of the Habsburgs formed the principal topic of conversation. This solution was checked by the vigorous action of the Little Entente; and gradually it came to be seen that the first need of the new ("Rump") Hungary was to set its own house in order rather than to attempt to overthrow the Peace settlement itself. The great merit of Count Bethlen is that he saw the need of this practical solution and carried it through with considerable tact. Financial reconstruction was achieved by the acceptance of a measure of League control; and the success with which he negotiated the necessary preliminaries, no less than the loyalty with which he co-operated with the Commissioner-General of the League in Buda-Pest, has shown that Count Bethlen is a statesman of no mean ability. Militant irredentism has lost ground, though the forgeries which occurred earlier in the present year, no less than the trials which followed, show that there still remain elements in the country which prefer strife to reconciliation, and do something to justify the suspicion with which Hungary is even now regarded by its neighbours.

The application of the League scheme of financial reconstruction has been a brilliant success. The plan came into operation on May 1, 1924, and the two financial years which have since passed each closed with a substantial surplus. This is particularly satisfactory in that quite considerable reductions in taxation were made during the year. Since July 1, 1924, no portion of the Reconstruction Loan has been spent for budgetary deficits, a result due, not to a fall in expenditure, but to a very gratifying increase in revenue. At a meeting of the Council of the League, held on June 10th last, it was accordingly decided:—"That the financial stability of Hungary being assured, the functions of the Com-

missioner-General shall be brought to an end on June 30, 1926." The position of the receipts and disbursements of the Reconstruction Loan as at that date was as follows:—

(In Million Gold Crowns.)			
RECEIPTS.		EXPENDITURE.	
Net proceeds of Loan	253.8	Expenses of issue	0.5
Net exchange profits to date	13.1	Budget deficits, &c., to June 30, 1924	69.6
		Special reserve	15.6
		Capital investments, 1925-26	50.0
		Advances for silver purchases and Mint expenses (to be refunded)	11.7
		Total expenditure	147.4
		Balance	119.5
	266.9		266.9

The capital investments were approved by the Council of the League, and have been made for public utilities which may be expected to increase the taxable capacity of the country.

In a word, the termination of control has left Hungary in a strong financial position. The National Bank is firmly established, and some indication of the improvement in the credit of the country is given by the successful flotation of loans on the London market by the Hungarian Land Mortgage Institute in January, and the Hungarian Counties a few weeks ago.

The basis of the prosperity of a country like Hungary, where over 70 per cent. of the total population are returned as living in villages, is naturally its agriculture:—

	Area (Thous. Hectares).		Yield (Thous. Metric Tons).	
	Average, 1911-15.	1924.	Average, 1911-15.	1924.
Wheat	1,511	1,416	1,458	1,935
Rye	680	663	684	804
Barley	525	408	418	714
Oats	345	287	294	440
Maize	859	995	1,044	1,506
Potatoes	242	251	256	1,942
Sugar beet	59	68	66	1,502
Tobacco	38	15	16	46

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The area down to these eight crops together last year was very nearly up to the pre-war average (4,236,000 hectares, against 4,259,000). With the exception of maize and the root crops, however, production remained below the level of 1911-15. It is greatly to be hoped that improvements in agricultural credit facilities will lead to the complete recovery of Hungarian agriculture.

The foreign trade position has also improved noticeably during the period of reconstruction:—

Year.	(In Millions of Gold Crowns.)			Index Numbers.		
	Imports.	Exports.	Import Surplus.	Imports.	Exports.	Imports.
1920	417.3	164.3	253.0	100	100	100
1921	520.7	253.9	266.8	125	155	125
1922	539.4	330.1	209.3	129	201	129
1923	423.0	338.1	84.9	101	206	101
1924	702.8	575.0	127.8	168	350	168
1925	742.1	701.3	40.8	177	426	177

The figures for the earlier years are not entirely reliable, on account of the violent fluctuations which were then taking place in the value of the paper crown. The table, as a whole, however, gives some indication of the remarkable expansion that has taken place in the foreign trade of the country, and, more particularly, in the volume of exports. This has been especially noticeable during the period covered by the reconstruction scheme, when the excess of imports has been very considerably diminished.

The percentual share of the principal countries in Hungary's foreign trade is indicated in the following table:—

Country.	Imports.			Exports.		
	1923.	1924.	1925.	1923.	1924.	1925.
Danubian States—	%	%	%	%	%	%
Austria	26	23	23	44	36	34
Czechoslovakia	24	25	25	12	24	24
Roumania	10	8	8	9	5	4
Jugoslavia	3	4	3	7	6	8
Total	63	60	59	72	71	70
Other countries—						
Germany	14	13	15	6	8	10
Poland	6	6	5	2	3	5
Italy	3	4	5	8	6	4

Hungary is thus even more dependent than the other Succession States upon trade within the Danubian region itself. This is quite understandable in view of her geographical situation, and the fact that the industrial areas of Austria and Czechoslovakia are the historical and natural markets for her agricultural produce.

IV.—ROUMANIA.

The political life of the new Kingdom of Roumania of recent years has been the record of one strongly organised party—that of the Liberals under the leadership of M. Ion Bratianu—which, although only representing a minority, has nevertheless managed to maintain its position in face of a group of opposition parties which are hopelessly divided against themselves. During their long tenure of office, which started early in 1922, and only came to an end this year, the Liberals have consolidated their position in the economic life of the country, and have preferred to retire and leave the succession to the small group led by General Averescu, rather than continue to face an unpopularity which was growing steadily in intensity. In a word, with the "economic citadel" of the country in their hands, they have chosen to hand over the burdens of administration to a successor, and bide their time. The strongest party in the old kingdom and in Bessarabia—the Tsaranist or Peasant party—is handicapped by the fact that it is fairly new, and is entirely without influence in high places. Its inability to co-operate with the Transylvanian Nationalists has also helped to condemn it to continued opposition. These rather curious combinations are, of course, made possible by reason of the fact that the Government in power can always win a general election, so great are the advantages of holding the reins of office in one's hands.

Immediately after the war the finances of the country were in a hopeless state of chaos. There were actually no budgets issued, and it is not until the year 1921-2 that we can begin to follow the financial situation. Note printing to cover the excess of expenditure over receipts ceased in 1922, and thereafter revenue has regularly exceeded the

budget estimates. All such surpluses have been at once used to open supplementary credits, thanks to which official salaries have been increased, and additional funds spent on railways, schools, and so on. The effective receipts over the last few years are shown in the following table, together with the rough equivalent in dollars. It should be noted that down to 1923 the budget year ended on March 31st. For that year accounts were drawn up for the remaining nine months, and thereafter the budget year has coincided with the calendar year.

Year.	RECEIPTS.		Approximate Dollar Equivalent in Millions.	
	In Millions of Lei.			
1914-15	568		113.6	
1921-22	8,052		89.5	
1922-23	14,579		96.5	
1923 (9 months)	19,152		93.4	
1924	28,908		141.7	

The amounts, even in gold equivalent, have thus at last surpassed those of the last year before the war. It should not be forgotten, however, that Roumania was then a kingdom of some 7,000,000 inhabitants only, whereas the present population of new Roumania must be somewhere in the neighbourhood of 17½ millions.

Unfortunately, this Budget equilibrium has been established, thanks very largely to the completely inadequate remuneration received by the officials. It is thus to some extent a "Budget of misery," which has naturally had serious consequences in the general life of the country. At the same time, much has certainly been done to remedy the chaotic conditions which were inherited as a legacy from the war, though normal finances cannot be established until the currency is finally stabilised.

In Roumania, as in so many other countries, the administration of the State railways has been made autonomous (Law of May 16, 1925), and their finances will no longer appear on the Budget. It is hoped, also, that receipts from the various State properties will show considerable expansion in the near future.

The leading industry of the country—agriculture—has made very considerable progress since the war. Until this year, however, production has remained considerably below that of the period 1909-1913:—

	Area (In Thousand Hectares.)			Yield (In Thousand Metric Tons.)		
	Average 1909-13.	1924.	1925.	Average 1909-13.	1924.	1925.
Wheat	3,580	3,172	3,301	4,085	1,917	2,847
Rye	491	271	270	470	151	206
Barley	1,366	1,851	1,704	1,375	670	1,036
Oats	875	1,237	1,185	905	610	764
Maize	3,908	3,621	3,931	5,175	3,949	4,457
Potatoes	..	189	186	..	1,669	1,559
Sugar beet	..	54	58	..	873	1,177
Tobacco	..	31	37	..	21	16

The area down to the five principal cereals last year was actually up to that of our pre-war average, though the crop was considerably smaller. This was least noticeable in the case of maize (86 per cent.), most striking in that of rye and wheat (44 per cent. and 70 per cent. respectively). While both 1924 and 1925 were but indifferent harvest years, it would seem as though the crop this year is a bumper one. It would be unwise, however, to accept the current, at their face value, since it would seem virtually impossible for the railways and ports of the country to handle anything like five million tons of cereals. This question of transport virtually dominates the whole export position, and a speeding up of the process of railway reconstruction and new building—which, of course, implies a considerable capital outlay—is a matter of the very greatest urgency.

After agriculture, the principal economic resource of Roumania at present is oil. Here really remarkable progress has been made in the last seven years.

Year.	Oil (Thousand Tons).		Year.	Production. Exports.	
	Production.	Exports.		Production.	Exports.
1913	1,886	1,005	1922	1,373	430
1919	920	39	1923	1,512	384
1920	1,034	247	1924	1,860	436
1921	1,163	362	1925	2,314	783

The destruction of oil-wells by a British mission during the war will still be remembered. Although the Germans during their occupation worked very hard to restore this area to production, the actual output in 1919 was still under half that of the pre-war record year, 1913. It is interesting to note, however, that this figure was almost reached in 1924, and easily outdistanced last year. This was due, not merely to the recovery in the principal producing district of Prahova, but also to rapid development in what is almost a new region, that of Dâmbovitza. Further details of the character of the exports will be found in the following table:—

OIL EXPORTS (Thousand Tons).			
	1913.	1924.	1925.
Crude oil	26.9	1.0	..
Refined oil	428.1	212.0	329.8
Benzine	241.7	162.6	265.2
Mineral oils	7.8	26.6	41.8
Petrol residues	300.8	33.7	146.3
Total	1,005.3	435.9	783.1
Value in million gold lei	141	70	142 (approx.)

The nature of the oil products exported last year, as compared with 1913, would suggest that the reduction in exports is not nearly so marked as the mere totals seem to imply. As in the case of cereals, however, further progress in exports is dependent upon improved transport facilities. It should, nevertheless, not be forgotten that the home market for oil is now much greater than it was, though it seems not impossible that production should increase even more rapidly than consumption in the near future.

A few words seem necessary as to the conditions under which the Roumanian oil industry has been financed. At the beginning of 1916 approximately 456 million lei had been invested, and, of this, only some 25 millions was in Roumanian hands. After the war every effort was made to increase the participation of home interests. The State, as we have seen, expropriated millions of acres of land, which was, in turn, subdivided among the peasantry. Mineral and other rights to the subsoil, however, the State reserved for itself. (Article 19 of the Constitution of 1922.) The conditions under which concessions should be given were embodied in a special mining law, promulgated in July, 1924. To acquire a concession a company must be constituted in accordance with Roumanian law. Its capital must be held as to 60 per cent. by Roumanian nationals, though in the case of existing concerns which undertake to "Roumanise" themselves within 10 years, this quota is reduced to 55 per cent. Two-thirds of its directors, together with the president, must be Roumanian nationals. Moreover, 75 per cent. of the employees must also be Roumanians. It should be pointed out that this law applies to new concessions. Those already existing at the date of its promulgation, provided they were actually being exploited, were to continue in force for as long as they had to run.

It is not surprising that this legislation should have met with vigorous protests from foreign groups interested in the Roumanian oilfields. The mining law, however, has remained on the statute books, though its application has not been without interest, in view of the shortage of capital in Roumanian hands. Foreign interests have worked through Roumanian companies, and "men of straw" have been discovered whose official existence brings the undertakings within the letter of the law. The increase in output last year shows that, in practice, the flow of capital into the industry has not been seriously checked.

The foreign trade of the country has developed as follows of recent years:—

Year.	Quantities. (Thousand Tons.)		Values. (Million Lei.)		
	Imports	Exports	Imports	Exports	Balance.
1913	1,347	4,569	590	671	+
1921	615	2,713	12,145	8,263	— 3,882
1922	584	4,070	12,325	14,039	+ 1,714
1923	703	4,878	19,713	24,373	+ 4,660
1924	801	4,731	26,192	27,824	+ 1,632
1925	926	4,615	30,098	29,025	— 1,073

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The Creditbank, as the leader of the so-called Rothschild group, in its capacity of managing credit transactions involving the State, has caused the various loans of the Hungarian State to be listed on many money markets of Europe. It has also prominently co-operated in placing the Bonds of the Capital City of Budapest, as well as other public bonds, and lately, in 1926, in the case of the Loan of the Hungarian Counties secured in London through the intermediary of the Rothschild group. The Bank has further participated, during the last decades of the past century, in the construction of those railway lines which constitute, so to say, the backbone of the present system of the Hungarian State Railways.

Besides these activities, and developing current banking business, the Bank preferred to organise industrial undertakings and to reorganise in their financial affairs those already existing, and thus not only has the economic life of the country been enriched by a whole line of well-founded and flourishing enterprises, but also the Institution has acquired the greatest Hungarian Industrial Concern. This circumstance ensures for the Hungarian General Creditbank a far-reaching expansion and a very strong position.

Of the undertakings belonging to the sphere of activity of the Bank, which represent almost all lines of industry, commerce, agriculture and transport, the following deserve special mentioning:—

Ganz & Co., Danubius, Machine and Railway Carriage Manufacturing and Shipbuilding Co., Ltd.;
Ganz Electricity Co., Ltd.;
Small Arms and Machine Factory Co., Ltd.;
Hungarian Sugar Industry Co., Ltd.;
Agricultural Industry Co., Ltd.;
Hungarian General Colliery Co., Ltd.;
Hungarian Coal Mining Co., Ltd., of the Urikány-Zsil Valley;
Beocsiner Cement Factory Union Co., Ltd.;
Mineral Oil Refining Co., Ltd.;
"Tabacus" Tobacco Trading Co., Ltd., formerly M. L. Herzog & Co., Cavalla;
Hungarian Levante Sea Navigation Co., Ltd.;
Royal Hungarian River and Sea Navigation Co., Ltd.;
First Hungarian Rice Mill and Rice Starch Manufacturing Co., Ltd., in Fiume;
Hungarian Cotton Industry Co., Ltd.;
First Hungarian Worsted Spinning and Weaving Factory Co., Ltd.

Special mention should be made of the broadly developed branch system of the Institution which is joined by a great number of Home and Foreign financial institutions belonging to the sphere of interest of the Bank; further, the goods departments of the Institution, such as grain, sugar, coal and wool, must also not be forgotten.

Before the war Roumania, as a large exporter of cereals and oil, almost always enjoyed a favourable balance of trade. In 1919 the position was reversed, and Roumania actually became a cereal-importing country. From 1922 to 1924 inclusive, however, there was a considerable surplus of exports, though last year this had changed into a small excess of imports. It seems virtually certain that the situation in this present year will once again be favourable.

Textiles—raw cotton, cotton goods, and woollens—together account for well over one-third of the imports, metals and metal products taking the second place with, approximately, 20 per cent. of the total. On the export side come cereals (44 per cent. of the total in 1924, though only 25 per cent. last year); timber (say 20 per cent.), oil (20 per cent.), and animals and animal products (from 10 to 15 per cent.). The timber resources of the country are very considerable—forests covering approximately a quarter of the total area—and should prove an important article of export. Before the war the old kingdom of Roumania was approximately self-sufficing in animals and animal products. With the addition of Transylvania, however, this item may well loom larger in the export figures in the near future.

V.—BULGARIA.

The political situation in Bulgaria after the termination of hostilities was one of considerable difficulty. The unsuccessful outcome of the war completely discredited not only King Ferdinand, but also all those politicians who had identified themselves with his régime. In their place the peasant party came to the fore, under the leadership of the masterful, but somewhat unscrupulous Prime Minister, M. Stambouliski. The abuses of the new order, however, naturally provoked a reaction amongst the "intellectuals" and the town dwellers, and when the peasant dictator lost the support of the Macedonian irredentists, owing, largely, to his advocacy of a close understanding with the Serbs, his doom was sealed. His assassination in the early summer of 1923 led to the establishment of a "bourgeois" Government under the leadership of Professor Tsankoff. Unfortunately, the political pendulum had merely swung from one extreme to the other, and, although it did much in the interests of financial reconstruction, the new Government indulged in political repression of too drastic a nature to enable it to carry through that policy of national reconciliation which was so obviously essential to this, the smallest of the Danubian States. Accordingly, at the beginning of this year, M. Tsankoff and his Government made way for M. Liapcheff, who is, incidentally, himself of Macedonian origin and a moderate. His policy may be described as one of amnesty and forgetfulness. He has already achieved much in this direction, but his extraction has combined with the activities of Macedonian komitais to make his Government suspect to the neighbouring States. "International incidents" between Bulgaria and Serbia in particular, and, to a lesser extent, between Bulgaria and Greece and Roumania, have been of regrettably frequent occurrence recently, but here, as in so many other respects, the possibility of an appeal to the League of Nations has acted as a powerful moderating influence.

The process of financial consolidation, to which reference has already been made in our section on currency stabilisation, is further illustrated by the following figures of actual budgetary receipts and expenditure.

(In Millions of Leva.)			
Year.	Receipts.	Expenditure.	Balance.
1914	224 ..	292 ..	— 68
1920-21	2,006 ..	3,233 ..	— 1,227
1921-22	2,844 ..	4,380 ..	— 1,536
1922-23	4,423 ..	4,212 ..	+ 211
1923-24	5,357 ..	5,147 ..	+ 210
1924-25	6,855 ..	5,898 ..	+ 959

While every effort has been made to reduce the expenditure side of the Budget, including an attempt at a progressive reduction in the number of officials, it will be seen that budgetary equilibrium has been established thanks to the increase in revenue which has followed upon the stabilisation of the lev.

In a land of peasant proprietors like Bulgaria, particular interest attaches to the statistics of agricultural production.

	Area. (Thousand Hectares)			Yield. (Thou. Metric Tons.)		
	1914.	1924.	1925.	1914.	1924.	1925.
Wheat	1,010	996	1,027	625	771	1,351
Rye	198	167	183	155	112	226
Barley	225	212	220	194	173	319
Oats	163	151	143	110	107	148
Maize	603	593	620	776	693	715
Potatoes	4	10	11	16	49	66
Sugar beet	15	25	1	190	400	16
Tobacco	17	47	51	13	44	41

Unfortunately, there does not appear to be any statistical material available relating to the pre-war average of the area and production of the principal crops in Bulgaria. This is due largely to the territorial changes and general dislocation caused by the Balkan wars. The area down to cereals last year, however, was almost equal to that of 1914, while, with the exception of maize, the yield during the past two years was decidedly superior to that of the last year before Bulgaria's entry into the world war.

The foreign trade statistics of the country are summarised in the following table:—

(In Million Leva.)			
Year.	Imports.	Exports.	Balance.
1911	199 ..	184 ..	— 15
1922	4,037 ..	4,329 ..	+ 292
1923	5,124 ..	3,537 ..	— 1,587
1924	5,557 ..	4,902 ..	— 655
1925	7,291 ..	5,642 ..	— 1,649
Six months—			
1925	3,694 ..	2,544 ..	— 1,150
1926	2,925 ..	2,524 ..	— 401

The picture given by these figures is not altogether satisfactory. In particular, the large import surplus recorded last year is a rather disquieting symptom. A great reduction in peasant consumption, combined to some extent with a fall in the imports of luxury goods, has, however, resulted in a marked improvement during the first half of the present year.

The principal countries with which Bulgaria carried on her trade during the past two years were as follows:—

	Imports.		Exports.	
	1924.	1925.	1924.	1925.
	Total. %	Total. %	Total. %	Total. %
Germany	1,126 20.3	1,430 19.6	867 17.7	1,131 20.0
Italy	789 14.2	1,020 14.0	502 10.2	771 13.7
Great Britain	724 13.0	959 13.1	25 0.5	28 0.5
Austria	590 10.6	702 9.6	531 10.8	461 8.2
Czechoslovakia	316 5.7	570 7.8	385 7.8	350 6.2
France	419 7.5	493 6.7	632 12.9	311 5.5
Belgium	307 5.5	252 3.5	205 4.2	240 4.3
Turkey	176 3.2	199 2.7	225 4.6	224 4.0
Netherlands	117 2.1	193 2.6	131 2.7	242 4.3
Other countries	993 17.9	1,473 20.4	1,398 28.6	1,884 33.3
Total	5,557 100	7,291 100	4,902 100	5,642 100

It will be seen that trade with the other Danubian States plays only a relatively small part in the imports and exports of Bulgaria. The natural outlet of the country is the sea—which at present means the Black Sea only, since the prospect of a strip leading to the Aegean, which was held out in the Treaty of Neuilly, and which would be of the greatest service in developing the trade of the southern regions of the country, has failed to materialise.

In the main the re-establishment of budgetary equilibrium and the stabilisation of the currency, together with improvements in agricultural production and foreign trade, provide a most gratifying picture of economic reconstruction. There remains, however, one very difficult problem which not only threatens to compromise the success of this work, but also makes it hard to maintain peace within the country and good relations with the neighbouring States. We refer, of course, to the large numbers of refugees who have come to Bulgaria, whether from Yugoslavia, Greece, or Roumania. Since 1913 nearly 52,000 refugee families—say, 220,000 persons, of whom 116,000 are capable of working—have arrived in the country. Of these approximately 30,000 workers have already been definitely settled, either by the Bulgarian Government, or through their own resources, and another 25,000 could probably be established in urban districts with the aid of partial assistance from the Government. The crux of the present problem,

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**WORKS ON CENTRAL EUROPEAN
ECONOMIC QUESTIONS,**

By

Dr. Elemér Hantos

Formerly Secretary of State for Commerce in Hungary
and Professor at the University of Budapest.

1. **Das Geldproblem in Mitteleuropa.**
1925, Jena, G. Fischer, pp. 164.
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3. **Das Kulturproblem in Mitteleuropa.**
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4. **La Monnaie, ses systèmes et ses phénomènes en Europe Centrale.**
1926, Paris, M. Giard, pp. 272.
5. **La coopération économique en Europe Centrale.**
In "Journal des Economistes," August, 1926.

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therefore, is the manner in which the remaining 30,000 families of agriculturists (say 60,000 workers, or 120,000 in all) can be settled on the land. Left to its own resources, it would seem fairly obvious that the financial position of the country would effectively prevent Bulgaria from solving this most difficult question. An appeal was accordingly made to the League of Nations last May, and the Financial Committee, after hearing evidence carefully collected on the spot, issued a report on June 9th. The essence of their scheme, which was adopted by the Council of the League on the following day, may be summarised as follows:—

(a) "For the purpose in view, a loan giving a net yield equivalent to not more than $2\frac{1}{4}$ million pounds sterling would be sufficient.

(b) "This sum should be devoted as to about two-thirds to the provision of houses, initial equipment, and advances, and as to one-third to the preparation of land, so as to make it suitable for settlement and communication."

(c) "While the exact terms of the loan would be for arrangement between the Government and the lenders," the Committee regards it as necessary that:—

(1) A satisfactory agreement should be negotiated with the bondholders of the pre-war loans; and

(2) That the statutes of the National Bank should be so modified as "to bring them into conformity with the best principles of central banking." Further details in this latter connection "could be discussed in due course with the Committee."

(d) "The refugee loan would have to be secured by a first charge on adequate specific revenues.....such as the excises on salt and alcohol, and the match monopoly."

(e) The product of the loan should be subject to the independent control of an agent appointed by the League; while the revenues assigned to the service of the loan should be controlled, through a local representative, by trustees also to be appointed by the Council.

(f) Finally, as the work is urgent, and the loan, even with the blessing of the League, will take some time to float, an advance of about £400,000 should be made available immediately.

Unfortunately, the acceptance of this draft scheme by the Council aroused the suspicions of certain of Bulgaria's neighbours. In particular, the Yugoslav Government, in a memorandum sent to Geneva, suggested that the number of refugees in Bulgaria had been greatly exaggerated and that the proceeds of the proposed loan, while relieving the Bulgarian Government of certain financial burdens, would enable it to finance the building of strategic railways and thus menace the *status quo* in the Balkans. The delegates of Roumania, Yugoslavia and Greece at Geneva even went so far as to claim representation for their Governments on the Commission of Control of the Loan in order to ensure that the proceeds should be applied solely for the purposes of relief. To this M. Bouroff, the Bulgarian Foreign Minister replied, in a speech in the Sobranie, that his Government would forgo the loan rather than undertake to submit to the financial control of the neighbouring States. A deadlock was avoided by the action of the Council of the League. It decided that there should be no Commission of Control, though it would always remain open to the interested Governments to make representations to the League Commissioner or, in addition, to bring any complaints before the Council of the League itself.

With the political difficulties thus smoothed over, negotiations for an agreement with the pre-war bondholders had already proceeded far enough last month to enable the Bank of England to advance the sum of £400,000 to the National Bank of Bulgaria for the purchase of seed corn for the autumn sowings of the refugees. An agreement, moreover, was recently signed at Geneva by the Bulgarian Finance Minister, M. Molloff, with representatives of the bondholders, which secures better terms than those offered hitherto. When formal approval has been given to this settlement by the Bulgarian Government and the bondholders, and it has further been approved by the Bulgarian Sobranie, the most important outstanding difficulty in the way of the flotation of the loan will have been overcome. The change in the status of the National Bank will not be difficult to arrange, and

nothing now seems likely to prevent the passing of legislation guaranteeing the service of the loan.

This new League scheme offers the possibility of settling once and for all one of the most difficult problems now facing South-Eastern Europe, and promises, with international co-operation and advice, to complete the work of reconstruction in a country which has already done very much to help itself.

VI.—JUGOSLAVIA.

Down to the year 1918 the various branches of the Southern Slav people—Serbs, Croats, and Slovenes—had never been united together in one State. It is not surprising, therefore, that the formation of the Triune Kingdom, while itself the greatest event in Yugoslav history, should nevertheless fail to satisfy every local and regional wish. It had been achieved, thanks, primarily, to the Serbs, to whom it appeared, not altogether unnaturally, as a Greater Serbia. The Croats and the Slovenes, on the other hand, with a mentality and political psychology formed on the Central European model, had traditions of their own which did not always fit in with Serb aspirations.

Immediately after the war the reins—and, with them, the fruits—of office fell to the Serbs; while the Croats, and more especially the Croat peasant party, under the leadership of M. Raditch, felt themselves left out in the cold. After several years of complicated manoeuvrings, the Croats gradually came to realise the futility of a policy of abstention and negation, and prepared to co-operate with the Serbian Radicals, and their veteran leader, M. Pashitch. The political marriage was solemnised last year, and ever since, observers, both inside the country and out, have been wondering how long it could possibly last. There have been indiscretions and rumours in plenty, and, last April, the Radical Prime Minister, M. Pashitch, and with him, the Radical Finance Minister, M. Stojadinovic, both resigned from the Government. The continuance in power of the ruling coalition has thus been made dependent upon their continuing to receive the Parliamentary support of the Radical party. It is too soon to say that anything like a final understanding has been reached between the political representatives of the different sections of the Southern Slav people. It is true, however, that they have begun to co-operate, and are all slowly adjusting themselves to the idea of the nation-State. Foreign relations also prove a bond of union, and, with them, the gradual development of a national economy. It is, indeed, in the economic rather than in the political sphere that the most noticeable improvements have taken place. The Budget has been balanced; the currency is virtually stabilised; agricultural production has expanded, and considerable progress has been made in adapting the old railway system to the new needs of the country.

There has been, perhaps, a certain element of good fortune in the record of Yugoslav agriculture of recent years. The harvests of 1924 and 1925 were particularly favoured by the weather, and this, in the case of the former year, was the first occasion on which the sowings of wheat and maize were up to pre-war standards. It must, however, be admitted that, in the absence of any official estimates, the pre-war averages given below can only be regarded as the merest approximations. The margin of error may, indeed, be considerable.

	Area. (Thousand Hectares.)			Yield. (Thou. Metric Tons.)		
	Pre-War Approx.	1924.	1925.	Pre-War Approx.	1924.	1925.
Wheat	1,600	1,717	1,773	1,800	1,572	2,240
Rye	190	195	199	190	141	214
Barley	270	364	357	300	293	400
Oats	420	353	346	430	302	368
Maize	1,900	1,965	2,113	3,200	3,795	3,791
Potatoes.....	?	218	231	?	1,027	1,224
Sugar beet.....	?	48	33	?	1,063	511
Tobacco	?	35	15	?	36	12

Whatever the precise relationship may be between the figures for 1924 and 1925, and those before the war, it is beyond dispute that they mark an enormous advance on those of the years which immediately preceded. This has naturally affected the foreign trade returns of the country.

which have undergone a complete transformation during the past seven years, as the following table shows:—

Year.	Quantities.		Values.	
	Imports.	Exports.	Imports.	Exports.
1919	155 ..	283 ..	712.2 ..	164.0 ..
1920	440 ..	915 ..	746.9 ..	284.6 ..
1921	734 ..	1,584 ..	538.1 ..	321.2 ..
1922	1,232 ..	2,214 ..	452.3 ..	259.2 ..
1923	1,123 ..	3,026 ..	493.4 ..	477.9 ..
1924	1,128 ..	3,916 ..	578.6 ..	671.3 ..
1925	1,514 ..	4,398 ..	769.1 ..	782.4 ..

The import surplus diminished steadily down to 1923, to be followed by a favourable balance of trade in the two succeeding years. While both exports and imports were considerably higher in 1925 than in the previous year, the rise in exports was less than had been expected. This was due mainly to the fall in world cereal prices. The principal articles of foreign trade in 1925 were the following:—

Imports.			Exports.		
	Value Mill. Gold Dinars.	%		Value Mill. Gold Dinars.	%
Cotton fabrics....	121	15.7	Maize	181	23.1
Woolen fabrics ..	54	7.0	Wood (for building)	98	12.6
Cotton yarns	35	4.5	Eggs	53	6.8
Machinery, &c. ...	32	4.2	Wheat	44	5.6
Iron goods	31	4.0	Live cattle	37	4.7

The most important markets for Yugoslav produce are the neighbouring countries of Austria and Italy; these two, together with Czechoslovakia, also provide most of the goods imported into the country. Some idea of the percentage share of the principal countries trading with the Southern Slav State is given in the next table:—

	Imports.			Exports.		
	1923.	1924.	1925.	1923.	1924.	1925.
Austria	26.9 ..	19.8 ..	18.3 ..	28.9 ..	24.5 ..	18.5 ..
Czechoslovakia ..	18.5 ..	20.1 ..	17.8 ..	7.8 ..	9.9 ..	9.4 ..
Hungary	1.7 ..	2.9 ..	5.0 ..	4.8 ..	7.9 ..	5.1 ..
Greece	2.0 ..	3.2 ..	3.0 ..	5.7 ..	7.1 ..	7.4 ..
Italy	17.7 ..	20.5 ..	18.8 ..	28.7 ..	28.8 ..	25.3 ..
Germany	8.7 ..	8.3 ..	9.9 ..	4.2 ..	4.1 ..	7.1 ..
Great Britain	9.9 ..	10.6 ..	8.1 ..	2.1 ..	1.4 ..	...

While British exports to Yugoslavia were greater in 1925 than in any earlier year, their relative position has declined, while that of Germany has improved. Down to 1924 something over 40 per cent. of Yugoslav trade was done with the other Succession States. The item "Exports down the Danube via Braila and Roumania," which appeared in the trade returns for the first time last year, makes it difficult to identify the ultimate destination of nearly 14 per cent. of the total exports of the country.

PART III.

THE FUTURE OF RECONSTRUCTION.

Our survey of the Danubian countries has shown that much has already been accomplished towards restoring more normal conditions in almost every branch of national activity. In the political sphere, the new order established by the Peace Treaties has already come to be accepted as the basis of further progress. Seven years ago it was regarded by many as a very dubious experiment which seemed foredoomed to failure. Adherents of the old order existed in considerable numbers in almost all the countries concerned, and many were prepared to advocate an appeal to force in order to overthrow the Treaty settlement itself. This state of mind has slowly disappeared, and irredentism is now on the wane. The actual danger of warlike operations was largely countered by the creation of the Little Entente. In origin this was merely a league of three new national States organised to defend their very existence as States. In fact, it has proved itself to be an association of countries co-operating on many questions and frequently representing, as a group, a point of view more moderate than that of certain of its individual members.

It is interesting to note that there has been, on the whole, a marked change of opinion in Hungary, a country to which the Treaty settlement was most unwelcome. Although cases like the famous forgeries trial this year have shown that irredentism is still far from dead, there seems to be a growing body of opinion in the country which accepts the new order as a compromise, unwelcome though it be, which can nevertheless be made to work.

The spirit of sweet reasonableness has also been fostered in considerable measure by the League of Nations. Quite apart from its special activities in this part of the world, the League is of the greatest importance as a moderating influence, if only because it provides an international forum in which these various peoples are all represented. The creation of relatively small national States calls for a larger and more comprehensive body. The League thus appears as a necessary corollary of the Treaty settlement. It provides a bond of union, and enables States which may be divided in their local interests to co-operate in the wider sphere of world affairs.

The direct political rôle of the League is, of course, closely circumscribed. In particular, there have proved to be many practical limitations to the application of the Treaties which aim at the protection of minorities. Even in purely political matters, however, much has been done to smooth over frontier disputes like those which have arisen between Bulgaria and Greece, while the very existence of an international tribunal to which recourse might be had, has done something to moderate the more extreme claims of ardent nationalism.

In the economic sphere the chaotic conditions which followed immediately upon the conclusion of hostilities have already given place to a much more ordered state of affairs. The currencies of Austria and Hungary have been brought on to a new gold basis, and seem to be amply covered by the reserves of the national banks. Czechoslovakia, the pioneer of currency reform in this part of Europe, has long enjoyed a stable exchange, and in this it has been followed by Bulgaria and Yugoslavia. The wisdom of a policy of stabilisation has been amply established, and there are reasons for hoping that Roumania will now soon follow suit.

No branch of economic life was more disordered seven years ago than transport. It has not always been easy to make good the ravages of war, while the creation of new frontiers of itself necessitated an entirely new orientation of the railways of the region. This has all taken time, and, as one proceeds eastwards, one realises only too easily how much still remains to be done. A comparison between conditions as they were in 1919 and as they are at the present day, however, will show at once that enormous progress has already been achieved.

Above all other economic considerations, however, is the fact that agricultural production has now at last returned to something very near the pre-war level. This is obviously of the greatest importance, since agriculture is, and seems long destined to remain, the leading industry of South-Eastern Europe. Conditions are, of course, still very primitive in many parts of the region, and production, even before the war, was as nothing compared with what it might become if more scientific methods of agriculture were employed. Nevertheless, the ravages of war seem, at last, to have been made good, and this during a period when social and political considerations led to a wholesale redistribution of landownership in several of the Danubian States.

If we turn to the various branches of industrial production proper, the progress already achieved is only too liable to be obscured by the considerable volume of unemployment still prevailing in Austria and, to a lesser extent, in Czechoslovakia and Hungary. The picture, however, is in many respects typical of the economic life of the region as a whole. Much has been done to create a series of semi-self-sufficing units, which are prosperous enough up to a point. Further progress can

only be registered when the possibilities of greater production are to hand. These imply, firstly, a larger volume of capital available for investment at rates which are not prohibitive. In this direction the situation has improved very markedly of recent years, thanks largely to the advent of foreign capital seeking investment in this part of the world. There is, however, still room for improvement, and, in particular, for an increase in the habit of saving, which suffered enormously as a consequence of the false prosperity of the inflationary period. Even more important, however, is the fact that greater production in these States necessarily implies a greater exchange of goods, and for this it is essential that the hindrances which still hamper trade should be removed.

The really important question which arises in any discussion as to the future course of economic development in South-Eastern Europe is, therefore, this. Are the States concerned satisfied with the limited—though undoubtedly—progress which has already been achieved on the basis of a restricted home market, or will they consider seriously the supreme need of developing their resources to the fullest possible extent, even though this implies a considerable measure of international co-operation and closer economic collaboration towards the common end? It may, perhaps, be worth indicating very briefly some of the most important questions that await solution if the principal obstacles which now retard further progress are to be removed.

Currency reform may be taken as representing one of the most successful chapters in the history of recent economic reconstruction. It should not be forgotten, however, that whereas there were only two currency units circulating in the whole Danubian area before the war—the crown and the equivalent of the franc (leu, dinar, or lev)—there are now six distinct currency units in circulation. In one case, at any rate, it would seem as though the ratio for the conversion of the old and discredited paper crowns into the new currency had been chosen with the deliberate aim of making the new unit as different as possible from that adopted in a neighbouring State. From the broader world point of view, the very existence of all these separate currency units cannot but appear as a hindrance to trade. Some form of co-operation on lines similar to the monetary unions of pre-war days would obviously assist greatly in easing this situation.

Closely connected with the regulation of the currency is the question of the status and functions of the national banks of these Danubian States. It has now come to be recognised fairly generally that, in accordance with the best banking practice, the central bank of issue of a country should be, so far as possible, independent of the Government. Only thus can the note issue be safeguarded against inroads on the part of the Treasury, and, therefore, only thus can the currency and the Budget be maintained on a sound basis. In South-Eastern Europe, however, the traditions of pre-war days and the situation immediately after the conclusion of hostilities alike militated against the ready acceptance of this doctrine. To-day the only Danubian States in which the independence of the national bank is adequately safeguarded are those in which the League has been directly and actively interested. In Austria and in Hungary the independence of the new banks of issue was a preliminary condition of financial reconstruction; and a similar clause has also been inserted in the refugee loan agreement recently concluded with Bulgaria. In addition to ensuring the independent status of the various national banks, it seems fairly clear that the restoration of more normal conditions in the general economic life of the world necessarily implies a fairly close co-operation between the various national banks themselves. In the case of the three countries mentioned, the association of the national banks with the Bank of England has been assured almost automatically. There are now signs that the advantages likely to accrue to all parties from co-operation of this kind are not altogether lost on financial circles in one, at least, of the other three countries, and further developments in this direction may not be much longer delayed. Here, then, a closer co-operation of the various national banks of the Danubian States with one another and with the principal financial institutions of the world should prove of great assistance in the general work of reconstruction and economic con-

solidation. The problems involved are wider than those of any one particular region, and it would indeed be regrettable if considerations of nationalistic pride in its narrowest forms should check a movement which is so essential to the world at large.

In the matter of transport, again, much could be achieved by still closer collaboration between the interested parties. The Danube could only perform the rôle of a great international highway, which seems indicated for it by nature, if and when the various riparian States are prepared to work closely together with this end in view. Similarly, there is still room for closer co-operation between these States in questions of railway rates and the solution of general transport problems. Here, too, reference should be made to the need for comprehensive programmes of road construction and improvement, which, in a country like Austria, for example, would do much to encourage the tourist traffic; and even more, perhaps, to the desirability of simplifying the burdensome formalities which are still associated with passports and visas in this part of the world.

Nothing, however, is quite so important as the need for a change in the general attitude still prevailing towards the many direct hindrances to trade, such as Customs duties and the various legal requirements which are connected therewith. The ultimate interests of all parties concerned call for greater and more efficient production, and this in turn implies a greater volume of foreign trade. If this is true as a general proposition, it is doubly so in the case of a region with the economic traditions of the former Austro-Hungarian Empire behind it. Certain of these countries, as we have seen, are very largely interdependent and complementary to one another. Political considerations make a Danubian Customs Union (Zollverein) an impossibility at the moment. It obviously could not be made to embrace all the Succession States—including Italy and Poland—while the trade interests of the countries of the Lower Danube would not always be easy to bring into line with those of the three States to the North and the West. Even the Peace Treaty, however, envisaged the possibility of some such union between the three new States of Austria, Czechoslovakia, and Hungary, though this has failed to materialise during the period of five years in which the Signatory Powers declared that they would not regard any such move as infringing rights that might be enjoyed by them in virtue of the most-favoured nation clause. Whether the particular needs of this group of States will ultimately find expression in some such concrete form or no, however, it does seem essential that two conditions should be fulfilled in the tariff policy of all the Danubian States. On the one hand the network of commercial treaties already existing should be extended and amplified; and on the other the general level of duties, which is now almost unbelievably high, should be very substantially reduced.

Without further and closer co-operation on these and similar lines, it seems highly unlikely that the undoubtedly great resources of the Danubian basin can be developed much further than they are at present. The greater well-being enjoyed to-day is due in large measure to the abolition of those prohibitions of imports and exports which made the first period of reconstruction at once so difficult and so long. The second period begins under better auspices. It is no longer held to be unpatriotic to refer to ideas such as the community of interests existing between the several States. People are slowly coming together to discuss economic questions in their bearings on Central and South Central Europe as a whole. Problems that were once regarded as being purely political are now slowly returning to the domain of the economic specialist, where they more properly belong. The story of reconstruction has thus entered upon a new and decisive phase. In no Danubian country can the present economic situation be described as free from serious difficulties. Given the will to co-operate and a view extending wider than the proverbial village pump, there seems, however, to be no serious reason why enlightened self-interest should not go far to restore this region to that place in the world to which it is entitled by its great natural resources and the genius of its peoples.

THE NATIONAL BANK OF ROUMANIA.

(BANCA NATIONALA A ROMÂNIEI).

The National Bank of Roumania was founded, by a law of April 17, 1880, with a capital of 30 million lei, of which only 12 million lei were paid up on its establishment. Two-thirds of this amount were obtained by public subscription, the remainder being provided by the State. In 1901 the State sold its shares. Since that date the whole of the capital of the National Bank of Roumania has been in the hands of the public. The National Bank obtained the exclusive right of issuing bank notes, which had to be covered by assets that could easily be realised. The Bank was obliged to have a metallic reserve of gold equal to at least 40 per cent.—or, in certain exceptional cases, 33 per cent.—of the amount of notes issued; 30 per cent. of this metallic stock could be held in the form of bills on London, Paris, Berlin, and Brussels. The notes themselves were convertible into gold on presentation at the Bank.

The activity of the National Bank of Roumania, which was closely connected with the general monetary policy of the country, can be divided into three periods:—

(1) PRE-WAR.

In accordance with sound financial principles, the independence of the Bank was always maintained—with the sole exception of a loan for 15 million made in 1901—as against the needs of the Treasury, and the convertibility of its notes in circulation was likewise assured. The rate of exchange of the Roumanian currency was always kept at its legal parity.

The currency situation during the 34 years which intervened between the founding of the National Bank and the outbreak of

the Great War is summarised in the following table:—

(In Millions of Lei.)

Year.	Notes in Circulation.	Gold.	Cover. Bills, &c.	Total.	As % of the Note Issue
1880.....	10	..	..	5	50
1890.....	122	45	..	45	37
1900.....	120	39	10	50	41
1910.....	339	120	48	168	49
1913.....	437	151	56	208	47

(2) WAR PERIOD.

The situation of the country compelled the National Bank to change its financial policy so as to provide assistance for the Government. Between 1914 and 1916, when Roumania joined the Allies, the Bank made several advances to the Treasury, covering these issues by means of the gold reserves it had built up in earlier years. These loans were, moreover, repaid to the Bank out of the proceeds of the first loan issued on the home market in April, 1916. During the war period (1916 to 1918) the Bank granted new loans, which were covered either by bills held by the Bank abroad, or by new assets made available, thanks to the solidarity of the Western Allies. Two important events, however, seriously weakened the currency position of the country:

(1) The gold reserve of the Bank was sent to Russia at the request and under the guarantee of the Allies, and, up to the present moment, this has not been returned.

(2) The German armies of occupation issued some 2 milliard lei of uncovered notes, a total roughly equal to twice the note circulation of the National Bank at the time when Roumania entered the war.

The note issue of the Bank itself and the cover held changed as follows during these war years:—

(In Million Lei.)

December 31st.	Note Circulation.	Of which:		For State.	For Commerce.	Cover.			Relation Between the Cover and Total Circulation.
		On Behalf of the State.	For Commercial Purposes.			Gold.	Bills.	Total.	
1914	578	120	305	20	52	154	62	216	37
1915	762	314	236	41	31	220	80	301	39
1916 (August 13th)	1,069	215	134	20	12	487	80	568	53
1916	1,451	505	184	34	12	493	80	574	39
1917	1,961	1,059	164	54	8	493	196	689	35
1918	2,489	1,604	106	64	4	493	348	842	33

(3) POST-WAR.

On account of her geographical situation Roumania was obliged to continue the war in defence of her frontiers against her old ally of the East, Bolshevik Russia, and against Hungary, whose revolutionary armies were attacking her on the Theiss.

Roumania thus had to finance once again a real war at a time when the exhaustion caused by enemy occupation, by the Great War, and by the Russian army, had reduced the resources of the State to practically nothing. Under such circumstances the only way in which these new expenses could be met was by recourse to

the note issue of the National Bank. At the same time the unification of the currency, which was a most urgent need, necessitated the conversion, not only of the notes which had been issued by the German army of occupation, but also of the Austro-Hungarian crowns and Russian roubles which were in circulation in her new territories. Without any addition whatsoever to the currency reserve, these transactions called for an increase in the note issue of more than 7 milliards of lei, and completely ruined the national currency.

The following table shows the march of events since 1919:—

(In Million Lei.)

December 31st.	Note Circulation.	Issues.		Cover.		Total.	The Cover as % of the Total Note Issue.*
		On Behalf of the State.	For Commercial Purposes.	Gold.	Bills and Treasury Bonds.		
1919	4,215	3,800	217	495	915	1,410	33
1920	9,485	8,198	903	495	2,704	3,200	33
1921	13,722	12,363	2,002	495	4,086	7,581	33
1922	15,162	12,317	4,045	533	4,637	5,170	34
1923	17,916	11,107	6,218	554	5,456	6,011	33
1924	19,356	10,795	8,032	562	5,936	6,499	33
1925	20,136	10,787	9,097	566	6,333	6,895	34

* It will be noticed that the cover is made up almost entirely of Treasury Bonds.

The consequences of inflation did not take long to show themselves in a disordered Budget and in the rapid fall of the national currency. An energetic policy of reduction of expenditure, and a return to the normal working of the public services, and the resumption of national production, however, enabled the Government, by the year 1921, to carry on without having any further recourse to the note issues of the National Bank. The State Budget was balanced in spite of the resumption of the service of the public debt and the very difficult currency situation. In addition, the Government was able to pay back over one milliard of lei of its debt to the National Bank. When issues of notes for Treasury purposes had ceased the Bank was able to resume its normal functions, and to confine its activities to the needs of commerce and the reinforcement of the cover of its note issue.

The results obtained as a consequence of its policy of Budget reform have enabled the Government to consider the possibility of acquiring the necessary resources for the repayment of the floating debt of the State to the National Bank.

With this end in view, two conventions were concluded with the National Bank on May 19, 1925.

The first Convention is intended to ensure the liquidation of the debt to the National Bank (approximately 10.7 milliards of lei) by annual graded payments over a period of 15, or possibly 20, years. For this purpose a special liquidation fund has been set up for the redemption of the notes issued on behalf of the State. Payments to this fund, which amount approximately to 700 million lei per annum, are to be made automatically and quite independently of Budget fluctuations. Should currency requirements prevent the immediate withdrawal from circulation of the amount deposited, this liquidation fund can serve temporarily as a cover for the note issue. The liquidation fund is provided as to one-third

out of a budgetary grant representing a third of the proceeds of the turnover tax, and as to the balance by new resources or by resources of which the State has not as yet taken advantage.

The second aim of the first Convention is the strengthening of the real cover of the fiduciary issue. The issues of the Bank are divided into two categories: the **covered issue**, equal to four times the real cover held by the Bank (that is to say, a present issue of 4,800 million lei), and the **non-covered issue**, representing the difference between the covered issue of the National Bank and the total of notes in circulation.

A "fund for the reinforcement of the issue" is created out of profits obtained from the non-covered issue, reserves that the National Bank has already constituted by an increase of its metallic stock (over and above the statutory reserve), and including a part of the amounts paid as premium to the subscription of the new shares of the National Bank and an allowance of 20 per cent. on the profits of the covered issue.

The National Bank cannot exceed the total issue reached in December, 1924, save in the event of its being able to maintain the proportion of 33½ per cent. of gold bills and exchange prescribed by its statutes.

Second Convention. The terms of this Convention aim at adapting the National Bank to its new functions.

In addition to the dispositions connected with the internal organisation of the Bank, the Convention extends the privilege of the Bank for a further 30 years, that is to say, up to 1960. It also stipulates an increase of the capital of the Bank to 100 million of lei, of which 33.5 million are to be subscribed by the State, 30 million are on account of the former shareholders, and 36.5 million by new shareholders.

Summary Statement of Position on August 28, 1926.

Assets.		Liabilities.	
	Lei.		Lei.
Metallic reserve:		Capital	100,000,000
Gold and bills	1,340,075,045	Premium paid on new capital issue	365,320,000
Treasury bills	5,679,833,333	Reserve fund	65,551,406
Silver, &c.	20,638,381	Amortisation fund	184,943,358
Portfolio	8,675,751,720	Bank notes in circulation	21,048,719,470
Advances to Central Organisations of Popular Banks and Co-operatives	1,405,741,477	Profits and losses	40,151,694
Mortgage loans	164,022,577	Interest, &c.	85,979,716
Advances on public funds	592,908,727	Current accounts, &c.	179,803,452
Advances to the State on Treasury account	3,652,984,284	Various other accounts	7,706,707,305
Advances to the State for monetary unification	7,025,991,421	Ministry of Finance: Fund for liquidation of advances made to the State	377,523,745
Shareholders (instalments not yet paid up)	160,216,250		
Current accounts	131,554,263		
Other accounts	645,976,127		
Other assets	358,997,541		
	30,154,691,146		30,154,691,146

THE SKODA WORKS



PRAGUE CZECHOSLOVAKIA

(Limited Company, formerly THE SKODA WORKS, PLZEN)
(Incorporated under the law of the State of Czechoslovakia.)



SHARE CAPITAL (in Czech Crowns) 200,000,000
all issued and fully paid up.

The Company's manufactures include one of the largest outputs in the world of steel ingots, castings and forgings up to 100 tons weight; locomotives and locomotive repair work; high power gas engines, steam turbines, petrol tractors, motor cars, aeroplanes and aeroplane engines, electric, sugar, brewery, alcohol and agricultural machinery, gear cutting and every description of general engineering machines.

The Works were established in the year 1869, and are situated on the outskirts of the town of Pilsen, at Hradek near Pilsen, at Mlada-Boleslav, in Prague and in Hradec, all in the state of Czechoslovakia. They are now believed to be the largest steel and engineering works in Europe in one ownership. The Company has at the present time about 24,000 employees.

The Total Assets exceed £11,200,000.

For the purpose of converting crowns into sterling the rate of exchange used is Cz. Crs. 164 to the £.

The Company has the following Debentures outstanding, secured by Trust Deed, for which the Royal Exchange Assurance is Trustee:—

£2,500,000 7½ PER CENT. FIRST MORTGAGE STERLING DEBENTURES.

Redeemable at par on or before June 1st, 1951, by annual drawings or by purchase at or under par. Registered in denominations of £50, £100 and £500. Interest payable 1st December and 1st June. There are also outstanding £678, 300 8 per cent. First Mortgage Debentures, which will be paid off on January 1st, 1927; the sum required for this purpose is deposited with the Trustee.

REGISTRARS.—BRITISH & ALLIED INVESTMENT CORPORATION, LIMITED, 6, Princes Street, E.C.2.

The following is an abstract of the Report from Messrs. Fuller, Horsey, Sons & Cassell, of 11, Billiter Square, E.C.3, dated May 8, 1922:—

"THE SKODA WORKS AT PILSEN, IN OUR OPINION, IS ONE OF THE BEST ORGANISED AND EQUIPPED WORKS WE HAVE BEEN PRIVILEGED TO INSPECT DURING A LONG AND VARIED EXPERIENCE."

Dividends paid for the past four years are as follows:—

Year.	1922	1923	1924	1925
	10%	10%	12½%	13½%

For the years 1920 to 1924 the Profits, before providing for either Depreciation or Profits Taxes, but after charging all expenditure incurred for maintenance of property and plant, were as follows:—

Year.	Amounts.
1920	£ 271,839 18 2
1921	£ 404,212 12 7
1922	£ 731,717 4 9
1923	£ 838,104 12 8
1924	£ 542,974 0 10
1925	£ 512,570 4 4

COMMERCIAL AGENTS IN UNITED KINGDOM—

CARTERS, 6, PRINCES STREET, LONDON, E.C.2.

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The Economist BANKING SUPPLEMENT

Vol. CIII.]

SATURDAY, OCTOBER 9, 1926.

[No. 4,337.]

ALLIANCE ASSURANCE COMPANY, LIMITED.

HEAD OFFICE: BARTHOLOMEW LANE, LONDON, E.C.2.
ESTABLISHED IN 1824.

Assets exceed £25,000,000.

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THE COMPANY IS EMPOWERED TO ACT AS EXECUTOR AND TRUSTEE.

Particulars of any of the above will be sent on request.

T. B. Ponsonby, General Manager.

BARCLAYS BANK

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Head Office - 54, Lombard Street, London, E.C.3,
and over 1,850 Branches in England and Wales, and Agents and
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WILLIAM FAVILL TUKE, Vice-Chairman.

GENERAL MANAGERS:
EDWIN FISHER. FREDERICK WILLIAM GRIGGS. HENRY THOMAS MITCHELL.
FOREIGN GENERAL MANAGER: WALTER OSBORNE STEVENSON.

Authorized Capital ...	£20,000,000
Issued and Paid-up Capital ...	£15,858,217
Reserve Fund ...	£9,250,000
Deposits, etc. (30th June, 1926) ...	£304,247,468

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

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CHIEF FOREIGN BRANCH: 168, Fenchurch Street, London, E.C.3.
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The Bank is specially organised to provide banking facilities for trade
between Great Britain and France and their respective Overseas Possessions.

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED.

The Economist Banking Supplement

A SURVEY OF BRITISH AND FOREIGN BANKING

Vol. CIII.]

SATURDAY, OCTOBER 9, 1926.

[No. 4,337.]

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BROWN, SHIPLEY & COMPANY, LONDON.

FOUNDERS COURT, LOTHBURY, E.C.2.

OFFICE FOR TRAVELLERS:

123, PALL MALL, S.W.1.

ESTABLISHED 1810.

COMMERCIAL CREDITS
& CONSIGNMENTS.

FOREIGN EXCHANGE.

CABLE TRANSFERS.

FOREIGN COLLECTIONS.

TRAVELLING CREDITS.

DIVIDENDS COLLECTED.

COUPONS PURCHASED.

DEPOSIT and CURRENT
ACCOUNTS OPENED.AGENTS and CORRESPONDENTS
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(Alexr. Brown & Sons.)

ESTABLISHED 1800

THE ENGLISH BANK FIGURES.

A YEAR ago we recorded, in our autumn Banking Supplement, the effect on our banking system, to the limited extent to which they could be traced from the figures published, of the return to the gold standard. This year's figures cover a period in which our banks and the whole of our economic machinery have been subjected to a very different strain—that of the general strike at the beginning of May, followed by the coal stoppage, which is still a cause of growing loss and discomfort to the community and of distress to investors and workers directly affected. As was to be expected, the banking figures give practically no indication of the dislocation in trade which so unfortunately interrupted a period in which it was possible to hope that revival was at last in sight. If good trade and active production mean that the banks are likely to be called upon for increased accommodation by their customers to supply the sinews of expanding output, it is equally true that stagnation and depression impose upon the banks the difficult duty of helping solvent customers through a period of temporary obstruction, in which half-finished goods cannot be completed and commodities that are ready for sale cannot find a buyer. Industry and enterprise have to lean upon the friendly support of the banks both in good times and in bad; and only those who have access to the facts behind the figures can be sure whether support is being given to a fit and vigorous athlete speeding on his course, or to an invalid who will be quite well again soon, but needs careful nursing for the present.

So much is this so, that if it were possible to put the aggregate figures of those of the home banks which publish them at the end of June before someone who had heard nothing about the course of English trade during the period covered, he might, quite possibly, and with plenty of reason, infer that they reflected a time of comfortable expansion. It is true that the aggregate balance-sheet, produced on the next page, shows a slight decline in acceptances and endorsements between June 30, 1925, and the same date in 1926; but, as will be seen, the figure is well above that shown in 1924, and what is still more remarkable, it is more than 60 per cent. above the level of June, 1921. But it is from the discounts, loans, and advances item that an uninitiated observer might most easily draw an inference of satisfactory trade expansion, for it has advanced during the year under review by more than £34 millions, and showed, at June 30th, the highest proportion to total assets that has been displayed since 1921. In fact, as is well known to our readers, who are versed in these mysteries, this total includes so many cross currents, caused by movements of Treasury bills, advances to stockbrokers, loans to customers for other than commercial purposes, and other such influences, that it is a most untrustworthy barometer as indicating the condition of trade. And though the full effects of the coal stoppage had by no means been shown by June 30, it seems probable that the very moderate recovery in trade that took place before May had less effect on expansion of credit than the subsequent reduction in the rate of consumption.

From the investments item it is at least safe to draw a definite inference which is also satisfactory, namely, that by the continued reduction under this heading, the banks are making further progress in the process by which they are ridding themselves of the inordinate holding of securities, which was forced upon them by the Government during the war period, and are thereby setting free funds for the performance of their most important duty, which is that of financing trade and enterprise. Securities to an aggregate value of more than £24 millions have been disposed of, bringing down the total by about 33 per cent., as compared with the 1922 figure. At June 30, 1922, the investments formed 21.9 per cent. of the total assets, and the proportion has now come down to 15 per cent., the lowest shown since the war, though still well above the 13.5 per cent. of June 30, 1914.

A small increase, all in the right direction, in capital and reserves, and a tiny decrease in cash in hand are the only other movements in the minor items, and the net result is a small increase in deposits—the smallest movement in them, as the following table shows, since war made bank figures the plaything of politicians:—

INCREASE OR DECREASE IN DEPOSITS.

	Million £
June 30, 1915	197.2
" 1916	44.5
" 1917	81.1
" 1918	282.5
" 1919	406.2
" 1920	103.4
" 1921	20.3
" 1922	27.9
" 1923	113.9
" 1924	11.9
" 1925	19.4
" 1926	4.2
	+ 990.1

Special interest attached to the figures of the Bank of England's weekly return at the end of June, because it was made up on the last day of the half-year, and so showed the full effect of the large amount of credit in the books of the Bank, which has to be created for balance-sheet and other purposes at that date. This somewhat artificial demand is not so considerable at June as on December 31st, but it sufficed to cause in the last week of the half-year increases of £11½ millions in Government securities and nearly £36 millions in Other securities. Almost the whole of the sum so raised, with the addition of £8 millions taken from the Public deposits, was left at the credit of the Other deposits, which were swollen by over £54 millions in one week, though it should be added that they had been reduced in the previous week to an exceptionally low level—£100.3 millions. The fact that the 1926 return was made up on June 30th renders the comparison between it and those of former years somewhat illusory. The figures, however, have some interest as giving an indication of the effect on the Bank's position of the war-time expansion of credit, and of the absence of any evidence of that "deflation" by means of which our financial authorities are so often accused of having checked trade activity. If the total of other deposits be taken as a test, the following table shows an unbroken record of increase:—

BANK OF ENGLAND.
(Million £'s.)

	July 1, 1914.	June 29, 1921.	June 28, 1922.	June 27, 1923.	July 2, 1924.	July 1, 1925.	June 30, 1926.
Rest	2	3.2	3.2	3.3	3.3	3.4	3.4
Public deposits	17.0	15.3	16.3	14.0	11.7	11.7	10.5
Govt. deposits	54.5	131.7	115.1	114.1	140.1	144.0	154.7
Other securities	11.0	61.2	49.2	43.0	54.2	46.6	51.6
Notes issued	49.7	85.8	75.7	80.7	95.4	96.3	103.1
Total coin and bullion	56.9	145.0	145.6	145.5	146.2	175.5	168.7
Note circulation	40.1	128.4	128.9	127.6	128.3	157.6	150.3
Gold and silver in banking dept.	29.7	129.0	123.0	125.1	127.8	146.6	141.7
Reserve	1.6	1.8	1.8	1.8	1.8	1.8	1.4
Proportion	28.8	17.8	24.3	22.3	20.2	30.7	28.4
	40.4%	12.4%	17.4%	17.4%	15.8%	19.9%	17.4%

As to the gold position, it will be remembered that in April, 1925, the gold in the currency note reserve, which then stood at £27 millions, was returned to the Bank of England in exchange for its notes, with the result that last year's table showed an increase of £29½ millions. During the year to June 30th last there had been an outward flow of gold, very moderate in volume in view of the industrial difficulties with which the country was struggling. Since then there has been a considerable addition to the Bank's gold stock, in spite of the continuance of the coal stoppage. This movement has been more flattering as evidence of the confidence of England's foreign customers than trustworthy as a true indication of the effect of the present of England's figures, which have always been a very puzzling guide to those who have to try to grope their way to conclusions about England's true economic position, are now made still more so by its questionable connection, referred to in our issue of September

(In Million £.)

June 30.	Capital and Reserves.							Acceptances and Endorsements.							Deposits (including Undivided Profits, &c.).							Total Liabilities.															
	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.		
Barclays	10.8	22.8	23.9	23.8	23.8	23.8	24.9	1.3	6.6	5.7	7.4	9.5	11.0	10.7	105.3	93.2	91.2	90.9	90.9	90.9	90.9	117.4	86.9	85.0	87.1	82.8	83.8	83.9	117.4	86.9	85.0	87.1	82.8	83.8	83.9		
Lloyds	11.1	21.4	21.4	21.4	21.4	21.4	21.4	6.6	8.5	7.7	12.2	15.3	18.9	15.7	148.3	84.0	82.1	82.1	82.1	82.1	82.1	165.0	97.4	97.4	97.4	97.4	97.4	97.4	165.0	97.4	97.4	97.4	97.4	97.4	97.4		
Midland	12.1	21.7	21.7	21.7	21.7	21.7	21.7	9.8	16.3	17.7	26.4	30.4	29.5	38.3	132.3	97.3	95.2	95.2	95.2	95.2	95.2	154.2	43.9	40.7	38.6	41.8	40.1	40.8	154.2	43.9	40.7	38.6	41.8	40.1	40.8		
National Provincial	10.4	18.2	18.2	18.2	18.2	18.2	19.0	5.5	8.4	8.9	7.3	8.4	9.2	8.4	116.8	26.6	23.9	23.9	23.9	23.9	23.9	132.7	28.2	28.2	28.2	28.2	28.2	28.2	132.7	28.2	28.2	28.2	28.2	28.2	28.2		
Westminster	12.3	18.0	18.0	18.0	18.0	18.0	18.1	10.5	12.6	10.5	11.2	9.4	11.2	9.7	139.7	30.0	29.5	28.6	28.6	28.6	28.6	162.5	33.6	32.5	29.4	29.7	29.3	29.6	162.5	33.6	32.5	29.4	29.7	29.3	29.6		
Coutts	56.7	106.1	106.3	106.2	109.2	109.3	113.6	32.7	47.4	45.5	64.3	73.0	79.8	77.4	642.4	1,620.1	1,600.2	1,504.2	1,518.7	1,509.0	1,515.8	731.8	1,773.6	1,752.6	1,674.9	1,700.9	1,688.1	1,706.8	731.8	1,773.6	1,752.6	1,674.9	1,700.9	1,688.1	1,706.8		
Glyn, Mills	1.0	1.6	1.6	1.6	1.6	1.6	1.6	0.3	0.4	0.1	0.1	0.1	..	..	9.6	18.7	17.5	15.7	16.9	17.7	17.7	10.8	20.8	19.2	17.4	18.5	19.3	18.3	10.8	20.8	19.2	17.4	18.5	19.3	18.3		
Bank of Liverpool and	1.6	1.7	1.7	1.7	1.7	1.7	1.6	1.3	0.9	1.9	1.6	1.7	1.6	1.6	17.6	24.3	24.2	23.0	21.4	23.0	26.9	20.5	26.9	27.8	31.3	34.8	31.2	30.1	20.5	26.9	27.8	31.3	34.8	31.2	30.1		
Martins	3.0	3.7	3.8	3.8	3.9	4.0	4.2	1.1	1.8	1.9	3.9	4.9	4.5	3.6	22.3	79.3	69.0	63.9	61.8	58.1	59.3	26.9	84.8	74.7	71.6	70.6	66.6	67.1	26.9	84.8	74.7	71.6	70.6	66.6	67.1		
District	3.5	3.4	3.5	3.5	3.5	3.7	3.8	1.4	0.4	0.4	0.3	0.3	0.4	0.2	25.3	57.9	59.9	53.9	51.7	52.0	51.0	30.2	61.7	63.8	57.7	55.5	56.1	55.6	30.2	61.7	63.8	57.7	55.5	56.1	55.6		
Lancs. and Yorks.	1.1	1.9	2.0	2.0	2.0	2.0	2.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	11.7	29.2	29.6	26.8	25.6	24.7	21.2	13.3	31.3	31.7	28.9	27.8	26.6	26.6	13.3	31.3	31.7	28.9	27.8	26.6	26.6		
Manch. and County	1.3	1.9	2.2	2.1	2.1	2.1	2.1	0.1	0.1	0.1	0.1	..	..	..	10.7	25.9	24.1	22.4	21.2	19.7	20.4	12.7	27.8	26.4	24.6	23.3	21.8	22.5	12.7	27.8	26.4	24.6	23.3	21.8	22.5		
Williams, Deacon's.	1.9	2.9	3.0	3.0	3.1	3.1	3.2	0.4	1.2	0.6	0.7	1.0	1.4	1.6	16.2	36.0	39.0	34.7	34.2	32.9	31.4	18.5	40.1	42.6	38.4	38.3	37.4	36.2	18.5	40.1	42.6	38.4	38.3	37.4	36.2		
Liabilities	71.1	123.2	124.1	123.9	127.1	127.4	133.3	37.4	52.3	50.6	71.3	81.1	87.9	84.6	756.2	1,891.4	1,863.5	1,749.6	1,761.5	1,742.1	1,746.3	861.7	2,066.9	2,038.2	1,944.8	1,967.7	1,957.4	1,933.2	861.7	2,066.9	2,038.2	1,944.8	1,967.7	1,957.4	1,933.2		
% of Total Liab.	8.2%	6.0%	6.1%	6.4%	6.5%	6.5%	6.7%	4.3%	2.5%	2.5%	3.7%	4.1%	4.5%	4.3%	87.5%	91.5%	91.4%	89.9%	89.4%	89.0%	89.0%	87.5%	89.4%	89.9%	89.4%	89.0%	89.0%	89.0%	87.5%	89.4%	89.9%	89.4%	89.0%	89.0%	89.0%		
Cover for Acceptances, Premises, and Sundries.																																					
June 30.	Cash in Hand and at Bank.							Investments.							Discounts, Loans, and Advances (including Money at Call and Short Notice).							Cover for Acceptances, Premises, and Sundries.															
	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.	1914.	1921.	1922.	1923.	1924.	1925.	1926.		
Barclays	15.7	59.3	53.0	46.6	46.6	46.6	46.6	22.1	63.5	92.4	77.5	71.0	66.0	60.0	75.0	92.7	194.9	190.6	191.0	137.8	210.4	4.6	11.1	10.5	12.5	14.6	16.2	16.9	4.6	11.1	10.5	12.5	14.6	16.2	16.9		
Lloyds	24.3	47.8	47.8	47.8	47.8	47.8	47.8	18.2	74.0	71.3	99.9	92.8	60.9	53.2	112.7	239.5	218.7	215.0	215.0	251.9	251.9	9.3	19.6	12.5	17.6	21.2	21.6	21.6	9.3	19.6	12.5	17.6	21.2	21.6	21.6		
Midland	21.0	68.3	64.9	66.5	66.5	66.5	68.7	15.2	56.0	91.3	41.5	46.3	41.9	39.8	105.0	204.2	248.8	256.1	260.3	259.4	259.4	19.0	20.6	22.7	23.1	36.0	35.4	40.2	19.0	20.6	22.7	23.1	36.0	35.4	40.2		
National Provincial	18.7	30.9	30.9	30.9	30.9	30.9	37.3	22.9	52.9	58.9	53.7	50.0	42.9	41.1	84.4	187.1	187.0	183.6	184.3	187.4	191.0	6.7	7.3	8.0	11.5	12.7	13.2	13.2	6.7	7.3	8.0	11.5	12.7	13.2	13.2		
Westminster	20.4	39.3	39.3	39.3	39.3	39.3	42.6	18.7	56.8	59.6	59.2	58.9	53.0	48.8	110.7	227.0	214.3	186.1	186.8	187.4	199.9	12.7	16.5	14.5	15.2	13.4	15.3	13.8	12.7	16.5	14.5	15.2	13.4	15.3	13.8		
Coutts	100.3	223.6	242.5	230.0	246.2	252.4	248.1	97.2	303.2	377.0	324.8	319.0	234.7	242.9	488.1	1,447.5	1,064.3	1,031.4	1,037.9	1,075.8	1,111.2	46.3	69.3	68.2	88.7	97.8	105.2	104.6	46.3	69.3	68.2	88.7	97.8	105.2	104.6		
Glyn, Mills	1.2	1.9	2.2	2.2	2.2	2.2	2.2	2.9	4.7	4.6	4.2	4.2	4.3	4.3	6.2	13.4	11.9	10.3	11.0	11.9	11.1	0.5	0.7	0.5	0.4	0.3	0.3	0.3	0.5	0.7	0.5	0.4	0.3	0.3	0.3		
Bank of Liverpool and	2.9	5.2	5.4	5.9	6.9	5.5	5.8	2.9	6.4	10.2	11.4	10.0	9.8	7.0	13.1	14.0	10.0	12.0	15.6	14.1	15.1	1.6	1.6	2.2	2.0	2.3	2.2	2.2	1.6	1.6	2.2	2.0	2.3	2.2	2.2		
Martins	2.7	9.2	8.0	9.0	9.4	8.4	8.9	3.7	16.6	13.4	9.9	9.2	8.0	8.5	19.6	56.0	49.9	47.4	45.4	44.2	44.6	1.0	3.0	3.4	5.3	6.6	6.0	5.1	1.0	3.0	3.4	5.3	6.6	6.0	5.1		
District	3.1	7.1	6.8	7.7	7.9	6.6	6.0	9.6	7.2	18.1	17.5	16.4	14.6	14.6	21.6	46.5	38.1	31.7	30.5	34.2	34.1	1.9	0.9	0.3	0.8	0.7	1.1	0.9	1.9	0.9	0.3	0.8	0.7	1.1	0.9		
Lancs. and Yorks.	3.0	5.1	5.9	6.2	5.3	4.6	5.1	2.8	6.2	9.2	9.2	8.6	8.5	7.7	7.4	19.5	15.1	13.6	13.3	13.2	13.2	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6		
Manch. & County	3.0	5.1	4.4	3.5	3.5	3.6	3.8	1.7	3.7	6.3	6.3	6.3	4.4	4.1	7.6	18.4	15.2	14.4	14.9	14.6	14.2	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4		
Williams, Deacon's.	2.5	5.8	5.7	6.0	5.2	5.4	5.2	2.5	6.4	8.1	6.2	5.1	4.6	4.7	13.5	26.1	27.3	24.8	26.2	25.2	23.8	0.9	1.3	1.3	1.4	1.6	2.2	2.5	0.9	1.3	1.3	1.4	1.6	2.2	2.5		
Assets	118.7	293.0	231.9	270.8	287.4	293.0	285.5	117.3	354.4	446.9	389.0	376.9	318.1	293.8	575.4	1,341.6	1,232.0	1,165.4	1,194.8	1,233.1	1,267.3	53.3	77.9	77.4	99.6	110.6	118.2	116.6	53.3	77.9	77.4	99.6	110.6	118.2	116.6		
% of Total Assets	13.7%	14.2%	13.3%	13.9%	14.6%	14.7%	14.5%	13.5%	17.1%	21.9%	20.0%	19.1%	16.3%	15.0%	66.6%	64.9%	60.5%	61.0%	60.7%	63.0%	64.5%	6.2%	8.8%	8.8%	5.1%	5.5%	6.0%	6.0%	6.2%	8.8%	8.8%	5.1%	5.5%	6.0%	6.0%		

4th last, with foreign banking ventures. As we then showed, the action of the Bank of England in backing the Anglo-Austrian Bank with capital and patronage laid the Bank open to the charge, believed by no one at home, but by plenty of people on the Continent, that its policy in Central Europe was not disinterested. For our present purposes it has the disadvantage of making the figures of the Bank's weekly returns less

than ever informing. It may be that where so much was already obscure, the addition of a comparatively small new obscurity is a mere drop in an ocean of darkness, but at a time when there is a strong demand for more light on the financial and other methods by which our industry is carried on, it is a pity that our financial leaders should draw the curtains still more closely.

IRISH FREE STATE BANKS.

In our Banking Number of May 29th last we showed that the net profits of the three banks of Northern Ireland had declined, and our figures of the six Irish Free State banks now show the same movement. The figures of four of these banks cover the year to June 30th last, and of one come down to August 31st, while those of the Bank of Ireland relate to the calendar year 1925. In every case there is a decline in net profits, but dividends have not been reduced. Indeed, the amount distributed to shareholders is £52,000 greater, the Bank of Ireland having raised its rate from

13 to 14 per cent., paid free of tax. Difficulties of arriving at agreement with the authorities as to the amount of income-tax for which the banks were liable to both the British and Irish Free State Governments have complicated matters in the past few years, and dividends for some half-years were paid free of tax and some less tax. Agreement, however, has now been reached, and dividends are mostly paid less income-tax. The following table gives net profits and appropriations for the six banks, together with the profits and rates of dividend for the preceding 12 months:—

IRISH FREE STATE BANKS.

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend, Previous Year.
		£	£	£	£	£	£	%
Bank of Ireland	Dec. 31	590,724	387,892	207,231	..	..	4,199	595,821
Hibernian Bank	June 30	103,197	56,270	30,038	12,500	..	4,409	103,278
Munster and Leinster Bank ..	June 30	184,159	90,000	65,000	30,000	..	841	190,727
National Bank	June 30	364,585	185,937	140,000	40,000	..	1,852	366,587
Provincial Bank of Ireland ..	June 30	12,842	63,292	30,000	20,000	..	12,550	138,388
Royal Bank of Ireland	Aug. 31	70,531	24,125	45,000	..	..	1,406	73,842
		1,439,038	807,295	517,269	102,500	..	11,978	1,474,643

(a) 5 per cent., free of tax.

(b) 9 per cent., free of tax.

* Free of income-tax.

Allocations to reserve have been reduced in all cases except the National Bank, whose appropriation a year ago totalled £125,000. The amounts written off premises are the same in the aggregate, but the staff funds get nothing, as compared with £22,000 a year ago.

The balance-sheet figures are set out in detail on later pages, but in the table below we give the aggregate items of the six Free State banks for the past five years and of all the Irish banks for a number of preceding years. This shows a further contraction in the last year, total deposits having declined by £7½ millions, and this reduction is balanced by decreases of £2 millions in discounts and advances (of which over £1½ millions was accounted for by the latter), of £4 millions in investments and of over £1½ millions in cash and money at call. Deposits, it will be seen, have declined by £20 millions as compared with 1922, while discounts and advances have fallen by only £2½ millions. A large proportion of the banks' assets is held in the form of investments and cash, and it is these items which have been reduced in the past five years. As a correspondent pointed out in an article in our monthly Trade Supplement of February 27th, according to the general practice of banking in Ireland, the granting of a credit does not create a fresh deposit except in a negligible number of special cases. Thus the amount of deposits has a general rough correspondence to the levels of cash and investments on the other side of the balance-sheets, subject, of course, to modifications as to notes in circulation on the one side and to discounts and advances on the other. A large amount of farmers' and traders' savings in Ireland are left on deposit account in the banks, and as there has been little or no capital investment by the ordinary Irish citizen in the past few years, it appears that the

three bad seasons of 1922, 1923, and 1924, accentuated by the effects of insurrectionary damage, with resultant business stagnation and very heavy rates and taxes, have compelled farmers and traders and private citizens to fall back on their savings to tide them over bad times.

The Banking Commission which sat in Dublin in the spring and was presided over by Mr H. Parker Willis, late secretary of the New York Federal Reserve Board, has not, at the time of writing, issued its report. Proposals had been put forward for the creation of a separate Irish currency, but the Commission's terms of reference covered a wider range, including general problems of Irish banking, note issue, legal tender, credit regulation, and so on. While the Commission was still sitting reports were current that progress had been made along lines pointing towards an ultimate recommendation of a separate currency. Writing in April, our Dublin correspondent suggested that this would be effected by the issue of Saorstát Eireann notes, which would supersede the existing bank-notes, and which would alone be legal tender. They would be inconvertible in Ireland, but measures would be devised for supporting them at parity with the pound sterling by providing a backing of 25 per cent. of gold and 75 per cent. of gilt-edged securities, in accordance with well-known precedents. Considerable adjustments between the Free State and the banks and between the banks *inter se* are involved. Our correspondent added that the "scheme suggests obvious risks, and will require mature consideration, with particular reference not so much to the not fully explained adverse trade balance, but to the idiosyncrasies of the Irish depositor, the Irish investor, and traders." Apart from the undesirability of adding to the number of the world's currencies we question whether a less favourable opportunity than the present could be chosen by the Irish Free State for launching out on currency adventures.

JOINT-STOCK BANKS OF IRELAND.

Year.	Banks	No. of Branches.	Capital and Reserves.	% of Liabilities.	Deposits	% of Liabilities.	Notes.	% of Liabilities.	Total Liabilities.	Cash in Hand Money at Call & Short Notice	% of Liabilities.	Investments	% of Liabilities.	Discounts and Advances.	% of Liabilities.
			£	%	£	%	£	%	£	£	%	£	%	£	%
1890..	9	456	10,374,000	18.5	38,521,000	68.8	6,642,000	11.8	56,132,000	9,086,000	16.1	17,144,000	32.2	28,791,000	51.0
1895..	9	496	10,200,000	16.5	44,390,000	72.0	6,143,000	9.9	61,663,000	11,253,000	18.3	17,934,000	29.1	31,192,000	50.5
1900..	9	543	10,894,000	16.0	49,449,000	72.8	6,708,000	9.9	67,988,000	11,697,000	17.2	17,719,000	26.1	37,464,000	55.0
1905..	9	627	11,320,000	15.7	53,556,000	74.4	5,966,000	8.3	71,967,000	10,396,000	14.4	18,961,000	26.3	41,568,000	57.7
1910..	9	663	11,475,000	13.9	62,508,000	76.0	7,211,000	8.8	82,150,000	13,762,000	16.7	23,215,000	28.2	44,127,000	53.7
1911..	9	679	11,443,000	13.4	65,465,000	77.0	7,058,000	8.3	85,014,000	14,516,000	17.0	24,362,000	28.5	44,991,000	52.7
1912..	9	683	11,164,000	12.9	66,901,000	77.1	7,228,000	8.4	86,363,000	14,030,000	16.3	24,026,000	27.8	47,161,000	54.7
1913..	9	710	11,095,000	12.2	70,657,000	77.9	8,074,000	8.9	90,905,000	17,139,000	19.0	23,935,000	26.3	48,600,000	53.5
1914..	9	693	11,203,000	11.5	74,501,000	76.3	10,918,000	11.2	97,809,000	22,382,000	22.9	25,970,000	26.6	43,149,000	49.9
1915..	9	703	11,013,000	10.5	77,722,000	74.0	15,000,000	14.3	104,799,000	23,313,000	22.2	35,330,000	33.6	44,706,000	42.6
1916..	9	708	10,844,000	9.4	83,746,000	72.8	19,112,000	16.6	115,205,000	32,561,000	28.3	38,148,000	33.2	42,972,000	37.2
1917..	9	773	11,262,000	9.4	99,310,000	73.8	22,336,000	16.6	134,515,000	40,088,000	29.8	42,113,000	31.4	50,822,000	37.5
1918..	9	848	11,837,000	6.7	131,610,000	74.9	30,896,000	17.6	175,739,000	56,813,000	31.8	65,307,000	37.2	51,993,000	29.6
1919..	9	869	12,832,000	6.1	166,231,000	79.2	29,054,000	13.9	209,632,000	55,090,000	26.3	77,242,000	37.0	75,303,000	36.0
1920..	9	912	12,899,000	5.4	200,441,000	83.2	24,717,000	10.3	240,391,000	46,693,000	19.4	60,959,000	33.5	109,623,000	45.5
1921..	9	947	13,154,000	5.3	212,860,000	86.1	19,052,000	7.7	246,881,000	42,887,000	17.4	81,670,000	33.0	119,275,000	44.1
1922..	9	986	13,779,000	5.7	209,777,000	86.0	17,321,000	7.1	242,149,000	31,834,000	13.1	103,019,000	42.1	104,554,000	43.1
1922..	6*	719	10,429,000	5.9	153,091,000	86.6	12,332,000	7.0	176,693,000	23,660,500	13.4	79,797,500	45.1	70,932,000	40.2
1923..	6*	736	11,029,000	6.4	149,695,000	86.4	11,688,000	6.7	173,320,000	27,192,000	15.7	73,788,000	42.6	69,885,000	40.8
1924..	6*	764	11,259,000	6.5	147,105,000	86.0	12,025,000	7.0	171,161,000	24,510,000	14.3	72,063,000	42.1	72,158,000	42.2
1925..	6*	766	12,356,000	7.5	140,569,000	84.3	11,276,000	6.8	164,970,000	19,573,000	11.9	72,592,000	44.0	71,452,000	42.7
1926..	6*	773	12,743,000	8.1	133,035,000	84.4	10,690,000	6.8	157,377,000	17,974,000	11.4	68,437,000	43.5	64,483,000	43.6

* Irish Free State.

AFRICAN BANKS.

With the absorption by Barclays Bank (Dominion, Colonial, and Overseas) of the National Bank of South Africa, the number of South African commercial banks having offices in London is reduced to two, of which one—the Netherlands Bank of South Africa—is a Dutch concern. The Standard Bank of South Africa is thus the only British bank operating in South Africa and having an office in London, which still retains its identity. The National Bank of South Africa, now merged with the Colonial Bank and the Anglo-Egyptian Bank to form Barclays' new subsidiary*, absorbed in 1912 the Bank of Africa and in 1914 the Natal Bank, while the Standard absorbed in 1914 the African Banking Corporation. In our statistics of African banks which follow are included the figures of the Bank of British West Africa, making a total of three African banks as compared with a maximum number of nine in the year 1910.

In South Africa the past season was a satisfactory one, and the country enjoyed another year of prosperity. This was reflected in the Government finances, the Union Budget statement showing a surplus of £500,000, against an estimated deficit of £187,000, and the railways a surplus of £673,000, against an estimated deficit of £61,000. The output of gold in 1925 exceeded all previous records, and sales of coal were also higher than ever before. The excess of exports in 1925 at £19 millions compared with £12 millions in 1924 and £8½ millions in 1922. These figures show that the country is making steady progress from the depression of 1922, and it is not surprising to find that the profits of the Standard Bank of South Africa continue to expand. At the annual meeting in July last the chairman said that the directors considered this improvement to be based on a really sounder situation, which appears likely to continue for a time unless quite unforeseen circumstances

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend, Preceding Year.
		£	£	£	£	£	£	%
Bank of British West Africa, Lim	Mar. 31	114,363	60,000	5	25,000	..	4,398	112,352
Netherlands Bk. of South Africa	Dec. 31	46,463	23,113	6	18,339	..	11	26,950
Standard of South Africa, Lim.	Mar. 31	570,989	367,912	16½	..	75,000	3,177	508,95
Total		731,822	455,925	..	43,339	100,000	7,556	648,254

* Barclays Bank (Dominion, Colonial and Overseas) has an authorised capital of £10,000,000, of which £6,975,500 is issued and subscribed, £4,025,500 being paid up, whilst the reserve fund now stands at £1,000,000. In addition to this reserve fund, there is an uncalled liability of £2,000,000 in respect of the 500,000 "B" shares of £5 each, £1 paid, held by Barclays Bank, Limited, and by virtue of which holding that bank has a controlling interest. On the board there are four directors of the Colonial Bank, three directors of the Anglo-Egyptian Bank, and a director, as well as a member of the London committee, of the National Bank of South Africa. In addition to the central board, local boards consisting of a number of directors of the former banks function for each of the three sections, while the administrative officers and staffs have retained their positions.

arise. They, accordingly, paid a bonus of 2½ per cent. to shareholders, restoring the total distribution to 16½ per cent., which was paid for 1918 and the four succeeding years. The profits of the Netherlands Bank of South Africa show a substantial increase, but this is, no doubt, partly due to the acquisition in May, 1925, of the Transvaalsche Handelsbank. The Bank of British West Africa recorded a small increase in profits. The Egyptian business of this bank, it may be recalled, was amalgamated with that of Lloyds Bank in 1924, and at the annual meeting in June the chairman expressed the hope that their arrangement would prove

reasonably profitable, although it would be another year or two before the benefits of the combination were fully experienced. He added that the bank in Morocco was establishing a secure and satisfactory position.

The table summarising the main items of the balance-sheets shows a further reduction in the circulation of notes.* The total of £480,700 is entirely made up of Standard Bank of South Africa notes, and these represent notes circulating in Rhodesia and elsewhere outside the Union, the South African Reserve Bank now having the sole right of note issue in South Africa. The balance-sheet of the latter as at March 31st last shows notes in circulation at £8,166,700 and cash at £7,654,700. Under the Currency and Banking Act of 1920 the Reserve Bank's note issue has to be secured by at least 40 per cent. in gold, and as to the remainder by commercial paper or trade bills, and by a first charge on all the assets of the bank. The amount of gold held by the Reserve Bank decreased by £4,800,000 and the note circulation by £3 millions, the increase of gold in the hands of the other banks being £1,100,000, leaving an amount of £3,700,000 to be accounted for as in the hands of the public. It thus appears that while the note circulation in the hands of the public is £2,300,000 less, allowing for a reduction of £700,000 in other banks, the gold circulation, except such portion as may have

been exported privately, is £3,700,000 more. The Reserve Bank has now opened branches at five of the most important towns of the Union, but is restricted from doing an ordinary commercial banking business by the Currency and Banking Act. At the annual meeting the chairman said, in this connection, that "although we have not so far done much business on the lines permitted to us by the Act, i.e., the discounting of bills, for one simple reason amongst several, viz., that bills are not plentiful in this country, our presence in these towns has not been without its effect on the general financial position. I need not enter into detail in this matter, but there is no doubt that the establishment of the Reserve Bank in some of the commercial centres of the Union has caused a movement towards lower rates in the discounting of import and export bills, which the improved conditions of the country undoubtedly called for."

The Standard Bank of South Africa shows a reduction of half-a-million in the total of bills discounted, but loans and advances are £4½ millions higher, deposits being £2½ millions higher. The deposits of the Bank of British West Africa show a reduction of £700,000, but this was anticipated as a result of the amalgamation of the Egyptian business with Lloyds Bank.

AFRICAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Brnchs.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand and Money at Call.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890..	2	90	2,005,800	12.0	1,081,300	6.5	10,408,600	62.4	16,672,400	3,887,700	23.3	1,582,300	9.5	0,920,700	65.4
1900..	5	165	4,684,000	13.3	1,852,200	5.2	24,424,900	69.0	35,306,300	11,511,900	32.6	4,092,200	11.6	118,559,700	52.5
1905..	8	363	8,480,500	13.4	3,038,000	3.2	45,858,400	71.2	64,277,900	16,206,600	25.1	8,805,700	13.4	36,549,000	56.8
1910..	9	444	8,289,700	13.4	2,035,300	3.3	43,628,800	71.2	61,144,200	17,755,900	29.0	6,374,400	10.4	30,509,200	49.9
1913..	7	492	8,556,100	12.3	2,387,100	3.4	49,130,700	70.5	69,634,300	14,578,800	21.0	5,085,600	7.3	41,751,600	60.0
1914..	7	502	8,935,075	12.3	2,248,113	3.2	50,145,773	70.2	71,258,938	15,693,005	22.0	5,170,950	7.3	41,670,760	58.5
1915..	6	488	8,709,895	12.0	2,619,300	3.6	53,140,570	73.6	72,214,499	19,919,467	27.5	5,912,468	8.2	38,944,792	58.8
1916..	7	547	14,117,883	13.9	2,798,584	2.7	73,560,990	72.2	101,850,210	20,869,809	20.0	14,494,301	14.2	57,253,126	56.3
1917..	7	588	14,503,493	11.9	3,796,769	3.1	90,325,713	74.2	122,199,396	23,793,758	19.5	18,849,944	15.5	68,244,346	56.1
1918..	7	704	15,023,804	10.4	5,106,119	3.5	108,783,064	75.0	145,190,299	28,384,561	19.5	19,856,968	13.6	84,415,701	58.0
1919..	7	790	15,795,555	8.4	6,639,531	3.5	143,161,850	76.0	188,192,564	33,665,979	17.8	27,650,096	14.6	108,133,873	57.3
1920..	7	873	17,046,427	6.8	8,988,619	3.6	189,892,101	76.0	249,256,327	46,066,491	18.5	37,367,885	14.9	139,946,510	56.0
1921..	6	379	17,975,721	8.5	9,244,449	4.4	151,698,145	71.8	211,874,720	35,568,723	16.8	20,852,477	9.9	126,626,573	60.0
1922..	6	899	17,620,100	9.7	8,706,569	4.8	180,687,942	71.8	218,582,959	37,851,939	20.9	19,877,552	10.7	99,519,741	55.0
1923..	6	857	16,684,960	9.7	1,281,777	0.7	127,608,097	74.3	171,380,264	29,845,362	17.2	29,847,989	17.4	91,226,581	53.3
1924..	4	812	10,002,152	7.6	1,281,777	0.9	95,457,147	72.9	131,045,290	23,949,679	18.3	14,329,448	10.9	73,106,390	55.8
1925..	4	675	9,101,413	7.6	992,511	0.8	90,165,360	75.7	119,310,068	23,724,032	19.9	12,999,288	10.9	62,316,584	53.2
1926..	4	670	9,263,096	7.9	718,821	0.6	86,577,974	74.3	116,650,849	23,107,838	19.8	10,890,089	9.3	64,380,473	55.2
1926..	3	410	7,348,125	9.6	480,697	0.6	57,459,817	74.7	76,933,139	11,227,703	14.6	6,693,959	8.7	48,052,848	62.5

AUSTRALASIAN BANKS.

JUDGING by the profits disclosed by the Australian banks, the past season was a profitable one from a banking point of view. Net profits were in nearly all cases substantially higher, and in several instances

dividends were raised. Since the adoption of the gold standard the exchange position, which created so much difficulty in the post-war years, has become normal and while this has to some extent affected

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
		£	£	£	£	£	£	£
Australian Bank of Commerce, L.	June 30	207,943	147,200	50,000	10,000	..	..	..
Bank of Adelaide, Limited	Mar. 29	104,734	87,500	20,000	..	..	743	180,766
Bank of Australasia	Oct. 12	632,555	50,000	60,000	50,000	..	2,766	1,7216
Bank of New South Wales	Sept. 30	979,383	750,000	124	250,000	..	2,555	629,904
Bank of New Zealand	Mar. 31	912,160	712,392	133	..	..	29,617	816,834
Bank of Victoria, Limited	June 30	200,924	147,801	10	147,689	..	52,079	819,235
Commercial Bk. of Australia, Lim.	June 30	317,707	204,053	15	60,000	..	123	189,787
Comm. Banking Co. of Sydney	June 30	485,069	350,000	10	170,000	..	16,423	305,536
English, Scottish, and Australian	June 30 '25	515,981	244,750	124	205,919	..	34,331	480,261
National Bk. of Australasia, Lim.	Mar. 31	568,254	400,000	10	..	10,000	53,312	502,502
National Bk. of New Zealand Lim.	Mar. 31	333,087	277,741	14	110,000	50,000	8,254	638,832
Queensland National Bank, Lim.	June 30	194,676	148,977	10	20,000	10,000	5,346	279,826
Royal Bank of Australia, Limited	Mar. 31	101,33	75,000	10	30,000	..	4,301	181,446
Union Bank of Australia, Lim.	Feb. 27	627,611	525,000	15	60,000	..	3,862	126,806
Total		6,181,222	4,589,414	..	1,326,991	200,000	42,117	5,791,439

* Free of income-tax.

banking profits adversely, it has been of great benefit to the trading community. The two New Zealand banks included in our statistics also record an increase in profits, but in each case a larger capital was employed. Indeed, at the annual meeting of the National Bank of New Zealand the chairman, the Hon. W. Pember Reeves, said that "it has not been an easy matter to expand our gross profits.....We have to remember that the fall in prices of New Zealand exports affected our bill business, as did also the lateness of the season, and the British seamen's strike. The greatest adverse influence, however, was the, perhaps, too drastic reduction in exchange rates agreed to by the Australian and New Zealand banks after the restoration of the gold standard here." The increase in profits of the Australian banks is the result mainly of a favourable season and of good prices.

The aggregate balance-sheet figures, which are appended, show an increase of £10 millions in deposits and £5 millions in discounts and advances, while investments have risen by £9 millions. The Australian figures of the Commonwealth Bank of Australia as at June 30th last, which are not included in the aggregate figures below, show an increase in total deposits. The deposits and cash items increased during the last quarter, as usual when large taxation receipts have come in to the credit of the Commonwealth and those of the State Governments which keep their accounts with the Commonwealth Bank. Our Melbourne correspondent points out that since the large gold imports of the first half of 1925, when a number of the ordinary banks brought £10½ millions from America and South Africa, a good part of the gold has passed into the hands of the Commonwealth Bank, which has recently re-exported the greater part of the amount, partly to India, but principally to San Francisco. The steps taken by the ordinary banks to enlarge Australian gold stocks have thus finally been followed by comparatively little result, the opinion of the Commonwealth Bank being that large gold holdings are "uneconomic." This requires to be taken in conjunction with the provision introduced into the Commonwealth Bank Act two years ago, by which the banks were compelled to settle clearing balances through the Commonwealth Bank, the result being that the banks have now balances of £6,045,894 with the latter. This book credit, therefore, replaces gold which otherwise the banks in all probability would have retained.

In a review of Australasian banking results in the second quarter of this year the *Australasian Insurance and Banking Record* says that the demand for accommodation which the banks have experienced from their customers has been active for some considerable time past, and the figures, when separated, show that while in Australia an increase in deposits has been accompanied by a greater increase in advances (after allowing for the increase of nearly

£4 millions in Government and municipal securities), the experience in New Zealand has been that of a reduction in total deposits accompanying an increase in advances. In Australia the tendency indicated by the banking figures differs from that of the investment market in a somewhat anomalous fashion. The yield obtainable on high-class securities has been declining gradually during the past year, and, apart from the ordinary influence of fresh accumulations of money available for investment, the movement has been assisted by sinking fund purchases of Commonwealth securities, the amount thus taken up being a set-off against fresh borrowings for public works on account of the States. On the other hand, the banking figures indicate that the banks have met their customers' requirements to a substantial degree, and even although there may not be an actual hardening in rates, it would be only natural that further demand should be looked at somewhat critically. The form taken by demand for money in relation to supplies available has undergone various changes as compared with a dozen years ago. The great increase in the amount of Government securities in existence in Australia has provided a highly eligible form of investment for trust money and for the funds of insurance offices, as an alternative to lending on mortgage, a good interest return on Government securities being accompanied by an absence of the attention required and occasional delays in interest payments in the case of mortgages. The various Governments are rarely off the market, whether as direct borrowers over the Treasury counters or indirectly through the medium of State banks, while the demand from municipal bodies is also a substantial factor in absorbing money. While all this tends to limit the supply of money available for direct lending on mortgage, the tendency is for borrowers to look more to the banks for accommodation, and at the same time the official absorption of money in different channels places a limit on the amount available for private enterprise and lending in ordinary forms by the banks.

The season in New Zealand was not so satisfactory, and the trade figures for the year ended March 31st last show an excess of imports amounting to £4,328,000, exports having declined by £6,080,000, and imports increased by £3,200,000. The increase in imports was no doubt partly due to a rush of imports before the alteration in the preferential tariff on April 1st last, under which goods subject to British preferential tariff must be at least 50 per cent. of British origin, instead of 25 per cent. as previously. The New Zealand banking figures at March 31st show an excess of advances over deposits, whereas there is usually an excess of deposits over advances, and the position disclosed this year has resulted in a restricted policy by all the banks in advances—including a certain pressure on importers to reduce importations.

AUSTRALASIAN BANKS WITH LONDON OFFICES.

Year.	Banks.	No. of Brnchs.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand and Money at Call and Notice.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890..	19	1,538	24,424,100	13.2	4,821,800	2.6	138,065,900	74.7	184,931,200	26,919,000	14.6	6,808,100	3.7	145,535,900	78.7
1900..	16	1,338	30,307,100	13.1	4,348,700	2.8	107,403,600	68.4	157,299,500	33,165,500	21.1	12,831,900	8.2	102,820,200	65.3
1905..	16	1,456	27,946,400	17.6	4,247,500	2.7	119,619,900	71.7	166,453,600	43,321,400	26.3	12,534,100	7.5	103,391,100	64.2
1910..	17	1,965	33,612,300	16.3	5,198,100	2.4	152,985,400	71.6	212,615,200	54,575,000	25.8	17,105,000	8.1	132,953,900	62.5
1913..	17	2,186	38,293,700	16.3	2,099,900	0.9	170,256,600	72.6	234,100,000	66,888,400	28.8	13,687,600	5.8	146,237,600	62.5
1914..	18	2,273	42,272,449	16.6	2,040,542	0.8	185,238,136	72.9	254,398,301	73,909,526	29.0	13,406,361	7.6	153,450,596	60.5
1915..	18	2,291	43,470,675	16.6	3,187,696	1.2	192,079,083	73.1	262,167,311	79,197,043	30.1	22,208,945	8.5	153,402,635	58.3
1916..	18	2,297	44,004,748	15.8	3,640,936	1.3	199,115,161	71.3	279,112,667	72,999,234	26.1	29,359,730	10.5	167,071,064	60.0
1917..	17	2,259	44,626,507	15.6	5,367,245	1.9	209,781,668	73.0	286,793,219	78,724,117	27.4	36,862,156	12.8	162,488,312	56.4
1918..	17	2,236	45,340,848	14.5	6,524,311	2.1	229,819,071	73.3	312,496,413	79,444,434	25.4	46,950,137	15.0	177,398,316	56.9
1919..	16	2,306	46,978,553	14.0	7,564,883	2.3	245,068,552	73.5	334,017,344	72,019,515	21.6	43,941,939	13.2	208,944,051	62.8
1920..	16	2,393	51,248,173	13.4	8,511,692	2.2	281,477,007	73.4	339,470,258	88,138,890	23.2	68,431,168	17.8	214,736,390	56.0
1921..	15	2,364	53,991,383	14.1	7,854,758	2.1	273,361,790	71.8	321,546,275	91,024,812	28.1	39,911,344	10.5	251,737,306	66.0
1922..	14	2,495	58,731,923	15.3	8,020,220	2.1	274,162,328	72.5	384,576,016	99,307,562	23.3	39,400,133	10.0	247,031,683	64.3
1923..	14	2,585	61,593,404	15.3	7,928,900	2.0	296,565,646	73.4	404,601,678	85,877,405	21.2	46,722,821	11.6	261,325,683	64.9
1924..	14	2,633	56,098,630	15.8	6,973,808	1.7	304,860,617	73.0	417,885,511	85,037,837	20.4	41,379,111	9.9	250,133,236	67.1
1925..	14	2,677	70,965,531	16.5	6,870,095	1.6	311,517,521	72.3	430,939,351	82,997,550	19.3	43,250,682	10.1	293,292,117	68.0
1926..	14	2,788	75,214,960	16.8	7,320,202	1.6	321,525,986	72.0	447,133,140	84,338,608	18.9	52,358,405	11.7	299,291,030	66.7

COLONIAL JOINT STOCK BANKS WITH LONDON OFFICES.

IRISH FREE STATE BANKS.

1 Name of Bank.	2 Date.	3 No. of Branches and sub-branches.	4 Capital Subscribed.	5 Uncalled Capital.		6 Capital Paid-up.	7 Reserve Fund.	8 Un-divided Profits.	9 Notes in Circulation.	10 Acceptances and Bills for Collection.
				Callible.	Reserved.					
1 Bank of Ireland (capital £3,000,000 Irish)	Dec 31	86	2,769,231	(?)	(?)	2,769,231	2,769,231	292,195	6,031,764	..
2 Hibernian Bank	Jan 30	58	2,000,000	500,000	1,000,000	500,000	600,000	59,918	..	..
3 Munster and Leinster Bank	Jan 30	194	1,250,000	750,000	..	500,000	1,200,000	91,190	..	..
4 National Bank	Jan 30	280	7,500,000	1,000,000	5,500,000	1,500,000	1,285,000	210,431	3,034,079	100,000
5 Provincial Bank of Ireland	Jan 30	133	4,000,000	1,500,000	2,500,000	..	..	..	..	..
Do New	Jan 30	42	80,000	Nil	40,000	540,000	570,000	77,020	1,624,434	..
6 Royal Bank of Ireland	Aug 31	42	1,500,000	300,000	900,000	300,000	210,000	25,104	..	..
Totals	..	773	19,093,231	4,050,000	8,940,000	6,109,231	6,634,231	755,858	10,690,277	100,000

AFRICAN BANKS.

1 Bank of British West Africa, Lim.	Mar 31	52	3,000,000	300,000	1,500,000	1,200,000	400,000	78,400	.. and Overseas	945,197
National Bank of South Africa, L.	Mar 31		Absorbed by	Barclays Bank (D	ominion,	Colonial,				
2 Netherlands Bank of South Africa	Dec 31	19	468,542	Nil	Nil	468,542	157,083	36,830	..	116,136
3 Standard of South Africa, L.	Mar 31	389	8,916,660	6,687,495	Nil	2,229,165	2,893,335	449,097	480,697	7,354,016
Total	..	410	12,385,202	6,987,495	1,500,000	3,897,707	3,450,418	564,327	480,697	8,415,349

AUSTRALASIAN BANKS.

Commonwealth Bank of Australia	Dec 31	86	20,000,000	..	..	4,060,000	822,313	..	..	Contingent Liabilities.
1 Australian Bank of Commerce, L.	Jan 30	146	1,840,000	Nil	Nil	1,840,000	..	..	..	458,199
Do Inscribed Deposits			..			200,963	790,000	128,903	..	..
2 Bank of Adelaide, Limited	Mar 29	113	875,000	Nil	875,000	875,000	760,000	88,724	6,826	..
3 Bank of Australasia	Oct 12	211	4,000,000	Nil	4,000,000	4,000,000	3,700,000	392,887	437,626	..
4 Bank of New South Wales	Sep 30	376	6,000,000	Nil	6,000,000	6,000,000	4,150,000	680,755	535,020	2,480,847
5 Bank of New Zealand			3,750,000	Nil	Nil					
Do Pref.	Mar 31	229	1,875,000	Nil	Nil	6,154,988	3,003,311	1,183,877	4,444,393	134,001
Do 4% Guaranteed Stock			329,989	Nil	Nil					
6 Bank of Victoria, Limited	Jan 30	123	2,122,500	1,061,250	Nil					
Do Pref. Shares			416,760	Nil	Nil	1,478,010	800,000	162,957	6,276	970,693
7 Commercial Banking Co. of Sydney	Jan 30	243	7,000,000	Nil	3,000,000	3,500,000	2,830,000	400,296	8,230	..
8 Commercial Bank of Australia, L.	Jan 30	289	1,000,000	51,629	Nil					
Do Pref. Shares			2,117,350	Nil	Nil	3,065,722	1,000,000	172,180	104,087	664,016
9 English, Scottish, and Australian	Jan 30	334	3,750,000	1,500,000	Nil					
Do Perp. Stocks	(1925)		2,272,966	Nil	Nil	2,250,000	1,837,331	556,083	1,148	..
10 National Bank of Australasia, Lim.	Mar 31	316	5,500,000	1,500,000	Nil	4,000,000	2,410,000	322,966	48,034	..
11 National Bank of New Zealand, L.	Mar 31	57	6,000,000	4,000,000	Nil	2,000,000	1,980,000	368,044	955,629	..
12 Queensland National Bank, Lim.	Jan 30	95	1,500,000	Nil	Nil	1,500,000				..
Do Inscribed Deposit Stock				..	..	3,091,669	710,000	49,149	..	..
13 Royal Bank of Australia, Limited ..	Mar 31	9	1,560,000	310,000	Nil	750,000	630,000	85,536	689	262,881
14 Union Bank of Australia, Limited	Feb 27	197	10,500,000	Nil	7,000,000	3,500,000	4,200,000	368,013	772,216	..
Total (excluding Commonwealth Bank) ..	..	2,783	62,609,565	8,922,379	20,875,000	16,414,318	28,880,642	4,945,362	7,320,202	4,501,887

CANADIAN AND WEST INDIAN BANKS.

1 Bank of Montreal	Apr 30	614	5,983,340	Nil	5,983,340	5,983,340	5,983,340	367,980	8,334,889	..
2 Bank of Nova Scotia	Dec 31	304	2,000,000	Nil	2,000,000	2,000,000	3,900,000	170,569	2,910,162	..
3 Canadian Bank of Commerce	Nov 29	550	4,109,589	Nil	4,109,589	4,109,589	4,109,589	418,966	6,060,660	..
Colonial Bank	..	..	Absorbed by Barclays Bank (Dominion, Colonial, and Overseas)	Nil	..	..	..	..	..	..
4 Dominion Bank	Dec 31	120	1,200,000	Nil	1,200,000	1,200,000	1,400,000	240,874	1,423,479	..
5 Royal Bank of Canada	Nov 29	886	4,880,000	Nil	4,880,000	4,880,000	4,880,000	396,237	7,190,746	..
Union Bank of Canada	..	..	..	..	..	..	..	..	..	..
Total	..	2,474	18,172,929	..	18,172,929	18,172,929	20,272,929	1,594,690	25,939,835	..

INDIAN BANKS.

1 Chartered of India, Aust., and China	Dec 31	44	3,000,000	Nil	3,000,000	3,000,000	4,000,000	756,778	1,931,942	3,027,570
2 Eastern Bank, Limited	Dec 31	11	2,000,000	Nil	2,000,000	1,000,000	360,000	117,903	..	1,421,572
3 Mercantile Bank of India, Lim...	Dec 31	23	750,000	187,500	187,500	105,000	1,850,000	246,885	200,971	295,470
Do B Shares			750,000	187,500	197,500					
Do C Shares			300,000	Nil	Nil					
4 National Bank of India, Limited	Dec 31	25	4,000,000	2,000,000	Nil	2,000,000	2,800,000	561,085	..	1,063,856
Total	..	106	10,800,000	2,375,000	5,375,000	7,050,000	8,510,000	1,682,661	2,182,912	5,807,468

COLONIAL JOINT STOCK BANKS WITH LONDON OFFICES.

IRISH FREE STATE BANKS.

10 Miscellaneous Liabilities.	11 Deposits.	12 Total Liabilities.	13 Cash in Hand and Money at Call and Short Notice.		14 Investments.	15 Bills Discounted or Purchased (when shown separately).	16 Bills, Loans, and Advances.	17 Premises and Sundries (including Cover for Acceptances).	18 Total Assets.	19 Name of Bank.
			Cash in Hand, with Banks, and in Transit.	Money at Call and Short Notice.						
..	37,630,783	45,493,204	4,458,818	621,136	29,222,351	..	14,490,140	630,784	49,493,204	Bank of Ireland.
52,165	12,242,360	19,454,443	431,049	..	5,168,752	..	7,650,064	204,678	13,454,443	Hibernian Bank.
..	21,541,210	26,332,430	1,638,536	701,114	9,066,072	1,713,619	12,876,931	336,158	26,332,430	Munster and Lns. National.
..	36,962,819	43,092,329	3,922,938	4,199,265	15,684,272	2,601,582	15,799,081	885,191	43,092,329	Prov. of Irl. Do New.
..	14,865,060	17,676,514	1,144,925	360,000	7,035,220	2,787,533	6,148,704	200,127	17,676,514	Royal of Irl.
..	6,792,983	7,328,087	497,639	..	2,190,460	181,360	4,233,628	225,000	7,328,087	Totals.
52,165	133,035,345	157,377,007	12,093,900	5,881,515	68,437,127	7,284,094	61,198,558	2,481,818	157,377,007	

AFRICAN BANKS.

264,900	6,068,812	8,957,300	1,391,498	..	1,463,090	1,917,543	2,870,327	1,314,342	8,957,300	Bk. Brit. W. A.
Absorbed by Barclays Bank (Dominion, Colonial, and Overseas)	..	..	450,241	..	145,601	988,660	1,100,255	204,668	2,889,425	Nat. Bk. of S.A.
136,047	1,974,747	2,889,425	7,005,264	3,180,000	5,085,268	6,705,152	34,470,911	8,639,869	65,086,464	Standrd of S.A.
2,263,927	49,416,227	65,086,464	..	..	..	..	..	..	..	Total.
2,664,874	57,453,817	76,383,189	8,847,008	3,180,000	6,693,959	9,611,355	33,441,493	10,159,379	76,933,189	

AUSTRALASIAN BANKS.

4,870,165	75,399,529	85,490,206	15,267,744	16,185,000	40,421,602	..	12,329,232	1,286,628	85,490,206	Comwth of Aust.
1,366,196	12,463,529	16,789,591	2,855,787	..	487,634	..	12,992,432	453,738	16,789,591	Aust. B. of Com.
489,694	6,454,093	8,693,327	1,457,773	1,694,158	639,960	..	4,623,226	278,210	8,693,327	Bk. of Adelaide
3,694,29	28,708,674	40,991,316	6,377,440	65,000	4,738,286	..	29,733,284	79,306	40,991,316	Bk. of Australia
9,093,185	57,070,096	80,009,403	16,460,307	620,000	10,528,835	..	49,039,914	3,360,347	80,009,403	Bk. of N.S.W.
3,721,791	31,121,288	42,763,649	7,471,296	1,416,486	13,895,421	1,668,035	24,694,257	618,104	49,763,649	Bk. of N. Zeal.
1,070,753	12,240,82	16,729,541	2,793,880	(c) 658,292	1,536,930	..	10,327,821	1,412,568	16,729,541	Bnk of Victoria
1,821,498	38,539,205	47,099,229	8,060,563	3,435,000	4,875,156	..	29,786,005	942,505	47,099,229	Com. of Sydney
1,318,567	20,615,56	26,930,132	4,012,977	780,000	3,032,182	..	17,761,898	1,343,075	26,930,132	Com. of Aust.
1,967,09	25,729,31	34,548,981	5,607,701	..	1,252,761	..	25,512,052	786,082	34,548,981	Eng. Set. & Aust
1,640,773	32,284,25	40,706,018	6,772,293	..	5,086,191	..	27,762,413	1,085,121	40,706,018	Nat. of Austrls.
2,734,578	10,138,468	18,171,779	1,393,351	1,390,335	1,910,486	1,087,873	13,627,908	452,101	18,171,779	Natnl. of N.Z.
542,493	8,567,48	14,459,79	1,640,602	225,000	1,598,513	..	10,462,146	533,531	14,459,79	Qnsland Natnl.
415,551	5,216,948	7,401,554	1,345,189	24,091	575,006	..	5,037,043	420,231	7,401,554	Royal of Aust.
3,658,413	32,038,27	44,536,938	6,711,087	1,070,000	2,201,000	..	34,164,673	390,178	44,536,938	U. of Australia
33,544,743	321,525,96	447,133,140	72,960,246	11,378,362	52,358,405	2,755,958	295,525,072	12,155,097	447,133,140	Total (excluding Commonwealth Bank).

CANADIAN AND WEST INDIAN BANKS.

4,321,421	124,835,512	149,826,471	26,732,226	28,499,331	26,124,483	..	62,467,365	6,003,066	149,826,471	Bank of Mont
1,989,118	37,891,308	48,891,167	11,154,115	5,029,844	11,785,634	..	18,093,763	2,827,811	48,891,167	Bk. of N. Scotia
6,970,035	83,272,074	107,910,913	20,491,698	13,214,679	19,986,177	..	47,703,550	6,544,809	107,940,913	Can. Bk. of Cmr
		Absorbed by	Barclays Bank (Dominion, Colonial, and Overseas)							Colonial.
2,076,84	19,215,433	25,586,627	5,223,659	4,037,763	5,056,825	..	8,716,738	2,551,652	25,586,627	Dominion Bnk
11,110,944	117,144,777	145,596,725	22,854,521	16,809,755	27,169,191	..	68,920,115	9,843,137	145,596,725	R. Bk. of Canada
			Absorbed by Royal Bank of Canada							Union of Can.
26,468,359	385,493,155	477,841,903	86,456,219	67,591,362	90,122,316	..	205,901,531	27,770,475	477,841,903	Total.

BANK SHARES.

UNTIL comparatively recent times the ordinary investor was rather effectively deterred from taking an interest in bank shares by the twin facts that practically all bank shares were of large denomination, and that practically all carried large callable liabilities. These two objections have been partially removed in recent years, and in the following table we are able to show a long list of bank shares, many of them of small denominations, on which there is no uncalled liability:—

Bank.	Denom-ination.	Am't Paid Up	Price Sept. 30, 1924.	Price Sept. 30, 1925.	Price Sept. 30, 1926.	Yield %
Agricultural Bank of Egypt	£ 5	£ 5	7½	8½	7½	4 1/2
Australian Bank of Commerce	1	1	13½	14½	13½	4 1/2
Bank of Australasia	5	5	13½	14½	13½	4 1/2
Bank of London and South America	5	5	7½	9½	10½	5 7/8
Bank of New South Wales	20	20	40	39½	44½	4 1/2
Bank of New Zealand	1	1	3½	3½	3	4 7/8
Bank of Roumania	6	6	4½	4½	4½	6 1/2
Barclays, "A"	4	4	7½	8½	7½	5 1/2
Do "B"	1	1	2½	2½	2½	5 1/2
British Overseas, "A" ord.	5	5	5	5	5	4 1/2
Chartered Bank of India, &c.	5	5	19½	19½	20½	4 1/2
Comm. Bk. of Scotland, "B"	1	1	2½	2½	2½	5 1/2
Imperial Bank of Persia	5	5	7½	8½	9½	5 1/2
London Bank	5	5	6	6	6	5 1/2
Lloyds	1	1	9½	9	9	4 1/2
Midland	2½	2½	9½	9	9	5 1/2
Do	1	1	3½	3½	3½	4 1/2
National Bank of Egypt	10	10	24½	32½	39½	5 1/2
National Provincial Bank	5	5	15½	16	16	4 1/2
P. & O. Banking Corporation	10	10	11	10½	10½	4 1/2
Queensland National Bank	5	5	9½	8½	8½	6 1/2
Do	1	1	3½	3½	3½	6 1/2
Western Australian Bank	1	1	2½	2½	2½	5 1/2
Westminster	1	1	2½	2½	2½	5 1/2
Williams, Deacon, & Co., "B"	1	1	2½	2½	2½	5 1/2

* Free of tax.

In the case of the greatest banks in the world—for instance, of Britain's "Big Five"—the risk of a call on unpaid capital may be practically disregarded. But in reviewing the bank share market as a whole the possibility of a call must be regarded as, in some cases, less remote. In the above table a number of Dominion and foreign banks figure. Among them are very strong institutions, whose shares offer attractive yields and are good for mixing in a sound investment list. Never-

theless, the investor must exercise discretion in purchasing overseas bank shares, and should, through his broker or other financial adviser, acquaint himself fully with the banking laws of the country in question, as well as the taxation laws and the economic conditions.

In the following table we set out a comparison of the prices of a number of banking shares, British and overseas, covering a period of three years, and ending with the yield obtainable at the prices of last month:—

Share.	Am't of Share.	Paid up.	Price Sept. 30, 1924.	Price Sept. 30, 1925.	Price Sept. 30, 1926.	Yield %
Bank of England	Stock	£ 100	£ 259½	£ 252½	£ 219½	4 1/2
Bank of Liverpool & Martins	20	20	7½	7½	6½	5 1/2
Barclays, "A"	4	4	7½	8½	7½	5 1/2
Do "B"	1	1	2½	2½	2½	5 1/2
Lloyds	5	5	11	11	11	5 1/2
Midland	12	12	2½	2½	2½	5 1/2
National Provincial	20	20	4½	4½	4½	5 1/2
Westminster	20	20	5	5	5	5 1/2
Bank of Australasia	5	5	13½	14	13½	4 1/2
Bank of New Zealand	1	1	3½	3½	3	4 1/2
Bank of New South Wales	20	20	40	39½	44½	4 1/2
English, Scottish, & Aust'n.	5	5	6½	7½	7½	4 1/2
National Bk. of Australasia	8	8	7½	8½	7½	5 1/2
National Bk. of N. Zealand	7½	7½	6½	7½	7½	4 1/2
Union Bank of Australia	15	15	15	14½	14½	5 1/2
Bank of Montreal	\$100	\$100	\$255	\$254	\$255½	5 1/2
Canadian Bk. of Commerce	\$100	\$100	\$242½	\$245	\$246	5 1/2
Royal Bank of Canada	\$100	\$100	\$240	\$249	\$252	5 1/2
Chartered Bank of India, &c.	5	5	19½	19½	20½	4 1/2
Eastern	10	10	5	5	5	4 1/2
Hongkong and Shanghai	\$125	\$125	\$131½	\$135½	\$123½	6 1/2
Imperial Bank of Persia	5	5	7½	8½	9½	5 1/2
National Bank of India	25	25	43	47	47	5 1/2
Anglo-South American	10	10	5	5	5	6 1/2
Bank of London & S. Amer.	5	5	7½	7½	7½	5 1/2
Bank of British West Africa	10	4	3½	4½	4	5
Standard Bank of S. Africa	20	5	11	11½	13½	6

† Free of tax.

The 1925 fortunes of banks in various geographical groups are dealt with on other pages of this Supplement. Looking through the above list, the main impression is the stability in quotations and yields over a period which has, in various areas, been anything but free from economic trouble.

CANADIAN BANKS.

THE Canadian banks with London offices, with whose figures we are concerned in this article, are becoming "beautifully less" in numbers with the passage of the years. Last year our table included seven. This year the number is five, the reduction being caused by the absorption of the Union Bank by the Royal Bank of Canada and the disappearance of the Colonial Bank, which, as explained in a previous article on African banks, has been reconstituted under the title of Barclays Bank (Dominion, Colonial, and Overseas), and has made some absorptions of its own. No balance-sheet of the new concern has yet appeared. The Royal Bank also purchased early in 1925 the entire capital stock of the Bank of Central and South America, a purchase which gave the bank a big business footing in Colombia, Peru, Venezuela, and Costa Rica. In the annual report the deal with the Union Bank is described as follows: "On May 2nd we concluded an agreement with the directors of the Union Bank of Canada to

purchase that bank for a consideration of 40,000 shares of our stock. The agreement was ratified by the shareholders of both banks on July 21st.....The transfer was made on September 1st. By this transaction we have acquired on satisfactory terms assets valued at approximately \$100,000,000 a valuable business connection, especially in Western Canada." In reading the Royal Bank figures for 1925 it must, therefore, be remembered that the absorption of the Union Bank only took place three months before the close of the financial year. After the elimination of redundant branches the two amalgamations mentioned resulted in an increase of 266 in the number of branches of the Royal Bank.

The following table of profits and dividends shows that the results were satisfactory to shareholders, net profits having risen in the case of four out of the five banks. The Canadian Bank of Commerce raised its dividend from 12 to 13 per cent., while the other four maintained the previous year's rates:—

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
		£	£	%	£	£	£	£
Bank of Montreal	Oct. 31	920,993	882,385	14	121,618	..	32,980	890,901
Bank of Nova Scotia	Dec. 31	427,584	820,000	16	20,000	50,000	22,584	429,008
Canadian Bank of Commerce	Nov. 30	716,551	534,247	13	108,904	30,823	3,389	741,098
Dominion Bank	Dec. 31	281,868	156,000	18	33,589	20,000	12,835	228,816
Royal Bank of Canada	Nov. 29	816,320	611,200	14	84,000	80,000	21,126	775,695
Total		3,112,822	2,458,782	..	868,065	180,822	26,974	3,058,616

As will be seen from the dates of the balance-sheets shown in the accompanying table, it is the 1925 conditions in the Dominion which must be studied in connection with the results under review. Perhaps the most concise summary of the year's features was that given by Sir Frederick Williams Taylor at the meeting of the Bank of Montreal, who said that "conditions were neither so good nor so bad as extremists on either side have stated." There was, indeed, both pessimism and optimism. The year began with a very poor outlook indeed, but thanks mainly to the reaping of a harvest whose abundance was widely diffused, the situation had by the autumn taken on an entirely new aspect. Two very favourable features were the full readjustment of a proper balance between prices of agricultural produce and prices of manufactured goods, and a rise in the favourable balance of merchandise trade from 262 to 392 million dollars. On the whole the year 1925, thanks to the way in which the autumn redeemed a poor start, may be looked upon as one of recovery and expansion, and from the purely banking point of view may be set down as satisfactory. Certainly, in one respect it provided a very happy contrast with its

predecessor. The year 1924 saw a host of banking troubles, minor, perhaps, in themselves, but sufficient in their cumulative effect to shake for the time being the public faith in banking institutions. Last year has seen the passing of this phase, and the great Canadian banks emerge from the period not merely stronger in themselves, but with a prestige enhanced by the manner in which difficult times have been successfully weathered.

The economic expansion of the last part of the year is reflected in the figures contained in the subjoined table. In spite of the elimination of the Colonial Bank, deposits in the aggregate were £10 millions higher than at the close of the previous year, while on the other side of the account discounts and advances were over £8 millions higher. At the annual meetings the tone of the chairmen's speeches was generally optimistic; Sir John Aird, in particular, the chairman of the Canadian Bank of Commerce, remarked that the stage was set for all-round improvement. So far as the current year has gone, there is nothing to suggest that his prophecy, so far as banking business, at any rate, is concerned, is proving anything but correct.

CANADIAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand, Money at Call and Short Notice.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
			£		£		£		£	£		£		£	
1890..	4	75	6,907,100	31.3	1,934,700	8.6	9,182,400	41.3	22,200,300	3,510,900	15.8	1,417,500	6.4	17,123,600	77.1
1900..	4	95	6,679,100	21.8	2,448,500	8.0	17,584,600	52.6	30,544,200	4,667,900	14.9	2,095,600	6.9	23,488,000	77.0
1905..	4	254	9,541,500	16.2	4,221,500	7.2	40,706,900	69.2	58,981,200	18,677,200	31.8	4,814,500	8.2	34,721,100	58.6
1910..	5	590	13,122,300	12.1	6,670,700	6.7	83,600,500	72.4	107,995,700	42,605,600	39.5	9,799,500	9.1	54,289,400	50.3
1913..	7	1,388	23,302,000	12.6	12,138,900	6.5	142,975,500	77.6	184,190,100	56,844,700	30.9	13,629,700	7.1	109,771,800	59.7
1914..	7	1,449	23,727,827	12.3	11,799,523	6.1	145,100,357	75.0	190,351,619	64,485,302	33.4	14,207,689	7.4	104,430,566	54.0
1915..	7	1,473	23,730,164	12.3	12,034,445	6.3	145,911,275	75.8	192,384,515	64,458,514	33.5	14,516,943	7.5	103,977,449	52.4
1916..	7	1,459	23,730,165	10.2	13,888,232	6.2	177,079,956	79.3	223,077,555	95,972,044	43.0	17,941,791	8.0	101,399,677	45.5
1917..	7	1,491	23,818,164	9.6	16,696,710	6.7	199,285,279	80.2	248,273,628	99,818,860	40.2	33,023,861	13.3	107,218,296	43.1
1918..	7	1,501	24,462,161	8.2	22,378,690	7.5	236,591,386	79.2	297,735,149	109,679,564	36.6	50,673,767	16.9	125,938,865	42.1
1919..	6	1,681	25,605,617	7.5	27,727,321	8.1	271,209,010	79.1	343,058,311	111,225,247	32.3	60,021,789	17.5	157,810,276	46.0
1920..	8	2,653	36,524,247	7.5	35,302,363	7.2	386,047,299	79.1	487,330,996	149,427,464	30.5	78,768,170	15.2	242,618,337	49.8
1921..	8	2,784	39,247,988	8.2	33,519,151	7.0	377,965,484	79.1	477,358,871	167,415,626	35.0	52,812,744	11.1	238,425,284	49.8
1922..	7	2,724	37,564,984	8.8	25,690,491	6.0	344,088,345	80.7	426,289,292	150,734,764	35.3	50,518,770	11.8	209,336,821	49.0
1923..	7	2,606	37,724,384	9.0	24,882,513	5.9	334,606,154	79.5	419,597,232	152,142,922	36.2	53,558,759	12.7	197,246,623	47.0
1924..	7	2,649	38,929,178	8.8	25,965,568	5.9	352,144,276	79.4	443,435,332	144,569,111	32.6	72,210,490	16.3	201,044,015	45.4
1925..	7	2,630	39,995,858	8.5	26,394,906	5.6	371,209,605	79.7	470,860,643	154,092,281	32.7	80,880,069	19.1	197,741,138	42.0
1926..	5	2,474	38,415,858	8.1	25,939,835	5.4	385,393,151	80.8	477,841,903	154,047,581	32.3	80,122,316	18.9	205,901,531	43.1

INDIAN BANKS.

THE year 1926 will be remembered, doubtless, as a very important date in the history of Indian finance, currency, and banking, for it has seen the publication of the Report of the Royal Commission consisting of British and Indian experts, containing important recommendations, which, although they have not yet actually been acted upon, must, at any rate, guide the future policy of Indian Governments. This Report has been discussed at some length in the *Economist* (August 7th), and we can here only make brief reference to it in so far as it relates to the Indian banking system. The Report recommends the adoption of a gold standard (but, as in Britain, without gold currency), and in order to achieve "unity of policy in the control of currency and credit for the achievement of monetary stability" the establishment of a Central Banking system. The Commission, with one dissentient, rejected the idea that the Imperial Bank of India should become the Central Bank. They argued that a Central Bank should not do a general commercial business, and that, since the Imperial Bank has built up a flourishing business as a commercial bank, which in the best interest of India ought to be maintained and developed, it is precluded from becoming the Central Bank. Among the members of the Commission signing this recommendation were several directors of the

Imperial Bank itself. The Commission argued that the Central Bank would not be in danger of becoming a cut-throat rival to the Imperial Bank.

The Commission also laid stress upon the importance of developing banking and investment facilities and of "finding means to encourage the people of India to divert their savings to profitable channels of investment." The passages dealing with this important subject merit quotation:—"It does not fall within our terms of reference to suggest in detail all the measures which may be taken to this end. But, since the smooth working of a system of currency cannot but be impeded by the existence of large stores of currency in hoards, it is proper for us to urge, and we do urge emphatically, that nothing should be left undone which will tend to facilitate and encourage banking progress in India.We are impressed by the great and growing activities of the Imperial Bank in the direction of the extension of up-country banking.....In any scheme of banking reform that may be planned, we trust that due emphasis will be laid on the provision and extension of cheap facilities to the public, including banks and bankers, for internal remittance." In the latter connection the abolition of the stamp duty on cheques is recommended. If the spread of sound banking facilities and the growth of the banking habit among the vast population of India result from the Commission's Report, its work in this direction alone will prove enormously beneficial. Signs of the times which

appear favourable in this connection are the great growth in the numbers of those wishing to enter the banking profession, and the imminent establishment of an Institute of Bankers.

It is, however, 1925 and not 1926 that has to be

considered in relation to the bank results, which are tabulated on this page. Dividends, it will be seen, were in each case the same as in 1924, and 1925 profits approximate very closely to those of the preceding year.

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
		£	£	£	£	£	£	£
Chartered of India, Aust., & China Eastern Bank, Limited.....	Dec. 31	756,154	607,500	20½*	125,000	25,000	1,346	770,716
Mercantile Bank of India, Lim	Dec. 31	122,503	90,000	9	20,000	10,000	2,503	122,052
National Bank of India, Limited	Dec. 31	257,663	168,000	16	50,000	20,000	4,663	243,410
	Dec. 31	586,105	400,000	20*	50,000	30,000	16,105	535,925
Total		1,672,425	1,265,500	..	120,000	80,000	+ 21,925	1,672,103

* Free of tax.

When we come to study the table appended to this article we find a jump of £12½ millions in deposits balanced by a similar rise in discounts and advances. This is mainly caused by the figures of the Chartered Bank, whose balance-sheet showed an increase of £9 millions in deposits and £7 millions in bills discounted. The chairman, Sir Montagu Cornish Turner, in his speech at the annual meeting of the bank threw little light upon the causes of this big movement, merely stating that it "indicated that larger business is passing through this bank."

The year 1925 was a reasonably good one for India. For the fourth year in succession there was a good monsoon. The trade balance moved in India's favour. Tea and rubber were prosperous, and cotton, rice, oil-

seeds, and other commercial crops satisfactory. As appeared very clearly indeed from the Budget statement of the Finance Member, India's general economic progress over the past few years has been very satisfactory. At the same time, the Viceroyalty of Lord Reading, which has just ended, has seen a very decided improvement in the political position. The two are to no small extent bound up together. Good monsoons cannot, of course, continue for ever; but the circumstances that are under human control are steadily being moulded into more satisfactory shape. With the exchange problem definitely settled and the political and financial progress of recent years continuing, the outlook should be satisfactory; and few things could contribute more to progress than the spread of soundly managed banking institutions.

INDIAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Brnchs.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand, Money at Call and Short Notice.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890..	5	50	4,347,200	12.1	1,241,000	3.4	17,964,400	50.0	36,003,400	4,321,200	12.0	2,930,500	9.1	27,541,300	76.5
1900..	5	54	3,186,800	10.5	699,800	2.3	18,084,800	58.5	30,207,600	4,704,900	15.5	2,794,600	8.4	22,147,300	72.5
1905..	4	63	3,735,100	10.6	639,100	1.8	23,473,900	66.5	35,268,500	6,507,100	18.4	3,119,500	8.8	23,634,900	69.6
1910..	5	87	6,100,000	12.9	515,600	1.1	34,547,000	72.9	47,339,600	8,312,300	17.6	4,139,400	8.7	32,101,200	67.8
1913..	6	104	7,219,100	11.5	811,273	1.3	43,470,800	69.2	62,671,800	10,822,800	17.3	4,080,600	6.5	43,745,100	69.8
1914..	5	89	7,252,278	12.2	1,043,984	1.7	42,892,465	71.9	59,791,379	13,549,144	22.6	6,677,853	11.2	35,511,553	59.5
1915..	5	91	7,323,485	11.1	1,085,514	1.6	48,782,482	78.8	66,017,462	12,512,987	18.9	8,002,065	12.1	42,085,918	63.6
1916..	4	88	7,067,980	9.5	1,123,096	1.5	54,574,879	73.0	74,600,068	13,914,932	18.6	7,188,792	9.6	49,652,081	66.8
1917..	4	88	7,332,421	8.5	1,053,421	1.2	67,589,786	79.0	85,496,586	20,522,964	24.0	7,776,811	9.1	52,753,685	61.8
1918..	4	88	8,502,600	8.0	1,698,651	1.6	81,722,355	76.4	106,658,900	17,201,525	16.2	8,985,937	8.4	76,533,126	71.8
1919..	4	93	10,844,649	6.7	1,943,595	1.1	122,696,907	75.7	162,191,567	32,757,956	20.2	13,471,630	8.3	107,117,466	66.0
1920..	4	94	14,171,476	8.9	2,995,124	1.9	118,352,583	74.1	159,492,420	28,521,284	17.9	10,424,084	6.5	108,740,228	68.0
1921..	4	94	14,565,844	11.1	2,211,811	1.7	95,872,984	73.1	130,827,461	19,217,307	14.7	13,362,627	14.8	82,457,535	68.1
1922..	4	97	14,850,000	11.7	2,354,045	1.9	93,221,999	73.5	126,410,917	15,600,241	12.3	27,938,054	22.0	75,787,137	69.8
1923..	4	102	15,120,000	12.2	2,569,875	2.1	90,619,019	73.3	123,728,818	16,978,419	13.7	35,943,579	29.1	62,428,849	50.5
1924..	4	103	15,340,000	11.9	1,924,625	1.5	92,244,551	71.5	128,980,610	19,415,164	15.1	31,045,838	24.1	88,572,830	68.2
1925..	4	106	15,560,000	11.1	1,682,651	1.2	104,713,687	74.8	140,044,291	17,470,182	12.5	31,021,988	22.1	80,928,190	67.8

FOREIGN BANKS WITH LONDON OFFICES AND BRITISH BANKS TRADING OVERSEAS.

Our final article refers to all those banking institutions trading overseas which have offices in London, which have not come within the categories already dealt with. These are divided into two groups, the first comprising British banks with headquarters either at home or abroad, and the second with foreign institutions with branch offices in London.

It is, of course, very difficult to draw a distinct line between the various British banks operating abroad, but in our first table will be found a small group of companies, including a few concerns of comparatively recent growth, together with some dating back before the war.

Expansion has again occurred in the business of

the British Italian Banking Corporation, profits having advanced from £53,532 to £59,552; the dividend was maintained at 6 per cent. The table, it will be noted, shows a substantial rise in deposits, cash, investments, and discounts. Late in 1925 an arrangement was arrived at between the Anglo-Austrian Bank of London and the Banca Italo-Britannica (the corporation's collaborator in Italy) whereby the Banca Italo-Britannica was to open a branch at Trieste and take over as from January 1, 1926, the business carried on by the branches of the Anglo-Austrian Bank in Italy. The directors state that the corporation has subscribed 6,000 new shares of the Banca Italo-Britannica, thus raising its holding to

	Capital and Reserves.		Deposits.		Cash.		Investments.		Discounts and Advances.	
	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.
	£	£	£	£	£	£	£	£	£	£
British Italian Banking Corp..	1,250,000	1,250,000	674,008	2,205,837	621,381	1,339,518	246,426	498,717	1,103,194	1,674,765
British Overseas Bank.....	2,100,000	2,125,000	2,294,569	2,138,367	2,546,976	2,262,136	368,706	592,699	1,168,046	1,113,370
British Trade Corporation	1,325,000	1,000,000	1,019,550	783,366	543,169	465,815	920,005	681,533	772,067	560,826
Hambros Bank.....	2,050,000	2,050,000	15,807,722	16,147,432	4,527,492	4,074,129	3,563,017	3,954,632	9,583,073	9,860,885
	6,725,000	6,425,000	19,795,849	21,275,552	8,239,519	8,141,598	5,098,154	5,727,641	12,628,374	13,209,846

9,880 shares; the general reserve has been reduced in order to provide a special reserve against depreciation. At the meeting, the new chairman, Sir Felix Schuster, made an extensive survey of Italy's economic position in the light of a recent visit, supplemented by useful figures of our trade with Italy. The report of the British Overseas Bank partly reflects the success which has attended the efforts to restore economic equilibrium in Europe, the net profit for the year having amounted to £126,015, against £105,548 for the previous 12 months. This enables the first distribution to be made on the "B" shares—at the rate of 3 per cent. per annum—which are held by banks and other financial institutions; the "A" ordinary shares again receive 6 per cent.

The results of the British Trade Corporation gain added interest by reason of the recent announcement of its fusion with the Anglo-Austrian Bank. The matter was fully dealt with in the *Economist* of September 4, 1926. It may be recalled, however, that a new bank has been established in London under the name of the Anglo-International Bank, Limited, having a nominal capital of £2,000,000 in ordinary shares of £1 each, and a paid-up capital of £1,960,000. With a strong board, a reduced capital, a restricted objective, and with the prospect of steady recovery in Central Europe, the new bank should have fair prospects of building up a profitable business. This should in time enable it to stand on its own feet as a purely private institution.

As regards Continental banks, the detailed balance-sheets will be found elsewhere. In France an outstanding feature was the easy conditions prevailing in the money market. The important increase in bank deposits, accompanied by growing figures for "cash" and bank balances, together with the very slow increase in the clearing house returns, are indications of this monetary ease, which is the result of inflation following the repayment of Treasury bills and bonds during 1925 by means of increased note issue. Turning to the more important banks, the Credit Lyonnais returns net profits at a slightly lower level than last year, the figure being 42,928,140f. But deposits, including current accounts, rose from 5,148,435,945f to 6,673,787,884f, while bills receivable and French Treasury bills increased from 3,644,158,006f to 4,797,928,389f. The ratio of reserve to paid-up capital remains at 90 per cent. The discount of commercial paper, states the report, continues to increase. The report of the Société Générale pour Favoriser speaks of the year 1925 as having been a difficult one so far as financial conditions were concerned. All the same, profits, at 35,053,617f, showed an upward movement of 1,513,741f. The total of the balance-sheet is 8,430,550,794f, in contrast with 6,358,995,221f. "Comptes de cheques" and "Comptes courants divers" are substantially higher at 2,028,948,784f and 5,252,543,466f respectively.

The Comptoir National d'Escompte de Paris presents a total balance-sheet figure of 6,031,855,121f, as compared with 4,753,479,043f "Comptes de cheques et comptes d'escompte," totalling 3,504,573,971f, show the considerable increase of 978,949,450f. Profits con-

tinue their upward course, last year's figure being 1,397,955f higher at 37,027,508f. The progress of the Société Belge de Crédit Industriel is again notable, deposits having increased from 68,341,557f to 74,059,246f. The report of the Banca Commerciale Italiana states that the "profits accrued from our participations and investments have been considerable, but equally conspicuous have been the results of our current banking business.....To the gratifying results at home are to be added those achieved by our foreign branches and affiliations." The net profit at 102,133,217 lire is 15,000,000 lire more than in 1924; "the higher yields on long and short-dated investments are, of course, largely responsible for this rise." Dealing with the general situation, while it is admitted that certain aspects may not yet be quite clear, it is stated that industrial and agricultural production is on the increase, and this is regarded as a healthy sign. The debt settlements with Great Britain and America are characterised as "fair and honourable" and as marking "the close of a vital phase in what has come to be known as the 'fight for the lira,' which latter has at last been freed from its former subservience to the movements of the French and Belgian francs." The disparity between prices in Italy and abroad (as expressed in lira), it is pointed out, is growing less and less, and is now very little different from that which existed in pre-war times. This stability has resulted in a certain amount of dislocation to some industries, but the view is expressed that it will not seriously prejudice the country's productive capacity in general. The Credito Italiano continued to make progress, the volume of transactions amounting to 814 milliards of lire, being an increase of 116 milliards in the year. Profits rose from 49,500,503 lire to 55,590,268 lire, thus enabling the dividend to be raised from 9 per cent. to 10 per cent. Advantage is again taken of prosperity to strengthen the reserves, which now stand at 150,000,000 lire. "During the past year," according to the report, "we have still further extended our foreign relations."

The Moscow Narodny Bank, the principal aim of which is to finance the export and import operations of the Central Co-operative Organisation of the U.S.S.R. trading on foreign markets, records a year of satisfactory progress. The turnover reached £141,274,649, as compared with £69,928,879 for 1924; total assets amounted to £5,429,509, against £3,280,021. At £52,565, the net profit was more than double last year's figure. All the shares of the bank were transferred to the All-Russian Co-operative Bank. The bank was able to extend its business beyond Great Britain, more particularly in Germany, France, and the United States. Continued expansion is reported by the Bank of Athens. The balance-sheet total has risen from Dr 1,412,157,800 to Dr 1,577,319,982, and the balance at profit and loss is some Dr 3,000,000 higher at Dr 56,576,381. The report deals at length with the bank's foreign activities. The Ionian Bank again returns higher earnings, net profits being £69,400, as compared with £63,077, thus enabling last year's increased dividend of 8 per cent. to be maintained. The balance-sheet total, however, is lower, the movement in deposits chiefly accounting for the decline.

At the annual meeting of the Hongkong and Shanghai Banking Corporation the chairman declared that the year under review would "long be remembered as one of the most unsatisfactory and difficult that merchants in China have experienced. Trade has been hampered in every direction, civil wars, strikes, and

ASIATIC BANKS.

	Capital and Reserves.		Deposits.		Cash.		Investments.		Discounts, Loans, and Credits.	
	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.	1924-25.	1925-26.
Bank of Taiwan.....	£6,628,000	£4,684,000	26,700,407	22,839,240	4,440,811	3,790,441	10,114,697	8,818,152	46,992,554	50,277,678
Imperial Bank of Persia....	1,070,000	1,120,000	3,916,722	4,842,729	2,675,803	4,248,972	1,699,029	1,653,985	2,316,708	2,744,129
Ottoman.....	6,250,000	6,250,000	14,000,246	13,493,062	4,681,082	3,302,782	2,580,444	4,174,582	14,716,336	13,799,804
Hong Kong and Shanghai ..	9,789,843	10,027,213	60,480,789	65,107,342	11,981,084	12,859,623	10,098,090	10,970,174	30,545,707	31,595,672
Sumitomo Bank	7,265,000	7,342,284	40,892,792	43,508,057	3,891,962	5,239,007	12,839,767	13,045,108	31,061,454	34,282,790
Yokohama Specie	18,281,114	18,878,738	59,116,495	57,941,292	11,107,040	8,150,783	29,231,277	29,707,059	32,701,629	31,601,474
	49,283,957	48,302,235	205,107,451	207,731,622	38,727,779	37,586,608	66,563,304	67,869,056	158,394,398	164,301,547

boycotts being the order of the day....." In these circumstances, he regarded it as a matter for congratulation that the earning power of the bank had been so little affected, the net profit being \$15,846,978, against \$16,383,882 for 1924; the dividend, including bonus of £8 per share, was repeated. As to the future, the chairman was not unhopeful. Alluding to South China, he said: "Our Chinese friends and neighbours are rational people, and sooner or later more reasonable counsels must surely prevail." The report of the Ottoman Bank for 1925 showed that there was an available balance of £410,040, including the amount of £326,952 brought forward from the preceding year. Of this, £400,000 was allocated as provision for depreciation of currencies. At the meeting the chairman stated that there was reason to hope that this would henceforth be sufficient to meet any likely eventualities, and that, excepting the abnormal, future profits should be available for dividends. The Turkish Government, he further stated, had prolonged the bank's concession until 1935. As for Turkey's basic industry—namely, agriculture—marked progress had been made in comparison with

previous years, and Turkey's monetary policy was "above criticism."

The annual report of the Anglo-South American Bank has not yet appeared, but the preliminary figures just issued show a further recovery in net profits, which amount to £471,714 for the year ended June 30th last, as compared with £431,021 for the preceding year and £425,908 for 1923-24. The dividend is maintained at 10 per cent., the sum of £125,000 is applied in reduction of cost of capital employed in South America and other countries, £12,229 is transferred to legal reserve in Chile, and £25,000 is added to the staff pension fund, and £375,025 is carried forward, as against £414,925 brought in. The Bank of London and South America (the combination of the London and River Plate Bank and the London and Brazilian Bank) earned net profits of £454,307 in the year ended September 30, 1925, and a dividend of 11 per cent. was paid. There is not a strictly comparable figure for the preceding year—the first after the amalgamation—since the London and Brazilian Bank figures covered 20 months, while those of the London and River Plate Bank were for 12 months.

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Managing Directors:

ANGUS A. G. TULLOCH, Esq., D.L.
(Deputy Chairman)
WILLIAM ROLPH EASTERBY, Esq.

Paid-up Capital - - - £1,896,000
Reserve Fund - - - £1,850,000
Deposits - - - £51,601,093
Total Assets - - - £55,562,853
30th June, 1926.

HEAD OFFICE: Spring Gardens, MANCHESTER.

Manager: HARGRAVE J. DAFFORN.
Sub-Manager: WILLIAM CUNLIFFE.Foreign Department: { 13, Spring Gardens, Manchester.
2, Castle Street, Liverpool.
76, Cornhill, London, E.C.3.

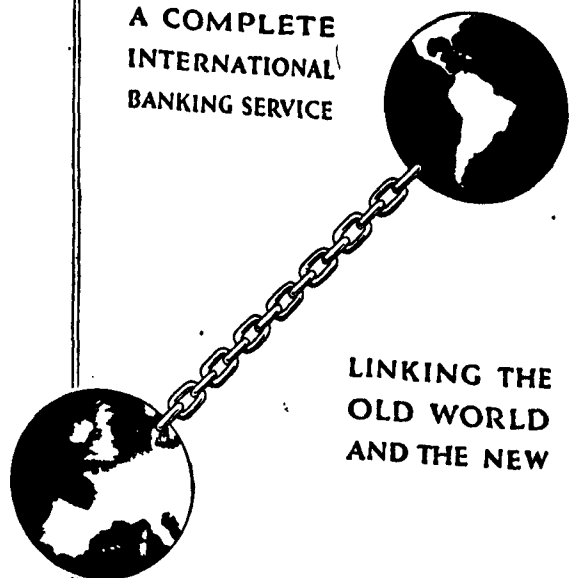
Trustee Department: 13, Spring Gardens, Manchester.

London Offices { 75, Cornhill, E.C.3.
West End Branch: 46, Old Bond St., W.1.Liverpool Office: Water Street.
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DOMINION BANKS WITH OFFICES IN LONDON.

(1) IRISH FREE STATE BANKS.

BANK OF IRELAND.

ESTABLISHED 1783.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.					Reserves, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.			Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends Amount.	Rate.		
£	£	£	£	£	£		£	%	£	%	£	£
2,769,231					7,892,300	1911..	345,214	1.57	299,884	11.4	46,000	20,395
						1912..	372,944	1.72	260,769	10	110,000	22,570
						1913..	398,233	1.79	260,769	10	137,000	23,033
						1914..	376,784	1.49	235,577	10	120,000	24,240
						1915..	420,830	1.55	240,000	10	180,000	25,071
						1916..	390,863	1.35	214,615	10	175,000	26,319
						1917..	423,429	1.26	207,692	10	200,000	42,056
						1918..	435,984	1.01	216,693	11	220,000	41,348
						1919..	479,802	1.05	232,615	12	250,000	38,535
						1920..	546,540	1.07	232,616	12	310,000	42,460
						1921..	513,166	0.97	252,000	13	260,000	51,723
						1922..	533,943	1.01	265,846	13	200,000	69,035
						1923..	549,620	0.98	332,308	16	230,000	74,856
						1924..	595,821	1.19	387,692	14†	207,231	70,657
						1925..	590,724					

Stock is fully paid, but the liability of holders for debts of the Bank has not been decided. Price September 30, 1926, 285.

Authorised Note issue, £3,738,428.

LIABILITIES.										ASSETS.										
Year Ended Dec. 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Balance of Profit and Loss.	Per Cent.	Notes.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand and at Bank.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Investments.	Per Cent.	Dis- counts and Ad- vances.	Per Cent.	Premises.	Per Cent.
1890....	58	3,803,231	23.6	164,558	1.0	2,713,594	16.9	9,403,640	67.5	16,085,023	1,179,660	7.3	162,483	1.0	9,208,194	57.3	5,435,538	33.8	99,148	0.6
1895....	59	3,803,231	22.0	154,736	0.9	2,496,969	14.4	10,816,780	62.7	17,271,706	1,206,471	7.0	1,087,478	6.3	9,225,166	53.4	5,643,223	32.8	109,368	0.6
1900....	73	3,803,231	20.8	180,322	1.0	2,768,068	15.2	11,498,960	63.0	18,250,581	1,145,271	6.3	439,784	2.4	8,504,009	46.6	8,058,630	44.1	102,887	0.6
1905....	66	3,803,231	20.9	172,830	1.0	2,420,862	13.1	12,032,376	65.3	18,429,299	1,101,017	5.8	684,767	3.7	8,139,596	44.3	8,398,347	45.6	105,573	0.6
1906*	91	3,803,231	20.3	177,977	1.0	2,578,086	13.7	12,205,209	65.0	18,764,503	1,240,369	6.6	551,625	3.0	8,096,171	43.1	8,766,101	46.7	110,327	0.6
1907*	92	3,803,231	19.3	179,650	1.0	2,699,580	13.6	13,048,213	66.1	19,730,674	1,492,307	7.6	738,939	3.7	8,040,455	40.7	9,346,272	47.4	112,701	0.6
1908*	92	3,803,231	18.5	179,809	0.9	2,703,209	13.2	13,826,750	67.4	20,512,999	1,625,618	8.0	929,906	4.4	8,122,489	40.0	9,643,139	47.0	118,847	0.6
1909*	96	3,803,231	18.4	180,451	1.0	2,817,802	13.6	13,812,548	67.0	20,614,032	1,533,109	7.5	1,274,376	6.0	8,250,187	44.9	9,163,240	43.5	123,608	0.6
1910*	99	3,789,231	18.0	177,527	0.8	3,000,309	14.2	14,095,663	67.0	21,070,730	1,668,566	7.9	1,161,531	5.5	8,436,620	41.0	120,240	0.6		
1911*	99	3,725,231	17.0	163,818	0.7	2,964,607	13.5	15,064,003	68.8	21,907,659	1,706,018	7.8	1,308,869	5.9	9,510,971	43.4	9,348,335	43.4	136,949	0.6
1912*	103	3,654,231	16.9	152,957	0.7	3,046,784	13.9	14,758,329	68.5	21,812,399	1,696,736	7.8	1,303,437	6.0	9,510,971	43.4	9,255,622	42.2	126,223	0.6
1913...	69	3,519,231	15.8	153,417	0.7	3,550,545	15.1	15,233,406	68.4	22,256,600	1,748,321	7.9	1,674,434	7.5	9,106,927	41.1	9,581,809	42.2	145,109	0.7
1914...	69	3,579,231	14.2	149,721	0.6	5,087,564	20.2	16,360,317	65.0	25,176,533	3,781,743	15.0	1,715,026	6.8	10,488,207	41.6	9,045,595	36.0	146,262	0.8
1915...	72	3,369,231	12.4	141,031	0.5	7,415,588	27.4	16,096,685	59.7	27,022,536	7,116,765	24.5	2,633,288	9.1	11,308,468	39.0	7,543,761	26.1	390,014	1.3
1916...	70	3,269,231	11.3	130,161	0.5	9,693,951	33.4	15,899,049	54.8	28,992,396	7,116,765	24.5	2,633,288	9.1	11,308,468	39.0	7,543,761	26.1	390,014	1.3
1917...	72	3,469,231	10.3	145,907	0.4	11,925,615	35.3	18,297,441	54.0	33,838,189	9,536,511	28.2	2,633,665	6.9	13,771,757	40.6	7,791,103	23.1	389,133	0.9
1918...	74	3,689,231	8.5	157,657	0.4	16,790,339	37.5	23,299,556	53.6	43,436,780	14,059,998	32.4	1,994,800	4.6	18,943,495	36	8,016,640	18.5	386,847	0.9
1919...	76	3,739,231	8.2	154,84	0.3	13,310,164	29.1	28,542,825	62.4	45,747,062	10,959,982	23.9	2,045,999	4.5	20,827,430	45.5	11,512,633	25.2	409,517	0.9
1920...	78	3,739,231	7.3	158,76	0.3	10,926,457	21.4	36,355,856	71.0	51,180,311	8,602,365	16.8	820,740	1.6	23,476,885	45.9	17,825,805	34.8	454,516	0.9
1921...	82	3,909,231	7.3	179,51	0.3	8,905,340	16.8	40,018,828	75.5	53,012,717	6,442,853	12.2	1,992,272	3.8	25,250,523	47.6	18,801,292	35.4	525,777	1.0
1922...	82	4,169,231	7.8	197,1	0.4	7,637,285	14.4	11,026,130	77.4	53,029,753	4,709,498	8.9	1,907,079	3.6	30,370,059	57.3	15,474,095	29.2	576,022	1.1
1923...	84	4,359,231	7.8	255,95	0.5	7,407,112	13.3	43,730,302	78.4	55,822,603	5,225,774	9.4	5,167,889	9.3	27,580,525	49.3	17,239,224	30.9	609,191	1.1
1924...	85	5,331,231	9.9	282,55	0.5	6,508,004	12.0	41,860,437	77.6	53,982,220	5,235,011	9.7	1,498,640	2.8	31,554,324	58.4	15,070,112	27.9	623,133	1.1
1925...	86	5,538,462	11.2	292,19	0.6	6,031,764	12.2	47,630,783	76.0	49,493,204	4,458,813	9.0	621,146	1.3	29,292,351	59.1	14,490,110	29.3	630,764	1.1

* In these years agencies have been included

* In these years agencies have been included.

THE HIBERNIAN BANK, LIMITED.

ESTABLISHED 1825.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.					Reserves, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.			Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends Amount.	Rate.		
£	£	£	£	£	£		£	%	£	%	£	£
2,000,000	500,000	500,000	1,000,000		775,000	1911..	47,870	1.03	30,000	6	18,000	3,318
						1912..	48,671	1.02	30,000	6	18,500	3,490
						1913..	49,182	1.03	30,000	6	20,000	2,672
						1914..	48,349	0.92	30,000	6	15,000	3,021
						1915..	48,235	0.92	30,000	6	17,500	3,754
						1916..	50,124	0.84	30,000	6	21,000	9,379
						1917..	54,208	0.61	32,500	6	21,000	10,087
						1918..	62,106	0.63	35,000	7	27,500	9,692
						1919..	69,604	0.56	40,000	8	45,000	17,296
						1920..	82,992	0.55	40,000	8	47,500	15,288
						1921..	90,021	0.53	45,000	9	58,500	14,229
						1922..	107,422	0.64	47,500	9	49,609	23,081
						1923..	109,959	0.74	50,000	10	56,000	16,759
						1924..	109,278	0.78	50,000	10	42,538	21,168
						1925..	103,197	0.77	56,250	12†		

* Free of income-tax.

LIABILITIES.												ASSETS.											
Year Ended Dec. 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Staff Fund.	Per Cent.	Re- bate.	Per Cent.	Deposit and Current Ac- counts, &c.	Per Cent.	Total Liabi- lities or Assets.	Cash in Hand and at Bankers.	Per Cent.	Invest- ments.	Per Cent.	Bills Dis- counted.	Per Cent.	Loans and Ad- vances.	Per Cent.	Buildings and Sundries.	Per Cent.	
		£		£		£		£		£		£											
1890...	35	500,000	22.3	17,983	0.8	£ 605	0.1	£ 2,893	0.2	1,716,111	76.6	2,239,988	432,346	19.2	252,925	11.3	677,351	30.2	754,423	33.6	122,944	5.7	
1895...	39	500,000	18.3	31,652	1.2	2,245	0.1	7,770	0.3	2,192,394	80.1	2,734,061	251,441	9.2	312,740	11.5	882,026	32.3	1,065,523	38.9	222,331	8.1	
1900...	40	590,000	16.3	23,843	0.7	7,785	0.2	8,890	0.3	2,927,548	82.5	3,558,066	370,566	10.4	401,350	11.3	1,026,513	28.9	1,632,642	45.8	126,995	3.6	
1905...	44	650,000	15.4	26,023	0.6	18,783	0.5	9,589	0.2	3,509,195	83.3	4,213,590	192,370	4.5	695,439	16.5	1,085,809	25.8	2,122,642	50.4	117,330	2.8	
1906...	44	642,500	15.2	22,564	0.5	20,582	0.5	8,232	0.2	3,529,162	83.6	4,223,040	210,280	4.9	767,170	18.1	997,856	23.6	2,104,334	50.0	143,400	3.4	
1907...	44	655,000	15.5	24,481	0.6	22,454	0.6	7,085	0.2	3,509,677	83.1	4,218,697	201,982	4.7	767,170	18.2	892,776	21.1	2,215,871	52.7	140,898	3.5	
1908...	44	660,000	15.6	24,826	0.6	24,228	0.6	7,899	0.2	3,502,062	83.0	4,219,015	312,813	7.4	810,062	19.2	873,927	20.7	2,057,627	50.7	154,886	3.7	
1909...	45	677,500	15.5	22,148	0.5	26,186	0.5	7,348	0.2	3,556,851	83.2	4,320,033	334,490	7.6	1,023,706	23.3	815,914	18.7	2,056,304	46.8	156,339	3.7	
1910...	45	692,500	15.3	19,547	0.4	27,182	0.6	7,326	0.2	3,775,854	83.4	4,722,413	279,451	8.2	1,173,380	26.0	800,581	17.7	2,032,322	46.4	166,679	3.7	
1911...	45	707,500	15.2	20,518	0.4	29,257	0.6	7,688	0.2	3,903,886	83.3	4,732,631	199,159	4.3	1,301,129	27.9	795,466	16.7	2,208,467	47.4	161,428	3.5	
1912...	48	635,000	14.1	18,490	0.4	31,411	0.7	7,197	0.2	4,061,533	84.6	5,433,433	228,327	4.7	1,204,746	25.1	783,701	16.4	2,343,274	50.9	141,583	2.9	
1913...	48	695,000	14.1	17,672	0.4	32,605	0.7	7,218	0.1	4,165,459	84.7	5,471,954	247,953	4.5	1,237,232	25.1	780,193	15.9	2,349,751	47.8	162,205	3.3	
1914...	48	710,000	13.5	18,021	0.3	34,552	0.7	6,293	0.1	4,510,609	85.4	5,279,775	84,005	1.6	1,275,585	24.1	704,826	13.4	2,291,170	44.8	164,545	3.1	
1915...	48	612,500	11.7	18,754	0.4	36,541	0.7	5,872	0.1	4,552,292	87.1	5,225,995	675,971	12.9	1,275,585	24.1	660,798	12.6	2,180,023	36.5	181,402	3.5	
1916...	48	625,000	10.5	25,379	0.4	37,782	0.9	7,176	0.1	5,286,637	88.4	5,981,974	1,503,864	25.2	1,478,102	24.7	518,505	10.3	2,185,083	36.5	186,410	3.5	
1917...	51	635,000	8.4	27,587	0.4	39,251	0.5	7,820	0.1	5,875,297	90.6	6,764,954	1,217,868	20.0	2,687,791	39.0	531,974	7.0	2,106,192	27.7	141,139	2.5	
1918...	52	640,000	6.8	27,152	0.3	40,710	0.5	8,078	0.1	6,056,322	92.2	7,584,956	1,210,497	11.5	2,607,880	34.2	577,138	5.9	2,186,556	28.4	142,071	2.5	
1919	53	630,000	5.4	27,587	0.3	42,190	0.3	5,744	...	11,607,492	94.4	12,592,322	1,485,146	12.0	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1920...	55	680,000	4.5	35,388	0.2	43,693	0.3	12,422	...	14,236,307	94.9	15,554,322	1,743,437	18.2	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1921...	56	710,000	4.2	40,209	0.2	...	...	12,792	...	16,181,223	95.5	17,207,710	1,692,769	10.1	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1922...	58	900,000	5.3	44,229	0.3	...	...	8,772	...	15,937,467	94.3	16,890,468	1,743,437	10.1	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1923...	61	1,048,700	7.0	58,081	0.4	...	...	10,304	...	13,744,588	92.5	14,857,973	1,692,769	10.1	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1924...	61	1,075,000	7.7	54,009	0.4	...	...	12,693	...	12,874,912	91.8	14,016,614	1,692,769	10.1	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
1925...	58	1,100,000	8.2	59,918	0.4	...	...	12,072	...	12,282,453	91.3	13,454,443	1,692,769	10.1	2,638,880	49.0	757,138	5.9	2,186,556	28.4	142,071	2.5	
* Treasury Bills.												† Includes Discounts.											
† Excluding Agency.												‡ Excluding Agency.											

MUNSTER AND LEINSTER BANK, LIMITED. 1885—Assets of Munster Bank, Limited, acquired.

CAPITAL.					Market Value.	PROFITS AND DIVIDENDS.					Reserves, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserve Fund.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends Amount.	Rate.		
£	£	£	£	£	£	1910	49,970	0.80	28,000	14	20,000	10,845
1,250,000	500,000	750,000	1,135,000	1,750,000	£	1911	56,407	0.72	29,533	16	25,000	14,871
						1912	63,385	0.78	27,933	16	35,000	15,323
						1913	60,279	0.63	24,800	16	35,000	15,802
						1914	72,095	0.59	24,750	16	45,000	18,147
						1915	94,179	0.57	24,925	17	70,000	17,401
						1916	123,834	0.56	42,000	20	75,000	24,235
						1917	152,328	0.55	56,000	20	90,000	30,562
						1918	172,832	0.55	56,000	20	110,000	37,394
						1919	182,637	0.57	59,000	20	120,000	41,032
						1920	194,609	0.69	75,833	20	120,000	44,012
						1921	190,727	0.70	82,708	19	105,000	47,031
						1922	189,159	0.72	90,000	18	95,000	46,190

* Free of income-tax. a 9 per cent. tax free.

LIABILITIES.											ASSETS.										
Year Ended Dec. 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Deposit and Current Accounts, Rebates, &c.	Per Cent.	Total Liabili- ties or Assets.	Cash in Hand and with Bankers.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Bills Receivable.	Per Cent.	Advances.	Per Cent.	Premises.	Per Cent.	
		£		£		£		£										£			
1890	48	349,510	15.0	15,422	0.6	1,971,650	84.4	2,336,582	210,677	9.0	136,174	6.0	401,443	17.1	742,401	31.8	795,887	34.8	50,000	2.1	
1895	55	376,000	11.9	17,809	0.6	2,764,050	87.5	3,157,859	278,826	8.8	292,433	9.2	522,612	16.6	824,611	26.1	1,179,420	37.3	59,957	1.9	
1900	56	407,500	9.7	22,086	0.5	3,804,510	89.8	4,334,105	414,326	9.8	675,824	15.9	738,916	17.5	823,701	19.5	1,517,679	35.8	63,659	1.5	
1905	66	441,500	9.1	26,237	0.5	4,402,843	90.4	4,870,580	386,148	8.0	464,965	9.5	1,166,722	23.9	916,706	18.1	1,844,292	38.7	51,747	1.1	
1910	80	520,000	8.4	34,845	0.6	5,649,525	91.0	6,204,370	475,198	7.7	1,175,144	18.9	1,470,499	23.7	887,496	14.3	2,145,407	34.6	50,631	0.8	
1911	82	535,000	8.3	37,589	0.6	5,871,670	91.1	6,444,359	489,043	7.6	1,112,771	17.3	1,581,284	24.5	917,223	14.2	2,286,132	35.5	57,900	0.9	
1912	84	545,000	8.1	41,126	0.6	6,119,058	91.2	6,705,184	469,799	7.0	963,836	14.4	1,622,835	24.2	965,277	14.4	2,619,197	39.4	64,240	1.0	
1913	87	530,000	7.2	38,063	0.5	6,766,711	92.3	7,334,774	520,944	7.1	1,303,236	17.8	1,710,299	23.3	979,620	13.4	2,749,069	37.4	71,606	1.0	
1914	94	542,500	7.0	41,904	0.5	7,208,716	92.5	7,793,120	545,165	7.0	1,323,942	17.1	1,766,968	22.7	994,766	12.8	2,780,181	35.6	78,198	1.0	
1915	100	520,000	6.4	48,923	0.5	7,569,544	93.0	8,138,467	1,426,948	17.5	399,188	4.9	2,440,579	30.0	941,451	11.6	2,850,559	35.0	79,742	1.0	
1916	102	500,000	5.2	27,802	0.5	9,058,512	94.5	9,586,314	1,399,504	14.6	458,788	4.8	2,387,896	24.9	* 3,324,842	25.0	2,863,255	29.8	84,029	0.9	
1917	111	515,000	4.2	55,897	0.5	11,714,416	96.3	12,285,313	1,591,479	12.9	1,550,000	12.6	2,942,012	18.2	* 3,725,182	25.3	3,091,838	25.3	84,789	0.7	
1918	120	600,000	3.6	30,000	0.2	15,916,897	96.2	16,546,897	2,349,073	14.2	1,000,000	6.0	6,047,732	36.6	* 3,380,445	20.4	3,684,775	22.3	84,871	0.5	
1919	137	1,300,000	5.9	52,235	0.2	20,504,443	93.9	21,956,678	2,151,844	9.8	1,602,101	7.3	7,438,798	34.0	* 4,779,277	21.8	5,892,809	26.7	91,849	0.4	
1920	145	1,300,000	4.7	58,562	0.2	26,351,085	95.1	27,709,647	2,648,123	9.5	2,618,599	9.1	7,356,362	26.6	* 4,669,537	16.9	10,306,871	37.4	111,155	0.4	
1921	146	1,300,000	4.2	65,394	0.2	29,676,438	95.6	31,041,832	2,992,716	7.2	1,450,000	4.6	11,997,515	37.7	* 4,281,751	13.5	11,395,274	36.1	287,047	0.9	
1922	184	1,500,000	5.5	82,345	0.3	26,566,182	94.2	28,198,527	2,015,975	7.2	1,020,902	3.6	10,538,060	37.4	1,816,452	6.4	12,496,288	44.3	310,850	1.1	
1923	186	1,550,000	6.0	92,031	0.3	25,391,429	93.7	27,118,460	1,883,898	7.0	530,000	1.9	9,618,046	35.5	1,760,189	6.9	12,990,794	47.9	335,533	1.2	
1924	194	1,700,000	6.5	91,190	0.3	24,541,240	93.2	26,332,430	1,638,536	6.1	701,114	2.7	9,866,072	34.4	1,715,619	8.5	12,876,531	49.0	336,158	1.3	

* Includes Treasury Bills.

† June 30.

THE NATIONAL BANK LIMITED.

ESTABLISHED 1835.

CAPITAL.					Market Value.	PROFITS AND DIVIDENDS.					Reserves, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserve Fund.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends Amount.	Rate.		
£	£	£	£	£	£	1911	183,761	1.07	148,312	10	37,000	20,282
7,500,000	1,500,000	1,000,000	5,000,000	2,962,500	£	1912	193,932	1.13	141,250	10	50,000	23,184
						1913	188,556	1.04	141,250	10	50,000	20,491
						1914	207,485	1.06	138,438	10	65,000	24,538
						1915	258,957	1.21	130,001	10	130,000	23,494
						1916	183,885	0.81	116,250	10	70,000	21,129
						1917	224,968	0.84	112,500	10	110,000	23,617
						1918	273,568	0.80	128,250	12	145,000	24,113
						1919	243,577	0.58	126,000	12	115,000	26,790
						1920	256,940	0.55	126,000	12	140,000	27,714
						1921	265,890	0.53	126,000	12	140,000	27,714
						1922	292,514	0.60	132,750	12	140,000	27,604
						1923	366,978	0.80	162,281	12	160,000	27,364
						1924	366,587	0.83	176,750	14	187,000	28,134
						1925	364,585	0.85	185,937	14	180,000	29,619

Authorised note issue, £852,269.

LIABILITIES.														Total Liabilities or Assets.	ASSETS.													
Year Ended Dec. 31.	Number of Offices.	Capital and Res- erves.	Per Cent.	Notes.	Per Cent.	Accept- ances.	Per Cent.	Rebate.	Per Cent.	Deposit and Current Ac- counts.	Per Cent.	Cash in Hand and at Bank.	Per Cent.		Cash at Call and Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Dis- counts and Ad- vances.	Per Cent.	Buildings & Sundries, including Cover for Acceptances.	Per Cent.						
		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$								
1890	104	1,753,438	12.9	1,418,243	10.4	274,400	2.0	14,124	0.1	10,058,151	73.9	13,611,654	1.3	1,835,926	13.5	1,891,826	13.9	7,467,799	54.9	581,474	4.3							
1895	104	1,750,522	13.0	1,147,505	8.4	313,100	2.3	12,554	0.1	10,354,473	75.4	13,698,205	1.7	1,750,446	12.8	1,949,052	14.9	7,708,768	58.3	619,090	4.6							
1900	110	1,945,000	13.2	1,206,161	8.2	156,642	1.1	12,166	0.1	11,252,725	76.6	14,690,623	1.6	1,691,189	11.5	2,590,376	17.6	7,510,444	56.3	481,514	3.3							
1905	127	2,080,000	13.3	1,039,345	6.8	141,900	1.0	11,652	0.1	11,869,897	78.2	15,194,354	1.8	1,582,945	10.4	2,004,373	13.1	7,530,653	56.3	481,514	3.3							
1910	134	2,080,000	12.3	1,255,023	7.4	105,908	0.6	10,025	0.1	11,371,271	78.8	16,926,968	1.9	1,696,968	12.1	2,448,285	14.8	7,446,285	54.8	446,399	3.0							
1911	134	2,110,000	12.3	1,187,042	6.9	202,448	1.2	9,626	0.1	11,573,888	79.1	17,186,132	2.0	2,009,051	11.7	2,616,966	15.3	7,406,739	54.0	403,384	2.4							
1912	136	1,900,000	11.1	1,206,957	7.0	194,764	1.1	9,924	0.1	11,569,729	80.7	17,120,183	2.0	2,036,129	11.9	2,427,914	14.2	7,320,451	53.6	497,691	2.4							
1913	143	1,900,000	10.5	1,344,039	7.4	197,525	1.1	9,852	0.1	11,446,741	80.6	18,063,274	2.1	2,244,882	12.4	3,147,883	17.4	7,360,769	53.1	486,988	2.3							
1914	153	1,925,000	9.9	1,887,335	9.7	304,233	1.6	9,870	0.1	11,528,330	78.4	19,537,875	2.2	2,924,852	15.0	2,997,505	15.4	7,267,422	53.7	487,227	2.3							
1915	155	2,030,000	9.5	2,306,267	10.8	175,000	0.8	8,160	0.1	16,718,543	78.2	21,384,277	2.3	3,384,277	15.0	3,777,341	19.3	7,103,343	52.8	600,897	2.1							
1916	156	2,115,000	9.3	2,774,009	12.1	225,000	1.0	122,739	0.3	21,421,130	77.1	22,607,511	2.2	3,654,296	17.0	4,377,341	19.8	6,627,640	21.6	1,219,118	4.7							
1917	183	2,240,000	8.3	2,778,116	12.4	452,497	1.7	129,867	0.3	21,333,322	79.3	26,913,802	2.4	4,469,544	16.6	6,588,750	24.4	6,544,933	26.9	526,532	2.3							
1918	199	2,345,000	6.8	2,338,154	9.4	277,600	0.8	157,113	0.5	28,770,257	82.5	34,288,124	3.4	4,791,897	14.0	12,441,504	36.3	4,902,230	14.3	755,919	2.3							
1919	222	2,460,000	5.8	2,365,871	10.3	523,280	1.2	159,790	0.2	34,825,774	82.5	42,334,715	3.6	6,318,733	14.9	12,976,920	30.6	6,587,810	15.3	1,450,725	3.3							
1920	232	2,480,000	5.1	2,367,728	8.1	531,000	1.1	160,714	0.3	34,706,785	85.4	49,486,427	4.2	6,023,068	12.8	12,668,874	29.8	12,490,285	27.6	1,421,489	3.7							
1921	250	2,480,000	4.9	2,043,190	6.0	499,881	1.0	160,854	0.3	43,899,535	85.4	58,899,352	4.1	8,414,158	9.5	7,994,090	15.8	15,381,693	30.4	1,578,454	42.2							
1922	244	2,500,000	5.1	2,794,445	5.6	217,725	0.4	179,869	0.4	43,472,962	88.7	60,437,962	4.8	7,437,931	9.1	8,919,219	22.0	19,354,033	41.2	1,060,143	21.1							
1923	258	2,650,000	5.8	2,908,466	6.4	nill.	—	210,415	0.4	39,731,141	87.0	45,652,022	4.8	8,481,629	9.2	9,440,591	17.5	17,574,712	39.2	1,363,862	42.5							
1924	262	2,725,000	6.1	3,130,841	6.1	nill.	—	216,346	0.5	38,340,893	86.3	44,113,080	4.2	8,424,903	9.1	9,384,961	17.6	18,406,510	36.9	1,279,933	41.5							
1925	262	2,725,000	6.1	3,130,841	6.1	nill.	—	210,431	0.5	35,962,819	85.3	43,092,328	3.9	8,922,938	9.1	9,199,265	17.5	17,584,274	36.4	1,840,663	42.7							
1926	260	2,785,000	6.5	3,034,079	7.0	100,000	0.2													885,191	2.1							
* Undivided Profits.														Includes Treasury Bill.														
														† Same.														

Provincial Bank of Ireland, Limited—Continued from page 20.

Year Ended Dec. 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Cash in Hand and at Bank.	Per Cent.		Cash at Call and Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Discount and Advances including Treasury Bills.	Per Cent.	Premises.	Per Cent.		
1890	57	£714,000	12.5	£33,154	0.6	£850,406	14.8	£4,138,053	72.1	£5,735,613	47.4	367	8.3	£776,109	13.5	£1,400,782	24.4	£2,351,658	51.3	£142,597	2.5	
1895	61	765,000	12.7	35,172	0.5	779,770	12.2	4,509,153	74.6	6,049,095	48,613	8.1	802,543	13.3	1,870,384	30.9	2,759,044	43.6	136,211	2.1		
1900	70	848,000	13.2	45,160	0.7	779,844	12.1	4,742,902	74.0	6,415,906	47.2	754	7.4	915,000	14.2	1,500,484	23.4	3,425,337	53.4	100,441	1.6	
1905	74	905,000	13.6	45,572	0.7	700,524	10.7	4,928,910	75.0	6,580,006	34.9	104	5.3	525,000	8.0	1,804,159	27.4	3,787,747	57.6	113,996	1.7	
1910	82	900,000	12.3	46,423	0.6	737,628	10.1	5,608,973	77.0	7,293,024	35.8	470	5.0	529,062	7.2	2,327,788	32.0	3,790,751	54.4	106,953	1.4	
1915	84	900,000	11.1	45,658	0.6	790,530	9.7	6,427,172	78.6	8,163,360	68.0	546	8.3	475,000	5.8	2,153,423	26.5	4,752,497	58.2	101,894	1.2	
1920	90	915,000	10.3	51,629	0.6	1,151,927	13.0	6,752,422	76.1	8,870,978	1,045	881	11.8	439,900	4.9	2,483,434	28.0	7,198,836	54.1	102,927	1.2	
1925	114	955,000	6.3	43,243	0.3	2,264,951	15.0	11,816,699	78.4	15,079,893	2,120	873	14.0	945,270	6.3	5,790,235	38.4	6,121,281	40.6	102,234	0.7	
1926	120	975,000	5.4	41,340	0.2	2,305,557	12.8	14,802,721	81.6	18,124,618	2,314	460	12.7	1,105,000	6.1	6,591,207	36.3	7,994,247	44.2	119,704	0.7	
1927	129	990,000	4.9	50,295	0.2	2,058,690	10.2	17,110,155	84.7	20,203,140	2,122	742	10.5	1,560,000	7.7	6,683,089	33.0	9,696,661	48.1	146,648	0.7	
1928	131	1,005,000	4.8	74,377	0.4	1,558,622	9.3	17,890,594	85.2	20,928,593	1,988	272	9.5	1,085,000	5.2	6,751,576	32.2	10,931,816	52.3	171,929	0.8	
1929	131	1,040,000	5.0	69,628	0.3	1,970,232	9.5	17,970,432	84.7	20,928,593	1,988	272	9.5	1,085,000	5.2	6,751,576	32.2	10,931,816	52.3	171,929	0.8	
1930	132	1,070,000	5.7	72,253	0.4	1,970,232	9.5	17,970,432	84.7	20,928,593	1,988	272	9.5	1,085,000	5.2	6,751,576	32.2	10,931,816	52.3	171,929	0.8	
1931	132	1,090,000	6.0	74,470	0.4	1,637,517	9.1	15,283,477	84.5	18,085,464	1,254	425	6.9	360,000	2.0	6,913,907	38.3	9,390,508	51.7	197,592	1.1	
1932	133	1,110,000	6.3	77,020	0.4	1,624,434	9.2	14,865,061	84.1	17,676,514	1,144	925	6.5	360,000	2.0	7,035,220	39.8	8,936,242	50.6	200,127	1.1	

June 30.

* June 30.

ROYAL BANK OF IRELAND.
ESTABLISHED 1836.

										PROFITS AND DIVIDENDS.						
CAPITAL				Market.		Year	Net	Per Cent.	Dividends	Reserves	Carried					
Subscribed.	Paid-up.	Callable.	Reserved.	Value.	Ended	Profits.	of	Amount.	&c.	Forward						
£	£	£	£	£	Aug. 31.	£	Resources.	%	£	£						
					1910..	36,120	1.53	36,000	*12	1,500	13,055					
					1911..	36,257	1.47	31,075	11	5,000	13,237					
					1912..	57,149	1.50	29,662	10½	7,500	13,224					
					1913..	39,201	1.58	28,250	10	11,000	13,176					
					1914..	38,038	1.47	28,188	10	10,000	13,026					
					1915..	42,187	1.55	26,750	10	15,000	13,463					
1,500,000	300,000	300,000	900,000	382,500	1916..	37,576	1.46	23,875	10	14,000	13,164					
					1917..	38,686	1.02	22,500	10	11,000	8,350					
					1918..	36,367	1.02	21,875	10	14,500	8,342					
					1919..	45,159	1.22	16,800	8	30,399	6,393					
					1920..	48,293	1.02	16,800	8	31,003	6,849					
					1921..	50,165	1.01	18,900	9	32,299	6,849					
					1922..	54,011	1.03	21,900	10	32,004	9,596					
					1923..	67,268	0.83	22,500	10	43,019	7,705					
					1924..	78,388	1.00	23,025	10	54,000	9,068					
					1925..	73,842	1.01	23,613	10	59,000	9,298					
					1926..	70,531	0.96	24,125	10	45,000	10,704					

(2) AFRICAN BANKS.

BANK OF BRITISH WEST AFRICA, LIMITED.
REGISTERED 1894.

CAPITAL					Market Value. £	Year Ended March 31.	Net Profit. £	Dividend. %	To Reserves, &c. £	Carried Forward £
Subscribed. £	Paid-up. £	Callable. £	Reserved. £							
3,000,000	1,200,000	300,000	1,500,000	1,200,000						
Per Share. £10	Per Share. £4	Per Share. £1	Per Share. £5	Per Share. £4						
In August, 1920, 200,000 new shares of £10 each, of which 100,000 (£4 paid), were allotted in equal proportions to the Westminster Bank Limited, the National Provincial Bank Limited, and the Standard Bank of South Africa, Limited.										

THE LONDON ASSURANCE

A.D. 1720

FIRE
MARINELIFE
ACCIDENTASSETS EXCEED
£11,000,000THIRD CENTURY OF
ACTIVE BUSINESS.1, KING WILLIAM STREET, E.C.4.
Marine Dept.: 7, ROYAL EXCHANGE, E.C.3.LIFE BONUS 1925—Compound Reversionary addition of £2% per annum.
BRANCHES AND AGENCIES THROUGHOUT THE WORLD. APPLICATIONS FOR AGENCIES INVITED.REFUGE
ASSURANCE
COMPANY
LIMITEDChief Office:
Oxford Street, Manchester.(For the Year ending
December 31st, 1925.)Annual Income Exceeds - £8,500,000
Assets Exceed - - - £32,000,000
Claims Paid Exceed - - £46,000,000THE STANDARD LIFE
ASSURANCE COMPANYIS issuing a new Non-Profit Policy under its
"Security System of Guaranteed Life Assur-
ance" which is the last word in modern Life
Assurance.

Principal Features.

- (a) A Very low rate of Premium.
- (b) Guaranteed Surrender Values.
- (c) Guaranteed Loan Values.
- (d) Guaranteed Paid Up Policy Values.

(These values are exceptionally liberal and compare
favourably with those of other Companies which
are not guaranteed. They are inserted in the
Policy.)

(e) Five guaranteed Options as to the method

of drawing the Sum Assured, viz. :—

(1) Sum may be left with Company and

in interest income drawn till required.

(2) Equal Annual Instalments for a fixed

number of years.

(3) Part in Cash and balance as in 2.

(4) Part in Cash and balance in monthly

NATIONAL BANK OF SOUTH AFRICA, LIMITED.

REGISTERED 1890.

Now Barclays Bank (Dominion, Colonial & Overseas), Ltd., and amalgamated with Colonial Bank and Anglo-Egyptian Bank, Ltd.

Absorbed Bank of Africa, established 1879, as from January 1, 1912. Capital increased by £1,250,000.
Absorbed National Bank of Orange River Colony, Limited, established 1877. Absorbed Natal Bank, L., October, 1914.
Capital increased by £650,000.

Year ended March 31.	Capital and Reserves.	Per Cent.	Undivided Profits.	Per Cent.	Notes.	Per Cent.	Bills Receivable, Miscellaneous Credits, Rebates, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand at Bank, at Call & Short Notice, & Re-mittances in Transit.	Per Cent.	Investments.	Per Cent.	Bills Purchased and Current.	Per Cent.	Bills Discounted, Loans, &c.	Per Cent.	Buildings and Sundries, including Bills for Collection.	Per Cent.
1893	£ 505,783	24.9	42,503	2.1	99,372	4.9	169,170	8.3	1,216,585	59.8	2,033,413	955,180	47.0	£ 13,664	0.7	219,598	10.8	745,090	36.6	99,881	4.9
1894	26 763,700	12.8	50,069	0.8	315,298	5.3	203,677	3.4	4,639,307	77.7	5,972,051	3,401,084	57.0	714,225	12.0	277,156	4.7	1,456,266	24.3	123,320	2.0
1895	361 148,900	40.5	61,932	2.2	278,558	9.8	190,132	6.7	1,156,460	40.8	2,836,162	779,867	20.5	596,700	21.0	36,344	1.3	1,407,967	49.6	123,280	2.0
1906	621 230,000	12.2	75,796	0.8	292,075	2.9	795,492	7.9	7,654,360	76.2	10,047,723	3,199,525	31.8	731,388	7.3	1,278,015	12.6	4,404,174	44.0	434,621	4.3
1910	1191 150,000	8.8	128,852	1.0	458,473	3.5	1,208,423	9.2	10,135,013	77.5	13,080,761	4,829,981	30.8	653,206	5.1	1,240,074	9.5	5,570,358	42.6	1,577,141	12.0
1911	1331 170,000	8.5	168,808	1.2	521,424	3.8	1,469,251	10.7	10,437,603	75.8	13,767,086	3,281,236	23.8	646,867	4.7	1,417,449	12.2	11,191,546	49.2	3,453,099	15.2
1912	1812 270,000	12.0	265,334	1.2	810,245	3.6	3,155,306	13.8	15,814,576	69.4	22,765,461	4,471,614	19.6	875,870	3.8	2,773,332	10.3	6,615,163	48.1	1,806,311	13.1
1914	1812 280,000	11.8	328,685	1.4	793,130	3.3	3,378,154	14.0	16,675,284	69.5	24,025,253	4,993,271	20.7	1,052,709	4.4	3,159,660	13.2	11,191,546	49.2	3,453,099	15.2
1915	208 3,307,420	11.7	114,058	0.4	1,163,741	4.1	3,495,781	12.4	20,225,422	71.4	28,304,422	7,391,029	26.0	1,378,527	4.9	2,293,874	8.1	13,406,667	47.4	3,540,396	14.7
1916	225 3,315,040	10.2	137,935	0.4	1,296,283	3.8	4,616,796	14.2	23,157,244	71.8	32,471,298	6,032,578	18.6	3,299,550	10.2	4,462,934	13.8	14,227,832	43.7	3,434,325	13.6
1917	243 3,376,000	8.7	334,634	0.9	1,789,387	4.6	5,872,832	15.2	27,246,501	70.6	38,618,354	7,477,844	19.3	3,292,030	8.5	5,557,203	13.9	17,158,664	44.5	5,332,613	13.8
1918	316 3,550,000	7.7	316,236	0.7	2,585,925	5.6	7,409,472	16.2	32,138,307	69.8	45,999,940	8,555,236	18.6	4,756,491	10.4	8,003,548	17.4	18,129,107	49.3	6,555,558	14.3
1919	329 3,715,000	6.5	387,808	0.7	3,070,263	5.3	9,775,068	17.0	40,521,779	70.5	57,469,916	10,274,446	17.9	4,774,649	8.3	9,209,711	16.0	24,369,801	42.4	8,841,309	15.4
1920	476 4,015,000	4.6	436,625	0.5	3,270,152	5.0	16,723,051	19.2	61,323,019	70.7	86,824,707	13,761,094	15.8	12,185,351	14.0	14,429,515	16.7	32,961,033	38.0	13,487,714	15.5
1921	476 4,215,000	5.9	263,481	0.4	4,526,132	6.3	14,925,349	20.8	48,045,810	66.6	71,975,772	12,440,414	17.3	3,756,770	5.2	8,389,332	12.4	33,332,024	46.3	13,484,232	18.8
1922	418 3,965,000	6.5	74,825	0.1	4,426,098	7.2	11,536,625	18.6	41,502,959	67.6	61,505,507	14,116,547	22.9	4,387,398	7.1	5,780,300	9.4	33,332,024	46.3	13,484,232	18.8
1923	392 3,965,000	5.3	75,136	0.1	548,264	1.0	12,635,853	22.6	39,551,834	71.0	55,776,087	11,787,927	21.1	7,660,326	13.8	4,676,597	8.4	21,985,182	39.4	9,666,055	17.3
1924	280 2,075,500	4.6	228,127	0.5	386,755	0.8	8,797,111	19.4	33,967,278	74.7	45,454,771	11,756,651	25.9	6,584,853	14.5	2,483,754	5.5	16,171,072	35.5	8,458,441	18.6
1925	275 2,205,500	5.1	244,411	0.6	244,228	0.6	8,839,793	20.5	31,514,419	73.2	43,068,351	10,168,996	23.6	4,501,645	10.5	4,523,346	10.5	15,377,412	35.7	8,496,952	19.7

* March 31.

STANDARD BANK OF SOUTH AFRICA, LIMITED.

ESTABLISHED 1862.

1920—Absorbed African Banking Corporation.

Subscribed.	Paid-up.	Callable.	Reserved.	Market Value, Sept. 30, 1926.	Year ended Dec. 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
£ 8,916,660	2,229,165	6,687,495	NIL	6,130,200	1916	259,823	14	30,000	100,062
					1917	406,712	15	65,000	204,333
					1918	540,358	16	290,000	199,183
					1919	634,074	16	355,000	210,446
					1921*	759,377	16	350,000	206,725
					1922 (Mar. 31)	502,313	16	150,000	191,226
					1923 (Mar. 31)	388,825	14	150,000	117,967
					1924 (Mar. 31)	456,397	14	150,000	112,281
					1925 (Mar. 31)	508,952	14	200,000	105,150
					1926 (Mar. 31)	570,989	16	200,000	112,326

* Fifteen months to March 31.

Year ended June 30.	Capital and Reserves.	Per Cent.	Notes.	Per Cent.	Drafts Outstanding and Acceptances.	Per Cent.	Customers' Bills.	Per Cent.	Deposits and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand, at Bank, and in Transit.	Per Cent.	Cash and Loans at Short Notice.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Bills for Collection, Property, Buildings, & Sundries.	Per Cent.
1890	70 1,635,018	12.6	861,290	6.6	103,410	0.8	2,332,651	18.0	8,041,074	62.0	12,973,443	3,099,477	23.8	..	..	1,292,070	10.0	8,383,675	64.7	196,221	1.5
1900	98 2,407,670	10.8	1,260,076	5.9	705,940	3.3	1,884,700	8.8	14,884,220	69.8	21,312,600	5,250,552	24.7	1,845,000	8.7	2,748,038	12.9	9,236,922	43.2	2,233,088	10.5
1905	149 3,545,575	11.4	1,077,649	3.5	1,276,969	4.1	3,025,676	9.8	21,835,265	70.5	30,334,663	5,023,310	16.2	3,391,953	11.0	4,176,434	13.5	14,993,718	48.5	3,350,248	10.8
1910	159 3,448,525	13.0	1,084,822	4.1	1,503,015	5.7	2,638,164	9.9	17,690,565	66.8	26,509,191	4,153,805	15.7	2,363,269	8.9	2,998,622	11.3	13,798,629	52.1	3,194,866	12.0
1913	190 3,538,525	11.9	1,151,110	3.9	1,102,309	3.7	2,704,953	9.1	21,058,240	71.9	29,724,123	5,024,035	16.9	1,409,033	4.7	2,716,931	9.1	17,368,190	57.9	3,205,934	10.8
1914	196 3,548,525	11.8	1,069,233	3.6	1,058,381	3.4	2,690,289	9.0	21,560,485	72.2	29,926,913	4,485,988	15.0	2,846,059	9.5	2,645,335	8.8	16,703,295	55.9	3,248,236	10.8
1915	197 3,548,525	10.8	1,221,080	3.7	1,009,991	3.1	2,500,719	7.0	24,761,236	75.4	32,841,551	5,457,828	16.6	3,722,244	11.3	3,132,031	9.9	17,584,821	53.6	2,944,627	9.0
1916	198 3,548,525	10.1	1,269,797	3.6	1,200,094	3.4	2,604,922	8.0	26,243,681	74.9	35,066,999	5,076,161	14.3	2,072,092	5.9	3,961,042	11.3	20,520,134	58.7	3,437,570	9.8
1917	211 3,548,525	8.9	1,759,422	4.4	1,420,594	4.0	3,402,350	9.6	29,596,591	74.5	39,727,420	4,275,911	10.8	2,459,371	6.2	3,755,717	9.4	25,207,800	63.5	4,028,621	10.1
1918	255 3,548,525	7.0	2,502,810	5.1	1,938,249	5.4	4,756,524	13.4	37,534,654	74.8	50,300,755	6,860,226	13.6	3,311,246	6.6	4,069,781	8.1	30,732,075	61.1	5,327,497	10.6
1919	325 3,762,500	6.1	1,119,112	2.9	1,478,180	3.5	7,658,602	10.9	52,010,266	74.2	70,102,909	8,689,535	14.1	3,829,552	6.2	4,369,140	7.1	37,471,534	61.4	6,874,823	11.2
1920	384 3,762,500	5.4	1,193,361	2.6	1,360,333	3.6	8,081,548	11.7	57,739,579	74.0	77,913,302	11,190,343	14.4	3,491,924	5.0	4,390,113	6.2	42,818,258	61.1	8,322,870	11.9
1921	400 5,122,500	6.6	4,609,342	5.9	2,476,180	1.8	7,763,111	11.0	52,521,937	74.2	70,649,377	11,812,236	16.7	2,947,286	4.7	5,110,110	7.3	41,935,570	59.4	10,615,667	12.9
1922	370 5,122,500	7.3	4,207,800	6.0	1,634,029	1.6	7,635,111	11.0	52,521,937	74.2	70,649,377	11,812,236	16.7	2,947,286	4.7	5,110,110	7.3	41,935,570	59.4	10,615,667	12.9
1923	350 5,122,500	8.0	722,191	1.1	2,151,362	3.3	5,937,239	10.8	48,946,880	76.1	64,254,180	7,284,541	11.3	3,051,269	4.7	5,110,110	7.3	41,935,570	59.4	10,615,667	12.9
1924	325 5,122,500	8.2	601,334	0.9	1,684,321	2.7	6,285,809	10.1	48,518,049	77.5	62,580,335	7,131,899	11.4	3,100,000	5.0	5,103,817	8.1	38,100,814	60.9	9,143,806	14.6
1925	327 5,122,500	8.4	474,593	0.8	1,879,756	3.7	6,483,566	10.6	47,031,133	76.7	61,381,739	8,542,042	13.9	2,830,000	4.6	5,102,395	8.3	37,116,323	60.5	7,790,979	12.7
1926	339 5,122,500	7.9	480,697	0.7	2,263,927	3.5	7,354,016	11.3	49,416,327	76.1	65,086,464	7,005,264	10.8	3,180,000	4.9	5,065,268	7.8	41,176,603	63.2	8,639,869	13.3

* Includes cash at bankers.

† March 31.

NETHERLANDS BANK OF SOUTH AFRICA.

REGISTERED 1888.

May 1925—Amalgamated with Transvaal Commercial Bank.

CAPITAL					Year.	Net Profit.	Dividend.	To Reserve,	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.			£	%	£.	£
£	£	£	£						
468,542	468,542	Nil.	Nil.		1913	13,173	4	3,900	285
					1916	18,497	5	6,000	497
					1917	17,911	5	5,584	327
					1918	17,595	5	5,250	345
					1919	21,359	5	8,147	655
					1920	30,253	5	16,397	2,788
					1921	24,888	4	12,500	1,380
					1922	23,965	4	15,833	715
					1923	21,813	5	10,417	
					1924	27,105	5	15,541	
					1925	46,463	5		
Shares.	Per Share.	Per Share.	Per Share.	Per Share.					
4,000	£80	£60	Nil.	Nil					
5,495	£41/13/4	£41/13/4							

Netherlands Bank of South Africa—Continued from page 24.

Year Ended December 31.	Number of Branches.	LIABILITIES.										ASSETS.									
		Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Bills for Collection, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand, with Bankers, and Money at Call.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings and Sundries, including Bills for Collection.	Per Cent.	Per Cent.
1903 ..	6	435,393	41.5	44,048	4.2	26,380	2.5	95,240	9.1	445,247	42.7	1,046,308	174,753	16.6	26,589	2.5	707,301	67.8	137,665	13.1	
1905 ..	8	444,351	41.8	27,409	2.6	26,045	2.4	54,779	5.1	511,150	48.1	1,063,714	178,550	16.8	53,630	5.0	734,967	79.2	96,566	9.0	
1910 ..	8	257,000	28.1	13,287	1.4	21,434	2.3	50,006	5.5	573,942	62.7	915,669	250,174	27.4	57,114	6.2	473,217	51.7	135,164	14.7	
1911 ..	8	260,000	28.5	16,689	1.8	22,639	2.5	51,017	5.6	562,364	61.6	912,693	230,872	25.2	57,257	6.3	513,488	56.4	111,082	12.1	
1912 ..	8	264,000	32.5	16,162	1.8	23,110	2.6	61,741	7.6	448,010	55.1	813,023	142,624	17.6	60,321	7.4	479,708	58.9	130,371	16.1	
1913 ..	8	267,000	32.5	13,785	1.7	24,147	2.9	88,443	10.7	428,940	52.2	822,315	150,061	18.2	55,480	6.7	471,217	57.5	145,557	17.6	
1914 ..	8	268,400	35.0	10,257	1.3	21,857	2.9	72,518	9.5	393,295	51.2	766,327	338,197	44.1	52,725	6.9	251,439	32.9	123,966	16.1	
1915 ..	12	268,400	32.8	12,690	1.5	19,677	2.4	83,875	10.3	433,143	53.0	817,785	319,329	39.0	82,173	10.1	285,348	35.0	130,935	15.9	
1916 ..	12	270,400	29.8	18,497	2.0	22,357	2.5	97,980	10.8	497,383	54.9	906,617	274,321	30.1	84,750	9.4	404,686	44.5	142,846	15.8	
1917 ..	12	273,733	25.5	17,911	1.7	32,154	3.0	92,298	8.6	652,392	61.2	1,068,488	312,094	29.1	148,041	13.8	474,298	44.5	134,065	12.6	
1918 ..	12	276,650	24.1	17,595	1.5	50,039	4.5	126,451	11.0	677,192	59.1	1,147,927	324,910	28.1	84,582	7.4	575,345	50.2	163,090	14.3	
1919 ..	16	278,567	16.6	30,253	1.8	108,975	6.4	125,602	13.3	1,052,403	61.9	1,558,304	594,030	38.3	62,256	4.0	711,053	45.5	190,965	12.2	
1920 ..	16	281,567	16.6	30,253	1.8	108,975	6.4	125,602	13.3	1,052,403	61.9	1,558,304	594,030	38.3	62,256	4.0	711,053	45.5	190,965	12.2	
1921 ..	17	300,861	17.4	26,753	1.5	11,322	0.6	190,764	11.0	1,208,151	69.5	1,741,392	594,030	38.3	62,256	4.0	711,053	45.5	190,965	12.2	
1922 ..	18	303,412	17.4	26,753	1.5	11,322	0.6	190,764	11.0	1,208,151	69.5	1,741,392	594,030	38.3	62,256	4.0	711,053	45.5	190,965	12.2	
1923 ..	18	303,412	17.4	26,753	1.5	11,322	0.6	190,764	11.0	1,208,151	69.5	1,741,392	594,030	38.3	62,256	4.0	711,053	45.5	190,965	12.2	
1924 ..	18	315,096	15.0	27,820	1.3	..	..	271,893	13.0	1,482,663	70.7	2,097,472	315,622	15.0	70,394	3.7	1,096,887	62.8	251,108	14.4	
1925 ..	19	625,625	21.7	36,830	1.3	..	..	252,183	8.7	1,974,787	68.3	2,889,425	450,241	15.6	145,601	5.0	2,088,915	72.3	204,668	7.1	

* Includes remittances in transit.

(3) AUSTRALASIAN BANKS.

AUSTRALIAN BANK OF COMMERCE, LIMITED.

In 1909 acquired the business of the Australian Joint Stock Bank, founded in 1853.
In 1917 purchased City Bank of Sydney.

CAPITAL.					Market Value.	Year Ended June 30.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
1,840,000	1,840,000	Nil.	Nil.	3,105,000	1917	62,477	4	20,000	11,759	
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	1918	80,255	5	25,000	19,067	
£1	£1	Nil.	Nil.	£1 1/2	1919	97,255	5	30,000	26,389	
					1920	118,390	5	50,000	26,389	
					1921	139,578	6	60,000	30,391	
					1922	137,195	7	50,000	33,587	
					1923	140,678	7	50,000	40,265	
					1924	143,253	7	50,000	49,518	
					1925	180,766	7 1/2	60,124	54,560	
					1926	207,943	8	60,000	55,303	

Inscribed deposits, £200,962.

Reserve fund, £790,000.

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabili- ties or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- lanous Credits, Rebate, &c	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash and Notes in Hand, at Bankers,at Short Call.	Per Cent.	Bills Re- ceivable in London and Remitt'g no's in Transit.	Per Cent.	Invest- ments.	Per Cent.	Discounts, Loans, and Advances.	Per Cent.	Buildings and Sundries.	Per Cent.
1910 ..	76	£ 2,817,194	52.6	£ 12,111	0.2	£ 79,447	1.5	£ 324,001	6.0	£ 2,145,794	39.7	£ 5,378,547	854,800	15.9	..	..	£ 119,700	2.2	£ 3,966,168	73.7	£ 437,679	8.2
1913 ..	79	2,912,492	49.6	21,931	0.4	2,540	..	391,332	6.7	2,527,992	43.3	5,856,287	1,225,223	21.0	181,494	3.1	75,500	1.3	3,864,629	65.9	509,441	8.7
1914 ..	85	2,893,991	46.3	21,020	0.3	1,428	..	340,471	5.5	2,980,821	47.9	6,237,731	1,449,376	23.2	264,272	4.2	72,200	1.2	4,090,774	65.6	361,109	5.8
1915 ..	87	2,875,520	46.0	20,489	0.3	964	..	346,117	5.5	3,016,323	48.2	6,259,412	1,385,125	22.1	286,784	4.6	146,548	2.3	4,068,718	65.1	372,237	5.9
1916 ..	87	2,857,839	43.5	23,203	0.3	710	..	313,598	7.8	3,192,090	48.4	6,587,440	1,188,442	18.1	348,099	5.3	241,468	3.7	4,434,808	67.2	374,623	5.7
1917 ..	87	2,838,795	41.6	29,739	0.4	605	..	338,398	5.7	3,540,862	52.3	7,736,399	1,338,488	17.7	273,380	4.0	264,138	3.9	4,551,995	67.0	370,338	5.4
1918 ..	128	2,823,384	28.9	49,034	0.5	..	..	694,810	7.1	6,185,202	63.6	9,752,432	1,716,716	17.6	548,151	5.6	523,153	5.4	7,814,983	68.2	509,736	5.2
1919 ..	129	2,813,272	25.4	56,366	0.5	..	..	960,408	8.7	7,220,501	65.4	11,050,535	1,545,672	14.0	791,563	7.2	407,460	3.7	7,755,747	70.7	491,851	4.4
1920 ..	135	2,813,657	23.3	64,813	0.5	..	..	1,063,051	8.8	8,108,598	67.4	12,050,047	1,933,975	15.0	1,339,353	11.1	506,827	4.2	7,755,747	64.4	514,146	4.3
1921 ..	139	2,822,683	22.0	72,391	0.6	..	..	1,357,941	10.6	8,560,114	66.8	12,813,129	2,218,598	17.3	1,130,593	8.8	407,002	3.2	8,563,021	66.9	493,915	3.8
1922 ..	141	2,820,507	21.2	75,587	0.6	..	..	970,589	7.3	9,403,111	70.9	13,269,794	2,190,278	16.5	1,814,837	13.7	431,455	3.2	8,368,030	63.1	465,164	3.5
1923 ..	144	2,817,625	19.8	82,265	0.6	..	..	991,595	7.0	10,257,269	72.6	14,148,754	2,200,029	15.6	1,736,631	12.2	401,952	2.8	9,356,721	66.2	463,421	3.2
1924 ..	143	2,815,116	19.4	91,518	0.6	..	..	1,250,361	8.6	10,342,440	71.4	14,499,435	2,562,952	17.7	1,776,282	12.4	355,392	2.4	9,366,298	64.7	438,511	3.0
1925 ..	142	2,824,079	18.3	128,160	0.8	..	..	1,149,263	7.9	11,294,435	73.4	15,395,937	2,939,043	19.1	2,348,785	15.3	355,773	2.3	9,138,345	59.3	433,991	2.8
1926 ..	146	2,830,963	16.8	128,903	0.8	..	..	1,366,196	8.1	12,463,529	74.3	16,789,591	2,855,787	17.0	2,643,428	15.7	487,634	2.9	10,349,004	61.7	453,738	2.7

BANK OF ADELAIDE.
INCORPORATED DECEMBER 5, 1865.

CAPITAL.					Year Ended March.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£					
875,000	875,000	nil	875,000	1914	56,173	10	20,000	25,168	
Share.	Per Share.	Per Share.	Per Share.	1917	71,354	10	10,000	16,173	
£5	£5	nil	£5	1918	69,349	10	18,000	12,528	
				1919	87,694	10	30,000	13,877	
				1920	88,108	10	30,000	16,571	
				1921	92,635	10	30,000	22,179	
				1922	94,889	10	30,000	22,312	
				1923	115,823	10	30,000	29,701	
				1924	117,216	10	30,000	28,024	
				1925	104,734	10	30,000	27,740	
				1926	..	..	20,000	24,974	

Year Ended March 25.	Number of Branches.	LIABILITIES.										ASSETS.										
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- laneous Credits, Rebates, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash and Notes in Hand and at Bankers.	Per Cent.	Money at Short Call and Remit- tances in Transit.	Per Cent.	Invest- ments.	Per Cent.	Bills Receivable and Advances.	Per Cent.	Premises and Furniture.	Per Cent.
1894 ..	21	£ 543,000	21.8	£ 32,240	1.3	£ 86,891	3.5	£ 108,069	4.3	£ 1,728,938	69.1	£ 2,499,138	315,627	12.6	£ 530,859	21.3	£ 297,266	11.9	£ 1,288,755	51.5	£ 66,631	2.7
1895 ..	19	546,000	21.6	32,289	1.3	92,844	3.7	199,593	7.9	1,654,893	65.5	2,525,619	383,267	15.2	379,469	15.0	293,146	11.8	1,400,846	55.5	62,891	2.4
1900 ..	33	565,000	18.3	40,401	1.3	127,222	4.1	175,921	5.7	2,185,435	70.6	3,039,979	610,156	19.8	717,581	23.1	307,279	9.9	1,401,689	45.3	57,274	1.8
1905 ..	44	635,085	18	49,953	1.4	129,968	3.8	291,399	8.5	2,334,238	67.8	3,430,547	645,598	12.9	783,763	23.0	432,768	12.6	1,700,946	49.4	71,483	2.0
1910 ..	84	725,000	12.2	61,838	1.1	225,893	4.0	806,067	13.6	4,114,689	69.1	5,935,667	867,435	13.5	1,847,654	29.1	582,004	9.7	2,817,429	47.5	85,341	1.4
1911 ..	87	900,040	14.0	76,486	1.2	228,477	3.6	524,139	8.2	4,684,503	73.0	6,413,605	905,011	14.1	3,84,899	14.3	498,021	7.8	3,712,290	57.9	88,205	1.4
1913 ..	88	930,000	16.0	77,084	1.3	28,649	0.5	240,807	4.1	4,534,208	78.1	5,813,748	926,893	17.7	886,245	18.0	480,367	8.8	2,986,570	50.8	84,506	1.4
1914 ..	89	960,000	17.8	78,222	1.4	16,801	0.3	328,716	4.0	4,01,962	74.7	5,485,701	926,893	17.7	886,245	18.0	480,367	8.8	2,986,570	50.8	84,506	1.4
1915 ..	89	990,000	15.8	70,168	1.2	12,822	0.2	320,312	5.1	4,834,739	77.8	6,228,041	688,464	11.0	853,599	13.7	479,681	7.7	4,094,975	64.8	105,626	1.8
1916 ..	92	1,010,000	21.4	62,987	1.3	11,003	0.2	270,436	5.6	3,486,027	72.3	4,736,755	694,368	14.7	656,077	13.6	471,305	9.7	2,583,967	53.7	111,322	1.9
1917 ..	88	1,010,000	19.7	79,170	1.5	8,517	0.2	270,993	5.3	3,759,495	73.3	5,128,132	733,543	14.3	711,914	13.8	469,827	9.9	3,403,900	64.5	115,209	2.0
1918 ..	86	1,040,000	17.4	62,528	1.0	8,014	0.1	273,546	4.6	4,591,817	76.9	5,978,935	1,330,177	18.9	350,803	5.9	751,568	14.6	2,816,449	55.1	115,923	2.1
1919 ..	87	1,065,000	15.7	53,877	0.8	7,747	0.1	223,246	3.3	5,365,076	80.1	6,704,946	920,119	13.7	355,216	5.3	1,219,619	20.4	3,174,157	51.1	141,658	2.4
1921 ..	90	1,070,000	15.6	76,571	1.0	7,519	0.1	293,106	3.8	6,380,056	81.5	7,827,286	1,114,527	14.2	588,446	7.5	901,187	13.4	4,424,338	66.1	104,086	1.8
1922 ..	94	1,225,000	15.0	73,429	0.9	7,306	0.1	866,054	10.6	5,984,597	73.4	8,156,251	1,460,182	18.0	686,401	8.4	1,126,391	13.8	3,887,421	49.7	157,753	2.0
1923 ..	98	1,575,000	19.1	83,562	1.0	7,216	0.1	350,932	4.2	6,545,112	79.6	8,231,822	1,535,653	18.8	630,817	7.6	1,912,659	23.2	3,720,253	51.8	162,659	2.2
1924 ..	103	1,595,000	15.3	101,774	1.2	7,104	0.2	447,238	5.6	5,853,069	73.4	7,968,362	1,627,277	19.2	978,420	12.2	715,909	9.0	3,991,579	48.5	153,114	1.9
1925 ..	104	1,685,000	19.1	101,491	1.2	7,073	0.1	413,402	5.0	6,143,317	74.4	8,260,566	1,618,871	19.2	978,420	12.2	715,909	9.0	3,991,579	48.5	153,114	1.9
1926 ..	113	1,665,000	19.0	88,724	1.0	6,887	0.1	463,308	5.4	6,137,889	74.7	8,514,575	1,725,658	20.1	1,694,158	19.5	823,492	9.4	4,436,196	52.8	259,028	3.0
						6,826	0.1	469,694	5.6	6,453,083	74.31	8,693,327	1,457,773	16.7	1,694,158	19.5	839,960	9.4	4,631,263	56.0	273,076	3.1

BANK OF AUSTRALASIA.
INCORPORATED 1835.

CAPITAL										Market Value.	Year Ended October.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£	£	£	£	£							
£.	£	£	£	£	£	£	£	£	£						
4,000,000	4,000,000	Nil	4,000,000	11,000,000											
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.						
£5	£5	Nil	£5	£13½											

LIABILITIES.										Total Liabilities or Assets.	ASSETS.											
Year Ended April.	Number of Branches.	Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.		Deposits and Current Accounts.	Per Cent.	Cash in Hand and at Bank.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Pro-mises.	Per Cent.
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1890	140	2,400,000	128	127,043	0.7	481,424	2.6	2,254,793	12.1	13,416,044	71.8	18,679,304	2,245,471	12.0	1,607,000	8.6	772,230	4.1	13,630,240	73.0	424,363	2.4
1891	128	2,400,000	128	126,501	0.7	473,117	2.5	2,128,619	11.4	13,554,534	72.6	18,682,771	2,464,906	13.2	449,000	2.4	767,702	4.1	14,575,644	78.0	425,519	2.4
1892	149	2,400,000	118	109,641	0.5	462,303	2.3	2,930,272	14.4	14,413,667	71.0	20,315,883	2,536,634	12.4	1,072,000	5.3	801,587	3.9	15,464,733	76.2	440,929	2.4
1893	148	2,400,000	113	70,729	0.3	449,819	2.1	2,755,600	12.9	15,588,513	73.4	21,264,661	3,281,014	15.4	2,022,000	9.5	899,293	4.2	14,623,445	68.3	438,909	2.4
1894	142	2,400,000	137	59,906	0.3	428,007	2.4	1,823,650	10.4	12,846,002	73.2	17,557,565	2,772,043	15.8	1,547,000	8.8	500,000	2.9	12,294,420	70.0	444,102	2.4
1895	143	2,400,000	136	50,495	0.3	443,004	2.5	2,129,975	12.0	12,699,709	71.6	17,723,183	3,053,088	17.2	1,972,000	11.1	500,095	2.9	11,737,763	66.3	440,237	2.4
1900	150	2,475,000	124	84,575	0.4	530,761	2.6	2,822,374	14.1	14,108,277	70.5	20,050,987	3,083,263	15.3	1,885,000	9.4	823,677	4.1	13,822,940	69.1	426,107	2.4
1905	167	2,820,000	127	113,104	0.5	496,237	2.2	2,401,773	10.8	16,286,330	72.1	22,116,444	2,959,938	13.4	2,693,000	12.2	1,112,735	5.0	15,055,970	68.1	294,741	1.4
1910	184	3,350,000	142	143,194	0.6	514,008	2.2	2,589,632	10.9	17,000,503	72.1	25,607,337	4,836,867	16.2	3,025,000	12.8	1,561,063	6.6	15,021,437	63.8	150,843	0.7
1914	204	4,690,000	171	264,066	1.0	1,955,887	7.7	3,045,714	11.1	19,259,977	70.1	29,151,918	7,137,665	26.7	2,390,000	8.7	1,683,376	6.1	18,527,117	67.5	17,684	0.1
1915	204	4,750,000	163	283,353	1.0	258,793	0.9	3,159,819	10.8	20,699,953	71.0	30,223,502	5,687,677	18.8	690,000	2.1	1,946,617	6.7	19,427,303	66.7	20,333	0.1
1916	206	4,810,000	159	291,759	1.0	304,645	1.0	4,132,325	13.6	20,684,773	68.9	30,223,502	5,687,677	18.8	690,000	2.1	1,946,617	6.7	19,427,303	66.7	20,333	0.1
1917	203	4,875,000	167	292,869	1.0	335,734	1.1	2,984,337	10.2	20,643,797	70.1	29,131,737	5,015,290	18.3	3,345,000	11.4	2,086,465	9.7	17,468,529	71.1	25,321	0.1
1918	200	4,945,000	158	296,136	1.0	410,588	1.3	3,687,741	11.8	21,654,401	70.1	31,590,944	5,324,191	16.2	1,628,000	5.2	2,086,465	9.7	17,468,529	71.1	25,321	0.1
1919	203	5,000,000	158	297,055	0.9	761,700	2.4	3,628,425	11.5	21,303,754	69.4	31,590,944	5,565,482	17.6	20,000	0.1	2,863,242	9.9	17,123,421	73.1	18,799	0.1
1920	203	5,100,000	150	317,823	0.9	424,100	1.3	3,670,254	10.8	24,351,904	72.0	33,864,081	6,799,967	20.0	695,000	2.1	2,664,958	7.9	17,343,421	73.1	18,799	0.1
1921	204	5,175,000	164	373,374	0.9	517,205	1.4	5,260,303	13.2	27,018,082	68.1	37,797,964	7,344,210	18.4	222,000	0.6	1,847,087	4.6	16,355,700	69.9	26,316	0.1
1922	204	5,225,000	160	381,763	1.0	347,417	1.0	4,116,504	10.9	25,603,631	67.5	37,794,315	6,969,413	18.4	1,718,000	4.5	1,760,569	4.7	17,458,504	72.4	28,959	0.1
1923	204	5,225,000	160	381,763	1.0	347,417	1.0	4,116,504	10.9	25,603,631	67.5	37,794,315	6,969,413	18.4	1,718,000	4.5	1,760,569	4.7	17,458,504	72.4	28,959	0.1
1924	209	7,625,000	193	380,428	1.0	423,685	1.1	3,698,474	9.4	27,352,162	69.2	39,479,749	6,952,892	17.1	1,821,000	4.8	2,439,178	6.5	16,845,688	71.6	18,056	0.1
1925	210	7,700,000	193	390,332	1.0	386,257	1.0	3,396,147	8.5	28,010,187	70.2	39,882,813	5,533,336	13.9	905,000	2.3	3,694,007	9.3	17,902,029	74.4	47,351	0.2
1925*	211	7,760,000	189	392,887	1.0	437,626	1.1	3,694,129	9.0	28,708,674	70.0	40,993,316	6,377,440	15.5	65,000	0.2	4,738,286	11.6	17,933,284	72.5	47,351	0.2

* Tax free.

* October.

BANK OF NEW SOUTH WALES.

ESTABLISHED 1817, AND INCORPORATED IN 1850.

CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callible.	Reserved.	Value.						
£	£	£	£	£	£	£	£	£	£	£
6,000,000	6,000,000	Nil	6,000,000	13,350,000		1917	527,493	10	125,000	114,828
						1918	553,387	10	150,000	127,729
						1919	550,617	10	150,000	137,313
						1920	606,644	10	150,000	150,447
						1921	752,565	12½	160,000	126,098
						1922	708,619	10	175,000	160,133
						1923	771,102	10	200,000	161,645
						1924	851,514	10	250,000	163,159
						1925	973,383	12½	250,000	151,372

* Half-year to September 30th. : Year to September 30th.

LIABILITIES.														ASSETS.													
Year Ended March 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Outstanding Cheques.	Bills Pay- able, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabi- lities or Assets.	Cash in Hand, Notes, &c.	Per Cent.	Money at Short Call and Re- tail, &c., less mis- takes in Transit.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Premises & Sundries, including Contingencies and Accruals.	Per Cent.				
£		£		£		£		£		£		£		£		£		£		£		£					
1890	186	2,190,000	96	149,774	0.7	650,570	2.9	1,661,786	7.4	18,141,038	79.4	22,793,168	3,375,567	14.8	..	..	..	445,729	2.0	18,434,958	80.9	£	536,914				
1891	193	2,210,000	95	150,117	0.6	714,508	3.1	1,577,434	6.8	18,638,226	80.0	23,290,285	3,201,927	13.8	..	..	..	519,370	2.2	19,011,812	81.6	557,176	..				
1892	197	2,230,000	89	145,623	0.6	670,394	2.7	1,779,719	7.1	20,316,677	80.7	25,142,413	3,391,094	13.4	..	..	..	865,467	3.4	20,302,556	80.9	583,296	..				
1893	192	2,250,000	90	137,339	0.6	660,325	2.6	1,448,407	5.8	20,418,943	82.0	24,915,614	3,456,080	13.8	..	..	..	560,973	2.3	20,308,493	81.5	590,068	..				
1894	190	2,801,875	116	110,617	0.5	851,652	3.5	2,845,795	11.8	17,421,081	72.6	24,331,020	4,117,710	17.1	..	..	..	634,149	2.6	18,331,884	76.4	947,277	..				
1895	188	2,995,372	120	112,016	0.5	763,318	3.1	3,791,375	15.2	17,274,460	69.2	24,936,541	5,861,257	24.0	..	..	..	804,254	3.7	17,337,575	69.5	813,465	..				
1900	198	3,246,406	114	126,249	0.4	916,176	3.2	2,948,996	10.3	21,272,199	74.7	28,510,025	6,776,801	23.7	734,024	2.6	1,639,001	5.7	18,157,758	65.1	841,341	21					
1905	209	3,370,000	108	160,211	0.5	992,659	3.2	2,880,347	9.3	23,787,243	76.2	31,190,466	6,776,801	23.7	980,000	3.1	1,888,443	6.1	18,331,766	59.4	1,118,504	21					
1910	279	4,200,000	103	229,642	0.6	1,149,153	2.8	5,026,030	12.3	30,348,580	74.0	40,953,405	9,152,848	22.4	2,370,000	5.8	2,791,600	6.8	25,237,199	61.6	1,401,758	80					
1914	319	5,850,000	115	256,905	0.5	277,874	0.5	7,761,126	15.3	36,699,815	72.2	50,845,726	12,456,610	25.0	6,077,085	11.3	3,446,328	6.4	34,829,406	68.6	1,801,299	80					
1915	321	6,000,000	112	242,636	0.5	370,918	0.7	8,192,156	15.2	38,778,055	72.4	53,583,765	15,660,830	29.0	7,724,666	12.5	5,127,355	8.9	28,748,173	48.0	1,984,683	35					
1916	317	6,100,000	98	271,450	0.4	458,137	0.7	4,402,388	23.2	40,833,407	65.9	62,065,442	17,909,497	28.8	5,776,518	10.0	7,697,460	13.4	36,626,393	46.6	2,798,752	35					
1917	312	6,619,980	115	287,203	0.5	525,239	0.9	9,818,918	17.1	40,174,670	70.0	57,426,010	14,747,124	25.2	6,435,407	7.9	10,756,367	17.5	32,843,243	45.6	2,946,959	44					
1918	310	6,779,860	110	306,350	0.5	520,254	0.8	13,688,676	20.4	44,937,044	67.0	67,075,871	13,644,854	20.3	6,978,019	10.2	14,426,845	14.0	35,804,804	53.8	5,554,738	35					
1919	314	6,937,440	103	310,457	0.5	520,254	0.8	13,688,676	20.4	44,937,044	67.0	75,242,247	17,176,307	22.7	7,577,526	10.4	13,134,614	17.4	32,001,496	42.2	5,177,349	35					
1920	351	7,985,700	106	344,589	0.5	715,668	0.9	17,101,226	22.6	49,417,059	65.4	78,652,432	15,416,200	20.5	6,559,967	9.0	9,107,968	12.0	40,470,115	53.4	3,170,359	35					
1921	358	8,315,200	110	449,359	0.6	752,588	0.9	17,482,905	19.2	51,692,457	68.2	75,692,437	15,196,632	20.1	6,559,967	9.0	9,107,968	12.0	40,470,115	53.4	3,170,359	35					
1922	360	8,500,000	119	385,133	0.5	623,358	0.9	11,389,711	15.9	50,763,553	70.8	71,681,755	15,199,632	21.1	6,559,967	9.0	9,107,968	12.0	40,470,115	53.4	3,170,359	35					
1923	363	9,651,880	122	436,067	0.6	596,721	0.8	12,566,321	15.8	55,969,437	70.6	72,621,425	13,293,373	16.7	10,517,232	13.2	11,706,904	11.0	38,042,891	53.3	2,821,359	35					
1924	366	9,900,000	127	463,159	0.6	695,702	0.9	12,106,741	15.5	55,943,478	70.3	78,209,088	13,981,507	17.9	9,681,388	12.4	11,873,673	15.0	40,271,204	51.0	3,564,944	35					
1925*	370	10,050,000	136	401,372	0.5	481,090	0.7	10,719,546	14.5	52,336,570	70.7	74,048,578	13,377,477	20.2	4,967,863	6.7	1,994,012	15.2	40,801,806	53.4	3,208,821	44					
1925*	376	10,150,000	127	680,755	0.9	535,020	0.7	11,533,532	14.4	57,070,096	71.3	80,009,403	16,460,307	20.6	6,983,803	8.7	10,528,855	13.7	42,676,111	58.3	2,989,410	35					

* September 30th.

BANK OF NEW ZEALAND.

INCORPORATED 1861.

CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callible.	Reserved.	Value.						
£	£	£	£	£	£	£	£	£	£	£
Ordinary Shares.....	£3,750,000	£3,750,000	Nil	Nil		1914	348,491	15	215,000	51,508
Preference Shares.....	£1,875,000	£1,875,000	Nil	Nil		1915	415,490	15	222,859	111,596
Guaranteed Stock.....	£229,988	£229,988	Nil	Nil		1916	386,606	15	200,000	145,703
						1917	438,021	15	200,000	146,224
						1918	469,045	17½	200,000	146,520
						1919	688,043	13½	200,000	361,276
						1920	553,639	13½	200,000	430,819
						1921	735,832	15	163,969	506,541
						1922	819,285	15	250,000	513,299
						1923	912,160	15	147,689	565,378

Price, Sept. 30, 1926.
Ordinary 3
Guaranteed 91

THE YOKOHAMA SPECIE BANK,

(REGISTERED IN JAPAN.)

LIMITED.

ESTABLISHED 1880.

Capital Subscribed and Fully Paid - Yen 100,000,000
Reserve Fund - " 89,500,000

Head Office - - YOKOHAMA.

BRANCHES AT

ALEXANDRIA.	HONOLULU.	NEWCHWANG.	SHANGHAI.
BATAVIA.	HONG KONG.	NEW YORK.	SHIMONOSEKI.
BOMBAY.	KAI YUAN.	OSAKA.	SINGAPORE.
BUENOS AYRES.	KARACHI.	PEKIN.	SOURABAYA.
CALCUTTA.	KOBE.	RANGOON.	SYDNEY.
CANTON.	LONDON.	RIO DE JANEIRO.	TIENTSIN.
CHANGCHUN.	LOS ANGELES.	SAIGON.	TOKYO.
DAIREN (Dalny).	LYONS.	SAMARANG.	TSINANFU.
FENGTIEN (Mukden).	MANILA.	SAN FRANCISCO.	TSINGTAU.
HAMBURG.	NAGASAKI.	SEATTLE.	VLADIVOSTOCK
HANKOW.	NAGOYA.		(temporarily closed).
HARBIN.			

The Bank buys and receives for collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:

7, BISHOPSGATE, LONDON, E.C.2.

K. YANO, Manager.

IMPERIAL BANK OF INDIA

Constituted under the Imperial Bank of India Act, 1920.

For the purpose of taking over the undertakings and business of the Bank of Bengal, the Bank of Bombay, and the Bank of Madras.

BANKERS TO THE GOVERNMENT OF INDIA.

AUTHORISED CAPITAL:	225,000 Shares of Rs. 500 each	Rs.	11,250,000
PAID-UP CAPITAL as on 30th June, 1926:	75,000 Shares of Rs. 500 each—Fully Paid	"	3,750,000
	150,000 Shares of Rs. 500 each—Rs. 125 Paid	"	1,875,000
		Rs.	5,625,000

RESERVE FUND as on 30th June, 1926 ... 4,92,50,000
RESERVE LIABILITY OF SHAREHOLDERS as on 30th June, 1926 ... 5,62,50,000

Managing Governors:—Sir NORCOT WARREN, K.C.I.E.; N. M. MURRAY, Esq.
Local Head Offices: CALCUTTA, BOMBAY, MADRAS.

London Office:—22, Old Broad Street, E.C.2. Sir S. A. H. SITWELL, Manager.

Bank of New Zealand—Continued from page 28.

Year Ended March 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and at Bank.	Per Cent.	Bills Receivable and in Transit.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings and Sundries.	Per Cent.
1890	115	1,125,000	9.9	99,784	0.8	453,295	3.9	1,707,441	14.9	8,090,653	70.5	11,476,173	1,572,308	13.7	1,437,667	12.5	..	..	8,092,757	70.5	373,441	3.3
1891	115	897,833	9.0	59,522	0.6	483,064	4.9	1,083,487	10.9	7,436,776	74.6	9,960,682	1,642,024	16.4	2,303,218	23.2	1,850,000	18.6	3,791,277	38.1	374,163	3.7
1892	116	920,000	9.1	55,831	0.6	479,260	4.7	1,314,252	13.0	7,363,045	72.6	10,132,388	1,379,565	13.6	2,397,002	23.6	1,886,287	18.6	4,092,730	40.5	376,804	3.7
1893	126	935,000	8.5	51,661	0.5	520,325	4.8	1,343,699	12.3	8,071,783	73.9	10,922,466	1,484,457	13.6	2,301,824	21.3	1,900,841	17.4	4,825,831	44.2	409,513	3.7
1894	126	945,000	8.5	37,940	0.3	515,568	4.2	1,413,997	12.7	8,213,199	73.9	11,125,504	1,562,019	14.0	2,383,073	21.4	1,911,524	17.2	4,855,515	43.7	413,319	3.7
1895	126	3,104,745	25.4	384	0.0	468,196	3.8	1,486,891	12.1	7,222,202	58.7	12,282,417	1,394,194	11.3	2,112,348	17.2	2,730,213	22.3	5,203,452	42.3	842,020	6.9
1900	123	2,942,993	22.3	50,000	0.4	722,770	5.5	884,751	6.7	8,587,860	65.1	13,188,374	1,407,526	10.7	1,791,338	13.6	5,052,921	38.3	3,961,683	30.0	974,900	7.4
1905	134	1,996,267	12.2	253,930	1.6	784,171	4.8	1,117,389	6.8	12,190,647	74.6	16,342,404	2,124,147	13.0	3,190,012	19.5	5,417,054	33.0	5,211,098	32.0	400,093	2.5
1910	155	2,650,000	13.5	270,384	1.4	919,329	4.7	1,146,918	5.8	14,687,680	74.6	19,674,311	3,258,074	16.6	3,661,019	18.6	5,036,389	25.6	7,359,039	37.4	359,790	1.8
1914	194	3,644,690	15.0	291,608	1.2	989,882	4.1	1,403,457	5.8	18,070,613	73.9	24,400,250	3,377,185	13.8	3,164,882	13.0	6,048,920	24.6	11,360,486	46.6	449,577	1.8
1915	214	4,170,235	15.7	270,395	1.0	1,676,051	6.3	1,670,103	6.3	18,741,637	70.7	26,528,441	4,827,522	18.2	3,301,302	12.4	6,098,584	23.0	11,849,166	44.7	451,867	1.7
1916	216	4,292,130	13.5	238,674	0.8	1,862,823	5.9	1,767,419	5.8	15,553,577	74.2	31,717,711	5,757,829	18.1	3,580,075	11.3	10,093,176	31.8	11,844,767	37.4	441,867	1.4
1917	206	4,342,130	11.6	316,954	0.8	2,560,325	6.7	2,007,968	5.2	29,052,791	75.7	38,280,168	6,645,608	17.4	3,729,147	1.8	14,765,115	38.5	15,746,485	41.1	450,813	1.2
1918	201	4,414,988	10.8	343,203	0.8	3,512,999	8.1	2,329,559	5.7	30,437,937	74.6	40,838,682	7,225,047	17.7	3,891,366	9.7	15,111,920	37.0	17,786,755	43.5	425,827	1.1
1919	203	4,479,989	10.4	428,724	1.0	3,728,249	8.4	2,860,391	6.6	31,716,353	73.4	43,213,706	6,719,766	15.6	4,187,770	9.5	16,589,765	38.2	18,865,518	43.9	399,867	0.9
1920	213	5,317,442	10.1	460,270	0.9	5,765,337	10.9	3,708,395	7.0	37,661,611	71.1	52,912,965	8,772,286	16.6	6,611,231	1.3	23,686,491	44.9	19,431,819	36.5	361,108	0.7
1921	211	5,705,989	11.5	728,901	1.5	4,741,492	9.5	4,116,574	8.3	34,475,655	69.2	49,766,611	6,685,738	13.4	2,209,534	4.4	10,027,242	20.2	30,506,628	61.3	337,469	0.7
1922	210	5,855,989	13.5	790,194	1.8	4,294,620	9.9	3,713,175	8.6	28,676,603	66.2	43,330,191	7,722,878	17.8	2,869,861	6.6	7,657,420	17.6	24,783,559	57.3	296,473	0.7
1923	213	6,005,989	13.3	759,457	1.7	4,564,695	10.1	3,972,048	8.8	30,003,927	66.1	45,306,116	8,627,968	19.0	4,847,930	10.7	10,624,884	23.5	20,864,217	45.6	541,117	1.2
1924	217	7,284,442	15.5	1,265,367	2.7	4,072,102	8.7	3,732,130	8.0	30,501,720	65.1	46,855,761	7,400,509	15.9	5,695,081	12.1	11,815,292	25.2	21,228,700	45.4	716,179	1.5
1925	222	7,909,454	16.6	1,042,466	2.2	4,168,844	8.8	4,357,683	9.2	30,079,283	63.2	47,557,730	7,254,369	15.3	5,350,731	11.3	12,163,007	25.6	22,078,730	46.3	710,893	1.5
1926	229	9,188,299	18.4	1,183,877	2.4	4,444,393	9.9	3,855,792	7.8	31,121,288	62.5	49,763,649	7,471,216	15.1	5,116,131	10.3	13,895,421	27.9	22,564,697	45.5	618,101	1.2

* Includes money at call.

BANK OF VICTORIA, LIMITED.
ESTABLISHED 1852.

	CAPITAL				Year Ended June 30.	Net Profit.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.					
Ordinary Shares.....	\$2,122,500	\$1,061,250	\$1,061,250	Nil.	1917	108,927	6	27,000	23,958
Per Share.....	\$10	\$5	\$5	Nil.	1918	119,266	6	27,000	27,544
Preference Shares ..	\$416,760	\$416,760	..	..	1919	140,980	7	32,000	33,060
Per Share.....	\$10	\$10	..	..	1920	149,441	7	32,000	33,060
					1921	234,441	9	57,000	22,040
					1922	179,930	9	57,000	35,845
					1923	183,706	9	53,000	29,754
					1924	193,739	9	53,000	27,459
					1925	199,797	9	53,000	35,157
					1926	200,924	10	53,000	38,934
Ordinary, September 30, 1926			Price.	Market Value.					
			\$4	\$1,751,100					

Ordinary, September 30, 1926 £1,751,100

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Contingent Liabilities, Bills in Course, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand, at Bankers, and at Call.	Per Cent.	Invest- ments.	Per Cent.	Bills and Remit- tances in Transit.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings and Sundries.	Per Cent.
1890..	67	£ 900,000	10.9	£ 48,214	0.7	£ 180,748	2.5	£ 271,625	3.7	£ 6,039,988	82.2	£ 7,340,575	£ 1,138,800	15.4	£ 153,550	2.1	£ 91,796	1.2	£ 5,727,870	78.1	£ 234,550	3.2
1895..	61	1,308,534	16.6	26,968	0.3	121,540	1.5	257,833	3.3	6,130,596	78.3	7,845,471	1,181,439	15.0	210,260	2.7	45,519	0.6	6,169,615	78.7	238,638	3.0
1900..	65	1,577,477	23.6	53,290	0.8	134,291	1.9	558,100	8.0	4,646,794	66.7	6,968,952	1,353,647	19.4	221,790	3.2	286,369	4.1	4,527,980	65.0	579,166	8.3
1905..	74	1,638,010	21.8	45,588	0.6	108,610	1.4	738,253	9.9	4,963,565	66.3	7,494,026	1,371,041	18.3	190,190	2.5	205,518	2.7	4,989,486	66.7	737,791	9.8
1910..	87	1,718,010	19.8	58,933	0.7	116,542	1.3	827,323	9.4	6,014,441	68.8	8,735,249	1,537,949	17.6	183,040	2.1	235,166	2.7	6,131,089	70.2	648,008	7.4
1913..	97	1,788,010	20.0	79,823	0.9	10,578	0.1	607,143	6.8	6,424,143	72.2	8,909,697	1,734,782	19.4	247,340	2.8	168,948	1.9	6,093,620	68.4	665,001	7.6
1914..	99	1,823,010	18.6	32,681	0.8	9,132	0.1	1,067,687	10.8	6,247,538	69.7	9,430,055	2,041,866	21.2	250,240	2.5	322,843	3.3	6,431,156	65.4	743,950	7.6
1915..	98	1,843,010	19.6	93,794	1.0	7,940	0.0	794,083	7.7	6,741,024	71.6	9,409,861	1,719,075	18.2	242,740	2.6	373,267	4.0	6,531,418	69.4	560,361	5.8
1916..	98	1,878,010	20.5	75,052	0.8	7,427	0.1	737,889	8.0	6,496,034	70.6	9,194,412	1,396,280	15.2	309,140	3.4	411,477	4.5	6,476,664	70.3	601,851	6.6
1917..	99	1,903,010	20.0	68,298	0.7	7,154	0.1	680,420	7.1	6,867,883	72.1	9,526,765	2,152,790	22.5	401,515	4.2	473,156	5.0	5,991,635	62.2	577,669	6.1
1918..	100	1,928,010	20.0	68,298	0.7	7,029	0.1	1,039,572	10.0	7,275,680	70.5	10,322,175	2,073,016	20.1	573,833	5.8	473,156	5.0	5,991,635	62.2	577,669	6.1
1919..	104	1,953,010	17.4	84,730	0.7	6,843	0.1	1,062,866	9.4	8,153,996	72.5	11,361,505	2,309,003	20.5	614,686	6.4	473,011	4.9	6,610,942	64.0	591,373	5.7
1920..	114	1,953,010	14.4	128,771	0.9	6,674	0.1	1,587,313	11.7	9,883,035	73.0	13,568,803	2,468,697	18.1	794,022	5.4	408,351	3.6	7,210,613	64.1	718,834	6.1
1921..	113	2,003,010	14.8	187,356	1.4	6,580	0.1	1,478,646	10.8	9,952,617	73.0	13,528,209	2,302,404	17.1	839,366	6.1	1,041,549	7.5	6,910,319	50.9	756,337	5.8
1922..	117	2,078,010	14.6	146,265	1.0	6,539	0.1	1,431,764	10.2	10,992,649	74.0	14,055,227	2,503,738	17.9	1,086,789	7.7	675,190	4.5	7,154,848	57.7	715,243	5.3
1923..	118	2,128,010	14.4	143,950	1.0	6,511	0.1	1,168,111	7.5	11,306,428	77.0	14,753,010	2,471,789	16.8	1,253,633	8.5	779,455	5.3	7,529,818	55.3	1,034,692	7.3
1924..	119	2,178,010	14.7	151,668	1.0	6,583	0.1	1,155,852	10.1	11,406,132	74.4	14,841,743	2,518,430	17.0	1,115,764	7.0	610,313	4.1	7,653,964	57.7	943,396	7.4
1925..	123	2,238,010	14.5	155,444	1.0	6,348	0.1	1,555,922	10.1	11,406,132	74.4	14,841,743	2,518,430	17.0	1,115,764	7.0	610,313	4.1	7,653,964	57.7	943,396	7.4
1926..	123	2,278,010	13.6	162,957	1.0	6,376	0.1	2,041,446	12.2	12,240,852	73.2	16,729,542	3,545,172	20.6	1,536,980	9.2	700,476	4.2	8,927,345	57.6	1,099,342	7.4

COMMERCIAL BANK OF AUSTRALIA, LIMITED.

ESTABLISHED 1856.

1918.—National Bank of Tasmania purchased, March 1, 1918.

	CAPITAL				Year Ended June 30.	Net Profit.	Ordinary Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.					
Ordinary Shares....	£1,000,000	£948,371	£51,629	Nil	1917	134,692	15	50,000	9,407
Per Share.....	10s	5s to 10s	..	Nil	1918	140,767	15	50,000	10,486
Preference Shares..	£2,117,350	£2,117,350	Nil	Nil	1919	170,268	15	115,000	13,960
Per Share.....	£10	£10	Nil	Nil	1920	202,892	15	145,000	15,258
					1921	237,772	15	145,000	13,322
					1922	228,081	15	76,726	42,209
					1923	234,419	15	95,066	44,786
					1924	264,542	15	101,948	64,954
					1925	305,536	15	116,124	82,570
					1926	317,707	15	110,083	66,141

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Contingent Liabilities and Bills in Circulation.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and at Bankers.	Per Cent.	Cash at Call and Short Notice in London.	Per Cent.	Invest- ments.	Per Cent.	Discounts, Advances, and Bills and Remit- tances in Transit.	Per Cent.	Premises and Sun- dries.	Per Cent.
1890..	94	2,160,000	15.6	170,182	1.2	255,479	1.8	466,615	3.4	10,722,159	78.0	13,774,435	1,961,940	14.2	90,000	0.6	807,450	5.9	10,631,893	77.2	283,152	2.1
1895..	87	3,843,321	33.0	28,449	0.2	133,101	1.1	159,210	1.4	7,457,563	64.3	11,621,644	1,063,142	9.1	..	..	87,100	0.7	9,910,926	85.4	560,476	4.8
1900..	93	3,202,323	44.1	42,108	0.6	157,504	2.2	276,338	3.8	3,572,190	49.3	7,250,463	1,129,747	15.6	460,000	6.3	889,145	12.2	4,113,231	56.8	658,340	9.1
1905..	102	2,409,132	35.1	50,430	0.7	150,798	2.2	579,743	8.5	3,650,771	53.5	6,840,874	1,291,371	19.0	520,000	7.6	130,750	1.9	4,287,038	62.5	611,715	9.0
1910..	148	1,204,421	13.1	35,476	0.4	215,622	2.3	2,275,600	24.7	5,495,010	59.5	9,226,129	1,739,007	18.8	1,120,000	12.2	86,756	0.9	5,092,034	55.2	1,188,332	12.9
1913..	146	1,371,135	15.5	39,436	0.4	131,677	0.2	1,093,798	12.3	6,321,902	71.6	8,839,438	1,547,774	17.5	1,112,000	12.6	42,830	0.5	5,548,968	62.8	587,866	6.6
1914..	149	1,432,038	14.8	52,223	0.5	21,053	0.2	1,021,242	10.6	7,168,789	73.9	9,695,345	1,619,964	16.7	1,585,000	16.4	75,581	0.8	5,962,165	61.4	452,635	4.7
1915..	157	1,452,346	15.5	51,923	0.5	39,125	0.4	723,147	7.7	7,091,970	75.9	9,358,511	2,313,688	24.8	688,000	7.3	123,404	1.3	5,563,284	59.4	670,135	7.2
1916..	157	1,487,349	15.1	51,755	0.5	52,334	0.5	1,106,952	11.3	7,139,864	72.6	9,838,304	2,012,173	20.5	466,000	4.7	240,212	2.4	6,348,371	64.7	771,548	7.7
1917..	159	1,535,349	14.8	51,754	0.5	61,129	0.6	612,764	5.9	8,085,900	78.2	10,546,896	1,999,209	19.4	1,566,000	15.2	230,493	2.2	5,801,544	56.0	749,650	7.2
1918..	186	1,600,349	12.4	52,833	0.4	69,861	0.5	885,579	6.9	10,231,479	79.8	12,860,101	2,312,155	18.0	501,000	3.9	849,880	6.6	8,134,086	63.2	1,063,980	8.3
1919..	199	1,670,349	11.4	55,467	0.4	71,517	0.5	822,271	5.6	12,055,230	82.1	14,674,774	1,991,628	13.6	765,000	5.2	439,412	3.0	10,534,279	71.8	943,457	6.4
1920..	208	1,770,349	9.0	58,605	0.3	68,330	0.3	1,340,469	6.8	16,377,137	83.6	19,614,890	3,771,382	19.2	1,740,000	8.9	1,962,272	10.0	10,926,846	55.7	1,214,390	6.2
1921..	220	1,118,666	10.8	66,683	0.3	55,264	0.3	1,653,465	8.5	15,603,793	80.1	19,497,871	3,661,387	18.8	1,370,000	7.0	575,018	2.9	13,062,512	67.0	830,964	4.3
1922..	225	2,453,943	12.0	105,897	0.5	59,089	0.3	1,764,805	8.6	16,187,721	78.6	20,571,455	3,716,714	18.0	2,805,000	13.6	544,315	2.7	12,334,482	60.0	1,170,944	5.7
1923..	231	2,568,877	12.0	113,497	0.5	57,301	0.3	1,528,634	7.2	17,061,414	80.0	21,329,723	3,903,934	18.4	1,145,000	5.4	1,863,997	8.7	13,345,156	62.5	1,071,642	5.0
1924..	251	2,976,929	13.4	138,668	0.6	98,370	0.4	1,625,892	7.3	17,459,054	78.3	22,298,913	3,394,044	15.2	670,000	3.0	1,818,697	8.2	15,313,751	68.7	1,102,421	4.9
1925..	270	3,545,805	14.0	172,075	0.4	96,920	0.4	1,755,842	7.0	19,665,798	77.9	25,237,440	4,024,458	16.0	705,000	2.8	2,133,984	8.5	17,196,381	68.0	1,177,616	4.7
1926..	289	4,065,722	15.1	172,181	0.6	104,087	0.4	1,972,582	7.3	20,615,561	76.6	26,930,132	4,012,977	14.9	780,000	2.9	3,032,182	11.3	17,761,898	65.9	1,343,075	5.0

COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

ESTABLISHED 1834.

				Year Ended June 30.	Net Profit. £ s	Dividend. %	To Reserve, &c.	Carried Forward.
CAPITAL								
Subscribed.	Paid-up.	Callable.	Reserved.					
£	£	£	£					
7,000,000	3,500,000	Nil.	3,500,000	1917	284,556	10	65,000	59,094
				1918	298,149	10	100,000	57,243
				1919	301,571	10	80,000	78,814
				1920	348,602	10	100,000	82,262
				1921	392,923	10	140,000	85,185
				1922	397,885	10	100,000	86,421
Per Share.	Per Share.	Per Share.	Per Share.	1923	422,068	10	120,000	88,489
£25	£12 10s	Nil.	£12 10s	1924	451,567	10	120,000	89,886
				19 5	480,261	10	130,000	90,227
				1926	485,069	10	170,000	55,297

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills in Circulation.	Per Cent.	Deposits Current Accounts.	Per Cent.		Cash in Hand, at Bankers, and Australian Notes.	Per Cent.	Cash at Short Call in London.	Per Cent.	Invest- ments.	Per Cent.	Discounts, Advances, and Bills and Remittances in Transit.	Per Cent.	Buildings and Sundries.	Per Cent.
1890..	150	£ 1,380,000	10.8	£ 106,960	0.8	£ 392,439	3.1	£ 447,532	3.5	£ 10,365,404	81.8	12,692,335	1,999,235	15.7	..	£ 863,700	6.8	£ 9,467,900	74.7	£ 361,500	2.8	
1895..	128	1,974,869	16.3	55,846	0.5	305,175	2.5	266,388	2.2	9,506,254	78.5	12,108,532	2,379,230	19.7	..	455,800	3.8	8,875,902	73.2	397,600	3.3	
1900..	137	2,010,000	13.6	76,326	0.5	427,859	2.9	1,013,952	6.9	11,134,777	76.1	14,662,914	3,538,088	24.1	..	1,659,731	11.3	9,045,096	61.7	420,000	3.0	
1905..	146	2,070,000	13.3	93,654	0.6	428,059	2.8	599,331	3.9	12,338,812	79.4	15,529,856	4,544,200	29.2	495,000	3.2	1,308,600	8.4	8,723,456	56.2	458,600	3.0
1910..	186	2,840,000	12.5	156,471	0.7	568,935	2.5	823,609	3.6	18,321,058	80.7	22,710,073	5,106,622	22.5	1,571,669	6.9	2,479,375	10.9	13,066,942	57.6	485,465	2.1
1913..	201	3,330,000	13.6	194,371	0.8	30,707	0.1	957,594	3.9	20,013,372	81.6	24,526,044	4,135,811	16.8	1,505,000	6.1	2,491,325	10.2	15,854,405	64.7	539,503	2.2
1914..	212	3,680,000	13.5	207,113	0.8	21,804	0.1	1,113,851	4.1	22,278,511	81.5	27,301,279	6,393,276	23.4	1,831,564	6.7	2,439,525	8.9	16,068,661	58.9	568,253	2.1
1915..	203	3,755,000	12.6	197,734	0.7	16,952	0.1	665,369	2.2	25,071,778	84.4	29,706,833	9,722,172	32.8	279,737	0.9	3,361,525	11.3	15,763,756	53.1	579,643	1.9
1916..	208	3,805,000	13.1	209,538	0.7	14,927	0.1	773,538	2.7	24,284,844	83.4	29,087,847	6,937,802	23.8	773,035	2.7	3,624,500	12.4	17,163,567	59.1	588,943	2.0
1917..	207	3,900,000	12.5	199,094	0.6	12,711	0.1	1,462,581	4.7	25,557,418	82.1	31,131,804	7,737,537	24.8	1,590,000	5.1	4,529,300	14.5	16,674,824	53.7	600,343	1.9
1918..	207	4,000,000	12.3	197,243	0.6	11,830	..	1,262,746	3.9	27,109,804	83.2	32,581,623	7,629,134	23.4	770,000	2.4	5,476,700	16.8	18,099,254	55.6	605,535	1.9
1919..	208	4,462,019	12.9	218,814	0.6	11,088	..	1,312,047	3.8	28,627,157	82.7	34,631,125	7,232,000	20.9	1,040,000	3.0	6,439,200	17.4	21,106,725	60.9	613,200	1.8
1920..	213	4,620,000	12.6	306,676	0.8	10,233	..	1,798,283	4.9	30,017,532	81.7	36,752,724	7,494,484	20.4	870,000	2.4	6,443,338	17.6	21,312,361	57.9	632,541	1.7
1921..	222	5,129,025	13.4	350,185	0.9	9,867	..	1,600,741	4.4	31,493,201	81.0	38,902,633	7,535,466	19.6	1,065,000	2.8	4,307,338	16.5	22,748,258	59.2	678,961	1.8
1922..	225	5,360,000	13.7	335,735	0.9	9,550	..	1,704,147	4.2	31,245,205	81.5	38,335,023	7,612,209	19.7	2,630,000	6.8	6,569,338	16.8	21,296,160	54.8	734,926	2.0
1923..	230	5,460,000	13.2	358,489	0.9	9,316	..	1,713,336	4.2	33,594,177	81.4	41,288,435	8,680,274	21.0	2,405,000	5.8	6,242,154	15.1	24,130,329	58.2	794,926	2.0
1924..	233	5,656,288	14.7	382,928	0.9	8,916	..	1,862,794	3.7	36,930,963	81.7	45,217,645	8,002,848	17.7	2,135,000	5.2	3,234,496	8.1	26,193,665	63.4	955,000	2.1
1925..	236	6,200,000	13.7	395,227	0.9	8,661	..	1,821,498	3.9	38,539,205	81.8	47,099,229	8,060,563	17.1	3,435,000	7.9	4,473,036	7.7	27,841,761	61.6	1,011,461	2.0
1926..	243	6,530,000	13.4	400,296	0.9	8,230	..	1,821,498	3.9	38,539,205	81.8	47,099,229	8,060,563	17.1	3,435,000	7.9	4,473,036	7.7	27,841,761	61.6	1,011,461	2.0

English, Scottish, and Australian Bank, Limited—Continued from page 32

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Pay- able, &c.	Per Cent.	Deposit Current Accounts.	Per Cent.		Cash in Hand, at Bankers, and at Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Bills re- ceivable and Remit- tances in Transit.	Per Cent.	Ad- vances, &c.	Per Cent.	Buildings & Sundries, including Security for Note issue.	Per Cent.
1890..	96	1,235,000	15.2	56,127	0.7	184,717	2.3	778,750	9.6	5,861,422	72.2	8,116,022	1,176,614	14.5	..	..	..	..	6,652,510	82.0	286,898	3.5
1891*..	96	1,210,000	14.9	50,734	0.6	203,096	2.5	917,054	11.3	5,759,487	70.7	8,140,342	1,155,798	14.2	..	..	..	..	6,684,238	82.1	300,307	3.7
1892..	96	1,210,000	14.9	43,031	0.5	153,500	1.9	868,477	10.7	5,833,534	72.0	8,108,544	1,109,979	13.7	121,736	1.5	..	..	6,571,049	81.0	306,780	3.8
1893..	77	..	..	..	..	..	..	In process of reconstruction.	..	..	..	..	..	..	..	..	..	..	..	..	..	
1894..	78	978,055	15.7	..	..	40,619	0.7	253,382	4.1	4,940,722	79.5	6,212,779	898,937	14.4	55,639	0.9	720,368	11.6	4,074,010	65.6	463,825	7.5
1895..	86	3,372,086	54.1	36,915	0.6	33,305	0.5	481,889	7.7	2,309,533	37.1	6,233,525	899,449	14.4	39,851	0.6	983,838	15.8	3,855,256	61.9	455,131	7.3
1900..	106	3,343,065	52.7	58,514	0.9	32,436	0.5	349,865	5.5	2,555,857	40.3	6,339,734	989,115	15.8	152,721	2.4	612,231	9.7	4,208,723	66.6	376,939	5.8
1910..	128	3,365,807	42.1	86,862	1.1	68,071	0.9	305,150	3.8	4,164,251	52.1	7,990,141	1,730,625	19.8	150,000	1.7	1,058,830	12.2	5,444,969	62.5	328,900	3.8
1911..	131	3,375,404	36.0	101,041	1.1	13,086	0.1	518,256	5.5	5,368,628	57.3	9,376,416	1,760,988	18.8	150,000	1.6	1,322,250	14.1	5,802,464	61.9	340,714	3.6
1912..	134	3,376,404	33.7	114,974	1.1	..	..	548,787	5.4	5,981,587	59.7	10,026,755	1,805,183	18.0	150,000	1.5	1,577,026	15.7	6,175,081	61.6	319,475	3.2
1913..	134	3,376,404	33.2	119,945	1.2	..	..	516,303	5.1	6,110,487	60.4	10,146,153	2,376,322	23.3	170,000	1.7	1,168,631	11.6	6,128,056	60.5	303,144	3.0
1914..	147	3,430,404	31.4	119,046	1.1	..	..	549,546	5.0	6,897,922	62.5	10,559,280	2,682,794	24.5	182,046	1.7	1,337,132	12.2	6,452,765	58.8	304,543	2.8
1915..	147	3,463,404	31.0	106,691	1.0	..	..	532,445	4.8	7,058,797	63.2	11,163,389	3,187,400	28.5	364,036	3.3	1,243,664	11.2	6,079,186	54.4	289,103	2.6
1916..	155	3,496,404	29.4	104,847	0.9	..	..	625,107	5.3	7,654,487	64.4	11,893,718	3,619,378	32.0	447,975	3.8	1,310,482	11.0	7,243,009	60.9	272,881	2.3
1917..	159	3,528,403	25.6	105,226	0.8	..	..	998,993	7.2	9,159,320	66.4	13,793,684	2,743,483	19.6	992,884	7.2	1,317,931	13.8	7,956,343	57.7	255,333	1.9
1918..	173	3,560,403	23.6	127,855	0.9	..	..	756,655	5.4	9,388,452	68.1	13,835,062	2,729,343	19.6	992,884	7.2	1,317,931	13.8	7,956,343	57.7	255,333	1.9
1919..	179	3,589,903	23.2	140,908	1.0	..	..	860,594	5.6	10,848,250	70.3	15,441,102	2,745,896	17.7	1,007,848	6.5	2,208,712	14.2	9,158,935	59.4	319,711	2.1
1920..	181	3,652,144	21.6	179,162	1.0	..	..	1,008,633	5.9	12,090,412	71.5	16,931,747	3,522,503	20.8	636,779	3.7	2,533,423	15.0	9,937,514	58.7	301,528	1.8
1921..	317	4,992,516	16.2	284,372	0.9	..	..	2,954,345	9.6	22,552,725	73.3	30,785,298	6,207,557	20.1	878,950	2.8	3,851,314	12.5	19,069,034	62.1	778,443	2.5
1922..	332	5,025,364	16.3	367,085	1.2	..	..	1,736,144	5.6	23,773,421	76.9	30,903,332	6,111,301	19.8	1,230,825	4.0	3,799,508	12.3	18,950,421	61.3	811,277	2.6
1923..	355	5,323,616	16.2	496,948	1.6	..	..	1,755,056	5.3	25,202,780	78.9	32,779,587	7,444,471	20.6	1,329,148	4.1	3,596,467	11.0	20,313,043	61.9	796,558	2.4
1924..	370	5,407,966	16.1	525,102	1.6	..	..	2,013,871	6.0	25,695,754	76.3	33,544,878	6,509,436	19.3	1,164,139	3.5	4,441,858	13.2	20,720,840	61.6	806,605	2.4
1925..	384	6,296,297	18.2	556,083	1.6	..	..	1,967,092	5.7	25,722,311	74.5	34,548,931	6,996,036	20.1	1,252,761	3.6	4,876,355	14.1	20,635,697	59.8	786,082	2.3

*) March 31.

* March 31.

NATIONAL BANK OF AUSTRALASIA, LIMITED.

INCORPORATED 1858.

1918.—Amalgamated with Colonial Bank of Australasia, Limited.

1922.—Absorbed Bank of Queensland, Limited.

	CAPITAL				Year Ended March 31.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
	Subscribed.	Paid-up.	Callab.	Reserved.					
Ordinary Shares ...	£5,500,000 ..	£4,000,000 ..	£1,500,000 ..	Nil.	1917.....	156,468	7	50,000	13,695
					1918.....	169,483	7	60,000	18,302
					1919.....	235,194	7½	93,614	40,234
Per Share.....	£10 & £8	£10 & £5	£3		1920.....	299,781	8	130,000	50,015
					1921.....	336,610	9½	140,000	56,625
					1922.....	350,168	10	110,000	68,745
					1923.....	442,178	10	157,097	81,324
					1924.....	498,168	10	163,177	108,342
					1925.....	538,832	10	132,471	114,704
Ordinary, September 30, 1926				8½	1926.....	568,254	10	160,000	122,959

Year Ended March 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills in Circu- lation, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and at Bank.	Per Cent.	Investments.	Per Cent.	Bills and Remit- tances in Transit.	Per Cent.	Discounts and Advances.	Per Cent.	Real Estate and Premises.	Per Cent.
1890..	143	1,670,000	13.6	103,931	0.9	372,960	3.1	1,612,254	13.2	8,554,428	69.2	12,233,573	1,942,560	15.9	307,100	2.3	1,649,681	13.5	7,914,632	64.9	419,600	3.4
1891..	143	1,670,000	13.6	108,258	0.9	384,574	3.0	2,199,795	17.5	8,344,287	65.4	12,706,914	1,259,684	9.9	758,100	6.0	2,063,506	16.2	8,182,098	64.4	443,526	3.5
1892..	150	1,670,000	13.0	91,376	0.7	322,170	2.5	1,971,325	15.3	8,818,349	68.5	12,873,220	1,196,968	9.3	811,100	6.3	1,686,656	13.1	8,643,690	67.2	532,806	4.1
1893..	130							In process of reconstruction.														
1894..	130	1,660,642	15.7	35,690	0.3	250,127	2.3	842,180	7.9	7,856,593	73.8	10,645,230	1,773,392	16.6	591,930	5.5	924,776	8.7	6,891,664	64.9	463,470	4.3
1895..	113	1,877,784	18.2	18,944	0.2	266,200	2.6	675,494	6.5	7,493,272	72.5	10,331,694	1,687,330	16.4	700,280	6.8	1,668,590	16.1	5,813,941	56.2	461,563	4.5
1900..	108	2,030,174	21.8	85,870	0.9	329,222	3.5	779,352	8.3	6,185,617	65.7	9,410,235	1,556,344	16.6	736,210	7.8	645,656	6.8	5,542,456	58.9	929,569	9.9
1905..	133	1,603,280	16.9	45,398	0.5	243,939	2.6	1,154,448	12.2	6,447,022	67.8	9,494,027	1,487,595	15.7	727,624	7.7	923,663	9.7	5,666,354	59.7	688,791	7.2
1910..	199	1,713,228	12.9	74,983	0.6	330,987	2.5	1,523,994	11.5	9,648,583	72.5	13,291,767	2,235,979	16.8	476,193	3.6	2,078,101	15.7	8,017,862	60.3	483,632	3.6
1911..	210	1,743,220	12.1	82,238	0.6	340,101	2.4	1,598,836	11.2	10,554,725	73.7	14,519,180	2,506,844	17.6	513,383	3.6	1,158,069	8.0	9,672,564	67.5	468,320	3.3
1912..	211	1,783,220	12.3	127,563	0.9	64,057	0.4	1,184,234	8.1	11,392,613	78.4	15,551,687	3,053,117	21.0	444,314	3.1	1,030,761	7.1	9,577,225	65.8	446,270	3.0
1913..	208	1,903,220	14.4	113,046	0.8	46,529	0.3	1,010,265	7.5	10,448,630	77.3	13,521,690	2,353,552	17.4	705,531	5.2	1,205,158	8.9	9,577,225	65.8	446,270	3.0
1914..	208	1,963,220	13.4	110,910	0.8	38,981	0.3	1,116,066	9.0	11,262,630	76.5	14,611,807	2,854,452	19.5	567,852	3.9	1,451,385	9.9	9,306,647	63.8	431,471	2.9
1915..	223	2,023,220	14.2	108,332	0.8	36,223	0.3	924,405	6.9	11,081,514	78.2	14,173,694	3,298,421	23.2	585,036	4.1	949,043	6.7	8,914,553	63.0	426,941	2.9
1916..	227	2,063,220	14.2	114,539	0.8	34,690	0.2	1,123,960	7.7	11,239,288	77.1	15,017,282	3,070,983	21.1	377,518	2.6	1,359,889	9.3	9,343,903	64.1	423,404	2.8
1917..	208	2,128,220	14.1	91,132	0.6	35,538	0.2	1,123,960	7.7	11,239,288	77.1	15,017,282	3,070,983	21.1	377,518	2.6	1,359,889	9.3	9,343,903	64.1	423,404	2.8
1918..	165	2,173,220	12.4	100,740	0.6	32,576	0.2	1,480,872	8.4	13,823,120	78.4	17,610,728	4,048,101	22.5	1,405,849	8.0	1,632,672	9.2	10,133,870	57.7	390,232	2.2
1919..	231	3,090,000	12.7	119,023	0.5	50,088	0.2	958,396	4.0	20,012,106	82.6	24,229,613	5,947,454	16.2	1,811,482							
1920..	221	3,200,000	11.7	130,015	0.5	49,810	0.2	962,908	4.5	23,398,202	84.3	27,740,935	4,544,262	16.4	6,919,615	7.5	1,209,869	5.0	16,729,874	69.1	530,934	2.2
1921..	219	3,200,000	11.3	156,625	0.5	49,524	0.2	1,724,292	5.9	24,941,931	82.8	29,941,932	4,952,820	16.8	3,691,962	12.9	1,431,981	5.1	14,201,412	51.1	643,635	2.3
1922..	265	3,300,000	11.3	171,793	0.5	49,004	0.1	1,262,397	3.8	27,457,593	82.8	33,195,076	6,664,869	20.0	4,186,110	12.2	1,803,592	6.2	13,652,615	62.2	640,993	2.4
1923..	287	3,450,000	12.6	217,574	0.6	48,874	0.1	1,149,355	4.0	29,159,545	82.8	35,285,348	4,455,007	12.6	4,321,225	12.2	2,364,172	6.7	12,966,619	59.1	789,200	2.4
1924..	292	3,565,000	13.8	269,592	0.7	48,312	0.1	1,412,334	3.7	31,213,989	81.7	38,209,227	5,624,446	14.7	2,452,631	6.7	2,292,462	6.7	12,992,462	66.7	852,482	2.4
1925..	309	3,600,000	15.3	314,704	0.8	48,185	0.1	1,598,345	6.3	31,916,542	77.5	41,777,776	7,281,659	17.7	4,653,018	10.8	4,586,623	11.0	12,585,165	58.1	964,004	2.5
1926..	314	6,410,000	15.8	322,958	0.8	48,034	0.1	1,640,773	4.0	32,284,253	79.3	40,706,018	6,772,293	16.6	5,086,191	12.5	2,761,019	6.8	25,001,394	61.4	985,121	2.4

National Bank of New Zealand, Limited—Continued from page 34.

Year Ended March 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand, at Bankers, & at Call.	Per Cent.	Investments.	Per Cent.	Bills Discounted.	Per Cent.	Remittances in Transit and Advances.	Per Cent.	Land & Property, Premises, Bldgs. & Furniture, including Cover for Acceptances.	Per Cent.
1890	36	250,000	9.7	18,028	0.7	108,323	4.2	350,863	13.6	1,847,256	71.8	2,574,510	280,078	10.9	...	...	...	...	2,166,884	84.2	127,548	4.9
1891	34	250,000	9.7	13,696	0.5	114,343	4.2	360,625	13.4	1,941,458	72.2	2,690,122	320,940	11.9	...	...	...	...	2,241,679	83.4	127,503	4.7
1892	33	235,816	9.2	13,085	0.5	107,545	4.2	606,742	23.5	1,613,609	62.6	2,576,797	396,230	15.4	...	...	...	...	2,053,245	79.7	127,552	4.9
1893	35	247,384	10.1	16,928	0.7	116,439	4.8	455,265	18.6	1,605,027	65.8	2,441,043	350,249	14.4	...	...	...	...	1,963,796	80.4	126,998	5.1
1894	37	248,148	10.9	21,425	0.9	110,513	4.8	470,596	20.5	1,434,366	62.9	2,285,048	304,075	13.3	...	...	...	...	1,854,643	81.2	126,330	5.5
1895	37	249,106	11.4	25,357	1.2	109,822	4.7	265,176	12.2	1,534,641	70.2	2,184,102	358,024	16.6	...	...	...	...	1,699,835	77.6	126,249	5.2
1900	41	310,000	8.7	40,009	1.1	211,605	6.0	478,821	13.5	2,510,754	70.7	3,551,189	649,024	18.3	68,481	1.9	...	...	2,741,453	77.2	92,231	2.6
1905	34	460,000	10.5	45,810	1.0	247,126	5.6	415,309	9.5	3,218,481	73.4	4,386,726	873,037	19.9	206,388	4.7	581,275	13.2	2,645,409	60.5	80,617	1.8
1910	35	750,000	12.7	69,650	1.2	268,559	5.2	536,798	9.9	4,306,225	79.6	5,531,312	1,374,319	23.2	532,178	9.0	674,328	11.4	3,282,772	55.3	67,715	1.1
1914	46	1,395,000	20.0	120,817	1.7	255,899	3.7	839,674	12.9	4,304,654	61.7	6,976,044	1,171,137	16.8	522,415	7.5	808,555	11.6	4,388,181	62.9	85,756	1.2
1915	45	1,415,000	19.0	124,580	1.7	255,899	3.7	839,674	12.9	4,304,654	61.7	6,976,044	1,171,137	16.8	522,415	7.5	808,555	11.6	4,388,181	62.9	85,756	1.2
1916	45	1,435,000	17.4	113,609	1.4	535,665	6.5	841,555	10.2	5,298,296	64.5	8,224,125	1,295,801	15.7	1,161,124	14.1	590,364	8.7	4,899,171	59.6	161,037	2.1
1917	44	1,450,000	16.3	114,254	1.3	518,026	6.5	841,555	10.2	5,298,296	64.5	8,224,125	1,295,801	15.7	1,161,124	14.1	590,364	8.7	4,899,171	59.6	161,037	2.1
1918	43	1,465,000	14.7	118,150	1.2	1,702,381	17.1	1,003,237	10.1	5,656,303	56.9	9,945,671	1,487,893	15.0	2,317,686	23.3	550,007	5.9	5,432,079	54.6	158,006	1.6
1919	43	1,480,000	14.4	144,332	1.1	1,177,271	11.4	951,394	9.3	6,481,558	63.5	10,235,155	2,173,945	21.2	1,413,264	13.8	802,109	7.8	6,705,855	55.8	139,978	1.4
1920	46	2,000,000	14.8	174,573	1.3	828,009	6.1	1,719,729	12.7	8,856,133	65.1	13,578,444	1,961,566	14.5	3,595,592	26.5	1,050,767	7.8	6,831,051	50.2	139,468	1.0
1921	49	2,020,000	12.9	226,394	1.4	981,782	6.3	4,129,913	25.3	8,236,492	53.1	15,654,581	1,305,168	8.3	2,136,197	13.6	603,669	3.8	11,413,397	73.0	196,150	1.3
1922	51	2,040,000	14.4	238,621	1.7	2,031,451	14.3	1,622,070	11.5	8,245,538	58.1	14,175,380	1,520,003	10.8	1,349,483	9.5	664,563	4.7	10,399,486	73.3	241,845	1.7
1923	53	2,500,000	16.5	278,167	1.9	1,729,434	11.4	1,422,151	9.4	9,261,899	60.8	15,191,651	1,670,062	7.2	1,670,296	11.0	739,327	4.9	11,348,048	74.6	346,918	2.3
1924	55	2,510,000	14.9	294,502	1.7	1,701,313	10.1	11,442,154	67.7	16,884,510	143.6	28,400,236	1,404,718	8.1	2,000,236	11.5	898,477	5.2	12,665,605	72.9	402,836	2.3
1925	57	2,970,000	17.1	306,698	1.8	94,847	0.4	2,328,415	13.4	10,822,912	62.3	17,771,872	1,404,718	8.1	2,000,236	11.5	898,477	5.2	12,665,605	72.9	402,836	2.3
1926	57	3,980,000	21.6	363,044	2.0	956,629	5.2	2,734,578	14.8	10,438,468	56.4	18,471,719	1,393,351	7.5	1,910,486	10.3	1,087,873	5.9	13,627,908	73.9	452,101	2.4

* Includes discounts.

QUEENSLAND NATIONAL BANK, LIMITED.

INCORPORATED 1872.

CAPITAL.					Year Ended June 30.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callab.	Reserved.	Market Value.					
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1919	108,345	10	50,000	6,766
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1920	104,673	10	28,000	6,165
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1921	117,541	10	27,000	16,959
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1922	128,819	12 1/2	37,000	8,827
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1923	149,351	12 1/2	40,000	18,177
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1924	176,388	12 1/2	40,000	16,685
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1925	184,446	10	60,000	15,950
£ 1,500,000	£ 1,500,000	Nil	Nil	£ 2,625,000	1926	194,676	10	50,000	11,649

Interminable inscribed deposit stock, £3,091,669

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.										
		Capital and Reserves.		Per Cent.	Un- divided Profits.	Per Cent.	Bills Pay- able to the Govern- ment of Queens- land.	Per Cent.	Miscel- laneous Credits, Rebate, &c.	Per Cent.	Deposits and Current Accounts.		Per Cent.	Cash in Hand and at Bankers.	Per Cent.	Cash at Call and Short Notice in London.	Per Cent.	Invest- ments.	Per Cent.	Discounts, Advances, and Bills in Transit.	Per Cent.	Premises and Sundries.	Per Cent.
		£	Per Cent.																				
1890	68	1,285,000	12.8	64,171	0.6	278,661	2.8	497,936	5.0	7,885,930	78.8	10,011,698	1,136,052	11.9	154,575	1.5	309,436	3.1	8,073,215	80.7	279,420	2.8	
1891	68	1,285,000	12.5	56,091	0.5	302,764	2.9	288,721	2.8	8,379,331	81.3	10,312,507	1,296,953	12.6	105,000	1.2	464,085	4.5	8,151,686	78.9	294,783	2.8	
1892	66	1,285,000	12.8	57,230	0.6	273,075	2.7	186,249	1.8	8,256,157	82.1	10,067,711	1,247,351	12.4	95,000	0.9	198,554	2.0	8,216,396	81.7	300,411	3.0	
1893	66									In process of reconst- ruction.													
1894	66	609,943	6.3	43,593	0.5	222,000	2.3	524,906	5.4	8,272,759	85.5	9,673,201	1,625,594	16.9	100,000	1.0	42,122	0.4	7,612,468	78.7	293,017	3.0	
1895	49	738,009	7.3	47,618	0.5	242,000	2.4	626,998	6.2	8,419,411	84.6	10,074,036	1,907,824	18.9	170,000	1.7	41,976	0.4	7,669,167	76.2	285,069	2.8	
1900	51	3,541,394	48.3	12,000	0.2	2,068,326	28.2	279,762	3.8	14,320,193	19.5	7,334,185	1,381,550	18.8	390,000	5.3			7,669,167	62.2	1,007,840	13.7	
1905	53	3,571,948	46.0	12,000	0.2	1,377,563	17.7	426,896	5.5	2,395,677	30.6	7,785,984	1,090,307	14.0	385,000	5.0	43,435	0.6	5,538,122	71.0	729,120	9.4	
1910	71	3,589,038	39.1	25,000	0.3	430,489	4.7	476,483	5.2	4,606,614	50.7	9,127,624	1,833,134	20.0	665,000	7.3	134,900	1.5	6,205,241	68.0	289,349	3.2	
1913	83	3,635,087	34.7	48,214	0.5	218,293	2.1	83,682	0.8	6,429,747	61.9	10,415,023	2,577,037	24.6	395,000	3.8	118,700	1.1	7,027,240	67.7	297,046	2.8	
1914	83	3,725,669	35.3	50,090	0.5	86,098	0.8	162,150	1.5	6,560,809	61.9	10,584,816	2,361,980	22.4	795,000	7.5	118,700	1.1	7,004,010	66.1	305,126	2.9	
1915	83	3,749,669	32.0	51,746	0.4	...	...	377,465	3.2	7,591,693	64.4	11,704,874	3,963,193	33.6	401,800	3.4	166,200	1.4	6,925,559	58.9	311,821	2.7	
1916	83	3,771,669	34.1	51,398	0.5	...	...	596,921	5.4	6,631,818	60.0	11,051,806	2,290,797	20.6	175,900	1.6	838,700	7.6	7,408,752	67.2	337,567	2.9	
1917	83	3,793,669	32.4	51,896	0.4	...	...	484,016	4.1	7,362,836	61.1	11,692,407	3,004,883	25.9	628,840	5.8	476,980	4.1	7,204,421	61.7	337,283	2.8	
1918	86	3,793,669	29.3	53,070	0.4	...	...	498,511	3.9	8,590,196	63.6	12,936,446	3,615,325	28.9	94,340	0.7	1,343,700	10.4	7,536,405	58.2	345,676	2.7	
1919	86	4,030,520	28.9	48,910	0.3	...	...	806,579	5.8	9,075,056	65.0	13,961,014	4,412,458	31.6	100,000	0.7	610,200	4.4	8,473,103	60.7	365,253	2.6	
1920	90	4,188,325	31.6	26,081	0.2	...	...	570,075	4.3	8,427,076	63.9	13,211,557	3,715,736	28.0	150,000	0.7	1,045,600	7.9	7,929,921	60.2	370,300	2.9	
1921	89	4,214,672	36.5	38,909	0.3	...	...	483,753	4.2	8,854,743	59.0	11,592,077	2,449,749	21.1	150,000	0.7	1,045,600	7.9	7,929,921	60.2	370,300	2.9	
1922	91	4,251,669	36.9	50,827	0.4	...	...	350,078	3.0	8,898,730	59.7	11,551,304	1,386,732	12.0	105,000	0.9	1,689,760	14.6	7,869,401	68.2	398,425	3.3	
1923	89	4,391,669	34.9	58,177	0.5	...	...	415,263	3.4	7,619,294	61.2	12,284,403	1,263,840	10.4	100,000	0.6	1,782,467	14.5	8,488,925	69.2	500,411	4.3	
1924	91	4,829,220	36.8	74,048	0.6	...	...	487,656	3.7	7,799,732	58.9	13,12,665	1,729,544	13.2	180,000	0.4	1,472,417	11.2	9,168,066	69.9	556,660	4.4	
1925	91	5,265,220	38.3	51,757	0.4	...	...	401,757	3.0	7,920,653	58.3	13,579,387	1,851,453	13.6	100,000	0.6	1,249,760	9.2	9,162,777	71.6	646,397	4.4	
1926	95	5,301,669	36.7	49,419	0.3	...	...	542,493	3.7	8,566,481	59.3	14,459,792	1,640,602	11.3	225,000	1.6	1,598,513	10.0	10,462,146	72.4	533,531	4.3	

THE UNION BANK OF AUSTRALIA, LIMITED.
ESTABLISHED 1837.

CAPITAL					Market	Year	Net	Dividend	To Reserve	Carried
Subscribed.	Paid-up.	Callable.	Reserved.	Value.	Value.	Ended	Profit.	%	&c.	Forward.
£	£	£	£	£	£	Feb. 28.	£		£	£
10,500,000	3,500,000	Nil.	7,000,000	10,325,000		1919	359,321	14(a)	55,000	78,614
						1920	458,102	15(a)	80,000	81,716
						1921	516,341	15(a)	120,000	83,057
						1922	536,261	15(a)	100,000	85,818
						1923	562,894	15(a)	100,000	89,712
						1924	550,292	15(a)	100,000	90,003
						1925	590,398	15(a)	100,000	92,902
						1926	627,611	15(a)	100,000	95,513

LIABILITIES.											ASSETS.											
Year Ended February 28.	Number of Branches.	Paid-up Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabili- ties or Assets.	Cash in Hand and at Bankers, and in Transit.	Per Cent.	Money at Call & Short Notice in London.	Per Cent.	Invest- ments.	Per Cent.	Remittances and Drafts in Transit, Discounts and Advances.	Per Cent.	Premi- ses.	
£		£		£		£		£		£		£	£		£		£		£		£	
1890	89	2,500,000	13.0	120,379	0.6	408,652	2.12	346,510	12.3	13,799,044	72.0	19,174,585	2,726,820	14.2	405,000	2.1	829,343	4.3	14,794,310	77.2	419,112	2.2
1895	96	2,500,000	11.0	51,593	0.2	449,291	2.02	576,880	11.4	17,055,564	74.5	22,633,328	4,036,996	17.8	290,000	1.3	897,041	4.0	16,690,607	73.7	718,684	3.2
1900	104	2,500,000	11.8	122,364	0.5	489,083	2.32	307,642	10.9	15,793,602	74.5	21,212,691	3,338,500	15.7	585,000	2.7	1,145,746	5.4	15,412,707	72.7	730,738	3.5
1905	128	2,555,000	11.7	102,508	0.5	458,740	2.11	851,562	8.5	16,869,958	77.2	21,837,768	3,069,436	14.0	1,365,000	6.2	1,584,023	7.2	15,143,415	69.5	678,895	3.1
1910	166	2,810,000	10.7	144,928	0.6	470,997	1.81	559,150	5.9	21,349,025	81.0	26,334,100	4,042,314	15.3	1,140,000	4.3	1,818,368	6.9	18,784,367	71.3	549,061	0.2
1914	181	3,960,000	13.4	185,510	0.7	183,408	0.61	714,216	5.8	23,538,534	79.6	29,581,668	4,953,180	16.7	1,805,000	6.1	2,020,433	6.8	20,298,840	68.7	504,215	1.7
1915	185	3,960,000	13.3	210,510	0.7	274,937	0.91	747,446	5.9	23,594,898	79.2	29,787,791	5,500,872	18.4	1,764,081	2.6	2,507,759	8.4	20,514,749	68.9	500,330	1.7
1916	182	3,960,000	12.9	211,374	0.7	334,051	1.12	123,323	6.9	24,055,785	78.4	30,684,533	5,150,634	16.8	1,380,000	1.0	1,658,894	5.4	23,059,580	75.2	495,425	1.6
1917	182	3,980,000	12.8	211,337	0.7	877,405	2.13	935,814	6.2	24,227,108	77.5	31,234,460	5,124,967	15.6	1,120,000	3.6	1,668,718	5.3	23,080,274	73.9	490,501	1.6
1918	182	4,025,000	12.7	214,293	0.7	432,599	2.40	023,494	6.2	24,965,150	78.8	31,679,956	5,152,030	15.9	880,000	2.8	1,655,878	5.2	22,505,502	71.1	485,546	1.5
1919	180	4,070,000	12.2	218,514	0.7	540,485	1.62	404,028	7.2	26,136,296	78.3	33,369,391	5,268,391	15.8	1,050,000	1.8	2,017,396	6.0	21,018,040	70.1	465,564	1.4
1920	180	5,130,000	12.5	281,716	0.7	628,667	1.53	128,504	7.6	31,840,563	77.7	41,009,450	5,617,685	13.7	1,140,000	2.8	2,034,982	4.9	31,779,234	77.5	437,549	1.4
1921	182	5,250,000	12.2	270,557	0.7	676,909	1.74	003,958	10.1	29,531,558	74.3	39,732,982	7,035,817	17.6	1,055,000	2.7	2,016,738	5.1	29,208,929	73.5	416,498	1.4
1922	186	6,250,000	15.5	311,818	0.8	569,186	1.44	037,788	10.0	29,187,748	72.3	40,346,516	7,362,162	18.2	1,125,000	2.8	2,173,750	5.4	31,779,234	77.5	437,549	1.4
1923	186	6,250,000	15.5	311,818	0.8	562,081	1.33	707,570	8.8	31,390,819	74.2	42,325,182	6,560,886	15.5	1,050,000	2.5	2,200,000	5.2	32,110,147	75.9	394,149	0.9
1924	192	6,450,000	14.9	314,712	0.7	674,610	1.54	115,663	9.2	32,838,019	74.1	44,393,295	5,672,086	12.8	790,000	1.8	2,200,000	5.0	35,338,335	79.5	392,874	0.9
1925	194	7,650,000	16.4	355,402	0.8	721,031	1.54	005,166	8.6	33,995,484	72.7	46,727,083	4,928,878	10.5	1,435,000	3.1	2,200,000	4.7	37,771,652	80.9	391,553	0.8
1926	197	7,700,000	17.3	358,011	0.8	772,245	1.73	668,447	8.2	32,038,277	72.0	44,536,938	6,711,087	15.1	1,070,000	2.4	2,201,000	4.9	34,164,673	76.7	390,178	0.8

(4) CANADIAN BANKS.

BANK OF MONTREAL.

ESTABLISHED 1817.

Acquired Exchange Bank of Yarmouth, 1903.

Acquired People's Bank of Halifax, 1905.

Acquired People's Bank of New Brunswick, 1907.

Acquired Bank of British North America, October, 1918.

Acquired Merchants' Bank of Canada, March, 1922.

Acquired Molsons Bank, January, 1925.

CAPITAL					Year	Net	Dividend	To Reserve	Carried
Subscribed.	Paid-up.	Callable.	Reserved.	Value.	Ended	Profit.	%	&c.	Forward.
£	£	£	£	£	Oct. 31.	£		£	£
29,916,700	29,916,700			27,250,000	1917	2,477,369	12	307,500	1,664,893
					1918	2,562,720	12	406,000	1,901,613
					1919	3,314,237	12	450,736	1,812,864
					1920	4,033,996	14	620,000	1,251,860
					1921	3,949,796	14	624,000	1,568,815
					1922	4,756,668	14	580,650	569,582
					1923	4,496,417	14	537,500	761,586
					1924	4,454,504	14	608,090	596,788
					1925	4,604,963	14		

(Dollars converted to sterling at \$5 to £1.)

LIABILITIES.										ASSETS.												
Year Ended April 30.	Number of Branches.	Capital Reserves.	Per Cent.	Undivided Profits.	Notes.	Per Cent.	Balances Due to Other Banks in Canada, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand and Due by Agencies.	Per Cent.	Cash at Call and Short Notice in G. Britain & U.S.A.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Premises and Buildings.	Per Cent.	
1890.	35	£	38-9	£	£	11-4	£	0-6	£	46-1	£	10-8	£	2-9	£	85-0	£	1-3	£	1-3		
1895.	39	3,698,631	31-0	293,436	2-5	875,540	7-4	1,068	7,004,836	59-1	11,871,511	36-0	476,464	4-0	6,975,048	58-9	123,288	1-1	123,288	1-1		
1900.	47	3,904,110	24-0	211,519	1-3	1,266,092	7-8	3,195	10,817,592	66-9	16,202,508	8-5	490,892	3-0	14,194,369	87-6	142,858	0-9	142,858	0-9		
1905.	67	4,931,508	17-8	280,699	1-0	1,686,328	6-1	8,888	40,066,652	83-2	48,172,258	13-8	5,671,544	20-4	16,712,135	59-2	168,747	0-6	168,747	0-6		
1910.	151	5,424,007	11-3	214,343	0-4	2,457,436	5-1	19,170	41,293,741	81-1	50,887,000	15-7	16,429,641	34-1	2,683,375	5-6	21,375,681	44-3	123,288	0-3		
1913.	181	6,400,000	12-6	290,637	0-2	2,885,899	5-7	16,732	42,521,344	80-5	52,591,284	16-6	12,776,135	25-1	2,879,549	5-7	25,984,593	51-1	800,000	1-6		
1914.	182	6,400,000	12-2	331,879	0-6	2,687,763	5-1	650,298	46,178,553	79-7	57,912,535	21-6	19,441,317	37-0	2,465,764	4-7	23,840,873	45-3	834,499	1-6		
1915.	180	6,400,000	11-1	362,587	0-2	2,867,699	5-0	2,103,880	55,721,531	84-1	78,084,340	38-5	15,358,496	26-5	3,234,813	5-6	25,058,339	43-3	1,765,408	3-0		
1916.	181	6,400,000	8-2	376,717	0-5	3,587,212	4-6	1,998,880	65,403,469	84-7	77,361,377	25-2	22,831,378	29-5	11,817,137	15-2	22,284,927	28-7	1,380,775	1-8		
1917.	183	6,400,000	8-2	424,032	0-5	4,378,207	5-6	755,589	71,551,361	84-8	85,264,419	25-9	22,024,371	25-9	22,452,801	26-2	13,777,642	16-1	21,943,458	28-1	1,417,034	1-8
1918.	184	6,400,000	7-5	470,114	0-5	5,659,922	6-6	1,173,022	79,514,991	81-7	97,854,239	21-6	17,581,041	18-2	16,308,350	16-7	25,564,202	30-2	1,375,403	1-6		
1919.	285	8,000,000	8-2	453,735	0-5	6,202,217	7-4	1,683,300	94,021,439	82-3	114,230,027	19-5	22,245,890	19-5	22,763,015	20-0	11,485,118	10-1	40,830,280	41-5	1,324,330	2-4
1920.	311	8,000,000	8-7	539,915	0-5	5,025,732	8-0	3,642,941	83,320,188	82-2	101,439,989	22-5	12,753,021	22-5	16,022,038	15-8	11,571,182	11-4	54,797,788	47-8	1,938,212	2-6
1921.	320	10,900,000	8-4	282,446	0-2	7,944,896	6-0	2,780,792	106,885,681	84-0	130,775,814	24-1	21,677,887	15-8	11,572,211	10-5	48,860,354	48-2	1,041,121	2-1		
1922.	343	10,900,000	8-3	342,635	0-3	7,847,204	6-0	2	109,171,774	83-1	131,121,649	23-8	25,848,763	19-9	16,536,735	12-6	55,169,617	46-1	1,339,849	2-4		
1923.	584	10,900,000	8-0	361,239	0-3	7,544,643	6-0	2,317,374	114,737,305	83-6	136,986,831	25-8	25,263,653	17-8	21,734,536	15-0	52,003,092	38-0	1,020,889	0-8		
1924.	614	10,900,000	8-0	361,239	0-3	7,544,643	6-0	2,317,374	120,322,896	83-7	143,638,969	27-8	21,734,536	15-0	20,729,996,202	15-0	52,003,092	38-0	1,020,889	0-8		
1925.	617	11,966,680	8-0	367,980	0-2	7,847,988	6-6	4,321,421	124,835,502	83-7	149,826,471	26-8	21,734,536	15-0	20,729,996,202	15-0	52,003,092	38-0	1,020,889	0-8		
1926.	614	11,966,680	8-0	367,980	0-2	7,847,988	6-6	4,321,421	124,835,502	83-7	149,826,471	26-8	21,734,536	15-0	20,729,996,202	15-0	52,003,092	38-0	1,020,889	0-8		

THE CANADIAN BANK OF COMMERCE.

INCORPORATED 1867.

1923.—Absorbed Bank of Hamilton.

CAPITAL.				Market Price	Year Ended Nov. 30.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callab.	Reserved.						
\$	\$	\$	\$	Per Share,					
20,000,000	20,000,000	NIL	20,000,000	Sept. 30,	1916.....	501,250	12	61,436	164,860
					1917.....	541,963	12	63,246	273,714
					1918.....	731,161	12	89,908	296,885
					1919.....	631,827	13	234,658	293,370
					1920.....	679,365	13	133,562	366,571
					1921.....	640,302	13	139,391	400,016
					1922.....	616,939	13	185,277	430,993
					1923.....	598,648	13	179,853	449,103
					1924.....	741,098	13	415,918	250,290
					1925.....	716,551	13	178,915	253,679

(Converted at par of exchange.)

Ended November 30.		Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
			Capital and Reserves.	Per Cent.	Undivided Profits.	Per Cent.	Notes.	Per Cent.	Due to Other Banks, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and Due by Agents.	Per Cent.	Call and Short Loans.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Real Estate, Furniture, and Sundries.	Per Cent.
1901..	66	2,000,000	14.2	106,590	0.8	1,453,255	10.3	227,559	1.6	10,335,873	73.1	14,123,277	1,486,493	10.5	1,738,286	12.3	1,940,340	13.8	8,616,271	61.0	341,887	2.4	
1905..	149	2,979,452	14.7	84,067	0.4	1,795,617	9.0	72,804	0.3	15,282,224	75.6	20,214,164	3,148,579	15.5	2,312,122	11.4	1,255,706	6.2	13,212,954	65.5	284,803	1.4	
1906..	173	3,082,192	13.2	113,848	0.5	1,890,248	8.1	337,018	1.4	17,908,056	76.8	23,331,362	3,459,731	14.9	1,849,602	7.9	1,362,104	5.9	16,295,184	69.7	364,741	1.6	
1907..	173	3,082,192	13.2	180,292	0.8	1,897,760	8.1	314,238	1.4	17,885,149	76.5	23,359,651	3,641,754	15.6	2,608,676	11.1	1,094,113	4.7	15,631,494	67.0	383,594	1.6	
1908..	191	3,287,672	13.0	74,543	0.3	1,980,996	8.0	266,464	1.0	19,528,314	77.7	25,137,989	5,627,240	22.3	3,685,661	14.6	1,052,752	4.2	14,333,408	57.2	438,931	1.7	
1909..	216	3,287,671	10.7	189,975	0.6	2,122,072	7.0	258,810	0.8	24,757,598	80.9	30,616,126	6,162,613	20.1	5,710,300	18.6	1,570,867	5.1	16,697,378	54.7	274,974	1.5	
1910..	236	3,493,151	10.8	110,463	0.3	2,100,637	6.5	505,094	1.6	26,061,833	80.8	32,271,168	5,129,786	16.0	3,912,786	12.1	1,833,753	5.6	20,688,405	64.1	706,438	2.2	
1911..	339	4,408,582	11.8	101,579	0.3	2,466,709	6.6	350,594	1.6	30,500,594	81.3	37,477,394	6,290,103	22.1	3,087,394	8.2	2,469,060	6.6	22,806,139	60.9	822,698	2.2	
1912..	366	5,650,685	11.2	267,741	0.5	3,374,561	6.7	766,018	1.5	40,606,328	80.1	50,665,333	9,116,633	18.0	3,654,051	7.2	3,096,394	6.1	33,748,219	66.6	1,048,143	2.1	
1913..	373	5,856,164	10.9	187,438	0.4	3,214,299	6.0	2,199,566	4.1	41,973,503	78.6	53,430,370	9,624,114	18.0	5,294,160	9.9	4,922,839	9.2	32,261,506	60.4	1,396,352	2.5	
1914..	379	5,856,164	11.6	338,115	0.7	3,070,389	6.1	3,856,343	7.6	37,296,331	74.0	50,417,342	9,064,730	18.0	5,687,134	11.2	4,354,366	8.6	29,298,920	58.2	2,012,192	4.0	
1915..	376	5,856,164	11.4	203,343	0.4	3,369,433	6.5	2,057,106	4.0	39,970,495	77.7	51,456,542	11,455,898	22.3	6,448,328	12.4	4,354,366	8.6	29,298,920	58.2	2,012,192	4.0	
1916..	378	5,856,164	9.9	273,165	0.5	3,957,400	6.7	1,940,277	3.3	47,238,935	79.6	59,265,941	13,479,374	22.6	7,369,822	12.4	5,727,808	9.7	28,966,342	56.1	1,873,139	3.6	
1917..	381	5,856,164	8.3	381,591	0.5	4,930,530	7.0	2,793,957	3.9	56,799,792	80.3	70,762,034	15,839,176	22.5	6,891,322	9.7	11,483,016	16.2	30,871,757	52.3	1,817,180	3.0	
1918..	380	6,164,384	6.8	404,762	0.4	6,489,800	7.2	4,848,976	5.4	72,566,880	80.2	90,474,802	18,130,127	20.0	8,601,791	9.5	14,808,400	16.4	33,835,944	47.8	2,712,596	3.8	
1919..	508	6,164,384	6.5	386,658	0.4	6,174,177	6.3	4,954,037	5.0	80,877,772	82.0	98,558,430	18,648,803	19.0	9,317,057	9.5	16,986,310	16.4	44,648,617	49.4	2,285,867	4.0	
1920..	531	6,164,384	6.2	490,677	0.5	6,311,696	5.4	4,885,731	4.9	80,933,943	82.0	98,786,430	20,089,253	22.4	9,413,177	10.7	8,215,414	9.3	47,406,796	53.8	2,783,620	3.2	
1921..	530	6,164,384	7.0	524,218	0.6	4,824,159	5.3	3,895,058	4.4	72,566,137	82.5	87,973,956	17,538,226	21.0	9,413,177	10.7	8,215,414	9.3	47,406,796	53.8	2,783,620	3.2	
1922..	515	6,164,384	7.4	555,300	0.7	4,669,651	5.6	4,432,943	5.3	67,624,710	81.0	83,446,988	17,538,226	21.0	9,413,177	10.7	8,215,414	9.3	47,406,796	53.8	2,783,620	3.2	
1923..	523	8,219,178	8.7	782,299	0.5	6,242,955	6.6	5,624,955	6.6	73,951,472	78.4	94,358,173	15,068,609	16.0	10,509,688	11.2	9,060,868	10.8	44,431,537	53.3	3,097,643	3.7	
1924..	568	8,219,178	7.8	416,104	0.4	5,844,249	5.6	7,501,534	7.2	82,828,564	79.0	104,809,629	19,159,940	18.3	11,296,713	10.8	18,808,912	18.0	49,594,383	47.2	5,949,681	5.7	
1925..	550	8,219,178	7.6	418,966	0.4	6,060,660	5.6	6,970,035	6.5	86,272,074	79.9	107,940,913	20,491,698	19.0	13,214,679	12.2	19,986,177	18.5	47,703,550	44.2	6,544,809	6.1	

* January 31.

THE DOMINION BANK.

ESTABLISHED 1871.

CAPITAL.				Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callab.	Reserved.					
\$	\$	\$	\$					
1,200,000	1,200,000	NIL		1917.....	1,332,600	12	262,500	403,775
				1918.....	1,116,265	12	321,575	458,735
				1919.....	1,169,704	13	340,500	495,707
				1920.....	1,188,511	13	335,000	569,218
				1921.....	1,016,262	13	190,000	715,480
				1922.....	1,017,682	13	195,000	758,163
				1923.....	1,123,370	13	282,158	895,375
				1924.....	1,144,082	13	289,332	900,115
				1925.....	1,156,840	13	312,667	964,298

(Dollars converted at rate of \$5 to £1.)

Year Ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- laneous Credits, Rebate, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and at Bank.	Per Cent.	Loans on Call.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings & Sundries, including Deposits for Note Issue.	Per Cent.
1901..	85	\$ 1,800,000	14.1	\$ 103,643	0.8	\$ 734,029	5.8	\$ 25,785	0.2	\$ 10,116,962	79.1	12,783,419	\$ 2,641,924	20.7	\$ 1,247,978	9.8	\$ 1,391,612	10.1	\$ 7,164,189	56.0	\$ 437,718	3.4
1902..	92	2,167,540	14.9	152,242	1.0	949,266	5.5	52,552	0.4	11,217,322	77.2	14,539,022	2,820,890	19.4	1,434,186	9.9	1,337,364	9.2	8,344,657	57.4	601,326	4.1
1913..	97	2,350,302	15.0	198,898	1.3	1,026,408	6.6	246,048	1.5	11,823,126	75.6	15,644,782	2,622,476	16.9	1,036,447	6.6	1,417,023	9.1	9,707,306	62.2	861,530	5.2
1914..	97	2,597,662	16.3	189,493	1.2	799,538	5.1	288,272	1.8	11,915,000	75.6	15,789,965	2,899,989	18.4	1,384,182	8.8	1,185,764	7.5	9,295,989	58.8	1,024,101	6.5
1915..	92	2,600,000	16.8	105,262	0.7	779,479	5.0	451,682	2.9	11,546,789	74.6	15,483,212	3,124,496	20.2	1,840,079	11.9	1,195,423	7.7	7,963,667	51.5	1,359,568	8.7
1916..	87	2,600,000	14.6	117,122	0.7	1,032,440	5.8	607,417	3.4	13,421,558	75.5	17,778,537	3,244,622	18.2	1,671,497	9.4	2,594,879	14.2	9,001,852	50.7	1,336,687	7.5
1917..	85	2,600,000	13.4	133,353	0.7	1,150,944	6.9	450,391	2.3	14,877,670	76.7	19,412,368	4,267,577	21.9	1,545,226	7.9	3,341,332	17.2	8,974,468	46.4	1,283,746	6.6
1918..	98	2,671,233	11.9	118,075	0.5	1,335,140	8.6	923,781	4.1	16,838,651	74.9	22,486,399	5,617,220	25.0	1,568,238	7.0	4,682,580	20.8	9,382,933	41.6	1,255,908	5.6
1919..	106	2,671,233	9.1	152,013	0.5	2,025,726	7.4	2,858,186	10.5	19,748,160	71.8	27,432,796	5,855,749	21.3	1,988,672	7.3	5,209,452	19.0	13,175,094	48.0	1,203,829	4.4
1920..	121	2,671,233	9.2	181,524	0.6	2,012,497	7.0	2,801,643	9.7	21,134,057	73.5	28,897,954	5,876,219	20.3	2,921,969	10.1	4,956,313	16.8	13,655,439	46.9	1,434,822	4.9
1921..	127	2,600,000	10.3	200,117	0.8	1,580,229	6.3	747,817	3.0	20,055,524	79.6	25,183,687	5,146,008	20.5	2,071,203	8.6	4,033,824	16.0	14,452,102	50.3	1,800,984	6.3
1922..	122	2,600,000	9.9	191,147	0.7	1,465,314	5.7	1,005,524	3.9	20,667,188	78.4	25,787,253	5,007,389	20.1	2,071,203	8.6	4,033,824	16.0	14,452,102	50.3	1,800,984	6.3
1923..	123	2,600,000	10.0	181,524	0.6	1,467,366	5.7	1,007,985	4.0	19,666,967	76.4	25,787,253	5,007,389	20.1	2,071,203	8.6	4,033,824	16.0	14,452,102	50.3	1,800,984	6.3
1924..	118	2,600,000	11.0	212,200	0.9	1,417,147	5.0	1,689,157	7.2	17,663,027	74.9	23,587,265	5,007,389	20.1	2,071,203	8.6	4,033,824	16.0	14,452,102	50.3	1,800,984	6.3
1924..	118	2,600,000	10.6	228,020	0.9	1,336,919	5.5	1,067,088	8.4	18,275,657	74.2	24,507,866	5,390,657	22.0	3,587,818	14.6	4,333,545	17.7	9,356,717	38.1	1,839,129	7.5
1925..	120	2,600,000	10.2	240,874	0.9	1,423,479	5.6	2,076,811	8.1	19,245,433	75.2	25,586,627	5,223,659	20.4	4,037,753	15.8	5,056,825	19.8	8,716,738	34.0	2,551,651	10.0

* December 31.

The Colonial Bank—Continued from page 40.

Year Ended June 30.		Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
•	•		Capital and Reserves.	Per Cent.	Undivided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand, at Bankers, & at Call and Short Notice.	Per Cent.	Investments.	Per Cent.	Bills Receivable, &c.	Per Cent.	Bills in Transit, Discounts, Advances, &c.	Per Cent.	Cover for Pre-mises, &c.	Per Cent.
			£		£		£		£		£		£		£		£		£		£		
1890..	13	730,000	16.0	58,724	1.3	426,346	9.3	1,463,103	31.9	1,913,503	41.5	4,591,676	923,192	20.1	970,643	21.1	1,300,043	28.4	1,372,798	29.9	25,000	0.5	
1895..	14	750,000	15.8	37,660	0.8	452,672	9.5	1,794,364	37.7	1,724,346	36.2	4,759,642	715,792	15.0	602,498	12.7	1,464,297	30.7	1,352,055	41.1	25,000	0.5	
1900..	13	750,000	18.9	26,597	0.7	439,871	11.1	794,592	20.0	1,951,054	49.3	3,962,114	575,566	14.5	1,098,695	27.6	1,035,101	26.0	1,227,752	31.3	25,000	0.6	
1905..	13	750,000	18.8	41,000	1.0	439,676	11.0	743,205	18.6	2,016,907	50.6	3,990,788	669,750	16.8	1,046,521	26.3	1,083,519	27.3	1,140,998	28.4	50,000	1.2	
1910..	13	750,000	17.6	54,357	1.4	451,367	10.6	539,471	12.6	2,454,574	57.8	4,250,369	917,823	21.6	1,285,965	30.3	979,368	23.0	1,017,213	25.9	50,000	1.2	
1913..	14	750,000	18.7	57,057	1.4	473,648	11.8	488,114	12.2	2,243,922	55.9	4,012,741	478,296	12.0	1,122,897	27.8	974,100	24.2	1,357,448	34.0	80,000	2.0	
1914..	14	750,000	18.7	53,682	1.3	414,225	10.4	518,303	12.9	2,276,514	56.7	4,012,741	676,805	16.8	1,098,554	27.3	923,580	23.0	1,233,785	30.9	80,000	2.0	
1915..	15	750,000	19.1	66,890	1.7	429,638	10.9	475,389	12.1	2,203,247	56.2	3,925,164	626,364	11.4	907,498	17.0	1,799,747	33.6	1,729,791	32.7	222,499	5.3	
1916..	15	750,000	19.0	60,501	1.1	496,856	9.3	1,178,930	17.4	4,169,386	61.9	6,748,526	665,637	9.9	695,352	10.3	2,487,459	36.8	2,235,111	33.1	664,967	9.9	
1917..	27	800,000	11.9	49,833	0.7	549,777	9.3	821,428	9.5	6,438,045	71.7	8,693,886	927,161	10.7	1,491,452	17.2	with disc.		5,273,465	60.5	1,001,810	11.6	
1918..	27	998,486	11.5	64,499	0.7	571,438	6.6	1,636,521	15.2	7,411,097	66.5	11,157,588	1,198,622	10.1	1,284,512	11.5	2,234,280	20.0	5,067,001	46.0	1,383,173	12.4	
1919..	51	1,250,000	11.2	93,117	0.8	706,453	6.3	1,636,521	15.2	11,131,716	65.9	16,882,443	1,471,053	8.7	1,610,956	9.5	3,150,611	18.6	5,060,219	47.0	2,589,602	15.3	
1920..	58	1,275,000	7.5	126,579	0.8	1,009,743	6.0	1,339,406	19.8	11,310,604	63.3	13,759,315	1,577,284	8.4	847,995	6.1	3,089,901	22.4	6,308,043	46.0	2,569,092	17.1	
1921..	58	1,300,000	9.5	114,616	0.8	759,120	5.5	2,191,713	19.2	7,351,687	64.2	11,457,841	1,691,532	14.8	1,373,856	12.0	2,378,846	20.8	4,375,790	38.2	1,637,817	14.2	
1922..	59	1,200,000	10.4	84,767	0.7	699,674	5.2	1,551,922	14.8	7,064,364	67.8	10,431,295	1,337,901	12.7	1,676,288	16.0	2,749,036	26.2	3,609,540	35.0	1,058,530	10.1	
1923..	51	1,200,000	11.5	71,355	0.7	74,583	0.7	509,804	4.8	1,365,972	12.9	7,443,029	1,013,771	9.6	2,255,139	21.2	2,258,080	21.3	3,893,520	36.8	1,172,978	11.1	
1924..	51	1,200,000	11.3	74,683	0.7	509,804	4.8	1,365,972	12.9	7,443,029	70.3	10,593,488	851,367	8.5	2,652,697	26.3	2,311,045	22.9	3,343,607	33.2	920,423	9.1	
1925..	47	1,200,000	11.9	93,030	0.9	543,789	5.4	1,269,285	12.6	6,973,039	69.2	10,079,143											

ROYAL BANK OF CANADA.

Incorporated in 1869 as Merchants' Bank of Halifax. Name changed in 1901.

Absorbed Union Bank of Halifax, 1910.
Absorbed Traders Bank of Canada, 1912.
Absorbed Quebec Bank, October, 1916.

Absorbed Northern Crown Bank, 1918.
Absorbed Union Bank of Canada, 1925.

CAPITAL				Year Ended Nov. 30.	Net Profit.	Dividend %	To Reserve, &c.	Carried Forward.
Authorized.	Paid-up.	Callable.	Reserved.					
\$	\$	\$	\$					
25,000,000	24,400,000	Nil.	24,400,000	1916	422,261	12	103,645	170,469
				1917	465,596	12	213,331	112,853
				1918	561,969	12	244,730	107,151
				1919	684,653	14	131,281	219,284
				1920	850,730	14	449,460	109,385
				1921	807,567	14	167,230	181,009
				1922	791,694	14	200,000	201,503
				1923	781,863	14	195,000	217,186
				1924	775,795	14	193,000	228,761
				1925	816,326	14	194,000	249,887

(Dollars converted into sterling at rate of \$5 to £1)

Year Ended December 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Undivided Profits.	Per Cent.	Notes.	Per Cent.	Miscella- neous Credits.	Per Cent.	Deposits and Current Accounts.	Per Cent.		Cash in Hand and Due from Other Banks & Agents.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Premises, &c.	Per Cent.
1910..	186	2,640,000	14.3	83,562	0.5	1,185,178	6.4	48,000	0.3	14,545,328	78.5	18,502,068	3,883,213	21.0	1,435,715	7.7	2,064,406	11.2	10,743,537	58.1	375,197	2.0
1911..	207	2,661,454	12.0	117,580	0.5	1,267,615	5.7	55,000	0.3	18,004,053	81.5	22,105,702	4,588,100	20.7	2,664,570	12.0	2,295,018	10.3	12,061,575	54.8	496,439	2.2
1912..	340	4,824,000	13.4	190,608	0.5	2,516,924	7.0	..	..	28,310,620	79.1	35,842,152	6,756,709	18.8	4,796,728	13.4	3,133,320	8.7	20,052,327	56.0	1,104,158	3.1
1913..	372	4,824,000	13.4	273,069	0.8	2,635,327	7.3	..	..	28,316,961	78.5	36,049,357	6,958,390	19.2	3,963,938	11.0	3,554,831	9.8	20,543,331	57.2	1,028,867	2.6
1914..	381	4,824,000	13.4	192,966	0.5	2,701,051	7.5	952,562	2.7	27,210,212	75.5	36,880,811	7,937,680	22.1	2,930,981	8.2	3,380,276	9.5	19,917,692	55.4	1,714,183	4.8
1915..	367	4,824,000	12.1	206,039	0.5	2,944,973	7.1	789,547	1.6	30,996,265	78.3	39,669,824	9,462,592	23.8	3,790,492	9.5	3,725,808	9.4	21,310,528	53.8	1,370,404	3.5
1916..	419	4,912,000	9.7	243,391	0.5	2,635,646	7.4	1,815,739	3.6	40,045,519	79.0	50,662,285	11,634,713	23.0	6,489,602	12.8	6,101,213	12.1	24,974,930	49.2	1,453,821	2.9
1917..	422	5,382,340	8.0	191,738	0.3	5,633,870	8.4	5,311,412	7.9	50,597,477	75.4	67,114,837	16,507,127	24.5	5,322,362	7.9	11,137,249	16.9	31,224,413	46.6	2,723,003	4.1
1918..	568	5,800,000	6.8	191,738	0.3	5,633,870	7.4	5,311,412	7.9	64,518,343	77.8	85,504,596	21,847,070	25.5	6,888,133	8.0	16,261,056	19.0	36,671,976	43.0	3,834,203	4.5
1919..	633	6,800,000	6.8	309,393	0.3	8,334,596	7.0	11,232,987	9.4	91,003,477	76.5	118,934,002	34,201,877	28.7	11,572,512	9.1	10,065,152	8.5	46,691,958	43.8	5,253,687	4.9
1920..	721	8,053,561	6.8	309,393	0.3	8,334,596	7.0	11,232,987	9.4	75,889,405	80.6	94,180,136	21,915,424	23.2	8,583,614	9.1	9,956,006	10.6	49,980,754	48.2	5,810,136	4.9
1921..	695	8,160,000	6.5	407,232	0.4	8,334,596	7.0	11,232,987	9.4	74,400,792	77.7	95,872,473	24,624,798	25.6	9,722,092	10.2	8,862,844	9.3	48,498,548	45.6	4,164,261	4.3
1922..	670	8,160,000	7.6	422,823	0.4	8,334,596	7.0	11,232,987	9.4	8,576,727	80.4	84,266,853	20,677,711	24.2	9,274,511	8.6	11,004,073	10.2	52,944,594	49.8	4,102,022	4.5
1923..	670	8,160,000	7.0	434,394	0.4	8,334,596	7.0	11,232,987	9.4	9,333,436	84.4	92,355,754	22,494,158	24.2	6,850,333	5.9	19,270,460	16.5	51,445,071	44.1	9,707,883	7.5
1924..	665	8,160,000	6.8	445,647	0.5	8,334,596	7.0	11,232,987	9.4	9,370,971	80.5	119,766,044	1,777,648	18.4	11,568,432	9.7	22,617,014	18.9	55,512,271	43.6	8,090,679	6.7
1925..	846	9,760,000	6.7	396,287	0.3	7,180,746	4.9	11,110,914	7.6	117,148,778	80.5	145,596,725	22,854,521	15.7	16,909,752	11.5	27,169,197	18.7	68,920,115	47.3	9,843,137	6.8

* November 30. † February 28.

UNION BANK OF CANADA

Absorbed by Royal Bank of Canada as from September 1, 1925.

Year Ended Nov. 30.	Net Profit.	Dividend %	To Reserve, &c.	Carried Forward.
1920	320,768	10	138,907	29,859
1921	268,478	10	30,000	108,337
1922	226,212	10	77,914	96,635
1923	206,686	9	93,905	63,415
1924	182,388	8	53,916	63,887

* And bonus of 2 per cent.

(5) INDIAN BANKS.

IMPERIAL BANK OF INDIA.

BALANCE-SHEET.

	June 30, 1924.	June 30, 1925.	June 30, 1926.		June 30, 1924.	June 30, 1925.	June 30, 1926.
LIABILITIES.	Rs.	Rs.	Rs.	ASSETS.	Rs.	Rs.	Rs.
Capital paid up	5,62,50,000	5,62,50,000	5,62,50,000	Government securities	10,53,60,833	12,91,07,533	20,69,88,571
Reserve	4,77,50,000	4,77,50,000	4,92,50,000	Other authorised securities under the Act	1,22,04,388	1,22,09,828	1,19,90,664
Public deposits	22,08,22,099	22,52,81,052	32,54,88,963	Loans	21,88,72,111	17,33,75,317	14,91,96,802
Other deposits	76,62,44,807	75,88,93,099	75,50,56,822	Cash credits	43,60,70,651	31,65,60,426	27,75,31,835
Loans against securities, per contra	63,83,504	67,29,148	73,34,371	Inland bills discounted and purchased	5,60,03,089	5,75,21,791	5,04,67,263
Sundries				Foreign bills discounted and purchased	1,03,635	1,26,79,030	1,26,24,073
				Dead stock	2,56,58,025	2,74,01,857	2,76,32,445
				Sundries	53,63,524	47,61,060	41,91,718
				Balances with other banks	1,59,76,748	29,92,202	4,43,418
				Cash	21,95,37,406	35,82,92,251	45,83,12,967
	1,09,51,50,410	1,09,49,03,300	1,19,13,80,156		1,09,51,50,410	1,09,49,03,300	1,19,13,80,156

The 1924 balance-sheet includes balances in London—Deposits, £1,513,772; advances, £434,176; cash, &c., £1,132,920. The 1925 balance-sheet includes balances in London—Deposits, £1,250,093; advances, £1,181,494; cash, &c., £226,447. The 1926 balance-sheet includes balances in London—Deposits, £919,762; advances, £1,062,315; cash, &c., £33,242.

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

INCORPORATED 1853.

	Capital	Market Value.	Year.	Net Profit.	Dividend and Bonus.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callible.	Reserved.	Value.			
£	£	£	£	£	£	£	£
3,000,000	3,000,000	Nil.	3,000,000	12,225,000			
				Per Share, Sept. 30, 1926			
£5	£5	Nil.	£5	£208			

Year Ended December 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.											
		Capital Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Accept- ances, Bills Payable, Rebate, &c.	Per Cent.	Deposits Current Accounts.	Per Cent.		Cash in Hand, at Bankers, and in Transit.	Per Cent.	Invest- ments.	Per Cent.	Bills of Ex- change.	Per Cent.	Dis- counts and Loans.	Per Cent.	Buildings and Sundries, including Cover for Acceptance.	Per Cent.		
1890	17	1,050,000	6.6	95,105	0.6	680,373	4.3	7,215,503	45.3	6,882,216	43.2	15,923,197	2,864,396	17.9	757,334	4.8	..	..	12,238,004	76.9	£	53,463	0.4	
1895	20	1,125,000	9.6	74,358	0.6	542,617	4.6	2,789,773	23.7	7,237,200	61.5	11,768,948	1,849,989	15.7	879,131	7.5	4,560,303	38.7	3,900,442	33.2	579,083	4.9		
1900	22	1,325,000	9.1	111,533	0.8	734,684	5.0	3,210,267	22.0	9,175,272	63.1	14,556,756	3,594,718	24.7	1,324,966	9.0	4,424,101	30.4	4,518,358	31.1	694,513	4.8		
1905	27	1,675,000	8.7	277,112	1.4	538,752	3.0	5,045,693	26.4	11,585,691	60.5	19,122,248	3,364,867	17.6	2,143,638	11.2	5,549,672	29.0	6,841,753	35.8	1,222,318	6.4		
1910	30	2,800,000	12.1	276,364	1.2	647,993	3.0	3,650,830	15.8	15,625,289	67.9	23,000,476	3,688,880	16.0	2,099,235	9.1	7,148,577	31.1	8,439,191	36.7	1,624,583	7.1		
1913	35	2,900,000	10.6	375,254	1.4	822,591	3.0	6,017,118	22.0	17,128,433	59.0	27,243,396	3,968,117	14.7	2,130,864	7.8	6,721,637	24.7	11,384,499	41.7	3,038,279	11.1		
1914	35	3,000,000	11.2	396,334	1.5	911,556	3.4	3,849,742	14.4	18,617,883	69.5	26,775,515	5,903,941	22.0	2,422,806	15.8	6,125,867	22.9	8,423,851	31.5	2,079,050	7.8		
1915	36	3,000,000	10.1	399,205	1.3	978,137	3.3	3,240,211	18.7	22,704,096	67.9	33,390,842	5,919,707	17.8	4,048,307	12.1	9,498,469	31.9	8,443,060	28.6	1,505,400	5.1		
1916	37	3,000,000	9.0	427,466	1.3	1,019,069	3.1	3,582,031	9.9	24,042,149	77.7	36,126,433	8,739,375	24.7	4,339,977	12.0	12,069,093	36.2	9,601,277	28.7	1,732,458	5.2		
1917	37	3,100,000	8.5	476,261	1.3	925,992	2.6	3,566,526	17.9	33,777,276	70.9	47,604,548	6,748,302	14.2	4,261,264	9.0	22,214,696	46.6	12,639,602	46.1	1,898,430	5.2		
1918	36	3,200,000	8.5	497,466	1.3	1,019,069	3.1	3,566,526	17.9	33,777,276	70.9	68,741,695	14,607,720	21.3	6,436,330	9.4	26,536,499	38.8	17,613,394	25.3	1,715,632	3.6		
1919	36	4,900,000	7.1	531,830	0.8	1,806,095	4.0	12,182,991	17.2	48,702,334	68.6	70,332,744	11,276,778	15.8	6,436,330	9.4	26,536,499	38.8	17,613,394	25.3	3,600,752	5.2		
1920	37	6,500,000	9.2	709,601	1.0	2,837,818	4.0	13,196,923	3.1	5,503,828	15.4	42,942,360	69.5	61,767,781	7,134,399	11.6	10,992,797	17.8	21,131,473	29.9	28,585,931	40.1	5,202,871	7.3
1921	37	6,600,000	10.7	787,870	1.1	3,063,418	4.6	13,866,964	13.6	42,408,290	70.6	60,153,373	5,071,497	8.4	14,249,314	23.6	17,332,445	28.7	17,456,246	28.9	4,786,879	7.7		
1922	39	6,700,000	11.1	794,701	1.3	3,263,418	3.9	7,304,474	12.4	41,590,027	70.8	58,765,537	5,733,195	9.8	16,408,289	27.9	13,944,603	23.7	17,692,262	30.1	5,443,871	9.4		
1923	41	6,800,000	11.6	794,908	1.3	3,276,128	3.9	7,304,474	12.4	41,590,027	70.8	61,849,258	9,494,879	15.4	8,526,607	13.8	19,178,446	31.0	19,007,199	30.7	4,987,188	8.5		
1924	42	6,900,000	11.1	783,124	1.3	3,173,521	2.8	10,374,300	16.8	42,059,313	68.0	70,866,448	7,507,310	10.6	8,334,667	11.8	27,300,208	38.5	21,281,343	30.0	6,442,920	9.1		
1925	44	7,000,000	9.9	756,778	1.1	3,193,942	2.7	10,043,446	14.2	41,342,821	72.1													

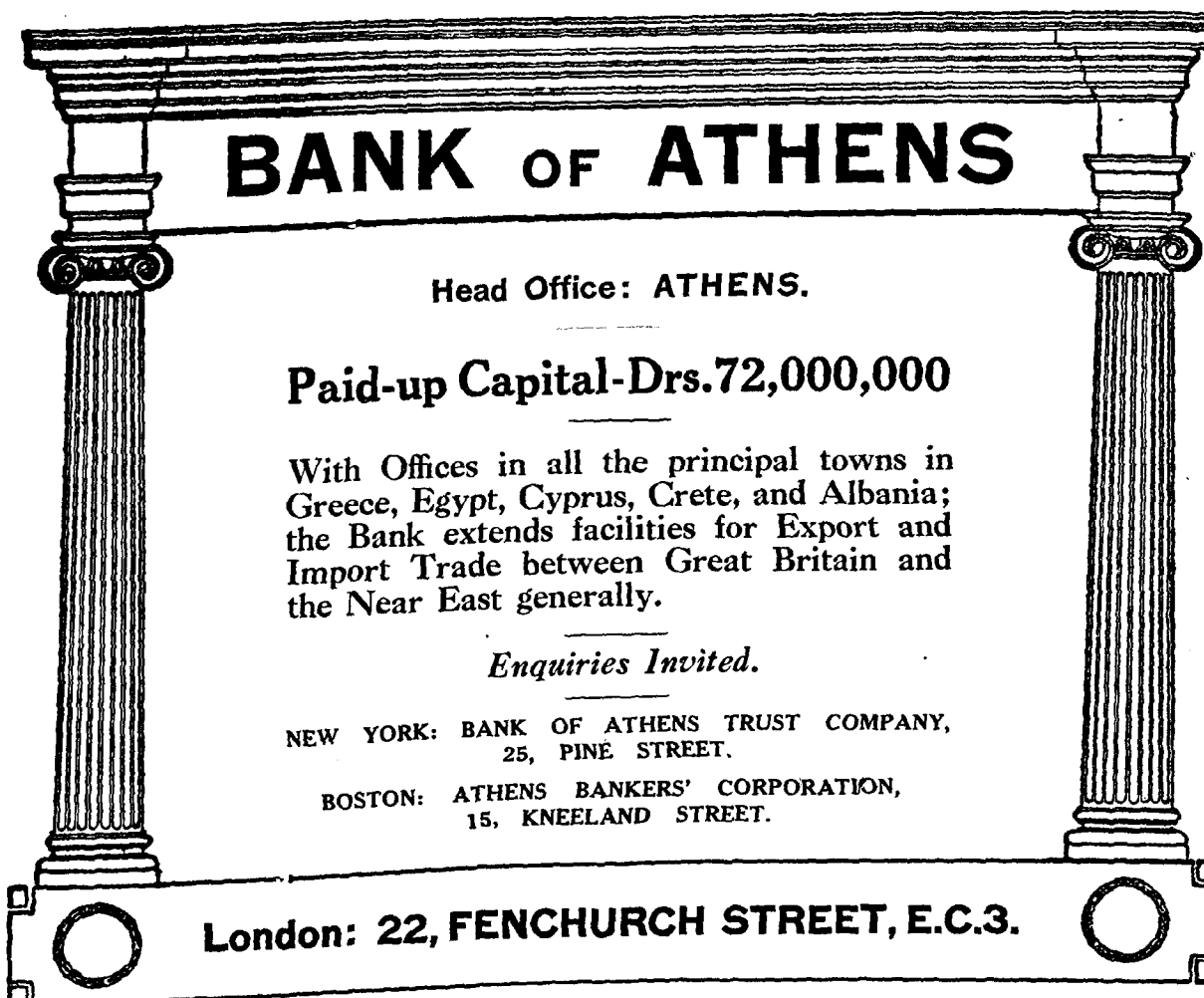
* Includes Treasury Bills.

THE EASTERN BANK, LIMITED.

REGISTERED 1909.

	Capital	Market Value.	Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Reserve Liability of Shareholders.	Value.				
£	£	£	£	£	£	£	£
2,000,000	1,000,000	1,000,000	1,225,000				
			Per Share, Sept. 30, 1926				
£10	£5	£5	£63				

Year Ended December 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Bills Pay- able (in- cluding Ac- ceptances).	Per Cent.	Miscel- laneous Credits, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand, at Bankers, and in Transit.	Per Cent.	Invest- ments.	Per Cent.	Bills Receiv- able.	Per Cent.	Discount and Advances.	Per Cent.	Sundries.	Per Cent.
1910	2	£ 400,000	17.9	£ 4,762	0.2	182,018	8.1	480,598	21.6	1,166,190	52.2	2,233,568	£ 418,323	18.7	£ 140,025	6.3	£ 493,644	22.1	£ 1,150,535	51.5	£ 31,041	1.4
1911	2	400,000	13.6	25,173	0.9	279,331	9.5	430,313	14.6	1,805,776	61.4	2,940,593	362,078	12.3	170,316	5.8	619,159	21.1	1,732,212	58.9	56,828	1.9
1912	3	400,000	11.2	42,998	1.2	421,869	11.8	546,557	15.3	2,155,212	60.5	3,566,636	459,043	12.9	277,962	7.8	849,910	23.8	1,901,936	53.4	77,785	2.4
1913	3	415,000	12.6	47,152	1.4	551,794	16.7	610,083	18.5	1,675,267	50.8	3,299,236	393,639	11.9	297,796	9.0	1,053,318	32.0	1,474,839	44.7	79,704	2.4
1914	4	553,653	23.9	45,123	1.6	321,378	11.7	329,875	12.0	1,396,022	50.8	2,746,049	577,916	21.0	225,990	8.2	969,629	35.4	930,697	33.9	41,817	1.5
1915	4	554,862	17.4	51,660	1.4	534,089	14.2	603,251	16.1	1,915,883	50.9	3,759,743	782,129	20.8	274,650	7.3	928,424	24.6	1,563,405	41.7	211,135	5.6
1916	5	654,880	12.7	60,546	1.2	496,171	9.6	842,675	16.3	3,099,801	60.2	5,154,073	1,427,319	27.7	209,023	4.1	1,914,732	37.0	1,356,236	26.4	246,763	4.8
1917	5	669,921	9.8	77,918	1.1	503,496	7.3	544,234	8.0	5,049,972	73.8	8,845,541	2,196,107	32.0	236,089	3.4	2,154,068	31.2	1,868,001	27.7	391,276	5.7
1918	6	690,000	9.1	62,306	0.8	552,165	7.3	487,602	6.4	5,284,300	76.4	7,576,973	1,860,919	24.5	495,531	6.5	1,992,035	26.3	3,066,894	40.6	161,594	2.1
1919	10	944,649	5.7	99,951	0.6	1,613,850	9.7	1,497,569	9.0	12,520,390	65.0	16,576,409	5,330,337	32.0	1,321,407	7.9	3,912,957	23.4	3,066,894	40.6	161,594	2.1
1920	10	1,221,476	9.4	121,531	0.9	1,098,945	13.0	1,452,687	10.1	15,523,408	60.7	21,712,283	3,120,441	23.9	487,678	3.7	3,919,400	30.0	4,701,318	36.1	821,551	6.3
1921	10	1,265,844	13.0	135,181	1.4	903,753	9.3	1,523,406	15.6	5,884,434	60.7	9,712,283	2,694,856	27.6	1,400,449	14.4	1,523,852	15.7	3,772,760	24.9	779,759	8.4
1922	10	1,300,000	14.1	111,501	1.2	824,173	8.9	1,561,018	16.9	5,433,132	58.9	9,229,824	2,225,320	24.1	1,881,052	20.4	2,064,913	22.3	2,286,780	24.9	1,034,895	10.9
1923	11	1,320,000	13.6	113,548	1.2	1,049,471	10.8	1,242,820	23.2	4,942,940	51.2	9,668,579	2,169,977	23.7	2,077,800	21.5	1,836,091	19.9	2,420,966	24.9	1,034,895	10.9
1924	11	1,340,000	13.0	115,400	1.1	1,246,724	12.1	1,257,157	20.9	5,479,060	52.9	10,338,341	2,169,977	21.0	3,199,501	30.9	1,888,712	11.5	2,420,937	24.7	1,379,525	13.2
1925	11	1,360,000	13.6	117,903	1.2	1,242,172	14.2	1,437,652	14.3	5,693,140	56.7	10,030,267	1,811,535	18.1	5,320,002	33.1	1,146,368	11.4	2,420,937	24.7	1,379,525	13.2



BANK OF ATHENS

Head Office: ATHENS.

Paid-up Capital-Drs.72,000,000

With Offices in all the principal towns in Greece, Egypt, Cyprus, Crete, and Albania; the Bank extends facilities for Export and Import Trade between Great Britain and the Near East generally.

Enquiries Invited.

NEW YORK: BANK OF ATHENS TRUST COMPANY,
25, PINE STREET.

BOSTON: ATHENS BANKERS' CORPORATION,
15, KNEELAND STREET.

London: 22, FENCHURCH STREET, E.C

THE MERCANTILE BANK OF INDIA, LIMITED.

REGISTERED 1892.

Absorbed The Bank of Mauritius, Limited, as from January 1, 1916.

Absorbed the Bank of Calcutta, Limited, as from March 31, 1906.

	CAPITAL				Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward
	Subscribed.	Paid-up.	Callible.	Reserved.					
"A" Shares ..	£750,000	£375,000	£187,500	£187,500	1913.....	111,499	12	62,000	34,604
Per Share ..	£25	£12 10s	£6 5s	£6 5s	1916.....	133,375	12	65,000	32,177
"B" Shares ..	£750,000	£375,000	£187,500	£187,500	1917.....	176,005	14	71,000	58,432
Per Share ..	£25	£12 10s	£6 5s	£6 5s	1918.....	181,112	14	75,000	85,794
"C" Shares ..	£300,000	£300,000	Nil	Nil	1919.....	215,636	16	85,000	96,430
Per Share ..	£5	£5	Nil	Nil	1920.....	260,208	16	85,000	127,638
					1921.....	263,033	16	85,000	137,671
					1922.....	267,434	16	85,000	152,105
					1923.....	258,706	16	85,000	157,811
					1924.....	243,410	16	85,000	158,222
					1925.....	257,663	16	85,000	162,885

Year Ended December 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.											
		Capital and Reserves.	Per Cent.	Undivided Profits.	Per Cent.	Notes in Circulation.	Per Cent.	Accept- ances.	Per Cent.	Miscel- laneous Credits, Rebates, &c.	Per Cent.		Deposits and Current Accounts.	Per Cent.	Cash in Hand, at Bankers, and at Call.	Per Cent.	Invest ments.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings & Sundries, including Cover for Acceptances.	Per Cent.		
1895 ..	6	562,500	19.3	20,131	0.7	..	..	240,500	8.4	548,473	18.8	1,539,779	52.8	2,911,383	423,423	14.5	283,353	9.7	1,967,164	67.3	247,434	8.5		
1900 ..	9	602,500	17.1	33,250	1.0	..	..	84,965	2.4	1,181,107	33.6	1,614,110	45.9	3,515,932	402,440	11.4	442,943	12.6	2,471,798	70.4	198,751	5.6		
1905 ..	10	697,500	15.5	33,500	0.7	..	..	178,162	4.0	921,320	20.6	2,655,616	59.2	4,486,098	767,670	17.1	510,805	11.4	2,964,476	66.1	243,147	5.4		
1910 ..	14	887,500	11.7	49,022	0.6	..	..	234,026	3.1	1,066,944	14.1	5,349,908	70.5	7,587,400	839,735	11.0	638,915	8.4	5,781,458	76.3	327,292	4.3		
1913 ..	16	1,027,500	12.6	57,103	0.7	..	..	334,270	4.1	1,374,798	16.8	5,303,064	64.7	6,187,487	1,418,387	17.3	342,655	4.2	5,702,017	69.7	723,828	8.8		
1914 ..	16	1,062,500	13.4	69,724	0.8	..	..	409,945	5.2	1,074,210	13.6	5,152,746	65.2	7,901,553	1,613,168	20.4	477,825	6.0	5,018,086	63.5	792,474	10.1		
1915 ..	17	1,112,500	12.3	65,052	0.7	..	..	307,464	3.4	1,018,072	11.3	6,413,313	71.1	9,023,778	1,549,457	17.1	1,036,828	12.1	5,583,716	62.0	791,777	8.8		
1916 ..	18	1,162,500	10.4	71,552	0.6	..	..	349,007	3.1	1,020,006	9.1	8,558,582	75.9	11,265,674	2,027,684	18.0	952,839	8.4	7,396,643	65.7	888,448	7.9		
1917 ..	18	1,212,500	9.4	103,432	0.8	..	..	411,399	3.2	1,140,860	8.9	9,812,381	76.7	12,807,941	2,271,428	17.8	1,024,299	8.0	8,396,189	65.5	1,118,025	8.7		
1918 ..	19	1,262,500	8.3	130,794	0.8	..	..	485,538	3.8	1,262,653	8.9	15,302,126	80.9	15,302,126	2,503,914	16.4	1,373,060	9.0	10,370,381	61.7	1,049,771	6.9		
1919 ..	19	1,500,000	6.7	163,930	0.7	..	..	263,131	1.2	4,680,152	20.9	15,706,214	69.9	22,450,927	4,243,209	18.9	1,632,619	7.3	13,332,746	62.0	2,642,535	11.8		
1920 ..	19	1,550,000	10.6	213,638	1.0	..	..	619,594	4.0	925,474	4.6	15,983,766	79.0	20,157,778	3,655,446	18.1	1,496,786	7.4	13,332,746	62.0	2,642,535	11.8		
1921 ..	19	2,200,000	13.4	321,671	1.3	..	..	325,476	2.0	653,409	4.0	12,743,991	77.6	16,429,435	3,036,535	18.4	1,894,016	11.5	10,232,843	62.4	1,267,970	8.3		
1922 ..	20	2,250,000	13.5	336,105	1.4	..	..	207,698	1.2	546,896	3.3	13,112,375	78.9	16,643,701	2,967,661	17.7	1,164,416	19.0	9,602,477	57.9	787,087	4.7		
1923 ..	22	2,300,000	13.9	241,811	1.5	..	..	172,800	1.0	759,784	4.5	12,831,536	77.3	16,599,678	3,742,596	22.6	1,844,684	29.2	7,225,311	43.5	1,267,087	4.7		
1924 ..	22	2,350,000	14.2	242,222	1.5	..	..	192,104	1.2	318,609	1.9	1,199,805	7.3	12,158,015	73.9	16,460,755	2,638,803	16.0	1,556,035	53.8	7,054,340	42.9	1,211,579	7.3
1925 ..	23	2,400,000	13.0	246,985	1.3	..	..	295,470	1.6	557,220	3.0	14,717,982	80.0	18,418,528	2,696,811	14.6	1,584,311	29.2	9,026,153	49.1	1,311,263	7.1		

NATIONAL BANK OF INDIA, LIMITED.
ESTABLISHED 1863.

	CAPITAL				Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward
	Subscribed.	Paid-up.	Callible.	Reserved.					
£	4,000,000	2,000,000	2,000,000	Nil.	1917 ..	353,139	20*	120,000	139,829
Per Share.	£25	£12 10s	£12 10s	Nil.	1918 ..	403,635	20*	170,000	123,464
					1919 ..	452,169	20*	240,000	135,634
					1920 ..	553,339	20*	140,000	149,032
					1921 ..	555,063	20*	140,000	164,096
					1922 ..	635,160	20*	140,000	159,256
					1923 ..	534,799	20*	95,000	199,055
					1924 ..	535,925	20*	110,000	224,980
					1925 ..	536,105	20*	120,000	241,085

* Free of tax.

		LIABILITIES.										ASSETS.										Free of TAX.	
Year Ended June 30.	Number of Branches.	Capital and Reserves.	Per Cent.	Un- divided Profits	Per Cent.	Accept- ances.	Per Cent.	Loans and Bills Pay- able.	Per Cent.	Deposits and Current Accounts.	Per Cent.	Total Liabili- ties or Assets.	Cash in Hand, at Bankers, and in Transit.	Per Cent.	Invest- ments.	Per Cent.	Bills of Ex- change.	Per Cent.	Dis- counts, Loans, &c.	Per Cent.	Build- ings and Sundries, including Cover for Acceptances.	Per Cent.	
		£		£		£		£		£		£	£		£		£		£		£		
1890..	8	606,500	10.5	56,159	1.0	..	..	1,647,201	28.6	3,460,599	59.9	5,760,459	853,688	14.8	695,247	12.1	2,436,261	42.4	1,733,473	30.0	41,790	0.7	
1895..	14	660,000	10.9	39,337	0.7	..	..	1,105,046	18.2	4,271,898	70.2	6,076,881	1,669,011	27.5	442,985	7.3	2,285,317	37.4	1,631,948	27.0	47,620	0.8	
1900..	18	830,000	8.8	52,982	0.6	264,649	2.8	2,373,381	25.0	5,911,728	62.8	9,432,740	1,636,724	17.3	706,148	7.5	2,922,575	31.0	3,826,172	40.6	341,121	3.6	
1905..	20	1,125,000	9.8	91,511	0.8	489,791	4.2	839,996	7.3	8,960,241	77.9	11,506,539	2,479,643	21.6	954,925	8.3	3,179,099	27.6	4,248,011	36.9	644,901	5.6	
1910..	22	1,600,000	10.1	227,550	1.4	585,091	3.7	576,145	3.6	12,851,987	81.2	15,840,773	2,982,501	18.8	1,182,278	7.5	4,862,176	30.6	6,116,095	38.7	897,723	7.4	
1913..	26	2,040,000	11.0	158,324	0.9	921,137	5.0	1,263,051	6.8	14,086,499	76.3	18,469,011	3,617,074	19.6	905,113	4.9	5,976,171	32.3	6,923,148	37.5	1,047,505	10.0	
1914..	26	2,100,000	10.7	210,407	1.1	985,465	5.0	585,787	3.0	15,710,161	80.2	19,591,810	4,052,224	20.7	859,308	4.4	6,195,880	31.6	7,358,119	37.5	1,236,379	5.5	
1915..	26	2,175,000	10.7	227,492	1.1	910,445	4.5	727,754	3.6	16,392,710	80.1	20,433,402	5,216,334	25.5	1,368,979	6.7	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1916..	26	2,200,000	10.1	244,466	1.1	647,658	3.0	933,719	4.6	17,637,368	81.2	21,723,211	4,108,906	18.8	1,974,650	9.1	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1917..	26	2,250,000	9.1	250,460	1.0	825,068	3.3	1,251,531	5.1	20,912,400	81.5	24,789,469	4,540,222	18.3	1,928,570	7.8	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1918..	28	2,350,000	7.4	317,057	1.0	634,482	2.7	1,693,279	5.3	26,719,205	84.3	31,714,022	5,469,013	17.2	2,444,494	7.7	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1919..	28	2,350,000	9.3	308,722	0.9	839,579	3.6	1,887,026	5.2	29,789,926	82.3	36,175,253	6,083,590	16.8	2,855,482	7.9	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1920..	28	2,350,000	7.9	475,634	1.1	880,052	3.7	2,496,906	5.9	35,164,356	80.0	42,366,948	8,576,690	19.7	3,488,957	8.2	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1921..	28	2,350,000	6.4	387,367	0.7	1,686,186	3.1	2,210,950	4.0	46,538,133	85.8	54,322,636	10,619,019	19.2	3,554,529	6.4	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1922..	28	2,350,000	7.8	539,032	1.0	3,795,674	6.8	1,516,602	2.7	45,200,202	81.7	55,351,510	10,619,019	19.2	3,554,529	6.4	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1923..	28	2,350,000	10.6	504,096	1.2	2,003,540	4.7	1,114,732	2.6	34,295,599	80.9	42,418,027	6,358,619	15.0	5,075,365	12.0	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1924..	28	2,350,000	11.4	499,256	1.2	1,535,425	3.8	1,481,736	3.7	32,676,602	79.9	40,384,019	5,335,763	13.2	8,639,272	21.4	7,056,180	34.6	5,973,427	27.5	1,236,379	5.5	
1925..	28	2,350,000	12.1	494,055	1.3	1,114,954	2.9	1,130,999	2.9	31,254,516	80.8	38,694,524	5,205,801	13.5	12,612,806	32.6	6,840,102	17.7	12,487,514	32.2	1,952,478	17.2	
1926..	28	2,350,000	13.1	534,980	1.3	1,319,826	3.4	1,114,954	2.9	31,254,516	80.8	38,694,524	5,205,801	13.5	12,612,806	32.6	6,840,102	17.7	12,487,514	32.2	1,952,478	17.2	
1927..	28	2,350,000	11.8	561,085	1.4	1,062,856	2.6	1,136,824	2.8	33,168,283	81.4	40,728,048	5,454,326	13.4	13,983,008	34.3	6,768,060	16.6	17,983,421	51.4	5,040,333	14.5	

* Includes Treasury Bills.

† Decd. 31.

JOINT-STOCK BANKS OF ENGLAND AND WALES

BANK OF ENGLAND.

At the half-yearly Court of the Bank of England, held on September 23rd, the Right Honble. Montagu Collet Norman, the Governor, stated that the profits of the half-year ended August 31st, after making provision for all contingencies, had been £693,661, making the amount of the "rest" on that day £3,716,652, and that after providing for a dividend of 6 per cent., less income-tax, the "rest" would be £3,018,108.

SEPTEMBER 22, 1926.

LEASE DEPARTMENT.

	£		£
Notes issued	174,115,265	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin and bullion	154,365,265
	174,115,265		174,115,265

BANKING DEPARTMENT.

	£		£
Proprietors' capital	14,553,000	Government securities	34,290,473
Reserve fund	3,730,945	Other securities	68,528,023
Public deposits	18,348,124	Notes	35,140,410
Other deposits	102,887,734	Gold and silver coin	1,565,185
Seven-day and other bills	4,289		
	139,524,092		139,524,092

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

BARCLAYS BANK LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Current, deposit, and other accounts (including balance of profit and loss)	304,247,461	Cash in hand and with the Bank of England	44,847,815
Acceptances and endorsements, &c., for account of customers	10,665,847	Balances with other British banks and cheques in course of collection	8,699,403
		Money at call and short notice	21,471,025

National Bank of Commerce
in New YorkChairman of the Board
JAMES S. ALEXANDERPresident
STEVENSON E. WARD

Capital Paid up \$25,000,000
Surplus \$35,000,000
Undivided Profits \$6,000,000

The National Bank of Commerce in New York places complete banking services at the disposal of its customers throughout the world, bringing them into contact with all phases of commerce and industry in the United States.

LONDON REPRESENTATIVE

2 and 3, Crosby Square
Bishopsgate, E. C. 3

LIABILITIES.	£	ASSETS.	£
Capital, viz.: 857,589 "A" shares of £4 each, fully paid	3,430,356	Bills discounted	33,218,234
11,760,811 "B" shares of £1 each, fully paid	11,760,811	Investments (including £751,322 securities lodged for public accounts)—securities of, or guaranteed by, the British Government, £49,155,600; British Dominion and Colonial Government securities, Bank of England and British Corporation stocks, £2,040,781; other investments, including fully paid shares and also 506,000 "B" shares of £5 each, £1 per share paid up, in Barclays Bank (Dominion, Colonial and Overseas) £2,759,115	53,955,496
401,205 "C" shares of £1 each, fully paid	401,205	The British Linen Bank—£1,211,991 stock	3,659,972
Reserve fund	9,250,000	Union Bank of Manchester, Limited—300,000 shares of £5 each, £2 10s paid	2,400,000
		Advances to customers and other accounts	155,566,604
		Liability of customers for acceptances and endorsements, &c.	10,665,847
		Bank premises and adjoining properties	5,271,284
	339,755,680		339,755,680

BANK OF LIVERPOOL AND MARTINS, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up, viz.: £2 10s per share on 939,556 shares of £20 each	2,348,890	Cash in hand and balances with the Bank of England	6,950,858
Reserve fund	1,850,000	Balances with, and cheques in course of collection on, other British Banks	1,990,835
Amount due on current, deposit, and other accounts	59,328,980	Money at call and short notice	7,300,778
Bank's acceptances, as per contra	1,367,919	Investments—in British Government securities £8,158,511; in Indian & Colonial Government stocks, Corporation stocks and other first-class securities, £2,317,310	8,475,821
Endorsements, guarantees and other obligations on account of customers, as per contra	2,273,352	Bills of exchange	2,668,019
		Advances to customers and other accounts	34,601,139
		Bank premises—less amounts written off	1,542,420
		Liability of customers for the bank's acceptances, as per contra	1,367,919
		Liability of customers for endorsements, guarantees and other obligations, as per contra	2,273,352
	67,169,141		67,169,141

COUTTS AND CO.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up	800,000	Coin, Bank of England and currency notes in the United Kingdom and balances with the Bank of England	2,039,224
Reserve fund	800,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom and Ireland, and cheques, drafts, &c., in transit	592,420
Current, deposit, and other accounts, including rebate on bills not due, provisions for bad and doubtful debts, contingencies, &c.	16,669,435	Money at call & short notice	1,823,400
Liabilities for acceptances, endorsements, engagements, &c., as per contra	6,417	Investments (of which £200,000 is lodged for Queen Anne's bounty), British Government stocks, £3,502,924; Colonial Government stocks, Corporation stocks, and other investments, £750,557	4,253,481
		Bills discounted—Payable by British firms and institutions in the United Kingdom, and Treasury bills	1,081,390
		Advances to customers and other accounts	8,133,090
		Bank premises	346,430
		Liabilities of customers for acceptances, endorsements, engagements, &c., as per contra	6,417
	18,275,852		18,275,852

DISTRICT BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital—632,000 shares, £15 each, £3 paid	1,896,000	Cash in hand and in the Bank of England	6,054,523
Reserve fund	1,850,000	Money at call and short notice	5,894,550
Current, deposit, and other accounts (including balance of profit and loss)	51,601,093	Bills of exchange (including Treasury bills)	3,151,030
Acceptances	215,760	British Government securities	14,227,712
		British railway debentures, Corporation stocks, &c.	332,749
		Advances to customers and other accounts	24,088,529
		Liabilities of customers for bank's acceptances	215,760
		Bank property	700,000
	55,562,853		55,562,853

GLYN, MILLS, AND CO.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up	1,060,000	Coin, bank and currency notes, and balance at Bank of England	4,829,437
Reserve fund	530,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom	953,909
Current, deposit, and other accounts	26,810,718	Money at call and at short notice	4,413,750
Acceptances & engagements on account of customers	1,556,606	Bills discounted	1,084,707
Reduction of the bank premises account	177,635	Investments—British Government securities, including £689,706 deposited as security for Public Accounts, £2,230,114; other securities, £727,731	6,957,845
		Advances to customers and other accounts	9,638,705
		Liabilities of customers for acceptances and engagements, as per contra	1,556,606
		Bank and other premises (freehold)	695,000
	30,134,959		30,134,959

LANCASHIRE AND YORKSHIRE BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up	1,207,872	Cash and money at short notice	5,096,792
Reserve fund	1,006,560	Investments (at under market value)	7,715,758
Profit and loss account	114,716	Bills of exchange (including Treasury bills)	3,044,928
Current, deposit, and other accounts	24,048,969	Advances and loans	10,115,198
Acceptances and endorsements	190,952	Acceptances and endorsements, per contra	190,952
Notes in the Isle of Man	14,559	Bank property account	420,000
		Including £69,000 Indian Government securities lodged against note circulation in the Isle of Man	
	26,583,628		26,583,628

LLOYDS BANK LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Current, deposit, and other accounts	336,631,359	Cash in hand and with the Bank of England	40,183,173
Acceptances, endorsements, guarantees, &c.	15,240,167	Balances with, and cheques in course of collection on, other banks in the British Isles	11,293,962
Capital paid up	15,810,252	Money at call & short notice	18,221,257
Reserve fund	10,000,000	Bills of exchange	43,568,975
		Treasury bonds and other short-term British Government securities	29,831,066
		Other British Government securities (of which 414,800 nominal is lodged for Public Accounts)	13,293,308
		Indian and Colonial Government securities, Corporation stocks, and other investments	3,486,037
		* Note.—There is a contingent liability for uncalled capital in respect of a portion of these investments.	
		The National Bank of Scotland, Limited, £4,864,570 (nominal) stock (£1,070,205 is paid up) at £300 for each £110 paid up	2,918,742
		Bank of London and South America, Limited, 402,670 shares of £5 each (fully paid) at £8 10s per share	3,422,695
		Lloyds Foreign Bank, Limited, 12,000 shares of £50 each (£20 paid up) at £20 per share	240,000
		Advances to customers and other accounts	189,735,388
		Liabilities of customers for acceptances, endorsements, guarantees, &c., as per contra	15,240,167
		Bank premises	6,246,408
			377,681,778

MANCHESTER AND COUNTY BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital—273,010 shares £20 each, £4 paid	1,092,040	Cash on hand, at call, and at short notice	3,842,200
Reserve fund	1,045,000	Bills of exchange, less rebate	885,359
Unclaimed dividends	3,765	Investments—Securities of, or guaranteed by, the British Government, and Bank of England stock, £3,634,758; other securities, £431,139	4,065,897
Current, deposit, and other accounts (inc. balance of profit and loss account)	20,404,404	Advances on current and other accounts	13,351,750
Acceptances by the bank	23,963	Liability of customers on acceptances by the bank	23,964
		Bank property account: premises in Manchester and branch offices	400,000
	22,569,170		22,569,170

MIDLAND BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up, viz.: 2,869,079 shares of £12 each, £2 10s paid, £7,172,638		Coin, gold bullion, bank, and currency notes & balances with the Bank of England	52,509,545
1,921,677 shares of £2 10s each, fully paid, £4,804,193		Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland	15,177,435
688,908 shares of £1 each, fully paid, £688,908		Money at call & short notice	20,460,117
Reserve fund	12,665,798	Investments—War Loan, War Bonds, and other short-dated British Government securities (of which £460,523 15s is lodged for public and other accts.), £32,577,790; stocks guaranteed by the British Government and Indian Railway guaranteed debentures, £352,160; British Corporation stocks, £280,640; Colonial and Foreign Government stocks and Bonds, £185,888; sundry investments, £73,463	33,469,941
Current, deposit, and other accounts (including balance of profit and loss account)	349,460,875	Advances to customers and other accounts	198,717,421
Acceptances and engagements on account of customers	33,346,379	Liabilities of customers for acceptances and engagements	33,346,379
		Bank premises at head office and branches	6,806,055
		Belfast Banking Co., Ltd.	1,291,167
		The Clydesdale Bank, Ltd.	2,667,608
		North of Scotland Bank, Limited	2,069,578
		Midland Bank Executor and Trustee Co., Limited	349,599
	408,138,850		408,138,850

WESTMINSTER BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital paid up	9,320,157	Coin, bank and currency notes and balances with the Bank of England	28,140,824
Reserve fund	9,320,157	Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland	8,964,043
Current, deposit, and other accounts	270,286,855	Money at call and short notice	23,135,007
Liabilities for acceptances, endorsements, &c., as per contra	9,642,039	Bills discounted	43,518,474
Notes in circulation in the Isle of Man	12,669	Investments in affiliated banks	2,991,706
		Advances to customers and other accounts	132,168,073
		Bank premises account	4,192,719
		Liabilities of customers for acceptances, endorsements, &c., as per contra	9,642,039
	298,581,877		298,581,877

WILLIAMS, DEACON'S BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Capital, 1,562,500 "A" shares, £1 paid, £1,562,500; 312,500 "B" shares, £312,500	1,875,000	Coin, bank and currency notes, and balances with the Bank of England	4,112,651
Reserve fund	1,300,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom	1,042,907
Current, deposit, and other accounts	31,427,121	Money at call and short notice	2,704,089
Liabilities for acceptances, endorsements, &c., as per contra	1,610,198	Bills discounted	1,882,476
		British Government securities	3,709,212
		Other investments	1,047,507
		Advances to customers and other accounts	19,211,025
		Bank premises account	892,254
		Liabilities of customers for acceptances, endorsements, &c., as per contra	1,610,198
	36,212,319		36,212,319

YORKSHIRE PENNY BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	ASSETS.	£
Share Capital—250,000 Shares of £5 each, £3 paid	750,000	Cash in hand, at Bank of England, and at short notice	7,660,961
Capital paid up	750,000	British Government Treasury bills	400,000
Reserve fund	750,000	British Government Treasury and Exchequer Bonds	11,436,055
Amount due to depositors and other accounts	27,951,792	British Government 5 per cent War Stock	105,353
		Do 4 per cent. do	768,253
		Do 3 per cent. do	1,119,967
		British Government National War Bonds	3,237,350
		Other securities	904,656
		Loans on security and other accounts	3,247,740
		Bank premises	571,457
	29,451,792		29,451,792

NATIONAL PROVINCIAL BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.		ASSETS.	
Capital paid up	9,479,416	Coin, Bank of England and currency notes in the United Kingdom, and balances with the Bank of England	28,592,430
Reserve fund	9,479,416	Bills payable—drafts on, other banks in the United Kingdom and Ireland, and cheques, drafts, &c., in transit	8,746,054
Current, deposit, and other accounts	255,260,105	Money at call and short notice	17,702,425
Liabilities for acceptances, endorsements, &c., as per contra	8,382,979	Investments (of which £209,640 is lodged for public accounts), £38,305,138; investments in affiliated banks, £2,754,000	41,059,138
		Bills discounted—(1) Payable by British firms and institutions in the United Kingdom, and Treasury bills, £35,643,910; (2) Other bills, £1,980,075	37,034,985
		Advances to customers and other accounts	136,281,499
		Bank premises	4,802,408
		Liabilities of customers for acceptances, endorsements, &c., as per contra	8,382,979
			282,601,916

PRIVATE BANKS.

CHARLES HOARE AND CO.

BALANCE-SHEET—July 5, 1926.

LIABILITIES.		ASSETS.	
Current accounts	2,283,578	Cash in hand and at bankers	533,360
Deposit accounts	954,151	Cash at call	630,000
Capital and reserve	500,000	Investments at market price: National War Bonds and Four per cent. War Stock 1929-1942	1,166,500
		British Government and other Trustee stocks	278,613
		Other securities	83,768
		Loans, overdrafts, and bills discounted	944,488
		Freehold bank premises	100,000
			3,736,729

ESTABLISHED 1821.

GUARDIAN ASSURANCE COMPANY LIMITED.

Subscribed Capital - £2,015,000
 Capital Paid up - £1,015,000
 Total Income - £2,670,000
 Total Assets - £10,750,000

All the principal classes of Insurance Business are Transacted by the Company.

HEAD OFFICE:
 68, KING WILLIAM STREET,
 LONDON, E.C.4.

Law Courts Branch: 21, FLEET STREET, E.C.4.

Westminster Branch: 28, KING STREET, COVENT GARDEN, W.C.2.

LONDON DISCOUNT COMPANIES.

ALEXANDERS DISCOUNT COMPANY, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.		ASSETS.	
Capital issued—10,000 £10 6 per cent preference shares, fully paid	100,000	Cash at bankers	504,944
100,000 £10 ordinary shares, £5 paid	500,000	Short-dated Imperial and Indian Government securities	2,972,065
with a reserve liability of £300,000.		Bills discounted	18,220,302
Reserve fund	460,000	Loans on security and sundry accounts	355,732
Bills re-discounted	3,763,582	(Out of the above, assets of the value of £21,067,368 are held by depositors and others as cover for liabilities, per contra.)	
Deposits and sundry balances, including profit and loss account	17,229,462		
			22,063,044

GILLETT BROTHERS DISCOUNT CO., LIMITED.

BALANCE-SHEET—July 31, 1926.

LIABILITIES.		ASSETS.	
Dr. Capital issued fully paid—1,000 shares of £100	100,000	Cr. Cash in hand and at bankers	57,280
Reserve fund	80,000	British and Colonial Government securities (maturing 1927-1929)	545,000
Deposits, loans, bills re-discounted and sundry accounts, including rebate on bills and investments reserve fund	9,893,815	Bills discounted (including re-discounts)	9,019,187
		Loans on security & sundry accounts (Out of the above, assets of the face value of £9,878,161 are held by depositors and others as cover for liabilities per contra.)	452,348
			10,073,815

LATEST BALANCE-SHEETS OF FOREIGN BANKS HAVING LONDON OFFICES AND OF BRITISH BANKS TRADING ABROAD.

ANGLO-CZECHOSLOVAKIAN BANK.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.		ASSETS.	
Share capital, fully paid	120,000,000	Cash in hand	90,834,771
Reserves	61,622,862	Credits at call	124,860,611
Pension fund	9,000,000	Foreign bills, currencies and balances	175,509,883
Deposits	443,036,412	Bills receivable	131,011,208
Creditors	932,663,326	Securities	86,837,606
Other debit items, incl. ing taxes	40,015,061	Holdings in commercial and affiliated concerns	23,189,284
Contras	229,435,495	Real estate	925,234,977
Net profit	17,455,622	Furniture and fittings	49,464,043
		Transitory assets	4,413,496
		Contras	12,433,410
			229,435,495
			1,853,228,778

PROFIT AND LOSS ACCOUNT		Dr.	
Interest paid	62,058,905	Cr. Profit 1924 carried forward	346,3 0
Expenses	46,807,922	Interest received	102,765,075
Taxes and fees	8,134,539	Commission	25,403,232
Amortisations	1,000,000	Sundry profits	6,946,371
Profit	17,455,622		
			135,460,988

ANGLO-SOUTH AMERICAN BANK, LIMITED.

BALANCE-SHEET—June 30, 1925.

LIABILITIES.		ASSETS.	
Issued capital—873,466 shares of £10 each, £5 paid	4,367,330	Cash in hand, at bankers, and at short notice	9,390,407
Reserve fund	4,000,000	Balances with auxiliary banks	604,457
Sight drafts on head office and branches	988,619	British Government securities	8,065,790
Bills payable—drafts on head office and branches at usance	5,640,044	Foreign Government, railway and other securities	2,540,910
Acceptances on account of customers	4,436,904	Bills receivable	9,447,465
Current, deposit, and other accounts	42,551,755	Holdings in foreign and auxiliary banks, &c., at cost	2,164,419
Rebate of interest on bills, &c., not due	6,598,867	British Bank of South America, Limited, 99,722 shares, at £27 10s.	2,744,006
Profit and loss, as per account below, £781,123; less interim dividend paid on 28th April, 1925, £169,234	611,889	Commercial Bank of Spanish America, Limited, 495,947 shares, at cost	460,862
To liability on bills re-discounted, on uncalled capital on investments held, and guarantees &c., £10,201,779, of which £8,123,446 has run off.		Liability of customers for acceptances, per contra	4,436,904
		Advances, &c.	23,407,361
		Bank premises and office furniture	467,252
		Bills for collection, per contra	5,598,867
			99,268,599

PROFIT AND LOSS ACCOUNT.		Dr.	
Charges at head office and branches	911,867	Cr. Balance brought forward from last account	350,101
Income-tax	188,799	Gross profits and credits after providing for bad and doubtful debts	1,600,975
Rebate of interest on bills, &c., not due	69,291		
Balance, as per balance-sheet	781,123		
			1,951,080

THE AUSTRALIAN BANK OF COMMERCE, Ltd.

Incorporated in New South Wales.

CAPITAL SUBSCRIBED AND PAID-UP - £1,840,000
 RESERVE FUND - 790,000

DIRECTORS:

SIR MARK SHELTON, K.B.E., Chairman.
 FRANK N. YARWOOD, Esq., F.C.P.A., Deputy Chairman.
 DUNCAN CARSON, Esq.

GENERAL MANAGER: C. M. C. SHANNON.

H. B. LYSAGHT, Esq., O.B.E.
 GEORGE J. SLY, Esq., LL.D.
 LT.-COL. T. L. F. RUTLEDGE, M.L.A.

LONDON BRANCH DIRECTORS: A. DODDS FAIRBAIRN, Esq.

HEAD OFFICE: SYDNEY, NEW SOUTH WALES. G. W. ORD, Manager, with 148 Branches and Agencies in New South Wales.
 BRISBANE OFFICE: GEORGE H. HOWELL, Manager, with 26 Branches and Agencies in Queensland.

MELBOURNE OFFICE: 325 Collins Street. M. BURTON FINNEY, Manager.

ADELAIDE OFFICE: 35 Rundle Street. R. T. MOODIE, Manager.

LONDON OFFICE: 37 Threadneedle Street, E.C.2. ARTHUR F. JENKINS, Manager.

The London Office is prepared to transact every description of Banking Business, including:—
 CURRENT ACCOUNTS opened. FIXED DEPOSITS received for periods of one month and upwards, at rates of interest ascertainable on application.
 ADVANCES MADE on approved Securities, and against shipments of all kinds of marketable produce and merchandise. MAIL AND TELEGRAPHIC REMITTANCES made to all parts of the world. DRAFTS issued at current rates of exchange. FOREIGN or other BILLS negotiated or collected. The issue of LETTERS OF CREDIT, Circular or Commercial.

For the convenience of its Customers the Bank has special arrangements, where not directly represented, with other Bankers throughout Australasia, New Zealand, the United Kingdom, The Far East and elsewhere, whereby it is able to carry out all requirements with promptitude and to best advantage.

The National Bank of New Zealand, Ltd.

AUTHORISED and SUBSCRIBED CAPITAL - £6,000,000
 PAID-UP CAPITAL - £2,000,000
 RESERVE FUND and UNDIVIDED PROFITS - £2,173,043 £4,173,043

Directors:

HON. W. PEMBER REEVES (Chairman).
 ROBERT LOGAN, Esq.
 HON. SIR ARTHUR MYERS.
 HENRY F. FRESHWATER, Esq.
 SIR AUSTIN E. HARRIS, K.B.E.

SIR JAMES H. B. COATES (Honorary Director).

J. B. REID, Esq.
 LINDSAY ERIC SMITH, Esq.

Manager: ARTHUR WILLIS.

Head Office:—8, MOORGATE, LONDON, E.C.2.
 Chief Office in New Zealand:—WELLINGTON.

88 Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, receives Deposits of £50 and upwards for 1 or 2 years at 4½ per cent. per annum; and conducts every description of banking business connected with New Zealand.

THE BANK OF AUSTRALASIA.

(Incorporated by Royal Charter, 1835.)

Head Office: 4 THREADNEEDLE STREET, LONDON, E.C.2.
 West End Branch: 17 NORTHUMBERLAND AVENUE, W.C.2.

Paid-up Capital ... £4,000,000
 Reserve Fund ... 3,760,000
 Reserve Liability of Proprietors under the Charter ... 4,000,000
 £11,760,000

DIRECTORS:

RIGHT HON. LORD ALDENHAM.
 CHARLES EDWARD BARNETT, Esq.
 KENNETH GOSCHEN, Esq.
 CHARLES GIPPS HAMILTON, Esq.

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HAROLD NELSON, Esq.
 HORACE PEEL, Esq.
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 ARTHUR WHITWORTH, Esq.

Numerous Branches throughout the States of VICTORIA, NEW SOUTH WALES, QUEENSLAND, SOUTH AUSTRALIA, WESTERN AUSTRALIA, TASMANIA, and the Dominion of NEW ZEALAND.
 Letters of Credit and Bills of Exchange granted. Bills Negotiated or Sent for Collection. Telegraphic Transfers made. Banking Business of every description transacted with Australia and New Zealand.
 Deposits received in London at interest for fixed periods on terms which may be ascertained at the Office.

S. JAPHET & CO., LTD.

60, LONDON WALL,
 LONDON - E.C.2.

MERCHANT BANKERS

BANCA COMMERCIALE ITALIANA.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	Lira.	ASSETS.	Lira.
Capital paid up.....	700,000,000	Shareholders — for balance	
Reserve funds.....	460,000,000	outstanding on shares	
Bills payable.....	385,191,407	issued in 1925.....	169,624,800
Commercial acceptances.....	727,856,139	Cash in hand.....	491,679,062
Deposits and current ac-		Bills receivable (inclusive	
counts.....	6,670,692,165	of Treasury bills).....	4,380,522,406
Creditors on collection ac-		Bills for collection.....	180,536,582
counts.....	320,281,852	Contango and Loans.....	586,611,566
Guarantees.....	319,314,514	Participations in other	
Securities deposited.....	5,052,903,058	banks and syndicates.....	389,299,278
Other liabilities.....	520,994	Government securities, rail-	
Rebate on bills.....	35,772,213	way and other bonds and	
Net profit (including Lire		shares.....	377,732,387
37,588,347-53 brought for-		Current accounts.....	2,807,473,789
ward from December 31,		Bank premises.....	56,456,465
1924).....	133,721,565	Guarantees, as per contra.....	319,314,514
		Securities, as per contra.....	5,052,903,058
	14,812,253,907		14,812,253,907

BANCO DE CHILE.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	Chilian Currency.	DR.	ASSETS.	Chilian Currency.
Current accounts and sight			Cash.....	103,166,611
deposits.....	271,360,704		Loans and advances.....	507,568,892
Term deposits.....	121,854,269		Buildings and real estate.....	20,594,600
Employees' pension and re-			Shares in Banco Central de	
tirement fund.....	1,400,757		Chile.....	14,268,800
Guarantees of contracts.....	6,081,921		Other shares and bonds.....	23,078,766
Drafts, cheques, telegraphic			State bonds and municipal	
transfers, dividends pend-			loans.....	73,601,515
ing, &c.....	38,633,280		Furniture.....	1,448,416
Shareholders—Paid-up cap-			Office material.....	1,991,689
ital, \$100,000,000; respon-			Responsibility of shareholders.....	100,000,000
sibility of shareholders,			Exchange operations.....	181,726
\$100,000,000.....	200,000,000		Clients' letters of credit, &c.....	1,375,374
Statutory reserves.....	25,000,000		Branches.....	29,569,374
Other reserves.....	79,273,987		Interest pending.....	3,525,136
Rediscouunts—Banco Cen-				
tral.....	32,950,744			
Notes issued against State				
bonds.....	66,500,000			
Letters of credit and other				
credits.....	1,375,374			
Bank's debt under mortgage				
Operations pending.....	12,866,325			
Profit and loss.....	22,820,262			
	9,253,546			
	879,371,169			879,371,169

BANK OF ATHENS.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	Dra.	ASSETS.	Dra.
Capital fully paid.....	72,000,000	Cash in hand, at banks,	
Reserves.....	34,600,000	and Treasury bills.....	355,221,449
Current, deposit, and		Balances due from banks	
other accounts.....	1,546,795,871	abroad.....	99,141,043
In erim dividend.....	3,600,000	Bills receivable.....	18,235,972
Profit and loss.....	11,234,251	Loans, advances, bills dis-	
		counted and other ac'ts.....	1,002,855,002
		Investments.....	162,698,583
		Premises.....	19,549,650
		Property.....	10,528,335
		Furniture.....	88
	1,668,230,122		1,668,230,122

BANCO DE BILBAO.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	Pesetas.	ASSETS.	Pesetas.
Capital.....	100,000,000	Cash in hand and at Bank	
Reserve funds.....	63,000,000	of Spain.....	76,894,835
Deposits.....	592,846,935	Foreign money and notes,	
Bills payable.....	11,634,161	cash value.....	370,585
Acceptances for account		Cash at other banks and	
of customers, as per		bankers.....	71,917,499
contra.....	22,193,106	Bills receivable.....	161,099,293
Sundry creditors.....	57,001,997	Government securities.....	129,982,382
Profit and loss.....	1,673,291	Railway and other indus-	
		trial debentures.....	24,373,864
		Other securities.....	49,338,192
		Advances to customers	
Depositors of securities,		against security.....	39,562,734
nominal value, as per		Banking correspondents,	
contra.....	2,877,300,879	&c.....	78,233,669
		Banking correspondents,	
		&c., in foreign money	
		(equivalent).....	71,874,648
		Premises account.....	19,569,908
		Furniture and fittings.....	1,940,003
		Liabilities of customers	
		for acceptances, as per	
		contra.....	22,193,106
		Unissued shares.....	40,000,000
		Sundry debtors.....	61,193,772
			848,349,490
		Securities deposited, nom-	
		inal value.....	2,877,300,879
			3,725,650,369

FERRIER LULLIN & CIE.
GENEVA.

Established 1795.

Partners: A. LULLIN, F. BOISSIER, J. STRAESSLE, M. FERRIER.

Telegraphic Address: "FERULIN, GENEVA."

New York Correspondents:

London Correspondents:

MIDLAND BANK, LIMITED.
SWISS BANK CORPORATION.
BANCA COMMERCIALE ITALIANA.
Messrs. LAZARD BROTHERS & CO., Ltd.
Messrs. HELBERT WAGG & CO., Ltd.
Messrs. S. JAPHET & CO., Ltd.
Messrs. SELIGMAN BROTHERS.

NATIONAL CITY BANK OF NEW YORK.

Messrs. A. ISELIN & CO.

Messrs. HALLGARTEN & CO.

All kinds of banking business transacted.

BANCO AGRICOLA COMERCIAL
SAN SALVADOR, CENTRAL AMERICA.

FOUNDED IN 1895.

Paid-up Capital - - - \$780,000.00 U.S. Currency
Reserve and Contingency Funds \$375,000.00 " "

JUNTA DIRECTIVA.

RODOLFO DUKE, Director.

RAFAEL A. ECHAVARRIA, 2o Director Consultor.

JOSE GONZALEZ, A. 1er Director Consultor.

F. S. BADGEROW, Gerente.

Collections and General Banking Business Transacted.

The Bank is also especially interested in bringing together buyers and sellers of Salvador coffees, and will be pleased to put importers in touch with responsible planters and dealers.

THOS. COOK & SON
(BANKERS) Ltd.

Current Accounts, Deposit Accounts and every description of Banking Business undertaken.

TRAVELLERS' CHEQUES & LETTERS OF CREDIT, FOREIGN EXCHANGE.

For full information, rates, etc., telephone Grosvenor 4000, or apply as below, or to any Branch Office.

THOS. COOK & SON Ltd.

General Passenger, Forwarding and Insurance Agents, provide unequalled facilities for travel : : in all its phases. : :

Over 85 years' experience.

HEAD OFFICE:

BERKELEY STREET,
PICCADILLY, LONDON, W.1
BRANCHES & AGENCIES THROUGHOUT THE WORLD

ALL-RUSSIAN CO-OPERATIVE
BANK.

Authorised Capital - - - Gold Roubles.
Paid-up Capital, 1st Sept., 1926 - 20,000,000
Total Assets " " - 18,837,056
" " - 177,649,362

The shareholders of the All-Russian Co-operative Bank are 9,114 co-operative societies, all central organisations included.

Head Office:

MOSCOW, ILYINKA, 3.

Cable Address: "VSEKOBANK."

61 Branches and 896 Correspondents in the U.S.S.R.
Correspondents in all principal foreign centres.

Affiliated Banks:

1. MOSCOW NARODNY BANK, LTD., LONDON, W.C.1, Lincoln House, 300, High Holborn.
BRANCH in PARIS.
26, rue Vivienne (2-e), Place de la Bourse.
2. CO-OPERATIVE TRANSIT BANK, RIGA (LATVIA), 2, Wallstrasse.

EVERY KIND OF RUSSIAN & FOREIGN
BANKING BUSINESS TRANSACTED.

KANSALLIS-OSAKE-PANKKI
(National Joint Stock Bank.)

Established 1889

HEAD OFFICE: HELSINKI (Helsingfors), FINLAND.
BRANCHES: 142 all over Finland.

PAID-UP CAPITAL and RESERVES - - - - - Fmk. 273,000,000

Every kind of Banking and Exchange Business transacted at most-favourable terms.
Deposits Received. Bills Collected.

Mail and Telegraphic Remittances Made.

TELEGRAPHIC ADDRESS: "Kansallispankki."

A/B NORDISKA FÖRENINGSBANKEN
(IN FINNISH: OY POHJOISMAIDEN YHDYSPANKKI)

The Greatest Private Bank in Finland, issued from the Amalgamation in 1919 of Föreningsbanken i Finland and Nordiska Aktiebanken för Handel och Industri.

CAPITAL AND RESERVES: Fmk. 334,000,000.

Head Office: HELSINGFORS.

52 Branches all over the country.

Telegraphic Address: UNITAS.

PRINCIPAL LONDON CORRESPONDENTS:—

Barelays Bank Limited, Hambros Bank Limited, Lloyds Bank Limited, Midland Bank Limited, and Westminster Bank Limited.

BANCO ESPANOL DEL RIO DE LA PLATA.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.		ASSETS.	
Capital subscribed.....	4,365,079	Cash.....	4,388,255
Reserve fund.....	1,702	Shareholders (liability on uncalled capital).....	1,831,838
Contingency fund.....	1,363,687	Bills discounted and advances in current account.....	23,504,722
Deposits.....	25,022,815	Securities.....	979,943
Branches and agencies.....		Bank premises.....	1,179,011
Operations pending.....	784,539	Loan on Bolsa de Comercio Premises, Buenos Aires.....	557,389
Discounts.....	7,218,719	Mortgages against credits.....	1,921,417
Rebate—Corresponding to next half-year.....	182,110	Freehold properties received in payment of advances—Head office.....	1,764,014
Sundries.....	442,073	Branches.....	379,542
Profit and loss.....	394,167	Accounts overdue and in process of liquidation.....	3,025,202
Bills for collection.....	1,955,627	Investment in National Loans, A/c Reserve.....	1,674
Securities deposited for safe custody.....	35,224,131	Bills for collection.....	1,955,627
		Securities deposited for safe custody.....	35,224,131
	76,954,649		76,954,649
PROFIT AND LOSS ACCOUNT.			
Dr.	£	Cr.	£
Interest, general charges, salaries, taxes, &c.....	682,723	Balance brought forward ..	4,911
Furniture and fittings—Amortisation and B. and Doubtful Debts.....	314,285	Interest and discounts less rebate corresponding to next half-year.....	889,270
Balance.....	79,881	Exchange and commissions.....	182,708
	1,076,889		1,076,889

BANCO DI ROMA.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.		ASSETS.	
Share capital.....	200,000,000	Cash.....	142,941,624
Reserve fund.....	30,000,000	Portfolio & Treasury bills.....	710,179,586
Deposits in current and savings account.....	401,626,720	Investments.....	185,623,275
Deposit securities in current account.....	95,337,070	Securities in deposit.....	95,337,070
Ordinary cheques.....	83,662,289	Banking participations.....	38,726,227
Correspondents—credit balances.....	11,823,246	Short loans.....	254,842,410
Sundry creditors.....	1,433,263,218	Real estate.....	29,500,000
Redeemable.....	20,705,495	Secured advances.....	47,335,010
Acceptances on behalf of customers, per contra.....	3,981,258	Correspondents.....	712,979,679
Guarantees for third parties, per contra.....	120,321,612	Sundry debtors.....	82,436,221
Profits carried forward from preceding year.....	826,458	Cover for acceptances.....	71,236,612
Net profits for current year.....	18,675,348	Liabilities of customers, per guarantees.....	120,821,268
Sundry deposits.....	646,042,588	Securities deposited.....	646,042,588
Deposits with third parties.....	402,313,582	Deposit of securities with lien.....	402,313,582
	3,510,315,152		3,510,315,152

BANCO NACIONAL ULTRAMARINO.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.		ASSETS.	
Capital paid up.....	30,000,000\$00	Cash in hand and with other banks.....	48,708,383\$05
Reserves.....	38,000,000\$00	Investments.....	180,016,089\$66
Cash deposits.....	172,436,410\$91	Foreign bills.....	78,343\$84
Fixed deposits.....	119,070,812\$24	Inland bills discounted.....	73,416,996\$54
Cheques and bills payable.....	23,743,321\$11	Bills receivable.....	115,876,368\$17
Unclaimed dividends.....	350,120\$94	Advances against bills Agents and correspondents.....	70,695,527\$86
Obligations, 4½%.....	936,071\$32	Current accounts.....	15,997,793\$26
Predial Colonial obligations, 6%.....	433,657\$80	Premises.....	451,983,973\$75
Current accounts.....	336,881,194\$50	Furniture, &c.....	15,735,461\$35
Do warrants.....	387,779\$03	Government Treasury account.....	229,012\$15
Do agents.....	7,210,941\$32	Predial mortgage loans.....	394,709\$28
Securities deposited.....	487,545,972\$62	Securities.....	487,545,972\$62
Sundry impersonal accounts.....	541,980,830\$30	Sundry impersonal accounts.....	541,980,830\$30
Pension fund.....	1,558,692\$48	Interim dividends.....	1,574,658\$00
Head office—Amounts in transit.....	114,848,479\$39	Mortgage & municipal loans.....	1,139,462\$12
Notes in circulation.....	116,825,560\$27	Government Treasury account.....	101,224,942\$40
Gov. Treasury acct.....	101,224,942\$40	Shareholders.....	56,600\$00
Sundry accounts.....	1,122,768\$32		
Profit and loss.....	12,106,568\$40		
	2,106,665,123\$35		2,106,665,123\$35

BANK OF LONDON AND SOUTH AMERICA, LIMITED.

BALANCE-SHEET—September 30, 1925.

LIABILITIES.		ASSETS.	
Capital, 708,000 shares of £5 each, fully paid.....	3,540,000	Cash in hand, at bankers and at call.....	9,272,545
Reserve.....	3,600,000	Bills receivable, bills discounted, advances, securities, &c. (including £1,103,854 depreciation at current rates of exchange on capital employed abroad) after making provision for doubtful debts.....	54,282,917
Acceptances—account branches.....	4,886,550	Bills for collection.....	13,705,741
Acceptances—customers' drafts under merchandise credits, &c.....	3,054,444	Bank premises, including furniture.....	1,835,280
Bills advised—Drafts in transit.....	3,057,351		
Current accounts, &c., and deposits in currency at branches.....	41,827,722		
Current, deposit, and other accounts in London.....	4,535,849		
Montevideo branch—Local currency emission.....	8,043		
Bills for collection on account of customers, per contra.....	13,705,741		
Rebate of interest on bills not due.....	155,687		
Profit and loss account, as per statement below.....	725,100		
	79,096,487		79,096,487

Note.—Contingent liability as endorsers of foreign bills discounted £6,145,257, of which £4,487,230 has since run off.

PROFIT AND LOSS ACCOUNT.			
Dr.	£	Cr.	£
Charges in London and at branches, including rent and taxes.....	1,325,463	Balance brought forward ..	412,393
Interim dividend.....	141,600	Gross profit, after providing for bad and doubtful debts.....	1,779,770
Balance carried down.....	725,100		
	2,192,163		2,192,163

BANK OF ROUMANIA, LIMITED.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.		ASSETS.	
Capital.....	300,000	Cash in hand and at bankers, London.....	87,755
Reserve account, old, £19,693; reserve account, new, £50,307.....	80,000	Money at short notice, London.....	12,000
Current account, sight drafts, balance of contingency account, &c.—Sterling, £315,924; lei, 385,081,430/63, at 1,050 per £, £366,744.....	682,668	British Treasury bills.....	100,000
		British Government securities (at or under market value).....	273,480
		Bills receivable, loans, current accounts, &c.—sterling.....	213,153
		Bills receivable, loans, current accounts, &c.—lei, 285,937,859/67, at 1,050 per £.....	272,321
		Cash in hand and at bankers, Bucharest, lei 108,157,135/62, at 1,050 per £.....	103,959
	1,062,668		1,062,668

APPROPRIATION ACCOUNT.			
Interim dividend, 3s per share, less tax.....	5,953	Balance of profit, after deducting current expenses, making provision for bad debts, and income tax.....	14,473
Final dividend, 3s per share, less tax.....	5,953		
Contingency account.....	2,567		
	14,473		14,473

BANQUE DU CONGO BELGE.

BALANCE-SHEET—June 30, 1925.

LIABILITIES.		ASSETS.	
Capital.....	20,000,000	Property and premises.....	3,811,000
Reserves.....	4,691,733	Furniture and fixtures.....	492,000
Notes.....	60,435,754	Cash in hand and at bank.....	27,204,736
Due to Colonial Treasury.....	150,782,193	Government securities.....	7,760,863
Creditors.....	13,977,436	Bills receivable.....	160,458,802
Bills payable.....	1,175,067	Debtors.....	94,369,236
Profit and loss.....	293,200,437		
	293,200,437		293,200,437

GILLETT BROTHERS DISCOUNT CO., LTD.

27, Clements Lane, E.C.4.

BALANCE SHEET, 31st July, 1926.

LIABILITIES.		ASSETS.	
Dr.	£ s. d.	Cr.	£ s. d.
To CAPITAL AUTHORISED—2,000 Shares of £100 each.....	200,000 0 0	By CASH IN HAND AND AT BANKERS.....	57,279 14 6
" ISSUED FULLY PAID—1,000 Shares of £100.....	100,000 0 0	" BRITISH AND COLONIAL GOVERNMENT SECURITIES (Maturing 1927-1929).....	545,000 0 0
" RESERVE FUND.....	80,000 0 0	" BILLS DISCOUNTED (including discounts).....	9,019,186 10 7
" DEPOSITS, LOANS, BILLS re-discounted and Sundry Accounts, including Rebate on Bills and Investments Reserve Fund.....	9,893,814 13 8	" LOANS ON SECURITY AND SUNDRY ACCOUNTS.....	452,348 8 7
	£10,073,814 13 8	Out of the above, Assets of the face value of £9,878,161 9s. 0d. are held by Depositors and others as Cover for Liabilities per contra.....	
		H. GURNEY AGGS, Directors.....	£10,073,814 13 8
		G. M. GILLET, Directors.....	

We report to the Shareholders that we have obtained all the information and explanations we have required. We have verified the Securities representing Investments of the Company, those held against Loans made by the Company, and all Bills discounted in hand. We have also verified the Cash Balances and vouched the Securities and Bills given as collateral Security for Loans, and we now have to report to the Shareholders that the foregoing accounts agree with the books, and that, in our opinion, the above Balance Sheet is properly drawn up, so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

THE BANK OF NOVA SCOTIA

ESTABLISHED 1832.

Head Office: HALIFAX, CANADA.

Capital Paid Up - \$10,000,000
Reserve Fund - \$19,500,000
Total Assets - over \$240,000,000

Address enquiries to—
London Branch: 108, OLD BROAD STREET, E.C.2.
New York Agency: 49, WALL STREET. E. C. MACLEOD, Manager.

A GENERAL BANKING BUSINESS IS TRANSACTED.
Particular attention is devoted to Business with Canada, Newfoundland, and the West Indies, where Branches of the Bank have been established many years. 299 Branches in all.

Established 1837

Speyer & Co.

NEW YORK

Foreign and Domestic Investment Securities

Foreign Exchange .. Cable Transfers .. Letters of Credit

GRACE BROTHERS & CO., Ltd., Bankers.

144, LEADENHALL STREET, LONDON, E.C.
CAPITAL (fully paid) and RESERVES, £1,065,000.

Every Description of Banking Business Transacted.

Current and deposit accounts opened. Foreign Exchange. Drafts, travellers' credits and telegraphic transfers. Dividends collected. Documentary credits opened. Bills discounted. Documentary bills negotiated, advanced upon, or sent for collection. Advances against consignments.

THE INDUSTRIAL BANK OF JAPAN, LTD.

(Nippon Kogyo Ginko)

Incorporated by the Special Charter of the Imperial Government of Japan, 1902.

PAID-UP CAPITAL - - - Yen 50,000,000
Head Office: No. 7, 2-CHOME, EIRAKU-CHO, KOJIMACHI-KU, TOKYO. Cable Address: "Kogin, Tokyo"

Branch Office: TOKYO, OSAKA, KOBE.

Court of Directors:

Y. ONO, Esq., President. K. MATSUMOTO, Esq., Director.
J. MATSUMOTO, Esq., Vice-President. I. HORAI, Esq., Director.
K. AMANOYA, Esq., Director.

Every Description of General Banking, Exchange, both Foreign and Internal, and Trust Business transacted.

London Correspondents:—MIDLAND BANK, LTD.
GUARANTY TRUST COMPANY OF NEW YORK.
YOKOHAMA SPECIE BANK, LIMITED.

Correspondents also in
PARIS, LYONS, NEW YORK, SAN FRANCISCO,
PEKING and DALNY, etc.

LIABILITIES.	£	ASSETS.	£
Share capital—50,000 shares of £20 each, fully paid.....	1,000,000	Cash in hand.....	5,341
Reserve account.....	175,000	Cash at call and short notice	900,000
Investment Reserve.....	75,000	Balances with bankers in	
Current, deposit, and other		London.....	262,731
accounts, including rebate		Balances with bankers abroad	
of bills and provision for		—including Banca Italo-	
contingencies.....	2,205,887	Britannica.....	171,446
Acceptances.....	2,548,238	Bills receivable.....	445,657
Confirmed Credits.....	204,421	Investments—	
Guarantees.....	355,716	Banca Italo - Britannica—	
Profit and loss account.....	94,206	9,880 shares of Lit. 5,000	
Non-There with Con-		each, fully paid at cost.....	498,717
tingent Liabilities on		Advances to customers hold-	
December 31, 1925, on		ing Banca Italo-Britannica	
Foreign Exchange Con-		and other accounts.....	1,229,108
tracts amounting to		Liabilities of customers for	
£4,291,494 12s 7d; and on		acceptances, confirmed	
Endorsements amount-		credits and guarantees as	
ing to £247,658 1s 4d.		per contra Italian and other	
		foreign banks, £1,667,589;	
		other customers, £1,460,786	5,128,375
		Premises account.....	35,992
		Office furniture.....	1
	6,678,368		6,678,368

Dr.		Cr.	
Provision for income-tax	£ 21,521	Profit for the year, after deducting rebate on his commission, administrative and general expenses, office furniture and other charges	£ 84,208
Balance carried to balance sheet	62,687		
	84,208		84,208

BALANCE SHEET, June 30, 1926.	
LIABILITIES.	£
Capital—400,000 shares of £1 each, fully paid	400,000
Reserve	100,000
Loans against investments and other security	1,047,871
Current, deposit, and other accounts (including balance of profit and loss account)	1,489,474
Acceptances, endorsements, and guarantees on account of customers	1,485,187
Bills and documents for collection, per contra	411,339
 Contingent liability on bills re-discounted, £1,359,205	
	<u>4,933,871</u>

ASSETS.	£
Cash in hand and with bankers in London	462,918
Cash with bankers abroad (United States of America, Scandinavia, Holland, &c.)	349,840
Bills receivable	883,628
Investments (British Government Securities)	625,469
Loans, advances and other accounts	709,489
Liabilities of customers for acceptances, endorsements, and guarantees, as per contra	1,485,187
Bills and documents for collection	411,340
	<u>4,933,871</u>

[illegible]

Codes:
A.B.C. 5th & 6th; Lieber's & Bentley's
Complete Phrase Codes.

IMPORTERS, EXPORTERS & GENERAL MERCHANTS.

10, KITAKYUTARO-MACHI, OSAKA, JAPAN.

AARAU, BADEN, BASLE, BERNE, LA CHAUX-DE-FONDS, GENEVA, LAUSANNE,
LOCARNO, LUGANO, MONTREUX, RAPPERSWIL, ST. GALL, VEVEY, WINTERTHUR, &c.

CAPITAL (fully paid)	-	-	Swiss Francs	70,000,000
RESERVES	-	-	"	17,000,000
DEPOSITS	-	-	"	472,000,000
TOTAL ASSETS	-	-	"	624,000,000

WELL EQUIPPED TO HANDLE YOUR SWISS BANKING BUSINESS.

Head Office: TORONTO

CAPITAL and RESERVES	\$14,000,000
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A. W. AUSTIN, *President.* C. A. BOGERT, *Vice-President & General Manager.*
C. S. BLACKWELL, *Chairman of the Board.*

BRANCHES THROUGHOUT CANADA.
Agents and Correspondents throughout the World.

The LONDON BRANCH, at 3, King William St., E.C.4,
 undertakes monetary business of every description, deals in all Foreign Exchanges, accepts Deposits, makes Collections promptly, and
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S. L. JONES, Manager. **P. HUFFMAN, Assistant Manager.**
40, WALL STREET. ROBERT RAE, Agent.

Agency in NEW YORK: The Dominion Bank, 49, WALL STREET. ROBERT RAE, Agent.

SOCIÉTÉ ANONYME.

Established at Brussels, August 28th, 1822.

Office: **BRUSSELS, 38, Rue Royale.**
France

100,000 Titres de Capital	...	...	...	100,000,000.00
100,000 Parts de Réserve	...	...	...	255,640,248.67
Total	...	...	...	355,640,248.67

ADMINISTRATION — Governor: M. Jean Jadot. *Vice-Governor:* M. Emile Francqui. *Directors:* MM. le baron Ed. Carton de Wiart, M. Jules Auguste Callens, Alexandre Galopin. *Director-Treasurer:* M. Auguste Callens, Alexandre Galopin, Willy de Munck, Gaston Bagage. *Directors:* M. Firmin Van Brée, Auguste Serruys, Gérard Blaise. *Honorary Directors:* MM. Auguste Serruys, Gérard Cooreman, Edouard de Brabander. *Secretary:* M. C. Lepêche.

AUDITING COMMISSARIES:—MM. Baron A. D'Huart, L. Hamoir, Baron C. Goffinet, Count t'Kint de Roodenbeke, Count J. de Merode, Ed. Solvay, G. H. Adan, Léon Eliat, Baron Adrien de Montpellier.

Every description of Banking business transacted.
The "Société Générale de Belgique" is represented in Belgian Provincial Places by over 375 Banking Establishments placed under its control and acting as its Agents.
London Correspondent of the Société Générale de Belgique: Banque Belge pour l'Etranger, 4, Bishopsgate, E.C.2.

AKTIENGESSELLSCHAFT
formerly **COMMERZ- UND DISCONTO-BANK**

(ESTABLISHED 1870).

HAMBURG - BERLIN

**BREMEN
COLOGNE
DRESDEN**

Branches in:
FRANKFORT-MAIN
HANOVER
LEIPZIG

and in 200 other places.

**MAGDEBURG
MUNICH
STUTTGART**

BRITISH BANK FOR FOREIGN TRADE, LIMITED.

BALANCE-SHEET—April 30, 1925.

LIABILITIES.	£	ASSETS.	£
Capital issued, 240,000 shares of £1 each	240,000	Cash in hand, at bankers in London and abroad, and at call	46,610
Current deposit, and other accounts	262,024	War loan 5% 1929/1947 at cost	50,707
Profit and loss account—Balance brought forward, £3,911; deduct loss for year, £4,248	5,733	Premises account	46,000
	507,757	Investments at cost or under	132,284
		Loans to customers	232,156
			507,757

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Interest, &c., paid	4,423	Gross profit	15,010
Office charges, including rent, salaries, directors' fees, and other expenses	13,258	Transfer fees	10
Loss on investments realised	1,587	Balance, being loss for year	4,248
	19,268		19,268

BRITISH BANK OF SOUTH AMERICA, LIMITED.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Capital—Paid up £10 per share	1,000,000	Cash in hand, at bankers and at call	4,417,761
Reserve fund, as per balance-sheet of Dec. 31, 1924	1,000,000	Bills receivable in hand, and deposited with the company's bankers	6,294,901
Special reserve for depreciation of capital employed in South America	300,000	Other accounts	9,604,959
Liabilities, viz.—		Liability of customers for acceptances, as per contra	754,423
Amounts due on current and deposit accounts	11,465,308	Freehold and leasehold premises in South America at cost	353,155
Bills payable	3,018,503	Bills for collection, as per contra	5,208,897
Other accounts	3,729,830	The contingent liability on bills discounted, &c., at the date of the balance sheet was £2,562,550, which has since run off.	
Acceptances on account of customers	754,423	At the date of the balance sheet a lien existed to the extent of £1,060,000 on certain of the above assets, which has since been discharged.	
Bills for collection	5,208,897		
Profit and loss account, as per statement below	158,175		
The capital employed in South America, calculated at the rates on London as on Dec. 31, 1925, shows a depreciation of £31,500, after allowing for a special reserve of £300,000.			
	26,634,136		26,634,136

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
General charges at head office and the branches, including directors' remuneration	513,198	Balance from last account	107,274
Government taxes in Brazil and the River Plate	22,776	Gross profit, after allowing for rebate of interest on current bills and drafts, interest on deposits, and ample provision for bad and doubtful debts and contingencies	636,875
Dividend on account for the half-year ended June 30, 1925	50,000		
Balance carried down	158,175		
	744,149		744,149

BRITISH OVERSEAS BANK, LIMITED.

BALANCE-SHEET—October 31, 1925.

LIABILITIES.	£	ASSETS.	£
Capital subscribed and paid in full—		Cash in hand and at bankers	333,303
200,000 "A" ordinary shares of £5 each	1,000,000	Money at call & short notice	1,345,000
200,000 "B" ordinary shares of £5 each	1,000,000	Balances with bankers abroad	583,833
Current deposit, and other accounts	2,138,867	Bills discounted	307,581
Reserve fund	125,000	Government securities	286,250
Acceptances, &c., for account of customers (per contra)	3,913,516	Other investments, including shareholding interests in foreign banks	306,449
Balance of profit and loss account	60,346	Advances to customers and other accounts	805,789
Note.—Contingent liability on account of endorsements on bills discounted, £2,211,559.		Liability of customers for acceptances, &c. (per contra)	3,913,516
	8,237,729	Premises account	366,008
			8,237,729

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Interim dividend on the "A" ordinary shares at the rate of 6 per cent. per annum and income-tax thereon	30,000	Balance brought forward	54,330
Final dividend on the "A" ordinary shares at the rate of 6 per cent. per annum and income-tax thereon	30,000	Net profit, after allowing rebate of interest and providing for all bad and doubtful debts, income-tax and other taxation for the year ended October 31, 1925	126,016
Dividend on the "B" ordinary shares at the rate of 3 per cent. per annum and income-tax thereon	30,000		
Reduction of premises account	5,000		
Reserve fund	25,000		
Balance carried to balance-sheet	60,346		
	180,346		180,346

BRITISH TRADE CORPORATION.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Capital issued—200,000 shares of £2 10s each, fully paid	500,000	Cash in hand and at bankers	150,815
500,000 "A" shares of £1 each, fully paid	500,000	Money at call and short notice	315,000
Current deposit, and other accounts	783,366	Government securities at market value	401,775
Acceptances on account of customers	1,553,697	Investments at or under cost	279,758
Adjustment of current accounts with branches between September 30 and December 31, 1925	11,862	Bills discounted, loans, advances and sundry debtors, after making provision for bad and doubtful debts	560,826
Profit and loss account—Balance as per account	58,305	Liability of customers for acceptances, as per contra	1,553,697
Note.—There is a contingent liability of £9,370 14s 5d in respect of guarantees, and of £41,535 19s 2d in respect of bills rediscounted.		Premises, London & branches	121,013
		Furniture, London and branches, less depreciation	5,596
		Stamp duty on unissued capital	18,750
	3,407,230		3,407,230

THE EQUITABLE
TRUST COMPANY
OF NEW YORK

Head Office: 37, Wall Street, New York.

Other New York City Offices:—

242 Broadway. Madison Avenue at 45th Street.

Madison Avenue at 28th Street

CAPITAL, SURPLUS, and
UNDIVIDED PROFITS,
\$51,468,392

June 30th, 1926.

Every description of Banking
Business Transacted.Particulars of selected
Dollar Investment Securities
furnished upon request.Current and Fixed Deposits in Sterling
or other Currencies Received at Rates
which may be ascertained on application.LONDON OFFICES:—
10, MOORGATE, E.C.2.
BUSH HOUSE, ALDWYCH, W.C.2.Paris Office:—
23, Rue de la Paix.Mexico City Office:—
48, Calle de Capuchinas.EQUITABLE EASTERN BANKING CORPORATION.
Head Office: 37, Wall Street, New York.
Shanghai Office:—
6, Kiuksiang Rd.Hong Kong Office:—
Queens Road.ANGLO-INTERNATIONAL BANK
LIMITED.

(Incorporated 17th September, 1926, to acquire the business of the Anglo-Austrian Bank, Limited, and of the British Trade Corporation.)

HEAD OFFICE:—

24-28, Lombard Street,
LONDON,
E.C.3.

CAPITAL:—

Authorised £2,000,000
Paid Up - £1,960,000Chairman: GENERAL THE HON. SIR H. A. LAWRENCE, G.C.B.
Vice-Chairman: M. SPENCER-SMITH, Esq., D.S.O., M.C.

BOARD OF DIRECTORS:—

PETER BARK, Esq.	ZOLTAN HAJDU, Esq.
(Managing Director).	SIR J. GORDON NAIRNE, BART.
E. W. H. BARRY, Esq.	LUDWIG VON NEURATH, Esq.
MAJOR JULIAN DAY, M.C.	SIR WILLIAM PEAT, C.V.O.
A. G. M. DICKSON, Esq.	KUNES SONNTAG, Esq.
THE LORD FARRINGTON, C.H.	SIR HENRY STRAKOSCH, K.B.E.
SIR HARRY GOSCHEN, K.B.E.	

In virtue of its Affiliations and Connexions in Central Europe,
the Bank is in a position to afford special facilities for business
with that region.THE PHILADELPHIA-GIRARD NATIONAL BANK
Organized 1803.

CAPITAL, SURPLUS AND UNDIVIDED PROFITS	...	\$27,500,000
DEPOSITS	...	\$200,000,000
TOTAL RESOURCES	...	\$250,000,000

PHILADELPHIA is the "Workshop of America," and the leading
Commercial Bank is the Philadelphia-Girard National Bank.

COMPLETE INTERNATIONAL BANKING SERVICE OF EVERY DESCRIPTION.

Deposit Accounts solicited.

Credit Reports rendered.

Collections made on all points.

Commercial and Circular Letters of Credit Issued.

Trade Information available for use of our clients wherever located.

LONDON CORRESPONDENTS:—

Barclays Bank, Ltd.
Clyde Bank, Ltd.

National Provincial Bank, Ltd.

Westminster Bank, Ltd.
Midland Bank, Ltd.THE IMPERIAL
BANK OF PERSIA33/36, King William St., London, E.C.4.
(Incorporated by Royal Charter, 1889).

Capital, fully paid	£650,000
Reserve	£470,000
Reserve Liability of Proprietors	£1,000,000

OFFICES:—

Ahwaz, Barfrush, Birjand, Bunder Abbas, Burujird,
Bushire, Duzdab, Hamadan, Ispahan, Kazvin,
Kerman, Kermanshah, Maidan-i-Naftun, Meshed,
Mohammerah, Nasratabad (Seistan), Resht, Shiraz,
Sultanabad, Tabriz and Yezd.BRANCHES IN IRAQ (Mesopotamia):
Bagdad, Basra, Kirkuk.BRANCH IN INDIA:
Bombay.CHIEF OFFICE IN PERSIA:
Teheran.The Bank is prepared to transact Banking Business of
every description in and connected with Persia and Iraq
(Mesopotamia), also with Bombay, Calcutta and
Karachi. Clean and Documentary Credits arranged.
Documentary Bills negotiated, Clean and Documentary
Bills collected. Letters of Credit, Drafts and Tele-
graphic Transfers issued.

Correspondents in all important places abroad.

Goldman, Sachs & Co.
NEW YORK

CHICAGO	BOSTON
SAN FRANCISCO	PHILADELPHIA
ST. LOUIS	SEATTLE

Commercial Credits & Foreign
ExchangeTravellers' Letters of Credit available
in all parts of the world

Investment Securities

Commercial Paper

London correspondents—Kleinwort, Sons & Co.

PROFIT AND LOSS ACCOUNT.	
Dr.	Cr.
Amount provided for contingencies.....	40,000
Balance, carried to balance-sheet.....	58,305
	98,305

THOS. COOK AND SON (BANKERS), LIMITED.

BALANCE-SHEET—October 31, 1925.	
LIABILITIES.	ASSETS.
Capital issued, 200,000 shares of £1 each, 10s paid.....	100,000
Reserve fund.....	70,000
Current, deposit, and other accounts, including liability on travellers' cheques, letters of credit, and drafts sold; rebate on bills not due, provision for bad and doubtful debts, contingencies, &c., and the balance of profit and loss account.....	2,793,109
Liabilities to customers on account of bills receivable for collection and other engagements, as per contra.....	53,101
	3,016,210

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS.

BALANCE-SHEET—December 31, 1925.	
LIABILITIES.	ASSETS.
Current and deposit accounts.....	5,442,202,584
Exchange operations.....	77,274,190
Acceptances.....	98,644,703
Sundry accounts.....	206,991,210
Shareholders accounts.....	15,086,274
Reserves.....	76,053,190
Capital.....	250,000,000
	6,166,252,151

CREDIT FONCIER D'ALGERIE ET DE TUNISIE.

BALANCE-SHEET—December 31, 1925.	
LIABILITIES.	ASSETS.
Capital.....	125,000,000
Reserves.....	22,613,823
Superannuation fund.....	279,197
Credit Foncier de France.....	132,890,779
Credit Foncier d'Orient.....	19,650,750
Caisse Hypoth. d'Egypte.....	30,000,000
Current and deposit accts.....	781,469,809
Deposits.....	110,964,019
Correspondents & creditors.....	177,870,835
Acceptances, &c.....	55,814,755
Sundry accounts.....	4,692,930
Dividends.....	7,384,043
Profit and loss.....	498,838
	1,469,129,778

COMMERCIAL BANK OF SPANISH AMERICA, LIMITED.

BALANCE-SHEET—June 30, 1925.	
LIABILITIES.	ASSETS.
Capital authorised, 500,000 shares of £1 each, fully paid.....	500,000
Current and other accounts.....	3,132,950
Bills payable.....	140,899
Bills for collection.....	1,067,374
Rebate of interest on bills not due.....	2,886
Profit & loss account balance.....	135
Contingent liabilities on bills discounted, £133,416, all of which have since been paid.....	
	4,844,244

COMMERCIAL BANK OF THE NEAR EAST, LIMITED.

BALANCE-SHEET—December 31, 1925.	
LIABILITIES.	ASSETS.
Capital issued and fully paid: 37,000 shares of £5 each.....	185,000
Reserve fund.....	2,000
Current, deposit, and other accounts.....	422,206
Bills for collection, per contra.....	88,735
Liability under guarantees and endorsements.....	14,939
Profit and loss account—Balance brought forward as at December 31, 1924, £211,1 add profit for year, £9,889 —£10,100; less interim dividend at 6% per annum, less tax paid, for half-year to 30th June, £4,206.....	5,894
	718,774

CREDIT LYONNAIS.

BALANCE-SHEET—July 31, 1926.	
LIABILITIES.	ASSETS.
Deposits at call.....	3,406,814,166
Current accounts.....	4,375,299,951
Accounts payable after collection.....	158,406,872
Exchange for forward delivery.....	39,647,500
Acceptances.....	31,400,894
Deposits for fixed periods.....	121,111,704
Sundry liabilities.....	272,384,035
Profit and loss.....	33,446,655
Reserve fund.....	225,000,000
Capital fully paid.....	250,000,000
	8,913,511,277

THE ONE HUNDREDTH BANK, LTD.

ESTABLISHED 1878.

President: K. HARA, Esq.

Capital—Subscribed	25,000,000 Yen.
Paid-up	17,500,000 Yen.
Reserve Fund and Undivided Profits	11,890,000 Yen.

Head Office: TOKYO, JAPAN.

Branches: OSAKA, YOKOHAMA, KOBE, KYOTO, TOTTORI, KAWASAKI.

London Agents: Brown, Shipley & Company. The Lloyds Bank, Ltd.

New York Agents: Brown Brothers & Company. The Guaranty Trust Company of New York.

Correspondents in all important places at home and abroad.

Every description of Banking and Foreign Exchange Business transacted. Current accounts opened on the most favourable terms. Special attention is given to Collection Business. Draft and Telegraphic transfers sold on all principal parts of the world.

English, Scottish & Australian Bank, Limited.

Head Office: 5, GRACECHURCH ST., E.C.3,
and 384 Branches and Agencies throughout Australia.

Subscribed Capital	£3,750,000	0	0
Paid-up Capital	£2,250,000	0	0
Further Liability of Proprietors	£1,500,000	0	0
Reserve Fund	£1,950,000	0	0

Board of Directors:

ANDREW WILLIAMSON, ESQ., Chairman.	JOHN PATERSON, ESQ., Deputy Chairman.
HON. SIR JOHN A. COCKBURN, K.C.M.G.	RT. HON. VISCOUNT KNUTSFORD.
RT. HON. LORD FORSTER OF LEPE, P.C., G.C.M.G.	HON. SIR ARTHUR LAWLEY, G.C.S.I.
SIR FREDERICK W. YOUNG.	SIDNEY M. WARD, ESQ.
Manager & Secretary—E. M. JANION.	Sub-Manager—J. A. ROBERTSON.
Asst. Manager—A. A. SHIPSTON.	Accountant—WALTER PHILLIPS.

Chief Office in Australia: COLLINS STREET, MELBOURNE.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by Telegraphic Transfer.
Bills Negotiated or forwarded for Collection.
Banking and Exchange Business of every description transacted with Australia.

THE BANK OF VICTORIA LIMITED.

ESTABLISHED OCTOBER 1852.
Registered under the Companies Act, 1890.

Authorised Capital	£3,240,000
Capital Paid Up	1,478,010
Capital Uncalled	1,061,250
Reserve Fund and Undivided Profits	889,056
(Used in the business of the Bank)	£3,428,316

Head Office: COLLINS STREET, MELBOURNE.
General Manager: P. C. DE CRESPIGNY.
Assistant General Manager: P. McVICKAR.

Head Office, Melbourne:
Manager—F. J. NIVEN.
Accountant—T. DAVIES.

London Office: 69, King William Street, E.C.4.

London Board:
H. O. HAMBLIN. E. C. MILLER.
Manager: J. G. WATSON.
Assistant Manager: J. STARK.

123 Branches and Agencies in Victoria and South Australia.
Drafts Issued, Remittances Cabled, Bills Negotiated or Collected.

THE UNION BANK OF AUSTRALIA Limited.

Established 1837. Incorporated 1880.

CAPITAL AUTHORISED AND ISSUED	£10,500,000
Capital Paid-up	£3,500,000
Reserve Fund	£4,200,000
together	£7,700,000

Reserve Liability of Proprietors - £7,000,000

DIRECTORS:

HENRY P. STURGIS, Esq., Chairman.	Brigadier-General ARTHUR CHICHESTER.
THE RT. HON. THE EARL OF MAXWELL, C.B., C.M.G., D.S.O.	ROBERT C. NESBITT, Esq.
HUGH D. FLOWER, Esq.	FREDERICK G. PARBURY, Esq.
THE RT. HON. LORD HILLINGDON.	The Hon. EDMUND W. PARKER.
SIR MALCOLM HOGG.	Sir WESTBY B. PERCEVAL, K.C.M.G.
SOMERVILLE R. LIVINGSTONE-LEARMONTH, Esq.	

HEAD OFFICE:

71, Cornhill, London, E.C.3.

Manager—W. A. LAING. Assistant Manager—G. S. GODDEN.
Secretary—F. H. MCINTYRE.

BRANCHES THROUGHOUT AUSTRALIA AND NEW ZEALAND, viz.:

In VICTORIA.....	47
" SOUTH AUSTRALIA.....	15
" NEW SOUTH WALES.....	45
" WESTERN AUSTRALIA.....	21
" QUEENSLAND.....	18
" TASMANIA.....	3
" NEW ZEALAND.....	48

Total 197

Drafts upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.

Commercial and Circular Travelling Credits issued—available throughout the World.

Telegraphic Remittances are also made.
Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

The QUEENSLAND NATIONAL BANK, LIMITED.

Incorporated under "The Companies Act, 1863," of the Legislature of Queensland. ESTABLISHED 1872.

Authorised Capital	£2,000,000
Subscribed Capital	£1,500,000
Paid-up Capital	£1,500,000
Reserve Fund	£710,000
Interminable Inscribed Deposit Stock	£3,091,669

DIRECTORS.

Chairman—A. C. LUYA, Esq.	MICHAEL J. RYAN, Esq.
JAMES LOVE, Esq.	D. W. MACDONALD, Esq.
WM. HAMILTON HART, Esq.	General Manager—M. G. HAYMEN.

Head Office - BRISBANE.

Manager—C. A. MUNRO.

London Office - 8 PRINCES STREET, E.C.

London Directors—

Sir T. B. ROBINSON, G.B.E., K.C.M.G.
J. W. DICKINSON, Esq.

Manager—J. W. DRURY.

Bankers—BANK OF ENGLAND, LLOYDS BANK, LIMITED.

BRANCHES—

New South Wales—SYDNEY: CASINO, KYOGLE, LISMORE, URBENVILLE, WARDELL.

Victoria—MELBOURNE: 281, COLLINS STREET; and throughout Queensland.

AGENCIES IN ALL PARTS OF THE WORLD.

The Bank grants Drafts on all its Branches and Agencies, also Telegraphic Transfers, and transacts every description of Banking Business in connection with Queensland and other Australian States on the most favourable terms.

The London Office receives Deposits for 12 and up to 36 months at rates which can be ascertained on application.

Interest payable half-yearly or quarterly as desired.

CREDITO ITALIANO.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£.	ASSETS.	£.
Capital	352,960,600	Cash and balances at call	414,233,980
Reserve fund	130,000,000	Bills receivable on Italy	
Deposits and saving		England, and other	2,766,048,054
accounts	988,512,476	Loans against collateral	
Current accounts	3,832,161,116	securities	401,157,924
Acceptances on account		Current accounts	1,580,652,729
of customers	562,859,810	Liabilities of customers	
Overdue outstanding	217,940,250	for acceptances	562,859,810
Sundry creditors	31,685,594	Investments	234,045,712
Guarantees on account of		Participations	119,131,469
customers	173,577,231	Freehold bank premises	12,500,000
Rebate on bills receivable		Sundry debtors	118,882,572
maturing next year	25,264,419	Customers' liabilities	
Net profit	59,728,485	against guarantees	173,577,231
Clerks' provident fund, as		Securities belonging to	
per contra	29,626,612	clerks' provident fund	29,626,612
	6,404,316,393		6,404,316,393

At the annual general meeting held on March 26, 1926, it was decided to allocate the net profit as follows—

Reserve fund	20,000,000
Directors	2,112,430
Shareholders, as dividend, 10%	33,148,030
Balance carried forward	4,468,025
	59,728,485

EQUITABLE TRUST COMPANY OF NEW YORK.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	\$	ASSETS.	\$
Capital	30,000,000	Cash on hand and in banks	45,289,023
Surplus and undivided profits	21,468,392	Exchanges for Clearing	
Deposits	408,479,025	House	58,499,649
Acceptances (less in port- folio)	38,980,297	Due from foreign banks	15,987,719
Notes payable	6,522,450	Bonds and mortgages	9,555,804
Accrued interest payable, reserve for taxes, and other liabilities	7,255,168	Public securities	38,538,469
		Short term investments	1,832,019
		Other stocks and bonds	22,031,221
		Demand loans	92,877,478
		Time loans	73,223,639
		Bills discounted	110,046,229
		Customers' liability on accep- tances (less anticipations)	37,204,832
		Real estate	849,179
		Due from foreign offices	2,974,410
		Accrued interest receivable, and other assets	3,799,661
	512,705,332		512,705,332

FARMERS' LOAN AND TRUST COMPANY.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	\$	ASSETS.	\$
Deposits	143,408,542	Cash on hand and in bank	32,408,556
Accrued interest, re- serve for taxes, divi- dends, &c.	1,621,690	U.S. Government bonds	17,914,839
Acceptances sold with our endorsement	2,350,343	Bills purchased	25,337,745
Domestic and foreign ac- ceptances	5,131,738	Call loans—Collateral	44,117,971
Capital stock	10,000,000	Time loans—Collateral	14,014,750
Surplus and undivided profits	19,493,103	Accrued interest	1,035,691
		Bonds and mortgages	33,561,011
		Liabilities of customers for acceptances	5,131,738
		Real estate	2,484,000
	182,005,416		182,005,416

GUARANTY TRUST COMPANY OF NEW YORK.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	\$	ASSETS.	\$
Capital	25,000,000	Cash on hand, in Federal	
Surplus fund	20,000,000	Reserve Bank, and due	
Undivided profits	3,250,452	from banks and bankers	124,912,437
Accrued interest, reserve for taxes, &c.	4,721,840	U.S. Government bonds and certificates	35,994,454
Acceptances	40,369,177	Public securities	13,872,124
Outstanding treasurer's cheques	31,173,765	Other securities	23,805,702
Deposits	519,987,525	Loans and bills purchased	366,102,251
		Real estate bonds and mort- gages	2,049,000
		Items in transit with for- eign branches	2,105,449
		Credits granted on accepta- nces	40,369,177
		Real estate	8,065,960
		Accrued interest and ac- counts receivable	7,226,205
	644,502,759		644,502,759

HONG KONG AND SHANGHAI BANKING CORPORATION.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Issued and paid-up capital— 160,000 shares of \$125 each	2,364,583	Cash (including \$25,900,000 collected with the Hong Kong Government and \$7,600,000 collected with H.B.M. Consul General Shanghai, against authorised and/or excess note circulation)	11,913,600
Reserve liability of pro- prietors—\$125 per share on 160,000 shares issued, \$20,000,000.		Bullion in hand and in transit	906,023
Sterling reserve	4,500,000	British Government, Indian, Colonial, and other secu- rities	10,970,174
Silver reserve	3,131,073	Bills discounted, loans and credits	31,595,672
Marine insurance account	29,557	Bills receivable and balance of remittances and drafts in transit	24,365,159
Notes in circulation (author- ised and additional issue against securities and coin amounting to \$59,824,255-19 deposited with the Crown Agents for the Colonies, their trustees, and the Hong Kong Government)	5,355,648	Liabilities of constituents for acceptances, per contra Bank premises	861,045 2,561,486
Current accounts	45,262,273		
Fixed deposits	19,837,969		
Bills payable (including call loans and short sight drawings on London office and drafts on London bankers)	482,957		
Acceptances on account of constituents	861,045		
Profit and loss account	1,379,034		
Liability on bills of exchange rediscounted, £12,845,863, of which £11,661,594 have since run off.			
	83,213,159		83,213,159

HAMBROS BANK, LIMITED.

BALANCE-SHEET—March 31, 1926.

LIABILITIES.	\$	ASSETS.	\$
Capital—£2 10s per share on 400,000 shares	1,000,000	Cash in hand, at bankers, and at call	4,074,129
Reserve	1,050,000	Bills of exchange	3,585,327
Profit and loss account	202,603	Investments—Valued at or below prices current at March 31, 1926—	
Current, deposit, and other accounts	16,147,432	British Government securities	£3,074,196
Acceptances	9,229,926	other investments	£881,496
		Loans, advances, and other accounts	3,954,692
Memorandum—Contingent liability as endorser of bills discounted, £1,608,692, and on guarantees given covered by counter guarantees or securities, £775,756.		Liabilities of customers for acceptances, as per contra Bank premises	6,275,558 9,229,926 510,329
	27,629,961		27,629,961

BANCA NAZIONALE DI CREDITO

Capital L.300,000,000 paid up.
Reserve Fund - - L.30,000,000
Head Office: MILAN.

Branches:—

Acqui, Alessandria, Ancona, Aquila, Asti, Bari, Bergamo, Biella, Bologna, Brescia, Busto Arsizio, Cagliari, Cantù, Carrara, Caserta, Catania, Como, Cuneo, Domodossola, Ferrara, Fiume, Florence, Gallarate, Genoa, Lecce, Leghorn, Legnano, Lucca, Messina, Milan, Monza, Naples, Novi Ligure, Padua, Palermo, Parma, Piacenza, Pietrasanta, Pinero, Pisa, Pistoia, Prato, Rimini, Rome, Rovigo, San Remo, Saronno, Seregno, Spezia, Treviso, Trieste, Turin, Udine, Varese, Venice, Vercelli, Verona, Vicenza.

Affiliated Banks:—

BANQUE ITALO-FRANCAISE DE CREDIT
BANCO ITALO-EGIZIANO
BANCA DALMATA DI SCONTO
BANCA COLONIALE DI CREDITO

Alexandria, Benha, Beni-Mazar, Beni-Suef, Cairo, Fayum, Mansura, Minieh, Mit-Ghamr, Tantah.
Paris, Marseilles, and Tunis.
Zara, Sebenico, Spalato, Asmara, Massaw.

THE BANK offers facilities for the transaction of every description of Banking Business in Italy.

THE COMMERCIAL BANK OF AUSTRALIA, LIMITED.

(INCORPORATED IN VICTORIA.)

LONDON OFFICE: 17, MOORGATE, E.C.2.

Registered Capital - - £4,000,000 0s. 0d.
Paid Up Capital - - £3,065,721 12s. 6d.
Reserve Fund (used in the
business) - - £1,000,000 0s. 0d.

DIRECTORS:

John L. Webb, Esq., Chairman.
R. C. Meares, Esq. George Kettlewell, Esq.
A. W. Palfreyman, Esq. W. H. Swanton, Esq.
General Manager: Herbert Ledlie Heron.
Chief Inspector: J. G. Minty.

LONDON BOARD:

Joseph White, Esq. George Niven, Esq.
Manager: P. H. Gardner.

DRAFTS AND LETTERS OF CREDIT
are issued by the London Office on the Head Office of the
Bank and the Branches throughout Australia and New Zealand.

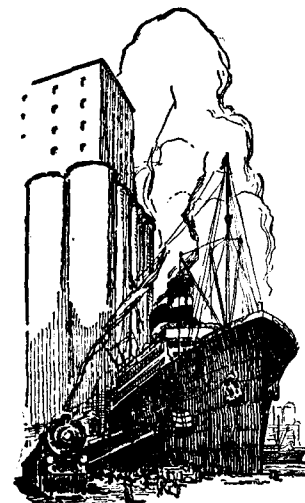
REMITTANCES made by CABLE TRANSFER, BILLS
NEGOTIATED or sent for COLLECTION, BANKING
and EXCHANGE BUSINESS of every description trans-
acted with the various Australian States and New Zealand

New Business Contacts.

AS soon as your busi-
ness enters new mar-
kets, the credit rating of
prospective customers be-
comes of vital importance
to you.

In order to assist busi-
ness houses to an accurate
estimate of new connec-
tions, confidential credit
information is furnished
through special depart-
ments conducted at the
Bank's Head Office, Mon-
treal, and the New York
and London offices.

You will find our Monthly Business
Review helpful. We shall be glad
to place your name on our
mailing list.



G620x

The Royal Bank of Canada

Total Assets—Over 700 Million Dollars.

Head Office: MONTREAL
London Office: PRINCES ST., E.C.2.

ITALO-BELGIAN BANK

(Banque Italo-Belge, Société Anonyme.)

Capital subscribed and paid - - Frs. 50,000,000
Reserve Funds - - Frs. 27,000,000

Head Office: ANTWERP.

London Office:
100 OLD BROAD STREET, E.C.2.

Branches:

FRANCE—Paris. ARGENTINE—Buenos Aires.
URUGUAY—Montevideo.
BRAZIL—Sao Paulo, Rio de Janeiro, Santos, Campinas.
CHILI—Santiago, Valparaiso.

Correspondents in all the Principal Places
in South America.

The Bank transacts every description of Banking
Business. Clean Bills and Documentary Bills
negotiated, advanced upon, or sent for collection.
Drafts and Letters of Credit issued and Cable
and Mail Transfers effected on Branches and
Correspondents. Documentary Credits opened or
Confirmed. Sale and Purchase of Stocks and
Shares undertaken. Coupons and Drawn Bonds
collected and negotiated.

Telegrams: "Itabelban, London."
Telephone: London Wall 1157, 1158.

THE MOSCOW NARODNY BANK LTD.

ESTABLISHED 1919.

Head Office: 300, High Holborn, London, W.C.1

PARIS BRANCH: 26, Rue Vivienne, Paris.

Berlin Representation: Kurfurstenstrasse 33, Berlin.

Authorised Capital - - - £1,000,000
Paid-up Capital - - - 600,000
Reserve Fund - - - 80,000

The Bank finances the Export and Import operations
of the Russian Co-operative and other Societies.

Principal Foreign Agents of the All-Russian Co-
operative Bank, Moscow and Branches.

London Correspondents of the State Bank of the U.S.S.R.

Every kind of Banking Business transacted.

Remittances to Russia effected. Letters of Credit
and Drafts issued on Moscow and other centres in
Sterling, U.S. Dollars and Tchernovetz. Collections
undertaken.

CORRESPONDENTS IN ALL PRINCIPAL CENTRES
OF EUROPE, THE U.S. OF AMERICA, AND
EVERYWHERE IN THE U.S.S.R.

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Interim dividend of 6 per cent., free of income-tax...	60,000	Balance brought forward from last account	87,090
Contingency reserve account	150,000	Net profit for the year	375,513
Premises account	50,000		
Balance carried to balance-sheet	202,603		
	462,603		462,603

INTERNATIONAL BANKING CORPORATION.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	\$	ASSETS.	\$
Capital	5,000,000	Cash on hand and in local depositories	13,675,495
Surplus	5,000,000	Due from banks and bankers	5,335,075
Undivided profits	4,004,147	Loans, discounts, and advances	76,277,498
Deposits	79,724,717	Bonds and securities	4,189,826
Loans and bills payable	9,140,310	Bonds lodged to secure Government deposits	1,026,423
Notes in circulation	2,874,550	Bank buildings	2,390,821
Bonds borrowed	500,000	Items in transit with branches	6,038,644
Acceptances	15,903,936	Customers' liability account of acceptances	15,510,855
Reserves for—		Other assets	522,649
Accrued interest, \$721,942; taxes, accrued expenses, &c., \$469,169; contingencies, \$1,056,566	2,247,677		
Other liabilities	71,949		
	124,967,286		124,967,286

IMPERIAL BANK OF PERSIA.

BALANCE-SHEET—March 20, 1926.

LIABILITIES.	£	ASSETS.	£
Capital—99,800 ordinary shares of £5 10s; 200 founders' shares of £5 10s	650,000	Cash in hand, at bankers, and in transit and money at call in London	4,243,972
Reserve account	470,000	Investments in British and Colonial Government and other securities, taken at or under prices ruling on March 20, 1925	1,653,985
Notes in circulation	1,841,420	Bills discounted, loans and advances, including adjustments, past due bills, loans and sums due from other banks	2,744,129
Deposits	4,842,729	Bills receivable	1,026,261
Bills payable, endorsements, adjustments and sums due to other banks	1,814,287	Bank premises, furniture, and stationery	14,037
Profit and loss account	61,968		
	9,682,404		9,682,404

*This includes £183,405 value of Victory and Treasury Bonds deposited at Bank of England under Government regulations.

The report submitted to the meeting, held on June 30, 1926, states that the profits for the year ended March 20th last, after making provision for expenses of management, general charges in London and at chief office and branches, income-tax, royalty, and bad and doubtful debts, amount to £129,402, to which has to be added £34,566 brought forward from last account, making a total of £163,968. From this amount there has to be deducted £20,000, representing the interim dividend for the current year of 4s per share, paid free of tax on December 22nd last. The directors now propose to pay a final dividend of 6s per share, free of income-tax, which will absorb £30,000,

making 10s for the year, to add £50,000 to reserve, raising it to £470,000, to write off bank premises £30,000, and to carry forward the balance of £33,968 to next account. 10s per share, free of tax at 4s in the £, is equivalent to 12s 6d per share gross, or 9.61 per cent. per annum.

IONIAN BANK, LIMITED.

BALANCE-SHEET—August 31, 1925.

The exchange for drachme is taken at 324.00 per £, for £s at 97.50 per £100 and for £s at 8.46 per £.

LIABILITIES.	£	ASSETS.	£
Capital issued—97,116 shares of £5 each, fully paid	485,580	Cash in hand, at bankers, and in transit	679,832
22,884 shares of £5 each fully called up, £114,420; less unpaid calls, £12,255	102,265	Investments—Securities of, or guaranteed by, the British Government, £1,072,898; British Dominions, Colonial and foreign Government securities and other investments, £155,144	1,228,042
Reserve fund	220,000	Bills receivable	814,989
Current accounts, including accounts without interest	2,713,873	Loans and advances	1,984,953
Deposits bearing interest	397,851	Other assets, including outstanding advances, exchange contracts, letters of credit, documentary credits, balances due bankers abroad, and other accounts	1,252,406
Other liabilities and credit accounts	2,020,658	Mortgaged property in possession	6,355
Bills payable	129,067	Freehold bank premises abroad, and bank furniture	
Rebate on bills discounted not due	4,997	—Balance as at August 30, 1924, £99,910; additions during the year, £55,276—£155,186; less premises redemption fund transferred, £10,000	145,186
Profit and loss account, as below	37,472	*£200,000 (nominal) stock was deposited with National Bank of Egypt under an arrangement to avoid the necessity of transfers of funds to Egypt. At this date £108,000 was outstanding	
	6,111,763		6,111,763

Dr.	£	Cr.	£
Charges of management for the period, including salaries, pensions, directors' fees, income-tax, and other taxes and charges	196,537	Gross profits, provision having been made for bad and doubtful debts	367,188
Interest on deposits and current accounts and rebate on bills discounted not due	101,252		
Net profit carried down	69,399		
	367,188		
Interim dividend for 1925, at 3s per share, free of income-tax, paid June 2, 1925	14,567	Balance brought forward from last account	12,640
Reserve fund (addition to the fund)	30,000		
Final dividend at 3s per share, together with a bonus of 2s per share, both free of income-tax, on 97,116 shares, payable, if agreed to, on the 6th January, 1926, £24,279; balance carried forward	37,472		
	82,039		82,039

ANGLO-CZECHOSLOVAKIAN BANK.

Head Office : 5, Hyberniska, PRAGUE.

London Branch:
31, LOMBARD STREET, E.C.3.

Branches in all
the principal towns
of Czechoslovakia.

Capital Fully Paid - 120,000,000 Czech Crowns
Reserves - 74,478,328 Czech Crowns

President:
KUNES SONNTAG.

Vice Presidents:
M. SPENCER-SMITH, D.S.O.
PETER BARK.

GENERAL BANKING BUSINESS TRANSACTED.
CURRENT ACCOUNTS OPENED.
FIXED DEPOSITS RECEIVED.
CORRESPONDENCE INVITED.

International Acceptance Bank

Incorporated

International
Banking Transactions

Bonds & Securities Deposits
Reimbursement Credits

PAUL M. WARBURG
Chairman

F. ABBOT GOODHUE
President

New York

BANCO ITALIANO

Head Office:
LIMA (Peru).

ESTABLISHED 1889.

Capital Subscribed - - - Lp. 500,000
Capital Paid-up - - - Lp. 470,000
Reserve - - - Lp. 589,553

BRANCHES:—
AREQUIPA, CALLAO,
CHINCHA-ALTA, MOLLEDO,
& TRUJILLO.

London Agents:
Banca Commerciale Italiana,
30a, THREADNEEDLE STREET, E.C.2

THE MERCANTILE BANK OF INDIA, LTD.

HEAD OFFICE:

15, Gracechurch St., London, E.C.3

Capital Authorised ... £3,000,000
Capital Paid Up ... £1,050,000
Reserve Fund and Undivided
Profits ... £1,512,884

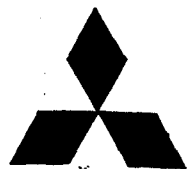
Branches and Agencies in:
INDIA, CEYLON, BURMA, SIAM,
STRAITS SETTLEMENTS, CHINA,
PORT LOUIS, MAURITIUS, and
DUTCH EAST INDIES.

The Bank buys and sells Bills of Exchange, issues
Letters of Credit, and conducts every description of
Banking Business in connection with the East.

FIXED DEPOSIT RATES
will be quoted upon application.

On CURRENT ACCOUNTS interest is allowed at
2 per cent. per annum on Daily Balances, provided
interest for the half-year amounts to £1.

JAMES STEUART, Chief Manager.



THE MITSUBISHI BANK, LTD.

(Incorporated in Japan.)

Subscribed Capital: Yen 50,000,000.
Paid-up Capital: Yen 30,000,000. Reserve Fund: Yen 26,199,375.

General Banking and Foreign Exchange Business. Deposit Rates on Application.

Head Office: TOKYO.

Branches: TOKYO, OSAKA, KOBE, KYOTO, NAGOYA, OTARU,
SHANGHAI, NEW YORK, LONDON.

London Office: 3, BIRCHIN LANE, CORNHILL, E.C.2

ITALO-BELGIAN BANK.

BALANCE-SHEET—June 30, 1925.

LIABILITIES.	Francs.	Assets.	Francs.
Capital.....	50,000,000	Premises.....	18,746,228
Reserves.....	27,000,000	Furniture and fittings.....	1
Current and deposit accounts.....	441,427,641	Cash in hand & with banks.....	165,306,809
Bankers and correspondents.....	251,807,372	Bills receivable.....	258,811,266
Bills payable.....	27,781,035	Securities—	
Interest and dividends not claimed.....	53,816	Government stock and treasury bonds.....	11,062,679
Depositors.....	324,074,171	and bonds 1,411,170f.....	12,203,848
Re-discount on bills.....	1,267,709	Current accounts—	
Dividends.....	5,000,000	Bankers and correspondents.....	134,124,969
Carried forward.....	1,212,784	Clients, guaranteed and not guaranteed.....	216,352,236
		Securities deposited.....	198,975,547
		Securities deposited as collaterals.....	125,098,624
	1,129,619,528		1,129,619,528

LONDON AND EASTERN TRADE BANK, LIMITED.

BALANCE-SHEET—May 31, 1926.

LIABILITIES.	£	Assets.	£
Paid-up capital—60,000 shares of £10 each, fully paid.....	600,000	Cash in hand and at bankers in London.....	150,097
Current, deposit, and other accounts.....	753,403	Money at call.....	270,000
Acceptances per contra.....	608,721	Investments—British Government Securities (at market value), £25,636; Shares (fully paid) in British Eastern Merchants Co., Ltd., London, and Mercubank, Vienna, as valued by the directors £485,526; other investments as valued by the directors, £3,174.....	77,336
NOTE.—Contingent liabilities—Rediscounted bills, £123,165; guarantees, credits opened, and forward foreign exchange contracts, £559,518.		Loans, overdrafts and other balances (including currency with bankers abroad), less provision for doubtful debts.....	804,335
		Bills discounted.....	43,364
		Customers' liabilities for acceptances.....	608,721
		Leasehold premises & office fixtures and fittings—(Less amounts written off).....	8,271
	1,962,124		1,962,124

MITSUBISHI BANK, LIMITED.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	Yen.	Assets.	Yen.
Capital.....	50,000,000	Uncalled capital.....	20,000,000
Reserve funds.....	24,499,375	Loans and bills discounted.....	210,598,464
Deposits.....	311,826,653	Foreign bills bought.....	14,593,417
Bills payable.....	89,410	Interest-bearing foreign bills.....	10,063,779
Foreign bills sold.....	2,001,327	Due from other banks.....	413,329
Due to other banks.....	12,731,371	Acceptances and guarantees, as per contra.....	1,808,376
Acceptances and guarantees.....	1,808,376	Government bonds.....	50,144,643
Interest accrued on deposits.....	3,395,242	Other bonds and securities.....	66,870,625
Rebate on bills discounted not yet due.....	1,030,810	Bonds loaned to customers.....	1,974,306
Suspense accounts.....	267,951	Office premises.....	9,432,266
Accounts en route.....	1,160,884	Cash on hand and in banks.....	27,178,031
Balance brought forward from last profit and loss account.....	1,350,928		
Net profit for the current half-year.....	3,104,911		
	413,267,238		413,267,238

MOSCOW NARODNY BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	£	Assets.	£
Capital—50,000 shares of £10 each, fully paid, £500,000; 50,000 shares of £10 each, £2 paid, £100,000.....	600,000	Cash at banks at home and abroad on current, deposit accounts, and in hand.....	595,677
Reserve account.....	53,154	British Treasury bonds (at cost).....	77,495
Special reserve.....	26,846	Loans at short notice (secured by British Government securities).....	200,000
Clients' current and deposit accounts.....	676,936	Loans to clients at short notice against security.....	142,136
Loans at short notice.....	93,028	Investments (at cost) Co-operative Transit Bank, Riga—6,000 fully-paid shares of 100 gold lats each.....	26,021
Correspondents of the Bank.....	370,270	Correspondents of the bank.....	100,933
Bills of exchange.....	704,656	Bills of exchange.....	624,853
Advances against merchandise.....	762,413	Advances against—	
Acceptances by banks & others.....	289,797	Goods and documents.....	1,280,125
Miscellaneous creditors and accrued charges.....	225,630	Bills of exchange.....	410,906
Documentary Credits.....	742,683	Liabilities of the bank in respect of—Guarantees and acceptances.....	583,311
Liabilities of the bank in respect of—Guarantees and acceptances.....	583,311	Debtors in respect of documentary credits.....	742,683
Creditors in respect of—Bills for collection.....	97,943	Liabilities of customers in respect of guarantees and acceptances.....	583,311
Documentary collections.....	18,060	Bills for collection.....	97,943
Profit and loss account—Balance as at Dec. 31, 1925, £7,993; add profit for the 6 months ended June 30, 1926, £28,688; less transferred to reserve, £10,000—£18,688 ..	26,681	Documentary collections.....	18,060
	5,171,418	Miscellaneous debtors.....	260,966
		Office furniture and fittings, less depreciation.....	5,778
		Leasehold premises—Paris.....	4,531
			5,171,418

NATIONAL BANK OF EGYPT.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	Assets.	£
Share capital—300,000 fully-paid shares of £10 each.....	3,000,000	Government securities and securities guaranteed by the Egyptian Government.....	25,820,887
Statutory reserve fund.....	1,500,000	Sundry securities.....	359,028
Special reserve.....	1,050,000	Advances on merchandise.....	2,106,644
Current, deposit, and other accounts.....	12,934,984	Advances on securities.....	2,984,823
Egyptian Government.....	25,406,562	Sundry other advances.....	697,686
Sudan Government.....	362,090	Bills of exchange.....	613,873
Mixed Tribunals.....	1,652,992	Local bills discounted.....	221,932
Bankers' accounts.....	339,078	Buildings, furniture, &c.....	127,154
Cheques and bills payable.....	251,712	Money at call and at short notice.....	1,630,000
Rebate of discount on bills not yet due.....	37,526	Bankers' accounts.....	4,218,076
Dividends unclaimed.....	7,868	Cash: Notes, £1,986,201; gold and silver coin, &c., £298,179.....	2,342,955
Provision for payment of final dividend at the rate of 15 per cent. per annum.....	390,000		
Provision for payment of bonus of 10s per share.....	150,000		
Profit & loss account balance.....	201,354		
	47,284,166		47,284,166

ISSUE DEPARTMENT.

Notes issued.....	£s	Gold.....	£s
	35,500,000	* British Treasury bills.....	3,339,576
		Securities—	
		Egyptian Government securities and securities guaranteed by the Egyptian Government.....	1,356,327
		British Treasury Bills and National War Bonds.....	16,393,673
	35,500,000		35,500,000

* By authority of the Egyptian Government these Treasury Bills are deposited in lieu of gold. (See "Journal Officiel" of Oct. 30, 1916.)

Bank for Russian Trade Limited

(Formerly Arcos Banking Corporation Ltd.)

58/60, Moorgate, London, E.C.2.

Cable Address: "SOCRABANK."

Telephone: London Wall 9815 (4 lines).

Authorised Capital	-	£750,000 0 0
Paid-up Capital	-	£550,000 0 0
Reserves	-	£100,000 0 0

ESTABLISHED IN 1923 TO ASSIST IN THE REBUILDING OF THE RUSSIAN FOREIGN TRADE.

MAIL AND TELEGRAPHIC TRANSFERS.

LETTERS OF CREDIT.

FOREIGN EXCHANGE.

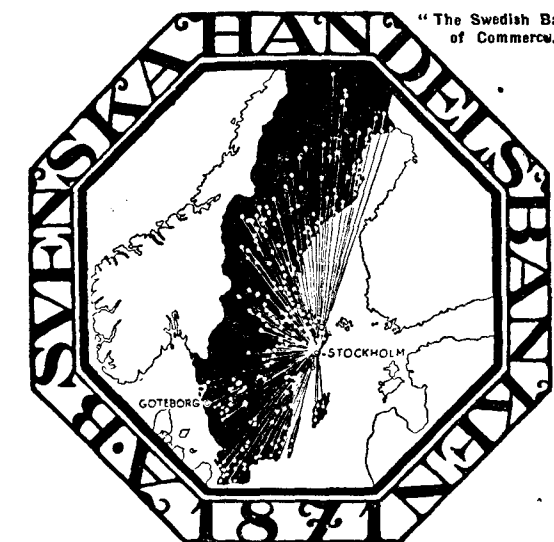
PURCHASE OF CHERVONTZY NOTES.

BILLS DISCOUNTED, NEGOTIATED AND COLLECTED.

SHIPMENTS FROM AND TO RUSSIA FINANCED.

DEPOSIT AND CURRENT ACCOUNTS.

AGENTS OR CORRESPONDENTS AT ALL BANKING POINTS OF THE U.S.S.R. AND THROUGHOUT THE WORLD.



Svenska Handelsbanken

Stockholm
Head OfficeGöteborg
S. Hamngat 23Malmö
Stortorget 23

Branches throughout Sweden.

The business facilities in the matter of payments, collections, documentary credits, etc., which the Bank's clients have at their command are indicated by the map of the Bank's Branch organisation above. Incidentally this complete network of Branches is a great convenience to the traveller from abroad equipped with cheques or a Letter of Credit payable at the Handelsbank.

Tel. Addr. to Head Office and all Branches: "Handelsbank."

Bank of Liverpool

BANK
of
LIVERPOOL
&
MARTINS
LIMITED.

Martins Bank



Head Office:
7, WATER STREET, LIVERPOOL

London Office:
68, LOMBARD STREET, E.C.3.

Capital Subscribed	-	£18,791,120
Capital Paid up and Reserves	-	4,337,246
Deposits, &c., at 30th June, 1926	-	59,328,980

385 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

Australian Mutual Provident Society

(A.M.P.)

Established 1849.

(A.M.P.)

SEVENTY-SEVENTH ANNUAL REPORT.

Remarkable Figures.—Ordinary Department.

NET NEW BUSINESS.—26,062 Policies Assuring £13,704,391, with Annual Premiums of £420,848.
DEATH CLAIMS.—£1,680,472, including Bonus Additions of £593,045. This is only 55 per cent. of the "Expected."
MATURITY CLAIMS.—£1,173,143, including Bonus Additions of £334,821.
ACCUMULATED FUNDS (including Industrial) have increased by £3,812,775 and amount to £59,625,554.
WAR AND REPATRIATION LOAN SUBSCRIPTIONS total over £14,779,000.
THE DIVISIBLE SURPLUS is £2,428,221, which represents a return of 54.5 per cent. of the premiums received under participating policies. The corresponding Reversionary Additions amount to about £4,150,000.
THE VALUATION (on a Pure Premium Basis) has been made at 3 per cent.
THE EFFECTIVE RATE OF INTEREST (after deducting Income Tax) was £5 10s. 6d. per cent. There is therefore an Interest Margin of over 2½ per cent.
THE EXPENSE RATE (excluding Taxes) was 12.46 per cent. of the Premium Income. This is only about three-quarters of the provision for expenses included in the Premiums.
THE TOTAL ASSURANCES issued in 77 years amount to £267,094,623, of which £145,889,474, or nearly 55 per cent., are still in force.

LONDON OFFICE: 73-76, KING WILLIAM STREET, E.C.4.
W. C. FISHER, Manager for the United Kingdom.



Appearances

No greater spectacle of seeming strength and security was ever presented than by Cardinal Wolsey in the heyday of his career.

None the less he collapsed like a pricked bubble in the hour of trial, and those who had trusted to appearances were painfully undeceived.

This principle is of vital importance in relation to security, for protection must not depend upon appearances, but entirely on the strength of your defence. The value of a safe or strong room is the degree of service rendered in time of need—when the modern burglar attacks it or it is severely tested by the ordeal of fire.

That the price of work of quality must be in ratio to the skill and cost of labour attending the manufacture is not always appreciated. We refuse to lower our standard of craftsmanship to obtain business that is given entirely on a question of price.

J.E.S.

THE
CHATWOOD
SAFE

THE CHATWOOD SAFE CO., LIMITED,
Bankers' Engineers, BOLTON, England.

MITSUI BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	Yen.	ASSETS.	Yen.
Capital	100,000,000	Capital unpaid	40,000,000
Reserve fund	25,000,000	Cash in hand and at the	49,640,832
Special reserve fund	21,400,000	Bank of Japan	67,883,986
Reserve fund for dividend	6,000,000	Japanese and foreign	41,808,606
Pension and provident	1,957,649	Government bonds	85,592,539
Deposits (current, fixed,	475,857,351	Debentures and stocks	24,072,180
Foreign bills of exchange	790,520	Foreign bills of exchange	4,902,577
Due to foreign agents and	52,223,985	Customers' liabilities	410,575,622
correspondents (includ-	24,072,180	under L/C, &c., per	135,374
ing discount)	752,085	contra	656,234
Liabilities under L/C, &c.	10,737	Due from foreign agents	5,600,715
Due to local banks	5,134,749	and correspondents	
Interest accrued on de-	3,763,917	Loans and discounts	
posits not due	1,620,455	Due from local banks	
Rebate on bills not due	4,571,040	Provisional payments	
Provisional receipts		Bank premises and real	
Balance from last account	7,713,997	estates	
Net profit for the half-			
year	730,868,665		730,868,665

NATIONAL CITY BANK OF NEW YORK.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	\$	ASSETS.	\$
Capital	50,000,000	Cash in vault and in	108,869,979
Surplus	50,000,000	Federal Reserve Bank	
Undivided profits	13,133,489	Due from banks, bankers,	166,720,795
Deposits	963,554,075	and United States	
Items in transit with	15,047,117	Treasurer	
branches		Loans, discounts, and	
Liability as acceptor,	174,105,344	acceptances of other	
endorser, or maker on	85,995	banks	716,477,041
Circulation		United States Govern-	
Reserves for		ment bonds and certifi-	
Accrued interest, dis-	2,567,498	cates	104,836,422
count and other un-		State & municipal bonds	21,182,125
earned income	4,565,855	Stock in Federal Reserve	3,180,000
Taxes and accrued	2,000,000	Bank	48,086,007
expenses, &c.	5,969,782	Other bonds & securities	
Dividend payable	465,298	Subsidiaries: — Interna-	
July 1, 1926		tional Banking Corpora-	14,100,000
Contingencies		tion, \$12,500,000; Bank	20,531,377
Other Liabilities		of Haiti, \$1,600,000	74,687,171
		Customers' liability ac-	2,823,638
		count of acceptances	
		Other assets	
	1,291,494,453		1,281,494,453

OTTOMAN BANK.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Capital, £10,000,000, less not	5,000,000	Cash in hand and at bankers	2,525,891
called up, £5,000,000	1,250,000	Money at call and notice	776,891
Statutory reserve	696,613	Bills receivable	4,849,191
Bank notes in circulation	1,288,790	Investments	4,174,582
Bills payable & sight drafts	11,450,442	Current accounts of sun-	6,176,734
Current accounts of sun-	2,042,620	dries	2,713,879
drives	10,040	Advances on securities	461,337
Deposits for fixed terms		Bank premises & real estate	
Profit and loss account	21,738,505		21,738,505
Provision for future deprecia-	400,000	Balance at December 31, 1924	326,952
tion of foreign currencies	10,040	Surplus available after pro-	
and other contingencies		viding for depreciation of	
Balance carried down	410,040	foreign currencies to De-	
		cember 31, 1925	83,088
			410,040

SOCIETE BELGE DE CREDIT INDUSTRIEL ET COMMERCIAL ET DE DEPOTS.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	Francs.	ASSETS.	Francs.
Subscribed capital	20,000,000	Premises	1,033,262
Statutory reserve	1,539,677	Uncalled capital	14,028,400
Special reserve	4,000,000	Cash	3,029,761
Deposit accounts	44,390,657	Current accounts	30,337,063
Current accounts	29,668,589	Coupons for collection	303,208
Other accounts	784,630	Bills receivable	35,992,793
Profit and loss	1,674,789	Short loans	14,340,830
		Advances	12,372,049
		Other assets	620,976
	102,058,342		102,058,342

SUMITOMO BANK, LIMITED.

BALANCE-SHEET—June 30, 1926.

LIABILITIES.	Yen.	ASSETS.	Yen.
Subscribed capital	70,000,000	Capital unpaid	20,000,000
Reserve fund	21,500,000	Loans, bills discounted and	342,827,899
Pension reserve	1,922,840	exchange purchased	2,535,100
Deposits	435,080,572	Due from other banks	
Exchange sold, bills pay-	12,845,706	Customers' liabilities on	
able, &c.	924,889	foreign credits, accept-	
Exchange adjustment	10,022,664	ances and guarantees	10,197,887
Due to other banks		Government bonds	79,668,126
Foreign credits, acceptances		Municipal and other securi-	
and guarantees	10,197,886	ties	60,782,901
Unearned discount and	7,196,357	Securities lent	623,490
accrued interest		Foreign currencies	17,788
Balance of profit brought	2,270,094	Bank premises	16,216,197
forward from last half-year	3,311,752	Money at call and short	19,700,000
Net profit for the half-year		notice	32,690,073
		Cash in hand	
	575,259,460		575,259,460

SOCIETE GENERALE.

(Pour Favoriser le Développement du Commerce et de l'Industrie en France.)

BALANCE-SHEET—February 28, 1926.

LIABILITIES.	Francs.	ASSETS.	Francs.
Capital	500,000,000	Cash in hand and at Bank	752,481,334
Reserves	58,702,996	of France	
Cheque accounts	2,119,902,903	At banks and correspon-	390,349,988
Deposits for fixed periods	160,938,300	dents	
Acceptances due or to be	141,908,068	Bills se and National De-	4,973,947,159
met	5,382,121,531	fence Bills	49,538,968
Divers current accounts	249,513,836	Coupons for encashment	121,378,522
Sundry accounts	2,446,668	Contangoes	284,062,483
Interest and dividends	8,254,705	Advances on security	1,579,299,850
Balance from last account		Divers current accounts	37,999,372
		Government stocks, shares,	27,582,161
		bills and debentures	
		Financial participations	
		Real Estate and "Immo-	56,397,039
		bière Parisienne et	94,682,131
		partementale	250,000,000
		Sundry accounts	
		Calls on shares (coupon	
		Interest on shares (coupon	6,250,000
		1st January)	
	8,623,989,007		8,623,989,007

SOCIETE GENERALE DE CREDIT INDUSTRIEL ET COMMERCIAL.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Deposit accounts	7,336,539	Cash in hand	2,038,609
Current accounts	22,144,512	Due from other banks	1,359,092
Fixed deposits	2,368,426	Coupons for collection	230,481
Acceptances guaranteed	780,815	Bills receivable, and "Bons	24,765,719
Unclaimed interest and divi-	6,866	de la Défense Nationale"	2,892,112
dends		Current accounts	2,163,233
Transitory and sundry	1,157,989	Advances guaranteed	780,815
accounts	174,351	Acceptances guaranteed	
Rebate		Payments made on account	
Reserve fund—		of interest and dividends	52,000
Statutory £400,000; Extra-	2,080,000	for 1925	27
ordinary £1,680,000	4,000,000	Transitory account	1,175,137
Capital subscribed	56,562	Investments	2,206,445
Brought forward from 1924		Shares of affiliated societies	240,000
Profit and loss account for	344,235	Bank premises	2,548,635
1925		Uncalled capital	
	40,452,295		40,452,295

YOKOHAMA SPECIE BANK, LIMITED.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	Yen.	ASSETS.	Yen.
Capital	100,000,000	Cash	81,507,832
Reserve fund	83,500,000	Investments in public se-	297,070,593
Reserve for doubtful debts	5,287,384	curities and debentures	
Notes in circulation	6,657,869	Bills discounted, loans, ad-	316,014,739
Deposits (current, fixed, &c.)	579,412,915	vances, &c.	
Bills payable, bills redis-	589,013,373	counts	656,996,337
counted, acceptances, and	40,703	other sums due to the bank	10,074,465
other sums due by the		Bullion and foreign money	17,054,969
bank		Bank's premises, properties,	
Dividends unclaimed		furniture, &c.	
Balance of profit and loss	5,568,628		
brought forward from last			
account	9,237,363		
Net profit for the past half-			
year	1,378,718,235		1,378,718,235

SWISS BANK CORPORATION.

BALANCE-SHEET—December 31, 1925.

LIABILITIES.	£	ASSETS.	£
Share capital	4,800,000	Cash	2,222,083
Reserves	1,320,000	Banks and bankers	6,579,028
Fixed deposits	5,982,799	Bills receivable	9,364,378
Current accounts, &c.	26,707,941	Loans at short dates on	496,913
Bills payable and acceptances	3,360,572	securities	20,943,730
Profit	496,888	Current accounts	235,090
		Permanent investments	
		Government, railway, and	2,039,530
		other securities	168,822
		Syndicates	618,626
		Bank premises and other	
		property	42,668,200
			42,668,200

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
General expenses and taxes	893,004	Balance from 1924	60,731
Provision for bad		Discounts	622,430
doubtful debts (less return		Interest	245,162
of amounts previously writ-		Commissions	398,877
ten off), and writing down		Investments and syndicates	46,520
new premises, &c.	38,484	Coupons, foreign moneys, &c.	59,656
Net profit available	496,888		
	1,434,376		1,434,376

The LONDON & EASTERN TRADE BANK LTD.

(Established 1920)

61/62, GRACECHURCH STREET, LONDON, E.C.3

Telegraphic Address: "EASTRABANK, LONDON"

CAPITAL: Authorised £1,000,000
Paid-up £600,000

ALL KINDS OF BANKING BUSINESS TRANSACTED

Correspondents in all the principal Countries of Europe, the Near East and America

BANK GOSPODARSTWA KRAJOWEGO

(NATIONAL ECONOMIC BANK)
WARSAW, POLAND.

Białystok, Drohobycz, Lublin, Poznań, Tarnów,
Bydgoszcz, Katowice, Łódź, Warszawa, Przemysław, Wilno,
Cieszyn, Kraków, Oświęcim, Stanisławów, Ryki.

Chairman: Dr. J. K. STECZKOWSKI, former Prime Minister.
General Manager: Mr. E. KORWIN-SZYMANOWSKI.

Capital paid up, Zlotys 35,000,000. Reserve Fund, Zlotys 8,986,805.

Handling of banking transactions of every description. Issuing of mortgage bonds as well as municipal, railway and bank bonds, the latter for requirements of Polish industry.

SPECIAL FACILITIES OFFERED FOR:
FOREIGN EXCHANGE TRANSACTIONS.
TRAVELLERS' LETTERS OF CREDIT.
DEPOSITS IN ZLOTYS AND FOREIGN CURRENCY.
FINANCING OF EXPORTS AND IMPORTS.
COLLECTIONS.
REMITTANCES.
CREDIT INFORMATION.

SWISS BANK CORPORATION

Established 1872.

BASLE, ZURICH, ST. GALL, GENEVA, LAUSANNE, LA CHAUX-DE-FONDS,
NEUCHÂTEL, SCHAFFHOUSE,BIENNE, CHIASSO, HERISAU, LE LOCLE, NYON, AIGLE, BISCHOFZELL,
MORGES, RORSCHACH, VALLORBE.LONDON OFFICE - - 99, GRESHAM ST., E.C.2
WEST END BRANCH: 11c, REGENT STREET, Waterloo Place, S.W.1.

Paid-up Capital - - - - £4,800,000
Reserves - - - - £1,320,000

Every description of banking business. Current and deposit accounts.
Purchase and sale of foreign exchanges for forward delivery. Transactions
in all investment securities.

ISSUES TRAVELLERS' CHEQUES IN DENOMINATIONS OF £2, £5 AND £10, AVAILABLE FOR THE
CONTINENT OF EUROPE AND ALL OTHER PARTS.

BANK OF MONTREAL

(Established in 1817).

Paid-up Capital, \$29,916,700. **Rest & Undivided Profits, \$30,843,229.**
Total Assets in Excess of \$700,000,000.

BOARD OF DIRECTORS.

SIR VINCENT MEREDITH, Bt., President.
SIR CHARLES GORDON, G.B.E., Vice-President.
C. R. HOSMER, Esq. **H. R. DRUMMOND, Esq.** **D. FORBES ANGUS, Esq.**
WM. McMASTER, Esq. **LT.-COL. HERBERT MOLSON, C.M.G., M.C.** **HAROLD KENNEDY, Esq.**
G. B. FRASER, Esq. **HIS HONOUR HENRY COCKSHUTT.** **E. W. BEATTY, Esq., K.C.**
THE HON. SIR LOMER GOUIN, **GEN. SIR ARTHUR CURRIE, G.C.M.G.,** **JAMES STEWART, Esq.**
K.C.M.G. **K.C.B.** **THOMAS AHEARN, Esq.**
F. E. MEREDITH, Esq., K.C. **MAJOR-GENERAL THE HON. S. C. MEWBURN,**
J. W. McCONNELL, Esq. **C.M.G.**

Head Office: MONTREAL.

General Manager: SIR FREDERICK WILLIAMS-TAYLOR.

BRANCHES and AGENCIES throughout Canada and Newfoundland; also at New York, Chicago and San Francisco in the United States, and at Mexico City, Vera Cruz, Puebla, Guadalajara, Monterrey and Tampico in the Republic of Mexico.

London Offices - - - **47, THREADNEEDLE STREET, E.C.2.**
9, WATERLOO PLACE, PALL MALL, S.W.1.
London Committee: F. R. S. BALFOUR, Esq. **SIR HARDMAN LEVER, Bt., K.C.B.**
Manager: GEORGE CYRIL CASSELS.

Paris Agency: BANK OF MONTREAL (FRANCE), 6, PLACE VENDÔME, PARIS.
Paris Comité Consultatif: M. LE SÉNATEUR GASTON MENIER **Manager:** W. F. BENSON.

Financial Agents of the Government of the Dominion of Canada.

The Bank undertakes banking business in all parts of the world and with its numerous branches offers special facilities in Canada, Newfoundland, the United States, Mexico and France, while in the West Indies it is represented by Barclays Bank (Dominion, Colonial and Overseas), formerly the Colonial Bank, in which an interest is owned by the Bank of Montreal.

NEDERLANDSCHE HANDEL-MAATSCHAPPIJ

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

BANKERS.

Capital Paid up - - - **f.80,000,000 Neth. Currency (£6,666,666)**
Statutory Reserve Fund - - **f.21,117,340 " " (£1,759,778)**
Extraordinary Reserve Fund - **f.22,660,000 " " (£1,888,333)**

Head Office: AMSTERDAM.

Branches: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG,
 MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN:
 SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY,
 HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East,
 on the Continent, on Great Britain, Africa, America and Australia, and transact
 Banking Business of every description.

LONDON CORRESPONDENTS: National Provincial Bank, Ltd., LONDON.

BANK OF NEW ZEALAND.

BANKERS TO THE NEW ZEALAND GOVERNMENT.

AUTHORISED CAPITAL - - - **£6,154,988**

Capital Subscribed and Paid up - - - **£6,154,988**

Four per cent. Guaranteed Stock - - - **£529,988**

Preference "A" Shares - - Issued to N.Z. Government **500,000**

Preference "B" Shares - - Issued to N.Z. Government **1,375,000**

Ordinary Shares - - - **3,750,000**

£6,154,988

Reserve Fund and Undivided Profits - - - **3,390,378**

9,545,366

HEAD OFFICE: WELLINGTON, N.Z.

LONDON OFFICE: 1, QUEEN VICTORIA STREET, E.C.4.

BRANCHES AND AGENCIES AT OVER 220 POINTS IN NEW ZEALAND,

And at Melbourne, Victoria; Sydney, New South Wales; Suva and Levuka, Fiji; Apia, Samoa.

THE LONDON OFFICE GRANTS DRAFTS on any of the above places; MAKES TELEGRAPHIC TRANSFERS; OPENS CURRENT ACCOUNTS for the convenience of its Colonial Constituents; NEGOTIATES AND COLLECTS BILLS payable in any part of Australasia, Fiji and Samoa; UNDERTAKES all descriptions of Colonial Banking and Monetary Business, and affords every facility to persons in their transactions with the Colonies.

ROBERT MILL, Manager.

NATIONAL BANK OF INDIA, LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.
 Established in Calcutta 29th September, 1863.

Bankers to the Government in KENYA (B. E. Africa) and UGANDA.

Subscribed Capital - - - **£4,000,000**

Paid-up Capital - - - **£2,000,000**

Reserve Fund - - - **£2,850,000**

Number of Shareholders - - - **2,564**

Head Office: 26 BISHOPSGATE, LONDON, E.C. 2.

BOARD OF DIRECTORS:

SIR CHARLES C. McLEOD, Bart., Chairman. **J. N. STUART, Esq., Deputy-Chairman.**
HON. E. JULIAN HAWKE. **R. LANGFORD JAMES, Esq.** **C. NICOLL, Esq.**
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., C.I.E. **ROBERT MILLER, Esq.** **J. A. TOOMEY, Esq.**

BRANCHES:

ADEN & ADEN POINT AMRITSAR BOMBAY CALCUTTA CAWNPORE CHITTAGONG	COCHIN (S. India) COLOMBO DELHI KANDY KURRACHEE LAHORE MADRAS	MANDALAY NEWERA ELIYA RANGOON TUTICORIN ZANZIBAR	KISUMU MOMBASA NAIROBI NAKURU	Kenya Colony, B.E.A.	ENTEBBE JINJA KAMPALA DAR-ES-SALAAM TANGA	Uganda Tanganyika Territory.
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The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; collects Pay, Pensions, and generally transacts every description of Eastern Banking Business. The Bank receives Deposits for fixed periods, not exceeding one year, at rates to be obtained on application.

WILLIAM F. MALCOLM & CO.,

52, Leadenhall Street, LONDON, E.C. 3.

Merchant Shippers**FLAX, HEMP, JUTE, JUTE GOODS,
COIR YARN, GRAIN, TAR & PITCH.**

WM. F. MALCOLM & CO. { Dundee, Scotland.
Bologna, Italy.
New York, U.S.A.
Nakuru, B.E.A.

MALCOLM & CO. { Reval, Esthonia.
Riga, Latvia.

Telegraphic Address: "MALCOLM."

BANCO DO BRASIL**RIO DE JANEIRO**

CAPITAL 100.000:000\$000
RESERVES 125.070:144\$533
FUND FOR REDEMPTION OF PAPER-MONEY 283.162:193\$000

AGENCIES IN BRAZIL:

Albuquerque Lins, Aracajú, Bagé, Bahia, Barbacena, Barretos, Baurú, Bebedouro, Belló Horizonte, Cachoeira, Camocim, Campina Grande, Campinas, Campo Grande, Campos, Carangola, Cataguazes, Catanduva, Chavantes, Corumbá, Curitiba, Cuyabá, Feira de S. Anna, Florianópolis, Fortaleza, Franca, Garanhuns, Guaxupé, Ipameri, Ilhéos, Jahu, Jequié, Joazeiro, Joinville, Juiz de Fora, Livramento, Macabé, Macaé, Manáos, Maranhão, Mossoró, Natal, Pará, Parahyba, Parnaíba, Pelotas, Penedo, Piracicaba, Ponta Grossa, Porto Alegre, Recife, Ribeirão, Preto, Rio Branco, Rio Grande, Rio Preto, Santo Amaro, Santos, S. Felix, S. João da Boa Vista, S. Jose de Rio Pardo, S. Paulo, Taquaritinga, Theophilo Ottoni, Theresina, Três Corações, Três Lagoas, Uberaba, Uruguayana, Varginha, Victoria.

CORRESPONDENTS IN ALL THE OTHER MAIN PLACES OF BRAZIL.

BANKERS:

LONDON: N. M. Rothschild & Sons; Baring Brothers & Co., Ltd.; Westminster Bank, Ltd.; Lazard Brothers & Co., Ltd.; and J. Henry Schroeder & Co. PARIS: Hottinguer & Co.; Comptoir National d'Escompte de Paris; Crédit Lyonnais; and Banque Nationale Française du Commerce Extérieur. NEW YORK: Dillon Read & Co.; Guaranty Trust Co. of New York; and The National City Bank of New York. HAMBURG: Banco di Roma. MILAN: Credito Italiano. LISBON: Banco de Portugal and Banco Portuguez e Brasileiro. BRUSSELS: Banque de Paris et des Pays-Bas. MADRID: Banco de Vizcaya and Banco Portuguez e Brasileiro. BUENOS AIRES: Banco de la Nación Argentina. MONTEVIDEO: Banco de la República Oriental del Uruguay and Banco Comercial. ZURICH: Union de Banques Suisses. SANTIAGO: Banco de Chile. ASUNCION: Compania Comercial Americana. BEYROUTH: Ottoman Bank (Head Office: London). TURKEY: Banque de Syrie et du Grand Liban (Head Office: Paris). EGYPT AND PALESTINA: Ottoman Bank.

Every description of banking business transacted. Drafts drawn and single or circular Letters of Credit issued. Purchases and sales of securities effected. Accounts current opened and money received on deposit for fixed terms. Payments made; bills, cheques and other documents collected; dividends and annuities received for customers, and net proceeds remitted by first mails under the most favourable conditions.

CORRESPONDENCE CONDUCTED IN PORTUGUESE, FRENCH AND ENGLISH.

Telegraphic Address: "SATELLITE"—for all offices. Codes used: Private, A.B.C. (5th and 6th edition), Peterson (1st and 2nd edition), Bentley, Broomhall, Lieber, Western Union, Ribeiro, etc.

PROVINCIAL BANK OF IRELAND LTD.

ESTABLISHED 1825.

Subscribed Capital - - - £4,080,000
Paid-up - - - - - £540,000
Divided into 40,000 Shares of £100 each, £12 10s. paid; and 4,000 Shares of £20 each, £10 paid.
Reserve Fund - - - - - £570,000

DIRECTORS:

WILLIAM THOMAS BRAND, Esq.
WALTER SPENCER M. BURNS, Esq.
ROBERT JOHN FITZGERALD, Esq.
Hon. Sir WILLIAM HENRY GOSCHEN, K.B.E.
ROBERT ASHHURST GRADWELL, Esq.

HENRY SAMUEL HOWARD GUINNESS, Esq.
ALEXANDER BRODRICK LESLIE-MELVILLE, Esq.
Captain GEORGE LESLIE POE, R.N. (Retired).
RICHARD DURANT TROTTER, Esq.

Head Office: 8 THROGMORTON AVENUE, LONDON, E.C.2
Secretary: HUME ROBERTSON. Assistant Secretary: FRANCIS S. FORDE.
Manager: F. W. BROWN.

133 Branches and Sub-Branches throughout Ireland.
Chief Officer in Ireland: SAMUEL D. BUDD.

CORRESPONDENTS AND AGENTS. The Bank has Correspondents and Agents throughout the British Isles and in all parts of the world, and conducts Overseas business of all kinds, including Collection of Foreign Bills and Cheques.
CURRENT ACCOUNTS OPENED; DEPOSITS RECEIVED, and general Banking business transacted.
PURCHASE AND SALE OF STOCKS AND SHARES EFFECTED.
INCOME TAX. Claims for recovery and for adjustment of Income Tax undertaken.
DIVIDENDS, ANNUITIES, COUPONS, etc., collected.

The NEW
HEAD OFFICE
IN LONDON**Banking
Facilities**

With branches and agencies at all points of importance and a complete and efficient organisation, The Bank of London & South America, Ltd., meets all requirements of those trading with South America.

British firms opening up new business or extending their present connections, will find the bank's services of inestimable value.

**BANK OF LONDON & SOUTH AMERICA
LIMITED.**

Paid-up Capital and Reserve Fund £7,140,000
6, 7 & 8, TOKENHOUSE YARD, LONDON, E.C.2
Affiliated to LLOYDS BANK LIMITED.

MANCHESTER:
36, Charlotte Street.

BRADFORD:
35, Hustlergate.

THE NATIONAL BANK LIMITED.

Head Offices: 13-17, OLD BROAD STREET, LONDON, E.C.2.

Capital Subscribed, £7,500,000. Paid up, £1,500,000. Reserve Fund, £1,320,000. Deposits, etc. (as at 30th June, 1926), £36,962,819. ESTABLISHED 1835.

DIRECTORS.
 *SIR THOMAS HENRY GRATTAN ESMONDE, Bart., Chairman of Irish Board and Deputy-Chairman of the Bank.
 *MICHAEL J. COOKE, Esq., Deputy-Chairman of London Board.
 *JAMES JOHN O'CONNELL, Esq., Deputy-Chairman of Dublin Board.
 JAMES BLACKADER MEERS, Esq., C.B., Chairman.
 *JOHN PHILIP BUTLER, Esq.
 CAPTAIN THE HON. HENRY EDMUND FITZALAN-HOWARD.
 CHARLES FREDERICK HIGGINSON, Esq.
 *RICHARD JOHN KELLY, Esq., K.C.
 *These Directors sit in Dublin.
 RT. HON. THE EARL OF KENMARE, C.V.O.
 RT. HON. SIR THOMAS FRANCIS MOLONY, Bart., P.C.
 *THOMAS PATRICK MORRISSEY, Esq., J.P.
 *SIR GEORGE FRANCIS MURPHY, Bart.

General Managers—M. J. COOKE, S. J. TOOLE.
 LONDON.—13, OLD BROAD STREET, E.C.2—F. W. CARR, STANLEY ARCHER, Joint Managers.
 Baker Street.—191-193, Baker St., W.1. J. E. Russell, Manager.
 Bayswater.—70, Gloucester Gdns., Bishop's Rd., W.2. W. H. Bishop, " "
 Belgravia.—19 & 21, Grosvenor Gardens, S.W.1. H. L. H. Elliott, " "
 Camden Town.—189/191, High St., N.W.1. O. F. Vassie, " "
 Charing Cross.—16-20, Charing Cross, S.W.1. A. V. P. Carroll, " "
 Harrow Road.—2, Elgin Avenue, W.9. J. C. St. Lawrence, " "
 Holborn.—10, Southampton Row, W.C.1. S. T. Taylor, " "
 Secretary in Dublin—W. M. ROCHE.
 Secretary—E. S. GOADBY.
 WILKINSON.—359, 361 & 363, Goswell Rd., E.C.1. H. F. Finucane, Manager.
 King's Cross.—230, Pentonville Rd., N.1. F. E. King, " "
 Leadenhall Street.—21, Leadenhall St., E.C.3. J. M. Jennings, " "
 Notting Hill.—150 & 158, High St., W.1. C. M. W. Parker, " "
 Oxford Street.—274 & 276, Oxford St., W.1. E. N. D. Crabb, " "
 Strand.—180, Strand, W.C.2. E. F. O. M. Taunton, " "
 Willesden.—St. Mary's Rd., Harlesden, N.W.10. G. T. Berridge, " "

COUNTRY BRANCHES.
 BIRKENHEAD.—24, Hamilton Square. G. P. Hanlon, Manager.
 BRISTOL.—27, Clare St. J. H. O'Kelly, " "
 CARDIFF CITY.—3, High St. H. Fitzgerald, " "
 CARDIFF DOCK.—125, Bute St. J. H. Bolton, " "
 LIVERPOOL.—2, 4 & 6, S. James St. W. de P. Kenny, " "
 MANCHESTER.—10, Mosley St. J. E. Sparkes, " "
 NEWPORT (Mon.).—32/33, Commercial St. J. A. Henshaw Lewis, Manager.
 PT. TALBOT & ABERAVON.—Station St. E. A. J. Hambidge, " "
 ROATH.—6 & 8, Albany Rd., Cardiff. T. R. Antisell, " "
 SALFORD.—301 & 303, Chapel St. J. J. Ryan, " "
 SWANSEA DOCKS.—8 & 9, Wind St. R. R. Haines, " "
 SWANSEA.—204, High St. " "

IRELAND.—DUBLIN.—34, College Green: D. W. Jackson, Manager.
 AND 129 BRANCHES AND 98 SUB-OFFICES THROUGHOUT THE PROVINCES.

All Descriptions of Banking, Foreign Exchange, Income Tax and Executor & Trustee Business Transacted.

WILLIAMS DEACON'S BANK LIMITED

Members of the London Bankers' Clearing House.

LONDON OFFICE - 20, BIRCHIN LANE, E.C.3.
 WEST END OFFICE - 9, PALL MALL, S.W.1.
 MANCHESTER OFFICE - MOSLEY STREET.

And 189 other Offices in London, Lancashire, Yorkshire, Cheshire, Derbyshire, Staffordshire, and North Wales.

The Bank acts as Executor; and as Trustee under Wills, Settlements, Debentures, Trusts, etc. Trusteeship Departments in LONDON and MANCHESTER.

SAVINGS ACCOUNTS OPENED.

Money received on deposit, bearing interest and repayable on demand. Current Accounts conducted on agreed terms.

COMMERCIAL CREDITS ARRANGED.
 EVERY DESCRIPTION OF FOREIGN BUSINESS TRANSACTED.

STOCKHOLMS ENSKILDA BANK.

BANK WITH UNLIMITED LIABILITY.
 Established in 1856.

TELEGRAPHIC ADDRESS:
 NITTON-STOCKHOLM.

STOCKHOLM.
 CAPITAL (paid up) - Kr. 43,500,000.
 RESERVE FUNDS - Kr. 41,500,000.

HEAD OFFICE
 STOCKHOLM 16.

Banking and Exchange Business of every description.
 Bills negotiated or forwarded for Collection.
 Letters of Credit issued available in the principal Cities of the World.
 Remittances made by Telegraphic Transfer.
 Deposits received for fixed periods or at notice.

LONDON AGENTS:

WESTMINSTER BANK, LIMITED, LOTHBURY, E.C.; HAMBRO'S BANK, LIMITED; FREDK. HUTH & CO.

THE NATIONAL BANK OF SCOTLAND, LIMITED.

Incorporated by Royal Charter and Act of Parliament.

Affiliated with Lloyds Bank Limited.

Established 1825.

Capital Subscribed, £5,000,000. Paid-up, £1,100,000. Uncalled, £3,900,000.

RESERVE FUND - £1,350,000

DEPOSITS, 31st October, 1925 - £31,200,756

Head Office: ST. ANDREW SQUARE, EDINBURGH.

London Office: 37, NICHOLAS LANE, LONDON, E.C.4.

Glasgow Office: 47, ST. VINCENT STREET, GLASGOW.

Branches in all the principal towns and places in Scotland.
 Correspondents in all the leading towns in England and Ireland, and in the principal towns in all parts of the World.

Every description of banking business transacted including the collection of Dividends and Coupons, whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.
FOREIGN EXCHANGE BUSINESS. There is a specially-equipped Colonial and Foreign Department at the principal Glasgow Office, where information regarding all classes of foreign business may be obtained. **FOREIGN CURRENCIES** bought and sold for immediate or forward delivery. **CLEAN and DOCUMENTARY** Foreign Drafts negotiated or collected. All classes of Overseas business transacted at all the Bank's Branches.

THE P. & O. BANKING CORPORATION LIMITED.

Head Office: 117-122, LEADENHALL STREET, LONDON, E.C.3.

Authorised Capital - £5,000,000 Subscribed Capital - £2,594,160

Paid-up Capital - £2,594,160 Reserve Fund - £180,000

BRANCHES: 16 Cockspur Street, London, S.W.1; Bombay; Calcutta; Canton; Colombo; Hongkong; Karachi; Madras; Shanghai; Singapore.

Affiliated Bank: **ALLAHABAD BANK, LIMITED.** Head Office: CALCUTTA; with 35 Branches and Sub-Agencies in India.
 Authorised Capital - Rs. 40,00,000 Subscribed Capital - Rs. 40,00,000
 Paid-up Capital - Rs. 35,50,000 Reserve Fund - Rs. 44,50,000

London Bankers: Bank of England; National Provincial Bank, Ltd.; Westminster Bank, Ltd.; Lloyds Bank, Ltd.; Royal Bank of Scotland.
 Every description of Banking Business transacted. Correspondents in all parts of the World.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817).

Paid-up Capital ... £6,000,000
 Reserve Fund ... 4,400,000
 Reserve Liability of Proprietors ... 6,000,000
£16,400,000

Aggregate Assets to 30th September, 1925, £80,009,403 : 6 : 4

Head Office—SYDNEY, NEW SOUTH WALES.

General Manager—OSCAR LINES.

LONDON DIRECTORS:

SIR FREDERICK GREEN, K.B.E., Chairman. H. L. M. TRITTON, Esq. WALTER S. M. BURNS, Esq.
 J. S. CAMPBELL, Manager. D. GEDDIE, Assistant Manager. A. L. KENNEDY, Secretary. G. S. KETT, Accountant.
 The Bank has 415 BRANCHES AND AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea) and London, and Agents and Correspondents all over the World, on whom the London Office grants Circular Letters of Credit Also issues drafts on demand. Makes Mail and Cable transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for Fixed Periods, on terms which may be known on application, and transacts every description of Australasian Banking Business.

London Office: 29, THREADNEEDLE STREET, E.C.2.

NATIONAL BANK OF EGYPT

Head Office - CAIRO.

FULLY PAID CAPITAL - £3,000,000
 RESERVE FUND - £2,550,000

LONDON AGENCY:

6 & 7, KING WILLIAM STREET, E.C.4.

Branches in all the Principal Towns in EGYPT and the SUDAN.

THE SUMITOMO BANK, LIMITED

Head Office: OSAKA, JAPAN.

(INCORPORATED IN JAPAN).

Capital Subscribed - Yen 70,000,000.00 Paid-up Capital - - Yen 50,000,000.00
Reserve Fund - - Yen 24,120,000.00 Deposits - - - - Yen 435,000,000.00

K. YUKAWA, Chairman.

HOME BRANCHES:—Hakata, Hiroshima, Kobe (3), Kokura, Kumamoto, Kure, Kurume, Kyoto (2), Moji, Nagoya, Niihama, Okayama, Onomichi, Osaka (14), Shimonoeki, Tokyo (15), Wakamatsu, Yanai, Yokohama.
FOREIGN BRANCHES AND AFFILIATED BANKS:—Bombay, Hankow, Honolulu, London, Los Angeles, New York, Sacramento, San Francisco, Seattle, Shanghai.
LONDON BANKERS.—Lloyds Bank Limited.
Correspondents in all important places at Home and Abroad.

GENERAL BANKING AND EXCHANGE BUSINESS.

London Office: 67, BISHOPSGATE, E.C.2.

Telephone: London Wall 1511 & 1512. Cable Address: "Oksumiban, London."

T. SHIBATA, Manager.



ZEMSKÁ BANKA

(FORMERLY ROYAL BANK OF BOHEMIA)

PRAGUE, CZECHOSLOVAKIA.

Branch at BRATISLAVA.

CAPITAL	Kc. 40,000,000	DEPOSITS	Kc. 2,369,000,000
WORKING CAPITAL OF THE BRANCH AT BRATISLAVA	Kc. 16,000,000	SECURITIES IN CUSTODY	Kc. 8,008,000,000
RESERVE FUNDS	Kc. 70,000,000	COMMUNAL, LAND DEVELOPMENT AND RAILWAY LOANS	Kc. 1,580,000,000

All business transactions are guaranteed by the Country of Bohemia, the most developed Province of the Czechoslovak Republic. Mortgage Loans. Credit for Construction of Buildings. All Banking, Discount and Stock Exchange Transactions. Transfers effected on all places of the Republic and abroad. Safe custody of Securities, Legal Safe Custody, Safes.

Issue of 4% and 4½%

Communal, Land Development, and Railway Bonds guaranteed by the Country of Bohemia.

The Communal Bonds issued for the purposes of the Municipalities in Slovakia and Carpathian Ruthenia are besides guaranteed by the Republic.

COMMERCIAL BANK OF THE NEAR EAST LIMITED.

Head Office - - - 4, LONDON WALL BUILDINGS, LONDON, E.C.2.

Branches at ALEXANDRIA and CONSTANTINOPLE (Galata and Stamboul).

Authorised Capital, £200,000. Paid up Capital, £200,000.

Banking and Foreign Exchange Business of every description transacted.

Current Accounts opened and interest allowed on Daily Balances.

Deposits for Fixed Periods received at rates which may be ascertained on application.

Loans granted on Approved Securities, Goods and Produce.

Bills negotiated or sent for collection.

Special facilities for business with the Near East.

Associated Bank: Commercial Bank of Greece (Athens and Branches).

PROEHL & GUTMANN

Bankers,
AMSTERDAM.

Telegraphic Address: DRESDAGENT.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1727.

Capital (fully paid) £2,500,000. Rest (Oct. 1925) £2,464,704

Deposits (Oct. 1925) £40,790,229

Governor:

HIS GRACE THE DUKE OF BUCCLEUCH AND QUEENSBERRY, K.T.

Deputy Governor:

THE RIGHT HON. THE EARL OF STRATHMORE AND KINGHORNE, G.C.V.O.

Head Office - - - ST. ANDREW SQUARE, EDINBURGH.

General Manager—SIR ALEXANDER KEMP WRIGHT, K.B.E., D.L.

Secretary—J. B. ADSHEAD.

LONDON (City) OFFICE: 3 BISHOPSGATE, E.C.2.

Manager: WM. WHITE. Deputy Manager: JOHN ROBB.

LONDON (West End) DRUMMONDS BRANCH: 49 CHARING CROSS, S.W.1.

GLASGOW (Principal) OFFICE: ROYAL EXCHANGE SQUARE and BUCHANAN ST.

Foreign Exchange Departments at all the Principal Offices.

Over 200 BRANCHES THROUGHOUT SCOTLAND.

Every description of British, Colonial and Foreign Banking Business transacted.

CORRESPONDENCE INVITED.

BANK OF SCOTLAND.

CONSTITUTED BY ACT OF PARLIAMENT, 1695.

AUTHORISED CAPITAL - - - - -	£4,500,000
PAID-UP CAPITAL - - - - -	£1,500,000
RESERVE FUND and BALANCE CARRIED FORWARD - - -	£1,657,847
DEPOSITS and CREDIT BALANCES as at 27th February, 1926 -	£29,903,512

Governor: The Right Hon. LORD ELPHINSTONE. Deputy-Governor: Sir RALPH ANSTRUTHER OF BALCASKIE, Baronet.

Head Office: THE MOUND, EDINBURGH.

GLASGOW, Chief Office: 2, ST. VINCENT PLACE.

JAMES T. MACDONALD and A. W. M. BEVERIDGE, Joint Managers.

LONDON Office: 30, BISHOPSGATE, E.C.2.

J. W. JOHNSTON, Manager.

226 Branches and Sub-Branches in Edinburgh, Glasgow, and throughout Scotland. Every description of British and Foreign Banking Business transacted.

GEORGE J. SCOTT, Treasurer.

THE BRITISH LINEN BANK

Incorporated by Royal Charter, 1746.

CAPITAL (PAID UP) £1,250,000 RESERVE & UNDIVIDED PROFITS £1,855,620

Governor: THE RIGHT HON. THE EARL OF ROSEBURY AND MIDLOTHIAN, K.G., K.T.
Deputy-Governor: THE RIGHT HON. THE EARL OF HOME.

HEAD OFFICE - EDINBURGH.

REES GRIFFITH THOMAS, General Manager.

R. W. STEVENSON, Secretary.

Over 190 Branches throughout Scotland.

London Office: 38 THREADNEEDLE STREET, E.C.2.

Where accounts may be opened on usual London terms.

Manager - JAMES FORREST. Deputy-Manager - W. F. BLACK.

Every description of Home and Foreign Banking Business transacted.

The Bank is prepared to undertake the duties of Executor or Trustee, and to act as Trustee for Debenture Stockholders, Public Institutions, &c.

AFFILIATED TO BARCLAYS BANK LIMITED.

The Commercial Bank of Scotland Ltd.

ESTABLISHED 1810.

Subscribed Capital	£5,500,000
Paid up	£1,750,000
Reserve Fund	£1,800,000
Deposits (31st October, 1925)	£34,150,000

Head Office: 14, GEORGE STREET, EDINBURGH.

General Manager, ALEX. ROBB.

Secretary, MAGNUS IRVINE.

Princes Street, Edinburgh, Branch: 118, PRINCES STREET.

Agent, JAMES THOMSON.

London, City Office: 62 LOMBARD STREET, E.C.3.

Manager, ANDREW W. RUSSELL.

Asst. Manager, JOHN M. ERSKINE.

Kingsway Branch: IMPERIAL HOUSE, KINGSWAY, W.C.2.

Manager, JAMES O. DAVIDSON.

Glasgow, Chief Office: 113-115 BUCHANAN STREET.

Manager, ANDREW SCOTT.

Asst. Manager, WILLIAM COCHRANE.

The Bank has 308 Branches and Sub-Branches throughout Scotland, and Banking Correspondents in the principal Towns in the World.
Every description of British Banking and Foreign Exchange business transacted.
The Bank is prepared to undertake the duties of Executor or Trustee under wills and settlements, and to act as Trustee for Debenture Holders, and for Public Bodies and Institutions.

THE UNION BANK OF SCOTLAND, Ltd.

ESTABLISHED 1830

Chairman: HIS GRACE THE DUKE OF
ATHOLL, K.T.

General Manager: NORMAN L. HIRD.

SUBSCRIBED CAPITAL - £5,000,000
PAID-UP - £1,000,000
RESERVE FUND - £1,350,000
DEPOSITS (3/7/26) - £25,830,479

Adapted in every way to carry through all forms
of Banking Business in London and Scotland.
Every description of Home and Foreign Banking
transacted.

Letters of Credit on all places at Home and Abroad;
Cable Remittances arranged; Freight Collections; Ship's
Disbursements Credits; Commercial Credits, &c.,
arranged. Bills of Exchange and Shipping Documents
collected or negotiated subject to approval.

The Bank also undertakes the duties of TRUSTEE and
EXECUTOR.

At London Offices Current Accounts and other business
conducted on the usual terms of London Banks.
Deposits received at Interest.

HEAD OFFICES:

GLASGOW—Ingram St. EDINBURGH—George St.
182 Branches throughout Scotland.

FOREIGN BRANCH, 4, Bothwell Street, Glasgow.

LONDON OFFICE, 62, CORNHILL, E.C.3,

Manager, JOHN ALEXANDER. Asst. Manager, JOHN THOMSON.

HAS FOREIGN EXCHANGE DEPARTMENT.

London, West End Branch, 1, Regent St., S.W.1.

ROBERT DICK, Manager.
CORRESPONDENCE INVITED.

THE BANK OF ADELAIDE

(Established 1865.)

Authorised Capital	£2,000,000
Subscribed Capital	£875,000
Paid-up Capital	£875,000
Reserve Fund	800,000
	£1,675,000
Reserve Liability of Shareholders	875,000
	£2,550,000

Head Office:

ADELAIDE, SOUTH AUSTRALIA.

MELBOURNE OFFICE: 267, COLLINS STREET.

SYDNEY OFFICE: 105, PITT STREET.

PERTH OFFICE: ST. GEORGE'S TERRACE.

FREMANTLE OFFICE: 78/80, HIGH STREET.

London Office:

11, LEADENHALL STREET, E.C.3.

Bills on Australasia purchased or collected.
Drafts and Letters of Credit issued and Remittances cabled.
Every other description of banking and exchange business
transacted.

Enquiries regarding Australian Trade invited.

THE WESTERN AUSTRALIAN BANK.

(Established 1841.)

Paid-up Capital	£700,000
Reserve Fund	£1,289,240
Reserve Profits	£38,180
Reserve Liability of Shareholders	£700,000

Head Office: Perth, Western Australia.

Drafts issued, Remittances cabled, Bills negotiated or collected.
Deposits received for fixed periods at rates to be ascertained on
application, and all Banking and Exchange Business connected with
Western Australia conducted through the

London Agents:

THE BANK OF ADELAIDE, 11, Leadenhall St., London, E.C.3

THE COMMERCIAL BANKING COMPANY OF SYDNEY

LIMITED

EST. 1834.

Incorporated in New South Wales.

Capital Paid up	- £3,500,000
Reserve Fund	- £3,000,000
Reserve Capital	- £3,500,000
	£10,000,000

HEAD OFFICE:

343, GEORGE ST., SYDNEY

General Manager—J. R. DRYHURST.

LONDON OFFICE:

18, BIRCHIN LANE, LOMBARD
STREET, E.C.3

Manager—V. B. JONES.

242 Branches in New South Wales and Queensland,
Agencies throughout Australia and New Zealand, and
all other parts of the World.

Drafts payable on demand and Letters of Credit
are issued by the London Branch on the Head Office,
Branches and Agencies of the Bank. Bills on
Australasia negotiated or collected. Remittances cabled.

NETHERLANDS BANK OF SOUTH AFRICA

Authorised Capital	- £750,000
Subscribed and	
Paid-up Capital	- £468,541 13s. 4d.
Reserve	- £157,083 6s. 8d.

Head Office:

AMSTERDAM, HEERENGRACHT, 546.

London Agency:

201, SALISBURY HOUSE, FINSBURY
CIRCUS, E.C.2.

LONDON MANAGER: J. COST BUDDE.

Hamburg Agency:

SCHAUENBURGERSTRASSE, 14 HAMBURG.

Head Office in South Africa:

PRETORIA.

London Bankers: NATIONAL PROVINCIAL BANK, LTD.
MIDLAND BANK LIMITED and Messrs. B. W. BLYDENSTEIN
& CO.

BRANCHES IN SOUTH AFRICA:

Bethlehem, Bloemfontein, Brits, Bronkhorstburg, Capetown,
Dullstroom, Durban, East London, Ermelo, Hartbeespoort,
Johannesburg, Pieterburg, Port Elizabeth, Potchefstroom, Premier
Mine, Pretoria, Witbank.

The Bank is prepared to issue Drafts and Letters of Credit,
and to make Telegraphic Transfers upon its branches, as
well as upon its Agencies in the Cape Province, Natal, Orange
and Free State, and Transvaal. Bills negotiated and collected,
connection with South Africa. Current Accounts transacted in
Deposits received for fixed periods.

October 9, 1926.]

THE DAI-ICHI GINKO, LIMITED

(FORMERLY THE FIRST NATIONAL BANK)
ESTABLISHED 1873.

SUBSCRIBED CAPITAL	Yen 50,000,000.00
PAID-UP CAPITAL	- Yen 50,000,000.00
RESERVE FUNDS	- Yen 49,000,000.00

Y. SASAKI, President.
K. ISHII, Vice-President.
Y. NOGUCHI, Managing Director.
S. SUGITA, Managing Director.

HEAD OFFICE:

No. 1, KABUTO-CHO, NIHONBASHI-KU, TOKYO.
T. AKASHI, Manager.

CITY BRANCHES:

Muromachi, Shin-Okachio, Fukagawa, Marunouchi,
Kyobashi, Asakusa.

HOME BRANCHES:

Yokohama, Toyohashi, Nagoya, Tamayacho (Nagoya),
Yokkaichi, Kyoto, Nishijin (Kyoto), Gojo (Kyoto),
Fushimi, Osaka, Nishiku (Osaka), Minamiku (Osaka),
Honmachi (Osaka), Kobe, Hyogo, Kyomachi (Kobe),
Hiroshima, Shimonoseki, Chofu, Moji, Kokura, Fukuoka,
Kurume, Kumamoto, Hakodate, Otaru, Sapporo, Muroran.

BRANCHES IN COREA:

Seoul, Fusan.

LONDON AND NEW YORK BANKERS:

LONDON:

Westminster Bank, Ltd.

Midland Bank, Ltd.

The Yokohama Specie

Bank, Ltd.

NEW YORK:

The National City Bank of

New York.

The National Bank of Com-

merce in New York.

The Yokohama Specie

Bank, Ltd.

CORRESPONDENTS:

The Bank, in addition to its own Branches, has numerous
Agencies or Correspondents in the principal Cities and
Towns at Home and Abroad.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38, BISHOPSGATE, LONDON, E.C.2.

Incorporated by Royal Charter.

CAPITAL	£3,000,000
RESERVE FUND	£4,000,000

COURT OF DIRECTORS.

Mr. MONTAGU CORNISH TURNER, Chairman.	EDWARD FAIRBAIRN MACKAY, Esq.
HENRY BATESON, Esq.	WILLIAM FOOT MITCHELL, Esq., M.P.
COLIN FREDERICK CAMPBELL, Esq.	ARCHIBALD ROSE, Esq., C.I.E.
WILLIAM HENRY NEVILLE, Esq.	LEWIS ALEXANDER WALLACE, Esq.
OSCHER, K.B.E.	JASPER BERTRAM YOUNG, Esq.
ARCHIBALD AULDJO JAMESON, Esq.	J. S. BRUCE, Esq., G. MILLER, Esq., Managers.
W. E. PRESTON, Chief Manager.	

AGENCIES AND BRANCHES.

LOH STAR (Malay States)	HONG KONG	PUKET
AMRITSAR	IOILO	RANGOON
BANGKOK	IPOH	SAIGON
BATAVIA	KARACHI	SEMARANG
BOMBAY	KLANG	SEREMBAN
CALCUTTA	KOBE	SHANGHAI
CANTON	KUALA LUMPUR	SINGAPORE
CAWNPORE	KUCHING	SOURABAYA
CEBU	(Sarawak)	TAIPEI (F.M.S.)
COLOMBO	MADRAS	TAVOY
DELHI	MANILA	TIENTSIN
HAIPHONG	MEDAN	TOKYO
HAMBURG	NEW YORK	TSINGTAO
HANKOW	PEKING	YOKOHAMA
	PENANG	ZAMBOANGA (Philippine Islands)
	PESHAWAR	

BANKERS.

THE BANK OF ENGLAND.
MIDLAND BANK, LIMITED.
WESTMINSTER BANK, LIMITED.
NATIONAL PROVINCIAL BANK, LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.
The Corporation buy and receive for collection Bills of Exchange, grant
Drafts payable at the above Agencies and Branches, and transact general
banking business connected with the East. Deposits of Money are received for
fixed periods at terms which may be ascertained on application; interest
payable half-yearly, 30th June and 31st December. On Current Accounts
interest is allowed at 2 per cent. per annum on the minimum monthly balances
provided they do not fall below £200. The Bank is prepared to undertake
Remittances and Executions.



LATVIJAS BANKA

State and Emission Bank of the
Republic of Latvia.

Cable Address: "Valstibanka."

Head Office: Riga.

Branches in all important places of
Latvia.

Executes all Banking operations.

Opens Credits in connection with
Import and Export business.

Collections, Transfers, Discounts, etc.

Affords every facility for
transactions to and from
Foreign States.

NATIONAL DISCOUNT COMPANY, LIMITED.

ESTABLISHED 1856.

35, CORNHILL, LONDON, E.C.3.

Telegraphic Address:
"NATDIS, STOCK, LONDON."

Telephone:
AVENUE 1484, 1485, 1831.

Subscribed Capital - £2,153,335 0 0

Paid-up Capital

"A" Shares of £2 10s., fully paid	£423,332 10 0
"B" Shares of £7 10s., £2 10s. paid	576,667 10 0

£1,000,000 0 0

Reserve Fund - £800,000 0 0

DIRECTORS.

Col. The Hon. SIDNEY PEEL, D.S.O., Chairman.	BERTRAND T. PETLEY.
FREDERICK W. GREEN.	CHARLES D. SELIGMAN.
The Rt. Hon. F. LEVERTON HARRIS.	PHILIP H. WADE.
WALTER J. HERIOT.	
Sir SIGISMUND F. MENDEL, K.B.E.	

Manager.—FRANCIS GOLDSMITH.

Sub-Manager.—JAMES E. E. HERIOT.

Assistant Manager.—SYDNEY N. LIGHTON.

Secretary.—CHARLES H. GOUGH.

Auditors.

FRANCIS W. PIXLEY (Jackson, Pixley & Co.).
Sir ALBERT WYON, K.B.E. (Price, Waterhouse & Co.).

Bankers.

BANK OF ENGLAND.
NATIONAL PROVINCIAL BANK, LIMITED.

Bank and Approved Mercantile Bills Discounted.
Money received on Deposit at Call and Short Notice, and
Interest allowed at the Current Market Rates; and for
longer periods upon specially agreed terms.
Loans granted upon negotiable securities.

BANK OF BRITISH WEST AFRICA, LIMITED.

ESTABLISHED 1894.

Authorised Capital	£4,000,000
Subscribed Capital	£3,000,000
Paid-up Capital	£1,200,000
Reserve	£400,000

Bankers to the Governments of the Gambia,
Sierra Leone, Gold Coast, Nigeria and
Republic of Liberia.

Chairman:

THE EARL OF SELBORNE, K.G., G.C.M.G.

HEAD OFFICE:

37, GRACECHURCH STREET, LONDON, E.C.3.

GENERAL MANAGER:

LESLIE COUPER, G.M.G.

Liverpool, Manchester, Hamburg, Gibraltar, West
Africa, Canary Islands, Morocco.

Agents in New York: Agents in Egypt:
Standard Bank of South Africa, Ltd. Lloyds Bank Limited.

PRINCIPAL SHAREHOLDERS:

Lloyds Bank Limited; National Provincial Bank
Limited; Standard Bank of South Africa, Limited;
Westminster Bank Limited.

ALEXANDERS DISCOUNT CO. LIMITED, 24 Lombard Street, E.C.3.

Capital Authorised	£1,250,000
Capital Subscribed	1,100,000
Paid up	600,000
Reserve Fund	460,000

DIRECTORS.

COLIN FREDERICK CAMPBELL, Chairman.

ROBERT ERNEST ALEXANDER.

GEORGE CLEVERLY ALEXANDER.

SIR AUSTIN EDWARD HARRIS, K.B.E.

ERIC GORE BROWNE, D.S.O.

Manager—F. NEWCOMB.

Sub-Manager—E. D. SPRING RICE.

Secretary—A. K. BRUCE.

Approved Mercantile Bills discounted. Loans
granted on negotiable securities. Money received
on deposit at call and short notices at current market
rates, as advertised from time to time in the daily
papers. For longer periods on specially agreed terms.

The Company deals in British Treasury Bills
of any maturity.

Telegraphic Address: "Compdebery, Amsterdam."

Handel-Maatschappij H. Albert de Bary & Co AMSTERDAM

Merchant Bankers

Capital - Fl. 9,000,000
Reserves Fl. 3,000,000

Hongkong and Shanghai Banking Corporation

AUTHORISED CAPITAL	£50,000,000
ISSUED AND FULLY PAID UP	£20,000,000
RESERVE FUNDS (STERLING)	£4,500,000
SILVER	£27,000,000
RESERVE LIABILITY OF PROPRIETORS	£20,000,000

Head Office - HONGKONG.

COURT OF DIRECTORS:

Hon. Mr. D. M. BERNARD, Chairman.

Hon. Mr. A. S. LANG, Deputy-Chairman.

W. H. B. ... G. WEALL.

A. H. COMPTON ... W. H. E.

W. L. PATTENDEN ... J. A. PLUMMER.

J. A. PLUMMER ... CHIEF MANAGER.

BRANCHES AND ...

Amoy, Bangkok, Batavia, Bombay, Canton, Chefoo,
Colombo, Dairen (Dairen), Foochow, Hongkong, Hankow,
Hankow, Harbin, Hongkong (Shanghai), Ipoh, Johore, K.
(Hiogo), Kuala Lumpur, London, Lyons, Malacca, Man.
Nagasaki, New York, Peking, Penang, Singapore, Saigon, S.
Francisco, Shanghai, Singapore, Sourabaya, Sungei Patani,
Tientsin, Tokyo, Tsingtao, Yokohama.

COMMITTEES IN LONDON:

Sir Charles Addis, K.C.M.G., Chairman.

Hon. Cecil Baring, Sir George Mackenzie.

David Landale, G.B.E., K.C.B., K.C.M.G.

Sir Geo. Sutherland, A. M. Townsend.

C. F. Whigham.

MANAGERS IN LONDON:

Sir Newton J. Stubb, H. D. C. Jones.

Sub-Manager, R. E. N. Padfield, Accountant, A. Moneur.

9, GRACECHURCH ST., LONDON, E.C.3.

THE CENTRAL BANK OF INDIA, LTD.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches:

CALCUTTA, KARACHI, LAHORE, AMRITSAR,
LYALLPUR, JHARIA, DELHI, MADRAS,
RANGOON, HYDERABAD (DECCAN), CANNUPUR,
LUCKNOW, KASUR, CHANDAUJI, ASANSOL,
HAPUR, AMINABAD, AHMEDABAD AND
SECUNDERABAD.

London Agents:

THE LLOYDS BANK, LIMITED.

Agents in America:

THE GUARANTY TRUST CO., NEW YORK.

Agents in Germany:

THE DEUTSCHE BANK, BERLIN.

Subscribed Capital Rs.	3,36,00,000
Paid-up Capital - Rs.	1,68,00,000
Reserve Fund - Rs.	1,00,00,000

S. N. POCHKHANAWALA, Managing Director.

BANCO DE BILBAO

(ESTABLISHED 1857.)

Head Office, BILBAO.

BRANCHES:—

BARCELONA, BURGOS, CASTRO-URDIALES,
CORDOBA, LEON, MADRID, MEDINA DE POMAR,
MELILLA, PAMPLONA, PARIS (29, AVENUE
de l'OPERA), REUS,
SABADELL, SAN SEBASTIAN, SEVILLA, TAFALLA,
TANGER, TARRASA, VALENCIA, VITORIA,
ZARAGOZA.

LONDON, BILBAO HOUSE,
36, New Broad St., E.C.2.

AUTHORISED CAPITAL	- Pesetas 100,000,000
PAID-UP CAPITAL	- " 60,000,000
RESERVE FUND	- " 63,000,000

The only Spanish Bank operating in England.

The London Branch has been established with
a view to the development of Anglo-Spanish
Commerce.

Current Accounts opened in Sterling, Pesetas
and Francs, at sight, bearing interest, and every
description of banking business transacted on
most advantageous terms, including acceptances,
domiciliations, commercial credits, payments and
collections on goods, etc.

Foreign Exchange, Stock Exchange, Custody
of Securities, Collection of Coupons, etc., etc.
Terms on application.

Telegraphic Address: Telephone Nos.:
BANCOBAO, AVE, London Wall 3556.
LONDON. London Wall 3557 (Foreign Exchange).

BANQUE NATIONALE DE BULGARIE

ESTABLISHED IN 1879.

HEAD OFFICES IN SOFIA

Governor: AS. IVANOFF. Deputy-Governors:
J. TH. BOURLIKOFF, D. BOJILOFF.

DR. P. K. ... KOLEFF.

Extract from the Monthly Return of

	Levs.
Gold coin	666,735,586
Silver coin	665,769,028
Foreign coin	29,838,207
Current	27,002,249
Commercial	208,130,970
on security	261,503,544
Long-term	2,557,105,756
Notes in	309,307,576
Advances	500,000,000
Special	309,824,264
Deposits at call	272,079,151
Deposits at notice	
Capital	
Funds for Amortization of State Debt to	
Banque Nationale de Bulgarie	
dry Funds	

CHES: Sofia, Varna, Bourgas, Rousschouk, Plovdiv,
Rovovo, Pleven, Vidin, Sliven, Stara-Zagora, Lom,
Schoumen, - Dougnitza, Gorna-Orechovitza,
Targovishte, Kirdjalli, Kustendil, Tatar-Bazardjik,
Agencies.

Mellon National Bank 'PITTSBURGH, PA.

Statement of Condition at the Close of Business,
June Thirtieth, Nineteen Hundred Twenty-six.

RESOURCES.	
Loans and Discounts	\$47,640,643.95
Overdrafts	9.36
United States Obligations	43,807,024.58
Other Bonds and Investments	47,873,405.12
Banking House, Furniture and Fixtures	1,947,188.61
Cash and Due from Banks	26,732,943.71
	\$168,001,215.33

LIABILITIES.	
Capital	\$7,500,000.00
Surplus	7,500,000.00
Undivided Profits	373,979.64
Reserves	4,555,874.72
Borrowed from Federal Reserve Bank	4,200,000.00
Circulating Notes	2,287,500.00
Deposits (Banks)	\$38,818,010.00
Individuals	102,765,850.97
	\$168,001,215.33

CABLE ADDRESS: "MELLONSON, PITTSBURGH."

Thorough facilities for every phase of Banking.
Direct connections with all parts of the U.S.

London Agents:
NATIONAL PROVINCIAL BANK, Ltd.

COMMERCIAL AND INDUSTRIAL BANK of the U.S.S.R.

Cable Address: "PROMBANK."

Established November, 1922.

Main Office:
KARUNIN SQUARE, 2/7, MOSCOW.88 BRANCHES, OFFICES AND
AGENCIES IN THE UNION.

STATEMENT as of September 1, 1926.

Paid and Subscribed Capital - Rbls. 75,906,800	Deposits and Current Accounts Rbls. 191,900,000
Reserves and Special Funds - 26,900,000	Discounts and Loans - 351,600,000

"PROMBANK" was established with special object for financing the State Industries and Trades of the U.S.S.R.

It handles Exports and Imports in raw materials and goods manufactured.

It transacts business in Russian and Foreign Currency.

Discounts and Loans to the State Industries and Trade Organisations on September 1, 1926, amounted to Rbls. 318,100,000.

Correspondents of "PROMBANK":—

GREAT BRITAIN:

LONDON: Lloyds Bank Limited;
Bank for Russian Trade, Limited;
The Moscow Narodny Bank, Limited.

UNITED STATES:

NEW YORK CITY: The Chase National Bank of the City of New York;
The Amalgamated Bank of New York.

CHICAGO: The Amalgamated Trust and Savings Bank.

CORRESPONDENTS IN ALL IMPORTANT CITIES OF EUROPE, AMERICAS, NEAR AND FAR EAST.

SPECIAL SUPPLEMENTS TO THE ECONOMIST

FINANCES OF FRANCE

- Report of the Expert Committee.

BRITISH BUDGET

Survey of the National Accounts, Future Prospects and some comparisons.

DANUBIAN

The aim of this Supplement is to give our readers a summary of the principal data relating to the economic life of the Danubian countries, and, in particular, to outline the progress of economic reconstruction in the part of Europe which was particularly affected by the war and the Treaty settlement. These countries, and not only have many problems in common. An attempt has, therefore, been made to treat the region as a whole, to give a short account of the particular features of each State in turn; and, lastly, to review the general tendencies of the past seven years for the light they throw on the factors determining the future of further reconstruction in the future.

A few copies of the above SUPPLEMENTS are still available and may be obtained, post free, 7d., from the Publisher.

Offices: 3, ARUNDEL STREET, STRAND, W.C.2.